

ARE PUBLIC LANDS THE ANSWER TO IMPROVING HOUSING AFFORDABILITY?

A Closer Look at Whether America's Vast
Public Lands Can Ease the Housing Crunch

By Megan Lawson

COMMUNITIES across the country are facing increases in housing costs due to high demand, supply chain disruptions, construction labor shortages, and other factors. A shortage in housing supply is particularly challenging in rural Western communities.

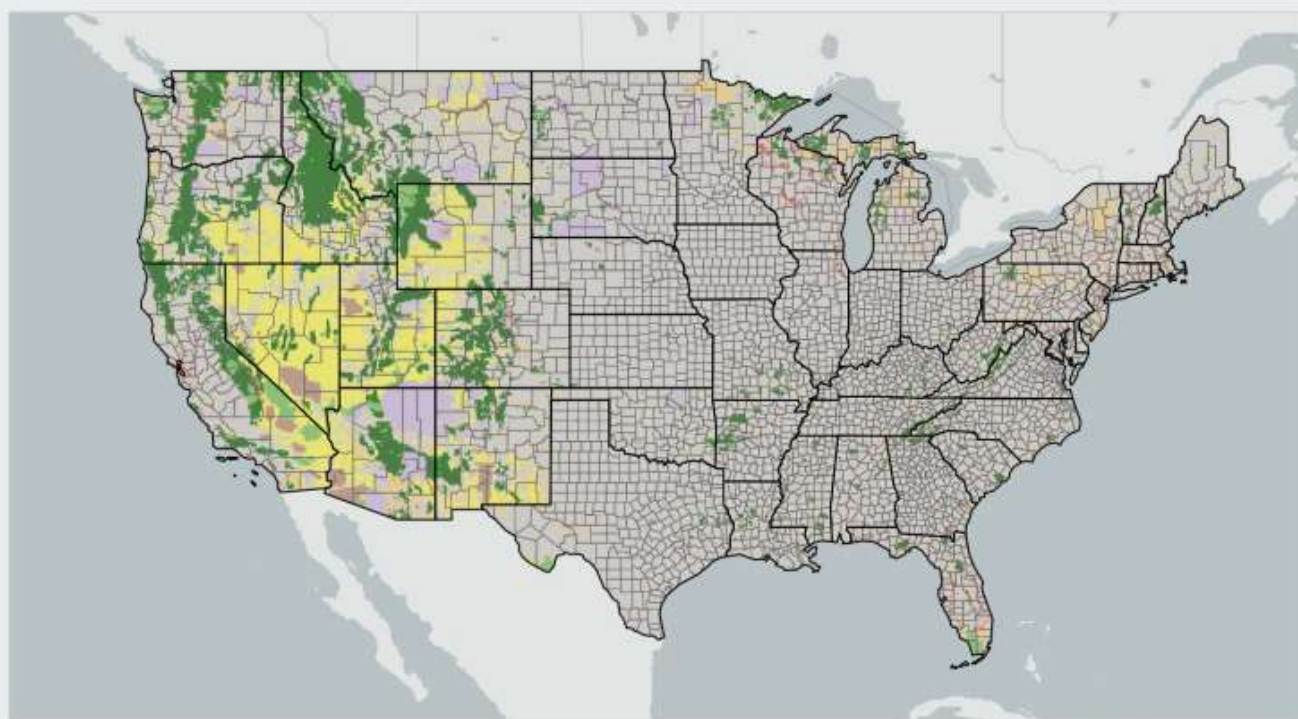
The nation's vast holdings of federal public lands – nearly 640 million acres of national parks, forests, grasslands, wildlife refuges, and monuments, primarily in the West – have caught the attention of lawmakers. Both the Trump and Harris campaigns in 2024 proposed building housing on public land to help solve the housing crisis. In March 2025, the U.S. Department of Housing and Urban Development and the U.S. Department of Interior announced a [joint task force](#) to identify federal land that could be suitable for residential development.

Headwaters Economics investigated how much federal land is suitable for housing and whether it can meaningfully improve housing affordability. Our analysis found that development opportunities are limited to a few states in the West and are further limited by high wildfire risk.

Housing Potential on Federal Public Land is Limited

To evaluate whether national public land could help reach housing goals, Headwaters Economics identified federal public land near communities where housing production has lagged behind demand, including in rural places and smaller but rapidly developing gateway communities near national parks and other natural amenities. We examined Forest Service operational lands and select DOI lands within a quarter-mile of towns with unmet housing

Land Ownership in the United States



BLM	Yellow	Tribal	Purple
USFS	Green	State	Dark Green
NPS	Light Green	City, County, Other	Light Purple
Federal (other)	Brown	Private	Red
			Grey

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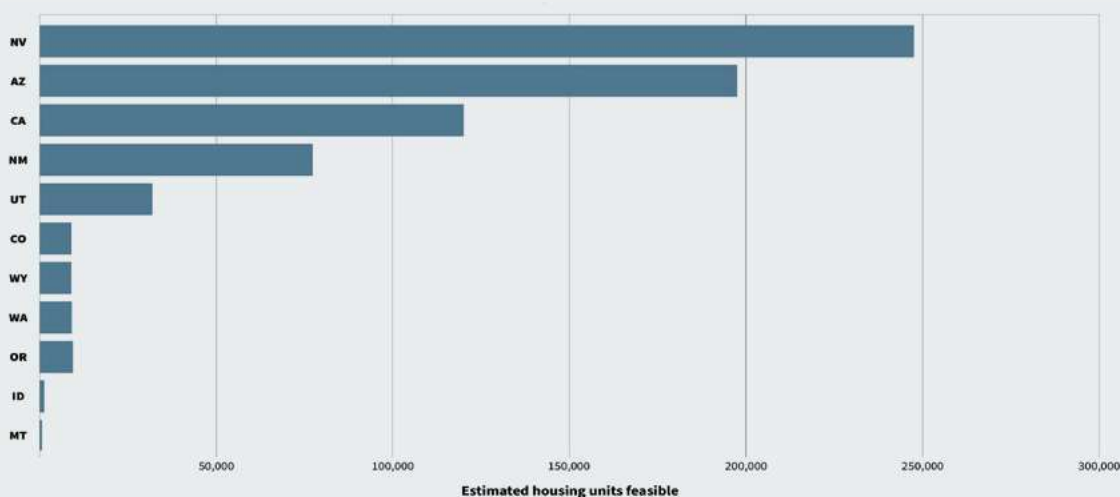
Source: US Geological Survey, Gap Analysis Program. 2018.
Protected Areas Database of the United States (PADUS) version 2.0.

needs and a population of at least 100. (For a complete explanation of our methodology, see the full report at <https://headwaterseconomics.org/public-lands/wildfire-public-land-housing/>.)

Less than 2 percent of the 181 million acres of Forest Service operational and Department of Interior land included in the analysis are close enough to towns with housing

needs to be practical for development – around 2.4 million acres. Safety is an important consideration for residential development. More than half (58 percent) of the federal land near communities with housing needs also faces high wildfire risk, leaving only about 1 million acres realistically available for safe development. Many of these places also face hazards such as flooding and drought.

Safe Housing on Federal Land



Note that 99% of estimated housing units occur on DOI land given the limited USFS lands near communities with unmet housing needs and in lower wildfire risk areas.

Data sources: US Geological Survey; USDA Forest Service; US Census Bureau; UpForGrowth; Wildfire Risk to Communities



The number of homes that could realistically be built on these public lands is limited. Applying a conservative density estimate of 0.66 housing units per acre – the Census standard for [defining urban core areas](#) – and assuming areas with high wildfire risk should be avoided, we estimate fewer than 700,000 new homes could be built on the suite of federal lands that are near Western towns and cities with unmet housing needs. The potential is concentrated in just a handful of states: Nevada, Arizona, California, New Mexico, and Utah.

Whether there is a real opportunity to improve housing affordability by building homes on these rural lands depends on a host of local factors. Essential considerations include whether there is enough water to support new development, builders willing to develop housing at affordable price points, and a labor force to construct new housing. In many communities with unmet housing needs, a lack of available land is not actually the barrier. Much of this federal land is also currently used for agricultural or resource leases, or for water or wildlife protections, posing legal and fiscal

constraints to alternative uses such as housing. Finally, proposed projects must align with communities' interests in preserving access to outdoor recreation and natural areas.

Guardrails Necessary for Housing on Public Land

Developing housing on public lands may offer benefits in a limited number of communities, but it is not a broad solution. While access to low-cost land can help, housing affordability depends on a complex set of factors such as [construction and labor costs](#), [financing availability](#) and [interest rates](#), [insurance](#) access and affordability, and proximity to jobs. Hyperlocal constraints like [water supply](#) and community opposition can further restrict feasibility. In the few areas where using public lands for housing may be appropriate, clear policy guardrails should be established to guide decision-making and implementation, including the following:

Ensure Long-Term Affordability of Housing on Public Lands

More housing does not automatically mean more *affordable* housing – especially in desirable, high-amenity rural areas

– so any housing built on public land must have permanent affordability guarantees. Policymakers should:

- Require deed restrictions, community land trusts, partnerships with housing agencies, or other affordability tools for housing developed on federal lands to ensure long-term benefits for local workers and residents.
- Provide subsidies or tax incentives, and technical support for developers to access these programs, to support long-term affordability.

Prioritize Infill

Before considering the use of federal lands, communities must first maximize opportunities to build housing within existing boundaries. Infill and the redevelopment of underutilized sites make more efficient use of infrastructure, [lower long-term taxpayer costs](#), and support walkable, affordable neighborhoods. To protect open space, reduce wildfire exposure, and improve housing affordability, local governments can take several steps to expand housing options within their communities' existing neighborhoods:

- Adopt zoning reforms that allow for smaller lots and a mix of housing types, such as duplexes and fourplexes.
- Limit short-term rentals and incentivize long-term rentals to stabilize housing supply and affordability.
- Prioritize redevelopment of vacant or underutilized sites to make more efficient use of land and infrastructure.

Protect Public Value for the Long Term

Federal public lands are a national asset held for the benefit of all Americans. They deliver lasting economic, ecological, and cultural value, safeguarding clean drinking water, supporting working landscapes for timber, grazing, and mining, and providing unmatched access to recreation such as hunting, hiking, and camping, which fuels a [\\$1.2 trillion outdoor recreation economy](#).

Selling public lands for short-term housing gains risks forfeiting these long-term public benefits. Once sold, public lands are unlikely to be recovered and the ecological, recreational, and economic functions they provide may be lost permanently. To preserve taxpayer value and future options, policymakers should:

- Require clear safeguards, ensuring that development cannot proceed without confirming protection of critical resources like water supplies, wildlife habitat, and public access to recreation.
- Use strategic land swaps that protect high-value resources such as watersheds, wildlife habitat, and working forests or rangelands.
- Prioritize leasing over permanent sales, preserving taxpayer value and potential revenue for future generations and giving the federal government authority regarding the [density and affordability](#) of housing that is built.

- Dedicate financial proceeds to a permanent [public lands endowment](#), with the principal protected and interest reinvested in public benefits like conservation, land stewardship, or affordable housing.

Ensure Housing is Durable and Safe

In rare cases where communities have limited options for growth, carefully planned housing may be viable on adjacent public land. In these instances, new housing must be built to last and not exacerbate existing wildfire and drought risks. To ensure housing is durable, policymakers should:

- Support [grant programs](#) and technical assistance to help communities invest in long-term durability.
- Require wildfire- and drought-resistant building practices. Defensible space requirements, [landscaping codes](#), building codes, and infrastructure requirements can help ensure long-term durability.

Tailor Solutions to Community Realities

Communities face a wide range of housing challenges, but the drivers often differ significantly between rural and urban areas. While some towns struggle with land availability, other unrelated barriers can further limit options, including rising construction costs or an inability to attract and retain a construction workforce. In many rural areas, even when land is available the private market alone cannot deliver housing that is both affordable and financially viable to build.

Recognizing that housing constraints differ from place to place, federal policies must be flexible, locally informed, and designed to address the root cause – not just the symptom – of a community's housing need. Solutions for expanding affordable housing on nonfederal land might include:

- [Technical assistance](#) and planning support to help rural and [low capacity](#) communities identify viable housing sites and navigate regulatory barriers.
- [Incentives for builders and developers](#) to take on projects that would otherwise be financially marginal.
- [Workforce development programs](#) to grow the local construction trades.
- Targeted financing tools like [low-interest loans](#), grants, and credit enhancements to make affordable and workforce housing projects pencil out.

Ultimately, the use of public land for housing should be part of a broader toolkit of housing solutions, not a standalone fix. Housing policies must meet communities where they are, offering the right mix of land use flexibility, financial support, and capacity building to ensure durable, affordable housing over the long term.

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