



## What the Brick Industry Doesn't Tell You About the University of Michigan Study of Masonry Ordinances and Property Values

The Brick Industry makes the claim that “ordinance-protected communities have property values more than twice as high, three to five times the population growth over a quarter century, much higher median incomes, a stronger tax base, lower general taxes and more.”<sup>1</sup>

The Brick Industry funded study attempts to justify and promote the adoption of masonry ordinances. What the Brick Industry doesn't highlight are the numerous caveats and exceptions that undermine the underlying claims that material requirements increase the property values and contribute to continued growth, without any significant increase in ownership or rental costs.

Here are some examples of cautionary statements from the study itself:

On the **economic performance** of the communities studied:

- “The strong economic performance observed in Orland Park and Tinley Park may not be entirely attributed to the adoption of a masonry ordinance. We cannot deny the possibility that these positive outcomes may well reflect the confluence of many factors, with a masonry ordinance being one of them.” (p. 50)
- “Table 4 shows two conflicting patterns. The price level comparison shows that property values are higher in Orland Park and Tinley Park, but the appreciation rate analysis shows that housing price appreciates faster in Hoffman Estates and Streamwood during the study period.” (p. 34)

On **increased ownership and construction costs**:

- “Although construction costs are increased when masonry exterior is required, the cost increase is often small, less than 5 or 6%, depending on the specific region of the country.” (p. 47)

(Over)

<sup>1</sup> *Construction Quality, Externality, and Community Competitiveness: A Study of Masonry Ordinances in Chicago's Suburbs*



- “Table 3 shows that the use of different exterior materials does have an independent impact on housing price, after controlling for all other property features. ... The more masonry is used, the higher the price. Compared with properties whose exterior is entirely frame, properties with at least three sides of masonry walls sell at a 2.5% higher price, and properties with both masonry and frame on their exteriors sell at a 1.6% higher price, everything else being equal. Thus, for a typical \$200,000 house, these coefficients would be translated into a difference of about \$5,000 and \$3,300 respectively. Such differences can be viewed as the premium paid for the benefits owners of masonry properties enjoy – benefits such as aesthetic appeal, reduced maintenance cost, and insurance cost savings.” (pp. 30-31)

On the **value** of a masonry ordinance to homeowners:

- “There is only a moderate premium associated with a masonry property over a non-masonry property.” (p. 51)

The truth is, the caveats and exceptions included in the study undermine the claim that material requirements increase the value of property and contribute to continued growth without any significant increase in ownership or rental costs.

In addition, mandating the use of specific materials does not ensure the materials themselves will be of high quality, that the design of the structures will be aesthetically pleasing, or that the materials will be installed correctly. The vinyl siding industry sponsors the *VSI Vinyl Siding Product Certification Program* which allows manufacturers to certify with independent verification that their vinyl siding meets or exceeds the requirements of ASTM D3679, the internationally accepted standard for vinyl siding quality. Additionally, *VSI's Certified Installer Program* ensures that individuals are properly trained to install vinyl siding, consistent with ASTM D4756 for installation.

The Brick Industry is making claims about the economic performance and growth of communities with masonry ordinances simply to sell more bricks.

We encourage you to listen to the facts.

Side with choice.