Sightline INSTITUTE

Apartments Are a Climate Solution

Pro-housing policies deliver building decarbonization wins—automatically.

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Memo by Alan Durning

A sequel to "The Pro-Housing Movement Is Now a High ROI Climate Investment"

Building decarbonization—weaning buildings from on-site fossil fuel combustion by converting them from gas to electricity—is a $1 billion-a-year quest for US climate philanthropy.[1] It trails only zero-carbon transportation and cleaning the electric grid in its share of the nonprofit climate movement's budget, because US buildings release 13 percent of the nation's greenhouse gases.[2]

But recent strategies that lobby for all-electric building codes and gas phaseouts or that subsidize electrification have faced litigation and political headwinds, especially since November 2024. They have never fared well in red or purple states.

Fortunately, another path to building decarbonization is open in those jurisdictions: to allow apartments in many more places.

Building more homes in multifamily structures may not sound like a way to cut emissions, but the United States has a 5-million-unit housing shortage. If the nation fills more of that gap with apartments rather than houses, the emissions benefits will be surprisingly large.

As this memo will demonstrate, most new apartment buildings, unlike most new houses, already heat their air and water with electricity, and that's almost as true in parts of the United States without climate-friendly building codes as it is in parts with those codes.

Indeed, apartments are so much more electrified than houses that every American who chooses an apartment over a house is about 60 percent more likely to inhabit an all-electric residence. What's more, many more Americans would choose apartments were they more available. Many more would be available—and their rents more affordable—were they not excluded by zoning codes from all but a tiny sliver of US residential land.

In a period of climate backlash, a strategic move for proponents of building decarbonization may be to clear away bans on apartments. Fortunately, they will find strong partners: the budding pro-housing movement has already joined that cause. Bipartisan and increasingly successful, it has in recent years begun legalizing apartment buildings in an impressive array of red and blue states. It has won these reforms with surprising little philanthropic funding and is ready to scale up rapidly.

In this way, apartment legalization *is* building decarbonization, and climate leaders—or their funders—can magic wand all-electric buildings into existence by their thousands just by turning attention to pro-

[1] *An Indiana University survey estimates that US climate philanthropists spend about $1 billion a year on building decarbonization out of a total of $8-9 billion. See Mapping Nonprofit Spending on Climate Change, p. 16.*

[2] *This estimate excludes off-site emissions from electric power plants that supply buildings, extraction and manufacturing of building materials, and other indirect sources covered in the previous memo. This memo, unlike its predecessor, focuses narrowly on on-site emissions. It also focuses on residential buildings, which account for most of the 13 percent building emissions total cited. A specific reliable estimate for all residential buildings' on-site emissions is unavailable, but it's probably around 9 or 10 percent.*

apartment advocacy, especially in red states and at the federal level. They might even pursue it in blue states and cities.

This turn toward an abundant housing agenda, moreover, will yield bonus climate benefits, because apartments' electrification only accounts for a small share of their emissions payoff.

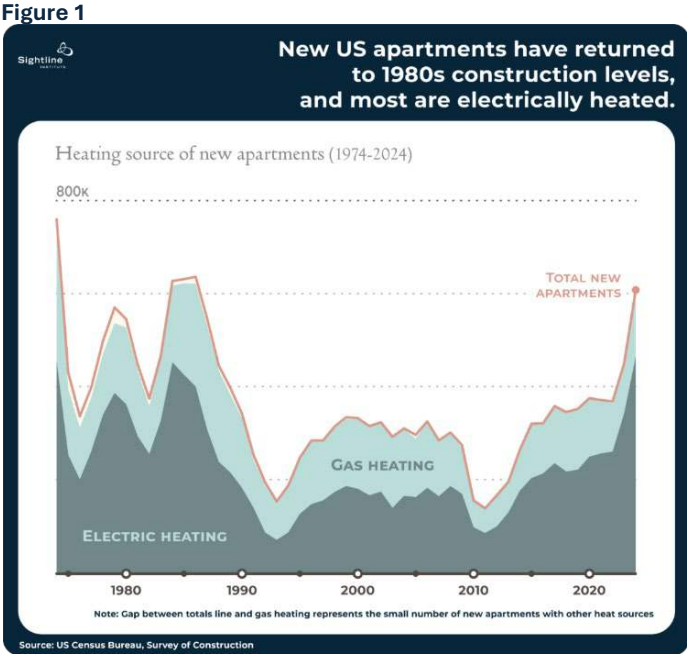
As detailed in Sightline's previous memo "The Pro-Housing Movement Is Now a High ROI Climate Investment" and in Appendix 1 (below), apartments are inherently more climate-efficient than houses, because they are smaller per resident and share walls. Their residents drive much less, and their construction causes fewer emissions from land and material extraction and manufacturing as well. That previous memo shows how solving America's housing shortage by allowing more in-town dwellings is a smart climate strategy overall. This memo focuses on a narrower argument: building decarbonization by allowing more apartments.

Apartments: Increasing, electric, and increasingly electric

More than a quarter of US residences are apartments, and their share is growing; the remainder are houses.[3] The former are found mostly in city, suburb, and town centers and occupy a tiny slice of American residential land, probably less than 5 percent, as detailed below.

US apartment construction reached 600,000 new apartments in 2024, a level not seen since the 1980s (see Figure 1). During the past half century, electric heating has predominated in new apartments, according to the Census Bureau's annual Survey of Construction (the principal source of data for this memo). Heating dominates energy use in US residences, at 42 percent of the total; add air conditioning, and the total rises to 52 percent for controlling indoor temperatures. Electric heating is the main event in building decarbonization, because some 68 percent of residential natural gas consumption goes to space heating.

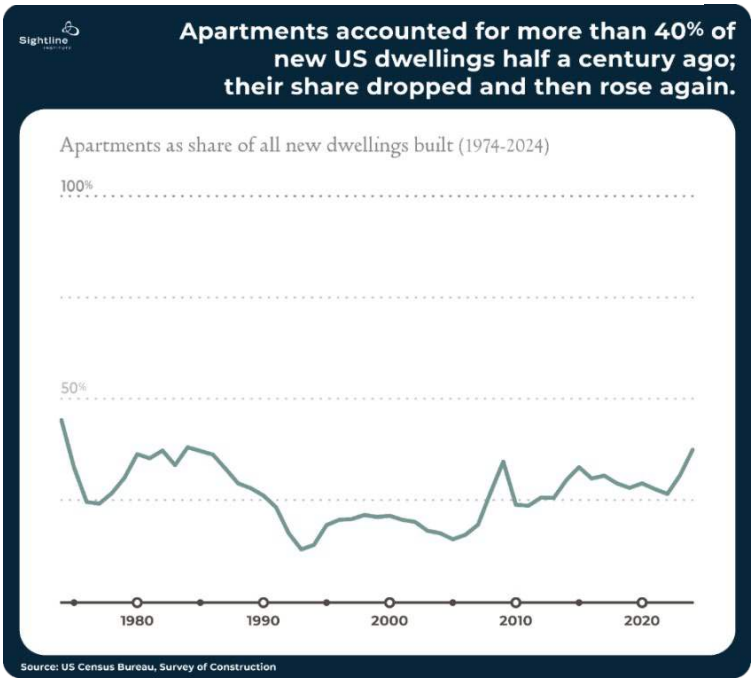
Figure 1



[3] The Census Bureau's Survey of Construction, the principal data source for this memo, divides dwellings between single-family and multi-family buildings. Confusingly, its "single-family" definition includes not only detached single-unit houses and rowhouses but also duplexes, triplexes, and fourplexes, as long as no unit is stacked above another. Almost all the "single-family" category is detached houses, though, so for simplicity, I refer to the whole category as "houses." The survey defines multifamily as any stacked multi-unit dwelling and also any dwelling in a building with more than four units, regardless of stacking. I refer to all homes in these multi-family buildings as "apartments."

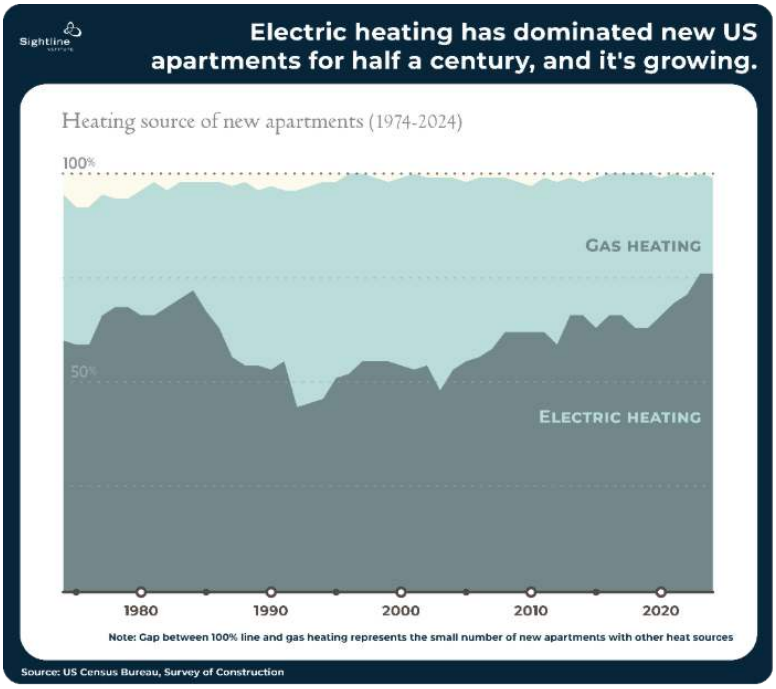
Apartments are expanding as a share of dwellings. Over the last half-century, about 27 percent of new US residences have been apartments. In 2024, the figure reached 37 percent, the largest share in four decades, as shown in Figure 2.

Figure 2



Apartments are not only inching upward as a share of all new homes; the share of them that is electrically heated is growing as well. Electric heating grew to 76 percent of new apartments in 2024, the highest share on record, as shown in Figure 3. The electric share has rarely dipped below half of all new apartments. Overall, 68 percent of new apartments constructed since 1973 are heated with electricity.

Figure 3



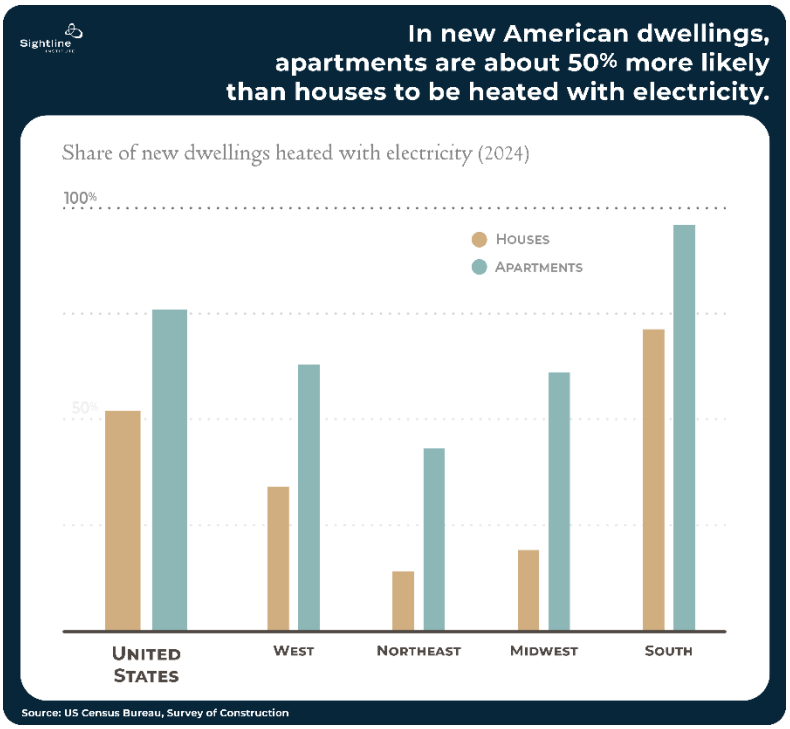
Apartment developers install electric rather than gas heat because apartments' shared walls and smaller square footage per resident make them easier to keep warm than houses, which makes electricity's higher cost per unit of energy immaterial. They also find electric heat, compared with gas, easier to install and easier to meter for each unit.

Detached houses contrast considerably. Electric heating served only 38 percent of houses built in the last half-century, though in 2024, it rose to a record 52 percent of new houses. So overall, every family that chooses an apartment instead of a house increases the chances of living in an electrically heated home from 38 percent to 68 percent, a 60 percent increase.[4] For the climate, therefore, making apartments abundantly available is a big step forward.

Regions vary, but apartments are more electric everywhere

Heating energy varies by region, as shown in figure 4. The South uses electricity for heating in most new homes, and its new apartments are 96 percent electrically heated. The colder-climate Northeast and Midwest, in contrast, heat their new houses overwhelmingly with gas. Just 14 and 19 percent of them respectively are heated with electricity, though 43 percent of new Northeast apartments and 61 percent of new Midwest apartments are electrically heated. In the West, meanwhile, a third of new houses and almost two-thirds of new apartments feature electric heating.

Figure 4



[4] *This estimate sums all new houses and apartments in the Census Bureau's annual Survey of Construction from 1971 to 2024. It omits all pre-1971 dwellings and assumes that the heating energy source has not changed since buildings' construction.*

Case Study: The Northwest

A subset of the West, the Northwest region, is more like the South than the rest of the West. Idaho, Montana, Oregon, and Washington benefit from inexpensive electricity courtesy of federal dams in the Columbia River Basin. According to a 2022 survey conducted by the Northwest Energy Efficiency Alliance, at least 84 percent and possibly as many as 91 percent of existing apartment homes, plus virtually all new apartments in the region, feature electric heat.[5]

The Northwest's houses, meanwhile, lag.[6] Overall, only 44 percent of the region's houses are heated with electricity, roughly half as large a share as its apartments. The electric share has grown recently, and among new houses it's now above 50 percent. Still, every northwesterner who chooses an apartment over a house is twice as likely to heat without fossil fuels.

The pattern in the Northwest, like in other regions, is consistent in one way, though: apartments everywhere outpace houses in decarbonization. Overall, among existing US dwellings, apartments are 60 percent more likely to be heated with electricity, and among new US dwellings, apartments are almost 50 percent more likely. Where electric heating is least common, furthermore, apartments' advantage is largest: in the US Northeast, a new apartment is three times as likely to be heated with electricity as is a new house.

Water heaters: Same story

If space heating is the dominant source of carbon emissions in residential buildings, accounting for 68 percent of in-home natural gas consumption, most of the remaining home climate pollution comes from water heaters. They account for 25 percent of residential natural gas. Overall, space and water heating comprise 94 percent of residential gas consumption.

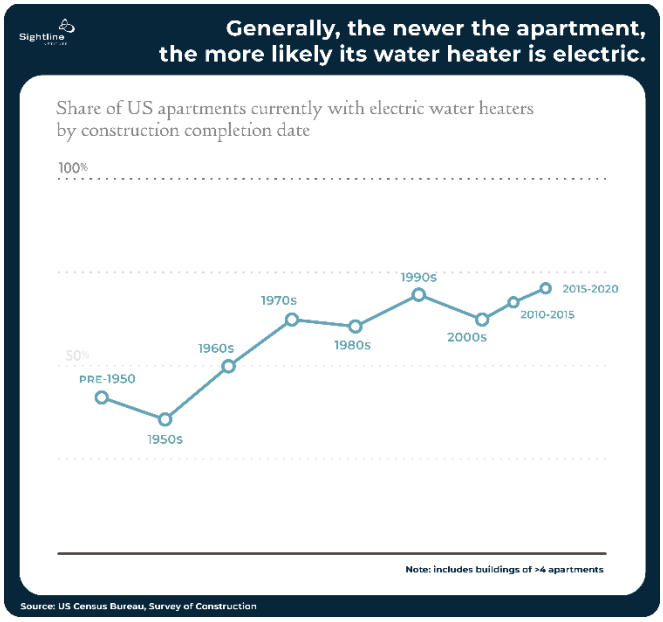
In water heating, too, apartments are already far more electrified than houses, according to the Survey of Construction.[7] Some 58 percent of existing US apartments get their hot water courtesy of electricity, compared with 43 percent of existing houses. What's more, the electric share has been trending upward. In general, the newer the apartment, the more likely its water is to be heated with electricity (see figure 5). In fact, water heating may be even more electric than space heating. Some 71 percent of US apartments built between 2016 and 2020 depend on electric water heaters—a higher figure than for electric space heating in those years, which was 65 percent.

[5] *The survey shows 84 percent of all apartments heated with electricity, and 9 percent heated with fossil fuels, with the remainder unknown. In buildings completed since 2010, the electric heated share rises to 85 percent, and the fossil-fuel-heated share falls to 5 percent, with the remainder unknown. Hence, the electric share of post-2010 buildings could be as high as 95 percent. What's more, public policies and construction industry trends since 2010 have pushed strongly toward electric heating in the 2020s in the Northwest. Thus, the 2024 electric-heated share of new apartments in the region is likely well above 85 percent and possibly above 95 percent.*

[6] *This NW Energy Efficiency Alliance uses the same definitions as the Census Bureau's Survey of Construction, so "houses" include up to four units, and "apartments" include all buildings of five or more dwellings.*

[7] *Building decarbonization is overwhelming about electrifying space and domestic water heating, which account for 94 percent of in-home natural gas consumption, not dryers, stoves, swimming pool heaters, and other home energy-using devices, which combined only use the remaining 6 percent. What's more, gas dryers and stoves are relatively easily replaced with electric models, at modest costs. Retrofitting gas furnaces with heat pumps, however, can be prohibitively expensive.*

Figure 5



Patterns vary by region for water heating, as for space heating. In the Northwest states, for example, some 84 percent of all apartments heat their water with electricity, while only 52 percent of houses do, according to the Northwest Energy Efficiency Alliance survey.

What does not vary by region is the relationship between dwellings' space and water heating. Buildings with electric space heating almost always use electric water heating, and vice versa. Another constant among regions, for water as for space heating, is that new apartment buildings are a big step toward decarbonization, compared with houses.

The gridlocked politics of *status quo* building decarbonization

Tragically, in the United States, political polarization has overrun climate change, rendering support for climate action a partisan Democratic issue. Consequently, the 2024 Republican takeover of the White House and other branches of government in Washington, DC, essentially ended federal climate progress. State action, meanwhile, is off-limits for state governments in the 23 states run by Republican trifectas, and it's tightly constrained in the 12 states with divided governments. Even in the 15 Democrat-run blue trifecta states, climate action is hamstrung by tight budgets and, in some places, litigation.

Consider the South: aside from the District of Columbia and some border states such as Maryland, southern states are now governed by climate science skeptics. They reject avowedly pro-climate action including building code proposals that would phase out gas furnaces. The same is true for climate skeptics who run governments elsewhere.

In this context, the critical fact to remember is economic: whatever a state's politics, its new apartments are now disproportionately electric, so anything that speeds apartment construction yields incremental progress on building decarbonization. That is true whether a state has a blue trifecta such as Colorado, Illinois, or Oregon (and therefore is a candidate for adopting an all-electric code for new buildings) or a red trifecta such as Florida, Ohio, Texas, or Wyoming (and therefore is unlikely to consider such a code).

No doubt, the policy arguments are strong for weaning buildings off gas. Gas extraction and combustion afflict everyone with incremental climate harm. Gas appliances leak into residences, pollute indoor air

(including with the carcinogen benzene), and cause fires and occasional explosions. Living with a gas stove, recent research shows, is on the same scale for damaging children's lungs as living with a smoker. Gas's litany of risks, long worrisome, is in some ways more objectionable than previously, because its electric competition has improved. The electric grid is getting cleaner fast; wholesale costs for wind, solar, and batteries are plummeting; and improved electric appliances such as heat pumps, heat-pump water heaters, and induction cooktops are proving better than their gas counterparts.

For all these reasons, building codes that push the housing stock toward safer, cleaner, healthier electricity make good sense. Because they dictate standards only for new buildings, they are targeted and cost-effective; new construction is the most economical time to electrify. It's when decarbonization often pays for itself.

Such arguments are compelling to many, and they can sometimes carry the day in blue trifecta states. Climate leaders can do well by continuing to pursue them in those places.

Sadly, in red states and at the federal level nowadays, they fall on deaf ears. In the best case, climate science-skeptic leaders object to electrification policies on the grounds that builders and homebuyers know better than public officials how to weigh energy tradeoffs. In the worst case, climate skeptics object reflexively, according to the logic of negative partisanship; the harder climate hawks push for electrification, the harder skeptics push for fossil fuels.

The politics and successes of the pro-homes movement

For climate leaders, these political dynamics are intensely frustrating. Fortunately, an alternative path is open. It is, at least in red states and federal policy, to join the deregulatory crusade of the pro-housing movement to get more apartments built. That movement has been racking up wins by legalizing accessory dwellings, duplexes, and triplexes, and trimming away thickets of obstructionist statutes, from design reviews to parking mandates.

The movement's next front is to allow bigger buildings—apartment buildings—which are currently banned on almost all residential land in metropolitan areas. A rough national analysis found that only single-detached houses are legal on more than 75 percent of residential land in most US cities and suburbs. Sightline conducted a fine-grain analysis of zoning in Oregon and found an even worse pattern. Apartment buildings of at least four stories are currently allowed on less than 1 percent of the residential land in all but ten Oregon cities; even in the urbanist stronghold of Portland, a pioneer of the pro-housing movement, such apartment buildings are banned on all but 14 percent of Rose City residential land.[8]

Pro-housing advocates have already won major statewide reforms to allow more apartments close to transit stations in California, Colorado, Massachusetts, Washington, and the Canadian province of British Columbia. They won reforms welcoming apartments in commercial zones across Montana and Texas. And in a recent win in Oregon, they pioneered a promising new strategy for apartment legalization in large sections of every city statewide. Almost every one of these wins came with bipartisan support, some with Republicans in the vanguard, and others with Democrats leading. The movement is even finding bipartisan support in the most polarized legislature in the United States: the 119th Congress.

This unexpected progress comes partly thanks to the fact that politicians and voters do not think of

[8] *In fact, even the 14 percent of Portland where apartments are legal is mostly area where they were erected before zoning even existed. Sightline's Oregon study is not yet published. It covers land within city limits that is zoned residential or mixed-use. The definition of zoning for apartment buildings included allowing four or more stories, more than 180 units per acre, mandatory off-street parking of .67 spaces per unit or less, and a floor area ratio of at least 3.5.*

apartments as climate solutions. Pro-housing leaders' motives are varied: property rights and deregulation on the right, undoing redlining and exclusionary zoning on the left, unleashing the market to solve a massive housing shortage in the center, and for everyone, providing enough homes, in all shapes and sizes, for American families. None of these reforms came because of climate change; indeed, many Yes votes came from legislators who deny the science of climate change. But the climate benefits are substantial.

In blue trifecta states, tensions sometimes emerge between climate hawks and pro-housing advocates. Building decarbonization advocates, who promote all-electric provisions in building codes, can conflict with the pro-housing movement, which has succeeded by building multipartisan coalitions to liberalize zoning and building codes. These pro-housing coalitions often come together by agreeing to selectively prune, and never augment, building and zoning codes. Asking housing advocates to make an exception for gas-shedding rules, whatever the merits of those rules, can break those coalitions. Other coalition partners—affordable housing charities, advocates for seniors or the disabled, trade unions, realtors, builders, and more—have already set their own favored exceptions aside.

Such tensions are usually manageable but require careful attention. In Oregon and Washington, for example, pro-housing champions have mostly stayed quiet as the climate movement campaigned for gas-weaning rules in building codes. In Washington, climate hawks have succeeded; in Oregon, not yet. In both states, meanwhile, climate leaders have endorsed overarching pro-housing reforms without taking leading roles.

When it comes to apartment legalization, however, climate and pro-housing voices find aligned interests. Even in blue trifecta states, therefore, climate leaders and philanthropists would do well to support apartments.

Conclusion

Apartment legalization *is* building decarbonization. Everywhere in the United States, new apartment buildings are either already all-electric or are dramatically more electrified than are houses. Adding more apartments almost always yields progress toward lower-carbon residences. To the extent that it shifts the housing stock from single-detached sprawl to multifamily buildings in existing neighborhoods, it brings dramatic additional climate benefits (see Appendix 1).

While the building decarbonization movement has been clotheslined by recent litigation and the November 2024 election, the pro-housing movement has not. Indeed, it continues to gain momentum. It is racking up wins that will unleash construction of hundreds of thousands of privately funded, affordable, age-accessible homes in walkable, low-carbon neighborhoods, in both blue and red states, striving to fill a shortage of dwellings estimated at more than 5 million in the United States.

Still, compared with the climate movement, the pro-housing movement is a tiny force in terms of budget, grassroots base, and professionalism. Its combined national budget is no more than $40 million, which means that shifting 4 percent of the $1 billion a year the climate movement is now spending on building decarbonization campaigns would double its size.[9] Climate leaders and philanthropists working on building decarbonization have a golden opportunity to advance their goals by adding apartment legalization to their portfolio of strategies. And they can do it for modest sums.

[9] *Sightline's $40 million estimate of the pro-housing movement's total budget is detailed in the memo "The Pro-Housing Movement Is Now a High ROI Climate Investment."*

Appendices

1. A fuller accounting of residential climate pollution

This memo is a sequel to, and addresses a subset of, the 2025 Sightline memo "The Pro-Housing Movement Is Now a High ROI Climate Investment." Decarbonizing buildings, by phasing out fossil-fuel combustion in residences, is one of four major categories of action to reduce buildings' climate impacts. The diversity of residential buildings makes the relative importance of the four vary enormously, but generally, their responsibility for greenhouse gas emissions is listed in descending order below. Importantly, in-town apartments trim emissions, compared with houses, in all four categories.

Transportation emissions are from the vehicles that a building's residents use. Apartments outperform houses, because apartments' concentration of people, especially when they are in urban and town centers, helps to foster walkable neighborhoods where residents can travel shorter distances to workplaces, schools, shops, and other amenities. This proximity allows people to shed extra cars, ride transit and bikes more, and walk and roll more. Each extra apartment building in a compact neighborhood also helps support more local businesses, enabling neighbors to also travel shorter distances. New apartment buildings thus reduce transportation emissions among not only for their own residents but also among residents in nearby dwellings—a virtuous circle. This category includes emissions from vehicle fuel along with emissions from fuel extraction and refining and vehicle manufacturing. It is mostly residents' own travel but also includes travel by services to those residents, everything from freight hauling to police patrols to meal deliveries.

Building energy includes the combustion of fossil fuels on site, mostly from gas heating of space and water, and secondarily from appliances such as ranges and dryers.[10] Electrification is the key solution, insofar as it is much easier to produce zero-carbon electricity than to produce zero-carbon heating and cooling at each dwelling. A key facilitator of the clean-energy transition is also to optimize on-site energy efficiency, through insulation, air sealing, energy-recovery ventilation, heat pumps, and efficient appliances. These tools allow a smaller fleet of power sources and a smaller grid to adequately serve buildings. Apartments are not only more electrified than houses; they are also smaller per resident, and they are more energy-efficient, because dwellings share their walls and therefore heat.

Embodied carbon is the emissions that result from the extraction and manufacturing of a building's material components. Concrete is the worst offender, followed by certain insulation and waterproofing materials, though emissions from timber harvesting can also contribute. Tall apartment towers made of concrete, particularly those with large parking garages, do leave large emissions footprints, but midsize apartment buildings and tall buildings with little indoor parking cause fewer emissions per resident or per bedroom than do wood-frame houses.

Land use is the indirect effect on emissions and sequestration of carbon in soils and plants when a plot of land is developed for housing or, more importantly, not developed. Apartment buildings' efficient use of land brings large emissions savings compared with houses. Each in-town apartment building shelters residents who might otherwise live in sprawling houses on faraway greenfield sites, supplanting ecosystems that would store carbon.

[10] Some definitions of building decarbonization include offsite fossil-fuel combustion that powers on-site appliances. Insofar as climate philanthropists typically treat cleaning the grid as a separate strategy, I use the narrower definition here.

Counting these four types of emissions, residents of townhouses and low-rise apartments typically cause half the per-capita climate pollution of detached householders, and high-rises trim emissions another third. Indeed, the climate benefits of building decarbonization through electrification are just one part of the climate windfall of apartments. Climate-wise, apartments are to houses as EVs are to conventional SUVs.

2. What about electrified dwellings powered by fossil-fuel plants?

In much of the United States, much of the electric grid is still powered with gas or coal plants. Earlier generations of climate hawks have therefore been wary of electric heating. Burning gas in a basement furnace, for example, typically causes fewer greenhouse gas emissions than does electric resistance heating powered by a gas plant.

But that's a static analysis. Building decarbonization is a wing of a larger movement that is trying to (1) clean the grid and (2) electrify everything. The race is on to do both, and the clean-grid wing is currently in the lead. That's why building decarbonizers do not fret about electrification going too fast. They know that the costs of solar, wind, and batteries are falling toward and even below the operating costs of existing fossil-fuel plants, and solar and wind are already providing almost all new US and global power-generating capacity. Existing gas plants may begin to die before new gas home furnaces wear out. They also worry about buildings getting locked into burning gas: once gas lines and appliances are installed, electrification can be prohibitively expensive.

3. Heat pumps and resistance heaters

Most apartment buildings use electric resistance heaters, such as cove heaters or baseboard radiators, but heat pumps are gradually taking over the market. Fewer than 3 percent of Northwest buildings completed in the two decades after 1950 used heat pumps when surveyed in 2022. (Many of them were probably converted to heat pumps since their original construction, insofar as heat pumps were exceedingly rare in the 1950s and 1960s.) The figure is seven times higher among post-2010 apartment buildings, at more than 18 percent, as shown in Figure 6. Including both houses and apartments in the United States, heat pump sales overtook sales of gas furnaces in 2020 and now lead by a third.

Figure 6

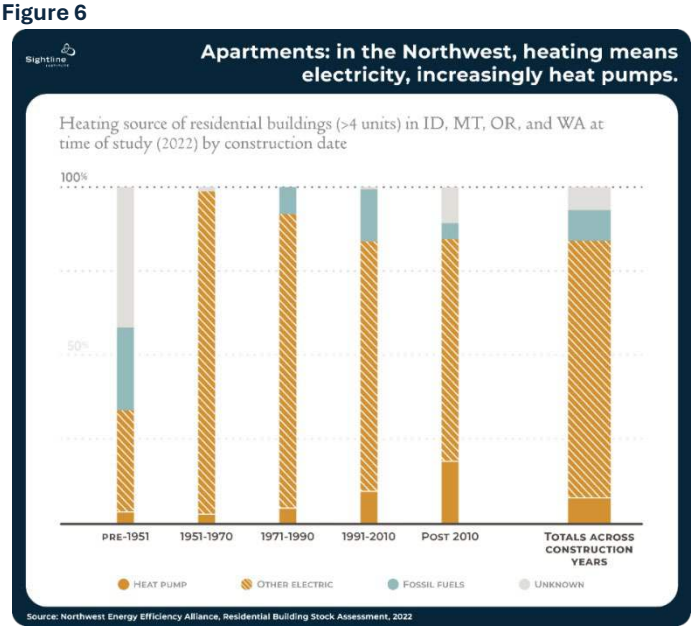
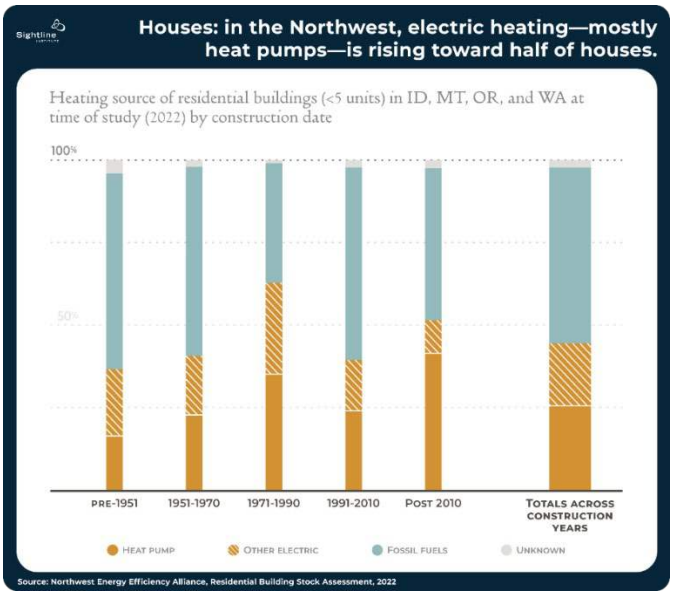


Figure 7, meanwhile, shows that more than 41 percent of post-2010 houses were on team heat pump in 2022, whereas among pre-1951 houses, only 16 percent were.

Figure 7



Conventional (air-source) heat pumps are typically three times as efficient as resistance heaters at moderate temperatures, which makes them ideal for temperate climates, but as the mercury drops, their advantage shrinks. Below freezing, many operate backup electric resistance heaters. In cold climates, a more expensive specialty type of air-source heat pump helps, and ground-source heat pumps—ideally networked—are an enticing option.

Everywhere, heat pumps also provide cooling, a growing necessity as the climate warms. In the long run, building decarbonization means not only replacing gas with electricity but also replacing resistance heaters with air- or ground-source heat pumps; in the short run, though, anything that gets homes off gas is a step toward zero carbon.

4. Peak Loads

The key constraint on power grids in much of the United States is availability of electricity at times of peak demand, typically summer afternoons in hot climates and winter evenings in cold climates. Peak periods tend to spike climate pollution, too, because they are when utilities must turn on their oldest, dirtiest plants. Further research could quantify the effects of apartment legalization on these peaks.

In comparison with houses, apartments heat and cool themselves much more efficiently. Because they share walls and are smaller per resident, they are better at "riding through" a hot or cold spell. Economies of scale in new apartment structures, furthermore, make the installation of internet-connected smart-grid devices that save power when instructed to by a utility or virtual power plant more cost-effective. Such devices include digitally controlled heat pumps and water heaters that postpone a heating or cooling cycle when power demand spikes.

Do new apartment buildings help communities trim peak demand and reduce emissions appreciably? Sightline does not know, but it's a good avenue for investigation.

Thanks to Sightline's Jay Lee for quantitative analysis in this memo, to Zack Subin for research guidance, and to peer reviewers Heather Clark, KC Golden, and Ben Holland for their comments. Errors remain my own.