

# McMansions No More – Developers Embrace Smaller Footprints In State Known For Going Big

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Everything is supposed to be bigger in Texas, but some of the state's residential real estate is going in the opposite direction, with both single-family home and apartment sizes seemingly on a crash diet.

Senate Bill 15, which Texas Gov. Greg Abbott (<https://www.bisnow.com/tags/gov.-greg-abbott>) signed into law last week, reduces the lot sizes homebuilders need for single-family homes (<https://www.texastribune.org/2025/05/27/texas-house-tiny-homes/>), encouraging smaller houses on smaller lots in new subdivisions of at least 5 acres. At the same time, Texas cities are seeing the average square footage of newly built apartments decline, bucking a national trend (<https://www.rentcafe.com/blog/rental-market/market-snapshots/national-average-apartment-size/>) toward larger, more spacious digs.

The reasons for the rollback include grabbing hold of the state's skyrocketing home prices, addressing its housing shortage (<https://www.bisnow.com/tags/housing-shortage>) and the rise of activated mixed-use projects, which attract younger inhabitants who prefer spending their free time on the other side of four walls.



“The days of the McMansion [are] numbered because attitudes have changed,” Atelier Mide founder and Design Director Mide Akinsade said.

The architect, who has worked on micro-unit multifamily projects in different parts of the country, said smaller residential footprints are being partially driven by the changing attitudes toward homes coming from Gen Z and younger millennial renters.

“This new generation is shaping everything — financially, politically, ethically [and] otherwise — and developers are listening to that,” Akinsade said.

Younger generations are more interested in experiences outside their homes and look at residences as just a place to rest, he said. Micro-units (<https://www.bisnow.com/tags/microunits>) aren’t very prominent in Texas yet, but Akinsade believes they will be eventually, and slimmed-down homes and apartments are evidence that things are moving in that direction.

“That trend is inevitable,” he said, noting the rise of mixed-use projects throughout the state (<https://www.bisnow.com/dallas-ft-worth/news/mixed-use/its-truly-a-need-now-to-survive-mixed-use->

projects-chase-dfw-population-as-growth-trends-northward-125980) offering the built-in amenities and daily experiences that lend themselves toward smaller multifamily units.

As Texas cities get built out, sources told *Bisnow*, they need to use their land more efficiently and increase the state's housing supply. That means smaller homes on smaller lots, making room to build slimmed-down apartments and denser mixed-use developments.

A major catalyst is the explosion in Texas home prices during the pandemic. The median listing price rose from around \$281K in early 2019 to more than \$400K by the middle of 2022, according to the Federal Reserve Bank of St. Louis (<https://fred.stlouisfed.org/series/MEDLISPRITX>). Median home prices have peaked and plateaued over the intervening years, but they were still up more than 33% over 2019, at \$375K, in May of this year.

Meanwhile, housing affordability levels have dwindled since even before the pandemic, according to a report from the Texas Comptroller's Office (<https://comptroller.texas.gov/economy/fiscal-notes/economics/2024/aff-housing/>). The median family income across the state was just 7% above the minimum threshold to qualify for a mortgage on a median-priced home in Texas last year.



Given the state’s continued population growth and declining inventory of houses, lawmakers easily passed the smaller lot provision, with Lt. Gov. Dan Patrick recalling (<https://www.ltgov.texas.gov/2025/03/19/lt-gov-dan-patrick-statement-on-the-bipartisan-passage-of-senate-bill-15-removing-barriers-to-affordable-housing/>) that “affordable housing enabled the Texas Miracle (<https://www.bisnow.com/tags/texas-miracle>) and is a cornerstone of our state’s economic success.”

“Lowering the size and type of residential housing will increase the amount of housing that can be built and lowers housing costs,” Texas Rep. Gary Gates said during the state House’s discussion on the bill last month.

Gates was one of the sponsors of the bill, which won’t affect existing neighborhoods. In addition to the 5-acre minimum, the new law only applies to the state’s biggest cities, or those with 150,000 or more residents in counties of at least 300,000.

The law will go into effect Sept. 1, though it can be overridden by existing rules from homeowner associations and similar organizations.

But developing smaller homes on smaller lots isn’t always as simple as it sounds, according to Kris Feldmann, owner and design principal at architecture firm CREO.

Developers and homebuilders often have set floor plans to make costs more predictable and speed up construction time. Feldmann said working through that process in a lot of Texas’s urban areas can be difficult.

“It’s really important that the design of these smaller units — these smaller homes on smaller lots — that more time is put into them,” Feldmann said. “Merely shrinking down the product that was used previously on the larger lots would be counterproductive and potentially [would] create these small communities that just really won’t stand the test of time.”

The bill received some bipartisan support, though Gates and most other sponsors were Republicans. Democrats like state Rep. Ramon Romero from Fort Worth expressed concern the law wouldn’t bring the affordability the bill’s sponsors were aiming for, arguing lot sizes should be left up to cities.



“They didn't elect their state representatives to decide how their city would develop, not on that level, not with this kind of density,” Romero said of state residents last month.

Renters have less say in the shrinkage happening around the state, but affordability is also a factor in the downsizing.

Elsewhere in the U.S., the average apartment size has increased in each of the last two years. In Texas metros, however, developers are going the other way, with one Metroplex city leading the nation in the metric over the last decade.

Units in Arlington shrank 215 SF during that time, whereas renters outside of Texas were generally enjoying larger spaces, according to a RentCafe (<https://www.bisnow.com/tags/rentcafe>) report using data from Yardi Matrix (<https://www.bisnow.com/tags/yardi-matrix>).

“There's a significant demand for affordable housing, especially in cities with growing populations and universities,” Yardi Matrix Manager of Business Intelligence Doug Ressler (<https://www.bisnow.com/tags/doug-ressler>) said of Texas via email. “Arlington has seen a drop in average apartment size due to the increasing number of college students needing housing.”

Developers have also focused on smaller units in Lubbock. The home of Texas Tech University saw its average apartment size shrink 84 SF over the last decade.

But college students and lifestyle shifts for younger generations are not the only factors driving the miniaturization trend. Smaller multifamily units are also fiscally advantageous for developers.

“Rising land costs in Texas have led developers to build smaller units to maximize profits,” Ressler said. “Smaller apartments mean more units can be built on the same plot of land.”

Feldmann said he's curious to see whether the move toward smaller homes on smaller lots will fly in the state's more suburban areas, where wide-open space is the norm. As for the companion trend of smaller apartment units, it will be vital that developers create tight-knit communities with plenty of amenities.

“The ones that do that successfully, there will always be a market for it,” Feldmann said. “The ones that don't take the design of smaller units seriously, in several years they could be in jeopardy if there's any kind of reduction in population in the surrounding areas.”

*Contact Billy Wadsack at [billy.wadsack@bisnow.com](mailto:billy.wadsack@bisnow.com)  
(mailto:billy.wadsack@bisnow.com)*

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