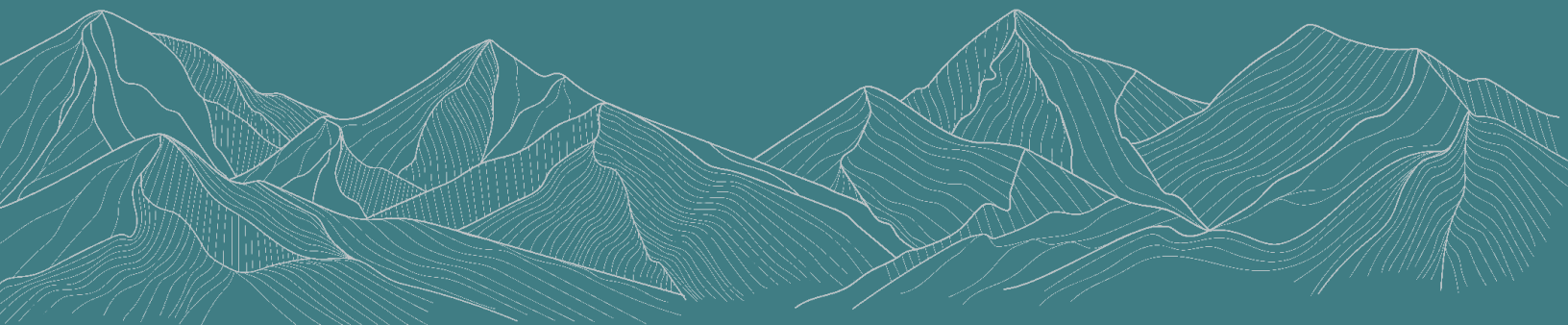


The State of Local Land Use Regulations in New Hampshire

2024 Update

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2024 Summary

This article highlights the results of the 2024 Municipal Land Use Regulation Survey. In 2024, out of 227 jurisdictions that have zoning, 170 adopted zoning amendments (75 percent), the vast majority of which were adopted by ballot at Town Meeting.

Many of these zoning amendments affect the regulation of new housing construction. With funding from the [InvestNH Housing Opportunity Planning \(HOP\) grant program](#), a record number of communities adopted innovative planning and zoning approaches to increase housing opportunities, while others tightened their housing regulations.

While the survey does not measure intent, housing-related zoning amendments appear to be driven by three factors:

- the state's growing housing shortage
- state statute changes adopted by the legislature in 2021 - 2023
- pending legislation affecting the regulation of new housing construction

Of particular note, in 2024, 15 communities amended their Accessory Dwelling Unit (ADU) ordinances to allow detached ADUs. A total of 129 municipalities now allow detached ADUs, or a little over half of all jurisdictions. A new question on the survey discovered seven municipalities that allow detached ADUs also allow a second ADU on a lot. Two communities added a definition for workforce housing or adopted a workforce housing ordinance; 15 communities added a definition for short-term rentals or adopted short-term rental regulations; and one community adopted [RSA 79-E](#), which provides property tax relief to encourage investment in rehabilitation of underutilized buildings in downtowns and town centers.

Errol became the latest municipality to adopt zoning in 2024, increasing the total number of jurisdictions with zoning authority in New Hampshire to 227. This includes 216 municipalities, nine village districts, the Coos County Planning Board, which has zoning authority over 23 unincorporated places in the North Country, and the Pease Development Authority, which has zoning authority over the Pease International Tradeport in Newington and Portsmouth.

Accessory Dwelling Units

Since [RSA 674:71-73](#) took effect in 2017, 211 jurisdictions have adopted a provision in their zoning ordinance regulating ADUs. The statute requires communities that have adopted a zoning ordinance to allow ADUs in all zoning districts that permit single-family dwellings by right, by conditional use permit or special exception. If a zoning ordinance does not have provisions pertaining to ADUs, then one ADU is permitted by right to any lot with a single-family dwelling that conforms to the municipal zoning.

Of the 211 jurisdictions with an ADU ordinance, 179 require the principal dwelling unit or the ADU to be owner-occupied. About half of the jurisdictions that regulate ADUs permit them by right, while the balance requires a discretionary approval via a conditional use permit or special exception.

Municipalities adding flexibility to their ADU ordinances in 2024 include:

- **Voting to allow detached ADUs:** Bethlehem, Boscawen, Bow, Colebrook, East Kingston, Franconia, Gilsum, Greenland, Hillsborough, Lancaster, Lyndeborough, Northwood, Roxbury, South Hampton, and Sunapee.
- **Allowing ADUs by right:** Chester, Conway, Canterbury, Goffstown, Holderness, Laconia, and Plymouth (previously required a conditional use permit or special exception)
- **Allowing two ADUs:** Conway, Dover, Enfield, Greenfield, New Ipswich, Sugar Hill, and Wilmot
- **Increasing maximum allowed square footage of an ADU, or expanded permitted locations:** Francestown, Hancock, Laconia, Lebanon, Lyndeborough, Rindge, Swanzey, and Wilton
- **Fitzwilliam** changed from allowing detached ADUs by special exception to allowing them by conditional use permit, while **Harrisville** did the opposite.

Workforce Housing and Age-Restricted Housing

Among New Hampshire's 234 municipalities, 85 have a workforce housing ordinance and 32 have a workforce housing multi-family overlay district.

In 2024, **Gilford** and **Hampton** adopted a Workforce Housing Ordinance, while **Chester** adopted a Fair Market Rental/Workforce Ordinance.

The majority of the communities adopting workforce housing ordinances are in southern New Hampshire, the Seacoast, the Mount Washington Valley, and the Upper Valley, where housing-cost pressures are greatest. Rural communities, facing a growing workforce and housing shortage, have also considered adoption of workforce housing ordinances.

There are 52 communities that have an inclusionary zoning clause in their workforce housing ordinance, which provides a density bonus or other incentive in exchange for a property owner renting or selling a percentage of units (usually between 10 - 20 percent) below market rate. Some communities also expanded their workforce housing ordinances and overlay districts to increase workforce housing opportunities.

Another 79 communities have age-restricted housing regulations, some of which offer incentives to developers providing housing for persons over the ages of 55 or 62. Following a statute change that took effect July 1, 2024, which requires any incentives for age-restricted housing also be applicable to workforce housing, some communities have adopted amendments to either expand or limit these regulations.

Lowering Regulatory Barriers to Housing Development

Several communities adopted zoning changes intended to lower regulatory barriers to developing housing and allow a diverse range of housing types including:

- **Bethlehem** now allows the conversion of existing single-family residences and structures used for non-residential purposes to multi-family housing in several districts. It also allows residential above first floor commercial in the Commercial District I.
- **Boscawen** adopted a Planned Unit Development (PUD) ordinance and redefined its Mill Redevelopment Zoning District to allow more diverse housing types and increase allowed densities.
- **Claremont** added Cottage Developments as an allowed use by Conditional Use Permit (CUP) to several districts and added conversion of existing single-family residences to duplexes or multi-family housing by CUP.
- **Exeter** expanded the Mixed-Use Neighborhood District (MUND) outside of downtown to include the C2 Highway Commercial district and provided incentives including a density bonus to create a mix of housing units (including 10% affordable units).
- **Farmington** increased the maximum density for duplexes and multi-family housing and added density bonuses for properties connected to water and sewer. It now allows duplexes, in addition to single family homes, on a rear lot that has been subdivided out of a parcel otherwise lacking sufficient frontage to be subdivided, in all residential districts except the Agricultural Residential District.
- **Hinsdale** reduced the minimum lot size from 2 acres to 1 acre in the Rural Agricultural District and now allow residential uses in the Commercial Industrial District.
- **Jaffrey** now allows multi-family housing in the General Business and General Business A District where water and sewer is available and added a density bonus for workforce housing and senior housing. Jaffrey allows developers of workforce or senior housing to exceed the 8 units per building limit if it makes the project economically viable.
- **Keene** adopted a Cottage Court Overlay District, which allows for innovative site design and clustering of smaller residential units at a higher density within the tract than would be allowed by the underlying zoning district by CUP.
- **Newbury** removed its minimum square footage requirement for single-family homes.
- **Portsmouth** created the Gateway Neighborhood Overlay District for the purpose of creating additional housing opportunities in certain neighborhoods. It will also allow for higher density housing.
- **Sandwich** allowed duplexes in all residential districts.

- **Waterville Valley** added a PUD ordinance by CUP to allow more one- and two-bedroom homes up to 1,200 sq. ft. than are allowed in a conventional subdivision. Waterville Valley also decreased setbacks in the Village District.
- **Wilton** created a Downtown Residential Overlay District that lowers the minimum lot size in the downtown area served by sewer and water from a half-acre to one-third of an acre. Existing dwellings within the overlay district may be converted to duplexes or multi-family dwellings.

A review of zoning amendment ballot results shows that other communities adopted zoning amendments more restrictive for housing development, or failed to pass housing-friendly zoning changes:

- **Bedford** set a minimum lot size of 1.5 acres for detached ADUs.
- **Peterborough** rejected the rezoning of the Family District to General Residential, removal of owner-occupancy and parking requirements for ADUs, and removal of parking minimums.
- Housing-friendly zoning changes failed in **New London, Sutton, and Sullivan**.

Mixed-Use Zoning

While separation of residential and commercial uses remains the dominant zoning trend throughout the state, 149 communities have at least one mixed-use zoning district, usually in their downtown or village center. These allow for residential, commercial, and retail uses to be located either near each other or within the same structure.

- **Bethlehem** now allows dwelling units above first-floor businesses in the Commercial I District and added a definition of mixed use.
- **Boscawen** amended the Mill Redevelopment District to allow a mix of uses including housing.
- **Bow** updated its Bow Mills Mixed Used District ordinance to give the Planning Board additional flexibility to consider innovative developments in the district and allow buildings up to 4-stories including multi-unit residential.
- **Campton** now allows mixed uses in the Commercial Zoning District.
- **Canterbury** voted to allow limited residential uses in the Commercial District.
- **Sanbornton** amended the requirements in the Commercial Zoning District, increasing the number of permitted uses and allowing for mixed-use development.

Cluster Developments

Currently, 180 jurisdictions allow cluster developments, also called open space or conservations subdivisions, an innovative land use control authorized under [RSA 674:21, I\(f\)](#), where homes are spaced closer than in a traditional subdivision in exchange for permanently protecting a percentage of open space. Many of these communities provide a density bonus for developments that conserve more than the minimum required amount of open space. In 2024, several communities updated their cluster development ordinances:

- **Bethlehem** and **Colebrook** added a density bonus for cluster developments to encourage construction of homes less than 1,200 square feet.
- **Boscawen** added density bonuses for cluster developments and now requires a mandatory Homeowners Association with private roads to encourage flexibility with road standards for developers.
- **Canterbury** adopted a new cluster neighborhood ordinance to allow farmhouse style developments which complement the existing neighborhood character at higher densities than would otherwise be allowed.

Short-Term Rentals

With the popularity of short-term rentals in the state's tourism regions, including the Mount Washington Valley, the Lakes Region, and the Seacoast, 15 communities added definitions for short-term rentals or adopted short-term rental regulations, increasing the number of communities that regulate short-term rentals to 64 in 2024. A new trend is that seven of the 15 communities adopting short-term rental regulations are located outside of tourism regions in response to an increasing number of year-round housing units converted to short-term rentals.

The 15 communities that adopted short-term rental regulations in 2024 are: **Allenstown, Bethlehem, Brookline, Carroll, Colebrook, Fitzwilliam, Hampton Falls, Jefferson, Lancaster, Lyndeborough, Marlow, New Castle, Ossipee, Springfield and Sugar Hill.**

Several other communities made changes to their existing short-term rental regulations:

- **Barnstead** adopted Short-Term Rental Regulations in addition to its Short-Term Rental definition in its zoning ordinance.
- **Canterbury** and **Easton** amended their existing Short-Term Rental Regulations.
- **Jackson** voted to limit the use of an Accessory Apartment (also known as an Accessory Dwelling Unit) as a Short-Term Rental.
- **New Castle** added Short-Term Rentals to a list of prohibited uses in the R-1 and Mixed-Use Districts.
- **Sunapee** amended its Short-Term Rental Ordinance to confirm that accessory structures are allowed to be used as short-term rentals and to limit the amount of time a short-term rental with an owner not in residence may be operated to 120 days during a 12-month period.

79-E Community Revitalization Tax Relief Incentive

The Community Revitalization Tax Relief Incentive Program (79-E), which encourages rehabilitation of underutilized buildings in downtowns, town, and village centers through the provision of local property tax relief, is an increasingly popular economic development tool used by municipalities. To date, 68 communities have adopted 79-E.

Conway became the first community in the state to adopt a 79-E Housing Opportunity Zone in 2024 and now offers property tax relief for the construction of new affordable housing to be taxed at the predevelopment assessed value for a maximum of 10 years, or a maximum of 14 years for projects involving the preservation of historic structures.

Impact Fees and Growth Management Ordinances

There are 83 communities in New Hampshire that levy impact fees for schools, fire and police, and/or other municipal infrastructure; 22 communities have growth management ordinances limiting the number of permits that can be issued annually for new housing to a percentage of the municipality's existing number of housing units.

In 2024, Barnstead extended its Growth Management Ordinance sunset date by five years to April 2029.

Solar Energy Ordinances

In 2024, eight communities adopted definitions for solar arrays or a solar ordinance, bringing the number of communities with solar energy regulations to 81. Some communities regulate solar arrays in their zoning ordinance, while others regulate them in their site plan review regulations. As the size and complexity of solar arrays has grown in recent years, communities have adopted increasingly comprehensive solar ordinances which address everything from lot coverage and buffers to decommissioning.

Conclusion

Rounding out the 2024 survey:

- A total of 163 jurisdictions have performance-based standards, a flexible alternative to traditional use-based zoning, which typically regulates site standards and intensity of use.
- Eight communities have a form-based code for some or all their community, which regulates the character and physical form of an area rather than specific uses.
- Aside from use-based zoning, the most prevalent planning and development technique used by communities is the regulation of signs; 217 out of 227 zoning jurisdictions have some form of sign ordinance regulating type, size, lighting, and content.
- Since 2020, 85 communities have adopted master plan updates, including 18 that updated at least one chapter of their Master Plan in 2024, with an increasing number adopting master plan chapters deviating from the master plan chapters detailed in **RSA 674:2**. Emerging master plan topics include broadband, community health, arts, resiliency, and age-friendliness.

The results of the 2024 Municipal Land Use Regulation Survey including an interactive map are available at <https://www.nheconomy.com/office-of-planning-and-development/what-we-do/municipal-and-regional-planning-assistance/municipal-land-use-regulation-annual-survey>

For additional information or questions e-mail planning@livefree.nh.gov.