

What Is an ADU? Learn More About the Tiny-House Trend That's on the Rise

Get to know more about accessory dwelling units, the small but fully functional homes that offer convenient independent living and a potential source of income.

By **Kristina McGuirk**

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From Fonzie's above-garage apartment on *Happy Days* to those cute [backyard cottage vacation rentals](#), you've likely come across ADUs before. They go by many names—in-law suites, granny flats, casitas, or laneway houses—but in building parlance, they're called accessory dwelling units.

ADUs are not a new housing concept. Carriage houses and coach houses are familiar historical examples of additional on-property living units that still exist today. But a push for single-family zoning after WWII is a significant reason ADU-type buildings became uncommon.

However, in the past few decades, cities across the country began updating local ordinances to allow for this housing. Now, ADUs are on the rise. Between 2009 and 2019, the number of first-time listings of ADUs grew on average 8.6% year-over-year, according to [a 2020 study](#) released by Freddie Mac. And the trend isn't slowing anytime soon. "I think [COVID-19](#) and the sharp uptick in housing prices have only poured fuel on the fire," says Caitlin Bigelow, CEO and co-founder of [Maxable](#), a leading source for ADU advocacy and resources. "We're expecting to see ADUs surge in popularity."

What Is an ADU?

An accessory dwelling unit (ADU) is a residential unit located on the same lot as a single-family home. These self-contained homes have their own entrance, a full kitchen and bath, as well as living and sleeping space, but on a much smaller scale than the primary residence. There are three types of ADUs:

Detached ADU: A stand-alone unit separate from the main house. This is often a smaller structure in the backyard, or a unit above or attached to the garage.

Attached ADU: An addition connected to the main house. These units frequently have a separate entrance on the side or back of the house.

Interior ADU: A separate unit located inside the main house, typically an attic or basement suite (sometimes called garden suites). Although converting an existing space to meet requirements is most common, some interior ADU projects go the extra mile, lifting a house or digging further beneath it in order to accommodate higher ceilings and more natural light.

Another type of ADU you might come across is called a **Junior Accessory Dwelling Unit (JADU)**. It is essentially a smaller version of an ADU, coming in at 500 square feet or less. Unlike ADUs, JADUs must be attached to or inside an existing structure, and they do not require a separate bathroom if one is accessible in the main dwelling. Some jurisdictions allow both an ADU and a JADU on one property.

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The type of ADU depends on the property, as well as its location. Larger properties, for example, have more room to accommodate a detached unit, while homes on smaller plots might only be able to accommodate an interior ADU.

Intended use also plays a role. "For example, if the number-one goal of the rental is maximizing cash flow, a garage conversion is a great choice," says Bigelow. Alternatively, Bigelow suggests outdoor space and storage available with a detached unit might be more appealing when building for yourself.

Why are ADUs popular now?

A number of factors are converging to make these small homes a big attraction. For starters, ADUs increase housing diversity in already-developed residential neighborhoods, often adding much-needed affordable housing solutions. ADUs are also a solution for homeowners [who want to downsize](#) while staying in their

neighborhood; they can design an ADU to meet their needs, then rent out the primary residence. ADUs are also popular among homeowners because they add property value while creating an opportunity for passive income.

Another factor contributing to the popularity of ADUs is the increasing interest in multi-generational living and the ability to accommodate ill and aging family members. A 2018 survey by AARP found that adults over 50 are interested in ADUs largely for friends or relatives who need care or who are looking for a new place to live. Younger families pursue ADUs as a possible place for aging relatives, either as a permanent dwelling or a comfortable place to accommodate extended visits. ADUs are also being considered for caregiver dwellings.

The self-sufficiency of ADUs is the stand-out feature for these groups. "There is a level of independence and privacy that is really appealing," says Christopher Strom, a Minnesota-based architect with extensive ADU experience. "In many cases, people in the ADU want to be in proximity of people in the primary residence but not in the way." He says ADUs deliver that experience by giving the inhabitant everything they need to live on their own—but with the comfort and convenience of having friends or family nearby.

What to Know Before Building an ADU

ADU Zoning Regulations and Building Codes

ADUs cannot be built on just any property by any interested homeowner. Local building codes (how the ADU is constructed) and zoning codes (where it's constructed, including size and location on the property) determine if an ADU can even be built at all. Although regulations have typically broadened to allow ADUs, some areas still require zoning approval prior to moving forward with permit applications, while other jurisdictions limit the type of ADU or do not allow them at all. Even HOAs may have stipulations on the subject. "The biggest thing to remember is that every jurisdiction is different," says Bigelow. "It's easy to hear a

story about a friend or neighbor that was able to do something and assume you can do the same, but that's often not the case."

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These codes ultimately shape the dwelling, impacting everything from the height of the ceiling to the height of the structure itself, as well as details like the location of the front door, required available parking, and how the sewer and water connect to the public system.

For those interested in adding an ADU to their property, some of these regulations are worth researching early on. It's possible that the size, occupancy, or rental regulations in your area don't match your initial goals.

Although larger lots can generally accommodate larger attached and detached units, there is usually a cap on size in terms of dimensions and square footage, which varies by location. In some instances, a minimum ADU size is also stipulated.

You should also look into occupancy rules, which can dictate whether the owner is required to live in one of the two dwellings on the property (owner-occupancy), as well as how many people can live in an ADU. Regulations may also specify requirements around renting, such as setting expectations around rental rates or prohibiting short-term (vacation) rentals of ADUs.

ADU Design Considerations

As a popular housing consideration for multi-generational living, [universal design](#) principles are critical. And since their scale makes [energy-efficient options](#) more viable and cost-effective, [eco-conscious design](#) is a major influence on ADUs as well.

Detached ADUs have the additional consideration of exterior architecture. "Most people assume it will look like the main house," says Strom. He calls this the "build to blend" model, where the ADU is styled to match the main home. The alternative, dubbed the "modern counterpoint," is a more contemporary architecture but also

flexible to meet the homeowners' wishes. A different exterior might initially raise eyebrows, but Strom points out that detached ADUs are often in the backyard, so it's not changing the home's appearance from the street.

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Costs of Building an ADU

A common misconception is that because ADUs are small, they will be inexpensive and quick to build. An ADU is still a complete home, and it comes with much of the same process, planning, budgeting, and [unexpected expenses](#) as building a new home (especially detached ADUs)—meaning time and money are still substantial investments.

When to Build an ADU

Consider building an ADU when you're already planning a related [home-improvement project](#). Strom sees a lot of interest in ADUs when old garages need to be replaced or when a homeowner without a garage wants to add one. "It's a great time to consider how to maximize the space," he says. Similarly, when [finishing a basement](#), [insulating an attic](#), or [plotting an addition](#), look into what it would take to complete the space as an ADU. Dreaming of a new backyard deck or storage project? That's a good time to consider an ADU, too. "If your yard has a lot of hardscaping, patios, or sheds, there might not be enough space left to meet the requirements," says Strom.

How can I learn more about building an ADU where I live?

Bigelow recommends heading to Google to search for local city and county ADU ordinances, noting that some locations offer specific ADU guidance. Seattle, for example, has a [website dedicated to ADUs](#) that includes pre-approved ADU designs. There are also regional companies, like [Maxable](#), that specialize in educating homeowners about ADUs and associated requirements.

Before building an ADU, find professionals with ADU experience to help investigate the details of your property. Strom emphasizes the power that experienced professionals bring, including familiarity with zoning and building codes, recognizing concerns, and pivoting while planning—all especially important factors as regulations impacting ADUs continue to change and ADUs themselves are not widely familiar building projects.



Figure 1 CHRISTOPHER STROM ARCHITECTS AND ALYSSA LEE PHOTOGRAPHY

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