

2022 ADU Annual Report

Land Use Committee Briefing

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Outline

1. Background on Seattle's ADU reform
2. ADU production trends
3. Pre-approved DADU plans
4. How ADUs are used
5. Results from survey of ADU owners and occupants
6. Looking ahead



CAST Architecture / Cindy Apple Photography

What are ADUs?

Accessory dwelling units (ADUs) are small, secondary dwellings the City allows in residential zones



An **attached ADU (AADU)** is an ADU located within or connected to a principal dwelling unit.



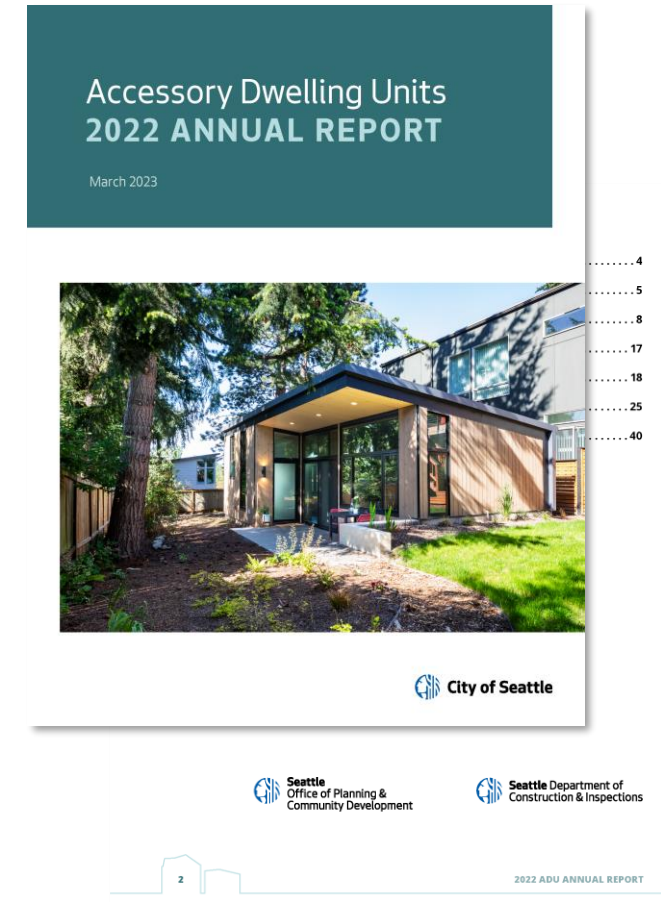
A **detached ADU (DADU)**, sometimes called a backyard cottage, is an ADU in a separate accessory structure.



Left to right: live-work-play architecture / Cindy Apple Photography; Shape Architecture; Hammer & Hand

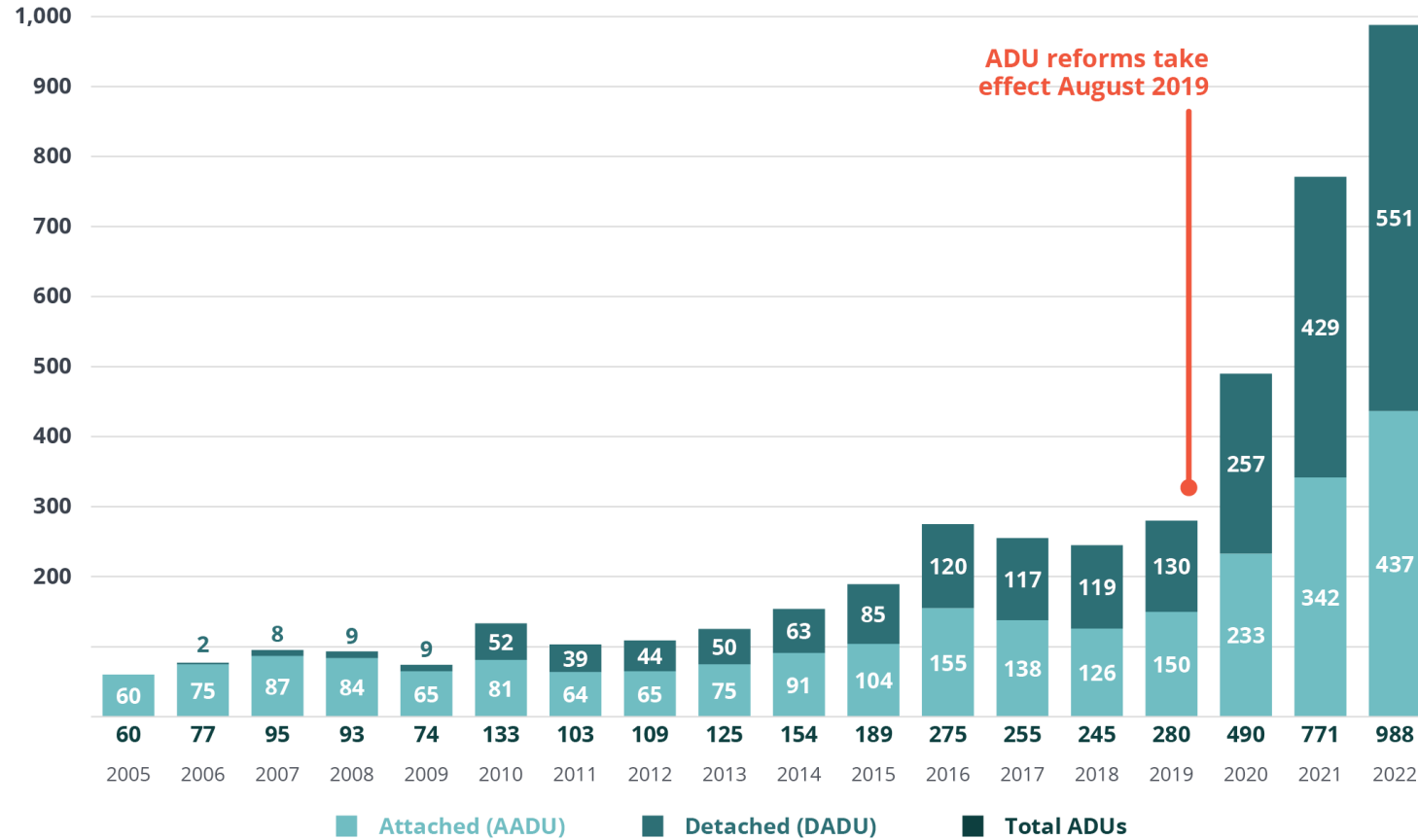
Seattle's ADU reform

- In 2019, Council adopted legislation that removed regulatory barriers that hampered ADU development as one part of a broader housing strategy.
- Key changes included:
 - Allowing two ADUs on all lots in NR1/NR2/NR3 zones
 - Reducing the minimum lot size for a DADU to 3,200 square feet
 - Increasing the maximum height and size of DADUs to facilitate larger, family-size homes
 - Removing off-street parking and owner-occupancy requirements
 - A new limit on the maximum size of single-family dwellings that incentivizes including ADUs in new development
- In Ordinance 125984, Council directed OPCD and SDCI to report annually on citywide ADU production
- Executive Order 2019-04 also called on planning staff to monitor and report on ADU outcomes, benefits, and impacts



ADU production trends

ADUs permitted since 2005



Detached accessory dwelling units (DADU)

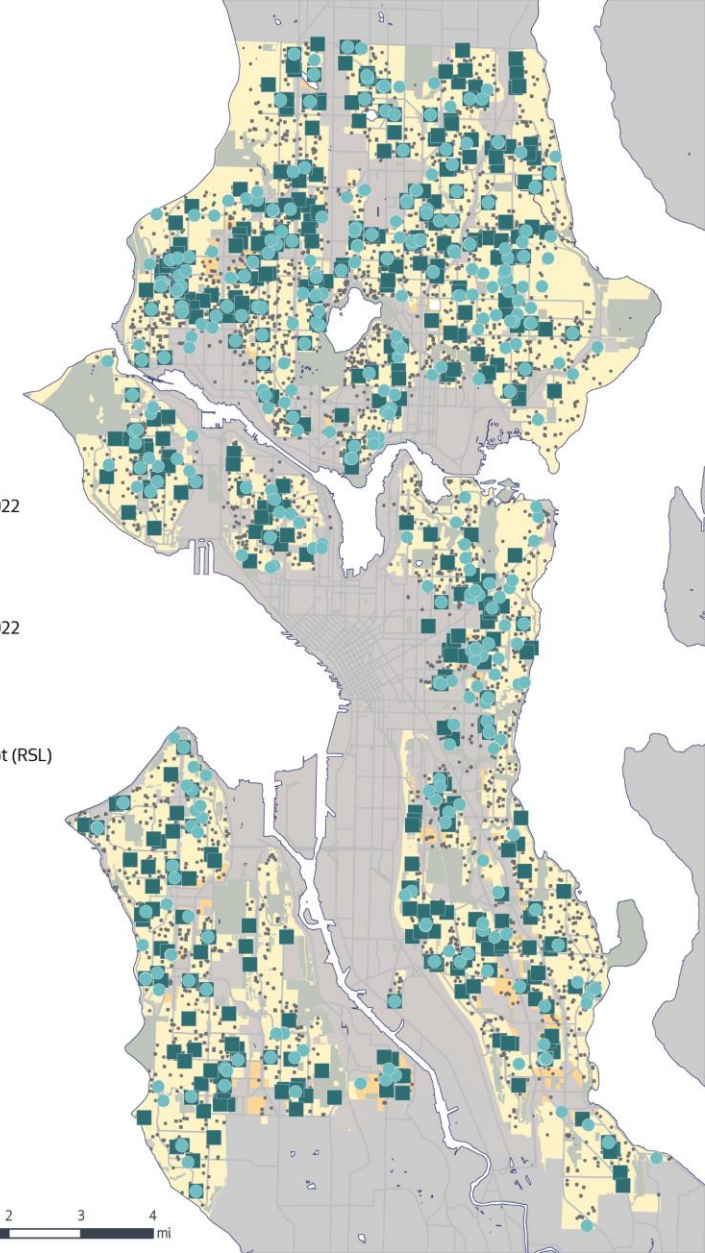
- Permitted in 2022 (dark teal square)
- Permitted before 2022 (grey square)

Attached accessory dwelling units (AADU)

- Permitted in 2022 (light teal circle)
- Permitted before 2022 (grey circle)

Zoning

- NR1, NR2, NR3 (yellow)
- Residential Small Lot (RSL) (orange)
- Other zones (grey)
- City-owned park or open space (light green)



ADU production trends

Properties with multiple ADUs

- The 2019 ADU reforms allowed properties in NR1, NR2, and NR3 zones to have two ADUs
 - One AADU and one DADU, or two AADUs
 - In RSL zones, one ADU allowed per principal unit
- 44% of ADUs permitted last year in NR zones were for sites with multiple ADUs
 - 35% were AADU + DADU
 - 7% were 2 AADUs
 - 2% were on lots that already had an ADU



ADU production trends

ADUs with new single-family residences (SFRs)

- Among NR properties that had new construction in 2022:
 - 14 percent had only new SFRs
 - 51 percent had only ADUs
 - 34 percent included both two housing types
- Projects with both housing types likely involved demolition of the existing single-family dwelling
- In 2022, 70% of sites with new single-family homes included an ADU, likely a result of the floor area ratio (FAR) limit that now applies in NR zones

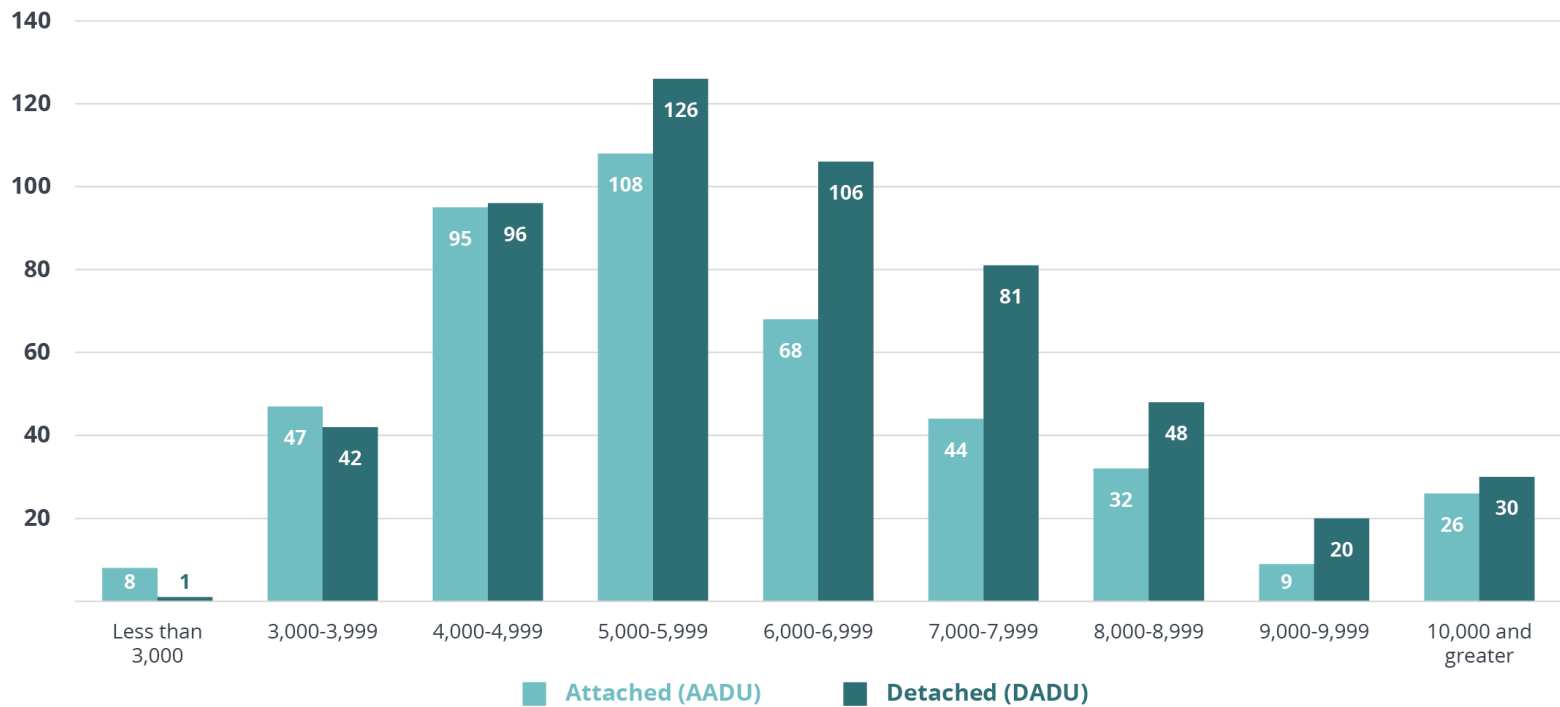


ADU production trends

ADUs were permitted on a wide range of lot sizes in 2022.

However, the median was 5,666 and 6,008 square feet for AADUs and DADUs, respectively, slightly above the median lot size overall (5,244 square feet).

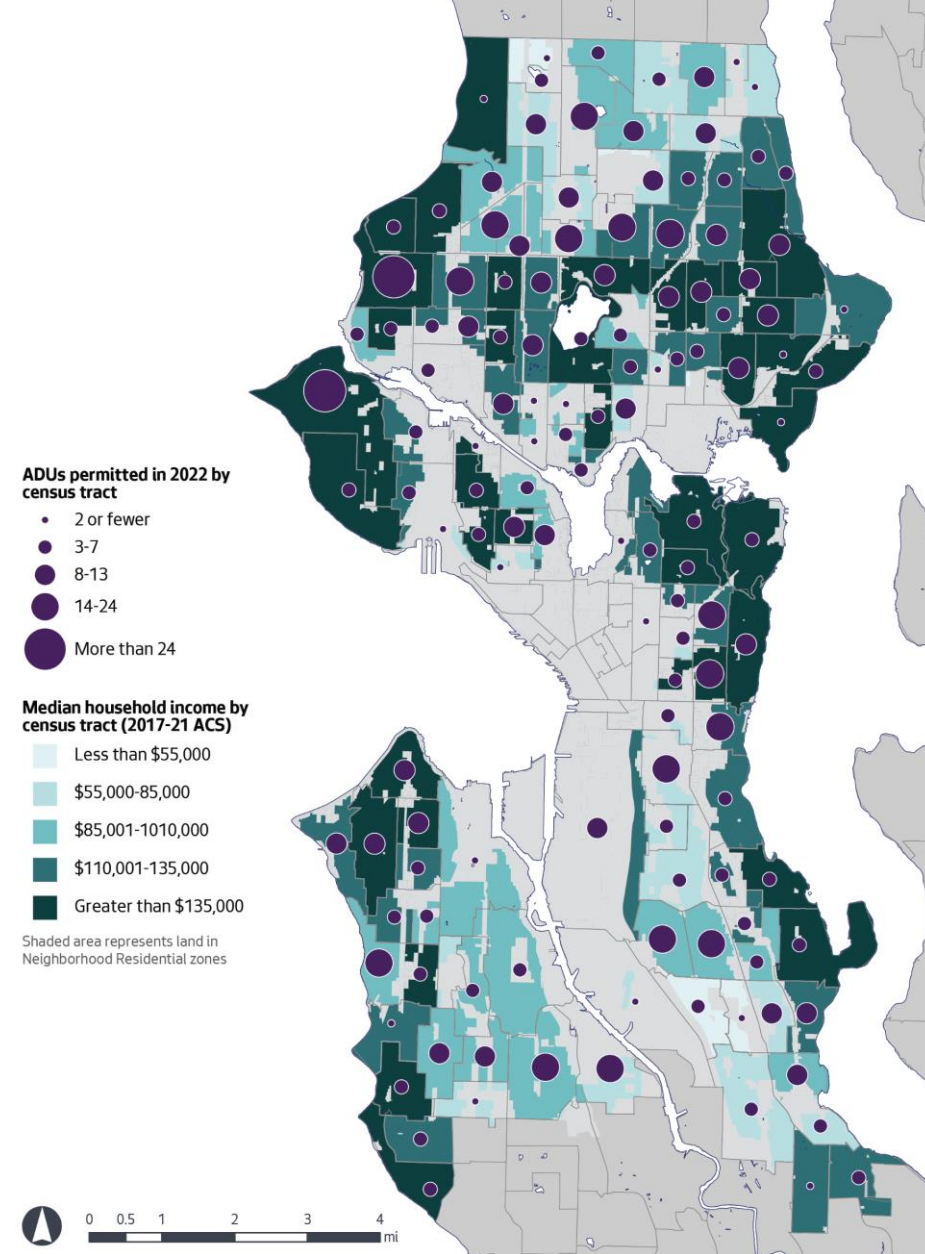
ADUs permitted in 2022 by lot size



Neighborhood characteristics

Are ADUs concentrated in higher- or lower-income areas?

- 30% of ADUs permitted in 2022 were in census tracts with a median household income above \$135,000, consistent with the share of all tracts at that income level in Seattle
- ADUs in 2022 were equally likely to be permitted in lower- and higher-income census tracts: no significant relationship between ADU production in 2022 and median household income at the tract level when we control for the amount of NR zoning in the tract
- Survey data tells us more about actual ADU owners and occupants



Pre-approved DADU plans

- In 2020, we released a gallery of 10 pre-approved DADU designs on [ADUniverse](#)
 - Gallery includes a range of DADU sizes, unit types, and styles
 - Property owners who apply to permit one of these plans can expect a faster permitting timeline and somewhat reduced cost
- These plans have been permitted 130 times since their issuance in September 2020
- Permitting averaged 56 calendar days from intake to issuance
 - 37 days in SDCI review
 - 19 days out for corrections with the applicant
 - 2.6 correction cycles



One of the City's 10 pre-approved DADU designs. Credit Fivedot / Amaryllis Lockhart.

How ADUs are used

Short-term rentals (STRs)

- Since 2017, Seattle has had regulations that limit the number of units someone may operate as an STR to two units
- Operators must obtain a license from FAS and indicate their unit type

Short-term rental licenses		ADU production (1994-2022)		STRs as share of ADU permits issued
Unit type	Active licenses with active units	ADU type	ADUs in issued permits	
AADU	359	AADU	2,726	13%
DADU	110	DADU	1,533	7%
Other	59			
Total	528	All ADUs	4,259	12%

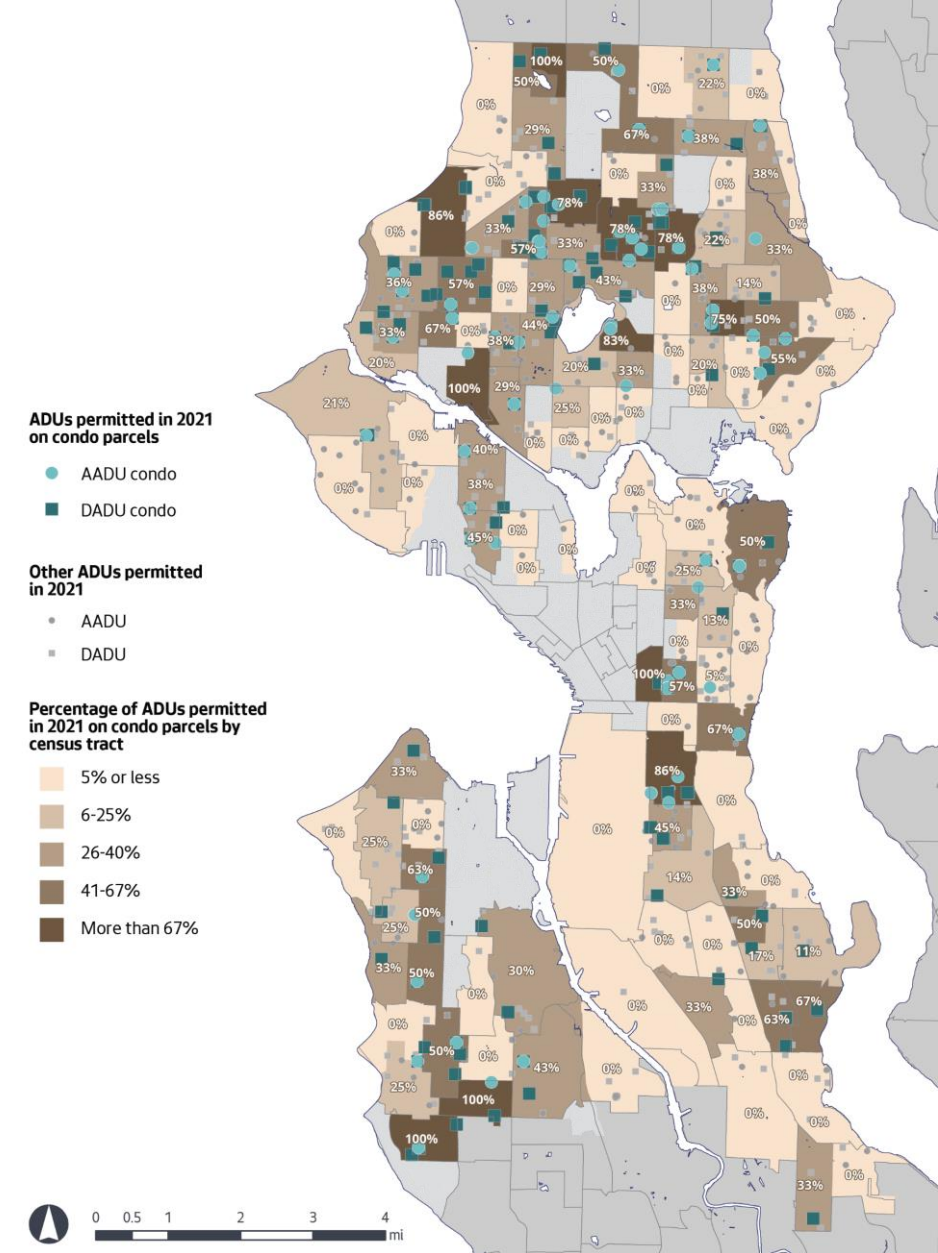
Licensing data suggests about 12% of active STR licenses are associated with ADUs

- This might be an underestimate since not all units operated at STRs are licensed
- But it might overrepresent ADUs used as STRs because owners may get a license and change use or offer it as an STR for only a few nights a year

How ADUs are used

Condominium ownership

- What is a condo?
 - A form of common ownership where units are owned individually and owners have a nonexclusive interest in certain shared elements or community property
 - The City is not directly involved in condo formation; governed by state law (RCW 64.90) and administered at the county level
- In NR zones, a typical lot can have two ADUs but cannot be subdivided, so condos are sometimes created to allow separate ownership of the homes
- This trend has increased in recent years. In 2021, one-third of ADUs permitted were on condo parcels.
 - Similar to share of permits with multiple ADUs (42 percent) and projects with both ADUs and a new SFR (35 percent)

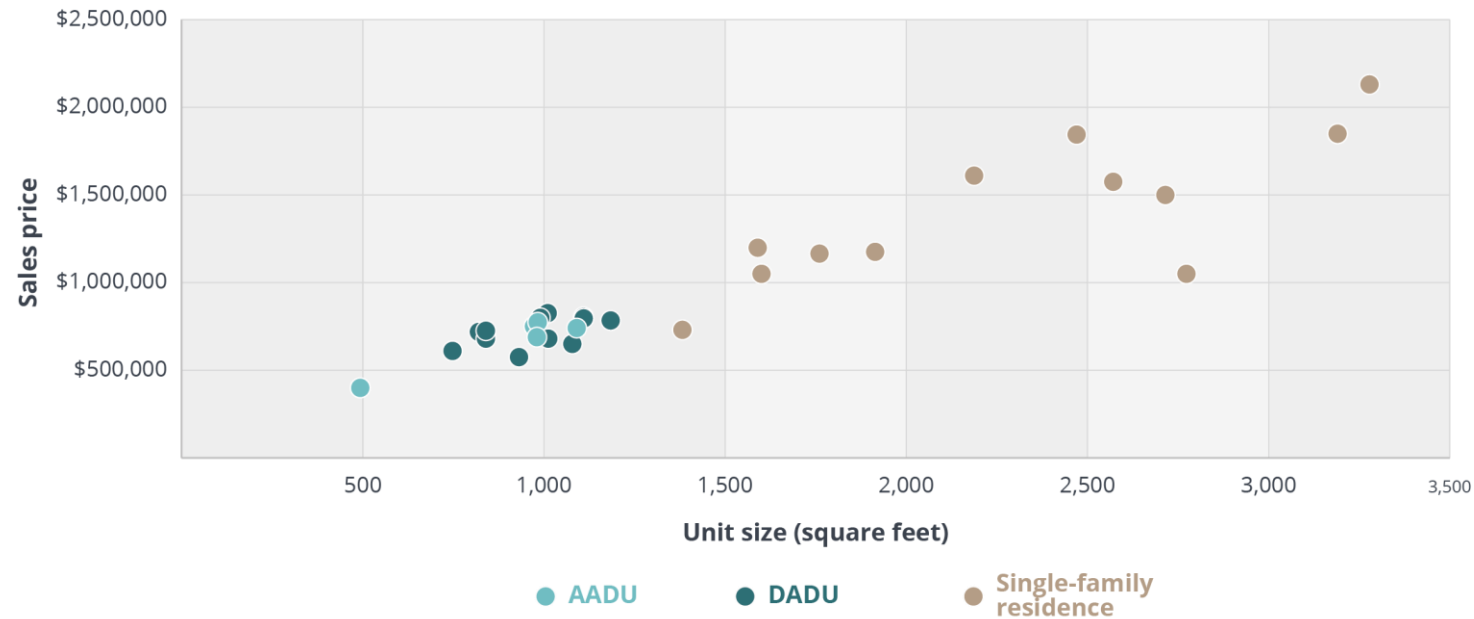


How ADUs are used

How do ADU condos affect affordability?

- Due to their smaller size and land area, ADUs sold as condominiums may offer a lower price point for new construction in NR zones than is otherwise available
- A sample of ADUs and SFRs created as condos in 2021-2022 shows that ADU condos sold for less than the SFRs on the same lot
- But most ADUs sold as condos remain out of reach to lower-income households

Sample condo sales in NR zones by unit size and type



Survey of ADU owners and occupants

- Ordinance 125854 directed us to conduct a voluntary survey of ADU owners and occupants to collect descriptive statistics not available through permit data
 - Information on the use, size, financing, rent charged, ownership, design, and construction of ADUs
 - General demographic information of ADU owners and occupants
- In spring 2022, OPCD partnered with UW to create and disseminate a survey to the 2,465 ADUs permitted 2016-2021
- We received 522 responses (21 percent response rate)
- Responses provide insights not otherwise available, but we can't draw firm conclusions about representativeness of results

Share your experience with ADUs

The City of Seattle and University of Washington want to hear about your experience with an accessory dwelling unit (ADU) on your property.

The UW Center for Studies in Demography and Ecology and the Seattle Office of Planning & Community Development (OPCD) are studying the development and use of ADUs in Seattle.

Scan the QR code to take our survey and receive a gift card for your participation.

This unique survey link is for the ADU located at: [ADDRESS]

surveymonkey.com/r/ADUSurvey2022?Address=[Address_value]

Your individual response will be kept confidential and used only in aggregate form. The survey takes 15-20 minutes to complete. In exchange for your participation, you will receive a \$10 Tango gift card by email within two weeks of completing the survey and a chance to win two \$250 gift cards.

name
street address
city, state ZIP

QR CODE

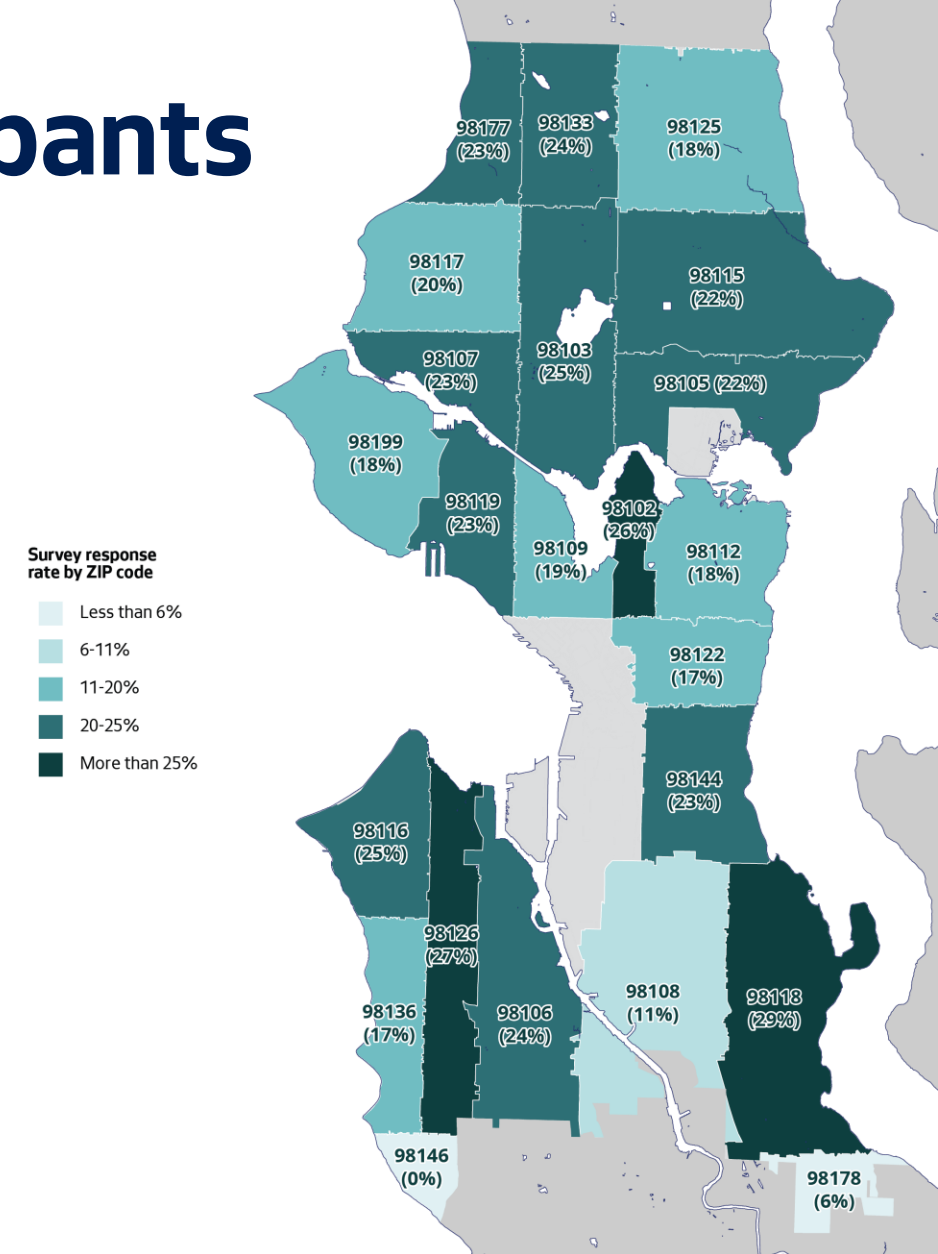
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BARCODE

UNIVERSITY of WASHINGTON Seattle

Survey of ADU owners and occupants

Which of the following best describes your relationship to the ADU(s)? (n=522)	Percentage of respondents	Number of responses
I own the ADU, and use the ADU for personal use or rent it (short-term or long-term) or other use	62.3%	325
I own and live in the ADU, and I rent out the main house	6.7%	35
I purchased the ADU as a condominium unit	4.2%	22
I pay rent to live in the ADU and do not own it	7.1%	37
I live in the ADU without paying rent and do not own it	2.1%	11
I am currently in the process of creating an ADU (i.e., I have a permit but construction isn't complete yet)	10.0%	52
I work for a developer, builder, or other company involved in creating the ADU	0.2%	1
Other	7.5%	39



Survey of ADU owners and occupants

We asked respondents about the past, current, likely future use of their ADU.

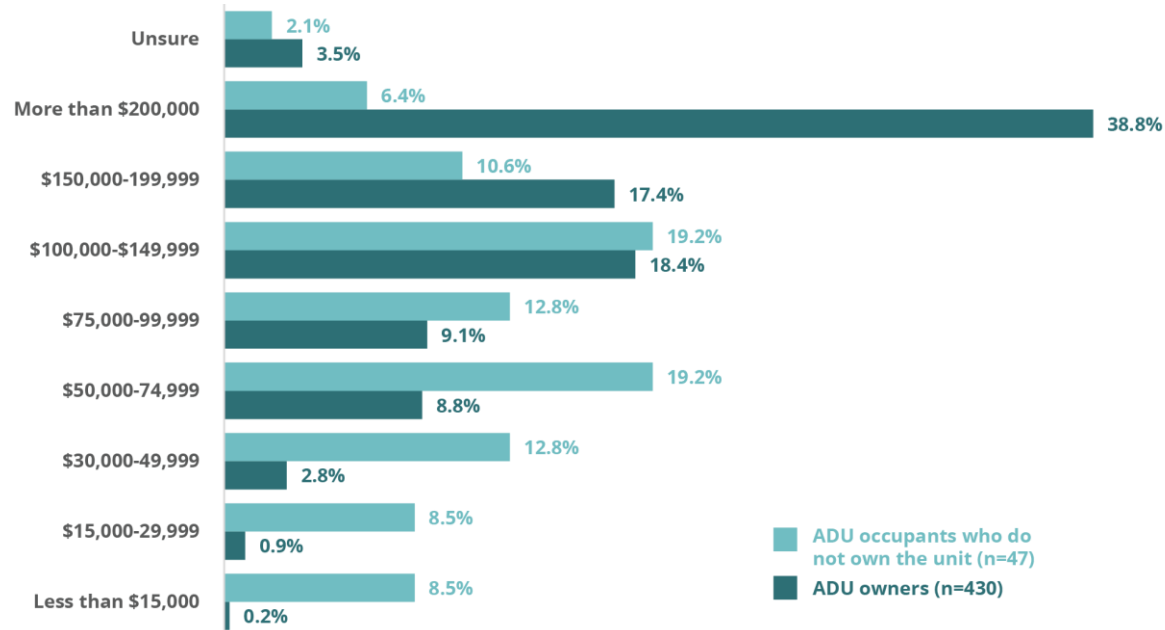
Most common response was long-term rental. Overall responses indicate variety of uses.

How is the ADU currently being used? (n=415)	Percentage of respondents	Number of responses
I rent to a long-term tenant that I did not know previously	21.3%	93
I rent to a family member/acquaintance	10.1%	44
I offer it as a short-term rental through a platform like Airbnb or Vrbo	11.0%	48
I make it available for free to a family member or friend	11.9%	52
I live in the ADU	14.6%	64
I live in the ADU and own it as a condo	5.0%	22
It is the residence for a caregiver	0.0%	0
I use it as space for occasional house guests or visitors	6.2%	27
I use it as additional living space or something other than a residence	6.9%	30
Not currently being used for anything	1.4%	6
I am currently building the ADU and it is not in use yet	11.2%	49
Other	5.3%	23

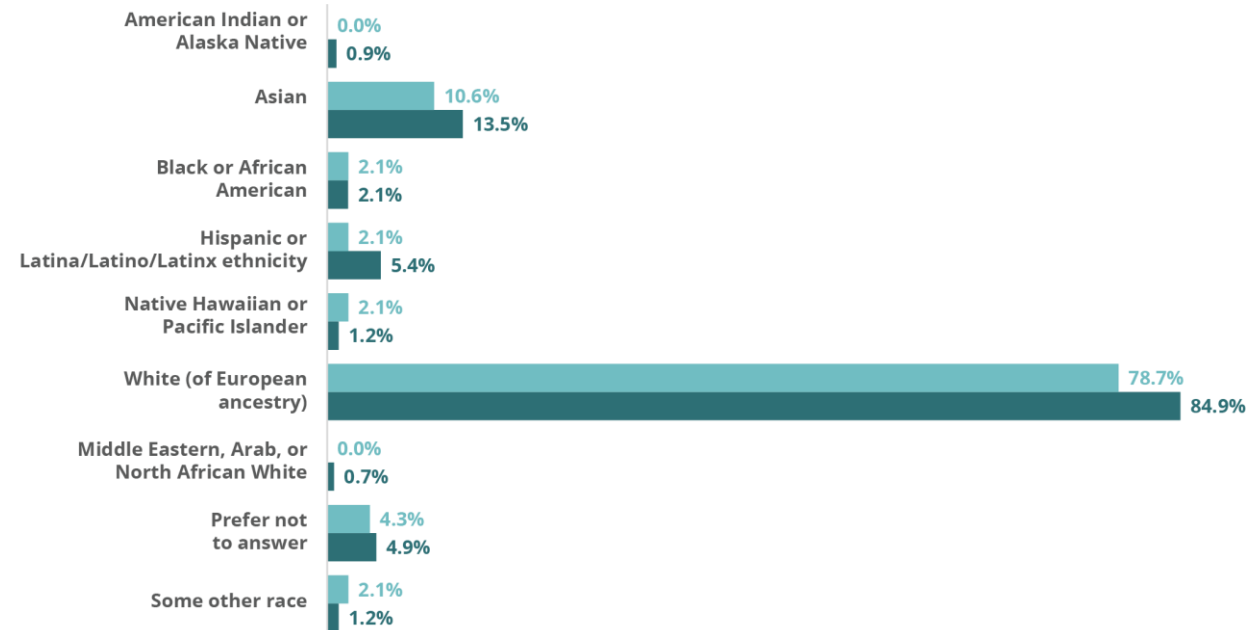
Survey of ADU owners and occupants

Demographics of owners and occupants

Approximately how much was your household's before-tax income in the last 12 months? (n=477)



What is your race or ethnicity? Select all that apply. (n=477)



Survey of ADU owners and occupants

Average household size

We also asked about household size. The 2019 ADU legislation increased the size and height limits for DADUs to facilitate larger units that might better serve larger households and families with children.

Average household size of survey respondents who live in the ADU (n=477)

Number of people in household	ADU occupants who own the unit	ADU occupants who do not own the unit	Total (all ADU occupants)
1	64%	23%	41%
2	23%	58%	42%
3	6%	9%	8%
4	0%	9%	5%
5	4%	2%	3%
6	2%	0%	1%



Survey of ADU owners and occupants

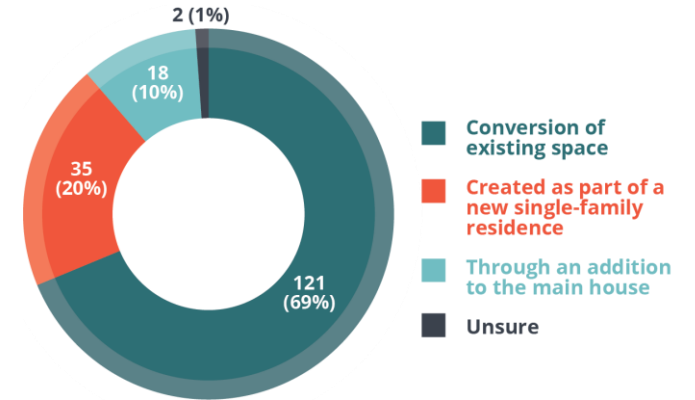
Conversion of existing structures

Ord 125895 calls for tracking ADUs in new construction vs conversion of or addition to an existing structure

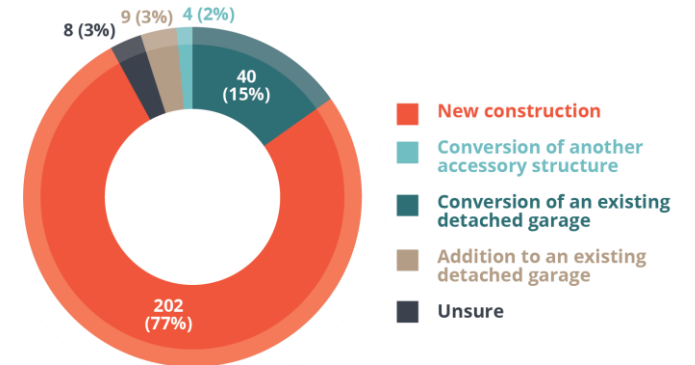
ADUs permitted in 2022 by permit type

	New construction	Addition / alteration	Change of use	Total
AADU	308	127	2	437
DADU	279	269	3	551
Total	587	396	5	988

How was your AADU created? (n=176)



How was your DADU created? (n=263)

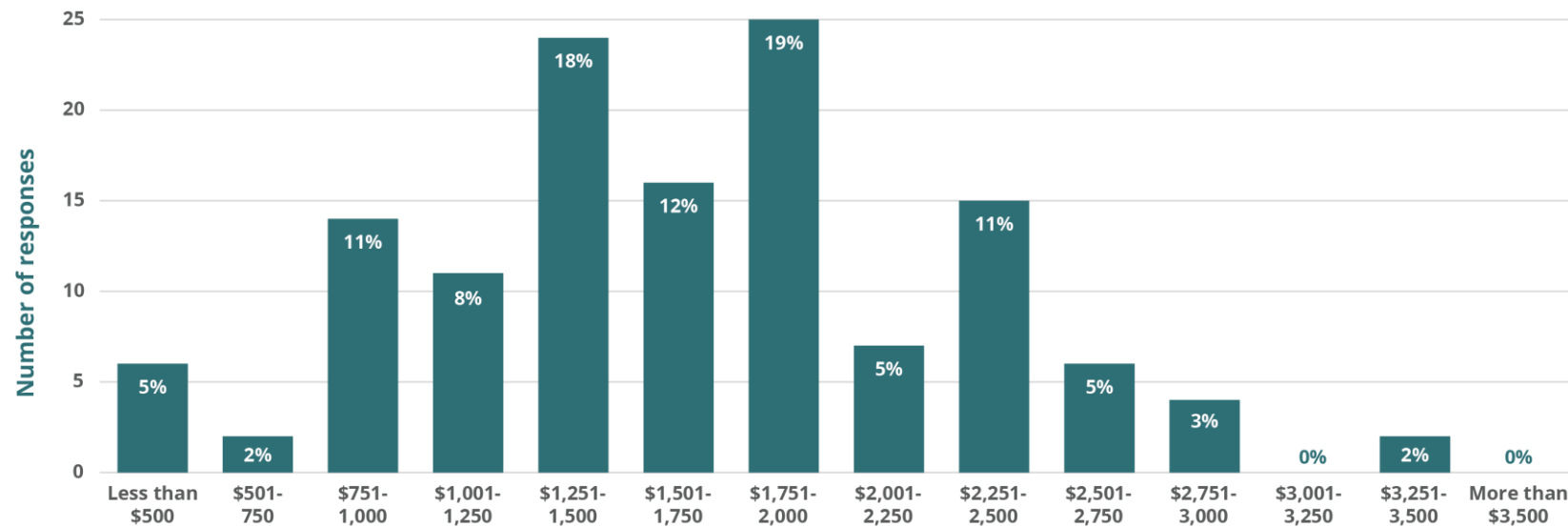


Survey of ADU owners and occupants

ADU rent

- Overall median was \$1,650
- Below current median rent of \$2,188 for 1BR apartments in Seattle, even though 34% of ADUs in survey are 2BR/3BR
- 80% of respondents reported rent at or below that citywide figure
- 17% were below \$1,000 and 7% below \$750
- ADUs permitted 2016-2021 appear to offer relatively lower-cost rental options

What is the current monthly rent for your ADU, not including utilities? (n=132)

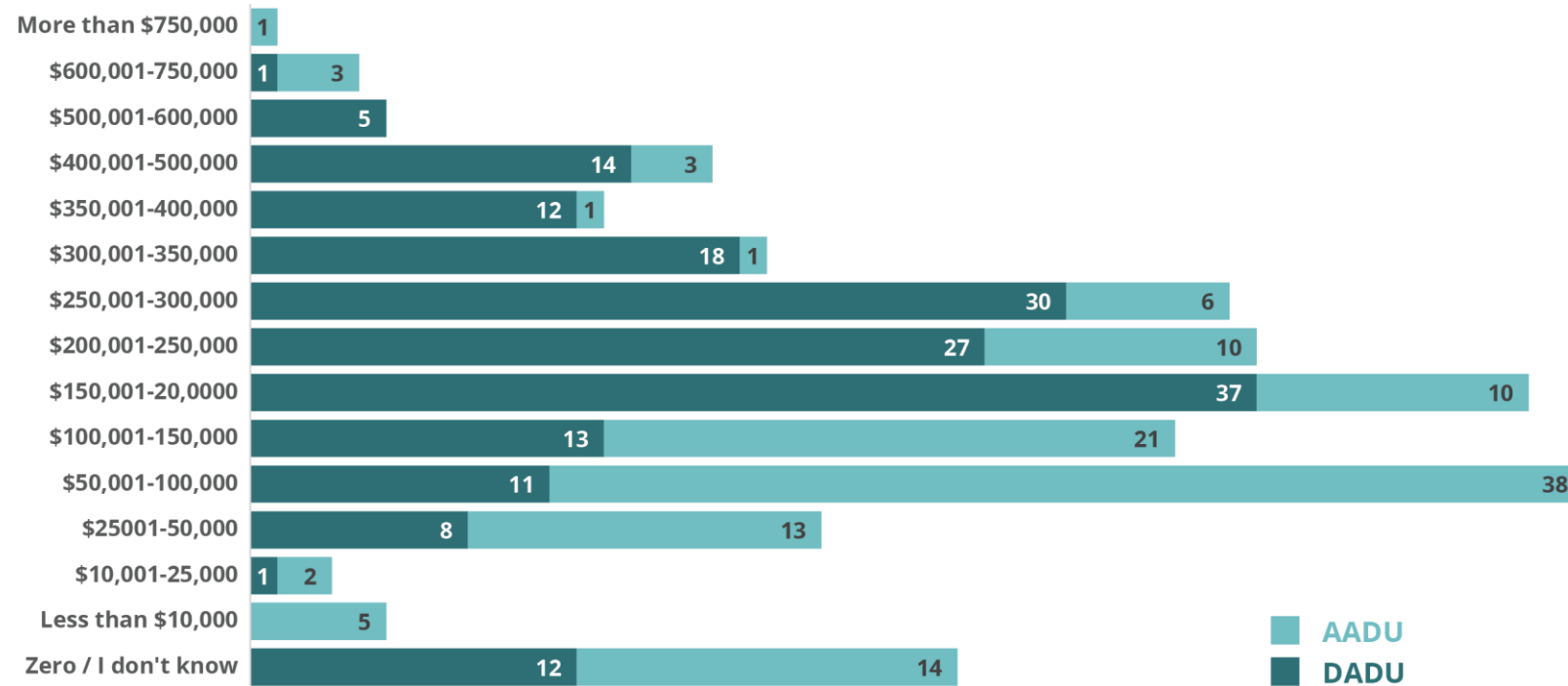


Survey of ADU owners and occupants

ADU construction cost

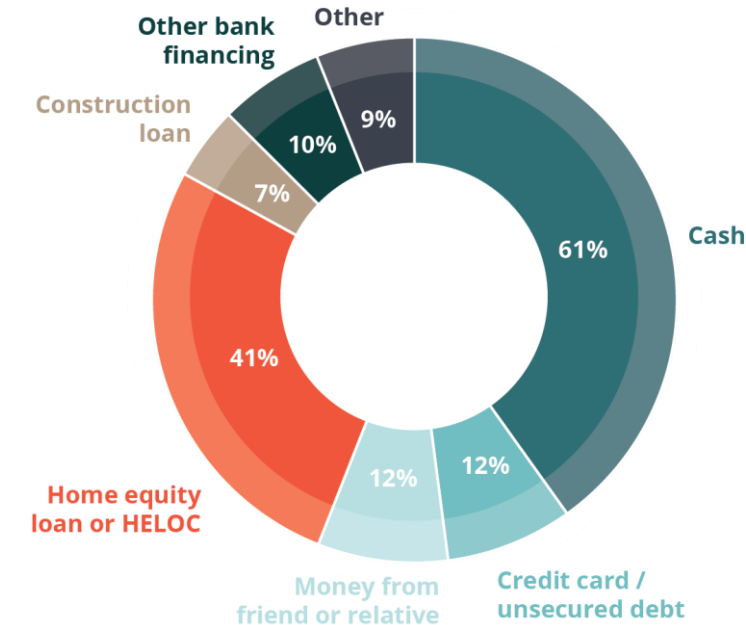
How much did you or someone else pay to construct your ADU?
Please include the costs for design, labor, materials, and permits. (n=318)

Median was \$100,000 for AADUs and \$230,000 for DADUs



ADU financing

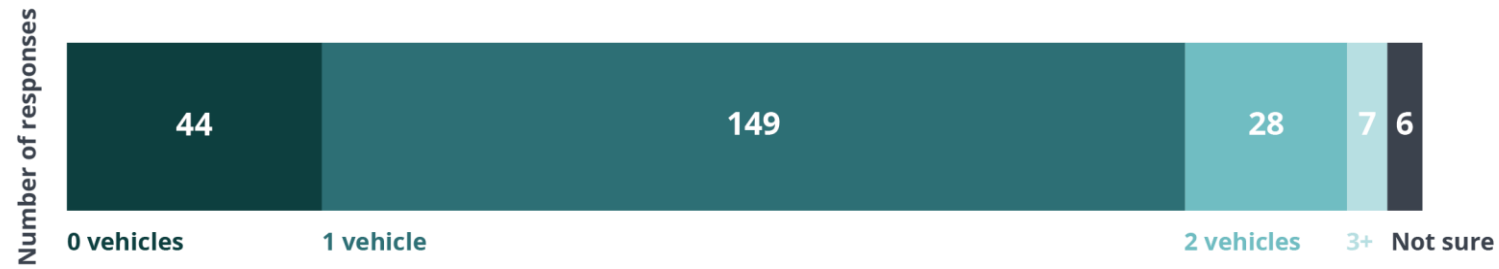
How did you pay for the construction of the ADU? Select all that apply. (n=336)



Survey of ADU owners and occupants

Parking

How many vehicles do the ADU residents own? (n=234)



How many vehicles do the ADU residents typically park on the street? (n=234)



Looking ahead: ongoing work

- Continued monitoring, particularly:
 - reviewing sales data gain further insights into the price range for and relative affordability of ADUs sold as condos
 - continuing ongoing analysis of ADU plan sets to identify unit characteristics (like height, size, and lot coverage); provision of off-street parking; and retention, planting, and removal of trees
- Informing ongoing work in Mayor Harrell's housing subcommittee and One Seattle Comprehensive Plan
- Continuing to explore how we can support more equitable use of ADUs by helping lower- and moderate-income homeowners own or live in an ADU



More info at ADUniverse



See our full report and learn more about ADUs in Seattle at maps.seattle.gov/ADU

- Step-by-step guide
- Pre-approved DADU plans
- Property feasibility tool
- Illustrated ADU rules

