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Micro-Units: Another Tool in your Affordable Housing Toolbelt

December 12, 2019 by Sarah Bollard Category: Housing



Affordable housing continues to be one of the most pressing issues in Washington. Statewide, local governments are dealing with a lack of affordable housing coupled with increasing housing costs. In the face of this crisis, communities are looking to increase the variety of housing stock available to keep up with demand and to encourage development at all income levels. One potential addition for your housing stock: the micro-unit apartment.

What Is It?

Micro-units go by many names — residential suites, co-living, micro-apartments, micro-housing, apodments, small efficiency dwelling units — but these terms all refer to the same type of housing unit: an apartment that is between 125 to 400 square feet in size (See Chelan Municipal Code 19.10, Redmond Zoning Code 21.78, and Everett Municipal Code 19.04 for definition examples).

Some units include their own private bathroom and kitchenette spaces while others, such as the smallest micro-units, are usually supplemented by communal spaces that can include larger kitchens, living areas, community rooms, decks, or other areas. Micro-units are generally built in more urban, walkable areas near a job core or university and close to neighborhood amenities. It's the prime location of a micro-housing development that attracts residents, and these residents are then willing to give up a sizable amount of private residential space in order to live in a desirable area.

Why Micro-Units?

According to a 2014 study conducted by the Urban Land Institute, micro-units have higher occupancy rates than regular apartment units. One in four renters living in traditional apartments have expressed interest in living in a micro-unit, and renters of micro-units seem to have a similar satisfaction level with their residences when compared to those living in traditional apartments. Micro-unit residents are happy with their housing situation, and the rent is usually more affordable than traditional apartments, making micro-apartments enticing to single households in many different careers (such as tech workers, service workers, teachers, and nurses).

As rents and home prices across Washington continue to rise, smaller living becomes more enticing to both developers, who can create more units in the same amount of space, and residents, who are looking for more affordable rents close to where they work. In the City of Seattle the median annual rental income cost is \$10,000 less than the income required for average rent in the city core, so more and more renters are looking for affordable options (See the National Apartment Association's Barriers to Apartment Construction Index).

Factors to Consider with Micro-Unit Developments

Of the Washington cities that currently allow apartment developments, many have not put size limitations in their zoning codes, so micro-units could be built there, even if not specifically addressed by ordinance. It is important to note, however, that in some cases the unit size may be allowed but density maximum may make it difficult to build an exclusively micro-unit building.

Micro-units' detractors often raise concerns related to parking and traffic considerations, the impact such a development would bring to a neighborhood, and whether these tiny living quarters are really — well — livable.

The most frequent of these concerns is parking and traffic impacts. Most cities that explicitly allow micro-apartments have, as an incentive to developers, reduced their parking requirements when compared to other multi-family units. For example, Everett Municipal Code 19.34 reduced the city's parking standard from .85 spaces per each studio apartment to 1 parking space per every 2 micro-housing dwelling units. Residents located in areas where micro-housing is being developed often worry that the combination of more density coupled with lower off-street parking requirements will negatively impact on-street parking (fewer spots) while increasing traffic congestion in the area. However, cities have been successful in mitigating these concerns through community outreach and, in a few cases, conducting traffic impact studies to show the minimal impacts of these kinds of buildings.

In response to concerns about neighborhood compatibility, some local governments use design standards to ensure new developments (micro-units included) add to the neighborhood character. And, in response to concerns about the livability of these unit types, it's important to note the demographics that these apartments appeal to. As mentioned above, a survey conducted by the Urban Land Institute found that residents in micro-units were as happy as other apartment renters, and that many current renters of traditional apartments are interested in these units. Micro-housing thrives in communities with a large number of young, single adults, especially when situated near or around job opportunities or universities.

While they may not make sense in all communities, micro-housing seems to be built and do best when placed in urban centers, mixed-use zones, and other areas with good transit service. Successful micro-unit developments have been built in cities like Spokane, Kirkland, and Redmond. Once built, these developments add an affordable housing option that may be beneficial to any community wanting to address its affordable housing challenge.

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