



Housing Density and Missing Middle Housing Primer

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Housing Affordability and Market Demand

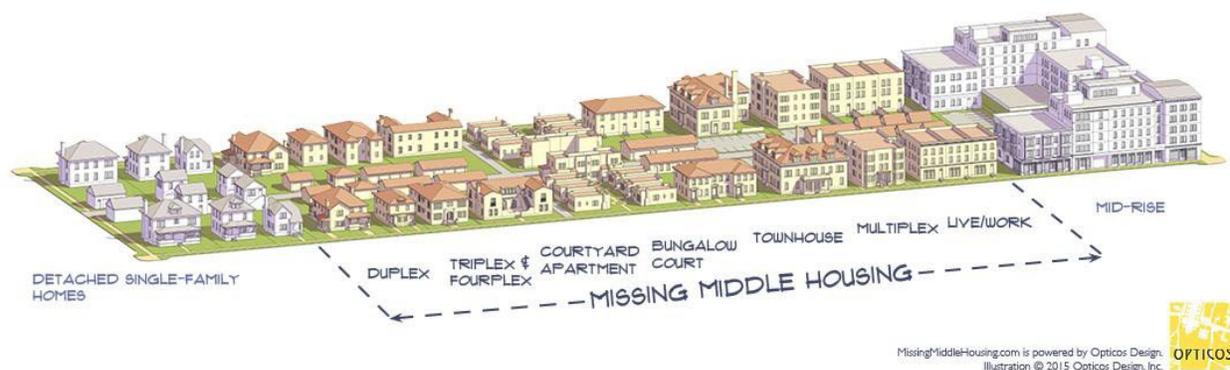
Affordable and attainable housing continues to be a national concern; for decades, housing underproduction and a land use policy system that favors traditional, single-family homes has led to a landscape where safe, decent and affordable housing opportunities continue to get further out of reach for millions of low- to moderate-income Americans. NAHB's "housing affordability pyramid" for 2023 shows that 64.8 million households are unable to afford a \$250,000 home; 39 million U.S. households are unable to afford a \$150,000 home.

According to the latest data from the NAHB/Wells Fargo Housing Opportunity Index (HOI), just 38.1% of new and existing homes sold between the beginning of October 2022 and end of December 2022 were affordable to families earning the U.S. median income of \$90,000. This is the lowest affordability measure on this index in the post-Great Recession period.

One of the solutions to the housing affordability crisis is to allow a greater mix of housing types that can help meet differing income and generational needs, from allowing adults to age in place to providing lower-cost, smaller-footprint homes for those fresh out of college. NAHB has been promoting this type of housing as a way to provide a variety of housing choices at varying price points to meet the needs to a changing nation. Missing middle housing, which is a range of house-scale buildings with multiple units and is compatible in scale and form with detached single-family homes, is what exists to meet this housing need.

Missing Middle Housing

Missing middle housing encompasses all the housing unit types that fall between detached single-family homes and large, apartment-style multifamily buildings. This includes duplexes, triplexes, fourplexes, courtyard and cottage court communities and townhouses. Missing middle housing can provide additional units in a manner that fits existing communities' structure, known as "gentle density," while assisting in providing units for a wide variety of price points.



However, in many areas of the country, building this type of unit isn't allowed. Many zoning codes and local land use policies only allow detached single-family homes and/or restrict development through other requirements such as minimum lot sizes, parking requirements and architectural design standards. More cities and states are beginning to embrace zoning reform to allow a greater variety of housing. Some examples include:

- [Minneapolis, Minn.](#): Minneapolis 2040 Comprehensive Plan updates in zoning code have made it possible to build three units on any residentially zoned parcel, among other changes.

- [Sacramento, Cali.](#): The 2040 General Plan strategy allows a greater array of housing types, such as duplexes, triplexes and fourplexes, in single-unit neighborhoods.
- [Colorado](#): The Workforce Housing Authority and Middle-income Housing Authority Acts create and power the middle-income housing authority for the purpose of acquiring, constructing, rehabilitating, owning, operating and financing affordable rental housing projects for middle-income workforce housing, including missing middle housing types.
- [Raleigh, N.C.](#): Unified Development Ordinance amendments allow more housing options in residential neighborhoods, including smaller homes on smaller lots.
- [Oregon](#): House Bill 2001 expands the ability of property owners to build certain housing types, like duplexes, in residential zones.

Accessory Dwelling Units

Additional forms of missing middle housing are accessory dwelling units (ADUs). Also known as in-law suites or granny flats, ADUs can be detached, garage-style conversions or attached to main homes in basements or separate units. ADUs have grown in popularity as a way for home owners to convert underutilized lot space into additional living space for family members or as a source of additional income. Although a number of communities still restrict development of ADUs, there is a growing awareness and acceptance of ADUs as an inexpensive way to increase the affordable housing supply.

There are multiple economic benefits of ADUs. They generate local jobs during construction, enhance property tax base for the city, and create additional housing near employment centers and public transportation, as ADUs are typically built where there is a demand for housing.

There are also environmental and societal benefits to building ADUs. Smaller buildings use less energy, do not require additional infrastructure to be built and are considered infill development.

Examples of ADU ordinances include:

- [Los Angeles, Calif.](#)
- [Portland, Ore.](#)
- [Austin, Texas](#)
- [Durham, N.C.](#)
- [Fayetteville, Ark.](#)

Form-Based Codes

A key challenge with building missing middle housing in a conventional zoning environment is that, although the final product does not resemble high-density housing types, it requires high-density zoning to be in place. These building types typically range in density from 16 to 35 dwelling units per acre, depending on the building type and lot size. After



development, actual density versus perceived density is often quite different. Thus, a form-based code, rather than a density-based code, may be a tactile policy strategy to follow.

A form-based code uses physical form, rather than separation of uses, as the organizing principal for the code. A form-based code can incorporate existing patterns and a desired future built form and allow a range of housing types for each form-based zone. For example, walkable residential neighborhoods or those near high-quality transit would allow dense missing middle housing.

Form-based code also allows the city to move toward by-right zoning approvals. A zoning code is considered “by-right” if the approvals process is streamlined so that projects that comply with the zoning standards receive their approval without a discretionary review process. Bypassing costly and time-intensive review processes is key for solving the housing production crisis.

Additional Resources

- [NAHB Land Use 101](#)
- [NAHB Solving the Housing Affordability Crisis](#)
- [Opticos Design: Missing Middle Housing Webpage](#)
- [AARP Livable Communities: Missing Middle Housing](#)
- [George Mason University Mercatus Center: A Taxonomy of State Accessory Dwelling Unit Laws](#)
- [Form-Based Codes Institute Library of Codes](#)