



Seattle

# Accessory Dwelling Units

**2023 ANNUAL REPORT**

July 2024



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# EXECUTIVE SUMMARY

The 2023 ADU Annual Report provides a comprehensive analysis of Accessory Dwelling Unit (ADU) development in Seattle, exploring trends, regulatory impacts, and future directions. This summary outlines key findings, legislative context, current production metrics, and anticipated changes affecting ADU deployment.

Since the 2019 reform, ADU permitting has surged, with 987 ADUs permitted in 2023. This includes 476 attached ADUs (AADUs) and 511 detached ADUs (DADUs), more than four times higher than 2018, with 126 AADUs and 117 DADUs permitted. The growth follows significant policy changes and the introduction of pre-approved DADU plans in 2020. However, ADU permit intake applications were down from 1,004 in 2022 to 780 in 2023. This suggests interest for ADUs may be leveling off, in particular as market conditions—like interest rates and high inflation—have led developers to hold off on applying for new ADU permits.

Washington State legislation in 2023, notably HB 1110 and HB 1337, mandates the allowance of more diverse housing types, including ADUs and middle housing, across residential areas statewide. Seattle's existing ADU regulations largely comply with these state laws but will require further adjustments to fully align with new mandates on density and ADU allowances.

ADU production is predominantly within Neighborhood Residential (NR) zones, accounting for 87 percent of ADUs permitted, as ADU code is more flexible in NR zones compared to the other residential zones. About 10% of ADUs are used as short-term rentals, while others serve as long-term rentals or owner-occupied spaces. A growing number of ADUs are developed as condominiums, providing a more affordable homeownership option compared to detached homes.

The median lot with one or more ADUs remains larger than typical lot sizes in NR zones, indicating feasibility

challenges on smaller lots. Pre-approved DADU plans have reduced permitting timelines significantly compared to non-standard plans, averaging 80 days versus 133 days.

The upcoming One Seattle Plan and changes to NR zones anticipated in 2025 may shift focus from ADU construction to middle housing options like triplexes and townhouses. Ongoing adjustments will ensure compliance with new state laws while maintaining the option for ADU construction, catering to diverse housing needs and financing models.

Seattle's ADU development reflects a broader trend towards increased housing diversity and affordability in response to evolving legislative frameworks and urban planning goals. The City's approach, combining streamlined processes with regulatory adaptations, has significantly bolstered ADU production.

However, future zoning changes and legislative mandates will necessitate careful balancing to sustain ADU growth while accommodating new middle housing formats. ***The continued integration of ADUs into Seattle's housing strategy remains pivotal for addressing the city's housing needs and economic challenges.***



## INTRODUCTION TO ADUs

## What Are ADUs?

Accessory Dwelling Units (ADUs) are secondary dwellings situated within residential zones, offering diverse housing options. They can be standalone structures like cottages in rear yards, dwellings atop garages, or suites within or attached to the main house. Attached ADUs (AADUs) are integrated within or connected to a principal dwelling unit, while detached ADUs (DADUs), often referred to as backyard cottages, are in separate accessory structures. Principal dwelling units are typically detached homes in Neighborhood Residential (NR) zones. However, in some limited cases they may also be townhouses.

In 2015, the City Council passed Resolution 31547, aiming to address Seattle’s housing crisis by directing planning staff to develop strategies for increasing ADU production. Despite attached and detached ADUs being permitted citywide since the mid-1990s and 2010 respectively, only a small portion of single-family lots have ADUs.

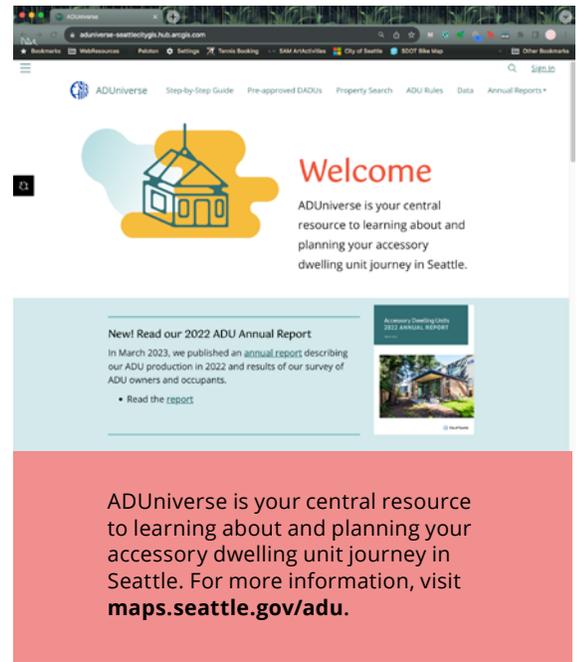
Regulatory barriers, a complex permitting process, and high construction costs hindered ADU development. In response, Seattle reformed ADU rules in 2019 through Ordinance 125984 and launched *ADUniverse* in 2020, facilitating a significant increase in ADU production.

In 2023, the city issued permits for 987 ADUs, offering housing options in neighborhoods with high costs and limited production. However, questions remain about the sufficiency of ADUs in addressing Seattle’s housing shortfall.

Below is a table outlining ADU reporting requirements and their current status.

**Figure 1 Reporting Requirement**

Reporting requirement	Legislative source	Status
<ul style="list-style-type: none"> <li>Number of ADUs</li> <li>Number of ADUs created annually</li> <li>Number of ADUs created over last 5 years</li> <li>Number of 2nd ADUs</li> <li>Number of ADUs permitted</li> </ul>	Ord 125854 EO 2019-07	Included in this 2023 ADU Annual Report
ADUs associated with short-term rental licenses	Ord 125854 EO 2019-07	Included in this 2023 ADU Annual Report



This annual report draws on several data sources to gain insights into ADU production and outcomes.

**Figure 2 Data Sources**

Data source	Description	What we can learn from it
<b>Accelea</b>	Construction permit data from the Seattle Department of Construction and Inspections (SDCI)	Quantity of AADU and DADU permits issued in 2023 and historically
<b>Short-term rental licenses</b>	Business licenses required for operating a short-term rental in Seattle. Issued by the City's Finance and Administrative Services Department (FAS).	What share of Seattle's short-term rental units might be ADUs
<b>King County Department of Assessments</b>	Parcel-level property information that identifies condominiums	How many ADUs are offered for ownership as condominium units

### Highlights from Last Year's Report

Since the overhaul of Seattle's ADU rules in 2019, there has been a notable uptick in ADU production. In 2022, the City issued close to 1,000 ADU permits, a substantial increase from the pre-reform era, indicating sustained momentum in ADU development.

Nearly half of ADUs permitted in 2022 were on sites hosting multiple units, reflecting the increased flexibility granted by the 2019 ADU legislation. Additionally, approximately one-third of permitted ADUs were part of developments that included new single-family residences, showcasing the diverse range of housing options being created.

The introduction of pre-approved DADU plans by the City in September 2020 has streamlined the permitting process for DADU construction. These plans, utilized 130 times between 2020 and 2022, offer owners a faster and more predictable pathway to ADU development, contributing to the overall increase in ADU production.

Analysis of short-term rental licenses suggests that approximately 12 percent of ADUs may have been used for nightly rentals on platforms like Airbnb and Vrbo in 2022, highlighting the varied usage of these units. Furthermore, property records indicate that around one-third of ADUs permitted in 2021 were created as part of condominium developments, providing a more affordable ownership option compared to traditional single-family residences.

A survey of ADU owners conducted in 2022 in collaboration with the University of Washington was included in the report. The results of the survey shed light on the demographics and financial aspects of ADU ownership. The survey revealed that the majority of ADU owners are white, with household incomes exceeding \$200,000, and construction costs typically financed through cash payments. Moreover, ADU rents, on average, fall below the typical one-bedroom rent in Seattle. A significant portion of ADUs were offered for rent for less than \$1,000 per month, underscoring the affordability and accessibility of ADUs in the housing market.

## Current Planning Context

### State Law Promotes ADU and Middle Housing Development

In recent years, Washington State has witnessed a concerted effort in legislative initiatives aimed at addressing critical issues surrounding housing shortage, housing affordability, and urban development. Notable among these efforts are 2023 House Bill 1110 (HB 1110) and House Bill 1337 (HB 1337), which have significant implications for the City's planning landscape.

In 2023, the Washington State Legislature passed HB 1110, commonly known as the middle housing bill. This legislation mandates that cities across Washington must permit middle housing in residential areas and imposes restrictions on how cities can regulate such housing. Middle housing, as defined by the bill, encompasses buildings that harmonize with single-family residences in terms of scale, form, and character, and include two or more attached, detached, or stacked homes. This classification encompasses various housing types such as duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.

In Seattle, the implementation of the bill necessitates zoning regulations that stipulate the following:

- A minimum allowance of four units on all residential lots.
- A minimum allowance of six units on residential lots located within a quarter-mile radius of major transit stops, such as light rail and bus rapid transit hubs.
- A minimum allowance of six units on residential lots if at least two of these units are designated as income-restricted affordable housing.

HB 1337 is a legislative initiative aimed at promoting the creation of ADUs by eliminating barriers. This bill mandates cities to adjust zoning regulations to permit at least two ADUs on all lots within urban growth areas (UGAs) where single-family homes are allowed.

Within UGAs, HB 1337 requires cities and counties to permit ADUs, while certain regulatory prohibitions on ADUs are lifted to facilitate their development. Additionally, cities and counties are empowered to provide incentives to encourage ADU development within UGAs. Moreover, the bill restricts newly established homeowners' associations from imposing regulations on ADUs. Although the City has already advanced reforms to promote ADU production, Seattle must make some additional changes to be fully compliant with HB 1337. The City's development regulations for NR zones already comply with major elements of HB 1337, such as allowing two ADUs, but some specific development standards, such as a restriction on ADU entry door locations, must still be brought into compliance. ADU development regulations are also not yet consistent across the city's residential zones.

## State and County Planning Reforms for ADUs

The Washington State Legislature and governments of King County respectively amended the Growth Management Act and the King County Countywide Planning Policies to further incorporate ADUs into planning for housing.

As part of the State goal to manage uncoordinated and unplanned growth, the State Growth Management Act requires local governments to adopt comprehensive plans to focus growth in urban areas, encourage efficient transportation, coordinate economic development, and ensure planning for future housing needs. Local governments are required to periodically update their comprehensive plans every 10 years.

In 2021, the Washington legislature adopted House Bill 1220 amending the Growth Management Act. The bill guided comprehensive plans and development regulations for jurisdictions to update plans to accommodate affordable housing and to address moderate-, low-, very low-, and extremely low-income housing in the housing element of their comprehensive plans. The bill directs jurisdictions to consider policies encouraging the construction of ADUs and consider the role of ADUs meeting housing needs.

The King County Countywide Planning Policies (CPP) H-13 and H-15, which were adopted as part of a major CPP update in 2021, are intended to improve affordability and options for housing across the County. These policies provided several implementation strategies to assist jurisdictions in overcoming cost barriers to housing development and affordability that highlight ADUs, including:

- reducing utility, impact and other fees for affordable housing and ADUs
- exploring incentives for the development of ADUs as income-restricted housing
- streamlining permitting processes for affordable housing and ADUs,
- promoting density and diversified housing choices throughout the county for all income levels including by allowing more dense housing types, including attached and detached ADUs.<sup>1</sup>

<sup>1</sup>[King County Countywide Planning Policies](#)

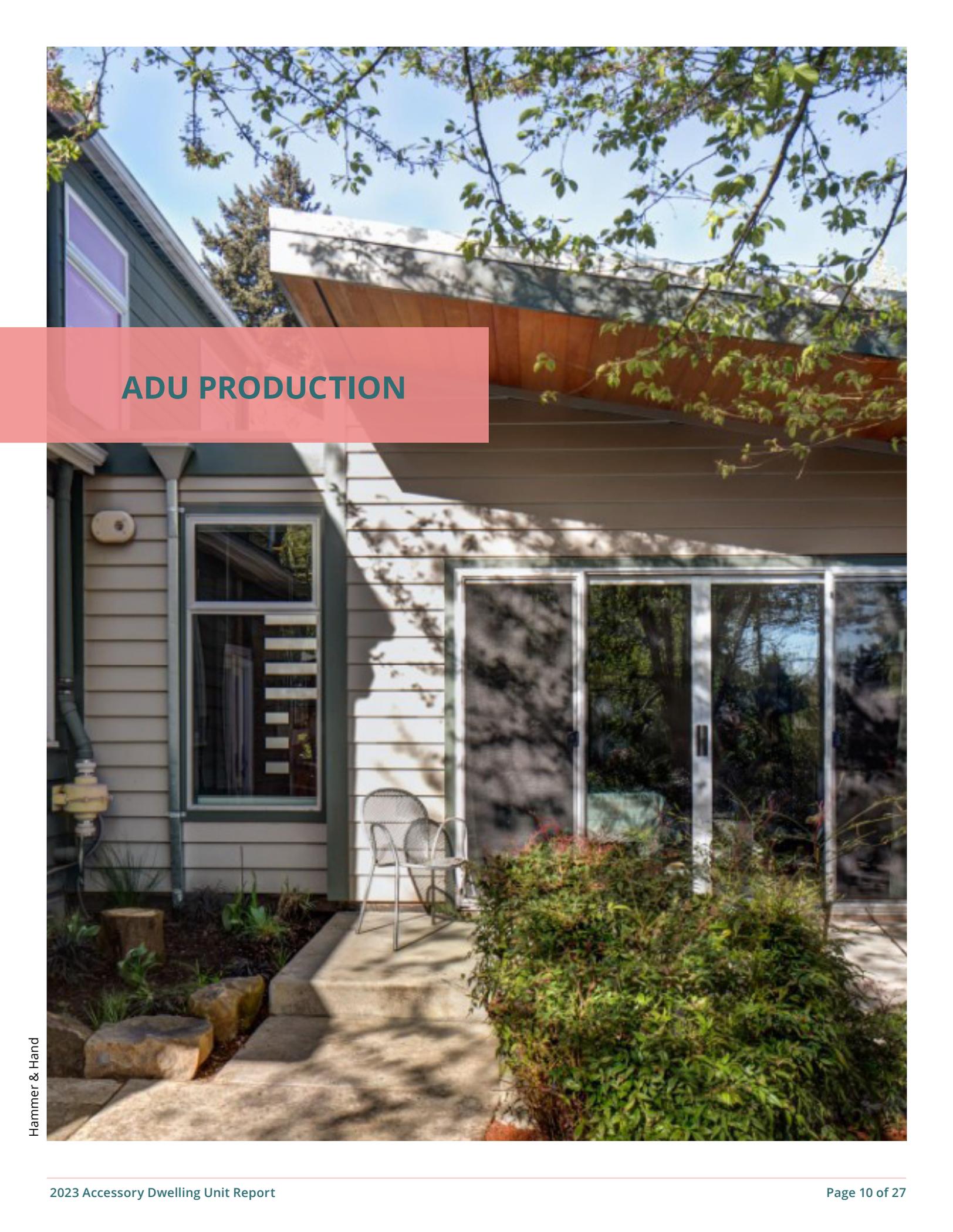
## One Seattle Plan

The City is currently updating its Comprehensive Plan, a strategic document that serves as a blueprint for guiding growth and investments. This plan plays a crucial role in determining the location and types of housing permitted across various areas of the city. The upcoming update, known as the One Seattle Plan, is required under the GMA and aims to tackle both longstanding and emerging challenges, including racial disparities, escalating housing costs, equitable access to economic opportunities and education, and the impacts of climate change.

Central to addressing these issues is the need to enhance the supply, diversity, and affordability of housing while ensuring that all neighborhoods are accessible to households with varying income levels and housing requirements. The One Seattle Plan places a particular focus on revising the NR zones, as required by HB 1110. This revision will allow a greater quantity and variety of housing in areas currently reserved for detached homes and, more recently, both attached and detached ADUs. The proposed changes to NR zones could reduce the number of accessory units that are built in future years as some people may decide to use the new flexibility to build other forms of middle housing instead.

The proposed updates to the NR zoning aim to allow for more middle housing options throughout Seattle's neighborhoods while also meeting the requirements of HB 1110. The focus is on promoting higher density and access to these neighborhoods by encouraging the construction of smaller, more affordable homes. The One Seattle Plan update also introduces Neighborhood Centers as a new place type where more housing is allowed.

More information on the One Seattle Plan update, including proposals for updating NR zones, is available at [seattle.gov/opcd/one-seattle-plan](https://seattle.gov/opcd/one-seattle-plan).



# ADU PRODUCTION

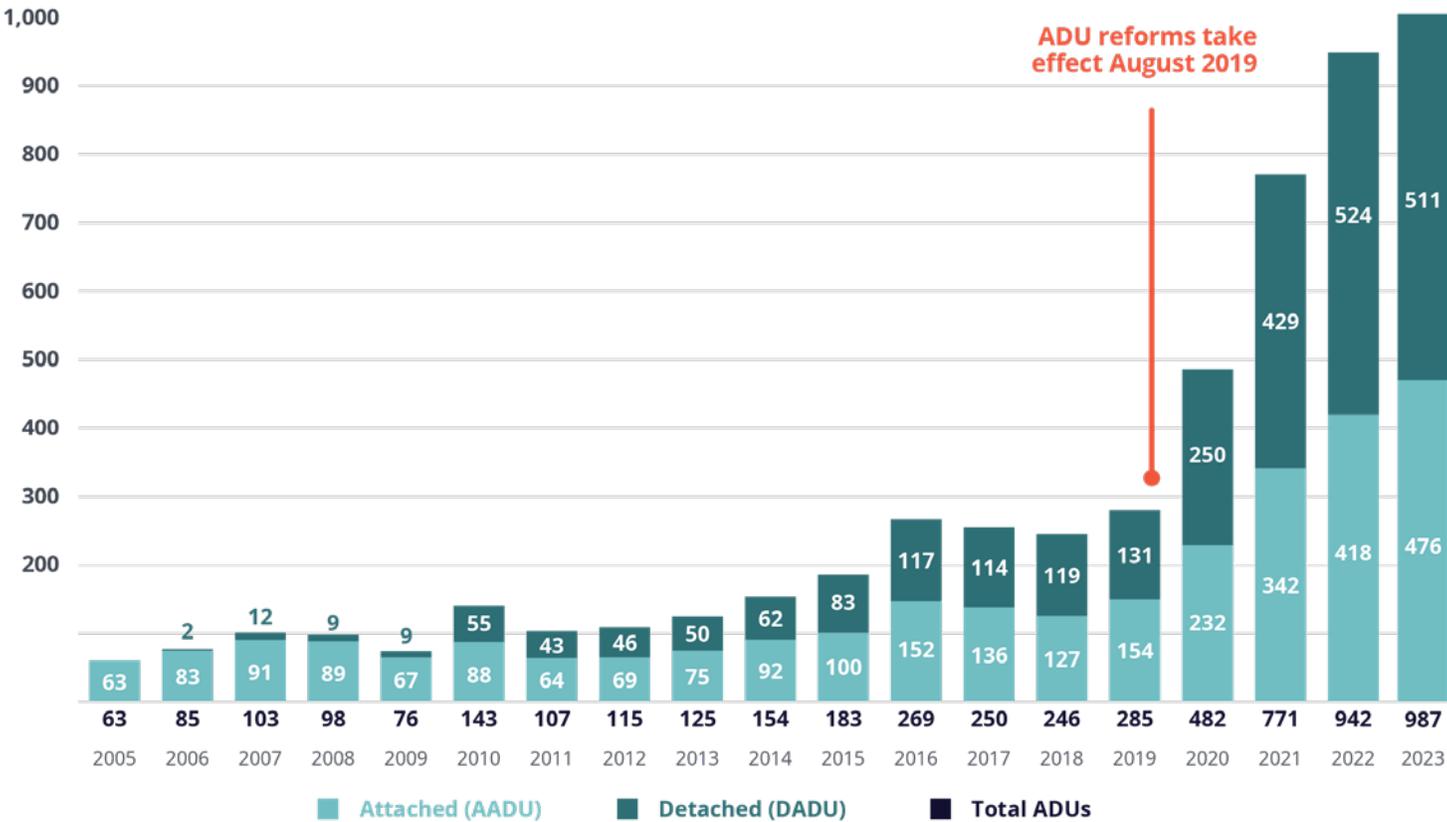
After legalizing DADUs citywide in 2010, Seattle saw relatively consistent permit activity for several years, as shown in Figure 3. From 2010 to 2015, total ADU permitting averaged 137 units annually. This rose to an average of about 263 ADUs per year from 2016 to 2019, but the trend had leveled, with nearly the same number of ADUs permitted in 2016 and in 2019. Activity jumped substantially in 2020, the first full year after the City’s ADU reforms took effect, and increased further in 2021 to a total of 771 permits issued, an average of more than two per day.

In 2022 and 2023 these increased permitting trends continued. ADU permits issued in 2023 were 4 times that of 2018, the last full year before ADU reforms took effect. However, 2023 brought signs that permitting of additional ADUs may be leveling off at around 1,000 units permitted per year. In 2023 the total number of permitted ADUs increased to 987, comprising 476 attached ADUs and 511 detached ADUs.

To better understand how ADU permitting is leveling off, we look further back in the administrative process to the point of an ADU permit application. Applications for ADU permits rose nearly threefold from 357 units in 2019 to 1,004 units in 2022. In 2023, applications declined to 780 units.

One change that occurred between 2022 and 2023 that may have impacted applications was the rise in interest rates for lending. Additional analysis of the 2022 Survey of ADU Owners and Occupants found that approximately 62 percent of ADU owners who developed their

**Figure 3: ADUs Permitted Since 2005**



ADUs used a loan for at least a portion of their construction finance. These loans included Home Equity Lines of Credit, mortgage refinances, or other forms of debt. During 2022 and 2023, interest rates for construction rose substantially, and traditional mortgage interest rates stayed above 6% for the first time since 2008. Higher interest rates, alongside other market factors like slower rates of home value increase, cost inflation, and anticipation of future changes to the Land Use Code may all have contributed to homeowners and developers holding off on applying for ADU permits.

Figure 4 shows a large majority of ADUs permitted in 2023 within NR zones, with a smaller portion built in low-rise and other zones.

**Figure 4: ADUs Permitted in 2023 by Permit Type**

	NR	RSL	LR1	Other Zone	Total
<b>AADU</b>	394	44	33	5	<b>476</b>
<b>DADU</b>	469	34	4	4	<b>511</b>
<b>Total</b>	<b>863</b> (87%)	<b>78</b> (8%)	<b>37</b> (4%)	<b>9</b> (1%)	<b>987</b>

Seattle’s 2019 ADU reform ushered in a significant shift, permitting properties in NR zones to accommodate two ADUs, either as two AADUs or an AADU and a DADU. Determining the precise count of sites with two ADUs presents challenges for several reasons. First, units may be permitted simultaneously or separately over time. Consequently, in cases where ADUs are permitted on a site a year apart, the older ADU may have been removed or repurposed, rendering the site without two ADUs presently. Additionally, larger development sites may encompass multiple lots, allowing for multiple principal units and/or ADUs on the permit, even if each lot has only one. Nonetheless, we can use development sites with permits for two or more ADUs as an indicator of how often this new option is used.

On the following page, Figure 5 shows that in 2023 a total of 863 ADUs were permitted in NR zones. Note that it’s imperative to emphasize that this analysis solely pertains to NR zones, as accommodating two ADUs per principal unit is not permitted in RSL or other zones. Of these permits, 45 percent encompassed multiple units: 40 percent featured an AADU and a DADU, while five percent accommodated two AADUs. Additionally, two percent (21 ADUs) pertained to a single unit on a site where an ADU had been permitted previously. The remaining 52 percent consisted of permits for a single ADU, with 19 percent being AADUs and 32 percent DADUs.

We can also identify the share of ADUs permitted in 2023 that were part of a full site redevelopment that includes a new single-family residence. In these cases, it’s reasonable to assume an existing single-family dwelling was demolished as part of the redevelopment since most sites in Seattle are already developed.

**Figure 5: ADUs Permitted in 2023 in NR Zones by Number of ADUs/Lot**

	Number of ADUs	Percentage of total
<b>Lots with multiple ADUs permitted</b>	<b>389</b>	<b>45%</b>
2 AADUs	40	5%
AADU + DADU	349	40%
<b>Lots with a pre-existing ADU</b>	<b>21</b>	<b>2%</b>
<b>Lots with no pre-existing ADUs</b>	<b>453</b>	<b>52%</b>
AADU	167	19%
DADU	280	32%
More than 1 DADU	6	1%
<b>Total ADUs</b>	<b>863</b>	<b>100%</b>

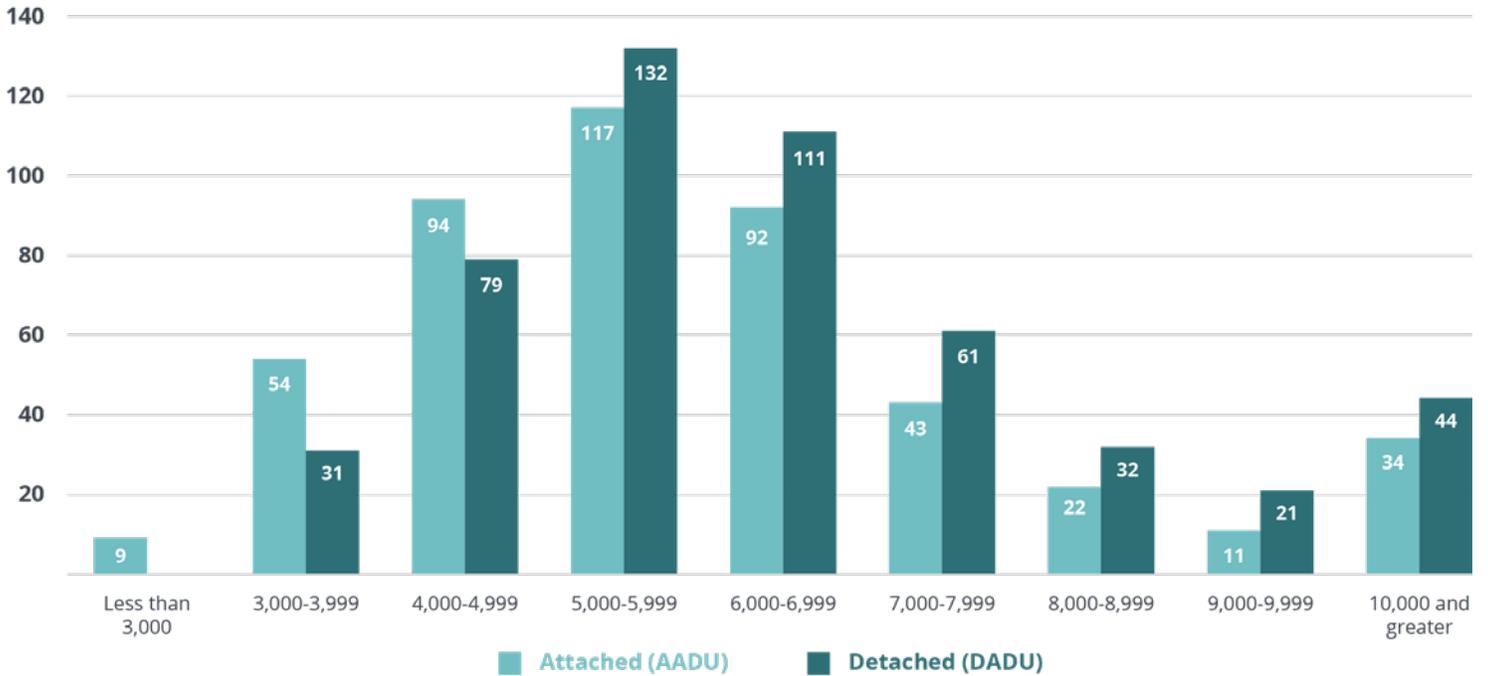
Figure 6 displays that the total number of development sites permitted in NR zones in 2023 amounted to 754 sites. Among these sites, 51% featured ADUs permitted without a single-family house, while 36% comprised ADUs alongside a single-family residence (SFR). Remarkably, only 12% of the permitted sites consisted solely of single-family houses without ADUs.

**Figure 6: Development Sites in NR Zones by Number of ADUs and SFRs Permitted in 2023**

	Number of development sites	Percentage of total	Units on those development sites		
			AADUs	DADUs	SFRs
<b>ADUs without SFR</b>	388	51%	148	267	0
<b>ADUs permitted with SFR</b>	275	36%	247	201	279
<b>SFR permitted alone</b>	91	12%	0	0	100
<b>Total</b>	<b>754</b>	<b>100%</b>	<b>395</b>	<b>468</b>	<b>379</b>

Figure 7 categorizes 2023 ADU permits based on lot size. The median lot size for AADU permits issued in 2023 was 5,000–6,000 square feet. This is substantially larger than the median lot size in NR and RSL zones overall, 5,244 and 4,999 square feet, respectively, lending some empirical support to the notion that ADUs are somewhat more feasible on relatively larger sites. The larger lot size for DADUs suggests additional land area is particularly valuable for adding a detached backyard structure.

**Figure 7: ADUs Permitted in 2023 by Lot Size**



ADUs are permitted through new construction, an alteration or addition to an existing structure, or through a change of use (no new construction). Figure 8 identifies the share of ADU permits in 2023 in each category.

**Figure 8 ADUs Permitted in 2023 by Permit Type**

	New Construction	Addition/ Alteration	Change of Use	Total
<b>AADU</b>	314	161	1	<b>476</b>
<b>DADU</b>	264	243	4	<b>511</b>
<b>Grand Total</b>	<b>578</b>	<b>404</b>	<b>5</b>	<b>987</b>



**ADU GEOGRAPHIC SPREAD**

**Figure 9 Distribution of ADU Permits Throughout Seattle**

Figure 9 illustrates the distribution of permitted ADUs across Seattle. Attached ADUs are represented by circles, while detached ADUs are depicted as squares, all of which were permitted in 2023. Any ADUs permitted before 2023 are displayed in gray. The map demonstrates that ADUs are permitted across various locations within the city.

**Attached accessory dwelling units (AADU)**

- Permitted in 2023
- Permitted before 2023

**Detached accessory dwelling units (DADU)**

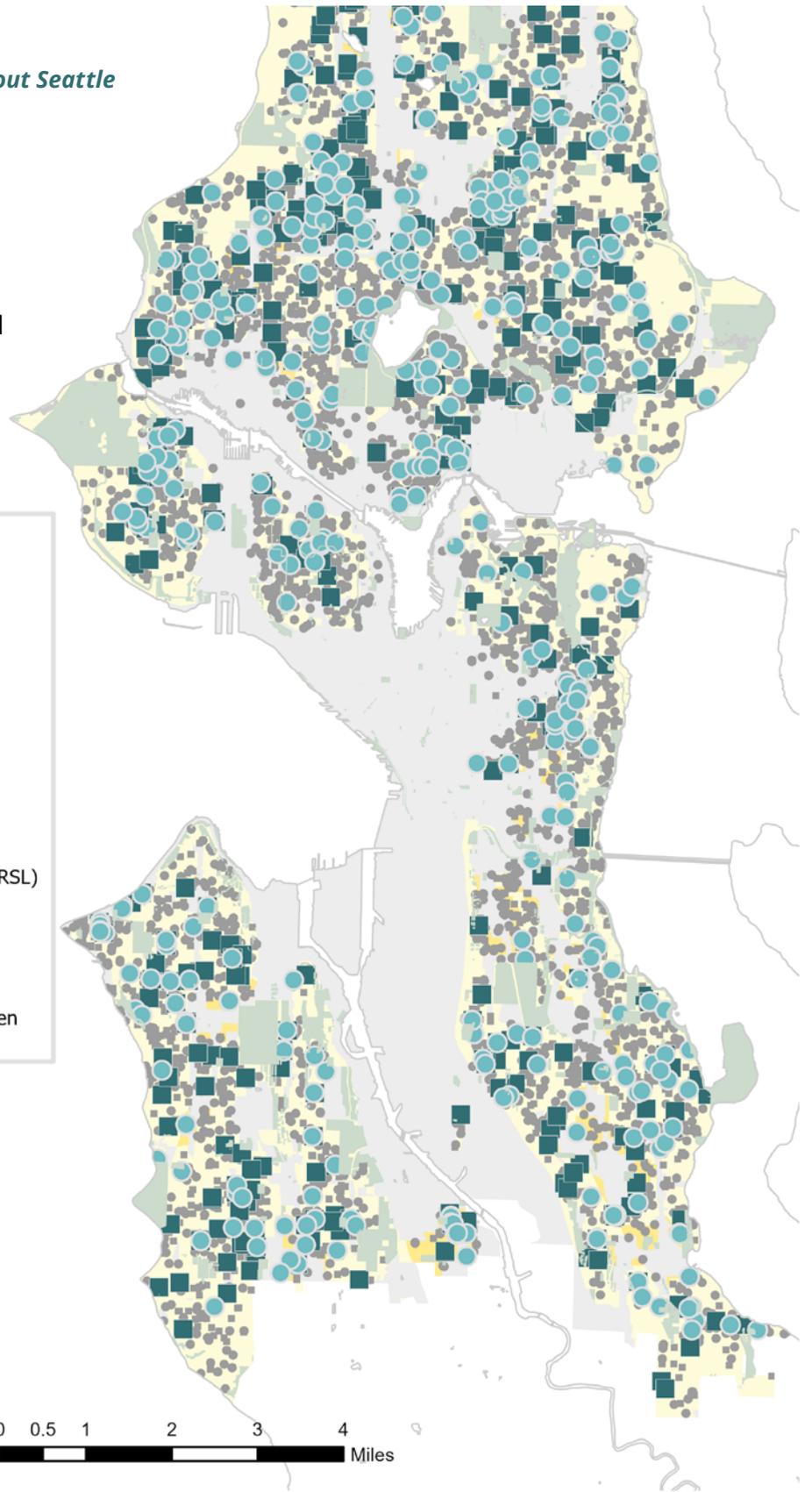
Year Issued

- Permitted in 2023
- Permitted before 2023

**Zoning**

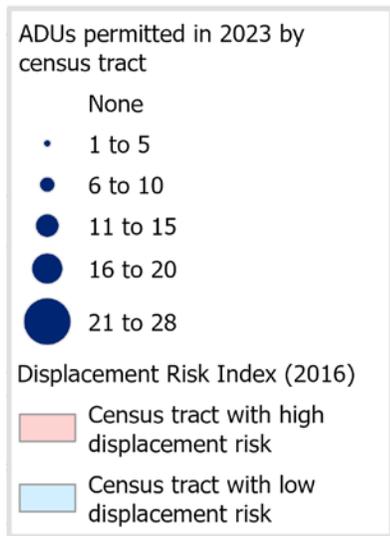
- Residential Small Lot (RSL)
- NR1, NR2, NR3
- Other Zones

■ City-owned park or open space

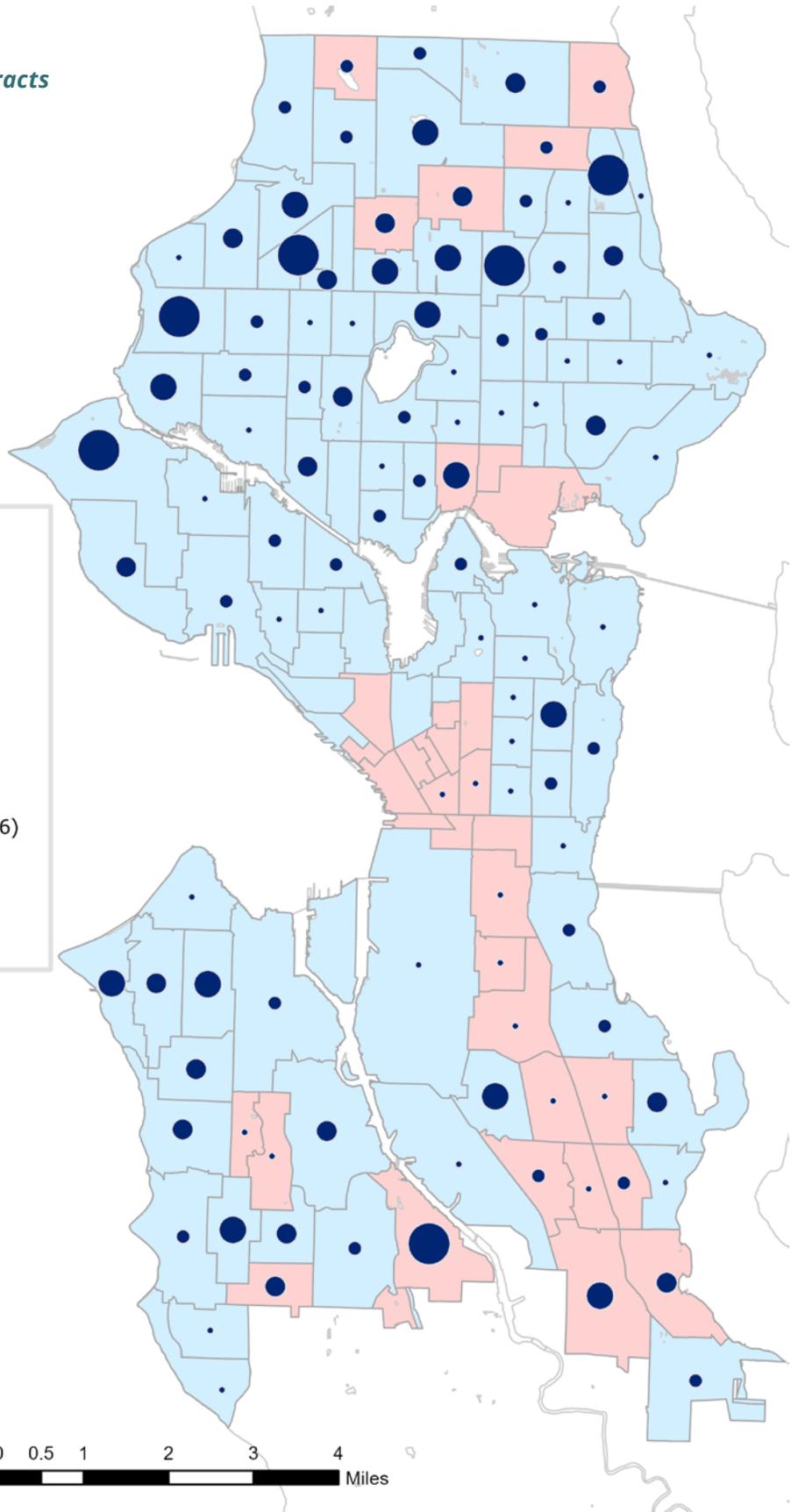


**Figure 10 ADUs Permitted in 2023 and Census Tracts Categorized by Displacement Risk**

Figure 10 overlays the ADUs permitted in 2022 on the City's Displacement Risk Index, a composite measure of demographic, built environment, and market data points that identifies where people of color, low-income residents, and others might face heightened displacement pressure as the city grows



over time. As in previous years, most ADUs permitted in 2022 were in census tracts with low displacement risk. This is partly because most areas in NR zones have low displacement risk.



**Figure 11 Sites in NR Zones with 3 Permitted Units**

Figure 11 illustrates the distribution of development sites with three permitted units spanning from 2019 to 2023. Yellow dots represent sites featuring two AADUs alongside a single-family house, while pink dots denote sites with one ADU, one DADU, and a single-family house.

Sites in Neighborhood Residential zones with 3 permitted units

- 1 AADU, 1 DADU + SFR
- 2 AADUs + SFR

Urban Centers and Villages

- Urban Center
- Hub Urban Village
- Residential Urban Village
- Manufacturing Industrial
- City-owned park or open space
- Seattle City Limits

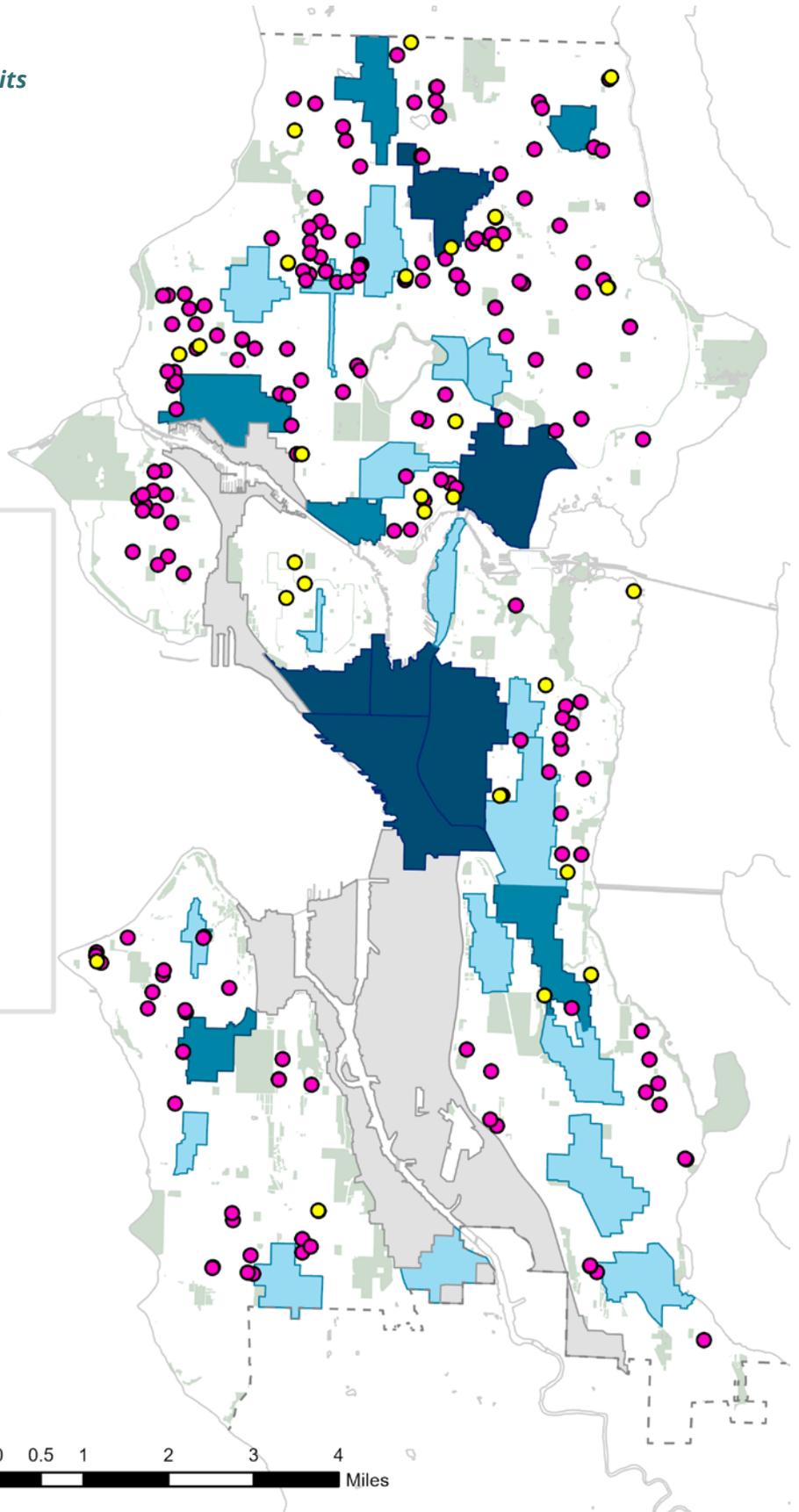


Figure 11 shows somewhat more concentrated clusters of sites with three units permitted on NR sites in North Seattle locations such as Magnolia, Ballard, and Greenwood.

# PRE-APPROVED DADU PLANS

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



## Pre-Approved DADU Plans

In 2020, the City unveiled a collection of 10 pre-approved designs for DADUs on its ADUniverse website. These designs, chosen through a competitive selection process spanning 2019–2020, have undergone thorough reviews to ensure compliance with the City’s structural and energy codes. The gallery showcases a diverse array of DADU sizes, unit types, and architectural styles. Property owners seeking permits for these pre-approved plans can anticipate expedited permitting procedures and potentially lower costs associated with construction.

The pre-approved DADU plans underwent thorough reviews to ensure compliance with standards outlined in the Land Use Code and the Seattle Residential Code (SRC). These codes, including the SRC, undergo

updates every three years. The pre-approved plans were evaluated based on the 2018 SRC, which became effective in March 2021.

Since 2020, 197 of these pre-approved DADU plans have been permitted, with 67 permitted in 2023 alone. Figure 12 shows permitting time for pre-approved DADU permits has averaged 80 calendar days from intake to issuance. This reflects an average of 59 days in SDCI review, 23 days out for corrections with the applicant, and 2.7 correction cycles. In comparison, other DADUs permitted in 2023 (without an AADU or single-family residence on the permit), averaged 133 days, 74 with SDCI and 59 with the applicant, and an average of 3.2 correction cycles.

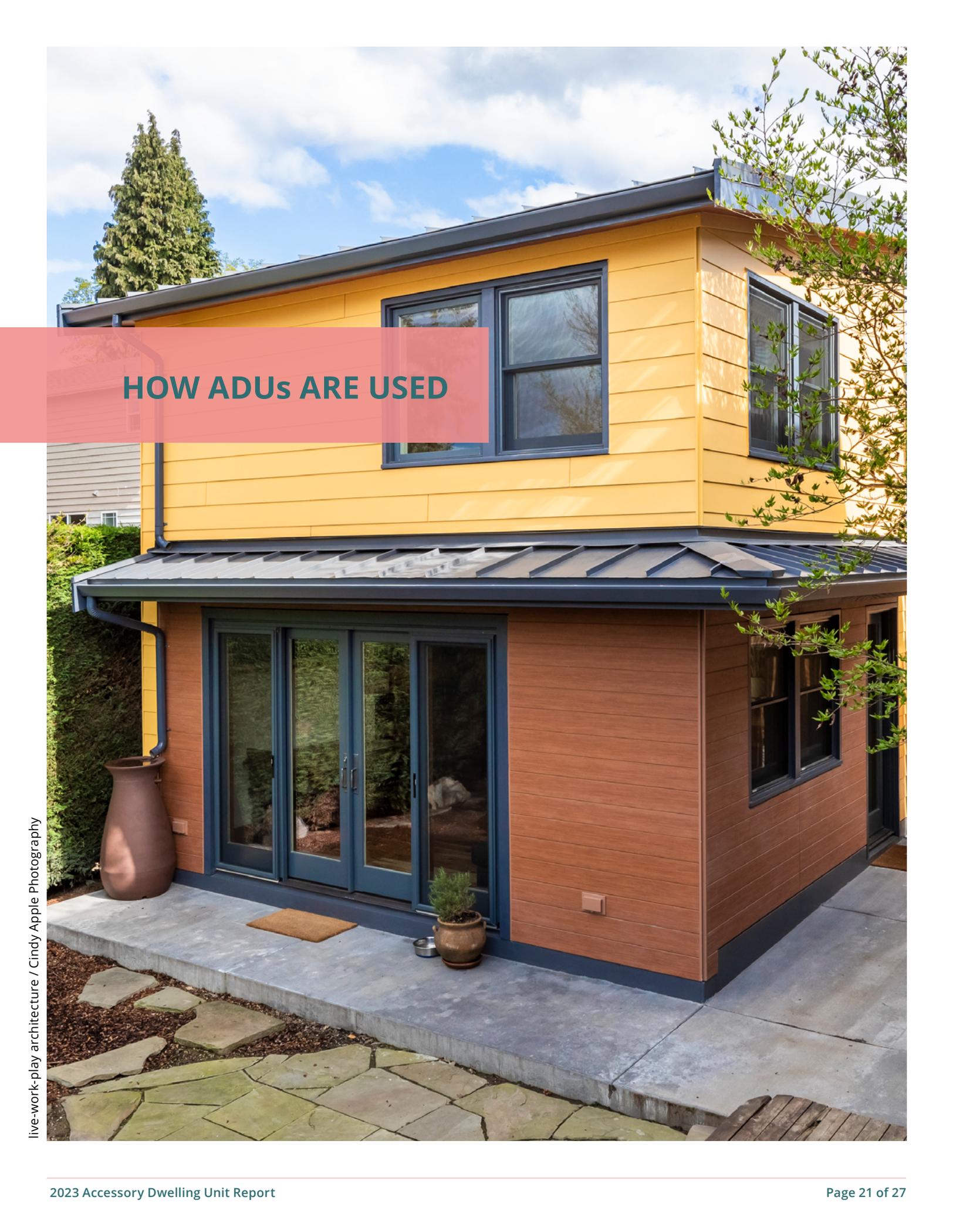
**Figure 12 Pre-Approved DADU Permit Timelines**

	Average Intake to Issuance (days)	Average in SDCI Review (days)	Average out for correction (days)	Average Correction Cycles
<b>Pre-approved DADU Plans, 2020–2023</b>	80.9	58.7	22.2	2.7
<b>DADU-only permits in 2023</b>	132.6	74.0	58.7	3.2

## Updated Building Codes and Pre-Approved DADUs

The City is in the process of adopting updated building codes, which are anticipated to be approved by the City Council in September 2024. SDCI has contacted the designers that own the pre-approved plans and will review updated plans prepared by the designers at their option. Updated and approved plans would be able to be used for construction until the next building code update in three years.<sup>2</sup> Pre-approved plans that are not updated once the new building code is in effect will be removed from the pre-approved list and the ADUniverse website.

<sup>2</sup>[www.seattle.gov/sdci/codes/codes-we-enforce-\(a-z\)/building-code](http://www.seattle.gov/sdci/codes/codes-we-enforce-(a-z)/building-code)



## HOW ADUs ARE USED

## Short-Term Rentals

A short-term rental (STR) involves offering lodging to guests for stays of fewer than 30 consecutive nights. Seattle implemented regulations in 2017, limiting individuals to operating up to two units as STRs, typically comprising their primary residence and a secondary unit. While ADUs can serve as STRs, property owners with two ADUs and residing in the main house cannot use both ADUs for short-term rentals. STR operators must acquire a license from the City's FAS department. Additionally, any ADUs utilized for short- or long-term rentals must register with the City's Rental Registration and Inspection Ordinance (RRIO) program.

Data from FAS's STR licensing offers insights into the usage of ADUs as STRs. Operators must specify their unit type when obtaining a license, enabling estimation of the number of ADUs associated with STR licenses. Figure 13 illustrates the number of active STR licenses, and the proportion linked to AADUs, DADUs, and other unit types.

Figure 13 highlights that approximately 10 percent of ADUs citywide are linked with active STR licenses in Seattle. Overall, this represents approximately 15% of the approximately 3,900 short-term rental licenses in Seattle.

This estimation assumes a conservative approach, considering all units categorized as "other" in STR data as potential ADUs, which could occur if operators are uncertain about categorization. While this provides the best estimate of STR usage among ADUs, it may underestimate the actual share due to unlicensed STRs. Conversely, it could overstate ADU usage as STRs, as not all units categorized as "other" may be ADUs, and some operators might choose alternative uses over time. Moreover, the dataset lacks information on the frequency of ADUs offered for STR use annually. Anecdotal evidence and survey data in Section 5 of this report indicate that ADU owners often utilize them for multiple purposes, such as housing for family or visitors, and consider alternative uses like long-term rentals.

**Figure 13 Short-Term Rental Licenses Associated with ADU Housing Types**

SHORT-TERM RENTAL LICENSES		ADU PRODUCTION (1994–2023)		STRs as share of
Active licenses w/ active units		ADU's in issued permits		ADU permits issued
AADU	391	AADU	3,642	11%
DADU	141	DADU	2,566	5%
Other	64	Other	–	–
<b>Total</b>	<b>596</b>	<b>404</b>	<b>6,208</b>	<b>10%</b>

## Condominiums

Condominiums represent a form of ownership where a property is divided into individual units, each with shared ownership of certain communal elements governed by a condominium association.

Seattle’s regulations apply uniformly to properties regardless of tenure, with condominium formation primarily governed by state law and administered at the county level. Condominiums can encompass various housing types, including attached homes like townhouses and ADUs, or detached housing like DADUs. While NR zones allow for one principal unit and up to two ADUs on a lot, the subdivision for separate “fee simple” ownership is prohibited, leading to the creation of condos on lots with ADUs in NR zones.

Figure 14 illustrates a growing trend of ADU condos in recent years, particularly in 2020, 2021, and 2022. Data collection for

**Figure 14 ADU Permits on Condo Parcels by Year Permitted**

	AADU			DADU			Total ADUs		
	Units permitted	On condo parcels	Share of units	Units permitted	On condo parcels	Share of units	Units permitted	On condo parcels	Share of units
<b>'94-'09</b>	1,117	2	0%	32	0	0%	1,149	2	0%
<b>2010</b>	88	0	0%	55	0	0%	143	0	0%
<b>2011</b>	64	0	0%	43	3	7%	107	3	3%
<b>2012</b>	69	0	0%	46	1	2%	115	1	1%
<b>2013</b>	75	0	0%	50	0	0%	125	0	0%
<b>2014</b>	92	0	0%	62	2	3%	154	2	1%
<b>2015</b>	100	0	0%	83	3	4%	183	3	2%
<b>2016</b>	152	1	1%	117	3	3%	269	4	1%
<b>2017</b>	136	2	1%	114	7	6%	250	9	4%
<b>2018</b>	127	0	0%	119	14	12%	246	14	6%
<b>2019</b>	154	3	2%	131	21	16%	285	24	8%
<b>2020</b>	232	37	16%	250	77	31%	482	114	24%
<b>2021</b>	342	114	33%	429	204	48%	771	318	41%
<b>2022</b>	418	182	44%	524	234	45%	942	416	44%
<b>Total '94-'22</b>	<b>3,166</b>	<b>341</b>	<b>11%</b>	<b>2,055</b>	<b>569</b>	<b>28%</b>	<b>5,221</b>	<b>910</b>	<b>17%</b>
<b>2023</b>	476	34*	7%	511	65*	13%	987	99*	10%

\*Based on best available data at the time of this reporting. Condominium formation recording data may lag, suggesting the potential for an undercount of the share of units permitted on condo parcels for 2023—the most recent year.

ADU production in 2023 is complete, but updated condo recording typically lags, possibly leading to undercounts in the reported figures. Nonetheless, the proportion of ADUs created as condos aligns with the share of permits including multiple ADUs or an ADU and a new single-family residence, suggesting potential associations between certain development schemes and condo creation.

Further analysis from the draft One Seattle Plan's Housing Appendix highlights prices of ADUs sold as condominiums. Unfortunately, due to differences in the attributes that the City tracks in its permitting data and the County in its property sales and assessment data, there is no systematic way to identify KCA records that represent sales of ADU condos. Condo sales cannot be linked directly to the type of unit sold (AADU, DADU, or SFR). However, it is possible to review individual records manually to gauge the relative price of ADU condo sales compared to SFRs sold as condos on the same lot.

Based on the sample identified in the Housing Appendix, the median ADU sold as a condominium in 2022 was priced at \$757,500 in comparison to \$1.18M for the associated principal dwelling unit. In addition, newer detached homes sold for a median price of \$1.61M. These various price points demonstrate how ADUs can allow for homeownership opportunities in NR zones at prices that are more affordable than other forms of housing. However, they are also typically much smaller, limiting the size of households they may be appropriate for. The typical ADU sold as a condominium in 2022 had 2.0 bedrooms, compared to the 3.5 bedrooms of principal dwelling units and 3.9 of newer detached homes.

**Figure 15 ADUs Permitted in 2022 on Parcels with Recorded Condominiums**

Figure 15 further displays the geographical distribution of ADU condos permitted in 2022. Year 2022 is used because there is a higher degree of confidence about the completeness of condominium records. Each census tract is shaded to reflect the percentage of total ADU permits issued on condominium parcels within that tract.

ADUs permitted in 2022 on condo parcels

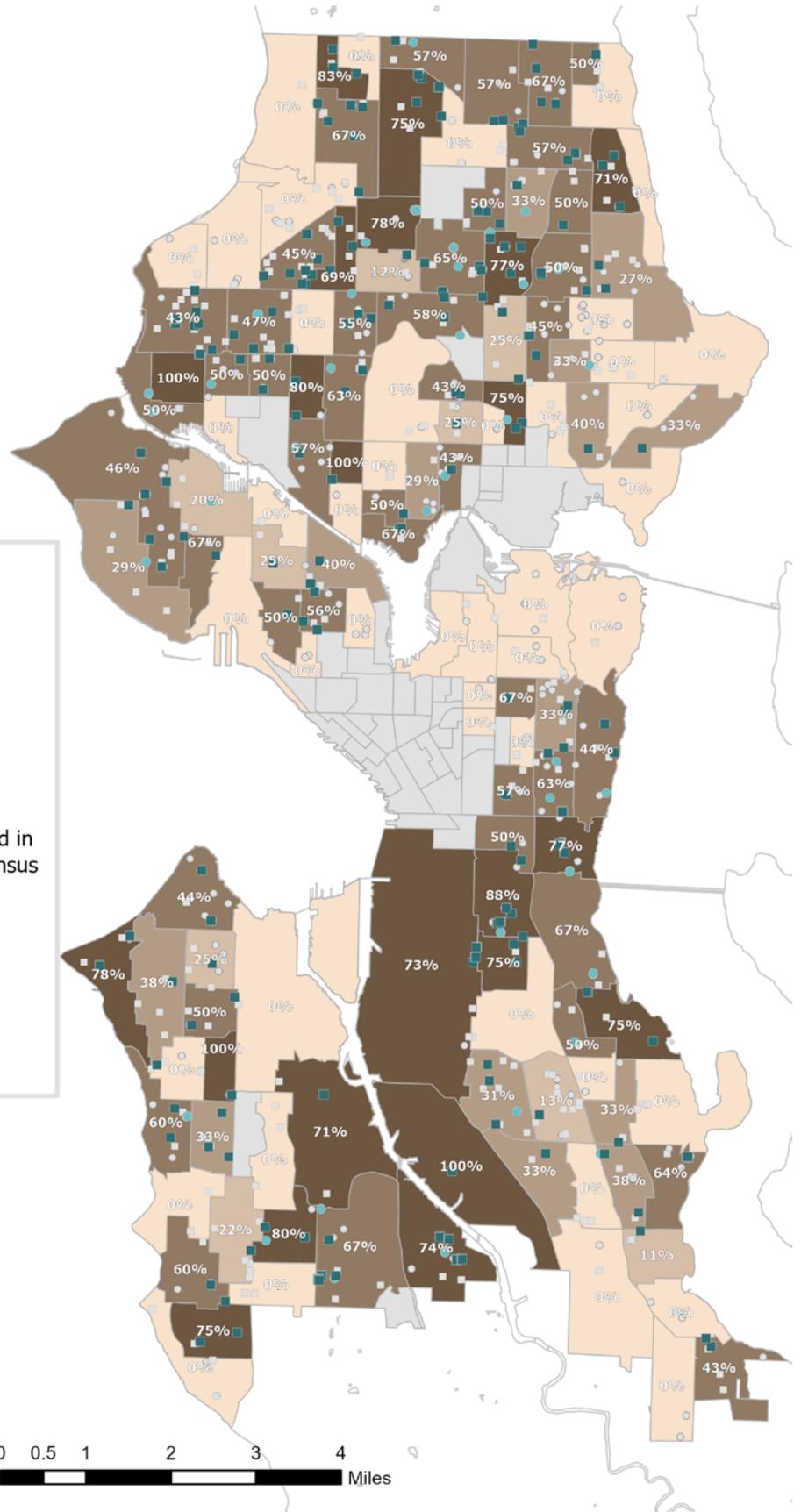
- AADU Condo
- DADU Condo

Other ADUs permitted in 2022

- AADU
- DADU

Percentage of ADUs permitted in 2022 on condo parcels by census tract

- 5% or less
- 6 - 25%
- 26 - 40%
- 41 - 67%
- More than 67%





# FUTURE CONSIDERATIONS



## Future Considerations

ADU production has steadily increased for over a decade, but pending changes will likely alter that trajectory in coming years. As noted above, Seattle is in the process of making the 10-year update to its comprehensive plan—the One Seattle Plan. Closely following the plan update, the City will implement zoning changes in 2025 that significantly reform NR zones. The new NR zones will comply with the State’s middle housing bill, HB 1110. We anticipate that these changes will have some effect on the production of ADUs. It is possible that in future years there will be decreased production of ADUs if developers and homeowners substitute the construction of multiple principal units in forms such as triplexes, townhouses, or rowhouses in cases where they may have otherwise built ADUs in the absence of zoning changes. In the current year, 2024, it is possible that developers and homeowners will begin to anticipate future changes to the NR zone and hold off on decisions to move forward with ADU construction. In addition, developers and homeowners may hold off applications for better market conditions such as lower interest rates and price inflation—which remain high in 2024.

Data contained in this report shows that ADU formats are popular among Seattleites, and we anticipate there will still be a desire for accessory living formats, even if a developer or homeowner will

have new options available to build multiple principal units. There are benefits to some homeowners of choosing an accessory format over other types of middle housing, such as the ability to access financing products geared towards ADUs that lenders have become more accustomed to in recent years. We also note the benefit of the standard DADU plans to some homeowners and builders. We anticipate that the City will continue to have standard plan sets in the future.

As changes to NR zones are crafted, OPCD’s intent will be to preserve the option to construct ADUs even as more options for middle housing become available in NR zones. As we implement the One Seattle Comprehensive Plan over the next year, we intend to incorporate changes to ADU regulations to comply with all aspects of HB 1337—the Legislature’s 2024 accessory dwelling unit law.



For more information about ADUs in Seattle and to view interactive versions of the data contained in this report, visit our **ADUniverse** website at [maps.seattle.gov/ADU](https://maps.seattle.gov/ADU).