

The Granny Flat - a Win-Win Housing Solution Right In Your Backyard?

California's housing crisis is caused by a historic divergence between the demand for homes in California and the supply of available apartments and homes. We are still far from building enough units to satisfy general demand and it may take a long time for the state to build enough housing to reduce rental prices. In the mean-time there is something that regular homeowners can do to supplement their incomes, increase the value of their homes, provide housing to neighbors, prepare for their own retirements, and partially relieve the housing pressure on their communities: the ADU!

Accessory Dwelling Units - ADUS or granny flats are a relatively affordable type of home to create because they do not require the purchase of land, new infrastructure, or parking; they can either provide income for homeowners or private space for extended friends and family, allowing inter-generational homes, or even helping older owners to age in place. They are well suited for young families, students, aging parents, nannies, or even regular renters, and can be a win-win solution for homeowners and renters.



Ok you may be asking: if ADUs are so good, why aren't they more available or abundant? Why aren't they everywhere?

Well, for many years, a thicket of local agency regulations, approvals and fees created substantial financial and time requirements before homeowners could even start on building a secondary unit. For example, a 2015 Berkley study found that many Bay Area homeowners were interested in building an ADU, most were deterred by regulations that existed to keep them from getting built.

But! The state of California passed legislation in 2016 aimed at reducing many of the worst barriers, fees and red tape that homeowners faced when trying to get approved locally to build their own granny flats. So hopefully, as contractors, builders, and owners learn more about the viability of ADUs in their communities they will start to be built in substantial numbers.

While the demand is certainly there for all types of housing in California, before you invest substantial money converting your garage or making a new ADU, you may want to know who is interested in renting out your new unit. It turns out many people across age groups think that ADUs would make a good affordable home. A 2017 C.A.R. survey of 1700 Californian renters found that 70% of renters in total were either moderately or very interested in ADUs. But older people were especially amenable to downsizing and renting small affordable units in their communities. While ADUs and granny flats won't be the only solution to the state's housing issues, they can certainly be one of many solutions.

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