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Creating Affordable Housing in Seattle

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Abstract

Housing affordability is a critical issue in Seattle as the demand outpaces the new housing construction. This research paper examines the effectiveness of Accessory Dwelling Units (ADUs) as a strategy to address Seattle's housing shortage and affordability crisis. ADUs have popularized following Seattle's 2019 zoning reforms, which eased restrictions on size, standards, and owner occupancy. This study uses data from the City of Seattle, government reports, and interviews with builders, investors, and homeowners to evaluate how ADUs contribute to housing supply and affordability. ADUs create more housing stock by increasing the density in single-family neighborhoods and offer lower-cost alternatives to traditional homes. Some limiting factors found are high construction and permitting costs because they limit their affordability for lower-income households. While ADUs represent a solution for increasing the housing stock without government expenditure, they alone are not a solution to Seattle's affordability crisis. The long term solution is densifying Seattle housing and it depends on zoning reform, building cost reduction, and further integration with broader housing policies.

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Introduction

Housing affordability is a major issue in the U.S., as nearly half of all renters (approximately 21 million households) are cost-burdened, defined as spending over 30% of their income on housing-related costs (Census, 2024). 69% of Americans are very concerned about housing costs (Desilver, 2024). Affordable housing is a particularly critical issue in high-cost urban areas experiencing significant population and job growth, where limited land restricts new development. Rising demand drives up housing costs and creates a scarcity of affordable units in many high growth cities such as Seattle. As of March 2025, Seattle's median rent of $2,026 is 47.4% higher than the national median (Moy, 2025). Furthermore, the average renter in King County (the county Seattle is in) needs to earn $92,000 a year to comfortably afford a modest one-bedroom apartment. In the past decade, rents for these apartments have increased 58% while single family homes prices have doubled (Weisend, 2025). These trends have impaired affordable housing in Seattle and negatively impact its entire population.

Housing costs increase when demand outpaces supply; a key constraint on housing supply is the limited amount of buildable land. As more housing is constructed, available land diminishes, and the only way to meet growing demand is to create denser housing; cities must use land more efficiently to add new housing to finite land. Examples of denser housing include multi-unit buildings such as apartments and condominiums, which allow more units to be built

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on the same plot of land. Vertical construction can also increase housing without using additional land. However, in single family zoned residential areas, attached multi-family construction is generally prohibited and height restrictions limit vertical construction. A creative solution for adding denser housing in single-family neighborhoods has recently emerged in the form of accessory dwelling units (ADUs).

ADUs are a form of housing that has recently gained prominence on the West Coast, particularly in Seattle. An ADU is defined as a “separate living space within a house or on the same property as an existing home” (Seattle Department of Construction & Inspections, 2025). These units are typically categorized as Attached Accessory Dwelling Units (AADUs) or Detached Accessory Dwelling Units (DADUs). AADUs are physically connected to the primary residence, similar to a townhouse, while DADUs are fully detached structures located on the same lot as the main home. ADUs resemble traditional homes because they include bedrooms, bathrooms, kitchens and living spaces, and are connected to the same utilities as the primary house, but they are generally smaller in size. In Seattle, ADUs are limited to 1,000 square feet in neighborhood residential zones. For comparison, the average home size in the Seattle-Tacoma-Bellevue area is 1,921 square feet as of July 2025 (U.S. Census Bureau, 2025). ADUs are often built to accommodate multi-generational or multi-household living, but they may also be rented out, or following condominiumization, sold as separate units.

In recent years, ADU popularity has soared in Seattle, as seen in Figure 1, which shows the ADU permit applications submitted per 1,000 people. Additionally, from 2017-2022, ADU permit applications have tripled in Seattle, as seen in Figure 2, and continue in an upward trend.

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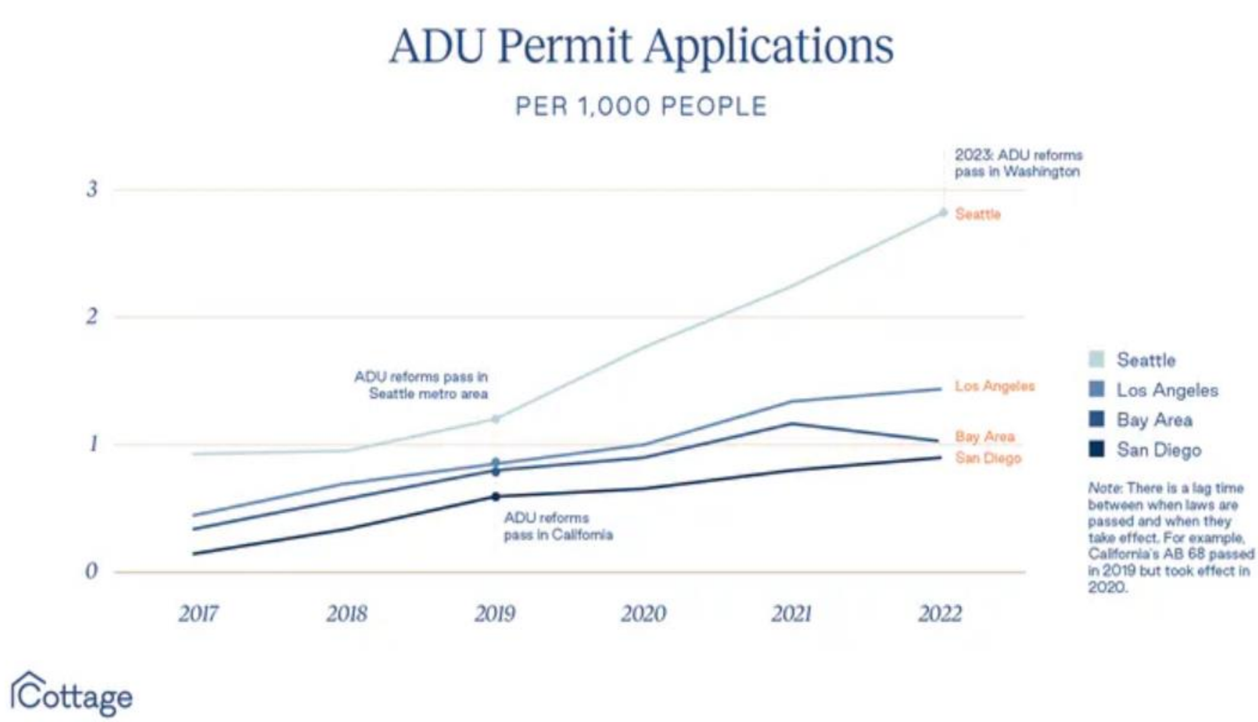
The addition of ADUs to residential neighborhoods has increased Seattle's housing stock and is part of Seattle's plan to create more affordable housing. Drawing on interviews with builders, homeowners, and investors, as well as data from the City of Seattle, this paper examines the question: How effective are ADUs in creating housing affordability in Seattle?

Figure 1.

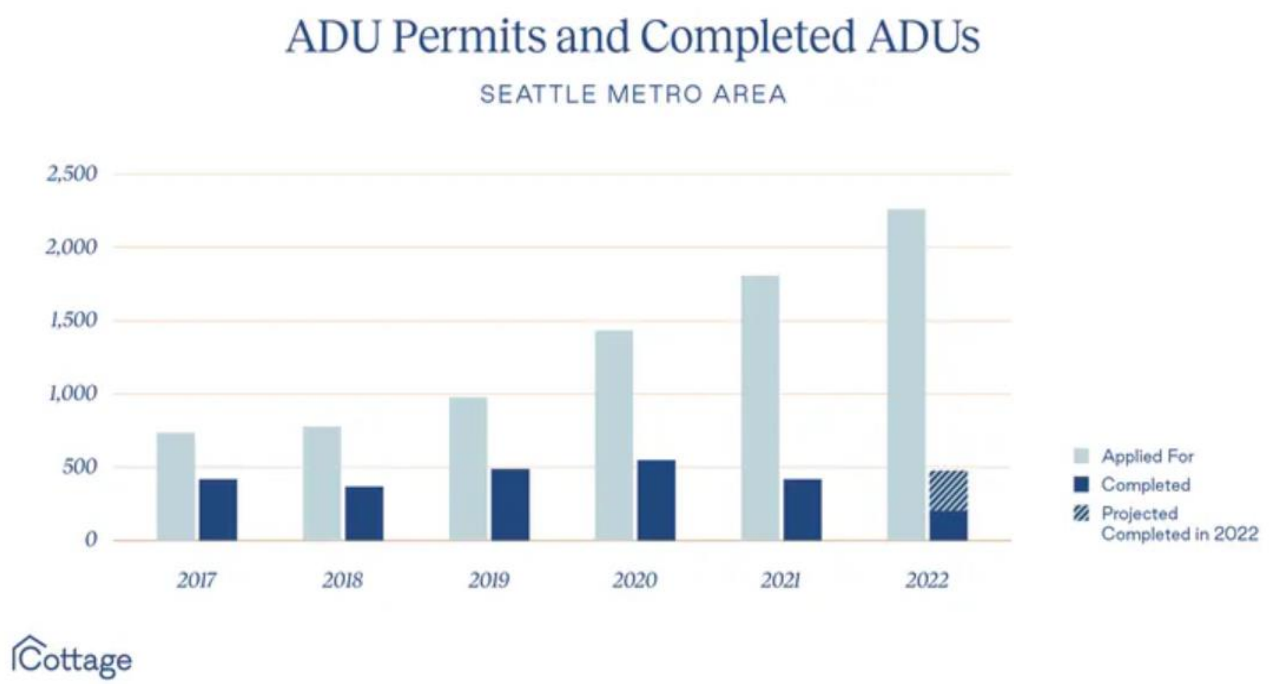
ADU Permit Applications per 1,000 People (2017-2022) from selected cities on the West Coast



Note: (Cottage, personal communication, 2023)

Figure 2.

ADU Permits and Completed ADUs in the Seattle Metro Area (2017-2022)



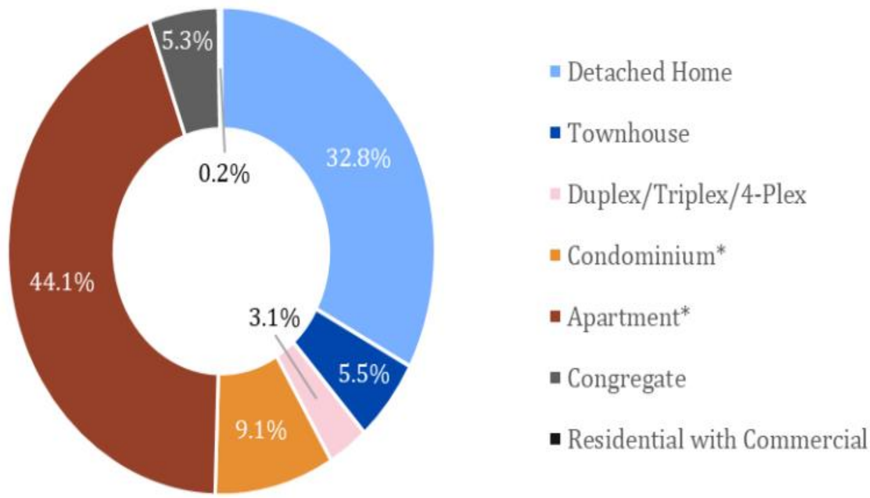
Note: (Cottage, personal communication, 2023)

Affordable Housing in Seattle: Context and Challenges

According to the One Seattle Feis report, as of 2022, Seattle had 385,745 housing units and 21,042 congregate residences–dormitories, group homes, and other types of senior housing (City of Seattle, 2025). As seen in Figure 3, 77% of housing units are apartments (44.1%) or detached homes (32.8%). ADUs are part of the Duplex/Triplex category, which is only 3.1% of the housing stock.

Figure 3.

Seattle Housing Unit Inventory by Type in 2022 (City of Seattle, 2025)

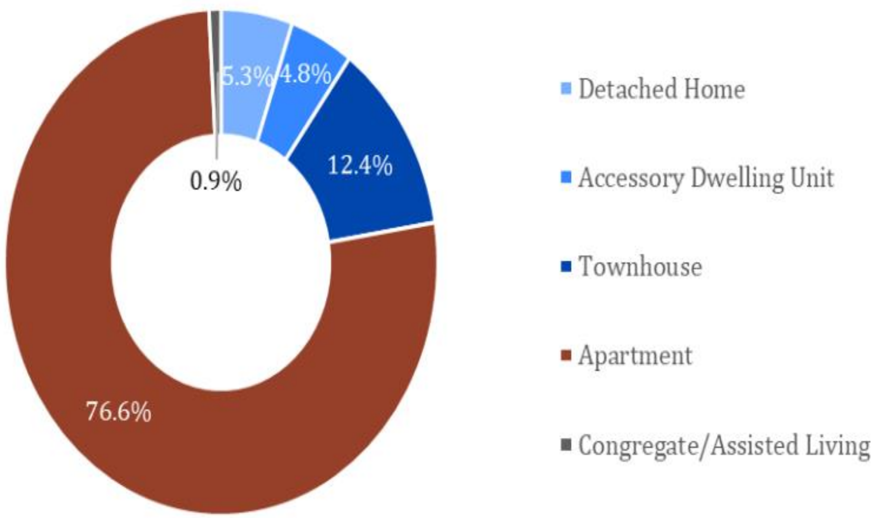


Note: Condominiums in apartment use are categorized as apartments in this summary. Duplex/Triplex/4-Plex refers to all lots with 2-4 units that are not unit lot subdivided. This includes a combination of detached and attached units. Sources: King County Department of Assessments, compiled by City of Seattle, July 2022; BERK 2023.

From 2018-2022, more than 46,000 new housing units were built in Seattle. Seattle's housing stock is transforming as 77% of new housing built has been apartment units, representing a significant increase compared to its 44% share of total housing inventory. ADUs and townhouses combined for 17% of this new housing. While they comprise almost 33% of existing housing inventory, standard single family homes comprise only 5% of new housing construction. ADU construction increased rapidly during this time period, as almost as many ADUs were built as single family homes. Figure 4 shows that 4.8% of housing units completed were ADUs, relative to 5.3% that were single family homes.

Figure 4.

Completed Housing Permits by Housing Type from 2018-2022 in Seattle (City of Seattle, 2025)



Sources: Seattle OPCD summary of permit completions from Department of Construction and Inspections, Permit Tracking System. Residential Permitting Trends, 2023; BERK, 2023.

According to the One Seattle Feis report, in 2019, 33% of all households in Seattle were cost-burdened. Figure 5 shows that a larger percentage of lower income households are more severely cost-burdened (>50% of income spent on housing) than households of moderate to above median income; lower income households have the greatest need for affordable housing. Amongst households with income less than 30% of Area Median Income (AMI), 58.6% are severely cost burdened. Out of households between 30-50% of AMI, 32.0% are severely cost burdened. In comparison, only 1.7% of households above 50% of AMI are severely cost burdened.

Figure 5.

Renter Households by Income Level and Cost Burden Status 2019 (City of Seattle, 2025)

Income category (% of AMI)	Not cost burdened	Cost burdened (30-50% of income)	Severely cost burdened (>50% of income)	Not calculated	Total households
Extremely low-income (≤30%)	8,110	5,805	23,895	2,955	**40,760**
Very low-income (30-50%)	4,505	12,450	7,970	0	**24,925**
Low-income (50-80%)	9,975	10,655	1,545	0	**22,175**
Moderate-income (80-100%)	12,865	5,475	230	0	**18,570**
Above median income (>100%)	69,540	3,980	155	0	**73,675**
All renter households	**104,995**	**38,365**	**33,795**	**2,955**	**180,105**

Note: "Not calculated" refers to households with no or negative income, and therefore degree of cost-burden cannot be calculated.
Source: US HUD CHAS data, 2015–2019.

Seattle's lack of affordable housing is reflected in its homeless population. In 2024, Seattle had the fourth highest homeless population (16,868) in the country, only trailing New York City (140,134), Los Angeles (71,201), and Chicago (18,836) (USA Facts, 2025). Seattle's homeless population made up 2.10% of its overall population, which is higher than any of the aforementioned cities. Additionally, Seattle's homeless population has been disproportionately increasing in comparison to its total population, as seen in Table 1.

ISSN 3069-8200

Table 1.

Seattle Homeless & Overall Population and Growth/Decay in King County from 2016-2020 & 2022 & 2024

Years:	Total Homeless	Percentage +/-	Total Population	Percentage +/-	Percentage of Total Population Homeless
2016	10,688	N/A	710,687	N/A	1.50%
2017	11,643	8.9%	729,644	2.67%	1.60%
2018	12,112	4.0%	742,889	1.82%	1.63%
2019	11,199	-7.5%	753,291	1.40%	1.49%
2020	11,751	4.9%	740,565	-1.69%	1.59%
2022	13,368	13.8%	749,134	1.16%	1.78%
2024	16,385	22.6%	780,995	4.25%	2.10%

Note: (King County Regional Homeless Authority, 2016-2020, 2022, 2024; Neilsburg Research, 2016-2020, 2022, 2024)

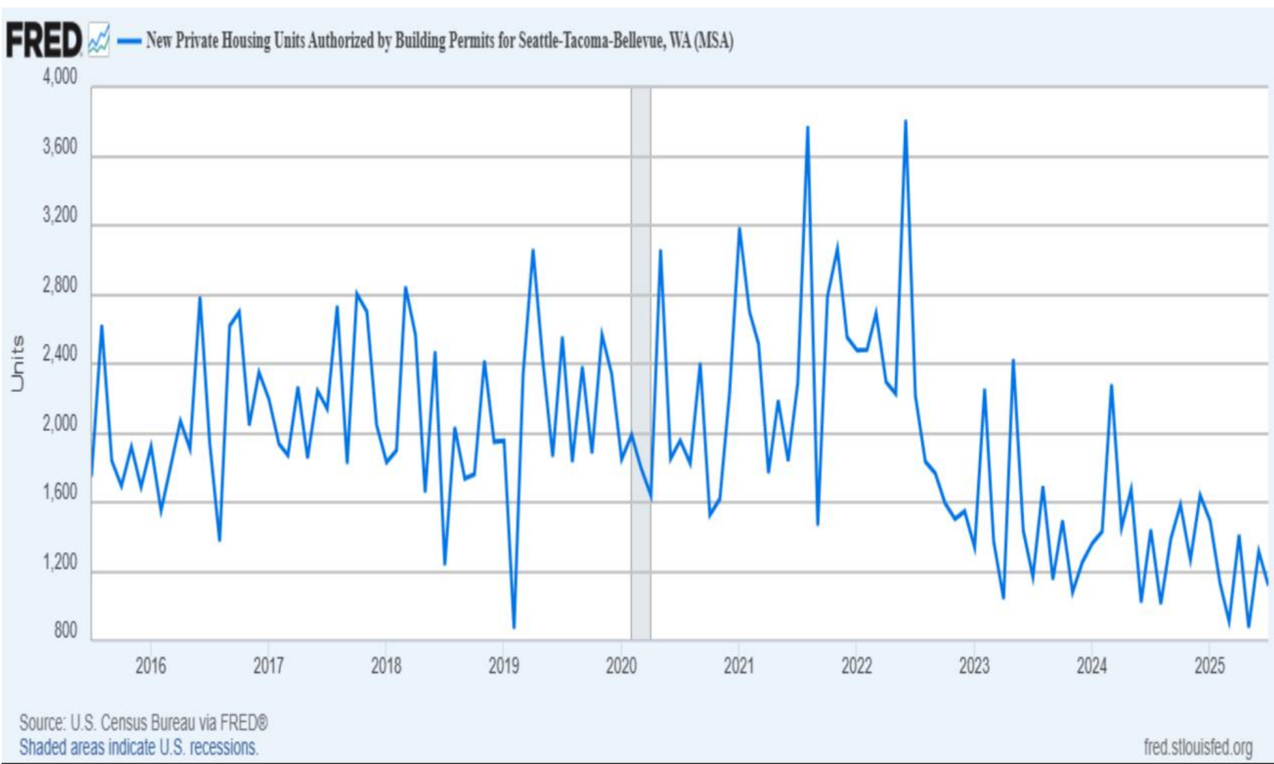
A major contributor to homelessness is a lack of affordable housing (National Coalition For The Homeless 2023). From 2010-2021, Seattle lost 14,000 units of affordable rental housing while the population of very low income households grew by nearly 15,000 (Kim, 2025). The decline in affordable housing stock can largely be attributed to in-migration of younger high-income workers who are able to pay more than older pre-existing residents. For context, from 2010 to 2017, Amazon hired approximately 5,000 employees each year at its Seattle headquarters, many making six-figure salaries (Kim, 2025). The increase in population created more competition for scarce housing amongst residents, driving up housing costs. As a result, many people were pushed out of previously affordable housing.

One example of this is the Panorama House, an 18-story apartment building in Seattle. In 2014, the new owners of the Panorama House forced out 200 tenants via rent hikes, many of whom were elderly and retired. The new owners renovated the building to increase rents for new renters who could afford the higher rents. After renovations, the building reopened with rents nearly double their previous levels. Like Panorama House, many older buildings that were once affordable to those with lower incomes were no longer affordable because of significant rent hikes. Even though these new rents may be affordable for the higher income workers migrating into the area, affordable housing diminished for lower income renters.

Additionally, construction and labor costs dramatically increased during this time. From 2014-2024, site work costs increased by 107% due to a high demand and a shortage of skilled labor (Smiley 2024). In 2024, overall construction costs were 78% higher than a decade ago (Kim 2025). As the costs of construction increase, higher rents are necessary to achieve acceptable returns on investment for a developer. Additionally, spiking interest rates from 2022 onwards have also increased borrowing costs to developers, which further increased construction costs. As a result, Seattle only issued permits to build 6,170 units in 2024, which is half of the amount permitted in 2021 and a low since 2011 (Kim, 2025).

Figure 6.

New Private Housing Units Authorized by Building Permits for Seattle-Tacoma-Bellevue (U.S. Census Bureau, 2025)



Seattle requires a staggering amount of housing to keep up with its growing population. According to estimates approved by the Metropolitan King County Council in 2023, an increase

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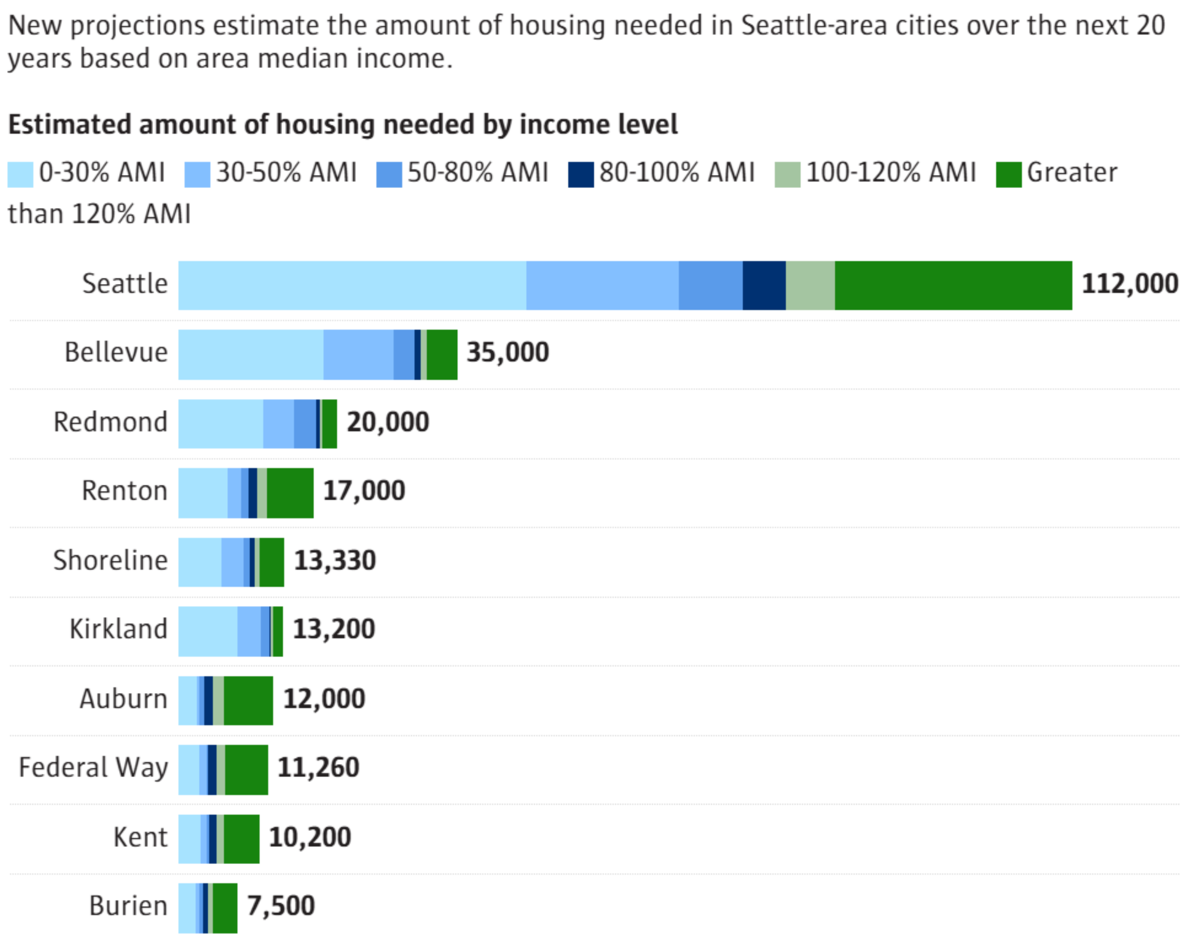
of more than 112,000 new homes is needed in Seattle over the next 20 years to accommodate the city's growing population, an amount representing almost 30% of its existing housing stock. In King County overall, 309,000 new homes are needed, with a third being affordable to people making less than 30% or less of AMI over the next 20 years. Figure 7 depicts these statistics and shows that the majority of housing constructed in Seattle in the next 20 years will need to be affordable for households up to 50% AMI. However, private developers rarely build homes at this level of affordability without government subsidies, as construction is generally unprofitable at rent levels affordable for the median income population.

In 2023, the Seattle Housing Levy was passed by voters, which devoted $970 million from 2024-2030 to creating and preserving affordable housing (Seattle Office of Housing, 2023). This Levy will build over 3,100 new homes affordable over the next 50 years, but it falls way short of the 112,000 units required. Seattle has initiated other methods as well, like ADUs, to help create more affordable housing by enlisting the help of private enterprise to address the affordable housing shortage.

Figure 7.

Projected New Housing Needed by 2044 in WA Cities For Varying Income Levels (Nowlin, 2023)

New Housing Needed by 2044



Understanding ADUs and Their Role in Seattle

There are three main types of residential zones in Seattle: Neighborhood Residential Zones (NR Zones), Residential Small Lots (RSL), and Low Rise Zones (LR Zones). NR Zones can be divided into three single family zone codes based on minimum lot area: NR1 (9,600 square feet), NR2 (7,200 square feet), and NR3 (5,000 square feet). They are for single family homes and are the most common zone for ADUs to be constructed upon. RSL areas are better suited for the development of smaller homes (1,050-1,800 feet) and are more affordable than Neighborhood Residential zones. Low Rise zones are zones for multi-family residences like townhouses and apartments. Each of these different types of zones has different zoning requirements for building an AADU or DADU in Seattle but there are also general requirements.

Zoning laws are in place to regulate construction specifically for ADUs; they restrict the size, the number, and the location of the ADU on the lot. Some examples of ADU zoning restrictions include: size limits, floor to area ratio, setbacks, and minimum lot requirements. In NR Zones in Seattle, the maximum ADU allowance is two additional units per lot, resulting in a maximum of three housing units per lot. However, the maximum DADU allowance is also one, so the allowable combinations of ADUs on a property (not including a primary house) are: one DADU and one AADU, two AADUs, one DADU, or one AADU. The minimum lot requirement to build a new ADU is 3,200 square feet, and the maximum size for an AADU or a DADU is 1,000 square feet. Garages are excluded from the maximum size for all ADUs (Cottage, 2023).

AADUs first emerged in Seattle in 1994, but AADUs and DADUs started really gaining traction in 2019 after zoning changes (Cottage, 2023). Seattle's 2019 ADU Reforms changed the ADU landscape in Seattle and allowed more leniency on the zoning laws relation to ADUs. It allowed ADUs to be built on nearly all lots in NR Zones, allowed for larger and more ADUs on lots, removed offstreet parking requirements for ADUs, and removed the homeowner occupancy requirement, which allows investors to also build ADUs without having to live on the property

(Trumm 2024). After this reform passed, the number of ADUs permitted annually has increased every year until 2023–the last data point available–as seen in Table 2. In fact, in a City Council report received in March of 2023, the number of ADUs being built in Seattle outpaced construction of single family homes (Beekman, 2023).

Table 2.

Number of ADUs Permitted and Single Family Homes Built in Seattle from 2019-2022

Year	Attached (AADU)	Detached (DADU)	Total (ADUs)	Single Family Homes
2019	154	131	285	525
2020	232	250	482	432
2021	342	429	771	454
2022	418	524	942	N/A
2023	476	511	987	N/A

Note: (City of Seattle Office of Planning & Community Development, 2024, 2024)

In 2025, Seattle enacted an Interim Zoning Ordinance which permits up to four dwelling units in all neighborhood residential zones (srs. architecture). Previous ADU zoning laws still apply so there can only be a maximum of two ADUs, but duplexes, triplexes, and fourplexes can now be built in these zones. Zoning changes have increased ADUs' popularity among both homeowners and investors, and additional changes are anticipated in the future to increase the density required to meet the demand for housing.

Figure 8.

Picture of home with AADU

Source: Myself

Figure 9.

Picture of home with AADU (center) and DADU (right)

Source: Myself

In addition to zoning, another important factor in increased ADU construction are demographic changes in Seattle. In Figure 10, when compared to King County, Seattle has a significantly greater concentration of people who are 19-34. In fact, a third of its total population is in that age range. This is significant to the housing market because a younger population has different demands for housing. They are less likely to already have children and larger families so they have less demand for larger housing units. Furthermore, this demographic generally has less desire for yard space and would be willing to sacrifice interior square footage of housing for a newer, more modern housing unit. ADUs allow younger workers to own housing while still

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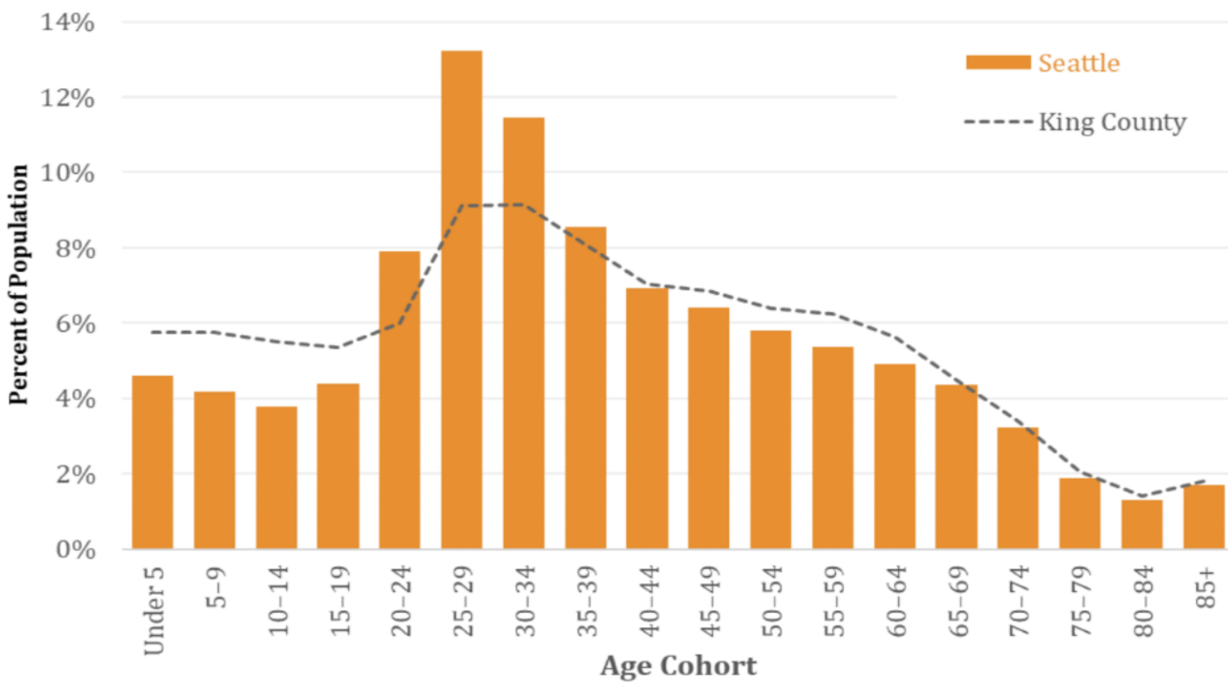
fitting their needs. Many ADUs are also rented out so it can also be a more transitionary form of housing for a younger population.

Figure 10.

Completed Housing Permits by Housing Type from 2018-2022 in Seattle (City of Seattle, 2025)



Source: ACS 5-Year Estimates, 2016-2020.

Another demographic change is Seattle's general population marrying later and less often. Seattle's average household size has decreased every decade since 1960, as seen in Table 3. Larger single family homes are in less demand with smaller household sizes, and ADUs meet the needs of smaller households. Additionally, 42% of Seattle households in 2020 consisted of just one person living alone.

U.S. adults in their 20s and 30s plan to have fewer children than in the past. The total number of children that adults 20-39 planned to have has dropped from 2.3 in 2012 to 1.8 in 2023 (Hays, 2025). The housing stock must adapt to match the demands of smaller households.

Table 3.

Average Household Size in Seattle from 1960-2020

Year	Average Household Size
1960	2.70
1970	2.48
1980	2.14
1990	2.09
2000	2.08
2010	2.08
2020	2.05

Note: (City of Seattle Office of the City Clerk, n.d.)

Car ownership rates in Seattle have also decreased, as 2023 was the first year in which the share of households that did not lease or own a car exceeded 20% (Balk, 2025). This is a significant decrease compared to only two years ago in 2021 when only 17% of households did not have a car. Since 2017, the number of cars in Seattle hasn't changed while the population has significantly grown. There isn't a growing demand for parking, which impacts housing density because parking often takes up a lot of space where housing can be built. The current demographic of Seattle has less reliance on cars because of the increased access to public transportation, including the newly built light rail system. In fact, as part of the 2019 ADU zoning changes, parking spaces are no longer required for ADUs (Office of Planning & Community Development, 2021).

Stakeholders Perspectives on ADUs

There are generally three groups who build ADUs and each has its own reasons: mom & pop investors, professional homebuilders, and homeowners. This section uses information from interviews with members of each of these groups to show their perspective on ADUs.

I interviewed two investors with varying involvement with ADUs. The first investor, Patrick Lee, Managing Member of L4 Investments, LLC, owns multiple rental properties and has converted an existing garage/workshop into a DADU in Seattle. Mr. Lee is also in the beginning stages of another DADU project in Renton, a city in King County south of Seattle. The second investor, Mike Chaffee, is the owner of Whisper Real Estate in Kirkland, a city east of Seattle and also a hotspot for ADUs. Mr. Chaffee has experience building and selling DADUs and also

ISSN 3069-8200

cottages which are a smaller version of a single family home. Both investors have decades of experience in real estate before getting involved with ADUs. When asked why he started investing in ADUs, Mr. Chaffee said, “There’s a bigger market for it because they are more affordable for people.” Mr. Lee thought that it “was more challenging to build a home from the ground up and it’s an easier process to just build an ADU which can also generate rental income.” Mr. Lee sold a Seattle DADU in 2024 for $495,000 after investing $225,000 to convert an existing garage/workshop structure. He bought the property, including the garage/workshop, in 2019 for $475,000 and sold the existing home for $631,000 in 2023 with only minor renovations. Mr. Lee not only made a profit on the main home, but essentially got the land and base structure for the DADU for free.

ISSN 3069-8200

Figure 11.

Image of Mr. Lee's converted DADU from garage/workshop in Seattle

Source: Patrick Lee

Before: **After:**

Mr. Chaffee employs a similar strategy, buying single family homes, condominiumizing the property, and retaining the excess land for a DADU. He calls it a "housing hack" because he is able to get land for a DADU for practically free because flipping the main home and its land nearly offsets the original costs. He specifically targets off-market properties because they can be acquired for lower prices than properties marketed by realtors. Before selling an ADU, the ADU must undergo condominium conversion to create a separate legal entity for the ADU apart from the main home (KW Commercial, 2025). Both investors strongly believe that ADU popularity will increase, with Mr. Chaffee noting that ADUs/Cottages will largely replace standard housing because homes are getting smaller and smaller to accommodate a growing population's demands, and a change in lifestyle and demographic factors that emphasize smaller households, less desire for yard space and its maintenance, and lesser reliance on car-centric transportation.

However, both investors don't believe ADUs will immediately create affordable housing as new construction is inherently expensive. Mr. Chaffee explains, "In the Finn Hill neighborhood in Kirkland, they are going for roughly $875,000." While ADU prices remain high, they are significantly more affordable than most single family homes in the Finn Hill area, which average $1,370,000 (Redfin, 2025).

I also interviewed Dmitry Lebed, the CEO of Emerald City Construction, a construction company which primarily builds additions to homes for its clients. The most common reason his clients build ADUs is for multi-generational living. They want to build a separate unit that their parents can move into and live on the same lot. This company primarily works with homeowners, and not investors, because investors tend not to utilize full service homebuilders. Even mom & pop investors often have access to less expensive independent contractors to decrease their construction costs. When asked about the most challenging part of ADU construction, Mr. Lebed said that "the natural lot characteristics in Washington State were the

ISSN 3069-8200

biggest challenge.” Building an ADU is very similar to a new home, and if a lot has environmental factors or topographical issues that restrict the construction of an ADU, then it cannot be built on that lot. In terms of construction costs, ADUs are roughly the same cost as building a normal home per square foot and the permitting fees are still high. The average cost of construction is approximately $500 per square foot. The main advantage of building an ADU is that the land is already owned, so an owner doesn’t have to buy additional land to build one. Seattle has also made the permitting process for ADUs much easier, which incentivizes more people to build them. Mr. Lebed believes ADUs “are a push in the right direction for affordable housing, but at the end of the day, building costs are only going up and affordable housing is getting thrown out the window.”

From the perspective of Eugene Kim, a homeowner living in Kirkland, ADUs are enticing to him because they offer a cheaper alternative to adding more space than to tear down and build a new single family home. Mr. Kim is a Google employee with a growing family of five with three young children, and he lives in a 2,000 square foot 1970’s home on a half-acre lot. The original plan when he bought his home in 2021 was to eventually tear the existing house down and build a new, larger home for his family. At the time, construction costs were too high to go with his original plan, so he started looking into building a DADU on the property because it would be cheaper than tearing down and building a new home. After hiring an architect and reviewing a couple of plans, he decided to pause the plans for a bit because he felt rushed into building. One zoning change he wants however, “is for the city to give more flexibility with ADU size based on the property size” because he wants more living space for his family. He didn't think of building an ADU as an investment, but more of a lifestyle improvement for his family, and it's a project he will definitely seek to continue in the future.

Benefits and Limitations of ADUs

The impact of ADUs on housing affordability is debatable. On one hand, they increase the supply of housing to neighborhoods with limited available land. On the other hand, because they are newly built, they are expensive. They are not really considered affordable to most lower income residents. This section examines the benefits and the limitations of ADUs in Seattle.

ADUs are a tool local governments can use to create more affordable housing without utilizing any of their own funding. The greatest benefit of an ADU is that one, if not two, can be built on an existing lot as long as the lot is at least 3,200 square feet. It is a very versatile form of housing because it can be used in different ways; it can be rented out, sold off, or accommodate multi-generational or multi-household living. Its versatility attracts different groups of people who are incentivized to build it. By simply changing zoning laws, they are able to incentivize ADU construction by both investors and homeowners. Investors have motivation to construct more ADUs as they can be very profitable, and their lower price point allows more potential buyers to purchase a home. They are often considered to be a starter home for smaller families because they are less of a financial commitment. Compared to the average single family home price in Seattle of $863,432, the average price of an ADU is $675,000 (Zillow, 2025; Fox, 2025). Keep in mind that although single family homes are larger and have bigger lots, virtually all ADUs are new construction because of how recent the zoning changes have been, so they

ISSN 3069-8200

generally offer more modern finishes and less upfront maintenance than an existing single family home. Also, the average rent of an ADU is $1,900, considerably lower than the average monthly rent of a single family home of $3,000 (United Signature, 2025; Next Brick, 2025).

However, the high costs of building an ADU are a drawback. The average cost to build an ADU is $432,000–$500,000 (Fox, n.d.). This price is made up of soft costs, construction costs, financing costs, and additional costs. Soft costs consist of surveys, architectural designs, permit fees, and engineering costs; construction costs contain standard build costs, labor costs, materials, and foundation work; and finally, additional costs include utility hookups, landscaping, and appliances. Table 4 shows the distribution of different costs. The construction time for an ADU also can be dragged out because permit processing for DADUs can take up to 4-6 months to complete. Even though ADUs are less expensive than single family homes, they are still not affordable housing for many due to the fact that most ADUs are newly built and subject to increased costs of new construction. It will take some time for ADUs to age and the values to normalize relative to the overall housing market.

Table 4.

Distribution of Costs for Building an ADU

Cost Types	Estimated Costs
Land Survey	$2,000-$3,000

The Princeton Journal of Interdisciplinary Research
ISSN 3069-8200

Architectural Design	$5,000-10,000
Permit Fees	$3,000-$6,000
Engineering Costs	$2,000-$4,000
Standard Build Costs	$400-$500 per square foot
Labor Costs	50% of total construction budget
Materials	N/A
Foundation Work	$15,000-$20,000
Loan Origination Fees	1-2% of loan amount
Title and Escrow Fees	$2,000-$3,000
Utility Hookups	$5,000-$10,000
Landscaping	$3,000-$5,000
Furnishing and Appliances	$5,000-$10,000
Total Cost	$432,080-$500,000

Note: (Fox, n.d.)

Creating Affordable Housing

Affordable housing is defined as housing that costs a maximum of 30% of household income. The median household income of Seattle as of 2023 was $120,600 (Balk 2025). Therefore, the median income household could only spend approximately $36,000 a year, or $3,000 a month, to fit the definition of affordable housing. In that same year, however, the average price of a house was $875,000 (Ewing & Clark, 2023). Applying the standard mortgage payment formula with an assumed 20% down and 6.5% interest rate, the annual mortgage was approximately $53,000 a year, or $4,400 a month, for a 30-year loan. This requires 44% of the median household income for housing costs without even considering utilities, real estate taxes, and insurance which factor into total housing costs. For an annual mortgage of $53,000, a $7,350 property tax bill and an average $8,400 annual utilities bill, a household would have to earn over $229,000 for an average house to qualify as affordable housing.

Table 5 depicts data for King County from the American Community Survey conducted by the United States Census Bureau. Less than 29% of the King County population would find it affordable to own the average single family home in Seattle. This makes homeownership difficult for many and shows the necessity for ADUs for people who want to live in a detached dwelling unit. Due largely to unaffordability, 52% of Seattle's population lived in rental units which are more affordable, but less permanent and a more unstable form of housing (Seattle Office of Planning & Community Development, 2021).

Table 5.

Annual Household Income Distribution in King County 2023

Less than $10,000	3.9%
$10,000-$14,999	2.6%
$15,000-$24,999	3.7%
$25,000-$34,999	3.8%
$35,000-$49,999	6.4%
$50,000-$74,999	11.3%
$75,000-$99,999	10.5%
$100,000-$149,999	17.3%
$150,000-$199,999	11.9%
$200,000 or more	28.6%

Note: (U.S. Census Bureau, n.d.)

To create more affordable housing in Seattle, land has to be used more efficiently and denser housing has to be created. Seattle had 165,000 single structure homes on lots in 2021, and even if only a quarter of those properties are suitable for two ADUs per Seattle's zoning, that is potentially 80,000 additional housing units. Seattle does not lack the land for additional housing, but the manner in which they historically used land has been so inefficient that there is a deficit of affordable housing. Out of its 84 square miles of land, Seattle has 40 square miles where housing is permitted to be built and 30 of those square miles are taken up by single family

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zoning. As seen in Figure 12, in 2021, if Seattle had 32 square miles of single family lots with one additional ADU each, there would be enough housing for every Seattle resident. Obviously, this won't be a reality soon, but it shows the potential of ADUs and denser housing.

Figure 12.

Amount of Land it Takes to House Seattle Population with Different Housing Structures (DiRaimo, 2021)

It is impossible at the moment to know how much affordable housing ADUs can create because they are still not affordable for many, but their greatest strength is in the potential numbers in which they can be built because there are so many single family lots they can be built on. The increase in housing stock will lower competition for limited housing units if the augmentation of housing supply can keep up with the demand. The most important things the city of Seattle can do to increase ADU output are to incentivize homeowners and investors into building more, and to continue making the ADU permitting process easier and less expensive. Seattle has already taken some steps in the right direction by supplying permit-ready ADU plans, ADU architect templates, to save homeowners and investors money and time on an architect and engineers. Additional changes Seattle should make to increase ADU incentivization are: lowering permit and utility hook up fees, increasing ADU maximum sizes, and speeding up the approval process. ADUs are just a part of Seattle's solution to creating more affordable housing and the city must continue to create more subsidized housing as well.

Conclusion

Creating more affordable housing for people earning up to 50% of the area median income is one of the single biggest challenges for the city of Seattle. It's questionable whether newly constructed ADU prices will ever be considered affordable housing, but even so, ADUs act as a bridge between renting and owning a home by lowering the cost of ownership. To maximize efficiency of creating affordable housing, the city will need to promote even denser housing solutions, such as apartments; however, ADUs allow for smaller private stakeholders to contribute to the solution.

It's difficult to measure how efficiently ADUs create affordable housing in Seattle because it is a recent phenomenon, but there is definitely a path to creating significant amounts of new housing in Seattle through ADUs. There is enough land to potentially build tens of thousands of additional ADUs in Seattle, and building smaller and smaller houses will be the future of housing in Seattle. In thirty years, housing in Seattle is going to look very different than now because the demand for more affordable housing will continue to be intense and the changing zoning laws are incentivizing increased density. Even though ADUs are more predominant on the West Coast, they could eventually spread to other metropolitan cities as a form of creating denser housing to match a rising population. The 10,000 square foot single family home lot may become a thing of the past, with more affordable housing resulting in smaller lots and living spaces.

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