



# Maryland

## DEPARTMENT OF PLANNING

### Builder/Developers Survey Closed on February 2, 2024

#### Respondent Information

Nineteen respondents provided feedback to our survey. The responses came from companies that described themselves or their organization's residential development work as primarily focusing on:

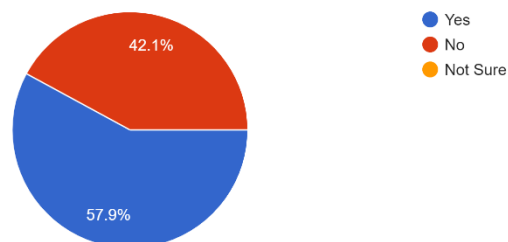
- Modular/Tiny homes.
- Single family Residential (including renovations)
- ADUs and accessory structures for both residential and office uses.
- New homes, additions, and remodels
- Affordable housing

Respondents mainly work in Maryland, the DMV, and PA. One respondent in the modular home business said they deliver nationally. Responses are organized below by survey question numbers.

#### ADU Experience

1. Roughly 58% of respondents said they had worked on a project that included an ADU. (19 responses)

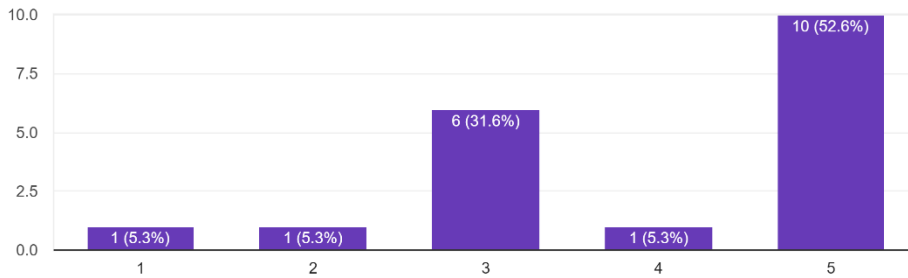
1. Has your company/organization worked on a project that included ADUs?  
19 responses



2. Respondents rated themselves as being familiar with ADU development and construction. 53% rated their familiarity of ADUs at the highest rating (5), while 37% rated their knowledge from 3-4 on the scale of not familiar (1) to very familiar (5). Only 11% were not familiar or slightly familiar. See the chart below. (19 responses)

2. How would you rate your company/organization's familiarity with ADU development and construction?

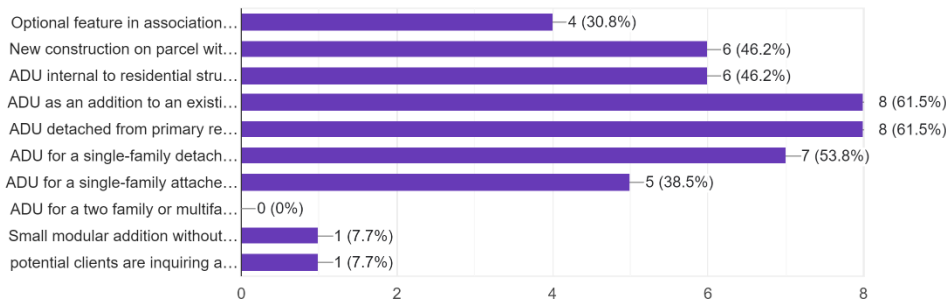
19 responses



3. The 13 respondents who answered this question indicated they had worked on a variety of ADU types, as reflected below:

3. If you answered yes to question 2, which type of ADUs were included? Please select all that apply

13 responses



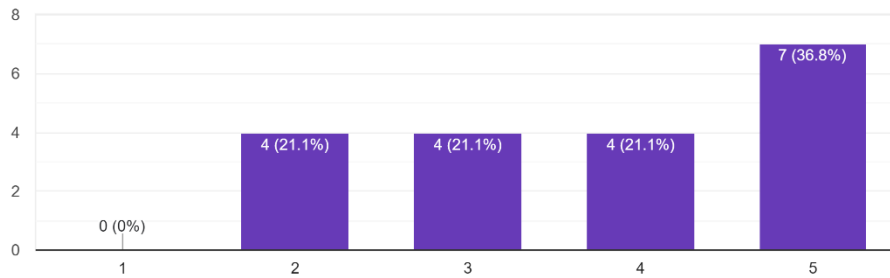
To summarize, most respondents said they had experience with ADUs that were detached from the primary residential structure or as an addition to an existing residential structure. That was followed by work on an ADU internal to a residential structure, or what the bill refers to as a conversion of a single-family home.

### **ADU Insight and Analysis**

4. All respondents rated that there at least some current demand for ADUs exists in the region and communities in which they work. Thirty-seven percent said there was a high demand for ADUs in the area they work. See the chart below. A rating of 1 indicates no demand while a rating of 5 indicates high demand.

4. How would you rate the current demand for ADUs in the regions/communities in which you work?

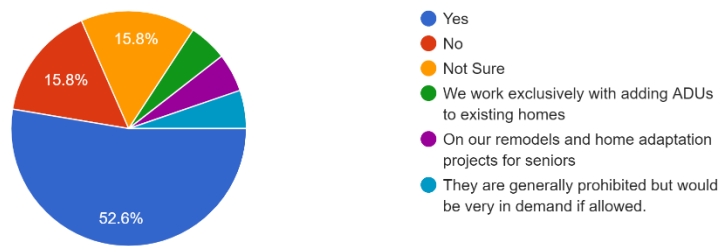
19 responses



5. Fifty-three percent of the 19 respondents said ADUs are considered an optional feature in association with new home construction. See the chart below.

5. In your projects, are ADUs considered as an optional feature in association with new home construction?

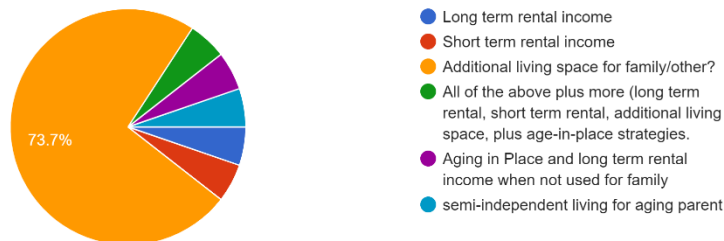
19 responses



6. 74% of the respondents said the primary reason for a property owner to consider an ADU was for additional living space for a family or other person. The remaining responses were equally divided among the remaining categories including long and short-term rental, aging in place and semi-independent living for an aging parent.

6. What have you found to be the primary reason a property owner might consider an ADU?

19 responses

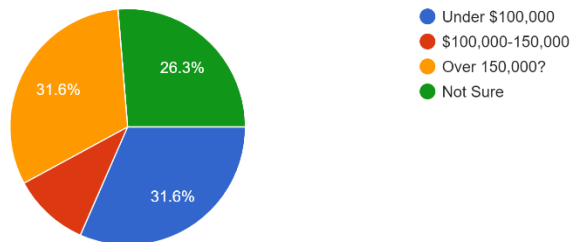


7. The 19 respondents said the primary barriers to constructing ADUs were attributed to the following, from most impactful to least impactful:
  - a. zoning limitations (83%)
  - b. permitting processes (67%)
  - c. parking requirements (50%),
  - d. insufficient financing options (44%),
  - e. construction costs and building codes (39%),
  - f. local or neighborhood opposition (28%), and
  - g. development fees (11%).

All other barriers listed were only selected once.

8. Generally, the respondents said difficulties in developing and constructing ADUs were related to the issues of zoning and building code complexities and processes. Primarily the review processes, setback requirements, requirements for fire suppression systems, and owner occupancy requirements were mentioned as difficulties in implementing ADUs. Also mentioned, but to a lesser extent, were parking requirements, separate septic system requirements for the ADU, and access to local materials.
9. Of the respondents who answered the question below, 32% said the cost was over \$150,000, 11% said the cost was between \$100,000- \$150,000, and 32% said the cost was under \$100,000. (Note: This question could have been better formulated to be more specific as to the type of ADU.)

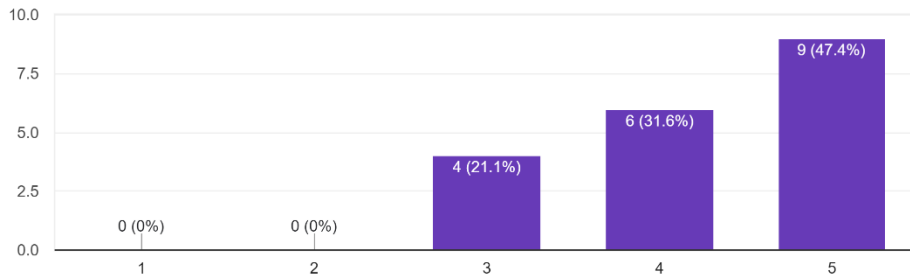
9. What is your estimated budget for building an ADU?  
19 responses



10. This question asked respondents what types of markets (i.e. urban, rural, suburban, rapidly growing, slowly growing, high cost, medium to lower cost, etc.) are ADUs a most suitable housing product? The responses varied. Many respondents cited urban and suburban markets, with references to both rapidly growing markets and high low-cost markets as being suitable for the ADU product. Many respondents said all markets are suitable for the ADU product.
11. The following chart indicates the responses to the question of “In comparison to housing market pressures and demand, how would you grade the impact of state and local policy and regulation on the proliferation of ADUs?”. A rating of 1 indicates no impact while a rating of 5 indicates significant impact.

11. In comparison to housing market pressures and demand, how would you grade the impact of state and local policy and regulation on the proliferation of ADUs?

19 responses



12. Respondents provided the following information related to the impacts that state and local policy and regulation has on the proliferation of ADUs.

- George Mason University: [Legalizing Accessory Dwelling Units at the State Level: A New Hampshire Case Study](#)
- Pace University: [Nimby Restrictions Poison the Prospects of Accessory Dwelling Units to Address Housing Insecurity](#)
- Zoning Regulations:
  - Permissibility: Zoning ordinances determine whether ADUs are allowed in a particular zone. States with more permissive zoning policies, such as California and Oregon, have seen a greater increase in ADU construction.
  - Density: Zoning regulations also dictate the maximum number of dwelling units allowed on a single lot. Higher density allowances encourage the development of ADUs.
  - Setbacks and Lot Size: Zoning often restricts the placement and size of ADUs through setbacks and minimum lot size requirements. Overly restrictive policies can make it difficult or impossible to build an ADU on many properties.
- Fees and Permits: High fees and complex permitting processes can discourage ADU development. Streamlining the process and reducing costs can make it easier and more affordable for homeowners to build ADUs.
- Parking requirements can be a major barrier to ADU development, especially in dense urban areas where parking is limited. States and localities are increasingly adopting parking reform policies that allow ADUs to be built without additional parking spaces, as long as they are located in areas with good access to public transit.
- Financial Incentives: Providing financial incentives, such as grants, loans, and tax breaks, can encourage homeowners to build ADUs. These programs can offset the upfront costs of construction and make ADUs more affordable.
- Public Awareness and Education: Many homeowners are simply unaware of ADUs or the regulations surrounding them. Increasing public awareness and education about ADUs can help to encourage their development.
- Here are some examples of how specific policies have impacted ADU proliferation:

- California: In 2020, California passed a law that requires most cities and counties to allow ADUs on single-family lots. This law has led to a significant increase in ADU construction in the state.
- Minneapolis: Minneapolis has eliminated minimum lot size requirements and parking mandates for ADUs. This has made it easier and more affordable for homeowners to build ADUs in the city.
- Portland: Portland offers a variety of financial incentives for ADU development, including grants, loans, and tax breaks. These programs have helped to make ADUs more affordable for homeowners in Portland.
- Overall, state and local policies play a critical role in shaping the ADU landscape. By adopting policies that encourage ADU development, states and localities can help to address the challenges of affordable housing, aging populations, and environmental sustainability.
- Universal guidelines across counties would help. Grant programs would help expand the uptake in the early stages. More affordable rental units would be possible in wealthier neighborhoods if homeowners were not required to live in either the primary home or the ADU (this may not be a popular option in some neighborhoods however).
- Permitting ADUs by-right accelerates how many we can build. People need to know for sure if they can build one on their property, and when you must go through a community engagement process it destroys the momentum. City laws and state laws that are very clear are so helpful.
- Most policies are restrictive in nature for accommodating ADU's.
- We often will renovate spaces, so they are ADUs in every aspect except a stove to get around the draconian rules in all counties - Make them easy and legal to get them in the light of safety.
- They are only allowed in certain areas and only under certain circumstances.
- There needs to be a base for industrial vs residential spaces, but also education on the policies we have honestly support ADUs but socially we aren't understanding of housing/building innovation simply because we haven't seen it. (example shipping container is just steel, yet it's not immediately included in insurance policies because it's not traditional).
- If zoning codes don't make it easy to permit ADUs, few will be built. It seems that ADUs are most found on large lots with large houses, but there is a plethora of reasons they are suitable for everyday homes.
- Zoning and permitting.
  - not allowed by government, rigid zoning
  - Prohibited by zoning regulations.
  - State and local policies are the drivers for the primary barriers identified in question 7.

13. The following responses were provided relating to how ADUs impact neighborhood Livability:

- a. Supports aging in place: 100%
- b. Increases housing values in the neighborhood: 84%
- c. Increases housing affordability: 84%
- d. Diversifies neighborhood demographics: 79%
- e. Supports moderate densification: 74%
- f. Strains the transportation network including parking availability: 5%

- g. Increases flexibility: 5%
- h. Creates flexibility and diverse housing choices for owners and renters both: 5%

14. Six respondents provided the following about other ADU impacts on neighborhood livability.

- The biggest current impact is creating affordable housing options in wealthier neighborhoods.
- Allows seniors to be able to stay in their neighborhood and not get priced out. Also allows people to afford their home if they had some rental income. It is a huge factor in affordability especially in very expensive neighborhoods. Also, each person that rents an ADU reduces the demand on renting other units, which will help the overall housing market by increasing supply.
- Increases the odds of service workers living in the community instead of driving an hour to access it. Teachers and maids and vet techs and retail clerks can all live near their work and be available to community members for off-hours work in coaching, tutoring, pet care, house cleaning, babysitting, home repairs and more....
- ADUs can provide an affordable non maintenance housing option that does not exist in our area.
- ADUs change the way we assist people aging in place and improve living structures for families or individuals okay with buying what will be used and not wasting the space.

### **ADU Recommendations**

15. Eighteen respondents provided the following improvements or changes they would like to see in Maryland or local regulations regarding ADUs:

- Streamline the permitting process: Make the application process online and easy to follow. Reduce the number of required forms and documents. Set clear timelines for processing applications. Provide pre-application consultations to help homeowners understand the requirements.
- Reduce fees: Lower fees associated with permits, inspections, and other administrative costs. Offer waivers or discounts for affordable housing projects.
- Reform parking requirements: Eliminate minimum parking requirements for ADUs. Allow shared parking arrangements. Offer alternative parking solutions, such as car-sharing programs.
- Increase density allowances: Allow more than one ADU per lot. Increase the maximum size of ADUs. Reduce minimum lot size requirements.
- Provide financial incentives: Offer grants or loans to help homeowners finance the construction of ADUs. Provide tax breaks for homeowners who build ADUs. Create public-private partnerships to develop and manage ADUs.
- Public awareness and education: Launch public education campaigns to raise awareness about ADUs. Provide resources and information to homeowners about building ADUs. Partner with local organizations and businesses to promote ADU development.
- Allow for flexibility in ADU design and construction: Permit a wider variety of ADU designs, including detached units, attached units, and garage conversions. Relax regulations on building materials and finishes to make ADUs more affordable. Allow for alternative construction methods, such as modular or prefabricated ADUs.

- Consider the needs of different demographics: Develop ADU policies that are inclusive and accessible to people of all ages, income levels, and abilities. Provide resources and support for low-income homeowners who want to build ADUs. Consider the needs of seniors who may want to age in place with the help of an ADU.
- Create a data-driven approach to ADU policy: Collect and analyze data on ADU development and use the information to inform policy decisions. Track the impact of ADU policies on housing affordability, community development, and other key metrics. Use data to identify areas where ADU policies can be improved.
- Encourage collaboration between stakeholders: Bring together homeowners, developers, policymakers, and other stakeholders to discuss ADU policy issues. Form working groups to develop solutions to specific challenges related to ADU development. Share best practices and lessons learned from other communities.
- Make it easier to build from a zoning standpoint.
- Consistent guidelines across counties and widespread by-right permitting of new ADUs. Targeted grant programs would help as well.
- Placement of ADUs relative to oddly shaped lots, such as those on cul-de-sacs, and under .25 acres.
- They should be permitted in all jurisdictions.
- Eliminate requirement for the permit to be pulled by owner occupant.
- I would like to see a minimum square footage amount. Right now, if you have a small house the 50% rule hurts you more than someone with a giant house. It would be nice if there was a minimum automatic allowable 600 ft<sup>2</sup> ADU which is appropriate for a one-bedroom layout. I would also like to see an end to the sprinkler requirement if the main house exists and does not need to be sprinklered. There could be other methods like requiring a fire extinguisher or smoke alarm system.
- Make ADU's more accessible and streamline the permitting process for increased opportunity for ADU's.
- Uniform BY RIGHT ADU rules with the least restrictions. ADU Grants for lower-income homeowners. Easy financing using the new HUD/FHA loans for everyone. Junior ADUs by right and tiny movable homes as allowed ADUS. An ADU advocate navigator office to guide and promote as many ADUs as we can build as fast as we can.
- Allowing them would be a good start, and not just for family members.
- Allow them in as many places as possible, override community covenants that prohibit more than 1 dwelling on a property, prohibit sanitary districts from charging separate allocation fees, prohibit municipalities and Counties from charging impact fees.
- I'd like to see a succinct regulatory process with Baltimore and Maryland because our urban space lacks the education on the foundation of the ADU legislation.
- Make zoning codes easier to understand and create flyers to help lay-people understand what they can build.
- State regulations should be more open and accepting of the idea of ADUs in general. Local regulations should simply follow the state guidelines.



16. Seventeen respondents explained how ADUs can be designed to minimize negative impacts on neighborhood livability.

- ADUs allow people to reduce their housing cost and the amount of money dedicated to just housing.
- Adaptable parking requirements based on existing availability of parking. Variable water/sewer connection fees based on the availability of those services. (For example, if a sewage treatment plant is nearing full capacity, there could be higher fees to un-incentivize development.) Reasonable accommodation for added lot coverage. (For example, in densely built neighborhoods, detached ADUs may not be appropriate compared to basement/attic/ garage conversions.)
- Don't put them all in one community. There should be a minimum and maximum per area whether it's 20 blocks or within x mile radius.
- Designers should be aware of all the potential impacts, do the homework and be highly capable (ie, experienced, talented, sensitive to start) of addressing them.
- ADUs are not a problem for neighborhood livability.
- A properly designed ADU should always consider the existing dwelling and surroundings such that it increases the overall appeal and value.

17. Twelve respondents provided other practical issues associated with the development of accessory dwelling units on land zoned for single-family residential uses that the Task Force should consider:

- Do away with the land zoned for single-family residential use and allow more flexibility.
- Clear guidelines on the recognition of "Front" when it comes to the ADU and primary residence identities.
- Managing stormwater for the increased impervious surface area.
- Access to public transit and multi-modal access points.
- Support financing sources for ADUs.
- I don't see any issues, as owners of single-family houses are allowed to build large structures, such as garages or guest houses, on their properties anyway. The fact that somebody might be renting it is the only issue. Other than that, it has no negative impact on the community in terms of its size or effect on the look and feel of the character of the neighborhood.
- Overrule HOA rules. Many HOAs have classist and racist roots in protecting their segregated status.
- How to remove private covenant barriers made before anyone thought of an ADU.
- Need to figure out the density issue for ADUs in the Critical Area RCA. Is an ADU an additional dwelling unit? Seem like it should not be or provide some statewide criteria for when an ADU is approvable or not (such as building square footage or # of bedrooms).
- Permit if setbacks can be met.
- A homeowner should be able to build ADUs on their property based on what the property will safely accept, rather than arbitrary state/local regulations. For instance, if they have the room to accommodate two or three ADUs without any negative impact to the grounds, neighborhood, or infrastructure, then they should be able to do it. If there is a negative impact, they should be able to show how they can off-set that impact to build one.

18. The following additional open-ended comments were provided by 7 respondents.

- Thank you for taking the time to dig into this issue. It's a sticky one, but important!
- I support clearer regulation around the development of ADUs for homeowners. I do have a concern; however, it will increase the rate of developers buying up properties, adding ADU's and then just renting them. Which may run counter to the goal of housing affordability.
- Look to areas like California where ADU development has taken off for a set of best practices.
- Make the most open By-Right ADU recommendations you can. You can be sure the legislative process will water your work down significantly in any case. So go for the GOLD Standard in ADU permitting and promotion
- the wider the range of housing types and sizes, the wider the financial options available to residents of an area. More choice is always better for consumers. ADU's in particular offer an alternative to ridiculously expensive assisted living for many families and allow aging family members to retain dignity and a degree of freedom not otherwise possible for them.
- Informational flyers about the benefits and design considerations for ADUs would be super helpful at the local level. They should cover the basics for when an ADU is feasible in terms of the design constraints of lot size, ADU building size, etc.
- The State of Maryland should really take the question of housing and its affordability seriously. ADUs should be a large part of the solution, and so should Tiny Homes. Anything that viably gives more housing and makes that housing more affordable is great for the state and its citizens and will help keep from population loss.