



# Accessory Dwelling Units (ADUs) 101

## What is an Accessory Dwelling Unit?

An Accessory Dwelling Unit (ADU), also known as a granny flat, in-law unit, or backyard cottage is a smaller, independent residential dwelling unit located on the same lot as a detached single-family home. ADUs vary in size, but typically range from 600-1,000 square feet, and have their own kitchen, bath, and sleeping area. ADUs can be a converted section within the home, an attached addition to an existing house, or a standalone structure.



## Benefits of ADUs to your community



ADUs can be used as a tool to add housing units into an existing neighborhood and allow for the incremental growth of housing in a community. They provide homeowners with an additional housing unit for young people looking to live on their own, families that would like a private space for visiting family and friends to stay, or for a senior family member you want to keep close.

ADUs can play an important role in increasing a community's senior housing supply and can be built with accessible features and zero entry (no steps) that allow seniors to safely age in their home. They can also be used for a "live-in" aide and can be a more affordable alternative to assisted living or nursing care. Adding ADUs to your community can also give seniors a smaller place to downsize to – and open up single family housing stock for residents and growing families.

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## Drawbacks to Accessory Dwelling Units

Accessory Dwelling Units can be costly to build, especially if they are detached from the primary dwelling, and can cost up to several hundred thousand dollars, or more. Local trends show that in communities where ADUs are allowed to be built, only 1-2 are typically built each year.

ADUs can create additional density in residential neighborhoods, meaning there is potential for increased parking needs in the community. Studies in cities that allow ADUs found that ADU households have 0.9 cars per household, compared to the national average of 1.8 cars per household (*ABC's of ADUs, AARP, p. 16*). This could be attributed to many ADU residents being seniors who do not drive. Municipalities can set parking.

## Will allowing ADUs change my neighborhood's character?

People are sometimes concerned that legalizing Accessory Dwelling Units will harm their community's existing character. However, municipalities can create guidelines to ensure that ADUs blend in with the primary structure, such as creating height limits, setting parking limits, requiring that detached units be located behind the house, or ensuring that the design compliments the primary dwelling unit. High construction costs typically result in gradual and limited ADU development, even in areas with ADU ordinances.

## Will ADUs lower property values?

Critics of ADUs express worry that ADUs will lower property values due to a lack of privacy or trouble from ADU renters. However, studies show that ADUs can increase the value of the property. Municipal regulations can ensure that ADUs not only reflect the design of the main dwelling unit, but are also strategically located to ensure privacy for both the households on the property and the neighbors.

## Are ADUs allowed in my community? How do I finance an ADU?

Currently, four municipalities in Dane County ([Fitchburg](#), [Madison](#), [Middleton](#), [Verona](#), and [Waunakee](#)) allow Accessory Dwelling Units on single-family residences **by-right**, meaning that it is approved automatically if it complies with standards outlined in the municipality's zoning and building codes. ADUs can also be approved as a **conditional use**, meaning that it is not automatically permitted, and requires approval from the Plan Commission, and must meet specific conditions tailored to the individual location.



Most ADUs are financed through savings, home equity lines of credit, or a variety of loans. However, ADUs that are built as a “conditional use” are considered high-risk for lenders due to the uncertainty caused by zoning restrictions, public opposition, and the potential for the ADU's permit to be denied or revoked. Therefore, it's important that municipalities consider making ADUs “by-right” in their zoning code if they wish to have this additional source of housing.

### Strategies to consider the addition of ADUs in your municipality:

- Host a conversation and educate yourself and neighbors about Accessory Dwelling Units and how they can add to your community's housing stock (see resources below).
- Reach out to the other Dane County planners in municipalities that support them to find out more about their ADU ordinance and what they have done.
- Tour ADUs in other communities to see some examples, and bring a friend.
- Update your local zoning code to allow ADUs of all types - planners can create flexible rules regarding setbacks, parking requirements, size, and design to fit your community needs.
- Invite your local bank to discuss the various financing options they offer with your community.



## Want to learn more about ADUs?

Check out these additional resources on Accessory Dwelling Units and how they can be incorporated into your community!

- See AARP's Livability Library, which features Accessory Dwelling Unit tours, webinars, and publications. – [Livability Library: Accessory Dwelling Units](#)
- Watch this short overview on ADUs, and how they can be a tool to meet the housing needs of people of all ages – [Accessory Dwelling Units](#)
- Explore more about ADUs and see examples of various types of ADUs – [What is an ADU \(Accessory Dwelling Unit\) | Building an ADU – Building an ADU](#), or go to: [All About Accessory Dwelling Units](#)

### Want to Learn More?

Email your questions to [regionalhousing@danecounty.gov](mailto:regionalhousing@danecounty.gov) or visit [rhs.danecounty.gov](https://rhs.danecounty.gov) to sign up for the monthly RHS housing newsletter.

