

POLICY BRIEF

A Taxonomy of State Accessory Dwelling Unit Laws 2025

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ADUs as One Piece of the Solution to the Housing Affordability Problem

Over the past decade, the problem of insufficient housing construction has become increasingly apparent. More households are being forced either to make tough tradeoffs in order to afford housing in their preferred location or to move somewhere less expensive. The COVID pandemic exacerbated the problem of insufficient housing supply and the difficulty of building new housing where it is needed. In response to this housing shortage and the accompanying affordability problems, state policymakers are increasingly setting limits on the extent to which local policymakers can block housing construction.²

Legalizing accessory dwelling units (ADUs) has been the most common action state policymakers have taken to make more lower-cost housing feasible to build. ADUs are a secondary unit on a lot that includes a principal dwelling unit for one household. The units can be a backyard cottage, a basement apartment, or a garage conversion, and most often they are added to single-family houses. To date, laws broadly allowing homeowners to build and rent out ADUs have passed in 18 states. Policymakers in 11 of these states have adopted their ADU laws within just the past four years, and ADU bills have been introduced in several other states.

As ADU reforms become more commonplace, it becomes increasingly important to note the more granular elements of these policies and eventually to quantitatively measure the outcomes stemming from these policy differences. In this policy brief, we explain the role of ADU legalization and statewide zoning preemption in the landscape of US land use regulations, summarize research on rules that facilitate ADU construction in significant numbers, and categorize state ADU policy with respect to the rules proven to facilitate ADU construction. Our new analysis covers 18 variables in statewide ADU legislation, showing just how many factors go into these seemingly simple laws.

Why ADUs?

ADUs as a regulatory category exist because of the restrictions in US land-use regulations on the number of units permitted on a single lot. Most of the land zoned for residential use in the United States is limited to detached single units.³ Within this framework, some jurisdictions have legalized a second (or higher-order) unit that is an "accessory" to the primary use of the single-family house. While allowing a primary dwelling unit with an ADU on a single-family lot has some similarities with two-unit zoning that permits duplexes or other configurations of two units on a single lot, ADUs usually have more limitations. Sometimes ADUs cannot be owned separately from the principal dwelling unit, unlike duplex units, which can generally be owned as separate condos. Furthermore, many jurisdictions that sanction ADUs allow the unit to be rented to a tenant only if the property owner lives on site. Typically an ADU is also required to be smaller than the principal dwelling unit.

Requiring localities to allow ADUs to be built is one of the smallest steps state policymakers can take to restrict local policymakers' authority to limit infill housing. And, within state preemption of local zoning, ADUs may be the lowest-hanging fruit politically. Although homeowners are often a key political constituency opposed to many types of zoning reforms that allow more housing to be built, ADU legalization specifically increases their property rights. Survey research indicates that while only 4 percent of adults currently have ADUs, more than 60 percent would consider building or living in an ADU for help with everyday activities, to live near someone, or to lower housing costs.⁴ These political considerations may be the reason state policymakers have shown particular willingness to override local zoning restrictions with respect to ADUs.

Rules That Govern ADU Construction

One of us (Kol Peterson) has identified three primary "poison-pill regulations" that present significant barriers to ADU constructions, even in places where they are legal. He has identified these policies as particularly problematic for ADU construction through the expertise he has developed as an ADU builder, consultant, and advocate in Portland, Oregon. These poison pills include owner-occupancy requirements, off-street parking requirements, and conditional or discretionary reviews for ADU permits. Each of these rules stands in the way of widespread ADU construction:

1. *Owner-occupancy requirements* thwart investments in ADUs, even for homeowners who want to add them to their primary residences, because building an ADU likely shrinks their pool of potential future buyers. Under these requirements, if the homeowners were to move, they would not have the option of leasing the ADU and their primary residence to separate tenants. New lending rules from the Federal Housing Administration allow mortgage borrowers to qualify in part based on income generated by renting out an ADU only if it can be rented without restriction.⁶ In other research, one of us (Emily Hamilton, along with Ed Pinto and Tobias Peter) found that in Los Angeles and Seattle, the repeal of owner-occupancy requirements coincided with big increases in ADU construction.⁷

- 2. Parking requirements can make ADUs infeasible to build at many existing houses. A yard may offer space for a backyard cottage within setback limits or an additional parking spot, but not both. Particularly on sites where the garage is the most natural place to put an ADU, requiring parking replacement for the primary dwelling unit as well as additional parking for the ADU may prove prohibitive.
- 3. Discretionary reviews for ADU permits can prevent many homeowners from building ADUs. Applying for a conditional use permit may require a time-consuming and intimidating public hearing with a nonrefundable fee as well as site-plan drawings that can be expensive to commission. Many homeowners are understandably reluctant to spend thousands of dollars for the chance of receiving a permit.

Salim Furth and Jess Remington have analyzed ADU ordinances that are successfully facilitating ADU construction in seven localities.⁸ They have found that all the ordinances allow both attached and detached ADUs, and they allow the principal residences and ADUs to be rented separately, without an owner-occupancy requirement. And most of these localities do not require single-family houses with ADUs to provide extra parking for the accessory unit.

Furth and Remington point out that while policies that support ADU construction are essential, market conditions are also important determinants. In some instances, ADUs have been built in significant numbers even when they are illegal and unpermitted. Regardless of the policy environment, ADUs are unlikely to be built in large numbers in places where there is minimal renter demand for these small units. They are likely to be built where demand is high and where the existing housing stock supports ADU conversions, such as with garages or basements that can be converted to apartments relatively easily. Furth and Remington explain:

ADUs may be the most context-dependent form of housing. The "Vancouver Special" basement apartment, Los Angeles garage conversion, and Fayetteville modular unit all depend on a preexisting development pattern with enough space to add an ADU. 10

Demographic factors play a part in the market conditions that make ADUs an attractive option. Shrinking household sizes present a natural reason to adapt single-family houses to accommodate more than one household. Some research indicates that senior citizens are particularly likely to build ADUs. An aging population may be contributing to an increasing share of intergenerational households and the spread of ADU legalization. AARP is a leading advocate for state laws that legalize ADUs because of the potential for ADUs to benefit retirees either as a source of income or as an opportunity to set up intergenerational housing while maintaining privacy. And communities with many students or a large immigrant population are likely places to have significant demand for ADUs, as they can be a solution for either intergenerational housing or relatively low-cost rental housing.

The dimensional standards for ADUs also can play an important role in determining their feasibility. A part of Los Angeles's success in achieving widespread ADU construction is that California law requires all localities to allow ADUs of at least 800 square feet as long as they can be built within the envelope determined by 4-foot side and rear setbacks and a height of 16 feet. A study of ADU construction in Portland, Seattle, and Vancouver indicates that zoning reforms that allowed for larger ADUs to be built have been essential to their increased construction.¹⁵

State ADU Laws

In 1982, California adopted an early ADU law that gave homeowners across the state a weak right to build an ADU. ¹⁶ This law left localities with broad authority to create a discretionary approval process for ADUs; to regulate the size, design, and placement of ADUs; and to require that ADUs be limited to lots where the homeowner lives in either the primary dwelling unit or the ADU. Under this discretion, ADUs proved to be infeasible to build in many cases.

In 2003, a new California law required localities to permit ADUs through a by-right process rather than through conditional use permits or other discretionary processes that may involve public hearings. And, starting in 2016, California state policymakers adopted a series of laws that made ADUs much easier to build, including the following:

- Limiting parking requirements for ADUs
- Sharply limiting impact fees localities may charge for ADUs
- Requiring localities to permit both attached and detached ADUs
- Prohibiting owner-occupancy requirements for ADUs
- Requiring localities to permit second "junior" ADUs within the primary residence's structure in some cases

See the appendix for a list of some of the most important ADU laws in California and other states. ADU construction across California is uneven, in part because some local governments are still finding ways to stall ADU construction, including with slow permitting processes. However, in some parts of the state, most notably Los Angeles, ADU construction drastically accelerated beginning in 2017. Following this series of reforms, ADU permits issued in California increased from less than 1,300 in 2016 to almost 25,000 in 2022. Today, nearly one in five residential units produced in California is an ADU. ADU.

Figure 1 shows the states that have adopted a law broadly legalizing ADU construction, including the right for ADUs to be rented to tenants. States that have what we consider strong ADU laws are shown in dark blue, and states that have weaker preemptive ADU laws are shown in light blue. As of July 2025, 10 states have adopted strong ADU laws, and 8 states have adopted weaker ADU laws.

FIGURE 1. States by strong and weak ADU policy

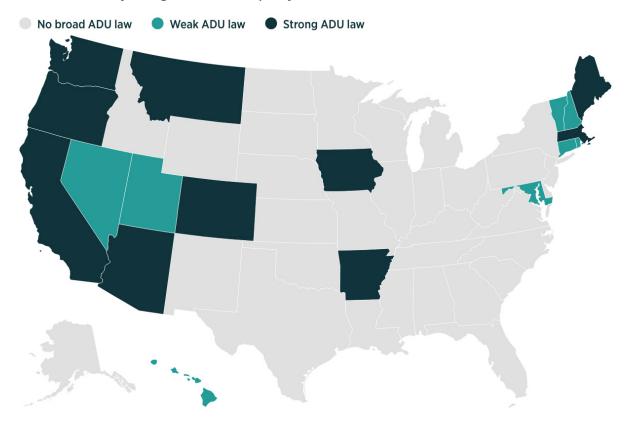


Table 1 shows ADU laws in the 18 states that have broadly legalized ADU construction. Three of the columns reflect the ADU barriers that Peterson emphasizes: (1) whether localities may adopt owner-occupancy requirements, (2) whether localities may require more parking for a lot with an ADU than for a lot with a single-family house alone, and (3) whether localities may approve ADUs through a discretionary review process rather than by-right. The last column indicates whether states require localities to permit both attached ADUs (e.g., basement apartments or another part of the primary structure that serves as a separate unit) and detached ADUs (e.g., backyard cottages).

States set in boldface are those classified as having strong ADU laws in figure 1. These states prevent localities from adopting any of these three key ADU obstructions and require localities to allow both attached and detached ADUs. In each case, rules that are more permissive toward ADU construction are indicated as "Yes" in the policy column. In some cases throughout this analysis, we had to make judgment calls about how to categorize a state's law in this binary classification. For example, some states preempt parking requirements only for ADUs within a certain distance of a transit stop. In these cases, we categorized laws as "Yes" to indicate that the state requires municipalities to have "strict limits on parking requirements."

TABLE 1. Key ADU policies among states that broadly preempt local ADU bans, 2025

State	First statewide ADU law	Owner- occupancy requirements banned?	Strict limits on parking requirements?	By-right permit required?	Attached and detached ADUs required to be allowed?
California	1982	Yes	Yes	Yes	Yes
Washington	1993	Yes	Yes	Yes	Yes
New Hampshire	2017	No	No	Yes	Yes
Oregon	2017	Yes	Yes	Yes	Yes
Vermont	2005	No	No	Yes	Yes
Utah	2021	No	No	No	No
Connecticut	2021	No	No	Yes	Yes
Maine	2022	Yes	Yes	Yes	Yes
Rhode Island	2022	No	No	Yes	No
Montana	2023	Yes	Yes	Yes	Yes
Arizona	2024	Yes	Yes	Yes	Yes
Colorado	2024	Yes	Yes	Yes	Yes
Hawaii	2024	Yes	No	No	No
Massachusetts	2024	Yes	Yes	Yes	Yes
Arkansas	2025	Yes	Yes	Yes	Yes
Iowa	2025	Yes	Yes	Yes	Yes
Maryland	2025	No	No	No	Yes
Nevada	2025	No	No	No	Yes

Note: See the appendix for the state laws that inform this table. Bold indicates states that prevent localities from adopting all three key ADU obstructions in Peterson's analysis and require localities to allow both attached and detached ADUs.

Real-world experience with ADU policy indicates that table 1 covers the most important and common aspects of policy variation that affect the feasibility of construction of ADUs. However, barriers beyond these core policy issues are also important in determining how many homeowners find it possible to build ADUs. For example, if homeowners are interested in adding a backyard cottage ADU to their property, large setback requirements may dissuade them from doing so. The following tables cover additional policy aspects that affect ADU construction for those states that have addressed the core barriers to ADU construction covered in table 1. We cover only states with strong ADU laws in these additional tables because we think energies are best placed obtaining a strong law before addressing these additional policy details. Table 2 covers how state laws that meet the threshold of having strong ADU reforms treat local regulations that may limit the placement, size, and design of ADUs.

TABLE 2. Policies on ADU design and siting, 2025

State	Limits side and rear setback requirements to ≤5 ft?	Requires allowance of 24-ft tall or two- story ADUs by right?	Square footage size allowance that would allow the owner of a 1,000 sq ft house to add an ADU that is ≥600 sq ft?	Prevents local regulations that require the ADU to match the single-family house aesthetically?
Arizona	Yes	No	Yes	Yes
Arkansas	No	No	Yes	Yes
California	Yes	No	Yes	No
Colorado	No	No	Yes	No
Iowa	No	No	Yes	Yes
Maine	No	No	No	No
Massachusetts	No	No	No	No
Montana	No	No	Yes	Yes
Oregon	No	No	No	No
Washington	No	Yes	Yes	No

In addition to barriers to the physical characteristics of ADUs, policies affecting the cost and convenience of providing infrastructure and utilities to serve ADUs may make them infeasible for many homeowners to build. In Portland, Oregon, a 2010 impact fee waiver for ADUs led to a major increase in permitting these units.¹⁹ In other cases, impact fees may not specifically be a problem, but utility companies may require separate metering for the ADU, which may entail significant costs. Table 3 covers variation in state laws that affect infrastructure provision and fees related to ADU construction.

In some cases, state policymakers have gone further to make ADUs an attractive option to build, and in other cases they have carved out exemptions where the preemption of ADU bans may not apply. Table 4 covers some of these rules that affect where ADU laws apply and how they are enforced. For example, some state policymakers have gone so far as to prevent homeowners associations (HOAs) from banning ADUs, while in other cases small jurisdictions have been carved out from the requirement that localities allow homeowners to add the units.

In each case, our analysis is based on identifying state policies that make ADUs easier to build, but we note that some of these policies may not always reduce barriers to housing construction in the bigger picture. For instance, some research indicates that allowing HOAs or other private forms of regulation to have rules that are less permissive than government regulations helps to support an environment that is overall liberal for housing construction.²⁰

TABLE 3. Policies on infrastructure and fees for ADUs, 2025

State	Requires allowance of a shared water and sewer lateral?	Requires allowance of shared metering for electric, water, and gas?	Prevented from requiring street improvements for ADU permit?	Reduces or eliminates impact fees for ADUs?
Arizona	No	No	Yes	No
Arkansas	Yes	No	Yes	Yes
California	Yes	No	No	Yes
Colorado	No	No	No	No
lowa	Yes	Yes	Yes	No
Maine	No	No	No	No
Massachusetts	No	No	No	No
Montana	No	No	Yes	Yes
Oregon	No	No	No	No
Washington	No	No	Yes	Yes

 TABLE 4. Additional policies that affect homeowners' rights to build ADUs, 2025

State	Allows two or more ADUs?	Does not ban the condoization of ADUs?	Supersedes HOA bans on ADUs?	Applies in localities regardless of population size?	Applies in rural or unincorporated areas?	There is a statewide authority to oversee compliance with ADU law?
Arizona	Yes	Yes	No	Yes	Yes	No
Arkansas	No	Yes	No	Yes	Yes	No
California	Yes	No	Yes	Yes	Yes	Yes
Colorado	No	Yes	Yes	No	No	Yes
Iowa	No	Yes	No	Yes	Yes	No
Maine	No	Yes	No	Yes	Yes	No
Massachusetts	No	Yes	No	Yes	Yes	Yes
Montana	No	Yes	No	Yes	Yes	No
Oregon	No	Yes	No	No	No	Yes
Washington	Yes	Yes	Yes	No	No	Yes

Conclusion

The tables in this report show a surprising level of variation in a seemingly simple area of state housing policy. The experience of ADU construction rates shows that these details matter. If several different rules are making an ADU addition infeasible for a given homeowner, removing a few of them may not be enough to make the project work. According to our analysis, some of the states that have eliminated the most barriers to ADU construction include Arizona, California, and Washington.

In Washington, the case of Seattle provides an interesting example of how policies to enable ADU construction are working together. The city's ADU permitting numbers increased steadily following state and local reforms through 2023, although higher interest rates in 2024 and 2025 may be slowing construction. Some new ADU developments in Seattle are taking the form of "3 packs," which include a primary dwelling unit, an attached ADU, and a detached ADU all owned as condos. However, the Seattle experience also underscores the underlying zoning barriers that have led to ADUs becoming a kludgy reform to single-family zoning. The attached ADUs are sometimes attached to the primary dwelling unit only by a tiny skybridge, meeting the requirements of a relatively liberal ADU policy but creating a housing typology that would never exist without the underlying base of single-family zoning.²¹

While state policymakers are increasingly adopting ADU laws in response to their constituents' demands for action on housing supply and housing affordability, we show that many still have further to go to make these units feasible to build. Nonetheless, it is encouraging to see steady progress in the number of states legalizing ADUs and the strength of ADU policies increasing over time.

Appendix

TABLE A1. State ADU laws

State	Law				
Arizona	State of Arizona House of Representatives, House Bill 2720, 56th Legislature (2024).				
Arkansas	State of Arkansas 95th General Assembly, House Bill 1503 (2025)				
	California Legislature, Statutes of California and Digests of Measures, vol. 4, 1982, "Chapter 1440," $5500-05$.				
	State of California Business, Transportation and Housing Agency, Second Unit Law as Amended by Chapter 1062, Statutes of 2002, Assembly Bill 1866 (2002).				
California	California Legislature, Senate Bill 1069 (2016).				
	California Legislature, Assembly Bill 2299 (2016).				
	California Legislature, Senate Bill 13 (2019).				
	California Legislature, Assembly Bill 976 (2023).				
Colorado	Colorado General Assembly, House Bill 24-1152, 74th General Assembly (2024).				
Connecticut	Connecticut Office of Legislative Research, Public Act Summary: An Act Concerning the Zoning Enabling Act, Accessory Apartments, Training for Certain Land Use Officials, Municipal Affordable Housing Plans and a Commission on Connecticut's Development and Future, Substitute House Bill 6107 (2021).				
Hawaii	Hawaii State Legislature, Senate Bill 3202, 32nd Legislature (2024).				
Iowa	General Assembly of the State of Iowa, Senate File 592 (2025).				
Maine	Maine Legislature, Legislative Document 2003, 130th Session (2022).				
Walle	Maine Legislature, Legislative Document 1829, 132nd Session (2025).				
Maryland	Maryland Legislature, House Bill 1466 (2025).				
	General Court of the Commonwealth of Massachusetts, House Bill 4726, 193rd General Court (2024).				
Massachusetts	Massachusetts Office of Housing and Livable Communities, "Protected Use Accessory Dwelling Units," Code of Massachusetts Regulations 760 CMR 71.00.				
Montono	Montana Legislature, Senate Bill 528, 68th Legislature (2023).				
Montana	Montana Legislature, Senate Bill 532, 69th Legislature (2025).				
Nevada	Nevada Legislature, Assembly Bill 396 (2025).				
New Hampshire	Accessory Dwelling Units, NH Rev Stat § 674:72 (2022).				
Oregon	Oregon State Legislature, Senate Bill 1051, 79th Oregon Legislative Assembly (2017).				
Rhode Island	Rhode Island State Legislature, House Bill 7062 (2024).				
Utah	Utah State Legislature, § 530: Internal Accessory Dwelling Units (2023).				
Vermont	Vermont General Assembly, 24 V.S.A. § 4412 (2024).				
	State of Washington, House Bill 1056, 53rd Legislature (1993).				
Washington	State of Washington, House Bill 1337, 68th Legislature (2023).				
O	Washington State Department of Commerce, "Guidance for Accessory Dwelling Units in Washington State," (2023; updated 2024).				

About the Authors

Emily Hamilton is a senior research fellow and director of the Urbanity Project at the Mercatus Center at George Mason University. Her research focuses on urban economics and land use policy. She has testified before several state legislatures as well as the US House of Representatives. Hamilton serves on the advisory boards of Up for Growth and *Cityscape*, a journal published by he Department of Housing and Urban Development.

Kol Peterson is an ADU expert based in Portland, Oregon, who has helped catalyze the exponential growth of ADUs in Portland over the last decade through ADU advocacy, education, consulting, policy work, and entrepreneurship through his company, Accessory Dwelling Strategies LLC. He also edits and manages Accessory Dwellings.org and Buildingan ADU.com. He is the author of *Backdoor Revolution: The Definitive Guide to ADU Development*.

Notes

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- 2. Eli Kahn and Salim Furth, "Framing Futures: Pro-Housing Legislation Goes Vertical in 2025" (Mercatus Policy Brief, Mercatus Center at George Mason University, July 2025).
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