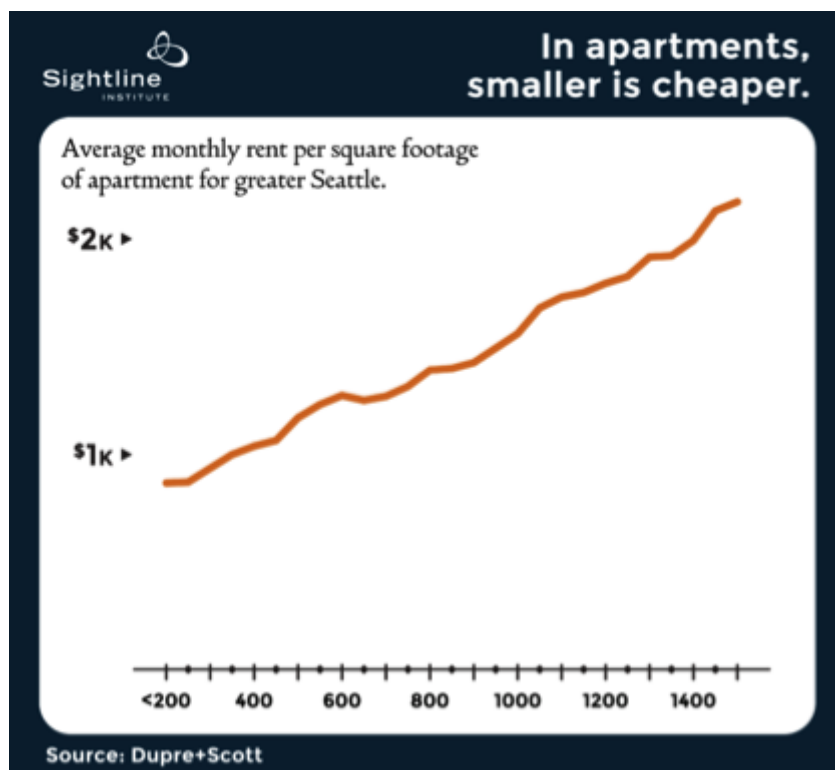


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Micros Are More Affordable With Many Benefits to Low Income Renters

Posted by [Ari Webb](#) on Tuesday, January 15, 2019 · [Leave a Comment](#)

Ari Webb has been digging into the research literature about unit size and costs. This is a second entry in his review and analysis of what we've learned over the last decade about affordability, efficiency, and unit size.

[A recent trend](#) has emerged in the American housing market: the trend towards micro apartment units. There is no consistent definition of a micro unit, however, micro units are generally accepted to be small living spaces that are “typically less than 350 square feet, with a fully functioning and accessibility compliant kitchen and bathroom”. The recent introduction of micro units to the housing market is probably due to multiple market forces, including increased demand for housing in growing urban centers.

With the size limiting trend has come national discussion regarding how micros, or micro units, should be integrated into the housing market. In the context of America's current housing crisis, discussion of micros

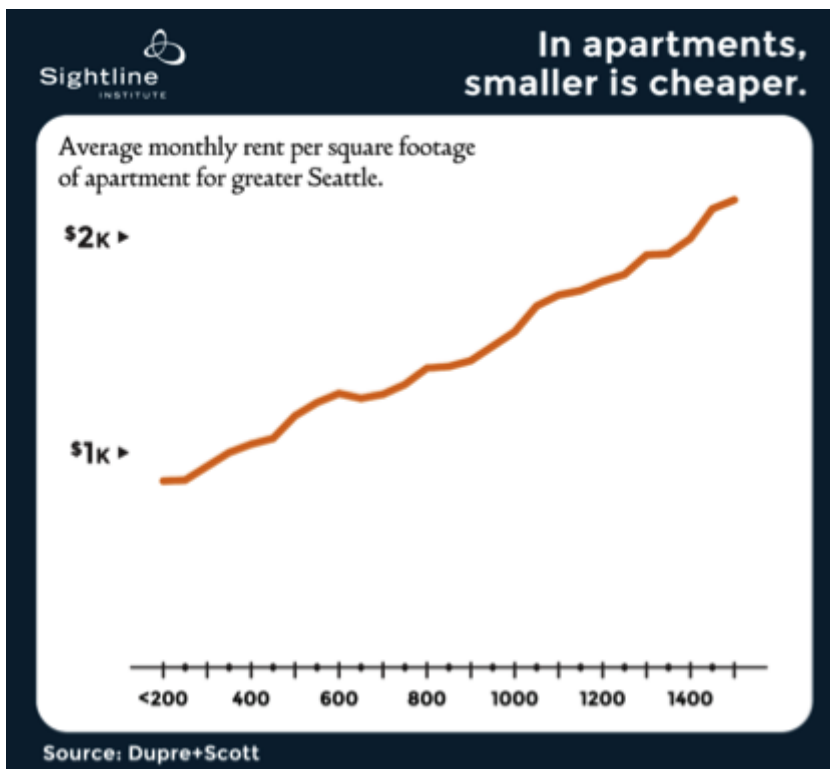
always seems to come back to one main idea: affordability.

Some critics of micro units believe that they do not address housing affordability. This notion is based on a misinterpretation of data. In reality, micro housing offers an innovative solution to urban housing affordability. Further, micro housing offers numerous advantages to low-income renters.

Critics of micro housing believe that they [may not be affordable](#), a notion that rests on one misleading idea: that micro housing cost more to rent *per square foot*. Skeptics of micro housing affordability draw attention to higher per square foot costs, saying that “[less space doesn’t necessarily mean less cost](#)... on a square foot basis [micro units] are almost always more expensive than other apartments”.

The idea of higher rent per square foot in micro units has been substantiated by research. Per square foot rents are, in most cases, higher in micro units. However, the consideration of per square foot metrics is distracting, as *higher rent per square foot does not imply higher gross rent*.

In fact, the truth is quite the opposite. The truth can be explained by a recent [Portland State University report](#) that explains that “because [micro units] have dramatically less square footage than conventional units, their gross rent is lower.” This trend is shown well by data from the Sightline Institute showing average monthly rent per square foot of apartments in the greater Seattle Area.



Smaller unit sizes definitely correlate with lower rents. David Neiman, a Seattle architect and writer about micro housing [explains this trend perfectly](#):

The figure shows that average apartments of fewer than 200sf rent for \$868 a month, on average... They rise to almost \$2,200 a month for a large apartment of 1,450 to 1,500sf. Because these figures span parts of three counties and mix new and old apartments, they underestimate the price escalation by size in urban markets, where units are smaller and space costs more... Anyone in the housing business will agree that rents and size rise in lockstep, all else being equal.

This common knowledge debunks the idea that rent per square foot measurements even matter. Who cares if rent for micro units is more per square foot? If the units are less costly overall, then they are, by definition, more affordable. Further, the increased affordability of micro units gives numerous advantages to lower income renters.

One such advantage is increased access to neighborhoods. Many micro units are built in “high-rent, high-amenity urban neighborhoods”: neighborhoods that low income renters would otherwise be unable to move to. Micro housing offers economic opportunity to low income renters through giving them better access to economic prosperity in wealthy neighborhoods. Improved location also allows for increased access to public transit.

Another advantage of micro units is that they cater better to a changing demographic of renters. [A 2014 study by the Furman Center at New York University](#) contended that current housing supply does not effectively reflect a changing pool of renters.

At all income levels, today’s households are much more diverse, and more fluid in composition than the prototypical nuclear family of the 1950s. Household sizes have shrunk, people are waiting longer to marry... more people are living alone, more people are sharing housing with unrelated relatives

This is not to say that low-income families are not important. The point is that many people benefit greatly from the affordability of micro housing (more on this can be found on [my other blog post](#)).

I encourage policymakers to be aware that size does matter. Smaller unit sizes mean smaller rents. The trend towards smaller unit sizes is very helpful for the affordability of housing in dense urban areas. Affordability gives numerous advantages to low-income renters, including economic opportunity through being able to live in otherwise inaccessible neighborhoods and offering options that better fit a changing renter demographic.

Ari Webb is a high school student who is interested in public policy, especially the Seattle housing crisis and believes that increasing housing supply is the most effective way of extending affordable housing to people of all income levels

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