


Residential Real Estate

My View: Accessory dwelling units are set to expand in Arizona. Here's what to expect

By Zander Diamont – Contributing writer
Jun 3, 2024

 Listen to this article 3 min



In May, Arizona Governor Katie Hobbs [signed a bill into law](#) that will require cities with a population of more than 75,000 to allow homeowners to build accessory dwelling units to be built on any lot where a single-family dwelling is allowed.

Some worry that this will lead to the widespread addition of short-term rentals to neighborhoods across the state. However, we're here to say we would be shocked if that happened. Our company, Minimal Living Concepts, has been building ADUs since 2021. We've seen strong demand from homeowners who want to add these ADUs (also called

in-law suites, guest homes, casitas, or granny flats) to their homes in increasing numbers. Are they adding them to use as short-term rentals? In a word, no.

Out of the nearly 90 units we've delivered, we know of only a few that are being used as short-term rentals. The majority of our clients are building one-bedroom, one-bath units in their backyard to house their aging parents, adult children, or friends and family members with physical or intellectual challenges. Others are using their units for expanded living space instead of buying a new home with today's high interest rates. And some are renting out their guest homes to long term tenants, which provides a passive income stream.

The benefits include a better quality of life for the entire family, increased property values, and the addition of affordable housing.

With the loosening of restrictions on ADUs, combined with the need for more housing, we expect the demand to continue to climb in the Valley and across the state. And as demand for this new category grows, more companies are entering the market to grab market share, some which lack the expertise and understanding needed to deliver a quality product.

ADU buyers should know what to look for and understand what they're signing up for before moving forward with a project.

Vetting the builder is critical. One way to do this is to tour built units and make sure you are getting what you are signing up for. In a world where AI-generated images abound, and there's nothing like seeing the real thing in person before signing a contract. Meet the team and get references.

In short, you don't want to encounter surprises along the way, to ensure that the builder properly communicates with architects and engineering teams to avoid budget overruns, delays or permitting and regulatory issues.

We see the expansion of ADUs in Arizona as a good thing for the state. On a macro level, the new legislation will help address the state's housing shortage, and on a more micro level, ADUs can enhance people's lives by increasing property value, provide an

affordable and enjoyable option for multigenerational living, or add a long-term rental income stream. Wins all around.

Zander Diamont is co-founder of Minimal Living Concepts, an Arizona builder of tiny homes.



Zander Diamont, co-founder of Minimal Living Concepts

MINIMAL LIVING CONCEPTS
