



A Case for Tiny Homes

As the interest in tiny homes continues to increase, it is evident that it is more than a fad, and state and local governments are trying to figure out whether they are bane or boon. This article is meant to provide some basic information to help you make informed decisions.

Demographics

63% of millennials are interested in purchasing a tiny home

40% of tiny homeowners are over 50

64% of tiny homeowners are women

68% of tiny homeowners have no mortgage (compared to 35% of regular homeowners)

89% of tiny homeowners have less credit card debt

Tiny homeowners are twice as likely to have a master's degree

The average cost of a tiny home is about \$45K (\$23K if DIY)

The average size is about 240 SF

Over 50% of 18-34 yr olds must rent, because they can't afford a down payment for a house

Current usages

RV camping (Traveling to RV parks)

Vacation home (Temporary/ seasonal)

In-Law apartment

Granny Pod

Farm worker housing

Guest cottage for visiting family/ friends

Student housing

First home

Airbnb

Home office

Food truck

Many forward- thinking communities see the growing trend and are repurposing old industrial sites to build tiny house communities. With infrastructure in place, these communities fit in nicely with the arts and theater population moving in. Single seniors looking to downsize are often interested in these areas as well.

Even as backyard cottages, tiny homes on wheels can be an important part of a community's affordable housing initiative and would be totally funded by private money. (As an example, a homeowner who invests \$60,000 in a tiny house on wheels, and rents it out for \$700/ month, can make 14% on their money. Even if they were to fund it with a home equity loan, they still would realize a good rate of return.)

Benefits

Easier to purchase- especially for adult children starting out. Live on parent's property with independence, while saving for down payment for conventional home

Easier to maintain- especially in the case of seniors who have lost spouses and are unable to maintain larger dwellings alone

Additional income- can provide extra income for those on fixed budget, allowing them to stay on their property

Lower taxes- no additional taxes for the extra space (like adding an addition to the home)

Second home opportunity- for those wanting vacation residences outside of urban areas

Stimulates local economy – brings tourists into local shops and attractions through long and short- term rentals, Airbnb

Helps with area density – used as a means of infill- increasing density without infrastructure or sprawl issues

Affordable Housing Solution- at no cost to town.

Mobile- can easily be relocated for work in other regions

Lower carbon footprint – Lower construction and utility costs

Pro Tiny House Legislation

There are certain states that have seen the benefits of embracing the tiny house movement and are providing the legislation necessary to help their communities become tiny house friendly. In this section we will look at some definitions currently employed and sample zoning ordinances. The top five tiny house friendly states right now are: CA, OR, TX, NC, FL

Definition- Tiny House on Wheels (THOW) – An ADU intended for separate independent living quarters for one household, that meets the following criteria:

1. It is registered w/ NYS DMV and meets ANSI 119.2 or 119.5 (NFPA 1192) standards and has received 3rd party certification through RVIA (Recreational Vehicle Industry of America), NOAH (National Organization for Alternative Housing) or other approved agency.
2. Is towable by a bumper hitch, frame-towing hitch or a fifth- wheel connection. It cannot (and has not been designed to) be moved under its own power. When properly sited, as per code, its undercarriage and wheels will be skirted.
3. It is no larger than is permitted for travel on state highways
4. It must contain at least 150 SF of first floor living area
5. It is a detached and self-contained unit, which includes basic function areas for normal daily routines such as cooking, sleeping and toiletry
6. It is designed and built to look like a conventional structure, in harmony with the homes in the area

Regulations and Oversight Suggestions

ADU Permit- Review of type, size, design, location on lot

Permit for sitework- Pad/foundation and utilities pedestal

Final inspection and C of O- Reviews final utility inspections, unit certification of compliance and skirting if code required, smoke detector inspection, NYS DMV registration and insurance certificate

Annual Renewal Permit- With safety inspection, DMV registration and insurance renewal certificates

Additional recommendations the town may wish to consider:

It may be beneficial to be proactive in designating parcels/ zones where tiny home communities may be developed in the future.

It may also be beneficial for additional allowances to be made for pad and pedestal installations in certain districts for travel trailers and motor homes to allow for snowbirds and visiting family members.