



Community and Economic Development in North Carolina and Beyond Blog: Exploring Micro-Units: Part 1

By CED Program Interns & Students

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Micro-units have emerged as a popular and affordable solution

for housing needs across the United States. However, some have raised concerns that micro-units may be reminiscent of tenement houses of the 19th and early 20th centuries and lend themselves to the same crowding and health concerns. Additionally, there have been questions about whether micro-units should be considered affordable, and further wonder if they only work in markets that are supply-constrained, like New York City. This post will be the first of a two-part series, and will define what micro-units are, where they can be found, the problem they seek to address, and offer an example of a successful micro-unit project.

What are Micro-Units?

Micro-units in the U.S. are generally “a small studio apartment, typically less than 350 square feet, with a fully functioning and accessibility compliant kitchen and bathroom” (ULI, 2014). Multiple micro-units are built within a single structure (Infranca 2014, 54), and the size of what qualifies as a micro-unit highly depends upon the market in which it exists (ULI, 2014).



Micro-units are sometimes confused with Single Room Occupancy units (SRO's) which are large buildings consisting of several rooms with shared kitchen and bathroom facilities. SRO's were prevalent up to the 1980's, and primarily served those in the lowest income brackets of society (Padgett, et al, 2015). According to ULI, true micro-units are different than SRO's in that micro-units have fully functioning kitchen and bathroom facilities within each unit, whereas SRO's do not.

Where are Micro-Units Located?

Micro-units are emerging across the U.S., and are found almost exclusively in urban core settings, with ninety percent of the stock located in mid-rise and high-rise buildings rather than low-density communities (ULI 2014, 13). Micro-units can also exist in medium to high-density suburban neighborhoods that are hubs for employment, transportation or entertainment (ULI 2014, 9). In the suburban context however, micro-units have an increased risk of competing in submarkets with older, larger, and still relatively affordable units (ULI 2014, 30), rendering affordability advantage negligible.

What Problem do Micro-Units Solve?

A steady growth of single-person households in the U.S. has resulted in an increased mismatch between housing stock and housing need (Infanca, 2014). In 1940, single-person households accounted for 7.7 percent of the population, but by 2010, they accounted for 26.7 percent (US Census Bureau). In North Carolina during the same time period, single-person households increased from 4 percent to 27 percent.

Although younger adults delaying marriage is a considerable group driving this change in household composition, they are not the only group contributing to the share of adults who are living alone. The share of Americans over the age of sixty-



five grew from 7 percent in 1940 to 13 percent in 2010 (Infranca 2014, 58). Of this group, 28 percent lived alone as of 2010 (Infranca, 2014).

The increase of single-person households increases the demand for smaller housing units. However, available housing stock has been slow to adjust to this change, creating a gap between the number of single-person households and the stock of studio and one-bedroom units (Infranca, 2014). Micro-units thus provide a housing type that can respond to the needs of single-person households who desire to live in an urban setting.

Micro-Unit Case Study – Worcester, Massachusetts

There have been several metro areas across the United States to develop micro-units including San Francisco and Boston. However, there are also smaller cities that have welcomed micro-units into their housing stock. Worcester, Massachusetts with a population of 180,000 in 2010 (Census.gov) welcomed a complex of 55 “micro-lofts” on their Main Street. The units are just over 300 square feet and rents start at \$995 a month (Worcester Lofts Facebook). Each unit is fully-furnished and offers central air and soundproof walls (Masslive, 2013). Additionally, every floor offers a “collaborative work area” with laundry facilities and a fitness center on site (Masslive, 2013). Of the 55 apartments, 26 were leased to the Massachusetts College of Pharmacy and Health Sciences for graduate students and professionals. Today, the lofts are fully occupied, showing that there is still demand for this housing type.

Conclusion

Micro-units are growing in popularity in urban areas as a way to respond to the housing needs of an increasing single-person household demographic. In Worcester, Massachusetts, micro-units were a creative solution to help offset housing needs for not only the general population, but also the housing needs of graduate students and professionals associated with the local college. In part two of this series, the CED blog will examine the concern of whether micro-units are a modern return to tenement-like housing conditions. Additionally, we will explore if they are truly an affordable housing option, and if they can work in markets that are not as supply-constrained.

(Read another perspective on micro-units here.)

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