

December 2, 2013



Micro Living Trend Sweeps The U.S., As Cash-Strapped Renters Look For Affordable Housing In Pricey Cities

Reuters | Posted: 06/02/2013 7:00 am EDT | Updated: 06/02/2013 10:51 am EDT



By Elaine Porterfield

SEATTLE, June 2 (Reuters) - Aaron McConnell doesn't mind sharing a kitchen with seven neighbors. He's fine in living quarters with just enough room for a twin bed, a corner desk and little else. Closets? Forget about it - he stores his clothing and other possessions on shelves and hooks.

McConnell's small-scale home life is part of a hot trend in U.S. real estate - micro apartments.

"I like living in a community," he says. "It's kind of fun, very social."

It's also affordable for McConnell, 28, who pays \$737 a month for his apartment in Seattle as he embarks on a career in civil engineering.

Tiny apartments like McConnell's are cropping up in major cities around the country to meet the demand of people who are short on cash but determined to live in areas with otherwise pricey rents.

Micros, also known as "hostel-style" apartments, usually offer less than 200 square feet (18.5 square metres) including private bathrooms, and they typically come furnished, sometimes with built-in beds and other amenities to save space.

Most feature a group kitchen that may be shared among eight units, although units in McConnell's complex are equipped with microwave ovens and small refrigerators. They also include Internet connections and utilities in the price of the rent. There are no elevators.

Few come with parking, but McConnell has a street parking pass for his neighborhood that is close to Seattle University and several of the city's major hospitals.

What micro apartments lack in space they often make up for in proximity to prime locations. McConnell's is situated near Seattle's lively Pike-Pine Corridor, an area rich in restaurants, bars and shops.

In Seattle, rents for micro apartments range from about \$500 to \$1,000, while a one-bedroom apartment rental in Seattle averaged \$1,223 this spring, according to Mike Scott of Dupre + Scott Apartment Advisors Inc.

MICRO DENSITY

Not everyone is in favor of the trend. Residents of some conventional homes and apartments near McConnell's worry that micro sprawl could overcrowd their neighborhood infrastructure, adding to traffic congestion and making already scarce parking even harder to find.

"These are like boarding houses on steroids," said Carl Winter, for the neighborhood. "I'm living the nightmare."

Micro developments have drawn criticism for not facing the same regulatory process as a conventional apartment undergoes because a single-dwelling is defined as a unit with one or two bedrooms.



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Seattle and a resident of the neighborhood worry that a newly constructed micro development will overcrowd their neighborhood infrastructure, adding to traffic congestion and making already scarce parking even harder to find.

"We did a calculation and there are 19 micro apartments going in on 12 sites well within 1 square mile (2.6 square kilometres)" in his neighborhood, Winter said. "Our big issue is they are not being subjected to the same regulatory process as everyone else."

Seattle Mayor Mike McGinn is on record in support of micro apartments, as is City Council member Richard Conlin.

"The private market is building affordable housing for people who want it," Conlin said. "Fundamentally, this is a good thing."

Young people starting out, service workers and retirees on limited incomes all need affordable housing, Conlin and other supporters said.

Forty-one micro housing projects have come through the Seattle Department of Planning and Development since 2006, spokeswoman Cyndi Wilder said. Of those, 28 received permits and 13 are under examination.

The planning department is aware of the debate over the review process for micro apartment buildings, she said, and the Seattle City Council "is going through an information-gathering process."

A SECOND HOME?

In San Francisco, some see the potential for micro apartments to become the domain of high-paid, high-tech suburbanites who keep them for the occasional night in the city, a kind of new-age pied-a-terre, as opposed to serving as real homes for working-class residents.

"If they are going to be used for high-tech workers, they will end up having a gentrification effect and push rents up," said Ted Gullicksen, director of the San Francisco Tenants Union. Otherwise, his organization has no objections, he said.

Gullicksen described micro apartments as ideal for college students, who have trouble finding an affordable place to live in the city. "If they ended up being used for student housing, that would be a good thing," he said.

New York City is experimenting with micro apartments, with the backing of Mayor Mike Bloomberg. Last year, Bloomberg, along with the Department of Housing Preservation and Development Commissioner Mathew M. Wambua, launched the adAPT NYC Competition, a pilot program to develop a rental building composed of micro-units, according to Bloomberg's website.

The winner of the competition proposed 55 units ranging from 250 to 370 square feet (23 to 34 square metres), made of prefab modules. The building is scheduled for completion in Manhattan by September 2015, and will include a rooftop garden, lounges, a deck, laundry, bike storage, a cafe and fitness room.

In Boston, Mayor Thomas Menino is also a supporter of the tiny apartments, saying the city must create more housing for workers and seniors, and that micro apartments fit the bill.

Matthew Gardner, a Seattle land use economist and chairman of the Board of Trustees for the Washington Center for Real Estate Research, said he is not surprised by the rush to build micro apartments in the past year or so, at least in his city. The economy is doing better and rents are rising, he said.

"Land is at a premium here," he said. "So where do (local) service workers live? They want to be close to where they work but can't afford the current price of apartments, which have gone up dramatically in last few years. The introduction of this hostel-type product could meet a lot of unsatisfied demand."

Jim Potter, chairman of Kauri Investments, said the micros he builds, including the Emerald 10 complex where McConnell lives, provide a housing option for a group of hard-working people and retirees largely overlooked by most developers.

"Nobody else is producing something at this moderately priced range," he said. "You get a brand new building with a new bathroom. You get Internet access and it's fully furnished. In general, our buildings are on major bus lines and/or light rail."

Potter has worked with other developers to build six micro apartment complexes in Seattle, with several more planned. He also is working on projects in Portland, Oregon; San Francisco and in New Jersey. "This product has legs on it," Potter said. "It is a national phenomenon and Seattle is ahead of the pack."

The average stay in Potter's micro apartments is one year, and the residents' average age is about 33, he said. Most have incomes below \$35,000 a year and do not own a car.

As for McConnell, he plans to stay in his micro apartment until January, when he's getting married. "Then I'll see where life takes us," he said. (Editing by Steve Gorman, Bill Trott and Vicki Allen)

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