

Massachusetts ADU Quick Start Guide

What Homeowners Should Know Before Building an Accessory Dwelling Unit

1,224

ADUs Approved MA Year 1

900 sf

Max Size By-Right

\$5.16B

Housing Package

351

Cities & Towns

Learn More: TheADUExchange.com



ADU rules vary by municipality. Always confirm zoning and permitting requirements with your local building department or planning office.

What Is an Accessory Dwelling Unit?

An Accessory Dwelling Unit (ADU) is a smaller residential unit located on the same property as a primary home. The unit may share utilities or infrastructure with the main house, depending on local regulations. ADUs are one of the fastest-growing housing solutions in Massachusetts, driven by the Affordable Homes Act signed in August 2024.

Typical ADU Features

- Private entrance
- Kitchen or kitchenette
- Full bathroom
- Sleeping area
- Living space
- Independent utility connections (varies)

Common Types of ADUs

- **Detached ADU:** A separate small home built in the backyard — the most popular type in Massachusetts.
- **Garage Conversion:** Converting an existing garage into a livable apartment with kitchen and bath.
- **Basement ADU:** Transforming an existing basement into an independent dwelling unit.
- **Attached Addition:** Building a new addition connected to the primary home with a separate entrance.

Why ADUs Are Growing in Massachusetts

The Affordable Homes Act, signed by Governor Healey in August 2024, authorized \$5.16 billion in housing spending and requires every city and town to allow at least one ADU by-right on any single-family lot. In its first year, Massachusetts approved 1,224 ADUs from 1,639 applications — a 74.7% approval rate.

Multigenerational Living

Families can provide independent living space for parents, grandparents, or adult children while maintaining proximity and privacy. 75% of adults 50+ want to remain in their current home as they age (AARP 2024).

Aging in Place

ADUs allow homeowners to remain in their communities while having family or caregivers nearby. Universal design features (zero-step entry, wide doorways, grab bars) can be built for 5-10% additional cost.

Rental Income

ADU rental income in Massachusetts ranges from \$1,100/month in Western MA to \$3,000+/month in Greater Boston — often enough to cover the homeowner's entire mortgage payment.

Property Value

ADUs typically add \$150,000-\$300,000 in property value, depending on location, size, and quality of construction.

The ADU Development Process

Building an ADU typically involves several stages. Understanding these early can help homeowners plan effectively and avoid costly mistakes.

Step 1 — Confirm Zoning

Check with your local municipality to determine whether ADUs are allowed, what size limits apply, setback requirements, parking rules, and any occupancy restrictions. Under the Affordable Homes Act, all single-family zones must allow at least one ADU up to 900 square feet by right.

Step 2 — Evaluate Your Property

Assess your lot size, existing structures, utility connections, access for construction equipment, and any environmental or historical constraints.

Step 3 — Design the ADU

Most projects involve an architect or designer, structural engineering, and site planning. Pre-approved plans can reduce design costs and speed up permitting.

Step 4 — Secure Financing

Explore options including HELOCs, home equity loans, FHA 203(k) renovation loans, MassHousing ADU loans (up to \$250,000), Mass Save HEAT loans (0% APR), and Fannie Mae HomeStyle loans.

Step 5 — Apply for Permits

Submit building permit applications and complete all required inspections. Under the Affordable Homes Act, by-right ADUs require no special permit — just standard building permit review.

Step 6 — Construction

Hire licensed, qualified professionals. Construction timelines vary from 4-18 months depending on ADU type and complexity. Always verify contractor licensing and insurance.

Step 7 — Final Inspection

Complete all required inspections and receive your certificate of occupancy. Your ADU is now a legal dwelling unit ready for use.

Planning Considerations

Budget

ADU construction costs in Massachusetts range from \$275/sqft in Western MA to \$500+/sqft on Cape Cod and the Islands. A typical 700 sq ft detached ADU costs \$200,000-\$350,000 all-in. Always include a 10% contingency.

Financing Programs Available

- MassHousing ADU Loan — up to \$250,000 for detached ADUs
- MHP ADU Financing — \$10M construction loan pool
- Mass Save HEAT Loan — 0% APR for energy efficiency upgrades
- FHA 203(k) — 3.5% down, renovation costs included
- Fannie Mae HomeStyle — projected ADU income counts toward qualification
- HELOC / Home Equity — leverage existing equity
- Municipal CPA Funds — grant funding (varies by town)

Timeline

Plan for 12-24 months from initial feasibility to completed construction. Garage conversions and internal ADUs are typically faster (6-12 months). Detached new construction takes longer due to foundation and site work.

Learn More About ADUs

Building an ADU involves many steps and professionals. For more information about the ADU process, planning tools, financing guidance, and educational resources, visit:

TheADUExchange.com

The platform provides educational resources on:

- ADU planning basics and feasibility assessment
- Design and construction considerations
- All Massachusetts financing programs mapped
- Common project timelines and milestones
- Aging-in-place and multigenerational housing guidance
- Municipality-specific tools and resources
- Licensed professional directory

Important Disclaimer

This guide is provided as a general educational resource. Local zoning, building codes, and permitting requirements vary by municipality. Homeowners should always consult their local planning or building department before beginning an ADU project.