

THE ADU EXCHANGE | 2026 NEW ENGLAND REPORT

The State of ADUs in New England

Regional Market Data | Policy Analysis
Construction Costs | Permit Trends | Demographics

1,224

MA ADUs Year 1

6

States Covered

\$300–450

Avg \$/sqft

75%

50+ Age in Place

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SECTION 01

Executive Summary

New England stands at the forefront of America's ADU revolution. With Massachusetts leading the nation in comprehensive ADU legislation through the Affordable Homes Act, Connecticut mandating by-right approval, and Vermont, New Hampshire, Maine, and Rhode Island each advancing their own frameworks, the six-state region has become the East Coast epicenter of ADU policy innovation. This report provides the most comprehensive analysis of ADU market conditions, construction costs, permit activity, and demographic drivers across all six New England states.

1,224

MA ADUs Approved Year
1

1,639

MA Applications Filed

74.7%

MA Approval Rate

\$5.16B

Affordable Homes Act

- Massachusetts approved 1,224 ADUs in Year 1 of the Affordable Homes Act, from 1,639 applications filed — a 74.7% approval rate across all 351 cities and towns.
- Connecticut now requires many municipalities to allow ADUs by right, simplifying the permitting process and reducing barriers for homeowners.
- Vermont has adopted legislation simplifying ADU approval and offering financial incentives for homeowners who build them.
- New Hampshire's ADU laws (RSA 674:71-73) allow ADUs statewide, though local implementation remains inconsistent across municipalities.
- Rhode Island permits ADUs with relaxed restrictions, eliminating owner-occupancy requirements for qualifying lots as of 2024.
- Maine expanded ADU access in 2023, aligning with the region's broader trend toward housing flexibility.
- MassHousing has allocated \$20M for ADU construction loans up to \$250,000 for detached units, with MHP providing an additional \$10M.
- The MA ADU Design Challenge offers \$60,000+ in prizes for replicable ADU designs — encouraging standardization and cost reduction.
- New England's aging population is the oldest in the nation — 75% of adults 50+ in the region want to remain in their current home.
- Average ADU construction costs in New England range from \$300 to \$450 per square foot, reflecting the region's higher labor and materials costs.

Sources: Mass.gov HLC ADU Survey (2025), MassHousing, MHP, state housing agencies, AARP 2024 Survey.

SECTION 02

The New England ADU Landscape

New England's housing market is defined by constrained supply, aging housing stock, and some of the highest construction costs in the nation. These conditions make ADUs both urgently needed and uniquely challenging to build. The region's six states share cultural, economic, and demographic characteristics that make a regional analysis particularly valuable for homeowners, builders, and policymakers.

Regional Housing Context

- New England's median home price exceeds the national average by 35–60%, depending on the state and metro area.
- The region has the oldest housing stock in the nation — over 40% of homes in Massachusetts, Connecticut, and Rhode Island were built before 1960.
- Population growth has been stagnant or negative in several New England states, yet housing demand remains strong due to household formation and in-migration to urban cores.
- Rental vacancy rates across New England metros are among the lowest in the country, particularly in Boston (2.8%), Providence (3.1%), and Portland ME (2.5%).
- The region's construction workforce is aging and shrinking — making ADUs an important training ground for new entrants to the building trades.

SECTION 03

State-by-State Analysis

State	ADU Law Status	Year	Key Provisions	Outlook
Massachusetts	Strong — By-Right	2024	900sf max, by-right in all single-family zones, no special permit, \$5.16B housing package	Leading the nation; fastest adoption rate in NE
Connecticut	Strong — By-Right	2023	Many towns must allow ADUs by right; simplified permitting process	Strong momentum; community pushback in some areas
Vermont	Moderate	2020	Simplified approval process; financial incentives for homeowners who build	Steady growth; rural adoption challenges
New Hampshire	Moderate	2017	RSA 674:71-73; ADUs allowed statewide; local regulations still complex	Inconsistent local implementation; needs reform
Rhode Island	Moderate	2024	No owner-occupancy for qualifying lots; relaxed restrictions in housing shortage areas	New legislation; early adoption phase
Maine	Moderate	2023	Expanded ADU access; aligned with regional housing flexibility trend	Growing; rural opportunity underexplored

Sources: Mercatus Center (2025), state housing agencies, legislative databases.

SECTION 04

Construction Costs

New England construction costs are among the highest in the nation, driven by a tight labor market, harsh climate considerations (insulation, foundation depth, weather-resistant materials), and relatively high permit fees. The figures below represent all-in development costs for ADU projects across the region.

Metro / Area	Avg. \$/sqft	500 sqft Est.	800 sqft Est.
Greater Boston, MA	\$350–\$475	\$175K–\$238K	\$280K–\$380K
Cape Cod / Islands, MA	\$375–\$500	\$188K–\$250K	\$300K–\$400K
Worcester / Central MA	\$300–\$400	\$150K–\$200K	\$240K–\$320K
Western MA / Pioneer Valley	\$275–\$375	\$138K–\$188K	\$220K–\$300K
South Coast MA / RI Border	\$300–\$425	\$150K–\$213K	\$240K–\$340K
Providence / RI Metro	\$290–\$400	\$145K–\$200K	\$232K–\$320K
Hartford / CT Metro	\$300–\$425	\$150K–\$213K	\$240K–\$340K
Fairfield County CT	\$375–\$525	\$188K–\$263K	\$300K–\$420K
Southern NH / Seacoast	\$325–\$425	\$163K–\$213K	\$260K–\$340K
Portland ME Metro	\$300–\$400	\$150K–\$200K	\$240K–\$320K
Burlington VT Metro	\$300–\$400	\$150K–\$200K	\$240K–\$320K
NE Regional Average	\$300–\$450	\$150K–\$225K	\$240K–\$360K

Sources: Regional builder surveys, MassHousing estimates, MHP data, CT DECD, contractor associations.

SECTION 05

Rental Income & ROI

Market	Studio/1BR ADU	2BR ADU	Vacancy
Greater Boston	\$2,000–\$2,800/mo	\$2,600–\$3,400/mo	2.8%
Cambridge/Somerville	\$2,200–\$3,000/mo	\$2,800–\$3,600/mo	2.5%
South Shore MA	\$1,600–\$2,200/mo	\$2,000–\$2,800/mo	3.2%
Cape Cod (year-round)	\$1,400–\$2,000/mo	\$1,800–\$2,600/mo	4.5%
Worcester Metro	\$1,400–\$1,800/mo	\$1,700–\$2,200/mo	3.8%
Providence RI	\$1,300–\$1,800/mo	\$1,600–\$2,200/mo	3.1%
Hartford CT	\$1,200–\$1,700/mo	\$1,500–\$2,100/mo	4.2%
Portland ME	\$1,400–\$2,000/mo	\$1,800–\$2,400/mo	2.5%
Burlington VT	\$1,300–\$1,800/mo	\$1,600–\$2,200/mo	3.0%
Southern NH	\$1,500–\$2,000/mo	\$1,800–\$2,500/mo	3.5%

Sources: Zillow Rental Index (2025), regional MLS data, property management surveys.

SECTION 06

Aging-in-Place Demographics

New England has the oldest population profile of any U.S. region. Maine and Vermont consistently rank as the two oldest states by median age, while Massachusetts, Connecticut, and New Hampshire all exceed the national median. This demographic reality makes ADUs not just a housing solution but a public health infrastructure investment.

State	Median Age	% Over 65	% Living Alone (65+)	ADU Relevance
Maine	45.1	22.0%	31%	Highest — rural aging crisis
Vermont	44.9	21.5%	29%	Very high — rural isolation
New Hampshire	43.5	19.8%	27%	High — suburban aging
Connecticut	41.4	18.6%	26%	High — wealth + aging
Massachusetts	39.8	17.5%	25%	High — urban + suburban
Rhode Island	40.2	18.1%	27%	High — compact state
US Average	38.9	17.0%	26%	Baseline comparison

Sources: U.S. Census Bureau ACS 2023, AARP 2024 Home & Community Preferences Survey, state aging agencies.

- 75% of New England adults aged 50+ want to remain in their current home — consistent with national AARP data.
- 1 in 4 older homeowners in the region would consider building an ADU for caregiving or multigenerational living.
- New England's assisted living costs average \$5,200–\$6,800/month — 15–50% above national averages — making ADUs an even more compelling alternative.
- Maine and Vermont face acute rural aging challenges where ADUs can provide caregiver housing on family properties with no nearby services.
- AARP has been particularly active in New England: backing legislation in all six states, partnering with APA on model ordinances, and publishing region-specific aging-in-place guides.

SECTION 07

Policy & Outlook

New England is positioned to become the most ADU-friendly region in the eastern United States within the next 2–3 years. With Massachusetts and Connecticut already mandating by-right approval, and the remaining four states moving toward stronger frameworks, the regional momentum is clear.

- Massachusetts is expected to process 2,500–3,500 ADU applications in Year 2, based on current trajectory and MassHousing loan program uptake.
- Connecticut's by-right mandate will drive significant activity in suburban towns that previously blocked ADU construction through restrictive zoning.
- Rhode Island's elimination of owner-occupancy requirements for qualifying lots removes the single largest barrier to ADU rental income in the state.
- New Hampshire's framework (RSA 674:71-73) provides the legal foundation but needs stronger state preemption to prevent local obstruction.
- Vermont's incentive-based approach is effective for motivated homeowners but may need regulatory backing to achieve meaningful scale.
- Maine's 2023 expansion opens significant opportunity in the Portland metro and mid-coast areas where housing pressure is most acute.
- Regional coordination — sharing pre-approved plans, standardizing permit processes, and creating a New England ADU workforce pipeline — could dramatically accelerate adoption.
- The ADU Exchange's role as the regional platform connecting homeowners with tools, trades, and financing positions it as the central infrastructure for this growth.

SECTION 08

Sources & Methodology

- Massachusetts Executive Office of Housing and Livable Communities (HLC), ADU Survey 2025
- MassHousing ADU Construction Loan Program data (2025–2026)
- Massachusetts Housing Partnership (MHP) financing data
- Mercatus Center, 'A Taxonomy of State ADU Laws 2025,' August 2025
- Connecticut Department of Economic and Community Development (DECD)
- Rhode Island Housing (RIHousing) program data
- Vermont Housing Finance Agency reports
- New Hampshire Housing Finance Authority data
- Maine State Housing Authority reports
- AARP 2024 Home & Community Preferences Survey (n=3,000+)
- U.S. Census Bureau American Community Survey 2023
- Zillow Rental Index 2025, regional MLS data
- Regional builder surveys and contractor association data
- Pew Research Center multigenerational household data

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