

TINY HOUSES SHAKE UP PROPERTY VALUES

AN INNOVATION CASE STUDY

BY LARA ISAACSON . DMGT 702 . SUMMER 2020



Photo credit: Hancrafted Movement

“What’s cool about tiny homes is that the entire space is sort of a broadcast of some sort of value that you hold in relation to homes, sustainability, and how you’re living your life.”

Lindsay Graham PhD
College of Environmental Design
UC Berkeley

Tiny houses are finding their home in the American Dream, forever changing the monetary value and what we value about our homes. When it comes to tiny homes, the price tag is the fraction of the large, privileged suburban home behind the white picket fence (Dolan, 2019) that many of us were socialized to see as the marker of ‘making it’. When Tiny Houses rolled onto the scene in the 1980’s and 90’s (Nonko, 2017), the collective consciousness found a home in these adorable structures. Tiny Houses have answered the call of millennials’ love for personal expression customization (IKEA, 2016; Timmer, 2015), allowed the pursuit of freedom from debt or regulation, the desire for ‘right-sizing’ for folks of all ages but in particular retired folks (The Global Tiny House Conference, 2020; The Tiny Life, n.d.), and an growing senses that we need less clutter (in materials and busy lifestyles) (IKEA, 2016)—to name just a few. Tiny Houses may not be right for every personality or match with all people’s values, but it is clear that they have struck a common cord (Sloat, 2016). “While the list of characteristics describing tiny house enthusiasts is [psychologically] distinct, the movement has appealed to a surprisingly broad demographic,” (Sloat, 2016).

This case study focuses on Tiny House on Wheels (THOW) or (more recently referred to as) Moveable Tiny Houses (MTH) (The Global Online Tiny House Conference, 2020). Although other similar movements and housing models can be considered reinventions or recontextualization of Tiny Houses, his case study does not focus on tiny

TINY HOUSES BECOME A MOVEMENT

Henry David Thoreau Publishes "Walden"	1854
"Tiny Houses; or How to Get Away From It All"	1987
Jay Shafer founds Tumbleweed Tiny House Company	1999
Jay Shafer featured on Oprah	2007
Mortgage Housing Crisis & Great Recession	2008
Caravan Tiny House Hotel opens in Portland	2013
FYI Debuts Tiny House Nation TV Series	2014
Spur, Texas claims "first tiny house friendly town"	2014
Tiny Home Industry Association Founded	2016
San Jose & LA, CA legalize Movable Tiny Houses	2020

Jay Shafer's First Tiny House, courtesy of Jeremiah Dobruck



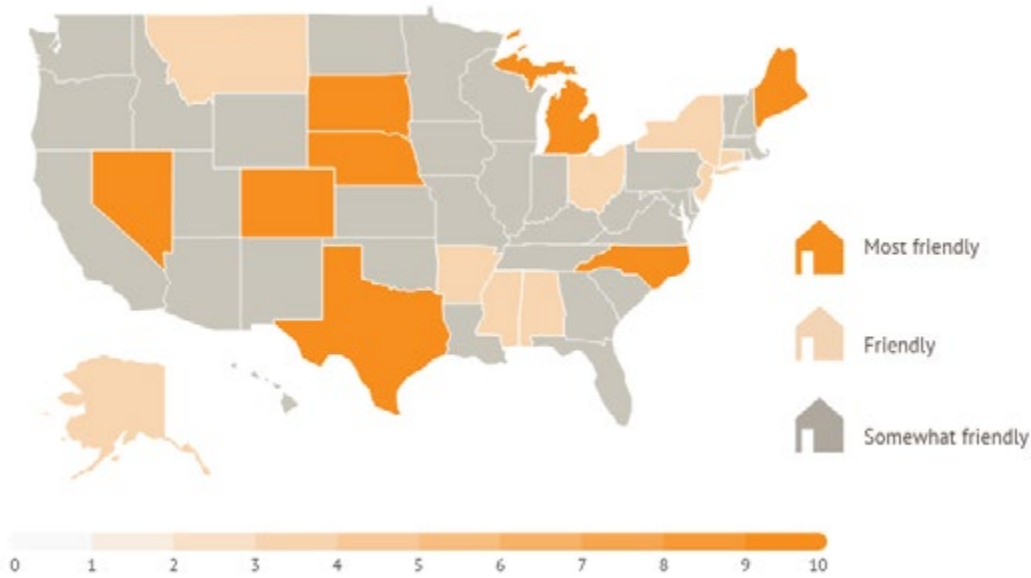
Infographic by Ryan Mitchell (Well-known tiny house author), 2013

foundation homes as the regulations are vastly different in most municipalities in the US to date. There are similar innovation paths with Skoolies (converted buses), Van Life (converted vans), converted travel trailers or RVs, tiny live-aboard boats, and even foundation based units, but the acceptance of such alternative dwellings tends to be more mixed (both socially and legally). Now that MTH have hit more mainstream groups as indicated by numerous popular television shows and builders popping up rapidly all over the country, a diffusion case study is warranted, whereas these other small mobile living models are not quite as far ahead in their journey. Moreover, the movement is not limited to the US by any means, yet focusing on the US in this case study allows for more focused and specific analysis of social, economic, and political factors that globally vary.

BREIF HISTORY

Though by no means a novel invention, Tiny Houses are an increasingly utilized (Crawford,1983) innovation in terms of contemporary lifestyles and the habitats we call home. Rather than a technological based innovation as the electronics we may often think of today, Tiny Houses take an existing technological possibility and reframing it for current needs and values. It is more akin to a 'process' (Crawford, 1983) innovation. Moreover tiny houses can be distinguished from an 'incremental' or 'sustaining' (Christensen, 2004) innovation

MOST TINY-HOUSE FRIENDLY STATES IN THE U.S.



Graphic credit: iProperty Management

or gradual improvement because they substantially change the way people live each day. A smaller space provides limitations, opportunities, and freedoms that expand different ways we interact with the world. This is a 'disruptive' (Christensen, 2004) idea to entrenched societal worldviews.

Many credit Henry David Thoreau's writings (in the 1800's) with inspiring modern idealization of tiny living (Nonko, 2017). Much later, in the 1970's and 80's written and picture-based publications of Tiny Houses began appearing, including Lester Walker's "Tiny Houses: Or How to Get Away from It All" (Nonko, 2017). In 1999, Jay Shafer (who is largely credited as the founder of the current Tiny House Movement) published an article on the merits of tiny living and founded Tumbleweed Tiny House Company (Nonko, 2017). The original Tiny House he built for himself and the original Tumbleweed models were on the smaller side of Tiny Houses (8x12 ft) (Shafer & Waldman, 2020) and featured gable roofs and lots of natural wood. These Tiny Houses looked like a traditional stick Built house but were on wheels to enable mobility and (as they originally thought) to get around building codes (Shafer & Waldman, 2020). In 2007, Shafer was featured on *Oprah*, bringing new attention to the Tiny Movement (Nonko, 2017). This launch was quickly followed by the housing bubble bursting and the Great Recession, bringing a new consciousness to the unsustainability of mortgages and housing prices (Baldwin, 2013; Nonko, 2017). Soon after, a Hotel, TV series, companies, and associations follow along with Spur, Texas declaring themselves the "first tiny house friendly town" in 2014 (Nonko, 2017). The Tiny House Movement has since propagated to every corner of the US, capturing the imaginations of many and revealing the possibilities for prosperity through going Tiny.

CONTRIBUTING FACTORS

Social

Many social groups have influenced the rise of Tiny Houses. Iconic indi-

Although not yet indicated on this map, California now has at least four Tiny House Friendly Cities: Fresno, San Diego, San Jose, and Los Angeles.

Oregon also has some pioneering cities, such as Portland that is has declared a stop to evictions while developing Tiny friendly legislation.

viduals include Jay Shafer, Dee Williams, and Zach Giffin. They have each built their own Tiny Homes and become advocates for downsizing and intentional living. Many companies and organizations have been created by these pioneers and many others, several of which will be mentioned below.

Technological

All the technology needed to build tiny living structures have been around for decades if not centuries (depending on how they were built). Additionally, living in close quarters has in the past not often been a choice but merely a matter of circumstance and a lack of financial, material, and/or social privilege. The current Tiny House Movement is a result of contextual change and a shift in perspectives on what is possible, livable, and desirable.

Environmental

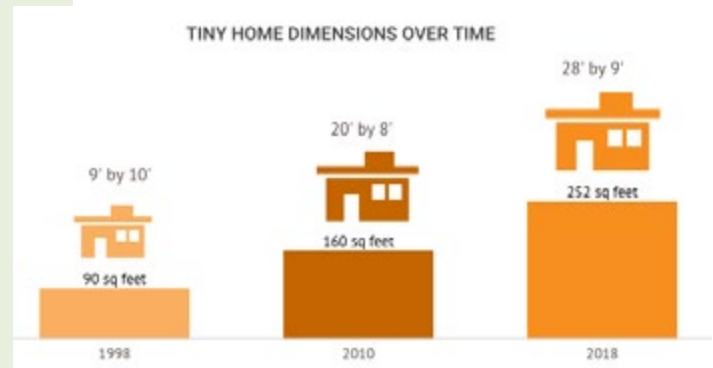
With the growing Climate Change crisis and growing awareness of US individual footprints, sustainability is one of the top reasons that people go tiny (The Tiny Life, n.d.). From another perspective, as populations increase, infill housing is less possible or at least viable lots of land are smaller or being preserve as natural or park land. All these environmental factors make traditional house building less desirable and possible.

Economic

In the 2008 housing bust suddenly many people lost their homes or could no longer afford them or simply, no longer wanted to take the risk of home ownership (Baldwin, 2013). Moreover, Millennials—among other demographics—are often priced out of markets (Carter, 2018), and elderly folks need affordable places to downsize (The Global Tiny House Conference, 2020). Many areas of the nation also have housing crises due to lack of affordability and lack of housing stock which COVID 19 has



Tiny Home are very similar to stick-built, particularly with a ground-floor bedroom, Photo Credit: Mustardseed Tiny Homes



Graphic credit: iProperty Management

estimated that Tiny Homes made up 1% of the market share in 2012 and at least one established Tiny House builder has seen a 200% increase in sales since that time (iPropertyManagement, 2020). The build up to more wide-spread adoption of Tiny Houses may have been slower than most innovations, yet, this pace can be expected from something as significant as a home and way of life. Unlike trendy clothing or gadgets that are updated often and hope for near universal use, I think most people have an idea of keeping the same home for years if not decades if they can manage it. As with many innovations, there is no one-size-fits-all solution and there may never be. Nevertheless, there are five 'attributes'—as defined by Everett Rogers (2003)—that influence diffusion of innovations, and through this lens it can be revealed why Tiny House are an increasingly favorable innovation.

Compatibility

In terms of 'compatibility' (Rogers, 2003), MTHs tend to be similar to traditional US stick-built in look and function—just scaled down. Models can lean more traditional or more contemporary. MTHs do contend with traditional values of owning a house on foundation and land that you also own, yet the two ideas are not mutually exclusive. Regardless of this logic, home ownership is currently out of reach for many, as explored below.

Complexity

The 'complexity' (Rogers, 2003) of a Tiny Home is relatively easy (as long as you don't try to travel with it) compared to a traditional foundation home. It is much quicker to clean and maintain. Moreover most models are familiar to use and require few if any adjustments (unless the owners choose to try out something new like convertible furniture, ladders, murphy beds, or composting toilets).

Trialability

'Trialability' (Rogers, 2003) has been more of an issue in the past, but currently there are multiplying Tiny House hotels (Tumble Weed Tiny House Company, 2020) and vacation rentals as well as tours by builders. Moreover, as compared to a traditional house, the cost is drastically lower and does not necessarily prevent resale and upsizing in the future. Websites are now dedicated to resale of tiny houses (Tiny House Listings, n.d.) and certification by existing codes aids in the trust for resale (Ophoff, 2018). Additionally, some non-profits such as Operation Tiny Home are offering

only worsened (Johh Hopkins University, 2020). There is a wide range of economic reasons to go tiny: everything from the privileged desire for a vacation home to folks experiencing homelessness needing an affordable place to call their own. There are even charities building tiny homes to help house folks experiencing homelessness such as one in Savannah, GA for Veterans (WTOC, 2019). Many other Americans simply cannot afford homes because of school debt, the down payment needed, lack of employment security, credit scores, or simply the home price itself (Carter, 2018).

Back in 2013, The Tiny Life, lead by Ryan Mitchell (a well-known Tiny House builder, enthusiast, and author) did a study to uncover some facts about Tiny Houses. Although the numbers seem a bit dated now, reflecting a time when many Tiny Houses were self-built and reflecting a fairly privileged financial picture amongst dwellers that may be a bit different today, this snapshot is widely used dispel myths about stereotypes of people who would live in Tiny Homes. For example, it may seem that only younger folks or low income folks would like to live simply in small spaces. Yet, when Mitchell did this study, 38% of the tiny house dwellers were over the age of 50 and on average has higher incomes (The Tiny Life, n.d.)

Political

In many places it is very difficult and expensive to get permits to build traditional homes. Currently, most Tiny Houses remain under the governmental radar but as the movement grows the tensions rise, it becomes harder to hide while also harder for municipalities to ignore the growing trend, as explored below.

DIFFUSION

Although there is still limited concrete data on how many people currently live full-time in MTHs (partly due to their tenuous legal status), it is

assistance to public servants and people struggling with housing security as a result of the COVID-19 pandemic (Operation Tiny Home, n.d.).

Observability

There are now countless online resources, blogs, plans, TV shows, YouTube channels, conferences, festivals, builders, and other resources that are growing all the time and which give people a chance to 'observe' (Rogers, 2003) other's experiences and imagine themselves in whatever style of tiny house fits their tastes and identities. Anyone can find Tiny House dwellers that identify similarly to themselves—all ages, all ethnicities, all income brackets, all religions, all careers, all lifestyles, etc are represented. One barrier that still remains is the lack of legality for Tiny Homes in most areas, making living in a city prohibitive or risky as it is more difficult to hide. Yet, even this is changing as we will explore in the next section.

Relative Advantage

The 'relative advantage' (Rogers, 2003) is crystalizing: Tiny Homes offer, personal freedom and flexibility in time and with money. Perhaps more important for many (or at least as important as the material advantage), Tiny homes offer a values-based advantage over traditional homes that can look different for each person or family unit. There is an appeal to the American values of freedom, independence, individualism (in responsibility and achievement), being 'self-made', privacy, prioritizing family, etc that can be clearly seen as reinterpreted with modern sensibilities and perhaps sensitivity to the individual's role in a larger community and system. Moreover, many dwellers live with families (yes, even children) and many seek-out community-often with others pursuing intentional living or other tiny house dwellers. Often community or time with loved ones is a primary driver for going Tiny. Finally, it is worth noting that during the COVID 19 crisis, some city-dwellers are looking for more airy dwellings with outdoor amenities which is likely causing a spike in Tiny Home manufacturing (The Global Tiny House Conference, 2020; iPropertyMan-



The Tiny Victorian (a lower-priced Tiny House), Photo Credit: Pacifica Tiny Homes

agement, 2020).

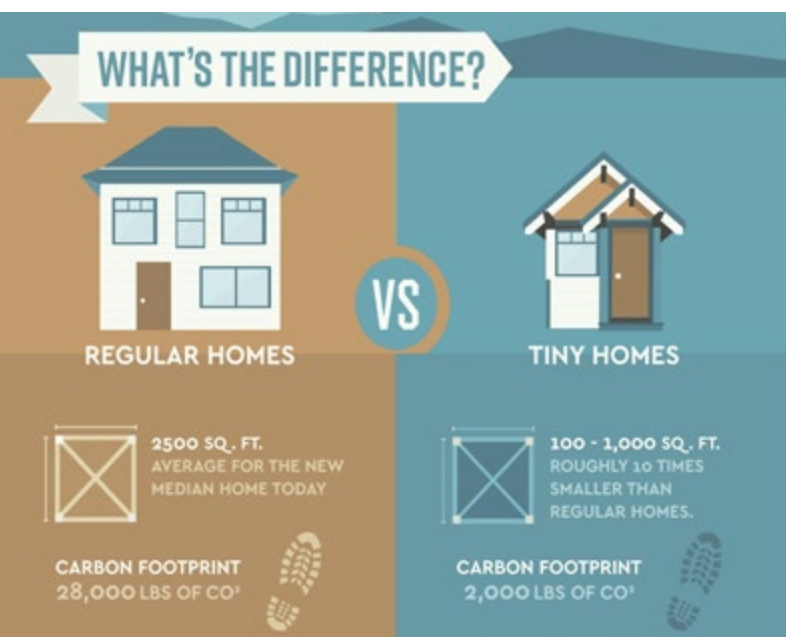
It is clear that some aspects of American values, housing policy, and social pressures do not fully support the diffusion of Tiny Houses, yet it is also clear that the culmination of the current heterogeneous context do support the growing social and political acceptance of MTHs as well as increased adoption and advancement of these

UNINTENDED CONSEQUENCES

When it comes to MTH the first big hurdle is financing, and the biggest barrier is finding a place to park it. If a dweller is willing to live quietly and has either no neighbors or no disapproving neighbors, the Tiny House theoretically fits anywhere. Yet, the legality of a permanent dwelling even on wheels, remains complex in most places in the US is complex if not outright prohibited. Shafer's original idea to put the house on wheels to avoid regulation (Shafer & Waldman, 2020) quickly dissolved as the idea took hold. Zoning laws and building codes continue to make it challenging to find a permanent place to park. The Tiny Home Industry Association (a non-profit advocacy group) was founded in 2016 to help develop national Tiny House building standards and to encourage cities to legalize them (Tiny Home Industry Association, n.d.). Recent victories for the organization included updates of Accessory Dwelling Unit (ADU) codes to legally include Moveable Tiny Houses in San Jose, CA and Los Angeles, CA (Fitzpatrick, 2020; Stephens, 2019; The Global Tiny House Conference, 2020). Other states have used other methods to legalize. Portland, OR, for example declared a 'housing emergency' to prevent evictions from Tiny Houses and the like while the laws are updated (Floum, 2017). Other states, such as Colorado have counties that waived regulations for tiny houses (Fredgaard, n.d.) or cities such as, Wilmington, NC that have particular codes for Tiny Houses (Elainelw, 2016). Regardless of the location, people are starting to ask for legalization, leaving local governments to struggle balancing housing crises with NIMBY (Not In My Back Yard) politics.

Even with legalization there can be unintended consequences, some of the methodology to get these laws approved revolves around explicitly excluding alternative dwellings that do not look like traditional stick-built

Graphic Credit: DM Design Co



houses—namely RVs/travel trailers, vans, and school buses, etc. and leaving nothing to be said about converted structures like silos or shipping containers (Fitzpatrick & Wood, 2020). Some advocates are adamant that people will not accept RVs in their neighborhood whereas they will accept MTHs; therefore it is easier to get the laws passed with this methodology (Fitzpatrick & Wood, 2020).

Additionally, Tiny houses are sometimes merely vacation homes, rather than primary dwellings, which could be an environmental savings if there was going to be a second dwelling built regardless. Yet, if a second dwelling would not have been built without the possibility of a Tiny Home, then it may actually be an expansion of the vacation dwellers' ecological footprint. In many cases retrofitting existing structures is more ecologically-friendly, yet there is a large need for housing that will not be filled with just one type.

Relatedly, although the average price of Tiny Homes was \$23,000 in 2013 (The Tiny Life, n.d.), Tiny houses that are manufactured by a specialized builder can be very expensive up to \$180,000 (Cahn, 2018), excluding lower income groups (which may partly explain why the 2013 infographic has such a privileged financial outlook). Those who couldn't build their own (due to lack of time, talent, or financial means) have simply been priced out of having someone build it for them. Thankfully, this privileged situation is changing, not only through the afore mentioned charitable builders, but also through the emergence of lower-cost builders. Pacifica Tiny homes offers a 20' model starting at \$46,900 (Pacifica Tiny Homes, 2020) and Forever Tiny Homes offers a 20' model starting at \$36,500 (Experience Tiny Homes, 2020). These models have less features, but satisfy a different market segment than the DIY builders or the luxury home buy-

ers. Moreover, there are increased options for financing, insurance, and consultants for building these homes which show a rise in a specialized markets all centered-around the Tiny House innovation (Experience Tiny Homes, 2020).

Not everyone can live this way; we have a lot of existing housing stock and probably more need for tiny apartments with better common spaces over Tiny Houses. Yet, the adoption of codes along with the growing number of more affordably-priced builders and specialized markets, are yet more indications that Tiny Homes have hit mainstream as innovations that are widely accepted tend to find differentiation in customer segments, spur 'low-end' innovations (such as the lower priced models), encourage the establishment of specialized companies for a mainstream customer, and lead to the creation of industry standards (Christensen, 2004). By most indications—though not without need for improvement—Tiny Homes are here to stay.

FUTURE FORMS

Hopefully, MTH acceptance will ultimately pave the way for further dissecting our ideals and open up opportunities for safe, equitable, and sustainable homes for all—whether than is a reclaimed build, an eco-high-rise, or a humble trailer. Moveable Tiny Homes may not be right for everyone, nor the final solution; their diffusion process has not yet met its limitations. Yet, they seem to have been one of the catalysts we needed to reimagine the direction of our housing stock based on aspirational values of today, rather than socialized expectations from a by-gone era or perhaps, an era that only existed in a privileged collective idealization.



Photo credit: Mt. Hood Tiny House Village

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"When you live intentionally, you realize you have choices—and that those choices empower you to be where you want to be, do what you want to do, and live the life you always wanted."

Ryan Mitchell

"Tiny House Living: Ideas for Building & Living Well in Less than 400 Square Feet"



Millennial Tiny House, Photo credit: Build Tiny