

Missing Middle Housing - Market Considerations

Developer Interviews

From August - December 2025, interviews were held with 11 developers who have experience with redevelopment and urban infill of small-scale residential development. About half of developers focus on affordable housing, while the other half were market rate. Three developers had direct experience delivering missing middle style housing (MMH).

Interviews sought to gather information on both the opportunities and challenges of building MMH, while raising awareness in the development community of the City's possible interest in allowing missing middle style housing.

Here's what we heard!

High interest rates and construction costs are making it difficult to build MMH.

For private developers, the risks and costs of MMH are higher, as compared to other multifamily options like apartments or townhomes.

There are very few contractors and builders with experience in MMH, due in part to the historic lack of demand for MMH.

MMH projects that are being built in urban/first ring suburbs generally come with subsidies or other financial assistance

Ideas to encourage MMH

- Create clear, well-defined, and realistic land use policies for MMH, to remove uncertainty from the design and construction processes.
- Consider programs to support small-scale or emerging developers pursue MMH. These developers are often better positioned to deliver MMH.
- Ensure city staff are well versed on MMH policies and processes
- Consider compiling and managing a list of architects and builders who are experienced in MMH

What is missing middle housing?

Missing middle housing (MMH) is a range of housing types and scales, from ADUs and twin homes to townhouses and small apartment buildings, that help create more choices and build long-term flexibility and affordability into the housing marketplace.

Market Snapshot

The cost of single family homes, which comprises 63% of homes in Golden Valley, have increased substantially over the last five years. At the same time the number of new units built decreased substantially after 2018, and has remained flat since. This combination has led to higher housing costs on housing options that are predominantly traditional single family homes.

22% increase in median sale price of a single family home from 2019 - 2025.

25% income needed above the city's median income, to afford a median priced for-sale single family home in the city.

8 average annual number of new housing units built from 2019-2023 (all types).

While Millennials will continue to seek price affordable home ownership options, Baby Boomers will likely continue seeking low- or no-maintenance housing options.

1,600 - 1,800

estimated new housing unit demand (all types) for Golden Valley due to shifts in housing demand, based on 2023 Comprehensive Housing Need Analysis study.