

Carmel MMH Scan™

Analysis + Definition of Barriers to Missing Middle Housing

Prepared for:
City of Carmel, IN
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What's Inside?

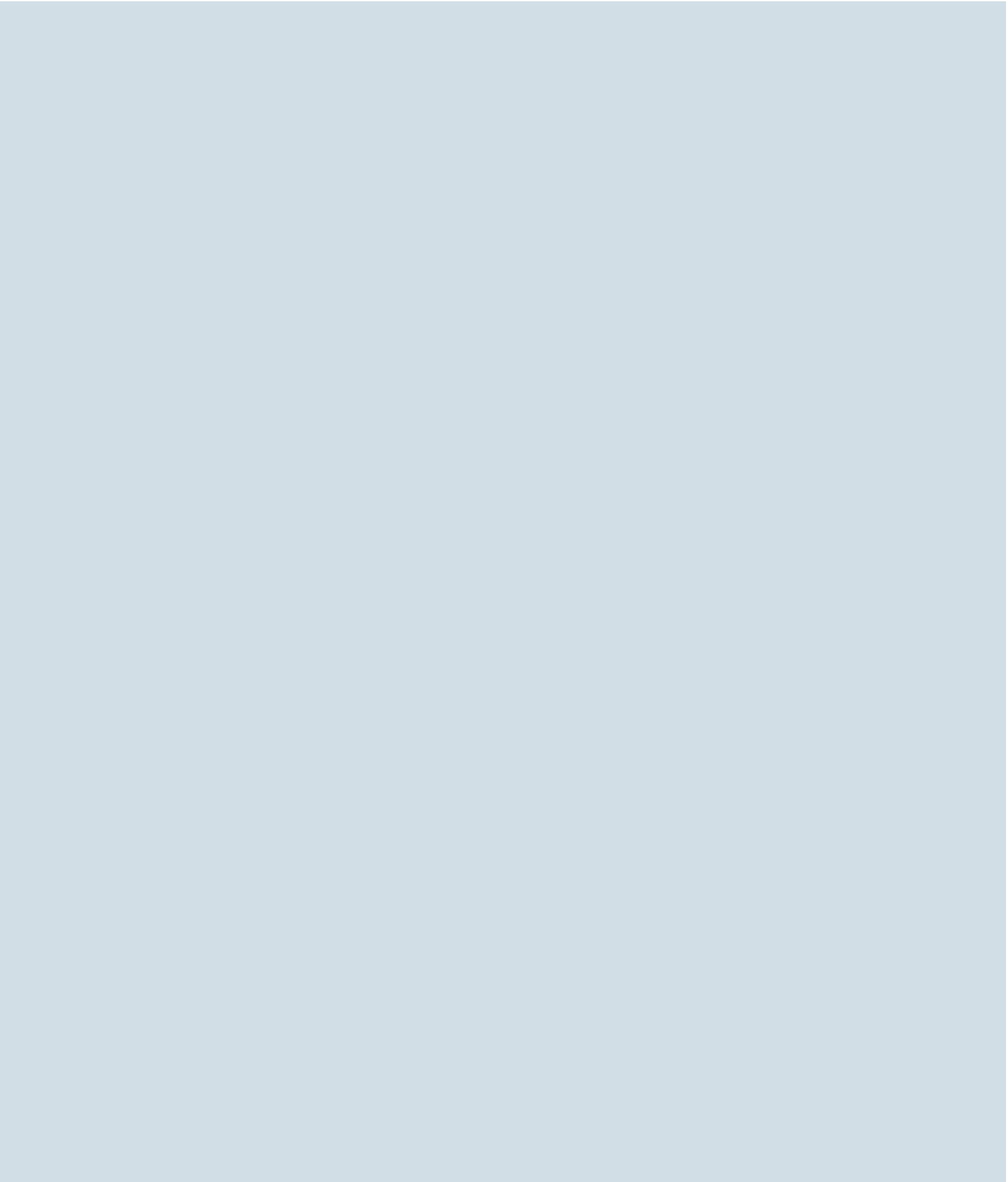
MMH Scan™ Analysis + Definition of Barriers to Missing Middle Housing

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Missing Middle Housing in Carmel

CHAPTER

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1.1

A National Demand for Housing

Sources:

¹ Emily Badger and Quoctrung Bui, "Cities Start to Question an American Ideal: A House With a Yard on Every Lot", *The New York Times*, 2019

² *Make it count: Measuring our housing supply shortage*. Elena Patel, Aastha Rajan, and Natalie Tomeh, 2024



Figure 1.1 An example of a duplex MMH type with separate entries in Indianapolis, IN.

The Need for More Housing Choice

In the United States, 75 percent of residential land allows only detached single-family homes.¹ This land use pattern, among other factors, contributed to a housing shortage of approximately 4.9 million units in 2023, according to the Brookings Institution.²

At the same time, real estate trends indicate increasing nationwide demand for a greater variety of housing options in walkable environments, with convenient access to amenities and services and reduced dependence on driving for daily needs. However, most housing markets continue to offer primarily two choices: single-family homes or large apartment developments.

The Need for Regulatory Change

Too often, the types and sizes of new dwellings that the market demands are not permitted by local policy or zoning regulations. Developments that include these housing types must undergo complex and uncertain review processes to respond to changing market conditions. Regulatory change is needed to make new investments more predictable and straightforward.

Missing Middle Housing (MMH) is intended for low-rise residential neighborhoods, which are typically zoned as "single-family residential" under conventional zoning. In this analysis, "single-family" is also referred to as "single-unit." However, because MMH includes multiple units, it is, by definition, not permitted in single-unit zoning districts.

Sources:

¹ *2025 Trend Report*, American Planning Association, January 2025

² *2025 Home Buyers and Sellers Generational Trends Report*, National Association of Realtors Research Group, April 2025

³ *NAR 2023 Community and Transportation Preferences Survey*, National Association of Realtors Research Group, June 2023

Aging Households' preferences are Changing

The share of senior households has increased steadily, largely driven by the baby boomer generation, all of whom will be over age 65 by 2030. By 2050, one in five Americans is expected to be over 65.¹

While the majority of baby boomers still prefer single-unit detached homes, both older and younger boomers are purchasing alternatives at a higher rate than any other generation.² Housing preferences for this age group continue to shift toward more accessible units, smaller homes, lower maintenance requirements, and more affordable options aligned with fixed incomes, as well as locations in walkable neighborhoods.³

53% of respondents in a recent poll from the National Association of Realtors Research Group, preferred alternatives to single-unit housing if it meant living in a **walkable neighborhood**.³

1.2 Overview of Carmel's Housing Needs

Carmel's Housing Need

According to the Carmel Mayor's *Housing Task Force Findings and Recommendations* report, Carmel's population is projected to exceed 110,000 by 2030,¹ representing nearly an 11% increase over 2020.

From 2010 to 2024, 11,346 new housing units were built in Carmel. Of these, the majority are single-unit detached homes (+5,854 units) and large apartment developments (more than 20 units) (+2,857 units),¹ with few housing types in between—namely, middle housing types.

At the same time, Carmel's job sector has grown faster than the rest of Central Indiana, according to the Findings and Recommendations report, making it an attractive market for future housing development. However, due to the limited supply and relatively low number of housing units produced over the past decade, Carmel is at risk of rapidly rising home prices.

Addressing this housing and affordability gap will require new housing types that offer a broader range of price points and unit sizes.

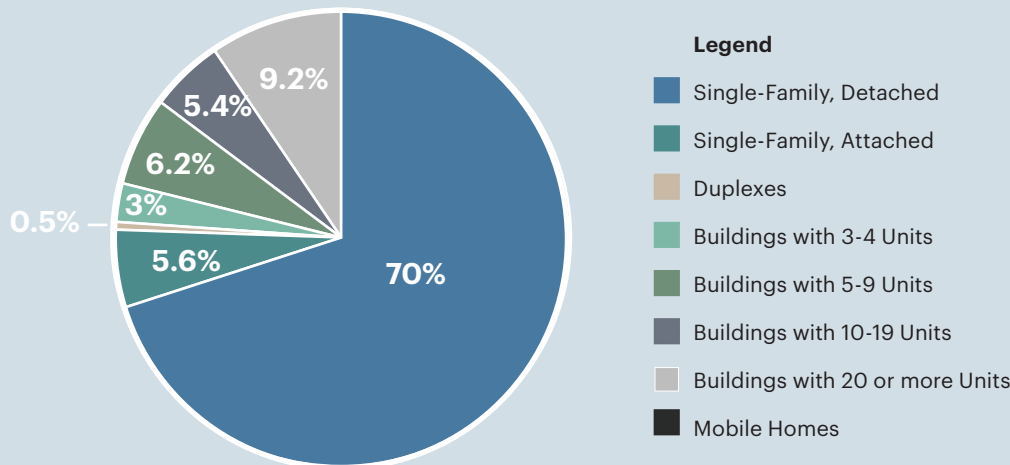
76.8% of Carmel's land is zoned to only allow detached single-unit housing.²

86% of Hamilton County residents in the 2024 Housing Sentiment Survey think having diverse housing options is important, very important or extremely important.³

Sources:

¹ ACS 5-Year Estimates, 2020/2024
² City of Carmel, GIS Online, 2026
³ Hamilton County Housing Collaborative, 2024

Existing Housing Stock by Housing Type¹



1.3 Missing Middle Housing Overview

Missing Middle Housing (MMH) can be defined as house-scale buildings with multiple units in walkable neighborhoods. These buildings are compatible in form and scale with typical single-family homes and represent an effective strategy for “gentle infill” within existing residential neighborhoods.



Figure 1.3 A 7-unit Multiplex with the form that makes it look like a single-family house.

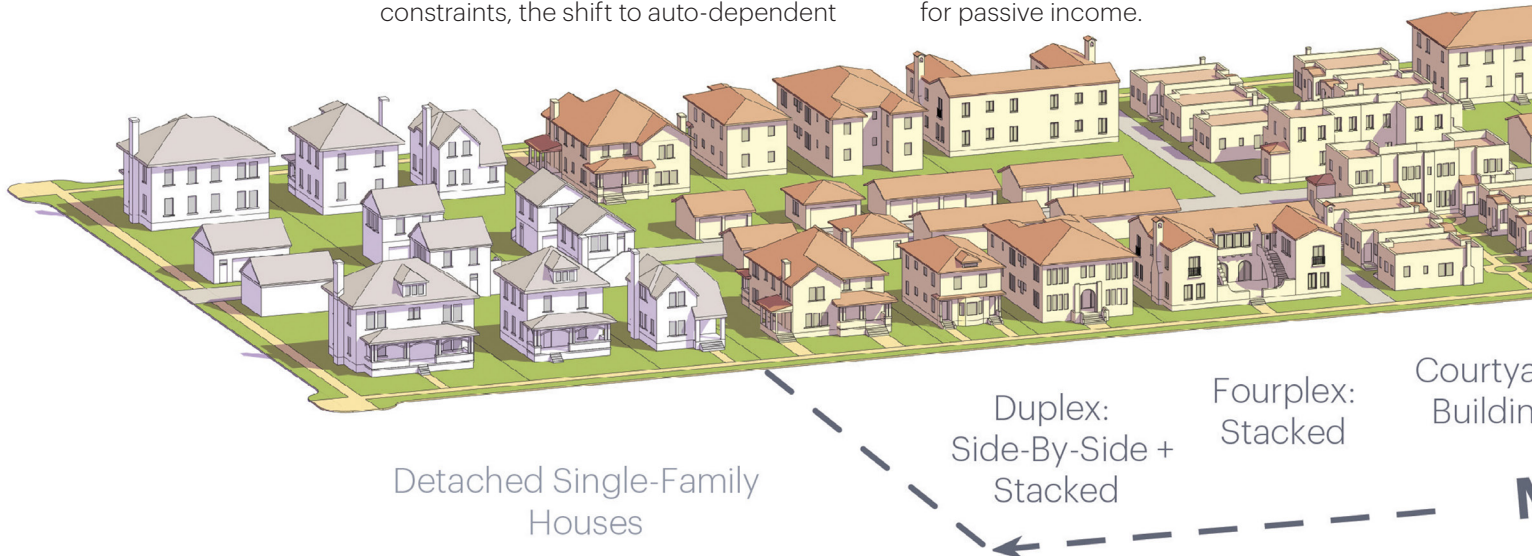
Missing Middle Housing (MMH) includes a range of house-scale buildings that contain more than one housing unit, such as duplexes, triplexes, fourplexes, and cottage courts, built at a scale similar to that of a single-unit house. MMH responds to shifting household demographics nationwide and helps meet the need for a wider range of housing choices at different price points, including both rental and homeownership opportunities. Well-designed MMH types achieve moderate density while providing high-quality, marketable options that bridge the gap between single-unit houses and mid-rise apartments.

Figure 1.4 The palette of Missing Middle Housing types provide a range of “middle” building types between the scale of a typical detached single-unit house and that of larger residential buildings.

development patterns, and federal policies that have incentivized single-unit homeownership. Before the 1940s, these housing types were a natural part of the housing mix, helping to provide options for people at a variety of life stages and income levels. Communities and organizations, including AARP, increasingly recognize that MMH plays an important role in helping neighborhoods thrive while providing additional housing choices for people who wish to remain in their communities as they age.

They are called “missing” because very few of these housing types have been built since the early 1940s due to regulatory constraints, the shift to auto-dependent

When implemented thoughtfully, MMH can create pathways to homeownership through smaller starter homes, expand rental options in small-scale multifamily housing, and support the building of generational wealth through opportunities for passive income.



Benefits of Missing Middle Housing

When implemented correctly, MMH can be an important place-making tool with many community benefits, including:

■ Providing housing options

MMH provides a middle-scale housing option with smaller units that help keep development costs down. This attracts a broader market of buyers and renters whose needs are currently unmet.

■ Moving the Needle on Housing

Missing Middle Housing offers an opportunity for architects, planners, real estate professionals, and developers to think beyond conventional approaches and create immediate, viable solutions to address the mismatch between existing housing stock and market demand for vibrant, diverse, sustainable, and walkable urban places.

■ Fostering a sense of community

MMH integrates private and shared open spaces, promoting interaction between tenants and a sense of community that is important, especially considering the rise of single-person and older households. These types also encourage co-living, multi-generational living, etc.

■ Promoting sustainability

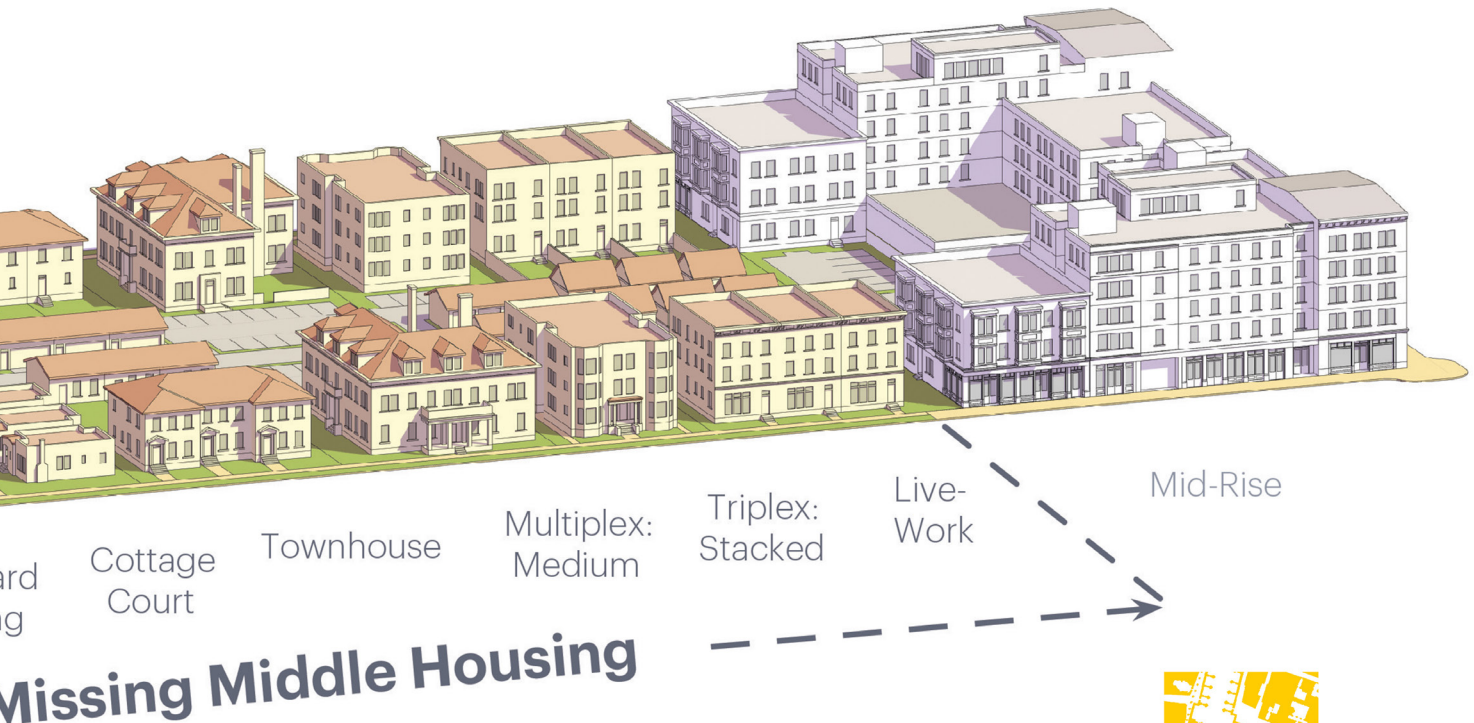
MMH integrates private and shared open spaces, promoting interaction among residents and fostering a sense of community—an important consideration given the rise of single-person and older households. These housing types also support co-living and multigenerational living arrangements.

■ Creating local equity-building opportunities

By allowing a wider range of housing types, MMH can increase attainable rental options, provide pathways to homeownership for first-time buyers, generate passive income that can help lower housing costs for existing homeowners, and offer a low-cost entry point for local builders.

■ Supporting Aging in Place

The majority of seniors are not purchasing larger single-unit homes. Unfortunately, the current housing stock offers them few alternatives. MMH provides smaller units in close proximity to amenities, which are well suited for seniors aging in place.



1.4 Upper Missing Middle Housing Types



Figure 1.5 Example of an Upper MMH type, 3-story large multiplex within a residential neighborhood.

Upper Missing Middle Housing

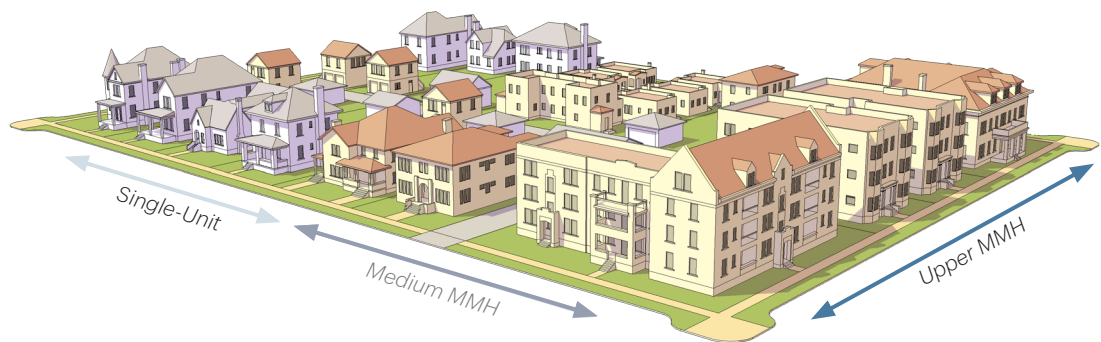
Upper Missing Middle Housing (upper MMH) refers to a category of multi-unit buildings that are taller and deeper than typical MMH but can still fit on infill lots commonly found in existing neighborhoods. MMH types that often fall into this category include larger multiplexes, courtyard buildings, and live/work units.

Upper MMH can be used strategically in areas adjacent to existing or planned centers, transit hubs, and higher-intensity residential or mixed-use neighborhoods. These housing types can help provide a transition from larger-scale buildings along corridors and within mixed-use centers to smaller-scale buildings within neighborhoods. The diagram below illustrates this concept, with upper MMH types located at the ends of blocks and smaller MMH types integrated into the surrounding neighborhoods. While these buildings are larger than typical MMH, they can be designed to remain compatible with single-unit homes. Upper MMH

types are also more likely to be financially feasible—especially in areas with higher land costs—and can help deliver more attainable housing options.

The following are best practices to consider when using upper MMH:

- Most effective in areas where a greater degree of change is occurring or desired;
- Appropriate for transition areas within neighborhoods to connect to more intense nodes or transit centers;
- Allow for greater lot coverage and/or deeper building footprints than typical MMH;
- Require rear setbacks based on the scale of neighboring properties (up to a maximum of 20 feet); and
- Permit building heights of three to four stories.



1.5

"Almost" Missing Middle Housing



Figure 1.6 MMH types work best with standards that require the ground-floor facade to face and address a public street.

Getting it Right

Missing Middle Housing is more than simply fitting multiple dwelling units into a house-scale building form. The location, frontage, and scale of MMH are essential design elements that foster a pedestrian-focused environment while also creating a variety of housing choices.

The following characteristics are common design mistakes in multi-unit housing:

- A lack of easily identifiable entrances, street-facing windows, and/or frontages such as porches or stoops that promote pedestrian-friendly environments; and
 - A lack of diversity in building types or design along a block, resulting in clusters of repetitive forms. MMH works most effectively when a variety of housing types or façades are integrated along a block.
- Locating parking at the front of the lot, which does not support the walkable contexts where MMH is most effective;

Applying the Criteria to Multi-Unit Types



Criteria of MMH	
In a Walkable Context	✓
Multiple Units	✓
House-Form Building	✗
Pedestrian Building Frontage	✗
Parking behind Front Facade	✗



Criteria of MMH	
In a Walkable Context	✗
Multiple Units	✓
House-Form Building	✓
Pedestrian Building Frontage	✗
Parking behind Front Facade	✗

1.6

Where Missing Middle Housing Works Best

MMH supports walkability and is most effective in walkable environments. This analysis identifies existing walkable centers and neighborhoods in Carmel.

Neighborhood Patterns

MMH types are most successful when located in walkable environments. Buyers and renters of these housing types prioritize walkability and are often willing to make trade-offs in other housing features, such as unit size. In most communities, including Carmel, the most walkable neighborhoods are located near downtown areas—particularly around the city’s historic core.

MMH can be built in auto-oriented contexts, but it is less likely to attract the same type of buyer or renter, deliver more compact and sustainable development patterns, or achieve comparable rents

and returns for developers. While Carmel’s more suburban development patterns may not yet be ready for MMH, small, incremental changes can help lay the groundwork for future “MMH-ready” neighborhoods.

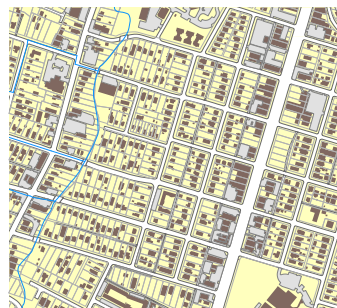
Characteristics of Walkable Environments include:

- Smaller block sizes
- Access to bike routes
- Proximity to daily needs
- Pedestrian-oriented zoning that supports a mix of uses

What Does "Walkable" Mean?

The term “walkable” describes places where a person can access most daily needs within a ten-minute walk, or half a mile, from home. These environments may accommodate automobile use but do not require a car for every trip.

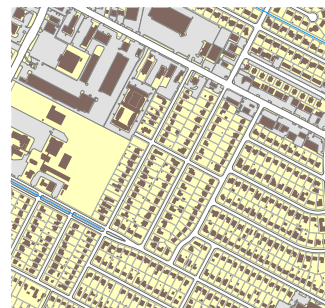
“Walkable” does not refer to recreational walking on paths or trails; rather, it refers to walking to everyday destinations such as work, services, coffee shops, restaurants, entertainment, and other amenities.



Ideal for MMH

Walkable

Small block lengths, a well-connected street network, and proximity to services, shops, and restaurants along a local main street support a high degree of walkability in this historic neighborhood.



Appropriate for MMH

"MMH-Ready"

A well-connected street network with a mix of block lengths provides a strong foundation for walkability, supporting Missing Middle Housing types and enabling pedestrian-scale redevelopment of adjacent commercial parcels.



Not (yet) Appropriate for MMH

Automobile-Oriented

Minimally connected street networks, with frequent cul-de-sacs and predominantly commercial areas accessed via higher-speed roadways, do not provide a conducive environment for Missing Middle Housing.

Analysis of Barriers

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2

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2.1 Policy Analysis



Figure 2.1 [Carmel Comprehensive Plan 2022](#)

MMH-Supported City Objectives

A list of objectives from the City of Carmel's 2022 Comprehensive Plan that directly identify housing objectives that can be met through MMH.

- Objective 1.1.1
- Objective 1.1.7
- Objective 1.2.3
- Objective 1.3.1
- Objective 1.3.4
- Objective 1.3.6
- Objective 1.4.7
- Objective 1.5.1

Responding to State and National Policy Changes

As housing shortages continue to grow across the United States, federal and state governments have responded with a range of new policies, funding programs, and regulatory changes that may affect housing beyond the local level.

While these broader shifts can create opportunities to expand housing options, they are often outside the direct control of municipalities such as Carmel. These external dynamics underscore the importance of cities like Carmel refining their local policies and zoning tools to reduce additional barriers to housing, beyond those that may arise at the federal or state level.

Carmel Comprehensive Plan 2022

The City of Carmel's Comprehensive Plan 2022 (referred to as "the Plan" going forward) establishes the vision and policy goals for the city's growth through 2032.

The Plan includes many objectives that are supported by Missing Middle Housing (MMH) or explicitly identify MMH as a key tool for achieving Carmel's future vision. It outlines 10 "development patterns" to guide growth and development strategies, each calibrated to address the unique housing needs, anticipated degree of change, and existing built context of Carmel's various neighborhoods and places.

Together, the Plan's objectives and development patterns establish a policy framework that supports MMH.

Aligning Policy with Zoning

To achieve the housing objectives outlined in Carmel's Comprehensive Plan and to better respond to potential shifts in state and federal policy, Carmel must adopt zoning regulations that facilitate MMH.

The following section provides an in-depth analysis of the City of Carmel's Unified Development Ordinance, identifying specific zoning standards that create barriers to MMH development.

2.2 Zoning Analysis

Summary of Barriers

The table below graphically represents the various types of barriers to MMH that currently exist within zoning districts intended for non-single-unit residential uses, or due to their proximity to the development patterns most appropriate for MMH, as identified in Section 1.6. The analysis on the following pages breaks down barriers to MMH across standards relevant to all zoning districts.

Summary of Regulatory Barriers to Missing Middle Housing in Carmel						
Development Standards						
	S-1	R-1	R-3	R-4	R-5	UR
Permitted Residential Uses						
MMH Types Allowed	0 of 9	(0 of 9)	(2 of 9)	(2 of 9)	(8 of 9)	(9 of 9)
Building Height (max)	✓	✓	✓	✓	✓	✓
Lot Width (min)	✗	✗	◐	◐	—	—
Lot Area (min)	✗	✗	✗	✓	✗	—
Density (max)	✗	✗	✗	◐	✓	—
Lot Coverage (min)	?	?	?	?	?	✓
Yard Setbacks (min)						
Front Yard	✗	✗	✗	—	✓	✓
Side Yard	✗	✗	✓	✓	✗	✓
Rear Yard	✓	✓	✓	✓	✗	—
Ground Floor Area (min)	◐	◐	◐	—	✓	—
Parking Spaces per Unit (min)	✗ Too high	✗ Too high	✗ Too high	✗ Too high	✗ Too high	✗ Too high
Parking Location	✗	✗	✗	✗	✗	✗

Key

- ✓ Enables All MMH Types
- ◐ Barrier to some MMH types
- ✗ Barrier to most MMH Types
- ? Unclear/Potential Barrier
- Does not regulate



Figure 2.4 Accessory dwelling units add gentle density without dramatically impacting the character of existing neighborhoods.



Figure 2.2 Example of "tall-skinny" that result from height standards that are not calibrated to the existing context.

Permitted Residential Uses

Most residential districts allow only detached single-unit homes. Duplexes are permitted in only four residential districts (R-3, R-4, R-5, and UR), and housing types beyond duplexes are limited to just two districts (R-5 and UR). While some nonresidential districts allow MMH types, they may lack development standards that effectively support these forms in a walkable environment. Additionally, accessory dwelling units are not permitted in any residential district.

Building Height

The maximum building height across all residential districts is 35 feet, which is generally appropriate for MMH types. While this is not a barrier, establishing varied height regulations by zone would allow for clearer differentiation among small- to medium-scale and upper MMH types.

Lot Width

Lot widths in most residential districts range from 60 to 120 feet. While suitable for larger MMH types such as multiplexes and courtyard buildings, these standards are not calibrated for house-scale MMH types such as duplexes, triplexes, and fourplexes, which typically require lot widths between 45 and 60 feet.

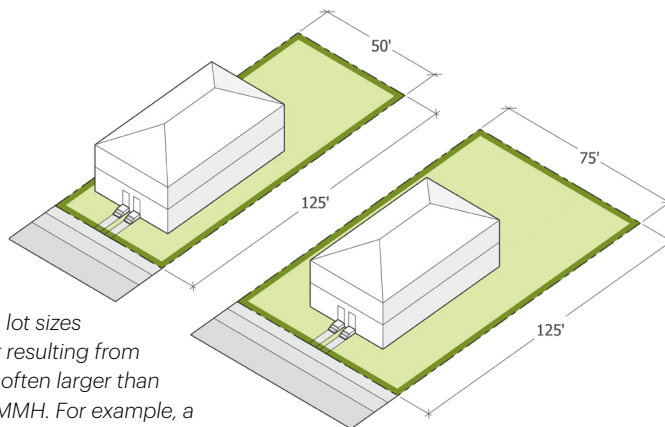


Figure 2.3 Minimum lot sizes required by zoning or resulting from low density limits are often larger than necessary to enable MMH. For example, a fourplex can function well on a 50-foot wide lot but typically is required to be on lots larger than necessary.

Lot Area

Minimum lot areas range from 4,000 to 15,000 square feet in most residential districts and extend up to 10 acres in the R-5 district. This approach to lot control is often unpredictable, does not promote good form or building design, and can require more land than necessary—particularly given that minimum lot widths are already regulated. In many business districts, lot area is regulated per dwelling unit, which can be a barrier to larger MMH types with more units.

Density

Density caps in residential districts often result in a lower maximum number of units than the zoning designation might otherwise allow. For example, even if a duplex is permitted by right, a density limit of 5.0 units per acre would allow only one unit on lots smaller than 0.4 acres. As a result, additional land is required to achieve the intended number of units.

Lot Coverage

Lot coverage regulations are intended to prevent out-of-scale buildings and ensure adequate open space. In Carmel, maximum lot coverage typically ranges from 35% to 40% in most districts where MMH types are allowed.

While these percentages align with best practices, they are calculated based on all impervious surfaces, including buildings, driveways, and parking areas. As a result, the land available for building footprints is constrained, which can limit the number of units per lot.

As an alternative, building size can be more predictably regulated through maximum building width and depth standards, while open space can be more effectively managed through minimum open-space-per-lot requirements.

Yard Setbacks

Front Yard Setbacks

Front yard setbacks in most residential districts are 30 feet or greater. Large front setbacks do not support walkable environments due to the undeveloped space between the building entrance and the public realm.

Side Yard Setbacks

Side yard setbacks in most residential districts range from 5 to 10 feet. A 5-foot side setback is generally considered best practice, as larger setbacks can reduce the amount of developable land, particularly on narrower lots.

Rear Yard Setbacks

Rear yard setbacks in most residential districts are 20 feet, which is appropriate for typical lot sizes.

Ground Floor Area

Minimum ground floor areas range from 800 to 1,100 square feet in residential districts and typically apply only to single-unit dwellings. These requirements may pose a barrier to cottage courts, which consist of small, detached single-unit buildings on a single lot and often require only about 600 square feet of building footprint per unit.



Carmel, Indiana

Parking Spaces per Unit

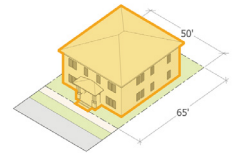
For all residential uses, a minimum of two parking spaces is required per dwelling unit, with an additional space required for every seven units in townhouse developments and other multi-unit projects. These parking requirements are relatively high and present a significant barrier—particularly for upper MMH types. Higher parking minimums require developers to allocate more land to parking rather than housing, increasing development costs that are ultimately passed on to residents.

The diagrams on the right illustrate how increased parking requirements—especially on lots without alley access—limit the space available for dwelling units and, in turn, restrict the range of housing types that a lot can support.

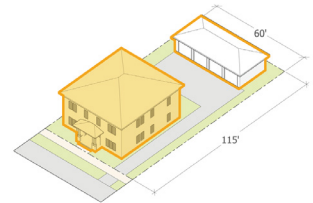
Parking Location

Parking location is not regulated in most districts where MMH is permitted. This allows parking to be placed in front of residential buildings, which undermines walkable environments.

Front Access, No Parking



Front Access, 1 Space per Unit



Alley-Loaded, 1 space per Unit

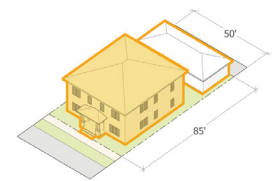


Figure 2.6 Examples illustrating the relationship between parking requirements and minimum lot sizes.

Figure 2.5 Example of a cottage court development in Zionsville, IN.

Cottages are often a popular housing type due to their smaller unit sizes, defined shared courts, and ability to fit within single-family neighborhoods. These housing types are especially desirable for residents who wish to age in place.

Old Town Overlay District

The Old Town Overlay District is intended to protect the character of properties within a defined geographic area characterized by traditional block patterns and proximity to Downtown Carmel. The overlay establishes specific standards that supersede those of the base zoning district. While the Old Town Overlay is geographically limited and largely built out, several of its regulations reflect best practices that support MMH and can serve as precedents for future zoning or neighborhood planning efforts.

These best practice regulations include:

- Allowing accessory dwelling units by right.
- Context-based front yard setbacks with permitted variations;
- Prohibiting front yard parking; and
- Reduced parking requirements.

Subdivision Standards

Each residential district includes provisions for residential and townhouse subdivision types, which are typically applied to larger sites. Standards within these subdivisions address elements such as minimum open space, block lengths, and pedestrian and vehicular networks. While these standards are not inherently barriers to MMH, the limited mix of housing types permitted within these subdivisions does not encourage the diverse neighborhood patterns or mix of uses typically needed to create walkable environments where MMH is most effective, as discussed in Section 1.6.





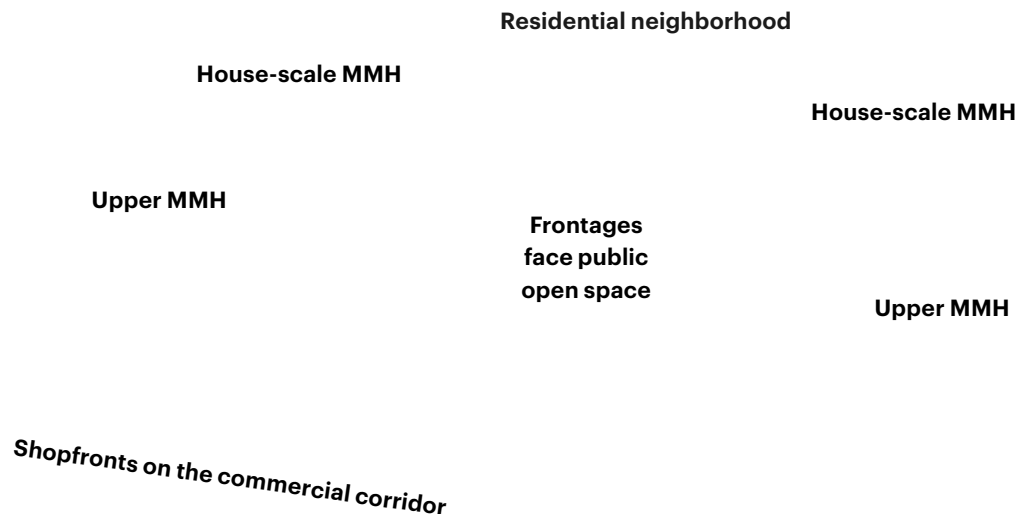
-  Human-scale blocks
-  Upper MMH
-  House-scale MMH
-  Public open space

Figure 2.9 An aerial view of a site that integrates a mix of uses, transitioning in scale from larger buildings along a corridor to smaller-footprint types near adjacent residential neighborhoods.



2.3

Next Steps Towards Implementation

Utilizing the Scan Memo & Test Fits

The preceding analysis outlines a range of best practices and is intended to serve as a tool for ongoing conversations with community members, staff, and the development and design communities about which housing types are appropriate in different contexts. Together, the MMH Scan Memo and the test-fit analysis identify more detailed gaps in existing standards that may produce unintended outcomes. They also serve as valuable resources to help staff and housing advocates advance the MMH conversation and build consensus around future policy changes, zoning amendments, and map updates.

Potential Next Steps

■ Educational opportunities:

City staff can use the materials in this report to host walking tours, roundtable discussions, developer trainings, and lot-testing exercises for community

members and local leaders. These conversations are intended to dispel misconceptions about Missing Middle Housing (MMH), listen to and address concerns, evaluate which MMH types are contextually appropriate, and empower community members to voice their priorities in public meetings.

■ Short-term zoning adjustments:

Targeted zoning changes can help pave the way for broader reform. Actions such as adopting an ADU ordinance or reducing parking minimums are modest steps that can have a significant near-term impact on housing attainability.

■ Long-term zoning updates:

Citywide zoning updates for residential districts will require a longer process, including robust community engagement and feedback. An intermediate approach could focus on updating select residential zones and/or creating one or two new zoning districts that support MMH.

Middle Housing Implementation Success Stories

Middle Housing Plans/ Districts/Overlays: Raleigh, NC; Durham, NC; Cumberland, IN; Minneapolis, MN; Portland, OR; Seattle, WA; Sacramento, CA; San Diego, CA; Santa Rosa, CA; Iowa City, IA; Cincinnati, OH; Kauai, HI

Missing Middle Zoning Toolkits and Objective Design Standards: Marin County, CA; Puget Sound, WA; Bay Area, CA; [AARP Discovering & Developing Missing Middle Housing](#)

Missing Middle Pre-Approved Plans: Kalamazoo, MI; Spokane, WA; South Bend, IN

Missing Middle Scans + Deep Dives: Columbia, SC; Greenville, SC; Greensboro, NC; Athens, GA; Idaho Falls, ID; Asheville, NC; Knoxville, TN; Modesto, CA; Hanover, NH; Louisville, KY