

# The Reality of EHO In Arlington County

POLICY IMPACT REPORT (Part 1 – Affordability)

MAY 1, 2026

An analysis of the implementation of Expanded Housing Option  
against the County’s initial goals

— PREPARED BY NEIGHBORS FOR NEIGHBORHOODS



[neighborsforneighborhoods.org](http://neighborsforneighborhoods.org)

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# INTRODUCTION



Arlington's elimination of single-family zoning began with a years-long process: the [Missing Middle Housing \(MMH\) Study](#). The Study stated that MMH would provide moderately-priced housing for young adults, teachers, and public safety workers.

Many residents supported the goal of increasing housing opportunities for these groups, believing that "missing middle" referred to **people** with moderate incomes. Instead, the County defined "missing middle" strictly as **housing types** — such as duplexes, townhouses, and small apartment buildings.

Midway through the process, the County rebranded the initiative, replacing "Missing Middle Housing" with "Expanded Housing Option" (EHO). Despite the name change, the County continued to claim that EHO would be affordable to moderate-income residents.

In March 2026, the County issued a report reviewing EHO permits approved between July 1, 2023 through 2025. The report lists the goals of the EHO initiative as "increase housing supply" and "diversify range of housing types," but it contains no analysis of whether EHO has delivered moderately-priced housing. In fact, the words "affordable" and "affordability" are entirely absent from the report.



# INTRODUCTION



Neighbors for Neighborhoods (NfN) is a grassroots, citizen organization that supports efforts to provide housing affordable to Arlington’s low- and moderate-income households. NfN believes in preserving single-family neighborhoods and concentrating housing density near transit, consistent with Arlington County’s decades-old development policy. We support the neighbors who filed a lawsuit against the County Board in 2023 to have EHO declared illegal because it violated state law.

NfN has reviewed approved EHO permits, applications, real estate listings, real property records, GIS data, and other sources to offer a detailed analysis of affordability (Report Part 1) and compatibility, distribution, and proximity to transit (Report Part 2).

The data show:

**EHO is far out of reach for moderate-income households.**

**Most EHO buildings are much larger than single-family homes.**

**EHO is concentrated in certain civic associations and zoning districts.**

**Most EHO development is not metro accessible.**

# EHO Does Not Address Arlington's Housing Needs

In 2020, the County stated that EHO would [“incentivize the production of moderately-priced ownership housing.”](#)

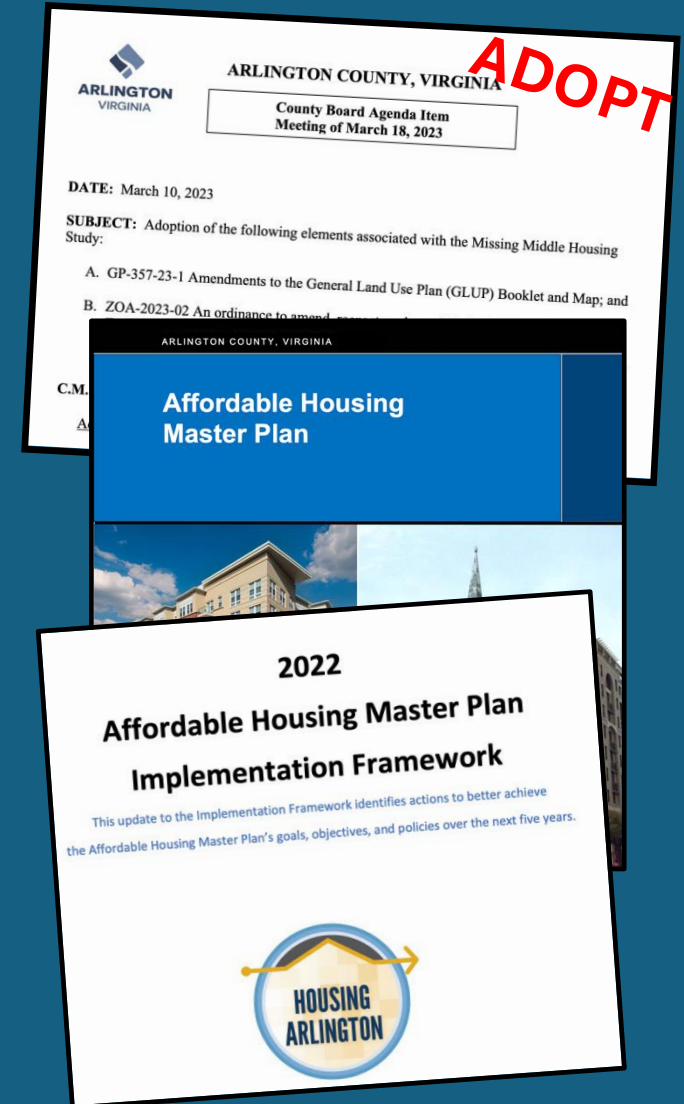
But the County Manager's [2023 recommendation](#) to the County Board to adopt EHO stated that under the policy, “households earning less than \$100,000 do not earn sufficient income to purchase or rent homes.”

By design, the EHO policy left behind [35% of Arlington households](#) - those earning less than \$100,000 - which was 78% of Median Household Income in 2023.


But Arlington's greatest housing needs are for households earning less than 60% AMI, and particularly those earning less than 30% AMI, according to the [2015 Affordable Housing Master Plan](#).

Arlington County's own [2022 housing analysis](#) did not recommend EHO to address affordable housing needs, noting that the tools recommended considered “what can reasonably be achieved given constraints on resources and the limitations on local government authority.”

EHO supporters were aware of the housing needs of low-income households and believed that EHO was designed to help them. [Testimony during public hearings](#) included that EHO was “the right thing to do” for bus drivers, custodians, and teachers' assistants; [while others](#) looked forward to welcoming more diverse, low-income neighbors to Arlington.




# EHO was intended for teachers and public servants



ARLINGTON VIRGINIA

## What is “missing middle”?



County says Missing Middle is housing types, not people.

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In community meetings during the consideration of EHO, and on its [website](#), the County promised that EHO would benefit: ***“Young adults, who are just starting their careers”*** and ***“public servants in search of mid-scale homes, such as teachers, police officers, and firefighters.”***

But EHO is not affordable for these individuals.

# EHO is Unaffordable for Moderate-income Households

- **No requirements or incentives to produce housing that is affordable.**
- **Demand for luxury housing in Arlington continues to be strong.**
- **EHO is attainable only for very high-income residents.**

To date, only three EHO units have sold and one is under contract, with prices ranging from **\$1,200,000 to \$1,615,000**. On the rental market, EHO units are currently listed for as much as **\$4,350 per month**.

These figures demonstrate that EHO has failed to incentivize the production of moderately-priced housing. By relying entirely on private developers to provide units without an affordability requirement, the policy has succumbed to market realities: in an environment with high demand for luxury housing, developers will build large, expensive units to maximize profit.

Proponents of the zoning change often argue that an EHO unit is "less expensive" than a \$2 million single-family home. This is a false comparison. For the moderate-income households that the policy was intended to help, a \$1.2 million unit is just as out of reach as a \$2 million home.

# EHO is for Very High-income Households



## Case Study: Troy St. N

A developer purchased a single-family home for \$863,000 and replaced it with a duplex that sold for a total of \$3,225,000 (\$1,610,000 + \$1,615,000).

These units sold for 26% more than the 2026 average assessed value for a single-family home (\$1,279,000).

[Source: 2026 Arlington Profile.](#)

The County's 2026 EHO Report highlights that each of these units costs 45% less than the average sales price of a new single-family home in the same zip code – \$2,976,000. This fact is irrelevant to teachers and public safety workers who can't afford EHO, even if it is less expensive than new, large single-family homes.

While EHO promised "moderately-priced" housing, only extremely high-income households earning at least \$350,000 can afford to purchase an EHO home in Arlington.

# EHO is for Very High-income Households

## Case Study: 25<sup>th</sup> St. S

**5043 25<sup>th</sup> St. S is the least expensive EHO unit sold to date – \$1,200,000.**

A developer purchased the single-family home for \$560,000 and replaced it with a duplex that sold for a total of \$2,450,000.

Like the developments on Troy Street N, the duplex units on 25<sup>th</sup> St. S are accessible only to very high-income households. To avoid being "cost-burdened,"\* a purchaser would need an annual income between **\$350,000 and \$400,000**. And the cash needed up front with a 10% down payment and closing costs would be nearly \$150,000.

*\*Arlington County defines "cost-burdened" as spending more than 30% of gross household income on housing.*



Duplex 25<sup>th</sup> St. S



March 2026  
realtor.com listing

5043 25<sup>th</sup> St. S



Under contract  
Zillow listing

5041 25<sup>th</sup> St. S

# EHO is for Very High-income Households



## **Case study: 14<sup>th</sup> St. N**

**3802 14<sup>th</sup> St. N** is a six-plex with 3-bedroom units renting at \$4,350/month. ([Zillow listing](#))

Currently, the only EHO units listed for rent are in a 6-plex with a "base rent" of **\$4,350 per month** for a 3-bedroom unit. This is **16% higher** than the 2025 average rent of \$3,741 for a 3-bedroom apartment in Arlington.

(Source: [2026 Arlington Profile](#))

Households earning **\$100,000**—the very group the County promised EHO would assist—would be severely cost-burdened by these prices. Rent alone would consume **52% of their pre-tax income**, leaving them far beyond the County's own 30% affordability threshold.

# EHO is for Very High-income Households



**Income levels of those EHO was intended to benefit:**

Firefighters - \$71,510 (entry level)  
 (source: <https://www.arlingtonva.us/Government/Departments/Fire/Employment>)

Police Officers - \$90,012 (entry level)  
 (source: <https://joinarlingtoncountypd.com/careers/>)

Black Households - \$95,137 (median)  
 (source: <https://www.healthierarlington.org/demographicdata>)

Teachers - \$98,053 (average)  
 (source: <https://www.apsva.us/wp-content/uploads/sites/57/2026/02/FY-2026-WABE-Guide.pdf>)

Latino Households - \$106,601 (median)  
 (source: <https://www.healthierarlington.org/demographicdata?id=2878&sectionId=939>)

Level	Median Household Income % (\$142,114)	Income
Very low	Under 30%	Under \$42,134
Low	30% to under 80%	Under \$113,691
Not intended for EHO	Under 78%	Under \$100,000
Moderate	80% to 120%	\$113,691 – \$170,537
High	More than 120%	More than \$170,537
<b>Required for EHO</b>	<b>At least 245%</b>	<b>At least \$350,000</b>

# EHO: Loss of Moderately-priced Housing

The **Missing Middle Housing Study** highlighted a growing concern: the dwindling supply of moderately-priced single-family homes. This shortage is largely driven by the “McMansion” trend, where developers demolish smaller, entry-level houses to build expansive, high-cost single-family ones.

While EHO was intended to address this deficit, implementation to date demonstrates that like McMansions, EHO developments are replacing modest homes with large, very expensive units.

## **25<sup>th</sup> Street S:**

**Original Property:** A developer purchased a single-family home for **\$560,000**.

**EHO Replacement:** one unit sold for **\$1,200,000**, and the second is under contract for **\$1,250,000**.

The "solution" eliminated a moderately-priced home and replaced it with two units, each costing twice the price of the original house.

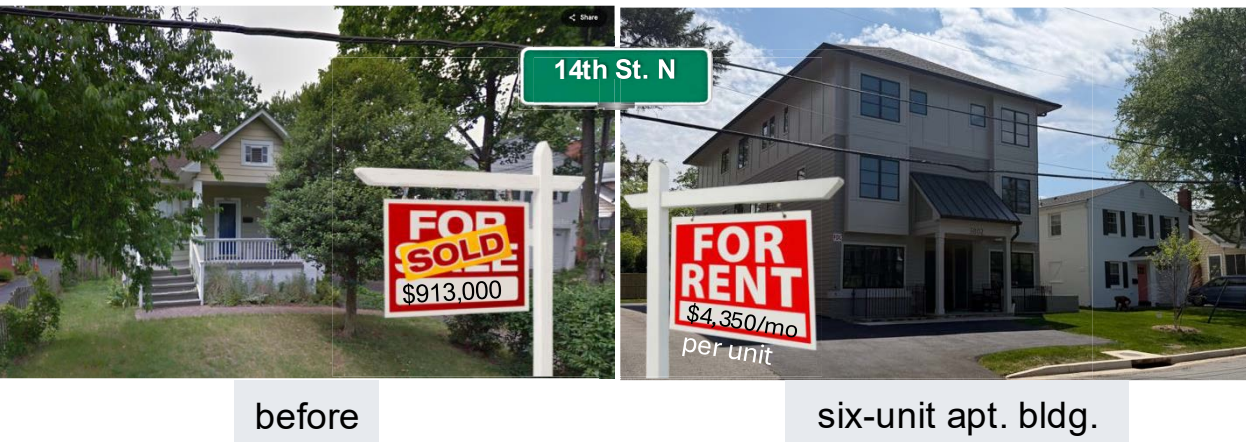


# EHO: Loss of Moderately-priced Housing



Developers have purchased many single-family homes for EHO development at prices well below the averaged assessed value of such homes. This includes sales prices of:

\$475,000; \$560,000; \$650,000; \$678,000; \$690,000; \$695,000; and \$710,000.



Part 2 of this Neighbors for Neighborhoods report will include details of each EHO permit, including purchase prices for the properties.

# Coming soon:

## Part 2 – Compatibility, uneven concentrations of EHO, Metro accessibility

By any objective metric, EHO has failed to provide the "moderately-priced" housing that the County promised. Instead, it has created a new tier of luxury units accessible only to the top percentage of earners. While EHO units sold to date cost less than McMansions, neither is affordable for the teachers, public servants, and young professionals the County claimed this policy would serve.

**The failure of EHO to live up to its goals extends beyond affordability.**

**Part 2** of this report will analyze the size of EHO-approved units, most of which are much larger than newly built single-family homes; the concentration of EHO projects within specific civic associations and zoning districts; and the lack of proximity to Metro. Part 2 also will review the status of legal challenges to EHO.



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