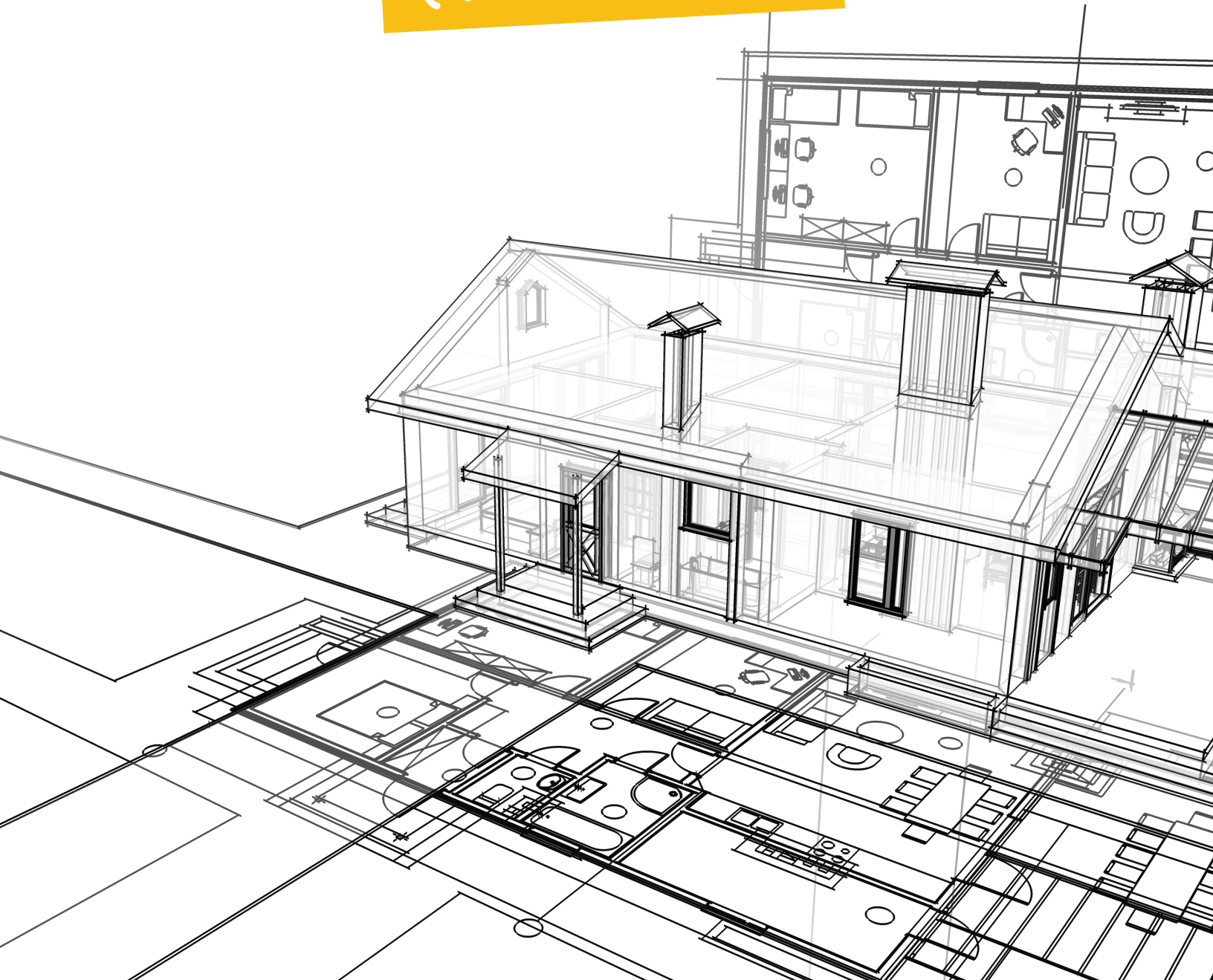


Cost Estimator

(HEAT SHEET



ADU: Stand Alone Unit

500 sq ft

	<i>Southern California</i>	<i>Bay Area</i>
	Low End	High End
Soft Costs		
Design Fees (Feasibility study, schematics, CDs)	\$9,000	\$15,000
Builder's Risk Insurance	\$2,500	\$2,500
Title 24 (Energy Calculations)	\$250	\$350
Hard Costs		
Demolition, excavation & site prep	\$2,000	\$9,000
500 Square foot detached wood frame (1 Bedroom)	\$135,000	\$175,000
Appliances not in contract	\$2,500	\$4,000
Permits & Fees		
Building permit application	\$1,000	\$1,400
Building permit	\$6,000	\$15,000
Park Fees	\$2,000	\$8,900
School Fees	\$1,000	\$2,000
Address assignment	\$400	\$400
Coastal Review (If you're in coastal overlay zone)	\$0	\$17,000
TOTAL ESTIMATE:	\$161,650	\$250,550

Building ADUs are not cheap, but the financial benefits, especially for people who plan to own the home long-term are huge. If you can build for \$300 per sq/ft, but the value of your home is closer to \$500 per sq/ft you're gaining instant equity, increasing your square footage, and gaining an income generating property. If you're building for an aging family member, the cost savings of building an ADU versus paying for assisted living is dramatic.

Keep in mind that cost per square foot is not linear. The first 400 square feet are the most expensive because they must include a kitchen and a bathroom, plus there are lots of fixed costs like permits and design fees. The larger your unit is the less your cost per square foot will be.

ADU: 2 Car Garage Conversion

400 sq ft

	<i>Southern California</i>	<i>Bay Area</i>
	Low End	High End
Soft Costs		
Design Fees (Feasability study, schematics, CDs)	\$8,000	\$13,000
Builder's Risk Insurance	\$2,000	\$2,000
Title 24 (Energy Calculations)	\$250	\$350
Hard Costs		
Water proofing, retaining walls, or site work	\$2,000	\$10,000
Construction Cost	\$70,000	\$100,000
Appliances not in contract	\$2,500	\$4,000
Permits & Fees		
Building permit application	\$1,000	\$1,400
Building permit	\$5,000	\$10,000
Park Fees	\$1,000	\$5,500
School Fees	\$0	\$0
Address assignment	\$400	\$400
Coastal Review (If you're in coastal overlay zone)	\$0	\$17,000
TOTAL ESTIMATE:	\$92,150	\$163,650

The most efficient and inexpensive way to create a secondary housing unit on your property is to convert an existing garage. We've estimated that a \$100,000 garage conversion brings a return of 1.5 million dollars over a 30 year period. This is assuming that the unit is being used for a long-term rental. We have taken into account increased value of property and inflation.

"YIKES! That's more than I thought!"

People often underestimate the cost of construction, but adding an ADU allows homeowners to reap huge monetary and social benefits. Let's look at an example that makes these numbers seem less scary.

Let's say you build an ADU for \$200,000 (or less). If you get a \$200,000 30-year mortgage with an interest rate of 4.25%, your payments will be about \$1,147 a month.

Two bedroom 700 sq ft ADU: Initial cost 200K

Monthly Loan Payments	Monthly Rental Income	Monthly Profit
\$1,147	\$2,500	= \$1353

So not only are you generating income immediately, this doesn't take into account the increase in property value of the property.

Keep in mind, Bay Area construction numbers will be much higher, but those but homeowners can also command significantly higher rents. The numbers pan out in both geographic regions.



Labor Cost by City

Compared to the National Average

Albuquerque, NM	-14%
Atlanta, GA	+24%
Austin, TX	+13%
Baltimore, MD	+12%
Baton Rouge, LA	+19%
Beaufort, SC	-14%
Beaverton, OR	+15%
Charlotte, NC	+6%
Chicago, IL	+40%
Cleveland, OH	+7%
Colorado Springs, CO	-3%
Dallas, TX	+8%
Denver, CO	+1%
Edmond, OK	-8%
Fairborn, OH	-15%
Fontana, CA	+6%
Fort Lauderdale, FL	+2%
Fort Worth, TX	+6%
Fremont, CA	+35%
Garden Grove, CA	+20%
Garland, TX	+8%
Grand Rapids, MI	+7%
Greenwood, AR	-5%
Houston, TX	+24%
Indianapolis, IN	+6%
Jackson, MS	-10%

The Costing Cheat Sheet should serve as a rough idea of the cost of building an accessory dwelling unit. Costs can fluctuate.

Labor Cost by City

Compared to the National Average

Jacksonville, FL	-1%
Jamaica, NY	+35%
Jersey City, NJ	+23%
Kansas City, MO	+4%
Kingman, AZ	-35%
Lagrange, GA	-5%
Las Vegas, NV	+7%
Layton, UT	-18%
Long Beach, CA	+16%
Los Angeles, CA	+11%
Miami, FL	+1%
Milwaukee, WI	+12%
Minneapolis, MN	+25%
Mobile, AL	-8%
Nashville, TN	+21%
Oceanside, CA	+8%
Oklahoma City, OK	-12%
Orlando, FL	+2%
Overland Park, KS	+15%
Philadelphia, PA	+40%
Phoenix	0%
Pittsburgh, PA	+9%
Portland, OR	+11%
San Diego, CA	+11%
San Francisco	+51%
San Jose	+31%