

Backyard Homes “Yes. In My Backyard”

By Pat Kapowich



Twenty years ago, most Bay Area homeowners were opposed to having secondary housing units in their next door neighbor's backyard. Similarly, Accessory Dwelling Units (ADUs) have swapped out "granny units" and "in-law quarters."

Times change. Perhaps the housing shortage and aging population are why attitudes have been modified. Regardless, according to The California Department of Housing and Community Development, "changes to ADU laws (SB 1069, AB 2299 and AB 2406) will further reduce barriers, better streamline approval and expand capacity to accommodate the development of ADUs."

The term "housing crisis" is now synonymous with the housing shortage. Young, old, rich or poor have all seen Bay Area rents skyrocket as supply plummets. The new laws deliberately

eased parking and requirements which will no doubt result in added housing stock for renters and rental income ADU owners.

As a Realtor®, I know this is another option for many older adults who are traditionally unable or unwilling to sell and move. In fact, our Multiple Listing Service will include a search function for properties with an ADU.

Accessory Dwelling Units—a.k.a. Secondary Dwelling Units or Accessory Living Units—are attached or detached new construction. Conversely, a Junior Accessory Dwelling Unit, (JADU) repurposes a room within the existing footprint of the single-family residence.

JADUs have a separate entrance but no gas or 220-volt appliances and can be no more than 500 square feet. Two double locking doors are required to connect the unit to

the primary residence. The JADU requires an efficiency kitchen while a bathroom is optional.

Senior citizens now referred to as "older adults" can maximize the newer term "aging in place." The ADU can accommodate guests, renters, family members or caregivers. Let's not forget, the homeowner has the option to live in the ADU while collecting rent on the larger home.

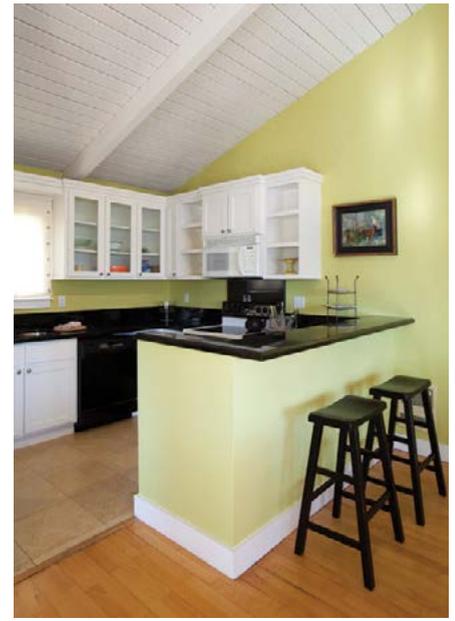
Regardless, rental income in the backyards of retirees or a growing family is a safe investment. Thankfully, major banks are working on an ADU-specific loan home that will allow the future rents as a factor for qualifying.

How much? You might ask. One newspaper article stated, "a rock-bottom new one can cost \$50,000 to construct." We're not talking sheds.

Another reported \$200,000 on the high end to complete. Reports also indicate speeding up the process with dramatic decreases in fee and costs. After interviews with the Garrison brothers of MC Contractors & Engineering, I thought it would be prudent to get real-world advice.

Owner Mark Garrison currently has 20 permits open at different building departments from San Francisco to Gilroy. They also recently built a detached ADU in Los Gatos for \$335,000. The permits were over 15% of the cost.

Still a bargain today when 44-year old, 4-plexes sharing a laundry room, converted into condos, sell for \$550,000+ accompanied by a \$300+ monthly HOA fee.



Garrison confirmed a few of my concerns. Adding an ADU could trigger upgrading the existing home's old and undersized water, gas and sewer lines.

"One can easily spend \$75,000 in utility upgrades," he said. Utility companies bring their respective lines from the street to the single-family home. The contractor will then bring those lines to the ADU. Mark recalled an attached non-permitted ADU that triggered adding fire sprinklers to both dwellings.

The cost could reach \$30,000 in plumbing, labor, fees and permits. Fire sprinklers are not mandated in ADUs if the existing house did not require them when built. However, building and fire departments might find a loophole.

Mark's brother, Tim and author of *Structural Concepts For the Non-Engineer*, shared how many professionals could be hired for the process of building an ADU.

"The primary disciplines typically required are an architect, surveyor, civil engineer, planner, structural engineer and builder. There are secondary disciplines which may or may not be involved such as landscape architect and interior designer. Trade contractors usually handle disciplines such as electrical engineering and mechanical engineering.

"If this site is steeply sloping, seismically active or has some other geological issue, you'll likely need a geotechnical engineer," Tim added. "If everything goes perfectly, six months minimum. If there are glitches—there's no upper limit. Realistically I'd estimate a year."

No matter—the "win-win" investment and security of an ADU or JADU may well be worth the cost and wait.

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