

ACCESSORY DWELLING UNITS

Guide & Checklist



Best Company

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WHAT IS AN ADU?



An Accessory Dwelling Unit (ADU) is a secondary unit, either or attached or detached from a single-family home. ADUs could a guest house, pool house, converted garage, etc. Tiny homes have also become an increasingly popular ADU option, providing extra living space on the property or a rental opportunity to make some extra cash.

ADUs typically tap into the utilities of the primary house on the property and must include a kitchen, a living area/bedroom, and a private entrance.

To combat the housing crisis, ADUs have become an attractive option for creating passive income — also known as house hacking, providing an option to reduce your own housing costs.

HOW MUCH DOES AN ADU COST?

Building an ADU can cost **anywhere from \$100,000–\$140,000, or even as much as \$180,000**, depending on the amenities and appliances you'll be including in the unit.

Costs to consider:

- ☐ Property costs
- ☐ Contractor and laborers
- ☐ Prefab ADU kit (if you aren't planning on designing and building yourself)
- ☐ Amenities (electrical, plumbing, HVAC, etc.)
- ☐ Appliances



ADU PROS AND CONS

PROS

- Endless potential uses to the space
- Increases property value
- Improves housing affordability
- Can function as a source of passive income
- Nearby utilities to tap into (water/sewer/gas/electric)

CONS

- Property taxes may increase
- Possible issues with renters and maintenance
- Diminishes privacy
- Not all jurisdictions or homeowners associations allow ADUs



ADU CHECKLIST



Things to check before building an ADU on your property:

- ☐ Ability to tap into nearby utilities
- ☐ Income potential
- ☐ Multiple uses of the space
- ☐ Space for a separate entrance
- ☐ Permits are attainable
- ☐ In accordance with zoning laws
- ☐ No major effects on property taxes



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