

Accessory Dwelling Unit (ADU)

State of Oregon's Role



Seattle City Council Event
April 23rd, 2015

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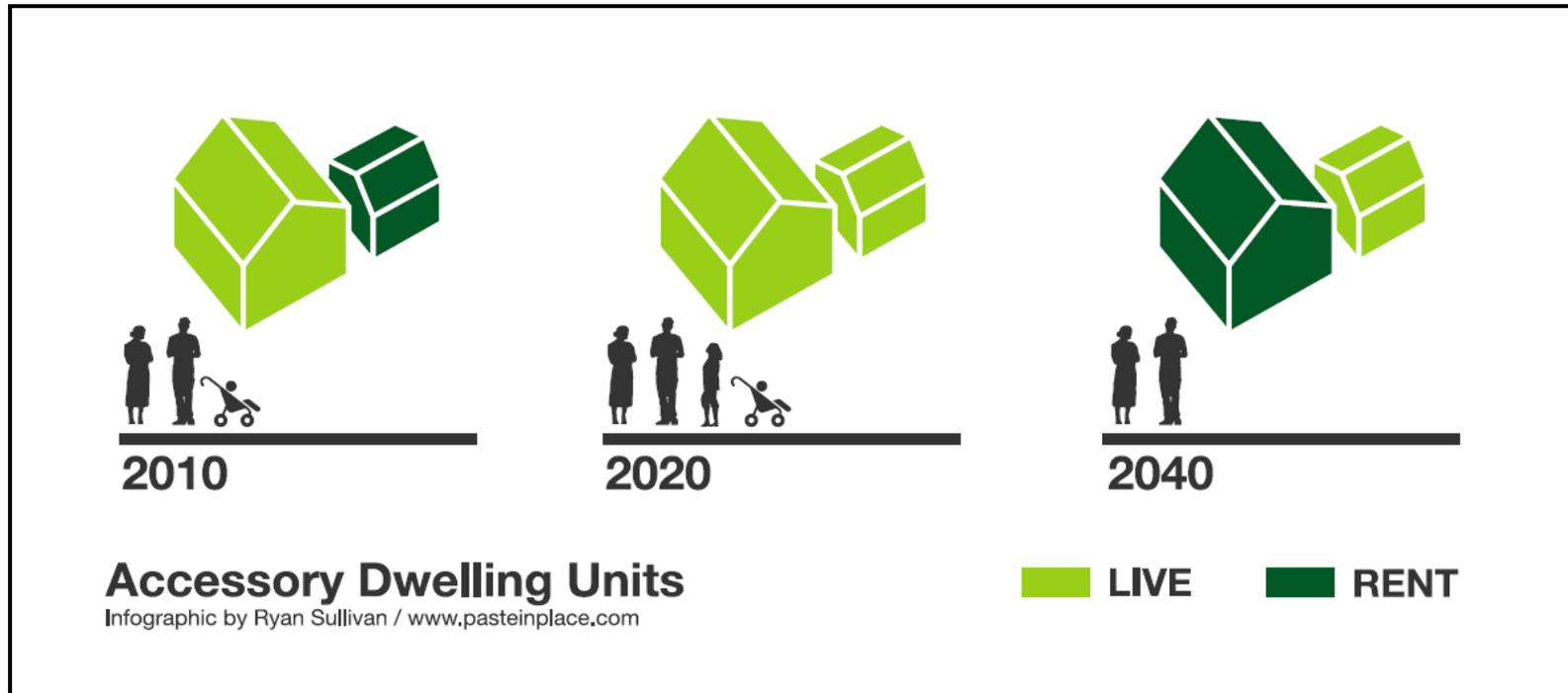


State of Oregon
**Department of
Environmental
Quality**

More details: <http://www.deq.state.or.us/lq/sw/wasteprevention/greenbuilding.htm>

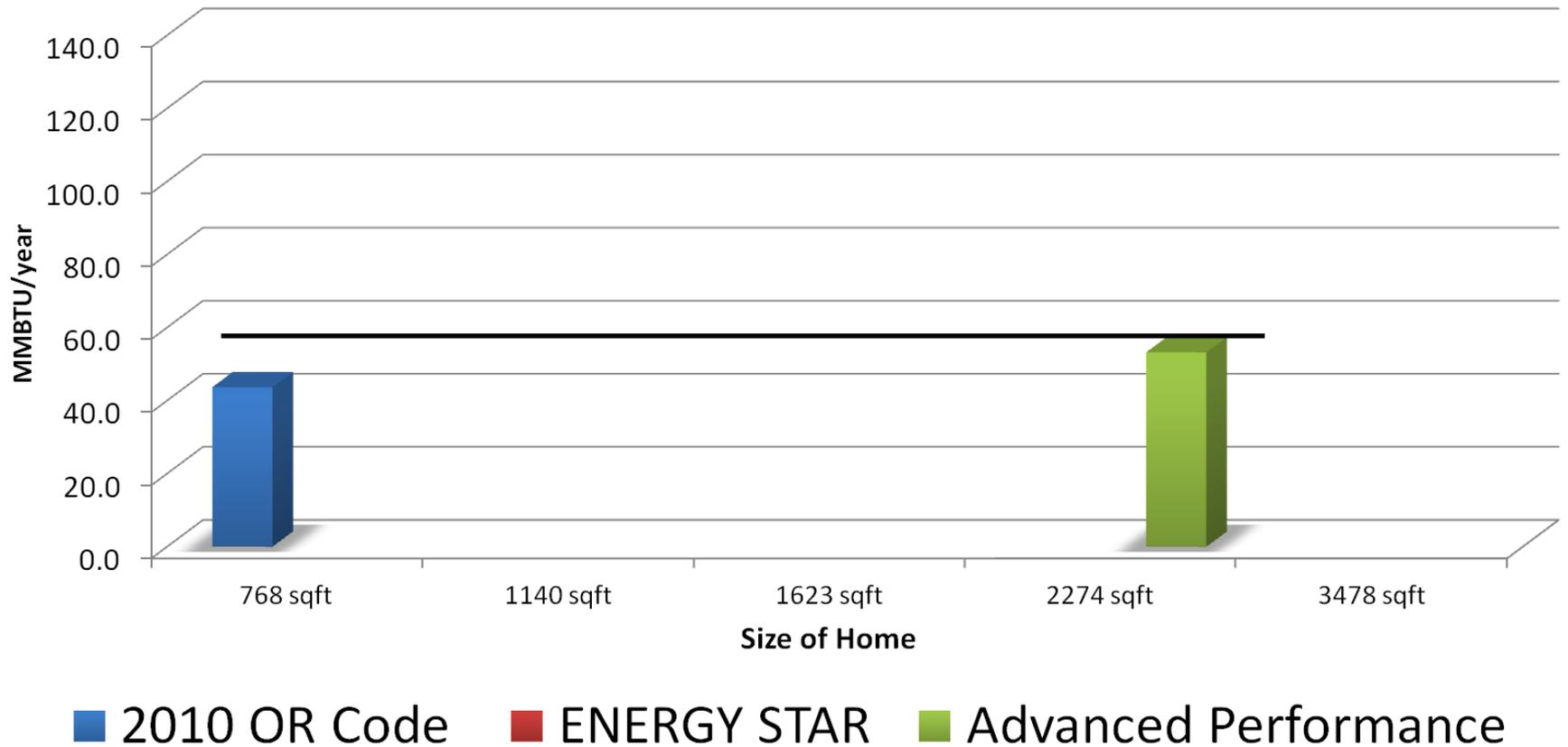
Overview

1. Why are ADUs important?
2. Survey results - How are ADUs used, constructed, financed?
3. How is Oregon promoting them?



Building Small - a green building strategy

Annual Operational Energy Use



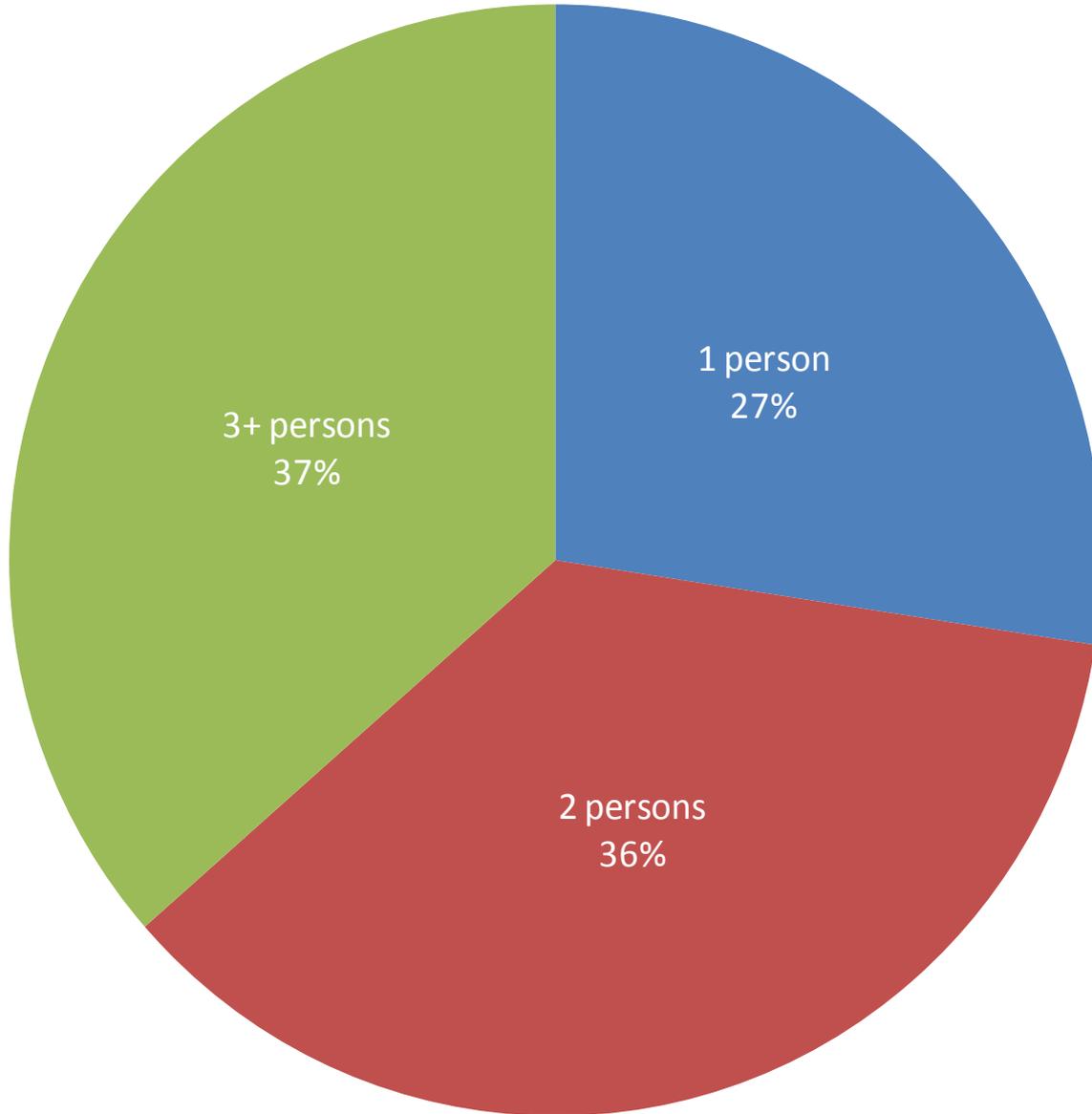
House size has increased



**AVERAGE SIZE OF NEW SINGLE-FAMILY HOME AND
AVERAGE PERSONS PER HOUSEHOLD
IN 1950 AND 2005**

US CENSUS AND NATIONAL ASSOCIATION OF HOME BUILDERS

Share of Households by Size, 2010
State of Oregon



Survey Research of ADU owners

Accessory Dwelling Unit Survey
for Portland, Eugene, and Ashland, Oregon
Final Methodology and Data Report
September, 2013

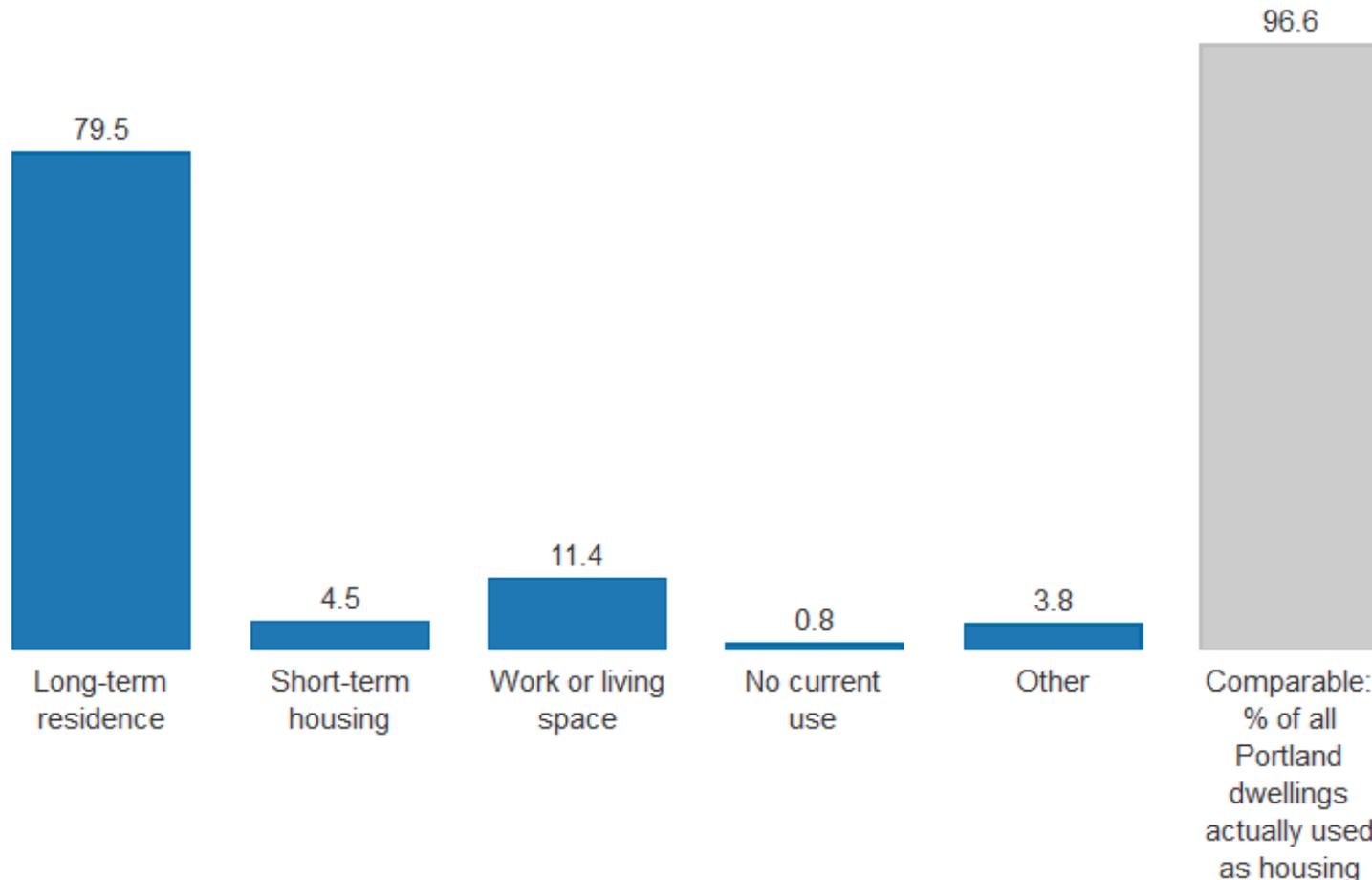


Table 2: Final Response Rates

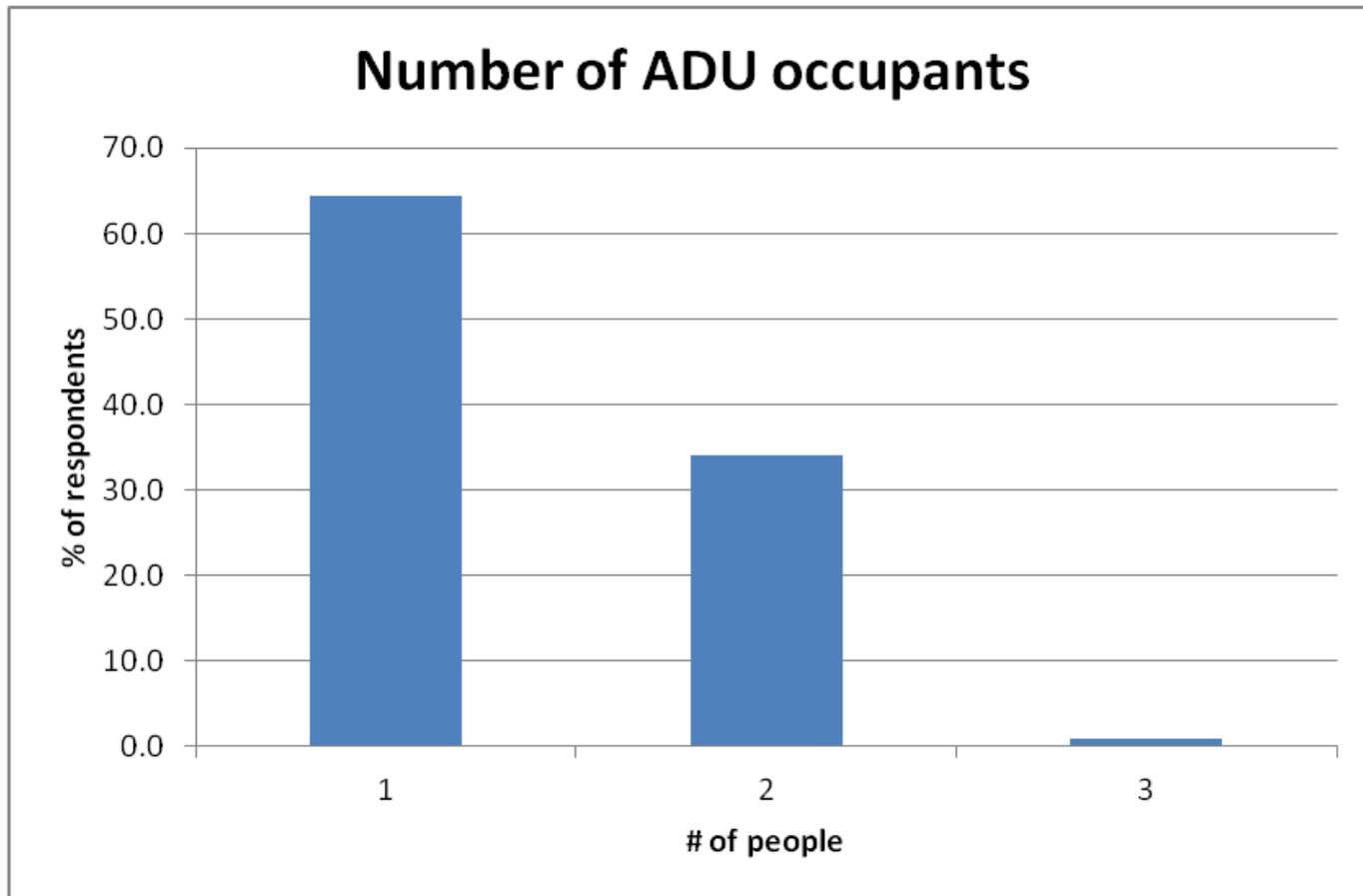
	Target Completes	Total Completes	Valid Sample	Response Rate
Portland	248	290	673	43.2%
Eugene	82	49	91	53.8%
Ashland	57	30	66	45.5%
Total		369	830	44.6%

Are ADUs providing housing?

Uses of ADUs in Portland, Oregon USA in 2013 (percent)

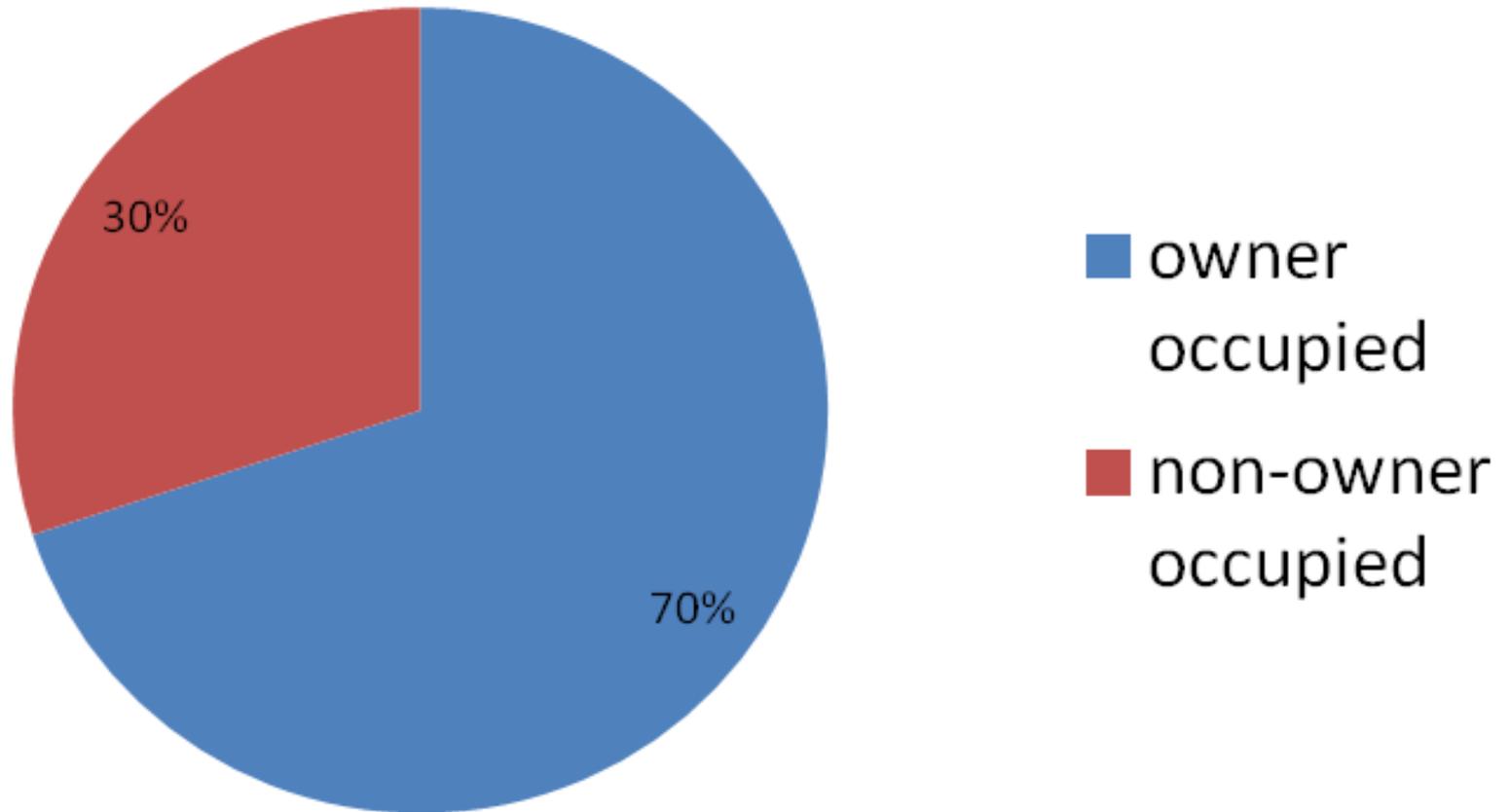


Household Size



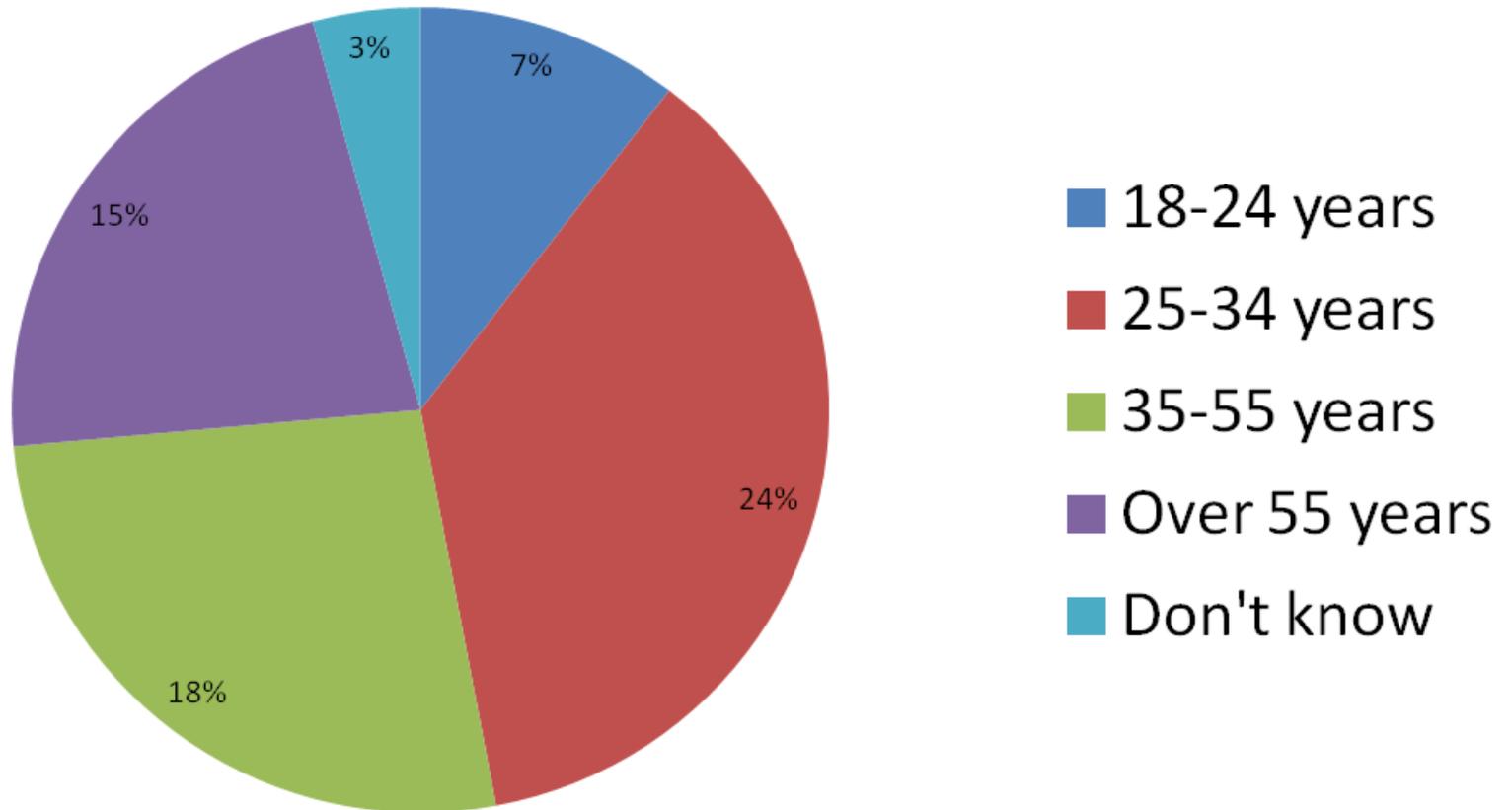
Average ADU household size = 1.45 people

ADU owner status?

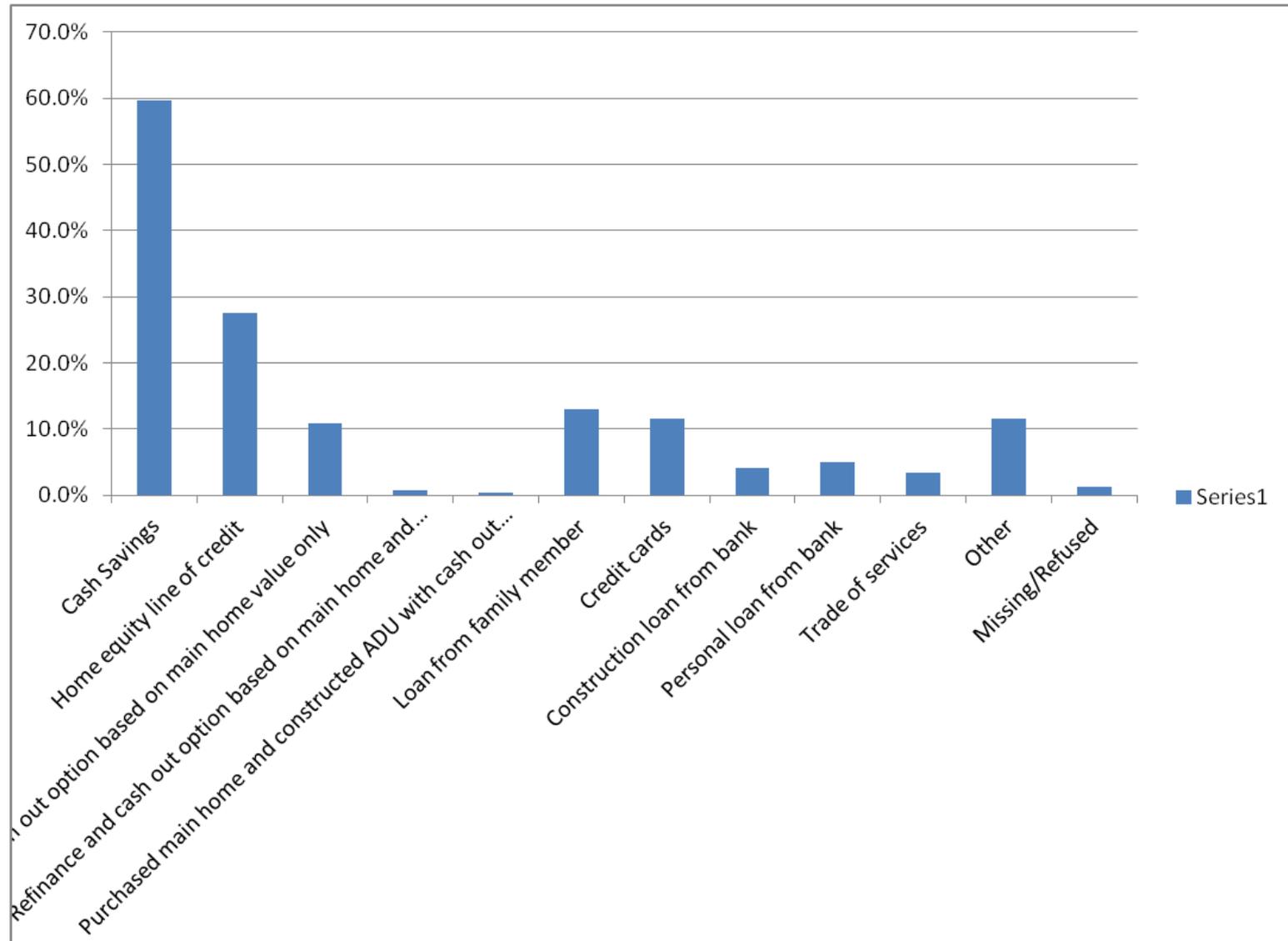


Who lives in ADUs?

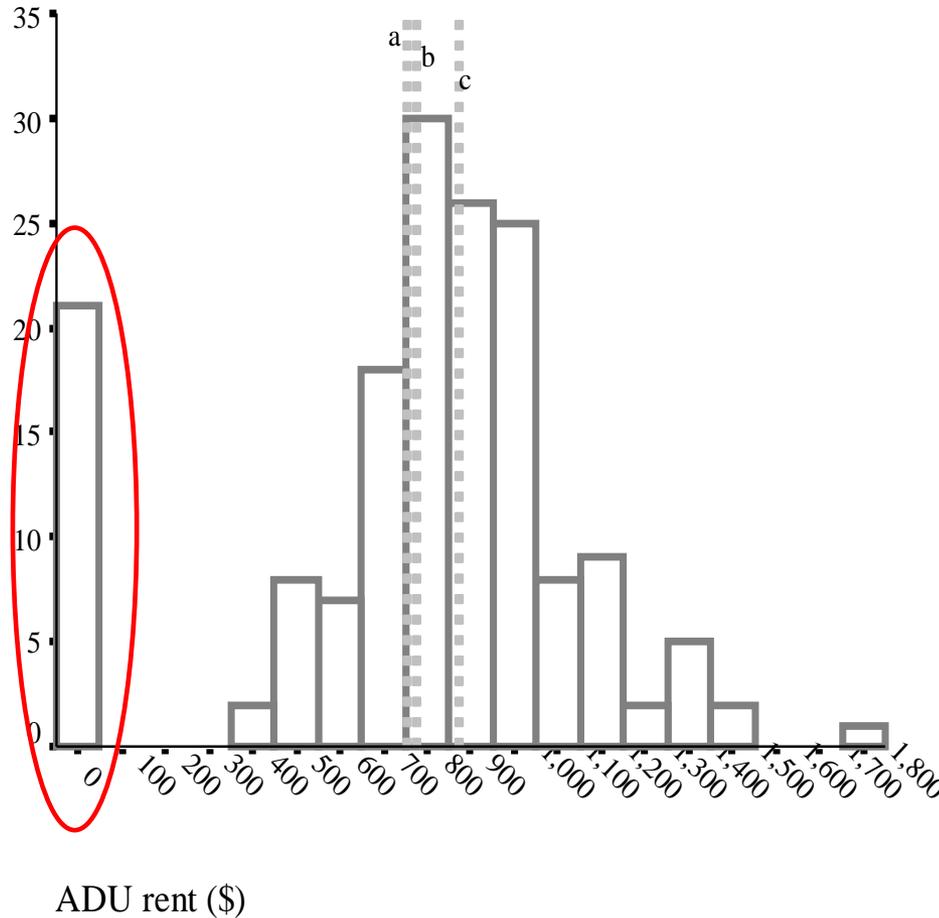
Occupant Age Profile



How are ADUs financed?



Rental rates

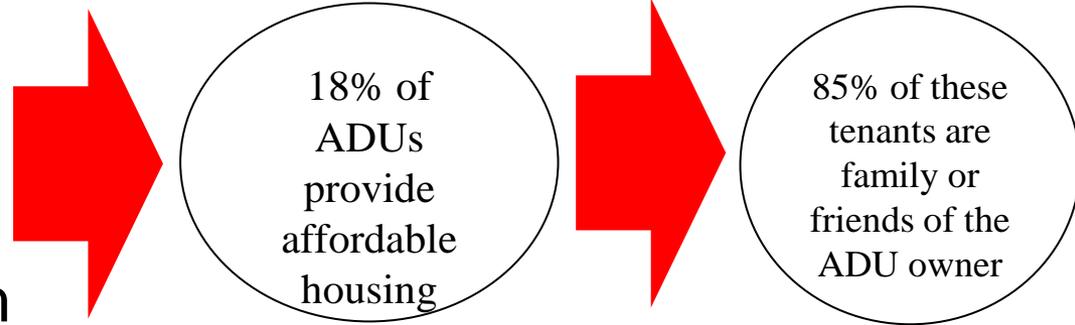


- ADU avg \$756/month (with \$0 rents)
- Comparable multi-family rent avg \$778/month

Do ADUs provide affordable housing?

Occupant

1. 13% of ADU occupants are charged \$0 in rent
2. 5% of ADU occupants are charged <\$500/month

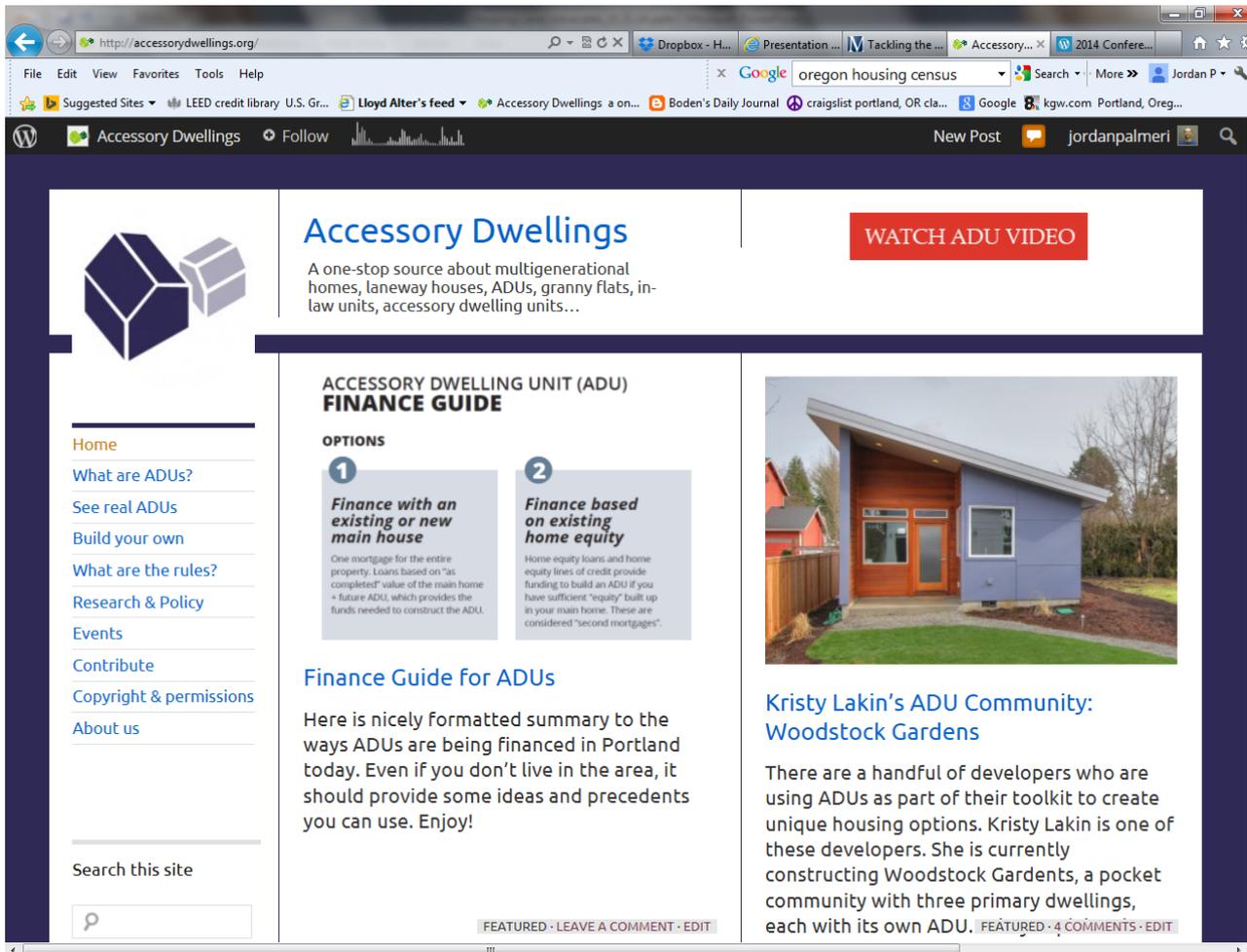


Owner

3. 48% of ADU owners are between 55 and 74 years old. The ADU will make their housing more affordable into retirement.

Developer

4. Average cost of new ADU is \$78,000. How does this compare to the cost of a new affordable housing unit?



The screenshot shows the website's layout. At the top left is a logo of three interlocking cubes. The main header features the title "Accessory Dwellings" and a red button that says "WATCH ADU VIDEO". Below the header is a navigation menu with links for Home, What are ADUs?, See real ADUs, Build your own, What are the rules?, Research & Policy, Events, Contribute, Copyright & permissions, and About us. The main content area is divided into two columns. The left column contains a "FINANCE GUIDE" section with two numbered options: "1 Finance with an existing or new main house" and "2 Finance based on existing home equity". The right column features a photograph of a modern blue and orange ADU, with a caption "Kristy Lakin's ADU Community: Woodstock Gardens" and a paragraph of text describing the community. At the bottom of the page, there are links for "FEATURED", "LEAVE A COMMENT", and "EDIT".

Includes:

- Case studies
- Videos
- Tour info
- Zoning code
- Appraisal guide
- Financing guide
- Research

Appraisal Guide

A Practitioner's Guide to Appraising ADUs

An accessory dwelling unit (ADU) is a small self-contained dwelling, typically with its own entrance, cooking, and bathing facilities, that shares the site of a larger, single-unit dwelling. ADUs may be attached, as in the case of a basement apartment, or detached, as in the case of a backyard cottage. An ADU is not a separate property; it has the same owner as the primary dwelling.

Because ADUs are an emerging type of residential development with unique legal uses, real estate appraisers frequently misunderstand how to account for them. We recommend you follow these four steps when appraising any property with an ADU.

- 1 | **Ensure ADU is legal and confirm that main house + ADU can be rented.**

In the City of Portland and most parts of the Portland metropolitan region, *both* the main home on the property *and* a legally created ADU on the lot can be simultaneously rented. In other words, *the property owner does not need to live in either unit.* These legal, income-producing uses of the property with an ADU may affect

- 2 | **Conduct the HBU.**

Consider these questions: What are market rents for the main home and the ADU? What are the Gross Rent Multipliers (GRMs) for the area and property type? Does a consideration of rents for the main home and the ADU affect the test of "maximally productive" for the property -- does it lead to a higher opinion of value through the income approach?



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AccessoryDwellings.org



ADU finance guide



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ACCESSORY DWELLING UNIT (ADU) FINANCE GUIDE



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OPTIONS

1

Finance with an existing or new main house

One mortgage for the entire property. Loans based on “as completed” value of the main home + future ADU, which provides the funds needed to construct the ADU.

2

Finance based on existing home equity

Home equity loans and home equity lines of credit provide funding to build an ADU if you have sufficient “equity” built up in your main home. These are considered “second mortgages”.

3

Finance independently of main home

Besides personal loans, credit cards, and family loans there aren’t any currently established “second mortgage” options for people who don’t have sufficient equity (option 2) or don’t want to refinance (option 1).

FEATURED IN THIS GUIDE! *Turn over for more information »*

FUNDING GAP!

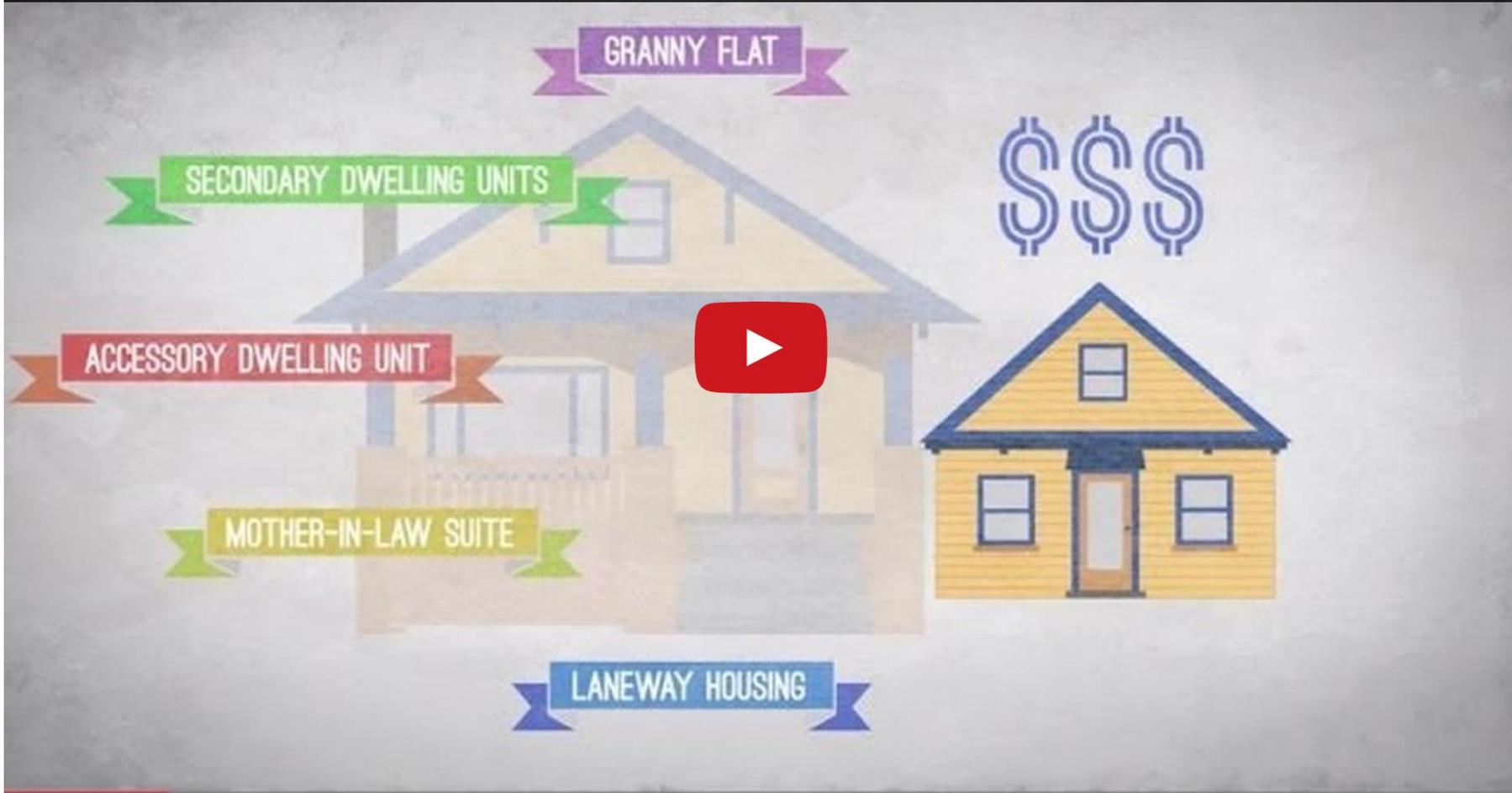
Contact AccessoryDwellings.com if you offer this financing.

ADU Video

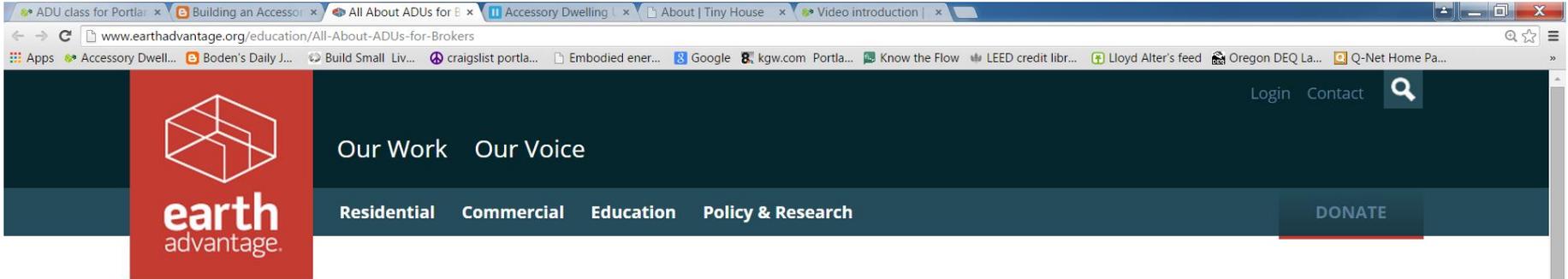


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Accessory Dwelling Units - Take the First Step



Homeowner and Real Estate ADU Classes



All About ADUs for Brokers



UPCOMING SESSIONS

Select a Session

Overview

This half-day course is intended for brokers who need to increase their knowledge about Accessory Dwelling Unit

Duration

4 Hours

Format

Live Classroom

Instructor

Kol Peterson [Profile »](#)

Continuing Education

OR Real Estate Agency: 4 credit hours

EA Broker: 4 credit hours

CCB: 4 Series B credit hours

Who is this course for?

Real Estate Professionals

ADU Tours (2014 & 2015)



State of Oregon
Department of
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Caravan - The Tiny House Hotel Presents:

BUILD SMALL, LIVE LARGE: 2ND ANNUAL PORTLAND'S ACCESSORY DWELLING UNIT TOUR

Welcome to Build Small, Live Large: Portland's Accessory Dwelling Unit Tour! Exploring these unique spaces and having access to local ADU experts will put you in the center of an exciting trend in Portland—the growth of the small housing movement.

Portland has witnessed an eight-fold rise in the number of ADU permits since 2010. This dramatic increase is the result of a 2010 City of Portland waiver of System Development Charges, which reduced the cost of building permits for an ADU by up to \$11,000. Before the 2010 waiver, approximately 30 ADUs were built in Portland annually, but in 2014 alone, there were 262 ADU permits. The waiver's popularity caused the Portland City Council to extend the waiver until July, 2016.

The inaugural ADU Tour in the spring of 2014 sold out a week early at 850 tickets, and drew attendees from across the country, showing the surging interest in small housing. As a result, we doubled the size of this year's tour, making this possibly the largest tour of small houses anywhere.

In addition to the 25 ADUs featured on tour this weekend, Caravan's six tiny houses on wheels are also open to attendees. And make sure to come by for the ADU Tour party on Saturday evening from 4pm-8pm.

We sincerely hope you enjoy the tour and are inspired by the ADUs, homeowners, builders, and designers that you meet. No matter what your motivation for attending the tour, we encourage you to learn more at AccessoryDwellings.org to discover if one might be right for you.

1 1610 SE ASH ST JIM FORRISTAL & ADA KARDOS



- Type: Detached, new construction, garage below
- Use: Short-term Rental
- Square Footage: 374
- Total Cost: \$130K
- Cost per Square Foot: \$348
- Date Completed: January 2015
- Designer: Dave Spitzer
DMS Architects, adupdx.com
- Builder: Jim Forristal

2 1337 SE 15TH AVE CONSTRUCTIVE FORM ARCHITECTURE & DESIGN



- Type: Addition to ADU Conversion
- Use: Studio
- Square Footage: 500
- Total Cost: \$130K
- Cost per Square Foot: \$260
- Date Completed: January 2013
- Designer: Constructive Form Architecture & Design, constructiveform.com
- Builder: Crtlites Builders

3 2414 SE MADISON ST DAS CHAPIN & AMANDA PUNTON



- Type: Detached, new construction
- Use: Rental
- Square Footage: 780
- Total Cost: \$50K
- Cost per Square Foot: \$64
- Date Completed: April 2013
- Designer: Das Chapin
- Builder: Das Chapin

4 3955 SE TAYLOR ST DON GOLDEN & EDITH CASTERLINE



- Type: Detached, above a workshop
- Use: Rental
- Square Footage: 546
- Total Cost: \$160K
- Cost per Square Foot: \$293
- Date Completed: October 2010
- Designer: Self designed
- Builder: James Ray Arnold
Greenbuilding.jragbc.com

5 3763 SE GRANT ST GRANT SAWYER



- Type: Detached, new construction
- Use: Rental
- Square Footage: 728
- Total Cost: \$187K
- Cost per Square Foot: \$256
- Date Completed: December 2014
- Designer: R & B Design Studio
rnbdesign.org
- Builder: EcoPowerNW,
ecopowernw.com

ADU Space and Water Heating Guide



Build Small – Live Large Summit

A photograph of a modern kitchen with white cabinetry, a black countertop, and a mosaic tile backsplash. A woman is sitting on a windowsill with a cat, and a vase of tulips is on the counter.

2015

Build Small LIVE LARGE

A Housing Market Revival

www.buildsmall-livelarge.com

Save the Date!

Friday, November 6, 2015

Portland State University Smith Center
1825 SW Broadway, Portland, OR 97201

Thank You!



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- <http://www.deq.state.or.us/lq/sw/wasteprevention/greenbuilding.htm>