

Accessory Dwelling Unit

The Little Orange Book of A.D.U.'s

BIMstudios^{LLC}

...making it simple, practical & profitable

Welcome to the BIMstudios Little Book of ADUs

Historically, homeownership was a major factor in wealth building for average Americans. Home equity remains the biggest financial asset for the typical American homeowner. Owning a home is the main way most people increase their net worth over time.

But in the current financial environment these are the headlines:

[For most Americans, owning a home is now a distant dream](#)

[Home prices are rising 2x faster than income](#)

[U.S. House Prices Are Rising Exponentially Faster Than Income \(2021 Data\)](#)

Statistics:

- Home values have soared 162% since 2000, while income has increased only 78%.
- Between 1985 and 2022 — the last full year for which data is available — the median home sale price in the U.S. climbed 423%, while median household income rose just 216%.

Nowadays, investing in an ADU could be one of the only ways for homeowners to build equity, generate passive income and at the same time have total control over their investment.

This handy guide is your quick reference to some of the key terms which are commonly used in describing ADUs, the processes involved with links to key information , as well as information about the several different uses of an ADU

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Introduction to ADU and Residential Construction

An accessory dwelling unit (ADU), is a self-contained living unit that's either attached to or separate, built on the same property as your primary residence. The American Planning Association defines an ADU as, "...a smaller, independent residential dwelling unit located on the same lot as a stand-alone (i.e., detached) single-family home."

ADUs can serve a range of purposes, from providing a home for aging parents to generating rental income.

- a guesthouse,
- studio,
- fitness space,

or even as a separate living space for a caregiver.

This flexibility allows you to adapt the ADU to your changing needs over time.

Legally Introduced in Maryland in 2019,

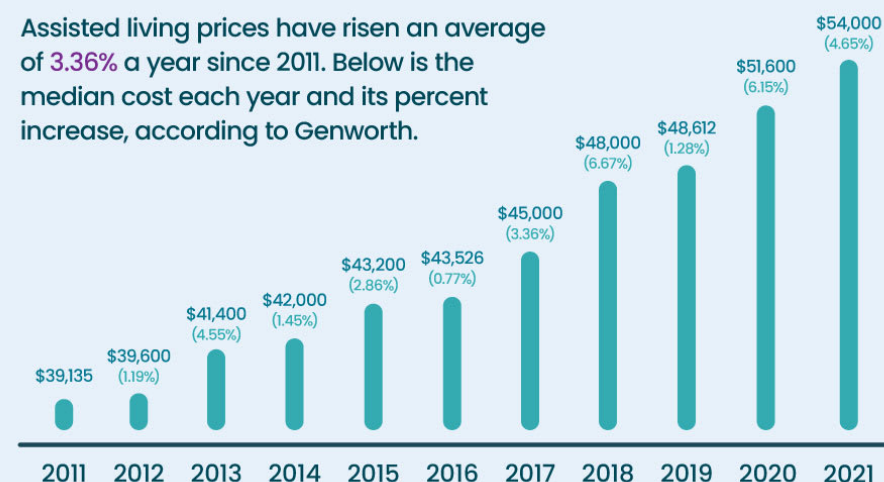




1. Multigenerational living: ADUs offer a convenient housing option for multigenerational families. Whether you have aging parents, adult children, or other relatives who want to live independently while remaining close to the family, an ADU can provide a separate living space and privacy while still being within the same property.

The national yearly median cost of assisted living

Assisted living prices have risen an average of **3.36%** a year since 2011. Below is the median cost each year and its percent increase, according to Genworth.



2. Aging in place: If you plan to age in place, an ADU can be a great option. As you get older, you may want to downsize or have a more manageable living space. Moving into the ADU on your property allows you to remain in your familiar neighborhood and maintain connections with your community.

Benefits of Investing in an ADU

- Family

Benefits of Investing in an ADU

► Generational Wealth Building

3. Affordability & Increased Market Value: Adding an ADU increases the value of your existing property. The potential income and additional living space makes your property highly attractive to potential buyers, thereby boosting its market value. On average, an ADU can add 10–25% to a property's value.



4. Rental Income: One of the primary benefits of having an ADU is the potential for generating rental income. That income can then offer a more stable financial future to build upon. Having an occupied ADU on a potential property can aid in acquiring financing, build equity and help pay for itself.

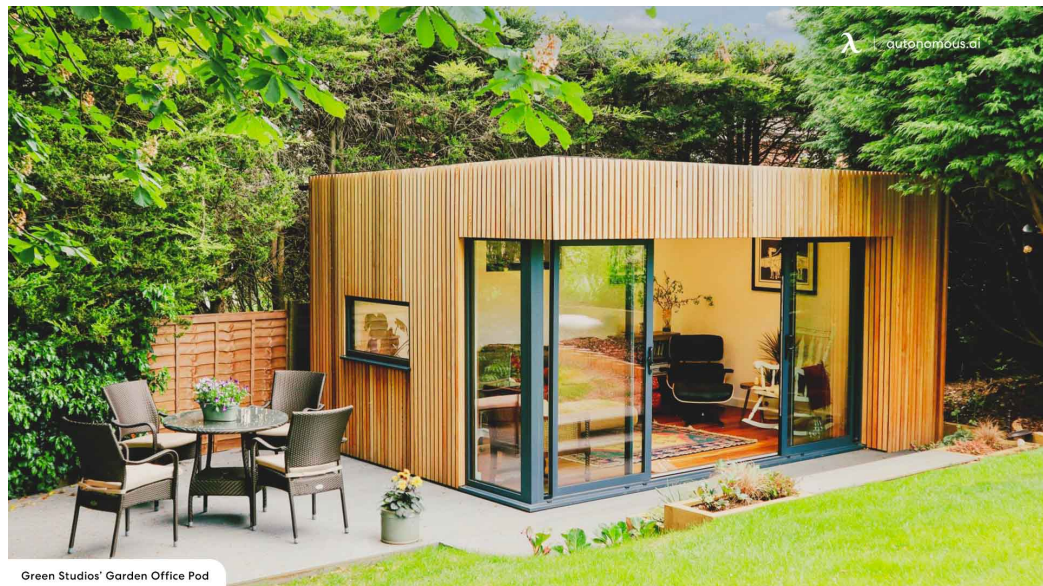


Benefits of Investing in an ADU

► Other Perks



5. Home Office: Having a dedicated workspace has multiple benefits from increased productivity and a better work-life balance to a decrease in costs such as commuting, taxes and more.



6. Guest House: Having a place for friends and family to stay while they visit is a great way to spend time with your loved ones and also provide you and your guests with the privacy and comfort of a home while being close and without any additional lodging expenses for the visit.

Which ADU Is For You?

Examples of Accessory Dwelling Units (ADUs)

ADUs in blue; main residence in white

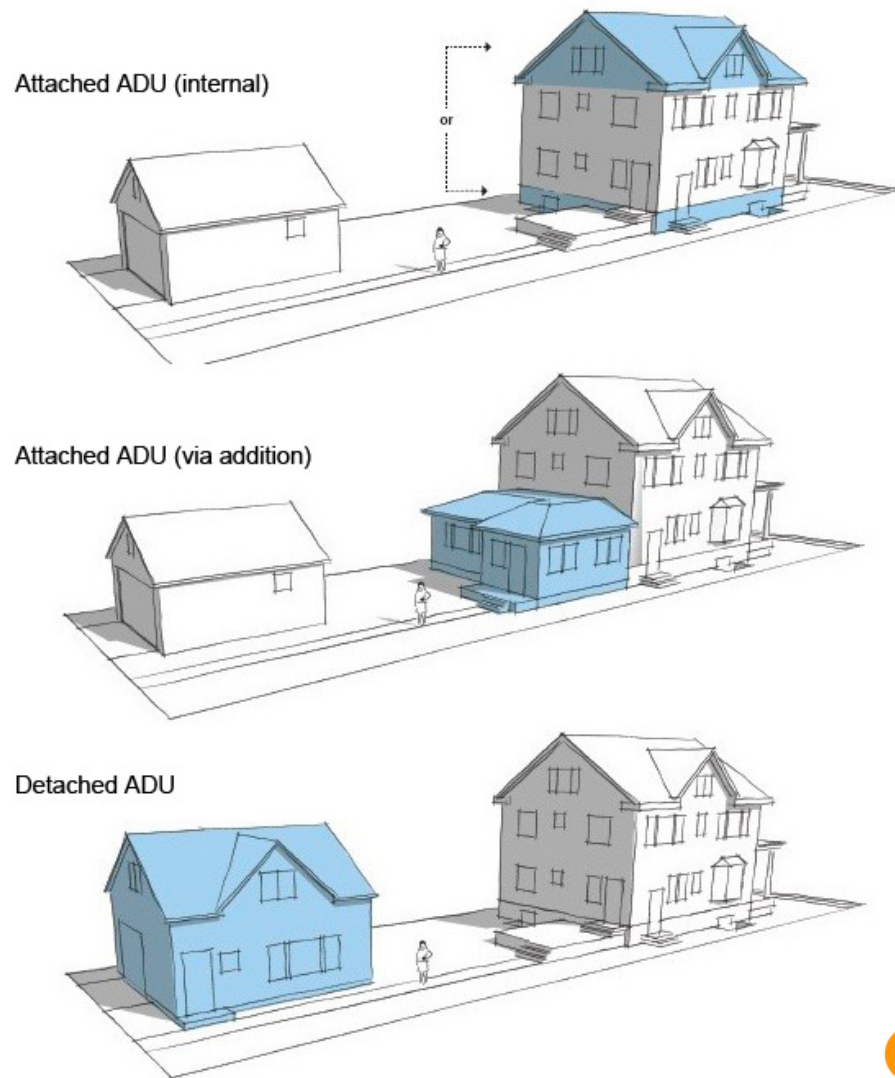


Image credit: City of Saint Paul, MN

There are different kinds of ADU's to choose from and much of the phrasing and descriptions can be somewhat interchangeable. However, there are only two main types of ADU's, **Attached & Detached**.

There are a few rules to having an ADU. For example, a detached ADU must be located on the same lot as the primary residence. An over garage ADU must be located above an existing garage. An attached ADU must be attached to the primary residence, etc. BIMstudios will help navigate these rules based on your location.

Attached Internal ADU:

Built inside of the primary residence. This type of ADU is typically less expensive to build than a detached ADU and utilizes space already built into and allocated inside your home.

Attached External ADU:

These are bump outs or a conversion of an attached garage. Attached external apartments share one wall with the primary residence.

Detached ADU:

Either a redesigned detached garage or building or a new build on the same property as the main residence.

Planning &
Design
Considerations

The Process

From Start to finish

Planning

- Start with a 30 min Zoom meeting with our architectural designer.
- Will investigate set back and regulatory issues based on PLAT provided.
- Will present a plan, including time tables and approximate costs
- Review design options finalize costs
- Apply for permitting
- Order ADU

Site Preparation

- Stakeout - Local Surveyor will mark location of ADU
- Excavation - Prepare site to receive foundation and structure

Construction

- Footing & foundation work, including unground utilities (2Days).
- Onsite assembly of structure (2 Days)
- Installation of roofing system

Interior and Exterior Finishes

- Rough-in MPE systems.
- Close-in Inspections and drywall.
- Installation of flooring, fixtures and appliances.
- Installation of siding and landscaping
- Occupancy permit
- Project Handover

Permits and regulations: These may vary depending on your local building codes & regulations. Factors such as maximum building size, required parking spaces, and zoning requirements & Home Owner Associations all impact the process. **BIMstudios** will take care the permitting process as part of our service.

Construction is one of the most wasteful and inefficient industries in the world. Productivity in the construction industry in the 2000's is lower than it was in the 1960's. Studies made in Great Britain and the U.S. suggest that 35 cents of every dollar spent is wasted.

The introduction of Building Information Modeling (BIM) in recent years is changing the construction industry, the same way Amazon transformed retail and Apple changed how we consume music.

As a leader in this field **BIMStudios** uses BIM technology to provide clients access to a higher quality, affordable, quicker and easier construction processes. How do we do that?

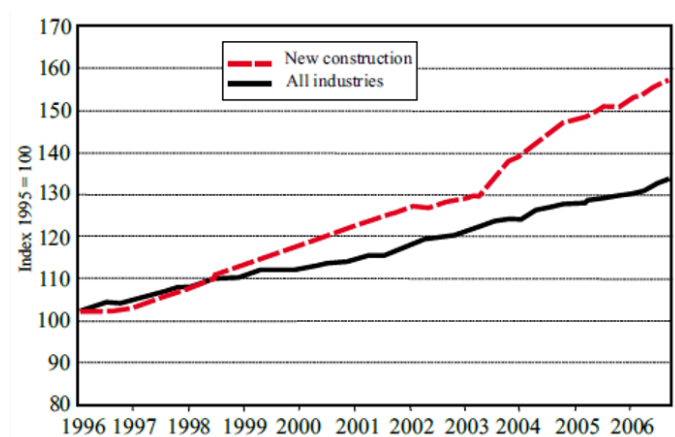
First, we start by designing all of our projects in **3D** so our clients and all our stakeholders involved have a clear understanding of the project by being able to experience the design in a Virtual 3D environment.

Secondly, we use offsite manufacturing to fabricate all our building components in a **climate controlled factory** resulting in a higher quality product being delivered faster, with less material waste achieving, higher productivity, more sustainable and safer process.

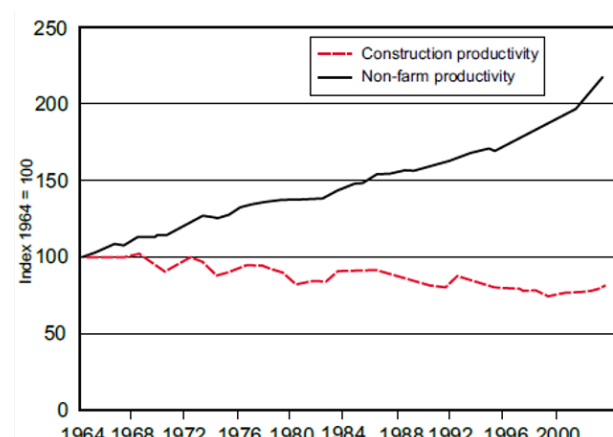
These components then are delivered to the project site and assembled in mere days instead of weeks.

Build

► Efficient Design & Construction



Cost



Productivity

Fig. 1 Productivity in the construction industry in the 2000s is lower than it was in the 1960s.

The Strange and Awful Path of Productivity in the US Construction Sector

Offsite Manufacturing

higher quality construction,
greater precision and less
waste during manufacture,
improved safety outcomes,
and faster delivery

Quality: Prefabricated products are produced by workers who repeatedly make them, increasing their experience and skill. The machinery is also standard, and quality checked, assuring each product is of the highest quality. Gained efficiencies can be as high as 30% for some construction projects.

Efficiency & Speed: Prefabrication takes about half the time to produce building components than traditional on-site construction. This allows construction companies to grow and take on more projects at the same time. Additionally, there are reduced weather related delays, so construction is accelerated, and the project completed faster (up to 45% faster).

Cost: When a construction company uses building components that are produced off-site, their labor costs decrease, allowing their labor force to perform their skills on-site and do so efficiently.

Factory Built Foundation and Concrete Wall Systems

All of our custom design projects, the foundation and concrete wall systems are fabricated offsite in a controlled environment and installed at the project site. Superior wall systems use 60 % less concrete.

Factory Built Floor & Walls Systems

All of our custom design projects the uniquely designed floor cassette , and wall panels system that is engineered and fabricated by UFP in a controlled environment with laser guided production systems. These floor and roof cassettes are then delivered to the project cite and craned in place. Most of our \$ 1,200 S.F. projects are erected in one day, including the installation of windows and doors.

Cost & Financing Options

Construction Costs

Permits, design/plans, site work, labor, and materials

Average Cost Range: **\$200,000-\$350,000**

Financing Options

- Cash
- HELOC
- Refinancing
- Personal Loans
- Self Directed IRA

Gains In Equity-1

Existing property ROI	
Property Value Before ADU	\$ 800,000
Cost of ADUAddition	\$ 200,000
Property Value Increase %	20%
Property Value Increase	\$ 160,000
Total property Value	\$ 960,000.00

Return On Investment-1

A.D.U. ROI	Per Yer
Amount Invested (Cost of ADU)	\$ 250,000
Rental Income / Month	\$ 2,500
Amount Returned Rental Income / Year	\$ 30,000
Value of Investment / Year	\$ 280,000
Annualized ROI	12%

[Return on Investment \(ROI\) Calculator](#)

Design, Style & Features

- Exterior Walls R-24 walls
- Roof R-49
- Windows & Doors - PELLA Lifestyle double-pane high-efficiency
- HVAC - Mitsubishi Minisplit
- Plumbing fixtures - Hansgrohe, TOTO, Kohler
- Appliances - Bosch, Frigidaire



Next Steps

For a one-to-one consultation
call or email.

For a virtual experience
click on images or scan QR codes.



Entry-Foyer



Home Office



ADU-Study