

## Understanding the ADU Eligibility Score™ (AES)

All residential lots in the City of Portland are zoned to allow accessory dwellings units, as of right. That said, some lots have better ADU potential than others. The AES is a benchmarking tool to aid homebuyers in the purchasing process by providing a quick sense of how much relative potential the site has for ADU development in terms of ease and cost of development.

### Score for Detached ADU Potential

Score	Reason
0	Undevelopable site for a detached ADU
1-7	Sites will site impedances to detached ADU development
7-9	No obvious or outstanding impedances to development of a detached ADU
10	Corner lots and alley lots have more detached ADU development flexibility, and are the only sites that can receive a 10.

This visual evaluation score is intended to convey the ease of adding a detached ADU, and to point out any site-specific red flags for development of new construction. The notes may also contain preliminary feedback about the optimal locations for an ADU on the lot in question.

Most properties with amply sized backyards have potential for a detached ADU. Issues such as existing trees and other structures, odd site layouts or topography, can impede the ease of development. Existing site constraints that pose obstacles to straightforward detached ADU development adversely affect this rank and are the issues that inform the AES rank for detached ADU development.

\*Aside from site prep work, my cost estimates of detached ADUs do not vary by virtue of the site. Still, there is a large range of potential costs for all ADUs. See notes on costs of detached ADUs below to understand what detached ADUs actually cost to build. In other words, the same detached ADU should theoretically cost roughly the same regardless of where the property is.

### Score for Internal Conversion (or Bump-Out) Potential

Score	Reason
1-4	Sites with low potential for internal conversion, but that have possibilities for a bump-out ADU.
5-6	Sites with decent and obvious potential for an internal conversion.
7-10	Sites with excellent and obvious potential for a basement or garage conversion ADU.

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This score is intended to impart the degree of ease in terms of design development for an internal conversion or secondarily, a bump-out ADU. It primarily provides a sense of how well-suited the property is for a conversion of a pre-existing structure for an ADU. This internal conversion rank is applied to the most obvious location on a property for conversion, which is most commonly a garage or basement. Such sites can obtain a score of 7-10, based on the ease of that conversion.

While ADUs can also be carved out of another finished portion of the primary dwelling such as a portion of the main floor, this is far less common and so is discounted in the score accordingly if this is the only internal conversion option. If there is a garage, but it can't be converted due to a failing foundation, and there isn't a basement, then the highest score the site can obtain is a 6. A 6 would indicate that there's another obvious portion of the primary dwelling for a possible ADU conversion (eg. the attic or even a portion of the primary floor).

If none of those options are present, we provide a cursory evaluation on what other possible structural additions could occur to the primary dwelling to develop an ADU. These sites can only obtain up to a 4, as bump-out attached ADUs are not typically what homebuyers are seeking for when looking for ADU potential.

These latter types of evaluations are a bit more involved, and would be challenging to conduct with the presence of the homeowner developer.

In short, a rank of 6 may be perfect for someone who want to do at attic conversion, and a 4 may be perfect for someone who wants a bump-out ADU.

Without an understanding of the homebuyer's motivations, goals and cost constraints, a detailed evaluation for internal conversions is not possible.

### **Cost Scale for Potential Internal Conversion**

The Cost Scale rank provides an estimate of how expensive the internal conversion is likely to be, based on doing the commonly desirable conversion in the most low-cost manner. 1 is the cheapest type of conversion, whereas a 10 is the most expensive type of conversion.

Conversions can be as little as \$5K, or as much as \$350K, depending a huge number of factors.

For the scale provided in the AES, here's the cost range legend as of 2019.

1	2	3	4	5	6	7	8	9	10
\$0-10K	\$10-\$20K	\$20-\$40K	\$40-80K	\$80-100K	\$100-120K	\$120K-\$160K	\$160-\$200K	\$200-\$300K	\$300-\$400K

This evaluation is based on professional judgement, but a homeowner's desires and input can significantly alter the scope of the ADU development, which could reduce or grow the cost estimates considerably.

This cost range is also based on using a small business general contractor with average-priced bids in this market. Contractors bids for the same ADU construction commonly vary by as much as \$75K. These estimates are based on real-life ADU projects that have recently been completed.

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Conversions of existing permitted structures average half the cost of new construction if they are able to easily converted. This cost reduction is because the exterior structural shell accounts for approximately half the cost of new construction for ADU development. But, structural issues such as new exterior stairs, ceiling height constraints, utility and mechanical constraints and other factors, can sometime cause conversions to be just as expensive as new construction.

In cases where internal conversions aren't a likely option, we'll provide a cost range for an attached bump-out ADU.

The costs ranges are based on statistical average costs from recently finished ADUs in Portland, and based on professional experience with evaluating similar conversions. The presumption of these estimates is that the homeowner is seeking to use moderate level building finishes (eg. ductless mini-split for heating, Ikea kitchen, luxury vinyl flooring, tiled shower, smooth drywall finish, vinyl windows, simple trim details). It's possible to go dramatically upwards in cost from these estimates based on homeowner's desired level of finish, and also based on which contractor's bids.

### **\*Detached ADU Development Costs**

Based on 2019 market labor and material costs, average ADU development (including design, permitting, utility connections, construction, and sweat equity) total costs are:

- 400 sq ft- \$160K
- 800 sq ft- \$200K

You can read more about likely costs here: <http://www.buildinganadu.com/cost-of-building-an-adu>

These cost ranges may appear to be shockingly high to you if you have not built a house in Portland recently, but understand that you too will have to pay these amounts. You will not be able to dramatically reduce these development costs.

However, there are many creative methods to help pay for ADU development and ADUs tend to present a sound long-term financial investment for homeowners who rent out one on their units upon completion.

### **Next Steps**

This preliminary and non-binding site evaluation is a simple tool to provide a general indicator of how easily an ADU can be added to this property.

This evaluation was conducted by Accessory Dwelling Strategies LLC. The attached packet contains a step by step guide for homeowners who seek to build an ADU on their property from BuildinganADU.com.

Building an ADU is an extremely large, complex, and expensive undertaking; it is more complicated than doing a significant remodel, or buying a house.

If the homebuyer wishes to pursue the ADU development concept further, they could hire Accessory Dwelling Strategies LLC to conduct an [in-person onsite consultation](#), [attend an ADU Class](#), go the [City of Portland's Bureau of Development Services](#), or go [straight to an ADU designer/builder](#).

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