Why build an ADU?
There are many reasons to build an ADU on your property. Here are some of the reasons to consider building a second unit:

- **Rental Income** – Added source of income.
- **Housing Friends/Relatives** – Offers options for adult children or aging family members to live together with privacy.
- **Downsizing** – You may want to live in the smaller unit and rent out main home.
- **Aging In Place** – Stay in your home as you get older and have your caregiver live on your property.
- **Community** – Offers affordable housing allowing workforce to live where they work.

The Process
Below are steps to take to ensure that you are qualified to add an ADU to your property.

Property
- **ADU Eligible** - Contact the city to see if your property is approved to add an ADU.
- **Cost** – Determine how much you want to spend.
- **Plans** – Consult with a team of experts on the type of ADU you want to build.

Financing
- **Pre-Approval** – Contact one of our loan officer specialists at SMCU to get pre-qualified for an ADU Construction loan.
- **Loan Terms** – 2nd lien position; Interest Only, 90% loan-to-value, monthly draws, 12-month loan that converts to a closed end loan upon completion of construction.
Choose a plan that matches your style.

There are many options to choose from whether you build a standalone unit or a garage conversion. The choices are endless. Check with your city for building size regulations so you follow local building codes.

What are ADUs?

An ADU is a secondary dwelling unit with complete independent living facilities for one or more persons and generally takes three forms:

**Detached:** The unit is separated from the primary structure

**Attached:** The unit is attached to the primary structure

**Repurposed Existing Space:** Space (e.g., master bedroom) within the primary residence is converted into an independent living unit

**Junior Accessory Dwelling Units:** Similar to repurposed space with various streamlining measures

What are the benefits of ADUs?

- ADUs are an affordable type of home to construct because they do not require paying for land, new infrastructure, structured parking, or elevators.
- ADUs can provide a source of income for homeowners.
- ADUs allow extended families to be near one another while maintaining privacy.
- ADUs can provide as much living space as many newly-built apartments and condominiums, and they’re suited well for couples, small families, friends, young people, and seniors.
- ADUs give homeowners the flexibility to share independent living areas with family members and others, allowing seniors to age in place as they require more care.