



ADUGEEKS FEASIBILITY STUDY

(619) 249-7312
WWW.ADUGEEKS.COM
2828 UNIVERSITY AVE SUITE 105
SAN DIEGO, CA 92104



Seth Struiksma
4283 48TH St.
San Diego, CA 92115

SUBJECT: FEASIBILITY REPORT & COST ESTIMATE

Dear Seth Struiksma:

It is a pleasure to provide analysis on your new property regarding accessory dwelling units. The report includes a high-level summary listed below for ADUs to be developed at 4283 48TH St. San Diego, CA 92115. Please note, this site is zoned RM-1-1 which allows (2) units and (2) ADUs.

PRELIMINARY ESTIMATE

Assuming medium tier units the below estimates are for mid-grade finishes.

Option 1: (2) Detached 2/1 ADU two-story (approx 750sf ea; 1,500sf total)

A. Hard costs totaling:	\$501,500	
1. Habitable (\$300/sf):	\$450,000	*Taxes estimate to be additional \$20,925
2. Site preparation:	\$15,500	*Trenching, utility, demolition
3. Water line upgrade:	\$20,000	
4. Utility Meters:	\$6,500	
5. Solar (Detached Units):	\$9,500	*CA requirement for new construction
B. Soft costs totaling:	\$28,320	
1. Design fees:	\$8,500	
2. Permit fees:	\$6,500	*Determination at plan review
3. School & DIF:	\$6,120	
4. Water/Sewer:	\$7,200	
Total estimated cost:	<u>\$529,820 - \$580,802</u>	*A through B with 10% Contingency

Option 2: (2) Detached 1/1 ADU, both above (4) single-car garages (approx 400sf ea; 800sf total)

C. Hard costs totaling:	\$366,500	
1. Habitable (\$300/sf):	\$240,000	*Taxes estimate to be additional \$11,160
2. Non Habitable:	\$75,000	
3. Site preparation:	\$15,500	*Trenching, utility, demolition
4. Water line upgrade:	\$20,000	
5. Utility Meters:	\$6,500	
6. Solar (Detached Units):	\$9,500	*CA requirement for new construction
D. Soft costs totaling:	\$28,728	
5. Design fees:	\$8,500	
6. Permit fees:	\$6,500	*Determination at plan review
7. School & DIF:	\$6,528	*1,600sf total new construction
8. Water/Sewer:	\$7,200	
Total estimated cost:	<u>\$395,228 - \$434,750</u>	*C through D with 10% Contingency

TIMELINE (START TO FINISH: 40 - 47 weeks)

1. Schematic design: 4 weeks
2. Design development: 4 weeks
3. Permitting: 15-18 weeks (dependent on city review time)
4. Project coordination: 1 week
5. Construction: 16-20 weeks (depends on city inspections)

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**FINANCING PROJECTIONS:**

Assuming 100% financed at 3.5% over 30 years. (Monthly financing does not include insurance or taxes).

Rental Strategy:	Option 1: (2) Detached 2/1 ADUs (approx 750sf ea)	Option 2: (2) Detached 1/1 ADUs, both above (4) single-car garages (approx 400sf ea)
Monthly Rental Income	\$3,500	\$2,900
Monthly Financing	-\$2,810	-\$2,150
Monthly Cash Flow	\$690	\$750
Annual Cash Flow	\$8,280	\$9,000
5-Year Cash Flow	\$41,400	\$45,000
30-Year Cash Flow	\$248,400	\$270,000
ROI (based on 30 year payback period)	26.45%	38.42%
CAP Rate (1st full year rented)	1.42%	2.10%
# Years to pay off ADU	20 years	18 years
(*if apply monthly cash flow to principle)	8 months	2 months

This property qualifies for accelerated depreciation which will offset your rental income by approximately **\$56,361** the same year assets are placed in service. See our benchmark analysis on page 7.

If after reviewing, you have any questions please contact me by email or by phone. The ADU Geeks team can finance, design, permit, build, and lease your ADUs. Our Architect and Draftsman team have over 30 years combined experience and we guarantee lowest prices for design plans. We look forward to being part of your ADU journey. The next step is to begin your ADU designs!

Very respectfully,

Kalani Creutzburg

ADUGEEKS DOES NOT REPRESENT OR WARRANT THAT ESTIMATED FEES AND/OR TIMELINES WILL MEET THAT WHICH IS DESCRIBED IN THIS PRELIMINARY FEASIBILITY REPORT. IT SHOULD BE VIEWED AS A PRELIMINARY EVALUATION BASED ON THE INFORMATION PROVIDED BY YOU, THE CLIENT, A VIEW OF THAT INFORMATION THROUGH ADUGEEKS' UNDERSTANDING OF YOUR BIG PICTURE GOALS, AND THE PRESENT MARKET FOR SERVICES REQUIRED TO ACHIEVE THOSE GOALS BASED ON THE INFORMATION PROVIDED. ADUGEEKS HEREBY DISCLAIMS ANY AND ALL WARRANTIES WITH REGARD TO THE ACCURACY OF SUCH ESTIMATES.



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Address: 4283 48th Street, San Diego, CA, 92115 | **APN:** 477-322-04-00

Lot Area: 5,724sf (approx 0.13 acres)

Jurisdiction: City of San Diego

Zoning

Zone: RM-1-1

Density: 3,000sf per dwelling unit

Min. Lot size: 6,000sf

Height limit: 30'

FAR: 0.75 (4,293sf with 1,969sf with remaining)

ADU Parking: No additional or replacement parking required. Exactly 0.1 miles from bus stop

Front setback: 15'

Street side setback: N/A. No side street.

Side setback: 5'; 4' for ADU; N/A if converting existing permitted structure (i.e, garage)

Rear setback: 15'; 4' for ADU; N/A if converting existing permitted structure (i.e, garage)

Building separate: 0' for city of San Diego

Flood: No

Fire hazard zone: No

*Per Department of Housing & Community Development memorandum dated January 10, 2020 local agency cannot impose min/max square footage requirements for an ADU less than 850sf or any other min/max lot coverage, FAR, lot size for 800sf ADU or less.

Overlays

- Transit Area Overlay Zone

Site Conditions

Access/Parking

- Current vehicular access from 48th Street and rear alley way
- Exactly 0.2 miles walking between property and nearest public transit
- Medium run between proposed dwelling units and nearest utility

Existing Structures

- Existing home built: 1990. (Historical review not required)
- 3 Units- 4 Bedrooms 3 Bathrooms 2,324sf.
- Lot dimensions: North PL (131.10'), East PL (42.07'), South PL (127.13'), West PL (52.05')
- Sewer at 48th street and rear alley way
- Main water at 48th street
- No fire sprinklers
- No PV System
- No Swimming Pool

School District

San Diego School District \$4.08/sf (>500sf)

Notes

- 1) JADU not allowed



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Known work to be required, and included in hard-cost estimate:

- 1) Site prep; demolition, haul away, excavation
- 2) Trenching and rough plumbing/electrical; tie into sewer line, and water line
- 3) Foundation prep
- 4) Pour Foundation
- 5) Framing vertical walls, stairs
- 6) Roofing for detached ADU
- 7) Install new heating system and insulation in walls and ceiling
- 8) Siding, drywall, doors (interior & exterior)
- 9) Painting interior & exterior
- 10) Flooring
- 11) Complete plumbing & electrical
- 12) Installing medium-grade finishing and cabinetry
- 13) Connect utilities
- 14) Meet with inspectors
- 15) Debris removal, site maintenance/dump fees

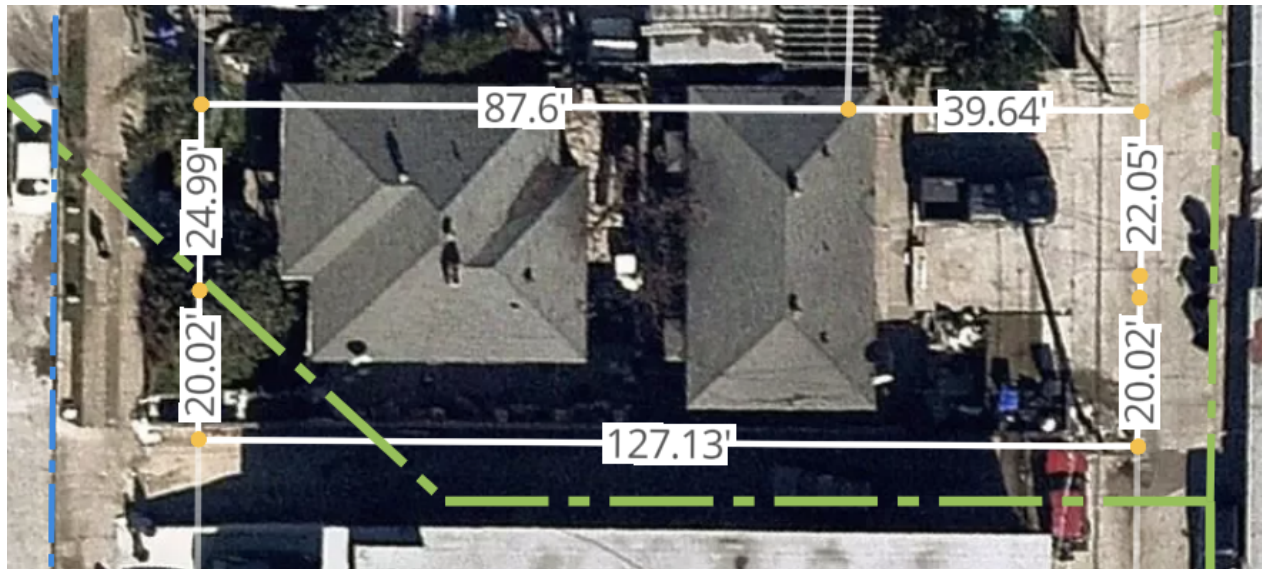


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Aerial





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Segregation Impact (Before/After Analysis)

This ADU will qualify for accelerated depreciation that can be used to offset your rental/business income. Based off our initial review, as a benchmark analysis its year-1 straight-line depreciation is \$1,258. ADU Geeks is able to perform the required cost segregation analysis and provide you the necessary documentation to accelerate an additional \$55,103 depreciation year-1.

In order to take this tax benefit ADU Geeks can perform a forensic-engineering-based study and then provide you the required tax documents that your CPA will need. Our cost-segregation study comes with guaranteed audit protection.

Before Study		After Cost Segregation Study					Analysis		
Year	27.5 Depr.	Bonus Depr. After	5 Year Depr.	7 Year Depr.	15 Year Depr.	27.5 Year Depr.	Total Depr. After Study	Additional Depr. Computed	Total Taxes Deferred
2022	\$ 1,258.07	\$ 55,355.00				\$ 1,006.45	\$ 56,361.45	\$ 55,103.39	\$ 13,390.12
2023	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2024	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2025	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2026	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2027	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2028	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2029	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2030	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2031	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2032	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2033	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2034	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2035	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2036	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2037	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2038	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2039	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2040	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2041	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2042	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2043	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2044	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2045	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2046	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2047	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2048	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2049	\$ 10,064.55					\$ 8,051.64	\$ 8,051.64	\$ (2,012.91)	\$ (489.14)
2050	\$ 3,774.20					\$ 3,019.36	\$ 3,019.36	\$ (754.84)	\$ (183.43)

*Please note, the above schedule is not to be used as any form of tax evidence. An on-site review is required by the IRS (desktop studies are not permitted). ADU Geeks has a licensed/certified cost-segregation engineer on staff that can perform a 32-point analysis and we guarantee audit defense.