

Accessory Dwelling Units What | Why | How

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BRIGHT
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HOME

What:

What is an Accessory Dwellings,
and what do buyers want?

What is an ADU?



ADU = Accessory Dwelling Unit



The definitions of ADUs



The definitions of ADUs



The definitions of ADUs



What do buyers want?



What do buyers want?

- Simple

What do buyers want?

- Simple
- Fast

What do buyers want?

- Simple
- Fast
- Known Price Point

What do buyers want?

- Simple
- Fast
- Known Price Point
- Don't want to have to do all the work

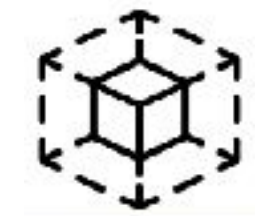
Why:
Why build small, why ADUs
and why now?



Why build small?

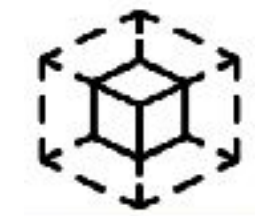


The big advantages of small footprints



Efficient use of space

The big advantages of small footprints



Efficient use of space



Low embodied carbon

The big advantages of small footprints



Efficient use of space



Low embodied carbon



Affordable utilities

The big advantages of small footprints



Efficient use of space



Low embodied carbon



Affordable utilities



Less to maintain/more freedom

The big advantages of small footprints



Efficient use of space



Low embodied carbon



Affordable utilities



Less to maintain/more freedom



Lower cost to build

Why ADUs?



The primary drivers for accessory dwellings



Multi-generational housing

The primary drivers for accessory dwellings



Multi-generational housing



Rental income

The primary drivers for accessory dwellings



Multi-generational housing



Rental income



Office space / away space

The primary drivers for accessory dwellings



Multi-generational housing



Rental income



Office space / away space



Downsizing while staying in place

The primary drivers for accessory dwellings



Multi-generational housing



Rental income



Office space / away space



Downsizing while staying in place



Improve property value

The primary drivers for accessory dwellings



Multi-generational housing



Rental income



Office space / away space



Downsizing while staying in place



Improve property value



Generational popularity

Why Now?



Why they make sense now

 Home equity growth

Why they make sense now



Home equity growth



Zoning improvements

Why they make sense now



Home equity growth



Zoning improvements



Lack of inventory

Why they make sense now



Home equity growth



Zoning improvements



Lack of inventory



Environmental motivators

Why they make sense now



Home equity growth



Zoning improvements



Lack of inventory



Environmental motivators



Housing crisis

HOW:

How do I pay for one, how
does an ADU add value, and
how do I permit one?

How do I pay for one?



Financing Accessory Dwelling Units

Financing Accessory Dwelling Units

- Home Equity Line of Credit (HELOCs)

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- 2nd Mortgage

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- Emerging Federal Loan Programs & Incentives

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- Cash

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Don't Forget:

Financing Accessory Dwelling Units

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- Cash

Don't Forget:

- Utility Sizes

Financing Accessory Dwelling Units

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Don't Forget:

- Utility Sizes
- Impact Fees

Financing Accessory Dwelling Units

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Don't Forget:

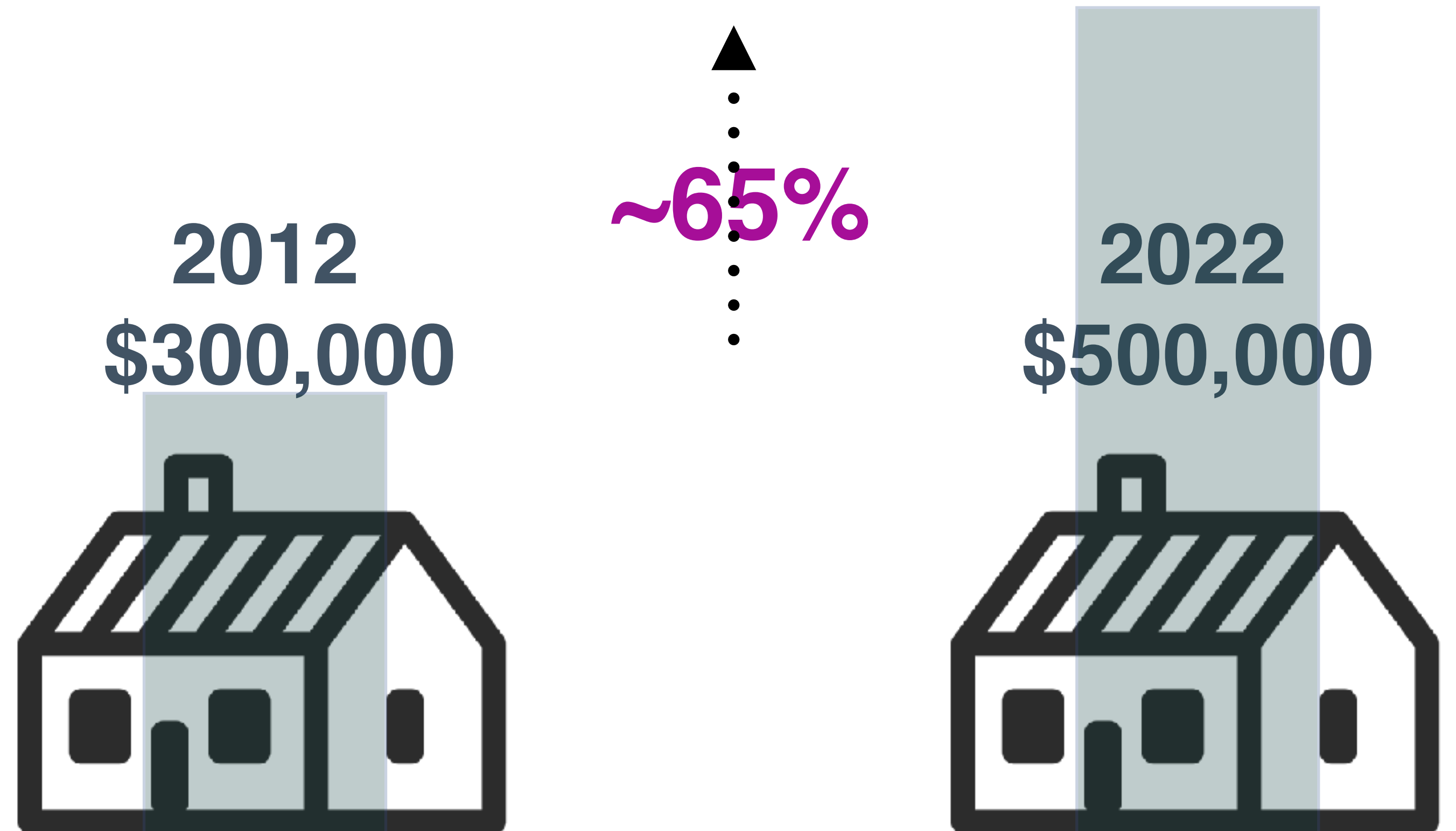
- Utility Sizes
- Impact Fees
- Other Site Improvements

How does an ADU add value?



Home Equity Trends

- Maine: +10% every year for last 5
- Some areas, values > doubled
- New inventory scarce
- Can't sell
- Stay put, build value

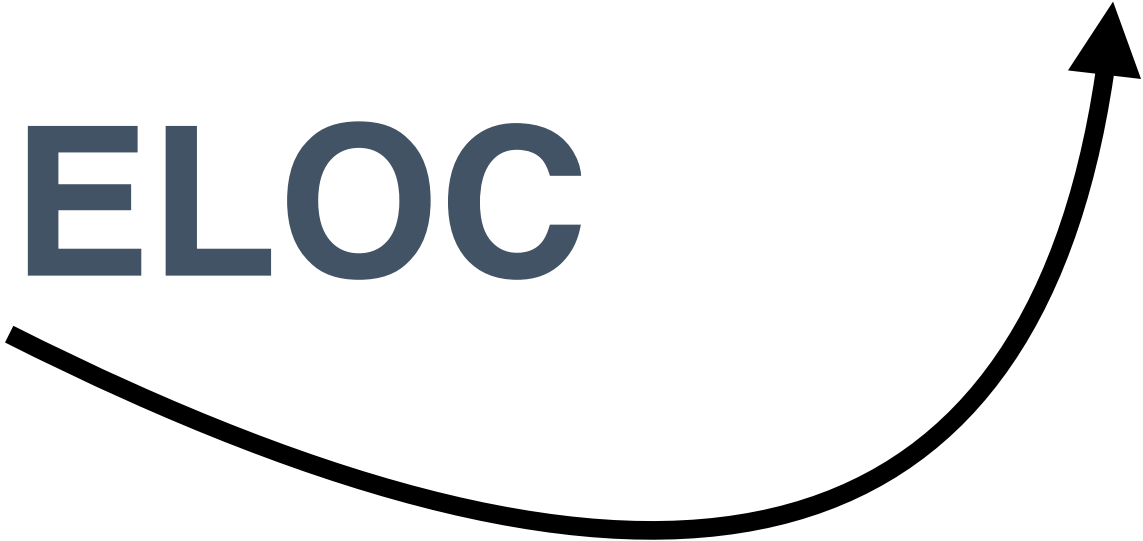
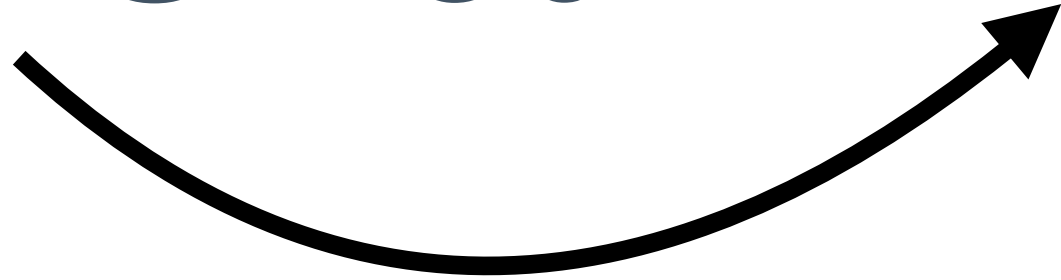


Leverage value to add value



\$500,000 Value
\$200,000 Owed

\$250,000 HELOC



Leverage value to add value



\$500,000 Value

+



30 - 50% Added Value

= \$700,000 Value + monthly income
\$450,000 Owed

Monthly Breakdown: Loan Payment

Cash-out Yes No **Loan Amount + Cash Out** Credit Score

More options

Lender	APR	Rate	Mo. payment	Sort by
 30 Year Fixed NMLS: #2890 ★★★★☆ (4.2)	5.34% Sep 8, 2022	5.13% Points: 1.996	\$1,361 Fees: \$5,985	<input type="button" value="Check Rate"/>
 30 Year Fixed NMLS: #1168 ★★★★☆ (3.9)	5.70% Sep 8, 2022	5.50% Points: 1.828	\$1,419 Fees: \$5,365	<input type="button" value="Check Rate"/>
 30 Year Fixed NMLS: #3304	5.81% Sep 8, 2022	5.63% Points: 1.375	\$1,439 Fees: \$4,992	<input type="button" value="Check Rate"/>
 30 Year Fixed NMLS: #447490 ★★★★★ (5)	5.89% Sep 8, 2022	5.88% Points: 0	\$1,479 Fees: \$423	<input type="button" value="Check Rate"/>

\$1,420
per month

Monthly Breakdown: Monthly Rental Income

Range of 1 BR rent in greater Portland \$1,600 - \$2,200 /mo.

$$\begin{array}{r} \$1,600 \\ - \$1,420 \\ \hline \$ 180/\text{mo.} \end{array}$$

(x12 = \$2,160/yr.)

$$\begin{array}{r} \$2,200 \\ - \$1,420 \\ \hline \$ 780/\text{mo.} \end{array}$$

(x12 = \$9,360/yr.)

Monthly Breakdown: Short-Term Rentals

Range nightly rate for 1 BR in greater Portland is \$150 - \$200

$$\begin{array}{r} \$4,500 \\ - \$1,420 \\ \hline \$3,080/\text{mo.} \end{array}$$

(x12 = \$36,960/yr.)

$$\begin{array}{r} \$6,000 \\ - \$1,420 \\ \hline \$ 4,580/\text{mo.} \end{array}$$

(x12 = \$54,960/yr.)

Monthly Breakdown: Blended Rentals

Combine Long Term and Short Term

$$\begin{array}{r} \$180 \times 9 = \$1,620 \\ \$3,080 \times 3 = \$9,240 \\ \hline \$10,860 \text{ net annual} \end{array}$$

Monthly Breakdown: Elder housing

Average cost of assisted living in Maine is \$4,800/month

$$\begin{array}{r} \$4,800 \\ - \$1,420 \\ \hline \end{array}$$

\$3,580 monthly savings

(x12 = \$42,960 annual savings)

How do I permit one?



Step 1: Zoning

1. Find your town's zoning map
2. Locate your property
3. Identify your district
4. Watch for Overlays

Legend

Residential Districts

- Residential District (R)
- Coastal Residential District (R-C)

Mixed Use Districts

- Boothbay Village Center District (BVC)
- Boothbay Village Fringe District (BVF)
- Boothbay Village Mixed-Use District (BVMU)
- East Boothbay Village District (EBV)
- Scenic Gateway District (SG)
- Rural Mixed Use District (RMU)

Commercial Districts

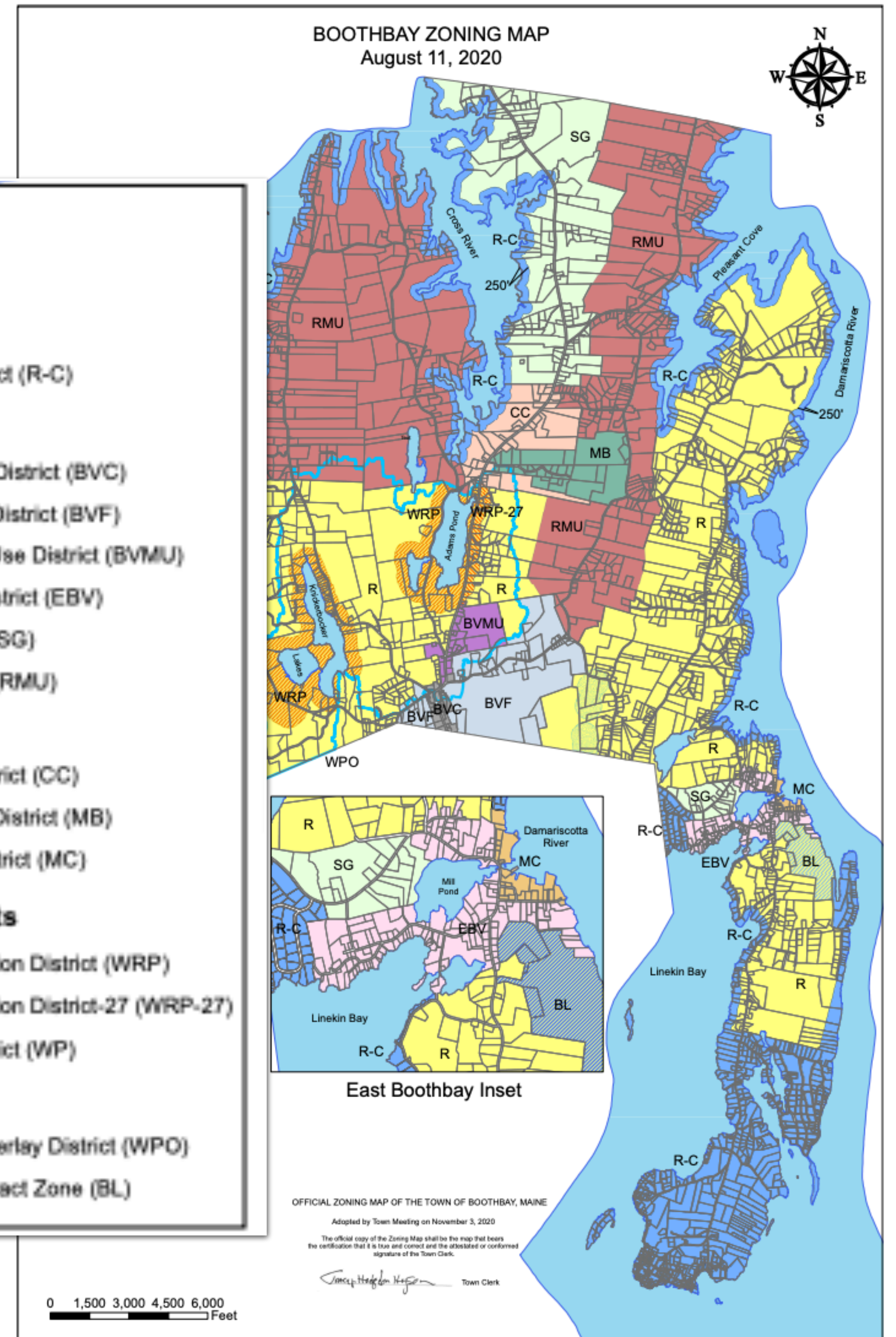
- Commercial Corridor District (CC)
- Manufacturing/Business District (MB)
- Maritime Commercial District (MC)

Natural Resource Districts

- Water Reservoirs Protection District (WRP)
- Water Reservoirs Protection District-27 (WRP-27)
- Wellhead Protection District (WP)

Overlay Districts

- Watershed Protection Overlay District (WPO)
- Bigelow Laboratory Contract Zone (BL)



Step 2: Ordinances

1. Find permitted uses

2. Identify site restrictions

1. Lot setbacks

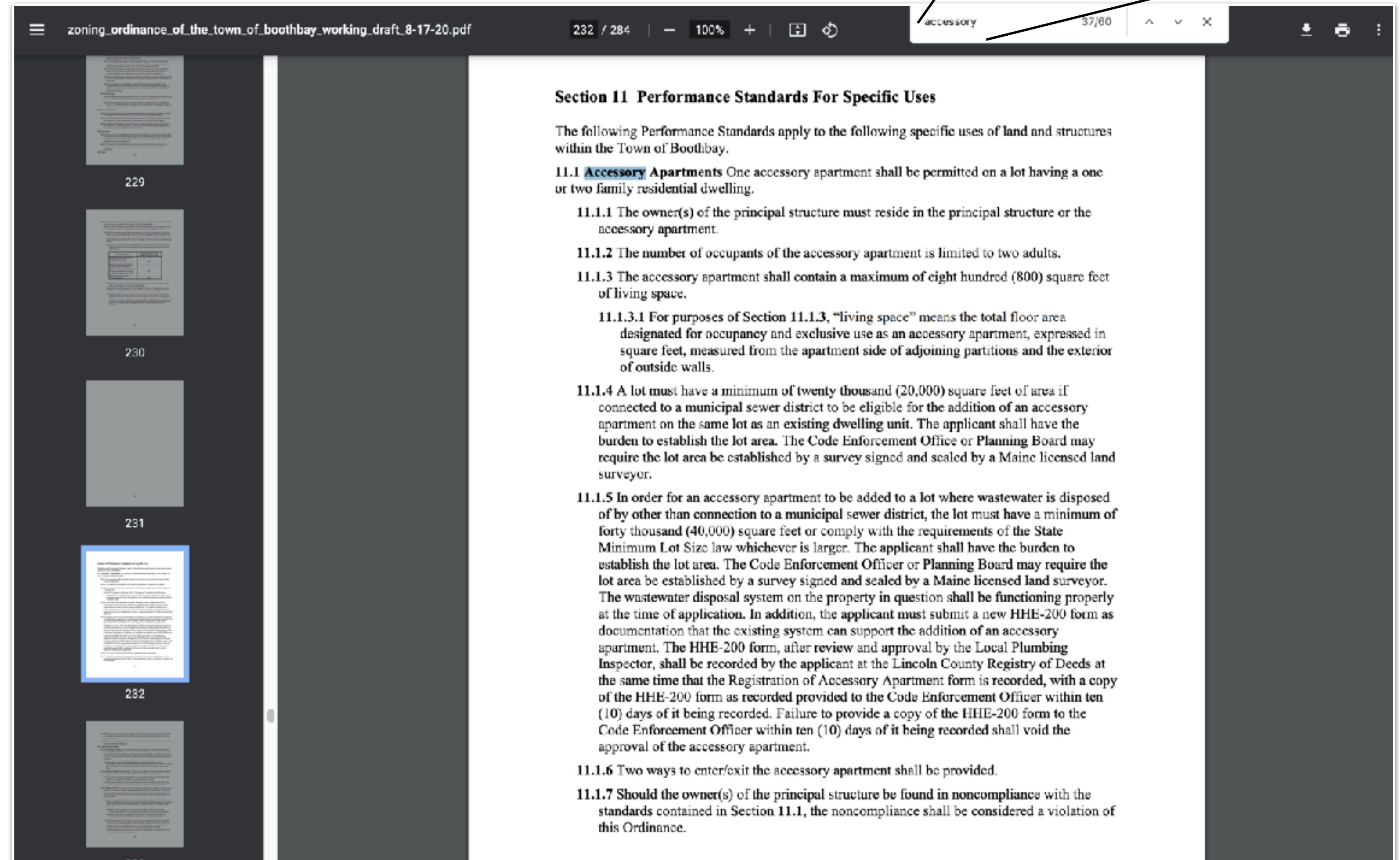
2. Easements

3. Special conditions

USE/ACTIVITY - DISTRICT	R	R-C	BVC	BVF	BVMU	EBV	SG	RMU	CC	MB	MC	WRP-27	WRP	WP	RP
RURAL - RESOURCE - AGRICULTURAL USES															
Agricultural Packaging and Storage	PR ¹	N	N	PR	PR ⁶	N	PR ¹⁰	PR	PR	C	PR	N	N	N	N
Agricultural Product Processing	PR ¹	N	N	PR	PR ⁶	N	PR ¹⁰	PR	PR	C	PR	N	N	N	N
Agriculture/Farming	PR	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y
Animal Breeding or Care	PR ³	N	N	N	N	PR	PR	C	C	C	N	N	N	N	N
Farm Stand	C ¹	C ¹	C	C	C	C ¹	C ²	C	C	C	C	C ¹	C ¹	N	C
Aquaculture (Land support for)	PR ⁴	PR ⁴	N	N	PR	PR ⁴	PR ¹⁰	PR	PR	C	PR	N	N	PR	PR
Commercial Fishing Activities	PR	PR	N	N	PR	C	C	C	C	C	C	N	N	N	PR
Firewood Processing	N	N	N	N	N	N	PR ¹⁰	PR	PR	PR	N	N	N	N	N
Mineral Extraction	N	N	N	N	N	N	PR ¹⁰	PR	PR	PR	N	N	N	N	N
Timber Harvesting ²⁰	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	PR	NA	NA
RESIDENTIAL USES															
Accessory Apartment	C	C	C	C	C	C	C	C	C	N	C	C	C	C	C
Dwelling, Multifamily	PR	PR	PR	PR	PR ⁶	PR	PR ¹⁰	PR	PR ⁶	N	N	N	N	N	N
Dwelling, One Family	C	C	C	C	C	C	C	C	C	N	N	C	C	C	PR ¹⁵

Step 3: Town Spec's

1. Permissions for zone
2. Unit size min/max
3. Lot size min/max
4. Ownership restrictions
5. Utilities requirements



Step 4: Know Thy Lot

1. Septic & well size/capacity
2. Impact fees
3. Access to ADU site
4. Distribution panel size





Town of Kennebunk

- One ADU permitted on lots w/1 SFH
- Accessory to Owner-Occupied SFH, or vice-versa
- 1 must be primary residence (min 6 mos/year)
- Must demonstrate waste water compliance
- Only 1 of the units may be rented
- Permits for ADUs do not transfer w/sale of property

KENNEBUNK ADU

1 BR | 1 ½ Bath

644 sq. ft.

14' x 46' footprint

Town of Boothbay

- Permitted in all zones, needs review by CEO
- One ADU permitted on lots w/1 or 2* SFH's {*SLZ}
- #Occupants in ADU limited to 2 Adults
- Accessory to Owner-Occupied SFH
- Maximum of 800 SF of living space
- Lot min 20,000 SF, if tied to municipal sewer
- Lot min 40,000 SF, if supported by septic system



EAST BOOTHBAY ADU
2 BR | 1 Bath
770 sq ft, vaulted
14' x 55' footprint

Town of Harpswell

- Permitted in all zones, needs review by CEO
- Accessory to owner-occupied property
- Must be primary residence of ADU occupant



HARPSWELL ADU
2 BR | 2 Bath
1,130 square feet
18' x 48' footprint

Who:

Who is doing ADUs in Maine?



Who is doing ADUs in Maine?



BrightBuilt Home - Net Zero, High Performance



Backyard ADUs



Tiny Homes of Maine



Knickerbocker Group

thank you

