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The ADU Quick Start Guide

EVERYTHING YOU NEED TO
KNOW BEFORE YOU START
BUILDING AN ADS IN
PORTLAND, OREGON





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WHAT YOU NEED TO KNOW BEFORE YOU START

WHAT IS AN ADU
(ACCESSORY DWELLING
UNIT) OR DADU (DETACHED
ACCESSORY DWELLING UNIT)

WHY BUILD AN ADU?

An ADU is an accessory structure on a property that can serve as an autonomous dwelling separate from the primary residence. It contains everything a single-family home has; a bedroom, a bathroom, and a kitchen, as well as any additional accommodations.

There are so many great reasons to build an ADU on your property.

ADUs can be used as short- or long-term rentals. Homeowners can also move into the new ADU and rent out the primary home for additional income.

ADUs are great for downsizing, freeing up the primary house for rental income

ADUs provide great flexibility for visitors, family, friends, or rental income, and can help keep you in your home while your needs change.

ADUs are a great place for grown-up kids who need their own space or aging parents who need to be closer. Multi-generational living has been shown to be better for everyone.

You can be part of the solution of Portland's housing crisis

ARE THERE DIFFERENT TYPES OF ADUS?

CAN I CONVERT MY GARAGE OR BASEMENT?

CAN I BUILD ON MY PROPERTY?

WHERE CAN MY ADU GO?



ADUs can be created by converting part of an existing house or basement, adding an area to an existing house, converting an existing structure, or constructing a new structure (Detached ADU or DADU).

There are also other types of Detached Accessory Structures - we call them Guest Suites or Home Studios and although they look and feel like an ADU, they are easier and faster to build and permit. The key difference is that they can only have one sink.

Yes, you can. This is often the most cost-effective option but has limitations. Additional on-site parking is not required for an ADU. However, if parking is required for the existing dwelling unit (usually in the garage you are converting), that parking must be maintained.

There are specific requirements and restrictions for using an existing structure.

Most properties in Portland are able to accommodate an ADU. There are, however, requirements for open space - you must leave an area that is 250 sqft and 12' x 12' minimum and not in the front yard. Tree protection and setbacks also influence where your ADU can be placed.

Your ADU must be at least 40' behind the front property line or behind the rear wall of the existing house. You can build in the side and rear setbacks, but the size of the ADU will be limited to one story, and in size (see below).

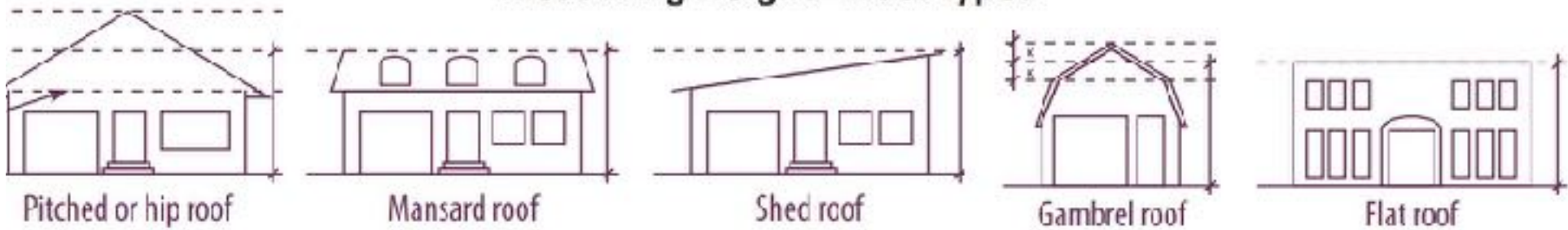
HOW BIG CAN MY ADU BE?

On a standard 5,000 sqft lot, you are able to cover a combined 2,250 sqft with structures. Lots over 5,000 sqft will have additional available sqft coverage.

The maximum size of an ADU may be no more than 75% of the habitable sqft of the primary house or 800 sqft of habitable space, whichever is less. The maximum height is 20 feet.

If you want to build within the side or rear setbacks, you are limited to 15 feet high and 24’ x 24’ footprint for all accessory structures on site in that setback.

Measuring Height - Roof Types



CAN I CONVERT MY GARAGE OR BASEMENT?

If your ADU is over 15’ in height and over 24’ x 24’ footprint some matching elements are required. Exterior finish, roof slope, trim, eaves, window type, size, and placement must visually match those of the house, or meet certain basic standards.

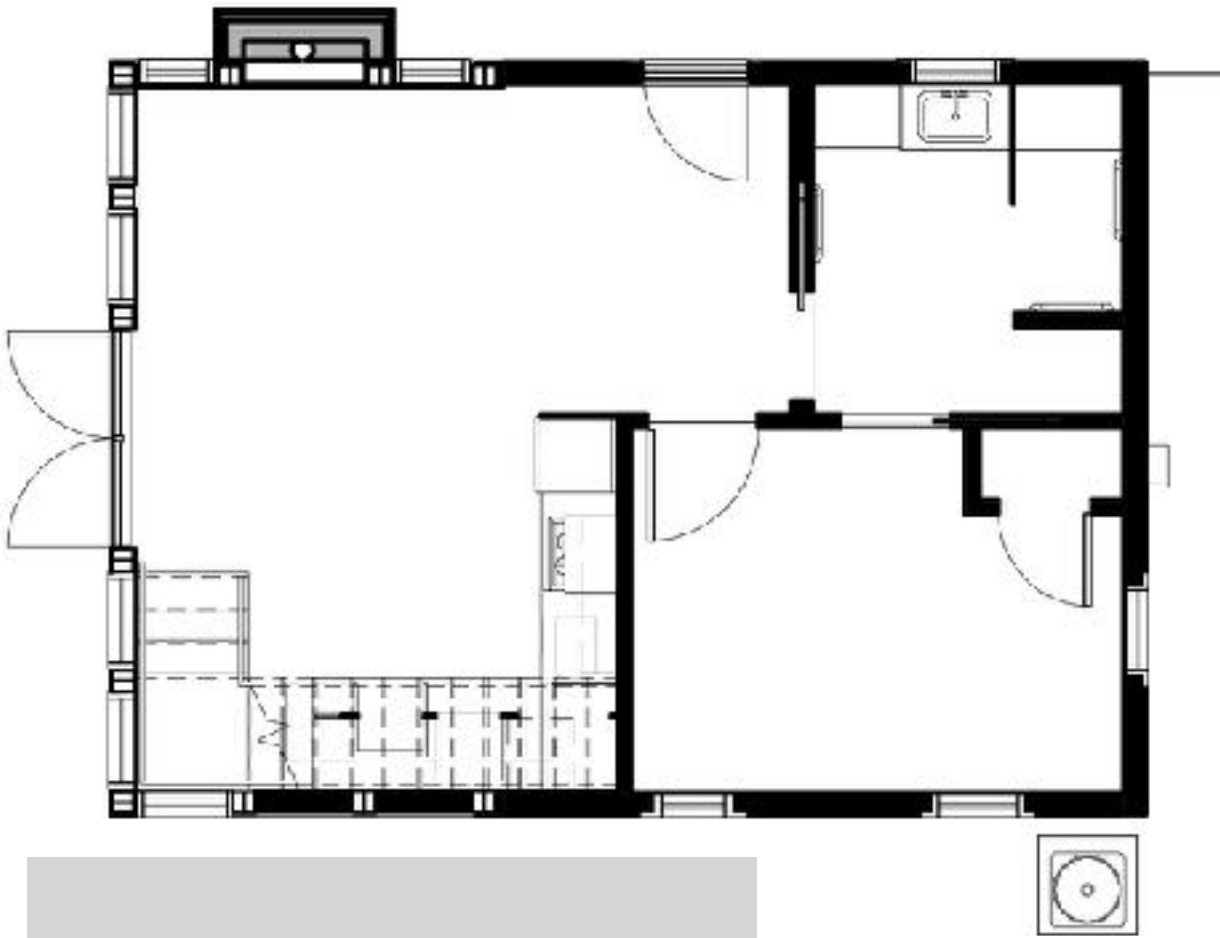
HOW MUCH WILL IT COST?

There is no short answer to this. Here are some stats that will help you understand the range for a new ADU from the ground up. ADUs range from 350 sqft to 800 sqft. You can expect to spend at a minimum \$250/sqft for an ADU. New construction in Portland starts at about \$200/sqft and can easily pass \$400/sqft. Pricing on small structures is more expensive per sqft than large structures as there are fixed construction costs that are not affected by sizes like including a bathroom and kitchen.

WHAT SHOULD MY BUDGET BE?

A standard ADU costs about \$175,000. That includes all groundwork, utility work and connection, foundation, structure, finishes, fixtures, and appliances. That turn-price is for a move in ready ADU. The only costs not included are for the permit and for landscaping.

Permits generally cost \$3,000-\$6,000 and can cost more if other upgrades are needed (like electrical power or water meter and main line size)



HOW CAN I PAY FOR IT?

There are several ways to finance an ADU and we are happy to connect you with the right people to help you understand your options. These include: Home Equity Lines of Credit (HELOC), a direct construction loan, refinance of an existing property, or a business loan if the property is a rental

WHERE CAN I GET PLANS?

SQFT Studios provides custom ADU design services as well as design-build services. Both options provide great quality and value. If you combine design & build services into one contract you can expect significant savings.

It is possible to use “stock plans” for your ADU and you will always need site-specific documentation. Your ADU should reflect your specific location, needs, desires, and dreams.

WHAT PERMITS DO I NEED?

ADUs are just like primary dwellings and require the same quality and safety. Therefore the same level of permitting is required. Your ADU will need zoning approval, structural, electrical, plumbing, mechanical, and plan review permits, as well as standard inspections. This service is performed by your contractor.

HOW WILL THIS AFFECT MY PROPERTY VALUE?

Your property value will increase relative to the additional sqft. Please consult a Real Estate Professional for help determining potential property value.

HOW WILL THIS AFFECT MY PROPERTY TAX?

WHEN SHOULD I BUILD MY ADU?

WHY WORK WITH SQFT STUDIOS?

ADDITIONAL RESOURCES



Adding a valuable asset like an ADU to your property will increase your assessed value, but will not trigger a reset of your real market value. Contact your county assessment and taxation office to determine how property taxes may be affected by the addition of an ADU to the property. For Multnomah County call 503-988-3326 or visit their [website](#).

Now is the best time to build an ADU. Currently, all Service Development Charges can be waived (normally about \$17,000!) if you sign a covenant affirming you will not rent your ADU of home for Short-Term rentals (30 days or less). This is part of the effort to alleviate the housing shortage and requires applicants to build for long-term rental. Additionally, planning for the future now is smart, as construction prices will continue to climb and owning property in Oregon is a great investment.

SQFT Studios is the premier ADU Design Build company in Oregon. We specialize in navigating the tricky regulatory world of ADU design, zoning, and construction. We have years of experience designing small, efficient, and smart spaces and building high quality, high-performance accessory structures. Plus, we love Portland, and we love working with people.

[ADU Codes - City of Portland](#)

[ADU Program Guide - City of Portland](#)

[Portland Code Changes - SQFT Studios Blog](#)

[Backyard Structures - SQFT Studios Blog](#)