

LAND USE ANALYSIS & CONSTRUCTION PROPOSAL

APRIL 12, 2023



PROPERTY OWNER / AGENT

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CONTRACTOR

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PROJECT SITE

508 S Guadalupe Ave, Redondo Beach, CA 90277

OF ADUS PERMITTED Up to 1 ADU and 1 JADU, if owner-occupied, space permitting.

This Land Use Analysis & Construction Proposal is prepared by ADU 1 to provide the Property Owner information about the Accessory Dwelling Unit (ADU) possibilities at the subject property. This analysis shall also serve as a proposal for the construction of ADUs at the property. Please note that this proposal shall expire after 14 days from the date written above, and shall be subject to change if the municipality does not allow for the creation of ADUs as set forth below. All measurements are approximations and may change upon site visit. The Pro Forma figures are for comparison only and market conditions may change. Please consult with your real estate professional for advice regarding income and expense. Prices are subject to change every fourteen (14) days.

PROPERTY INFORMATION

Property Type	Single-Family	Distance to Public Transport	< ½ Mile
Current Number of Units	1	Soft-Story Retrofit Required	No
Lot Area	4,287 sf	Existing Carport	No
Building Area	712 sf	Under-Utilized Areas	Garage
Zoning	RBRH-1	Additional Parking Required	Possibly

LAND USE ANALYSIS – PROPOSED ADUS

<u>ADU Type & Location</u>	<u>No. of ADUs</u>	<u>Size (est.)</u>	<u>BR/BA</u>	<u>Per Unit Cost</u>	<u>Market Rent (est.)</u>
New Detached ADU*	1	850-900 sf	2/2	\$350k-\$450k	\$5,300.00+

*Must demo garage and surf shack**

**Contingent Upon City Approval

RENT COMPARABLES

<u>Address</u>	<u>BR/BA</u>	<u>Size</u>	<u>Market Rent</u>
312 Calle Miramar	2/2	900 sf	\$5,600.00
565 Esplanade	1/1	862 sf	\$5,700.00
124 Sapphire St	2/1	850 sf	\$4,600.00

PRO FORMA INCOME STATEMENT

<u>ADU Cost</u>		<u>ADU Income (est.)</u>	
Construction	\$350,000.00-\$450,000.00	Gross Revenue (Month)	\$5,300.00
Engineering	\$14,000.00	Gross Revenue (Annual)	\$63,600.00
Permitting (est.)	TBD by City	Net Operating Income (NOI)	\$55,332.00
		Gross Return Multiple (GRM)	5.7 - 7.3
		Return on Investment (ROI)	13.7% - 17.5%
<u>Holding Costs (yearly)</u>			
Vacancy Rate (3%)	\$1,908.00		
Expenses (10%)	\$6,360.00		

CONSTRUCTION PROPOSAL SUMMARY

<u>Number of New ADU Units</u>	<u>Total Square Footage (est.)</u>	<u>Seismic Retrofit</u>	<u>Total Construction Cost</u>
1	850-900 sf	No	\$364,000.00 - \$464,000.00



SCOPE OF WORK

The Scope of Work under this Proposal includes engineering and building plans (cost shown above), calculations, specifications, and drawings for a ready to issue permit for construction of accessory dwelling units as set forth in the proposal above (the "Building Plans"). Upon approval of the Proposal, the Building Plans will be incorporated into the Construction Contract based upon this proposal. Once the Building Plans are Approved by the relevant building and safety department for the jurisdiction where the project is located, and once a permit issued, Contractor will coordinate, manage, and execute the construction work shown on the Building Plans. Contractor will construct the ADUs according to the Building Plans and in conformity with the California Building Code.

The Scope of Work under this Proposal will also include the following: (1) coordinate and attend preconstruction meeting with owner, contractor, architect, and engineer, prior to the commencement of the work; (2) demolition, excavation, haul away and disposal of debris for site preparation; (3) interior and/or exterior framing work, electrical, plumbing, doors, windows, with finishes including painting; (4) provide all material and labor to fully execute the work set forth In the Building Plans; (5) sand finish stucco and paint; (6) 35lf sewer connection to existing property sewer line; and, (7) all deputy inspections and engineer's observations as required.

FINISHES & ALLOWANCES

The Scope of Work under this Proposal will include finishes as provided in the table below. Property owner will be able to choose finishes within allowances shown below during time of construction and can work with our design coordinator. Additional, different, or higher end finishes are available and will be charged to the owner at market price, if owner prefers.

<u>FINISH</u>	<u>ALLOWANCE</u>
Windows – Dual-Glazed Vinyl	Included
Interior Door	Standard [\$110]
Entry Door	Standard [\$350]
Flooring	Up to \$2.50 per sf
Faucets	Included
Lighting – Bedroom, Bathroom & Hallway	Per designed plan
Lighting – Kitchen & Living Room	Per designed plan
Prefabricated Shower & Tub Combo	Included
Kitchen Cabinets	Per designed plan, up to 9lf
Kitchen Counter	Per designed plan, up to 9lf
Bathroom Cabinets	Per designed plan, up to 3lf

EXCLUSIONS

The Scope of Work under this Proposal excludes: (1) plan check, permit, and all other governmental fees; (2) sewer camera test, if needed; (3) sewage-ejection pump if necessary, if needed; (4) soil report, if needed; (5) surveys, if needed; (6) any work outside of the Building Plans; (7) Utilities; gas/electric/water meters or panel whether new or upgraded; (8) solar panels if required (required for newly constructed, detached ADUs); (9) Appliances

Please note that if the existing sewer line condition, elevation, or diameter does not allow for a direct connection from the ADU, a new line will need to be established at \$95/ft, min 100ft plus cost to cover. If the existing potable water line is insufficient, an upgrade is necessary at additional cost. If the existing gas line is insufficient, an upgrade is necessary at additional cost.