



DESIGN. PERMIT. BUILD.

Feasibility Study

LIFE HOUSE DESIGN AND CONSTRUCTION

Bringing your vision to life

Presented by

CJ Johnson & Life House



Life House Design and Construction

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March 3rd, 2025
1489 Burton St, San Diego, CA 92111

SUBJECT: PROJECT FEASIBILITY & COST ESTIMATE

Dear Home Owner ,

I am delighted to provide you with a comprehensive analysis of your property at 1489 Burton St, San Diego, CA 92111, in anticipation of your upcoming Accessory Dwelling Unit (ADU) project. This report offers an in-depth review, highlighting that your property is classified under the **RS-1-7** zoning designation, which permits the construction of one ADU and one Junior ADU (JADU). Additionally, due to its location within a sustainable development area, you are eligible to utilize the Bonus ADU program, provided the total development adheres to the maximum Floor Area Ratio (FAR) requirements.

PRELIMINARY ESTIMATE

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

Option 1: (1) detached 2/2 (approx. 800sf)

A. Hard costs totaling:	\$257,300		
1. Habitable (\$300/sf):	\$240,000		*Taxes on materials approx. additional \$11,160
2. Site Preparation:	\$12,500		*Trenching, grading, utility connection, demo
3. Utility Meters:	\$4,800		
4. Solar:	\$Leased		
B. Soft costs totaling:	\$37,236		
1. Design fees:	\$15,500		*Title 24 to be determined
2. Structural engineering:	\$4,500		
3. Boundary Survey:	\$4,500		
4. Permit fees:	\$4,800		*Determination at plan review
5. School & DIF:	\$4,136		*Estimated, to be determined at initial review
6. Water/Sewer Fee:	\$3,800		*Connection Fee
Total estimated cost:	<u>\$294,536 - \$323,989</u>		*A through B with 10% Contingency

Option 2: (1) attached 1/1 ADU (approx. 400sf) + (1) detached 2/1 ADU (approx. 650sf)

****Interior Design Package can be added to all ADU projects***

D. Hard costs totaling:	\$336,300		
1. Habitable (\$300/sf):	\$315,000		*Taxes on materials approx. additional \$14,675
2. Site Preparation:	\$15,500		*Trenching, grading, utility connection, demo
3. Utility Meters:	\$5,800		
4. Solar (Detached Units)	Leased		*CA requirement for new construction
E. Soft costs totaling:	\$47,028		
1. Design fees:	\$17,500		*Title 24 additional \$500 each unit
2. Structural engineering:	\$5,500		
3. Boundary Survey:	\$4,500		
4. Permit fees:	\$6,500		*Determination at plan review
5. School & DIF:	\$5,428		*Estimated, to be determined at initial review
6. Water/Sewer Fee:	\$7,600		*Connection Fee
Total estimated cost:	<u>\$336,300 - \$369,930</u>		*D through E with 10% Contingency

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Option 3: (4) Detached 2/2 ADUs Superimposed (approx. 750sf each) + (1) Car port conversion (approx. 300sf each)

**Interior Design Package can be added to all ADU projects + This requires (2) deed restricted ADUs*

F. Hard costs totaling:	\$987,800		
1. Habitable (\$300/sf):	\$900,000		*Taxes on materials approx. additional \$41,850
2. Habitable (\$225/sf):	\$67,500		*Taxes on materials approx. additional \$3,138
3. Site Preparation:	\$15,500		*Trenching, grading, utility, stairs
4. Utility Meters:	\$4,800		
5. Solar (Detached Units)	Leased		*CA requirement for new construction
G. Soft costs totaling:	\$81,061		
1. Design fees:	\$25,500		*Title 24 additional \$500 each unit
2. Structural engineering:	\$8,500		
3. Boundary Survey:	\$4,500		
4. Permit fees:	\$6,500		*Determination at plan review
5. School & DIF:	\$17,061		*Estimated, to be determined at initial review
6. Water/Sewer Fee:	\$19,000		*Connection Fee
Total estimated cost:	<u>\$1,068,861 - \$1,175,747</u>		*E through F with 10% Contingency

Option 4: Building a 550 sq ft ADU on the bottom and a 550 sq ft ADU on the top.(approx. 1,100sf each)

G. Hard costs totaling:	\$347,300		
1. Habitable (\$300/sf):	\$330,000		*Taxes on materials approx. additional \$13,950
2. Site Preparation:	\$12,500		*Trenching, grading, utility connection, demo
3. Utility Meters:	\$4,800		
H. Soft costs totaling:	\$42,787		
1. Design fees:	\$17,500		*Title 24 to be determined (Military Discount)
2. Structural engineering:	\$4,500		
3. Boundary Survey:	\$4,500		
4. Permit fees:	\$6,800		*Determination at plan review
5. School & DIF:	\$5,687		*Estimated, to be determined at initial review
6. Water/Sewer Fee:	\$3,800		*Connection Fee
Total estimated cost:	<u>\$390,087 - \$429,095</u>		*G through H with 10% Contingency

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Milestone 1: Initial Deposit - \$1,000

Pre-Application Meeting & Site Measurements (2-4 weeks)

- Before beginning the design process, a pre-application meeting with the Planning Division is required. This meeting ensures that all initial plans align with local regulations and that the application will be complete.

Milestone 2: Commencement of Schematics - Estimated 30% of Payment

Schematic Design (4-6 weeks)

- Initial drawings and conceptual plans for the lot split and any potential new structures are created. This includes basic layouts, potential lot configurations, and preliminary assessments of the site.

Milestone 3: Commencement of Design Development - Estimated 30% of Payment

Design Development (6-8 weeks)

- The design is refined, with more detailed plans developed for both the existing and new parcels. This includes site plans, elevations, and detailed layouts of the proposed developments.

Soil Study (6 weeks)

- A soil study is conducted if needed to ensure the land is suitable for the proposed development. This step may be skipped depending on the existing conditions and previous studies conducted.

Structural Engineering/MEP (4-6 weeks)

- Structural engineers design the framework of any proposed buildings, ensuring they meet safety and regulatory standards. Mechanical, Electrical, and Plumbing (MEP) engineers review the plans to integrate necessary systems into the design.

Civil Engineering (6-8 weeks)

- Civil engineers will survey the lot and address potential issues related to site layout, water management, and infrastructure. This step may be unnecessary depending on the scope of the project and the conditions of the site.

Milestone 4: Commencement of Permitting - Estimated 30% of Payment

Tentative Subdivision Map Preparation & Submission (8-10 weeks)

- A licensed design professional prepares and submits the Tentative Subdivision Map, which includes all necessary site details and ensures compliance with the Subdivision Map Act and local regulations.

Permitting Process (16-24 weeks)

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- All necessary permits for the lot split and any proposed developments are obtained during this phase. This includes reviewing plans with the city, making adjustments as required, and obtaining final approvals. The timeline can vary significantly based on the complexity of the project and the efficiency of the local permitting process.

Milestone 5: Permit Issuance - \$500

Project Coordination (1-4 weeks)

- After permits are issued, the project manager (CJ or Laura) & the General Contractor (Oscar) discuss to finalize plans, organize resources, and prepare for the start of construction.

Construction (16-20 weeks)

- The actual construction phase begins, involving the development of new structures or modifications to existing ones. The duration can vary based on weather conditions, inspection schedules, and contractor availability.

Cost Segregation Example Sheet for ADU Investment

Asset Category	Cost (USD)	Standard Depreciation Period (Years)	Accelerated Depreciation Period (Years)	Annual Depreciation (USD)
Building Structure	\$200,000	27.5	-	\$7,273
Land Improvements	\$30,000	27.5	15	\$2,000
Personal Property	\$70,000	27.5	5	\$14,000
Software	\$5,000	27.5	3	\$1,667
Total	\$305,000			\$24,940

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Known work to be completed

Site Prep:

- **Minimal to Moderate:** Depending on the existing unit's structure, site preparation will vary. If the existing unit is in good condition, minimal preparation is needed; otherwise, moderate work may be required to ready the site for construction.

Foundation Prep:

- **Assessment and Reinforcement:** If the existing unit's foundation is structurally sound, no additional foundation work may be necessary. However, if reinforcement is needed to support the new ADU, this will be addressed during the foundation preparation phase.

Framing Vertical Walls:

- **New Construction:** This will involve constructing vertical walls for the ADU on top of the existing unit, ensuring structural integrity and compliance with building codes.

Roofing for ADU:

- **New Roofing Required:** The ADU will require the installation of a new roof, tailored to match the design and durability needs of the new structure.

Connect Heating System and Insulation:

- **Energy Efficiency:** The heating system and insulation will be installed in the walls and ceiling of the ADU, ensuring comfort and energy efficiency for year-round use.

Siding, Drywall, Doors (Interior & Exterior):

- **New Installations:** Siding, drywall, and both interior and exterior doors will be installed as part of the new construction. These elements will be selected to match the design of the ADU and to ensure durability.

Painting (Interior & Exterior):

- **Blending with Existing Unit:** Both the interior and exterior of the new ADU will be painted. If necessary, the existing unit may also be painted to ensure a cohesive appearance between the two structures.

Flooring:

- **New ADU Space:** Flooring will be installed in the ADU, selected for durability and to match the intended use of the space.

Complete Electrical:

- **Full Installation:** A complete electrical system will be installed in the new ADU, ensuring all modern electrical needs are met, including lighting, outlets, and any additional electrical requirements.

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Installing Medium-Grade Finishing:

- **Interior Finishes:** Medium-grade finishes will be applied throughout the ADU's interior, balancing cost and quality to provide an attractive, durable living space.

Connect Utilities:

- **Service Upgrades:** Existing utilities may need to be upgraded or extended to service the new ADU. This includes water, sewer, electricity, and potentially gas lines.

Meet with Inspectors:

- **Compliance Checks:** Regular inspections will be conducted throughout the construction process to ensure all work meets local building codes and regulations. Coordination with inspectors is essential to avoid delays and ensure compliance.

Debris Removal, Site Maintenance/Dump Fees:

- **Ongoing Maintenance:** During construction, debris removal and site maintenance will be regularly performed to keep the site clean and safe. Dump fees will be accounted for in the overall project budget.

Notes:

1. A new septic tank is only required if development occurs on a new lot.

ADUs and Taxes

In California, property taxes are typically 1% of the property's assessed market value. Upon construction of your ADU, you will be reassessed, but it will be a blended assessment. ADUs will be assessed independently. It is generally the case that whatever the determined market value is, a 1% tax will be assessed and added to the current tax bill (making it a blended rate). Your tax rate can increase over time, but it is capped at 2% due to prop

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FINANCING PROJECTIONS:

Assuming 100% financed at 5.5% over 30 years. (Monthly financing does not include insurance or taxes)

Rental Strategy:	Option 1: (1) detached 2/2 (approx. 800sf)	Option 2: (1) attached 1/1 ADU + (1) detached 2/1 ADU (approx. 650sf)	Option 3: (4) Detached 2/2 ADUs Superimposed (approx. 750sf each) + (1) Car port conversion (approx. 300sf each)	Option 4: Building a 550 sq ft ADU on the bottom and a 550 sq ft ADU on the top.(approx. 1,100sf each)
Monthly Rental Income	\$3,450	\$5,600	\$12,900	\$4,800
Monthly Financing	-\$2,040	-\$2,300	-\$6,875	-\$2,635
Monthly Cash Flow	\$1,410	\$3,300	\$6,025	\$2,165
Annual Cash Flow	\$16,920	\$39,600	\$72,300	\$25,980
5-Year Cash Flow	\$84,600	\$198,000	\$361,500	\$129,900
30-Year Cash Flow	\$507,600	\$1,188,000	\$2,169,000	\$779,400
ROI (based on 30 year payback period)	76.65%	157.11%	90.25%	88.86%
# Years to pay off ADU (*if apply monthly cash flow to principle)	11.2	6.9	10.1	10.2

If you have any questions please contact me by email or by phone. The LIFE HOUSE team can finance, design, permit, and build your project. Our Architect and Draftsmen team have over 30 years combined experience. We look forward to being part of your project journey.

Very respectfully,
Cärrin (C.J.) Johnson

Cärrin Johnson

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1489 Burton St, San Diego, CA 92111

APN: 437-080-08-00

Lot Size: \approx 0.14 acres | \approx 6,174 SF

Zoning

Zone: RS-1-7

Land Use - Development of single dwelling units that accommodate a variety of lot sizes and residential dwelling types.

Structure Height : Max Height 24/30 feet

ADU Specific Height Exceptions:

Detached- A height of 16 feet - ADU with a structure height that exceeds 16 feet or is multi-story shall observe a minimum 4-foot Interior-Side Yard and Rear Yard setbacks.

Attached- 16ft - The ADU may encroach into the Side Yard and Rear Yard Setbacks of the Zone, including up to the Property Line if the structure height is 16 feet or less

ADU Zoning Regulations:

Floor Area Ratio Detached : The maximum gross floor area for an attached or detached ADU is 1,200 square feet.

Floor Area Ratio Attached : The conversion of an existing accessory structure or a portion of the existing primary residence to an ADU is not subject to the 1,200-square-foot maximum gross floor area limitation.

Additional Parking: Not Required - Due to lot / Adu being within 0.3 of a mile to transit stop.

Nearest Transit stop is located at Linda Vista Rd & Northrim Ct.

Front setback: 15' - ADU - 15 (Where a new structure is proposed as an ADU, the ADU must observe the Front Yard and Street Side Yard Setbacks of the Zone).

Side setback: Side yard setback - 4' - ADU - 4' Side yard setback, street side - 5' - ADU - 5'

Rear setback: 13' - ADU - 4'

Building separate: Detached dwellings shall maintain a minimum distance of 6 feet between dwellings and 3 feet between any dwelling and any detached, nonhabitable accessory building located on the same premises.

Flood: No

Fire hazard zone: Yes: No

sxAzOverlays

- Airport Influence area
- Transit Priority Areas
- Sustainable Development Area

Site Conditions

Access/Parking

- Current vehicular access from Burton St
- No Additional parking required - Transit within .03 Miles - Linda Vista Rd & Northrim Ct

Existing Structures

- 1 Single Family Home, 3 Bedrooms , 1 Bathroom 910sf
- Year Built - 1942
- Lot Dimensions: North PL (112.8'), East PL 54.82'), South PL (111.91'), West PL (55.09')
- Sprinkler - No

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- PV System - No
- No Swimming Pool

School District

Elementary School District : San Diego Unified School District
 High School District : San Diego Unified School District
 New Residential Construction - Elem & High School Fee \$5.17 Sqft

Aerial View



Client Name	Client Email	Client Phone	Signature			
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Disclaimer This is not an official document, and may not comply with current laws or industry standards. You should make your own enquiries and seek independent advice from relevant industry professionals before acting or relying on the contents of this document. ALL DIMENSIONS ARE IN FEET. DO NOT SCALE FROM PLANS.	Property Details 1489 Burton St San Diego, CA 92111, USA APN: 4370800800	Design 2/1 ADU 650sf	Scale 1" = 1/16" @ A3		Version # 1	
		1" version date: 3/2/2025	Current version date: 3/2/2025	Version # 1		

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