

Scaling ADU's

Steve Vallejos -CEO

prefabADU 

About me:

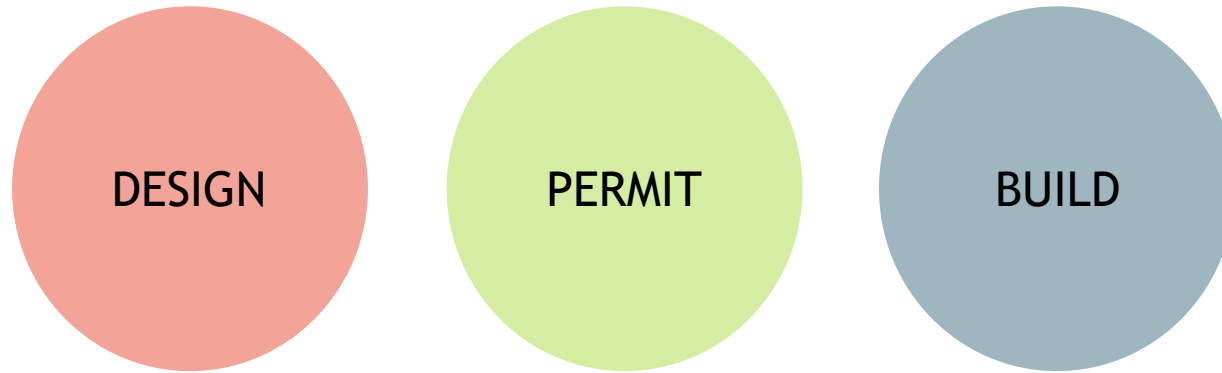
Steve Vallejos - CEO of prefabADU & Valley Home Development

- 30yrs in construction
- Building ADU's with prefab since 2006
- Built over 300 ADU's to date
- Actively building 12-24 at a time
- Designing 40-60 units at a time
- 1200 units 2021 goal



“Becky” plan build

Understanding the process:



All necessary but each process could be improved

Product and process improvements:



DESIGN

- Standardize plans & features
- Limit scope (know your market)
- Map out process



PERMIT

- Pre-approve plans locally
- State approved plans (Panelized, MODULAR & Manufactured)
- Planning & building department checklists (beyond application checklist)



BUILD

- Standard plans & finishes
- Factory built homes and kits
- Test new technology & methods

GOAL - increase affordable ADU builds while decreasing staff workload!!

Pre-approved plans:

Insight from nations #1 ADU builder!!

Hiring a consultant to do consumer outreach
+
Doing an RFP for pre-approved ADU designs
+
Spending money on advertising solution
=
Wasted time, money & failure with consumer

Outreach + Opulent design \neq Success

Right way to determine solutions:

PROPERTY FARM SEARCH FOR ADU'S

City	Total parcels	0-3000	3001-5000	5001-7000	7001-10000	10001-21780	21781-99999
Sacramento	190313	9942 5%	26584 14%	83653 44%	43788 23%	22536 12%	3810 2%
Rio Linda	3929	9 0%	78 2%	1313 33%	600 15%	925 24%	1004 26%
Folsom	21039	883 4%	2324 11%	4460 21%	7384 35%	5500 26%	488 2%
Elk Grove	50135	826 2%	6112 12%	23417 47%	14801 30%	3818 8%	1161 2%
Total	265416						

prefabADU pricing - (Sacramento Value Analysis)

No solutions like this in the market!!

Work everywhere ★

Work in sweet spots ★

Work in sweet spots ★

Work in sweet spots ★

Plan Name	Plan Size	Kit Price	Full build Price*	Market Rent	Payment**	Cash Flow	% pos.	Note ***
Micro 150	150	\$15,500	\$66,000	\$1,395	\$252.00	\$1,143.00	82%	below 30% AMI req.
Micro 180	180							
Micro 240	240							
Becky	288	\$28,400	\$110,880	\$1,395	\$423.00	\$972.00	70%	below 30% AMI req.
Elisabeth	300	\$28,100	\$119,920	\$1,395	\$458.00	\$937.00	67%	below 30% AMI req.
Jake	390	\$33,500	\$153,020	\$1,395	\$584.00	\$811.00	58%	below 40% AMI req.
Pete	451	\$37,800	\$170,120	\$1,450	\$650.00	\$800.00	55%	below 40% AMI req.
Andy	600	\$45,500	\$220,525	\$2,050	\$842.00	\$1,208.00	59%	below 50% AMI req.
David	640	\$48,370	\$233,690	\$1,495	\$893.00	\$602.00	40%	below 50% AMI req.
Julie	700	\$49,700	\$246,630	\$1,195	\$942.00	\$253.00	21%	below 50% AMI req.
Ryan	792	\$56,100	\$278,620	\$1,595	\$1,064.00	\$531.00	33%	below 60% AMI req.
Barbara	1000	\$67,800	\$356,790	\$2,017	\$1,363.00	\$654.00	32%	below 70% AMI req.

* Build price is based on Kit plus Valley Home Development (local GC) delivery & finish

** payment is based on 80% build price added to 1st mortgage (assumes refinanced 30yr. @3.92% int. rate)

*** AMI amounts pulled from Sacramento Housing and Redevelopment Agency Assisted Rental Housing 7/1/2020 Rev 1 Income and Rent Limit Table

Market rents pulled using newer Trulia rentals in same size range, BR & BA as the ADU

Pre-approved plans we're using:



ELISABETH 300sqft

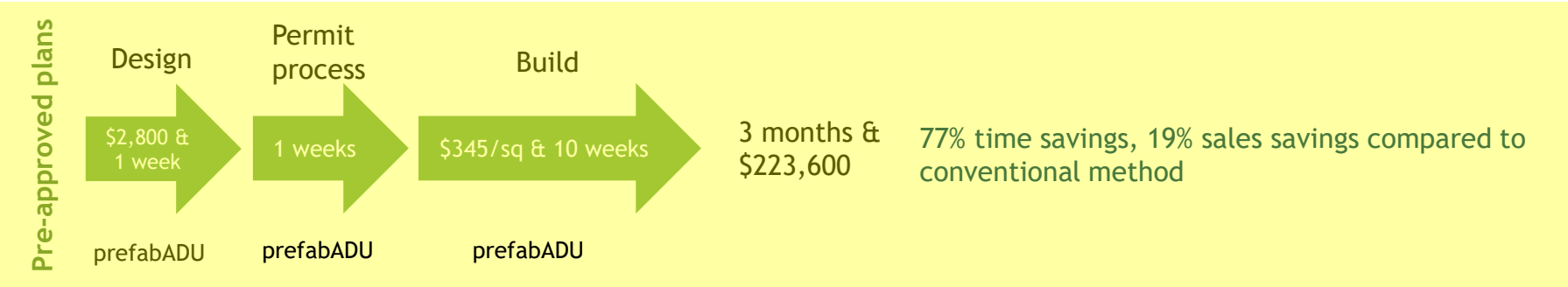
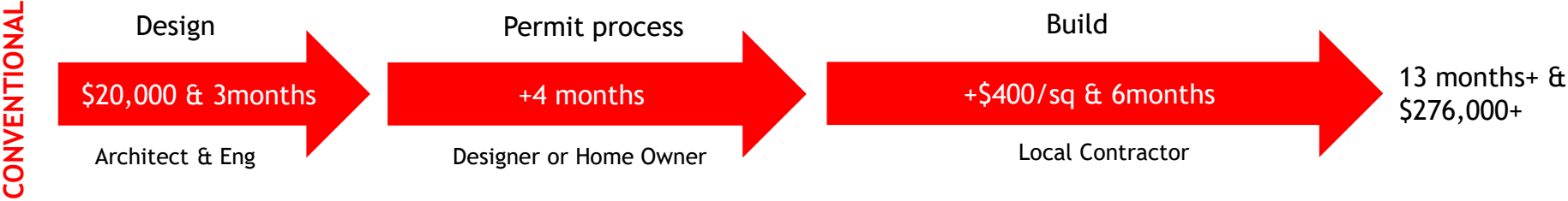


JAKE 390sqft



DAVID 640sqft

Where the rubber meets the road:



Example is based on a 640sqft ADU build with pre-approved plans, our efforts to assist cities in expediting plan check process, efficiencies gained prefab construction and standardized finish options.

Thanks for *your* time!