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# 2026 ASA INTERNATIONAL CONFERENCE

*A New Frontier: Appraising in a World of Change*



## ACCESSORY DWELLING UNITS AN OLD FAMILY CONCEPT IS NEW AGAIN

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**BM Appraisals**

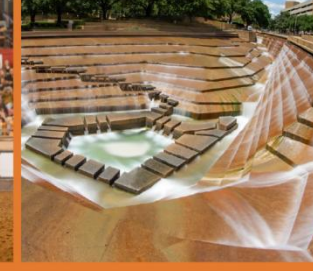
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## ADU – WHAT IS IT?

- “...a single habitable living unit with means of separate ingress and egress that meets the minimum requirements for a living unit.”
- An ADU is a private space that is subordinate in size and can be added to, created within, or detached from a primary one-unit Single Family dwelling, which together constitute a single interest in real estate.”

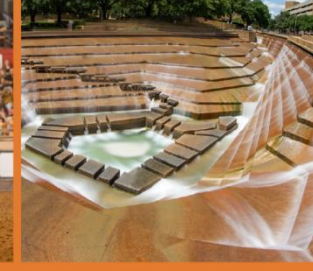




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...a single habitable living unit with means of separate ingress and egress that meets the minimum requirements for a living unit. An ADU is a private space that is subordinate in size and can be added to, created within, or detached from a primary one-unit Single Family dwelling, which together constitute a single interest in real estate.”



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## Living Unit

### (F) Minimum Requirements for Living Unit

- a continuing and sufficient supply of safe and potable water under adequate pressure and of appropriate quality for all household uses sanitary facilities and a safe method of sewage disposal
- Every living unit must have at least one bathroom, which must include, at a minimum, a water closet, lavatory, and a bathtub or shower



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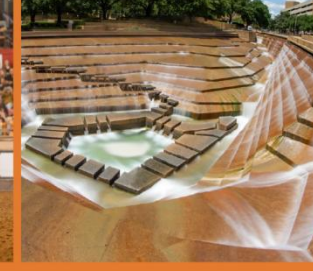
- space adequate for healthful and comfortable living conditions
- heating adequate for healthful and comfortable living conditions



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## Living Unit

- electricity adequate for lighting and for mechanical equipment used in the living unit domestic hot water





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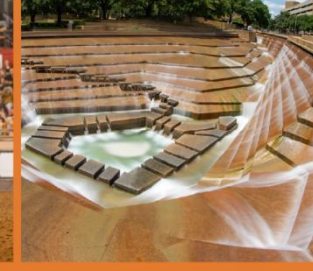
- kitchen facilities adequate for the preparation and cooking of food.



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## Family Ties And Affordability

- **Florida Statute 163.31771 Accessory dwelling units.**—(1) The Legislature finds that the median price of homes in this state has increased steadily over the last decade and at a greater rate of increase than the median income in many urban areas. The Legislature finds that the cost of rental housing has also increased steadily and the cost often exceeds an amount that is affordable to extremely-low-income, very-low-income, low-income, or moderate-income persons and has resulted in a critical shortage of affordable rentals in many urban areas in the state. This shortage of affordable rentals constitutes a threat to the health, safety, and welfare of the residents of the state. Therefore, the Legislature finds that it serves an important public purpose to encourage the permitting of accessory dwelling units in single-family residential areas in order to increase the availability of affordable rentals for extremely-low-income, very-low-income, low-income, or moderate-income persons.



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## Family Ties And Affordability

**“More Families Look to Multigenerational Living”**

**“A new survey found that 39% of Americans are more likely to move aging parents into their homes than consider assisted living or nursing facilities.”**



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## ADUs - How are they Differentiated in Your Market

- In-Law Suite – typically found in interior of the primary dwelling
- Accessory Dwelling Unit – typically a detached, or attached, unit secondary to the primary dwelling
- Granny Flats/Cottage – typically detached from the primary dwelling and built to accommodate someone requiring accessories needed by aging individuals
- Pool-house – usually a small building with living areas and may have small food preparation area



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## Let's Look At Texas

- “ Accessory Dwelling Units (ADUs) have been gaining popularity in Texas as a practical and cost-effective solution to the growing housing shortage.”

Fort Worth- A subordinate building on the same premises as a principal building for exclusive use for accessory uses as defined in...

Granny Flat is reportedly one popular ADU type.



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## Let's Look at Minnesota

Detached backyard cottages, attached additions, and internal conversions like basement apartments.

Units must include a lockable separate entrance, a full kitchen, and a full bathroom, and comply with the Minnesota State Building Code.



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## Final Look – Fort Hall Reservation, Idaho

The policy of the of the Fort Hall Reservation/Land Use Policy Commission is in place to primarily preserve the Tribal Lands for the use of tribal members. A major factor in the daily permitting of development is the preservation of the traditional and agricultural use of the land and natural resources.



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## Questions That Require Answers

In Minnesota, if there is no ability to lock the entry door to a basement unit, is it a lawful ADU?

In all States, if the outlet for the range/stove/oven is not 40 or 50 AMP capacity, can it be considered meeting the requirement for the “utility hook-up”?



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## The Answer to the Question I Asked FHA

- a continuing and sufficient supply of safe and potable water under adequate pressure and of appropriate quality for all household uses;
- sanitary facilities and a safe method of sewage disposal. Every living unit must have at least one bathroom, which must include, at a minimum, a water closet, lavatory, and a bathtub or shower;
- space adequate for healthful and comfortable living conditions; least one area with kitchen facilities, which must include, at a minimum, a sink with potable running water and a stove utility hookup.



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- heating adequate for healthful and comfortable living conditions;
  - domestic hot water;
  - electricity adequate for lighting and for mechanical equipment used in the living unit; and
  - **kitchen facilities adequate for the preparation and cooking of food.**
- Every living unit must have at least one area with kitchen facilities, which must include, at a minimum, a sink with potable running water and a stove utility hookup.**



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## The Answer to the Second Question I Asked FHA

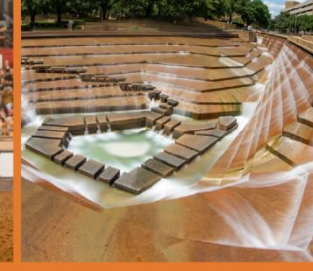
An Accessory Dwelling Unit (ADU) refers to a single habitable living unit with means of separate ingress and egress, that meets the minimum requirements for a living unit (Handbook 4000.1 11.A.3.a.ii(F)). An ADU is a private space that is subordinate in size and can be added to, created within, or detached from a primary one-unit Single Family dwelling, which together constitute a single interest in real estate.



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A single family residential one-unit property with a single ADU, remains a one-unit property. For any single family residential property, with two or more units, a separate additional Dwelling Unit must be considered as an additional unit.

The ADU must be legally permissible under the zoning, which may include a legal nonconforming use.

For more information see Handbook 4000.1 Section II.A.1.b.iv(B)(4) and 11.D.3.b.vii at <https://www.hud.gov/hud->

Partners



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## Valuing ADUs

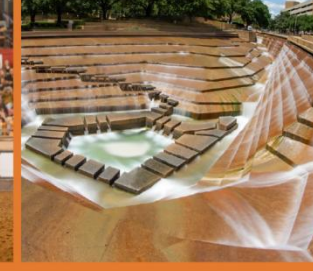




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## Types of ADUs

- *Attached*
- *Detached*





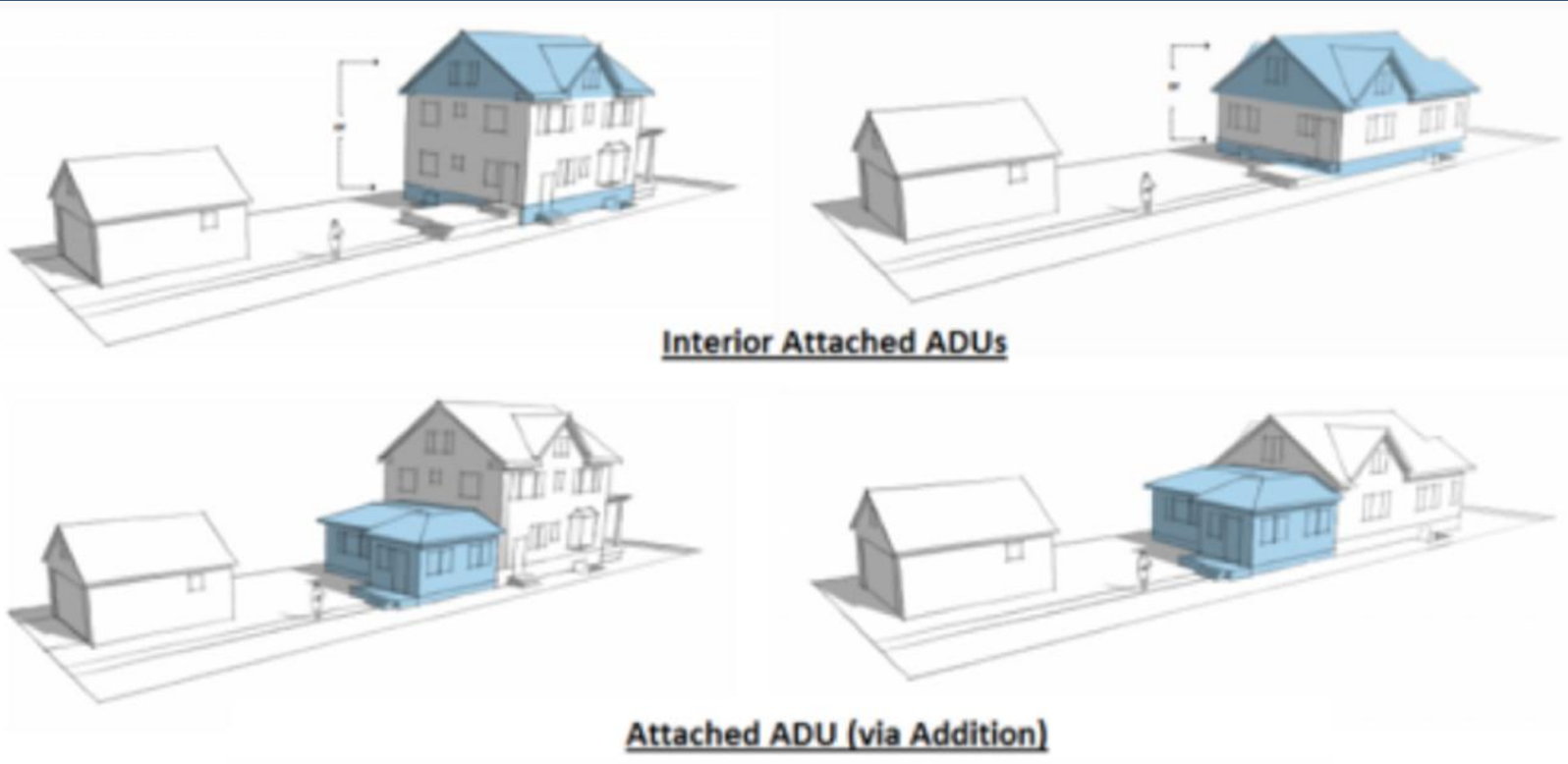
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## Attached ADU Examples

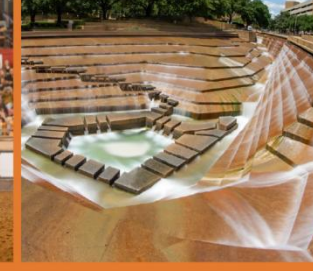




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## Detached ADU Example





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## Case Study #1 – ADU Feasibility

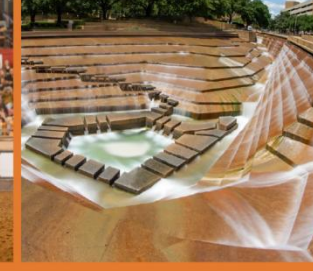




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## Case Study #1a

- ***Main: 1.5 \* (30' X 60' ); 1,800 GLA***
- ***Existing Garage: 10' X 20'***
- ***R1; 40' X 100'***
- ***5' Set-backs***
- ***FAR: 50%***

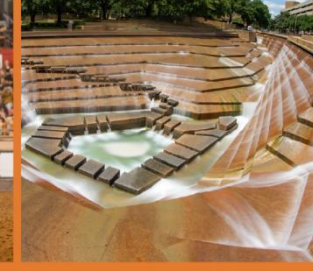




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## Case Study #1b

- ***Main: 1.5 \* (30' X 60' ); 1,800 GLA***
- ***Existing Garage: 10' X 20'***
- ***R2; 40' X 100'***
- ***5' Set-backs***
- ***FAR: 50%***

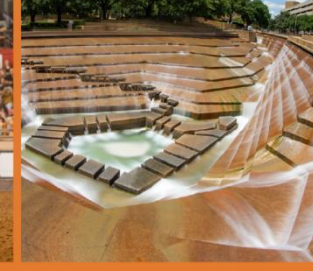




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## Case Study #1b (Con't)

- *Proposed ADU + Garage: 2600 SF*
- *Max. Site FAR: 2000 SF; 50% Site*
- *Improvement to FAR %: 2600/4000  
65%*
- *65% <= 50%: 2600 SF <= 2000 SF ?*

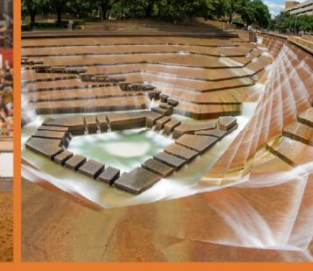




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## Case Study #1c

- ***Main: 1.5 \* (30' X 60' ); 1,800 GLA***
- ***Existing Garage: 10' X 20'***
- ***R2; 40' X 100'***
- ***5' Set-backs***
- ***FAR: 65%***

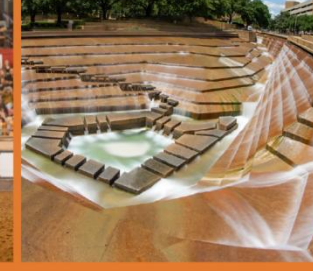




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## Case Study #1c (Con't)

- *Proposed ADU + Garage: 2600 SF*
- *Max. Site FAR: 2600 SF; 65% Site*
- *Improvement to FAR %: 2600/4000  
65%*
- *65% <= 65%: 2600 SF <= 2600 SF ?*





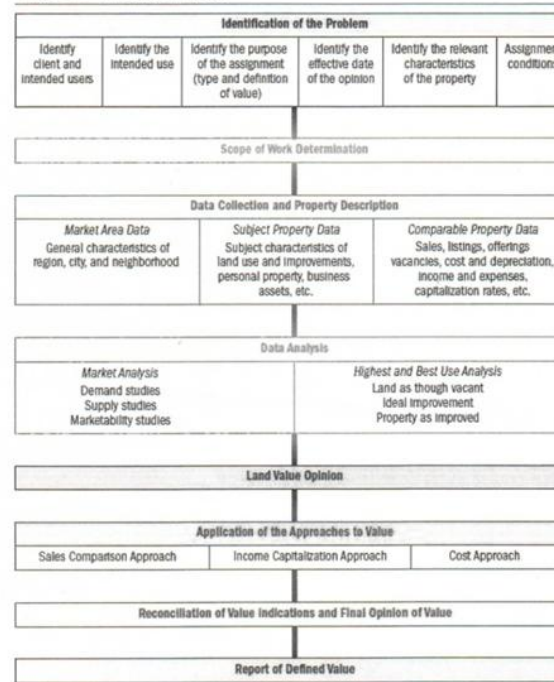
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Figure 4.1 The Valuation Process



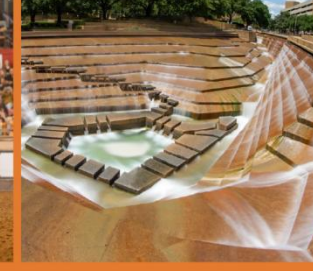
Credit: The Appraisal of Real Estate, 14<sup>th</sup> Edition, by the Appraisal Institute



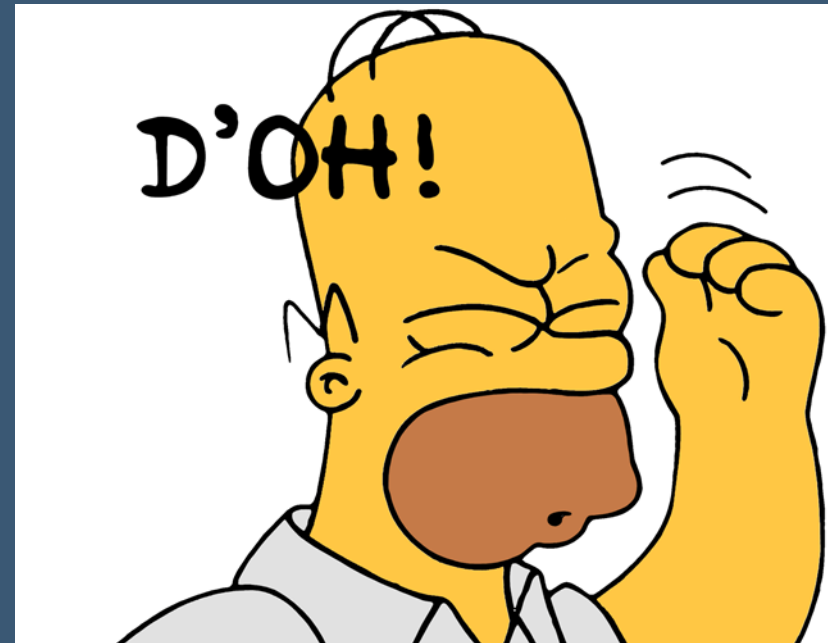
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Remember, it's about the  
contributory value!





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## Cost Example:

- ***Market Segment Value Range: \$295K - \$425K***
- ***House Value: \$350K (includes land)***
- ***ADU Cost: \$150K***



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## Cost Example (Con't):

- *House + ADU: \$500K*
- *\$500K > \$425K by \$75K*
- *\$75K difference (\$425K - \$350K)*



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## Questions?





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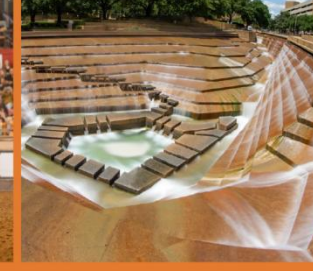




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## Alonzo V. Perkins



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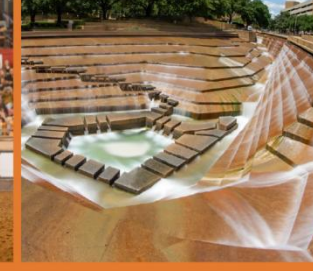
- Licensed in the State of Florida as a Certified General Real Estate Appraiser; State of Idaho as a Licensed Appraiser
- Bachelor Degree, Psychology; University of Florida
- Master of Business Administration, MBA; Real Estate; Marylhurst University
- 42 years of real estate appraisal experience
- Florida Department of Transportation – Acquisition Specialist and Review Appraiser
- Gallion & Wilson – Real estate appraisal firm specializing in eminent domain appraisal
- South Florida Water Management District – Senior Review Appraiser
- United States Department of the Interior, Office of Valuation Services – Review Appraiser
- United States Department of the Treasury, Internal Revenue Service (IRS) – Senior Appraiser
- Alonzo Perkins, LLC – Owner & Lead Appraiser



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## Byron Miller, ASA, SRA, AI-RRS, RAA, MSSE



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- Licensed Certified General Real Estate Appraiser; Minnesota & Wisconsin
- Bachelor Degree, Focus Computer Science; Metropolitan State University
- Master of Science Software Engineering, University of St. Thomas
- 26 years of real estate appraisal experience
- Appraisal Qualifications Board (AQB) Member 2021 - 2025
- The Appraisal Foundation Advisory Council (TAFAC), Secretary 2026
- American Society of Appraisers (ASA), Discipline Practice Board Member 2026 - 2027
- National Society of Real Estate Appraisers (NSREA), Board Member 2026 – 2028
- International Right of Way Association (IRWA) Chapter 20, Treasurer 2026
- North Star Chapter Appraisal Institute President 2020, 2024
- MN Real Estate Appraisal Advisory Board (REAAB) Member 2019 – 2023; Chair 2023
- Relocation Appraisers & Consultants (RAC), President 2019
- BM Appraisals – Owner & Principal Appraiser