



Sonoma County Assessor's Office

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Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU) Frequently Asked Questions

How will my property taxes change when I complete the ADU or JADU? Will I lose my Proposition 13 values? New construction to the existing home, including ADU, JADU and patios, pools etc. will be reassessed at market value upon completion. However, the existing land and structures not involved in new construction will not be reappraised. The increment of value determined for the new construction will be added to the existing assessed value.

Example:

Existing home assessed value:	\$236,500
Market value of ADU on completion:	<u>\$100,000</u>
Total new assessed value:	\$336,500

When will the new construction be assessed? New construction is assessed at market value upon completion. If new construction is partially complete on the lien date (January 1) then a partial assessment will be added to the annual tax bill with the final value being assessed upon completion as a supplemental event.

How does the Assessor's Office determine the assessed value for the newly constructed ADU/JADU? The Assessor's appraisal staff will use a variety of appraisal methods to determine the value to assess to the newly constructed ADU or JADU. On completion, the appraiser may look at cost, income, and sales comparison approaches to determine the market value added for the new construction.

How will my assessed value change if I convert a portion of my home into an ADU without adding additional square footage? For example, I have a 2,500 sq. ft. home and will be converting 500 sq. ft. into a separate Accessory Dwelling Unit, keeping the remaining 2,000 sq. ft. as my main residence.

The increase in market value for the 500 sq. ft. conversion will be added to the current assessed value. For example, houses that are 2500 sf sell for \$500,000 and houses that are 2000sf with a 500 sq. ft. ADU sell for \$625,000, so the increment of value at \$125,000 would be the market value added for the conversion to an ADU.

Example:

Existing home assessed value:	\$500,000
Market value of ADU on completion:	<u>\$125,000</u>
Total new assessed value:	\$625,000

Additional Resources

<http://sonomacounty.ca.gov/CRA/Assessor/Real-Property/How-Property-Values-Are-Assessed/>
<http://www.boe.ca.gov/proptaxes/newconstructionproperty.htm>