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Demand for ADUs Surges in California as State Streamlines Construction Process

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California is experiencing a surge in demand for Accessory Dwelling Units (ADUs), with one in five new homes built in the state last year classified as an ADU. This growing trend is being fueled by a new state initiative aimed at simplifying the building process, reducing costs, and accelerating permit approvals, making ADUs a more attractive solution for homeowners navigating California's housing crisis.

To meet this rising demand, California has begun offering pre-approved ADU building plans, significantly cutting down on architectural fees and wait times. Under Assembly Bill 1332

(AB 1332), passed in 2023, local governments are required to make a selection of pre-vetted plans available. Homeowners who choose one of these designs can expect permit approvals within 30 days, down from the typical 60 to 90 days.

The move is part of the state's broader push to expand housing options amid skyrocketing prices and limited inventory. In high-cost areas like Los Altos, where the median home price exceeds \$4.9 million, ADUs offer families a more affordable alternative.

Aditi Nagaraj, a software engineer, built a two-bedroom ADU in her parents' backyard and now pays them \$4,000 a month in rent. "It's such a rare opportunity to be in this area at this price," she told *The Mercury News*.

Despite the high construction costs, averaging \$500 to \$600 per square foot, homeowners are undeterred. A modest one-bedroom unit can cost around \$300,000 to build, with utility hookups and site prep adding another \$100,000 or more. But the long-term benefits, including rental income and housing flexibility, are driving continued interest.

Pre-approved plans also make ADUs more accessible to average homeowners. Though there's a fee involved, ranging from \$1,000 to \$7,000, it is still significantly less than custom architectural design fees, which typically fall between \$5,000 and \$15,000.

"Reducing costs, reducing confusion, reducing delays all of that goes a long way to help everyday homeowners who are trying to build new housing," said Jonathan Pacheco Bell, vice president of policy and programs at the Casita Coalition, an ADU advocacy group.

Several jurisdictions, including South San Francisco, Alameda County, and Marin County, are going even further by offering free design consultations and technical support through nonprofit partnerships like HelloADU. These services help guide homeowners through the complicated permitting and construction process.

"For someone who's not versed in construction, even just getting started and finding an architect can be a big hurdle," said Christian Murdock, community development director for Mountain View. "This lowers one of those hurdles."

However, experts caution that even pre-approved plans aren't one-size-fits-all. Sara Dean, principal at IF/THEN Studios, emphasized the need for homeowners to understand local requirements. "California is complicated," she said. "We have many different seismic zones

and soil types, all of which require different structural work... ADUs have all the complexity of design and permitting that a home does, but without the square footage.”

As California continues to address its housing shortage, ADUs are emerging as a key strategy, offering a flexible, lower-cost option for homeowners to add value to their properties while contributing to the state’s housing stock.