ADU Math

Drop ADUs on your lot. See the math.

Sample report, example numbers, prepared November 14, 2026

Summary

THE SHORT ANSWER

2 ADUs fit (Bellingham rules). Build and sell: about $89,900 profit (32%). Break-even $244/SF. Rent: falls short of costs by about $1,077 a month (year 1).

Address	**123 Example Lane, Bellingham, WA (sample parcel)**
ADUs that fit	**2 of 2 planned, 920 SF each**
Plan	**Compare selling vs renting**
Own this home?	**no, would buy**
Sell profit (base case)	**$89,935**
Sell ROI (12-month, base)	**31.5% (range 0.9% to 62.1%)**
Break-even build cost	**$244/SF**
Does rent cover costs? (year 1)	**No, about $1,077 a month short**

Talk to Troy about this lot: Troy Muljat, Muljat Group Commercial · (360) 820-2000 · troy@muljat.com

Investor details are in the appendix at the end of this report.

Sample report: fictional parcel, example rents and example numbers.

2. Zoning check

ADDRESS
123 Example Lane, Bellingham, WA (sample parcel)

PARCEL NUMBER
Sample parcel (fictional)

LOT SIZE
4,480 SF (0.10 acres)
Measured from the county parcel outline. County legal acreage: 0.1 ac

APPROX. DIMENSIONS
40 ft wide × 112 ft deep
Street side: sample parcel, street side is the bottom edge

ZONING
RS3.0 – RES SGL 3.0 (example)
Zoning shown is the County Assessor's zoning field on this parcel. For city parcels it normally mirrors the city's zone, but confirm on the City of Bellingham zoning map.

JURISDICTION
Bellingham
Sample parcel (fictional)

COUNTY ASSESSED VALUE
$450,000
Land $247,500 · Building $202,500 (example split)

EXISTING HOUSE
1,000 SF living area · 1 STY
Use: RES 3 BDRM

ADU RULES WE FOUND (CITY OF BELLINGHAM RULES ONLY)

- Up to **2 ADUs per lot**, each up to **1,000 SF** (BMC 20.10.036; permanent ADU ordinance 2025-12-035, in effect since Dec 23, 2025).
- Detached ADU setbacks: **front 10 ft, interior side 5 ft, rear 0 ft** (0 ft at an alley). Height limit **24 ft**.
- No off-street parking and no owner-occupancy required. Street frontage improvements are not required for ADUs (BMC 20.10.036(B)(5)(b)).
- Interim middle-housing ordinance 2025-12-032 allows up to 4 units per lot (6 near a major transit route or with 2 affordable units). **It expires Dec 4, 2026**; Council hears an extension on Nov 2, 2026.
- Interim landmark-tree ordinance 2026-08-020 (to Mar 26, 2027): healthy trees 36 inches or more across need city approval to remove.

CAN'T CONFIRM FROM PUBLIC MAPS

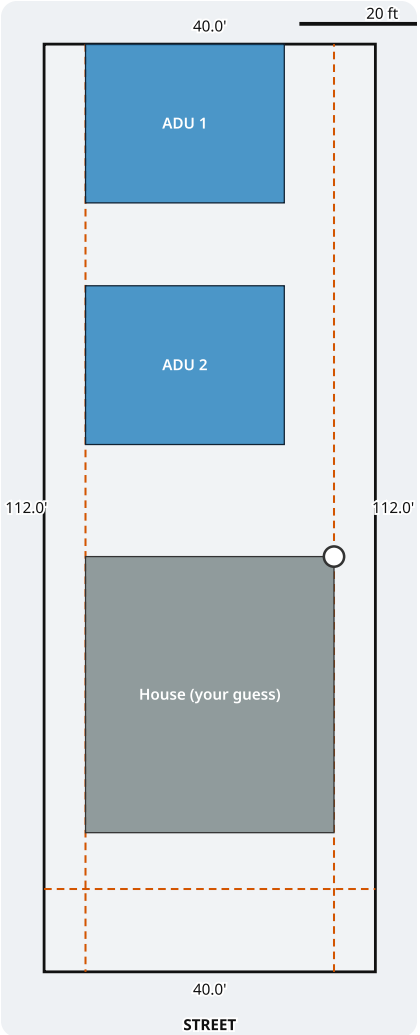
- Whether the city zoning map matches the county zoning field (RS3.0)
- Lot coverage and floor-area limits
- Critical areas, steep slopes, wetlands, streams
- Easements and utility and sewer locations or capacity
- Historic district rules
- Trees on the lot
- Corner-lot street-side setbacks
- Whether a short plat (lot split) is possible. In Bellingham a short plat can trigger full street frontage improvements (BMC 13.08.030(B)(2))

Check these with the city before you spend money.

Estimates for general information only; not an appraisal or legal, tax, engineering, lending or investment advice. Verify before relying on it. Full disclaimer on the last page.

4. How many ADUs fit?

SITE PLAN (DRAWN TO SCALE; STREET AT THE BOTTOM; FICTIONAL SAMPLE PARCEL, NO AERIAL)



Lot line · Setback line · Existing house · ADU

ADU 1 (24×19 ft footprint): **passes setbacks and separation**
ADU 2 (24×19 ft footprint): **passes setbacks and separation**

Trees: not checked. Bellingham protects landmark trees 36 inches or larger; have a site visit confirm.

Setbacks: Bellingham detached ADU rules (front 10, side 5, rear 0). House box is a placeholder (no footprint found). Not checked here: lot coverage/FAR, height, parking, utilities and sewer location, easements, slopes, critical areas, historic districts. Footprint = living area ÷ stories.

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6. Results

THE SHORT ANSWER

2 ADUs fit (Bellingham rules). Build and sell: about $89,900 profit (32%). Break-even $244/SF. Rent: falls short of costs by about $1,077 a month (year 1).

Plan: **Compare selling vs renting** · 2 ADUs × 920 SF · build $200/SF · buying at $450,000

A. EXISTING HOUSE AFTER THE ADUS ARE BUILT

Remaining house value (sold after the short plat)	$405,000

Assumption: Default = today's county value ($450,000) minus a 10% haircut, or $405,000. It doesn't change with the price you pay, so paying more shows up as lower profit.

B. VALUE OF EACH NEW ADU (920 SF AT $350 / $400 / $450 PER SF)

Unit	Low	Base	High
ADU 1	$322,000	$368,000	$414,000
ADU 2	$322,000	$368,000	$414,000
All new units	**$644,000**	**$736,000**	**$828,000**

Finished $/SF is an assumption ($350–$450), not a comparable sale.

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C. TOTAL DEVELOPMENT COST

Purchase price	$450,000
Closing costs (2.0%)	$9,000
Hard cost: 1,840 SF × $200/SF	$368,000
Site prep / demo	$10,000
Contingency (10.0% of hard)	$37,800
Design / architecture	$30,000
Permits ($7,500 per ADU)	$15,000
Utility connection fees	$14,000
School impact fee	$5,000
Survey / legal	$15,000
Short plat (not included)	$0
Financing: interest during the 12-month design + build	$34,590
Carry: property tax + insurance (12 months at $5,625/yr)	$5,625
Total project cost	**$994,015**
Your cash in (25.0% down + closing + carry)	$285,415
Loans (75.0% of purchase and build)	$708,600



Purchase: $450,000
Closing: $9,000
Hard cost: $378,000
Contingency: $37,800
Soft costs: $79,000
Interest + tax/ins: $40,215

d. Sell case: sell everything after 12 months

12-month ROI (base)
31.5%

ROI range
0.9% to 62.1%

Profit (base)
$89,935

Break-even build cost
$244/SF

At these inputs the project makes $89,935 in 12 months (4 design/permit + 8 build), 31.5% on your cash.

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Sale value low / base / high	$1,049,000 / $1,141,000 / $1,233,000
Net after 5.0% sale cost (base)	$1,083,950

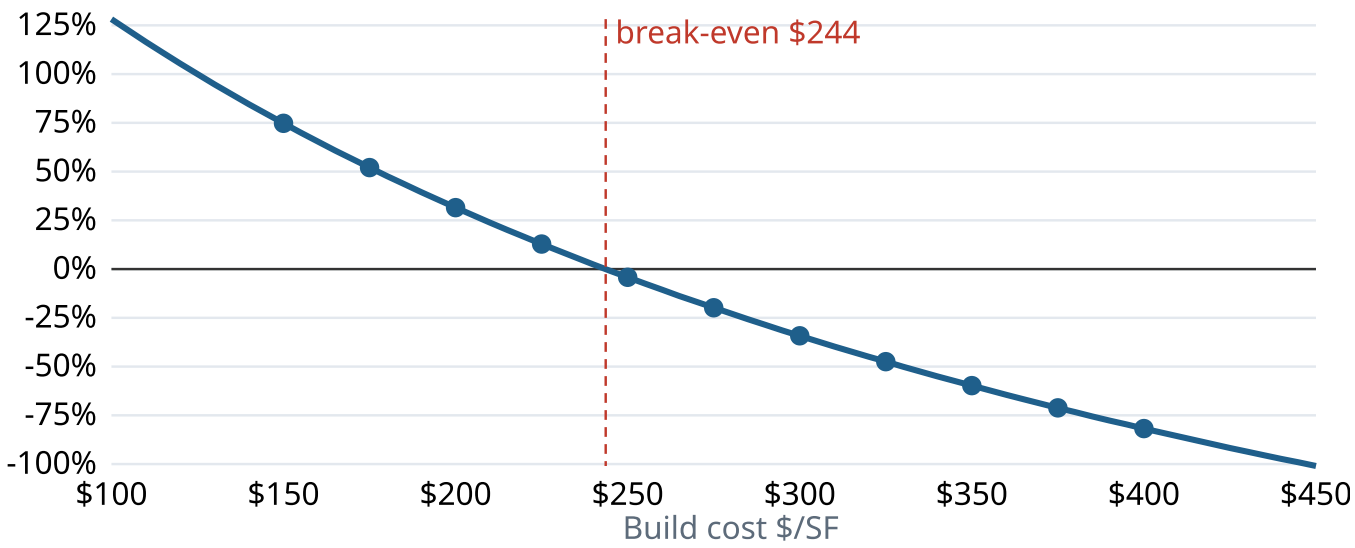
Short plat: selling units separately needs a short plat or condo split, which needs city approval and is **not confirmed**. Cost: not included.

ROI BY BUILD COST AND SALE PRICE

Build cost	Low $350/SF	Base $400/SF	High $450/SF
$150/SF	40.9% $105,633	74.8% $193,033	108.6% $280,433
$175/SF	19.9% $54,084	52.1% $141,484	84.2% $228,884
$200/SF (base, Muljat Group default)	0.9% $2,535	31.5% $89,935	62.1% $177,335
$225/SF	-16.4% -$49,014	12.8% $38,386	42.1% $125,786
$250/SF ≈ break-even ($244)	-32.2% -$100,563	-4.2% -$13,163	23.7% $74,238
$275/SF	-46.6% -$152,111	-19.8% -$64,711	7.0% $22,689
$300/SF	-59.9% -$203,660	-34.2% -$116,260	-8.5% -$28,860
$325/SF	-72.2% -$255,209	-47.5% -$167,809	-22.8% -$80,409
$350/SF	-83.6% -$306,758	-59.8% -$219,358	-36.0% -$131,958
$375/SF	-94.1% -$358,306	-71.2% -$270,906	-48.2% -$183,506
$400/SF	-104.0% -$409,855	-81.8% -$322,455	-59.6% -$235,055

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ROI VS BUILD COST (BASE)



e. Rent and hold case: 12-month build, then rent 5 years

Does rent cover costs? No. Rent falls short of operating costs, tax, insurance and the loan payment by about $1,077 a month in year 1.

Sell vs rent, side by side

Sell after 12 months: about **$89,935** profit. Rent for 5 years after the build, then sell: about **-$216,802** total (a loss).

CHECK UTILITIES

Utility and GIS links for Bellingham. Links only; we don't pull utility data.

- CityIQ Online Map Viewer (utilities, parcels, aerials) https://maps.cob.org/geviewer/Html5Viewer/Index.html?viewer=cityiq
- City of Bellingham maps and GIS https://cob.org/services/maps/gis
- Bellingham utilities https://cob.org/services/utilities
- Bellingham Public Works https://cob.org/gov/dept/pw
- Public Works contacts https://cob.org/about/contacts/pw-c
- Whatcom County GIS Map Portal https://www.whatcomcounty.us/2988/Map-Portal
- Washington 811 (call 811 before you dig) https://washington811.com/

Utility locations are approximate; confirm water, sewer and storm with the city Public Works and call 811 before you dig.

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7. Sensitivity: build cost × remaining house value

Sale case: Base, new units at $400/SF × 1,840 SF. Today's value basis $450,000. Same model as step 6.

House value (% of today's value)	$150/SF	$175/SF	$200/SF (base)	$225/SF	$250/SF	$275/SF	$300/SF	$325/SF	$350/SF	$375/SF	$400/SF
$315,000 70%	41.6% $107,533	20.6% $55,984	1.6% $4,435	-15.8% -$47,114	-31.6% -$98,663	-46.0% -$150,211	-59.4% -$201,760	-71.7% -$253,309	-83.1% -$304,858	-93.6% -$356,406	-103.5% -$407,955
$360,000 80%	58.2% $150,283	36.3% $98,734	16.5% $47,185	-1.5% -$4,364	-17.9% -$55,913	-32.9% -$107,461	-46.8% -$159,010	-59.6% -$210,559	-71.4% -$262,108	-82.4% -$313,656	-92.6% -$365,205
$405,000 90% · current	74.8% $193,033	52.1% $141,484	**31.5% $89,935**	12.8% $38,386	-4.2% -$13,163	-19.8% -$64,711	-34.2% -$116,260	-47.5% -$167,809	-59.8% -$219,358	-71.2% -$270,906	-81.8% -$322,455
$450,000 100%	91.3% $235,783	67.8% $184,234	46.5% $132,685	27.1% $81,136	9.5% $29,588	-6.7% -$21,961	-21.6% -$73,510	-35.4% -$125,059	-48.1% -$176,608	-59.9% -$228,156	-71.0% -$279,705
$495,000 110%	107.9% $278,533	83.5% $226,984	61.5% $175,435	41.4% $123,886	23.1% $72,338	6.4% $20,789	-9.1% -$30,760	-23.3% -$82,309	-36.5% -$133,858	-48.7% -$185,406	-60.1% -$236,955

8. Report and numbers

ASSUMPTIONS USED

Group	Item	Value	Source / note
Purchase / value	Purchase price ($)	$450,000	What you would pay. Default: the county assessed value, not a market price.
Purchase / value	Closing cost (% of price)	2.0%	Escrow, title, lender fees
ADUs	Number of ADUs	2	From the site plan: the number that fits
ADUs	Living area per ADU (SF)	920	Bellingham max 1,000 SF
ADUs	Base build cost ($/SF)	$200	Muljat Group default $200/SF; build-cost table runs $150 to $400 in $25 steps
ADUs	Site prep / demo ($)	$10,000	Placeholder $10,000
ADUs	Contingency (% of hard cost)	10.0%	Default 10%
Soft costs	Design / architecture ($)	$30,000	Default $30,000
Soft costs	Permits per ADU ($)	$7,500	Default $7,500 per ADU ($15,000 for two). Scaled by ADU count: our assumption.
Soft costs	Utilities / connection fees (SDC) ($)	$14,000	Default $14,000
Soft costs	School impact fee ($)	$5,000	Default $5,000
Soft costs	Survey / legal ($)	$15,000	Default $15,000
Soft costs	Short plat cost ($)	$0	Default $0: NOT included. Enter survey, plat, and frontage-improvement costs.
Financing and timing	Down payment (% of purchase and build)	25.0%	Default 25%
Financing and timing	Interest rate (interest-only, %)	7.5%	Default 7.5%

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Financing and timing	Design + permit months	4	Default 4
Financing and timing	Build months	8	Default 8
Financing and timing	Property tax + insurance per year during design and build ($/yr)	$5,625	Placeholder: 1.25% of county value per year. Scaled to the actual design + build months.
Sale value after the build	Cost to sell (% of sale)	5.0%	Default 5%
Rent and hold	Rent per ADU ($/month)	$1,800	Example value for this sample report, not market data.
Rent and hold	Rent for the existing house ($/month)	$2,500	Example value for this sample report, not market data.
Rent and hold	Vacancy (%)	5.0%	Default 5%. Reported, not verified: Landmark about 4.2%, county about 5.5% stabilized.
Rent and hold	Operating costs (% of collected rent, before tax and insurance)	25.0%	Example value for this sample report, not market data.
Rent and hold	Property tax + insurance per year once rented ($)	$5,625	Placeholder: 1.25% of county value. Taxes will rise after the ADUs are built.
Rent and hold	Long-term loan rate (%)	7.5%	Default = the build loan rate (7.5%). The build loans roll into a 30-year loan.
Rent and hold	Hold period (years)	5	Default 5; try 5 to 10
Rent and hold	Rent growth per year (%)	0.0%	Default 0% (no growth assumed). Costs grow at the same rate.
Rent and hold	Cap rate for the value and sale ($ of rent ÷ value, %)	5.5%	Example value for this sample report, not market data.
Sale value	Finished new-unit $/SF low / base / high	$350 / $400 / $450	Muljat Group estimate, not comps
Sale value	Remaining house value	$405,000	Default = today's county value ($450,000) minus a 10% haircut, or $405,000. It doesn't change with the price you pay, so paying more shows up as lower profit.

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Appendix: investor details

RENT AND HOLD CASE: INVESTOR DETAILS

Net operating income, yr 1	Yield on cost	Cash flow after loan, yr 1
$46,530	**4.7%**	**-$12,926**

Debt coverage (DSCR)	Cash-on-cash, rent yr 1	IRR (5 rent yrs after 12-mo build)
0.78×	**-4.5%**	**-17.8%**

Rent does not cover the loan payment: you would add about $1,077 a month. Lenders usually want debt coverage of 1.20–1.25× or more.

Rent collected, yr 1 (2 ADU × $1,800 + house $2,500 /mo, less 5.0% vacancy)	$69,540
Operating costs (25.0%) + tax/insurance	$23,010
Net operating income	$46,530
Loan: $708,600 at 7.5%, 30 years, payment per year	$59,456
Value when finished (NOI ÷ 5.5% cap)	$846,000
Refinance at 75% of that value: new loan / cash out	$634,500 / none (-$74,100 short)
Sale in year 5: value $846,000, less 5.0% cost and loan balance $670,459	$133,241
Money in (cash)	$285,415
Total profit (cash flow + sale − money in)	-$216,802
Equity multiple (all cash back ÷ all money in, yearly shortfalls counted as money in)	0.38×

YEAR BY YEAR

Yr	Yrs after cash in	Rent	Costs	NOI	Loan	Cash flow
1	2	$69,540	$23,010	$46,530	$59,456	-$12,926
2	3	$69,540	$23,010	$46,530	$59,456	-$12,926
3	4	$69,540	$23,010	$46,530	$59,456	-$12,926
4	5	$69,540	$23,010	$46,530	$59,456	-$12,926
5	6	$69,540	$23,010	$46,530	$59,456	-$12,926

No rent during the 12-month design + build (interest and tax for that time are in the build cost). Rent year 1 ends 2 years after the cash goes in. The build loans roll into one long-term loan with no cash out. Cap rate, rent and costs are your inputs.

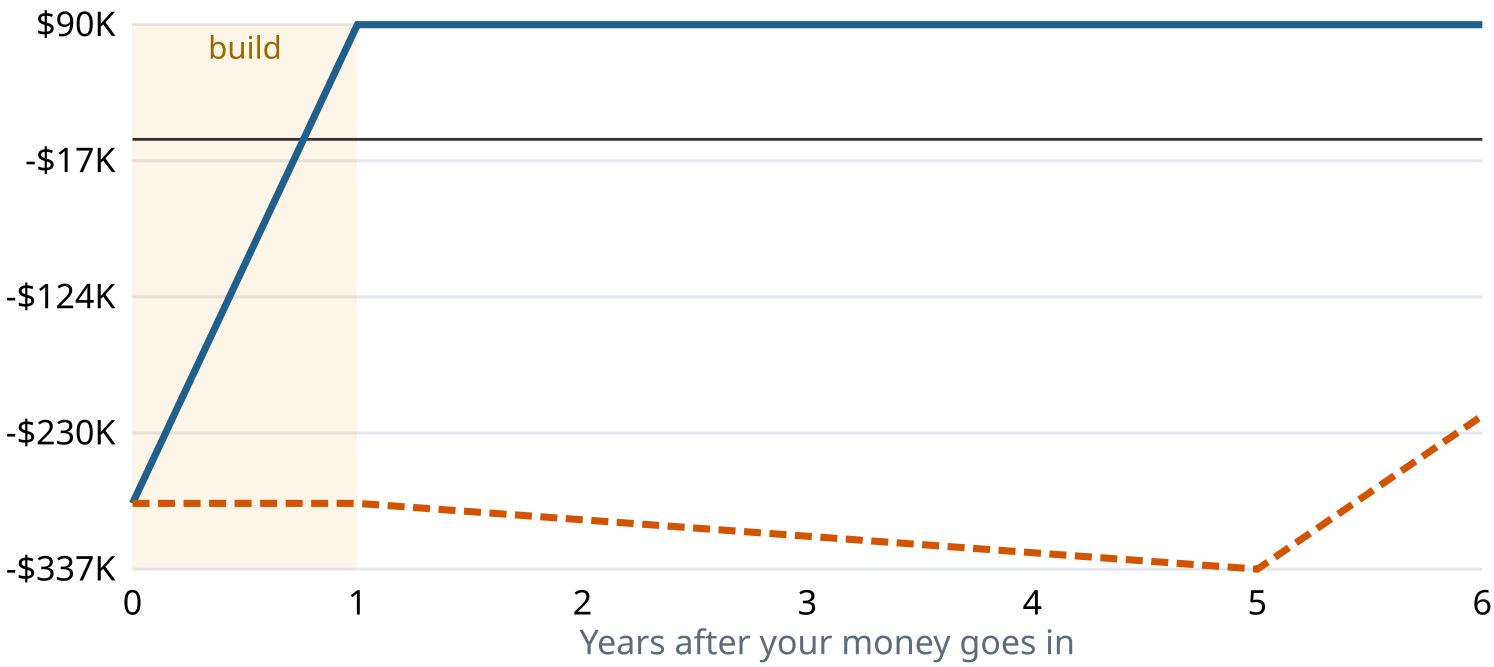
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Sample report, example numbers, prepared November 14, 2026

SELL VS RENT, SIDE BY SIDE: INVESTOR DETAILS

	Sell (12 months)	Rent (12-mo build + 5 yrs)
Your money in	$285,415	$285,415
Total profit	$89,935	-$216,802
Return per year (annualized IRR, both sides)	31.5% (IRR, 12-mo ROI 31.5% compounded)	-17.8% (IRR)
Money back	at month 12	rent from month 12, sale at month 72

RUNNING PROFIT, SAME CLOCK (YEAR 0 = WHEN YOUR MONEY GOES IN)



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ADU Math, by Muljat Group Commercial.

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ADU Math

Drop ADUs on your lot. See the math.

Sample report, example numbers, prepared November 14, 2026

ADU Math provides estimates for general information and education only. It is not an appraisal, legal, tax, engineering, lending or investment advice, and not an offer or guarantee. Results use public county GIS data, which can be wrong or out of date, and approximate placement and assumptions that you can edit; house location, setbacks, zoning, utilities, trees, critical areas, historic overlays, septic/sewer, permits and fees, and actual construction costs, rents and sale prices were not verified. Rules vary by city and change; ADU eligibility must be confirmed with the local jurisdiction (city or Whatcom County planning/permitting) and with a licensed surveyor, architect, engineer, attorney, lender and tax adviser before relying on it or spending money. ADU Math is live for Whatcom County, Washington only, and ADU rules are coded for the City of Bellingham only. Lot, zoning and value data come from Whatcom County public GIS and Assessor records; aerial photo: Whatcom County 2024 imagery. Sale values are your own estimates; no comparable sales are included. Past or sample figures do not predict results. Provided as is, with no warranty. Use at your own risk; Muljat Group Commercial, Landmark, CRE Room and their people are not liable for decisions based on it. By using this tool you agree. House outlines come from the City of Bellingham buildings layer (City of Bellingham GIS) and the USA Structures dataset by Oak Ridge National Laboratory and FEMA, licensed CC BY 4.0; they are approximate and may be out of date.

All Whatcom utility links (links only; utility locations are approximate, confirm with Public Works and call 811 before you dig):

- Bellingham CityIQ map viewer https://maps.cob.org/geviewer/Html5Viewer/Index.html?viewer=cityiq
- Bellingham maps and GIS https://cob.org/services/maps/gis
- Bellingham Public Works contacts https://cob.org/about/contacts/pw-c
- Ferndale GIS map viewer https://gisportal.cityofferndale.org/mapviewer/
- Ferndale Public Works https://www.cityofferndale.org/183/Public-Works-Department
- Lynden maps https://www.lyndenwa.org/252/Maps
- Lynden Public Works https://www.lyndenwa.org/187/Public-Works
- Blaine utility information and maps https://www.cityofblaine.com/1085/Utility-Information
- Meridian and other unincorporated areas: Whatcom County GIS Map Portal https://www.whatcomcounty.us/2988/Map-Portal
- Whatcom County Water Systems Map https://wacds.maps.arcgis.com/apps/webappviewer/index.html?id=7fb091c057b9499193665e2da9940077
- Washington 811 https://washington811.com/

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