



NEWS LETTER

WHAT'S NEW

REDUCED ADU IMPACT FEES



Healdsburg ADU

SEPT - OCT 2026 UPDATES

- Experienced in Developing Vacant Lots with Single-Family Homes and ADUs
- Perpetual Homes voted as the Best Prefab Builder of the Year 2026
- Metal Roofing Options
- Reduced Impact Fees over 750 Sq Ft
- Up to Two Detached ADUs per single-family lot, SB approved
- Federal Housing Act Passed - Potential Tax Incentives
- Furnished Corporate Healdsburg ADU Available for Tour in Concord, CA
- New Tax Laws may allow you to write off a large percentage of your construction costs on taxes
- Successful ADU Expos in Oakland and Burlingame attended by PHADU
- Duplex Plans available

Cost Segregation: A Smarter Tax Strategy

A **cost segregation study** helps property owners maximize tax savings by identifying and classifying property components into shorter depreciation periods. For example, a client who purchases a property for **\$1 million** could potentially save **\$530,000 in taxes over the first five years**, with a substantial portion realized during the first year. This strategic approach **improves cash flow**, accelerates depreciation deductions, and emphasizes the value of understanding component depreciation. By properly evaluating eligible property improvements, owners can **optimize tax benefits**, reduce their tax burden, and make more informed financial decisions to support **long-term investment growth and profitability**.
(Review with a CPA)

Installing inspiring new ADUs & SFD Homes this month in:

- Petaluma, CA (Communal ADU)
- Moraga, CA (Berkeley ADU)
- Walnut Creek, CA (Healdsburg ADU)
- Brentwood, CA (Duplex)
- Napa, CA (Claremont Custom ADU)
- Pleasant Hill, CA (Huntington ADU)

For more details please contact, call, or visit our website:

Email: perpetualhomesadu@gmail.com
Phone: +1 (925) 980-2351
Site: <https://build.perpetualhomesadu.com/>
Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.



NEWS LETTER





NEWS LETTER



OPEN HOUSE

Join us for our Open House — a special day to explore, connect, and discover what we have to offer.

November 15, 2026 | at 12:00PM - 03:00PM
840 Elane Way, Benicia, CA 94510

Please scan the QR code and complete the form to RSVP.





NEWS LETTER

Perpetual Homes ADU

Original Service and Customer Benefit Summary

A concise overview of the services and features presented by Perpetual Homes for California ADU projects.

Category	Perpetual Homes ADU Offering
Prefab housing options	ADUs, multifamily ADUs, single-family homes, and residential developments
Design flexibility	Customizable plans for the property, household, and intended use
Project guidance	Coordination from early assessment through design, permitting, construction, and completion
Property evaluation	Complimentary virtual assessment followed by feasibility analysis and a site visit (\$250 due diligence)
Permitting support	Due-diligence analysis and full permitting services included
Energy performance	Energy-efficient prefab construction with Energy Star insulation highlighted
Pricing approach	Transparent pricing information (\$15K to \$22K including in the base price per plan) and Third-Party financing resources Third-Party Site Work General Contractor Bids are not marked up
Included finishes	High finish level included, subject to the selected model and specifications
Warranty	Seven-year warranty

ADU

Accessory Dwelling Units

MADE FOR California Living

Perpetual Homes is one of the largest prefab privately-owned, family run developers in California.

PerpetualHomesADU.com



1  Two Detached ADUs Qualifying single-family lots can accommodate two new detached ADUs under the law's conditions.	2  Size Standards Local agencies may limit each unit to 800 sq ft under this approval pathway.	3  Setbacks Four-foot side and rear setbacks, with applicable height and safety standards.	4  JADU Limitation A city is not required to approve a JADU on a lot with two detached ADUs under this pathway.	5  HOA Protections Stronger protections against unreasonable ADU restrictions on qualifying properties.
--	--	--	--	---



NEWS LETTER

PERPETUAL HOMES

Awarded as



In honor of the outstanding achievements, innovation, and excellence in delivering Prefab ADU solutions, we proudly present the Prefab ADU Development Company of the Year Award 2026, a testament to the unwavering commitment and dedication to advancing the residential living space through exceptional service and continuous innovation.

Editor-in-Chief

**For more details please
contact, call, or visit our website:**

Email: perpetualhomesadu@gmail.com

Phone: +1 (925) 980-2351

Site: <https://build.perpetualhomesadu.com/>

Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.



NEWS LETTER

Double Detached ADUs AB 956

California's ADU laws continue to evolve, with **AB 956** proposing a major change for single-family properties. The bill would require local agencies to approve up to two detached ADUs on qualifying lots, potentially expanding options for rental income, multigenerational housing, aging in place, and property improvements.

Currently, most qualifying single-family lots are generally limited to one detached ADU. AB 956 could allow a second detached unit when site requirements are met and would also limit HOAs from blocking ADUs that comply with state law.

Two ADUs Aren't Guaranteed

Not every lot can support two units. Projects must still meet requirements for setbacks, access, utilities, drainage, privacy, parking, and site conditions.

Coastal Properties Need Extra Review

Properties in the Coastal Zone may remain subject to California Coastal Act requirements involving setbacks, environmental protection, flooding, erosion, and public access. Early review can help identify potential obstacles.

Design and Property Planning

Two ADUs can offer flexible layouts, but thoughtful planning is essential to maintain privacy, outdoor space, access, and proper utility connections. Properties with larger yards, corner lots, or favorable layouts may have greater development potential, but zoning, wastewater, fire access, topography, and coastal rules must be confirmed.

HOA Restrictions: Prohibits homeowners associations (HOAs) from blocking or unreasonably restricting the construction of state-compliant ADUs

UPDATES

- Feb 20, 2025 - Introduced
- May 23, 2025 - Passed Assembly
- May 27, 2026 - Amended in Senate
- Jun 10, 2026 - Passed Senate Housing Committee
- Jul 1, 2026 - Passed Senate Local Government Committee
- Passed Second Chamber Vote
- Governor signed Bill into Law
- Effective January 1, 2027

**For more details please
contact, call, or visit our website:**

Email: perpetualhomesadu@gmail.com

Phone: +1 (925) 980-2351

Site: <https://build.perpetualhomesadu.com/>

Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.



NEWS LETTER

SB 1117 Lowers the Cost of Building Larger ADUs

SB 1117 will reduce the cost of building ADUs by eliminating a partial financial penalty for units larger than 750 square feet.

Under current law, ADUs of 750 square feet or less are generally exempt from local impact fees. But in many jurisdictions, once an ADU exceeds 750 square feet, the entire unit is subject to fees—including the first 750 square feet.

SB 1117 creates a marginal fee structure: for the first two ADUs on a property, local governments could charge impact fees only on the square footage above 750 square feet. Additional ADUs would be assessed based on their full size. This reduces costs and gives homeowners greater flexibility to build larger ADUs.

The Legislature has taken numerous steps to reduce local barriers to ADU permitting, including limiting the imposition of impact fees. Existing law prohibits impact fees on ADUs that are 750 square feet or smaller and requires that fees for larger ADUs be charged proportionately.

However, some local governments calculate impact **fees based on the entire square footage of an ADU once it exceeds 750** square feet rather than only on the portion above that threshold. This interpretation increases project costs far beyond what the Legislature intended and may discourage the construction of moderately sized ADUs. In jurisdictions where impact fees are more than \$10 per square foot, that change can add more than \$8,000 to project costs. Property owners are often forced to either shrink their designs to stay under the cap—which limits the flexibility and use of their ADUs—or abandon their ADU plans altogether.

UPDATES

- **Feb 17, 2026** - Introduced
- **Apr 7, 2026** - Passed Senate Housing Committee
- **Apr 22, 2026** - Passed Senate Local Government Committee
- **May 18, 2026** - Passed Senate floor 37-0
- **June 10, 2026** - Passed Assembly Housing Committee
- **July 1, 2026** - Passed Assembly Local Government Committee
- **Aug 5, 2026** - Passed Assembly Appropriations Committee
- Approved Second Chamber Vote
- Governor signed Bill into Law
- Effective January 1, 2027

**For more details please
contact, call, or visit our website:**

Email: perpetualhomesadu@gmail.com

Phone: +1 (925) 980-2351

Site: <https://build.perpetualhomesadu.com/>

Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.



NEWS LETTER

Key Provisions of SB 1196

Concurrent Applications: Allows property owners to file for utility energization requests at the same time they apply for local building permits.

Application Protections: Stops utility companies from canceling service connection applications without the consent of the applicant.

CPUC Mandate: Directs the CPUC to establish concrete processing timelines by September 30, 2027, and set enforcement rules or penalties for unnecessary utility delays.

Project Support: Requires utilities to offer pre-application project reviews and clear upfront cost estimates.

Permitting Timelines: Requires local planning agencies to complete an initial application completeness review within 15 business days and provides a structured written appeal process for delays or denials.

Fee Exemptions: Clarifies that development impact fees and school impact fees cannot be levied on small ADUs (750 sq. ft. or less) or JADUs (500 sq. ft. or less).

Fire Sprinklers: Extends state protections so that local agencies cannot require fire sprinklers in JADUs if they are not required for the primary residence.

State Oversight: Gives the California Department of Housing and Community Development (HCD) explicit authority to review local JADU ordinances.

In California, school impact fees for an Accessory Dwelling Unit (ADU) depend heavily on the size of the unit. ADUs **under 500 square feet are completely exempt from school fees**, while units over 500 square feet typically face fees ranging from \$3.00 to \$5.00+ per square foot, depending on the local school district.

**For more details please
contact, call, or visit our website:**

Email: perpetualhomesadu@gmail.com

Phone: +1 (925) 980-2351

Site: <https://build.perpetualhomesadu.com/>

Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.



NEWS LETTER

SB9 Without a Lot Split (Two-Unit Development)

Allowed Units: You can add a second primary dwelling on a single-family lot, or convert/expand existing structures to reach up to two units (and potentially combine with ADUs depending on local ordinances).

No Subdivision: Property lines do not change, avoiding parcel map fees, extensive civil engineering, and separate utility hookups tied to a new legal parcel.

Setbacks: Rear and side setbacks can be reduced to as little as 4 feet for new construction, and no setbacks are enforced for existing portions of a home or structures rebuilt in the exact same footprint.

Driveway and Parking Rules

Parking Exemptions: If your property sits within 0.5 miles of a high-quality transit corridor or major transit stop, cities cannot enforce additional on-site parking requirements.

No-Split Advantage: Because you are not creating a new legal parcel, you generally do not need to re-configure, widen, or split the existing physical driveway into separate legal access strips (like a 10-foot wide flag lot access) mandated for urban lot splits.

Local Standards: Cities retain authority over objective design standards, meaning they can regulate how an extra surface parking space or expanded driveway connects to the public right-of-way, provided they do not completely block your ability to build the second unit.

**For more details please
contact, call, or visit our website:**

Email: perpetualhomesadu@gmail.com

Phone: +1 (925) 980-2351

Site: <https://build.perpetualhomesadu.com/>

Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.



NEWS LETTER

California SB 1123: Streamlined Approval for Up to 10 Starter Homes

Senate Bill 1123 (SB 1123) is a California housing law (effective July 1, 2025) that expands the Starter Home Revitalization Act (SB 684) to allow streamlined, ministerial approval for building up to 10 starter homes on vacant lots in single-family residential zones.

Streamlined Approval: Projects receive mandatory, ministerial approval within 60 days if they meet objective standards, bypassing public hearings, planning commission votes, neighbor appeals, and discretionary reviews

Environmental Exemption: Developments are fully exempt from the California Environmental Quality Act (CEQA).

Unit and Lot Caps: Allows up to 10 residential units or parcels on eligible vacant single-family-zoned lots (up to 1.5 acres in size). Newly created parcels must be at least 1,200 square feet.

Accessory Dwellings: ADUs and JADUs are not counted toward the 10-unit cap if local agencies choose to permit them.

Vacant Definition: Applies to lots without permanent habitable structures, free of affordability covenants/price controls, and unoccupied for the last five years.

Local Exceptions

Altadena Cooling-Off Period: Under subsequent legislation (SB 1090), a three-year cooling-off exemption applies to wildfire-ravaged areas like Altadena from October 2026 through January 2030 to prevent speculative "disaster capitalism" developments

**For more details please
contact, call, or visit our website:**

Email: perpetualhomesadu@gmail.com

Phone: +1 (925) 980-2351

Site: <https://build.perpetualhomesadu.com/>

Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.



NEWS LETTER

ADU Tax Benefits: What Homeowners Should Know Before Renting

An ADU can provide rental income and potential tax advantages. For homeowners considering an ADU with Perpetual Homes ADU, understanding how rental use affects taxes is an important part of planning.

Depreciation can reduce taxable rental income

Residential rental buildings generally depreciate over 27.5 years under the standard federal tax system. This allows owners to deduct part of the building's eligible cost each year. Land is excluded, and the first year's deduction is generally prorated.

For example, an ADU with a \$275,000 depreciable building basis could generate approximately \$10,000 in annual depreciation for a full rental year. That is a deduction from taxable income—not a \$10,000 tax refund.

Rental expenses may also qualify

Eligible expenses can include insurance, maintenance, repairs, management fees, property taxes, utilities, and interest attributable to the rental. Improvements generally must be recovered over time rather than deducted immediately. Keep receipts and separate rental costs from personal expenses.

Renting to family requires careful planning

Renting to a relative does not automatically eliminate tax benefits. Generally, the family member must pay fair market rent and use the ADU as their primary home to avoid personal-use treatment. Discounted rent can trigger personal-use rules and substantially limit rental deductions.

Plan for the eventual sale

Depreciation reduces your tax basis. When you sell at a gain, the portion attributable to building depreciation can face a federal tax rate of up to 25%. Rental loss limitations can also affect when deductions provide a benefit.

Note: Please verify with a Certified Public Accountant

**For more details please
contact, call, or visit our website:**

Email: perpetualhomesadu@gmail.com

Phone: +1 (925) 980-2351

Site: <https://build.perpetualhomesadu.com/>

Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.



NEWS LETTER

What is a Crossmod Home?

Introducing the new **CrossMod** home from **Perpetual Homes ADU**, a fresh approach to comfortable, attainable living. Combining the efficiency of offsite construction with the style and features of a traditional site built home, it offers an inviting option for first time buyers, growing families, and those ready to downsize. Discover thoughtful layouts, contemporary finishes, and welcoming spaces designed for your next chapter.



CARLSBAD SFD IN MONTARA



**For more details please
contact, call, or visit our website:**

Email: perpetualhomesadu@gmail.com

Phone: +1 (925) 980-2351

Site: <https://build.perpetualhomesadu.com/>

Dealer's License #: 1557865

Disclosure: While the information provided in this newsletter is deemed reliable, it can not be guaranteed.