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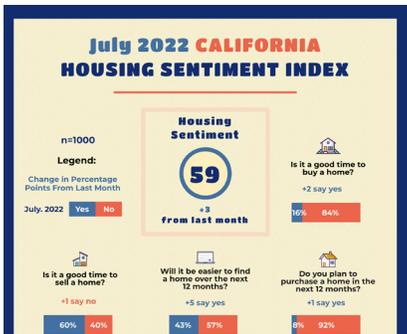
WELCOME HOME

**AUGUST 2022**



august 2022

# MARKET REPORT



august 2022

Here we are in August! Past the halfway point through the year, and getting closer and closer to those wonderful fall months! We hope the close of this summer is wonderful and eventful for everyone!

july 2022 market report (3)

what an ADU can mean for your home buying (or selling) plans(4)

ADUs—accessory dwelling units, also sometimes known as granny flats—can have a huge impact on a home’s value.

tangy mollasses barbecue sauce(6) Having ribs for dinner might sound like a lot of work, but with this slow cooker rib recipe, it’s much easier than you think

july 2022 housing sentiment index(7)



the full picture:

If you’re trying to keep your gardens color through the fall, check out the Better Homes and Gardens Flowers page! There are many great options, like these Asters in the photo above! Be sure that the flowers you choose are native to the area and drought resistant to ensure they last!

May you find Butte County as active or restful as you like!

# MARKET REPORT

## JULY 31<sup>ST</sup>, 2022

WELCOME HOME

Single Family Residences (Home, Manufactured on Land, Condo) Excluding Multi-Family									Monthly	
Active Listings/ Pending	Total Current Listings	Under \$100K	\$100K- \$200K	\$200K- \$300K	\$300K- \$400K	\$400K- \$500K	\$500K- \$600K	\$600K+	Expired This Month	Sold This Month
<b>Chico Listings</b>	262	0	5	15	35	83	43	81	7	112
<b>Active</b>	176	0	4	13	19	52	25	63		
<b>Pending</b>	86	0	1	2	16	31	18	18		
<b>Not Sold</b>	67%	0%	80%	87%	54%	63%	58%	78%		
<b>Paradise Listings</b>	102	0	0	4	21	35	19	23	2	23
<b>Active</b>	83	0	0	1	15	30	15	22		
<b>Pending</b>	19	0	0	3	6	5	4	1		
<b>Not Sold</b>	81%	0%	0%	25%	71%	86%	79%	96%		
<b>Magalia Listings</b>	56	0	7	21	12	12	3	1	3	13
<b>Active</b>	37	0	3	11	9	10	3	1		
<b>Pending</b>	19	0	4	10	3	2	0	0		
<b>Not Sold</b>	66%	0%	43%	52%	75%	83%	100%	100%		
<b>Oroville Listings</b>	233	1	26	53	69	43	21	20	7	43
<b>Active</b>	171	1	15	38	52	32	15	18		
<b>Pending</b>	62	0	11	15	17	11	6	2		
<b>Not Sold</b>	73%	100%	58%	72%	75%	74%	71%	90%		

## home/about the ADUs what an ADU can mean for your home buying (or selling) plans

Sarah Martens - BHG.com

ADUs—accessory dwelling units, also sometimes known as granny flats—can have a huge impact on a home's value. Here's what you need to know, whether you're building or buying a house with one.

If you're in the market for a new home, few features on your potential property may sound more appealing than a second, bonus structure to use as an office, an in-law suite, or a rental property. But while these structures—known as accessory dwelling units, or ADUs—sound promising, figuring out how to maintain and properly code your new accessory dwelling unit isn't easy. Plus, there are some special considerations you'll want to consider if you're buying a property that has one.

ADU proponents say these structures can help solve societal problems while offering creative, manageable, and affordable ways to live, particularly when compared to traditional homes. But these experts also have lots to say about ensuring your ADU is in compliance with local ordinances: Here's what they want you to know, whether you're thinking about buying a property that already has an ADU or planning to build one yourself.

### What an ADU Is

It might just seem like a long-winded way of saying guest house, but ADUs actually have a specific definition based on where you live and the local ordinances governing these structures in your area.

“Accessory dwelling unit’ is the nomenclature that planning and

zoning officials across the country use for distinct, standalone additional dwelling units on a primary residential property,” says Kol Peterson, author of *Backdoor Revolution: The Definitive Guide to ADU Development*. “Boiled down, that tends to mean that you have everything that a house would have, including a kitchen, bathroom, bedroom, or living area independent from the primary dwelling.”

Sheri Koones, author of *Bigger Than Tiny, Smaller Than Average*, says ADUs were first popular in Canada, where units were built on alleyways and referred to as laneway houses.

“A lot of people confuse small homes or ADUs with tiny houses,” Koones says. “A tiny house is a house that's mobile, it's not code compliant, and it generally does not have sewage or water—it's really a mobile home.”

Terms such as guest house, cottage, or even granny flat might be commonly used for structures similar to an ADU, but these structures can vary widely depending on your local municipality. The label ADU, on the other hand, is an official one that indicates that units meet local standards. In your area, that might mean any stand alone structure with plumbing and electricity. It could also include basement apartments with full kitchens, separate entrances, and designated, off-street parking spaces or an apartment over your home's garage.

Understanding these different—and sometimes overlapping—definitions is key if you're looking to buy a property with an ADU. You may read a property listing that indicates a home has a guest house, but as Peterson points out, whether it's actually permitted is another story, and that's where

these specific definitions really matter.

### Permitting and Your ADU

It's quite possible that your ADU was built with permits through your local municipality, but those permits don't always amount to certification by your city as an ADU. For example, you might have paid a licensed contractor to install a bathroom in your backyard cottage, but that doesn't mean the city is aware that your mother-in-law is living there full time.

In order to remain in total compliance, Peterson says many areas will require ADU owners to have an inspector come out to verify that their ADU meets the required standards and all of the associated stipulations. Once approved, your property taxes will likely then be reevaluated.

“Let's say you add an addition to your home of 500 square feet,” Peterson says. “That triggers the county assessor to come to the property and do an assessment of the contributory value of those improvements to the property, which adds to your property tax roll. So that would increase your property taxes.”

In other words, as with any other major improvement, an ADU will likely increase your taxes.

If you're buying a property with an ADU, Koones suggests checking with your real estate agent to see whether the proper permits were pulled for the work. You can also check tax documents to see whether the structure is accounted for as an ADU, rather than something like a garage or shed.

“Find an agent with experience with ADUs,” Koones says. “There are a lot of items to check off to make sure it works out; things like

the setbacks, who can live there, electricity, the size and style of the unit.”

If you’re selling a property with a guest house or basement in-law suite, be careful to disclose the status of the unit to buyers and avoid giving the impression that it is fully permitted or approved if it’s not.

Peterson says he doesn’t see many drawbacks to having an ADU on your property, because the worst case scenario is you don’t have to use that structure as intended and the best case scenario is that you can opt to use the ADU for a variety of purposes over its lifespan. Peterson points out that families used ADUs during the pandemic as homeschooling rooms for children. You might rent yours out to supplement your income for a few years and later allow your in-laws to move in to keep everyone close by.

Peterson’s site, Accessory Dwellings, has a database of ADU laws and ordinances by state if you’re unsure about the status of your property.

**Costs Associated with ADUs**  
Nothing good comes for free, and Peterson says there will likely be some additional costs associated with owning a property that has an ADU.

For one, you’ll want to have the ADU insured. This can typically be done under your current policy, Peterson says, but the policy will have to specifically address insurance for that structure on its own.

Additionally, your local municipality might charge a tourism tax if you choose to rent your ADU out on a short-term basis to visitors: Check with your local government to see if that’s the case.

Another potential complication is that your ADU will likely increase your property value, meaning you’re likely to pay higher property taxes than your neighbors. If you’re looking to purchase a property that already has an ADU, your real estate agent can pull local tax records to see what the increase is to help you decide if it’s worth it.

Finally, if you learn that your ADU is not in compliance with local codes, you have to spend money to bring it into compliance. Peterson says these fixes are often simple: You might have to swap a full stove in your ADU’s kitchen out for a hotplate if your area doesn’t allow for full kitchens in ADUs, for example. In more complicated situations, you might have to limit the use of your basement apartment ADU if you don’t have a lot that allows for a separate entrance or off-street parking, Peterson says.

Even in those situations, you won’t have to demolish your ADU to meet codes. Instead, you’ll simply have to modify your use of the property, Peterson says. In more extreme cases, that might mean removing a tenant or no longer offering short-term rentals, but you can still enjoy the space for personal use.

**ADU Benefits**  
Value and interest in these structures is growing, Peterson says: “People want to have flexibility on their property.”

A 2021 survey by the AARP shows that, while just 4% of adults surveyed had an ADU on their property, 26% would consider adding one to solve the problem of housing for older Americans.

Koones says that ADUs are affordable, low-maintenance options for seniors who aren’t yet ready for a retirement community but who find that their current home is too much

for them to manage. They can benefit the broader community, too.

“They allow for added density without adding large buildings that can change the nature of the area,” Koones says. “Having an ADU is a win-win for society, because there’s a housing shortage.”

If you’re still on the fence about whether to purchase a property with an ADU, Dalas Dodd, Manager at Sundae Design Group—a marketplace for selling homes off-market—suggests talking to your real estate agent to gauge the local market.

“Make sure that studio or 1-bedroom apartments are desirable in your neighborhood before cutting any checks for an ADU,” Dodd says. “Currently, there is a nationwide housing shortage, so if you live in a city that is pressed for rental units, then an ADU is a wise investment. An added bonus is that if you decide to sell your property, an ADU will almost always add value.”

If you opt for an ADU, you can also use it as an investment property the way Peterson did. He built an ADU on his lot about 10 years ago and began using it as his main home while he rented out the primary residence to tenants. Within just four years, he had paid off the mortgage on the entire property and was turning a profit.

“People want to provide housing for the community amid this affordable housing crisis, so you’re accomplishing all these selfish goals but it’s also contributing to societal goals, simultaneously,” he says.

To start your ADU journey, research guidelines and requirements in your area: With any luck, the ADU of your dreams is within reach.

# food/great summer meal! tangy molasses barbecue ribs

## Ingredients:

- 2 Tbsp Packed Brown Sugar
  - 1 Tsp Kosher Salt
  - 1 Tsp Smoked Paprika
  - .5 Tsp Garlic Salt
  - .5 Tsp Black Pepper
  - 6 Lbs Pork Loin Back Ribs,  
Trimmed & Cut into 3-4 rib portions
  - .5 Cup Beef Broth
  - 2 Tsp Liquid Smoke (optional)
  - 2 Cup BBQ Sauce
- Zingy Homemade Barbecue Sauce**
- 1.25 Cup Ketchup
  - .25 cup Mild-Flavored Molasses
  - 3 Tbsp Packed Brown Sugar

Having ribs for dinner might sound like a lot of work, but with this slow cooker rib recipe, it's much easier than you think. Just be sure to cook them with our zingy homemade barbecue sauce -- it's much better than anything from a bottle.

## Source: Better Homes and Gardens

### Directions:

For rub, in a small bowl stir together first six ingredients (through pepper). Sprinkle mixture over ribs; rub in with your fingers.

In a 6-qt. slow cooker combine broth and, if desired, liquid smoke. Remove half of the Barbecue Sauce; chill until needed. Coat ribs with remaining sauce and place in cooker. Cover and cook on low 9 to 10 hours or high 4 1/2 to 5 hours or until ribs are very tender.

Preheat broiler. Line a baking sheet with foil. Transfer ribs to prepared baking sheet and coat with remaining sauce. Broil 4 to 5 inches from heat 3 to 5 minutes or until sauce is heated through.

### Pressure Cooker

Prepare ribs as directed. Place a steamer insert in a 6-qt. electric or stove-top pressure cooker; add broth and, if desired, liquid smoke. Coat ribs with half of the sauce and place in cooker. Lock lid in place. Set electric cooker on high pressure to cook 30 minutes. For stove-top cooker, bring up to pressure over medium-high heat according to manufacturer's directions; reduce heat enough to maintain steady (but not excessive) pressure. Cook 30 minutes. Remove from heat. For electric and stove-top models, let stand to release pressure naturally, at least 15 minutes, or according to manufacturer's directions. If necessary, carefully open steam vent to release any remaining pressure. Open lid carefully. Continue as directed in Step 3.

### BBQ Sauce

Whisk all ingredients together. Sauce keeps in the refrigerator for up to 1 month.

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- Community Organizations
- Non-Profits
- Charities
- Schools



*\*Ask your local BHGRE Welcome Home agent for more details!*

# July 2022 CALIFORNIA HOUSING SENTIMENT INDEX

n=1000

Legend:

Change in Percentage Points From Last Month

July, 2022 Yes No

## Housing Sentiment

**59**

**+3**  
from last month



Is it a good time to buy a home?

+2 say yes



Is it a good time to sell a home?

+1 say no



Will it be easier to find a home over the next 12 months?

+5 say yes



Do you plan to purchase a home in the next 12 months?

+1 say yes



Will home prices rise in the next 12 months?

+6 say no



Will overall economic conditions improve in California in the next 12 months?

+3 say yes



Will interest rates fall in the next 12 months?

+4 say yes



## Market Conditions Over Time



Each month C.A.R. surveys California consumers regarding their sentiments about various aspects of the housing market or the economy that directly impact housing to create a California Housing Sentiment Index. The results of the individual indicators are combined into an equally-weighted diffusion index (where anything over 100 represents a net positive sentiment across the indicators, and anything below 100 represents a net negative sentiment).

C.A.R. Market Conditions Poll



car.org/marketdata



We at BHG Welcome Home, love our Active Duty, Reservist and Military Veterans. We are in awe of the contributions made by these brave men and women. We also respect those family members at home and the sacrifices they've made waiting for their loved ones to return home.

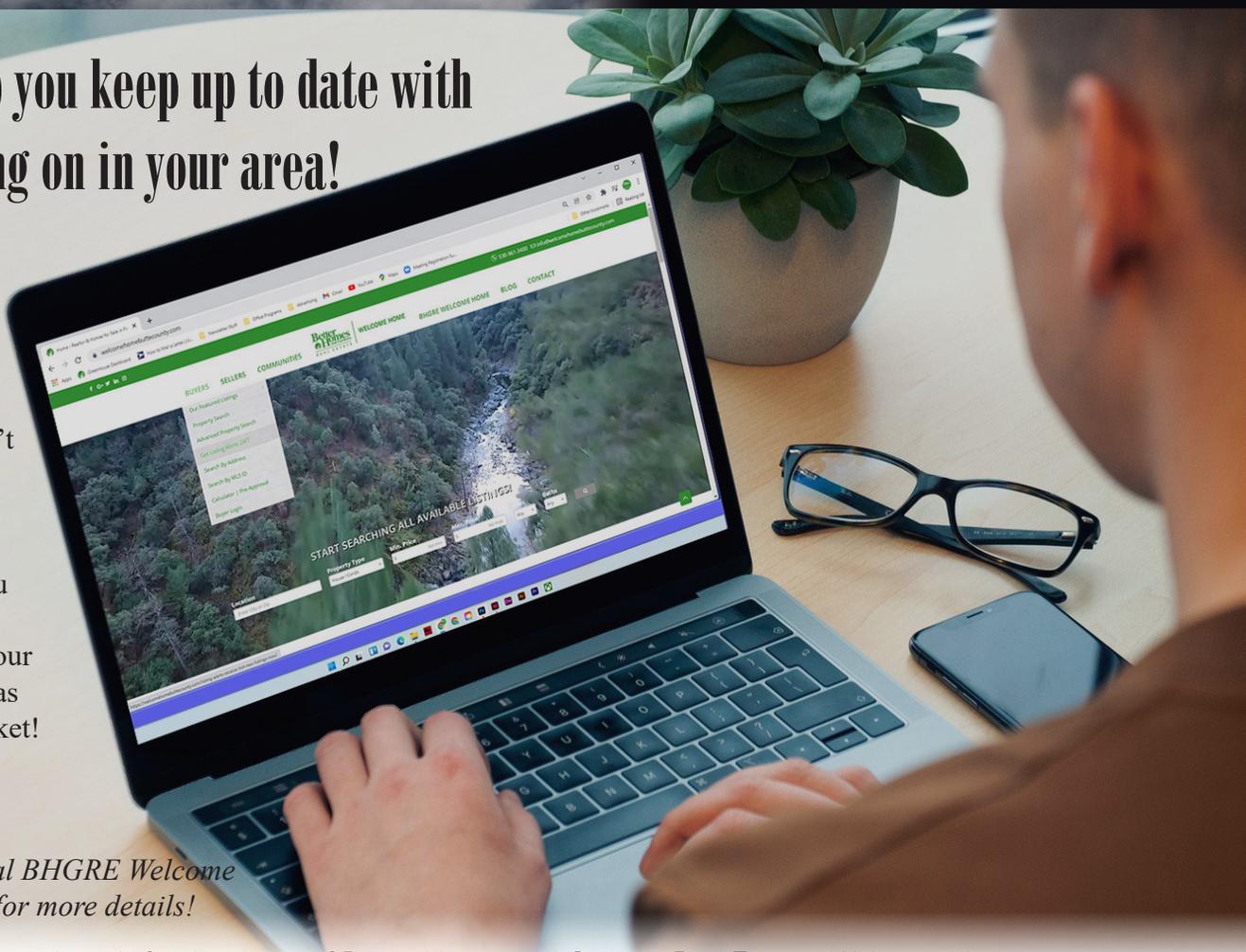
Our Veterans Advantage Program is simple and offers a cash reward program at closing, when you Buy or Sell your home through one of our certified MRP-Military Relocation Specialists.

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