



## SMALL HOME, BIG VALUE

Use a precut panelized home or addition as an in-law unit to increase your home's value—and your income.

BY HEIDI DOERFERT

IMAGINE HAVING THE EXTRA SQUARE FOOTAGE YOU HAVE ALWAYS DREAMED of—right on your existing property. Maybe you have a child who just graduated from college and wants to return home, or elderly parents who can no longer live on their own. Whatever your needs, you can have your loved ones live with you while still maintaining your privacy and space with a small precut panel home that functions as a guest house or in-law unit.

Dennis Foster, owner of award-winning California Pre-Cut Homes (CPH), is excited about the possibilities of his product. He says, “A panelized building system adds value and options to your property, such as an office space, an art studio, a guest cottage, an extra garage, or any living quarters. A secondary unit can also be a golden rental opportunity in this downward housing market.”

Panelized homes and additions are structures that are partially built in a factory and then shipped to the home site to be completed. They are an attractive option for homeowners who like to have control over the construction process and quality, and those skilled do-it-yourself buyers who want to put in sweat-equity hours. By doing some of the work themselves or hiring their own subcontractors, homeowners can save on labor costs and errors that sometimes accompany the traditional home building process, as well as keep the quality level and the return on investment high.

“Quality, pricing, speed, and unlimited choices are the top reasons for going with a precut system,” says Dennis. “A precut home addition is built in half the time of a stick-built home. It is not a modular or

manufactured home, which requires disclosure when you sell. It is a panelized home that will appreciate the same as a traditionally built home, and no disclosure is required.”

The materials used by CPH are high quality and are built to be extra durable. The factory, unlike an outdoor construction site, is a controlled environment where the homeowner doesn't have to worry about imperfections, weather damage and delays, or sloppy work crews affecting the quality of the final product. CPH also uses top-name brands for its packages, including Alpine Engineered Products, Milgard Manufacturing, Louisiana-Pacific Corporation, and Therma-Tru Doors.

That consistency is important for overall quality, but in no way implies that the structures and designs are similar. Homeowners can choose from more than 31 existing house floor plans or bring their own ideas to CPH, which also creates custom designs (CPH offers a rebate to customers who use its design service and build with CPH as well). Flexibility of design, coupled with the dependability of factory-quality products, makes a precut panel home a great solution for homeowners looking for more room and a solid investment—even income.

As an income-generating example, Dennis points to CPH's Portola, which is a 900-square-foot floor plan sold as a package for \$23,534, with a total cost of approximately \$110,450 to build

(homeowners can save money by doing more of the building work themselves). "In a relatively upscale Bay Area community," explains Dennis, "this cottage has rented for more than \$2,300 per month. Even if the unit is 100 percent financed with current lending rates and fees, the cost for the homeowner would be under \$1,080, which means a positive cash flow of \$1,220 a month with nothing out of pocket." Using the same equation, a 600-square-foot Meadow View cottage from CPH can be purchased standard for \$16,637, and fully built for \$83,666. Renting at \$830 a month, the unit would generate a positive cash flow of \$170 a month.

Dennis, who has over 30 years of experience in panelized building systems, urges prospective buyers to consider the benefits of using the pre-cut packages for a rental property. "In this uncertain economy and real estate market, homeowners can utilize the additional space of a small panelized home to bring in extra income." He adds that luxury upgrades to the interiors, like granite countertops and whirlpool bathtubs, can increase the return on investment for rent or resale. The choices are all controlled and purchased locally by the buyers.

Homeowners who want to add a small unit to their home or property should visit their local zoning offices to see if they are eligible for a secondary housing unit. The CPH team can help direct homeowners to the correct places, and can offer many savvy tips for the planning process, including encouragement to speak with neighbors about plans even when not mandated by state law.

It is this kind of experience that makes the process of designing and planning a panelized in-law unit with CPH much easier than a traditional construction route. Before your college graduate or aging mother-in-law comes knocking at your door to move into your home, investigate the benefits of a pre-cut unit. It may be the smartest move of all.

For more information on California Pre-Cut Homes or to order a catalog packet with CD/DVD, call (925) 838-2859. **THM**

## PORTOLA

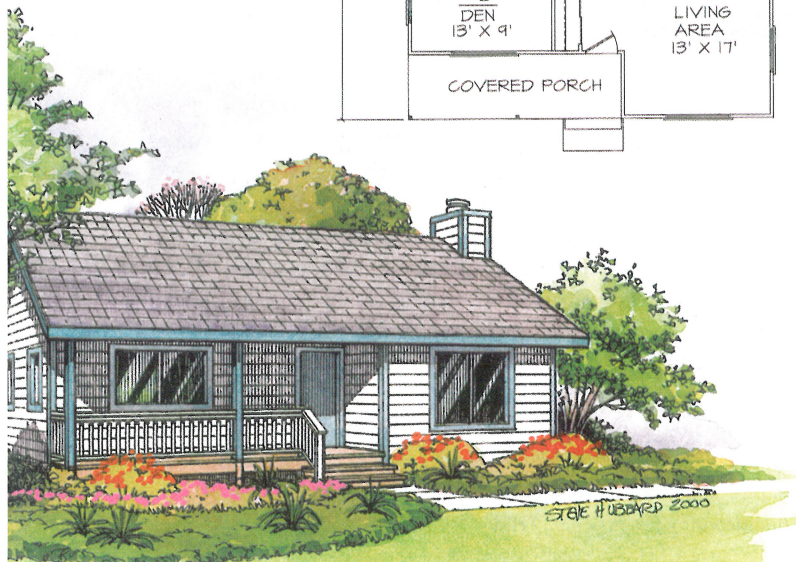
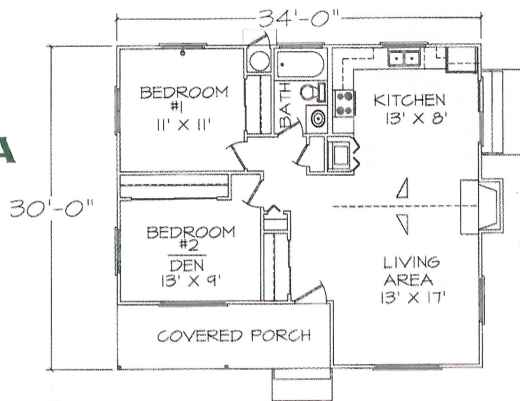


Image: Courtesy of Pacific Modern Homes, Inc.

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Need a place for your college kids or need an in-law unit or a spouse's home office? Or do you want your real estate investment to work harder for you? The cost of using Pre-Cut building techniques can make this investment an income producer from the first month. Call and consult with Dennis or Matt Foster for your best options.



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