

Small Home, BIG Opportunity

*But are the new housing laws
leaving you puzzled?*



Learn why
DADUs make the
most sense.

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If the new housing laws are leaving you puzzled...
You're not alone.



The **new housing laws** are a game-changer for homeowners.

However, gaining clarity is crucial as these laws may sound similar, the differences between them—especially in terms of cost—can be substantial. We're here to help you make smarter, more profitable decisions.

StartSmart!
One-Hour Suitability Consultation
is on us:



Questions? Contact Sockeye Homes / SkyDADU:

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Solving the Housing Crisis One DADU at a Time®



Homeowners Aren't Even Aware That They're Sitting on Two Gold Mines

Unlocking Previously Unbuildable Areas

HB-1337 DADU legislation, also known as Detached Accessory Dwelling Units, has revolutionized the concept of property use by granting you, the homeowner, the **unique opportunity to build up to two Detached Accessory Dwelling Units**. This means that previously unbuildable areas—whether in front, on the side, or in the backyard—often dismissed as mere encroachments, now hold the potential to become two lucrative buildable lots **WITHOUT subdividing or purchasing additional land**.

Once built, the DADUs can be condominiumized, allowing you to sell them independently while retaining your primary residence. This law also removes previous restrictions requiring DADUs to be owner-occupied, opening up the opportunity to rent them out to a wider pool of tenants, significantly enhancing the potential for passive income generation.

Why DADUs Make the Most Sense

To maximize the benefits, homeowners have two primary options: either construct DADUs or legally subdivide the property to sell the newly created vacant lots.

Once the DADUs are built, the barrier for potential buyers to secure financing diminishes significantly. Condominiumized DADUs are considered ready-to-own properties, enabling buyers to obtain traditional mortgages. With smaller down payments and the reduced need for upfront cash, these units become more accessible, attracting a wider pool of interested buyers.

However, if you're considering selling the newly created lots as vacant land, it's essential to carefully evaluate potential challenges before proceeding as it may not directly equate to profit.

The subdivision process requires a significant investment of both time and money from the property owner. For buyers, the hurdles are even greater, as lenders typically do not offer mortgages for properties without existing homes. As a result, buyers must rely on cash or secure a land loan—an option that often comes with strict requirements and high qualification thresholds.

Inside the Urban Growth Area (UGA), HB-1337 legislation now allows:

-  **Lot splitting or subdivision is NOT needed.**
-  **Elimination of owner-occupancy requirements.**
-  **The sale of DADUs as condominiums.**

Aesthetic differences between HB-1110 Middle Housing and HB-1337 DADU

HB-1110: Incongruent Multiplexes

The HB-1110 Middle Housing legislation aims to increase available housing units by permitting the construction of multiplexes and other **higher-density structures (duplexes, fourplexes, cottage housing, stacked flats, etc.) in neighborhoods traditionally zoned for single-family homes.**



HB-1337: Harmonious DADUs

The HB-1337 DADU legislation permits homeowners to build up to two separate units on their property (front, side and/or backyard).

These DADUs can be used for rental to earn passive income or may be sold as condos (by keeping the main house WITHOUT needing to subdivide) to earn profits.



Why DADUs Make the Most Sense

The HB-1110 legislation, often utilized by developers, has been linked to numerous challenges and adverse impacts on neighborhoods like overcrowded parking. But one significant concern that stands out is the demolition of homes that have held historical significance within the community for decades. These homes are replaced by tall, incongruent multiplexes that residents often find unsightly and out of place. Contrary to multiplexes, under the HB-1337 legislation, DADUs allow the main house to remain intact while adding two units that **seamlessly blend with its architectural style, preserving the area's history and character.**

Cost Difference Between a Multiplex and a DADU

Multiplex: More Isn't Always Better

It's appealing to consider building multiplexes instead of DADUs simply because you'd have more units to rent or sell.

While this reasoning may seem logical at first glance, it doesn't fully account for the economic and practical challenges multiplexes often face. **Multiplexes require significant investments for infrastructure upgrades, such as Right-Of-Way (ROW) and utilities improvements**, which can quickly inflate project costs. Additionally, prospective buyers and renters often evaluate the livability of such spaces, and as the building reaches higher occupancy rates, the surrounding environment becomes increasingly congested. The cramped nature of the building and its surroundings deters potential occupants, particularly for the final units, which may remain unsold or unrented, resulting in financial strain for you.

[Original view](#) ▶



HB - 1110
Lose Main House,
1/2+ acre to ROWs
& Drainage



DADU: The Goldilocks Scenario

Unlike HB-1110, the **HB-1337 legislation for DADUs prohibits local governments from requiring Right-Of-Way (ROW) improvements, which significantly reduces construction costs.** This, in turn, helps lower overall expenses and improves financial returns—whether through stronger cash-on-cash returns for passive income or higher return-on-investment when selling the DADUs as condo units.



Why DADUs Make the Most Sense

By opting for DADUs, you retain the main house and utilize the land far more efficiently.

On a one-acre property, building two DADUs allows for optimal land use, with each DADU occupying a third of an acre, while avoiding the loss of land to Right-Of-Way (ROW) requirements. In contrast, attempting to maximize the unit count with multiplexes results in surrendering nearly half of the property to ROWs and drainage systems like detention ponds. Moreover, the higher density of multiplexes places additional strain on utilities, necessitating costly upgrades to meet the increased demand.



Securing the Funds to Build Should Be the Highest Priority

Before initiating a DADU project, it may seem logical to first engage an architect or builder, or to delay seeking financing until the plans are finalized. However, it is imperative to first understand the complexities associated with a DADU as a secondary unit on the same lot as a single-family home. This distinction affects zoning, financing, and construction, so getting informed early will save you time, money, and potential headaches down the road.

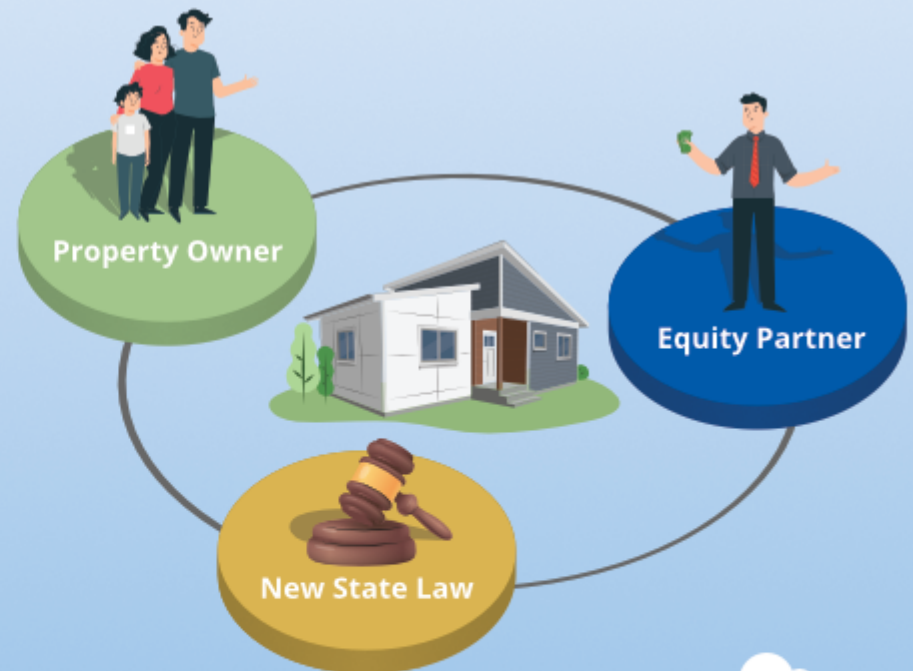
Why do lenders hesitate to offer, or flat out deny offering construction loans only for DADUs? That is because most people have a mortgage on the main house.

Even if you ask the main house's mortgage lender to underwrite a DADU loan, the lender might agree, but would then force you to refinance your main home's mortgage at today's higher rates before providing you a construction loan for the DADU. That's because lenders must take the first position on the deed of trust to protect themselves in case they have to foreclose on the entire property.

How Does SkyDADU Differ from Traditional Financing?

SkyDADU takes a unique approach through Equity Financing, offering a solution tailored to those unable to or choose not to secure traditional loans. This model eliminates the need for refinancing your main home's mortgage or navigating lender hesitations.

By partnering directly with you, SkyDADU invests in the project, sharing both the risks and rewards. This innovative financing structure redefines accessibility, empowering homeowners to overcome financial barriers and bring their DADU visions to life.





Achieving Full Ownership of Your DADU (*For the Partnership Program)

One Year of Rental Performance

After one year of renting the DADU, the rental income history establishes the unit's earning potential—creating the foundation for financing eligibility.

Equity Buyback with DSCR Loans

Beginning in the second year, documented rental income may enable property owners to qualify for a Debt Service Coverage Ratio (DSCR) loan—typically offered by commercial banks—to acquire full ownership of the DADU.



Simple Interest Buyback Plan

SkyDADU offers a straightforward buyback structure featuring 8% simple interest starting in Year Two. This partnership spans up to five years, providing flexibility and financial clarity.

Full Income Retention

Once the buyback is completed, 100% of the rental income generated by the DADU goes directly to the Property Owner—turning temporary rental income into permanent equity.

Establish Legal and Long-Term Support from the Start

As the saying goes, “You don’t know what you don’t know.”

While navigating construction challenges is one aspect of the process, encountering legal, rental, or sales issues can lead to significant setbacks.

SkyDADU's role extends beyond merely guiding you through the journey—it ensures meticulous planning of both the destination and its legal framework, addressing all critical considerations from the outset.

Ensuring the Longevity and Upkeep of Your DADU is Also Essential

SkyDADU has you covered through its exclusive partnership with Sockeye Homes, the designated builder for SkyDADU. Clients benefit from

Triple-S (Sockeye Special Services),

a dedicated maintenance program available only to Sockeye Homes customers. Should your DADU require repairs or general upkeep, simply contact SkyDADU for reliable, high-quality, and timely handyman services.



This approach provides peace of mind, eliminating the uncertainty of sourcing an unknown service provider online. Given that your DADU is an appreciating asset, it deserves the same level of care and attention as your primary residence.



SKYDADU

A True, One-Stop-Shop

For a DADU project, you need an expert that brings a streamlined process to **Finance, Build and Manage** it all under the same umbrella. Even though a DADU is a small house, it can have a lot of big surprises.

From feasibility to the last nail, our experts will help turn your DADU vision into reality.



Phase 1: Finance

- Feasibility
- Site Conditions / Utilities
- Sale / Rental Analysis
- Partial Reconveyance of Title
- SkyDADU Contract
- Initial Capital
- Etc.



Phase 2: Build

- Tax Parcel / Legal Description
- Condominiumize
- Establish the LLC
- Set Up the HOA
- Obtain the Permits
- Build the DADU
- Access to the Cloud, Etc.



Phase 3: Manage

- For Sale
- For Rent
- Receivables
- Payables
- Equity Buyback
- ECT Transfer
- Maintenance
- Etc.

Let's explore the programs!





Joint Venture

\$0 Down, 100% Financing: We Split the Net Profit 50/50

Do you have an existing detached garage?

If you have an existing detached garage that has unobstructed access from the alley or driveway, you may qualify for SkyDADU's \$0 Money Down/100% Financing program. SkyDADU will do all the work to design/build/sell the new DADU and split the net profit 50/50 between you (as the property owner) and SkyDADU.

Washington State passed **HB-1337** into law in 2023.

This law makes it possible to tear down the alley-access old garage built right on the property line, and build a new expanded footprint DADU without pushing it away from the property line. If it is not on the alleyway, we can build the new DADU with only 5' setbacks from the rear and side property lines (in most cases).

Partnership: 50% Financing

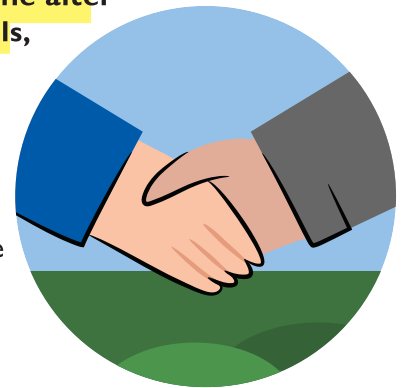
Turn the Unused Part of Your Yard into a Passive Income Stream

Do you want to generate passive income?

If you want to generate a passive rental income but lack the funds to make it happen, SkyDADU's Partnership program can help you move forward with 50% financing for the construction.

How It Works:

- You invest 50% of the initial capital to build the DADU.
- SkyDADU funds the other 50% of construction costs.
- **You can buy back the 50% equity from SkyDADU to gain full ownership at any time after the first year. For further details, please refer to Page 12.**
- Cash-On-Cash Return (COCR): Potential return over 10% from rental income.
- Return On Investment (ROI): Potential return over 180% in some areas, factoring property value appreciation and rental earnings.



Ideal For:

- Homeowners looking to generate rental income without full upfront costs.
- Those who see a DADU as a better long-term investment than stocks or bonds.
- Property owners planning to build equity and maximize property value.



Hybrid: 0 - 50% Financing

Flexible Financing to Fit Your Long-Term Goals

Do you have the funds to cover the entire construction cost of your DADU but need assistance to set it up properly so you can rent it to non-family members?

Or, do you need financing for your DADU but intend to rent it only to your family members?

How It Works:

As the saying goes, “you don’t know what you don’t know.” Overcoming hiccups to get it built is one thing, but if you run into problems on the legal, rental or sales side, you can find yourself in big trouble...

SkyDADU's job is not only to take you on the journey but also carefully plan what the destination looks like and how it legally works by covering all the bases from the beginning.

Ideal For:

- Property owners who want to build a DADU for aging parents or family members.
- **Property owners who do not need financing but want SkyDADU to build it right AND set up legal protections to mitigate rental risks.**

Sockeye Direct: No Financing Needed

Build a Custom DADU with Award-Winning Quality

Do you have the funds to cover the entire construction cost of your DADU, and intend to rent it only to your family members?

At Sockeye Homes, our design-build team is passionate about turning your unique vision into a beautifully crafted reality.

How It Works:

Choose from three options:

1. Pre-designed DADU packages.
2. Modify an existing package.
3. Create a custom DADU plan with SkyDADU's architects.

Ideal For:

- Homeowners ready to invest in their property immediately.
- Those looking for multigenerational housing or downsizing solutions.
- Property owners wanting to maximize equity and property value.





Full details online!

Alta

The “Economical” DADU

- Designed for:
Working Couples, Young Families, Extended Travelers, Etc.
- Key Features: Fits Most, Narrow and/or Pie-Shaped Lots
- Package includes both Turn-Key Labor
AND Professional-Grade Materials & Appliances



\$218,000



Alta 1

- Northwest Craftsman
- Total: 674 Sqft
- 1 BD / 1 BA



\$259,000

Alta 2

- Northwest Craftsman
- Total: 1,000 Sqft + 35 Sqft Bike Storage = 1,035 Sqft
- 2 or 3 BD / 1 BA

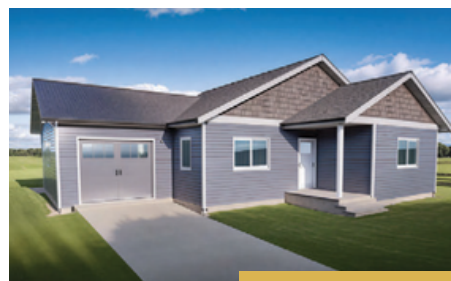


\$314,000



Alta 3

- Northwest Craftsman
- Total: 1,000 Sqft
+ 1,000 Sqft Garage = 2,000 Sqft
- 2 or 3 BD / 1 BA



\$298,000



Alta 4

- Northwest Craftsman
- Total: 1,000 Sqft + 250 Sqft Garage
+ 35 Sqft Bike Storage = 1,285 Sqft
- 2 or 3 BD / 1 BA

*Note: Site prep, utilities, foundation, (if required - drainage/hardscape/fire suppression/flame retardants), permits and sales tax are not included in the package, and will be itemized separately in the cost breakdown after SkyDADU assesses the requirements specific to your property. Prices are subject to change without notice.



Breckenridge

The “Accessible” DADU

Full details online!

- Designed for:
Retirees, Wheelchair Users, Persons with Disabilities
- Key Features: No Steps & Wide Doorways
for Greater Accessibility
- Package includes both Turn-Key Labor
AND Professional-Grade Materials & Appliances



\$243,000

Breckenridge 1

- Modern Farmhouse
- Total: 702 Sqft
- 1 (Universal Design) BD
- 1 (Universal Design) BA



*Note: Site prep, utilities, foundation, (if required - drainage/hardscape/fire suppression/flame retardants), permits and sales tax are not included in the package, and will be itemized separately in the cost breakdown after SkyDADU assesses the requirements specific to your property. Prices are subject to change without notice.



\$272,000

Breckenridge 2

- Modern Farmhouse
- Total: 990 Sqft
- 2 or 3 (Universal Design) BD
- 1 (Universal Design) BA



\$322,000

Breckenridge 3

- Modern Farmhouse
- Total: 1,000 Sqft
+ 250 Sqft Garage + 35 Sqft
Bike Storage = 1,285 Sqft
- 2 or 3 (Universal Design) BD
- 1 (Universal Design) BA





Full details online!

Crystal

The “Functional” DADU

- Designed for: Multigenerational Families, Active Seniors, Roommates, Etc.
- Key Features: Multiple Bathrooms for Various Living Arrangements
- Package includes both Turn-Key Labor AND Professional-Grade Materials & Appliances



\$237,000

Crystal I

- Contemporary
- Total: 686 Sqft
- 1 BD / 1.5 BA



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\$298,000

Crystal 2

- Contemporary
- Total: 1,000 Sqft + 35 Sqft Bike Storage = 1,035 Sqft
- 2 or 3 BD / 2 BA



\$368,000

Crystal 3

- Contemporary
- Total: 1,000 Sqft + 1,000 Sqft Garage = 2,000 Sqft
- 2 or 3 BD / 2 BA





Full details online!

Deschutes

The "Efficient" DADU

- Designed for: Couples, Families, Roommates, Extended Travelers, Etc.
- Key Features: Small-Footprint with Enough Space for Everyone
- Package includes both Turn-Key Labor AND Professional-Grade Materials & Appliances



\$298,000



Deschutes 1

- Modern Cottage
- Total: 500 Sqft (1F) + 500 Sqft (2F) = 1,000 Sqft
- 1 to 3 BD / 2 BA

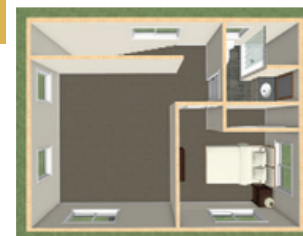
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\$342,000

Deschutes 2

- Modern Cottage
- Total: 500 Sqft (1F) + 500 Sqft (2F) + 250 Sqft Garage + 35 Sqft Bike Storage = 1,285 Sqft
- 1 to 3 BD / 2 BA



\$342,000

Deschutes 3

- Modern Cottage
- Total: 500 Sqft (1F) + 500 Sqft (2F) + 250 Sqft Garage + 35 Sqft Bike Storage = 1,285 Sqft
- 1 to 3 BD / 2 BA



Emerald The “Big” DADU



Full details online!

- **Designed for:**
Roommates, Multigenerational Families, Active Seniors
- **Key Features:** Maximum Size Allowed in Some Jurisdictions
- **Package includes both Turn-Key Labor AND Professional-Grade Materials & Appliances**



\$335,000

Emerald I

- Pacific Modern
- Total: 600 Sqft (1F)
+ 600 Sqft (2F) = 1,200 Sqft
- 3 BD / 2 BA



*Note: Site prep, utilities, foundation, (if required - drainage/hardscape/fire suppression/flame retardants), permits and sales tax are not included in the package, and will be itemized separately in the cost breakdown after SkyDADU assesses the requirements specific to your property. Prices are subject to change without notice.

Ready to Get Started?

For a DADU project, you need an expert that brings a streamlined process to **Finance, Build and Manage** it all under the same umbrella. Even though a DADU is a small house, it can have a lot of big surprises.

From feasibility to the last nail, our experts will help turn your DADU vision into reality.

Discover your
property's potential for
DADU suitability—
for FREE!



One-Hour
Suitability Consultation
is on us.



(253) 678-2225

Solving the Housing Crisis One DADU at a Time®



A Trusted Partner with Proven Excellence

SkyDADU is not a start-up or a hard cash lender. It is proudly backed by **Sockeye Homes**, the most awarded design-build firm in Washington State for custom homes, additions and remodels. Sockeye Homes is owned and operated by **Tod Sakai**, who also serves as your SkyDADU Equity Partner. This means when we say we're your partner, we truly mean it.

With SkyDADU, you won't need to search the internet for framers, plumbers, or finish carpenters. Our in-house crews—who build multi-million dollar custom homes—bring the same level of craftsmanship, care, and attention to detail to your DADU project.

In a market where many DADU builders in the Puget Sound region have made big promises but failed to deliver—or worse, gone out of business—SkyDADU offers reliability with proven excellence. Powered by the award-winning Sockeye Homes, with a legacy of completing 90–100+ projects annually, we bring the experience, infrastructure, and staying power that fly-by-night DADU-only startups simply can't offer.

The reality is, **DADUs are not just small homes—they are small "Custom Homes."** They require the same complexity, coordination, and quality as any full-sized custom residence. In fact, due to limited site access and logistical challenges, DADUs can often be more difficult to build.

While some startups promote prefabricated DADU kits as a faster, more affordable solution, they often fail to account for real-world site constraints—such as narrow access roads, overhead power lines, tight



property boundaries, and complex utility requirements. These aren't hypothetical obstacles; they're everyday challenges we've learned to navigate with expertise.



With SkyDADU, you're not just getting a builder—you're gaining a trusted partner with a proven track record.



Senator Mark Mullet with BIAW State Directors

Tod's Leadership & Legislative Involvement

- **2027 President-Elect**, Master Builders Association of King & Snohomish Counties — elected to lead the largest homebuilding association in the nation.
- **State Director**, Building Industry Association of Washington — appointed for over a decade, shaping housing policy at the state level.
- **Legislative Policy Council Member** — involved in drafting and supporting various housing legislation, including HB-1337, aimed at addressing Washington's housing shortage.



Solving the Housing Crisis One DADU at a Time®