

# WHAT IS AB1033?



**A NEW LAW**  
allowing homeowners  
to SELL ADUs like  
condos, boosting  
home ownership!

Accessory dwelling units, also referred to as ADU's and "granny flats", have been available in California only as rentals. But a new law, **Assembly Bill 1033**, is giving Californians the opportunity to buy and sell them as condominiums.

Under AB1033, property owners in participating cities will be able to construct an ADU on their land and sell it separately, following the same rules that apply to condominiums.

## BUT WAIT! THERE ARE SOME THINGS YOU NEED TO KNOW...

Under the new law, local governments need to opt in to the ADU-as-condominium approach for it to be an option in their cities/municipalities.\*

Neither a subdivision map nor a condominium plan shall be recorded with the county recorder in the county where the real property is located without each lienholder's consent. The following shall apply to the consent of a lienholder:

- I. A lienholder may refuse to give consent.
- II. A lienholder may consent provided that any terms and conditions required by the lienholder are satisfied.

If you are considering establishing your primary dwelling unit and accessory dwelling unit as a condominium, please ensure that your building permitting agency allows this practice. If you decide to establish your primary dwelling unit and accessory dwelling unit as a condominium, your condominium plan or any future modifications to the condominium plan must be recorded with the County Recorder.

Prior to recordation or modification of your subdivision map and condominium plan, any lienholder with a lien on your title must provide a form of written consent either on the condominium plan, or on the lienholder's consent form attached to the condominium plan, with text that clearly states that the lender approves recordation of the condominium plan and that you have satisfied their terms and conditions, if any.

As with new condominiums, homeowners building ADUs must notify the local utilities, including water, sewer, gas and electric, of the creation and separate conveyance of the unit. Each property will also have to form a homeowners association to assess dues to cover the cost of caring for the property's exterior and shared spaces, such as the driveway, a pool or a common roof.

For the full details, visit the California Legislative Information Website: <https://leginfo.ca.gov/>

\* At this time we are not aware of which, if any, municipalities are offering this. We will keep you informed as new information becomes available.