Hickory Run — ADU & Barn

7105 Guess Rd, Hillsborough NC 27278 · Prepared for **Chris** · October 3, 2026
Cost, value, and what the numbers actually say — *working numbers, not final quotes*

Where the property stands today

County record — PIN 0816-57-1049	
Parcel size	7.66 acres
Zoning / jurisdiction	RR, Durham County
Primary dwelling	2,685 sf · 4bd/2.5ba
Built	1973, brick ranch
Purchased	03/19/2026 · $630,000

Current county appraisal	
Land (7.66 ac)	$267,094
Building	$352,358
Outbuildings	$8,714
Total appraised	**$628,166**
Annual county tax	$2,958

The county appraised the parcel at $628,166 in the same cycle it sold for $630,000 — within 0.3%. In this market area the county's numbers track real sale prices, which is why we're using them as the baseline rather than guessing.

What we're building

- **ADU — 1,250 sf living** plus a **900 sf garage** (2,150 sf under roof) for Tim, with its own well, septic, and electric service.
- **Barn — 30×40 with lean-to**, roughly 1,680 sf under roof.
- **Solar — ~$35,000**, planned later, not part of the initial build.

Sizing note: Durham caps ADUs at 50% of the primary dwelling's heated area in the RR district on lots over 4 acres. At 2,685 sf primary, that cap is **1,342 sf** — so the 1,250 sf ADU is compliant, and well under the primary. Confirmed against the county record.

What it costs

Item	Scope	Low	High
ADU + garage	1,250 sf living + 900 sf garage, own well/septic/electric	$215,000	$260,000
Barn	30×40 + lean-to, ~1,680 sf under roof	$42,000	$59,000
Solar (later)	Owned system, no federal credit remaining	$35,000	$35,000
Total investment		**$292,000**	**$354,000**

ADU figure is Erin's current working cost. Per-square-foot check: $215–260k over 2,150 sf blended is **$100–121/sf**, or **$172–208/sf** if attributed to living space alone — both squarely inside the Durham range of $140–280/sf. The number is realistic, not optimistic.

What it adds — property value

Component	Added value	Basis
ADU + garage	+$210,000 – $270,000	County's own cost rates: 1,250 sf living at ~$177/sf new, plus 900 sf garage
Barn	+$31,000	1,200 sf enclosed at $26/sf + 480 sf lean-to at open-shed rate
Solar (later)	modest, not counted	Owned solar adds some appraised value; kept out to stay conservative
Total added	**+$241,000 – $301,000**	

Projected property value after build: $869,000 – $929,000 (from $628,166 today.)

What it returns

> **The headline:** the ADU is roughly **break-even to slightly value-positive**. It is not a loss-maker, and it is not a profit centre. It is a house for Tim that pays for most of itself in property value.

Scenario	Cost	Added value	Recovery
ADU + garage only	$215,000 – $260,000	$210k – $270k	**81% – 126%**
ADU + solar	$250,000 – $295,000	$210k – $270k	71% – 108%
Full project (ADU + solar + barn)	$292,000 – $354,000	$241k – $301k	**68% – 103%**

Full-project midpoint is about **84% recovery** — roughly $0.84 of value for every $1.00 spent, with a finished dwelling for Tim at the end of it. Measured purely as an investment that is a modest loss; measured as family housing it is a good outcome. Both are true.

Why these numbers are credible

- **Land rates:** the county values the first acre as a building site at **$95,000/acre** and the remaining 6.66 acres as residual at **$30,400/acre**. The residual carries a flood-fringe limitation.
- **New construction:** the house's replacement cost new is $476,159 over 2,685 sf — about **$177/sf**. That's the rate applied to the ADU.

- **Outbuildings:** utility buildings are valued at **$26.00/sf** base with a size adjustment, then depreciated by age — which is why the three existing outbuildings total only $8,714.
- **Validation:** the cost-approach total matched an actual arm's-length sale to within 0.3%. That's the strongest evidence here.

Comparable sales — same market area, 2026

Address	Size	Built	Sale date	Price
737 Harold Dr	1,552 sf	1972	07/15/26	$386,500
6014 Guess Rd	1,610 sf	1978	04/10/26	$454,000
816 Running Cedar Trl	land only	—	04/02/26	$65,000
707 Donlee Dr	1,796 sf	1972	03/26/26	$390,000
6119 Baird St	1,404 sf	1978	03/23/26	$256,000
7105 Guess Rd (ours)	**2,685 sf**	**1973**	**03/19/26**	**$630,000**
6423 Whitt Rd	1,314 sf	1971	03/18/26	$272,000
737 Harold Dr	1,440 sf	1972	03/13/26	$185,000
7018 Windover Dr	2,694 sf	2007	03/11/26	$548,000
123 Bywood Dr	1,378 sf	1966	02/10/26	$355,500

These run $182–282/sf, but ours is the only one carrying 7½ acres — which is what separates it. Land rates, not per-square-foot, do the work.

Open questions — what would move the numbers

Five things to pin down before the number is locked:

- **1. Septic in scope?** The earlier contractor proposal bundled septic, sized for future needs. If it's outside the $215–260k, add real money and real time.
- **2. The separate well.** The earlier scope tied into the existing well. A new well runs **$10,000–$25,000** and isn't in the number if it's separate.
- **3. Solar is separate.** $35,000 fully out of pocket — the 30% federal residential credit expired December 31, 2025 (Section 25D), with no phase-down. Worth pricing owned vs leased, since third-party ownership is now the only route to any federal incentive.
- **4. Garage finish level.** The $100–121/sf blended figure only holds if the 900 sf garage is shell or finish-light. Finished to living standard, that number moves up.
- **5. County permit timelines.** Durham runs roughly 55–75 days. Worth building into the schedule.

Two risks that aren't about cost:

Assessment is not sale price. The county will reassess upward after the build — expect roughly **+$1,140 to +$1,420/year** in county tax. But an assessment and a buyer's cheque are different things, especially for a property with few direct comps. Over-improving past what the local market will pay is the real risk.

Flood fringe. The residual acreage carries a flood-fringe limitation, which constrains where structures can go. Relevant to barn siting.

The option worth weighing: subdivide

RR zoning in the rural watershed tier requires a 3-acre minimum lot, and the parcel is 7.66 acres — so it can potentially split into two. If the ADU's site is platted as its **own 3-acre lot** with frontage and its own well/septic/electric, it stops being an accessory and becomes a **standalone rural Durham homesite**.

- County land value on a 3-acre split lot: ~$95,000 (building site) + 2 × $30,400 (residual) = **~$155,800** of land alone.
- Net gain versus keeping it as one parcel: **roughly $65,000** of additional land value.
- The bigger point: deeding the lot to Tim means he holds a **real, ownable asset** instead of an interest inside our property — cleaner for him and for the estate.

Before designing anything: twenty minutes with a real estate attorney on subdivision and deeding, and a call to Durham planning on the watershed buffer and setback requirements. Durham watershed districts can also require nitrogen-reducing septic — confirm before bidding.

Bottom line. Spend roughly **$292,000–$354,000** across the ADU, barn, and later solar; the property goes from **$628,166 to about $869,000–$929,000**. That's a recovery of roughly **68–103%** — close enough to break-even that the deciding question isn't return, it's whether this is the right way to house Tim and get a working barn. On that question, the numbers say yes.

Prepared by Wren for Chris · October 3, 2026 · Sources: Durham County Tax Administration parcel record (PIN 0816-57-1049, data current 10/02/2026); market-area improved sales R816C; CoCreations Construction & Design proposal (Aug 2026); NC pole barn cost data 2026.
All figures are working estimates for planning discussion, not quotes or appraisals. Value projections use the county's cost-approach model, which tracked a recent actual sale to within 0.3%.