



CANADA MORTGAGE AND HOUSING CORPORATION

Business / Government / Housing Organizations

Permitting Secondary Suites

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How the Strategy Works

Secondary suites are an important supply of rental housing in many cities, towns and rural communities across Canada. For example, in 2014, it was estimated that there were about 26,600 secondary units in Vancouver, forming about a fifth of the rental stock. About a fifth of the rental stock in Edmonton is in secondary suites and accessory dwellings, as well. Rents in secondary suites are often lower than those for apartments in conventional rental buildings, and the suites can be developed with no or minimal government assistance. Secondary suites enable low- and moderate-income households to live in ground-related housing in a residential setting.

Not only are secondary suites a source of affordable rental housing, they can also provide the needed extra income to first-time homebuyers for whom that additional income makes housing affordable in high-cost areas. For older households who no longer need a large house, the addition of a suite can generate needed income and security, as well as allow them to continue to live in their neighbourhoods and age in place.

What are Secondary Suites?

A secondary suite is a private, self-contained unit within an existing dwelling. Secondary suites are also called second units, accessory apartments, granny flats, in-law suites and basement apartments (since many are found in basements). A secondary suite has its own bathroom, kitchen, living and sleeping areas but can share a number of features with the rest of the house. Shared facilities may include a yard, parking area, laundry and storage space, and sometimes a hallway.

The secondary suite is usually created in a dwelling originally designed to accommodate a single family. Builders in some markets construct houses with apartments included at the outset or houses that can be easily converted (see [Designing Flexible Housing](#)).

Policy and Regulation

- [Modifying Development Standards](#)
- [Permitting Secondary Suites](#)
- [Providing for Garden Suites](#)
- [Reducing Length of Approvals](#)
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How are Secondary Suites Created?

The majority of secondary suites are created through internal alterations, although some are built as additions to the main house. The size of the apartment will depend on the size and design of the house as well as the lot configuration. Secondary suites can be located in the basement, on a floor or in the attic. However, most secondary suites are found in basements, because such units are the easiest to develop and they allow for the greatest degree of privacy and separation. The following diagram illustrates a basement in a house before and after its conversion into a secondary apartment. Owners are required to have a building permit to add a secondary suite.

Legalizing Non-compliant Secondary Suites

Because many municipalities do not permit secondary suites, or only permit them in selected neighbourhoods, secondary suites are often created illegally. Even when secondary suites are legalized, homeowners may be reluctant to declare their unit because they will likely have to bear the cost of upgrading their unit to local and provincial building, fire and safety standards. Some owners do not legalize their units in the hope of continuing to avoid paying income taxes on their net rental revenue.

Municipalities are taking a variety of approaches to facilitate the documentation and upgrading of illegal suites. In order to ensure residents have adequate and safe housing, some municipalities developed specific programs to assist homeowners with secondary suite compliance. For example, the City of Saskatoon, Saskatchewan, offers to waive municipal building and plumbing permit fees for property owners to encourage the legalizing of existing secondary suites. The City of Burnaby, British Columbia, provides property owners who would like to legalize their secondary suite with the option of a complimentary suite feasibility inspection and report. This free service is a coordinated inspection carried out by building, electrical, plumbing and gas inspectors.

Types of Regulations

Secondary suites are subject to a number of provincial, territorial or municipal requirements, including:

- zoning;
- building code;
- unit size;
- parking; and
- inspections and licensing.

Zoning

Most municipalities allow secondary suites in a limited number of areas; however, in recent years many municipalities have expanded the areas and building types where secondary suites are permitted, as illustrated by the following list:

- The City of Vancouver permits secondary suites “as of right” within the RS (one-family dwelling), RM (multiple-family dwelling) and RT (two-family dwelling) zones. They are also permitted in multiple-unit dwellings (apartments) and mixed-use developments.
- The City of Edmonton permits secondary suites “as of right” in all locations, in all low-density residential zones. A maximum of one secondary suite is allowed per single-detached dwelling. Requirements include providing three on-site parking spaces (tandem parking is permitted).
- Some municipalities, in the province of Quebec, for example, permit suites occupied by immediate family members only.

Although all provinces in Canada encourage the development of secondary suites as a means to provide options for affordable housing, only Ontario has enacted specific provincial legislation requiring municipalities to develop policies in their official plans and zoning provisions to provide for secondary suites. Changes made to the Ontario *Planning Act* in 2011 make it obligatory for municipalities to allow for secondary suites within single-detached, semi-detached and townhouse dwellings, as well as in ancillary structures, such as detached garages. These changes are intended to improve access to adequate, suitable and affordable housing. Municipalities must meet the new requirements set out in the *Planning Act* and bring their planning documents into conformity as part of their five-year review or sooner, at the discretion of the municipality.

In Quebec and British Columbia, the provincial legislation includes provisions granting municipalities the authority to regulate intergenerational dwellings and secondary suites, although they are not mandated. In Quebec, under section 113 of the *Act respecting land use planning and development*, municipalities have the authority to limit the occupancy of an additional dwelling to a relative, a dependant, or persons who are or were related to the owner or occupant of the principal dwelling. As well, Saskatchewan, Manitoba and Nova Scotia provide financial assistance to property owners to construct or renovate secondary suites.

Building code

In Canada, the design and construction of new secondary suites and the upgrade of existing ones are governed by provincial and territorial codes. The provinces and territories often either adopt or adapt the National Model Construction Codes, which include the National Building Code (NBC) of Canada and the National Fire Code of Canada. The NBC includes specific floor area maximums, ceiling height minimums, window dimensions and smoke alarm installation, as they pertain to secondary suites. British Columbia, Alberta, Ontario and Quebec have their own provincial building codes that regulate the development of secondary suite codes, based on the National Model Construction Codes.

Some of the requirements that secondary suites must follow:

- Entrances — A secondary suite must have a separate entry door. This door may open to a vestibule shared with the rest of the house or may lead directly outside. An existing side or back door can often be used as the apartment entrance.
- Fire safety — Each wall, floor or ceiling separating the secondary suite from the rest of the house must provide adequate fire and sound resistance. According to a brochure prepared by the Province of Ontario, a combination of batt insulation and drywall supported on metal channels will normally enable standard wood-frame construction to meet code requirements. Other requirements include smoke alarms, carbon monoxide detectors and a fire exit.
- Height, moisture and natural light — If the apartment is provided in the basement, it must be dry and have adequate natural lighting and enough headroom (height varies by jurisdiction).

Unit size

The size of the secondary suite varies with the individual unit and the municipality. For example, North Vancouver has a minimum size of 27 square metres (400 square feet) and a maximum size of 968 square feet (90 square metres), while representing no more than 40 per cent of the habitable floor space of the building, for a secondary suite. An issue for some municipalities is to ensure that the secondary suite is “accessory,” that is, smaller in size than the main unit.

Parking

In most municipalities, a parking space is required for the secondary suite. Two parking spaces are the minimum usually required for houses with a secondary suite, but these requirements vary considerably. For example, in a built-up area that is well served by public transit, a lower parking standard

may be appropriate. In the city of Toronto, one parking space was considered sufficient for the main unit plus a secondary apartment, and so, no additional parking is required in the bylaw. But in Nanaimo, where two off-street parking spaces are required for a single-detached dwelling, a home with a secondary suite has to provide a total of three off-street parking spaces.

Inspections and licensing

The ability of municipal officials to inspect secondary suites depends on provincial legislation. Municipal officials have limited powers to inspect units unless they are considered a threat to health and safety. Generally, fire officials have the strongest powers to inspect a property. When a secondary suite is created legally, relevant municipal officials will inspect it. Some municipalities use licensing as a way to provide for inspections, but others are reluctant to enter into licensing arrangements because of the bureaucracy that this entails.

Financing

Typically, homeowners must take out a loan and/or second mortgage to create a secondary suite. The rent will usually exceed the cost of repaying the loan. As shown below, a secondary suite lowers the monthly carrying costs for a homeowner and also reduces the required annual qualifying income for a mortgage. Costs for installing secondary suites can range from \$20,000 to \$30,000.

How a Secondary Suite Can Reduce the Cost of Homeownership

House price <i>(based on the Canadian average house price from the Canadian Real Estate Association)</i>	\$398,618
Mortgage principal <i>(based on a 20% down payment)</i>	\$318,894
Monthly carrying costs	
• Mortgage payment <i>(based on a 4.32% annual interest rate and a 25-year amortization)</i>	\$1,733
• Taxes	\$397
• Maintenance and utilities	\$200
• Total*** <i>(based on a 30% gross debt service ratio)</i>	\$2,330

Required annual qualifying income for mortgage	\$93,205
Conversion cost	\$25,000
Additional monthly carrying costs	
• Mortgage payment	\$135
• Taxes, maintenance and utilities	\$150
• Total	\$285
Total monthly carrying costs	\$2,615
Rent for additional unit	\$808
Net monthly carrying costs	\$1,807
Net monthly financial benefit	\$523
Required annual qualifying income for mortgage	\$72,285
% change in affordability (before tax)	22.5%

To make the conversion financially attractive, governments have had programs providing interest-free loans and forgivable grants through programs that usually had a high take-up rate.

Impact of Secondary Suites

Often, the opposition to secondary suites centres around their perceived impact on the neighbourhood. Communities that oppose secondary suites will cite worries that the densification will lead to the overcrowding of schools and neighbourhoods, increased parking problems, and higher use of water, sewer, and garbage collection services. However, research undertaken by CMHC in the past regarding the impact of municipal user fees on secondary suites found that secondary suites do not have an overall significant negative impact. Given the trend to smaller households, secondary suites generally do not place an extra burden on municipal infrastructure or services beyond the original design capacity. Conversely, by helping to reduce the decline in neighbourhood density, secondary suites can absorb underutilized capacity and allow for the more effective use of resources, such as for water, sewer, and garbage collection services.

In terms of infrastructure services, secondary suites tend not to overtax services but serve to offset the decline in school population. The impact on parking was found to be negligible, as people who live in secondary suites tend to own fewer cars on average than people who live in single-detached homes.

Secondary Suites in Canada

In 2014, CMHC completed a study using information on local secondary suite policies obtained from 650 Canadian municipalities in census metropolitan areas (CMAs) and census agglomerations (CAs). Overall, 77 per cent of these 650 municipalities permit secondary suites.

Size of Municipalities(population)	Percentage of Municipalities Permitting Secondary Suites
Rural (less than 5,000 persons)	68%
Small (5,000 to 29,999 persons)	82%
Medium (30,000 to 99,999 persons)	85%
Large (100,000 and over)	88%

Of the 149 municipalities that did not permit secondary suites dwellings, more than half (58 per cent) were rural areas, and just over a quarter (28 per cent) were small municipalities. Only 10 per cent of medium areas and 4 per cent of large areas did not permit these units.

The percentage of municipalities in CMAs that permit secondary suites increased from only 54 per cent (220 of 404 municipalities) in 2006 to 78 per cent (292 of 373 municipalities) in 2014.

The most frequently used zoning permissions among the municipalities that permitted secondary suites were imposing size limitations, including limiting the size of the secondary suite in relation to the primary building, limiting the number of rooms and/or specifying a minimum lot size to be permitted, and allowing the secondary suites within a primary dwelling.

Also popular were subjecting the suites to a specific approval process identified as discretionary or conditional (which could result in the suite being denied), imposing occupancy limitations (limiting the number of occupants in the suite and/or allowing only relatives, or persons with special needs, to occupy the suite), having a permitting process that involves municipal approvals or agreements, setting temporary use or time limitations on the suite, and allowing suites only in specific zones and/or specific types of dwellings.

Canada



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Secondary Units

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Changes to the Planning Act

The *Strong Communities through Affordable Housing Act, 2011* amended various sections of the *Planning Act* to facilitate the creation of second units by:

- requiring municipalities to establish official plan policies and zoning by-law provisions allowing second units in detached, semi-detached and row houses, as well as in ancillary structures
- removing the ability to appeal the establishment of these official plan policies and zoning by-law provisions except where such official plan policies are included in five- year updates of municipal official plans
- providing authority for the Minister of Municipal Affairs and Housing to make regulations authorizing the use of, and prescribing standards for, second units

What are second units?

Second units — also known as accessory or basement apartments, secondary suites and inlaw flats — are self-contained residential units with kitchen and bathroom facilities within dwellings or within structures accessory to dwellings (such as above laneway garages).

Second units must comply with any applicable laws and standards. This includes the [Building Code](#), the [Fire Code](#) and property standards bylaws

Benefits of second units

In addition to increasing the stock of affordable rental accommodation in an area, second units benefit the wider community in a number of other ways. They:

- provide homeowners with an opportunity to earn additional income to help meet the costs of home ownership
- support changing demographics by providing more housing options for extended families or elderly parents, or for a live-in caregiver
- maximize densities and help create income-integrated communities, which support and enhance public transit, local businesses and the local labour markets, as well as make more efficient use of infrastructure
- create jobs in the construction/renovation industry

Municipal Considerations

The *Strong Communities through Affordable Housing Act, 2011* requires municipalities to authorize second units in detached, semi-detached and row houses, as well as in ancillary structures. However, there is a need for municipalities to assess several considerations in developing new official plan policies and zoning provisions, or in reviewing their existing policies and provisions, if they already allow second units:

- Second units should be permitted in both existing residential communities and in newly developing areas. Newly developing areas offer the opportunity to plan proactively for second units. This includes the design of the actual houses and in the lot fabric or neighbourhood layout where ancillary structures like laneway garages could be integrally incorporated into the design. Municipalities and development proponents should specifically consider second units in the planning of new neighbourhoods.
- While the Act requires municipalities to permit second units, the government recognizes there may be inherent constraints within portions of a municipality or community which would make those areas inappropriate for second units (such as flood-prone areas or those with inadequate servicing). Municipalities should consider any such constraints in developing or reviewing second unit policies.
- While the Act requires municipalities to permit second units in detached, semi-detached and row housing, and in ancillary structures, the provisions permit one additional unit (i.e., a second unit) either in a house (e.g., basement) or in an ancillary structure (e.g., above laneway garage) on the same lot. Municipalities should assess where second units may be appropriate in the primary dwelling versus the ancillary structure. In some instances, municipalities may conclude it is appropriate to allow a second unit in both. However, in these situations, the sheltering of appeals does not extend to the third unit. Any party would be able to appeal the authorization of the third unit to the Ontario Municipal Board.
- Municipalities that currently permit second units will need to review their official plans and zoning by-laws to assess whether they are permitted in the range of housing types listed in the Act.
- While the Act introduced a regulation-making ability for the Minister of Municipal Affairs and Housing to prescribe minimum standards for second units, a regulation has not been issued under this authority. As such, municipalities are responsible for determining what standards or zoning provisions should apply to second units in relation to matters such as minimum unit size or parking requirements. Standards should support the creation of second units.

Grandfathering of Second Units

Second units must comply with any applicable laws, which could include the Building Code, the Fire Code and property standards by-laws. The changes do not "grandfather" any existing second units that do not meet applicable laws.

Do I need a building permit?

A building permit may be required to establish a second unit depending on whether alterations to the house are needed. As such, homeowners considering establishing a second unit should contact their municipality prior to doing so.

Effective Date of Changes for Second Units and Impact on Official Plan Policies

The changes to the *Planning Act* for second units came into effect on January 1, 2012.

Municipalities that have already implemented second unit policies should review their policies in light of the changes made through the *Strong Communities through Affordable Housing Act, 2011* to determine whether any changes are required.

Municipalities that do not currently have second unit policies should review the new requirement in the *Planning Act* related to second units and determine what amendments are required to their official plans and zoning bylaws. They should then begin amending their planning documents prior to the second unit provisions coming into effect to be in compliance with the new legislative provisions once they are proclaimed in force.

Changes to the Planning Act: Before and After

Before Changes Made Through <i>Strong Communities through Affordable Housing Act, 2011</i>	Today (With Changes Made Through <i>Strong Communities through Affordable Housing Act, 2011</i>)
Municipalities voluntarily establish second unit official plan policies and zoning by-law provisions.	Municipalities are required to establish official plan policies and zoning by-law provisions allowing second units in single, semi and row houses, as well as in accessory structures (e.g. above laneway garages).
<i>Planning Act</i> shelters the municipal establishment of official plan permitting second units in single, semi and row houses from appeal to the Ontario Municipal Board; municipalities may permit second unit in accessory structure but these policies for accessory structures are not sheltered from appeal.	Municipal establishment of official plan policies and zoning by-law provisions permitting second units in single, semi, row houses, and in accessory structures, are sheltered from appeal to the Ontario Municipal Board, except during five year review periods. Sheltering of appeals extends to municipally-determined standards for second units.
No standards for second units in legislation (municipalities currently establish their own standards); no ability for MMAH Minister to prescribe standards.	Municipalities continue to have ability to identify appropriate areas for second units, and to establish appropriate standards for second units; Minister has regulation-making authority to prescribe standards for second units.

For More Information For more information and assistance, please contact one of the [Municipal Services Offices](#). If you are considering establishing a garden suite or a second unit, be sure to contact your municipality to understand any processes, permits or policies.

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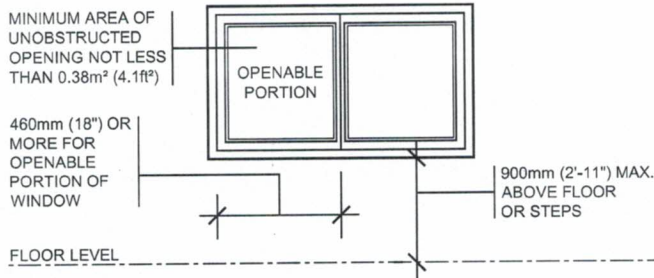
- LAST MODIFIED:FRIDAY, NOVEMBER 6, 2015

EGRESS REQUIREMENTS

EGRESS PROVIDED FROM APARTMENT	CONDITIONS
OPTION A - EGRESS AVAILABLE ONLY THROUGH ANOTHER DWELLING	1) AN EGRESS WINDOW MUST BE PROVIDED. INTERCONNECTED SMOKE ALARMS MUST BE INSTALLED IN BOTH UNITS, AND ALL COMMON AREAS. (REFER TO OPTIONS 1, 2 AND 3) OR 2) THE ENTIRE BUILDING MUST BE SPRINKLERED, AND SMOKE ALARMS INSTALLED IN BOTH UNITS AS PER O.B.C 9.10.19
OPTION B - A "SHARED EXIT", SUCH AS A STAIRWAY USED BY BOTH UNITS	30 MIN. FIRE SEPARATION AROUND EXIT. AND INTERCONNECTED SMOKE ALARMS IN BOTH UNITS AND ALL COMMON AREAS AS PER O.B.C 9.10.19 - EMERGENCY LIGHTING AS PER O.B.C 9.9.11.3
OPTION C - A SEPARATE DOOR INCLUDING A SLIDING DOOR LEADING DIRECTLY TO THE EXTERIOR FROM THE ACCESSORY APARTMENT	SMOKE ALARMS IN EACH DWELLING AS PER O.B.C 9.10.19

EGRESS WINDOW

FIGURE 1



WINDOW WELL FOR EGRESS WINDOW

FIGURE 2

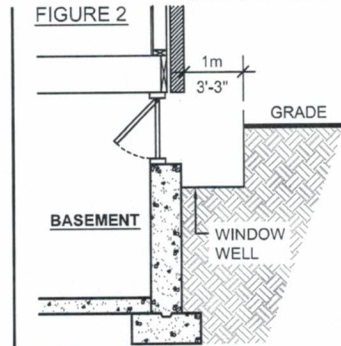
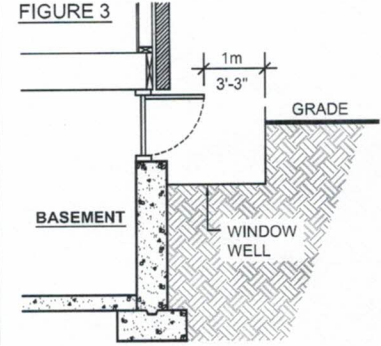


FIGURE 3



SEPARATION BETWEEN UNITS

REQUIRED FIRE SEPARATIONS / CLOSURES	CONDITIONS
30 MIN. FIRE SEPARATION	SMOKE ALARM IN BOTH UNITS
15 MIN. HORIZONTAL FIRE SEPARATION	INTERCONNECTED SMOKE ALARMS IN BOTH UNITS AND IN ALL COMMON AREAS
NO FIRE SEPARATION	THE ENTIRE BUILDING MUST BE SPRINKLERED
20 MIN. LABELED OR UNLABELLED 45mm (1- 3/4") THICK SOLID WOOD CORE OR METAL DOOR.	EQUIPPED WITH SELF CLOSERS
UNRATED CLOSURES	THE APARTMENT FLOOR AREA MUST BE SPRINKLERED

SMOKE ALARMS AND CARBON MONOXIDE ALARMS

REQUIRED SMOKE ALARMS WITHIN EACH DWELLING UNIT	MAY BE BATTERY OPERATED EXCEPT WHERE SMOKE ALARMS ARE REQUIRED TO BE INTERCONNECTED DUE TO SEPARATION BETWEEN UNITS AND EGRESS REQUIREMENTS. ALARMS MUST BE LOCATED ON OR NEAR THE CEILING WITHIN HALLS SERVING THE BEDROOMS, IN BEDROOMS AND COMMON AREAS.
REQUIRED CARBON MONOXIDE ALARMS WITHIN EACH DWELLING UNIT ADJACENT TO EACH SLEEPING AREA	MUST CONFORM TO CAN/CSA-6.19 OR UL 2034. CO ALARMS MAY BE BATTERY OPERATED OR PLUGGED INTO AN ELECTRICAL OUTLET.

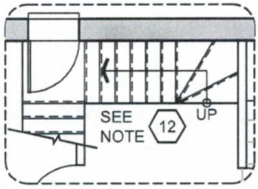
MINIMUM ROOM AREAS / CEILING HEIGHTS

APARTMENTS FOR ONE OR TWO PERSONS WHERE SPACE IS NOT PARTITIONED	
REQUIRED SPACE	MINIMUM AREA
LIVING, DINING, KITCHEN, & SLEEPING SPACE	13.5m ² (145ft ²) IN TOTAL
OTHER PARTITIONED APARTMENTS	
LIVING AREA	13.5m ² (145ft ²) / 1.95m (6'-5" TYP.) CEILING HEIGHT
	11.0m ² (118ft ²) IF LIVING AREA IS COMBINED WITH DINING & KITCHEN SPACE
DINING AREA	7.0m ² (75ft ²) / 1.95m (6'-5" TYP.) CEILING HEIGHT
	3.25m ² (35ft ²) IF DINING AREA IS COMBINED WITH ANOTHER SPACE
KITCHEN AREA	4.2m ² (45ft ²) - 3.7m ² (40ft ²) IF ONE BEDROOM ONLY
	9.8m ² (105ft ²) / 1.95m (6'-5" TYP.) CEILING HEIGHT
MASTER BEDROOM	8.8m ² (95ft ²) IF BUILT-IN CABINETS ARE PROVIDED
	4.2m ² (45ft ²) IF THE BEDROOM AREA IS COMBINED WITH ANOTHER SPACE
	7.0m ² (75ft ²) / 1.95m (6'-5" TYP.) CEILING HEIGHT
OTHER BEDROOMS	6.0m ² (65ft ²) IF BUILT-IN CABINETS ARE PROVIDED
	4.2m ² (45ft ²) IF THE BEDROOM AREA IS COMBINED WITH ANOTHER SPACE
	7.0m ² (75ft ²) / 1.95m (6'-5" TYP.) CEILING HEIGHT

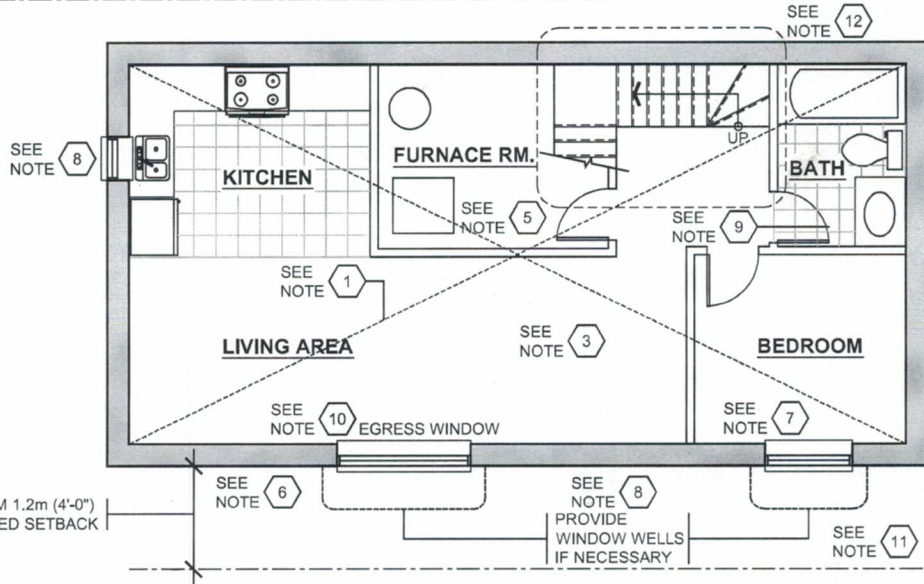
MINIMUM WINDOW AREAS FOR LIGHT

LOCATION	MINIMUM UNOBSTRUCTED GLASS AREA
LAUNDRY ROOM, KITCHEN, WATER CLOSET ROOM	WINDOWS NOT REQUIRED
LIVING / DINING ROOMS	5% OF FLOOR AREA / 10% IF REQUIRED EGRESS WINDOW
BEDROOMS AND OTHER FINISHED ROOMS NOT MENTIONED ABOVE	2 1/2% OF FLOOR AREA / 5% IF REQUIRED EGRESS WINDOW

• WHERE AN EXTERIOR DOOR ON THE SAME LEVEL AS A BEDROOM IS NOT PROVIDED, A WINDOW THAT IS ABLE TO BE OPENED FROM THE INSIDE WITHOUT THE USE OF TOOLS

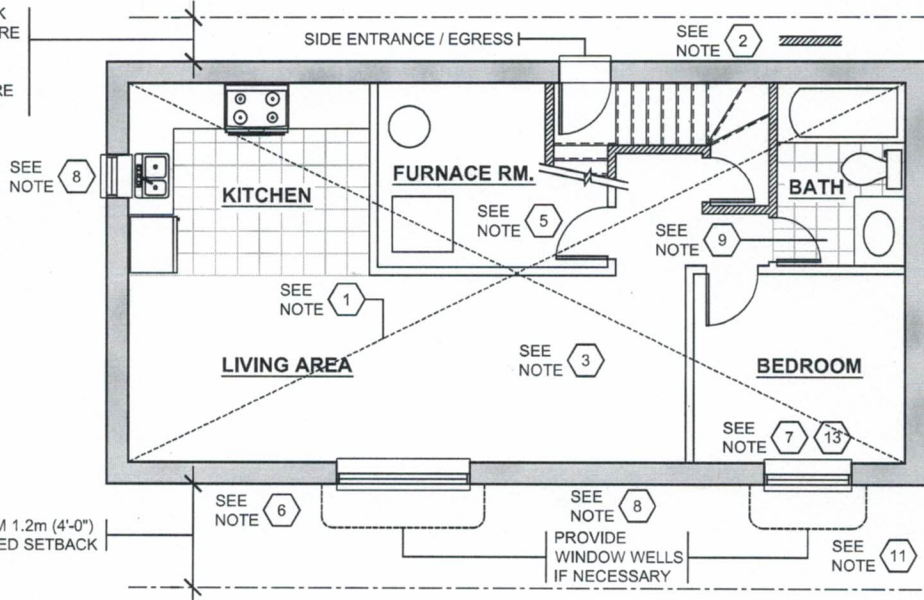


OPTION A
EGRESS TO THE
EXTERIOR

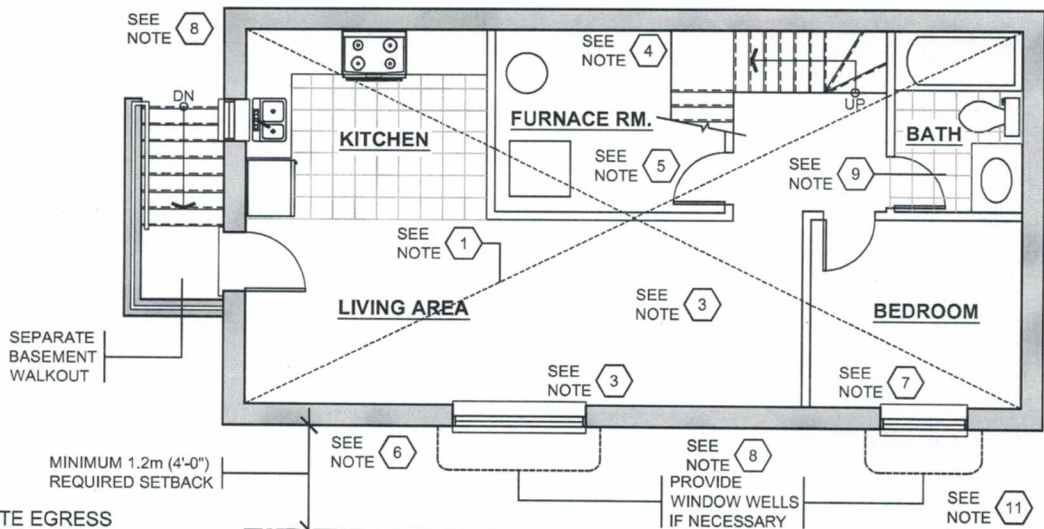


OPTION A
EGRESS THROUGH
ANOTHER DWELLING

MINIMUM 900mm (3'-0") SETBACK
RECOMMENDED FOR SOLID CORE
DOOR WITHOUT GLASS PANEL.
UNLESS SPATIAL SEPARATION
CALCULATIONS REQUIRES MORE
OR A SETBACK



OPTION B
WITH A SHARED EXIT



OPTION C
WITH ITS OWN SEPARATE EGRESS
DOOR LEADING DIRECTLY TO THE EXTERIOR