

Ontario Secondary Suite Research Study

(in partnership with the Ontario Professional Planners Institute)

INTRODUCTION

Municipalities in Canada are encouraging the development of secondary suites with the goals of expanding the supply of affordable rental units available in the market and creating opportunities for more affordable homeownership. In 2011, the Province of Ontario took a leadership role and made changes to the *Planning Act* that require municipalities to establish official plans and zoning bylaws that allow secondary suites. This research project surveyed the extent to which secondary suite policies have been implemented; determined whether these policies were integrated in affordable housing, seniors' or aging-in-place strategies; and identified approaches that have led to the successful implementation of secondary suite policies. The project also developed case studies that highlight these strategies and lessons learned.

THE RESEARCH

CMHC, in partnership with the Ontario Professional Planners Institute engaged SHS Consulting to conduct a survey of the current state of second unit policy implementation across the province of Ontario and identify strategies and lessons learned that can be shared with local planners to help further facilitate the implementation of secondary suite policies.

The objectives were to:

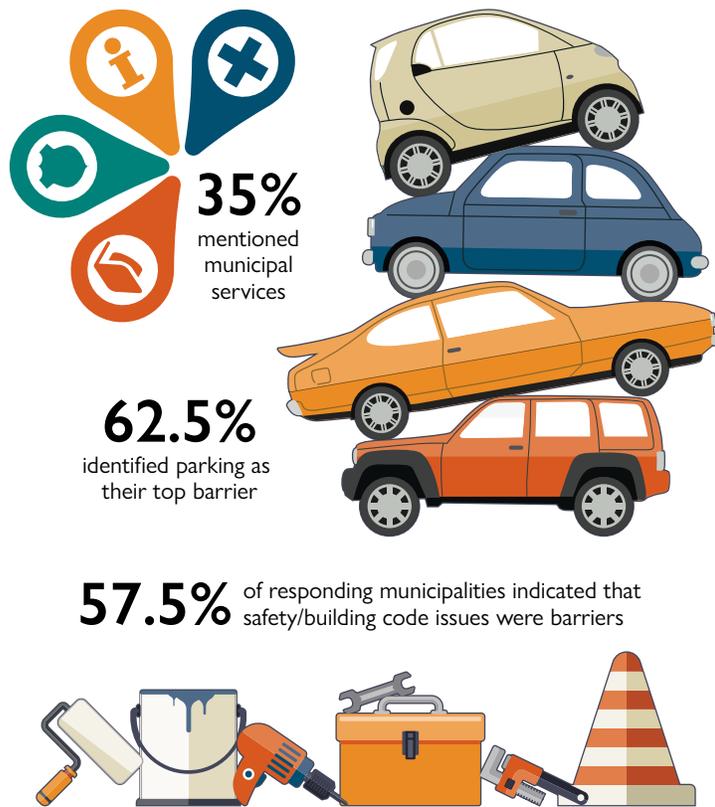
- assess the extent to which secondary suite policies have been implemented;
- identify whether these policies are integrated in affordable housing, seniors' or aging-in-place strategies;
- identify approaches that have led to the successful implementation of secondary suite policies; and
- develop case studies that highlight these strategies and lessons learned.

A total of 113 surveys were completed by municipal planners and staff from single-, upper- and lower-tier municipalities and utilized in the study.

KEY FINDINGS

- One third of all survey respondents said second units were not permitted in 2012 (prior to legislation), but now the majority (64%) surveyed had Official Plan policies in place to permit second units and 54% reported that supporting zoning bylaw regulations had been adopted by council.
- While the majority of municipalities surveyed had plans and policies in place, many have zoning restrictions including parking, minimum and maximum floor size and minimum frontage.
- Several municipalities reported that second units are only permitted in areas with full municipal services.
- Many municipalities also reported that second unit strategies were part of their housing and homelessness plan (23, or 25.5%) or seniors' strategy (8, or 9%). Six municipalities reported that second units were part of both strategies and plans.
- Communities with septic systems often face an additional assessment, before being able to develop second units, to ensure that there is sufficient capacity.
- Some of the community concerns around second units have to do with student housing, maintenance of community character and properties used for vacation rentals.
- Education and community consultation were identified as the key approach to overcoming barriers to implementation.
- The majority of municipalities do not have a licensing system or registry for second units.
- The results also indicated a desire among municipalities to share results and findings and offer lessons learned.

Figure 1: Municipalities' top barriers to secondary suites

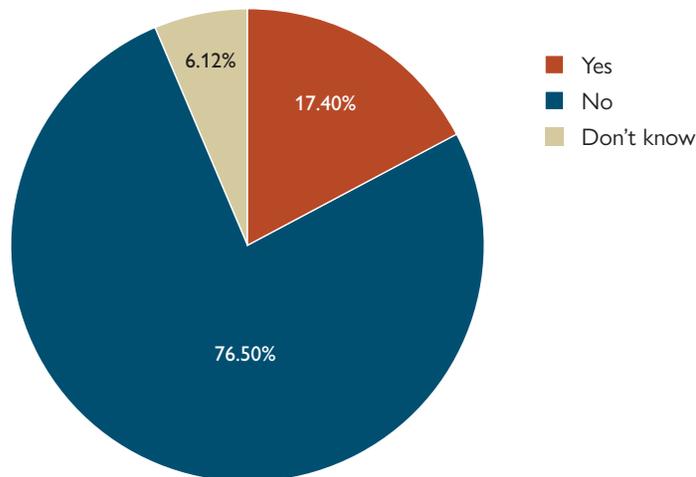


ADVICE FROM MUNICIPALITIES

- “Public consultation is extremely important to educate and understand site-specific issues and concerns of residents.”
- “Educate the public and council on the affordable housing and sustainable community planning benefits.”
- “Consider rural/agricultural lands as well! This is most important for aging family members who still wish to reside on the farm.”
- “Ensure that a good tracking system is in place, and ensure that the approval process for obtaining permits is simplified.”
- “Look at successful examples and try to customize the approach to own municipal situation. Also, provide benefits to council, especially as they relate to increased assessment and increased tax revenues.”
- “Effective communication and collaboration between all municipal departments are essential.”
- “Be as flexible as you can in terms of floor area, parking requirements, building permit fees, development charges and incentives.”
- “Key message is that permitting second units increases the availability of SAFE affordable housing.”

Monitoring or tracking of units

Figure 2: Are second units monitored or tracked in your municipality?



As part of this research, five case studies were developed to provide an overview of the current state of policies in place for secondary suite polices in municipalities of varying sizes and at various stages of implementation. They highlight lessons learned and the challenges and strategies that helped the secondary suite policies succeed. The case studies are available in the full report.

IMPLICATIONS FOR THE HOUSING INDUSTRY

The Province of Ontario has put legislation in place to enable secondary units to become part of an overall affordable housing strategy across the province, and it appears that municipalities are moving to implement plans accordingly. This an important step toward providing those seeking affordable housing with more options, particularly in well-established existing residential neighbourhoods that may offer improved access to public transportation, education, jobs and other supportive services. It also will help to add density to existing communities, thereby reducing the need for new greenfield development and supporting infrastructure. Since the survey was completed, the Province passed Bill 7 (*Promoting Affordable Housing Act*) that allows second units to be built in new homes without development charges. Several municipalities are starting to focus on expanding options to include laneway or coach housing.

These legislative changes, combined with a lack of affordable housing and the growth in the seniors' population, make second units an important and viable housing option. Municipalities can utilize second units as part of their affordable housing and seniors' strategies, in addition to providing gradual intensification to their communities as part of Ontario's Smart Growth plan. For builders and renovators, this second unit landscape offers increased opportunities for development. The addition of Bill 7 means that homes can be built more affordably with pre-approved second units as part of the initial design.

For owners, the province-wide move toward permitting secondary suites will provide them with a source of additional income—an important consideration for seniors living on fixed incomes who want to age-in-place or young new homebuyers who need the rental income to help them purchase a home they could not otherwise afford. It also provides an opportunity for owners to accommodate aging parents or adult children in separate but close living arrangements.

RESOURCES

Full report: Ontario Secondary Suite Research Study
(in partnership with the Ontario Professional Planners Institute):
ftp://ftp.cmhc-schl.gc.ca/chic-ccd/Research_Reports-rapports_de_recherche/2017/RR_Ont_Secondary_Suites_EN_w.pdf

Permitting Secondary Suites:
https://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/afhostcast/afhoid/pore/pesesu/pesesu_001.cfm

Secondary Suites: A Suite Deal (Kingston Case Study):
<https://www.cmhc-schl.gc.ca/en/inpr/bude/adho/upload/secondary-suites.pdf>

Secondary Suite Incentives (Victoria):
https://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/prpr/upload/Secondary-Suites-Incentives-Victoria_EN.pdf

Laneway Homes: <https://www.cmhc-schl.gc.ca/en/hoficincl/observer/upload/observer-laneway-homes.pdf>

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