



# RESEARCH HIGHLIGHT

## Detailed Examination of Municipal Accessory Apartment Regulations in Canada

January 2016

Socio-economic Series

### INTRODUCTION

The purpose of this study was to examine the characteristics and attributes of the municipal regulations of the 498 municipalities in Canada that allow accessory apartments and to assess how likely these regulations are to enable or dissuade the creation of accessory apartments. Municipal bylaws commonly regulate the development of accessory apartments by means such as limiting the size of the suite, who or how many can live in the suite, locations either by building type or zoning designation and/or making approvals conditional or discretionary.

In addition to the regulatory analysis, this study collected data on the number of building permits issued for accessory apartments between 2011 and 2013 to assess the feasibility of using building permit data to determine the number of accessory apartments created in a three-year time frame. The focus was only on those units that were created legally through a development and/or building permit process.

This study is a continuation and expansion of the 2014 study *Accessory Apartment Regulations in Canadian Census Metropolitan Areas and Census Agglomerations in Canada*. The current study builds on the regulatory analysis completed in 2014 by examining the municipalities identified as permitting accessory apartments.

### TERMINOLOGY

An “accessory apartment” is a self-contained dwelling that is accessory to the principal dwelling and is located either within the primary dwelling or in an accessory building on the same lot as the primary dwelling. Accessory apartments have over 50 different names in the regulations examined, such as garden suite, coach house, basement suite, secondary suite or granny suite in English and, in French, *pavillon-jardin*, *logement supplémentaire*, *logement au sous-sol* or *logement intergénérationnel*. For the purposes of this Research Highlight, the term accessory apartment will be used for describing all types of suites. The term garden suite will be used to describe an accessory apartment that is not contained within the primary dwelling but in a separate accessory structure, such as a garden suite or coach house.

### METHODOLOGY

#### Part I – Analysis of accessory apartment regulations

The 2014 study *Accessory Apartment Regulations in Canadian Census Metropolitan Areas and Census Agglomerations* collected information on 650 municipalities, of which 498 permitted accessory apartments. Since the objective of this study was to further analyze the regulations that permitted accessory apartments, only the 498 municipalities where accessory apartments are permitted were considered.

## Research Highlight

### Detailed Examination of Municipal Accessory Apartment Regulations

General provisions for accessory apartments were documented from each municipal bylaw, which indicated under what circumstances such suites were permitted. Although each bylaw is unique, the majority of them had at least a few of the following provisions:

- Requirement for a specific occupant
- Limit on the number of occupants
- Owner occupancy requirement for one of the units
- Time limitations / temporary use (particularly regarding garden suites)
- Discretionary or conditional use provisions
- Requirements for special permits or agreements or specific council approval
- Restriction by type of building, specific zone or particular type of building in a specific zone
- Minimum parking requirements
- Architectural integration requirements
- Minimum or maximum size requirements

The following were used to classify each of the identified provisions:

- (L) Likely to hinder the creation of accessory apartments
- (SWL) Somewhat likely to hinder the creation of accessory apartments
- (NL) Not likely to hinder the creation of accessory apartments
- (CC) Case-by-case assessment – depends on the nature of the requirement and municipal context

Some regulations were assessed on a case-by-case basis, taking into account the particular municipal context. Since the zoning bylaws are very different, as are the sizes of municipalities, a condition that may be a hindrance in one municipality may not be considered as such in another. Therefore, each regulation was assessed individually and classified accordingly with consideration for the size of the municipality.

An example of a condition that may be a hindrance in one municipality and not in another is a requirement for the provision of an additional parking space for the sole use of

the occupant of the accessory apartment. In smaller or rural municipalities, a requirement of one or even two additional parking spaces in addition to those required for the primary dwelling may not be an issue; however, the same provision in a large, dense municipality may be an obstacle to the creation of such suites as space for additional parking may not be as readily available.

Once each regulation was categorized according to the likelihood of hindering the creation of accessory apartments, an overall classification of (1) *enabling*, (2) *somewhat restrictive* or (3) *restrictive* was made for the municipal bylaw, based on a combination of the number of regulations and likelihood that the regulations would hinder the creation of accessory apartments. The three overall classifications are defined as follows:

*Enabling (E)* – Those bylaws that have either no restrictions or very few conditions that are not likely to pose a hindrance to accessory apartment creation.

*Somewhat restrictive (SR)* – A combination of conditions that would be somewhat likely to be a hindrance to accessory apartment creation.

*Restrictive (R)* – Regulations with a combination of conditions that are likely to hinder the creation of accessory apartments.

### Part 2 – Tracking the number of accessory apartments created

To determine how many accessory apartments were created in each of the municipalities over a three-year period, information on the number of legal accessory apartments was collected by obtaining building permit records from municipal building departments. In some cases, the building permit information was available on municipal websites; however, it often did not include a separate category for accessory apartments, and the municipality had to be contacted for clarification. Where available, information was collected separately for each of the three years as was the total number of suites created, total units that were in the primary dwelling, total units that were in an accessory building, total units newly built and total units classified as additions or modifications to existing dwellings. Where detailed municipal data wasn't available, partial data, such as the totals of all units created in each year, was collected.

## FINDINGS – PART 1: ANALYSIS OF ACCESSORY APARTMENT REGULATIONS

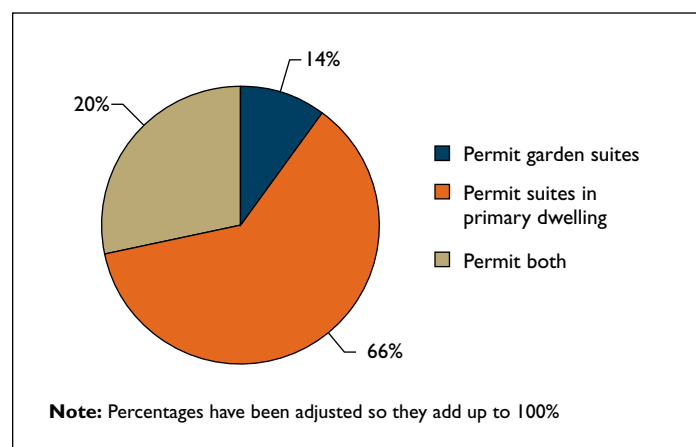
The total number of municipalities studied in each province and territory and the percentage of those municipalities where the accessory apartment bylaw was classified as *restrictive*, *somewhat restrictive* or *enabling* is shown in table 1.

Of the 498 municipalities in Canada that permit accessory apartments, the study found that:

- 42 per cent have *enabling* bylaws with no restrictions or few conditions that are likely to pose a hindrance to accessory apartment creation;
- 10 per cent have *somewhat restrictive* regulations that included a combination of conditions that would be somewhat likely to be a hindrance to accessory apartment creation; and
- 46 per cent have *restrictive* regulations with a combination of conditions that are likely to hinder the creation of accessory apartments.

The majority (66 per cent) of bylaws permitting accessory apartments are for units within the primary dwelling. However, 14 per cent of municipalities permit accessory

apartments only in an accessory building such as a garden suite, while 20 per cent permit both (see figure 1). In most cases where a municipality permits more than one type of accessory apartment, both types of accessory dwellings have similar provisions, and the municipality was given a single classification of *restrictive*, *somewhat restrictive* or *enabling*. In 18 out of the 498 municipalities, the requirements for garden suites were significantly different from those of accessory apartments. For the purposes of this report, the classification used for these municipalities is the one for the suite within the primary dwelling.



**Figure 1** Percentage of municipalities that permit garden suites, Canada, 2014

**Table 1** Proportion of municipalities permitting accessory apartments with *enabling*, *somewhat restrictive* and *restrictive* regulations, by province and territory, 2014

Jurisdiction	Municipalities that Permit Accessory Suites				
	Total (#)	Restrictive Regulations %	Somewhat Restrictive Regulations %	Enabling Regulations %	Uncategorized %
Newfoundland and Labrador	23	26	0	65	9
Prince Edward Island	7	57	14	29	0
Nova Scotia	4	25	25	50	0
New Brunswick	54	65	2	33	0
Quebec	141	54	4	38	4
Ontario	99	29	21	49	1
Manitoba	9	67	0	33	0
Saskatchewan	39	59	8	33	0
Alberta	53	68	13	19	0
British Columbia	67	21	13	66	0
Northwest Territories	1	100	0	0	0
Yukon	1	0	0	100	0
<b>CANADA</b>	<b>498</b>	<b>46</b>	<b>10</b>	<b>42</b>	<b>2</b>

### Regional Analysis

The Atlantic provinces are mixed, with Newfoundland and Labrador having the highest proportion (65 per cent) of *enabling* regulations, followed by Nova Scotia, with 50 per cent. Most New Brunswick and PEI municipalities were categorized as *restrictive*.

The majority (55 per cent) of Quebec municipal regulations were categorized as *restrictive*. This is mostly influenced by the fact that many of the regulations required that the accessory apartment be occupied by a specific occupant, usually someone related to the registered owner of the primary dwelling.

The majority of municipal bylaws in the Prairie provinces (Alberta, Manitoba and Saskatchewan) have been categorized as *restrictive*, with a few as *somewhat restrictive*. Only 33 per cent of both Manitoba and Saskatchewan municipal bylaws were categorized as *enabling* and only 19 per cent of all municipal bylaws examined in Alberta were categorized as *enabling*. In all of Canada, Alberta had the lowest rate of *enabling* municipalities. This is because most Alberta municipalities that permit accessory apartments allow them on a conditional or discretionary basis, which may involve additional energy, time and costs without a guarantee that an accessory suite may be permitted.

Among the provinces, British Columbia and Newfoundland and Labrador have the highest proportion of *enabling* regulations in Canada at 66 per cent and 65 per cent, respectively.

While Ontario has a relatively high proportion of *enabling* regulations (49 per cent), it has the highest proportion (21 per cent) of *somewhat restrictive* bylaws in the country.

### Core Cities Analysis

Core municipalities are usually urban areas with larger and denser populations and possibly higher demand for accessory apartments than rural areas or smaller municipalities.

Canada has 147 such core municipalities, of which 120 or 82 per cent permit accessory apartments (95 in CAs and 25 in CMAs) according to the 2014 study. Out of the 25 CMA core municipalities, 7 were categorized as *restrictive*, 7 as *somewhat restrictive* and 11 as *enabling*. Out of the 95 CA core municipalities, 44 were categorized as *restrictive*, 8 as *somewhat restrictive* and 43 as *enabling*.

### Variations in Regulatory Approaches Based on Population

One of the goals of this study was to determine whether the *restrictive* or *enabling* nature of accessory apartment bylaws was related to the size or population of the municipality.

To investigate this question, municipalities were grouped into four population categories. Rural municipalities are all those that have a population under 5,000; small municipalities are those that fall between 5,000 and 29,999; medium municipalities are those that fall between 30,000 and 99,999; and large municipalities are those with a population of over 100,000.

The percentage of municipalities categorized as *restrictive* (R), *somewhat restrictive* (SR) and *enabling* (E) in each population category is shown in table 2. Smaller municipalities tend to have more restrictive regulations than larger municipalities, but the proportion of small municipalities with *enabling* regulations is similar to medium and large municipalities.

**Table 2** Percentage of municipalities with *enabling*, *somewhat restrictive* and *restrictive* regulations by population

Municipality Size	Restrictive %	Somewhat Restrictive %	Enabling %
Rural (under 5,000 population)	60	4	36
Small (5,000–29,000)	46	9	45
Medium (30,000–99,999)	34	17	49
Large (100,000+)	36	20	44

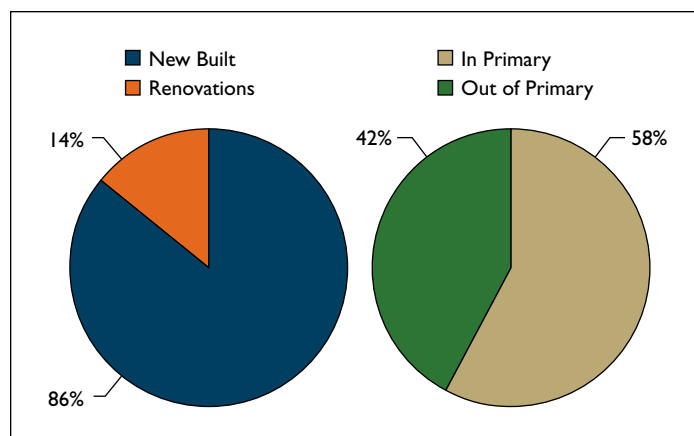
In most provinces, the majority of rural areas have *restrictive* bylaws, while the larger population centres tend to have a higher proportion of *enabling* bylaws. British Columbia, Nova Scotia and Newfoundland and Labrador are exceptions. In British Columbia, a surprisingly high proportion of the larger municipalities have *restrictive* bylaws and rural municipalities tend to have *enabling* bylaws. Rural, small and large municipalities that permit accessory apartments in Newfoundland and Labrador tend to have *enabling* bylaws. In Nova Scotia, the larger municipalities have *restrictive* bylaws.

## FINDINGS – PART 2: TRACKING THE NUMBER OF ACCESSORY APARTMENTS CREATED

To determine how many legal accessory apartments may have been created in 2011, 2012 and 2013, municipalities were contacted to obtain the number of building permits issued for each year for such suites in their jurisdiction. Efforts were also made to collect information on the number of suites in the primary dwelling or in an accessory building, as well as the number of suites that were created through new construction or through additions or modifications to an existing dwelling.

Although best efforts were made to collect accurate and uniform data for all municipalities that permit accessory apartments, this proved to be a challenge. A 70-per-cent response rate was obtained from all municipalities as part of this study. Of the 351 municipalities that provided data, 60 per cent provided complete data for the three-year period, 20 per cent provided partial data and 20 per cent reported they do not collect this data. One of the issues encountered was that data for the largest municipalities was often unavailable or incomplete because of a lack of ability to track or count accessory apartments separately from other residential building permits. A number of municipalities only provided information for one or two years as they did not start collecting building permit statistics for accessory apartments until after 2011. In addition, some municipalities do not differentiate between suites created within or outside of a primary dwelling or between new units or renovations to existing housing.

The types of units for which building permits were obtained are presented in figure 2. Based on the available building permit data, 15,421 accessory apartments were created across Canada over the three-year period from 2011 to 2013. From the data collected, the majority of permits were issued for accessory apartments in new home construction (rather than renovations) and were contained within the primary residence versus in, for example, a garden suite.



**Figure 2** Percentage of accessory apartments newly built and renovated, and located within or outside the primary residence, Canada, 2011-2013

It is likely a much larger number of accessory apartments were created than shown; however, at this time, building permit data does not provide sufficient information to create a full picture of accessory apartments in our municipalities. Factoring in the response rate and other limitations, the data collected can be used, to some extent, to estimate the number and types of accessory dwellings being created, but the totals should be viewed as incomplete estimates and cannot be used to compare one jurisdiction to another.

## IMPLICATIONS FOR THE HOUSING INDUSTRY

Changes in demographics, economics and community goals are leading to innovative ways of increasing the housing supply. A consistently low volume of construction of new purpose-built rental housing over the past two decades is resulting in low vacancy rates and rising rents in some jurisdictions across Canada. Alternative rental housing or the secondary rental market, which includes accessory apartments, is an important component of the rental housing sector. In particular, accessory apartments offer an affordable housing option. Regulations help to ensure personal safety and community integration, but the findings of this research show that, while there is great interest in increasing the availability of accessory apartments across the country, there are also significant concerns over community and neighbourhood impacts in many jurisdictions.

## Research Highlight

Detailed Examination of Municipal Accessory Apartment Regulations

As demand for affordable housing options such as accessory apartments continues to grow, regulatory approaches may need to be examined to ensure that they are not creating unintended or unnecessary barriers. Better data on the creation of accessory apartments could contribute to a better understanding of the volume and types of suites being created, which in turn may help to guide local dialogues on accessory apartments.

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## Alternative text and data for figures

**Figure 1** Municipalities that permit gardens suites, Canada, 2014

	Percentage
Permit garden suites	14
Permit suites in primary dwelling	66
Permit both	20

**Figure 2** Percentages of accessory apartments - newly built versus renovated, and within versus outside the primary residence

	Percentage
Newly Built	86
Renovations	14
In Primary	58
Out of Primary	42