

PLANNING AND DEVELOPMENT COMMITTEE

TO: MAYOR AND COUNCILLORS

SUBJECT: HOUSING CHOICES PHASE 1A: DRAFT PROGRAM

RECOMMENDATIONS:

1. THAT Council receive the report entitled: Housing Choices Program: Financial Analysis for Laneway Units and Suites in Semis (see Attachment # 1).
2. THAT Council receive the report entitled: Laneway Homes and Suites in Semi-detached Homes Program Recommendations Report (see Attachment # 2).
3. THAT Council approve the draft program for laneway homes and suites in semi-detached homes, as described in Section 6.0 and Appendix A and Appendix B, as a basis for public consultation.

REPORT

The Planning and Development Committee, at its meeting held on February 8, 2023, received and adopted the attached report providing a draft program with respect to laneway homes and suites in semi-detached homes.

Respectfully submitted,

Councillor P. Calendino
Chair

Councillor J. Keithley
Vice Chair

TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT
COMMITTEE

DATE: 2023 January 30

FROM: GENERAL MANAGER
PLANNING AND DEVELOPMENT

FILE: 41500 20

SUBJECT: HOUSING CHOICES PHASE 1A: DRAFT PROGRAM

PURPOSE: To provide a draft program with respect to laneway homes and suites in semi-detached homes.

RECOMMENDATIONS:

1. **THAT** the Committee receive the report entitled: *Housing Choices Program: Financial Analysis for Laneway Units and Suites in Semis* (see **Attachment #1**) and forward it to Council for information.
2. **THAT** the Committee receive the report entitled: *Laneway Homes and Suites in Semi-detached Homes Program Recommendations Report* (see **Attachment #2**) and forward it to Council for information.
3. **THAT** the Committee recommend that Council approve the draft program for laneway homes and suites in semi-detached homes, as described in *Section 6.0* and *Appendix A* and *Appendix B*, as a basis for public consultation.

REPORT**1.0 INTRODUCTION**

On 2021 December 06, Council adopted *HOME: Burnaby's Housing and Homelessness Strategy* (the HOME Strategy), a ten year action plan for housing in Burnaby. The HOME Strategy included a priority action for the City to launch an infill housing program to introduce more housing choices to Burnaby's single and two family neighbourhoods.

To implement this action, the City launched *Housing Choices*, a multi-year, multi-phased program to expand 'missing middle' housing in Burnaby. *Missing middle*, in this context, refers to housing types that fit between a single-family home and a mid-rise building in terms of building form. Examples of these types of housing include duplexes, triplexes, fourplexes, sixplexes, cottage courts, rowhomes, townhomes and low-rise apartments. The term also refers to properties with accessory units such as flex suites, secondary suites and laneway homes.

The Housing Choices program is being introduced in phases. The current phase (Phase 1a) is focusing on introducing laneway homes, and secondary suites in semi-detached homes. Phase 1b will focus on other options for adding three units to a single-family lot, or four units to a two-family lot. These may include single-family homes with two suites, triplexes, fourplexes or cottage courts (a group of small homes around a shared courtyard). Phase 2 will focus on additional types of missing middle housing such as rowhomes, townhomes and low-rise apartments. Phase 2 will take place in conjunction with the Official Community Plan Update.

This report provides an update on the progress of Phase 1a (*Section 3.0*) and summarizes the results of two key reports, the Financial Analysis Report (*Section 4.0*) and the Program Recommendations Report (*Section 5.0*). It also presents the draft program for laneway homes and secondary suites in semi-detached homes (*Section 6.0 and Appendices A and B*). Subject to Council approval, the draft program will be presented to the public at open houses in the spring to gather additional feedback before the program is brought back to Council for final approval.

2.0 POLICY CONTEXT

The Housing Choices program generally aligns with the following Council adopted plans, reports and policies: *Corporate Strategic Plan* (2022), *Official Community Plan* (1998), *HOME: Burnaby's Housing and Homelessness Strategy* (2021), *Burnaby's Housing Needs Report* (2021), and the *Mayor's Task Force on Community Housing Final Report* (2019).

3.0 PROGRESS UPDATE

On 2022 February 14, Council approved a process for Phase 1a of the Housing Choices program, to introduce laneway homes and suites in semi-detached homes. The tasks from this process are shown in *Appendix C*, along with columns showing the current status and anticipated schedule to complete this work.

4.0 FINANCIAL ANALYSIS REPORT

In April 2022, at the request of Council, the City retained a consultant to undertake a financial analysis for Phase 1a, to determine the impact that laneway homes and suites in semi-detached homes might have on property values in single and two-family neighbourhoods.

In the report entitled "Housing Choices Program: Financial Analysis for Laneway Units and Suites in Semis" ("Financial Analysis Report"), the key findings from this analysis are as follows:

Rental Laneway Homes

- Allowing rental laneway homes is unlikely to have any material impact on the value of single family lots, as the laneway unit value will be largely offset by the cost of creating the new unit.
- Market rents are likely required in order to make laneway home development financially attractive to most homeowners and builders. Laneway home development is unlikely to be viable if rents are required to be set below market rent.

- Rental laneway homes do not have the financial ability to support any significant contributions toward community amenities.

Suites in Semi-Detached Homes

- Allowing rental suites in semi-detached homes will create a potential income stream that prospective purchasers can use to help them finance a portion of the purchase price. This will likely help some prospective purchasers who would not currently be able to afford a semi-detached home.
- Allowing rental suites in semi-detached homes will not lead to any significant increase in semi-detached homes sales prices or increased lot values, as the value created by the rental suite will be offset by any reduction in the living area available to the unit owner and the cost to create the rental suite.

The consultant was also asked to consider the impact on property values if laneway homes were stratified, and sold separately from the main house. Key findings from this analysis were:

Stratified Laneway Homes

- Strata laneway homes would be very profitable and attractive from a financial perspective. If permitted, it is expected that there would be interest from homeowners and builders in this option.
- Allowing strata laneway homes would likely create significant upward pressure on single family lot values, unless the City:
 - Requires a significant amenity contribution as part of the approval for a strata laneway home. However, the supportable contribution would vary widely depending on the size of the unit and the location of the property. In addition, many single family homeowners may not be able to provide a significant amenity contribution until after the strata laneway home is built and sold which would create an obstacle to creating new homes.
 - Requires the new laneway home to be sold at a below market price. The supportable price discount would vary depending on the size of the laneway home and the location of the property. This approach would require the creation of an affordable home ownership program as well as ongoing administration and monitoring by City staff. In addition, it would be difficult to determine “market price” if all strata laneway homes are required to be sold at below market prices.

Stratification of laneway homes is not being considered for Phase 1a of the Housing Choices program. However, it could be considered in future phases, in conjunction with an affordable home ownership program. This would support Strategy #6 of Burnaby’s Housing and Homelessness Strategy to ‘*explore ways to make home ownership more attainable*’.

A copy of the Financial Analysis Report, providing details on the methodology and findings from this work, is provided as **Attachment #1**.

5.0 PROGRAM RECOMMENDATIONS REPORT

The report entitled “*Laneway Homes and Suites in Semi-detached Homes Program Recommendations Report*” (“Program Recommendations Report”) provides 108 recommendations and 10 future considerations for the regulation of laneway homes and suites in semi-detached homes. Recommendations address a range of factors, including:

- zoning and lot eligibility;
- building size, height and siting;
- parking;
- environmental design;
- outdoor spaces;
- servicing and utilities; and
- the application process.

The Program Recommendations Report reflects the results of a best practices review, planning and policy review, financial analysis, and technical design and modelling, together with feedback gathered from a survey and workshops undertaken with residents, small housing developers and other housing industry professionals.

The key themes that emerged throughout this process, and that have been used as principles to guide the program recommendations are as follows:

- Flexibility – no one approach fits all;
- Optimization – make the best use of space and resources;
- Suitability – diverse needs require diverse solutions; and
- Expediency – make the development process easy and keep it simple.

As discussed in *Section 6.0* below, the Program Recommendations Report was a key input into the development of the proposed draft program.

The Program Recommendations Report is provided as *Attachment #2*.

6.0 DRAFT PROGRAM

During the fall, the Program Recommendations Report was reviewed by staff from across the City, whose feedback has been used to develop the draft program. The draft program generally reflects the program recommendations and is designed to ensure that it will meet the needs expressed by the community while supporting good design practices and achieving the City’s long-term planning objectives.

A summary of the draft program is shown in Table 1 and Table 2. Additional information is provided in *Appendix A and Appendix B*. Further details and rationale is provided in the Program Recommendations Report in *Attachment #2*.

The proposals for the program are still in *draft* form. If approved by Council they will be presented to the public at open houses in early spring 2023. Feedback received will be used to develop a final program to be brought back to Council for approval.

Table 1: Summary of Draft Program for Laneway Homes

Program Element	Laneway Homes
Zoning Districts	All zoning districts that permit single-family homes. ¹
Eligible Properties	Properties with a single-family home <i>and</i> vehicular access to the rear yard from the side or rear of the property, via an open lane or residential street. Subject to streamside protection and enhancement area regulations, traffic safety review, and other requirements.
Maximum Dwelling Units per Property	3 (single family home with secondary suite and laneway home).
Ownership	Single title for the property.
Maximum Floor Area	The lesser of: <ul style="list-style-type: none"> • 20% of lot area (0.2 FAR); and • 140m² (1,506.95 sq. ft.). Subject to meeting other regulations such as setbacks and lot coverage.
Minimum Floor Area	30 m ² (322.93 sq. ft.)
Maximum Height	<ul style="list-style-type: none"> • Two storeys and • No higher than the lower of: <ul style="list-style-type: none"> ○ 7.6 m (24.93 ft.) for a sloping roof or 6.7 m (21.98 ft.) for a flat roof; and ○ the highest point of the principal dwelling. Cellars and basements will be permitted and will count as one storey.
Setbacks	1.2 m (3.94 ft.) minimum from lane 2.4 m (7.87 ft.) minimum from house Side setbacks as per existing Zoning Bylaw regulations for the main dwelling.
Lot Coverage	45% maximum for buildings/structures 70% maximum for impervious surfaces
Minimum Number of Parking Stalls for the Whole Property	1 van accessible parking pad or carport space. (1 space for up to 3 units)
Environmental Design	Step Code Level 3
Outdoor Space	2 trees per site (or as per <i>Burnaby Tree Bylaw</i> which is anticipated to be updated later in 2023). Private outdoor space for the laneway home will be encouraged: minimum 4 m ² (43.06 sq. ft.) private patio or minimum 3 m ² (32.29 sq. ft.) deck or balcony.

¹ See *Appendix A* regarding A1, A2 and A3 Zoning Districts.

Program Element	Laneway Homes
Access/Addressing	A clear unobstructed pedestrian access path from the street will be required: minimum 0.91m (3 ft.) wide and clear to sky. L suffix will be added to the main address to identify laneway home (e.g. L1-5044 Main Street).
Servicing and Utilities	Separate sewer, water and power. Supplementary utility charges (being the <i>Rental Suite in a Single Family Dwelling – Supplementary Utility Fee</i> in the Burnaby Consolidated Fees and Charges Bylaw). Supplementary utility charges will be charged regardless of whether the laneway home is rented or not. Fees are subject to further analysis and consultation. No additional garbage receptacle required.
Application Process	Building permit This approach is subject to change pending results from the Development Approvals Process (DAP) project.
Heritage	Exceptions to these regulations may be considered to preserve heritage buildings, through the Heritage Revitalisation Agreement process.

Table 2: Summary of Draft Program for Secondary Suites in Semi-Detached Homes

Program Element	Suites in Semi-detached Homes
Zoning Districts	All zoning districts that permit two-family homes.
Eligible Properties	Properties with a two-family semi-detached home <i>and</i> vehicular access to the rear yard from the side or rear of the property, via an open lane or residential street.
Maximum Dwelling Units per Property	4 (two semi-detached units, each with one secondary suite per unit).
Ownership	Suite may not be separately strata-titled from the semi-detached unit.
Maximum Floor Area	No maximum floor area for the secondary suite but it must be contained within the semi-detached unit. A secondary suite located in a cellar or in a fully accessible basement may be added to a semi-detached home and will not count as floor area. Floor area of cellar secondary suites and fully accessible basement secondary suites must be no greater than the floor area of the main storey.
Minimum Floor Area	30 m ² (322.93 sq. ft.)
Maximum Height	<ul style="list-style-type: none"> • Two storeys and • 9.0 m (29.5 ft.) for a sloping roof or 7.4 m (24.3 ft.) for a flat roof; or • For a semi-detached home with a fully-accessible basement secondary suite: 10.5m (34.4 ft) for a sloping roof, or 8.9m (29.2 ft.) for a flat roof. Cellars and fully accessible basements constructed as secondary suites will be permitted and will not count as a storey.
Setbacks	Setbacks for semi-detached homes will be as per existing Zoning Bylaw regulations.

Program Element	Suites in Semi-detached Homes
Lot Coverage	45% maximum for buildings/structures. 70% maximum for impervious surfaces.
Minimum Number of Parking Stalls for the Whole Property	2 accessible parking pads or carport spaces. (2 spaces for up to 4 units)
Environmental Design	Step Code Level 3
Outdoor Space	As per <i>Burnaby Tree Bylaw</i> Private outdoor space for each suite will be encouraged: minimum 4 m ² (43.06 sq. ft.).
Access/Addressing	S suffixes will be added to the main address to identify secondary suites. (e.g. S1- 5049 Main Street).
Servicing and Utilities	Servicing as per secondary suites in single-family homes. Supplementary utility charges (being the <i>Rental Suite in a Two Family Dwelling – Supplementary Utility Fee</i> in the Burnaby Consolidated Fees and Charges Bylaw). Supplementary utility charges for suites will only be charged if a suite is rented out. Fees are subject to further analysis and consultation. No additional garbage receptacle required.
Application Process	Building permit This approach is subject to change pending results from the Development Approvals Process (DAP) Project.

7.0 TRANSPORTATION IMPACTS

The underlying premise for residential off-street parking requirements are that residents need a place to ‘store’ their vehicle(s) on their property. The regulation of parking for vehicles within residential properties is regulated by the Burnaby *Zoning Bylaw Schedule No. V111 Off-Street Parking*. It is standard to provide parking on the property to meet most demands and to minimize spill-over onto the public streets. Providing more compact housing forms and multiple units on a single site will generate more parking demands on-site. There are concerns from the Engineering perspective that the reduced parking provisions as presented in the Draft Program (*Appendices A and B*) will increase pressure for on-street parking where there is currently inadequate supply in many neighbourhoods. The proposed program recommendation will reduce the current Bylaw parking requirements on-site by approximately 60%.

The demand for parking, which can change over time, is affected by a number of factors including proximity to transit, cycling infrastructure, and other alternative modes available including carshare vehicles. However, without the technical review of actual vehicle ownership, on-street utilization and market conditions, there is minimal data to support the parking rationale in the Draft Program. As part of the City’s transportation goals and the Climate Action Framework, residents are encouraged to use more sustainable modes; however, they will continue to rely on the automobile (i.e. electric vehicles) in some capacity for the

foreseeable future. Therefore, limiting parking supply on-site will impact the neighbourhood balance for on-street parking.

A review of comparable municipal parking Bylaw rates (refer to *Appendix D*) in the Lower Mainland including City of North Vancouver, New Westminster, Richmond, Coquitlam, Surrey, and Vancouver confirms the number of parking spaces required per unit varies between 1 and 3, with the exception of Vancouver which allows for 1 space for up to 3 units (0.33 spaces per unit, for single detached houses with both a secondary suite and laneway house).

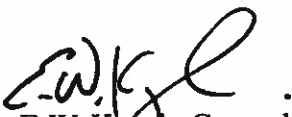
8.0 NEXT STEPS

Subject to Council approval, the draft program will be shared with the public through the City website and at a series of open houses to be held in spring 2023. A survey will also be distributed to collect feedback from the public. All of the open house materials, including the survey, will also be available online. Feedback will be used to refine the draft program and to prepare a final program for Council consideration and adoption.

9.0 RECOMMENDATIONS

This report provides an update on the Housing Choices program, presents the *Financial Analysis Report* and the *Program Recommendations Report*, and presents the draft program for laneway homes and suites in semi-detached homes.

It is recommended that the Committee request that Council approve the draft program, outlined in *Section 6.0*, *Appendix A*, and *Appendix B* of this report, as the basis for public consultation to be held in early spring 2023. It is also recommended that the Committee receive the Financial Analysis Report and Program Recommendations Report, and forward them to Council for their information.



E.W. Kozak, General Manager
PLANNING AND DEVELOPMENT

SC/LF/KH:sa
Attachments

Copied to: Chief Administrative Officer
Deputy Chief Administrative Officer and Chief Financial Officer
General Manager Engineering
Chief Building Inspector
City Solicitor
Director Legislative Services

Draft Program for Laneway Homes

The table below describes the draft program for laneway homes. It includes the following topics:

1. Zoning Districts
2. Eligible Properties
3. Maximum Dwelling Units per Property
4. Tenure
5. Floor Area
6. Height
7. Setbacks
8. Lot Coverage
9. Parking
10. Environmental Design
11. Outdoor Space
12. Access/Addressing
13. Servicing and Utilities
14. Application Process
15. Heritage
16. Additional Program Elements

Topic	Draft Program	Additional Information
1. Zoning Districts	<p>Laneway homes will be permitted on eligible properties in all zoning districts that permit single family dwellings.</p> <p>This includes the R1, R2, R3, R4, R5, R6, R8, R9, R10, R11, R12, RM1, RM2, RM3, RM6, A1, A2 and A3 Zoning Districts.</p>	<p>Zone Districts A1, A2 and A3 are agricultural zoning districts. Laneway home regulations in these zones are being considered separately as part of an agricultural lands review, which will examine provincial regulations for laneway homes on agricultural properties. This report will be brought to this Committee in Spring 2023.</p>
2. Eligible Properties	<p>Properties must have:</p> <ul style="list-style-type: none"> • a single family home; <u>and</u>, • vehicular access to the laneway home from the side or rear of the property, via an open lane or residential street. <p>Properties containing a stream or located adjacent to a stream must comply with the Streamside Protection and Enhancement Area regulations under the <i>Zoning Bylaw</i>, which may limit the laneway home potential of those properties.</p>	<p>Properties must be able to provide direct vehicular access to the laneway home from the side or rear of the property. If this access is from a residential street (for example, on corner or double frontage lots) it will be subject to approval from the Engineering Department to ensure that the driveway meets traffic safety standards.</p> <p>Properties within 30 metres of the top of bank of a stream or ravine are subject to the Streamside Protection and Enhancement Area regulations under the <i>Zoning Bylaw</i>. If all or a portion of the rear yard of the property is located within a streamside protection and enhancement area, then this could limit the ability to construct a laneway home.</p>

Topic	Draft Program	Additional Information
	Laneway homes must be located in the rear yard of a property.	There will be no minimum lot area for eligible properties. However, properties will need to have enough room in the rear yard to meet bylaw requirements for setbacks, lot coverage, tree provision and parking provision in order to build a laneway home.
3. Maximum Dwelling Units per Property	Single-family properties may include a principal dwelling with a secondary suite, and a laneway home, for a total of three units.	Secondary suites will not have to be removed in order to add a laneway home to a property. This will ensure that existing tenants aren't impacted by the addition of a laneway home.
4. Tenure	A property with a laneway home must remain under a single title. This means that the laneway home cannot be stratified or subdivided and sold separately from the main house.	Stratification may be considered in later phases of the Housing Choices Program, in conjunction with additional financial analysis to support an attainable home ownership program.
	A laneway home may be used by the owner and their family/guests or rented out as a long term rental unit.	In order to protect the long term rental stock in Burnaby, laneway homes will not be permitted as short term rentals.
	The owner will not be required to live on the property. However, if the owner lives off-site, they will be required to apply for an annual home rental business license.	This is the City's current practice for house rental businesses where a single family dwelling is rented or offered for rent, and is not occupied by the owner. The purpose of this license is to obtain the contact information for the owner or their designate so that they may be contacted in the event that there are any issues with the property. Owners will only be required to apply for one home rental business license per property.
5. Floor Area	Maximum Floor Area for a Laneway Home: The maximum floor area for a laneway home will be the lesser of: <ul style="list-style-type: none"> • 20% of the lot area; or • 140 m² (1,506.95 sq.ft.). The maximum floor area for a laneway home will be calculated separately from, and unaffected by, the size of the principal dwelling.	20% of lot area is equivalent to a <i>floor area ratio</i> of 0.2. This means that a 4,000 square foot lot could have a laneway home of up to 800 square feet, and a 6,000 square foot lot could have a laneway home of up to 1,200 square feet. However, in no event may a laneway home be more than 1,506 square feet regardless of the lot size. Many properties will not be able to achieve the maximum floor area due to other restrictions such as lot coverage, setbacks and maximum height.

Topic	Draft Program	Additional Information
	<p>Minimum Floor Area for a Laneway Home: The minimum floor area for all laneway homes, regardless of the size of the lot, will be 30 m² (322.93 sq. ft.).</p>	<p>The minimum floor area (323 square feet) reflects Burnaby’s current minimum unit size for a secondary suite. If the City’s minimum unit size for a secondary suite is changed, minimum laneway home sizes may be reviewed.</p>
<p>6. Height</p>	<p>Maximum Height for a Laneway Home:</p> <ul style="list-style-type: none"> • No more than 2 storeys; and • No higher than the lower of: <ul style="list-style-type: none"> ○ 7.6 m (24.93 ft.) for a sloping roof, or 6.7 m (21.98 ft.) for a flat roof; and ○ the height of the principal dwelling on the property, provided the principal dwelling complies with the maximum height permitted under the Zoning Bylaw for the applicable zoning district. <p>An additional 0.5 m (1.64 ft.) may be permitted to support passive house, net zero, or BC Energy Step Code 5 buildings, provided that the laneway home must in any event be lower than the height of the principal dwelling.</p> <p>Basements and cellars will be permitted in laneway homes and will count as one storey. They will also count towards the total floor area.</p> <p>Crawl spaces will not be permitted.</p>	<p>The proposed maximum heights are high enough to permit a two-storey laneway home without compromising ceiling height.</p> <p>Two-storey laneway homes received the highest level of support in the Housing Choices Survey (40%) followed by 2.5 storeys (33%). There were 2,319 responses to this survey question.</p> <p>The total height, with permitted additions must still be lower than the maximum height for a principal dwelling in the zone district.</p> <p>Unlike in the principal building of single family dwellings, it is recommended that cellars count as one storey when in a laneway home. This is to prevent ‘two storey with cellar’ forms in the smaller building envelope of a laneway home. These forms typically have low ceilings on each level, as the building height of a laneway home is lower than a single family home. This would reduce livability for occupants.</p> <p>Crawl spaces are not permitted to encourage at grade construction and to reduce overall building height for the laneway home.</p>

Topic	Draft Program	Additional Information
<p>7. Setbacks</p>	<p>Side Yard Setbacks: A laneway home will be required to have the same side yard setbacks that are set out for a principal building in the Zoning Bylaw.</p> <p>Rear Setback: The laneway home should be set back a minimum of 1.2 m (3.94 ft.) from the rear property line. This is subject to any additional requirements for lane intersections, as specified in the Zoning Bylaw.</p> <p>Separation From the Principal Dwelling: There should be at least 2.4m (7.87 ft.) between a laneway home and the main house.</p>	<p>These building setbacks are based on BC Building Code requirements. They are put in place to provide adequate light and space between buildings, reduce impacts on neighbouring properties, and to meet fire and safety standards.</p>
<p>8. Lot Coverage</p>	<p>Lot Coverage: The laneway home, main house and any other structures may not cover more than 45% of the lot area.</p> <p>Impervious Surfaces: No more than 70% of the lot area may be covered by impervious surfaces (e.g. buildings, hardscaped patios and pathways).</p>	<p>Lot coverage and impervious surface restrictions are put in place to support stormwater drainage, and prevent downstream drain overflows and flooding.</p> <p>These maximums reflect the existing standards that are used in the City’s models for stormwater runoff. These standards have also been used to model different laneway home design scenarios for Burnaby lots.</p> <p>Properties with homes with a large existing building and/or pavement footprint (relative to the lot size) may not have sufficient space remaining to build a laneway home.</p> <p>The City is currently reviewing best practices for stormwater management. These restrictions may be relaxed in the future, if runoff can be reduced by including innovative onsite stormwater management practices.</p>

<p>9. Parking</p>	<p>1 parking space will be required on the property. This must be uncovered or in a carport, and meet the City standard for a van accessible parking space (5.5m (18.04 ft.) L x 3.4 m (11.15 ft.) W x 2.3 m (7.55 ft.) H).</p> <p>The parking area must include an energized outlet capable of providing Level 2 charging for an electric vehicle.</p> <p>Additional parking spaces may be provided but will not be required. These may be uncovered, in a carport, or in a garage. Existing detached garages can remain on the property subject to building separation requirements. Garages attached to a laneway home, or attached to a laneway home carport, will be counted as laneway floor area.</p>	<p>This parking requirement is lower than the City’s current standard for off-street parking.</p> <p>Current standards would require homeowners to provide a minimum of 3 off-street parking spaces for properties with a laneway home and a secondary suite.</p> <p>Outdoor parking spaces are recommended, as studies have shown that interior garages are often not used for parking. The outdoor parking space required for a laneway home will be <i>in addition</i> to any indoor parking spaces on the property. This means that in many cases homes with indoor parking will be providing more than one parking space.</p> <p>Van accessible parking is preferred, to accommodate residents with a wide range of needs and prevent congestion in the lane.</p> <p>This parking requirement is being recommended for the following reasons:</p> <ul style="list-style-type: none"> • Lower parking requirements support more flexible design options, and will make it easier to build one-storey, fully accessible laneway homes that are less intrusive to neighbouring properties. • Lower parking requirements do not prevent residents from adding more parking spaces. Having a lower minimum requirement will give people flexibility to choose how much parking to provide on their property, according to their needs and the characteristics of their site. • Lower parking requirements reflect the directions of the Burnaby Transportation Plan and Climate Action Framework by discouraging driving and providing more room for trees and green space.
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Topic	Draft Program	Additional Information
		<ul style="list-style-type: none"> • In the Housing Choices survey, conducted in Spring 2022, over two thirds of respondents indicated that they would support lower parking requirements. (Total respondents: 2,320). • Burnaby is well served by transit. It has two SkyTrain lines, three rapid bus routes, and additional higher order transit planned for the future. Currently, 98% of single and two family properties are located within a 10 minute walk of a transit stop or a SkyTrain station.
	Bike lockers up to 6m ² (64.58 sq.ft.) and no higher than 1.2m (3.94 ft.) will be excluded from floor area calculations.	Bike lockers provide a secure location for storing bikes and electric bikes.
10. Environmental Design	Laneway homes must be built to a minimum of Step 3 of the Energy Step Code.	<p>This requirement is based on anticipated revisions to Part 9 of the BC Building Code, which regulates residential buildings with 3 storeys or less, having a building area not exceeding 600 m², including laneway homes.</p> <p>Anticipated revisions to the BC Building Code in 2023 will support different pathways for energy modeling and air tightness testing, as well as for carbon emissions. The additional pathways are in part to support different sizes of Part 9 homes, which would include laneway homes. The additional pathways aim to mitigate the difficulty for smaller homes, like laneway homes, to meet the current step code, carbon emission and air tightness testing requirements.</p>

Topic	Draft Program	Additional Information
11. Outdoor Space	<p>It is proposed that a minimum of two trees be required on the property. This proposal is subject to the results of the upcoming review of the Burnaby Tree Bylaw.</p>	<p>The urban forest is of key importance to climate action and adaptation to hotter summers and wetter winters. Although it may be necessary to remove some trees to support laneway home development, the City's goal is to have no net loss of trees and, if possible, net <i>gain</i> via replacement tree planting. Staff are currently reviewing the Burnaby Tree Bylaw with a climate action/adaptation lens and finalizing the Urban Forest Management Strategy. It is anticipated that this work will be complete before the implementation of the laneway homes program, and will be used to guide tree requirements for laneway home development.</p>
	<p>An outdoor patio with minimum area of 4 m² (43.06 sq. ft.) or deck/balcony minimum 3 m²; (32.29 sq. ft.) will be encouraged to provide open space for occupants of the laneway home.</p>	<p>A design guide to planning outdoor spaces will be provided as part of the program implementation. Plans should consider privacy and overlook to neighbouring properties. Non-invasive and drought-resistant plants will be encouraged.</p>
12. Access/ Addressing	<p>A clear unobstructed pedestrian access path from the street will be required, with a minimum width of 0.91 m (3 ft.) and clear to sky.</p>	<p>This is to provide safe pedestrian access to the laneway home for emergency services.</p>
	<p>The laneway home address number must be clearly visible from the street.</p>	<p>Each property will continue to have one legal address. Laneway homes and suites will be allocated the suffixes L and S in the City's property databases. (e.g. L1-2600 Port Street). For City-wide mail-outs, separate notices will be sent to laneway homes and suites.</p> <p>Additional guidelines for access and addressing, such as the location of address numbers, entrances and mailboxes, will be provided in a design guide for the program.</p>
	<p>Accessibility features such as stairlifts and ground-floor bathrooms will be encouraged.</p>	<p>These will be encouraged through a floor area exclusion in support of stairlifts and a design guide that will accompany the program.</p>
13. Servicing and Utilities	<p>Separate sewer, water and power servicing will be required.</p>	<p>Separate services have been recommended to ensure that laneway home tenants are not dependent on the principal dwelling to access their services. This approach would also support stratification if this is introduced in the future.</p>

Topic	Draft Program	Additional Information
	<p>The City will charge an annual supplementary utility fee for providing water and sewer services to a laneway home regardless of whether it is rented or not.</p>	<p>Supplementary utility fees are updated annually and published on the City website.</p> <p>It is proposed that the fee for a laneway home will be set to the same rate as the fee for a <i>Rental Suite in a Single Family Dwelling – Supplementary Utility Fee</i> in the Burnaby Consolidated Fees and Charges Bylaw.</p> <p>This fee will apply to laneway homes, regardless of whether it is rented to a tenant or not.</p> <p>Fees are subject to further analysis and consultation.</p>
	<p>There will be no additional garbage disposal fee unless a larger receptacle is requested.</p> <p>If there are two dwelling units on the property (house and laneway home, or house and secondary suite) a maximum of one garbage receptacle (up to 360L) will be permitted.</p> <p>If there are three dwelling units on the property (house and secondary suite and laneway home), a larger receptacle (up to 360L) can be requested. If, after upsizing to 360L, this is insufficient, a second small (120L) receptacle will also be permitted.</p>	<p>The City’s goal is to support waste reduction and diversion, so a larger garbage receptacle is not required for properties with a laneway home, but can be requested.</p> <p>For efficiency, it is preferred that there is only one garbage receptacle per property.</p> <p>There is no limit to the number of recycling bins that can be picked up.</p>
	<p>A dedicated area for storing garbage and recycling bins will be encouraged.</p>	<p>Guidelines for the size and location of this area will be provided in a design guide that will accompany the program.</p>

Topic	Draft Program	Additional Information
<p>14. Application Process</p>	<p>Construction of a laneway home will require a Building Permit.</p>	<p>The application process will be similar to building a single family home. Applications with variance requests may take additional time to process. This approach is subject to change pending results from the Development Approvals Process (DAP) project. A design guide will be developed to assist with the application process. This will include information on site planning to support neighbourly, accessible and sustainable designs.</p>
<p>15. Heritage</p>	<p>Exceptions to these regulations will be considered to preserve heritage buildings, through the Heritage Revitalization Agreement process.</p>	<p>Measures considered may include:</p> <ul style="list-style-type: none"> • Siting relaxations • Allowing construction of laneway homes on properties without lane or street access.
<p>16. Additional Program Elements</p>	<p>Other design considerations given in the Program Recommendations Report (<i>Attachment #2</i>), such as placement of windows and decks, landscaping and entranceways) may also be included in the program.</p>	<p>These design considerations do not require bylaw amendments but will be encouraged through a design guide that will accompany the program.</p> <p>Additional program elements that the City will explore in the years following program activation include:</p> <ul style="list-style-type: none"> • Setting up a portal to store and share preapproved designs that meet or exceed the City’s policies and best practices. • Opportunities to support improvements to the lane (e.g. to make it safer, more accessible and pedestrian friendly). • The viability of implementing a laneway naming program to contribute to the identity and character of lanes.

Draft Program for Secondary Suites in Semi-Detached Homes

The table below describes the draft program for secondary suites in semi-detached homes. This includes:

1. Zoning Districts
2. Eligible Properties
3. Maximum Dwelling Units per Property
4. Tenure
5. Floor Area
6. Height
7. Setbacks and Lot Coverage
8. Parking
9. Environmental Design
10. Outdoor Space
11. Access/Addressing
12. Servicing and Utilities
13. Application Process
14. Additional Program Elements

Topic	Draft Program	Additional Information
1. Zoning Districts	<p>Secondary suites in semi-detached homes will be permitted on eligible properties in all zoning districts that permit two-family dwellings.</p> <p>This includes the R4, R5, R6, R8, R12 and RM6 Zoning Districts.</p>	<p>Secondary suites will be permitted in semi-detached homes where the units are placed side-by-side, or front-to-back on a lot.</p> <p>As per the BC Building Code, suites will not be permitted in up/down duplexes, where dwelling units are above or below other dwelling units, due to fire separation requirements.</p>
2. Eligible Properties	<p>Eligible properties must have:</p> <ul style="list-style-type: none"> • a semi-detached home; and • vehicular access to the property from the side or rear of the property, via an open lane or residential street. 	<p>Properties must be able to provide direct vehicular access to the side or rear of the property. If this access is from a residential street (for example, on corner or double fronted properties) it will be subject to approval from the Engineering Department to ensure the driveway meets traffic safety standards.</p>
3. Maximum Dwelling Units per Property	<p>Properties may include a secondary suite in each side of the semi-detached home, for a total of four dwelling units.</p>	
4. Tenure	<p>Secondary suites will be rental tenure only.</p>	<p>Secondary suites cannot be sold separately from the semi-detached home.</p>
	<p>Secondary suites may be used by the owner and their family/guests or rented out as a long-term rental unit.</p>	<p>Secondary suites cannot be rented out as short term rentals. This is to help protect the long-term rental supply.</p>

Topic	Draft Program	Additional Information
	<p>The owner will not be required to live on the property. However, if the owner lives off-site, they will be required to apply for an annual home rental business license.</p>	<p>The requirement for a home rental business license reflects the City’s current practice for secondary suites in single-family homes where the property owner rents out both the principal dwelling unit and the secondary suite.</p> <p>The purpose of this license is to obtain the contact information for the owner or their designate so that they may be contacted in the event that there are any issues with the property.</p> <p>Owners will only be required to apply for one home rental business license per property.</p>
<p>5. Floor Area</p>	<p>There will be no restrictions on the maximum floor area of a secondary suite, but it must fit within the floor area permitted for the semi-detached home.</p> <p>Secondary suites will have a minimum floor area of 30 m² (322.93 sq. ft.).</p> <p>Full cellars will be permitted in two-storey semi-detached homes with secondary suites. Cellar floor area will not count towards the overall floor area calculation. The floor area of the cellar may not exceed the floor area of the main storey.</p> <p><i>Fully-accessible basements</i>¹ will be permitted in two-storey semi-detached homes with secondary suites. They will not count towards the overall floor area calculation. The floor area of fully accessible basements may not exceed the floor area of the main storey.</p>	<p>This reflects changes to the BC Building Code that were introduced in 2018 to remove size limits for secondary suites. This supports the provision of 2 and 3 bedroom secondary suites, which are currently in short supply in Burnaby.</p> <p>This is the City’s minimum floor area requirement for secondary suites. Floor area minimums are put in place to maintain livability standards.</p> <p>Full cellars are currently not permitted in two-storey semi-detached homes. It is proposed that full cellars now be permitted to support the addition of secondary suites.</p> <p>Basements differ from cellars in that they must have over 50% of their height above grade. There is a preference for basements over cellars as they generally provide more light and livability for tenants. <i>Fully accessible basements</i> are being encouraged as they will accommodate people with a wide range of needs.</p>

¹ A *fully accessible basement* means a basement that meets accessibility requirements, as described in the BC Building Code. Guidance is provided in the *2020 Building Accessibility Handbook* available on www.bccodes.ca

Topic	Draft Program	Additional Information
<p>6. Height</p>	<p>Maximum Height for Semi-detached Homes with a Secondary Suite: Two storeys, and 9.0m (29.5 ft.) for a sloping roof, or 7.4m (24.3 ft.) for a flat roof.</p>	<p>This is the same maximum height as permitted for a single-detached home in the R4, R5, R6, R8, R12, and RM6 Districts. Heights for semi-detached homes were originally reduced in these Zoning Districts to prevent the addition of secondary suites.</p>
	<p>Cellars and fully accessible basements constructed as a secondary suite will not count as an additional storey.</p> <p>The maximum height for a semi-detached home with a fully accessible basement suite will be 10.5m (34.4 ft.) for a sloping roof, or 8.9m (29.2 ft.) for a flat roof.</p>	<p>Basements in Burnaby typically count as one storey. To encourage more housing suitable for a range of mobility needs, fully accessible basements constructed as a secondary suite will not count as a storey and will be permitted a height relaxation.</p>
<p>7. Setbacks and Lot Coverage</p>	<p>As per the Zoning bylaw for semi-detached buildings.</p>	<p>Setbacks and lot coverage for newly constructed semi-detached homes will not change from existing zoning regulations.</p>
<p>8. Parking</p>	<p>2 parking spaces will be required on the property. These must be uncovered or in a carport, and meet accessibility standards.</p> <p>Each parking space must include an energized outlet capable of providing Level 2 charging for an electric vehicle.</p> <p>Additional parking spaces may be included on the site but they will not be required. Additional parking spaces may be located outside or in garages. Garages will count towards the maximum total floor area allowed for the semi-detached home.</p>	<p>This parking requirement is lower than the current City standard. Current standards would require homeowners to provide a minimum of 4 off-street parking spaces for properties with a semi-detached home and two secondary suites.</p> <p>Outdoor parking spaces are preferred, as studies have shown that interior garages are often not used for parking. The outdoor parking spaces required for a semi-detached home with a secondary suite will be <i>in addition</i> to any indoor parking spaces on the property. This means that in many cases homes with indoor parking will be providing more than two parking spaces.</p> <p>Reduced parking requirements for secondary suites in semi-detached homes will help to support owners in legalising existing secondary suites, making them safer and protecting existing tenants.</p> <p>Additional rationale for proposing lower parking minimums are given in Appendix A, Section 9).</p>

Topic	Draft Program	Additional Information
9. Environmental Design	BC Energy Step Code 3 for newly constructed semi-detached homes with secondary suites.	Semi-detached homes are included in Part 9 of the BC Building Code. Any newly constructed semi-detached homes (with or without suites) will need to meet Step 3 of the BC Energy Step Code. For additional details on the Energy Step Code see: www.energystepcode.ca
10. Outdoor Space	An outdoor patio with minimum area of 4 m ² (43.06 sq.ft.) will be encouraged to provide open space for occupants of the secondary suite.	Guidelines for outdoor space will be provided in a design guide for the program.
11. Access/ Addressing	<p>A clear unobstructed pedestrian access path from the street will be required, with a minimum width of 0.91 m (3 ft.) and clear to sky.</p> <p>The secondary suite address number must be clearly visible from the street.</p>	<p>Secondary suites will be allocated the suffix “S” in the City’s property databases. (e.g. S1-2600 Main Street). For City-wide mail-outs, separate notices will be sent to each secondary suite.</p> <p>Additional guidelines for access and addressing, such as the location of address numbers, entrances and mailboxes, will be provided in a design guide for the program.</p>
12. Utilities	The City will charge an annual supplementary utility fee for providing water and sewer services to each rented secondary suite in a semi-detached home.	<p>Supplementary utility fees are updated annually and published on the City website.</p> <p>It is proposed that the fee for each rented secondary suite in a semi-detached home will be the same as the fees for a <i>Rental Suite in a Two Family Dwelling-- Supplementary Utility Fee</i> in the Burnaby Consolidated Fees and Charges Bylaw.</p> <p>These fees will only be charged if a secondary suite is rented out. Owners will be required to submit a <i>Supplementary Utility Fees Declaration Form</i> to inform the City of the rental status of their secondary suite(s).</p> <p>Fees are subject to further analysis and consultation.</p>

Topic	Draft Program	Additional Information
	<p>There will be no additional garbage disposal fee unless a larger receptacle is requested.</p> <p>A maximum of one garbage receptacle (up to 360L) will be permitted for each side of the semi-detached home.</p>	<p>The City’s goal is to support waste reduction and diversion, so large garbage receptacles are not required for semi-detached homes with secondary suites, but they can be requested.</p> <p>For efficient solid waste collection, it is proposed that there be no more than one garbage receptacle for each side of the semi-detached home (two in total).</p> <p>There is no limit to the number of recycling bins that can be picked up.</p>
<p>13. Application Process</p>	<p>Construction of secondary suites will require a Building Permit.</p>	<p>The application process to construct a semi-detached home with secondary suites, or to add a secondary suite to an existing semi-detached home, will be similar to the existing process for suites in single-family homes. A guide explaining the Building Code requirements will be developed to assist owners and builders with this process.</p> <p>This approach is subject to change pending results from the Development Approvals Process (DAP) project.</p>
<p>14. Additional Program Elements</p>	<p>Other design considerations given in the Program Recommendations Report (<i>Attachment #2</i>), such as placement of doors and windows, landscaping and entranceways) may also be included in the program.</p>	<p>These elements do not require bylaw amendments but will be encouraged through a design guide that will accompany the program.</p>

Housing Choices Phase 1a: Progress Update

Task	Description	Current Status	Schedule
1. Public Consultation #1	Launch survey to raise awareness and collect public input on key design elements (e.g., off-street parking, height, size, outdoor space).	COMPLETE A Housing Choices survey was launched in March 2022 and received 2,550 responses. Results from this survey were presented to Council on 2022 May 30 and are available on the Housing Choices website. www.burnaby.ca/housingchoices	Winter 2022
	Notify and seek engagement with local First Nations.	COMPLETE Referrals were sent to local First Nations in March 2022. These included the Tsleil-Waututh Nation, Squamish Nation, Musqueam Indian Band and Kwikwetlem First Nation.	
2. Technical Review	Undertake technical reviews to develop recommendations for program elements such as servicing, building height and size, off-street parking and requirements for outdoor space.	COMPLETE A technical review was undertaken in April, May and June 2022. This included a best practices review, a planning and policy review, and design/modelling analysis of housing forms on Burnaby lots.	Spring 2022
	Review the financial implications of different policy approaches.	COMPLETE A consultant was retained in March 2022 to undertake a financial analysis for Phase 1a. Results from this analysis are presented in the Financial Analysis Report (See Section 4.0 and Attachment #1 of this report).	
3. Public Consultation #2	Host design workshops to gather input from the public, the development community, staff, and other housing stakeholders.	COMPLETE The City hosted a series of design workshops in June 2022. These included an industry workshop, two virtual public workshops, an in-person public workshop and an in-person open house. A summary of what we heard is available on the Housing Choices website.	Spring/ Summer 2022

4. Draft Program	Develop draft regulations and circulate internally for review and input.	Results from Tasks 1-3 were used to develop recommendations for the program (see <i>Section 5.0</i> and Attachment #2 of this report). These form the basis of the draft program, presented in Section 6.0 of this report.	Fall/ Winter 2022/3
WE ARE HERE			
5. OCP Amendments	Amend the Official Community Plan (OCP) to support the introduction of laneway homes and secondary suites in semi-detached homes.	An initial report to introduce the OCP amendments is included as a separate item on this Committee meeting agenda. This report will be followed by a 60 day consultation period. A second OCP amendment report will provide the results of the OCP consultation and request a Public Hearing. It is anticipated that this will be brought to this Committee in Summer 2023.	February 2023
6. Public Consultation #3	Host open houses to present the draft program, seek feedback, and answer questions.	Subject to Council approval, the draft program will be presented to the public at open houses in Spring 2023. Dates for these open houses will be published on the Housing Choices website as soon as they have been confirmed.	Spring 2023
7. Final Program	Present the final program to Council.	The draft program will be refined and updated following Public Consultation #3. The final program will then be presented to Council for approval.	Spring/ Summer 2023
8. Bylaw Amendments	Amend the Zoning Bylaw and other City bylaws, as needed, to support the program.	This work will commence following Council approval of the final program. It is anticipated that the bylaw amendments will be brought to the Planning and Development Committee in Fall 2023.	Summer/ Fall 2023
9. Implementation	Develop communications materials and launch the development approvals process.	Communications materials will be developed to support the program. Subject to approval of the final program and associated bylaw amendments, the development approvals process will be established in Fall 2023.	Fall 2023

10. Monitoring	Monitor progress.	Following the program launch, data on progress and any emerging issues will be collected to support program monitoring and review.	Ongoing
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APPENDIX D

Housing Choices Phase 1a: Comparable Municipal Off-Street Parking Requirements

Municipality	Type	Parking Requirement (Spaces per Dwelling Unit)
City of North Vancouver	• One-Unit Use or Two-unit	1.0
	• Accessory Secondary Suite/Coach House Use	1.0
City of Richmond	• Single Detached Housing	2.0
	• Two-Unit Housing	2.0
	• Coach Houses	1.0
City of Coquitlam	• One-Family Residential	2.0
	• Duplex Residential	2.0
	• Secondary Suites/Accessory one-family residential/Carriage House or Garden Cottage	1.0
City of Surrey	• Single Family Dwelling	3.0
City of Vancouver	• Single Detached House	1.0
	• Single Detached House with Secondary Suite	0.5 (1 total)
	• Single Detached House with Secondary Suite and Laneway House	0.33 (1 total)
City of Burnaby (current)	• Single Family, Two Family, and Row House	1.0
	• Single Family with Secondary Suite	1.0

Housing Choices Program:
Financial Analysis for Laneway Units and Suites in
Semis

26 September 2022

Prepared for:
City of Burnaby

By:
coriolis 
CONSULTING CORP.

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1.0 Introduction

1.1 Background

The City of Burnaby's Housing Choices Program is a multi-phased program to introduce missing middle housing types to Burnaby's single and two family neighbourhoods. Missing middle housing can include ground-oriented forms of housing such as laneway homes, duplexes, houseplexes, townhouses and lowrise apartment buildings. These infill housing forms can often be introduced into existing single family neighbourhoods without impacts on neighbourhood character and can provide a variety of significant benefits, including housing options that are more affordable than new single detached houses, the potential for rental units, options for existing neighbourhood residents to downsize (freeing up existing housing stock), more efficient use of land and infrastructure, reduction in energy use, improved public realm, and more walkable urban areas.

The first phase of Burnaby's program focuses on laneway homes and secondary suites in semi-detached homes ("suites in semis"):

- Laneway homes are smaller homes built in the backyard of a main house, facing the lane. Laneway homes can provide additional space for families or serve as a new source of rental housing while also providing income for the homeowner.
- "Suites in semis" are secondary suites in semi-detached (duplex) homes. A semi-detached home could potentially have two secondary suites, one in each unit. Secondary suites will not be allowed in stacked duplexes.

A key driver for this program is to increase rental housing and to help address housing affordability by creating new more affordable housing options. Therefore, where possible, the program is intended to include measures to support rental housing and minimize any upward pressure on existing property values.

As input to this planning program, the City of Burnaby retained Coriolis Consulting Corp. to

1. Analyze the likely financial performance of constructing new laneway units in existing single family zoning districts in Burnaby.
2. Analyze the likely financial performance of constructing "suites in semis" in existing duplex zoning districts in Burnaby.
3. Determine whether laneway homes on single family lots and "suites in semis" are likely financially viable for construction by builders and/or home owners.
4. Evaluate whether these new forms of missing middle housing will likely have impacts on existing property values in single family and duplex locations in Burnaby.
5. Evaluate the financial ability of each type of housing to provide amenity contributions or incorporate below market housing.

This report provides a summary of our analysis and identifies the key findings and implications.

1.2 Professional Disclaimer

This document may contain estimates and forecasts of future growth and urban development prospects, estimates of the financial performance of possible future urban development projects, opinions regarding the

likelihood of approval of development projects, and recommendations regarding development strategy or municipal policy. All such estimates, forecasts, opinions, and recommendations are based in part on forecasts and assumptions regarding population change, economic growth, policy, market conditions, development costs and other variables. The assumptions, estimates, forecasts, opinions, and recommendations are based on interpreting past trends, gauging current conditions, and making judgments about the future. As with all judgments concerning future trends and events, however, there is uncertainty and risk that conditions change or unanticipated circumstances occur such that actual events turn out differently than as anticipated in this document, which is intended to be used as a reasonable indicator of potential outcomes rather than as a precise prediction of future events.

Nothing contained in this report, express or implied, shall confer rights or remedies upon, or create any contractual relationship with, or cause of action in favor of, any third party relying upon this document.

In no event shall Coriolis Consulting Corp. be liable to the City of Burnaby or any third party for any indirect, incidental, special, or consequential damages whatsoever, including lost revenues or profits.

2.0 Concepts and Scenarios Analyzed

2.1 Laneway Homes

The City completed architectural testing for different laneway home concepts on a variety of different lot sizes. The concepts considered different design approaches, including single level homes, multi-level homes and homes with basements. For this analysis, the City asked us to analyze four different assumed laneway home sizes on different lot sizes ranging from about 4,000 square feet up to about 10,700 square feet. The assumed laneway home size increase as the lot size increases.

Because market values (rents and sales prices) vary by location, we examined these concepts in different neighbourhoods to model the potential financial impact of differing market values by location. So, in total we analyzed seven different case studies that varied by lot size, laneway home size and location, including:

- Case study 1 is a 650 square foot laneway home on a 4,359 square foot lot in the 5000 block of Norfolk Street. This represents a lower value location for Burnaby.
- Case study 2 is a 650 square foot laneway home on a 4,026 square foot lot in the 4100 block of Pandora Street. This represents a higher value location for Burnaby.
- Case study 3 is a 1,000 square foot laneway home on a 5,550 square foot lot in the 6700 block of Fulton Avenue. This represents a lower value location for Burnaby.
- Case study 4 is a 1,000 square foot laneway home on a 6,100 square foot lot in the 4000 Block of Trinity Street. This represents a higher value location for Burnaby.
- Case study 5 is a 1,200 square foot laneway home on an 8,052 square foot lot in the 9200 block of 10th Avenue. This represents a lower value location for Burnaby.
- Case study 6 is a 1,200 square foot laneway home on a 7,500 square foot lot in the 7200 block of Braeside Drive. This represents a higher value location for Burnaby.
- Case study 7 is a 1,400 square foot laneway home on a 10,737 square foot lot in the 7500 block of Colleen Street. This represents a higher value location for Burnaby.

For each of the seven case studies, we analyzed four different scenarios:

- Scenario 1 assumes that the new laneway unit is a market rental unit and is built as an infill unit without any changes to the existing single family home on the lot (infill scenario).
- Scenario 2 assumes that the new laneway unit is a market rental unit and it is built as part of the redevelopment of the entire lot (i.e. a new single family home and laneway unit are built simultaneously).
- Scenario 3 assumes that the new laneway unit is a market strata (ownership) unit and is built as an infill unit without any changes to the existing single family home on the lot (infill scenario).
- Scenario 4 assumes that the new laneway unit is a market strata (ownership) unit and it is built as part of the redevelopment of the entire lot (i.e. a new single family home and laneway unit are built simultaneously).

Therefore, we analyzed 28 different laneway unit scenarios in total.

2.2 Secondary Suites in Semi-Detached Units

For our analysis of secondary suites in semi-detached or duplex projects, we analyzed two different scenarios¹ that varied based on the assumed size of the secondary suite:

- A scenario that assumes a smaller 600 square foot 1 bedroom secondary suite in a new duplex unit.
- A scenario that assumes a larger 900 square foot 2 bedroom secondary suite in a new duplex unit.

¹ Our analysis focuses on building a suite as part of a new semi-detached project. The financial performance of building a new suite inside an existing semi-detached unit would vary from property to property depending on a variety of factors such as the age of the existing building, the extent to which code upgrades are required, and the existing design/layout of the unit.

3.0 Laneway Housing Analysis

3.1 Approach

Our analysis is designed to test the incremental costs and revenues associated with building a new laneway unit. So our financial analysis excludes the revenues and costs associated with the new single detached home (and secondary suite) which is already permitted under current zoning.

The cost of creating the laneway unit, achievable sales prices, and achievable rents are based on market conditions as of mid-2022.

3.1.1 Approach to Rental Laneway Housing Analysis

For the rental laneway housing scenarios, we completed the following steps:

1. Estimated the likely total costs of creating the new laneway unit (municipal fees, demolition, site prep, servicing, hard costs, landscaping, professional fees, soft costs, financing, GST, and other project costs).
2. Estimated the achievable monthly market rent for the new unit.
3. Estimated the net annual income that would be generated by the new unit (rent less operating costs and property taxes).
4. Compared the annual net income with the total estimated cost to determine the annual yield (return on costs). We would expect an annual yield of about 4.5% to 5.0% to be the minimum required from an investment perspective for this type and scale of project.
5. Estimated the potential additional lot value created by the new laneway housing opportunity, assuming a builder would accept a profit in the range of 10% to 15% of total costs.
6. Compared the monthly mortgage payment that would be required to finance the entire laneway cost (under current mortgage rates) with the likely net monthly income.

3.1.2 Approach to Strata Laneway Housing Analysis

For the strata laneway housing scenarios, we completed the following steps:

1. Estimated the likely total cost of creating the new laneway unit.
2. Estimated the market value for the new unit.
3. Evaluated the impact of the reduced lot size on the market value of the remainder of the single family lot (even though permitted floorspace for the new single family home does not decline, the smaller lot size will negatively impact the single family house and lot value).
4. Estimated the profit margin on total costs (including the reduced lot value of the remaining lot).
5. Estimated the potential additional lot value created by the new strata laneway housing opportunity, assuming a builder would accept a profit in the range of 10% to 15% of total costs.

3.2 Key Assumptions

Attachment 6.0 summarizes the detailed financial assumptions used in our analysis. Other key assumptions used for both the rental and strata laneway housing analysis are as follows:

1. The analysis assumes that the City changes the zoning of properties in advance (pre-zone) so that builders are not required to rezone.
2. The floorspace for new laneway unit does not reduce the permitted floorspace for the main single family home. The laneway unit floorspace is additional permitted density on the site.
3. A secondary suite would also still be permitted in the main single family home.
4. Municipal connection fees would apply to the new laneway unit if built as an infill unit. However, these are allocated to the new single family home in scenarios that involve full redevelopment of the lot.
5. Municipal DCCs are not required as there are fewer than four units on the lot².
6. Burnaby would not require any significant off-site servicing or infrastructure upgrades to create the new laneway unit.
7. The laneway unit is treated as a market priced unit. No affordable units are included in the analysis.
8. No amenity contributions are required from the builder.

² If the City elects to implement a DCC for laneway homes, it would likely have a minor negative impact on the findings of our analysis as it would account for a small share of overall project costs.

3.3 Summary of Laneway Home Findings

Our detailed financial analysis for the rental laneway scenarios is included in Attachment 6.0. This section summarizes the findings.

We divided the results of our financial analysis into two parts:

- Rental laneway unit scenarios.
- Strata (ownership) laneway unit scenarios.

3.3.1 Rental Laneway Unit Analysis

This section includes exhibits that summarize the findings of our rental laneway housing analysis. The exhibits include:

- A brief description of the scenario.
- The location of the lot.
- The existing zoning district.
- The lot size (in square feet).
- The assumed laneway unit size (in square feet).
- The estimated achievable monthly market rent for the new unit.
- The total estimated cost to create the new laneway unit. This varies between the infill scenarios and the redevelopment scenarios. It is less expensive to construct a new laneway unit as part of the full redevelopment of the lot where a new single family home is already being constructed than to construct a new laneway unit while retaining the existing single family home.
- The estimated net annual income that could be generated to the owner by the new laneway unit. The net income is the gross rent less the operating costs and property taxes associated with the new unit (we also included a modest allowance for vacancy in this calculation).
- The estimated annual yield to the owner from the laneway unit. This is the net income divided by the total costs associated with creating the new unit. A yield of at least 4.5% to 5.0% is likely required to make it attractive to create a new unit from an investment perspective. It is possible this will not be sufficient for many homeowners as the owner of the single family home will lose the use of their back yard to the laneway unit so some homeowners may require a higher profit to be interested.
- The potential land value created by the new laneway unit (this is in addition to the existing value of the property under current use and zoning). This is the market value of the future income stream from the unit less the costs to create the unit less an allowance for a profit to cover the time and risks associated with the project. We considered two different profit scenarios for this estimate. A lower profit scenario of 10% on total project costs and a higher profit scenario of 15% on total project costs.
- A comparison of the mortgage payment associated with financing 100% of the laneway unit creation cost with the net monthly income from the new unit. This shows whether or not the cost of the new unit could be fully financed through the potential rent, helping facilitate new construction.
- Whether or not the scenario is likely financially attractive for builders or homeowners.

Exhibit 1 summarizes our financial analysis for rental laneway housing scenarios that assume the existing house is retained and a new laneway unit is added (infill scenarios).

Exhibit 1: Summary of Infill Rental Laneway Housing Analysis

Scenario	1	2	3	4	5	6	7
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Mid Sized Lot in a Lower Value Area	Mid Sized Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area
Block/Address	5000 Block of Norfolk Street	4100 Block of Pandora Street	6700 Block of Fulton Avenue	4000 Block of Trinity Street	9200 Block of 10th Avenue	7200 Block of Braeside Drive	7500 Block of Colleen Street
Location	Douglas Road/ Central Burnaby	Burnaby Heights	Highgate/ Edmonds	Burnaby Heights	Cariboo/ East Burnaby	Westridge	Government Road
Zoning District	R12	R12	R3	R3	R2	R2	R1
Lot Size (sf)	4,359	4,026	5,550	6,100	8,052	7,500	10,737
Laneway Unit Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400
Assumed Monthly Rent	\$2,125	\$2,225	\$2,850	\$3,000	\$3,000	\$3,150	\$3,500
Total Laneway Unit Costs	\$603,973	\$604,016	\$699,984	\$700,053	\$737,712	\$737,781	\$838,354
Net Operating Income	\$20,873	\$22,049	\$28,860	\$30,466	\$30,513	\$32,087	\$36,045
Annual Yield on Costs	3.5%	3.7%	4.1%	4.4%	4.1%	4.3%	4.3%
Supportable Land Value	10% Profit	zero	zero	zero	zero	zero	zero
	15% Profit	zero	zero	zero	zero	zero	zero
Estimated Monthly Mortgage	\$3,014	\$3,014	\$3,493	\$3,493	\$3,681	\$3,682	\$4,183
Estimated Monthly Net Income	\$1,739	\$1,837	\$2,405	\$2,539	\$2,543	\$2,674	\$3,004
Net Position after Debt Service	-\$1,274	-\$1,177	-\$1,088	-\$955	-\$1,138	-\$1,008	-\$1,180
Financially Attractive	possibly	possibly	possibly	possibly	possibly	possibly	possibly

Exhibit 2 summarizes our financial analysis for rental laneway housing scenarios that assume a new single family home is built at the same time as the new laneway unit (redevelopment scenarios).

Exhibit 2: Summary of Rental Laneway Housing Analysis as Part of Lot Redevelopment

	1	2	3	4	5	6	7	
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Mid Sized Lot in a Lower Value Area	Mid Sized Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area	
Block/Address	5000 Block of Norfolk Street	4100 Block of Pandora Street	6700 Block of Fulton Avenue	4000 Block of Trinity Street	9200 Block of 10th Avenue	7200 Block of Braeside Drive	7500 Block of Colleen Street	
Location	Douglas Road/ Central Burnaby	Burnaby Heights	Highgate/ Edmonds	Burnaby Heights	Cariboo/ East Burnaby	Westridge	Government Road	
Zoning District	R12	R12	R3	R3	R2	R2	R1	
Lot Size (sf)	4,359	4,026	5,550	6,100	8,052	7,500	10,737	
Laneway Unit Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400	
Assumed Monthly Rent	\$2,125	\$2,225	\$2,850	\$3,000	\$3,000	\$3,150	\$3,500	
Total Laneway Unit Costs	\$500,135	\$500,178	\$572,773	\$572,841	\$634,412	\$634,481	\$726,983	
Net Operating Income	\$20,873	\$22,049	\$28,860	\$30,466	\$30,513	\$32,087	\$36,045	
Annual Yield on Costs	4.2%	4.4%	5.0%	5.3%	4.8%	5.1%	5.0%	
Supportable Land Value	10% Profit	zero	zero	\$4,504	\$36,702	zero	\$12,727	\$287
	15% Profit	zero	zero	zero	\$11,411	zero	zero	zero
Estimated Monthly Mortgage	\$2,496	\$2,496	\$2,858	\$2,859	\$3,166	\$3,166	\$3,628	
Estimated Monthly Net Income	\$1,739	\$1,837	\$2,405	\$2,539	\$2,543	\$2,674	\$3,004	
Net Position after Debt Service	-\$756	-\$659	-\$453	-\$320	-\$623	-\$492	-\$624	
Financially Attractive	possibly	possibly	yes	yes	yes	yes	yes	

The key findings of the rental laneway housing analysis are:

- Depending on the size of the laneway unit, the total costs of creating a new laneway unit (construction, soft costs, municipal fees, GST, other costs) will be about:
 - \$600,000 to \$840,000 if the existing home is retained (about 65% of this is hard construction costs).
 - \$500,000 to \$725,000 if a new home is built at the same time as the laneway unit (about 70% of this is hard construction costs).
- Current achievable monthly rents are likely in the range of \$2,125 to \$3,500 per month depending on unit size and the number of bedrooms.
- Building a new infill laneway unit is likely to generate a relatively low profit. Therefore, this type of laneway housing opportunity will likely be primarily of interest to homeowners who are interested in creating housing to accommodate family rather than homeowners interested in an income producing investment opportunity.

4. Building a new laneway unit along with a new single family home performs significantly better than an infill laneway unit due to reduced costs for the laneway unit if part of a full lot redevelopment³. This option is likely financially attractive from an investment perspective in many of the scenarios we analyzed.
5. From an investment perspective, rental laneway units of roughly 1,000 square feet are likely more attractive than units which are significantly smaller or larger.
6. Rental laneway units are unlikely to create any significant upward pressure on existing single family lot values.
7. Given that the profitability of building a rental laneway unit is low:
 - Market rents are likely required in order to make laneway housing development financially attractive to most homeowners and builders. Laneway unit development is unlikely to be financially viable if rents are required to be set below market rent.
 - Rental laneway units do not have the financial ability to support any significant contributions toward community amenities.

It is important to note that construction costs in Metro Vancouver have increased at a relatively rapid pace during 2021 and 2022. Based on available data and discussions with developers, costs have likely increased by at least 15% to 20% over the past year or so. It is possible that some of the cost pressures are due to factors that may be temporary (such as materials cost which can increase or decrease over time).

Therefore, we completed some sensitivity analysis to test the impact of lower construction costs on our findings. Based on our analysis, even if costs declined by about 10% from current levels (which is likely optimistic), the key findings of our financial analysis would not change.

3.3.2 Strata Laneway Housing Analysis

Details about our financial analysis for the strata laneway housing scenarios are included in Attachment 6.0. This section includes exhibits that summarize the findings of the strata laneway housing scenarios. The exhibits include:

- A brief description of the scenario.
- The location of the lot.
- The existing zoning district.
- The lot size (in square feet).
- The assumed laneway unit size (in square feet).
- The total estimated cost to create the new laneway unit. This varies between the infill scenarios and the redevelopment scenarios. It is less expensive to construct a new laneway unit as part of the full redevelopment of the lot where a new single family home is already being constructed than to construct a new laneway unit while retaining the existing single family home.
- The potential negative impact on the value of the remainder of the single family lot due to the reduction in lot size. The single family home size will not be reduced, but the yard space and parking area will be reduced due to the introduction of the new laneway unit (which will be sold off to the laneway owner). This reduced lot size will negatively affect the value of the remaining single family lot and home.

³ There are construction cost efficiencies associated with building a larger project and some project costs such as connection fees and servicing could be allocated to the main single family house rather than the laneway unit.

- The estimated market value of the new laneway unit if sold as a strata unit.
- The profit margin to the builder of the new laneway unit. This is the sales value of the unit less the creation cost less the impact on the remaining single family lot value. Typically a builder would target a minimum profit margin in the range of 10% to 15% for this type of project. Some builders would require an even higher profit margin in order to proceed.
- The potential land value created by the new strata laneway unit (this is in addition to the existing value of the property under current use and zoning). This is the market value of the unit less the costs to create the unit, less the impact on the existing single family lot value less an allowance for a profit to cover the time and risks associated with the project.
- Whether or not the scenario is likely financially attractive for builders or homeowners.

Exhibit 3 summarizes our financial analysis for the strata laneway scenarios that assume the existing house is retained and a new laneway unit is added (infill scenarios).

Exhibit 3: Summary of Infill Strata Laneway Analysis

	1	2	3	4	5	6	7	
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Mid Sized Lot in a Lower Value Area	Mid Sized Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area	
Block/Address	5000 Block of Norfolk Street	4100 Block of Pandora Street	6700 Block of Fulton Avenue	4000 Block of Trinity Street	9200 Block of 10th Avenue	7200 Block of Braeside Drive	7500 Block of Colleen Street	
Location	Douglas Road/ Central Burnaby	Burnaby Heights	Highgate/ Edmonds	Burnaby Heights	Cariboo/ East Burnaby	Westridge	Government Road	
Zoning District	R12	R12	R3	R3	R2	R2	R1	
Lot Size (sf)	4,359	4,026	5,550	6,100	8,052	7,500	10,737	
Laneway Unit Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400	
Total Laneway Costs	\$602,124	\$603,456	\$702,475	\$704,472	\$743,269	\$745,666	\$802,662	
Impact on Remaining Lot Value	\$82,750	\$102,750	\$92,994	\$117,700	\$79,294	\$108,813	\$115,931	
Strata Laneway Unit Value	\$730,000	\$780,000	\$1,075,000	\$1,150,000	\$1,260,000	\$1,350,000	\$1,470,000	
Profit on Costs	7%	10%	35%	40%	53%	58%	60%	
Supportable Land Value	10% Profit	zero	\$2,795	\$170,458	\$209,802	\$304,287	\$351,622	\$394,284
	15% Profit	zero	zero	\$130,181	\$166,715	\$257,078	\$301,041	\$339,207
Financially Attractive	possibly	yes	yes	yes	yes	yes	yes	

Exhibit 4 summarizes our financial analysis for strata laneway scenarios that assume a new single family home is built at the same time as the new laneway unit (redevelopment scenarios).

Exhibit 4: Summary of Strata Laneway Analysis as Part of Lot Redevelopment

	1	2	3	4	5	6	7	
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Mid Sized Lot in a Lower Value Area	Mid Sized Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area	
Block/Address	5000 Block of Norfolk Street	4100 Block of Pandora Street	6700 Block of Fulton Avenue	4000 Block of Trinity Street	9200 Block of 10th Avenue	7200 Block of Braeside Drive	7500 Block of Colleen Street	
Location	Douglas Road/ Central Burnaby	Burnaby Heights	Highgate/ Edmonds	Burnaby Heights	Cariboo/ East Burnaby	Westridge	Government Road	
Zoning District	R12	R12	R3	R3	R2	R2	R1	
Lot Size (sf)	4,359	4,026	5,550	6,100	8,052	7,500	10,737	
Laneway Unit Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400	
Total Laneway Costs	\$503,231	\$504,562	\$581,321	\$583,319	\$644,888	\$647,285	\$697,393	
Impact on Remaining Lot Value	\$82,750	\$102,750	\$92,994	\$117,700	\$79,294	\$108,813	\$115,931	
Strata Laneway Unit Value	\$730,000	\$780,000	\$1,075,000	\$1,150,000	\$1,260,000	\$1,350,000	\$1,470,000	
Profit on Costs	25%	28%	59%	64%	74%	79%	81%	
Supportable Land Value	10% Profit	\$71,666	\$94,496	\$285,377	\$324,721	\$397,605	\$444,940	\$494,137
	15% Profit	\$44,315	\$65,323	\$245,100	\$281,634	\$350,396	\$394,359	\$439,060
Financially Attractive	yes	yes	yes	yes	yes	yes	yes	

The key findings of the strata laneway analysis are:

- Depending on the size of the laneway unit, the total costs of creating a new laneway unit (demolition, site prep, construction, soft costs, municipal fees, financing, other costs) will be about:
 - \$600,000 to \$800,000 if the existing home is retained.
 - \$500,000 to \$700,000 if a new home is built at the same time as the laneway unit.
- Market values for strata laneway units are likely in the range of \$730,000 to \$1,470,000 depending on unit size.
- Building a new strata laneway unit will likely generate significant profits, even after accounting for the impact on the value of the main single family lot and house.
- Building a new strata laneway unit along with a new single family home performs better than an infill laneway unit.
- If permitted, strata laneway units will likely create significant upward pressure on existing single family lot values. The scenarios that we analyzed indicate that lot values could increase by between \$40,000 and \$490,000 depending on the location, lot size and permitted size of the strata laneway unit.
- Given that the profitability of building a strata laneway unit is relatively high:
 - Strata laneway development would likely be financially attractive if sales prices were restricted to a below market price (affordable home ownership). However:

- a) The supportable price discount will vary widely depending on the size of the unit and the location of the property so it will be difficult to apply uniform discount across the entire City.
 - b) It would be difficult to determine “market price” if all strata laneway units are sold at below market prices which would make it difficult to establish the “discount” to apply to the unit.
 - c) It would require the creation of an affordable ownership program and ongoing administration and monitoring by City staff.
- Strata laneway units have the financial ability to support significant contributions toward community amenities. However:
 - a) The supportable contribution will vary depending on the size of the unit and the location of the property so it will be difficult to establish a uniform contribution across the entire City that is viable for laneway projects. For example, the potential value ranges from \$40,000 to \$490,000 for the scenarios we analyzed.
 - b) Amenity contributions are collected upfront by municipalities as part of the approvals process for a new project. Many single family homeowners may not be able to provide a significant amenity contribution until after the strata unit is built and sold. Therefore, this would be an obstacle for homeowners to create new infill strata laneway units. Most interest would likely need to come from builders who are redeveloping the entire lot and are already financing a larger project.

3.4 Experience in Other Municipalities

Strata laneway units (or other types of detached infill strata units) are not common in Metro Vancouver. When permitted, strata infill units typically occur in very specific circumstances, such as part of an agreement to upgrade and retain a heritage home (to provide a financial incentive to retain the existing heritage home).

However, a number of municipalities in Metro Vancouver permit rental laneway homes, including the City of Vancouver, the City of North Vancouver, the District of North Vancouver, New Westminister, Coquitlam and others. Outside of Vancouver (and the City of North Vancouver), the rate of rental laneway construction has been relatively slow.

We completed a high level review of the rate of rental laneway construction in Vancouver, the rents being achieved, and the impact on single family lot prices. Based on our review:

1. Laneway homes have been permitted in Vancouver since late 2009. Since then, there has been a significant amount of rental laneway construction in all neighbourhoods in the City of Vancouver. Our understanding is about 4500 laneway units have been built to date.
2. Vancouver does not regulate the rents in the laneway units. Rents are set at market. This is consistent with the other Metro Vancouver municipalities that permit laneway homes.
3. Rental laneway builders in Vancouver (and other municipalities) are not required to provide amenity contributions or density bonus contributions as part of the approval process.
4. The opportunity to build rental laneway homes has not had an upward influence on single family lot values. Although lot values in Vancouver have increased materially since laneway homes were first introduced, the increase has been due to other market factors:
 - We compared the sales prices of newer single family homes in Vancouver that include a laneway home with newer single family homes that do not include a laneway home. After adjusting for house size, lot size, location and timing, the sales data indicates that the inclusion of a laneway home increases the overall market value of the property. However, the increase is not greater than the cost

of creating the laneway home. So this indicates that rental laneway homes in Vancouver are not adding to lot value.

- Single family home prices in Vancouver have actually increased at a slower rate in the City of Vancouver than the rest of the Lower Mainland since laneway homes were first permitted in Vancouver in 2009 (based on data from the Real Estate Board of Greater Vancouver as of July 2022). If laneway homes added to lot value, then we would have expected the rate of price growth to have been higher in Vancouver than the rest of the Lower Mainland.

3.5 Key Findings of Laneway Analysis

The key findings of our laneway analysis can be summarized as follows:

1. Under current market conditions, the profitability associated with constructing a new rental laneway unit in Burnaby will likely be modest. Based on our analysis:
 - Infill rental laneway units (retaining the existing house on the lot) will likely achieve a low profit for the homeowner. This opportunity will likely be primarily of interest to homeowners who are interested in creating housing to accommodate family rather than homeowners interested in an income producing investment opportunity.
 - Building a new laneway unit along with a new single family home performs significantly better from a financial perspective than an infill laneway due to reduced creation costs for the laneway unit when it is part of a full lot redevelopment. This option is financially attractive from an investment perspective and we would expect builders to be interested.
 - From an investment perspective, rental laneway units of roughly 1,000 square feet are likely more attractive than units which are significantly smaller or larger.
2. Allowing rental laneway units is unlikely to have any material impact on the value of single family lots.
3. Given that the profitability of building a rental laneway unit is low:
 - Market rents are likely required in order to make laneway development financially attractive to most homeowners and builders. Laneway development is unlikely to be viable if rents are required to be set below market rent.
 - Rental laneway units do not have the financial ability to support any significant contributions toward community amenities.
4. Strata laneway units would be very profitable and attractive from a financial perspective. If permitted, we would expect interest from homeowners and builders in this option.
5. Allowing strata laneway units would likely create significant upward pressure on single family lot values unless the City:
 - Requires a significant amenity contribution as part of the approval for a strata laneway unit. However, the supportable contribution will vary widely depending on the size of the unit and the location of the property. In addition, many single family homeowners may not be able to provide a significant amenity contribution until after the strata unit is built and sold which would create an obstacle to creating new units.
 - Requires the new unit to be sold at a below market price. The supportable price discount will vary depending on the size of the unit and the location of the property. This approach would require the creation of an affordable home ownership program as well as ongoing administration and monitoring by City staff. In addition, it will be difficult to determine “market price” if all strata laneway units are required to be sold at below market prices.

4.0 Evaluation of Secondary Suites in Semi-Detached Homes

This section summarizes our evaluation of allowing secondary suites in semi-detached and duplex homes.

4.1 Approach

Our analysis tests the incremental costs and revenues associated with building a new secondary suite in a semi-detached (duplex) unit. So our financial evaluation excludes the revenues and costs associated with building the new duplex which is already permitted under current zoning.

The cost of creating the secondary suite and achievable rents are based on market conditions as of mid-2022.

We completed the following steps:

1. Estimated the likely total costs of creating the secondary suite.
2. Estimated the achievable monthly market rent for the new unit.
3. Estimated the net annual income that would be generated by the new unit (rent less operating costs and property taxes).
4. Compared the monthly mortgage payment that would be required to finance the entire secondary suite cost (under current mortgage rates) with the likely net monthly income.
5. Compared the actual sales prices of new(er) duplex units with secondary suites and new(er) duplex units without secondary suites in other municipalities (Vancouver and City of North Vancouver) to determine if suites increase the price of new duplex units.
6. Identified the implications of secondary suites on:
 - Duplex unit sales prices.
 - Duplex lot values.
 - The ability of builders to provide below market rents or an amenity contribution.

4.2 Key Assumptions

The key assumptions for the secondary suite analysis are as follows:

1. The analysis assumes that the City changes the zoning of properties in advance (prezone) so that builders are not required to rezone.
2. The secondary suites range from 600 square feet to 900 square feet (within duplex units ranging in size from about 1200 square feet to 2000 square feet).
3. The floorspace for new secondary suite comes from the density currently permitted for a duplex building. The City does not increase the permitted floorspace on the lot.
4. The secondary suite is treated as a market priced unit. No affordable units are included in the analysis. Rents are assumed to range from \$1,700 to \$1,800 per month for 600 square foot units and \$2,400 to \$2,600 per month for 900 square foot units (based on market rents for new(er) secondary suites in Burnaby).
5. Total costs to create the suite as part of a new semi-detached unit range from \$60,000 to \$80,000 (based on input from builders who are active in Burnaby and Vancouver).

6. The costs associated with creating the suite are financed through a mortgage at a rate of 3.5%⁴ (the lowest discounted 5 year variable rate available as of August 2022).
7. No amenity contributions are required.

4.3 Findings

Our analysis indicates that the achievable net operating income for a new secondary suite in Burnaby will significantly exceed the mortgage payments required to finance the full incremental cost of the suite.

Depending on the scenario analyzed, the estimated net monthly income from the suite exceeds the estimated monthly mortgage payments (at current interest rates) by between \$1,100 and \$1,900 per month. This indicates that it is financially attractive to create a secondary suite in a new duplex unit and purchasers of duplex units could use the income from the suite to help finance part of the overall duplex purchase price.

However, based on actual sales evidence, the potential net income from a secondary suite is unlikely to result in a significant increase in the sales price of the duplex unit. We examined 258 recent sales of newer duplex units in the City of Vancouver and the City of North Vancouver, where suites are permitted in duplex units. Of these sales, about 108 included suites and about 150 did not include a suite.

After adjusting for location, time of sale and unit size, the sales evidence show that there is no material difference in the sales price of duplex units with suites and duplex units without suites. In some cases the unit with a suite sold at a slightly higher price, which makes sense given that there are extra costs to create the suite. However, in other cases, there was no evidence that the suite increased the sales price.

Duplex units with a suite do not sell for a materially higher price because the purchaser of the unit only has the use of a portion of the overall unit. So the benefit of the income stream from the suite is offset by the reduced living area for the owner of the duplex.

4.4 Implications

Our evaluation indicates that permitting rental suites in semi-detached and duplex units will:

1. Help encourage the creation of new rental housing stock in Burnaby.
2. Create a potential income stream that prospective duplex purchasers can use to help them finance a portion of the duplex purchase price. This will likely help some prospective purchasers fund a duplex purchase who would not currently be able to afford the duplex.
3. Not lead to any significant increase in duplex sales prices or increased duplex lot values.

⁴ Mortgage rates are currently rising so it is possible that rates will be higher going forward than assumed in our analysis. Higher borrowing costs will increase the overall cost of creating a new secondary suite if the costs are financed. However, increased rates will only have a small cost on the overall cost of creating a new secondary suite so higher rates would not change the key findings of our analysis.

5.0 Conclusions

The key findings of our analysis can be summarized as follows:

1. Allowing laneway units and secondary suites in semi-detached units will increase the rental housing stock in Burnaby and the housing choices for Burnaby residents.
2. Under current market conditions, the profitability associated with constructing a new rental laneway unit in Burnaby will likely be modest. Based on our analysis:
 - Infill rental laneway units (retaining the existing house on the lot) will likely achieve a low profit for the homeowner. This opportunity will likely be primarily of interest to homeowners who want to accommodate family members rather than homeowners interested in an income producing investment opportunity.
 - Building a new laneway unit along with a new single family home performs significantly better from a financial perspective than an infill laneway unit due to reduced creation costs for the laneway unit when it is part of a full lot redevelopment. This option is financially attractive from an investment perspective and we would expect builders and homeowners to be interested.
 - From an investment perspective, rental laneway units of roughly 1,000 square feet are likely more attractive than significantly smaller or larger units.
3. Allowing rental laneway units is unlikely to have any material impact on the value of single family lots.
4. Given that the estimated profitability of building a rental laneway unit is relatively low:
 - Market rents are likely required in order to make laneway development financially attractive to most homeowners and builders. Laneway development is unlikely to be viable if rents are required to be set below market rent.
 - Rental laneway units do not have the financial ability to support any significant contributions toward community amenities.
5. Strata laneway units would be very profitable and attractive from a financial perspective. If permitted, we would expect interest from homeowners and builders in this option.
6. Allowing strata laneway units would likely create significantly upward pressure on single family lot values unless the City:
 - Requires a significant amenity contribution as part of the approval for a strata laneway unit. However, the supportable contribution will vary widely depending on the size of the unit and the location of the property. In addition, many single family homeowners may not be able to provide a significant amenity contribution until after the strata unit is built and sold which would create an obstacle to creating new units.
 - Requires the new unit to be sold at a below market price. The supportable price discount will vary depending on the size of the unit and the location of the property. This approach would require the creation of an affordable home ownership program as well as ongoing administration and monitoring by City staff. In addition, it will be difficult to determine “market price” if all strata laneway units are required to be sold at below market prices.
7. Allowing rental suites in semi-detached units will:
 - Help encourage the creation of new rental housing stock in Burnaby.
 - Create a potential income stream that prospective duplex purchasers can use to help them finance a portion of the duplex purchase price. This will likely help some prospective purchasers who would not currently be able to afford a duplex.
 - Not lead to any significant increase in duplex sales prices or increased duplex lot values.

8. Rental laneway units and secondary suites are not well suited to provide below market rental units.
 - Our financial analysis indicates that market rents are likely required in order to make laneway development financially attractive to most homeowners and builders. Laneway development is unlikely to be viable if rents are required to be set below market rent.
 - Many laneway units and secondary suites will likely be occupied by family or relatives of the property owner, not rented out.
 - Requiring below market rents would create ongoing administration and monitoring by City staff, even though there would only be one potential below market unit per property.
9. The greatest opportunity for affordable housing is through higher density apartment rezonings. It is possible that other forms of missing middle housing (such as townhouse projects or lowrise apartments) will create better opportunities for below market units (rental or affordable home ownership). However, this will depend on the density that the City considers appropriate for these types of missing middle projects. The higher the permitted density, the greater the opportunity to support a below market component.

6.0 Attachments

This section includes the following attachments:

- The key financial assumptions used in our laneway financial analysis.
- The detailed proformas for the four scenarios analyzed for one of the case study sites. We have not included the detailed proformas for all 28 different scenarios at the seven sites that we analyzed. However, the proformas attached for this one case study site are illustrative of all of the proformas.
- Summary proformas for all 28 laneway scenarios that we analyzed.

6.1 Assumptions for Laneway Financial Analysis

The key financial assumptions used in our proforma analysis are based on detailed market research that we completed mid 2022. The assumptions are summarized below.

6.1.1 Revenue Assumptions for Financial Analysis

6.1.1.1 Strata Laneway Revenue Assumptions

There is limited sales evidence for sales of stratified laneway units because they are only allowed in a few municipalities in Metro Vancouver. To determine the likely sales prices that are achievable for the strata laneway scenarios, we considered different indicators:

- We examined the sales price (per square foot) of new duplex, townhouse and apartment units in Burnaby by neighbourhood.
- We analyzed sales prices for new(er) detached infill units allowed under the heritage retention program in Vancouver. We compared these strata infill unit sales in Vancouver to sales of new(er) nearby townhouse and duplex sales in Vancouver to determine how detached strata unit values compare to attached unit values. We then used this comparison to adjust sales of new townhouse and duplex units in Burnaby to estimate the achievable Burnaby laneway values. The estimated strata laneway unit sales prices vary based on neighbourhood and size of the unit. Larger units sell at a higher total price point, but the sales price per square foot declines as units increase in size.

The units in the scenarios that we tested range from 650 square feet to 1,400 square feet. Based on our market research, we would expect laneway strata units in this size range in Burnaby to sell between about \$730,000 and \$1,470,000, or between about \$1,050 and \$1,200 per square foot.

Exhibit 5 summarizes the strata revenue assumptions for each case study site.

Exhibit 5: Sales Prices by Case Study Site

Site Number	1	2	3	4	5	6	7
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Medium Lot in a Lower Value Area	Medium Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area
Laneway Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400
Assumed Strata Laneway Sales Price	\$730,000	\$780,000	\$1,075,000	\$1,150,000	\$1,260,000	\$1,350,000	\$1,470,000
Assumed Sales Price psf	\$1,123	\$1,200	\$1,075	\$1,150	\$1,050	\$1,125	\$1,050

6.1.1.2 Rental Laneway Revenue Assumptions

To determine the likely achievable rents for the rental laneway scenarios, we examined different indicators:

- We reviewed the market rents for new townhouse and apartment units in Burnaby by unit size and neighbourhood.
- We examined rents for new(er) laneway houses in East Vancouver and the City of North Vancouver which both have a large inventory of rental laneway units and are in close proximity to Burnaby.

The units in the scenarios that we tested range from 650 square feet to 1,400 square feet. Based on our market research, we would expect units in this size range to rent for between \$2,125 and \$3,500 per month.

Exhibit 6 summarizes the rental revenue assumptions for each scenario.

Exhibit 6: Rental Rates by Case Study Site

Site Number	1	2	3	4	5	6	7
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Medium Lot in a Lower Value Area	Medium Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area
Laneway Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400
Assumed Achievable Monthly Rent	\$2,125	\$2,225	\$2,850	\$3,000	\$3,000	\$3,150	\$3,500

To estimate the completed value of the rental laneway unit, we capitalized the annual net operating income at 4.5% to estimate the value of the unit to an investor.

6.1.2 Cost Assumptions for Laneway Financial Analysis

As input to the financial analysis we interviewed multiple builders with extensive experience building new laneway homes in Metro Vancouver about the typical costs (under current conditions) to build new laneway homes. We were also provided detailed budgets from some builders for actual laneway projects that are underway in Vancouver. Based on the information provided by laneway home builders, our analysis makes the following assumptions about costs:

1. For the infill scenarios, hard construction costs are assumed to range from \$400 to \$575 per square foot of gross floorspace depending on the unit size. Costs for smaller units are at the high end of this range while costs for larger units are at the lower end of this range. The analysis assumes that hard costs for

laneway homes built simultaneously to a new main single family house are about \$25 to \$50 lower per square foot than these figures (depending on unit size).

2. A \$50,000 allowance for site work (such as demolition of a garage, recycling, trenching for required services, excavation) is included. This will vary from lot to lot.
3. Sewer, water and storm connections are assumed to cost \$33,600 based on estimates provided by City of Burnaby staff. Connection fees are assumed to be covered by the new main house when the laneway is built concurrently.
4. A landscaping and fencing allowance of \$20,000 is included for the infill laneway and \$10,000 if built along with a new home.
5. Sales commissions on the strata units are assumed to be 7% on the first \$100,000 and 2.5% on the balance (typical MLS fees).
6. Project management, contingency, professional fees and other soft costs (permits, engineering, design, legal, survey, appraisal, accounting, insurance, deficiencies, and other professional fees) range from 15% to 19% of hard costs.
7. Development cost charges are not required as there are fewer than four units on the lot.
8. Property taxes are based on existing tax rates.
9. A New Home Warranty fee is included at \$3,610 for the strata laneway units, but not the rental units.
10. GST is calculated at 5% of the rental laneway creation cost.
11. Financing is charged on 75% of costs at 3.5% per year⁵. This is currently the lowest discounted 5 year variable mortgage rate available. In addition, a 1.5% financing fee is included.
12. Property transfer tax on the estimated increased land value supported by the laneway unit is calculated using the existing property transfer tax rates.

6.1.3 Impact of Reduction in Lot Size on Value of Remainder of Single Family Lot

The value of a single family lot is comprised partly of the rights to build a single family house and partly of the yard and lot area that the homeowner enjoys.

For the strata laneway scenarios, a portion of the property will be sold to the strata unit buyer. This will reduce the lot size that remains for the main single family home which should negatively affect the value of the lot and home. However, the impact on value will be mitigated because the size of the permitted single family home will not be reduced. Effectively, the main single family home will be permitted to be the same size, but it will come with reduced outdoor area.

⁵ Mortgage rates are currently rising so it is possible that rates will be higher going forward than assumed in our analysis. Higher borrowing costs will increase the overall cost of creating a new laneway unit if the costs are financed. However, increased rates will only have a small cost on the overall cost of creating a new unit, so higher rates would not change the key findings of our analysis.

It is challenging to isolate the value of the lot and yard area versus the development rights associated with a single family home. We do not think it is reasonable to assume that 100% of the value of a lot is attributable to the development rights, because buyers of lots do tend to use yard space for outdoor amenities (patios, lawns) or parking. So some of the value is created by the outdoor area at the lot.

To determine the split in value between the lot area and the house size, the ideal approach would be to examine differences in sales prices for a set of properties with the same house size but different lot sizes. By deducting the cost of house construction, one could estimate the extra land value attributed to the ability to build a larger house. However, almost all new single family houses in Burnaby are built to the maximum allowable size for the lot so this type of sales evidence (similar sized new houses on different lot sizes) is not available.

Our analysis assumes (and we acknowledge that this is approximate) that the impact of the reduced lot area is equal to about 25% of the value of land (with 75% going to the development rights associated with the house).

We also think it is reasonable to assume that the strata laneway uses about 25% of the existing lot. To illustrate the impact on the value of the remaining single family lot, we use case study 4 (an old single family home on a medium sized lot in a higher value area) as an example.

The property is 6,100 square feet, zoned R3 and currently assessed at \$1,885,000 (mostly land value). The simple way to account for the impact is to estimate the reduced value of the property as a 4,575 square foot lot (25% smaller). However this would overstate the impact because the existing homeowner maintains their existing development rights. The development rights for the laneway are allowed on top of the existing single family density.

For case study 4, using our approach, the impact can be calculated as \$309 per square foot of site area multiplied by 25% (value of outdoor space) multiplied by the site area lost to the laneway (1,525 square feet) equals about \$118,000 of impact. As the location and lot sizes of the case study sites differ the impact also varies across case study sites.

6.2 Detailed Laneway Financial Analysis

Our analysis included 28 different proformas so we have not included all of the detailed proformas in this report. However, to illustrate the approach to the analysis, this section includes the detailed proformas for case study site 4. It includes four proforma scenarios for site 4.

- Scenario 1 assumes that the new laneway unit is a market rental unit and it is built as an infill unit without any changes to the existing single family home on the lot.
- Scenario 2 assumes that the new laneway unit is a market rental unit and it is built as part of the redevelopment of the entire lot (i.e. a new single family home and laneway unit are built simultaneously).
- Scenario 3 assumes that the new laneway unit is a market strata (ownership) unit and it is built as an infill unit without any changes to the existing single family home on the lot.
- Scenario 4 assumes that the new laneway unit is a market strata (ownership) unit and it is built as part of the redevelopment of the entire lot (i.e. a new single family home and laneway unit are built simultaneously).

Each proforma includes two pages. The first page includes the assumptions and the second includes the detailed calculations.

Exhibit 7: Scenario 1 – Infill Rental Laneway

Major Assumptions (shading indicates figures that are inputs; unshaded cells are formulas)			
Concept			
Site Size	6,100	sq.ft.	
Additional Density Allowed for Laneway House	0.16	FAR	
Laneway House Floorspace	1,000	sq.ft.	
Surface Parking Stalls	1	stalls	
Share of Existing Lot Dedicated to Laneway House	25%	or	1,525 sq.ft.
Laneway House Revenue			
Assumed Laneway House Value	\$675,000	or	\$675 per sq.ft.
Pre-Construction Costs			
Rezoning Application Fee	\$0		
Construction Costs			
Site Work	\$50,000		
Connection fees (water, sewer, storm)	\$33,600		
Landscaping	\$20,000		
Hard Cost Used in Analysis	\$455		
Soft Costs	5.0%	of hard costs, site prep/servicing costs	
Project Management	5.0%	of hard costs, site prep/servicing costs, soft costs, marketing	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
Local Government Levies			
GVRD Water and Liquid Waste Levy	\$0	per unit	
Translink DCCs	\$0	per unit	
Burnaby Residential DCCs	\$0	per unit	
Financing Assumptions			
Financing rate on construction costs	3.5%	on 50% of costs, assuming a and a total loan of	1.00 year construction period 100% on costs
Financing fees	1.5%	of financed construction costs	
Commissions			
Commissions/sales costs	0.0%	of gross residential revenue	
Property Taxes, GST and Other Fees			
New Home Warranty Fees	\$0	per unit	
Net GST on Rental Unit	5.0%	of creation costs	
Tax Rate	0.317%	of assessed value	
Assumed assessment during construction	\$337,500	(50% of completed project value)	

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Analysis			
Revenue			
Laneway House Completed Value	\$675,000		
Less commissions and sales costs	\$0		
Net sales revenue	\$675,000		
Project Costs			
Rezoning Application Fee	\$0		
Site Work	\$50,000		
Connection fees (water, sewer, storm)	\$33,600		
Landscaping	\$20,000		
Hard construction costs	\$455,000		
Soft costs	\$26,930		
Project Management	\$28,277		
Contingency on hard and soft costs	\$30,690		
GVRD Water and Liquid Waste Levy	\$0		
Translink DCCs	\$0		
Burnaby Residential DCCs	\$0		
Less property tax allowance during development	\$1,070		
New Home Warranty Fees	\$0		
Construction financing	\$11,297		
Financing fees/costs	\$9,853		
Less Net GST	\$33,336		
Total Project Costs Before Land Related	\$700,053		
Profit Analysis			
Profit	-\$25,053		
Profit on Costs	-4%		
Rental Analysis			
Annual Yield on Costs	4.4%		
Interest Rate	3.5%		
Effective Monthly Rate	0.3%		
Amortization	25 years		
Estimated Monthly Mortgage Payment Required to Finance Laneway Creation	\$3,493		
Estimated Monthly NOI	\$2,539		
Difference in Monthly Mortgage Payment and Monthly NOI	-\$955		
Land Residual Analysis (Higher Profit)			
Allowance for Developer's Profit	15.0% of total costs, or	13.0% of gross revenue	
Allowance for Developer's Profit	\$88,020		
Residual to Land and Land Carry	-\$113,073		
Less financing on land during construction	\$0		
Less Financing Fee on Land Loan	\$0		
Less property closing costs	\$0		
Residual Land Value	-\$113,073		
Residual Value per sq.ft. buildable (FSR)	-\$113		
Residual Value per sq.ft. of site area	-\$19		
Land Residual Analysis (Lower Profit)			
Allowance for Developer's Profit	10.0% of total costs, or	9.1% of gross revenue	
Allowance for Developer's Profit	\$61,358		
Residual to Land and Land Carry	-\$86,410		
Less financing on land during construction	\$0		
Less Financing Fee on Land Loan	\$0		
Less property closing costs	\$0		
Residual Land Value	-\$86,410		
Residual Value per sq.ft. buildable (FSR)	-\$86		
Residual Value per sq.ft. of site area	-\$14		

Exhibit 8: Scenario 2 – Rental Laneway as Part of Full Lot Redevelopment

Major Assumptions (shading indicates figures that are inputs; unshaded cells are formulas)			
Concept			
Site Size	6,100	sq.ft.	
Additional Density Allowed for Laneway House	0.16	FAR	
Laneway House Floorspace	1,000	sq.ft.	
Surface Parking Stalls	1	stalls	
Share of Existing Lot Dedicated to Laneway House	25%	or	1,525 sq.ft.
Laneway House Revenue			
Assumed Laneway House Value	\$675,000	or	\$675 per sq.ft.
Pre-Construction Costs			
Rezoning Application Fee	\$0		
Construction Costs			
Site Work	\$50,000		
Connection fees (water, sewer, storm)	\$0		
Landscaping	\$10,000		
Hard Cost Used in Analysis	\$405		
Soft Costs	5.0%	of hard costs, site prep/servicing costs	
Project Management	3.0%	of hard costs, site prep/servicing costs, soft costs, marketing	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
Local Government Levies			
GVRD Water and Liquid Waste Levy	\$0	per unit	
Translink DCCs	\$0	per unit	
Burnaby Residential DCCs	\$0	per unit	
Financing Assumptions			
Financing rate on construction costs	3.5%	on 50% of costs, assuming a and a total loan of	1.00 year construction period 100% on costs
Financing fees	1.5%	of financed construction costs	
Commissions			
Commissions/sales costs	0.0%	of gross residential revenue	
Property Taxes, GST and Other Fees			
New Home Warranty Fees	\$0	per unit	
Net GST on Rental Unit	5.0%	of creation costs	
Tax Rate	0.317%	of assessed value	
Assumed assessment during construction	\$337,500	(50% of completed project value)	

Analysis			
Revenue			
Laneway House Completed Value	\$675,000		
Less commissions and sales costs	\$0		
Net sales revenue	\$675,000		
Project Costs			
Rezoning Application Fee	\$0		
Site Work	\$50,000		
Connection fees (water, sewer, storm)	\$0		
Landscaping	\$10,000		
Hard construction costs	\$405,000		
Soft costs	\$22,750		
Project Management	\$14,333		
Contingency on hard and soft costs	\$25,104		
GVRD Water and Liquid Waste Levy	\$0		
Translink DCCs	\$0		
Burnaby Residential DCCs	\$0		
Less property tax allowance during development	\$1,070		
New Home Warranty Fees	\$0		
Construction financing	\$9,244		
Financing fees/costs	\$8,063		
Less Net GST	\$27,278		
Total Project Costs Before Land Related	\$572,841		
Profit Analysis			
Profit	\$102,159		
Profit on Costs	18%		
Rental Analysis			
Annual Yield on Costs	5.3%		
Interest Rate	3.5%		
Effective Monthly Rate	0.3%		
Amortization	25 years		
Estimated Monthly Mortgage Payment Required to Finance Laneway Creation	\$2,859		
Estimated Monthly NOI	\$2,539		
Difference in Monthly Mortgage Payment and Monthly NOI	-\$320		
Land Residual Analysis (Higher Profit)			
Allowance for Developer's Profit	15.0% of total costs, or	13.0% of gross revenue	
Allowance for Developer's Profit	\$88,020		
Residual to Land and Land Carry	\$14,139		
Less financing on land during construction	\$460		
Less Financing Fee on Land Loan	\$7		
Less property closing costs	\$2,260		
Residual Land Value	\$11,411		
Residual Value per sq.ft. buildable (FSR)	\$11		
Residual Value per sq.ft. of site area	\$2		
Land Residual Analysis (Lower Profit)			
Allowance for Developer's Profit	10.0% of total costs, or	9.1% of gross revenue	
Allowance for Developer's Profit	\$61,358		
Residual to Land and Land Carry	\$40,801		
Less financing on land during construction	\$1,328		
Less Financing Fee on Land Loan	\$20		
Less property closing costs	\$2,752		
Residual Land Value	\$36,702		
Residual Value per sq.ft. buildable (FSR)	\$37		
Residual Value per sq.ft. of site area	\$6		

Exhibit 9: Scenario 3 – Infill Strata Laneway

Major Assumptions (shading indicates figures that are inputs; unshaded cells are formulas)			
Concept			
Site Size	6,100	sq.ft.	
Additional Density Allowed for Laneway House	0.16	FAR	
Laneway House Floorspace	1,000	sq.ft.	
Surface Parking Stalls	1	stalls	
Share of Existing Lot Dedicated to Laneway House	25%	or	1,525 sq.ft.
Laneway House Revenue			
Assumed Laneway House Sales Price	\$1,150,000	or	\$1,150 per sq.ft.
Pre-Construction Costs			
Rezoning Application Fee	\$0		
Construction Costs			
Site Work	\$50,000		
Connection fees (water, sewer, storm)	\$33,600		
Landscaping	\$20,000		
Hard Cost Used in Analysis	\$455		
Soft Costs	5.0%	of hard costs, site prep/servicing costs	
Project Management	5.0%	of hard costs, site prep/servicing costs, soft costs, marketing	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
Local Government Levies			
GVRD Water and Liquid Waste Levy	\$0	per unit	
Translink DCCs	\$0	per unit	
Burnaby Residential DCCs	\$0	per unit	
Financing Assumptions			
Financing rate on construction costs	3.5%	on 50% of costs, assuming a and a total loan of	1.00 year construction period 100% on costs
Financing fees	1.5%	of financed construction costs	
Commissions			
Commissions/sales costs	2.9%	of gross residential revenue	
Property Taxes, GST and Other Fees			
New Home Warranty Fees	\$3,610	per unit	
Net GST on Rental Unit	0.0%	of creation costs	
Tax Rate	0.317%	of assessed value	
Assumed assessment during construction	\$575,000	(50% of completed project value)	

Analysis			
Revenue			
Laneway House Completed Value	\$1,150,000		
Less commissions and sales costs	\$33,250		
Net sales revenue	\$1,116,750		
Project Costs			
Rezoning Application Fee	\$0		
Site Work	\$50,000		
Connection fees (water, sewer, storm)	\$33,600		
Landscaping	\$20,000		
Hard construction costs	\$455,000		
Soft costs	\$26,930		
Project Management	\$28,277		
Contingency on hard and soft costs	\$30,690		
GVRD Water and Liquid Waste Levy	\$0		
Translink DCCs	\$0		
Burnaby Residential DCCs	\$0		
Less property tax allowance during development	\$1,822		
New Home Warranty Fees	\$3,610		
Construction financing	\$11,374		
Financing fees/costs	\$9,920		
Less Net GST	\$0		
Total Project Costs Before Land Related	\$671,222		
Profit Analysis			
Profit	\$445,528		
Profit on Costs	63%		
Allowance for Impact on Value of Remainder of Lot	\$117,700		
Profit After Allowing for Impact on Remainder of Lot	\$327,828		
Profit on Costs After Allowing for Impact on Remainder of Lot	40%		
Land Residual Analysis (Higher Profit)			
Allowance for Developer's Profit	15.0%	of total costs, or	13.0% of gross revenue
Allowance for Developer's Profit	\$149,960		
Allowance for Impact on Value of Remainder of Lot	\$117,700		
Residual to Land and Land Carry	\$177,868		
Less Financing on Land During Construction	\$5,790		
Less Financing Fee on Land Loan	\$87		
Less Property Closing Costs	\$5,276		
Residual Land Value	\$166,715		
Residual Value per sq.ft. buildable (FSR)	\$167		
Residual Value per sq.ft. of site area	\$27		
Land Residual Analysis (Lower Profit)			
Allowance for Developer's Profit	10.0%	of total costs, or	9.1% of gross revenue
Allowance for Developer's Profit	\$104,535		
Allowance for Impact on Value of Remainder of Lot	\$117,700		
Residual to Land and Land Carry	\$223,293		
Less Financing on Land During Construction	\$7,268		
Less Financing Fee on Land Loan	\$109		
Less Property Closing Costs	\$6,113		
Residual Land Value	\$209,802		
Residual Value per sq.ft. buildable (FSR)	\$210		
Residual Value per sq.ft. of site area	\$34		

Exhibit 10: Scenario 4 – Strata Laneway as Part of Full Lot Redevelopment

Major Assumptions (shading indicates figures that are inputs; unshaded cells are formulas)			
Concept			
Site Size	6,100	sq.ft.	
Additional Density Allowed for Laneway House	0.16	FAR	
Laneway House Floorspace	1,000	sq.ft.	
Surface Parking Stalls	1	stalls	
Share of Existing Lot Dedicated to Laneway House	25%	or	1,525 sq.ft.
Laneway House Revenue			
Assumed Laneway House Sales Price	\$1,150,000	or	\$1,150 per sq.ft.
Pre-Construction Costs			
Rezoning Application Fee	\$0		
Construction Costs			
Site Work	\$50,000		
Connection fees (water, sewer, storm)	\$0		
Landscaping	\$10,000		
Hard Cost Used in Analysis	\$405		
Soft Costs	5.0%	of hard costs, site prep/servicing costs	
Project Management	3.0%	of hard costs, site prep/servicing costs, soft costs, marketing	
Contingency on hard and soft costs	5.0%	of hard and soft costs	
Local Government Levies			
GVRD Water and Liquid Waste Levy	\$0	per unit	
Translink DCCs	\$0	per unit	
Burnaby Residential DCCs	\$0	per unit	
Financing Assumptions			
Financing rate on construction costs	3.5%	on 50% of costs, assuming a and a total loan of	1.00 year construction period 100% on costs
Financing fees	1.5%	of financed construction costs	
Commissions			
Commissions/sales costs	2.9%	of gross residential revenue	
Property Taxes, GST and Other Fees			
New Home Warranty Fees	\$3,610	per unit	
Net GST on Rental Unit	0.0%	of creation costs	
Tax Rate	0.317%	of assessed value	
Assumed assessment during construction	\$575,000	(50% of completed project value)	

Analysis			
Revenue			
Laneway House Completed Value	\$1,150,000		
Less commissions and sales costs	\$33,250		
Net sales revenue	\$1,116,750		
Project Costs			
Rezoning Application Fee	\$0		
Site Work	\$50,000		
Connection fees (water, sewer, storm)	\$0		
Landscaping	\$10,000		
Hard construction costs	\$405,000		
Soft costs	\$22,750		
Project Management	\$14,333		
Contingency on hard and soft costs	\$25,104		
GVRD Water and Liquid Waste Levy	\$0		
Translink DCCs	\$0		
Burnaby Residential DCCs	\$0		
Less property tax allowance during development	\$1,822		
New Home Warranty Fees	\$3,610		
Construction financing	\$9,321		
Financing fees/costs	\$8,129		
Less Net GST	\$0		
Total Project Costs Before Land Related	\$550,069		
Profit Analysis			
Profit	\$566,681		
Profit on Costs	97%		
Allowance for Impact on Value of Remainder of Lot	\$117,700		
Profit After Allowing for Impact on Remainder of Lot	\$448,981		
Profit on Costs After Allowing for Impact on Remainder of Lot	64%		
Land Residual Analysis (Higher Profit)			
Allowance for Developer's Profit	15.0%	of total costs, or	13.0% of gross revenue
Allowance for Developer's Profit	\$149,960		
Allowance for Impact on Value of Remainder of Lot	\$117,700		
Residual to Land and Land Carry	\$299,021		
Less Financing on Land During Construction	\$9,733		
Less Financing Fee on Land Loan	\$146		
Less Property Closing Costs	\$7,508		
Residual Land Value	\$281,634		
Residual Value per sq.ft. buildable (FSR)	\$282		
Residual Value per sq.ft. of site area	\$46		
Land Residual Analysis (Lower Profit)			
Allowance for Developer's Profit	10.0%	of total costs, or	9.1% of gross revenue
Allowance for Developer's Profit	\$104,535		
Allowance for Impact on Value of Remainder of Lot	\$117,700		
Residual to Land and Land Carry	\$344,446		
Less Financing on Land During Construction	\$11,212		
Less Financing Fee on Land Loan	\$169		
Less Property Closing Costs	\$8,345		
Residual Land Value	\$324,721		
Residual Value per sq.ft. buildable (FSR)	\$325		
Residual Value per sq.ft. of site area	\$53		

6.3 Summary Proformas for Laneway Scenarios

This section includes summary proformas for each of the 28 laneway scenarios that we analyzed, organized into the following groups:

- Scenario 1 assumes that the new laneway unit is a market rental unit and is built as an infill unit without any changes to the existing single family home on the lot.
- Scenario 2 assumes that the new laneway unit is a market rental unit and it is built as part of the redevelopment of the entire lot (i.e. a new single family home and laneway unit are built simultaneously).
- Scenario 3 assumes that the new laneway unit is a market strata (ownership) unit and is built as an infill unit without any changes to the existing single family home on the lot.
- Scenario 4 assumes that the new laneway unit is a market strata (ownership) unit and it is built as part of the redevelopment of the entire lot (i.e. a new single family home and laneway unit are built simultaneously).

Exhibit 11: Summary Proformas for Scenario 1 – Infill Rental Laneway

	1	2	3	4	5	6	7	
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Medium Lot in a Lower Value Area	Medium Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area	
Block/Address	5000 Block of Norfolk Street	4100 Block of Pandora Street	6700 Block of Fulton Avenue	4000 Block of Trinity Street	9200 Block of 10th Avenue	7200 Block of Braeside Drive	7500 Block of Colleen Street	
Location	Douglas Road/ Central Burnaby	Burnaby Heights	Highgate/ Edmonds	Burnaby Heights	Cariboo/ East Burnaby	Westridge	Government Road	
Zoning District	R12	R12	R3	R3	R2	R2	R1	
Lot Size (sf)	4,359	4,026	5,550	6,100	8,052	7,500	10,737	
Laneway Unit Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400	
Assumed Monthly Rent	\$2,125	\$2,225	\$2,850	\$3,000	\$3,000	\$3,150	\$3,500	
Yield Analysis								
Annual Revenue	\$25,500	\$26,700	\$34,200	\$36,000	\$36,000	\$37,800	\$42,000	
Less Annual Operating Costs	\$4,117	\$4,117	\$4,656	\$4,814	\$4,767	\$4,957	\$5,115	
Less Allowance for Vacancy	\$510	\$534	\$684	\$720	\$720	\$756	\$840	
Annual Net Operating Income	\$20,873	\$22,049	\$28,860	\$30,466	\$30,513	\$32,087	\$36,045	
Hard Construction Costs	\$378,750	\$378,750	\$455,000	\$455,000	\$485,000	\$485,000	\$565,000	
Other Project Costs	\$225,223	\$225,266	\$244,984	\$245,053	\$252,712	\$252,781	\$273,354	
Total Project Costs	\$603,973	\$604,016	\$699,984	\$700,053	\$737,712	\$737,781	\$838,354	
Calculated Yield on Costs	3.5%	3.7%	4.1%	4.4%	4.1%	4.3%	4.3%	
Land Residual Analysis								
Capitalized Value of Rental Income	\$465,000	\$490,000	\$635,000	\$675,000	\$675,000	\$715,000	\$800,000	
Less Hard Construction Costs	\$378,750	\$378,750	\$455,000	\$455,000	\$485,000	\$485,000	\$565,000	
Less Other Project Costs	\$225,223	\$225,266	\$244,984	\$245,053	\$252,712	\$252,781	\$273,354	
Less Allowance for Developers Profit	10% Profit	\$42,269	\$44,541	\$57,722	\$61,358	\$61,358	\$64,994	\$72,720
	15% Profit	\$60,636	\$63,896	\$82,804	\$88,020	\$88,020	\$93,236	\$104,320
Less Allowance for Land Related Costs	10% Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	15% Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Potential Supportable Land Value	10% Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	15% Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Exhibit 12: Summary Proformas for Scenario 2 – Rental Laneway as Part of Full Lot Redevelopment

	1	2	3	4	5	6	7	
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Medium Lot in a Lower Value Area	Medium Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area	
Block/Address	5000 Block of Norfolk Street	4100 Block of Pandora Street	6700 Block of Fulton Avenue	4000 Block of Trinity Street	9200 Block of 10th Avenue	7200 Block of Braeside Drive	7500 Block of Colleen Street	
Location	Douglas Road/ Central Burnaby	Burnaby Heights	Highgate/ Edmonds	Burnaby Heights	Cariboo/ East Burnaby	Westridge	Government Road	
Zoning District	R12	R12	R3	R3	R2	R2	R1	
Lot Size (sf)	4,359	4,026	5,550	6,100	8,052	7,500	10,737	
Laneway Unit Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400	
Assumed Monthly Rent	\$2,125	\$2,225	\$2,850	\$3,000	\$3,000	\$3,150	\$3,500	
Yield Analysis								
Annual Revenue	\$25,500	\$26,700	\$34,200	\$36,000	\$36,000	\$37,800	\$42,000	
Less Annual Operating Costs	\$4,117	\$4,117	\$4,656	\$4,814	\$4,767	\$4,957	\$5,115	
Less Allowance for Vacancy	\$510	\$534	\$684	\$720	\$720	\$756	\$840	
Annual Net Operating Income	\$20,873	\$22,049	\$28,860	\$30,466	\$30,513	\$32,087	\$36,045	
Hard Construction Costs	\$346,250	\$346,250	\$405,000	\$405,000	\$455,000	\$455,000	\$530,000	
Other Project Costs	\$153,885	\$153,928	\$167,773	\$167,841	\$179,412	\$179,481	\$196,983	
Total Project Costs	\$500,135	\$500,178	\$572,773	\$572,841	\$634,412	\$634,481	\$726,983	
Calculated Yield on Costs	4.2%	4.4%	5.0%	5.3%	4.8%	5.1%	5.0%	
Land Residual Analysis								
Capitalized Value of Rental Income	\$465,000	\$490,000	\$635,000	\$675,000	\$675,000	\$715,000	\$800,000	
Less Hard Construction Costs	\$346,250	\$346,250	\$405,000	\$405,000	\$455,000	\$455,000	\$530,000	
Less Other Project Costs	\$153,885	\$153,928	\$167,773	\$167,841	\$179,412	\$179,481	\$196,983	
Less Allowance for Developers Profit	10% Profit	\$42,269	\$44,541	\$57,722	\$61,358	\$61,358	\$64,994	\$72,720
	15% Profit	\$60,636	\$63,896	\$82,804	\$88,020	\$88,020	\$93,236	\$104,320
Less Allowance for Land Related Costs	10% Profit	\$0	\$0	\$2	\$4,100	\$0	\$2,799	\$10
	15% Profit	\$0	\$0	\$0	\$2,728	\$0	\$0	\$0
Potential Supportable Land Value	10% Profit	\$0	\$0	\$4,504	\$36,702	\$0	\$12,727	\$287
	15% Profit	\$0	\$0	\$0	\$11,411	\$0	\$0	\$0

Exhibit 13: Summary Proformas for Scenario 3 – Infill Strata Laneway

	1	2	3	4	5	6	7	
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Medium Lot in a Lower Value Area	Medium Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area	
Block/Address	5000 Block of Norfolk Street	4100 Block of Pandora Street	6700 Block of Fulton Avenue	4000 Block of Trinity Street	9200 Block of 10th Avenue	7200 Block of Braeside Drive	7500 Block of Colleen Street	
Location	Douglas Road/ Central Burnaby	Burnaby Heights	Highgate/ Edmonds	Burnaby Heights	Cariboo/ East Burnaby	Westridge	Government Road	
Zoning District	R12	R12	R3	R3	R2	R2	R1	
Lot Size (sf)	4,359	4,026	5,550	6,100	8,052	7,500	10,737	
Laneway Unit Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400	
Profit Analysis								
Unit Value	\$730,000	\$780,000	\$1,075,000	\$1,150,000	\$1,260,000	\$1,350,000	\$1,470,000	
Less Commission	\$22,750	\$24,000	\$31,375	\$33,250	\$36,000	\$38,250	\$41,250	
Less Hard Construction Costs	\$378,750	\$378,750	\$455,000	\$455,000	\$485,000	\$485,000	\$530,000	
Less Other Project Costs	\$200,624	\$200,706	\$216,100	\$216,222	\$222,269	\$222,416	\$231,412	
Less Impact on Remaining Lot Value	\$82,750	\$102,750	\$92,994	\$117,700	\$79,294	\$108,813	\$115,931	
Calculated Profit	\$45,126	\$73,794	\$279,532	\$327,828	\$437,437	\$495,521	\$551,406	
Calculated Profit on Costs	7%	10%	35%	40%	53%	58%	60%	
Land Residual Analysis								
Unit Value	\$730,000	\$780,000	\$1,075,000	\$1,150,000	\$1,260,000	\$1,350,000	\$1,470,000	
Less Commissions	\$22,750	\$24,000	\$31,375	\$33,250	\$36,000	\$38,250	\$41,250	
Less Hard Construction Costs	\$378,750	\$378,750	\$455,000	\$455,000	\$485,000	\$485,000	\$530,000	
Less Other Project Costs	\$200,624	\$200,706	\$216,100	\$216,222	\$222,269	\$222,416	\$231,412	
Less Impact on Remaining Lot Value	\$82,750	\$102,750	\$92,994	\$117,700	\$79,294	\$108,813	\$115,931	
Less Allowance for Developers Profit	10% Profit	\$66,357	\$70,902	\$97,718	\$104,535	\$114,534	\$122,715	\$133,623
	15% Profit	\$95,192	\$101,712	\$140,180	\$149,960	\$164,304	\$176,040	\$191,688
Less Allowance for Land Related Costs	10% Profit	\$0	\$97	\$11,356	\$13,491	\$18,617	\$21,185	\$23,499
	15% Profit	\$0	\$0	\$9,171	\$11,153	\$16,055	\$18,440	\$20,511
Potential Supportable Land Value	10% Profit	zero	\$2,795	\$170,458	\$209,802	\$304,287	\$351,622	\$394,284
	15% Profit	zero	zero	\$130,181	\$166,715	\$257,078	\$301,041	\$339,207

Exhibit 14: Summary Proformas for Scenario 4 – Strata Laneway as Part of Full Lot Redevelopment

	1	2	3	4	5	6	7	
Description	Small Lot in a Lower Value Area	Small Lot in a Higher Value Area	Medium Lot in a Lower Value Area	Medium Lot in a Higher Value Area	Large Lot in a Lower Value Area	Large Lot in a Higher Value Area	Larger Lot in a Higher Value Area	
Block/Address	5000 Block of Norfolk Street	4100 Block of Pandora Street	6700 Block of Fulton Avenue	4000 Block of Trinity Street	9200 Block of 10th Avenue	7200 Block of Braeside Drive	7500 Block of Colleen Street	
Location	Douglas Road/ Central Burnaby	Burnaby Heights	Highgate/ Edmonds	Burnaby Heights	Cariboo/ East Burnaby	Westridge	Government Road	
Zoning District	R12	R12	R3	R3	R2	R2	R1	
Lot Size (sf)	4,359	4,026	5,550	6,100	8,052	7,500	10,737	
Laneway Unit Size (sf)	650	650	1,000	1,000	1,200	1,200	1,400	
Profit Analysis								
Unit Value	\$730,000	\$780,000	\$1,075,000	\$1,150,000	\$1,260,000	\$1,350,000	\$1,470,000	
Less Commission	\$22,750	\$24,000	\$31,375	\$33,250	\$36,000	\$38,250	\$41,250	
Less Hard Construction Costs	\$346,250	\$346,250	\$405,000	\$405,000	\$455,000	\$455,000	\$495,000	
Less Other Project Costs	\$134,231	\$134,312	\$144,946	\$145,069	\$153,888	\$154,035	\$161,143	
Less Impact on Remaining Lot Value	\$82,750	\$102,750	\$92,994	\$117,700	\$79,294	\$108,813	\$115,931	
Calculated Profit	\$144,019	\$172,688	\$400,685	\$448,981	\$535,819	\$593,903	\$656,676	
Calculated Profit on Costs	25%	28%	59%	64%	74%	79%	81%	
Land Residual Analysis								
Unit Value	\$730,000	\$780,000	\$1,075,000	\$1,150,000	\$1,260,000	\$1,350,000	\$1,470,000	
Less Commissions	\$22,750	\$24,000	\$31,375	\$33,250	\$36,000	\$38,250	\$41,250	
Less Hard Construction Costs	\$346,250	\$346,250	\$405,000	\$405,000	\$455,000	\$455,000	\$495,000	
Less Other Project Costs	\$134,231	\$134,312	\$144,946	\$145,069	\$153,888	\$154,035	\$161,143	
Less Impact on Remaining Lot Value	\$82,750	\$102,750	\$92,994	\$117,700	\$79,294	\$108,813	\$115,931	
Less Allowance for Developers Profit	10% Profit	\$66,357	\$70,902	\$97,718	\$104,535	\$114,534	\$122,715	\$133,623
	15% Profit	\$95,192	\$101,712	\$140,180	\$149,960	\$164,304	\$176,040	\$191,688
Less Allowance for Land Related Costs	10% Profit	\$5,996	\$7,290	\$17,591	\$19,725	\$23,679	\$26,247	\$28,916
	15% Profit	\$4,513	\$5,652	\$15,406	\$17,388	\$21,118	\$23,503	\$25,928
Potential Supportable Land Value	10% Profit	\$71,666	\$94,496	\$285,377	\$324,721	\$397,605	\$444,940	\$494,137
	15% Profit	\$44,315	\$65,323	\$245,100	\$281,634	\$350,396	\$394,359	\$439,060

SEPTEMBER 2022

Laneway Homes and Suites in Semi-Detached Homes
Program Recommendations Report

City of Burnaby
Housing Choices





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The above rendering illustrates a future vision for laneways in Burnaby, where diverse housing choices foster a vibrant public realm and support the community's broader goals.



Executive Summary

The City of Burnaby has launched a Housing Choices Program to introduce new housing options into the city, bridging the gap between single-family homes and apartments or condos. The first options being prioritized are laneway homes and secondary suites in semi-detached homes.

Since there are many ways in which these two housing choices can look, function, and be implemented, a process was undertaken to: gather public input; collect information from City staff; undertake a scan of similar programs in other jurisdictions; and review relevant City policies, plans, and strategies. This work culminated in a series of recommendations for the implementation of laneway homes and suites in semi-detached homes in Burnaby.

Emerging themes from public and stakeholder input included the desire for flexibility (recognizing that no one approach fits all), optimization (making the best use of space and resources), suitability (providing diverse solutions for diverse needs), and expediency (making the development process easy and simple). Detailed input was also provided on topics ranging from parking and setbacks, to landscape design and livability.

City staff from diverse departments also provided insights on these topics, plus additional realms such as engineering, servicing, and permitting. Community and staff input built on previous City-led community engagement and planning processes, including HOME: Burnaby's Housing and Homelessness Strategy, Burnaby Housing Needs Report, Mayor's Task Force on Community Housing, Burnaby Transportation Plan, Climate Action Framework, Community Safety Plan, and more.

The resulting recommendations aim to support goals for housing diversity, accessibility, transportation choices, climate action, open space and rainwater management, livability, heritage and character, privacy and safety, and public life. To bring these goals to life, the recommendations provide direction on zoning and lot suitability, tenure, laneway and public realm, siting, parking, access and identification, landscaping and permeability, trees, servicing, waste and recycling, topography, form, interface with lane/street, privacy and overlook, lighting, accessibility, and building size, coverage, height, and performance. Further recommendations are offered for quick and efficient implementation.

These recommendations will be used as a foundation for the City of Burnaby's zoning bylaw amendments for laneway homes and suites in semi-detached homes, and may inform future phases of the Housing Choices Program.



Introduction

The City of Burnaby is introducing new residential unit types that respond to the growing need for more housing choices across the City. The Mayor’s Task Force on Community Housing (2019) identified the need for new housing forms in local neighbourhoods, while the City’s Housing Needs Report (2021) specifically noted the need for more “missing middle” housing options across Burnaby. In response, HOME: Burnaby’s Housing and Homelessness Strategy (2021) prioritizes an infill housing program that begins with the introduction of laneway homes and suites in semi-detached homes in the City’s Residential (R) District neighbourhoods.

The Housing Choices program is intended to facilitate the development of residential infill that: is compatible with neighbourhood character; is livable, safe, and accessible; has adequate outdoor space; offers privacy for residents and neighbours; meets storage and parking needs; and supports a myriad of other City plans/policies with topics ranging from transportation to climate action. In order to determine how to best implement this first phase of the Housing Choices program, a process was undertaken to:



Phase 1A

Laneway Homes and Suites in
Semi-detached Homes

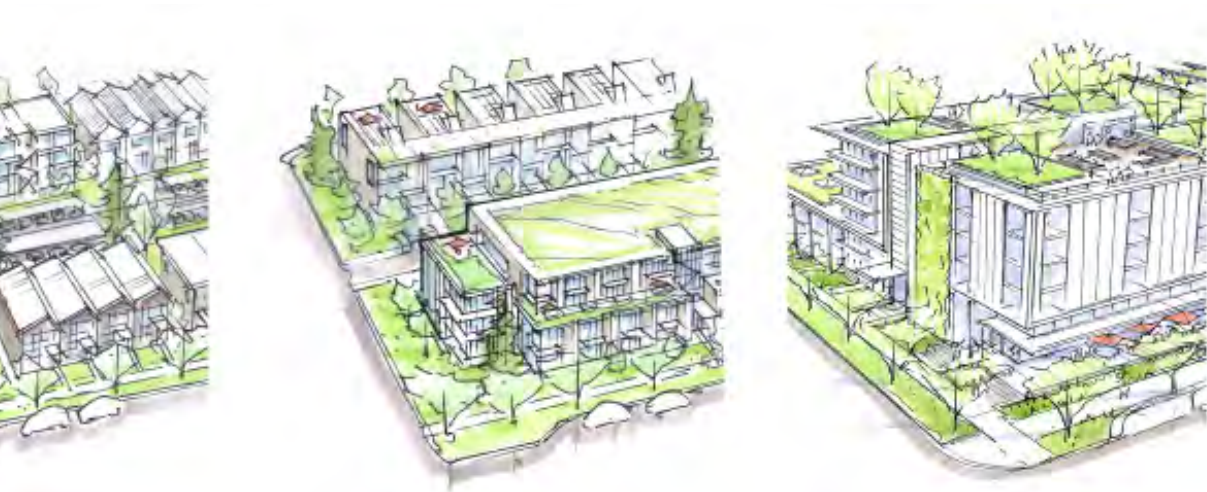
Phase 1B

Homes with Two Suites and
Fourplexes

Phase 1A of the Housing Choices Program will introduce laneway homes and suites in semi-detached homes across Burnaby. This will be followed by more dense forms of missing middle housing in Phases 1B and 2.

- Gather public input from residents, the development community and other stakeholders to understand preferences and priorities;
- Collect information from City staff related to considerations for planning, design, and implementation;
- Undertake a review of similar programs and policies in other jurisdictions, in order to glean insights from applications in other municipalities; and
- Review relevant City policies, plans, strategies, and bylaws to ensure alignment and find opportunities to meet diverse goals.

This report synthesizes and summarizes the outcomes of community and staff engagement, and scan of pertinent City directions. Taken together, these elements shaped the recommendations outlined in this report, which aim to optimize the effectiveness of introducing laneway homes and suites in semi-detached suites in neighbourhoods across Burnaby.



• Phase 2 •

• Mid-rise Buildings

Full Range of "Missing Middle"
Housing Types

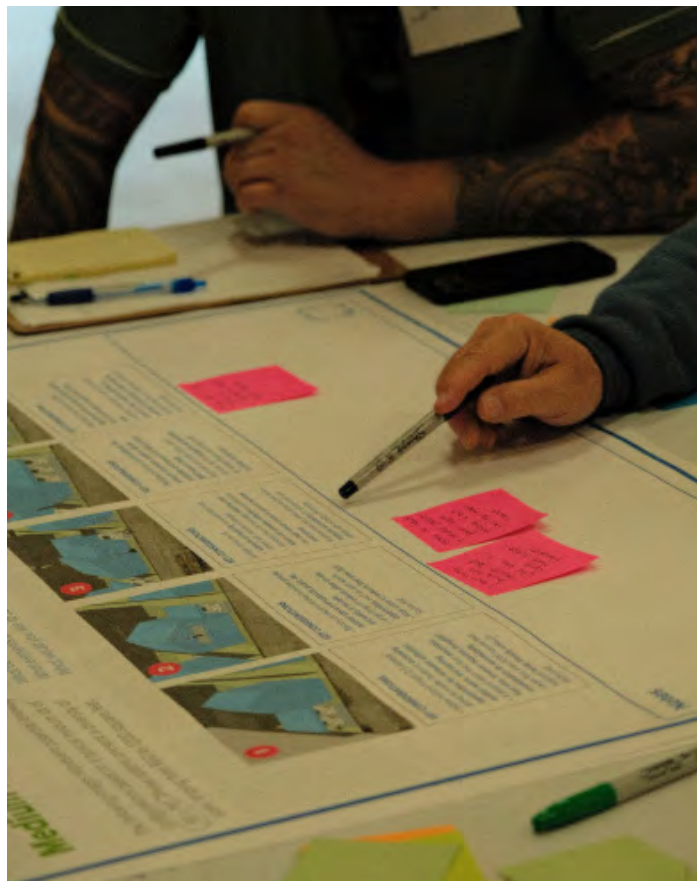
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What We Heard



What We Heard

Extensive public engagement on housing has been undertaken in Burnaby in recent years, shedding light on community needs and priorities related to housing affordability, diversity, tenure, accessibility supports, partnerships, programs, and more. The engagement undertaken for this process specifically focused on the planning, design, and implementation of laneway homes and suites in semi-detached homes, and included a public online survey, a virtual workshop targeting industry partners, in-person and virtual public workshops, and a drop-in public open house. This section offers a snapshot of those activities, and the input themes that emerged.



How We Engaged

In-Person Community Workshop and Drop-In Public Open House

An in-person community workshop was hosted on June 22nd, 2022 at the Bonsor Recreation Complex. A total of 105 participants registered for this event. This workshop was facilitated using smaller group discussions, with tables of 10 participants offering input on preliminary design options as well as their preferences related to precedent projects. This input was captured using interactive worksheets, which prompted participants to share what was working well, what needed to be improved, and what required further exploration.

The facilitated portion of the workshop was complemented by a drop-in open house event at the same venue, where panels offered background information, a summary of results from the online survey, and preliminary design options and a sample of precedent projects. The general public was encouraged to provide input on the boards and City of Burnaby staff were available to answer any questions.

Virtual Workshops

To complement the in-person workshop, three virtual sessions were hosted using Zoom and Miro, an online collaboration platform.

Community Workshops

Similar to that of the in-person workshop, two virtual workshops (June 27th and 29th, 2022) offered an opportunity for residents to learn about the Housing Choices program, provide input on preliminary design options, and share their preferences related to various precedent projects. A total of 100 participants registered across the two workshops.

Development Industry Workshop

To ensure that preliminary design options were implementable, a development industry specific workshop was hosted on June 20th, 2022, which focused on opportunities and challenges related to designing, planning, and building housing in the Lower Mainland. A total of 50 participants registered for the event, and offered a range of experience in the areas of architecture, planning, finance, real estate and development, and others. Participants shared their experiences working in Burnaby as well as in other municipalities in the region.

Burnaby Housing Choices Email

Throughout this process, residents were able to contact the City directly through the Burnaby Housing Choices project email (HousingChoices@Burnaby.ca). Approximately 120 items of correspondence from residents were received since the Housing Choices program was launched in February 2022, which ranged from preferences related to site coverage, to questions on timing of program implementation.

Online Survey

The City hosted an online survey that asked residents to share their preferences related to laneway homes and suites in semi-detached homes. There were 2,550 respondents. The outcomes from this survey provided a foundation for the exploration of design options and informed the project team's approach to engaging residents through the various workshops. A summary of this engagement activity is available for review on the project website at: Burnaby.ca/HousingChoices.

Who We Reached

Over 250 people registered across the four workshops, with an estimated additional 100 participants attending the drop-in open house component of the in-person workshop and 2,550 survey respondents. Although demographic information was not collected, the engagement process involved conversations with a diversity of residents, including renters and homeowners, ranging in ages, family structures, and lived experiences.



What We Heard

Overall Emerging Themes

Input was plentiful and diverse, however several themes emerged across the various engagement activities. The most prominent themes are as follows:

Flexibility – no one approach fits all.

Participants supported a diversity of options for laneway homes – including number of storeys, building heights, parking, setbacks, forms, rooflines, outdoor spaces, landscaping, entrances, and more. Participants often highlighted the need to respond to site constraints, including topography, neighbouring properties, and lot configurations. For both laneway homes and secondary suites, there was support to provide some guidelines and regulations to help achieve City and community priorities, with enough flexibility to allow for creative solutions and designs that meet the needs of residents.

Optimization – make the best use of space and resources.

Participants supported efficient approaches that considered both maximizing living space and advancing other community priorities. Potential solutions included cantilevered designs, providing floor space above open parking, taking advantage of sloped properties, and using flat roofs as private outdoor spaces. There was general support for higher building heights (2-3 storeys), to allow for more open space particularly on smaller lots, while encouraging larger one storey accessible units on larger lots. Participants highlighted the importance of balancing housing people with retaining and restoring green spaces, as well as ensuring buildings are efficient and adopt a holistic approach to climate action.

Suitability – diverse needs require diverse solutions.

Similar to the theme around ‘flexibility’, participants voiced a desire to have specific solutions for their unique needs for both laneway homes and secondary suites. For example, multi-generational homes may have different considerations for privacy and shared outdoor spaces, including approaches to the placement of windows and setbacks between units. Another example is the suitability of spaces to meet people’s unique accessibility needs, in which (for example) the bedroom and kitchen could all be located on the same floor and accessed at grade with a no-step entrance.

Expediency – make the development process easy and keep it simple.

Participants shared a sense of urgency to ensure more diverse housing options are implemented in Burnaby as soon as possible. Participants would like to see a streamlined approvals process – such as pre-approved designs and reduced development process requirements – in order to increase certainty, improve efficiency, and decrease the likelihood of delays and rising costs.

In addition to the emerging themes shared here, a detailed community engagement summary will be provided on the project website.

Emerging Themes Specific to Laneway Homes

In addition to these overarching themes, several more specific themes related to laneway homes emerged:

Parking

- General support for reduced parking requirements, particularly if close to transit.
- Minimum parking should not be a ratio – at least one parking space per lot was often viewed as sufficient.
- Broad understanding that shifting demand in vehicle ownership (due to carsharing, emerging mobility technologies, working from home trends) may reduce the need for parking in the future.
- General appreciation for carports – ensuring that this space is used for cars, with additional opportunities for living space or outdoor space above.
- Interest in exploring opportunities for parking in the front of the principal dwelling.

Landscape Design

- Support for green roofs, permeable pavers, and low maintenance xeriscaping.
- Appreciation for green spaces and private outdoor spaces, however homeowners should have the option to decide the amount and type of landscaping.

Setbacks

- Variable feedback around minimum setbacks from the laneway, neighbouring properties, and principal dwelling.
- Zero lot line / no set back will require further analysis of servicing needs and impacts on neighbouring properties, however there is general support at a discretionary level.



The above diagram illustrates one of the many laneway home design options that were presented through community engagement, exploring opportunities for reduced setbacks and cantilevered forms.

Storage

- General support for storage in cellar and basement spaces.
- General support for providing bike storage and exempting this from the allowable floor area.

Livable Design

- Support for opportunities such as overhangs to protect from rain/sun, ensuring enough natural light, and providing private outdoor spaces such as balconies or patios.

Presence in the Lane

- Desire for laneway homes to be designed as welcoming spaces, including considerations for windows facing the lane, diversity of forms, and material selection.

Privacy and Safety

- Concerns around windows facing neighbouring yards with support for the use of clerestory windows for natural light.
- Balconies are supported, with consideration given to overlook.
- Participants often supported designs that include some consideration for privacy through landscaping or fencing.
- Concerns around existing traffic and safety related to entrances from the lane, with considerations for future improvements such as lighting and traffic calming.

Addressing

- General interest in exploring addressing off the lane.

Existing Neighbourhood Context

- Laneway homes should consider and complement their surrounding context, including the height, form, and materials of the principal dwelling and neighbouring properties.

Potential Exemptions

- Interest in exploring different rules for different lot types, including larger lots or corner lots.
- Interest in stratification of laneway including potential implications for affordability and future land development.

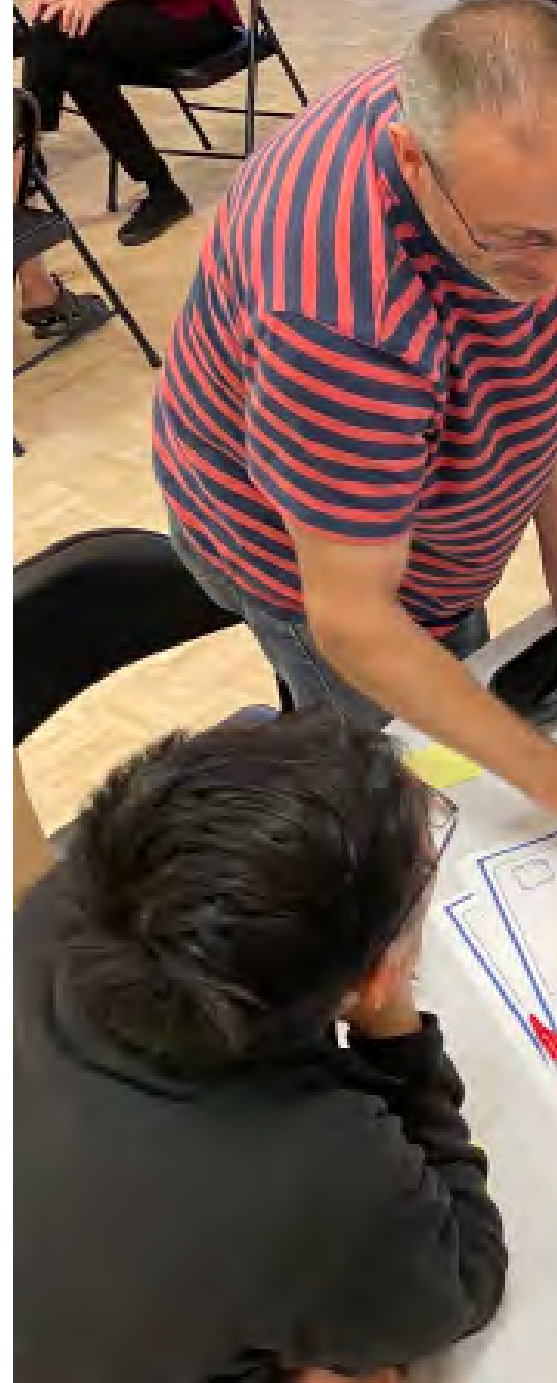
Connections to Broader City Processes

- Regarding future phases of the Housing Choices program, there was general interest in two laneway homes on larger lots, prefabricated laneway homes that could be moved in the future, and laneway homes on duplex lots.
- Support for provision of additional amenities, including more parks, with increased densities.
- Recognition that the front setback of a main dwelling can influence the siting and feasibility of the laneway home.

Emerging Themes Specific to Suites in Semi-Detached Homes

Although many of the themes related to laneway homes are applicable to suites in semi-detached homes, some themes emerged related to this specific form of housing:

- General interest in encouraging accessible options wherever possible.
- Support for encouraging private outdoor spaces.
- Desire for access to both semi-detached homes and secondary suites to be identifiable from the street, with highly visible pathways or entrances informed by design and site constraints.
- Support for spaces that are livable, including adequate natural light into units.
- Preference for flexibility for homeowners to provide solutions that meet their needs.





2

What We Learned



What We Learned

The City of Burnaby is in the good position of being able to learn what has worked well – and what has not – from other municipalities that have been regulating laneway homes and suites in semi-detached homes for several years.

At the same time, Burnaby is a unique place with its own policy landscape and distinct opportunities and constraints. This section summarizes key considerations shared by diverse City departments relating to engineering and servicing, urban design and livability, heritage and character, parking and transportation, environment and landscape, accessibility, and zoning, building, permitting, and fire protection.

Likewise, this section summarizes the City's pertinent policies, plans, strategies, and bylaws, recognizing that the introduction of missing middle housing choices help support a myriad of City goals and planning imperatives.

Existing City Plans, Policies, and Reports

The following City of Burnaby plans and other documents provide context or direction for the Housing Choices program, and/or include goals that could be further advanced by the effective rollout of laneway homes and suites in semi-detached homes.

HOME: Burnaby's Housing and Homelessness Strategy (2021)

This action-oriented roadmap for addressing housing opportunities over the next 10 years has a vision in which Burnaby is a place where people can find a home, afford a home, and feel at home. Key areas of local need range from more accessible housing options to more affordable larger units suitable for families.

The most relevant goals include: building inclusive, livable neighbourhoods by increasing housing choices and supporting housing for diverse needs; and supporting a renter-friendly community by protecting and growing rental housing stock. Informing these goals was extensive community input from the "Your Voice, Your Home" engagement process, including a key emergent theme of gently densifying neighbourhoods to increase supply and diversity housing types.

Strategy #1 is to increase housing choices, including new options such as laneway homes and suites in semi-detached homes, including in lower-scale neighbourhoods. This strategy addresses the needs of:

- multi-generation families (including those sharing their homes with parents, adult children, or other relatives);
- families that are downsizing;

- renters wanting to live in lower density neighbourhoods;
- first-time homebuyers and homeowners seeking a 'mortgage helper', as neighbourhoods that are designated for single family homes and duplexes – 73% of Burnaby's land area – are home to property values that have increased significantly in recent years and are unattainable for many households

An action for this strategy is to identify ways to streamline the approval process for housing applications.

Burnaby Housing Needs Report (2021)

This report presents data and analysis of housing issues specific to Burnaby, and notes some important needs that are directly pertinent to laneway homes and suites in semi-detached homes. These needs include:

- an additional ~15,000 residential units to keep up with population growth in the next 10 years, including ~5,700 rental units;
- a greater diversity of housing stock through ground-oriented multi-family housing, given that most of the existing housing stock is apartment buildings and single detached homes;
- addressing the gap between anticipated rental need and the number of rental units currently in development;
- improved affordability for renters, as most renter households earning the median income in Burnaby experience moderate or extreme housing unaffordability;

- more 2-bedroom units (1,160) and 3-bedroom units (2,330) between 2021 and 2025 for families with children and other families; and
- addressing the secondary market, which comprises almost two thirds of renter households, of which two-thirds is estimated to be unauthorized.

Mayor's Task Force on Community Housing (2019)

The Mayor's Task Force was assembled to urgently address affordable housing concerns by providing recommendations to Council on innovative policies, directions, and initiatives to increase the supply, diversity, and affordability of housing in Burnaby.

The Task Force's recommendations include the relevant themes of: create livable neighbourhoods (e.g. develop a plan for introducing new housing forms and family-oriented housing in a variety of neighbourhoods); and support rental housing and tenants (e.g. increase the supply of affordable rental housing). It also identifies a "quick start" action of making it easier to build small-scale multiple family homes in a wider variety of neighbourhoods to serve renters and homebuyers wanting to live in modest sized, ground-oriented housing.

Connecting Burnaby: Burnaby Transportation Plan (2021)

Connecting Burnaby is a 30-year plan that will guide transportation planning and policy decisions in the City. Relevant to the Housing Choices program, the plan integrates land use and transportation, in which a diverse mix of housing and other uses meet daily needs.

There is direction to ensure that streets are for everyone and all modes, and the incorporation of place-making in the design of transportation networks, accounting for public and social spaces. This includes focusing on creating safe and inclusive streets in part through the application of universal design principles: accessible, participatory, comfortable, ecological, multi-sensory, walkable, and predictable. There is further direction to provide social spaces in streets for people to enjoy, contributing to a community's vibrancy, safety, and sense of place. These directions are pertinent to the Housing Choices program as they account for access, as well as the relationships between infill housing and the adjacent public realm (including potentially laneways).

Climate Action Framework (2020)

The City of Burnaby's Climate Action Framework responds to the climate emergency through adoption of carbon reduction targets and "Seven Big Moves". The "Resilient Neighbourhoods" Big Move envisions medium-density development being strategically added to single and two-family neighbourhoods in order to increase compact growth and the efficient use of land for housing, supporting transportation shifts away from car-dependency as well as alignment with net zero carbon buildings (Big Move 6). Identified co-benefits include householder diversity, housing affordability, public health and equity, and climate adaptation through clean and cool indoor air, and stormwater mitigation.

Community Safety Plan (2020)

This high-level strategic safety plan aims to enhance community safety and well-being. Directions that are relevant to this first phase of the Housing Choices program include support for many of the housing improvements identified in the plans above, ranging from increased rental housing and aging in place. Other relevant directions include: more developments that apply safety measures that focus on built form and public realm; increased responsiveness of emergency services (e.g. improved call response times); and safe street design (i.e. also covered in Burnaby's Transportation Plan).

Environmental Sustainability Strategy (2016)

This strategy encompasses many of the topics covered in more recent plans such as Connecting Burnaby and Climate Action Framework. However it also focuses on other goals such as healthy and resilient watersheds, in which rainwater restores and mimics natural flows and quality. This involves strategies such as encouraging on-site rainwater management and reducing the volume and quality of water flowing off impermeable surfaces through systems like rain gardens and permeable pavement.

Social Sustainability Strategy (2011)

While older than the more recently adopted housing-oriented reports and plans, this strategy contains directions that nonetheless support affordable and suitable housing. Other directions that are relevant to the Housing Choices program include promotion of adaptable housing for people with different abilities, and providing opportunities for the protection of privately owned heritage resources.

Official Community Plan (Adopted 1998; Updated 2014)

Burnaby's Official Community Plan (OCP) provides a long-term vision for managing the city's growth, and is currently being reviewed. The current OCP "envisions a more complete community, an environmentally aware community, a community of economic opportunity, a community with increased transportation choice, an involved community, and a community within a livable region."



City Department Sessions

As part of this engagement process, the project team hosted a series of internal workshops with diverse City departments to discuss potential challenges and opportunities related to laneway homes and suites in semi-detached homes in Burnaby. The majority of input received was related to laneway homes and the summary of workshop outcomes below reflects this.

Engineering and Servicing

- The City's existing infrastructure capacity is generally able to accommodate additional infill opportunities, including laneway homes and suites in semi-detached homes.
- There are multiple options to provide water, sanitary, and storm services to laneway homes.
- If providing one connection, it should be designed and planned to easily separate or reroute in the future.
- On some properties, services might come from both sides – for example, water on the streetside and sewer on the laneway, depending on the slope of the site.
- If the City implements a water metering program, one meter will be provided per lot.
- Designs should prioritize opportunities to capture, store, and slow down rainwater on-site.

Urban Design and Livability

- To support laneway activation, front doors should face the lane where feasible, and windows should be provided on the façade facing the lane.
- Landscape designs should seek opportunities for green edges, including vertical hedges or vines on structures.
- Laneway homes on corner lots should be allowed to orient to the side street, contributing to the streetscape.

- Setbacks should be flexible and responsive to the surrounding context.
- One parking space in the rear yard is preferred to reduce the impact of parking on Burnaby's urban fabric.
- Units should include a provision for bike storage, including a floor area exception.
- There is support for larger sized laneway homes with floorplans that allow for two-bedroom and den options.
- Designs should prioritize high ceilings that allow natural light into living spaces.

Heritage and Character

- It is important to incentivize the preservation of Burnaby's heritage houses.
- Stratification/subdivision should continue to be allowed only for Heritage Revitalization Agreements (HRAs).
- Construction of laneway homes should be permitted on lots that do not have access to a lane or rear street if the development includes retention of a heritage house through a Heritage Revitalization Agreement (HRA)
- If retaining rather than demolishing a character home, allowances should be permitted to enable retention of the existing home and development of a laneway home, such as relaxation of parking requirements, setbacks, density, height, and lot coverage; incentives should be provided for projects that preserve a heritage house through an HRA, such as such as permitting larger laneway homes or reducing parking requirements.
- Heritage policies should be inclusive and flexible, supporting people to stay in their communities.
- The City should provide a consistent and clearly defined set of incentives for property owners with a heritage or character home to participate in infill development opportunities.

Parking and Transportation

- Primary access to laneway homes should be off the laneway, with consideration of exceptions for properties eligible for a Heritage Revitalization Agreement
- Off-street parking requirements should consider what is currently required under existing zoning and what the additional expected parking demand will be, based on tenure and number of bedrooms.
- It may be possible to have different parking requirements for applicants depending on a property's lot size, surrounding uses, proximity to transit, and heritage status.
- Parking requirements should reflect ongoing City transportation studies and processes.

Building and Permitting

- The City of Burnaby is currently exploring a Development Permit process.
- There is interest in both pre-approved plans and opportunities to include basic requirements through the Zoning Bylaw.
- There is preference for some flexibility in the approvals process to ensure that plans can be modified without additional lengthy review processes.
- There is a preference to avoid discretionary processes, prioritizing prescriptive baseline requirements such as setbacks, building heights, and floor areas, to reduce review time for building permitting staff.

Environment and Landscape

- The City of Burnaby currently requires Step 1 of the BC Energy Step Code and is aiming to require Step 3 for Part 9 buildings this year. There is support to incentivize designs that exceed Step 3 of the BC Energy Step Code.
- Burnaby's Zoning Bylaw requires a maximum of 70% impervious surfaces, introduced in 2005. Houses built before this do not need to adhere to this requirement.
- Burnaby's Zoning Bylaw requires a maximum lot coverage of 40% (+5% for separate garages in some zones). There is broad support to maintain existing permeable surfaces wherever possible.

Accessibility

- Opportunities for single-storey, accessible laneway homes should be explored on lots that are sufficiently large.
- For multi-story accessible or supportive housing options, designs with at least one bedroom on the ground floor should be explored, with the possibility of upstairs living spaces used by a caregiver.
- For internal layouts, more open concepts with reduced walls and posts are preferred.
- Designs should be adaptable, with consideration for future tenants and occupants.
- Access to the units should be in the form of a clear path from the laneway, with preference for a smooth ramp instead of stairs.
- Opportunities should be sought to create a more uniform edge along the lane, with careful consideration for the placement of waste and recycling receptacles.

3

What We Are Trying to Achieve





What We Are Trying to Achieve

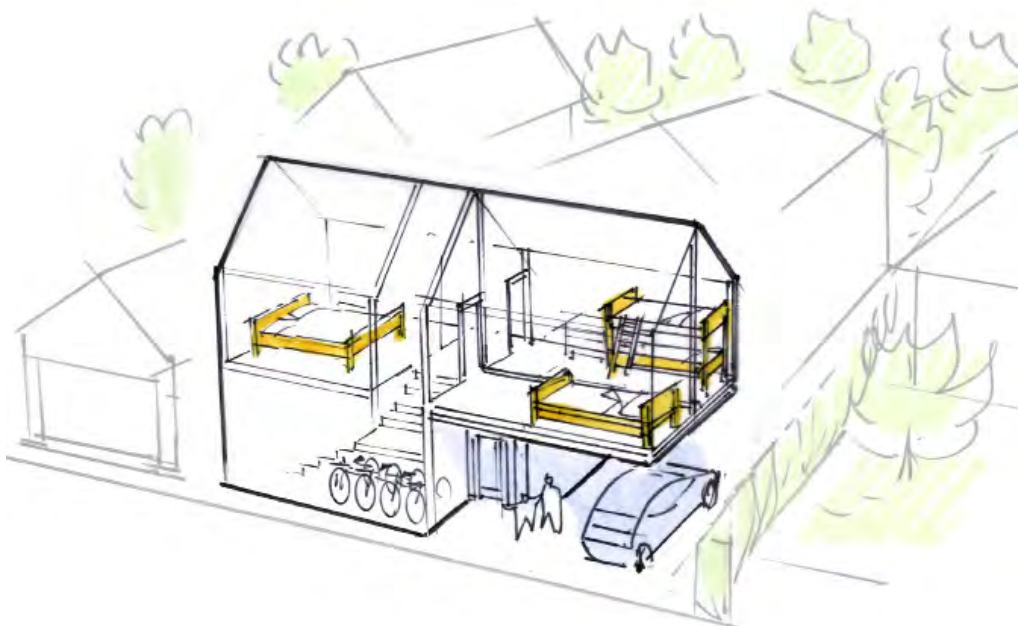
There are many ways in which laneway homes and secondary suites in semi-detached homes can look and function in Burnaby. This process takes an outcomes-based approach to the recommendations presented in Part 4, in which proposed directions aim to deliver on community priorities identified through the public and stakeholder engagement process (Refer to Part 1) and in existing City plans and strategies (Refer to Part 2). These include:

Housing Diversity

Laneway homes and suites in semi-detached homes provide the opportunity to increase housing diversity in neighbourhoods across Burnaby, particularly in areas that are comprised predominantly of single family homes.

These new housing choices should contribute to local rental supply, including for families requiring two or three bedrooms, and in areas where there are currently not many rental options. They also should provide more choice for multi-generational households, which can also serve to be more inclusive of cultures and communities in which multi-generational living is more commonplace.

Ideally laneway homes and suites in semi-detached homes should also increase affordability for families and others either seeking to live in them, or to use them as mortgage helpers.



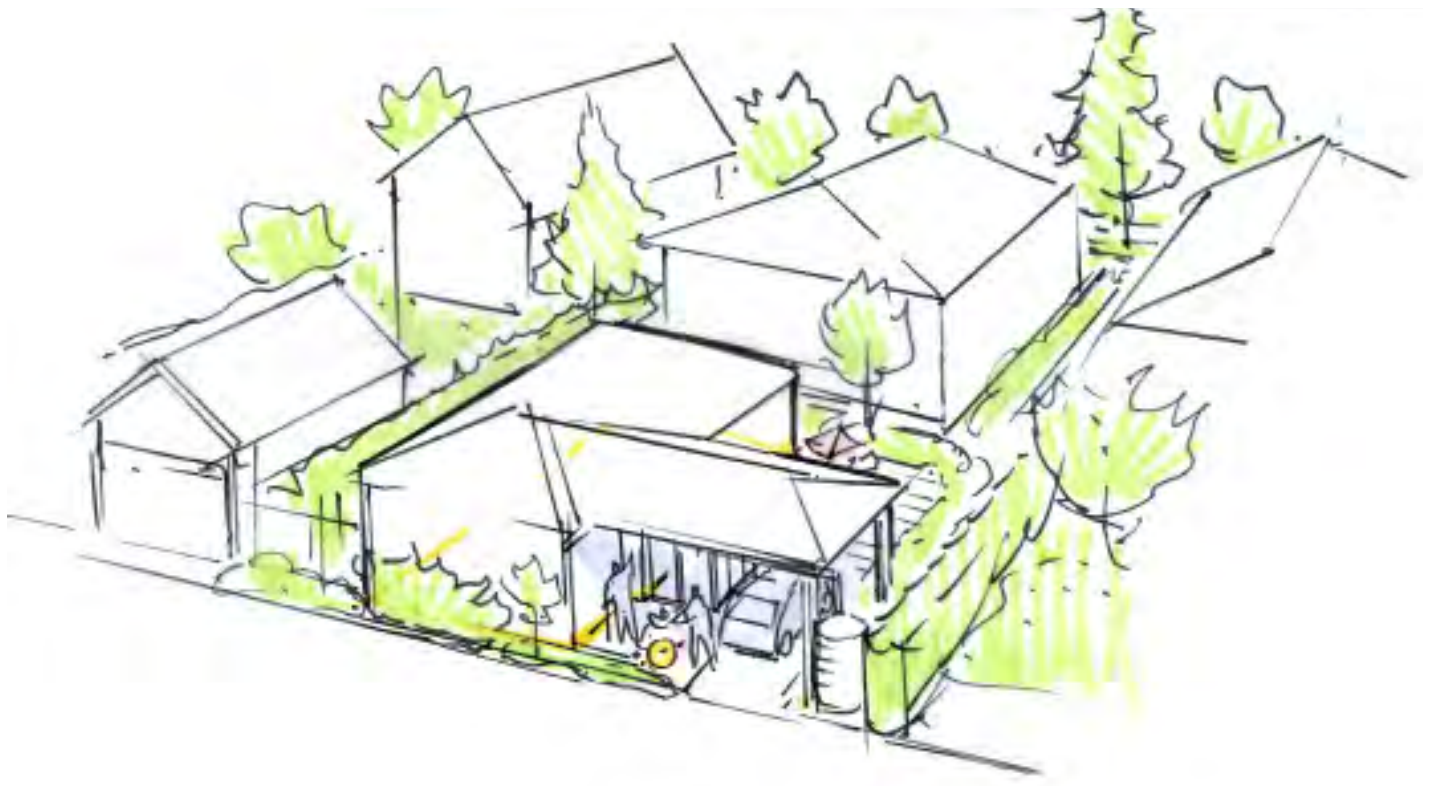
The above diagram visualizes a 'family-friendly' unit that offers multiple bedrooms as well as bicycle storage.

Transportation Choices

A cornerstone of Burnaby's Transportation Plan is the integration of land use and transportation systems. By increasing the efficient use of land, particularly in lower density areas, laneway homes and suites in semi-detached homes support a shift away from car-dependency. This not only provides more transportation choices – including healthy/active modes of travel and transit – it reduces the need for private vehicle parking, freeing up space for other uses.

Accessibility

Laneway homes and suites in semi-detached homes provide the opportunity to offer more accessible, visitable, and adaptable housing choices in Burnaby. Not only should this increase the inclusivity of neighbourhoods for all ages and abilities, these new housing choices also should help residents to age in place. Accessibility considerations should be made for both internal layouts and broader site designs.



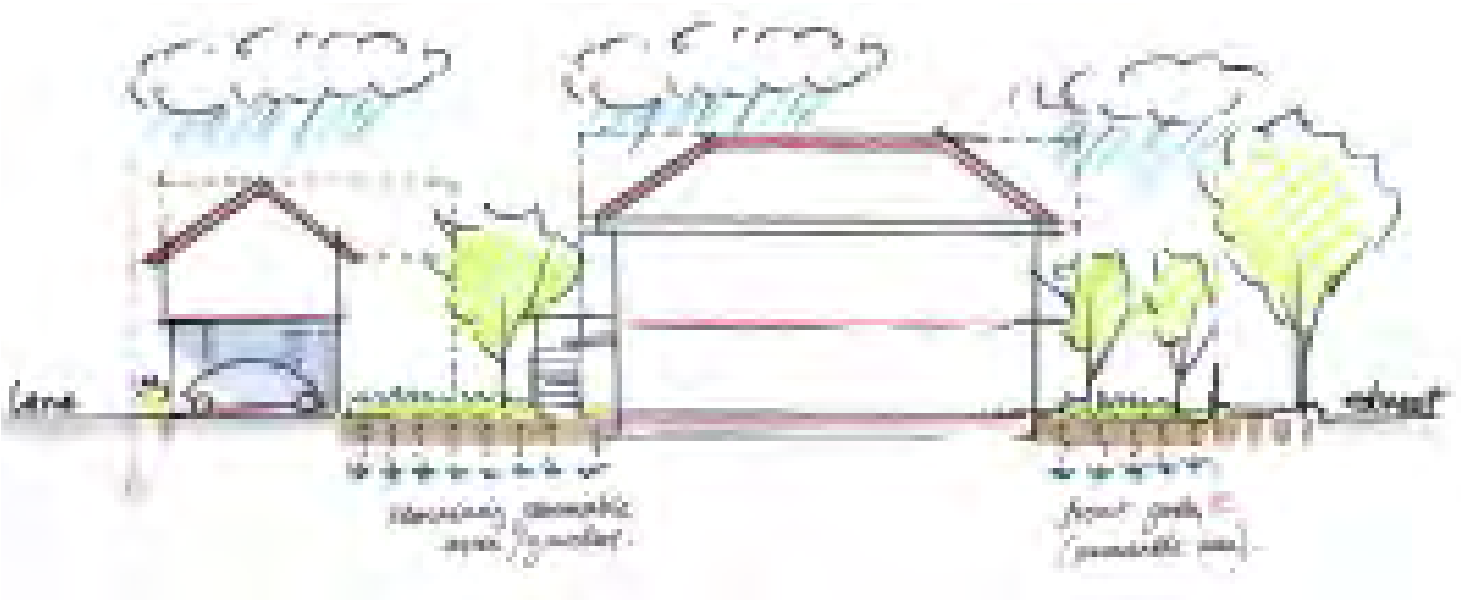
The above diagram highlights an opportunity for one-storey laneway homes to offer accessible housing options.

Climate Action

The climate emergency demands that all municipal projects contribute to significant greenhouse gas emissions reductions. Consistent with Burnaby's Climate Action Framework, laneway homes and suites in semi-detached homes support compact growth, which encourages more trips taken by active modes and transit (as noted above). These new housing choices should also incorporate measures that enable them to be net zero carbon buildings.

Open Space and Rainwater Management

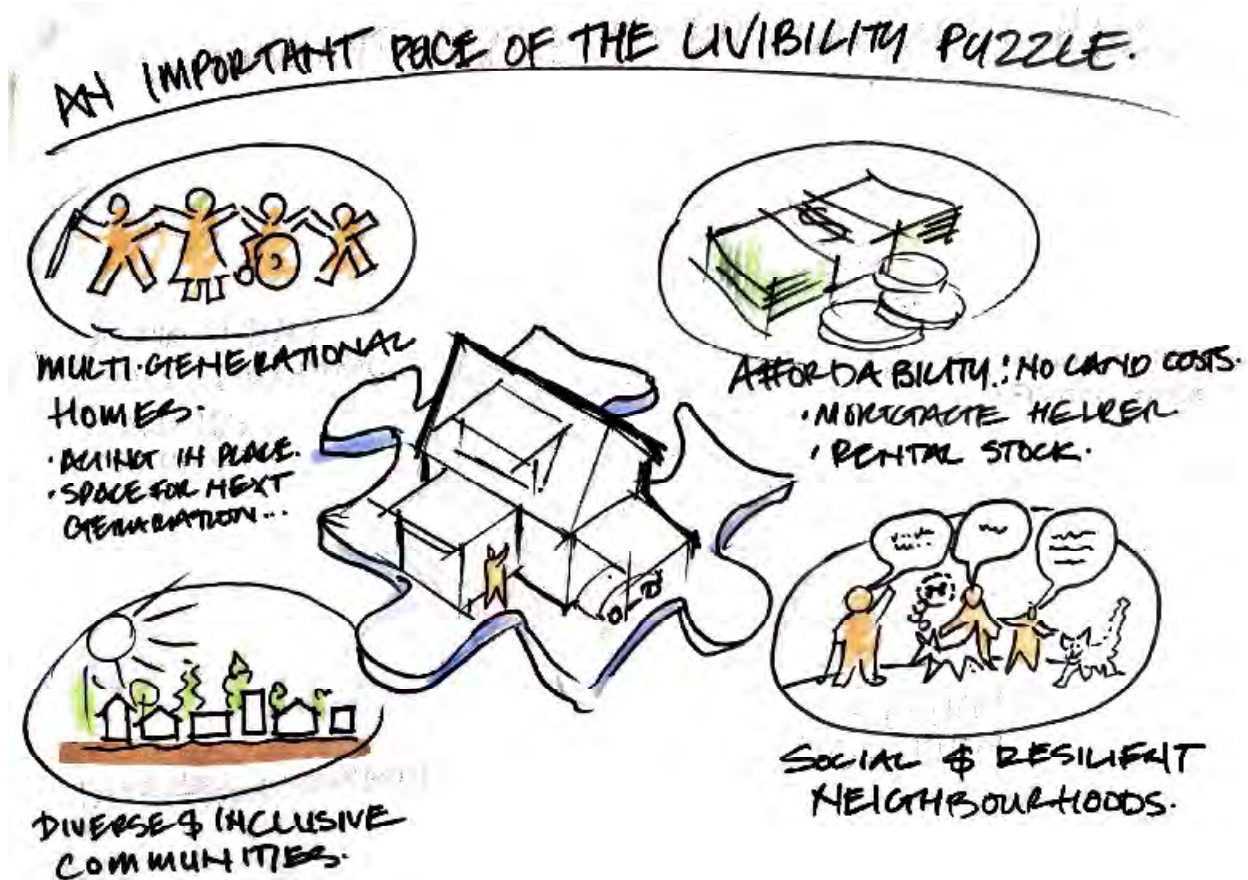
Neighbourhood intensification brings opportunities to think creatively about the management of open space and rainwater infiltration. Site design should be an important consideration in ensuring that residents of laneway homes and suites in semi-detached homes have access to private outdoor space. It should also ensure that permeable spaces sufficiently support healthy and resilient watersheds, and help adapt to the impacts of climate change.



The above diagram visualizes the relationship between permeable green spaces that allow for rainwater infiltration and impermeable surfaces, such as standard roofs and streets.

Livability

Laneway homes and suites in semi-detached homes should be livable: appropriate, comfortable, and dignified. Considerations such as generous ceiling heights and access to natural light and green space form an important part of making these new housing choices highly livable for residents from all walks of life.



This illustration was inspired by conversations overheard at the in-person community workshop, summarizing the role of laneway homes in supporting livability in Burnaby.

Heritage and Character

Cities are continually changing in the face of new challenges and opportunities, and laneway homes and suites in semi-detached homes will be part of the evolution of local neighbourhood character. At the same time, development of these new housing choices should leverage opportunities to protect and revitalize Burnaby's heritage buildings.

Privacy and Safety

The design of laneway homes and suites in semi-detached homes should consider privacy needs both within their sites and to/from neighbouring sites. At the same time, the addition of more residents in a given area provides opportunities for "eyes on the lane/street", increasing sense of safety. Likewise, the design of these new housing choices should also account for emergency service access.

Public Space and Public Life

With more people living in Burnaby's neighbourhoods – and specifically along lanes – there are exciting new opportunities to activate these lanes in new ways. Increased opportunities for public life and social interaction, for example, should be considered as laneway homes and suites in semi-detached homes are brought to life in Burnaby.





Photo Credit: Smallworks.

4

How We Are Going to Achieve It



Photo Credit: Lanefab.

How We Are Going to Achieve It

The input, learnings, and considerations summarized in Parts 1, 2, and 3 of this report have been synthesized into a set of recommendations for the Housing Choices program for laneway homes and suites in semi-detached homes. The recommendations encompass zoning and lot suitability, laneway and public realm, siting, identification and access, parking, landscaping (including rainwater permeability and private open space), trees, servicing and waste/recycling, topography, building size and height, building site coverage, building form, interface with the lane or street, privacy and overlook, lighting, and adaptability and accessibility.

These recommendations are intended to provide high level direction, with the understanding that a deeper review will be undertaken by the City that will include more detailed directions for zoning and other means of implementation.

Laneway Homes

Zoning and Lot Suitability

Intent

To enable laneway homes to be a viable option on as many residential lots as possible.

Recommendations

- Allow laneway homes in conjunction with a single family home in all zoning districts that permit single family residential use.
- Locate laneway homes on lots with driveway access to the rear or side of the lot via a lane or street.
- Permit both a secondary suite and laneway home on a single family lot.
- Allow construction of laneway homes on properties without lane or street access to the rear property through Heritage Revitalization Agreements (HRAs).
- Consider laneway homes for A district lots in conjunction with the agricultural land review currently underway and, where applicable, consistent with agricultural land reserve (ALR) regulations.

Tenure

Intent

To ensure laneway homes help increase the supply of rental housing in neighbourhoods across Burnaby.

Recommendations

- Require laneway home occupancy to be rental only.
- Align laneway home implementation with the City of Burnaby's regulations for Short Term Rentals.
- Owner would not be required to live on the property.
- Explore alternative tenure options in future program phases, including stratification/subdivision with provisions for below-market ownership.
- Continue to allow stratification/subdivision through Heritage Revitalization Agreements (HRAs).



Photo Credit: Lanefab.

Laneway and Public Realm

Intent

To explore opportunities for public realm upgrades in areas where there is significant uptake of laneway homes.

Recommendations

- Where construction of multiple laneway homes may occur at the same time on the same block, pursue opportunities for larger off-site improvements. These could include but are not necessarily limited to permeable paving, expanded landscape planting, rainwater management features, and traffic calming measures such as speed humps, ground murals, reduced road widths.
- Explore the creation of a laneway partnership program to support residents in the stewardship of lanes. For example, this may be in the form of an 'adopt a lane' volunteer program, through which residents could apply for City grants for public realm improvements, such as landscaping or public art.
- Consider implementing a laneway naming program to contribute to the identity and character of lanes.





Site

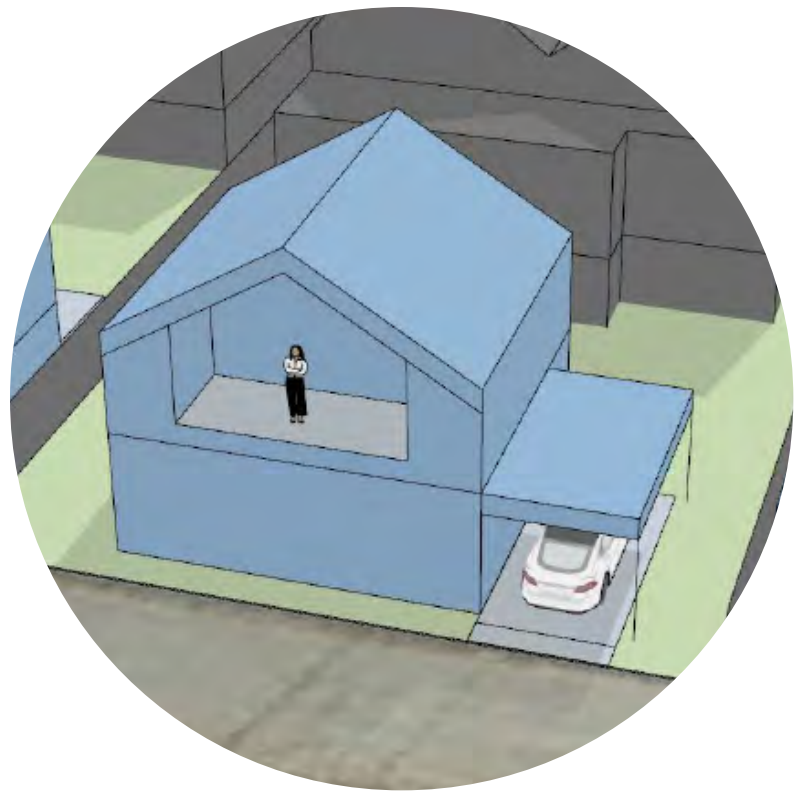
Siting

Intent

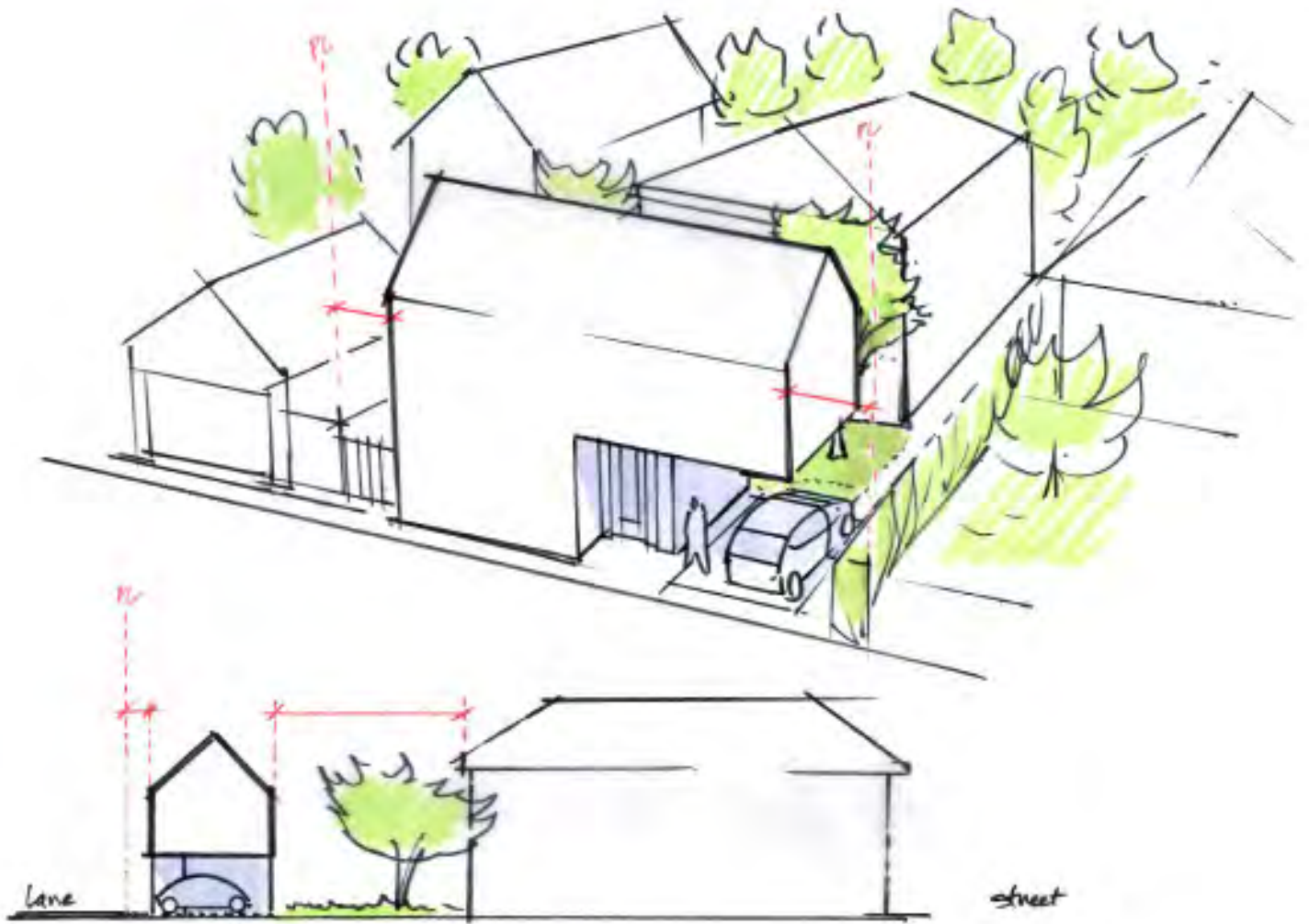
To optimize housing choices on as many lots as possible by: allowing laneway homes to coexist with a wide variety of existing homes; and by providing additional housing options for total site redevelopment.

Recommendations

- Locate the laneway home in the rear yard as defined by the zoning bylaw.
- Require a minimum 0.91m (3') setback to the rear property line.
- Require the side yard to be same as that of the principal dwelling, as per the zoning bylaw.
- Do not require additional separation between the laneway home and principal dwelling, or any other structures such as garages or accessory buildings, beyond what is required by the BC Building Code.
- Consider siting relaxations, including reduced side yard setbacks, through Board of Variance (BOV) (in case of hardship) or future development variance permit (DVP) processes. Siting relaxations could also be considered when retaining an existing heritage or character home.



The above diagram illustrates one design option for laneway homes that responds to the existing context.



This illustration highlights the various relationships to consider when siting a laneway home on a property.

Parking

Intent

To provide sufficient infrastructure to accommodate a range of mobility needs, including a personal vehicle.

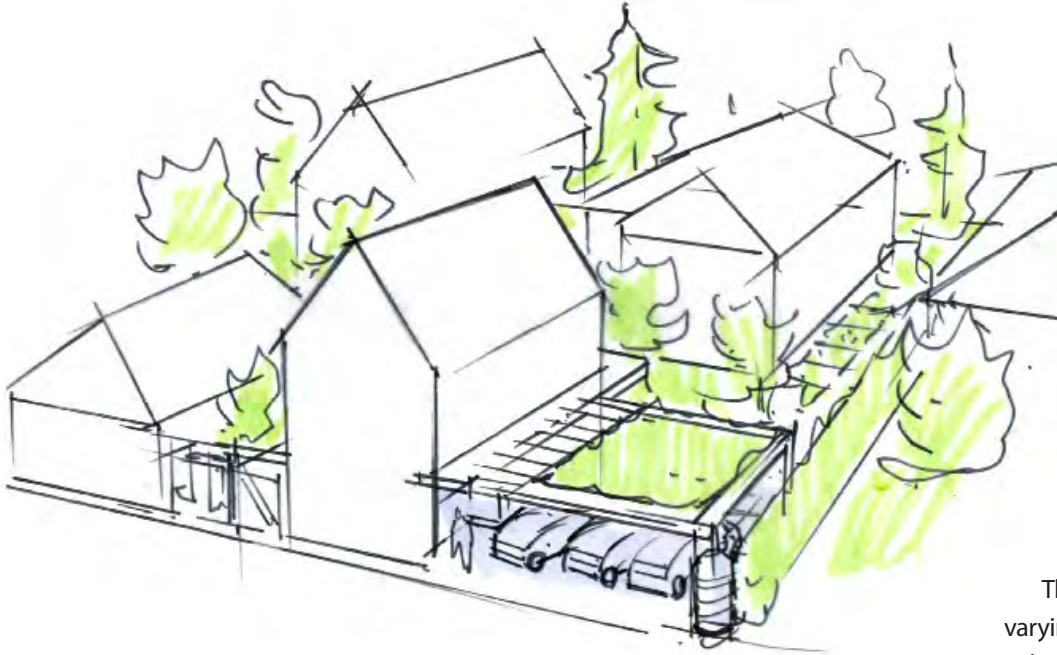
Recommendations

- Require one on-site vehicle parking pad for three residential units (minimum 2.74m (9') x 6.1m (20') each, in an open pad or carport) perpendicular to the lane, with electric vehicle charging infrastructure roughed in.
 - This requirement may be reviewed following completion of Burnaby's city-wide parking review.
 - Considerations for a future review of parking requirements include, but are not necessarily limited to, tree preservation and supporting fully accessible one-storey laneway homes.
- Allow new or existing garages to count toward meeting the minimum parking requirement. If the garage is attached to the laneway home, the floor area of the garage will be included in the laneway home's Floor Area Ratio (FAR).
- Continue to exclude the floor area of new or existing detached garages (up to 42m² (452sf) from the overall FAR for the site.
- Allow an FAR exemption for a bike garage. (Refer to Building Size recommendations on the following pages).

Rationale

Residential sites with a lane have the opportunity for vehicle parking on private property as well as street parking at the front. On a 30' lot, which is the smallest lot width in Burnaby, there is potentially space for up to two parking spaces at the curb, and one to three parking spaces off the lane.

As shown in the diagram at right, having more parking may be feasible but limits the floor area and green space available. One off-street parking space is recommended in order to promote livability with more floor area and green space.



These illustrations demonstrate how varying levels of parking can influence a laneway home's form and site design.



Identification and Access

Intent

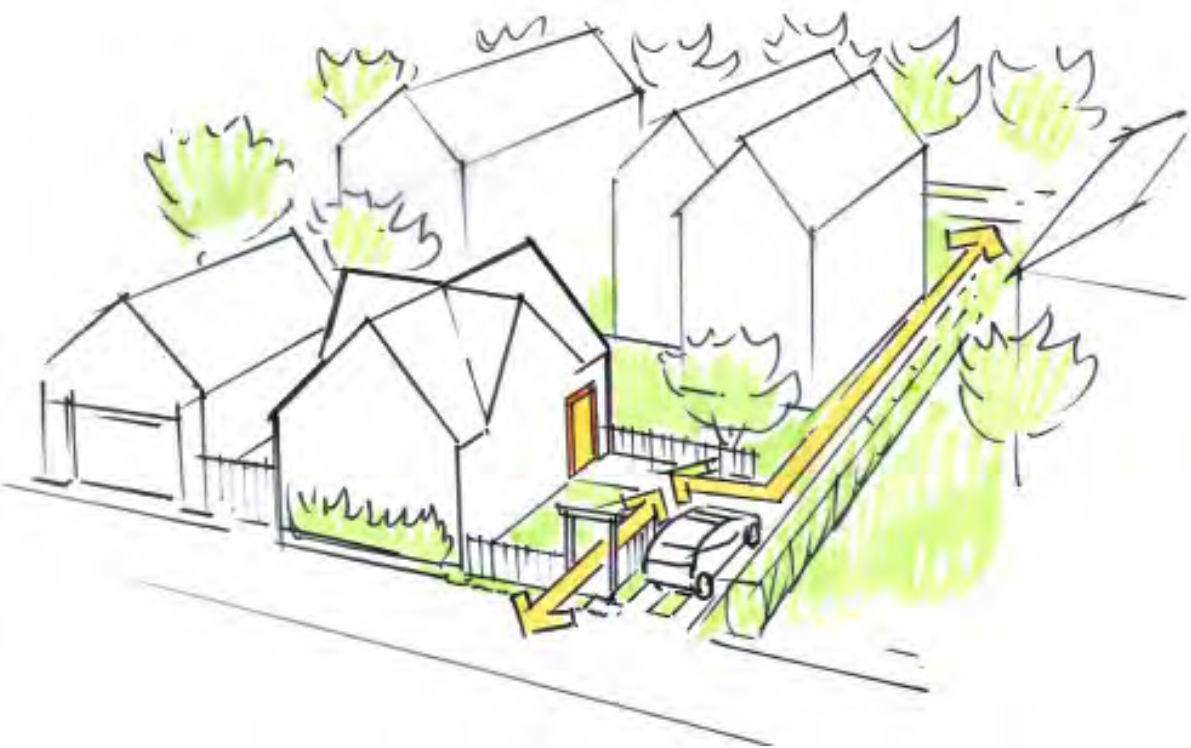
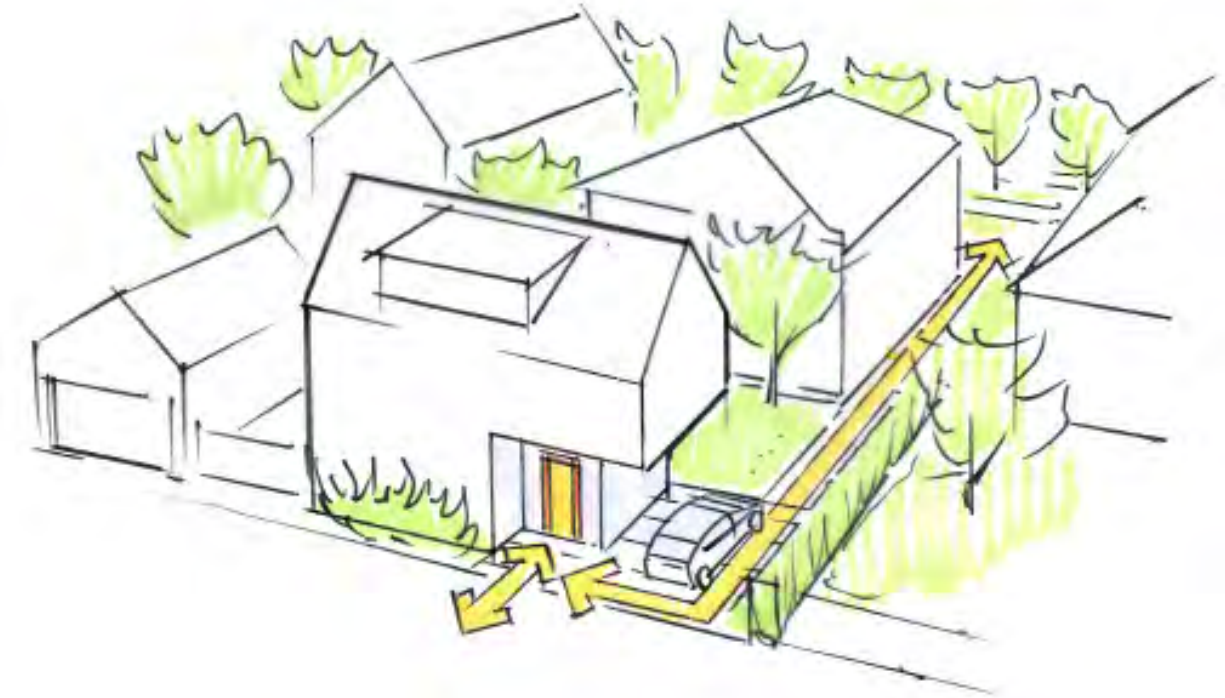
To provide necessary fire and emergency access, and clear addressing from the street.

Recommendations

- Require a continuous fire access path that is a minimum of 0.91m (3') wide, with a minimum 1.98m (6'-6") overhead clearance. The surface of the access path should be concrete or interlocking pavers, with no flagstones or intermittent pavers that might provide a tripping hazard. Specifications to be verified with the City's Fire Department.
- Provide an address number that is a minimum of 152.4mm (6") high and visible from the street. Also provide an address number that is visible from the lane.
- Provide a mailbox, visible from the street, adjacent to the address numbers or with numbers on the mailbox.



Photo Credit: Lanefab.



These illustrations demonstrate how laneway homes may be accessed from either the lane, or fronting street via the sideyard.

Landscaping, Permeability, and Private Open Space

Intent

To provide open space, private outdoor space, and landscaping suitable for the number of residential units on site. To improve environmental factors such as increased biodiversity, decreased urban heat island effect, and increased stormwater infiltration.

Recommendations

- Allow a maximum of 70% impermeable area, including all buildings, patios/decks, impermeable driveways, and pavers.
 - This requirement aligns with the City's zoning bylaw. Consider reducing maximum impermeable area to 60% during future phases of the laneway home program.
- Require private outdoor space for the laneway home in the form of either a minimum 4m² (43sf) patio with a minimum dimension of 1.5m (5'), or a minimum 3m² (32.3sf) balcony with a minimum dimension of 0.9m (3').

Trees

Intent

To maintain or increase the amount of trees and canopy by retaining existing healthy trees and providing new plantings.

Recommendations

- Require retention of all trees that are greater than 203.2mm (8") Diameter at Breast Height (DBH) whose root zones do not intersect the footprint of the new laneway home, proposed excavation path for sewer / water servicing, or pathway to the rear lot from the street.
- Provide a minimum of two trees on the site, which can be either a retained existing tree(s) or a new one(s).
- Replace any removed trees as per the requirements of the City's Tree Bylaw.
- Where trees are to be retained, provide tree barriers proportional to tree diameter as defined by City of Burnaby.



Photo Credit: Lanefab.

Servicing, Waste, and Recycling

Intent

To ensure that laneway homes are efficiently serviced and respect the City's infrastructure capacity, while reducing development costs and minimizing impacts on existing neighbourhoods.

Recommendations

- Require separate sewer, water, and power servicing.
- Enable garbage and recycling totes to be shared or separate as per the City's bylaws and/or at the owner's discretion.
- Require a dedicated outdoor area in the rear yard for garbage and recycling bins that is a minimum of 0.61m (2') x 1.83m (6'), and to be shown on site plans as part of the approvals process. Locate this area away from bedroom windows.

Topography

Intent

To utilize the site's topography to optimize both indoor living space and private outdoor space. Where there is significant slope, to minimize excavation, site dewatering, and exposed foundation walls, and to ensure views from adjacent properties are respected.

Recommendations

- Discourage retaining walls at the property line.
- Minimize exposed foundations for laneway homes on uphill lots.
- Encourage the siting of usable outdoor space that aligns with the site's slope. For example, provide patios that are accessed from upper floors.
- Ensure that maximum building height calculations are equally applicable to sloped sites.

Rationale

Separate servicing ensures sufficient capacity for both the principal dwelling and laneway home, as well as offering flexibility for potential future redevelopment configurations.

Building

Size

Intent

To allow a wide range of sizes, from studios to 'family sized', with additional floor area beyond what is currently allowed for the primary dwelling.

Recommendations

- Allow up to an additional 0.2 FAR based on existing zoning if all other requirements such as lot coverage and setbacks are met.
- Count attached or enclosed garage space for the laneway home toward the site's total FAR.
- Provide an underheight (3.9') floor area exclusion for bike garages: 6m² (65sf), which should include a door to the exterior that has a minimum width of 2m (6'-6").
- Do not count carports that are open on two or more sides toward the site's total FAR. 'Open' may include a fence, gate, or wall that is a maximum of 1.2m (4').
- Allow laneway homes to be a minimum size of 30m² (323 sf).
 - This requirement aligns with the City's zoning bylaw and may be updated during future phases of the laneway home program, with opportunities to reduce the minimum size via a Development Variance Process (DVP).
- Allow laneway homes to be a maximum size of 140m² (1506 sf).

Rationale

110 to 140m² (1200 to 1500sf) can provide a 'family sized' three bedroom, two bathroom laneway home. To support larger laneway homes, an additional 0.2 FAR is recommended on all lot sizes, subject to the maximum allowable laneway home size.



Photo Credit: Smallworks.

Coverage

Intent

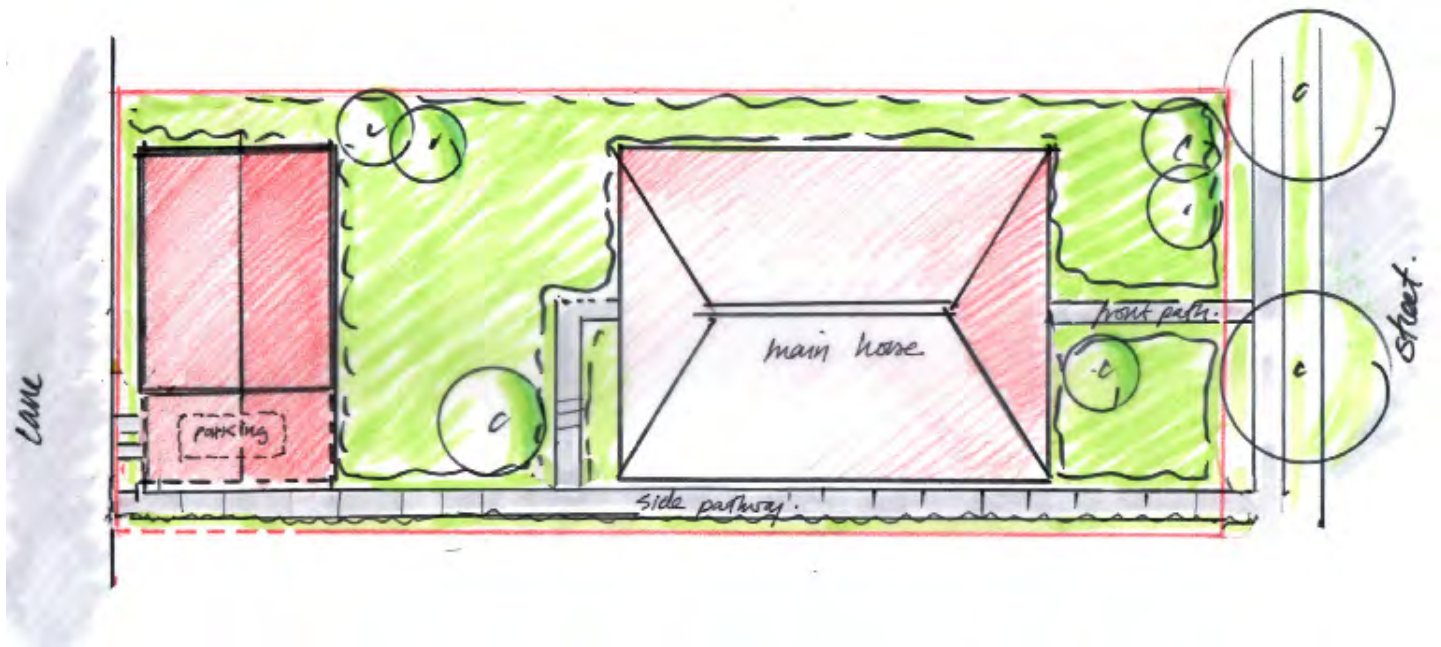
To maintain open space while allowing laneway homes on as many existing sites as possible.

Recommendations

- Allow a maximum 45% site coverage.

Rationale

Currently lot coverage in Burnaby is 40% plus 5% for accessory buildings in many zones. For most principal dwellings, lot coverage is substantially less than 40%, allowing room for development of accessory buildings without exceeding the 45% standard.



The above diagram illustrates the relationship between buildings and open space on a lot.

Height

Intent

Allow a wide range of styles, comfortable ceiling heights, livable upper floors, and well insulated roofs.

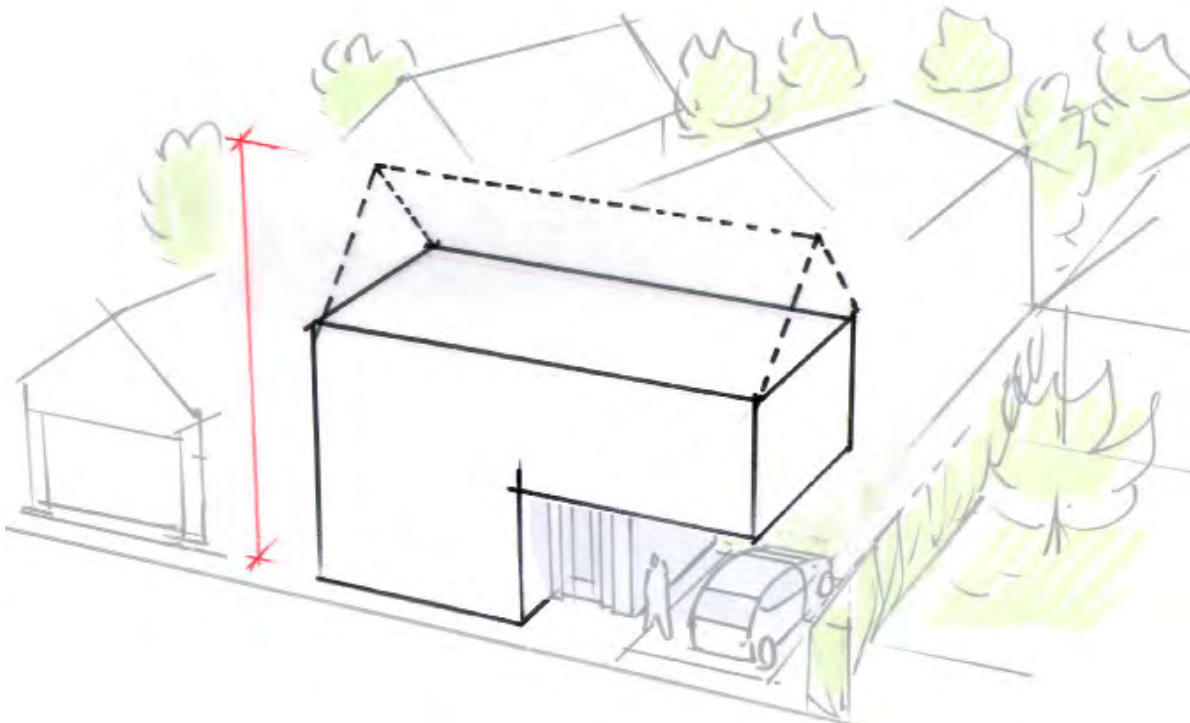
Recommendations

- Allow a maximum height of 7.6m (25')
- Allow a maximum average / flat height of 6.7m (22')
- To allow for thicker roof insulation, enable additional allowable height for homes achieving Passive House, Net Zero, or BC Energy Code Step 5: 0.5m (1'-7")
- Require that the laneway home height not exceed the height of the principal dwelling.

Rationale

Generous height requirements improve livability of the upper floor, provide headroom clearance at stairs, and encourage well insulated roof assemblies.

For a gable roof design with a 25' peak height, and 22' average height, the eave height would be 19'. This is high enough for the second floor to have an internal spring point for the ceiling that is ~7' above the finished floor. This allows for stairs, windows, and usable headroom throughout the upper floor.



Form, Foundation, and Roof Design

Intent

Allow a wide range of styles and shapes, while setting minimum standards for life safety, accessibility, and environmental performance, while minimizing massing and shadowing impacts on adjacent properties.

Recommendations

- Require a permanent foundation.
- Require that butterfly roofs, flat roofs, or other similar roof forms where the eave height is also the maximum height, stay below the average roof height.
- Allow mixed roof forms if they fit underneath a height envelope defined by the peak and average heights.
- Permit basements and count them toward the site's total FAR.
- Require basements to have a minimum 2.44m (8') ceiling height.
- Permit crawl spaces in alignment with the City's zoning bylaw.
- Allow a maximum depth below adjacent grade of 1.83m (6').

Building Performance

Intent

To ensure that design and construction practices reflect a commitment to climate action and help meet the City's greenhouse gas emissions reduction targets.

Recommendations

- Require laneway homes to meet the City's Energy Step Code targets.

Heritage

Intent

To ensure the implementation of the laneway housing program supports protection of the City's heritage buildings.

Recommendations

- Do not provide additional FAR if the principal dwelling is listed on the heritage registry and demolished as part of a site-wide redevelopment.

Interface with Lane or Street

Intent

To create an inviting lanescape that improves the beauty, safety, and environmental quality of the lane.

Recommendations

- Where an entry door faces the lane, provide a minimum 1.52m (5') setback.
- Provide glazing on a minimum of 10% of the lane elevation.
- Provide lane plantings in areas not utilized for parking or pathways.
- For corner lots, require the laneway home to have a door or highly visible entrance path from the flanking street.

Privacy and Overlook

Intent

To minimize opportunities for direct overlook from upper floor windows and balconies into adjacent rear yards.

Recommendations

- Face balconies toward the lane.
- For upper floor windows oriented toward adjacent residential yards, require a sill height greater than 1.52m (5') or to be translucent glazed.

Lighting

Intent

To minimize excessive lighting of exterior facades to reduce impacts on neighbours and the environment at night, while providing for safety and security.

Recommendations

- Require exterior lights more than 2.44m (8') above grade to be down-lights only.

Adaptable/Accessible Units

Intent

To incentivize the creation of homes that are fully accessible, adaptable / visitable, or able to be occupied on just one level in a two-storey configuration.

Recommendations

- Provide a three-piece bathroom on the main floor of the laneway home.
- Encourage the provision of a clear, smooth path of access to the laneway. Use a ramp rather than stairs.
- Encourage diverse accessible and adaptable design strategies, including more open concept layouts that reduce the number of walls and posts, and include 863.6mm (34") clear interior doors, lever handles, powered entry door openers and gates, and interior lifts.
- Consider excluding space for interior elevators or lifts from the site's total FAR.

Suites in Semi-Detached Homes

Zoning and Lot Suitability

Intent

To enable secondary suites in semi-detached homes to be a viable option on as many residential lots as possible.

Recommendations

- Allow secondary suites in conjunction with a semi-detached home in all zoning districts that permit two-family residential use.
- Lots should have driveway access to the rear or side of the property via a lane or street.

Tenure

Intent

To ensure secondary suites in semi-detached homes help increase the supply of rental housing in neighbourhoods across Burnaby.

Recommendations

- Require secondary suite occupancy to be rental only.
- Align secondary suites in semi-detached homes implementation with the City of Burnaby's regulations for Short Term Rentals.
- Owner would not be required to live on the property.

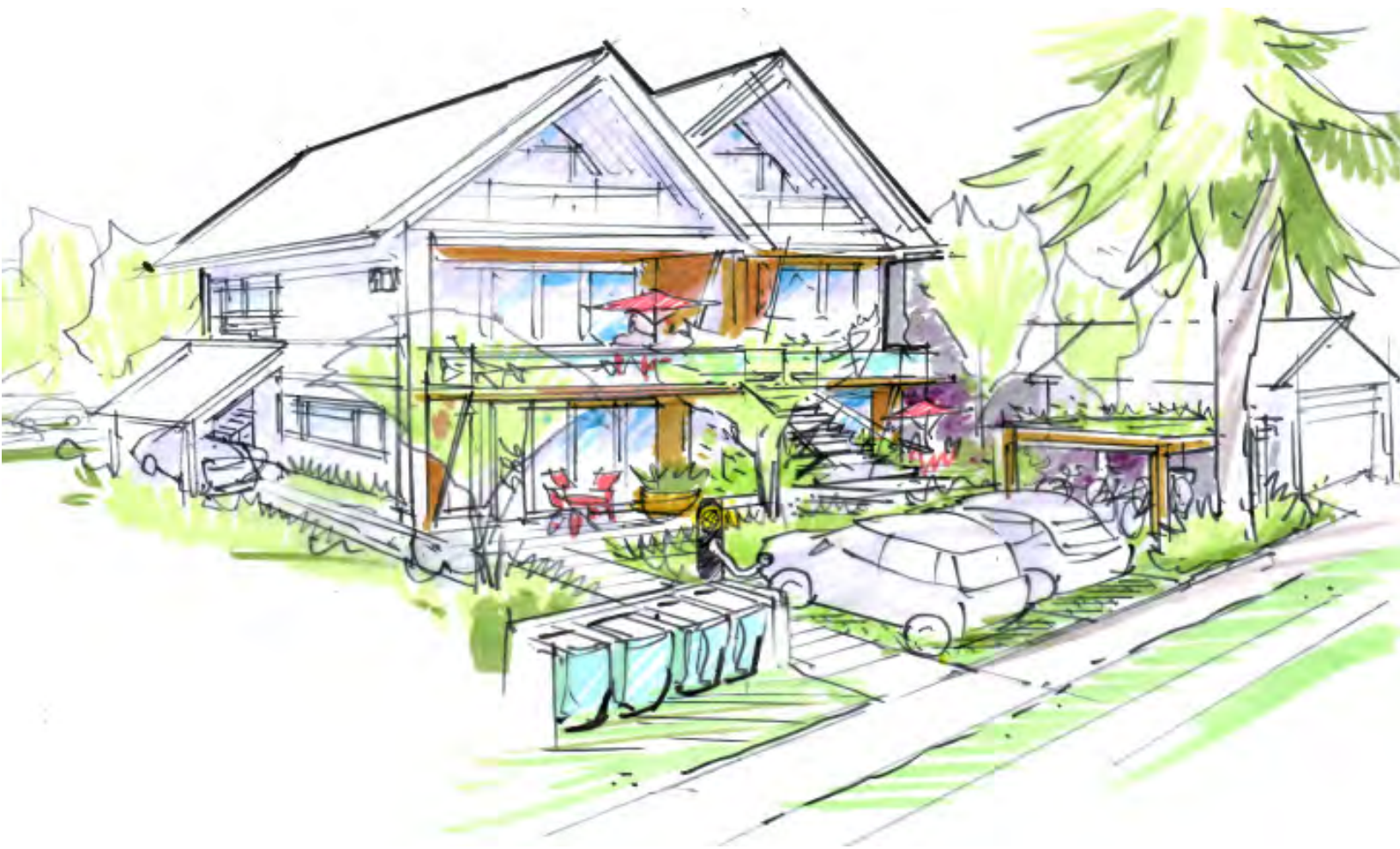
Identification and Access

Intent

To provide fire and emergency access and clear addressing from the street.

Recommendations

- Require a continuous fire access path that is a minimum of 0.91m (3') wide, with minimum 1.98m (6'-6") overhead clearance. The surface of the access path should be concrete or interlocking pavers, with no flagstones or intermittent pavers that might provide a tripping hazard. Specifications to be verified with the City's Fire Department.
- Provide an address number that is a minimum of 152.4mm (6") high and visible from the street. Provide a mailbox, visible from the street, adjacent to the address numbers or with numbers on the mailbox.
- Provide a dedicated exterior door to the secondary suite. Entrances should be welcoming and weather protected.



The above rendering highlights various design considerations for suites in semi-detached homes, including parking requirements, private outdoor spaces, waste and recycling, and rainwater infiltration.

Parking

Intent

To provide sufficient infrastructure to accommodate a range of mobility needs, including a personal vehicle.

Recommendations

- Require two on-site vehicle parking pads for four residential units (minimum 2.74m (9') x 6.1m (20') each, in an open pad or carport) perpendicular to the lane, with electric vehicle charging infrastructure roughed in.
 - This requirement may be reviewed following completion of Burnaby's city-wide parking review.

Rationale

Residential sites with a lane have the opportunity for vehicle parking on private property as well as street parking at the front. On a 30' lot, which is the smallest lot width in Burnaby, there is space for approximately two parking spaces at the curb, and one to three parking spaces at the lane. Renters have relatively lower rates of personal vehicle ownership so will have lower parking requirements.

Landscaping, Permeability, and Private Outdoor Space

Intent

To provide open space, private outdoor space, and landscaping suitable for the number of residential units on site. To improve environmental factors such as increased biodiversity, decreased urban heat island effect, and increased rainwater infiltration.

Recommendations

- Allow a maximum of 70% impermeable area, including all buildings, patios/decks, impermeable driveways, and pavers.
 - This requirement aligns with the City's zoning bylaw. Consider reducing maximum impermeable area to 60% during future phases of the Housing Choices program.
- Require private outdoor space for the secondary suite in the form of a minimum 4m² (43sf) patio with a minimum dimension of 1.5m (5').

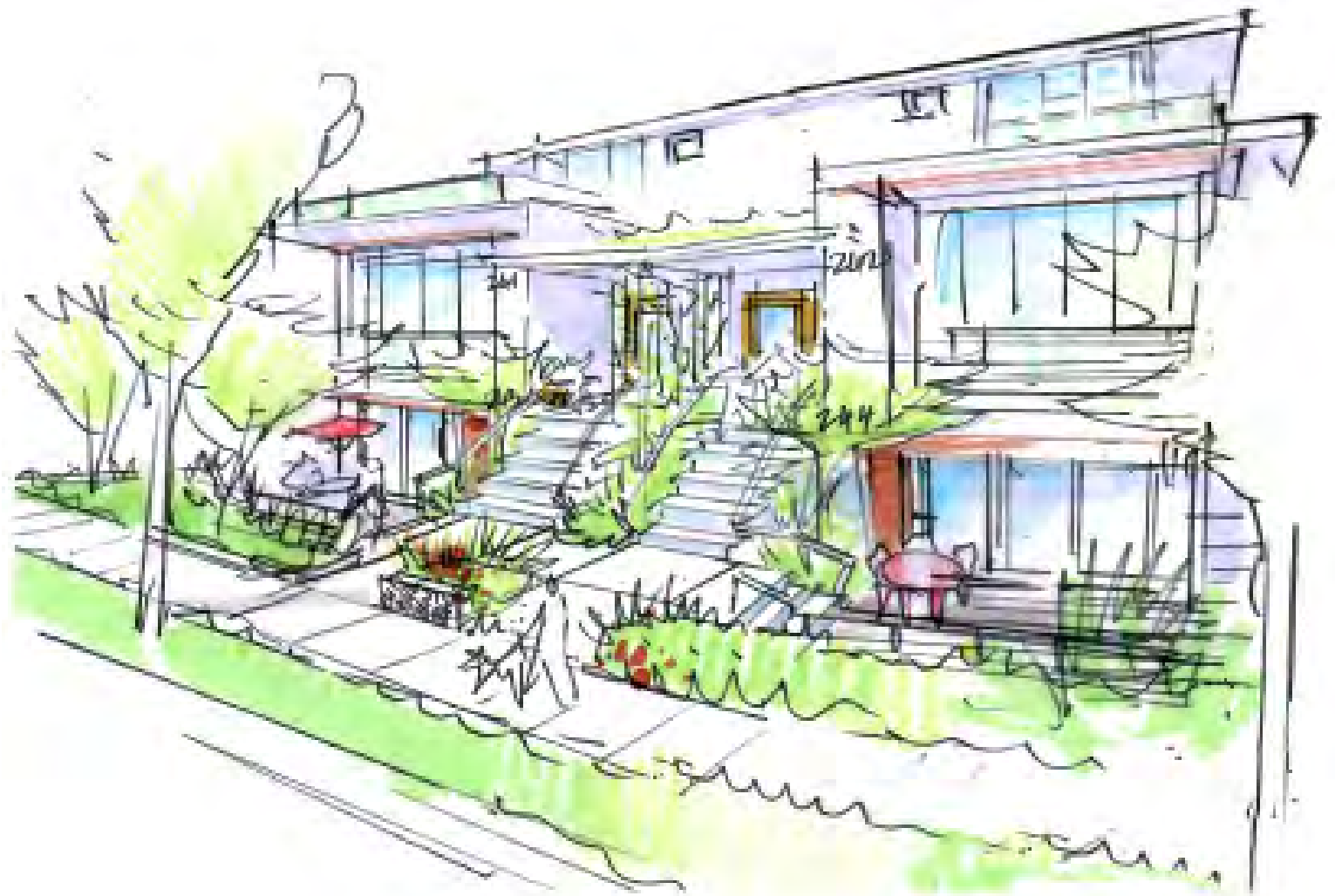
Size

Intent

To allow a wide range of sizes, from studio to 'family sized', with additional floor area beyond what is currently allowed for the principal dwelling.

Recommendations

- Count all habitable space toward the site's total FAR.
- Do not require a maximum secondary suite size, as per the BC Building Code.
- Consider offering additional density for semi-detached units with secondary suites. An additional 0.10-0.15 FAR would support this form of housing in all neighbourhoods.



The above rendering explores how access and dedicated outdoor spaces can contribute to the identity and livability of suites in semi-detached homes.

Height / Depth

Intent

To ensure secondary suites are as livable as possible, with access to natural light and views to the outdoors.

Recommendations

- Allow a maximum depth below adjacent grade to be 1.5m (5')
- Consider guidelines for minimum ceiling heights.
- Require that each room has at least one window that receives direct natural light.
- Encourage the use of window wells and patio areas to enhance access to direct natural light.

Building Performance

Intent

To ensure that design and construction practices reflect a commitment to climate action and help meet the City's greenhouse gas emissions reduction targets.

Recommendations

- Require secondary suites in semi-detached homes to meet the City's Energy Step Code targets.

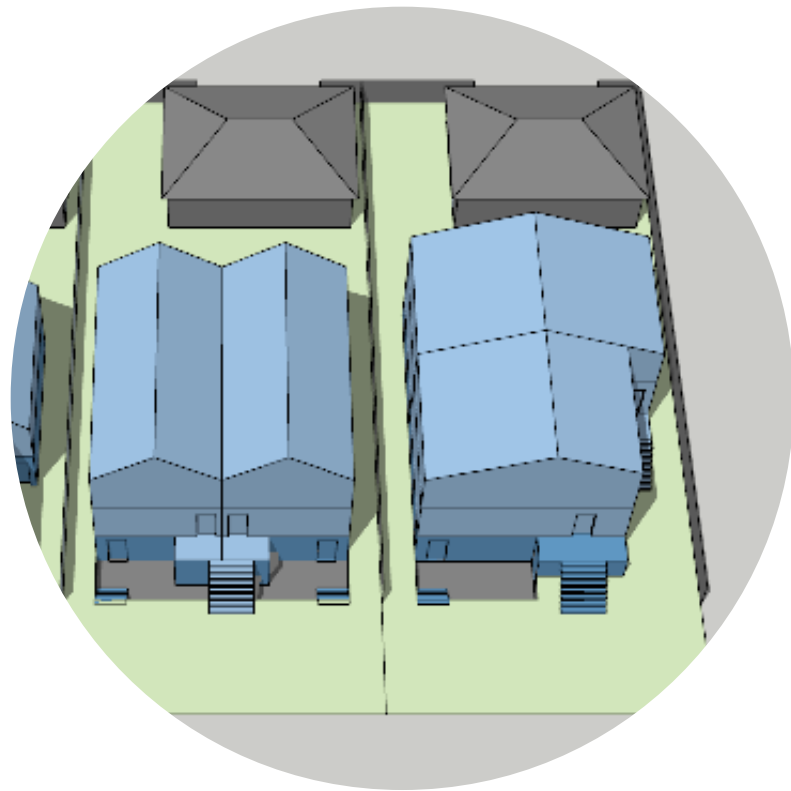
Interface with the Street

Intent

To create an inviting streetscape that improves the beauty, safety, and environmental quality of the street.

Recommendations

- Require that the suite entry be visible from the street.
- Require that the suite entry is no more than 5' below grade.
- Encourage decorative landscaping, walkway lighting, and a dedicated pathway.



The above diagram represents some of the suites in semi-detached home design options that were used to inform and inspire discussions in community workshops.



Photo Credit: Lanefab.

5

Implementation



Photo Credit: Lanefab.

Implementation

In addition to the planning and design recommendations outlined in the previous section, there are a number of actions that the City can undertake to support successful implementation of the Housing Choices program for laneway homes and suites in semi-detached homes. Informed by insights gleaned from stakeholders who design, build, and develop these housing types, additional recommended actions are outlined to the right.

City of Burnaby Actions

We heard in the engagement process with industry experts and residents that there is a strong desire for quick and efficient implementation of laneway homes and suites in semi-detached homes across Burnaby. This section outlines some recommendations that aim to increase the success of implementation.

Program Implementation

- Immediately implement the program for laneway homes and secondary suites in semi-detached homes.
- After a period of two years – or after a certain number of laneway homes and suites in semi-detached homes are constructed – undertake a review of its performance. Account for new directions in the City’s new Official Community Plan, which is currently under review.
- Approve laneway homes and secondary suites in semi-detached homes through a standard building permitting process, with limited opportunities to vary requirements through Development Variance Permit (DVP) processes. The City should develop clear guidelines for relaxations that would be supported.
- The City should create clear guidelines for owners of character and heritage homes to access incentives and relaxations.

Pre-approved Designs

- If a project has been permitted under the standard building permit path, make it available as a quicker approval option.
- Explore the creation of an online portal with pre-approved designs that could be obtained and approved through a quicker permitting process.

Simplified Development Requirements

- Limit the need for applications to be approved by Council or through the Board of Variance, or to have to undertake neighbour notification processes.
- Limit requirements to produce a landscape plan as part the permitting process.
- Develop a simplified tree removal process that is predictable and comprehensive.
- For servicing costs for laneway homes, consider a similar approach as the City's secondary suite requirements.

Construction Practices

- To reduce embodied emissions (emissions associated with materials and construction processes), ensure that it is easier to build above grade than below grade.
- Explore opportunities to design and build laneway homes converted from garages or existing structures.

Other Policies with Potential Broader Application

Explore opportunities to develop policies for laneway homes and suites in semi-detached homes that could also be applied more broadly to all residential building types across the City. For example:

Energy Efficiency

- Support additional Floor Area Ratio (FAR) or financial incentives for high performance buildings for all low-rise residential forms. This includes homes achieving Passive House, Net Zero, or BC Energy Code Step 5.

Rainwater Management

- Ensure that all future residential development meet minimum rainwater infiltration and capture requirements.
- If considerable rainwater storage tanks (1000 gallons or more) are provided, offer a reduction on storm connection fees or a rebate on permitting.

Accessibility

- Develop detailed criteria for building design relaxations that demonstrate accessibility criteria.
- Identify minimum design guidelines for all residential buildings, including considerations for entranceways, space requirements, and adaptable features.
- Include exemptions for buildings with a main floor below 600ft².

6

Next Steps



Photo Credit: Lanefab.

Next Steps

This program recommendations report is intended to inform development of more detailed regulations for laneway homes and suites in semi-detached homes.

City staff will provide this report to Burnaby City Council for their review, and will also provide the results of a financial analysis that is currently underway. Based on Council direction, staff may undertake further technical reviews to develop a draft program for laneway homes and suites in semi-detached homes. Upon completion of a draft program, staff anticipate hosting a series of Open Houses to get feedback on the program, prior to finalization of the program and necessary bylaws.





7

Future Considerations

Future Considerations

As noted in Part 5, there are limited opportunities to vary requirements for laneway homes and suites in semi-detached homes. Should the City of Burnaby choose to develop clear guidelines for relaxations that would be supported through the Development Variance Permit (DVP) process, the following considerations could be made and/or adapted:

Laneway Homes

- Sites without Lanes – Laneway homes may be located on a lot without a lane following a more comprehensive review by the City and provided other intents are met.
- Siting – Laneway home may be located in a side yard or front yard, provided all other intents are met.
- Parking – For corner sites and sites adjacent to parks, the minimum parking requirement may be reduced to zero due to the availability of more parking in those locations (compared to mid-block sites). Likewise, parking requirements may be reduced to zero if the site is within 400m of frequent transit.
- Private Outdoor Space – Private outdoor space requirements may be relaxed provided the intent is met via other means on site. For example, accessible green roofs or larger shared outdoor spaces could contribute to the site's approach to open space.
- Coverage – Site coverage may be relaxed to 50% with supporting strategies that demonstrate an acceptable level of rainwater infiltration on site (e.g. green roof) or otherwise reduce site runoff (e.g. low-flow toilets).
- Trees – Where possible, existing large trees could be retained by granting conditional relaxations to setbacks and site coverage. If the canopy/root zone of trees being retained intersect with the building footprint, sewer excavation, or access path from the front property to the laneway home, an arborist should be retained to provide a retention plan and to supervise the excavation.
- Privacy and Overlook – Balcony locations and window details may be relaxed if meeting the intent.
- Lighting – Lighting details may be relaxed if meeting the intent.
- Accessibility – Bathroom requirements may be relaxed for small unit sizes (600 ft² or less) or where site conditions would make a main floor bathroom untenable.

Suites in Semi-Detached Homes

- Parking – For corner sites and sites adjacent to parks, the minimum parking requirement may be reduced to zero due to the availability of more parking in those locations (compared to mid-block sites). Likewise, parking requirements may be reduced to zero if the site is within 400m of frequent transit.

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Design/Build



THANK YOU