

Report on Business »BY GUY DIXON

Laneway houses:
an answer for new
buyers?

HIGHLIGHTS ON A HOME
BUYER’S CHECKLIST:

UPGRADED KITCHEN?
Check.

FINISHED BASEMENT?
Check.

CAR PORT OR DRIVEWAY?
Check.

Extra laneway home built in
the back? Increasingly that will
earn a check, too.

100 bpNichol Lane in Toronto
is an example of a laneway
house, something Toronto
laneway advocates are pushing
the city to adopt guidelines
on for what is permitted. (The
Globe and Mail)

Laneway homes, whether built
to rent or as a home for elderly
parents or adult children, are
still a niche phenomenon. They
have taken hold in Vancouver,
with hundreds built since
the city started introducing
permits in 2009, and Ottawa
has more recently followed
suit. The next major test is
Toronto, where advocates
are still pushing the city to
adopt guidelines for what is
permitted.

The argument for laneway
homes is an obvious one.

“We need more housing,
more rental housing, more
affordable places to live, and
this is one of the solutions for
that problem,” says Andrew
Sorbara, a co-founder of
Landscape, a small group of
developers and architects
trying to get Toronto city hall
up to speed. Landscape plans
to report its recommendations
to Toronto councillors at the
end of May.

However, because of their
uniqueness, with the
architectural problem-solving
and design flair that typically
go into laneway homes, the
houses can be expensive for
renters and, especially in
Toronto, ultra-rare and pricey



for buyers.

Titles for laneway homes can
be exceedingly difficult to
separate legally and financially
from the main residential
property, and water and
electricity typically come from
the same lines as the main
house. So, laneway homes
are usually kept as part of
the same title, like basement
apartments.

“The reality is that there is
no positive framework in
place to address that kind
of planning application [to
sever the property]. You enter
into a kind of black hole that
can take forever,” says Mr.
Sorbara, “and there’s just total
uncertainty surrounding what
you can and cannot do, and
how long it will take [to get the
permits].”

Because of their uniqueness,
with the architectural problem-
solving and design flair that
typically go into laneway
homes, such as 100 bpNichol
Lane in Toronto, the houses
can be expensive for renters
and, especially in Toronto,
ultra-rare and pricey for
buyers. (The Globe and Mail)

So, the most likely outcome
is that laneway houses will
continue to be treated more as
rental units.

“The goal is really to get

as many of these laneway
suites built as possible. If we
don’t put a straightforward
planning-approval process in
place, none of this is going to
be built in reality,” Mr. Sorbara
says.

For home buyers, though,
this means that the price will
be more expensive over all,
since buyers will be effectively
purchasing two homes: the
main house and the one at the
back. Rent from the laneway
home will, of course, help
offset that purchase price.

And “multiunit homes have
great resale value,” says Lesli
Gaynor, a realtor at Royal
Lepage in Toronto, noting that
laneway homes sometimes
have quirky features appealing
to buyers less interested in
standard aesthetics and more
in a home’s uniqueness.

Amenities such as a clothes
washer and dryer might,
for instance, be in the main
house. “Lots of architects are
talking about the simplicity of
laneway housing, because you
can actually use some pretty
innovative designs,” she says.

There are some critics of this
type of housing. A common
counterargument from
municipalities is that more
laneway homes will clog back
alleys, blocking vehicles like
firetrucks.

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bpNichol Lane in Toronto,
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But Andy Thomson, an
architect in Toronto who has
worked on building second
homes on existing lots, says
smaller fire vans can be a
solution to that problem,
which needs to be weighed
against the future of residential
neighbourhoods.

He added that a main
attraction is the diversity of
laneway home designs.

“You’re not going to have
one developer go in and do
60 or 100 units. They’re all
going to be unique, niche,
artisanal, you could almost
call it craft solutions to very
local problems,” Mr. Thomson
says. “I think it’s a great thing
for Toronto because we’re
starting to suffer from the
conformity and monotony
of the condominium-tower
aesthetic.”

Laneway houses that are
severed from the main
property come on the market
rarely in Toronto, usually
less than a handful a year.
Some are renovated coach
houses, which also can involve

restoring original detail.

And the niche character can
come with a high price tag.

“Most of them are actually
in the luxury price range,
the architect-commissioned
laneway ones. The ones that
have been around in the last
five to seven years, many
of them have been over
\$1-million,” says Anne Lok,
a Toronto realtor at Blue
Elephant Realty Inc. and a
former architect.

“There’s a perception from
entry-level buyers that they are
more affordable, because they
tend to be smaller. Some of
them are mini-homes, but they
come at a price, because of
their uniqueness,” she says.

“Personally, I don’t think
it’s a solution to housing
affordability. ... It will
provide more housing if the
owners decide to rent out the
suites. But it’s such a small
percentage compared to the
demand,” she added.

For Toronto realtor Kimmé
Myles, at Royal LePage’s
Johnston and Daniel Division,
it’s also a distinct market.
“With the ones I’ve sold, the
buyers have been creative
types who understand that
they’re not getting a traditional
house. It’s a different
mindset.” She recently sold a
renovated carriage house near
the University of Toronto for
\$885,000.

She speculated that as more
laneway homes are created
and grow in popularity, “I
think it would be a little bit
easier to sever a laneway
home from the main home.”
But for now, laneway homes
in Toronto are still scarce to
purchase separately.

“In the whole city, three or
four a year is about it. We’re
hoping that changes. Like in
Vancouver, they’ve eased up
on the restrictions,” she says.
“It could add inventory to the
severely depleted state that
we’re in right now.”