**EASTERN ONTARIO LANDLORD ORGANIZATION (EOLO)**

**SUBMISSION**

**on the proposed regulation on Additional Dwelling Units**

**December 9, 2022**

**About EOLO**

The Eastern Ontario Landlord Organization (EOLO) consists of the owners and managers of more than 45,000 residential rental homes in Ottawa, as well as many suppliers to the rental housing industry. EOLO has been the leading voice for private rental housing providers in Ottawa since 1990.

Our members range from the largest rental housing providers in Ottawa to the owners of one or two rental units. Our Board of Directors includes representatives of Paramount, Homestead, Minto, Osgoode, Hazelview, CLV, Ferguslea, District, Killam, CAPREIT, United Properties – Ottawa and Empire Holdings.

Through a special arrangement with them, the Ottawa Real Estate Investors Organization (OREIO) is a corporate member of EOLO. OREIO represents many small-scale rental providers and developers in Ottawa. An OREIO leader sits on the EOLO Board.

EOLO’s large members primarily own or manage existing rental buildings of more than 6 units in size. Some EOLO members also develop new rental buildings or homes for sale to owner-occupiers. Some have been doing so for over 50 years, and are very well known throughout the community.

EOLO’s smaller members primarily own and manage mid-size and small residential rental properties. They also include many investors who develop small rental buildings, or add additional dwelling units to existing single family homes, when they are allowed to do so by municipal rules

**Background**

EOLO has long pointed out the need for more housing supply, and the problem of rising municipal charges, requirements and delays, especially as they affect rental housing developments of all sizes. NIMBYism is a huge challenge to all rental housing development. NIMBYism is also a huge challenge to gentle intensification, and in particular to adding additional dwelling units.

Apartment towers tend not to provide rental units larger than two-bedrooms. In addition, many people with children want to live in a ground-oriented home with a yard where their children can play outside safely. To accommodate a growing number of renters with children, additional rental units on what are currently single-family urban lots are ideal.

EOLO’s members include small scale developers who specialize in buying suitable single-family homes, and adding an additional dwelling unit (ADU). Depending on their resources, and the state of the rental and home-ownership housing markets, they either rent out both dwellings, or sell the enhanced dwelling to an owner to occupy and rent out the ADU. In either case, additional ground-oriented housing is made available to families and others who want it, within established neighbourhoods.

(When it expanded the ability to add ADUs, the government seems to have thought that homeowners would add an ADU to their own home, but that is not the way most ADUs come about. Even for relatively small new construction such as an ADU, the development approval process and the process of construction is complicated. It is much more feasible for a small scale developer to build an ADU, than it is for a homeowner to build an ADU. The positive result is the same, since additional rental units are added to the housing stock, and homeowners can often benefit from the revenue from the ADU to help them pay their mortgage on the whole property.)

SPECIFIC ISSUES IN THE NEW REGULATION ABOUT ADDITIONAL DWELLING UNITS

**Parking**

EOLO supports the proposed regulation on parking for ADUs. EOLO also supports additional rules which would limit additional parking requirements, and permit parking spaces to be tandem spaces in more situations.

**Prohibiting additional barriers**

EOLO supports removing barriers and incenting ADUs by prohibiting municipalities from imposing development charges, parkland dedication, cash-in-lieu requirements or community benefit charges on ADUs.

**Permission to Tear Down & Rebuild / Additions**

Municipalities may seek to frustrate conversions by not allowing reasonable modifications / additions as-of-right to the existing structure in order to facilitate the adding of an ADU (like a second kitchen or a separate entranceway). Municipalities may also establish setback requirements that preclude the addition of more units to a lot in the main building or in an ancillary building.

We urge the government to take a bold approach and allow for new construction, in addition to conversions and renovations, as soon as possible. Ontario has a significant portion of aging existing buildings that will reach the end of their lifespan soon. Limiting the construction of more units to the adaptive re-use of existing structures is a missed opportunity to further the goals of residential intensification, energy efficiency, and accessibility upgrades.

**Unit size requirements**

EOLO also supports the new rules which provide that municipalities cannot place minimum size limits on ADUs. That is very positive, since it is one way in which municipalities could place an effective limit on the supply of ADUs by limiting the ability to meet the demand in the rental market. However, another way to place an effective limit on the demand for ADUs would be to set a maximum size. That should be prohibited.

A major benefit of ADUs is that they provide ground-oriented housing. Such housing is especially attractive to families. Relatively large ADUs are a welcome addition to the housing supply of two, three and four-bedroom rental units, when three and four-bedroom units are often not included in new rental apartment towers (or in condos for that matter).

EOLO suggests a rule that “No official plan may contain any policy that requires the maximum floor area of an ADU to be smaller than the size of the principal residential unit on the parcel by more than one square foot.”

**ADU configuration restrictions**

People often refer to ADUs as basement suites, and they can be basement suites. However, people who develop ADUs find that they often work better if the principal unit has a portion of the basement level and the ADU has a portion of the main floor (or even the main floor and the second floor). That provides a more efficient use of space for a laundry room, heating and hot water equipment and a den, as well as more and better light for bedrooms on the main or upper floors. It also means that the occupant of the principal unit is not walking over the occupant of the ADU at all or as much, which makes for better relations between neighbours.

EOLO suggests a rule that “No official plan may contain any policy that provides that any ADU must be limited to one floor or two floors of any building on the parcel.”

**Other issues**

The remaining provisions of the Regulation are unaffected by Bill 23. However, we recommend that they be maintained in the Regulation, as they provide helpful clarification on what restrictions **cannot be imposed** on ADUs, including:

* That the occupant can be unrelated to the owner of the lot and unrelated to the occupant of the primary unit;
* That additional residential units are permitted regardless of the date of construction of the primary residential unit; and
* That a tandem parking space is sufficient to meet parking space requirements.

EOLO appreciates the government’s actions to make ADUs more welcome and more feasible to meet Ontario’s growing housing demand.

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