



**TheCounty**<sup>™</sup>  
PRINCE EDWARD COUNTY ♦ ONTARIO

***“Small Homes” –  
A Discussion of Planning Issues and Options  
With Questionnaire***

## Introduction

A Motion of County Council directed Staff to initiate public consultation regarding the level of interest in smaller affordable homes, particularly through a supportive zoning by-law amendment that would reduce or eliminate the current minimum gross floor area of a new home. Council's interest in learning public views and opinions regarding smaller homes, as intended by the Motion, is to investigate a potential contribution toward positively addressing affordable housing problems. **Please read the discussion attached paper and share your thoughts through the questionnaire that follows.**

## Background

Small homes potentially offer an improved affordability and an efficient use of lands and infrastructure. In addition, small homes may address community interests in lifestyles that prefer less living space.

Historically, homes were often smaller than today's average yet housed larger families. Post-WWII homes were constructed when affluence was much less but families were larger. In recent years, small homes have attracted increased levels of attention most notably in response to unprecedented house prices. Other factors have also fueled the discussion – ageing demographics and fewer persons per household, environmental awareness and a desire to reduce one's carbon footprint, lifestyle changes, and an increased interest in second homes. With improvements in construction techniques, materials and furniture and appliance designs, smaller homes today can be made more comfortable and functional than before.

### *What are Small Homes?*

A report from the County of Simcoe's Social Services (the report) to its Affordable Housing Advisory Committee provided a good overview of the issues related to small homes. The report summarized a scan of literature related to small home initiatives and discussions related to reducing homelessness and to improving housing affordability. The County of Simcoe report classified smaller homes based on gross floor area<sup>1</sup>:

- *Micro House/Condo: 300 square feet (28 square metres) or less*
- *Tiny House (mostly stand-alone structures, often mobile): Between 300 - 600 square feet (28-56 square metres)*
- *Small House: Between 600 - 1200 square feet (56-111 square metres) (aligned with current Affordable Housing funding requirements and guidelines for modest-sized units)*

*Micro Homes/condos* are generating interest among residents who spend relatively little time in a domestic abode, such as person who work extended periods of time involving travel, or persons who find micro homes a preferred option over hotel stays when frequenting a locale for work or pleasure. Micro homes are often designed to be mobile.

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<sup>1</sup> County of Simcoe Social Services Report AHA-17-001 January 17, 2017

In the report, *Tiny Houses in Canada's Regulatory Context: Issues and Recommendations Provincial-Territorial-Municipal Working Group on Tiny Homes, 4 April 2016*, tiny homes are defined as, "...a maximum width of 8.5 ft. and a maximum floor area of 400 square feet (approximately 37 m<sup>2</sup>)..."<sup>2</sup>. Tiny Homes are commonly used for seasonal occupation (e.g. a park model trailer may have a maximum square footage of approximately 540 square feet, as per Comprehensive Zoning By-law 1816-2006), or in regions with climates that are agreeable to additional accommodation outdoors, using sunrooms and sheltered porches. On the upper range of the size, tiny homes approximate the gross floor area of some bachelor apartments or condos.

*Small Homes*, more than micro/tiny homes, are the general focus among many advocates for reducing homelessness and improving affordability, and are more aligned with social housing programs. Small homes offer lower total construction costs and land demands that can contribute to an economical form of housing.

### *Development Issues to Consider For Small Homes Options*

#### A. Location

Is small affordable housing best directed to serviced settlement areas where higher densities are feasible and community facilities are more accessible? Should small homes be used as employee residences associated with farming operations or as second dwellings used for extended family situations?

Importantly, affordable housing, such as small homes, will be integrated into the fabric of the general housing supply. Residents of affordable housing should realize a sense of community inclusion and avoid being socio-economically profiled, either through designated areas of small homes and apartment complexes or by being the dominant form of housing within a subdivision. A mix of form, sizes and tenures is important. All neighbourhoods should demonstrate a representation without an over-concentration of small affordable housing.

#### B. Varied Housing Forms and Tenure

The supply of affordable housing, including small homes, needs to address a variety of family sizes (small, medium, large), structure (single persons, families, extended families) and range of household incomes (homelessness, low-income, medium-low income, etc.). Therefore, the number of bedrooms and dwelling sizes of the supply of housing is encouraged to vary. Tenure associated with an affordable housing supply is also expected to be varied such as units supplied by non-profit agencies, rental, and market-entry ownership.

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<sup>2</sup> *Tiny Houses in Canada's Regulatory Context: Issues and Recommendations, Provincial-Territorial-Municipal Working Group on Tiny Homes, 4 April 2016*

### C. Costs

Generally, the total cost of construction of small homes is lower than larger homes. However, this can be off-set by the fixed costs such as kitchen/bathroom fixtures and appliances, heating, cooling and other standard components, site development (sewer and water hook-ups), etc. are similar between small and conventionally sized homes. So, costs on a per square foot basis, small homes can be comparatively more and are not as inexpensive as first impressions suggest. Small homes accommodated in a house-plex (a duplex, tri-plex, four-plex, etc. that mimics a large single-detached home and blends with the surrounding homes) can offer improved cost-efficiencies on a square footage basis. Also, if the homes are available only on a small-scale, condominium ownership can be less feasible.

Small homes also run against the challenge of additional soft costs associated with specific design needs, particularly for accessibility standards that demand wider hallways and internal doorways. Opportunities to mitigate design costs are increasingly available as the market responds to interest in small homes, particularly condo units. Through the use of specialized furniture and appliances small spaces can be better furnished. Also, through prefab small homes, customization is not required and can be accommodated where site conditions are conducive to installation.

### D. Functionality

Do small homes meet today's expected living standards and quality of life? Can small homes accommodate accessibility needs? Are small homes too restrictive or crowded for persons who are at home most of the time? Younger individuals who spend time away working or travelling and needing starter homes or affordable rentals might respond well to such living arrangements, whereas, couples with children may not cope well with limited space. A forecast of the demand for households by family size/composition and household income levels may assist in gauging the need for small homes.

### E. Finance

Financing the purchase/construction of small homes below 47 m<sup>2</sup> (500 square feet) can be a challenge<sup>3</sup>. Some financial institutions consider giving mortgages for small homes to represent a risk in re-selling it in the event of a default. The home-value gains in financing conventionally sized homes may be more effective than reducing overall capital investment into small homes that are less market-price responsive. Before concluding small homes as cost-effective, consideration should be given to financing conventionally sized homes that may withstand market stresses. In the paper, *Provincial-Territorial-Municipal Working Group on Tiny Homes*, additional financing issues are identified<sup>4</sup>:

*"In general, unless a tiny home is built on a foundation it is considered to be a chattel and normal"*

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<sup>3</sup> <http://business.financialpost.com/personal-finance/mortgages-real-estate/how-micro-condos-are-facing-their-first-real-test-in-canada-this-year>

<sup>4</sup> *Tiny Houses in Canada's Regulatory Context: Issues and Recommendations by the Provincial-Territorial-Municipal Working Group on Tiny Homes, 4 April 2016*

*mortgage financing does not apply. Tiny houses on wheels are not seen as having good resale value and consequently the house cannot be used as collateral to secure a loan.”*

#### F. Responsive to Long-term Community Needs

Whether small homes address a niche market or a widespread interest is not known. Small homes may serve an important role for young persons or empty nesters, whereas the needs of growing families may not be equally addressed. What are the affordability needs per age cohort, household size and makeup? Demand for different forms and sizes of homes changes with ageing demographic and economic conditions. Importantly, the housing supply of the community should address a wide audience and not represent a specialized form that is inflexible to changing societal needs. A house-plex for example, may be converted into larger or smaller units by moving or adding partition walls and site facilities are in place. In contrast, a development of small lots for small homes can establish a community bequest of a unique lot arrangement. Could small homes be feasibly re-purposed (re/moved, expanded, combined, etc.) should demand for small homes fall out of market favour?

#### G. Neighborhood Fit

Not all areas may be suitable for accommodating small houses, such as within established neighbourhoods predominated by heritage or estate-style homes. Although desirable to include affordable housing in such areas, sensitivity to the character of an established neighbourhood is important. For this reason, finding opportunities for infill developments on separate lots may be more challenging but does not exclude opportunities for small homes in house-plexes, or for second dwellings in or as accessory structures provided care is given to site design. However, through proper site placement and design, infill opportunities are possible. Infill guidelines would assist in accommodating small homes within established areas.

#### H. Municipal Fiscal Impacts

Commonly for rural areas, municipalities have generally encouraged estate-styled housing. This form of housing involved larger gross floor areas and higher landscaping standards in order to realize a higher standard of development. Other forms of housing, including most affordable housing such as small homes, have been directed to locate in settlement areas where services are already available. Rural residential development generally costs more to the municipality to service in comparison to similar developments in settlement areas. The estate-styled homes afforded higher levels of assessment that off-set the higher costs to service the rural areas (extensions of road maintenance, fire, police, etc.). Small homes in rural areas may result in lower average assessment rates per capita, and effect municipal fiscal balances accordingly. Some residents of affordable housing may prefer to reside where vehicle dependence is less demanding.

### *Options For Small Homes*

Initiatives in the promotion of small homes are likely to involve standards with increased densities which can be accommodated in a variety of ways, such as the following:

1. Small infill lots

Small infill lots, such as 30' frontages are feasible. However, maintaining frontages and areas that represent a good fit with the existing neighbourhood can be a challenge. Also, the number of small infill opportunities may be too few to realize substantive widespread gains in affordable housing in the community.

2. House-plexes

House-plexes are composed of two to six dwelling units in a single house structure. Promoting such developments can be effective where the character of the neighborhood can be maintained, and provided parking and fenestration (doors, windows) is properly designed. Also, small affordable housing within a house-plex can be integrated among single-detached homes of a similar overall size, which makes for good community inclusiveness for affordable housing patrons.

3. Mixed-use developments

Apartments over-top commercial uses for example, can make good use of existing infrastructure and shared on-site parking. Mixed-use developments tend to have higher densities that make cost-efficient use of site development, as well as efficient building costs - "cheaper to go up than out" (increased building height takes advantage of basic costs such as footings, heating/cooling systems, roof, etc.). Like house-plexes, this form of affordable housing supports social inclusion and access to employment and other services.

4. Pocket developments

Pocket developments are developments of three to twelve clustered small homes created through plans of subdivision/condominium (or site plan control approvals on single lots). Usually these occur either as greenfield developments along the edge of settlements areas or as a result of re-development and/or intensification of existing sites. This makes for larger infill projects and good 'starter homes'. Through policy, pocket developments are encouraged to not dominate or characterize a neighbourhood but be distributed across the community.

5. Density and Related Policies in the County Official Plan

Minimum residential densities are established through Official Plan policies. For example, the Picton Urban Centre Secondary Plan establishes a preferred target residential density of 25 units/net hectare (10 units/net acre). In order to achieve such density targets, the development industry responds by way of providing smaller homes, including a mix of single-detached homes and attached forms of housing. Special policies could also be considered that require developments to include a certain minimum number of small homes.

## 6. Rural, Hamlet, Village or Town

Through Official Plan policies, the Province generally directs development to occur in planned settlement areas so that the provision of services can be coordinated in a cost-efficient fashion. In considering new Official Plan policies specifically to small homes, clarification and direction will need to be established as to where small homes may be preferred to locate – settlement areas or rural areas.

### *Planning Act Framework*

#### The Provincial Policy Statement and the County Official Plan

The Provincial Policy Statement 2014 issued under Section 3 of the Planning Act establishes several policies regarding affordable housing. For example, accommodation costs are expected to not exceed 30% of gross annual household income for low and moderate income households. Although the PPS does not speak specifically toward encouraging tiny or small homes, Section 1.4.3 of the PPS provides some supportive direction as demonstrated in **bold** below,

*1.4.3 Planning authorities shall provide for an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents of the regional market area by:*

*a) establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households.*

*b) permitting and facilitating: 1. **all forms of housing** required to meet the social, health and wellbeing requirements of current and future residents, including special needs requirements;*

*...*

*e) **establishing development standards for residential intensification, redevelopment and new residential development which minimize the cost of housing and facilitate compact form, while maintaining appropriate levels of public health and safety.***

Similarly, the Official Plan supports affordable housing in many respects including supporting appropriate intensification developments, but again is silent on the concept of tiny or small homes.

#### Current Zoning By-law Standards

Currently, the Comprehensive Zoning By-law 1816-2006 establishes the following minimum gross floor areas in settlement areas:

<b>Zone Class</b>	<b>Minimum Gross Floor Areas</b>
Urban Residential 1 (R1)	Single-detached 75 m <sup>2</sup> (807.3 sq. ft.)
Urban Residential 2 (R2)	Single-detached 75 m <sup>2</sup> (807.3 sq. ft.)
	Semi-detached or duplex 65 m <sup>2</sup> (700 sq. ft.)

Urban Residential 3 (R3)	Minimum Floor Area Per Dwelling Unit:
	i. semi-detached, duplex or triplex 65 m <sup>2</sup> (699.7 sq. ft.)
	ii. converted dwelling 60 m <sup>2</sup> (645.9 sq. ft.)
	iii. apartment dwelling:
	1. bachelor unit 46 m <sup>2</sup> (495.16 sq. ft.)
	2. one bedroom apartment unit 55 m <sup>2</sup> (592.0 sq. ft.)
	3. two bedroom apartment unit 60 m <sup>2</sup> (645.9 sq. ft.)
	4. more than two bedroom apartment unit 65 m <sup>2</sup> (699.7 sq. ft.)
	5. senior citizen apartment unit 42 m <sup>2</sup> (452.1 sq. ft.)
Hamlet Residential (HR)	75 m <sup>2</sup> (807.3 sq. ft.)
Rural Zones	90 m <sup>2</sup>

The minimum gross floor area of 75 m<sup>2</sup> (807 square feet) for a detached home in the R1 Zone is compared to settlement residential zone standards of adjacent municipalities:

- Loyalist Township (urban): 96 square metres
- Town of Napanee: 96 square metres
- Town of Coburg: 112 square metres
- City of Quinte West: N/A, but accessory dwelling on a lot is 100 m<sup>2</sup>
- Belleville: N/A (Ward 1), 100 sq. m. (Ward 2)

For the above municipalities where the zoning by-law does not specify a minimum gross floor area, the Ont. Building Code (OBC) minimums are used. Section 9.5 of the OBC permits a minimum gross floor area of a home to be approximately 400 square feet (uncombined rooms). OBC minimums are permitted to be varied if justified through an acceptable Engineer's report. In the review paper, "Tiny Houses in Canada's Regulatory Context: Issues and Recommendations"<sup>5</sup> undertaken by the *Provincial-Territorial-Municipal Working Group on Tiny Homes*, a good review of minimum space requirements under the Ontario Building Code (OBC) is summarized together with a tiny home layout that would not be in compliance with the OBC. See Attachment #1 for the relevant excerpt.

## Summary

*Small homes* may offer to play a role in the addressing the spectrum of housing needs in the County. The intent of this discussion paper is to promote public consultation and to identify any special issues that may be applicable to a planning review. Accordingly, small homes may warrant being given consideration through updated Official Plan policies or through a revised zoning by-law.

**Through the attached questionnaire, please assist in identifying any special considerations that may be given to small homes as a policy option in addressing affordability and general housing options.**

<sup>5</sup> *Tiny Houses in Canada's Regulatory Context: Issues and Recommendations by the Provincial-Territorial-Municipal Working Group on Tiny Homes, 4 April 2016*



## Annex B - OBC Requirements for Areas of Rooms and Spaces

**Table B – OBC Areas Requirements for Rooms and Spaces**

Room or Space	Minimum Floor Area
Spaces Not combined:	
Living room or space	13.5 m <sup>2</sup>
Dining room or space	7.0 m <sup>2</sup>
Kitchen or kitchen space	
more than 2 persons	4.2 m <sup>2</sup>
not more than 2 persons	3.7 m <sup>2</sup>
Master bedroom or bedroom	
space	
no built-in cabinets	9.8 m <sup>2</sup>
built-in cabinets	8.8 m <sup>2</sup>
Other bedroom or sleeping space	
no built-in cabinets	7.0 m <sup>2</sup>
built-in cabinets	6.0 m <sup>2</sup>
Combined Spaces	
Living space alone when combined with dining and kitchen space in dwelling unit for not more than 2 persons	11.0 m <sup>2</sup>
Dining room or space	3.25 m <sup>2</sup>
Bedroom or sleeping space	7.0 m <sup>2</sup>
Living, dining, kitchen and bedroom in dwelling unit for not more than 2 persons	13.5 m <sup>2</sup>



**Figure B-1 House with Bedroom and Bathroom Non-Compliant with the OBC.** Cypress-Equator, Tumbleweed <http://www.tumbleweedhouses.com>

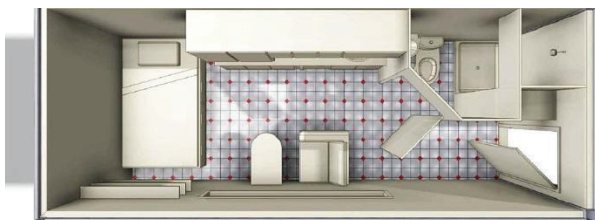
### Non-Compliant Examples

The critical values for many tiny houses are:

- the minimum areas for individual space that are combined with other spaces, and
- the minimum 13.5 m<sup>2</sup> (145.3 sq.ft) for the living, dining, kitchen and bedroom in a dwelling unit for not more than 2 persons.

See Figure B-1.

With a maximum 8.5 ft exterior width and assuming a total of 1.25 ft. for the exterior walls, the interior width would be 7.25 ft. (2.21 m). To comply with the minimum area, the length of the combination space would have to be a minimum 6.11 m (20 ft). Additional length would be needed to accommodate the bathroom and separate entry hall where provided (see Figure B-2).



**Figure B-2 Combined Spaces that Do Not Comply with the OBC.** Jr. Executive (160 sq.ft.), The Garden Suite Co.

<http://www.gardensuite.co/#!/jr-executive-model/p6a7x>

## **“Small Homes” – Questionnaire**

To assist in providing planning direction to the matter of developing small homes, please take a few minutes in answering the following related questions:

1. *Do you feel that the County suffers from the lack of affordable housing? If so, please rank who would benefit most from improved housing affordability (with 1 being the highest priority):*
  - *young individuals*
  - *young families*
  - *middle income earners*
  - *retirees*
  - *elderly*
  - *seasonal employees*
  - *other \_\_\_\_\_*
  
2. *Do you feel that small homes would address needs of most affordable housing needs who cannot afford larger homes? If not, whose circumstances would not be addressed?*
  
3. *Do you feel that smaller homes would address a residential demand other than affordability needs? If so, small homes would address what other needs or interests?*
  
4. *Small homes can be classed as follows:*
  - *Micro House/Condo: 300 square feet (28 square metres) or less*
  - *Tiny House (mostly stand-alone structures, often mobile): Between 300 - 600 square feet (28-56 square metres)*
  - *Small House: Between 600 - 1200 square feet (56-111 square metres)*

*What gross floor area (approximately) do you feel to be an appropriate size for a small home?*
  
5. *Have you ever resided in a small home as a principal residence? If so, would you be interested in a small home again? Explain.*
  
6. *In what form should small homes be built (prioritize preferences starting with 1 for the highest):*
  - a) *new standalone structures, infilling on small lots between larger homes,*
  - b) *second homes on the same lot as existing homes,*

- c) *new standalone structures on individual small lots in new subdivisions,*
  - d) *dwelling units in a new house-plex or apartment building, and/or,*
  - e) *dwelling units in a converted home?*
7. *Small homes could be located in settlement areas (hamlets, villages or towns) or throughout rural areas, or within both environs. Where do you feel appropriate locations for small homes to be preferred – settlement areas, rural areas or both areas?*
8. *For small homes on individual lots, do you feel the costs of site development and servicing a small home to be efficient when compared to an average sized home?*
9. *Which do you feel to be more efficient:*
- a. *financing a conventionally sized home over time; or,*
  - b. *reducing construction costs associated with a small home?*
10. *Would a small home fulfill a person's housing needs over the years, or would other housing forms also be needed?*
11. *Do you feel smaller homes would significantly contribute toward housing affordability?*
12. *In general, do you recommend Council promote small homes?*
- *Yes*
  - *No*
  - *Yes, subject to certain circumstances, such as:*

*End*

***Thank You for Contributing Your Thoughts to the Topic of “Small Homes”***