



Second Suites

An Information Guide for Homeowners



SECOND SUITES GUIDE

This guide explains what it means to operate an authorized second suite in a private house. It describes established standards that help ensure that houses with second suites are safe and livable both for you and for your tenants.

In Ontario, municipalities regulate residential zoning by-laws for second suites. These regulations have changed over time, and not all homeowners may be aware of the changes, nor of the complexities of creating a second suite.

To help you navigate through the regulations and requirements, the Landlord's Self-Help Centre has compiled the information that you need to operate a second suite and to address any community concerns. Knowing the standards will give you greater peace of mind and help you reduce your liability as a landlord.

We welcome feedback on this guide, and offer additional information on our web site www.landlordselfhelp.com. We encourage you to get in touch with any comments or questions you may have.

WHO IS INVOLVED?

In creating or upgrading a home with a second suite, you will encounter many city departments, associations and community agencies. *Be prepared:* there may be costs associated with permits and inspections by government officials.

Building Department

These city officials deal primarily with newly created suites and construction. They review zoning and building plans and administer construction permits.

Municipal Licensing and Standards

These city officials deal primarily with upgrading second suites. They review property standards and municipal codes, carry out inspections to ensure compliance with by-laws, and respond to complaints from neighbours about second suites.

Fire Services

Municipal fire services will perform fire safety inspections and provide confirmation letters about the fire safety of a house with a second suite.



Electrical Service Authority

This is a provincial, not-for-profit organization that ensures that wiring and electrical service to second suites comply with the necessary regulations and provides confirmation letters to document this compliance.

Community agencies

Many community groups provide public education on second suites and offer services to help tenants and landlords, including:

- mediation and conflict resolution;
- referral services;
- advertising space on bulletin boards, in newsletters or through Web sites; and
- information and referral services.

These agencies include housing organizations, community health centres, and clinics like the Landlord's Self-Help Centre.

THE BENEFITS OF SECOND SUITES

Authorized second suites can provide safe and affordable housing for Toronto residents. An estimated 20% of all secondary rental stock in Toronto can be found in private homes containing second suites. Despite fluctuating vacancy rates, second suites tend to be 10% to 15% cheaper than regular low-rise and high-rise apartments.

Second suites have a variety of tenants. Some may house aging parents who want to remain independent, but need support, adult children who have completed their education and are starting their careers. Others provide affordable housing for tenants in established neighbourhoods, close to jobs, transit and shopping. Homeowners benefit too, since the rent from a second suite can fund renovations or mortgage payments. Finally, the whole community benefits because additional residents can support local businesses and services.

NEW PROVISIONS IN THE CITY OF TORONTO

Provisions permitting second suites throughout the City of Toronto came into effect in summer 2000. The legislation allows homeowners within the 416/647 area code, to have a second dwelling unit in any single or semi-detached home (and, in some cases, within rowhouses).

Although second suites often take the form of basement apartments, they may occupy an upper floor, or the back part of a house.

For a second suite to qualify as authorized unit, it must meet:

- residential zoning requirements;
- property standards;
- occupancy standards;
- health and safety requirements; and
- fire and electrical codes.

Established standards ensure safety and comfort for both homeowners and tenants.

If you are a homeowner or homebuyer considering a second suite, take the time to learn about your obligations in owning a home containing a second suite. The time you spend planning ahead will better equip you to handle any situation that arises.

STEP-BY-STEP GUIDE

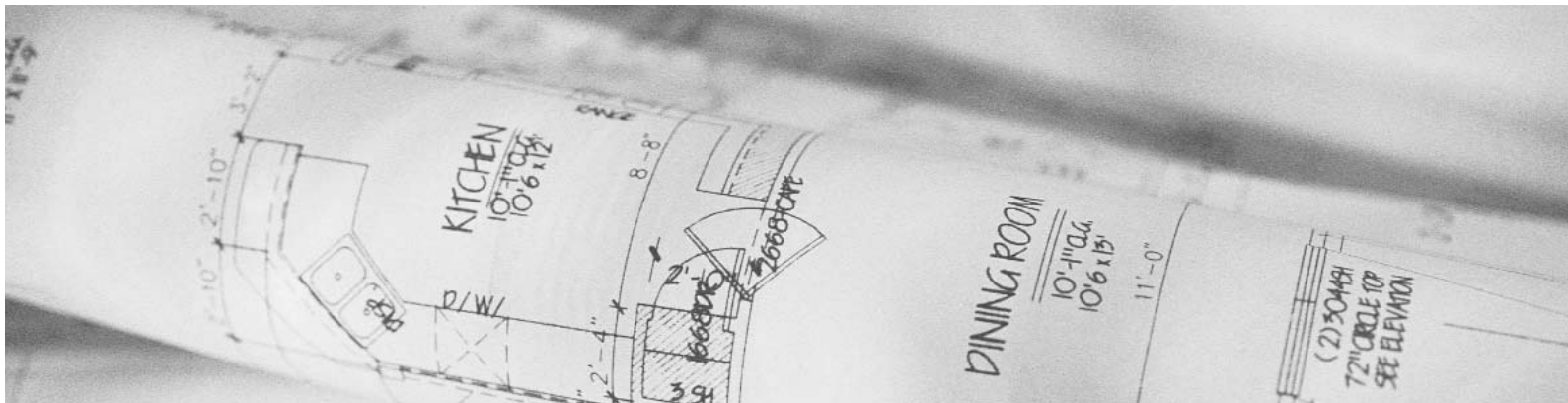
Whether you are looking to buy a home with an apartment, wanting to upgrade an existing rental unit, or considering building a new unit, you need to make sure you are doing it safely and responsibly. For each case there is a slightly different way of going about it. The path to follow depends on the work done to the property containing the second suite.



If there is no evidence that the home has ever had a separate dwelling, then you would be creating a new second suite. The area for a second suite may be unfinished and no permits have been issued to accommodate a second suite, or to allow an additional kitchen or bathroom in the house. Please see *Creating a New Unit* on page 3.

If your house already contains a rental unit or if it appears to have separate living quarters that have previously been used, it would be considered as an existing second suite. Please see *Upgrading an Existing Second Suite* on page 3.

However, if your property records do not indicate that your home has already been adjusted to create a two-unit residential dwelling, you may have to prove that the second suite existed previously by providing city officials with proper documentation.



CREATING A NEW SUITE

There are five basic requirements that must be met before an authorized second suite can be created. Before constructing a new second suite, you should assess if your property meets the following five requirements.

1. The principal residence must be at least five years old.
2. The house must be detached or semi-detached.
Provisions for rowhouses containing second suites have been made to acknowledge previously existing provincial legislation.
3. The exterior façade of the house cannot be significantly altered. *For example, adding a second and separate front door may not be permitted.*
4. The second suite must occupy a smaller area than the rest of the house and it must be a single, self-contained dwelling. *It must have a separate entrance and contain proper kitchen and bathroom facilities.*
5. The property must meet parking requirements. *Except in parts of the former City of Toronto, where provisions have been made to acknowledge limited availability of parking, there must be space for at least two vehicles.*

If your property does not quite meet the basic requirements, but there is only a very small discrepancy between the property and the requirements, you can apply to the Committee of Adjustment for a minor variance. However, the minor variance process can take time and may lead to some additional costs. See page 7 for more information on the Committee of Adjustment.

Building Permits and Inspections

You must apply for a building permit to create a new second suite. All new second suites must comply with the Ontario Building Code, residential zoning by-laws and property standards. Any new construction will require a permit and inspections.

Similarly, you will have to obtain permits for all plumbing and electrical work. There is a charge associated with each permit. Fees for each application vary depending on the type of work being done and the amount of work or square footage involved.

Building inspectors review projects during key stages of construction to ensure the work complies with the Building Code and approved plans. Inspectors may visit several times, depending on the project, and they must be able to see the work under inspection. Inspectors require a minimum of 48 hours' notice to book an inspection. They have extensive hands-on experience, so you should try to be around during their visits.

Note: *The Building Division will not inspect a house that you do not yet own. If you want an inspector to look at a property you are planning to buy, check the Yellow pages under Building Inspection Service.*

BUILDING DIVISION SERVICES FOR HOMEOWNERS

Preliminary Project Review

This new service, offered by the city, provides homeowners with detailed written zoning comments on a proposal for the

construction of a second suite. A small housing addition will usually require the submission of the following drawings:

A **SITE PLAN** is a drawing showing the property and identifying all the structures on the property in relation to the property boundaries. It should include an arrow indicating where north is, the lot lines and their dimensions, the distance between the structures and the lot lines, and any proposed changes to the existing grade.

A **FLOOR PLAN** is a drawing of a house as it would look if it were cut horizontally a few feet above the floor. One floor plan is required for every storey or level of the house affected by the new construction. Each plan shows the interior layout of the particular level and provides information on the size, type and location of exterior and interior walls as well as partitions.

ELEVATIONS show the exterior view of each side of the house. Each elevation is identified according to the direction it faces (north, east, etc.) and indicates the extent of new and existing construction along with items such as roof overhangs, roof shape and eavestroughs.

SECTION DETAILS provide a view of a house as it would look if it were cut through vertically at a particular location and illustrate construction details such as footings, foundations, walls, floors and roof.

All drawings must be accurately drawn to scale in ink, and must show existing and proposed constructions, along with elevations and dimensions.

Fast Track Service

This service offers over-the-counter, while-you-wait residential building permits for small building projects and minor alterations. It is available at all civic centres on specific mornings between 9 a.m. and 11 a.m. For more information on this service, contact the municipal office for the area in which your property is located. (See the back pages of this guide.)

Electrical Safety

Building permits do not cover electrical safety codes. You must contact the Electrical Safety Authority and arrange for an inspection of any change to electrical services or wiring that occur during construction of a second suite.

Doing It Right!

If you are constructing a new suite, consider hiring a general contractor. However, if you are already experienced in small construction or renovation jobs, you can save money doing part of the work yourself and acting as your own general contractor. This job includes coordinating the work of several tradespeople and arranging for inspectors to come in and see the work at the right times.

City officials can help you determine the feasibility of creating an authorized second suite. Take advantage of the professional expertise of Building Division staff before you submit an application for a building permit. Building inspectors and plan examiners can offer suggestions to help solve construction problems, often before they occur.

UPGRADING AN EXISTING SECOND SUITE

There are risks associated with operating a home containing separate living quarters. These risks are reduced when a home is properly equipped for a second suite, but you need to make the required changes before the suite is occupied.

Having an authorized second suite ensures that your home meets basic health and safety principles that protect you and your tenant. If an existing second suite does not fit the regulations, it would be considered an unauthorized unit. The onus is on you to ensure that your second suite meets established standards. If a fire or flood occurred, you could be held responsible.

The best way to establish a positive working relationship with city services would be to request an inspection yourself. Remember, someone else can also request an inspection of your second suite. For example, your tenant or a neighbour might ask a city official about the safety or maintenance of your second suite; the city would then respond to this complaint. Sometimes, properties containing a second suite are found during a routine neighbourhood inspection by a city official, and the city must follow up on this discovery.

When upgrading an existing unit, you should first approach Municipal Licensing and Standards, a division of the Urban Development Services Department of the City of Toronto.

Your tenant or a neighbour can contact the city about safety or maintenance concerns relating to a second suite, leading to an inspection by city staff.

Getting an Inspection

You should arrange for an inspection of your second suite. An inspection of a second suite is a two-step process. First, Municipal Licensing and Standards will check that zoning regulations permit a second suite on your property. Then, an official from Municipal Licensing and Standards will come to your home to inspect the property. This usually happens within a couple of weeks of your request, depending on the availability of inspectors.

The inspector will ensure that your second suite is fit for habitation, using the regulations contained in the City of Toronto Municipal Code, Chapter 629, relating to occupancy and property standards. There is no charge for this inspection.

Once a second suite is approved for zoning, you will be referred to City of Toronto Fire Services for an inspection for life safety systems compliance at no cost.

Municipal Licensing and Standards can help you with general inquiries about fire, building and electrical codes, and refer you to the right sources for more information.

HOW TO PREPARE FOR AN INSPECTION

Every inspection will review of the following:

- Is the property permitted to have a suite within the existing residential zone?
- Does the dwelling fit within basic conditions?
- Does the property have all the right building permits?
- Does the suite meet the City's property standards?

If a Municipal Licensing and Standards inspector finds that the second suite does not comply with one or more requirements, he or she will issue a charge or a notice of violation. This is not intended to penalize you for trying to upgrade your second suite; it is intended to ensure that your suite meets the standards for getting authorization.

If the inspector does approve your second suite, you should proceed to arrange for a Fire Services inspection.



RESOLVING COMPLIANCE ISSUES

A charge or notice of violation may vary, depending on the nature of the infraction. A specified date may be attached to this compliance order. Compliance may be obtained in several ways:

- renovating the property so it fits within established standards;
- addressing zoning variances through the Committee of Adjustment;
- closing the second suite.

Notice of Violation

In order to operate an authorized second suite, you must comply with any recommendations made by Municipal Licensing and Standards, and do so at your own cost. The possibility of achieving compliance depends on the nature of the violation and the time and cost to correct it. Most minor deficiencies are correctable. If Municipal Licensing and Standards finds that your second suite does not comply with the zoning by-law, you may apply for a variance through the Committee of Adjustment.

The Committee of Adjustment

Toronto's Committee of Adjustment consists of citizen members who regularly hold public hearings to consider applications for minor variances, permissions, and consents. The Committee is required to ensure that the intent and purpose of both the Zoning By-law and the Official Plan are maintained, and that the proposal is appropriate for the development and use of the subject land or building.

When you apply to the committee, all registered owners of land located within 60 metres your property will be notified of your application. The committee will set a time and date for a public hearing. All interested persons are invited to attend the public hearing to express their views and concerns. If you disagree with the Committee's decision, you will have 20 days to appeal the decision to the city.

Non-permitting use charge

If the inspector finds a condition that poses a significant risk to the safety of your tenants or your household, you may be required to shut down the apartment immediately and remove the elements that make it a separate unit within your house. You may be asked to take out any doors, locks or walls that separate the rental unit from the rest of your home, along with kitchen equipment such as a refrigerator or stove. It is up to the inspector to decide whether or not to issue a request to remove tenants and components of the apartment.

If a second suite unit has existing tenants, and you are required to shut down the suite, you may find yourself in a difficult position. Under the *Tenant Protection Act* there are specific reasons for which a landlord may remove an occupant and a specific process to follow. Be sure to check the requirements and to follow the proper procedures of the Act if you need to remove tenants from the second suite.

HOW TO HIRE A CONTRACTOR

Whether you are creating a new second suite, or carrying out renovations to upgrade a second suite, it is your responsibility to ensure all work is done according to legal requirements. You are also responsible for calling the city for an inspection at certain stages of construction. Hiring a contractor with relevant experience and the proper insurance is a good way to meet these responsibilities.

A general contractor is responsible for:

- the quality and completion of all work set out in your contract;
- paying public liability and property damage insurance to cover workers; and
- removing debris and cleaning up the site after construction.

To complete specialized jobs such as wiring, plumbing, carpentry, dry walling or general labour, a general contractor will often hire a subcontractor.

Finding a contractor

You can get information on contractors from one of several sources:

- recommendations from people who have had similar work done;
- the Greater Toronto Home Builders' Association;
- hardware and building supply outlets that do their own contract work and offer the same guarantee they do on their retail goods; and
- the Yellow Pages: look under General Contracting or the specific building trades needed.

Seek out a licensed practitioner with experience and formal training in the area of work that you require. Look for one who is affiliated with a credible association or agency and has good references. You should also check for public liability insurance coverage on the company or contractor.

You should ask at least three contractors to bid on any work required. Approach the contractors when plans have been drawn up, so they will all be basing their estimates on the same information, and both you and they are clear about what is needed.

Do not select a contractor who:

- gives you an estimate without seeing the job site;
- asks for a large down payment for materials; and/or
- refuses to provide a written contract stating exactly the work to be done.

Wait until you received all the estimates before you make your decisions. All estimates should have a detailed breakdown of labour and material costs. The lowest estimate is not necessarily the best. Make sure the contractor has considered all the work you want done and is bidding on the same work as the others. Always ask for a receipt for payments and do not pay for work that has not been completed, except special orders for materials.

Holdbacks

Do not make your final payment or sign a certificate of completion until all work is completed to your satisfaction. Hold back 10% of each interim payment to ensure that a lien cannot be placed on your property by suppliers or workers whom the contractor did not pay. You can check at the Land Registry Office to ensure that no lien has already been registered. Holdbacks should be released after 45 days, when the time limit for creditors to register a lien has expired.

The Toronto Licensing Tribunal will provide information about any previous complaints on a contractor, and can later offer mediation services for any disputes that may come up.

The Contract

The only way to make sure your contractor will do the work as expected is to have a contract that includes:

- names and addresses of both parties;
- a description of the work to be done;
- materials to be used and workers to be hired;
- identification of responsibilities such as obtaining necessary permits and other paperwork, or removal of debris;
- a statement of warranties, along with details of property damage insurance and public liability; and
- start and completion dates with prices and payment schedules.

You can write up a contract yourself if both you and the contractor agree to its terms and sign it. The same applies if you or your contractor need to make any changes as unexpected situations arise.

If you have problems with a contractor

You can lodge a complaint against a contractor or subcontractors with Municipal Licensing and Standards at the City of Toronto. A representative will meet with you to investigate the complaint.

If the representative determines that the complaint has serious implications for the contractor's licence, he or she will file a report with the Toronto Licensing Tribunal. The tribunal will hold a meeting to hear your complaint and make a judgment as to whether the contractor's license should be retained, revoked or have conditions placed on it.

WHAT IS A PERMIT?

A permit is written approval that grants you formal permission to make significant structural changes to your house and helps ensure that any structural change is safe, legal and sound. It should be obtained before you begin any construction or demolition.

The building permit process ensures that building standards are met and protects your interests, as well as those of the community at large. Your contractor may get permits on your behalf, but it is ultimately your responsibility to comply with all requirements.

You can apply for any type of permit at any City of Toronto Building Division, Monday to Friday, 8:30 a.m. to 4:40 p.m. Contact the building department in the area in which your property is located. Contact numbers for each district can be found in the back of this guide.

What happens if you do not get a permit?

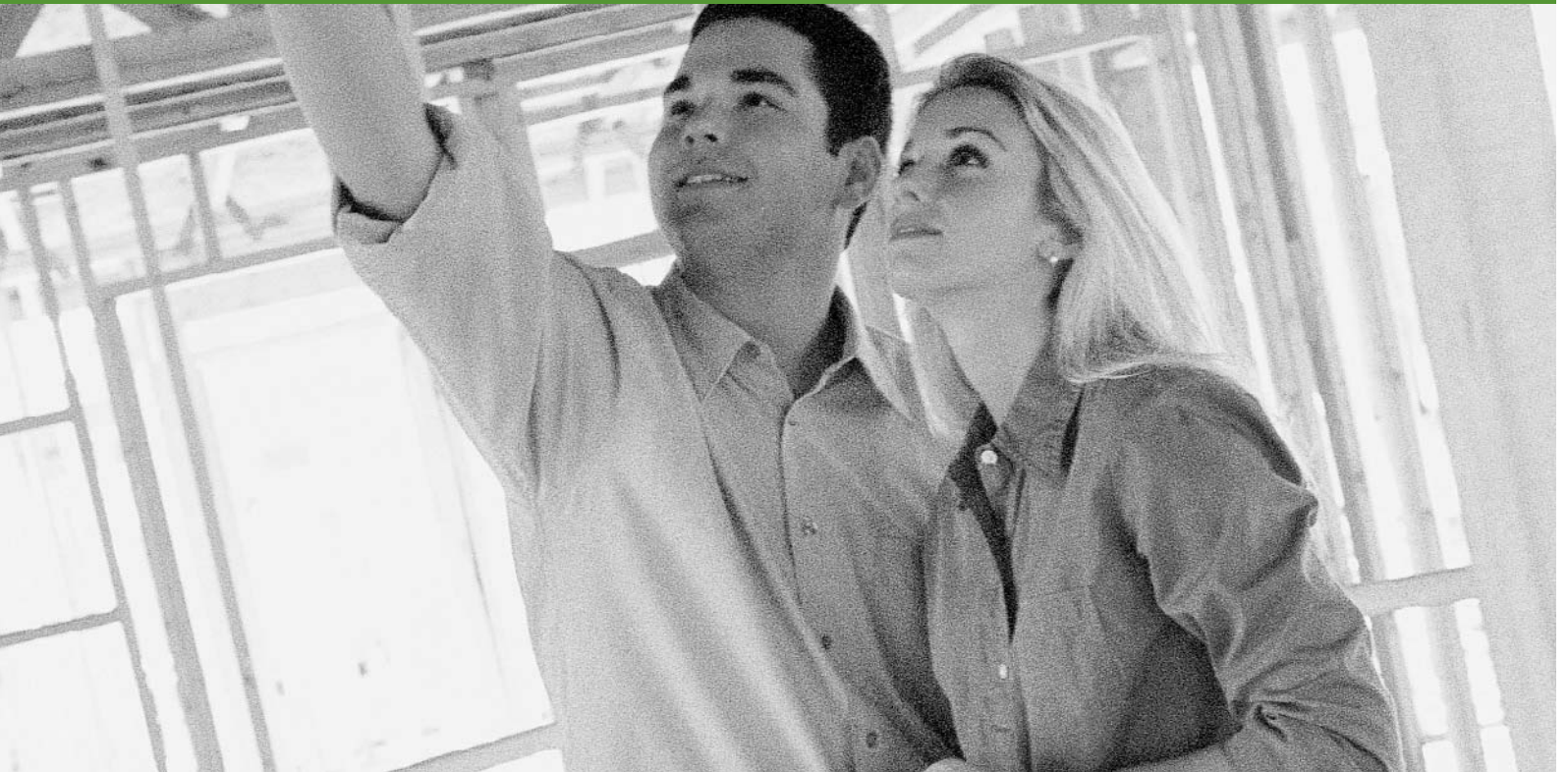
If you start construction but do not have the necessary permits, you may be ordered to stop work, prosecuted, and even ordered to remove work already done. If you are uncertain as to whether you need a permit for your project, contact your local civic centre directly.

YOU NEED A PERMIT TO

- renovate, repair or add to a building;
- demolish or remove all or a portion of a building;
- change a building's use;
- install, change or remove partitions and load-bearing walls;
- make new openings for, or change the size of, doors and windows;
- build a garage, balcony or deck;
- excavate a basement or construct a foundation;
- install or modify heating, plumbing, air conditioning systems or fireplaces.

YOU DO NOT NEED A PERMIT TO

- replace existing, same-size doors and windows, subject to distance from property lines;
- install siding on small residential buildings, subject to distance from property lines;
- build a roofless deck under 2 feet (0.61 metres) that is not attached to a building;
- build a utility shed under 100 ft² (9.29 m²);
- reshingle a roof, provided there is no structural work;
- install eavestroughs, provided that drainage is contained on your property;
- replace or increase insulation, drywall or plaster;
- damp-proof basements;
- paint or decorate;
- install kitchen or bathroom cupboards without plumbing; erect a fence (except for swimming pools; outside pools require permits).



MEETING FIRE SAFETY STANDARDS

New Suites

Whether or not any construction takes place, the conversion of a home to a two-unit residential occupancy will require a building permit. Plan examiners will review life safety systems when you submit an application to the Building Division for the creation of a new suite. Thus, in creating a new suite in your house, you will have to consult with the Building Division; this will also ensure fire code compliance.

Existing Suites

Fire safety requirements for an existing suite are found in the *Ontario Fire Code*, Section 9.8, “Two Unit Residential Occupancies” (Regulation 385/94). Any existing second suite requires a General Inspection for Fire Code Compliance of Two Unit Residential Dwelling carried out by the local municipal fire service. You should carry out your own initial assessment before calling for an inspection. Check the Fire Code to determine if anything needs to be upgraded in your home to meet code requirements.

Preparing for a fire inspection

Before you embark on any change or construction, contact the Plans Examination Section of your local Fire Services office. This simple step can save you time and money. You will be asked to prepare floor drawings of your property and to arrange for a preliminary planning review. You need to provide three sets of drawings for each floor of the property containing the second

suite. This should basically be a general site plan that shows location of all walls, doors, transoms, windows (interior and exterior), stairways, fire escapes and balconies.

The plan examiner will review the drawings and give you feedback on specific details and any required changes to make sure your home meets established codes.

Ultimately the onus is on you to ensure that your home complies with provisions set out in the Ontario Fire Code. In all cases, minimum fire safety requirements must be met. The penalty for fire code violations is a fine of up to \$25,000 or a prison term of up to one year, or both.

Where can I get information?

In addition to the simplified chart in this guide (see next page) you can get information on fire regulations from several sources:

- Fire code regulations with visual examples are detailed on video entitled *Fire Safety for Apartments in Houses*, available at Toronto public libraries.
- The entire code can be downloaded from the Web in the related links page of the Second Suites information hub found within www.landlordselfhelp.com.
- Fire regulations with commentary can be purchased directly at *Publications Ontario*, 1-800-668-9938.

The quality of living conditions and the protection of every resident living in a house with a second suite is very important. All second suites must comply with the basic life safety systems defined in the Ontario Fire Code. Take the time to review the following requirements:

FIRE SAFETY PRINCIPLE	DEFINITION	FIRE CODE REQUIREMENTS AND EXAMPLES*
Containment	Creating a “box” around your rental unit by having horizontal and vertical fire separations will confine and restrict a fire. Ensuring that all walls, ceiling and flooring fit within regulation helps limit the spread of smoke and controls the size of a fire within a second suite.	<p>Any wall or floor assembly required as a fire separation shall be constructed as a continuous barrier against the spread of fire. Each dwelling unit shall be separated from other rooms and areas by a fire separation with assured fire resistance rating. For example:</p> <ul style="list-style-type: none"> • Any walls between a common corridor and dwelling units should have a 30-minute fire resistance rating. • Doors that are part of a fire separation shall have a 20-minute fire-protection rating and be equipped with a self-closing device. • Existing wall and floor assemblies consisting of membranes of lath and plaster or gypsum board are acceptable. • 20-minute fire-resistant doors, including any existing 1_-inch solid wood core, hollow metal or kalamein doors, are acceptable. <p>Examples of items less than 15-minute fire-resistance rating include wood panelling, non-rated ceiling tiles, and open wood joists.</p>
Detection and early warning	Having an alarm system in a home will enable occupants to know that there is danger. Providing early warning signs of a fire enables homeowners and tenants enough time to evacuate safely.	<p>Smoke alarms shall be installed and in working order in each dwelling unit.</p> <ul style="list-style-type: none"> • “Listed” interconnected smoke alarms shall be installed on or near the ceiling on each floor within a dwelling unit including every basement. • “Listed” hard-wired or battery-operated smoke alarms shall be installed near bedrooms (“hard- wired” refers to permanent wiring from the device to the hydro panel).
Means of egress	Providing an acceptable and adequate way to get outside the home is a key safety feature if a fire occurs. Ensuring that access to these exits is clear and unobstructed allows occupants a safe environment for evacuation.	<p>Each dwelling unit shall be served by at least one means of escape consisting of a door that serves only that dwelling unit, opens directly to the exterior from that dwelling unit, and has direct access to the ground level.</p> <ul style="list-style-type: none"> • A continuous path of travel must be provided for the escape of persons from any point in a building to an exit. • Windows may serve as a second means to escape, but they have specific requirements. • Fire escapes may be used. • The exit must lead to a safe location outside the building. • Protection of exits consist of a fire-separated shared interior wall or stairway.
Suppression	Using specialized equipment to slow down or stop a fire can protect the lives and property of a homeowner and tenant. The ability to control and extinguish fires throughout the home will also ensure better access to the building for the fire department	<p>A fire extinguisher should be provided in each dwelling unit. Routes to facilitate access for fire fighting operations shall not be obstructed by vehicles, gates, fences, building materials, vegetation, signs or any other obstruction.</p> <ul style="list-style-type: none"> • Provide a minimum of a 2A portable fire extinguisher. • Provide unobstructed walkways from the street to the principal entrance of the building. • Ensure fire hydrants near your residence are accessible to fire fighters at all times.

*Refers to the Ontario Fire Code, Section 9.8 for all requirements of two-unit residential occupancies.

RETROFITS AND INSPECTIONS

To ensure the safety of your home, you should retrofit an existing suite to meet current fire safety codes. A step-by-step procedure has been established to assist in the approval process.

Obtain zoning approval

Although municipal by-laws allow second suites throughout the city, certain zoning considerations must be met. In order to get a fire inspection, your property must be approved by Municipal Licensing and Standards in terms of zoning.

Get clearance from the Electrical Safety Authority

Electrical safety is a key component of fire prevention. Ensuring that your home contains a safe service and wiring system will increase the safety of the property. You must arrange for your home to be inspected by the Electrical Safety Authority and correct any identified deficiencies that result from this inspection before you get approval for a fire safety inspection.

Work to meet code requirements

Once you have consulted Municipal Licensing and Standards or the Buildings Division, you will have a clearer idea of what needs to be done. Follow all recommendations to meet established standards in a proper manner before calling for an inspection.

Arrange for a fire safety inspection

Once both dwelling units have been inspected and found to comply with fire code, you may request a “Letter of Inspection” as a record of the inspection.

Keep in Mind

Carbon monoxide detectors must be installed on the same floor as any fuel-fired appliance and two floors above it.

It is your responsibility to maintain all of detection devices in good working order.

Carbon monoxide detectors and smoke alarms must be audible from the bedroom of the second suite, even with the door closed.

ELECTRICAL SAFETY

Checking to see that the electrical service for your home is safe and useable is always a good practice. If you are operating a second suite, this is especially important. Not only will this help you obtain insurance, but it can also benefit you if and when you resell your property. Most importantly, though, it will reduce hazards for you and your tenant.

Any home containing a second suite will need a General Inspection for Compliance of Two-Unit Residential Dwelling to be considered an authorized unit. This will guarantee the electrical service is safe and useable for the number of people living in the house and for the appliances in the home.

Requirements for electrical installations and electrical equipment can be found in various sections of the *Ontario Electrical Safety Code* (Ontario Regulation 10/02). A licensed practitioner should carry out any electrical work, followed by an inspection by a representative of the Electrical Safety Authority.

OBTAINING A CERTIFICATE OF INSPECTION

Apply for an inspection

Requests for an electrical inspection should be filed before or within 48 hours after the start of any electrical work on your house. If possible, the application should be made by the company or individual planning to carry out the work. All requests for electrical inspection are documented, tracked, and forwarded to an electrical inspector to respond. There are fees associated with this kind of inspection.

Respond to notification

Unless the Electrical Safety Authority is responding to a hazardous or emergency situation, notice of the request for inspection will be provided in writing, and arrangements will be made to schedule an inspection. Both the homeowner unit and the second suite will be inspected.

Correct any defects

After the inspection, the ESA will identify any hazardous defects. This information will be given to you with a time provision for correcting the defects, based on the hazard associated with each specific defect. Before you make the necessary changes, you must apply for a permit for any electrical wiring work. Fees for permits vary with the type and quantity of electrical installations being done.

Obtain a Certificate of Inspection

Once all defects have been corrected and electrical installations have been inspected and comply with the requirements defined in the *Ontario Electrical Safety Code*, you may request a “Certificate of Inspection” as a record of compliance.

WHAT IS THE ELECTRICAL SAFETY AUTHORITY (ESA) LOOKING FOR?

The ESA will conduct a visual inspection to see if the existing wiring and electrical service are safe. In addition to ensuring that electrical installations meet the requirements of the Ontario Electrical Safety Code, the inspector will check to see whether these installations are in good shape. This review includes:

ensuring electrical plugs are grounded, and not reversed in polarity, as well as ensuring proper use of extension cords;

ensuring exterior and bathroom plugs meet Ground Fault Circuit Interruption (GFCI) requirements for all installations of exterior plugs as of 1977 and all bathroom plugs installations as of 1983;

checking all electrical receptacles and devices, ensuring that receptacles have proper covers and fit within the established standards (that is, that the size and the spacing apart is sufficient and that they lead to a proper amp service – less than nine receptacles per circuit will likely be approved if all else is adequate; more than 12 receptacles will be refused);

reviewing the way in which electrical conductors are used and ensuring there is no deterioration or exposed wiring; misuse can often be detected if there are loose or hot wires and any insulation that is deteriorated will be dry or brittle;

ensuring main service is in good working order and that existing breaker devices are properly connected; this involves checking for discoloration or indications of moisture or overheating to any wiring, seeing if the right fuse amp is in the socket (generally 15 amps/socket), and checking for evidence of peripheral damage from a blow out; and

checking that electrical equipment used in the home is approved for use in Ontario.

RUNNING A SECOND SUITE BUSINESS

Having a second suite in your home is the same as operating a small business. There are advantages and disadvantages, and naturally, you want to maximize your gain.

What about my income tax?

Keeping good records is important. Under the *Income Tax Act* and its regulations, you must declare all of the rent you collect as “income.” Any reasonable expenses made in operating a second suite may be deducted from your rental income, under certain conditions. If the second suite occupies one-third of the property and your household occupies two-thirds of the house, then you can deduct one-third of certain expenses that apply to the entire house from your rental income. Expenses that apply only to the second suite are 100% deductible from rental income.

You must back up all purchases and operating expenses with invoices, receipts, contracts or other documents. You can also write off certain types of payments as capital cost allowances over several years. Any questions about the effect of rental income on your income tax can be directed to Canada Customs and Revenue Agency. They also publish a pamphlet, *Rental Income Tax Guide*, which is available free of charge.

Expenses a homeowner can deduct

100% DEDUCTIBLE:

- vacancy advertising costs;
- accounting costs;
- legal expenses (preparing leases or solving landlord-tenant matters);
- interest on last month’s rent (paid to tenants when you return their deposit).

PARTIAL DEDUCTION (% based on area of suite in relation to home) mortgage interest;

- property taxes on whole house expenses;
- heat, light and water (unless the tenant pays separately);
- insurance premiums;
- some maintenance and repair items;
- some landscaping costs;
- legal fees of a sale (if purchased with the intent to rent).

Will my property taxes increase?

Overall, the property tax impact of second suites will be small. Usually, a property’s current value assessment (CVA) does not increase unless there is a 5% increase in the total property value, or at least \$10,000. Depending on the location, a second suite generally increases the value of a home by only 2% to 5%, usually not enough to result in a CVA increase.

The major exception would be a second suite that is created by building an addition. This could significantly affect the total value of the property and result in a property being reassessed. If you want to get some idea of the possible change to your property tax, call the Property Tax Inquiry Line (see page 17).

Insurance Considerations

Notify your insurance company or broker as early as possible about your plan to add a second suite to your house. You should adjust your policy, before *and* after construction, to reflect the changes in liability exposure and value of the house. Your current insurance company will probably be willing to continue coverage once you rent the suite. If not, you can always arrange coverage with another company.

Expect an average increase of 15% to 50% on your annual premiums (remember, part of your insurance expenses will be tax-deductible). You can buy additional insurance to protect you against the loss of rental income if fire or an accident prevent you from renting out your suite.

Increasing your personal liability insurance to reflect your new position as a landlord is especially wise. You should also ensure that you properly insure all workers and subcontractors during construction.

For more information, call the Insurance Bureau of Canada (see page 17).

Are you ready to be a landlord?

Besides the investment needed to create a second suite, you should understand all the legal obligations involved in becoming a landlord. You have the right to collect rent on time, not have your property damaged and not be harassed or disturbed by your tenant. You also have legal responsibilities. Most important, you are responsible for providing a safe home to your tenants.

The relationship with a tenant is governed by *Ontario’s Tenant Protection Act*. The following three provisions from the Act are especially relevant for second suites:

- security of tenure: a tenant has the right to occupy the suite until valid grounds for eviction are proven and proper notice has been given, even during a dispute;
- housing standards: a tenant has the right to live in a suite that is habitable, safe and properly maintained;
- reasonable enjoyment: a tenant has the right to have overnight guests, to cook foods they enjoy, and to come and go as they please.

All tenancy agreements are subject to rules and regulations about discrimination under the *Human Rights Code*. As a landlord, you should be aware how this affects the tenant selection process and your interactions with the tenant. Community mediation services can often help resolve problems when you and your tenant disagree. Several services are available to help both a homeowner and a tenant.

SELLING OR PURCHASING HOME WITH A SECOND SUITE

A second suite can increase the resale value of a home, since the income potential of an existing suite will attract purchasers. Compliance with established standards increases the marketability of the property and may enable you to qualify for a larger mortgage loan.

Each transaction involving a second suite will be different, depending on the property. For example, if you buy a house containing a rental unit, you may find lenders or mortgage insurance brokers reluctant to provide funding if the unit does not meet fire safety standards. You may also face very serious consequences if you rent out a non-conforming suite and an accident occurs.

When purchasing a home containing a second suite, be sure to request and carefully review documentation relating to permits and inspections required for an authorized unit. Similarly, if you plan to sell a home with a second suite, consider upgrading the existing unit so that it fits within established standards, as

compliance may make your home easier to sell. Be sure to keep all the documentation for interested homebuyers.

Selling a rental property with tenants in possession can be a challenge. You must comply with the provisions of the *Tenant Protection Act* with respect to a tenant's privacy when arranging for appraisers and prospective purchasers to view the house. You also need to be familiar with the process for terminating a tenant's lease.

Special note to Realtors

Real estate agents are licensed by the province under the *Real Estate and Business Brokers Act* and hold an obligation to ensure all sale transactions reflect a homebuyer's awareness of the risks associated with the purchase of a home containing a second suite. The public will rely on the realtor for accurate information. Realtors can reduce their own risk, and that of their clients, by telling clients about the rules for second suites. If this does not occur, the realtor may be held liable. Contact the Toronto Real Estate Board for more information (see page 18).



WHERE TO GET MORE INFORMATION

This following list provides contact information for the organizations and departments described in this guide.

Landlord's Self-Help Centre416-504-5190
www.landlordselfhelp.com

Buildings Division
www.toronto.ca/building

East York Civic Centre
 850 Coxwell Ave.416-397-4488
 Etobicoke Civic Centre
 399 The West Mall416-394-8002
 North York Civic Centre
 5100 Yonge St.416-395-7000
 Scarborough Civic Centre
 150 Borough Dr.416-396-7526
 Toronto City Hall
 100 Queen St. W.416-392-7539
 York Civic Centre
 2700 Eglinton Ave. W.416-394-2490

Municipal Licensing and Standards
www.toronto.ca/licensing

West District (Etobicoke and York)416-394-2535
 East District (Scarborough and East York)416-396-7071
 North District (North York)416-395-7011
 South District (Toronto)416-392-6940
 Business and trades licensing416-392-3051
 To lodge a complaint about a contractor416-392-3113

Toronto Fire Services
www.toronto.ca/fire/prevention

Etobicoke and York416-338-9450
 North York416-338-9150
 Scarborough and East York416-338-9250
 Toronto416-338-9350

Access Toronto416-338-0338
www.toronto.ca/accesstoronto

Access Toronto is a general inquiry line and can assist homeowners with information on second suites specific to the City of Toronto.

Electrical Safety Authority905-507-4949
www.esinspection.net

Tax Information
 Income Tax Information800-959-8281
 Rental Income Tax Guide800-959-2221
 Property Tax Inquiry Line416-338-4829

Land Registry Office416-314-4430
 This office can provide a survey of your property which you may need when applying for a building permit, insurance, mortgage or other legal purposes.

Insurance Bureau of Canada416-362-2031
www.ibc.ca

Canada Mortgage and Housing Corporation
www.cmhc-schl.gc.ca/en/index.cfm

CMHC has an excellent Web site full of valuable information on all the things you need to consider when renovating your home, including hiring a contractor.

Ontario Association of Architects416-449-6898
www.oaa.on.ca

The OAA can help you find an architect to create architectural drawings of your renovation project. You will need drawings done to scale in order to get a building permit. They do not have to be done by an architect. You can do the drawings yourself, as long as they are drawn to scale.

Greater Toronto Home Builders Association (GTHBA)
www.newhomes.org

GTHBA has a wealth of online articles that provide valuable information on hiring a contractor. Visit the GTHBA Web site and search by typing "hiring a contractor." You will find dozens of links to relevant articles.

Renomark416-391-4663
www.renomark.ca

Renomark is a service of the Greater Toronto Home Builders Association. Only renovators who abide by the program's code of ethics may participate. These renovators agree to provide warranties to their customers; to value good customer service; and to keep up with the latest information, trends and regulations in home building.

City of Toronto, Consumer Services Bureau416-326-8800

Before hiring a contractor, check to see if any complaints have been lodged against the contractor. You must submit a request under the *Freedom of Information Act*. The Bureau can tell you only if a complaint has been lodged, it cannot provide you with details of specific complaints.

Toronto Real Estate Board416-443-8100
www.torontorealestateboard.com

Add numbers for Committee of Adjustment?

