

# Your Guide to Laneway Houses & Garden Suites

A STEP BY STEP GUIDE TO SUCCESS.



KEY TO WEALTH  
REAL ESTATE GROUP



## WHY KEY TO WEALTH

At Key to Wealth we focus exclusively on helping our clients responsibly build wealth in real estate by finding them the best investment opportunities, taking advantage of the best financing and government incentives and maximizing the value of their real estate investments.



Jeff is a seasoned real estate investor with over a decade of experience in the field. With a passion for investing, Jeff has built a successful career in real estate and has helped many individuals achieve their financial goals through smart investments.

While Jeff wouldn't say it himself, he is a true real estate investment guru. Having successfully completed his own investment projects from the ground up, he brings his clients experience and expertise that is second to none.

Jeff meticulously evaluates every real estate investment for his clients and has a thorough understanding of costs, value and upside.



James is an award winning Realtor with extensive experience in working with real estate investors to find and develop profitable projects.

After graduating from Western University with a degree in Economics, James founded his own successful business, which he ran for more than 5 years. James began his real estate career in 2017 and has since founded Key to Wealth with Jeff.

James is personally a seasoned real estate investor having purchased and improved his own investments.

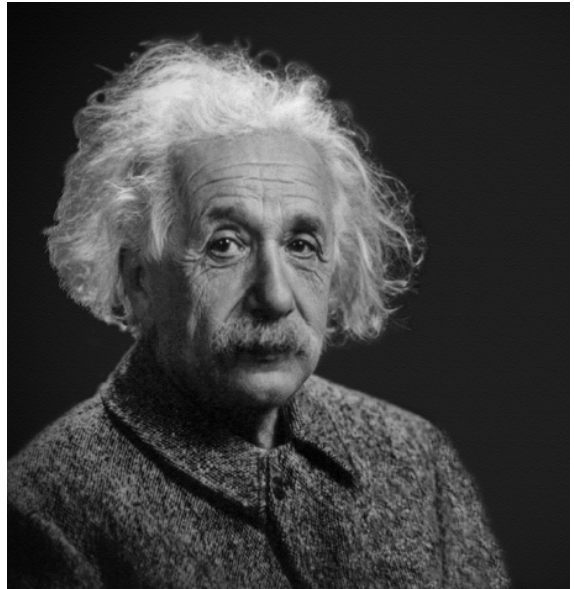
James brings an infectious energy and enthusiasm to the Key to Wealth team and treats all his clients investments as if they were his own.



“

The rich buy assets. The poor have expenses. The middle class buy liabilities they think are assets. The poor and the middle class work for money. The rich have money work for them.

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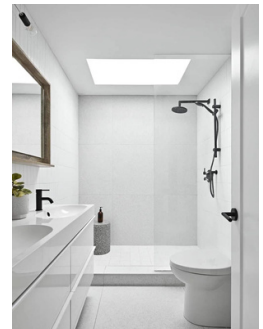
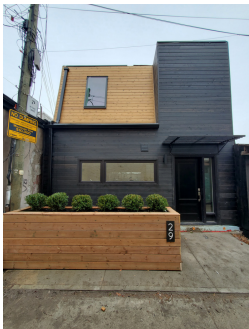
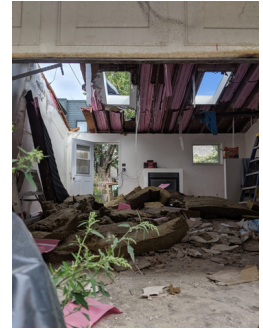
“

Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it.

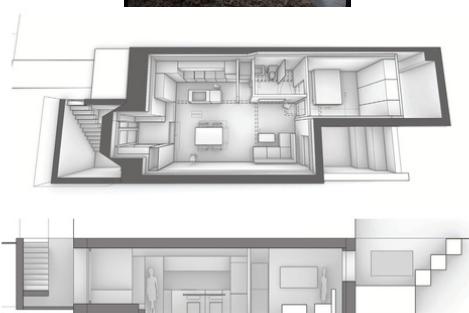
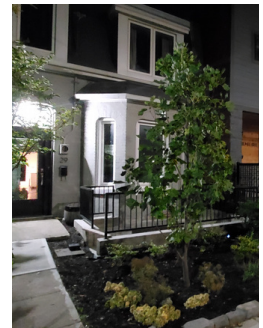
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# WE LIVE THIS



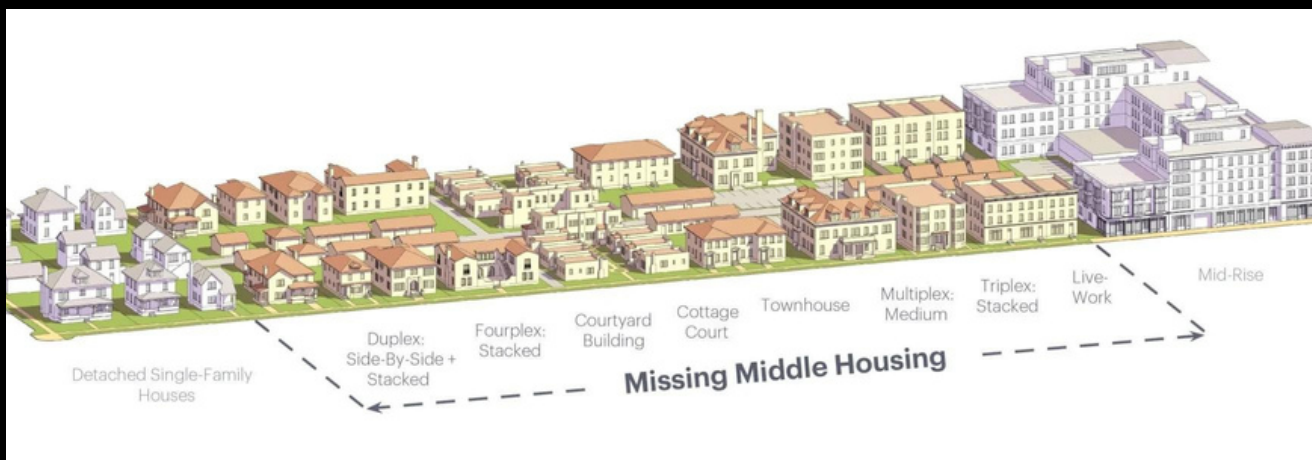
# WE HAVE VISION



## THE OPPORTUNITY IS IN THE "MISSING MIDDLE"

In a city engulfed by soaring condo towers and an abundance of detached homes, the quest for mid-rise alternatives in various neighborhoods throughout Toronto can prove to be quite daunting. However, the endeavor to address this absence of middle-ground housing options aims to provide viable solutions for those seeking something in-between, while simultaneously generating value for both our communities and investors.

This is the perfect segment of the market for smaller sophisticated investors to play in. As these projects are too large and complicated for investors who buy condos or only want to turn-key projects, and they are much too small for the larger funds and institutional investors. This provides the perfect opportunity for skilled investors to create more housing units within their favourite neighbourhoods all over Toronto.



# AVAILABLE INVESTMENT PROGRAMS & INCENTIVES

## Toronto HELP

- Home Energy Loan Program
- Up to 125k loan to do energy upgrades
- Eligible for residential or commercial, personally owned or owned in a corporation
- Payments get added onto your property tax bill
- Pay over 5, 10, 15, 20 years with rates hovering around 4%
- Rebates are also available

## CMHC MLI Select

- Up to 95% LTC or up to 95% LTV
- Up to 50 year amortization
- 5 year and 10 year terms
- Rates at 5 year or 10 year Canada yield + ~0.5%
- Minimum 5 units
- Must address affordability, accessibility and energy efficiency

## Canada Greener Homes

- Up to \$40,000 loan to do energy loans
- Only available for owner occupied principal residences
- 10 year loan at 0% interest

## Toronto Zoning and Development Charges

- As of right zoning for every home to be a triplex or fourplex
- No development charges for 2nd, 3rd and 4th units in a home
- Laneway houses and garden suites as of rights eligibility
- No development charges for laneway houses or garden suites

## WHAT IT MEANS TO THINK LIKE A DEVELOPER

All developers understand one fundamental truth, that land is the most valuable aspect of any real estate transaction. When it comes to maximizing the value of that land, developers will always look to build as much square footage as possible. This mentality should carry over to every real estate investment.

Maximize the opportunity and value of one piece of land before looking to purchase another...it's that simple.





## NEW PROPERTY PURCHASE

### Condo Purchase

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Size: 900 Square Feet  
Cost: \$900,000 (\$1000 per foot)  
Carrying Cost: \$4442.00  
Rent: \$3400 Per Month

## VERSUS ADDING VALUE TO EXISTING PROPERTY

### Laneway House

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Size: 900 Square Feet  
Cost: \$350,000 (~\$400 per foot)  
Carrying Cost: \$1867.00  
Rent: \$3,400 Per Month

### Basement Apartment

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Size: 750 Square Feet  
Cost: \$50,000  
Carrying Cost: \$269.84  
Rent: \$2,200 Per Month

# PATH TO RETIREMENT

## Purchase Scenario:

Purchase Price: \$1.5M + Laneway build cost of \$350,000 / Mortgage: 20% downpayment with a 30 year mortgage @ 5.1%

Rental Income: Basement - \$2000 + Main Level - \$2600 + Second Level - \$2800 + Laneway House - \$3500

Annual Rental & Expenses Increase - 3% + Cap Rate - 4.75%

\$47,200

\$67,096

\$90,160

ANNUAL FREE CASHFLOW

\$200,663

\$495,174

\$898,482

CUMULATIVE CASHFLOW

\$2,629,757

\$3,048,609

\$3,534,174

PROPERTY VALUE

\$1,026,298

\$1,864,859

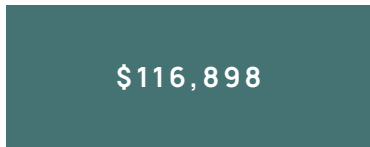
\$2,914,276

EQUITY + CUMULATIVE CASHFLOW

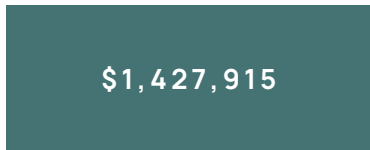
5 Years

10 Years

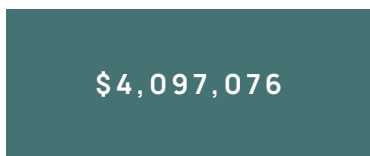
15 Years



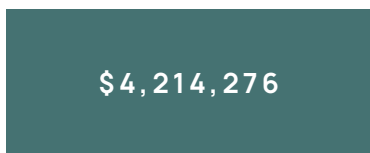
ANNUAL FREE CASHFLOW



CUMULATIVE CASHFLOW



PROPERTY VALUE



EQUITY + CUMULATIVE CASHFLOW

20 Years

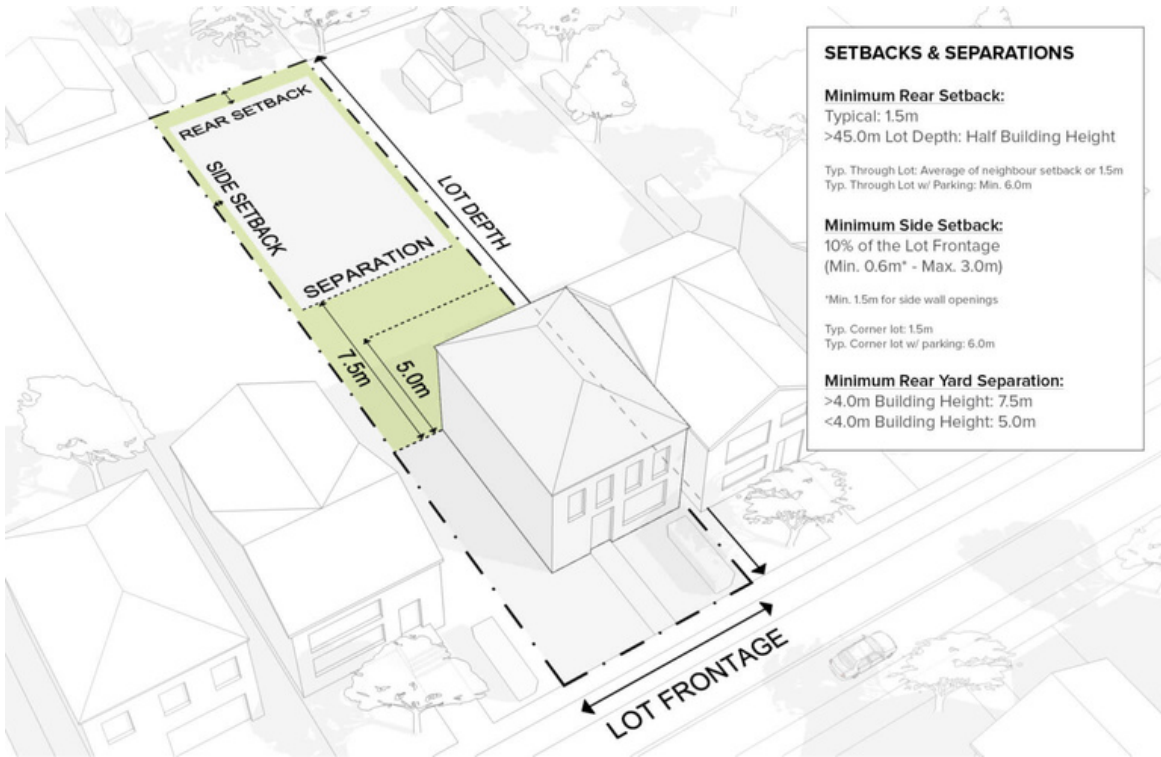


25 Years



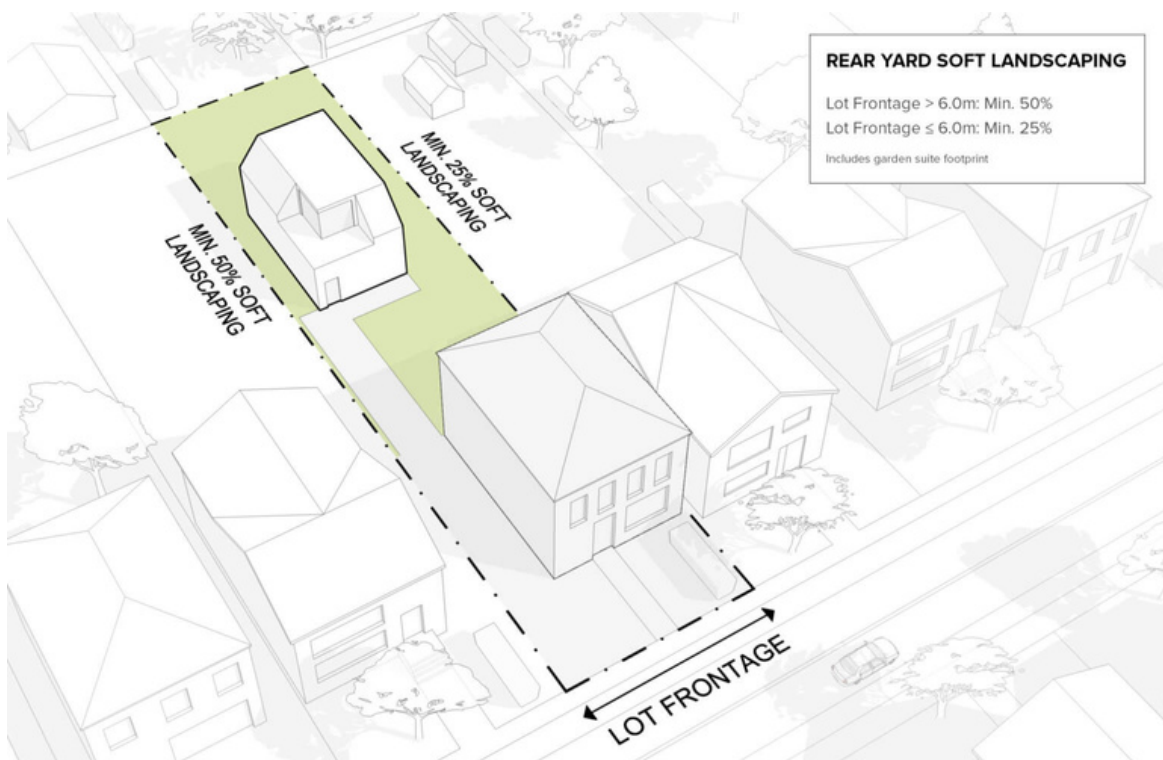
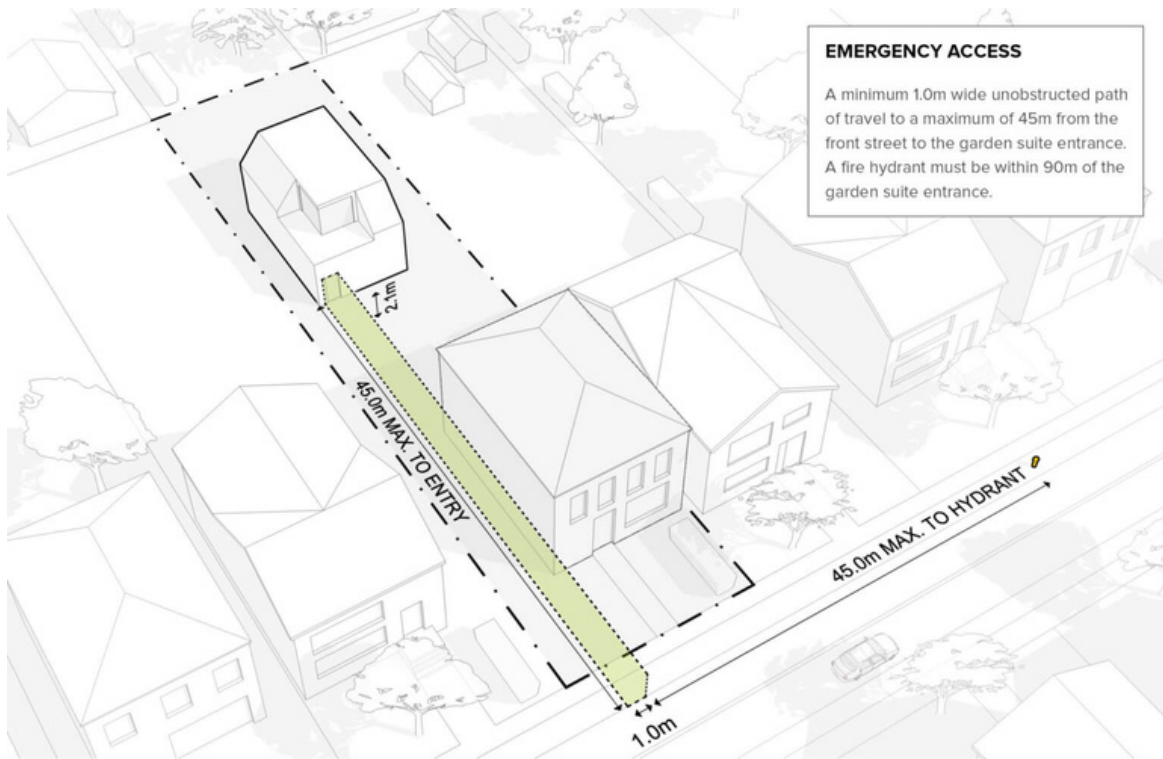
30 Years

# GARDEN SUITE REGULATIONS

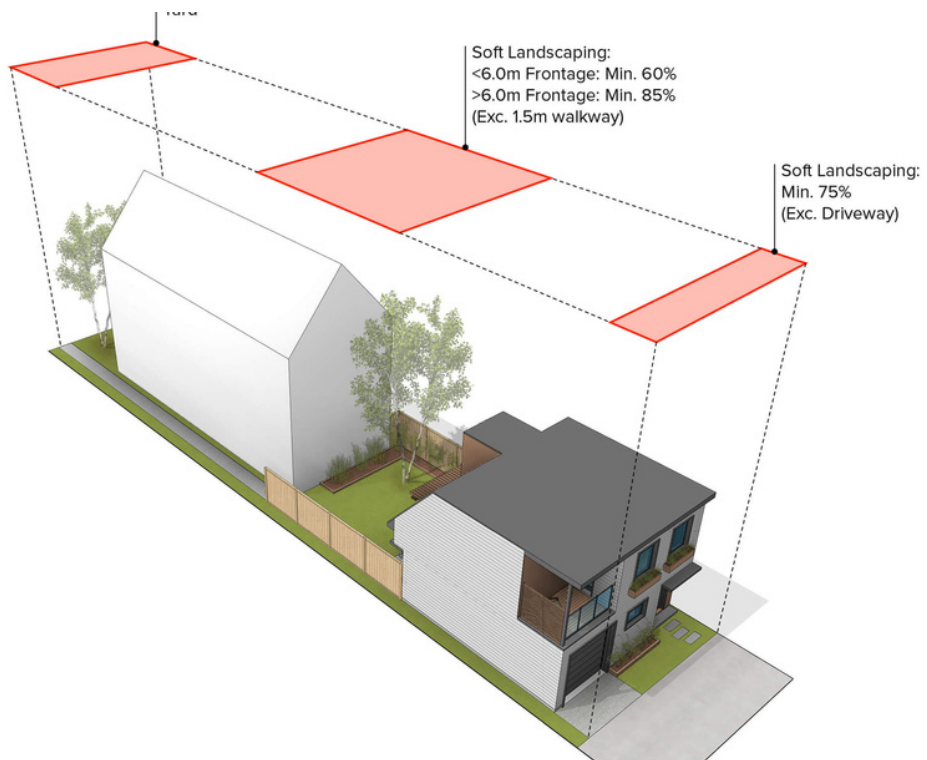
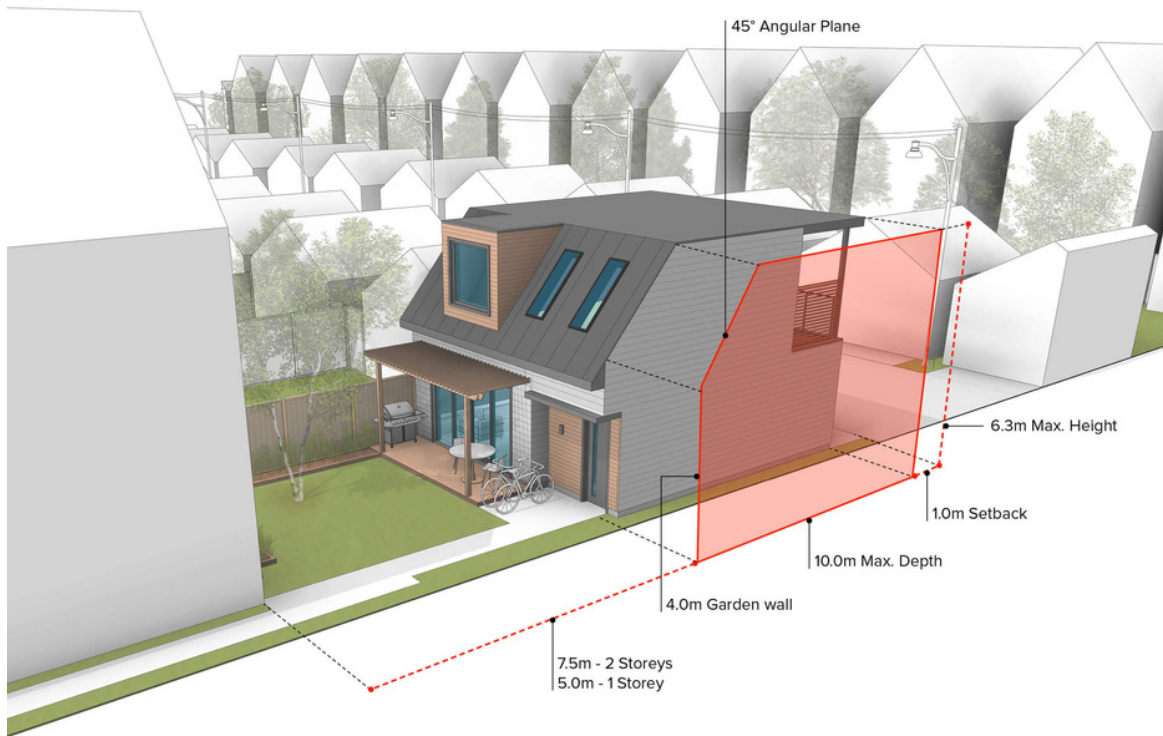




# GARDEN SUITE REGULATIONS



# LANEWAY HOUSE REGULATIONS





## **SCHEDULE A ONE ON ONE CONSULTATION WITH US TODAY**

Every successful investment starts with a plan and a great team. Schedule a one on one, no obligation, investment consultation with our team today to begin your real estate investment journey. It truly is your Key to Wealth.



**Q:**

**CAN I STILL HAVE A PARKING SPOT OR A GARAGE IF I HAVE A LANEWAY HOUSE?**

**A:**

Yes! There are many options to ensure you still have a parking spot . You can have a garage with one or two parking spots and on a residential suite on the 2nd floor. Alternatively, you can incorporate a parking pad in front of the laneway suite.

**Q:**

**WHAT CAN I USE A LANEWAY HOUSE OR GARDEN SUITE FOR?**

**A:**

A laneway house/ garden suite can extra space for you and your family. You can turn it into a home office or a gym. It can be a rental unit that helps bring in some cash flow. It can be an in-law suite or a guest house.

**Q:**

**WHAT ARE THE ADVANTAGES OF BUILDING A LANEWAY HOUSE/GARDEN SUITE**

**A:**

You can add a lot of squarefootage to your property which ultimately raises the value. The extra space can be used for yourself or can be an additional rental suite. Furthermore, there are no development charges to building a laneway or garden suite



**Q:**

**ARE MIXED USE OR COMMERCIAL PROPERTIES ELIGIBLE FOR LANEWAY/GARDEN SUITES**

**A:**

No, only residential zoned properties are eligible for laneway and garden suites assuming they meet all the criteria.

**Q:**

**WHAT IS AN LDA?**

**A:**

Limiting Distance Agreement. This is an agreement with your neighbour to legally use your shared side yard for emergency access to the future garden suite. This is required where your lot conditions do not provide sufficient clearance between the main house and the property line, but sufficient clearance is available between two neighbouring buildings (spanning over the shared lot line). This is a standard legal agreement that is made available by the city and registered on title.

**Q:**

**CAN TREES IMPACT THE ABILITY TO BUILD A LANEWAY/GARDEN SUITE?**

**A:**

Any tree with a trunk measuring larger than 0.3m in diameter, measured 1.4m above grade is subject to protection by the Toronto Private Tree By-law. A protected tree will be subject to a tree protection zone, the size of which corresponds with the size of the trunk. The larger the trunk, the larger the protection radius. If your proposed construction encroaches within a protection zone, or requires the removal of a protected tree, a permit from Toronto Parks and Forestry will be required.

# WE OFFER FULL SERVICE SUPPORT FROM PROPERTY ACQUISITION THROUGH TO PROPERTY MANAGEMENT

One of the advantages to working with Key to Wealth is our end to end service offering. We have put together the industries best team to assist with property analysis and acquisition, financing, design and construction as well as property management. We not only make the real estate investment process profitable but also as streamlined as possible.



## PROPERTY ANALYSIS & ACQUISITION

In order to find the perfect investment it starts by putting together a plan, and analyzing the numbers. We ensure that we find a property that suits your expected returns, without stretching your budget. We then go to work negotiating a deal with the seller to get you the best entry into that property.



## PURCHASE & CONSTRUCTION FINANCING

Getting the right financing is one of the most crucial, and often overlooked, aspects of a real estate investment. We connect you with the most experienced mortgage teams to ensure you receive the proper financing advice, and even provide you with creative options to fund your project.



## DESIGN, PERMITTING & CONSTRUCTION

Finding the right partners can be difficult. It is hard to know who to trust, and who does good work for a fair price. We connect you with our knowledgeable partners and trades to assist you with drawings, applying to the city, and construction.



## PROPERTY MANAGEMENT

Once your property is complete and ready to be tenanted, we work tirelessly to get your property leased, and manage it for you, so you can spend more time with the people that matter most to you

## OUR PARTNERS

### LANESCAPE

Landscape is a group of planning, design, and development professionals who have long considered laneway and garden suite development to be a potential resource and opportunity for the City of Toronto to thoughtfully improve housing options in existing residential neighbourhoods.

In 2014, Landscape set out to crowd-source an as-of-right zoning policy that would allow homeowners to easily and affordably build laneway suites. We, like many Torontonians, needed help affording our mortgages, aging in place, and finding family-oriented rental options near parks and schools. After 4 years of tireless effort consulting with communities, planning professionals, city staff, and municipal leaders, our dream became a reality when the City of Toronto approved and implemented as-of-right laneway housing by-laws in the summer of 2018.

Over the course of our advocacy efforts, our expertise in design and construction was integral to our success. With the Changing Lanes policy now in place and the Garden + Suites project well underway, our experience in establishing the by-law now informs our design-build approach, establishing our team as the leading authority on laneway and garden suite development. Landscape's fundamental mandate centered on thoughtful, positive and sustainable development continues to permeate all facets of our practice throughout our ongoing advocacy efforts, approach to design and methods of construction delivery.

**For more information, visit: [www.landscape.ca](http://www.landscape.ca)**



With very diverse backgrounds, our founders came together in business and in life to form Outline Financial. Their goal was to build a customer-focused mortgage and insurance brokerage with minimal bureaucracy. The strategy was simple: stay lean and nimble enough to quickly respond to customer needs and growth opportunities, while constantly implementing new service improvements to deliver a truly unique broker experience built on professionalism and trust.

To realize that vision, the Outline family continues to add top industry professionals and executives which share a common set of core values.

**For more information, visit: [www.outline.ca](http://www.outline.ca)**



**KEY TO WEALTH**  
REAL ESTATE GROUP

**Helping you build wealth in  
real estate responsibly.**

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