



July 2023

# MY SECOND UNIT

## Building & Landlord Guide



**Oxford County**

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## CONTENTS

Purpose.....	3
What is a second unit? .....	3
Who is involved?.....	3
The benefits of a second unit .....	4
Creating a second unit .....	4
Anticipated costs .....	5
Municipal zoning requirements.....	5
Building permits and inspections .....	5
Specific building code requirements .....	7
Table 1: General design requirements .....	7
Table 2: Building specific design requirements .....	8
Municipal services verses private services.....	10
Fire safety .....	10
Electrical safety.....	10
Hiring a contractor and designer.....	10
Finding a contractor.....	11
Contractor contract.....	11
Design services.....	11
Eligible and ineligible projects .....	12
Being a landlord .....	12
Legal obligations as a landlord .....	12
Lease agreement .....	13
Income tax .....	13
Insurance considerations .....	13
Property taxes.....	13
Where to get information .....	14

## PURPOSE

The purpose of this guide is to provide information on the standard requirements for second units within a private home. Overall, this guide is intended to provide a summary of the information that a homeowner needs to consider when establishing a second dwelling unit.

It is important to note that operating a successful second dwelling unit is much more involved than meeting local municipal zoning, building code, fire code, and electrical safety requirements. As a landlord, you will be responsible for addressing a variety of property management matters.

While every attempt has been made to ensure the content of this guide is consistent with applicable regulations and by-laws, if a discrepancy exists, the formal regulatory document shall prevail. Information in this guide may change from time to time. Be sure to check for updates to ensure you have the most accurate and up-to-date information.

This guide has been developed for convenience purposes only. The homeowner is responsible for ensuring compliance with all Ontario Building Code, municipal zoning, local municipal by-laws and other applicable regulations.

## WHAT IS A SECOND UNIT?

A second unit is a single, self-contained, rental apartment with its own entrance, kitchen, sleeping area and bathroom.

Secondary residential units must comply with applicable zoning, building/fire codes, and property standard by-laws. At a minimum, compliance with these items must be met prior to occupancy of your second unit.

## WHO IS INVOLVED?

In creating a second unit, homeowners will encounter a variety of municipal staff, associations, industry professionals, and community agencies, including, but not limited to:

### Local municipal building and fire departments

These municipal officials primarily deal with newly created second units and construction matters. They review zoning and building plans, administer building permits, and perform fire safety inspections.

### Utility providers

Various utility providers may be involved in the creation of a second unit. Utilities such as electricity, water, gas, and telecommunications may be introduced or modified in support of the newly created second unit. Certain utilities, such as electrical services, are required to be installed and inspected by governing bodies. Contact the Electrical Safety Authority for Electrical Code compliance and safety.

### Oxford County

The County provides application support and program funding to eligible homeowners. Following application approval, the County will work with successful homeowners to ensure all funding requirements are met to ensure full funding forgiveness. In addition, the County will provide planning (i.e., zone change/minor variance applications), as well as water and wastewater service support, in relation to the second unit.

### Designers and contractors

The design and construction of your second unit may rely on the help of local building designers and contractors. Qualified designers can assist with required professional drawings in support of your building permit submission, and contractors can carry out required construction work to ensure your second unit is properly completed.

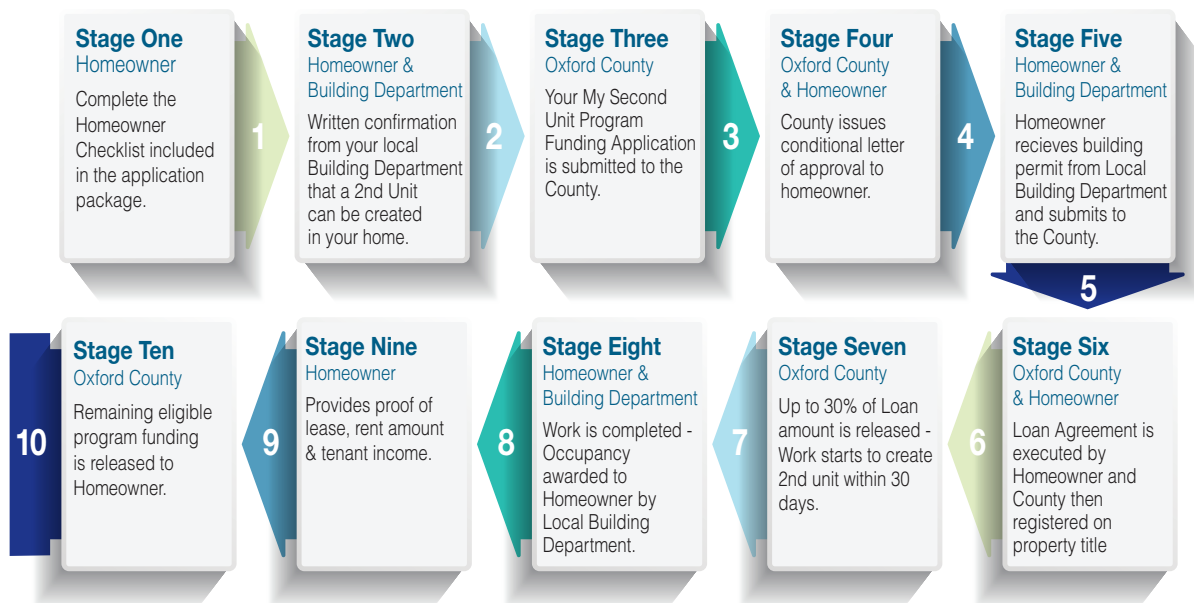
## THE BENEFITS OF A SECOND UNIT

Homeowners can benefit from additional rental income, and second units can provide affordable housing options for tenants in established neighbourhoods, close to jobs, transit and shopping, all while adding equity to your home and property.

In addition to rental income, adding a second unit may help raise your property value and personal equity. Family members, a friend, student, or young professional can benefit from your second unit.

## CREATING A SECOND UNIT

Before deciding to create a second unit, it is important that you first speak with your local municipal planning and building departments. They can tell you whether or not you can add a second unit on your property and answer any questions you may have with respect to local zoning, building/fire codes, and other applicable by-laws.



There are several important factors you need to consider before adding a second unit, including:

1. Anticipated costs;
2. Municipal zoning requirements;
3. Building permits and inspections;
4. Specific building code requirements; and,
5. Hiring a designer and contractor.

To help you through the design and building processes, we recommend that you hire a qualified professional such as an architect, professional engineer or designer registered with the Ontario government. These professionals and your contractor can act as your agent regarding matters with your local municipality. They can help with all necessary approvals, including a building permit, and also arrange construction inspections.

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## 1. Anticipated costs

In addition to the renovation or construction costs associated with creating a second unit, homeowners should also consider the following:

- Contractor and designer fees;
- Permit fees (building and electrical);
- Building permit supporting documentation (i.e. site plan, building drawings, letters);
- Potential additional approvals related to zoning compliance (i.e. minor variance).

*Note: Second units are exempt from development charges.*

## 2. Municipal zoning requirements

Before considering a second unit, you need to contact your local building department with respect to:

- The zoning requirements and standards for second units as they apply to your property. This includes provisions around parking requirements, setbacks and lot coverage, minimum or maximum unit size, etc.
- Whether you need to apply for a rezoning or minor variance to accommodate the second unit.
- Any other applicable agreements and approvals that are required before you can add a second unit.
- All applicable fees that are to be paid by the homeowner.

If you are not able to comply with your applicable local municipal by-laws, you will not be able to receive funding from Oxford County.

## 3. Building permit and inspections

You must apply for a building permit to create a second unit and all new units must comply with the Ontario Building Code (OBC), local zoning by-laws and property standards. Any new construction will require a permit and accompanying inspections.

A permit is written approval that grants you formal permission to make significant changes to your home, ensuring that any structural changes are safe, legal and sound. A permit needs to be obtained before you begin any construction or demolition. If you start construction without the necessary permits, you may be ordered to stop work, prosecuted, fined, or even ordered to remove and redo work that has already been completed.

Building permit fees for residential construction and renovations are typically based off the overall value of the work, as determined by the building inspector at the time of application. Additional fees and deposits may also be required, and the final fees vary for each building department.

In support of a building permit, the following submission materials are generally required:

- A completed application form and any other forms and supporting documents requested by the local municipality;
- Construction drawings (i.e., site plan, floor plan, elevations and section details); and,
- Payment of the building permit fee.

Once your building permit has been issued, building inspectors from your local municipality will review the applicable work at various stages of the construction period. Inspectors will need to check framing, insulation, plumbing, interior finishes and other items as outlined in the Ontario Building Code. Building officials may request additional information about the work completed if required to pass an inspection.

Your local building department will outline when inspections are required at key stages of the construction period. Ensure your approved permit outlines these key inspection stages, as you and/or your agent are responsible for informing your building department of the key inspection dates. Failure to pass an inspection will require you to fix any items directed by the inspector and in most municipalities, pay fees for additional inspections.

**Tip:** try to notify the building department of a required inspection at least 3-5 days prior to the work being completed. This will give you and/or your contractor flexibility to schedule other construction work to ensure successful completion.

**You must contact your local building department to determine Ontario Building Code requirements and information pertaining to a building permit. The table below outlines the typical construction activities that require a permit from the local building department:**

When do you need a permit?	
YOU NEED A PERMIT TO:	YOU TYPICALLY DO NOT NEED A PERMIT TO:
<ul style="list-style-type: none"> <li>• renovate, repair or add to a building</li> <li>• demolish or remove all or a portion of a building</li> <li>• change a building's use</li> <li>• install, change or remove partitions and load-bearing walls</li> <li>• make new openings for, or change the size of, doors and windows</li> <li>• build a garage, balcony or deck</li> <li>• excavate a basement or construct a foundation</li> <li>• install or modify heating, plumbing, air conditioning systems or fireplaces</li> <li>• renovate or construct a new deck, patio or balcony over 24 inches in height with a required guard rail</li> </ul>	<ul style="list-style-type: none"> <li>• replace existing, same-size doors and windows, subject to distance from property lines</li> <li>• install siding on small residential buildings, subject to distance from property lines</li> <li>• build a roofless deck under 2 feet (0.61 metres) that is not attached to a building</li> <li>• build a utility shed under 100 ft<sup>2</sup></li> <li>• re-shingle a roof, provided there is no structural work</li> <li>• install eavestroughs, provided that drainage is contained on your property</li> <li>• replace or increase insulation, drywall or plaster</li> <li>• damp-proof basements</li> <li>• paint or decorate</li> <li>• install kitchen or bathroom cupboards without plumbing</li> </ul>

#### 4. Specific building code requirements

Ontario's Building Code (OBC) sets out minimum construction standards for constructing a second unit in your home or accessory building. In some cases, you may wish to build beyond the minimum requirements of the OBC. The most current OBC is available at [E-laws Ontario](#).

The following tables are intended to provide a general guide for understanding the minimum requirements of the OBC, as they relate to constructing a second unit. These tables are not intended to be exhaustive. It is ultimately the responsibility of the homeowner and/or qualified designer to ensure that any/all submitted documents comply with the OBC.

**Note:** Different OBC regulations may apply depending on the age of your home. If your home is more than five years old, it is considered to be existing, warranting more flexibility under the OBC.

If your home is less than five years old, it is considered a new building, meeting new construction requirements under the OBC.

Existing homes (older than 5 years) fall under Part 11 of the OBC, while homes less than five years old fall under Part 9.

Table 1: General design requirements

ROOM SIZES			
Separate spaces	Minimum area (ft <sup>2</sup> )	Combined spaces	Minimum area (ft <sup>2</sup> )
Living room	145	Living room (> 1 bedroom)	145
Dining room	75	Living room (1 bedroom)	118
Kitchen (> 1 bedroom)	45	Dining room	35
Kitchen (1 bedroom only)	40	Kitchen (> 1 bedroom)	45
Kitchen (1 bedroom only)	95	Kitchen (1 bedroom)	40
Master bedroom (without closet)	105	Bedrooms	45
Other bedroom (with closet)	65		
Other bedroom (without closet)	75	Bachelor unit	
Bathroom	Sufficient space for all fixtures	Living, dining, bedroom and kitchen	145

**Table 1: General design requirements**

<b>CEILING HEIGHTS</b>		
	Basement unit	Attic unit
Height (ft)	6'-5" over all required floor area, including means of egress	50% of floor area - 6'-8"
<b>DOOR SIZES</b>		
Room/space	Minimum width (in)	Maximum height (in)
Dwelling unit entrance or utility room	32	78
Bedroom or rooms not mentioned elsewhere	30	
Bathroom, bathroom, and walk-in closets	24	

**Table 2: Building specific design requirements**

	Building classification		
	New	5 years or older	5 years or older with finished basement
<b>FLOOR FIRE SEPARATION</b>			
Minimum floor Fire Resistance Rating (FRR)	45 min or sprinklered	30 min or greater or sprinklered	30 min or greater or sprinklered
Minimum floor Sound Transmission Class (STC)	50 STC	Existing acceptable	Existing acceptable
<b>WALL FIRE SEPARATION</b>			
Minimum wall Fire Resistance Rating (FRR)	45 min FRR	30 min FRR	30 min FRR
Minimum door Fire Protection Rating (FPR)	20 min FPR	20 min FPR	20 min FPR
Permitted wall Sound Transmission Class (STC)	50 STC	Existing acceptable	Existing acceptable
<b>HVAC SYSTEMS</b>			
Independent heating system required	No	No	No
Duct type smoke detector required	Yes	Yes. Existing heating systems may serve both units provided a Smoke Detector is installed in the supply or return air duct system which will completely turn off fuel and electrical supply to the heating system upon activation of such detector(s).	



**Table 2: Building specific design requirements**

<b>SMOKE ALARMS</b>			
Applies to	Only the new residential unit		The existing unit and new unit
Interconnected between units	Not required		Required
Required locations and general requirements	Smoke alarms are required on every floor level, in every bedroom, and in hallways serving a bedroom. All smoke alarms within a dwelling unit shall be interconnected and have a visual signaling component (strobe light).		
<b>CARBON MONOXIDE ALARMS</b>			
Required where a fuel burning appliance is installed or an attached garage	Yes	Yes	Yes
Shall be located adjacent to sleeping areas and installed per manufacturer's specifications	Yes	Yes	Yes
Carbon monoxide alarms may be battery operated or plugged into an electrical outlet	Yes	Yes	Yes
<b>NATURAL LIGHT (WINDOW SIZES)</b>			
Living and dining rooms	10% of area served		5% of area served
Bedrooms and other finished rooms	5% of area served		2.5% of area served
<b>REQUIRED PLUMBING FIXTURES</b>			
A kitchen, lavatory, bathtub or shower and water closet	Yes		Yes
Laundry hookups shall be provided in each suite or be in a common area used by both units	Yes		Yes



## **Municipal versus private services**

If your property is serviced by a private well and/or septic system (private services), your local building department may need to make sure your property size and services are adequate to accommodate any additional usage from the second unit. The County's current water meter protocol directs that only one meter shall be permitted per property, regardless of the number of units.

If your property is fully serviced by municipal water and wastewater services, Oxford County may need to verify that there is sufficient servicing capacity in the municipal system to accommodate the additional usage from the second unit. Sewer and water connection costs may be incurred when providing services to the secondary unit. Additional plumbing fixtures could require an upgrade to the existing septic system.

## **Fire safety**

Whether or not any construction takes place, the conversion of a home to a two-unit residential occupancy will require a building permit. Through the permit process, inspectors from your local municipal building department will also review fire safety systems in relation to a second unit.

The onus is ultimately on the homeowner to ensure the home complies with the provisions of the Ontario Fire Code. In all cases, minimum fire safety requirements must be met.

## **Electrical safety**

Ensuring the electrical service for your home is safe and useable is always good practice. Not only will this help you obtain insurance, but it can also assist with any future resale. Most importantly, it will reduce hazards for you and your tenant.

As building permits do not cover electrical safety codes, you must contact the Electrical Safety Authority and arrange for an inspection of any electrical service or wiring modifications that occur during the construction of a second unit. In Ontario, electrical safety compliance inspections are conducted by the Electrical Safety Authority (ESA). Your electrical contractor should be familiar with the electrical permitting and inspection process.


A copy of the ESA final inspection report is required to be provided to the local building department before an occupancy permit can be issued for your new second unit.

## **5. Hiring a contractor and designer**

It is the homeowners' responsibility to ensure all work is completed according to applicable code requirements. You and/or your agent (i.e., contractor or designer) are responsible for contacting the local building department for an inspection at certain stages of construction, as outlined in the building permit issued for the project. Hiring a general contractor with relevant experience and the proper insurance is a good way to meet these responsibilities and ensure you and your property are covered in the event issues arise from the construction work. A general contractor is responsible for:

- Planning and scheduling construction work;
- The quality and completion of all work set out in your contract;
- Paying public liability and property damage insurance to cover workers; and,
- General labour, removing debris and cleaning up the site after construction.

To complete specialized work such as electrical wiring, plumbing, carpentry or drywalling, a general contractor will often hire a subcontractor, sometimes referred to as a sub-trade. Subcontractors are hired by the general contractor and are to be paid by the general contractor. Understanding the cost of the



subcontractors completing the work is essential to paying a fair price for the entire project. A general contractor will charge the cost of the work completed by the subcontractor, plus any overhead for coordination and scheduling. This should be reflected in the original contract amount agreed upon by the homeowner and the general contractor.

### **Finding a contractor**

You may choose to get information on contractors from one of several sources:

- Recommendations from people who have had similar work done;
- The Canada Home Builders' Association;
- Hardware and building supply outlets that do their own contract work; and,
- The YellowPages.ca or InformationOxford.ca: 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 contractors when required plans have been completed so all quotes will be consistent with the work that is required to be completed.

### **Contractor contract**

To ensure your contractor completes the work as expected, it is important to have a contract that includes the following:

- 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;
- Start and completion dates with prices and payment schedules; and,
- An outline of the steps required for any changes to the agreed work.

The contract can be completed by the homeowner or the contractor, so long as each party agrees to the terms. If unexpected situations arise and additional work is required, you can issue a change order to the general contractor, or make necessary changes to the contract.

### **Design services**

In support of a building permit application, a set of drawings and/or sketches will be required to identify the scope of the work that is proposed in support of a second unit. These drawings may include, but not be limited to, a site plan, floor plan, elevation, and cross section.

Finding a designer can be as easy as inquiring to any local designer and describing your intentions for the space and the requirements for creating a second unit. Schedule a meeting to walk through your space to ensure the full scope of work is understood by the designer prior to them starting the project.

From there, the designer can provide a quote for all of the design work that is necessary to comply with the requirements of your local building department. The designer can also act as an agent throughout the construction process, if agreed to by both parties.

## ELIGIBLE AND INELIGIBLE PROJECTS

The below table provides an outline of the potential projects or construction tasks that may be considered for funding under the My Second Unit program. Supporting documentation, including receipts and invoices, will be necessary to confirm funding applicability.

All accepted work must only be related to the proposed second unit, at the discretion of Oxford County.

<ul style="list-style-type: none"> <li>• Renovations to facilitate a proper entryway for a second unit, including accessibility upgrades</li> <li>• Applicable renovations to an existing home or accessory building to accommodate the construction of a second unit</li> <li>• Site alterations to accommodate parking and landscaping directly related to or required for a second unit</li> <li>• Required upgrades to accommodate the additional service load for a second unit (i.e., HVAC, plumbing, electrical, fire and life safety)</li> <li>• Accessibility upgrades to the exterior of an existing dwelling to ensure an accessible second unit</li> </ul>	<ul style="list-style-type: none"> <li>• Any work to the existing home or accessory building that is not required for the function of, or service to, the second unit</li> <li>• Exterior decks, porches, and balconies that do not support the second unit</li> </ul>

## BEING A LANDLORD

### Legal obligations as a landlord

Notwithstanding the investment needed to create a second unit, you should understand all of the legal obligations involved in becoming a landlord.

The relationship between a tenant and landlord is governed by Ontario's Tenant Protection Act. The following three provisions from the Act are especially relevant for second units:

- Security of tenure: a tenant has the right to occupy the second unit 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 second unit 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 under the Ontario Human Rights Code. As a landlord, you should be aware of how this impacts the tenant selection process and your interactions with a tenant. Several services are also available to help both a homeowner and a tenant.

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## Lease agreement

Landlords of private residential rental units must use a standard form lease. The standard form lease is available through the following link: <https://forms.mgcs.gov.on.ca/en/dataset/047-2229>

The purpose of the standard lease is to ensure:

- Landlords and renters understand their rights and responsibilities;
- Reduced illegal terms in leases and misunderstandings caused by verbal tenancy agreements; and,
- Reduced need for Landlord and Tenant Board hearings to resolve disputes.

When complete, the standard lease creates a legal contract between the landlord and tenant. It is also called a residential tenancy agreement. A lease cannot take away a right or responsibility under the Residential Tenancies Act.

## Income tax

Under the Income Tax Act, you must declare all of the rent you collect as “income.” Any reasonable expenses made in operating a second unit may be deducted from your rental income, under certain conditions. If the second unit occupies one-third of your home, you can deduct one-third of certain expenses that apply to the entire home from your rental income. Expenses that apply only to the second unit are typically 100% deductible from total rental income.

You must back up all purchases and operating expenses with invoices, receipts, contracts and/or other documents. Any questions regarding the impact 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.

## Insurance considerations

Notify your insurance company or broker as early as possible about your plans to add a second unit to your home. You should adjust your policy, before and after construction, to reflect the changes in liability exposure and value of the home.

Expect an increase to your annual premiums. You can also buy additional insurance to protect you against the loss of rental income, in the case of a fire or accident that prevents you from renting out your second unit.

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.

## Property taxes

The property tax impact of a second unit will be minimal. A property's assessment value does not typically increase unless there is a 5% increase in total property value.

A major exception to this is an addition to an existing home to accommodate a second unit. This could significantly impact the total value of a property and result in a property reassessment.

Please contact your local municipal tax department if you would like information regarding potential changes to your tax bill.

## WHERE TO GET INFORMATION

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

**Landlord's Self-Help Centre** ..... 416-504-5190  
[www.landlordselfhelp.com](http://www.landlordselfhelp.com)

### Local Building Departments

*City of Woodstock*..... 519-539-2382

*Town of Tillsonburg*..... 519-688-3009 ext. 4600

*Town of Ingersoll*..... 519-485-0120 ext. 6265

*Township of Blandford-Blenheim*..... 519-463-5347

*Township of East Zorra-Tavistock* ..... 519-462-2697

*Township of Norwich* ..... 519-468-2410

*Township of Zorra* ..... 519-485-2490

*Township of South-West Oxford* ..... 519-485-0477

### Oxford County

*Public Works*..... 19-539-9800 ext. 3900

*Community Planning* ..... 519-539-9800 ext. 3912

### Local Clerk Departments (Taxes)

*City of Woodstock*..... 519-539-2382

*Town of Tillsonburg*..... 519-688-3009 ext. 402

*Town of Ingersoll*..... 519-485-0120

*Township of Blandford-Blenheim*..... 519-463-5347

*Township of East Zorra-Tavistock* ..... 519-462-2697

*Township of Norwich* ..... 519-468-2410

*Township of Zorra* ..... 519-485-2490

*Township of South-West Oxford* ..... 519-485-0477

**Electrical Safety Authority** ..... 905-507-4949  
[www.esainspection.net](http://www.esainspection.net)

**The Landlord & Tenant Board** ... 1-888-332-3234  
Provides information about landlords and tenants rights and responsibilities under the act.

### Ontario Building Code (online version)

O. Reg. 332/12: BUILDING CODE ([ontario.ca](http://ontario.ca))

**Land Registry Office** ..... 519-537-6287

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 Canada** ..... 416-362-2031  
[www.ibc.ca](http://www.ibc.ca)

### Canada Mortgage and Housing Corporation

[www.cmhc-schl.gc.ca/en/index.cfm](http://www.cmhc-schl.gc.ca/en/index.cfm)

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

**Ontario Association of Architects** ..... 416-449-6898  
[www.oaa.on.ca](http://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.

### Canada Home Builders' Association (CHBA)

[https://www.chba.ca/CHBA/About/Our\\_Members/CHBA/OurMembers.aspx?hkey=acc8ccd5-b3d6-4a67-911c-ebc4e369fc88](https://www.chba.ca/CHBA/About/Our_Members/CHBA/OurMembers.aspx?hkey=acc8ccd5-b3d6-4a67-911c-ebc4e369fc88)

CHBA has a wealth of online articles that provide valuable information on hiring a contractor.

### Woodstock-Ingersoll & District Real Estate Board

<https://www.widreb.ca/>