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The Toronto laneway suite *playbook.*

What your property qualifies for, what it costs, and what to ask before you commit.

By the MACON Build editorial team

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A NOTE ON THIS DOCUMENT

This document is one of a small collection of resources MACON Build publishes for Toronto property owners considering significant residential work. It is offered freely, without registration, in the belief that informed clients make better decisions and build better buildings — whether or not they ever engage us.

MACON BUILD · TORONTO
MACONBUILD.COM · INFO@MACONBUILD.COM

Toronto's 2018 laneway suite by-law and 2022 garden suite expansion created one of the most significant residential opportunities the city has seen in a generation. Most property owners still do not understand what their lot actually qualifies for — or what it would cost to find out.

i. What the by-law actually allows

In 2018, the City of Toronto passed a by-law permitting laneway suites: detached secondary residences fronting a public laneway. In 2022, the City expanded the program to garden suites — broadly similar buildings on properties without laneway access. Between the two by-laws, the great majority of single-family residential properties in central Toronto are now eligible for a secondary suite of some kind.

That is the headline. The details are where most people get confused.

A laneway suite must front a public laneway. The City has approximately 2,400 laneways across Toronto, concentrated in pre-war neighbourhoods — Cabbagetown, Riverdale, the Annex, Trinity Bellwoods, Roncesvalles, Leslieville, the Beach. Your property must have direct frontage on one of these laneways. The suite cannot exceed defined limits on footprint, height, and lot coverage, all calculated against the lot itself.

A garden suite has no laneway requirement. It is simply a detached residence behind the primary home, accessible from the front of the property via a side yard or pathway. The eligibility criteria are different — garden suites must be set back from property lines, accommodate emergency access, and respect tree protection zones.

For most owners, the practical question is which (if either) their property qualifies for. The answer requires a site assessment, not a Google search. We do these for owners considering the idea — at no cost — because the answer determines everything else.

ii. The numbers, honestly

The economics of a laneway or garden suite vary enormously depending on size, finish level, mechanical systems, and site complexity. The following ranges reflect projects we are quoting in 2026:

- **Compact suite (under 700 sq ft):** $450,000 – $700,000
- **Standard suite (700–1,000 sq ft):** $650,000 – $1,000,000
- **Premium suite with high-end finishes (1,000+ sq ft):** $900,000 – $1,500,000+

Those ranges are construction costs only. They do not include the design fees, permit fees, surveying, soil testing, and disconnection / connection fees that precede construction — typically another $40,000 to $80,000 depending on complexity.

Why the wide ranges? Three factors dominate cost per square foot:

Finish level. A laneway suite finished to rental-quality standards is very different from one finished to owner-occupancy luxury standards. We have built both. The difference is real and visible from the moment you walk in the door.

Mechanical systems. Heat pumps, in-floor heating, HRV systems, and the standard of insulation chosen all add up-front cost. They also affect the long-term cost of running the building — trade-offs worth discussing before locking in a budget.

Site conditions. Some lots have easy access for materials and equipment. Others require crane work, neighbour-side easements, or excavation around mature trees. The site itself sets the floor on what is possible.

> *A 900-square-foot suite has every system a 4,000-square-foot home has. The systems are smaller. The work is not less.*

iii. The process, end-to-end

A laneway or garden suite is a fully custom building. The process is identical to a custom home, compressed into a smaller envelope:

Months 1–2: Feasibility and design

Site assessment, architect engagement, schematic design, preliminary cost estimates. The decision to proceed is made in this window — or it should not be made at all.

Months 3–5: Permits and pre-construction

Working drawings, structural engineering, mechanical and electrical design, formal permit applications. Toronto has an expedited review for these projects, but timelines still run two to four months from a complete submission.

Months 6–14: Construction

Six to nine months on site for most projects. Foundation, framing, envelope, mechanical rough-in, finishes, exterior, landscaping. We work in tight quarters and we work cleanly — both because the standard of the work demands it, and because the neighbours are watching every truck.

Month 15: Closeout and occupancy

Final inspections, occupancy permit, owner orientation, warranty documentation. For owners renting the suite, we coordinate rental-ready handover with their property manager.

That is a 12 to 15 month timeline from first conversation to keys. Plan accordingly.

iv. What people get wrong

A few patterns we see often — mostly from owners who have done some reading but not enough:

Assuming the by-law is a guarantee. It is not. Each project is reviewed against the by-law and against the specific conditions of the property. The City can — and does — require modifications. Some properties qualify in principle but encounter site conditions (servicing, drainage,

tree protection, fire access) that make the project economically unattractive. The site assessment exists to surface these issues before money has been committed.

Underestimating mechanical complexity. A 900-square-foot suite has every system a 4,000-square-foot home has — heat, cooling, ventilation, hot water, electrical service, plumbing, fire suppression. The systems are smaller, but they still need to fit, function, and pass inspection. The cost per square foot of mechanical work on a small building is higher than on a large one, not lower.

Choosing the cheapest quote. This applies to all construction, but doubles for laneway and garden suites. The contractor who comes in 30% lower than everyone else is either missing scope, planning to recover the difference in change orders, or planning to deliver a building that will not stand up to scrutiny. The bid is not the project. Be careful which one you are reading.

Treating it like a one-bedroom apartment. A laneway suite is a building. It has a foundation, an envelope, a roof, mechanical systems, electrical service, plumbing, finishes, and landscaping. It will be inspected like a building, financed like a building, insured like a building, and aged like a building. Build it like a building.

v. Why this matters

Toronto has a housing supply problem and a missing-middle problem. The laneway and garden suite by-laws are the City's most direct, most useful response to both. Every well-built secondary suite is one more household accommodated in the established neighbourhoods people actually want to live in — without changing the character of the streetscape, without displacing existing residents, and without waiting for a 30-storey condo proposal to clear committee.

That is true at the city level. At the property level, it is also true that a well-built laneway or garden suite materially changes the relationship between an owner and their property: rental income, multi-generational accommodation, a work studio, an in-law residence, or simply the optionality of the space. A property that supports two households is a different asset than one that supports one.

We build these buildings because they are interesting work — every trade compressed into a tight envelope, with no room to hide a mistake. We also build them because we believe in them. They are ***the most useful new building type Toronto has produced in a generation***, and the city would be better if every owner who could build one did.

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BY PRIVATE INQUIRY

We build laneway and garden suites because they are interesting work, and because we believe in them. If you are considering one, we offer a no-cost site assessment to determine what your property qualifies for and what it would realistically cost.

info@maconbuild.com
(416) 989-9996
maconbuild.com

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