



September 12, 2026

This letter will confirm that the property located at 168 Markham Street in Toronto qualifies for a laneway house build in the rear portion of the lot, under Toronto's laneway house program.

I visited the property in September, 2026 and confirmed zoning, siting, emergency access and other appropriate qualifications to certify its eligibility.

The maximum size of a permitted as of right build with the existing main house in place appears to be approximately 1,345 square feet total (over two floors - main and upper), with the ability to include an optional car garage on the main floor, with vehicle entry off the rear laneway.

A basement is also possible, adding to the square footage above, but in most cases the floor plate of the basement will be significantly smaller than the ground floor and upper floors, the space cannot usually contain bedrooms or a bathroom or a kitchen, and the cost of basement construction can be significant.



Single-vehicle laneway house from Toronto's Eva Lanes - www.evalanes.com



2-storey laneway house from [Suite Additions](https://www.suiteadditions.com)

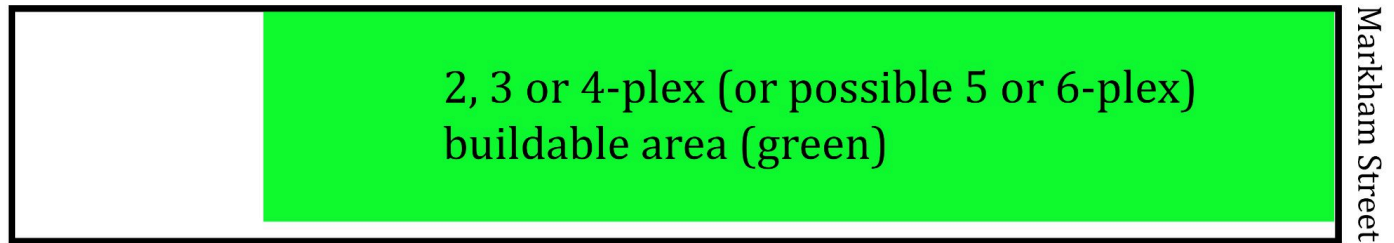
The relatively new (2018) Changing Lanes program from the City of Toronto allows qualifying property owners to construct a laneway house “as of right” on their property, with simple building permit application and no political approval or committee of adjustment approval required. No variances are required and no appeals or “neighbour vetoes” are permitted. The city also waives development cost charges.

Further, this property has other potential, due to its large size, and multi-plex potential under Toronto’s EHON (**E**xpanding **H**ousing **O**ptions in **N**eighbourhoods) initiatives, including multiplex conversion and/or build.

SECTION A

The current house can be converted to a two, three, or four-unit building using the current walls and height. The “how to” is beyond the scope of this report, but the current setting, and setbacks from property edges means that egress can probably be met for up to four units.

SECTION B

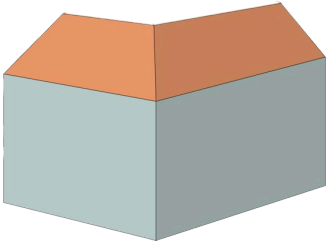


Buildable area - main structure

This property is located in a residential area with relatively few zoning restrictions (R zoning; Residential, no special exceptions). Permitted new building types include single family dwelling, 2, 3 or 4-plex, or even an apartment building. A laneway house can be built behind any of the above main dwelling structures.

After calculating for the minimum setbacks as required for this zoning, as indicated on the above site plan, the green area is the “buildable area” for a building containing at least two and up to four living units. At a maximum building height of 11m, and no site coverage percentage maximum, the property can support four floors at under this square footage (that is, the buildable area is larger than the maximum build footprint permitted, as limited by building size and setback rules) - three above grade and one just slightly recessed - for a total of perhaps ~5,975 square feet. The FSI (Floor Space Index) no longer applies to multiplex (2, 3 and 4 units) builds. What is notable here, is that building a simple new house (not a 2, 3 or 4-plex) on this lot would be limited by the Floor Space Index (FSI) here (0.6) and/or the maximum building size to about 1,980 square feet, plus basement (or more with a successful variance). The FSI no longer applies to multiplex (2, 3 and 4 units) builds. A single-unit house here can be no taller than 11m.

It should be noted that building walls for a 2, 3 or 4-plex do have a complex formula for maximums of near 8.5m in height, so the uppermost (4th) floor is partly contained in a roof area (usually a rather steep mansard-type roof, as per the diagram below). While this does not restrict the floor area of the top floor, it does have some effect on the livable space.



In June, 2025, Toronto City Council voted to expand the 2/3/4-plex program in nine of the city's twenty-five wards. The new program allows buildings up to SIX units, while still adhering to limits as we've outlined above for 2, 3 and 4-plexes. 168 Markham Street is in a ward (#11 University Rosedale) where this approval was granted, and it is expected that many other wards will enter the program in coming years. The notes above will now apply to a 5 or 6-plex, and there is now a blanket exemption of development cost charges (see below, SECTION D) on 5 and 6-unit builds. Egress rules and minimum room sizes make 5 and 6-unit builds more challenging than builds with lesser units, especially on smaller lots, but it is beyond the scope of this report to advise whether a 5 or 6-unit build is feasible or economical here.

SECTION C

Building to the maximum inside the green area on the site diagram above, leaves room for a laneway house in the rear yard of the lot, at a size as large as 1,640 square feet total over two floors, main plus upper, and more with basement, provided massing of the main building is pushed forward on the lot, to the street-side of the green buildable area on the site map above. Building a laneway house in the rear yard of the property with the existing house in place is covered in the full laneway house report above Section A.

SECTION D

An as of right building permit application for any of the items described here can currently expect approval inside of three months (or longer with variances). No development cost charges are applicable to buildings with three or four units, or for the fifth unit on the property by way of a garden suite or laneway house (or 5/6 units plus laneway house, here). By comparison, today's Toronto development cost charges for a single detached or semi-detached house is \$137,846, and subject to a possible further adjustment in 2026. Again, for comparison, development charges for other rental housing units *outside* of this program range from \$33,497 to \$68,199 per dwelling unit, depending on size (bedroom count).

Should you have any questions about 168 Markham Street in particular, or the EHON or laneway house programs in general, please feel free to contact me any time, or visit our website.

Martin Steele

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