



MUNICIPALITY OF THAMES CENTRE

REPORT NO. PDS-018-2025

TO: Mayor and Members of Council
FROM: Lindsay Nooren, Senior Planner
MEETING DATE: April 28, 2025
SUBJECT: Information Report on Additional Residential Units

RECOMMENDATION:

THAT Report No. PDS-018-2025 **BE RECEIVED** for information.

PURPOSE:

The purpose of this report is to provide an overview of Additional Residential Units (ARUs) and examine the local experience within Thames Centre and the County of Middlesex as requested February 24, 2025 by Council Resolution 65-2025:

Moved by: C. Crockett

Seconded by: T. Heeman

WHEREAS rural property owners face challenges in understanding the available options for secondary dwellings, including Additional Residential Units (ARUs) and severance policies;

AND WHEREAS there is a need for clear and accessible guidance to support rural residents in sustaining future generations and maintaining family farms;

AND WHEREAS Middlesex County is undertaking an Official Plan review, which presents an opportunity to align local policies with broader planning frameworks;

NOW THEREFORE BE IT RESOLVED THAT staff be **DIRECTED** to compile a summary of secondary dwelling options for rural properties, including but not limited to ARUs, severance, and other relevant pathways, and **THAT** this summary:

1. Outline ARU size requirements and permitted range;
2. Detail parameters for severance or excess dwelling considerations for farm operations; and
3. Align with ongoing work related to the Middlesex County Official Plan review.

The Planning and Development Department has been actively assessing the implementation of ARUs, identifying challenges, and exploring opportunities to streamline the process for both homeowners and developers. This report also extends beyond the County's boundaries to review precedent examples from other municipalities, offering insight into best practices and innovative policy approaches.

This report aims to provide Council with a comprehensive overview of recent ARU approvals and trends, offering insight into how Thames Centre can refine its policies to ensure a streamlined, locally relevant approach to ARU development that balances housing needs, servicing capacity, and land use compatibility.

BACKGROUND:

Additional Residential Units (ARUs), also referred to as secondary or accessory dwelling units, are self-contained residential units located within or ancillary to a primary dwelling. These units can be located within the main home (e.g., basement apartments), in an attached addition, or in a detached structure such as a garden suite or coach house. ARUs are a key tool in Ontario's land-use planning framework to support housing affordability, gentle intensification, and a more diverse housing supply within existing communities.

The Ontario government has encouraged the development of ARUs through legislative changes, including updates to the Planning Act, which require municipalities to permit up to three residential units per lot in most urban areas. These policy shifts align with provincial objectives to address the housing crisis by increasing density in a way that integrates with existing neighborhoods, utilizes existing infrastructure, and provides more flexible housing options for multi-generational living, rental opportunities, and aging in place.

Municipalities, including Thames Centre, play a critical role in implementing ARU policies through their Official Plans and Zoning By-laws, ensuring local considerations such as servicing capacity, parking, and design compatibility are addressed while supporting housing diversity.

Ontario Policies

In Ontario, Additional Residential Units (ARUs) come in various forms, typically categorized based on their location relative to the primary dwelling. The most common types include:

1. Interior ARUs

- **Basement Apartments:** Self-contained units within the primary dwelling's basement. These are the most common ARUs in urban and suburban areas.
- **Converted Space Within the Main Dwelling:** Existing space, such as an attic, second floor, or repurposed rooms, converted into a separate unit.

2. Attached ARUs

- **Additions to the Primary Dwelling:** Newly constructed extensions or repurposed attached garages that contain a self-contained residential unit.

3. Detached ARUs

- **Garden Suites:** Standalone, single-storey structures built on the same lot as the primary residence, often used as housing for aging family members.
- **Coach Houses / Laneway Houses:** Self-contained units located above garages, within rear yards, or along laneways in urban settings. More common in cities with a well-established laneway network, such as Toronto and Ottawa.

- Tiny Homes on Residential Lots: Small, fully functional homes placed as an ARU in backyards, providing compact and affordable housing options.

The flexibility of ARUs allows homeowners to contribute to housing supply while accommodating different living arrangements, including rental opportunities and multi-generational housing.

Section 16(3) of Ontario's Planning Act mandates that municipal official plans must include policies authorizing the use of additional residential units (ARUs) on parcels of urban residential land. Specifically, it allows for:

- Up to two residential units within a detached, semi-detached, or rowhouse dwelling.
- One additional residential unit in a building or structure ancillary to such a dwelling. This provision aims to increase housing flexibility and affordability by enabling property owners to create additional living spaces.

Complementing this, Ontario Regulation 299/19 provides specific standards that municipalities can implement when regulating ARUs. Key aspects include:

- Parking Requirements: Municipalities can require that each ARU have one parking space, which may be configured as a tandem space. However, if the primary unit doesn't require a dedicated parking space, the ARU isn't mandated to have one either.
- Occupancy and Ownership: ARUs can be occupied by any person, regardless of their relation to the occupants of the primary unit, and there's no requirement for the owner to reside on the property.

Within the Provincial Planning Statement (PPS), an additional residential unit is identified as:

Where a residential dwelling is permitted on a lot in a prime agricultural area, up to two additional residential units shall be permitted in accordance with provincial guidance, provided that, where two additional residential units are proposed, at least one of these additional residential units is located within or attached to the principal dwelling, and any additional residential units: a) comply with the minimum distance separation formulae; b) are compatible with, and would not hinder, surrounding agricultural operations; c) have appropriate sewage and water services; d) address any public health and safety concerns; e) are of limited scale and are located within, attached, or in close proximity to the principal dwelling or farm building cluster; and f) minimize land taken out of agricultural production.

Within the County Official Plan, ARU's are defined as; self-contained, subordinate to, and located within the same building or on the same lot as the primary unit. It mentions for ARU's outside of the Settlement Boundary – they should be grouped with the primary dwelling, clearly subordinate in size and scale to the primary unit and be prohibited from a future severance (2.3.7.4).

Within the Thames Centre Official Plan states that any regulation concerning second units shall limit the size of the second unit to ensure it remains clearly secondary to the primary dwelling unit (4.1.3.12).

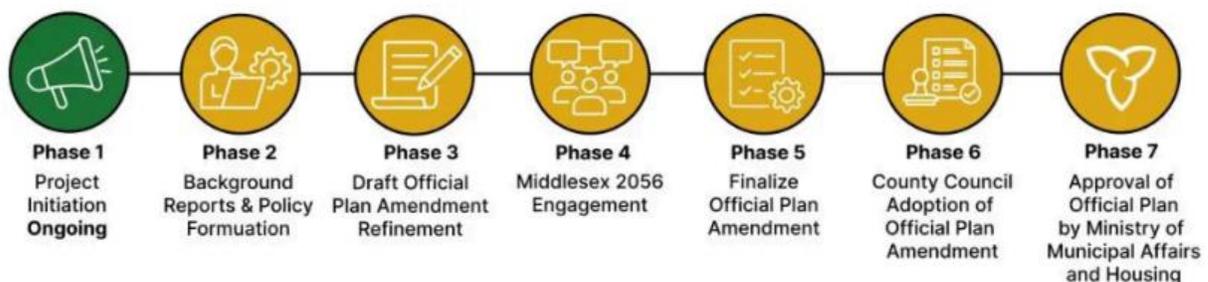
Importantly, Regulation 299/19 restricts municipalities from enacting overly prohibitive zoning by-laws that could effectively prevent the establishment of ARUs. This ensures that local regulations cannot impose excessive barriers, aligning municipal by-laws with provincial objectives to promote the development of additional residential units. In summary, Section 16(3) of the Planning Act, together with Regulation 299/19, establishes a framework that requires municipalities to permit ARUs and limits their ability to enforce restrictive regulations that could hinder the creation of these units.

For further connection:

Within the County Official Plan, ARU's are defined as; self-contained, subordinate to, and located within the same building or on the same lot as the primary unit. It mentions for ARU's outside of the Settlement Boundary – they should be grouped with the primary dwelling, clearly subordinate in size and scale to the primary unit and be prohibited from a future severance (2.3.7.4).

Within the Thames Centre Official Plan states that any regulation concerning second units shall limit the size of the second unit to ensure it remains clearly secondary to the primary dwelling unit (4.1.3.12). In addition, Thames Centre has a current ARU Guideline to assist residents with the process at this time¹.

Summary of the Middlesex County Planning Committee Discussion on the Official Plan Review as it Relates to Additional Residential Units (ARUs)



The Middlesex County Official Plan Review includes key updates regarding Additional Residential Units (ARUs) to align with recent provincial policies and support housing diversity. At the recent Planning Advisory Committee Meeting on March 5, 2025, information was shared on how the County and subsequent surrounding localities have

¹ <https://www.thamescentre.on.ca/services/residents/additional-residential-units>

been and will be looking to implement policies related to ARU's in the future. The meeting shared the following information:

1. As-of-Right Permissions:

- ARUs must be permitted in fully serviced settlement areas as required by the Provincial Planning Statement (PPS 2024).
- In prime agricultural areas, up to two ARUs per lot are permitted, provided:
 - At least one is within or attached to the primary dwelling.
 - They comply with Minimum Distance Separation (MDS) guidelines.
 - They do not hinder surrounding agricultural operations.
 - They have appropriate servicing (water/sewage).
 - They are of limited scale and located close to the main dwelling or farm buildings (in agricultural areas).

2. Addressing Implementation Challenges:

Municipalities have identified key challenges with ARUs, including:

- Whether an existing dwelling can become an ARU if a new primary dwelling is built.
- Clustering requirements (distance between primary dwelling and ARU).
- Servicing considerations (shared vs. separate connections).
- Size limitations (relative to the primary dwelling and lot size).
- Balancing policies in the Official Plan vs. Zoning By-law (high-level policy vs. detailed regulation).

3. Possible Proposed Official Plan Amendments:

- Expand ARU permissions beyond Settlement Areas to all locations where a residential unit is allowed.
- Ensure ARUs are compatible with agriculture and do not remove significant land from production.
- Add policies to streamline approvals and avoid unnecessary barriers in local zoning by-laws.

4. Next Steps & Considerations:

- Municipalities may need to refine zoning by-laws to align with these new policies.
- Additional guidance on ARU design, servicing, and site compatibility may be required.
- Ongoing public consultation and engagement to ensure policies reflect community needs.

Across the County, planners have observed the following trends:

- Reverse ARUs: Some landowners want to 'swap' the existing dwelling as the ARU while constructing a much larger new primary residence on agricultural lots.
- Corner Lot Challenges: Some applicants attempt to position ARUs far from the primary dwelling, effectively giving them frontage on separate roads, raising concerns about clustering and future severability.



- **Size Pressures:** There is increasing pressure to permit ARUs larger than the existing dwelling, contrary to the intent of ARU policies.
- **Policy Precedents:** One case involved a temporary use by-law allowing two dwellings on a lot, which was later approved for a zoning by-law amendment (ZBA) to treat the original dwelling as an ARU.
- **Agricultural Area Focus:** Since ARUs are as-of-right in settlement areas, most applications arise in agricultural areas, where past policies allowed secondary units in accessory structures.
- **Rising Interest:** Media coverage and increased public awareness have led to a noticeable uptick in inquiries and applications for ARUs over the past few years.

The meeting ended with the committee putting forth a motion that County Council consider including language in the OP to prohibit the severance of ARUs in rural areas and to address size, reverse ARUs and clustering.

Local Impacts Felt in Thames Centre

In Thames Centre as of right; up to two ARU's are permitted given that they are on full municipal services within the settlement boundary.

Within the Thames Centre Official Plan, 'second dwelling units' are permitted in single-detached, semi-detached, and townhouse dwellings, as well as in ancillary buildings on the same lot, within settlement areas and in 'Agricultural' or 'Rural Residential' designations—provided they can be properly serviced. It also states that any regulation concerning second units shall limit the size of the second unit to ensure it remains clearly secondary to the primary dwelling unit (4.1.3.12). With all of this being said, Zoning By-law amendments are required for ARU's within areas outside of the settlement boundaries.

The analysis of Additional Residential Unit (ARU) applications in Thames Centre highlights key trends in how homeowners and developers are integrating secondary dwelling units into both residential and agricultural properties. A review of recent zoning amendment applications indicates a growing interest in ARUs as a means of increasing housing flexibility, supporting multi-generational living, and, in some cases, providing rental opportunities.

Summary Of Each ARU – Related Application Received Since 2022

Application		Summary
Z3-22	1	Requested to recognize an existing second dwelling unit within an accessory building on an agricultural property while constructing a new primary dwelling.
Z8-22	2	Proposed severance of a residential lot and rezoning to permit a second dwelling unit within an accessory building.
Z15-22	3	Requested an ARU within an expanded existing dwelling, including a garage conversion.
Z2-23	4	Proposed construction of a new ARU between an existing dwelling and garage on a horse farm.

Z19-23	5	Proposed an ARU within a new detached garage/shop while also rezoning a portion of the property.
Z23-23	6	Requested to permanently recognize an ARU that was previously permitted under temporary zoning approval.
Z25-23	7	Proposed a small ARU for a family member, clustered near a newly constructed primary dwelling.
Z30-23	8	Requested an ARU in the front yard of a property, set back significantly from the primary dwelling.
Z33-23	9	Proposed an ARU within a large accessory building (detached garage) on a farm property.
Z3-24	10	Requested an ARU within a new accessory building (shop), incorporating an existing shed.
Z18-24	11	Proposed an ARU within a detached shop, with the unit being less than 20% of the primary dwelling's size.
Z20-24	12	Sought approval for an ARU that is approximately 125% larger than the existing dwelling.

Type of ARU Requested (Including Size Comparisons)

Application	Type of ARU	Size of Primary Dwelling	Size of ARU	Comparison to Primary Dwelling
Z3-22	ARU in an accessory building	650 m ²	165 m ²	25.4% of the primary dwelling
Z8-22	ARU in an accessory building	217 m ²	85 m ²	39.17% of the primary dwelling
Z15-22	ARU within an expanded dwelling	139 m ²	106 m ²	76% of the primary dwelling
Z2-23	Standalone ARU	520 m ²	189 m ²	36% of primary dwelling
Z19-23	ARU within a detached garage/shop	277 m ²	102 m ²	36.8% of primary dwelling
Z23-23	Permanent approval for existing ARU	357 m ²	134 m ²	37.5% of primary dwelling
Z25-23	Small detached ARU	216 m ²	74 m ²	34% of new primary dwelling
Z30-23	Large ARU with garage and basement	302 m ²	227 m ²	49% of primary dwelling
Z33-23	ARU within a detached garage	371 m ²	182 m ²	49% of primary dwelling
Z3-24	ARU within a shop	196 m ²	93 m ²	<50% of primary dwelling
Z18-24	ARU within a shop	455 m ²	82 m ²	19% of primary dwelling
Z20-24	Large ARU on a split zone lot	160 m ²	201 m ²	125.6% larger than primary dwelling

Decision Summary

Application	Decision
Z3-22	Approved, with ARU permitted in an accessory building at $\leq 30\%$ of the primary dwelling's size.
Z8-22	Approved, with ARU in an accessory building, limited to 85 m ² .
Z15-22	Approved, with ARU allowed within the existing dwelling at a max of 110 m ² .
Z2-23	Approved, with ARU permitted at 189 m ² , including garage/porch.
Z9-23	Approved, allowing a temporary second unit for up to 3 years.
Z19-23	Approved, with ARU in a detached garage/shop at 102 m ² .
Z23-23	Approved, making a previously temporary ARU permanent, at 134 m ² .
Z25-23	Approved, with ARU at max 75 m ² and required setbacks.
Z30-23	Approved, allowing a front-yard ARU at $\leq 49\%$ of the primary dwelling's size.
Z33-23	Approved, with ARU at $\leq 49\%$ of the primary dwelling's size and within 30 m of it.
Z3-24	Approved, allowing an ARU at $\leq 50\%$ of the primary dwelling's size.
Z18-24	Approved, allowing an ARU of 82 m ² .
Z20-24	Council Deferral

Most ARUs approved in Thames Centre have been significantly smaller than the primary dwelling, with the majority ranging between 19% and 50% of the main unit's size. The largest ARU-to-primary dwelling ratio (76%) was observed in an application where the unit was incorporated into an expanded existing structure.

Applications also reveal significant variation in primary dwelling sizes, particularly between agricultural and residential properties. Larger farm properties tend to feature substantial primary dwellings (e.g., 650 m², 520 m², 455 m²), which in turn allows for larger ARUs without exceeding proportional thresholds. In contrast, ARUs proposed in residential areas tend to be smaller in absolute size to maintain compatibility with surrounding neighborhoods.

The findings indicate a clear trend toward accessory building conversions and detached ARUs, particularly on agricultural properties, where land availability allows for standalone units or ARUs within accessory structures such as garages or workshops. The approval of front-yard ARUs (Z30-23) and temporary secondary dwellings (Z9-23) further suggests a need for clarity in zoning policies to guide future ARU development effectively.

Example from Inside the County

Within the County Official Plan, ARU's are defined as; self-contained, subordinate to, and located within the same building or on the same lot as the primary unit. It mentions for ARU's outside of the Settlement Boundary – they should be grouped with the primary dwelling, clearly subordinate in size and scale to the primary unit and be prohibited from a future severance (2.3.7.4).

Southwest Middlesex

Southwest Middlesex is a lower-tier municipality located in Middlesex County. It lies approximately 40 to 50 kilometres southwest of Thames Centre, with the town of Glencoe serving as its administrative and service hub.

The Municipality of Southwest Middlesex operates under a planning framework guided by the County Official Plan as well as its Official Plan and Comprehensive Zoning By-law, all of which are designed to conform with the Planning Act and the PPS (2024). The Official Plan outlines long-term land use and development goals, supporting growth in both urban and rural areas, encouraging housing diversity through additional residential units (ARUs), and promoting compact, efficient development where servicing is available.

The Zoning By-law implements the Official Plan through detailed regulations on land use permissions, building form, servicing requirements, and compliance with the Ontario Building Code. Together, these aim to balance growth management with rural character, agricultural preservation, and environmental stewardship.

Below is an overview of how Southwest Middlesex' Zoning By-law and Official Plan work together to regulate and permit the inclusion of ARU's.

Zoning By-law (Section 4.22 – Second Dwelling Units)

Second dwelling units are permitted in:

- Single-detached or semi-detached dwellings, or
- Accessory buildings (e.g., garages or separate structures),

If located within the main dwelling:

- Must have a separate outdoor entrance.
- Minimum ceiling height of 2.0 m.
- Basement units must be above sanitary/storm sewer level.
- Max size: 40% of the dwelling's floor area or 75 m², whichever is less.
- One dedicated parking space is required.
- Must comply with the Ontario Building Code (OBC).

If located in an accessory building:

- Max size: 75 m².
- Must meet zoning and accessory building regulations.
- In settlement areas: must connect to municipal services if available.
- If not connected to municipal services:
 - Water well must provide at least 18.9 L/min.
 - Must connect to an approved private sewage system.
- One dedicated parking space required.
- Must comply with the OBC.

Official Plan (Section 2.5.11 – Additional Residential Units)

Permits up to 2 ARUs per lot:

- In urban areas with municipal water and sewer:
 - Up to 2 ARUs within the principal dwelling, or
 - 1 within the dwelling + 1 in a detached accessory building.
 - ARUs cannot be severed from the main dwelling.
- In non-serviced areas (rural or private services):
 - Same ARU limit as above (max 2 total).
 - Garden suites are not permitted if a detached ARU already exists.

Requirements for ARUs:

- Adequate access (including emergency).
- Subordinate in scale to the main dwelling.
- Not in hazard lands, floodplains, or natural heritage areas.
- Must meet Minimum Distance Separation (MDS) formulae (where applicable).
- Floor area of ARU must be $\leq 49\%$ of the primary unit.
- Full compliance with OBC and Fire Code.
- Zoning By-law will establish detailed provisions.
- In Agricultural Areas: buildings should be clustered to protect farmland.

Examples from Outside of the County

Lakeshore Ontario

The proposed amendments to the Lakeshore Zoning By-law aim to align local regulations with the Planning Act and provincial policy regarding Additional Residential Units (ARUs). The term "secondary dwelling unit" will be replaced with "additional residential unit", and its definition expanded to include semi-detached dwellings, townhouse dwellings, and accessory buildings. ARUs will be permitted in various residential, mixed-use, and agricultural zones, allowing for up to two ARUs per lot—either both attached to the primary dwelling or one attached and one detached. However, ARUs will not be allowed in seasonal dwellings or combined with a garden suite or mobile home, except in cases where farm worker housing is needed.

Servicing requirements dictate that ARUs must be connected to municipal water, while either municipal or private septic systems may be used, subject to municipal approval. Where municipal sanitary services are available, ARUs must share the same connection as the primary dwelling. Each ARU must have a separate exterior entrance, but it cannot be located on a street-facing elevation. To maintain neighborhood character, the gross floor area (GFA) of an ARU cannot exceed 50% of the primary dwelling's GFA, except for basement units, which may occupy the entire basement.

Size and height restrictions will be adjusted to support ARU development. The maximum GFA for ARUs within accessory buildings will be 120 m² (1,292 ft²) in residential/mixed-use zones and 140 m² (1,507 ft²) in agricultural zones. ARUs within detached garages may exceed the standard 5.0 m height limit, with new height limits of 6.5 m in residential/mixed-use zones and 7.5 m in agricultural zones, provided they do not exceed the height of the

main dwelling. Setback adjustments will allow rear laneway ARUs to have a 0.6 m setback, while ARUs with second-storey windows facing a property line will require a 3 m setback to maintain privacy.

The amendments also revise parking requirements to comply with the Planning Act, ensuring that municipalities cannot mandate more than one parking space per ARU. Additionally, outdated references to “secondary dwelling units” and “converted dwellings” will be removed, with all such units now classified as ARUs and subject to the updated regulations. These changes aim to support housing flexibility while maintaining appropriate design standards and servicing requirements.

Oxford County

Oxford County permits Additional Residential Units (ARUs) in agricultural areas to increase housing flexibility while maintaining compatibility with farming operations. ARUs are self-contained units located within, attached to, or in a detached structure on the same lot as a single detached, semi-detached, or townhouse dwelling. Up to two ARUs per lot are permitted, provided they do not exceed 50% of the gross floor area of the primary residence, with a maximum size of 140 m² (1,506 ft²).

Certain restrictions apply to ARUs in agricultural areas. They are not permitted on lots that contain boarding houses, group homes, garden suites, converted dwellings, duplexes, or mobile homes. Additionally, ARUs are subject to conservation authority approval if located on lands with natural hazards, such as floodplains, unstable slopes or wetlands. All ARUs must share the same driveway and parking area as the primary residence and must be accessible for emergency response.

For detached ARUs on agricultural lots, additional requirements apply. A minimum lot size of 0.6 hectares (1.48 acres) is required, and the ARU must be located in the rear or interior side yard, except on farms. The placement of ARUs must comply with Minimum Distance Separation (MDS I) guidelines to avoid conflicts with farming activities. On farms, detached ARUs must be within 30 metres (98 feet) of the primary house and cannot be severed from the main property. A minor variance may be required to ensure that the ARU's location, servicing, and parking do not negatively impact agricultural operations or remove farmland from production.

Oxford County permits Additional Residential Units (ARUs) in rural settlement areas, including Serviced Villages, Villages, and Rural Clusters, with specific conditions based on the availability of municipal services. Serviced Villages equipped with both municipal water and sewage systems may allow up to two ARUs per lot, provided there is sufficient servicing capacity and zoning requirements are met. However, in certain Serviced Villages where servicing capacity is limited, ARUs may be restricted or limited to one per lot, as specified in the Township zoning by-law. Villages and Rural Clusters without municipal sewage systems are generally permitted one ARU per lot, subject to zoning requirements. In areas served by a municipal water system, capacity constraints may further limit the allowance of ARUs, as detailed in the zoning provisions.

General requirements for all ARUs include:

- The total gross floor area of all ARUs on a lot cannot exceed 50% of the primary residential unit's gross floor area, up to a maximum of 100 m² (1,076 ft²), though Township zoning provisions may impose further limitations.
- ARUs are prohibited on lots containing certain uses such as boarding/lodging houses, group homes, garden suites, converted dwellings, duplexes, mobile homes, bed and breakfasts, or home daycares, as defined in the applicable zoning by-law.
- Properties with natural hazards (e.g., floodplains, unstable slopes) may require approval from the relevant conservation authority before establishing an ARU.
- The property must be adequate in size to accommodate the ARU, ensuring sufficient parking, landscaping and appropriate setbacks from other buildings and property lines.

For detached ARUs, additional stipulations include:

- In fully serviced settlements, zoning provisions may require a minimum lot area. For lots with private septic systems, a minimum lot area of 0.6 hectares (1.48 acres) is mandated.
- The detached ARU must be situated in the rear or interior side yard.
- Specific zoning requirements may govern aspects like building height, setbacks, fencing, and the placement of windows, decks, or balconies to maintain neighborhood character and privacy.
- ARUs cannot be severed from the lot containing the primary residence.

Guelph Eramosa Township

Guelph/Eramosa Township permits Additional Residential Units (ARUs) as accessory dwellings subordinate to primary residences, such as detached, semi-detached, or townhouse dwellings. ARUs can be situated within the primary dwelling or in an ancillary building on the same lot. Each ARU must include sleeping accommodations, a kitchen, sanitary facilities, and a private entrance, either from outside or via a common hallway or stairway inside the building.

Key regulations for ARUs include:

- **Maximum Number:** A total of two ARUs per lot is permitted, with only one ARU within the principal building and one within an ancillary building.
- **Floor Area:** An ARU's floor area must not exceed 45% of the main dwelling's floor area, up to a maximum of 130 m². This calculation includes spaces like cellars and attics if they qualify as habitable rooms.
- **Height:** The ARU's height cannot surpass that of the main dwelling.
- **Access:** Both the main dwelling and ARU must share a single driveway access. On corner lots, one entrance from each street is permissible, subject to specific sections of the Zoning By-law.
- **Parking:** Each ARU requires one additional parking space, which can be accommodated in tandem with existing parking.

Specific provisions for ARUs within ancillary buildings:

- **Location:** The ancillary building housing the ARU must be within the main building cluster and not more than 60 meters from the main dwelling.

- **Servicing:** The ancillary building housing the ARU must have adequate water and sanitary services, with servicing capacity satisfactory to the Township.

The revisions across Lakeshore, Oxford County, and Guelph/Eramosa Township showcase a progressive integration of Additional Residential Units (ARUs) into municipal planning frameworks. These updates expand the definition of accessory dwellings to include various types—detached, semi-detached, townhouse dwellings, and accessory buildings—while standardizing size, height, and parking requirements. Such measures aim to foster housing flexibility, ensure connectivity to essential services, and maintain neighborhood character alongside agricultural and rural settlement considerations.

Official Plan Amendment No. 27 (OPA 27)

The direction in OPA 27 to establish a housing mix target of 65% low density and 35% medium density development reflects a continued emphasis on traditional built form aligning with more recent provincial policy directions under PPS 2024 that prioritize intensification and a broader range of housing options.

These changes clarify and expand the Municipality's permissions for Additional Residential Units (ARUs) in both urban and rural contexts. The amendments introduce a new subsection and revise existing policy to align with the Planning Act and provincial direction, supporting gentle intensification and housing diversity.

Key changes include:

Maximum Number of Units:

- Up to two (2) ARUs within the principal dwelling, or;
- One (1) within the principal dwelling and one (1) in a detached accessory building.
- In all cases, no more than two ARUs total are permitted per lot.

Location and Servicing Requirements:

- ARUs are permitted in all designations where single, semi-detached, or townhouse dwellings are allowed.
- Where full municipal services exist, ARUs are permitted on urban residential lots.
- Where private services are used, ARUs may still be permitted subject to demonstration of adequate servicing capacity.

Use Restrictions and Standards:

- Garden suites are not permitted where an ARU already exists in a detached accessory building.
- ARUs must not be located in hazard lands, floodplains, or within the natural heritage system.
- ARUs must comply with Ontario Building Code, Fire Code, and other applicable standards.
- Detached ARUs cannot be severed from the principal dwelling.

- Clustered siting and shared services are encouraged in the Agricultural designation to reduce impacts on farmland.

Temporary Uses:

Tiny homes, garden suites, granny flats, and mobile homes continue to be considered temporary uses and will be evaluated on a case-by-case basis.

Size and Zoning Considerations:

- ARUs must remain subordinate in scale and function to the primary unit.
- The Municipality's Comprehensive Zoning By-law will establish detailed provisions, including access, setbacks, and accessory building requirements.
- The maximum size of an ARU is limited to 49% or less of the gross floor area of the principal dwelling.

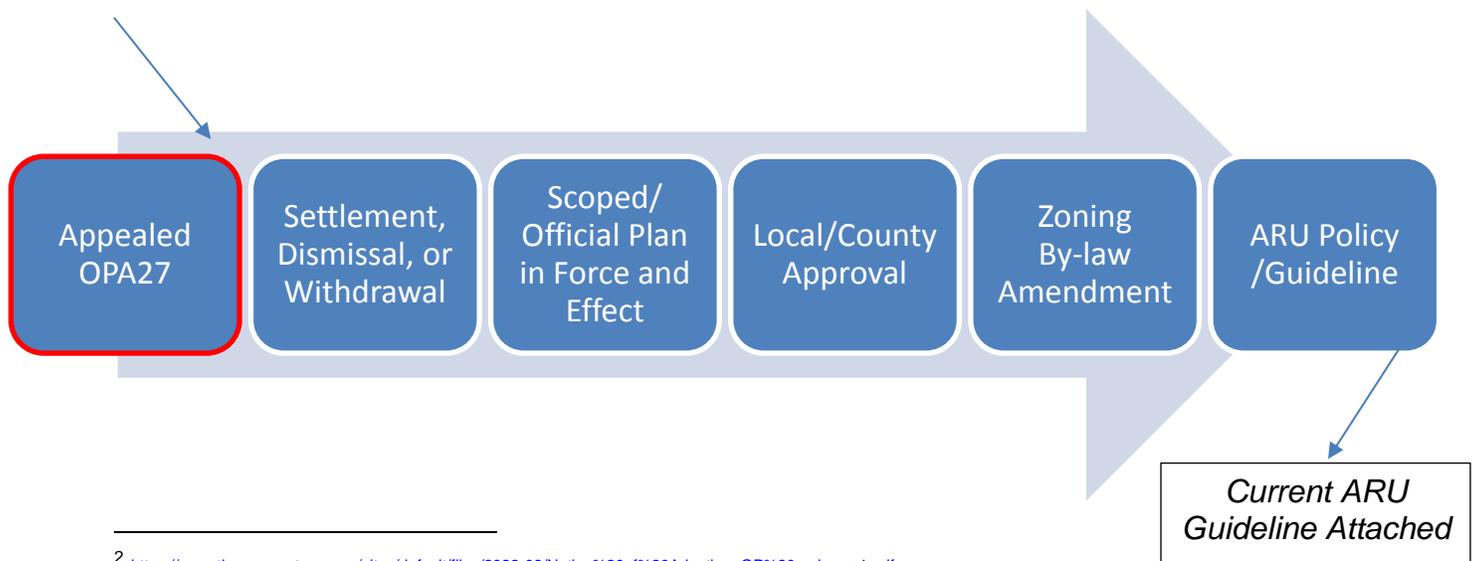
Thames Centre Council approved OPA27 ARU provisions through By-law 74-2022 on August 8th, 2022² where a Notice of Decision was sent to the County of Middlesex for approval.

d) ARUs shall be limited in size so that they remain clearly secondary to the main dwelling unit.

e) The Zoning By-law shall establish regulations for ARUs.

The County of Middlesex reviewed, and a proposed amendment was brought to the County Council for consideration on November 7, 2023³. See below amendment related to ARU %: **(5) Demonstration that the Additional Residential Unit has a floor area of 49% or less of the primary residential unit.** Thames Centre's OPA27 and the amendments (linked to this report) were passed by County of Middlesex Council on November 29, 2023. On December 18th, 2023, the County of Middlesex received an appeal in relation to ARU's.

Where are we at with OPA27?



² https://www.thamescentre.on.ca/sites/default/files/2022-08/Notice%20of%20Adoption_OP%20review_1.pdf

³ <https://pub-middlesexcounty.escrimemeetings.com/filestream.ashx?DocumentId=10081>

COMMENTS:

For Council to consider and provide feedback:

Size Limits

- General max size: x% of the primary dwelling's size.
- Flexibility for small homes in agricultural areas (i.e. alternative %).
- Average 2020 Dwelling Footprint in Ontario based on MPAC is 2,383 sq ft⁴.
- Primary versus Secondary Dwelling Definitions
- Detached ARUs in agricultural/rural zones may have additional conditions or require minor variances.

Servicing Requirements

- ARUs must connect to municipal or private services, depending on location.
- Shared servicing is encouraged in agricultural areas.
- Shared servicing is required in urban settlement areas.

Location

- Clustering and setbacks are key to ensure integration and prevent lot severance.
- No ARUs in floodplains, hazard lands, or environmentally sensitive areas.
- Adequate access to primary and secondary dwelling units.
- If a Surplus Farm Dwelling Severance is proposed in the future, OPA27 has provisions that discourage flag-shaped lots.

While Additional Residential Units (ARUs) are often promoted as a means to increase affordable housing, optimize land use, and provide homeowners with additional income, poorly designed and rushed policies can lead to unintended consequences. If regulations do not carefully consider size limitations, clustering requirements, and infrastructure impacts, ARUs could contribute to rising housing costs rather than alleviating them. Property tax increases are an unavoidable reality for homeowners who add ARUs, which may offset potential rental income benefits. Additionally, the impact of ARUs—particularly larger ones resembling single detached homes—on overall property values remains uncertain, potentially leading to market shifts that further exacerbate affordability challenges. Without thoughtful policies that balance housing expansion with community needs, ARUs could unintentionally undermine the very goals they aim to achieve.

It is worth noting that Thames Centre staff have witnessed the interest and innate need to make housing more affordable, permissions flexible, and options plentiful. It is a delicate dance of all players at different levels of municipal decision making to enact policies that are both flexible and structurally sound so development of ARU's can occur without unintended consequences and property owners and users of ARU's can reap the maximum intended benefits of their inclusion.

⁴ <https://www.mpac.ca/en/News/PressRelease/spacioushomescompactcondosMPACdatarevealshiftinghousingtrendsacrossOntario>

Staff recognize the challenges in relaying the requirements and process for establishing ARUs from the time the new PPS was released (Aug. 20, 2024). To support property owners, staff, and Council's decision-making and assessment, this report is in response to Council Resolution 65-2025; to bring information forward prior to developing an ARU policy/guide that outlines a step-by-step approach for determining suitable ARU sizes and navigating the application process.

An Additional Residential Unit (ARU) policy/guide will be prepared for a future Council meeting for consideration.

STRATEGIC PLAN LINK:

Pillar: *Smart Planning*

Goal: *Make smart planning decisions to grow the community, while maintaining a "hometown feel"*

REFERENCES:

County of Middlesex Planning Committee Presentation March 5, 2025
Guelph-Eramosa Township ARU Guidelines
County of Brant ARU Guidelines
County of Oxford, Additional Residential Units in Agricultural Areas
MPAC

CONSULTATION:

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ATTACHMENTS

Severances in Thames Centre
Additional Residential Units Information Fact Sheet

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