

Home Buying With Rental Income

The Critical Safety Information You Need To Create A Legal Apartment In Ontario

Renting out part of your home is an excellent way to help pay your mortgage.

If becoming a landlord appeals to you, you should know that you'll have to comply with strict guidelines in order to create a *legal* apartment in your home. Even if the apartment already exists when you buy the home, it is illegal unless it meets these strict guidelines -- and the vendor has the paperwork to prove it!



The laws that you have to adhere to were created to ensure that the second home in your house, so to speak, is safe and meets fire standards.

The requirements for a legal second unit can be summed up with these four points:

- * there must be a fire separation between each unit
- * there has to be a way for occupants to escape from each unit
- * each unit must have smoke alarms
- * the units must meet electrical safety standards

There are several ways that you can find out exactly what you have to do to your home to make the two units in it legal.

You can read about the requirements on the Fire Fighter's Safety Network website.

You can also try contacting your local fire department and your local electricity agency; these organizations are the ones that will ultimately issue your retrofit certificates.

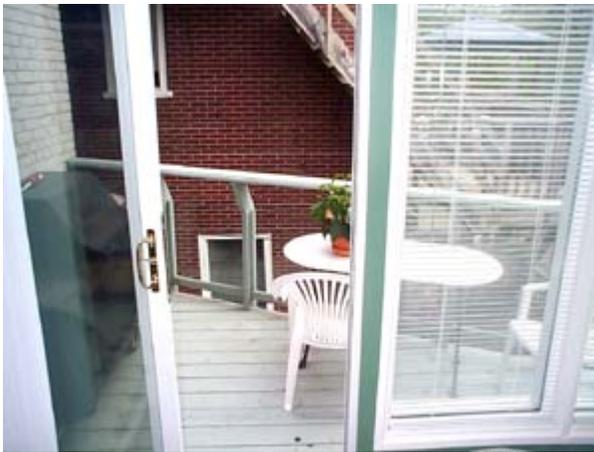
What Will It Cost To Make A Unit Legal?

1- The fire departments in various (former) municipalities are empowered to charge a user fee to do the initial inspection of your

property. These fees range from \$150-300 plus GST depending upon the city.

2- The Power Generation (Ontario Hydro) charges about \$75 to carry out their inspection, plus a further \$30 if they need to re-inspect to do a final check on any requested improvements.

3- Costs to do the retrofit work will depend on what level of completion you are starting from. Do you already have fire doors? Are your basement ceilings completely dry walled already? Do you have just two suites, or more? You will need to get a quote from a contractor either before or after the initial retrofit inspection has been completed.



What Does This Mean If You're Buying?

If you're planning to purchase a home with one or more extra rental suites, you have to be prepared to do the fire retrofit work. In some cases, it may have to be done before closing in order for you to be able to obtain your financing.

Although it might sound complicated, it really isn't all that bad. The fact is... it's the best thing for you to do safety wise... especially if you and your own family are going to be living there.

What Does This Mean If You're Selling?

If you currently own a property and don't have the Fire Retrofit work done, it may be wise to do it prior to putting the house on the market.

It really depends on the existing configuration of units and what the prospective buyer profile for that particular home might be.

In some instances, the chances of a new purchaser keeping the home in the same rental configuration might be very low. Then it doesn't make sense to waste the money on installing fire doors etc.