REGIONAL SCAN OF ZERO SIDE YARD DEVELOPMENTS

High Level Scan of Zero Side Yard Developments in Edmonton Metro Region

Planning and Development
March 2023

Introduction

This report summarises the key findings from this high-level regional scan which is intended to serve as background information as Administration advances new applications for Zero Lot Line developments in the communities of Easton and Copperhaven for Council's consideration in March 2023.

Zero Side Yard developments are generally referred to homes built on a lot where one side yard or setback is reduced to 0.0 m while the other setback is increased to ensure safe separation distance and includes a easement to allow access for maintenance.

In February 2023, Planning department reached out to the City of Fort Saskatchewan, City of Leduc, Town of Stony Plain and City of Beaumont to gather high-level information on the current policy framework, development implementation and public feedback on zero lot line developments in their respective communities. We also reached out to City of St. Albert and Strathcona County but did not receive a response to our request.

The topics covered under this report are:

- Review of assessment values of zero lot line homes
- Regional comparison of zero lot line development standards
- Feedback from regional municipalities

1) Tax Assessment of Zero Lot Line Homes

Topic

We conducted a review of tax assessment values of zero side yard homes and undeveloped lots in the GPL district determine if there were any discernable cost savings or increased affordability associated with these homes in comparison to similar sized homes or undeveloped lots.

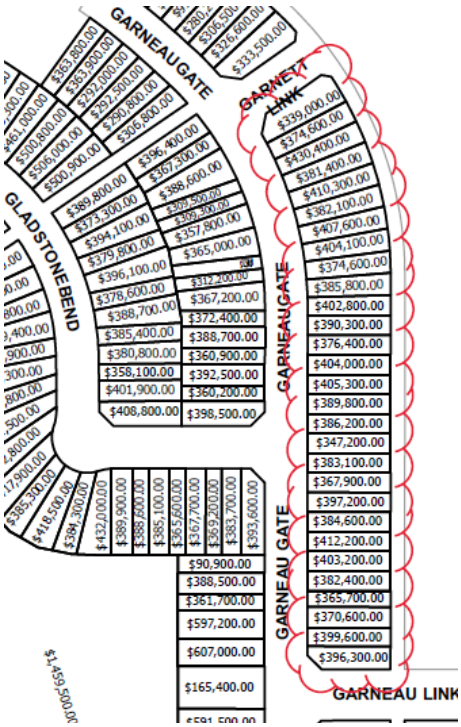
Review

Tax Assessment Maps - Appendix A were generated to reflect assessment values of all properties currently developed in the Greenbury neighbourhood and initial phases of the adjacent Prescott neighbourhood for comparison purposes. We also identified all home built on lots under 320 m^2 as a grouping of comparable lots at the lower end of the lot size spectrum currently being developed in the area.

We also consulted with the taxation and assessment staff to develop a conceptual understanding of how the zero lot line properties are assessed and we got the following response:

> "*These properties are valued together meaning we use sales of other similar properties to calculate the assessment.*
>
> *If the property is a typical SFD lot with a home and attached garage, the sales of similar property would be used to value that type of property.*
>
> *These properties are generally smaller homes on smaller lots, so the price people pay is typically lower than a regular lot. This translates into lower assessed values."*

<u>Observations</u>



The GPL district contains three types of homes; Single Detached zero side yard, Semi-Detached Zero Side yard and Row Houses without zero side yard mixed in certain locations.

Due to the variety of development types, the focus area was narrowed to the block north of Garneau Link and east of Garneau Gate which contains Single Detached zero side yard homes accessed from a lane. This block reflects an interior residential block, which can be compared with other similar examples across Greenbury and other neighbourhoods.

1. First observation is that zero side yard homes developed under the Greenbury Planned Lot District (GPL) pilot project are unique with average single detached home lots sizes fall in the range of 290 – 325 m^2.

   When we scan the adjacent neighbourhoods of Greenbury and Prescott neighbourhood for similar size we found lots with Duplex or Row Housing product, which on average have lower pricing due to

being a different type of product. This product differentiation of lot size and building types makes it challenging to make a direct comparison.

2. The second observation was the wide price variation for similar type lots with developed homes on the same block, exhibiting prices ranging from $339,000 to $430,000.

   This price variation may reflect value added items or enhancements inside the homes or reflect the volatility of market conditions experienced between 2018 and 2022, where similar sized homes may have been sold for varying prices depending on the market demand of the time.

We also compared an undeveloped batch of zero side yard lots with similar sized traditional R1 lots in Greenbury and Prescott. These were considered for comparison as none of these lots back on to greenspace or amenity areas. The limitation of this exercise is that the batch of undeveloped lots is a small and limited sample base.

3. The third observation from a review of assessment values of undeveloped lots suggests, that zero side yard lots are not priced any lower that traditional lots. The pricing of zero lot line lots actually suggests a higher per square meter price for the lots, which can be attributed to its ability for accommodating a larger house on a smaller lot (see Table 1 below).

Table 1: Comparison of undeveloped lot values from assessment data

Zoning, Type, Street	Size m^2	Price of Lot	Price per m^2
GPL, Single Detached Lots zero side yard - front drive, Gladstone Bend	305	$111,185	$365
R1, Single Detached Lots - front drive, Penn Place	321	$114033	$355
R1, Single Detached Lots - front drive, Grafton Way	368.3	$122,400	$333

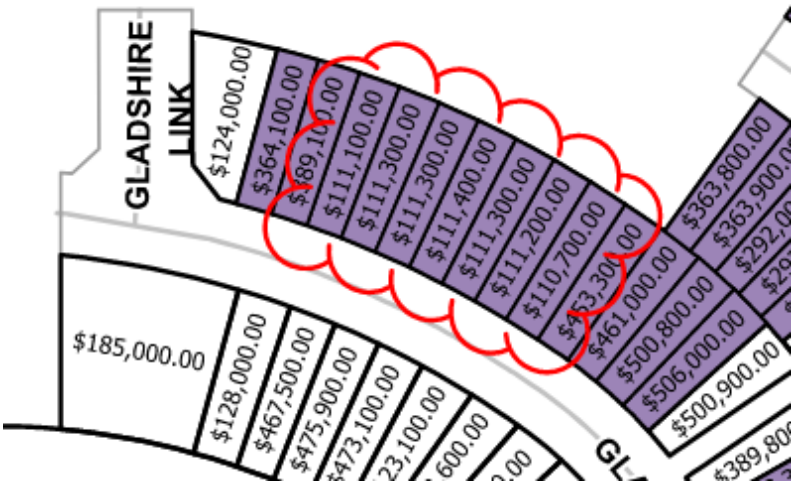


Figure 1: Undeveloped Zero Side Yard lots in GPL along Gladstone Bend

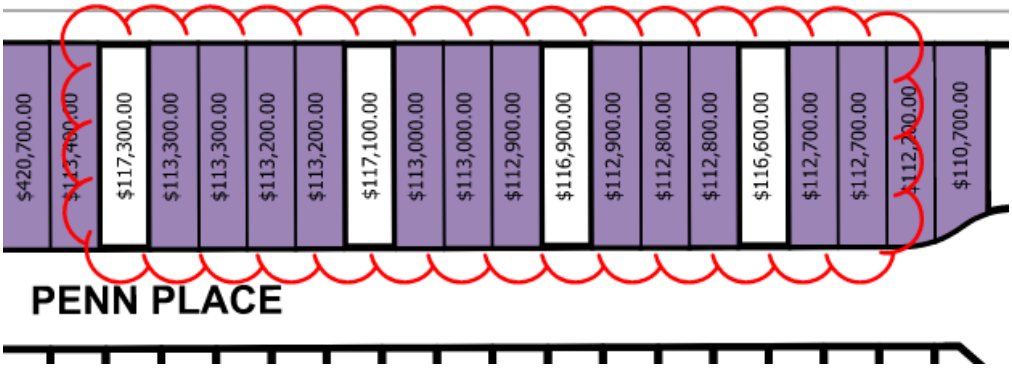


Figure 2: Undeveloped standard R1 District lots in Prescott Neighbourhood along Penn Place

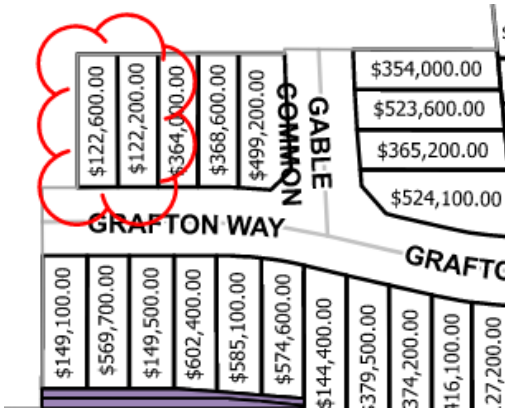


Figure 3: Undeveloped R1 lots in Greenbury along Grafton Way

Conclusion

1. The review of assessment values did not provide any discernable indication that zero side yard homes or lots are any more affordable than traditional lots and therefore should be considered as another market offering and are susceptible to prices increases or decreases based on market conditions.

2. It is reasonable to assume a smaller lot and a smaller house will cost less in a given market and this principle applies to all forms of housing. Market conditions play a big role in the valuation of homes and therefore it is recommended that ZLL homes be treated as conventional market homes that sell for market value.

3. Based on the review of a limited sample of undeveloped lots, we can see that the price of lot per square meter appreciates as the lot becomes smaller. The zero side yard format allows the developer to accommodate a larger home structure on a compact lot making it favourable for the development community. Whether any savings are passed on to the customer is difficult to ascertain due to the wide price range and market fluctuation.

2) Regional Scan of Development Standards for ZLL

Topic

Zero side yard homes are being developed across the Edmonton metro region, with varying development standards. A scan of land use bylaws and confirmation from the four municipalities that responded to our request provides a picture of development standards being allowed for zero side yard homes, as shown in the table below:

Minimum Development Standards for Zero Side Yard Developments by Municipality					
District	**Municipality**	**Lot Width**	**Lot Depth**	**Lot Area**	**Coverage**
RLD	Edmonton	-	27.0	-	53 - 56%
IN	Beaumont	4.9	-	-	55%
CN	Beaumont	6.0	-	-	55%
R5 / R6	Stony Plain	6.3 / 7.2	-	235 / 180	50%
RCD	Leduc	7.1	27.0	191.7	53%
RNL	Leduc	7.6	32.0	243.2	45%
R2C	Strathcona County	7.6	32.9	250.0	50%
GPL	**Spruce Grove**	**7.6**	**33.5**	**254.6**	**50%**
RPL / RMD	Edmonton	7.6	30.0	247.0	53%
RXL	St.Albert	7.7	30.0	231.0	45 - 47%
DCA -13	Fort Saskatchewan	7.6	34.0	258.4	53%
DCA-15	Fort Saskatchewan	8.3	38	315.4	53%

The purpose of comparing the development standards was to ensure that Spruce Grove is not overly restrictive in regulating development standards that would make the development of such lots uncompetitive in the regional context.

Spruce Grove was an early adopter of ZLL homes, which were developed through the GPL District pilot. When comparing the development standards utilized by regional municipalities, the development standards currently allowed in Spruce Grove fall right in the middle of the pack and ensures a competitive environment for the development of the ZLL product.

Conclusion

1. The development standards currently permitted for the development of Single Detached ZLL home in Spruce Grove are a reasonable standard for the development of the product and it is recommended that this standard be maintained if ZLL homes are to be allowed in new neighbourhoods.

3) Zero Side Yard Development Impacts and other feedback

Topic

To develop an understanding of Zero side yard development impacts in their respective communities, we asked other regional municipalities the following questions:

> *1.Had they approved* Zero side yard *development in new neighbourhoods and did they have any stages under construction?*
>
> *2. Did they introduce any limiting mechanisms to control where* Zero side yard *developments were permitted?*
>
> *3. Did they monitor the* Zero side yard *developments for any issues and impacts and did they receive any feedback from the residents?*
>
> *4. Were* Zero side yard *homes being perceived as an "affordable" housing choice or just another market offering?*
>
> *5. Are* Zero side yard *homes impacting the market share of other forms of housing, such as semi-detached or row housing?*

City of Fort Saskatchewan, City of Beaumont, Town of Stony Plain and City of Leduc responded to our information request with the following information:

CITY OF BEAUMONT

- Nearly all developing neighbourhoods in the City of Beaumont (Beaumont) had zero side yard development stages under construction, or at minimum had subdivision approval.

- Beaumont does not limit zero side yard homes in a neighbourhood. Area Structure Plan policies encourage variety of diverse housing types and sizes. ZLL homes were seen to have concentration within large phases of development.

- While there wasn't a formal monitoring program, the City undertook an engagement and analysis on the topic of zero side yard homes at the direction of Council, (https://beaumontab.civicweb.net/document/24426/). Based on the public feedback landscaping, drainage, on-street parking and accessibility were noted as challenges in neighbourhoods that included this type of housing.

- At the January 24, 2023 meeting Council passed a motion directing Administration to prepare a report on options and implications related to disallowing further zero lot line homes.

- While zero side yard homes are marketed as an affordable choice, Beaumont perceives ZLL homes are another market offering. Beaumont has seen even large estate lots being developed in zero side yard format, as it allows the developer to maximize the development pocket.

- Zero side yard homes are being marketed as an affordable choice, however recent development stages suggest that it is another market offering. For instance, in one neighbourhood, estate lots

are also being developed as zero side yard product in order to maximize the building pocket regardless of parcel size.

- Since the adoption of zero side yard regulations, Beaumont has seen a small but steady increase in the percentage of semi-detached homes in the market share. There doesn't appear to be any negative impact from zero side yard homes on this typology.

CITY OF FORT SASKATCHEWAN

- City of Fort Saskatchewan (Fort Saskatchewan) had two stages under development or pending subdivision approval. Both stages have been approved under Direct Control Districts:
    - DC(A)-15 consisting of 31 zero side yard lots with front garages was approved in July 2021.
    - DC(A)-20 consisting of 30 plus zero side yard lots with lane based access were approved in January 2022

- In Feb 2022, Fort Saskatchewan Council defeated a Bylaw which was intended to amend their Land Use Bylaw to allow a conventional district that would permit zero side yard homes. Their review of the market impact of zero side yard homes did not find any affordability benefit associated with this development type. Development trends in their community also suggested zero side yard homes may serve as a land use efficient alternative that may displace more affordable forms of developments such as semi-detached homes.

- Fort Saskatchewan requires developers to amend their statutory plans, (Outline Plans and Neighbourhood Structure Plans) to identify the location and extent of non-conventional development types such as zero side yard homes. This process allows the City administration to comprehensively review the impact of such developments.

- Fort Saskatchewan perceives zero side yard homes as just another market offering within the Single Detached homes spectrum.

- In their observation the percentage of semi-detached new builds went down since the zero side yard housing was introduced. Especially in the neighbourhoods where ZLL homes were being built.

CITY OF LEDUC

- City of Leduc (Leduc) has several zero side yard development stages under construction and more future stages being planned. Most developers in Leduc include Zero Lot line in new stages of development and / or are completing a stage that includes zero lot line product.

- This form of housing has evolved into the primary form for new single family dwellings in the community.

- Leduc does not have any limits on zero side yard homes. Initially zero side yard homes were approved through Direct Control Districts. Since 2019 zero side yard homes have been accepted as just another housing type.

- Leduc is informally monitoring all developments in the City. Construction related issues were addressed several years ago when the product was first introduced. Leduc is not experiencing any issues related to zero side yard products. They are currently addressing site grading for drainage and side doors for Secondary Suites within zero side yard homes.

- Informally resident feedback has been neutral. Some concerns expressed related to limited on-street parking and landscaping. Their Planning department is working on a streetscape policy to address those concerns.

TOWN OF STONY PLAIN

- Town of Stony Plain (Stony Plain) does not have any zero side yard stages under construction. Two land use bylaw amendment applications to allow zero side yard developments are proceeding for a Public Hearing on Feb 27, 2023.

- Stony Plain has adopted new regulations for zero side yard development, which includes an overlay mechanism to permit zero side yard developments in certain areas of the Town. Any applicant wishing to incorporate zero side yard development must seek an LUB amendment from Council and identify their development in the overlay.

- Stony Plain's Administration is proposing a monitoring program to provide feedback on the success of the development.

- While the development community is making a claim regarding the affordability benefits of ZLL homes, the town has not seen any evidence to support the claim.

Summary Conclusions

Based on the analysis of assessment values, comparison of development standards and feedback from other municipalities, we observe the following common themes and conclusions:

1. Most municipalities in the Edmonton metro region have some form zero side yard developments either under construction or in the planning stages.

2. Most municipalities in the region have planning policies that encourage a diversity of housing choice, similar to policies in Spruce Grove's Municipal Development Plan, which forms the basis for the development community to propose and explore new building types.

3. Most municipalities are permitting Single Detached Dwellings in zero side yard format. City of Spruce Grove's past reviews have shown this type to have the least amount of challenges.

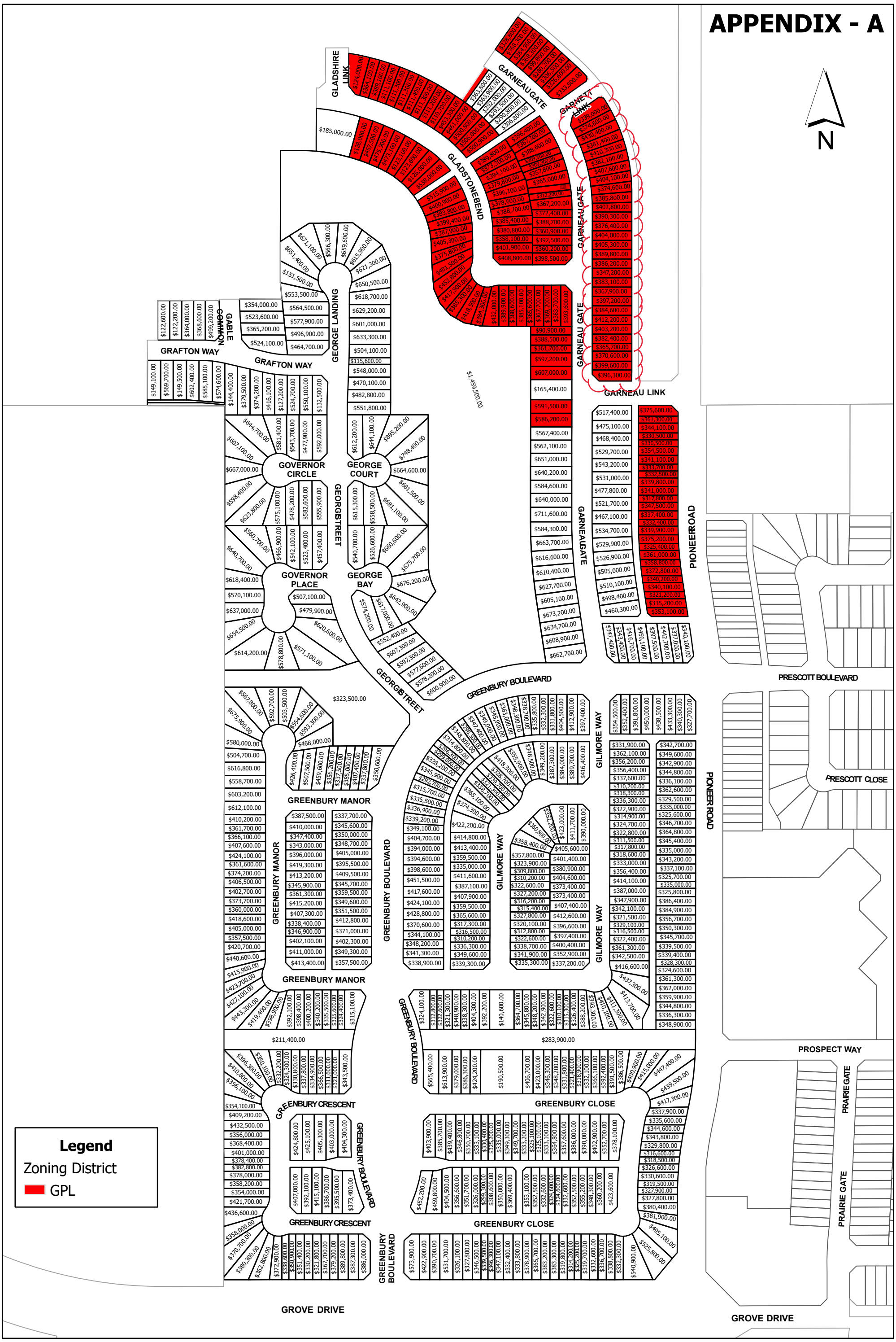
4. There is a wide range of development standards currently being explored in the region. The zero side yard development standards being permitted under the GPL district, are consistent and competitive with standards being permitted amongst other regional municipalities.

5. Public feedback on zero side yard developments have been mixed, with landscaping, drainage, on-street parking cited as challenges in neighbourhoods where these homes are built.

6. Municipalities are using mechanisms such as pilot projects, direct control districts or statutory plan amendments or map overlays to manage where these developments are planned and permitted, at least in the initial phases.

7. While the development community is marketing zero side yard homes for their affordability benefit, our review of assessment values or homes and lots did not show any discernable price benefit. In the 2021, GPL district resident survey 77% of the respondents claimed they did not experience price savings in the $5,000 and $12,000 range when purchasing a zero side yard property when compared to traditional homes. Other municipalities have indicated that they perceive zero side yard developments as just another market offering.

APPENDIX - A



GREENSBURY ASSESSMENT VALUES 2022

The City of SPRUCE GROVE

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Metres

Scale: 1:3,000

Spatial Reference
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Projection: Transverse Mercator
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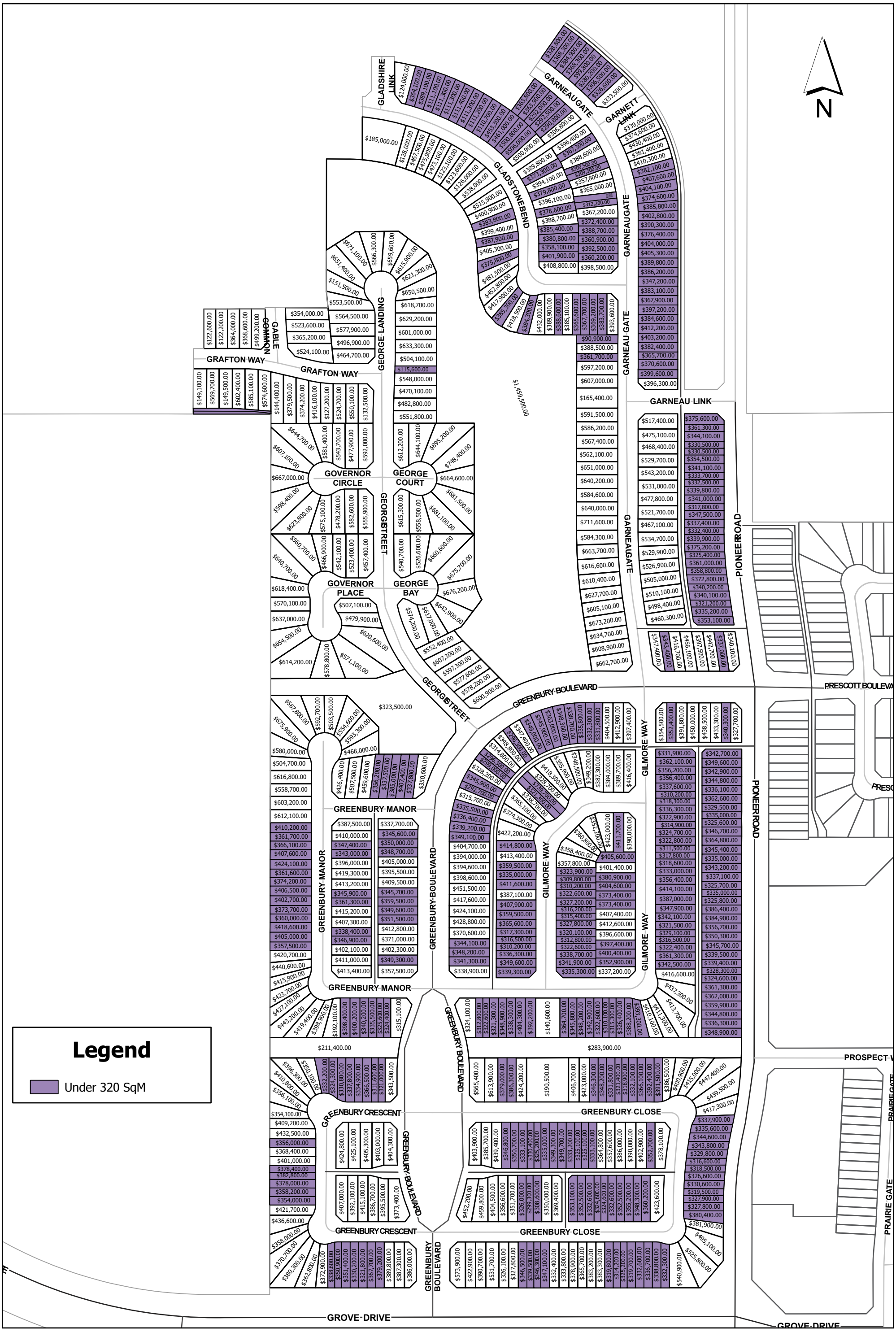

GREENBURY ASSESSMENT VALUES 2022

The City of SPRUCE GROVE

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Metres

Scale: 1:3,000

Spatial Reference
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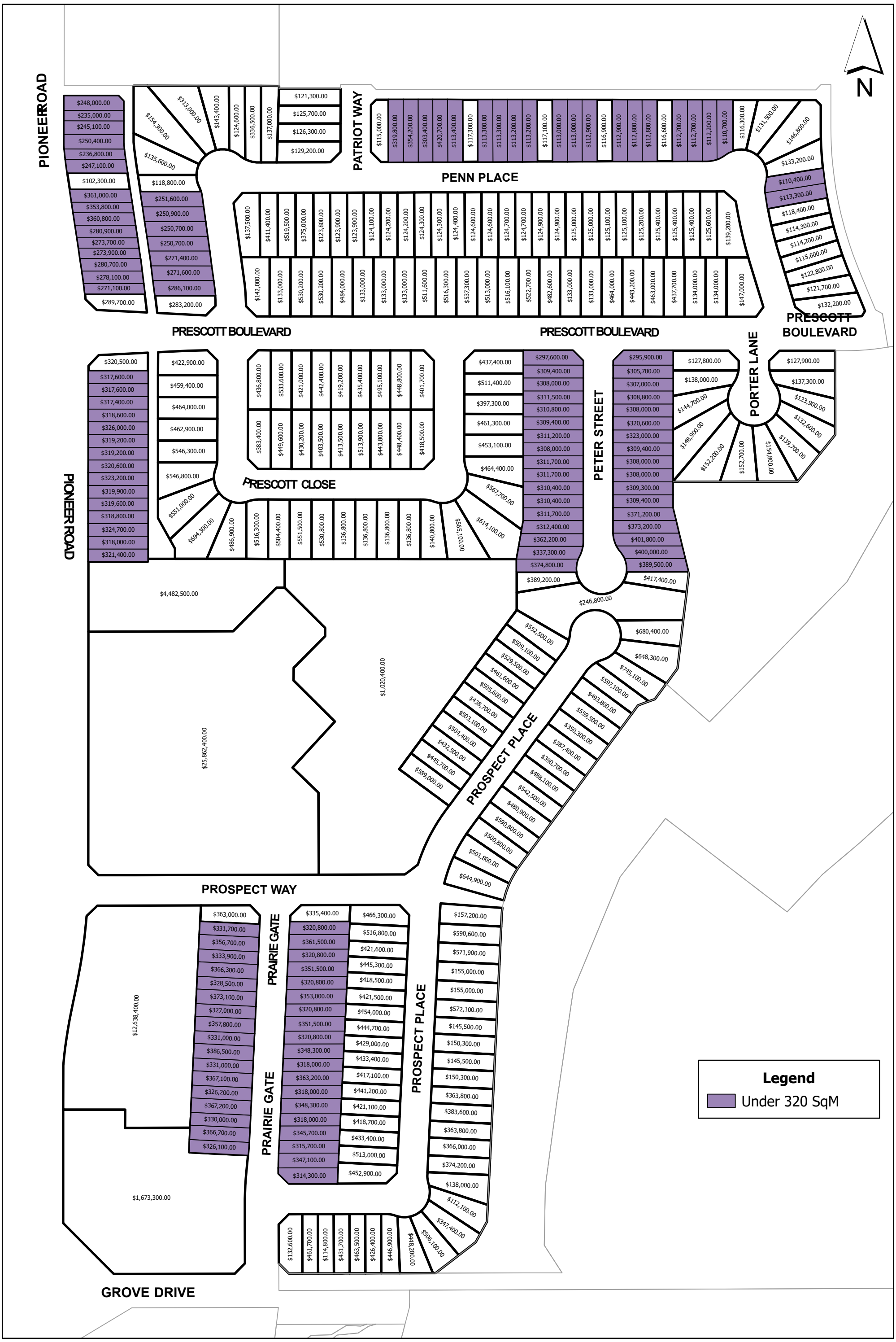
Central Meridian: -114.0000



PRESCOTT ASSESSMENT VALUES 2022

The City of Spruce Grove

0 25 50 100 150
Metres

Scale: 1:2,000

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Datum: North American 1983
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