

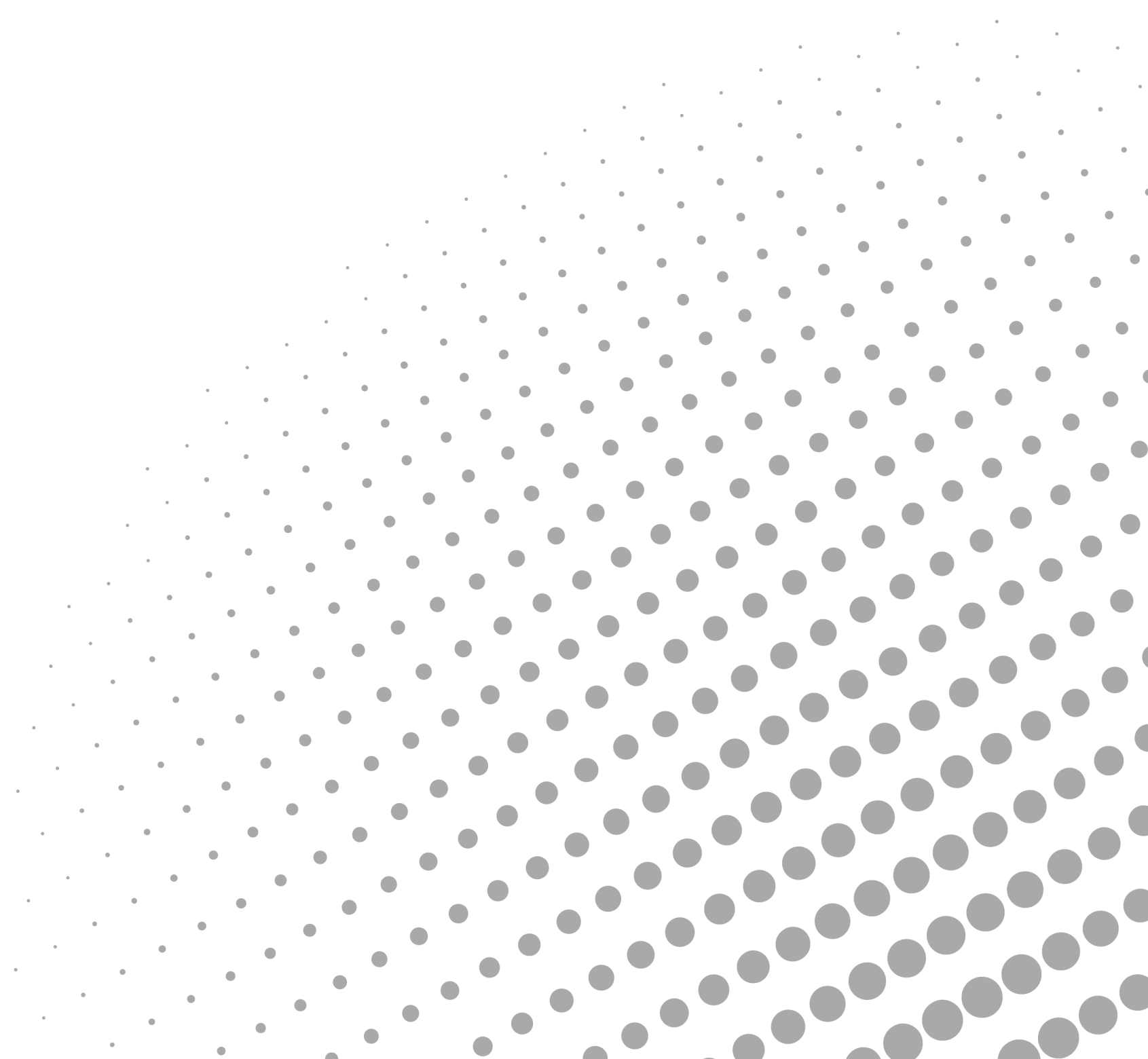
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## ADU & MULTI-UNIT STARTER GUIDE





# ADU & Multi-Unit Construction Starter Guide

## *For Developers, Landowners, and Real Estate Investors*

**Disclaimer:** This guide is for informational purposes only and does not constitute legal or financial advice. All costs and timelines are estimates based on average market conditions.

Thinking of building an additional or multi-unit residential/mixed-use project?

Whether you own land or are planning an infill, stacked townhouse, or walk-up apartment build, this quick guide will help you understand what to expect, plan efficiently, and avoid costly delays.



### *What Types of Projects are Ideal?*

- ADU's, Duplex, Triplex, Fourplex
- 6-12 Unit Low-Mid Rise Apartments
- Stacked Townhomes
- Mixed-Use (Residential/Commercial)
- Infill Developments



# Step 1: Zoning & Feasibility

*This step determines the legal, physical, and financial viability of your project.*

## What to Check

- **Zoning Designation** - Confirm if your site is zoned for an additional or multi-unit or mixed-use construction. Look for designations like R4, R5, RM, MCR, or Mixed-Use Residential. Some municipalities allow up to 4 units “as of right” under new housing legislation.
- **Permitted Uses & Unit Counts** - Does the zoning allow apartments, stacked townhomes, or ground-floor commercial? Check maximum density, unit cap, and whether secondary units are allowed.
- **Height & Setbacks** - Maximum building height and required distance from lot lines (front, rear, side) may limit how many floors or units you can build. Flag unusual conditions like angular planes or sun shadow restrictions.
- **Lot Coverage & Floor Space Index (FSI)** - Determines how much floor area you can build relative to lot size (e.g., 2.0 FSI = 2x lot area). Lot coverage rules may limit building footprint, even with vertical expansion.
- **Parking & Loading Requirements** - Know how many resident, visitor, or commercial parking spaces are required. Many urban zones allow parking reductions or exemptions—especially near transit hubs.
- **Servicing Capacity** - Confirm that local water, sewer, and electrical infrastructure can handle your proposed unit count. In some areas, you may need to upgrade services or submit a servicing brief.
- **Development Charges / Levies** - These can add significant costs. Contact your municipality for estimated development charges per unit, especially for multi-unit or rental projects.

**Pro Tip:**

Don't rely solely on general zoning maps. Request a Property Information Report or Zoning Compliance Review directly from the city, or work with a planning consultant to ensure no restrictions (e.g., heritage overlays, site-specific bylaws) are overlooked.

## Deliverables from This Stage:

- *Feasibility Report (Prepared by planner/consultant)*
- *Zoning Summary Sheet*
- *Preliminary Massing Concept*
- *Pre-Construction Meeting Notes (if applicable)*

## Step 2: Design & Approvals

*This stage includes everything from architectural concepts to building permits.*

### Key Milestones

- ***Conceptual Design*** - Begin with a rough layout showing the unit mix, massing, and site access. This helps guide early consultations.
- ***Site Plan Control (SPC)*** - Required in many urban areas for projects with more than 3–4 units. The city reviews site layout, parking, landscaping, and access.
- ***Minor Variance or Rezoning (if needed)*** - If your project exceeds zoning limits (height, setbacks, density), you'll need a Committee of Adjustment hearing or full rezoning process.
- ***Building Permit Submission*** - After finalizing drawings and addressing planning comments, submit full construction drawings for permit. Follow through with scheduled city inspections after permit has been granted.



#### Pro Tip:

Attend a pre-application consultation with the city early. You'll get feedback on zoning compliance, required studies, and timelines before submitting formal applications.

### Common Submission Requirements:

- *Site Plans, Floor Plans & Elevations, 3D Concepts*
- *Landscape Plan, Grading & Service Plan*
- *Shadow Study (if needed)*
- *Design Brief or Planning Rationale Report*

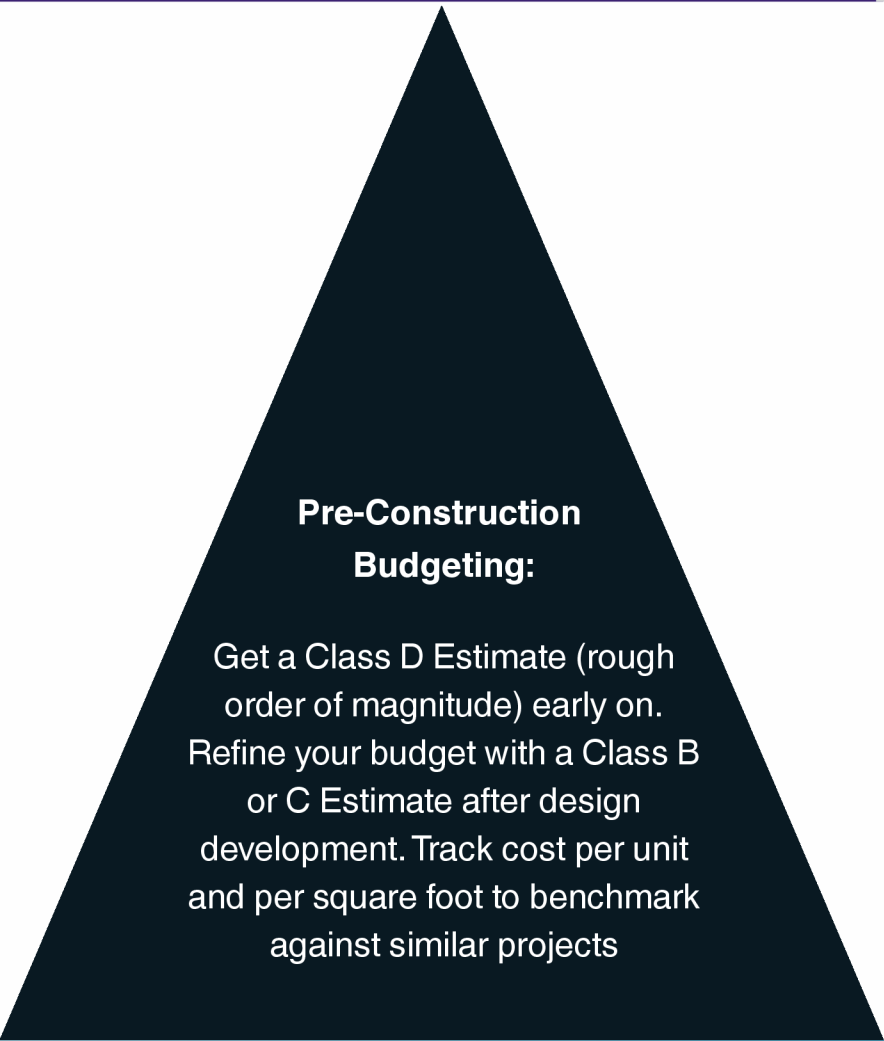


### Step 3: Budget & Financing

*Establish a realistic budget and securing appropriate financing is key to ensuring the financial success of your mutli-unit development.*

#### Typical Cost Categories

|                   |   |
|-------------------|---|
| SOFT COSTS        | Design, permits, legal fees, consultants, financing costs.  |
| HARD COSTS        | Includes materials, labor, site servicing, and trades.      |
| CONTINGENCY COSTS | Soil conditions, material cost increases, or code upgrades. |



#### Financing Options

- Construction Loans:** Offered by banks or private lenders, usually interest-only during construction. Requires strong feasibility, plans, and budget.
- CMHC-Insured Financing:** Available for rental housing projects. Offers favorable terms but requires more documentation and pre-approval.
- Private Equity / JV Partnerships:** Investors fund part of the development in exchange for profit participation or equity.
- Bridge Loans:** Short-term financing to cover gaps between land acquisition and construction drawdowns.

**Pro Tip:**

Work with a lender experienced in multi-unit development. Many general banks don't fully understand planning or construction timelines. Pre-arranged financing strengthens your permit. A solid design with plans helps secure funding.

#### *Deliverables from This Stage:*

- Establish a realistic budget*
- Determine and understand your Cost Categories*
- Prepare your Estimates from rough to detailed*
- Find a lender experienced in multi-unit funding*



## Step 4: Construction

*Choosing the right delivery method and managing the build effectively will determine your success on cost, time, and quality.*

### Construction Delivery Methods

#### DESIGN - BUILD

One team handles design and construction. Efficient but less owner control.

#### CONSTRUCTION MANAGEMENT (CM)

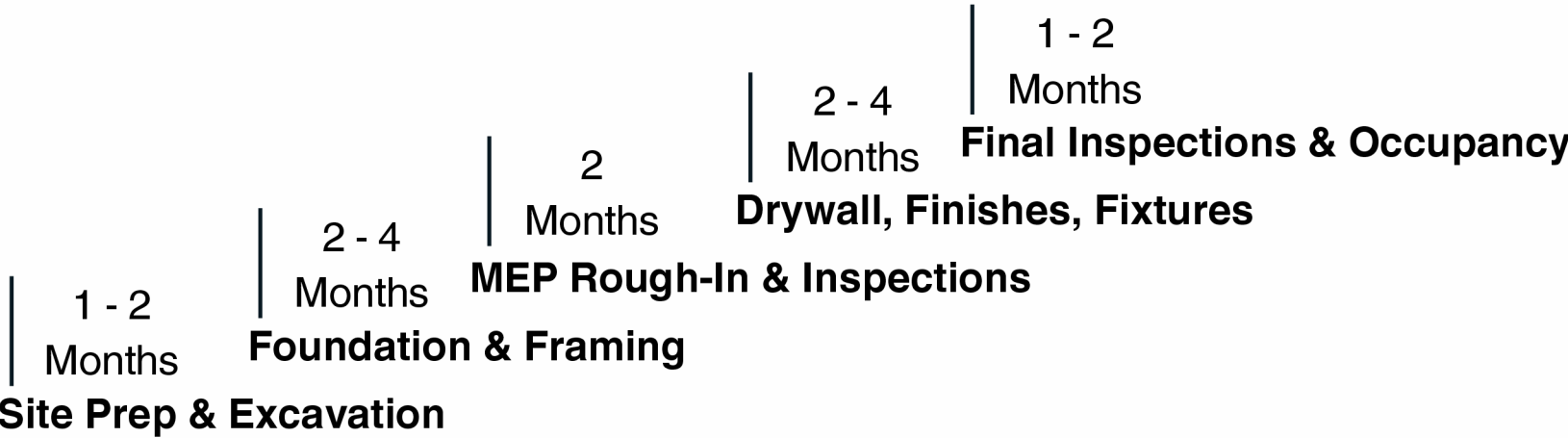
You hire a CM firm to oversee the build; you hold all trade contracts. Offers more transparency and flexibility.

#### GENERAL CONTRACTING (GC)

GC provides a fixed-price or cost-plus contract and manages all subs. Most common for mid-size builds.

### Construction Timeline

*Note: Timeline varies by specific project, site conditions, permitting delays, and weather.*



#### Pro Tip:

Use a draw schedule tied to construction milestones to manage payments and lender drawdowns. Always keep 5–10% holdback until deficiencies are resolved.

### Construction Management Points:

- Schedule regular site meetings and inspections*
- Use software to track budget and timelines*
- Maintain communication with trades, and inspectors*
- Anticipate material lead times and labor shortages*



**Let's Talk**

Book a free consultation or request a custom estimate:



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