

Low-Rise Densification and Multiplex Development in Toronto

A Design and Development White Paper



Single-family house — Laneway / Garden suite → Fourplex (as-of-right) →

Same box, | **Different spacial** and edevelopment

April 2025

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A Design and Development White Paper
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Introduction

Toronto's low-rise residential fabric is undergoing a structural transformation. For decades, the city's Neighbourhoods designation — covering the majority of its residential land area — functioned as a near-complete barrier to multi-unit housing. Single-detached and semi-detached homes dominated a zone where population density was effectively fixed by zoning, not by land economics or urban need. That constraint is dissolving.

The changes now underway are not incremental refinements to a stable system. They represent a deliberate repositioning of Toronto's residential land base. As-of-right permissions for multiplexes, laneway suites, and garden suites have remade the development logic for lots that were previously single-unit by policy. The shift is structural: it realigns what is legally buildable, what is financially feasible, and what a residential lot can produce as a long-term asset. This paper examines that transformation — its regulatory basis, its development implications, and the conditions under which designed practice can generate durable advantage. The audience is developers, architects, and project principals operating in Toronto's low-rise residential market or evaluating entry into it.

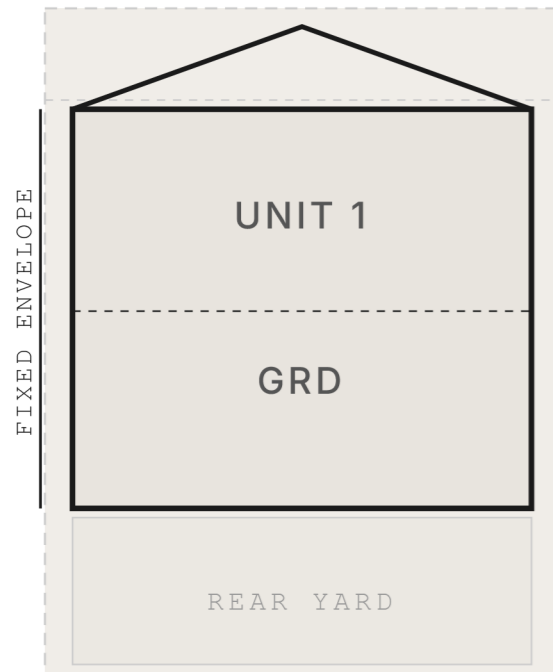
Policy to Built Form — Same Envelope, Higher Unit Yield

Standard residential lot · fixed outer building mass · evolving internal subdivision under expanding permissions

POLICY EXPANSION →

STAGE 01

Single-Family House



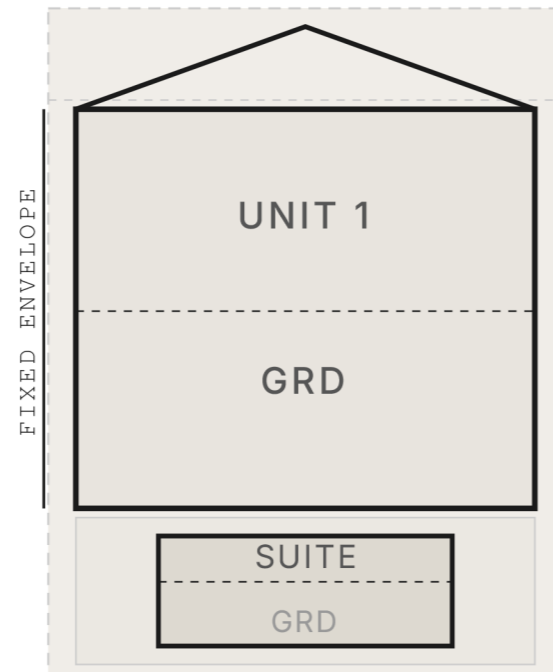
— ENACTED · AS-OF-RIGHT

Single dwelling occupies the full building mass. No subdivision. Standard residential permission.

1 UNIT

STAGE 02

Laneway / Garden Suite



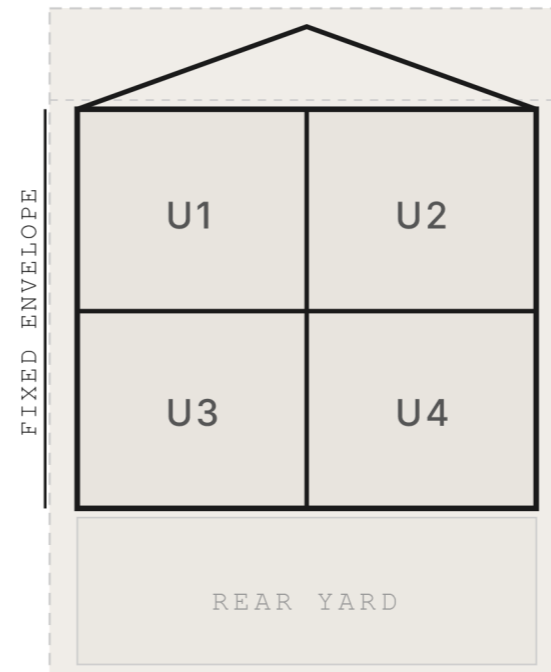
— ENACTED · CITYWIDE

Main house plus rear garden or laneway suite. Envelope unchanged. Second unit added in rear yard.

2 UNITS

STAGE 03

Fourplex — As-of-Right



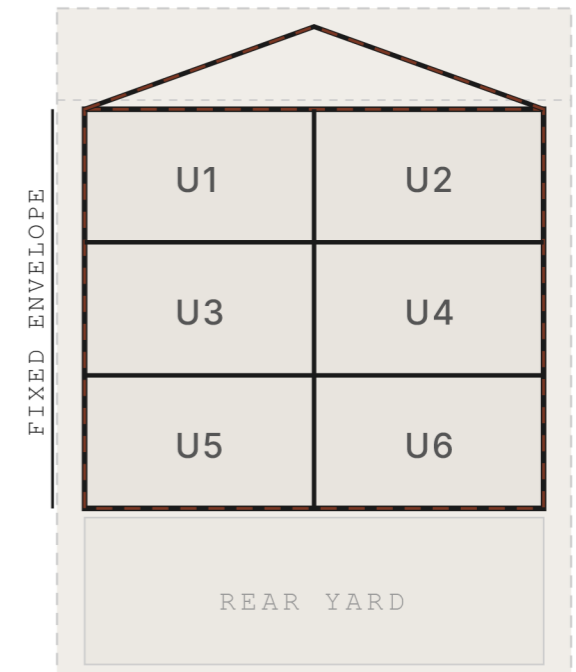
— ENACTED · AS-OF-RIGHT CITYWIDE

Envelope unchanged. Interior partitioned into four units across two storeys. No variance required.

4 UNITS

STAGE 04

Sixplex — Study Phase



— UNDER STUDY · NOT YET ENACTED

Six units within the same mass. Three storeys, two units per floor. Requires performance review and enactment.

6 UNITS

Diagram is schematic only. Envelope proportions are illustrative and do not represent specific by-law dimensions. Stages 1–3 reflect current Toronto Zoning By-law 569-2013 as amended.

Stage 4 reflects study-stage policy direction only and is not currently enacted as an as-of-right citywide permission.

Verify all permissions against the current City of Toronto zoning by-law and applicable planning instruments before relying on this diagram.

Policy Context and Structural Unlock

The current permissions emerged from a sequence of council-approved changes beginning in 2019. Each decision expanded the development envelope for residential lots in Toronto's Neighbourhoods and Residential zones, without requiring rezoning applications for individual projects.

Laneway suites were approved citywide in July 2019, permitting ancillary residential units on eligible lots accessed from rear laneways. Garden suites followed in February 2022, extending a similar logic to rear yards without laneway access. Both programs established that multi-unit occupation of a single residential lot was permissible as of right — a conceptual threshold that the subsequent multiplex approvals would amplify.

In May 2023, City Council approved multiplex permissions citywide. This decision is the central policy event of the current cycle. It permits up to four residential units within a single detached residential building across the city's low-rise zones, without requiring a variance or rezoning. The permission is as of right. The building envelope remains anchored to the residential detached box — defined by existing height, setback, depth, length, and lot coverage regulations — but the FSI constraint has been removed, providing greater flexibility to maximize livable area within that envelope. Three storeys are permitted citywide under this framework.

Development charge exemptions apply under current provincial and municipal policy for buildings containing up to four units. This has material implications for project economics:

the absence of development charges on a fourplex meaningfully changes the cost structure relative to larger projects.

Five- and six-unit permissions were approved in Ward 23 and the Toronto and East York district in March and November 2024 respectively, and a Ward -23 specific study was approved in February 2025. These permissions are not yet citywide. The Sixplexes Citywide Study — a consultation-stage process underway as of early 2025 — is examining whether five- and six-unit multiplexes should be permitted across all residential zones. A final staff report recommending expanded permissions was anticipated for the Planning and Housing Committee in June 2025, with additional performance standards proposed for December 2025. As of the date of this paper, citywide sixplex permission has not been enacted and should not be treated as established regulation. The possibility that DC exemptions would be extended to cover five- and six-unit buildings is under consideration but has not been confirmed.

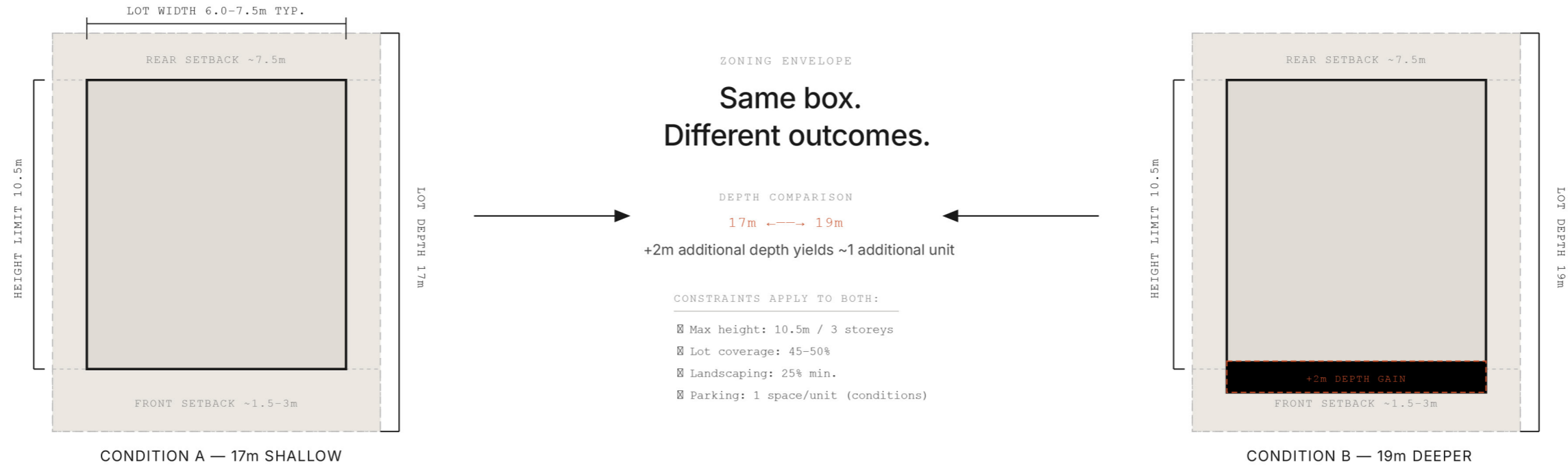
The study material indicates that the proposed sixplex standards would use the same building envelope and zoning framework as the 2023 multiplex approval — that is, the additional units would be achieved by subdividing the permitted building volume more densely, not by enlarging the physical envelope. This is a significant design constraint: the regulatory gain is in unit count, not in floor area.



Constraint Envelope vs Unit Configuration

Same zoning box — different spatial and development outcomes depending on unit arrangement strategy

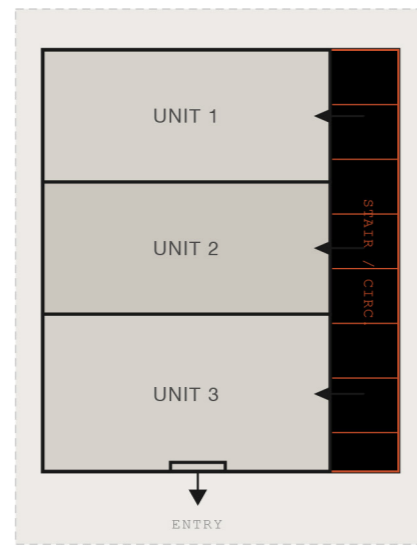
01 — ZONING ENVELOPE CONDITIONS



02 — UNIT CONFIGURATION STUDIES · SAME ENVELOPE

CONFIG 01

Stacked Units



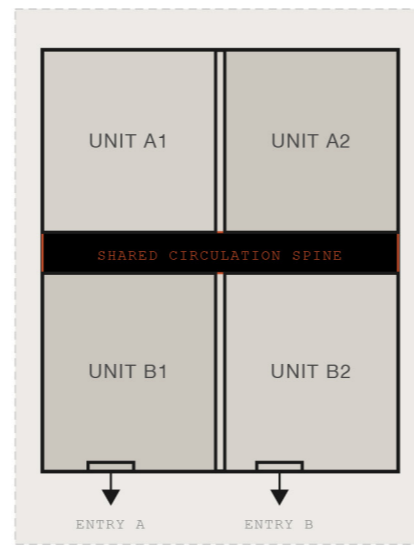
CONFIGURATION ANALYSIS

Vertical stacking · concentrated stair core · efficient servicing · single entry · works on narrower lots

3-4 UNITS · 15-18% CIRC.

CONFIG 02

Side-by-Side Units



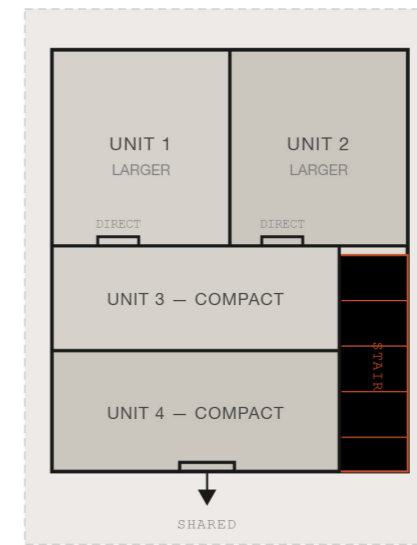
CONFIGURATION ANALYSIS

Side-by-side · shared horizontal spine · direct frontage · better for family-sized units

4 UNITS · 10-12% CIRC.

CONFIG 03

Hybrid Configuration



CONFIGURATION ANALYSIS

Hybrid · upper large units direct access · lower compact stacked · flexible unit mix

4-6 UNITS · 12-16% CIRC.

Diagrams are schematic and do not represent specific building designs or approved configurations. Setbacks, heights, and coverages are illustrative of typical Toronto Zoning By-law 569-2013 conditions.

The 17m / 19m depth comparison illustrates the buildability impact of marginal lot depth differences on multiplex unit yield.

Verify all constraints against current zoning schedules and consult a qualified planner before proceeding to design.



Market Dynamics and Urban Pressure

Toronto's residential land market has been shaped for decades by a fundamental mismatch between permitted density and urban demand. Low-rise neighbourhoods in the inner city and mature inner suburbs contain large amounts of underused land — lots sized for single-family occupation, serviced by existing infrastructure, proximate to transit, employment, and amenity, but constrained by zoning to yield one dwelling. The policy transformation described above begins to release that latent value.

The structural pressures driving this market are not cyclical. Population growth, immigration-linked housing demand, constrained land supply in built-out urban areas, and the political prioritization of housing delivery have combined to make missing middle densification a durable policy priority at municipal, provincial, and federal levels. Ontario's Bill 23 (the More Homes Built Faster Act, 2022) established minimum three-unit permissions as a provincial floor, explicitly overriding municipal zoning that would restrict residential lots to single-unit use. Ontario Regulation 24/462, filed in November 2024, further reduced barriers for additional residential units by overriding five performance standards — angular planes, separation distance, FSI, lot coverage, and minimum lot size — for buildings resulting in up to three units. The federal government's

housing catalogue, released in 2024, signals alignment at the national level.

What this convergence produces, from a market perspective, is a shift in the development calculus for individual low-rise lots. The marginal cost of acquiring an infill residential property in an established Toronto neighbourhood has always been high. What has changed is the revenue potential that can be extracted from that acquisition under as-of-right permissions. A lot that could previously yield one unit can now yield four — or potentially six — within the same building envelope and without entitlement risk. This does not eliminate the economics problem, but it fundamentally reframes it.

The financing environment compounds this shift. The difficulty of securing development financing for larger residential projects, combined with rising construction costs and absorption uncertainty at higher unit counts, has increased the relative attractiveness of small-scale, code-compliant multiplex projects. Development that can be permitted by right, built within a standard residential construction procurement framework, and delivered without the extended timelines of the development approval process represents a different risk profile than conventional mid-rise or high-rise development.

Emerging Development Logic

The phrase 'missing middle' describes a range of housing types — duplexes, triplexes, fourplexes, stacked townhouses, low-rise apartment buildings — that have been absent from most Canadian cities for decades, excluded by zoning rather than by market failure. Toronto's EHON initiative, of which the multiplex approval is the central element, explicitly addresses this gap.

The development logic emerging from these permissions is distinct from both the single-family renovation market and the conventional development industry. It operates at the scale of the individual lot but with the analytical requirements of a multi-unit residential project. A fourplex on a standard -25foot Toronto lot is not a house with extra rooms. It is a building with four separate dwelling units, each requiring its own egress, mechanical system, and code-compliant spatial configuration. The planning is as-of-right; the execution is not simple.

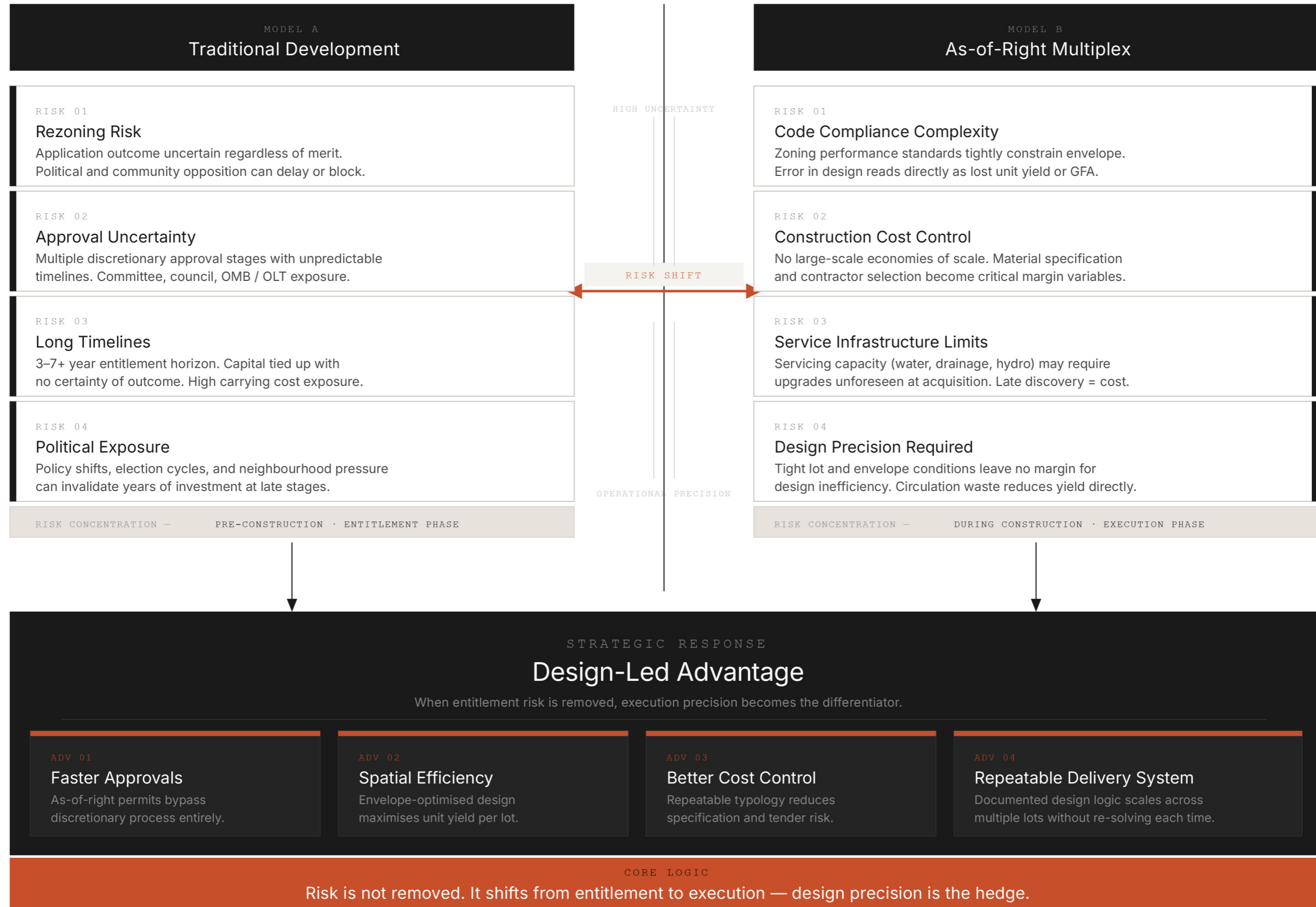
What the as-of-right framework provides is certainty of permission — not certainty of outcome. Developers who understand the regulatory box precisely can design to maximize unit yield and livable floor area within it. Lots that appear to be identical in frontage and depth can behave very differently under the zoning framework: a shallow lot (defined as having a depth less than 36 metres for narrower lots, or less than 40 metres for wider lots) is permitted a building length of 17 metres, while a deep lot is permitted 19 metres. This -2metre difference has direct unit configuration implications on a constrained floor plate.

The repositioning of standard residential lots as multi-unit development sites is accelerating, but it is not yet systematic. The market is fragmented: individual homeowners converting properties, small developers testing the format, and institutional actors beginning to assess scale. The actors who develop a repeatable, code-compliant, financially modelled approach to multiplex delivery will operate more efficiently than those approaching each project as novel.



Risk Shift and Design-Led Development Logic

Risk is not removed. It shifts from entitlement to execution — and design precision becomes the operational edge.



Analysis is illustrative and applies to Toronto as-of-right multiplex conditions under Zoning By-law 569-2013 as amended. Risk profile will vary by site, project scale, operator capacity, and financing structure. Not legal or financial advice.

Execution Complexity and Risk Shift

The elimination of entitlement risk does not eliminate project risk. It relocates it. In a rezoning-dependent environment, the dominant risk is regulatory: whether permission will be granted, on what conditions, and on what timeline. In an as-of-right environment, the dominant risk is execution: whether the building can be designed, permitted, and constructed within a budget that makes the project viable.

Building code compliance is the first layer of this complexity. Multi-unit residential buildings in Ontario are subject to the Ontario Building Code and, depending on configuration, may engage Part 3 requirements rather than Part 9. The distinction is not simply about unit count — it is determined by building area, occupancy, and occupant load. A project structured to remain within Part 9 scope will face materially different construction cost and complexity than one that crosses into Part 3. Design decisions about floor plate, building height, and unit stacking have direct implications for which code regime applies, and for what fire separation, egress, and structural requirements must be met. Treating code compliance as an administrative step rather than a design input is a source of significant project risk.

Servicing is a related constraint. Multiplexes in Toronto are typically serviced through existing residential infrastructure — water, sewer, electrical, gas. Increasing the unit count on a lot increases demand on those services. The point at which a servicing upgrade is required, and who bears its cost, is not always predictable at the outset of a project. Electrical service upgrades, in particular, are a variable cost that is sensitive to the utility's assessment of the existing infrastructure and the project's demand profile.

Permit coordination for multiplexes involves zoning review, building permit issuance, and potentially heritage review, tree permit

processes, and Committee of Adjustment applications where the project approaches the edge of the permitted envelope. The combination of these processes does not eliminate the timeline advantage over rezoning, but it introduces sequencing risks that inexperienced project teams underestimate.

Unit mix optimization — the allocation of floor area across units, bedroom counts, and vertical organization — is both a regulatory compliance question and a financial one. The City's study material for the sixplex expansion explicitly proposes that at least one two-bedroom or larger unit be included in buildings of five or more units, preferably on the ground floor. If this becomes a condition of sixplex permission, it will constrain unit mix strategies. More broadly, the relationship between unit size, unit count, rental yield, and construction cost is the core financial model of a multiplex project, and it must be resolved at the design stage — not as a consequence of it.



Opportunity for Design-Led Practice

The multiplex development opportunity is, at its core, a precision problem. The regulatory envelope is fixed; the question is how effectively the permitted volume can be converted into livable, financially viable, code-compliant residential floor area. This is a design problem before it is a construction problem.

Most actors currently operating in Toronto's multiplex market are not approaching the work with a systematized design methodology. Homeowners are navigating it with individual architects. Small developers are iterating project by project. The regulatory framework is recent enough that few teams have accumulated deep experience with the specific constraints of the as-of-right envelope — building length thresholds, setback interactions with unit access, parking accommodation and its impact on façade composition, the relationship between stair placement and achievable floor plans across multiple unit types.

A design-led practice capable of integrating planning regulation, building code, and financial modeling into a coherent design system occupies a structurally differentiated position in this market. The advantage is not aesthetic. It is technical: faster permit preparation, more reliable cost estimation, fewer design revisions driven by late code discovery, and higher unit yield from a given building envelope. These efficiencies compound across a portfolio of projects.

The design system must be legible to the project's financial logic. Decisions about structure type, unit stacking, corridor configuration, and mechanical routing are simultaneously design decisions and cost decisions. A wood-frame stacked configuration behaves differently from a side-by-side configuration in terms

of fire separation requirements, acoustic performance, and construction procurement. Material choices — exterior cladding, window-to-wall ratio, roof type — affect maintenance liability and lifecycle cost, which are relevant to a hold-and-rent strategy in ways they are not to a build-and-sell model.

The opportunity for design-led practice in this market is real. Its limits are also real: the multiplex format is constrained in scale by the residential lot, and the returns are limited accordingly. The practice must be efficient to be viable. Volume — achieved through a systematized process rather than bespoke project delivery — is the mechanism by which design quality and financial discipline can coexist.



Conclusion

The transformation of Toronto's low-rise residential development environment is not a policy experiment. It is a structural change to the legal framework governing what can be built on most of the city's residential land. Laneway suites, garden suites, and as-of-right multiplex permissions have collectively remade the development potential of a standard Toronto residential lot. The sixplex study, if enacted citywide as anticipated, will extend that potential further.

The market implication is clear. Lots that were previously single-unit by legal constraint are now multi-unit development sites. The volume of such lots across Toronto's inner city and mature suburbs is substantial. The capital, design, and execution capacity to act on that opportunity is not yet proportionate to the opportunity itself.

The role for a design-driven developer in this environment is not simply to build more units. It is to build them reliably — within code, within the permitted envelope, on time, and within a financial model that makes the project viable without depending on subsidy, variance, or extended entitlement timelines. The firms that develop a systematic methodology for this work — combining regulatory precision, code competence, and financial discipline within a repeatable design process — will occupy a durable position in a market that is still being defined. Toronto's low-rise residential fabric is changing. The question is not whether densification will proceed, but who will lead it and how well it will be done.

Note: This paper is based on publicly available planning documents, City of Toronto council decisions, and consultation materials from the Sixplexes Citywide Study. It reflects the regulatory status as of April 2025. It does not constitute legal or planning advice. Readers should verify current permissions with the City of Toronto or a qualified planner before acting on any specific project.

