



LIME
ARCHITECTURE INC.
INFILL HOMES DIVISION

eBook-volume 1



DISCOVER THE INFILL POTENTIAL OF YOUR URBAN LOT



An Introductory Guide to Developing your Urban Property



What you should know about the potential of your urban property.

Are you an owner of an urban single family or duplex lot in the heart of your community? If you are and have never thought about the potential of your property, NOW is the perfect time to discover the value of your urban residential lot.

The Province of BC and municipalities are responding to many factors that are influencing policy as well as redefining how to best develop smaller, urban residential properties. Trends that were set in the past to provide small, regular sized single family home lots in city and town centres are now being re-examined in response to population, housing, and environmental pressures. Densifying these single-family properties are proving successful in creating small, multiplex infill homes that are ideally suited to today's lifestyle. If you are an owner of a small, urban property that has a single-family or two-family home on it, you could be in a position for long term financial and environmental benefits as well as contributing to your long-term legacy goals. Because urban centre densification is being encouraged, rezoning single family and duplex properties to allow multiplex homes has never been more favourable. In fact, the team at LIME Architecture has developed a prototype 4plex award winning design that has experienced unexpected success in the key city centres of Kelowna, BC. In response to the success of the 4plex prototype, we have developed this eBook aimed at educating property Owners of today's development opportunities. This eBook is intended to serve as a guideline for helping people to take advantage of the efficiencies of infill multi-family buildings on small urban lots and tapping into the full potential of existing urban, lots for long term financial benefit and the benefit of the environment.

Taking the first step and taming the financial fears often associated with building.

Often financing is the biggest uncertainty when considering property development; however, we can outline steps that make the financing portion of your project straightforward allowing you to focus on controlling the asset that your urban property really is.

Typically, financing is structured through a special financing model known as a construction mortgage. This type of financing allows for providing the funds necessary to build and then converts the construction mortgage into a more traditional term mortgage suited to your long-term vision. There are some general rules of thumb you can explore on your own before you visit a mortgage specialist to understand your financial position and the reality of leveraging your urban infill property for your own financial and long-term benefit. A general rule of thumb for construction mortgage financing is bringing 25% of the total project value to the table as your contribution to the overall project (note: the amount and details will vary from broker to broker). While this may seem daunting at first glance, many forget the value of their own property which can be increased by way of rezoning from a single family to multiplex zone. Our team witnessed this during our experience in Kelowna where landowners who found themselves in a new 4plex zone suddenly had sufficient equity in their rezoned property to build a new 4plex without any additional personal funds contributed toward the build project. Accordingly, the following pages provide information and an outline calculation example that you can use to determine your own situation as it pertains to supporting a new build project.

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Determining existing equity that you can leverage for your benefit.

The first step in determining qualification for a construction mortgage is to evaluate the equity you have in your property. Simply put, this calculation is determining the market value of your property less the amount still owed on the mortgage (if one exists). The great news is that your market value can be increased through the rezoning process. We will discuss the “How to” regarding rezoning later, but for now, let’s assume you experience a 50% increase in your property value after rezoning (we saw as much as 110% increase in Kelowna following a rezoning from single family to 4plex zone). Some simple math can be outlined below:

- i. Starting value of property: \$350,000
- ii. Rezoned value of property: \$525,000
- iii. Existing mortgage: \$250,000
- iv. Equity after rezoning: $\$525,000 - \$250,000 = \mathbf{\$275,000}$

Based on some simple math like the above, you can quickly determine the equity you have in your property. Additionally, and based on the 25% equity required (varies depending on the lender), the property above would support an approximate \$1,100,000 project (a number that is generally sufficient to realize a 4plex building. Also note that income thresholds also must be reached to manage the mortgage once it is in place – details that you would explore with your lender).

How do I rezone my property?

The challenging and often most expensive portion of rezoning is developing a design for your property. We have eliminated the time and extraneous cost from this process by making our most successful infill multi-family infill designs available online or through a virtual design process with our team. Our infill designs were created by an architectural team and have been proven in more than 80 projects. Accordingly, our team can help you develop a design (if one of our stock plans does not fit your vision or property) that will take full advantage of the potential in your property. Our streamlined process means you will learn quickly if rezoning is supported and can be achieved in your community. Once rezoned, you have completed the first and most important step required to increase the equity of your property and to support the next step of retaining a construction mortgage. One additional evolving development politically in Canada is the move toward multi-family infill buildings on single family properties without having to rezone. Continue to visit our website to learn of the new rules and regulations as they become available.

Once your property is zoned and ready for your project, you can now schedule to meet with a lender and provide the additional details they will require to complete appropriate lending for your construction project. There are many institutions that can guide you through the application process and because of our experience and relationships forged over the years of designing and building. Please contact us directly if you would like any advise and/or recommendations regarding this process.

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I've rezoned, I've qualified for a construction lending... now what?

Now it's time to build! This stage should be relatively straight forward one you have your infill design and construction drawings from LIME Architecture as part of your rezoning process. These same drawings are now used to secure pricing from builders toward realizing the infill project on your property.

Our team at LIME Architecture care deeply about the environment, and for those reasons we have incorporated details in our documents that allow our infill designs to be built in a way that is fully prepared for the changes that are currently being instituted in most areas in North America to make buildings more energy efficient. Accordingly, our drawings can be circulated to builders of your choice. Whether builders that you know personally or builders that are recommended in your area, we encourage obtaining competitive bids based on our drawings. Further to selecting a builder, we can recommend options that ensure your infill is realized exactly as designed with builders familiar with our design as well as modular builders who can help support sustainable requirements while delivering your home more quickly than traditionally constructed homes. Please contact us directly if you would like us to offer a referral to help ensure you are selecting a builder that best suits your needs.

Things to remember on your land development journey.

If you are building on the property where you currently live, ensure you have made a builder selection that includes clearly defined delivery dates and that your lending includes the additional costs for your own relocation and housing needs. This is especially important since you will be making temporary living arrangements while you build. It is for this reason that the quickest delivery times should be examined closely. While often modular/factory-built homes incur slightly more capital to build, their reduced time to deliver means less costs for displacement during the building process. Additionally, if the environmental impact of your building project is important, modular/factory building reduces waste, is generally more energy efficient due to the quality control of the build and reduces the carbon footprint of your building by reducing the build time and number of site visits required for your project.

Remember, at the end of the rezoning and building process, you have transformed your single-family home into a multiplex property with long term advantages. We have watched property and homeowners who have taken this path eventually settling into one of their brand-new residences while enjoying the financial benefits of generating rental income with the remaining units. We have also witnessed others who complete their project and enjoy the benefits of the financial gains by selling each individual residence or renting all 4 units with the understanding that a 4plex building will increase in value and contribute to part of a retirement plan. Be creative and structure you project in a way that will support your short term and long-term vision regarding the way you want to manage the realized potential in your own property.

Celebrate

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Select the multi plex design that suits your needs!

Our online collection has been selected to provide building designs that are easy to build and increase density to precious existing land in our towns and cities. At LIME Architecture we care about the health of our planet so we are always exploring sustainable solutions that we can apply in our building designs. Multiplex homes in existing urban centres are an excellent way to help reduce the carbon footprint from the construction and operation of our homes. In addition to the environmental advantages multi-family infill homes is the financial benefit to property owners. Our simplified designs translate into a cost-effective way to build multiplex homes on your single-family property. Let this eBook inspire you to navigate the steps required to turn your single-family home into a multiplex project that can result in residual income for your family as well as increase your personal asset portfolio for you and your family's benefit.

Explore the strength and flexibility of our multiplex designs and determine which is well suited for your property. Now is the time to develop your property asset and increase its value by adding additional income generating residences to your portfolio. The list of environmental, financial, and legacy benefits should be inspiration enough to allow you to act today. Let our experience with multiplex building design help you to take advantage of the opportunity that you may not even realize you have.

**VISIT OUR WEBSITE AND BROWSE OUR
PROVEN INFILL DESIGNS AND FIND THE
ONE THAT IS BEST FOR YOU!**

THANK YOU

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