

What is the value of a  
Backyard Suite?



A bit of background

Who am I and why do  
I love backyard suites?



# What are they worth?

There are many variables that factor into the value that a backyard suite will provide but for the resale value of backyard suites there are 3 main variables.







Location



Size



Finishes





# Location

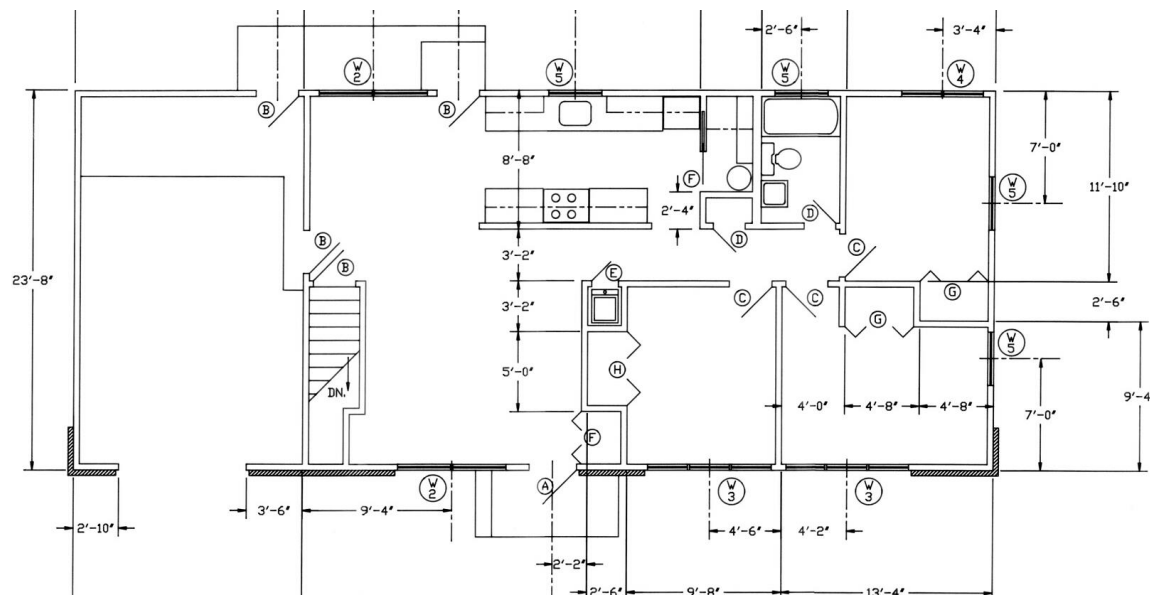
- Inner City vs Suburbs
- Post-Secondary Schools
- Hospitals
- Transit
- Walkability
- Demographics
- Accessibility





# Size

- Garage vs. 'Garden' Suite
- Bachelor, 1 bedroom, 2 bedrooms?
- Layout
- Amenity Space
- Storage





# Finishings

- High-end finishes or builder basics
- Return on Investment
- Standard vs Green/Passive Building
- DIY vs Hired Professionals
- Accessibility features

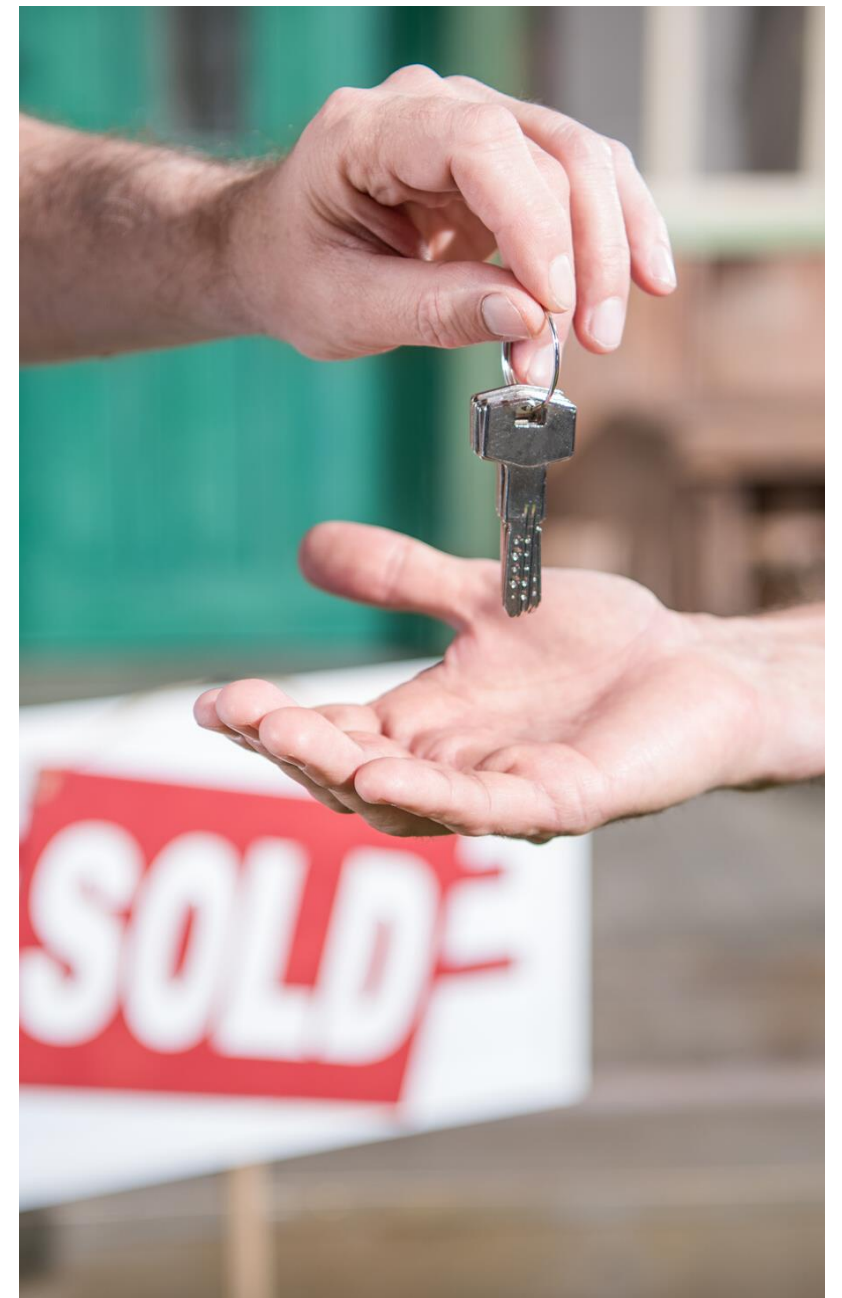


RESALE VALUE:

# Show me the money!

The resale value of a backyard suite in Calgary is typically between 10-25% over a similar home without a backyard suite. The true value with a backyard suite is realized over time and offsetting your mortgage costs.

Building a suite to increase the resale value of a home is still risky due to the high initial costs going into the construction of the home. As shown in the following slides, the value doesn't necessarily increase with an increase in the main homes value.





# Tax Assessments

The City of Calgary does not have a blanket value assigned to backyard suites. It is based on the size of livable space on your property and the location and size of lot you own. In the research I have done, typically the tax amount goes up \$100,000-\$200,000 in value. As many homes do renovations to the main house at the same time this is just an estimate and not completely accurate due to the city evaluating the entire home and value of the permits when assessing value.





# Appraisal of Backyard Suites

The appraisal of backyard suites is a developing art. Some Appraiser's will value the suite at it's cost to build, others will use it's income producing ability, others may use a comparative market analysis.



## McKenzie Towne



1988 sq ft, unfinished basement  
\$4,412/2023 Taxes  
400 sq ft Backyard Suite  
Double Garage  
4079 sq ft lot  
Sold for \$684,500 in July 2023



2046 sq ft, unfinished basement  
\$3,732/2023 Taxes  
Double Garage  
4604 sq ft lot  
Sold for \$610,000 in August 2023

\$74,500 more

## Mahogany



1715 sq ft + finished basement  
\$5,461/2023  
830 sq ft 1-bedroom Backyard Suite  
Triple garage and RV dump station  
5274 sq ft lot  
Sold for \$925,000 in July 2023



1,756 sq ft + unfinished basement  
\$3,667/2023  
Oversized Double Garage  
3670 sq ft lot  
Sold for \$650,000 in August 2023

\$275,000 more

## Recent Case Studies Part 1

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These sales happened in the last few months and show a home with a backyard suite compared to one without.



# Currie Barracks



2,846 sq ft, finished basement  
\$10,009/2023 Taxes  
1300 sq ft 1-bedroom 2 level  
Backyard Suite  
Triple Garage  
5080 sq ft lot  
Sold for \$1,550,000 in July 2023



2817 sq ft, finished basement  
\$7,097/2023 Taxes  
Triple Garage  
4542 sq ft lot  
Conditionally sold at \$1,315,000

Approximately \$235,000 more

# Dover



768 sq ft + finished basement  
\$1,976/2023 Taxes  
740 sq ft 2-bedroom Backyard Suite  
Triple Garage  
4799 sq ft lot  
Sold for \$595,000 in June 2023



950 sq ft + finished basement  
\$2,405/2023 Taxes  
Double Garage  
4004 sq ft lot  
Sold for \$470,000 in June 2023

\$125,000 more

# Recent Case Studies Part 2

These sales happened in the last few months and show a home with a backyard suite compared to one without.

# Where to buy or build a Backyard Suite?



## Existing Backyard Suites

There are over 400 backyard suites in Calgary - the most heavily populated neighbourhoods include Currie Barracks, McKenzie Towne and Quarry Park.

## Inner-city lots

Look for lots that are at least 9m wide and zoning of R-CG or R-C2. Corner lots will have less restrictions on window placement and balconies. Be mindful of powerline poles, utility boxes, and the height of the neighbouring homes.

## New areas

New areas such as Seton and Livingstone, Harmony in Springbank all have builders that offer the option of building a backyard suite with the purchase price of your home.



# Current Backyard Suite Listings in Calgary

**27 Prestwick Street SE Calgary, AB T2Z4K8**  
**\$799,900.00**



**7408 22A Street SE Calgary, AB T2C 0X3**  
**\$799,900.00**



**338 Cottageclub Way Rural Rocky View County, AB T4C 1B1**  
**\$875,000.00**



**96 Burma Star Road SW Calgary, AB T3E 7Y4**  
**\$1,190,000.00**



**20 Dieppe Drive SW Calgary, AB T3E 7Y4**  
**\$1,750,000.00**



**456 13 Street NW Calgary, AB T2N 1Z2**  
**\$1,835,000.00**





# Current Backyard Suite Listings in Calgary

**2212 Glenmount Drive Calgary, AB T3G 4B9**  
**\$2,195,000.00**



**145 38A Avenue SW Calgary, AB T2S 0W3**  
**\$4,070,000.00**



**717 Royal Avenue SW Calgary, AB T2P 2V6**  
**\$9,500,000.00**





## Community

Smaller households - singles, couples, small families, or seniors - who don't need larger housing, want improved accessibility, and crave walkable amenities are drawn to a housing typology that can enhance a sense of community. This diversification will reinvigorate small business and schools in the areas.



## Increased Density

Backyard suites are one of the best ways to create private, detached dwellings that are safe and ideal for city living while keeping the current streetscape of the areas.



## Convenience

There is a sense of security knowing that your rental asset is steps from your own property. If it is a family member needing additional care, it reduces the trips to and from care facilities. If it's being used for AirBnB, you no longer need to drive to clean your home between guests.



## Financial Stability

Rental income from a suite or providing a place for a family member or nanny to live at a reduced rate rent can do wonders for a family's bottom line..

# The true value of Backyard Suites

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While resale can be an important component of why you are looking to buy or build a home with a backyard suite but there are many reasons to look at this kind of housing.

[www.keytocalgary.com](http://www.keytocalgary.com)

403-971-8996

[laurachristierealtor@gmail.com](mailto:laurachristierealtor@gmail.com)

@keytocalgary

