GUIDE TO LOT PREMIUMS FOR NEW CONSTRUCTION HOMES

When buying a new construction home in Ontario, the lot can change the final purchase price. Many builders include a standard lot in the advertised base price. A larger or more desirable lot may carry an additional premium.

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This guide explains lot premiums, common premium lot features, Ontario lot rules, and details to review before purchase.

LOT PREMIUM GUIDE FOR ONTARIO HOMEBUYERS

Lot Premiums

A lot premium is an extra amount charged for a specific lot within a new development project.

For example, a builder may price a home at $750,000 on a standard lot. A selected lot may have a $25,000 premium. The total becomes $775,000 before other upgrades or applicable costs.

Builder pricing structures vary. Buyers should confirm whether the listed home price includes a standard lot.

The Ontario government does not set lot premium amounts. Builders establish their own pricing based on the community and individual lot. However, the Home Construction Regulatory Authority requires licensed Ontario builders and vendors to communicate home features and prices clearly and truthfully.

Lots That May Cost More

Builders in Ontario may charge premiums when a lot offers additional land, a preferred location, or specific construction opportunities.

Common examples include:

- Wider frontage
- Deeper backyard
- Pie-shaped lot
- Corner lot
- Cul de sac location
- Walkout basement lot
- Lookout basement lot
- Lot beside open space
- Lot backing onto a park
- Lot backing onto a ravine or natural area
- Lot without an immediate rear neighbour

Premium vs. Usable Lot Space

More land does not always mean more usable backyard space.

A large lot may include areas affected by:

- Drainage swales
- Slopes
- Easements
- Utility equipment
- Catch basins
- Retaining structures
- Corner lot setbacks
- Walkout grading

Review the full lot plan alongside the frontage and depth measurements. On a pie shaped lot, much of the additional width may sit near the rear property line, which can influence patio placement, landscaping plans, side yard access, and the location of future outdoor features.

Loyalist Township Lot Rules

Loyalist Township applies zoning standards based on the property's specific zone. For a single detached home in the Residential Type Four (R4) Zone, the current bylaw requires at least 9 metres of lot frontage, or 13.2 metres on a corner lot, and a minimum lot area of 300 square metres.

R4 setbacks also affect how much of the lot remains usable around the home:

- Front yard: 4 metres minimum
- Exterior side yard: 3 metres minimum
- Interior side yard: 1.2 metres minimum
- Rear yard: 7.5 metres minimum
- Garage setback from front lot line: 6 metres minimum
- Maximum dwelling coverage: 43% of the lot
- Additional accessory building coverage: up to 5%
- Off street parking: 2 spaces per dwelling unit

These measurements can affect lot orientation, driveway length, side yard access, backyard depth, future decks, sheds, and other outdoor improvements.

Buyers should confirm the exact zoning for their lot before relying on these numbers. Loyalist Township uses site specific exception zones, and the Township notes that recent amendments may not always appear in the online bylaw.

Easements and Lot Premiums

An easement gives another party a legal right to use part of a property for a specific purpose. Municipalities and utility providers commonly use easements for drainage, sewer lines, water services, or other infrastructure.

How Easements Can Affect a Premium Lot

A premium lot may offer extra width, depth, or backyard space. An easement can limit how part of that space gets used.

Buyers should check whether an easement affects:

- Pool placement
- Deck location
- Sheds and accessory structures
- Fencing
- Major landscaping
- Grade changes
- Access to part of the yard

An easement near a property line may have little effect on the planned backyard. One that crosses a larger portion of the lot can limit future outdoor projects.

Compare the lot premium with the space available for the features you actually want. Review the lot plan, grading plan, and registered easements before finalizing the lot selection.