

Does a Carriage Home Pay?

The Kelowna numbers: what a carriage home costs to build, what it earns long term and short term, and how to rent it out. 2026 edition.



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What it costs, and what it earns

The best lot you will ever buy is the one you already own. A carriage home is a second, self-contained house on your own property: no second lot, no second down payment, no strata. Here is what that second home costs and earns in Kelowna and West Kelowna today.

\$325,000 to \$450,000 to build. \$30,000 to \$68,000 a year back.

For a 700 to 968 sq ft carriage home, before GST and city fees, fixed in a contract before construction. Rented long term it returns 7 to 11 per cent gross a year on the build cost; run well as a short-term rental, 15 to 21 per cent. Examples in 2026 dollars, gross, before operating costs, financing and tax.

Long term: \$30,000 to \$36,000 a year

A new two-bedroom carriage house with parking rents for \$2,500 to \$3,000 a month. That is \$30,000 to \$36,000 a year from a home you still own, on land you already paid for. Kelowna's average two-bedroom apartment rents for about \$2,260; a new detached home with a yard and a garage sits above it. One tenant, one cheque a month, quiet.

Short term: up to \$68,000 a year

Kelowna short-term rentals averaged \$235 a night last year and \$246 in the summer peak (AirROI, Aug 2025 to Jul 2026). A new two-bedroom in a good location, booked about 80 per cent of the year, brings in roughly \$68,000 a year gross. The market average across every listing is 43 per cent occupancy and about \$20,500 a year, so location, finish and hosting decide where you land. More work, more upside.



Paying for it, and the ten-year picture

Because the carriage home sits on land you already own, most owners fund it against the equity in their home, usually a home equity line of credit or a refinance. No second property to hunt for, no second closing, no bidding war. The house you live in builds the house that pays you.

A small business you can live beside

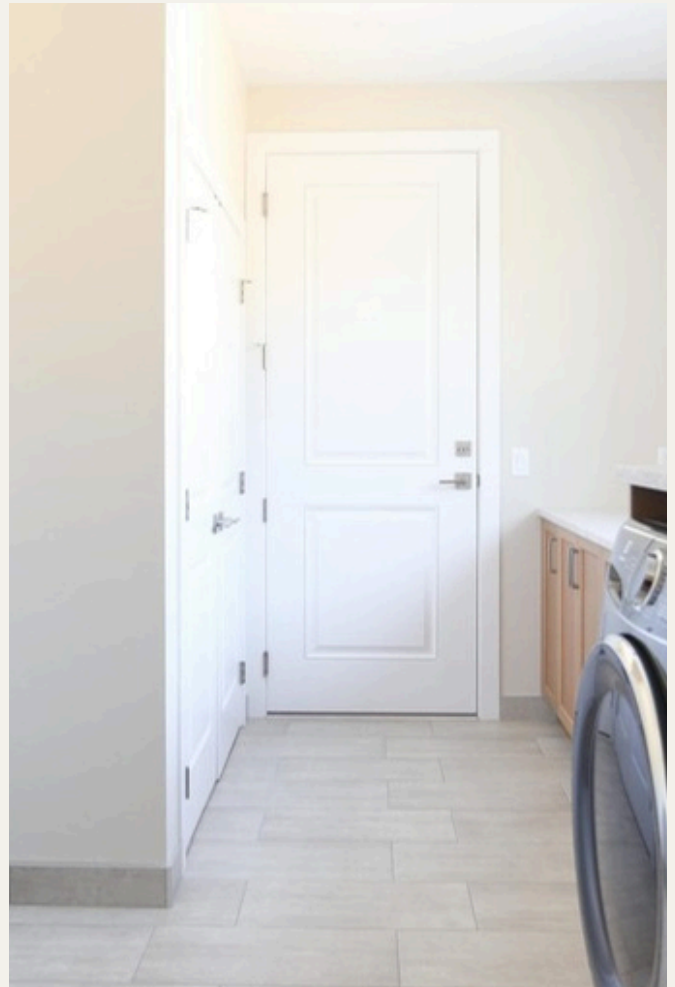
Mortgage interest, insurance, the utilities you pay, maintenance and a share of property tax can usually be written off against the rental income, and depreciation may apply too. Check the details with your accountant.

Ten years, as an example

Build cost \$375,000, mid-range. Long-term rent \$2,750 a month, rising with the market: roughly \$330,000 to \$360,000 of rent over ten years. Most of the build cost back, on a home you still own, paying down its own loan the whole way. Run it short term at the 80 per cent case and the ten-year number passes \$600,000.

Income when you retire

Once the loan is gone, the carriage home is monthly income on your own property. Or it is the home for a parent or an adult child, or the place you move into when the big house is more than you need, while the big house becomes the rental. You have to live somewhere. This way the property works while you do.



Can I Airbnb it? And what next

Can I Airbnb a carriage house on my principal residence?

In Kelowna, yes. The City allows short-term rental of a secondary suite or carriage house when the operator lives on the same lot as their principal residence (at least 240 days a year), holds a City short-term rental business licence (\$50 application, \$345 a year) and is registered with the Province. One unit per property, stays under 90 days.

West Kelowna is tighter: short-term rentals must run from a principal residence, and council was still rewriting the rules for suites and carriage houses in 2026. We check the current bylaw for your zone in the feasibility check.

Rules as of September 2026. Both cities change them; confirm before you count on it.

What next

1. Free feasibility check. Send us your address and within one business day we tell you whether a carriage home fits your lot and roughly what size.
2. Concept Agreement. A drawing of your carriage home and a first estimate built from it.
3. Fixed price contract. Permit drawings, engineering, real quotes, then the price is locked before construction starts, with a guaranteed move-in date.

degrootcustomhomes.com/carriage-home-feasibility-check

You have to live somewhere. A carriage home lets the property you already own carry its own mortgage, then pay you for the rest of your life. (250) 258-9701 · degrootcustomhomes.com

