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FILE NUMBER: ACS2023-PRE-EDP-0029

SUBJECT: Residential Dwelling Approval Pipeline – Q4 2023

OBJET: Processus d'approbation des projets d'habitation – T4 de 2023

PURPOSE

The Residential Dwelling Approval Pipeline provides an update on housing unit approvals, building permits issued, and other residential development indicators on a quarterly and year-to-date basis.

BACKGROUND

Following direction from Council per Motion No. 2022-03/20 on December 7, 2022, and in an effort to track progress towards municipal and provincial housing supply targets for the city of Ottawa, staff have been tasked with tracking and reporting on the number of units approved and the number of building permits issued by the City of Ottawa.

The Residential Dwelling Approval Pipeline provides an update on these two items, along with other residential development indicators such as housing starts, dwellings under construction, and housing completions on a quarterly basis. This report will be available on ottawa.ca and data will be posted to [Open Ottawa](#).

In August 2023, the Ministry of Municipal Affairs and Housing (MMAH) announced that the Ontario government would be launching the [Building Faster Fund](#), a new three-year, \$1.2 billion program that will provide up to \$400 million per year to municipalities that reach 80 per cent or more of their annual housing targets.

New information has emerged from the Province on specific metrics they are considering for municipal housing pledges and tracking of housing supply progress. The MMAH released a new [webpage](#) in October 2023 that currently uses Canadian Mortgage and Housing Corporation (CMHC) housing starts, new and upgraded long term care beds from the Ministry of Long-Term Care, and 'additional residential units' to measure annual housing targets. What constitutes an 'additional residential unit' is still to be confirmed, but includes laneway, basement and garden suites added to existing homes according to the MMAH's webpage.

The MMAH's annual housing targets for the city of Ottawa will ramp up annually to meet the 151,000 units required by 2031, with 11,073 dwellings targeted for 2023. This figure differs from staff's estimate of annual targets from the [2031 Municipal Housing Pledge](#) last year in absence of information from the Province at the time, which targets 15,100 building permits issued per year in order to meet the 151,000 units required by 2031.

The year-to-date infographic has been updated to reflect these changes in annual housing tracking. The quarterly updates will include tracking of additional dwellings from building permits issued starting with the Q1 2024 update.

EXECUTIVE SUMMARY

This update reports on residential development data for Q4 2023, which covers October, November, and December. A year-to-date report is also attached which excludes double counting of housing units approved through multiple development applications at the same location.

In Q4 2023, there were:

- 4,038 dwellings granted land use permissions through Official Plan or Zoning By-law Amendments
- 3,267 dwellings approved through Plan of Subdivision, Plan of Condominium, Site Plan Control, Minor Variance, and Severance applications
- 1,635 net dwellings issued building permits
 - 54 of which are not-for-profit dwellings
- 2,521 housing starts
- 16,174 dwellings under construction
 - 831 of which are not-for-profit dwellings
- 1,873 dwellings where construction was completed

Building permits are down 46 per cent from 3,040 dwellings issued permits in Q3 2023 to 1,635 dwellings issued permits in Q4. Housing starts are also down ten per cent from 2,797 to 2,521. There was a 31 per cent decrease in dwellings granted land use permissions (from 5,886 to 4,038) and a 28 per cent decrease in dwellings approved (from 4,545 to 3,267), as a result of significant decrease in apartment units granted land use permissions or approvals (down 38 per cent from Q3).

Year-to-date in 2023, there have been 31,494 dwellings granted permissions or approved through development applications, excluding duplicate applications for the same project. Table 1 below provides a more detailed account of dwellings granted permissions or approved by application type.

Table 1: Dwellings granted permissions/approved by application type

Application Type	Dwellings Approved/Granted Permissions	Number of those Dwellings Issued Building Permits	Number of those Dwellings Remaining*
Official Plan Amendment	3,819**	0	3,819**
Zoning By-law Amendment	10,372	313	10,059
Combined Official Plan and Zoning Amendments	2,337	0	2,337
Plan of Subdivision	3,392	0	3,392
Plan of Condominium	1,109	159	950
Site Plan Control	7,038	1,993	5,044
Minor Variance	2,762	335	2,422
Severance	448	295	155
Combined Minor Variance and Severance	217	70	147
Total	31,494	3,165	28,325

*The number of units remaining may not add up to the number of units approved minus the number of building permits issued as the number of units that end up being built is subject to change throughout the development process.

** Numbers might be lower than previous quarters because of duplicates captured in the new quarter.

Of the approved and permitted 31,494 dwellings, only 3,165 units or 10 per cent have been issued building permits as of Q4 2023. This leaves approx. 28,325 of these units remaining to be built or go through further approvals in the pipeline.

Housing Supply Pledge Progress

The MMAH set an annual housing target of 11,073 new dwellings in 2023 for the city of Ottawa. When measuring CMHC housing starts only, the city of Ottawa is just shy of 80 per cent of the annual target required to be eligible for the Building Faster Fund at 8,632 housing starts or 78 per cent of the annual target. However, according to new information from the [MMAH's housing tracker](#) as of February 22nd, 2024, the city of Ottawa has met the 80 per cent funding threshold through the inclusion of 'additional residential units' and long-term care beds, totalling 10,313 new dwellings or 93 per cent of the annual target which makes the City eligible to receive funding.

The province has yet to release the unit breakdown for these 'additional residential units' and long-term care beds. For comparison, Table 2 provides a staff estimate based on building permits issued for long-term care beds as well as new residential units that could be considered 'additional' to housing starts.

Table 2: Building permits issued for long-term care beds and additional residential units

Dwelling Type	Number of Dwellings Issued Building Permits
Long term care beds	1083
Student housing	0
Accessory apartment/secondary dwelling units in a single detached, semi-detached or rowhouse	289
Coach houses (laneway suites)	24
Additions/alterations to an existing residential use that increases the number of apartments	114
Conversions of non-residential uses to residential	368
Total	1,878

In 2023, building permits were issued for 1,878 of these 'additional' residential units and long-term care beds. As per new metrics from the MMAH, when adding to the 8,632 CMHC housing starts, our estimate increases to 10,510 new dwellings in 2023. Table 3 below provides a breakdown of the MMAH's total and our estimate.

Table 3: Ottawa's housing supply progress for 2023

Dwelling Type	MMAH Housing Tracker	City of Ottawa staff estimate	Difference
CMHC housing starts	8,632	8,632	0
Additional residential units and long-term care beds	1,681	1,878	-197
Total	10,313	10,510	-197

CONCLUSION

Staff will continue to track housing unit approvals, building permits issued, and other residential development indicators and report back to the Planning and Housing Committee on a quarterly basis.

Original signed by

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cc: Wendy Stephanson, City Manager

Vivi Chi, Interim General Manager, Planning, Real Estate and Economic Development Department

SUPPORTING DOCUMENTATION

Document 1 – Residential Dwelling Approval Pipeline Q4 2023

Document 2 – Residential Dwelling Approval Pipeline YTD 2023