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FILE NUMBER: ACS2024-PDB-PS-0068

SUBJECT: Residential Dwelling Approval Pipeline – Q1 2024

OBJET: Processus d'approbation des projets d'habitation – T1 de 2024

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 track and report on the number of units approved and the number of dwellings issued building permits 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 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.

The Province has specific metrics that are being considered for municipal housing pledges and tracking of housing supply progress, the Ministry of Municipal Affairs and Housing (MMAH) released a [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. 'Additional residential unit' includes additional residential units (ARUs), including non-residential space that is converted to residential units and residential to residential conversions, as well as new and upgraded beds in long-term care homes, according to the MMAH's webpage.

The Ministry of Municipal Affairs and Housing's (MMAH) annual housing targets for the city of Ottawa will ramp up annually to meet the 151,000 units required by 2031, with 12,583 dwellings targeted for 2024. 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.

To reflect these changes in annual housing tracking, these quarterly updates now include tracking of additional dwellings issued from building permits and the "housing

supply progress meter” on the year-to-date infographic has been updated to reflect these changes in annual housing tracking.

EXECUTIVE SUMMARY

This update reports on residential development data for Q1 2024, which covers January, February, and March. A year-to-date infographic is also attached which excludes double counting of housing units approved through multiple development applications at the same location.

In Q1 2024, there were:

- 1,264 dwellings granted land use permissions through Official Plan or Zoning By-law Amendments
- 3,252 dwellings approved through Plan of Subdivision, Plan of Condominium, Site Plan Control, Minor Variance, and Severance applications
- 1,709 net dwellings issued building permits
- 1,080 housing starts, as surveyed by CMHC
- 15,902 dwellings under construction, as surveyed by CMHC
 - 690 of which are not-for-profit dwellings
- 1,348 dwellings where construction was completed, as surveyed by CMHC
 - 141 of which are not-for-profit dwellings

Building permits are up 4.5 per cent from 1,635 dwellings issued permits in Q4 2023 to 1,709 dwellings issued permits in Q1 2024. During the same time period, housing starts are down 57.2 per cent from 2,521 to 1,080. There was a 68.7 per cent decrease in dwellings granted land use permissions (from 4,038 to 1,264) and a 0.5 per cent decrease in dwellings approved (from 3,267 to 3,252).

For year-over-year data, Q1 2024 building permit counts are down by 46.4 per cent, from 3,188 dwellings issued permits in Q1 2023 to 1,709 dwellings issued permits in Q1 2024. Between Q1 2023 and Q1 2024, housing starts are also down 33.6 per cent from 1,626 to 1,080. There was a 53.5 per cent decrease in dwellings granted land use permissions (from 2,716 to 1,264) and a 29.6 per cent decrease in dwellings approved (from 4,621 to 3,252).

Year-to-date in 2024, there have been 4,516 dwellings granted permissions or approved through development applications, excluding duplicate applications for the same project.

Development Applications issued Building Permits:

Table 1 below provides a detailed account of dwellings granted permissions or approved and whether building permits have been issued following approval (tracked since January of 2023 until March 2024).

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	11,347	341	11,006
Combined Official Plan and Zoning Amendments	2,626	0	2,626
Plan of Subdivision	4,516	0	4,516
Plan of Condominium	1,157	214	943
Site Plan Control	8,593	2,204	6,388
Minor Variance	3,307	664	2,621
Severance	451	310	148
Combined Minor Variance and Severance	230	85	145
Total	36,046	3,818	32,212

*The number of units remaining may not add to the number of units approved minus the number of building permits issued as the number of units built might be updated throughout the development process.

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

Of the approved and permitted 36,046 dwellings, only 3,818 units or 10.6 per cent have been issued building permits as of Q1 2024. This leaves approximately 32,212 of these units remaining to be built or go through further approvals in the pipeline. Over 15,000, or almost half, of approved and permitted dwellings are pending through applications that are closer to being shovel-ready, such as site plan control or plan of subdivision.

Housing Supply Pledge Progress

The Ministry of Municipal Affairs and Housing (MMAH) set an annual housing target of 12,583 new dwellings in 2024 for the city of Ottawa. When measuring Canadian Mortgage and Housing Corporation (CMHC) housing starts for Q1 2024, the city of

Ottawa is currently at 1,080 housing starts or 8.6 per cent of the annual target required to be eligible for the Building Faster Fund. However, according to new information from the [MMAH's housing tracker](#) as of May 10th, 2024, through the inclusion of 'additional residential units' and long-term care beds, the total 2024 housing progress to date is 1,188 new dwellings or 9.4 per cent of the annual target (the City would have to meet the set threshold of 80 per cent of the housing target in order to be eligible for funding).

To date, the Province has not released 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	0
Student housing	0
Accessory apartment/secondary dwelling units in a single detached, semi-detached or rowhouse	98
Coach houses (laneway suites)	6
Additions/alterations to an existing residential use that increases the number of apartments	3
Conversions of non-residential uses to residential	10
Total	117

In 2024, building permits were issued for 117 of these 'additional' residential units and long-term care beds. As per the Ministry of Municipal Affairs and Housing's (MMAH) metrics, when these units were added to the 1,080 CMHC housing starts, the city of Ottawa estimate increases to 1,197 new dwellings in 2024. Table 3 below provides a breakdown of the MMAH's total and the city of Ottawa estimate.

Table 3: Ottawa's housing supply progress for 2024

Dwelling Type	MMAH Housing Tracker	City of Ottawa staff estimate	Difference
CMHC housing starts	1,080	1,080	0
Additional residential units and long-term care beds	108	117	-9
Total	1,188	1,197	-9

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, Development and Building Services Department

SUPPORTING DOCUMENTATION

Document 1 – Residential Dwelling Approval Pipeline Q1 2024

Document 2 – Residential Dwelling Approval Pipeline YTD 2024