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TO: Chair and members of the Planning and Housing Committee

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**FROM: Derrick Moodie, Director
Planning, Development and Building
Services Department**

**Contact:
Fathimah Tayyiba Rasheed, (T)
Planner I
Planning, Development and Building
Services Department
613-580-2424, 22892
fathimahtayyiba.rasheed@ottawa.ca**

**EXPÉDITEUR: Derrick Moodie,
Directeur
Direction générale des services de la
planification, de l'aménagement et du
bâtiment**

**Personne ressource:
Fathimah Tayyiba Rasheed, (T)
Urbaniste I
Direction générale des services de la
planification, de l'aménagement et du
bâtiment
613-580-2424, 22892
fathimahtayyiba.rasheed@ottawa.ca**

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28 août 2024

FILE NUMBER: ACS2024-PRE-PS-0090

SUBJECT: Residential Dwelling Approval Pipeline – Q2 2024

OBJET: Processus d'approbation des projets d'habitation – T2 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, provincial and federal 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 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 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 MMAH's 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.

Additionally, the Federal Government announced the Housing Accelerator Fund (HAF) in April 2022 as part of the Federal Budget. The HAF's objective is to create more supply of housing at an accelerated pace and enhance certainty in the approvals and

building process. In July 2023, Council approved the City's action plan for its application to the HAF program, and in December 2023, the application was approved by CMHC, and a contribution agreement was executed between the City and CMHC. Under this program, Ottawa is eligible for up to \$176,323,293 over the three-year program until the end of 2026. The contribution agreement [growth targets](#) include over 37,500 new dwellings through building-permit issuance over the next three years (end of 2026). This represents a growth target for the development industry to submit approximately 12,500 dwellings per year through building-permits.

In order to monitor progress towards these two funding targets, these quarterly updates now include housing supply progress meters on the year-to-date infographic.

EXECUTIVE SUMMARY

This update reports on residential development data for Q2 2024, which covers April, May, and June. A year-to-date infographic is also attached. Both the year-to-date data and the Q2 2024 data excludes double counting of housing units approved through multiple development applications at the same location, as well as all extension applications.

In Q2 2024, there were:

- 4,188 dwellings granted land use permissions through Official Plan or Zoning By-law Amendments
- 2,195 dwellings approved through Plan of Subdivision, Plan of Condominium, Site Plan Control, Minor Variance, and Severance applications
- 4,425 net dwellings issued building permits
 - 336 of which are not-for-profit dwellings
- 1,450 housing starts
- 14,500 dwellings under construction
 - 438 of which are not-for-profit dwellings
- 2,861 dwellings where construction was completed
 - 252 of which are not-for-profit dwellings

Building permits are up 158.9 per cent from 1,709 dwellings issued permits in Q1 2024 to 4,425 dwellings issued permits in Q2 2024. During the same time period, housing starts are up 34.3 per cent from 1,080 to 1,450. There was a 231.3 per cent increase in dwellings granted land use permissions (from 1,264 to 4,188), however, there was a 32.5 per cent decrease in dwellings approved (from 3,252 to 2,195).

Year-over-year, Q2 2024 building permit counts are up by 233.5 per cent, from 1,327 dwellings issued permits in Q2 2023 to 4,425 dwellings issued permits in Q2 2024.

Between Q2 2023 and Q2 2024, housing starts are down 14.1 per cent from 1,688 to 1,450. There was a 22.4 per cent decrease in dwellings granted land use permissions (from 5,400 to 4,188) and a 42.9 per cent decrease in dwellings approved (from 3,841 to 2,195).

To-date in 2024, there have been 10,566 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 2023 to June 2024). For this report, in instances where units have been duplicated through double counting between different application types, duplicates have been removed.

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 | 15,535 | 684 | 14,857 |
| Combined Official Plan and Zoning Amendments | 2,626 | 0 | 2,626 |
| Plan of Subdivision | 4,186 | 336 | 3,850 |
| Plan of Condominium | 1,579 | 250 | 1329 |
| Site Plan Control | 9,948 | 3,763 | 6,192 |
| Minor Variance | 3,604 | 1,380 | 2,198 |
| Severance | 459 | 323 | 149 |
| Combined Minor Variance and Severance | 304 | 104 | 202 |
| Total | 42,060 | 6,840 | 35,222 |

*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.

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

Of the approved and permitted 42,060 dwellings, only 6,840 units or 16.3 per cent have been issued building permits as of Q2 2024. This leaves approximately 35,222 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 12,583 new dwellings in 2024 for the city of Ottawa. When measuring CMHC year-to-date housing starts for Q2 2024, the city of Ottawa is currently at 2,530 housing starts or 20.1 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 August 25th, 2024, through the inclusion of ‘additional residential units’ and long-term care beds, the total 2024 housing progress to date is 2,774 new dwellings or **22.0 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). Table 2 below provides a breakdown of the MMAH’s total.

Table 2: Ottawa’s housing supply progress for 2024

| Dwelling Type | MMAH Housing Tracker |
|--|----------------------|
| CMHC housing starts | 2,530 |
| Additional residential units and long-term care beds | 244 |
| Total | 2,774 |

HOUSING ACCELERATOR FUND

The Federal Government announced the Housing Accelerator Fund (HAF) in April 2022 as part of the Federal Budget. The HAF’s objective is to create more supply of housing at an accelerated pace and enhance certainty in the approvals and building process. On July 12, 2023, Council approved the City’s action plan for its application to the HAF program, and on December 21, 2023, the application was approved by CMHC, and a contribution agreement was executed between the City and CMHC. Ottawa is eligible for up to \$176,323,293 over the three-year program until the end of 2026.

The contribution agreement growth targets include over 37,500 new dwellings through building-permit issuance over the next three years (end of 2026). This represents a growth target for the development industry to submit approximately 12,500 dwellings per year through building-permits (source: [City of Ottawa’s Housing Accelerator Fund Use of Funds and Roadmap](#)).

It is worth noting that the HAF growth targets and MMAH housing supply targets (described in the previous section) use different metrics. The HAF measures building-permit issuance, whereas the MMAH measures CMHC housing starts, additional residential units (ARUs), and long-term care beds. A key difference between building-permits and CMHC starts is timing: building permits are issued first I the

development process once a project is approved and CMHC starts indicate the beginning of construction. A majority of building permits will eventually be captured by the CMHC as a start or ARU. Table 3 below illustrates the difference between the metrics and targets for both these programs.

Table 3: Housing Accelerator Fund and Municipal Housing Pledge program differences

| Program | | HAF | Housing Pledge Targets |
|---------|--------|------------------|------------------------|
| Year | Metric | Building Permits | CMHC Starts + Other |
| 2024 | | 12,500 | 12,583 |
| 2025 | | 12,500 | 15,100 |
| 2026 | | 12,500 | 17,617 |

Table 4 below provides an account of new dwellings through building permit issuance for 2024 (from January 1st, 2023 to June 30th, 2024) and the City’s progress towards the HAF target.

Table 4: New dwellings through building-permit issuance for 2024

| | Building Permits issued as of June 30 th , 2024 |
|--|--|
| Net New Units | 6,134 |
| HAF Target for 2024 (units) | 12,500 |
| Progress towards 2024 HAF target* | 49.1% |
| Net New Single Detached Homes | 523 |
| Net New Units from Missing Middle** | 2270 |
| Net New Units from Multi-Unit Housing*** | 3341 |

* Progress towards target = Net New Units divided by the 2024 HAF target

** Net new units in residential development that have storeys less than or equal to 4 and of the building type: Seasonal Dwelling, Semi-detached, Row House, or Apartment (includes duplexes, triplexes, quadruples, stacked rowhouses or apartment condominiums).

*** Net new units in residential development that have storeys more than 4 and of the building type: Apartment (includes duplexes, triplexes, quadruples, stacked rowhouses or apartment condominiums)

Note: Coach houses are included under the apartment category

The City's 2024 progress towards the HAF net new dwellings through building permit issuance target as of Q2 2024 is 6,134 net new dwellings or 49.1 per cent of the annual target of 12,500 dwellings as per the HAF contribution agreement. Of the 6,134 net new dwellings from building permits issuance, 8.5 per cent (523 units) were in single detached homes, 37.0 per cent (2270 units) were in the missing middle housing categories, and 54.5 per cent (3341 units) were in multi-unit housing, as shown in Table 4.

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

Derrick Moodie

Director, Planning, Development and Building Services Department

cc: Wendy Stephanson, City Manager

Vivi Chi, Interim General Manager, Planning, Development and Building Services Department

SUPPORTING DOCUMENTATION

Document 1 – Residential Dwelling Approval Pipeline Q2 2024

Document 2 – Residential Dwelling Approval Pipeline YTD 2024