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**TO: Chair and members of the Planning and Housing Committee**

**DESTINATAIRE: Président et membres du Comité de la planification et du logement**

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**6 février 2025**

**FILE NUMBER: ACS2025-PDB-PS-0012**

**SUBJECT: Residential Dwelling Approval Pipeline – Q3 2024**

**OBJET: Processus d'approbation des projets d'habitation – T3 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**

Council directed staff per Motion No. 2022-03/20 on December 7, 2022, to track progress towards municipal, provincial and federal housing supply targets for the city of Ottawa, track and report on the number of dwellings approved and issued building permits.

The Residential Dwelling Approval Pipeline provides an update on housing targets, housing starts, dwellings under construction, and housing completions on a quarterly basis. This report will be available on [ottawa.ca](https://ottawa.ca) and data will be posted to [Open Ottawa](#).

In August 2023, the Ministry of Municipal Affairs and Housing (MMAH) announced 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 to track housing supply progress through 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' from CMHC to measure annual housing targets. 'Additional residential unit' includes new residential dwellings that is converted to residential units, including non-residential space, 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 ramps 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.

## SUMMARY

This update reports on residential development data for Q3 2024, which covers July, August, and September. A year-to-date infographic is also attached. Both the year-to-date data and the Q3 2024 data excludes double counting of housing units approved through multiple development applications at the same location, including all extension applications related to the same development project.

In Q3 2024, there were:

- 3,556 dwellings granted land use permissions through Official Plan or Zoning By-law Amendments
  - ten of which are affordable dwellings
- 4,586 dwellings approved through Plan of Subdivision, Plan of Condominium, Site Plan Control, Minor Variance, and Severance applications
  - 112 of which are affordable dwellings
- 2,760 net new dwellings issued building permits
- 2,500 housing starts
- 14,540 dwellings under construction
  - 907 of which are affordable dwellings
- 2,454 dwellings where construction was completed

Building permits are down 30.8 per cent from 3,991 dwellings issued permits in Q2 2024 to 2,760 dwellings issued permits in Q3 2024. During the same time period, housing starts are up 72.4 per cent from 1,450 to 2,500. There was a 15.1 per cent decrease in dwellings granted land use permissions (from 4,188 to 3,556), whereas there was a 108.2 per cent increase in dwellings approved (from 2,203 to 4,586).

Year-over-year, Q3 2024 building permit counts are down by 9.2 per cent, from 3,040 dwellings issued permits in Q3 2023 to 2,760 dwellings issued permits in Q3 2024. Between Q3 2023 and Q3 2024, housing starts are down 10.6 per cent from 2,797 to 2,500. There was a 39.6 per cent decrease in dwellings granted land use permissions (from 5,886 to 3,556) and a 0.9 per cent increase in dwellings approved (from 4,545 to 4,586).

To-date in 2024, there have been 19,049 dwellings granted permissions or approved through development applications, excluding duplicate applications for the same project.

**Development Applications issued Building Permits:**

Table 1 below provides an estimate of dwellings in the approvals "pipeline" that were granted permissions or approved and whether building permits have been issued following approval (tracked from January 2023 to September 2024). Double-counting has been removed for dwellings in more than one application type.

**Table 1: Dwellings granted permissions/approved by application type**

<b>Application Type</b>	<b>Dwellings Approved/Granted Permissions</b>	<b>Number of those Dwellings Issued Building Permits</b>	<b>Number of those Dwellings Remaining*</b>
Official Plan Amendment	3,819	0	3,819
Zoning By-law Amendment	16,954	804	16,156
Combined Official Plan and Zoning Amendments	4,763	0	4,763
Plan of Subdivision	5669	439	5,230
Plan of Condominium	1,579	346	1233
Site Plan Control	11,830	4,709	7488
Minor Variance	4,751	1,551	3,181
Severance	472	327	158
Combined Minor Variance and Severance	354	124	234
<b>Total</b>	<b>50,191</b>	<b>8,300</b>	<b>42,262</b>

\*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 50,191 dwellings, only 8,300 units or 16.5 per cent have been issued building permits as of Q3 2024. This leaves approximately 42,262 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. From January 1 to September 30, 2024, there were 5,030 housing starts

recorded by CMHC. The inclusion of ‘additional residential units’ and long-term care beds from the [MMAH’s housing tracker](#) provides a year-to-date 2024 housing progress of 5,495 new dwellings or **44 per cent**. Eligibility to access the provincial Building Faster Fund requires achieving 80 per cent of the housing target, or over 10,000 starts, additional residential units, and long-term care beds. These metrics are in contrast to the 9,098 dwellings issued building permits from January 1 to September 30, 2024, indicating that we can expect an increase in housing starts as construction begins on these building permits, although it is unknown how many will occur within the remainder of 2024. 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, September 30, 2024
CMHC housing starts	5,030
Additional residential units and long-term care beds	465
<b>Total</b>	<b>5,495</b>

**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 in the development process once a project is approved, while 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 shows new dwellings issued building permit from January 1<sup>st</sup>, 2024 to September 30<sup>th</sup>, 2024 and the City’s progress towards the HAF target.

**Table 4: New dwellings through building-permit issuance Jan-Sept 2024**

Indicator	Dwellings
HAF Target for 2024 (dwellings)	12,500
Net New Dwellings	8,461
Progress towards 2024 HAF Total Growth Target	67.7%
<b>Specific Dwellings</b>	
Single Detached Homes	879
Multi-Unit Housing 1.5km to Rapid Transit*	6,605
Missing Middle (other)**	824
Multi-unit Housing (other)***	153
Per cent Affordable	7.6% (642 dwellings)

The City issued building permits to construct 8,461 new dwellings within nine months of 2024, representing 67.7 per cent of the annual target of 12,500 dwellings. Of these 8,461 net new dwellings, 10.4 per cent (879 units) were in single detached homes, 78.1 per cent (6,605 units) were multi-unit housing located in close proximity to rapid transit, 9.7 per cent (824 units) were missing middle housing outside of rapid transit radius of 1500 meters, and 1.8 per cent (153 units) were in multi-unit housing outside of the rapid transit radius. Additionally, 7.6 per cent (642 units) of the overall net new dwellings were affordable housing units.

**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  
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**SUPPORTING DOCUMENTATION**

Document 1 – Residential Dwelling Approval Pipeline Q3 2024

Document 2 – Residential Dwelling Approval Pipeline YTD 2024