

Development Pipeline 2021

Date: June 9, 2021

To: Planning and Housing Committee

From: Chief Planner and Executive Director, City Planning

Wards: All

SUMMARY

The City Planning Division monitors development activity in the city. This report and the attached bulletin summarize development activity in the city over the past five years. Information from the Division's Land Use Information System II and other sources have been analyzed to provide an overview of all development projects with any development activity between January 1, 2016 and December 31, 2020. Development activity refers to progress at any stage of the approvals and development processes, including application submission, development review, development approval, building permit application, building permit issuance, construction, occupancy and completion. The bulletin illustrates how the city has grown over these five years and how it may continue to develop over time.

In total, 503,362 residential units and 12,853,823 million square metres of non-residential gross floor area (GFA) were proposed by projects with development activity between January 1, 2016 and December 31, 2020. Of this, 93,836 residential units and 2,413,647 square metres of non-residential GFA were built. There were 162,757 residential units approved but not yet built, and an additional 246,769 units in projects still under review. Similarly, there was 5,561,590 square metres of non-residential GFA approved and not yet built, and a further 4,878,586 square metres in projects under review. In total, there were 409,526 residential units and 10,440,176 m² of non-residential GFA in projects that are either under review or active, indicating a continuation of strong development activity in Toronto in the coming years. If all of these residential units were realized over time, they would increase the total number of dwellings in the city by over one third.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning recommends that:

1. The Planning and Housing Committee receive this report for information.

FINANCIAL IMPACT

There are no financial implications resulting from the recommendations included in the report in the current budget year or in future years.

COMMENTS

Implementing effective land use planning policies requires monitoring the trends in development proposals and approvals. The development activity over the past five years demonstrates continued strong demand and supply of housing in the city. Housing affordability remains a pressing issue. This monitoring exercise reports only on housing supply, with an emphasis on its spatial distribution and its alignment with the growth management planning of the City. The HousingTO 2020-2030 Action Plan will as part of its reporting speak to the monitoring of affordable housing targets.

Over the last several years, while fewer proposals have been submitted to City Planning for review, in general the proposals submitted represent larger, more complex projects containing more residential units and non-residential space in total. These larger projects on average take longer to progress through the planning and development cycle. While not all proposals are approved and not all approved projects are built, those projects which are approved and built result in tens of thousands of new housing units and hundreds of thousands of square metres of space for employment. Council continues to approve more residential units than are built. The delivery of what is approved involves many factors including the size of the project, cost of land, materials and labour, which impact decisions as when to bring supply to construction.

Citywide Trends

- Over 503,000 residential units and over 12 million square metres of non-residential gross floor area (GFA) were newly proposed, representing all projects with development activity between January 1, 2016 and December 31, 2020.
- Development proposals include newly proposed development as well as existing buildings retained from previous development, totalling over 540,000 units, 42.2 million square metres of residential space and 19.9 million square metres of non-residential gross floor area. This bulletin reports on newly proposed uses, units and spaces.
- 93% of the total residential units in development projects are newly proposed and 7% are retained from existing buildings retained on site as part of the proposals; 92% of the total residential GFA in development projects is newly proposed and 8% is retained from existing buildings on site; and 65% of the total non-residential GFA is newly proposed and 35% is retained from existing buildings on site.
- Based on Demolition Permits issued by the City from 2005 to 2020, the overall average demolition rate is 8.9% of units completed as reported by CMHC.
- An estimated 458,563 net new residential units and 35,519,123 square metres of net new residential GFA are reported in this pipeline after accounting for an 8.9% demolition rate.

- There are 68,293 more residential units and 768,675 square metres more non-residential GFA in this pipeline compared to the 2019 Q4 Pipeline that was reported on in the Development Pipeline 2020 bulletin.
- Almost 94,000 new residential units and over 2.4 million square metres of non-residential GFA were constructed between 2016 and 2020.
- Over the past five years, almost 69,000 more residential units received their initial Planning approval than were built. This will help to ensure a steady supply of approved housing will be available for construction and occupancy in the future.
- Almost 163,000 residential units and more than 5.5 million square metres of non-residential GFA are in active projects, meaning they have received at least one Planning approval but have not yet been built.
- Almost 247,000 residential units and over 4.8 million square metres of non-residential GFA are in projects under review.
- Toronto will continue to grow as these proposed developments receive Planning approval and Building Permits.
- The final Inclusionary Zoning parameters are still being refined and so we are unable to estimate the number affordable units that could be created from the pipeline at this time. This information will be reported on as part of the final staff report for Inclusionary Zoning, which is targeted for the September Planning and Housing Committee meeting.
- The pipeline captures development activity that occurs through Planning applications. It does not report on development activity that occurs as-of-right which is below the Site Plan Control threshold. As-of-right development activity will be reported through the upcoming Neighbourhood Change and Intensification bulletin scheduled to the November meeting of the Planning and Housing Committee.

Pandemic Response

- In response to the global pandemic of the Coronavirus Disease 2019 (COVID-19), the City of Toronto quickly adapted by implementing remote work and continued to deliver services online and via virtual formats in 2020 and into 2021.
- In 2020, 242 applications were received for development projects proposing 70,851 residential units and 1,279,479 m² of non-residential GFA. This is 16% more residential proposals and 20% fewer non-residential projects submitted in 2020 than proposed in 2019. The Division received 40% of the year's total applications by the end of June, compared to 33% in 2019.
- There are 110 projects proposing 21,318 residential units that received at least their first Planning approval in 2020 compared to 155 projects and 35,641 residential units in 2019. The average number of projects approved per month was 7.6 in 2020 and 8.9 in 2019. According to Canada Mortgage and Housing Corporation, during 2020, construction started on 20,982 units while 56,005 units were under construction. This is 11% higher than 2019 when construction started on 18,877 units while 7% higher than 52,317 units that were under construction.

Potential Population

- In August, 2020, the *A Place to Grow*, the Provincial Growth Plan for the Greater Golden Horseshoe was amended, containing population and employment forecasts for 2051.
- Statistics Canada estimates the City's population in 2020 to be 2,988,408, just 2,592 people below the population forecasts supporting the Growth Plan if interpolated to 2020. This is within the range of error of Statistics Canada's estimates. Toronto's population is on track with the forecasts supporting the Growth Plan.
- There are 148,272 net units which are approved but not yet built in the Development Pipeline. If completed and occupied, the potential population in these units could be about 259,900 people and could bring the City's population to 3.25 million or 89% of the forecasted population at 2051.
- If the 224,807 net units which were still under review at the end of 2020 were also approved, built and occupied, the potential population in these units could be about 394,100 people, for a total potential population of over 650,000 people.
- If fully built out and occupied, and demolished units accounted for, the Development Pipeline could produce a city population of about 3.642 million or 99.8% of the 2051 population forecast contained in the Provincial Growth Plan.

Growth Management Areas

- Eighty-six percent of new residential development is proposed in areas targeted for growth by the City's Official Plan.
- Ninety percent of new non-residential development is proposed in areas targeted for growth by the City's Official Plan including *Employment Areas*.
- The *Downtown and Central Waterfront* area is the main location for proposed residential development with 32% of the residential units proposed in the city and 38% of the non-residential GFA proposed in the city.
- Over 52,000 residential units and over 420,000 square metres of non-residential GFA are proposed in the *Centres*.
- Nearly 121,000 residential units are proposed along the *Avenues* identified in the Official Plan.
- Areas of the city covered by a Secondary Plan contain proposals for 60% of the residential units and 59% of the non-residential GFA proposed city-wide.
- The Downtown Plan area contains over 157,000 proposed residential units and over 4.8 million square metres of proposed non-residential GFA in the 2020 Pipeline compared to over 150,500 proposed residential units and over 4.6 million square metres of proposed non-residential GFA in the 2019 Pipeline.
- Thirty percent of the city's proposed non-residential floor space is in *Employment Areas*.
- Over 1.1 million square metres of industrial GFA is proposed in *Employment Areas*, accounting for 86% of proposed industrial GFA across the city.

Conclusion

The city continues to be an exceptionally attractive location for development in the Greater Toronto Area (GTA). There are more residential units and more non-residential GFA proposed in the current Development Pipeline than in any other Pipeline over the last five years. Given the scale of this proposed development, comprehensive planning frameworks that link infrastructure to growth continue to be important to manage the City's development and to improve the quality of life. The pandemic has not deterred development activity in 2020. Ongoing monitoring of development activity will be necessary to assess the long term impact of the pandemic and the progress of the economic recovery.

The City of Toronto's population growth is firmly on track with the forecasts supporting the *A Place to Grow: Growth Plan for the Greater Golden Horseshoe*. As the City's *Urban Growth Centres* develop, they are progressing towards or exceeding the Province's density targets set out in the 2020 Growth Plan as amended.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Development Pipeline 2021