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December 11, 2023

Mr. John Elvidge, City Clerk  
City Clerk's Office  
100 Queen Street West  
12th Floor, West Tower  
Toronto, ON M5H 2N2

Dear Mr. Elvidge,

**Re: Administrative Inquiry Regarding Housing Numbers**

Councillor Stephen Holyday submitted an Administrative Inquiry dated December 4, 2023 to seek information on housing numbers. This letter provides a response to this request. It has been prepared by the City Planning Division.

Introduction

The City Planning Division monitors development activity in the city, and reports summaries of this information through an annual Development Pipeline bulletin. The bulletin referred to in the Administrative Inquiry, [Item PH2.7](#) "Development Pipeline 2022" was dated February 13, 2023 and adopted by the Planning and Housing Committee on February 28, 2023. The Item included a staff report from City Planning and an attached Development Pipeline 2022 Q2 bulletin summarizing development activity in the city over five-and-a-half years. The Item provided an overview of all development projects with any development activity between January 1, 2017 and June 30, 2022. The bulletin illustrates how the city has grown over these five-and-a-half years and how it may continue to develop over time.

The Development Pipeline is a comprehensive set of information prepared on a semi-annual basis by City Planning through a detailed review and analysis of development projects that had any approval or development activity during the Pipeline window period. The 2022 Q2 Pipeline represents a snapshot of the activity that has occurred and the status of 2,400 projects as of June 30, 2022.

A development project is the collection of Planning applications and Building Permit applications related to a single site. 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, ready for occupancy and completion. As-of-right construction, or development below the Site Plan Control exemption of up to 10 units, is not captured by the Development Pipeline.

This summary of approval and development activity is constructed from the daily monitoring of the progress of Planning applications through the City’s approval processes, physical details of the proposals compiled from application submission materials and plans, updated information from the applicant and Community Planning staff as the proposal advances, and the tracking of thousands of Building Permits related to the land use planning approvals.

## Response

Please find responses to each of the questions submitted.

1. “On February 13, 2023, the Chief Planner issued a report titled “Development Pipeline 2022” considered under item [2023.PH2.7](#) . In this report, staff provided information about development activity over the prior five and a half years. Among the information was that between January 1, 2017 and June 30, 2022 there were:

- 717,327 total residential units proposed
- 103,638 residential units built
- 203,793 residential units approved but not built
- 185,655 residential units approved but not built, accounting for demolitions
- 409,896 residential units still under review
- 373,415 net new residential units still under review”

“How do each of these numbers reconcile to one another?”

The development statistics appear in Table 4c of the bulletin.

| 2022 Q2 Pipeline             | Residential Units |                      |                |
|------------------------------|-------------------|----------------------|----------------|
|                              | Proposed          | Estimated Demolition | Net New Units  |
| 8.9% Average Demolition Rate |                   |                      |                |
| <b>Total</b>                 | <b>717,327</b>    | <b>63,842</b>        | <b>653,485</b> |
| <b>Under Review</b>          | 409,896           | 36,481               | 373,415        |
| <b>Active</b>                | 203,793           | 18,138               | 185,655        |
| <b>Built</b>                 | 103,638           | 9,224                | 94,414         |

The table represents the newly proposed residential units in development projects with approval or development activity between January 1, 2017 and June 30, 2022, **totaling 717,327 units**.

- **Built** projects are those which became ready for occupancy and/or were completed. These projects contain **103,638** proposed residential units.
- **Active** projects are those which have been approved, for which Building Permits have been applied or have been issued, and/or those which are under construction. These projects represent **203,793** proposed residential units.
- Projects **under review** are those which have not yet been approved or refused and those which are under appeal. These projects propose **409,896** residential units.

In order to realize these proposed residential units, existing residential units may be demolished. The number of “net new” proposed units, which are the proposed units less the units demolished to realize them, can be estimated using Demolition Permits issued by the Toronto Building Division. Based on Demolition Permits in the City of Toronto over the past 16 years from 2005 to 2020, the overall average rate of demolition is 8.9% of the units completed over the same period as reported by Canada Mortgage and Housing Corporation (CMHC). **Using the demolition rate of 8.9%, the Development Pipeline contains an estimated 653,485 net new residential units.**

Similarly applying this demolition rate to the projects by their Pipeline status:

- **Built** projects total 103,638 newly proposed units, less the estimated demolition of 9,224 units to build them, results in an **estimated 94,414 net new units**;
- **Active** projects contain 203,793 proposed units. If these projects were fully approved and built, less the estimated demolition of 18,138 units to realize them, **Active projects could result in 185,655 net new units**;
- **Under Review** projects propose 409,896 residential units. If all of these projects were approved as proposed, and all of these projects were in fact realized, less the estimated demolition of 36,481 units to do so, **Under Review projects could result in 373,415 net new units.**

This is a conservative estimate of the net new housing supply if the entire Development Pipeline were fully realized. The majority of the Demolition Permits issued were for the teardown and replacement of single houses or were associated with lot severances. As-of-right construction, or development below the Site Plan Control threshold, does not require a Site Plan Control application and is not captured by the Development Pipeline. Consequently, to apply the overall average demolition rate to the Pipeline will significantly overestimate the units that would need to be demolished to realize the housing potential in the Pipeline.

*2. “What are the updated figures, as of current, for units proposed, built, approved but not built, and still under review, and the net figures, as outlined above?”*

The latest Development Pipeline, 2023 Q2, represents all development projects with any approval or construction activity over the five-year period from July 1, 2018 to June 30, 2023. This information was constructed in July and August 2023 and represents a return to the use of a five-year window for tracking development activity.

**This more recent Development Pipeline contains 797,021 proposed residential units. The estimated net new units from this Pipeline is 726,087 units.** This is the result of applying a similar analysis to estimate the net new units after estimated demolitions are accounted for at the same 8.9% demolition rate. The following table summarizes the updated figures based on the 2023 Q2 Development Pipeline, representing the status of the development projects as of June 30, 2023.

| 2023 Q2 Pipeline             | Residential Units |                      |                |
|------------------------------|-------------------|----------------------|----------------|
|                              | Proposed          | Estimated Demolition | Net New Units  |
| 8.9% Average Demolition Rate |                   |                      |                |
| <b>Total</b>                 | <b>797,021</b>    | <b>70,934</b>        | <b>726,087</b> |
| <b>Under Review</b>          | 475,578           | 42,326               | 433,252        |
| <b>Active</b>                | 211,586           | 18,831               | 192,755        |
| <b>Built</b>                 | 109,857           | 9,777                | 100,080        |

In summary:

- **Built** projects total 109,857 newly proposed units, less the estimated demolition of 9,777 units to build them results in an **estimated 100,080 net new units**;
- **Active** projects contain 211,586 proposed units. If these projects were fully approved and built, less the estimated demolition of 18,831 units to realize them, **Active projects could result in 192,755 net new units**;
- **Under Review** projects propose 475,578 residential units, 16% higher than the total of the previous Pipeline. If all of these projects were approved as proposed, and all of these projects were in fact realized, less the estimated demolition of 42,326 units to do so, **Under Review projects could result in 433,252 net new units**.

Even though this Development Pipeline covers a six-month shorter time period than the information published earlier this year, the total number of projects in this Pipeline (2,418) is comparable to the 2022 Q2 Pipeline (2,413) while the total number of proposed residential units has increased by 11%. Over the last several years, while the number of proposals submitted to City Planning for review has not increased substantially, 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 and take longer to construct.

### 3. "How many people do each of these updated figures is forecasted to accommodate?"

The Development Pipeline 2022 Q2 Bulletin contains an analysis of the potential population in projects with first Planning approval but not yet built and those under review, based on average numbers of persons per household derived from the 2016 Census. The results are summarized below.

| 2022 Q2 Pipeline             | Residential Units |                      |                | Population                     |
|------------------------------|-------------------|----------------------|----------------|--------------------------------|
|                              | Proposed          | Estimated Demolition | Net New Units  | Estimated Potential Population |
| 8.9% Average Demolition Rate |                   |                      |                |                                |
| <b>Total</b>                 | <b>717,327</b>    | <b>63,842</b>        | <b>653,485</b> | - na -                         |
| <b>Under Review</b>          | 409,896           | 36,481               | 373,415        | 810,000                        |
| <b>Active</b>                | 203,793           | 18,138               | 185,655        | 403,000                        |
| <b>Built</b>                 | 103,638           | 9,224                | 94,414         | - na -                         |

The Bulletin concludes that in total, the Development Pipeline 2022 Q2 could represent a potential population of 1,213,000 people.

Subsequently, we have obtained customized information from Statistics Canada from the 2021 Census. If an average number of persons per household derived from the 2021 Census were applied to the net new units in the 2023 Q2 Development Pipeline that were approved but not yet built and those still under review, these units if approved and if realized could represent an estimated 1.3 million people.

| 2023 Q2 Pipeline             | Residential Units |                      |                | Population                     |
|------------------------------|-------------------|----------------------|----------------|--------------------------------|
|                              | Proposed          | Estimated Demolition | Net New Units  | Estimated Potential Population |
| 8.9% Average Demolition Rate |                   |                      |                |                                |
| <b>Total</b>                 | <b>797,021</b>    | <b>70,934</b>        | <b>726,087</b> | - na -                         |
| <b>Under Review</b>          | 475,578           | 42,326               | 433,252        | 895,000                        |
| <b>Active</b>                | 211,586           | 18,831               | 192,755        | 400,000                        |
| <b>Built</b>                 | 109,857           | 9,777                | 100,080        | - na -                         |

4. *“How do each of these updated figures compare to the 2051 Provincial growth targets, and to what time period do the growth targets apply and may be compared to the updated figures?”*

The Development Pipeline is used to report on the City’s progress toward the population and employment forecasts in 2051 that form part of *A Place to Grow*, the Provincial Growth Plan for the Greater Golden Horseshoe (“the Growth Plan”). The Growth Plan does not contain household or housing forecasts. The Growth Plan was amended on August 28, 2020 with new population and employment forecasts at 2051. Forecasts for the intermediate years do not appear and were removed from previous versions of the Growth Plan, enabling municipalities to determine their own progress towards the Provincial forecasts. The Development Pipeline is a useful input to monitoring progress toward the Growth Plan forecasts because the magnitude of growth represented by its development activity tends to be built out in about 15 years, which is much shorter than the forty-year forecast horizon of the Growth Plan forecasts.

In the Development Pipeline 2022 Q2 bulletin, an analysis was undertaken to compare CMHC completions plus Active and Under Review units in the Development Pipeline to the household forecasts supporting the Provincial Growth Plan. It concluded that the CMHC units completed since 2011, and the units in projects with first Planning approvals but not yet built, represented 72% of the units required to accommodate the forecasted growth over forty years. The projects under review represented a further 75% of the forecasted growth, for a potential total of 147% of the units required to accommodate the forecasted household growth to 2051. The analysis observes that the City does not have any influence on the timing of when an applicant advances a Planning approval by submitting Building Permit applications or advancing construction. However, given these trends, there is more than enough supply in the Pipeline to accommodate the forecasted growth, and Toronto is well on its way to housing the population forecasted by *A Place to Grow* as amended.

A similar analysis has not been conducted with the 2023 Q2 Development Pipeline. This and many other analyses will be undertaken as part of the Development Pipeline 2023 Bulletin to be published in 2024. This will include an updated analysis of the pace of Planning approvals. This Bulletin will assess development activity over the five-year period from January 1, 2019 to December 31, 2023. This work is part of ongoing monitoring of the growth management policies of the Official Plan. This monitoring is vital in protecting the City's designated Employment Areas, ensuring regard for the *Provincial Policy Statement* in long-range planning including the provision of sufficient housing to meet changing needs, coordinating the provision of water, sewer and other infrastructure needed to accommodate current and future needs, and in achieving objectives of the *Planning Act*.

5. "How do each of these updated figures compare or apply to the City's "Municipal Housing Pledge" to take the necessary steps to facilitate the construction of 285,000 new homes in our community by 2031, and to what time period does the pledge apply and may be compared to the updated figures?"

The Development Pipeline can be used as an indicator of the overall magnitude of development activity and the potential to achieve the Municipal Housing Target, however, it is not a benchmark or measure of the City's progress to the Municipal Housing Pledge and it is not comparable on this basis.

**The Development Pipeline** represents overall development activity related to land use planning approvals processes and subsequent development activity over a five-year period. It includes projects initiated before the five-year window that have any approval or development activity within the window, and which may continue to advance in the future. These projects may be outside of the scope of the Municipal Housing Target. We do not know when any one project will advance or be built as that depends largely on the actions of the applicant. Past analysis has shown that the overall magnitude of development represented by the Development Pipeline tends to be realized over a 15-year period. Not all development proposals are approved, and not all approved projects are built, however proposals that do not advance tend to be superseded by newer proposals. Overall, the Development Pipeline has been a good indicator of near-term growth at full build-out, however it is not an indicator of progress to the Municipal Housing Target.

The staff report and the attached **Development Pipeline 2022 Q2 Bulletin** was received by the Planning and Housing Committee on February 28, 2023. It contains an analysis comparing housing completions reported by CMHC and the City's approval activity against the Municipal Housing Target. Using information from the Development Pipeline and from a separate analysis of Planning approvals, it estimates whether or not the City's total potential housing supply is sufficient to achieve the Municipal Housing Target. It concludes that **the total net potential housing supply represents 205% of the units required to accommodate the housing target set by the Province for Toronto to 2031**. The analysis further concludes that not all submitted proposals are approved, and not all approved projects are built, nor may be built in the given time frame, however, there is enough potential within the Development Pipeline to meet the target as set out by the *More Homes Built Faster Act*. We noted that



achieving the target will depend on the timing and delivery of these units. Consequently, the Development Pipeline is not a measure of the progress toward the Municipal Housing Target.

As stated in the staff report, those projects which are approved and built will 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 staff report observes that to further support development, the City can ultimately enable housing, and focus on approval processes related to final approvals that align with the business cycle and reduce uncertainty, as projects advance beyond zoning entitlements to Building Permits.

The staff report further comments that a robust pipeline indicates a robust real estate and development sector. Whether this activity results in construction and occupancy of new homes and places to work is largely a function of market forces and only partially influenced by policy and regulation. The delivery of what is approved involves many factors including the size of the project, cost of land, and access to materials and labour, which impact decisions such as when to commence construction. The staff report states that the overall scale of the pipeline is about potential development, and is not a substitute for having met Provincial approval targets. It concludes that Provincial targets are aspirational and their pursuit will not result in actual completed homes without a complete rescaling of the capacity of the development industry to construct new homes.

The staff report “**A Housing Pledge for the City of Toronto**” was adopted by Planning and Housing Committee as Item PH3.8 on April 27, 2023 and adopted by Council on May 10, 2023. The staff report noted that Bill 23, *More Homes Built Faster Act*, 2022 received Royal Assent on November 28, 2022, and to support Bill 23, the Ministry of Municipal Affairs and Housing assigned 2031 Municipal Housing Targets to 29 lower and upper tier municipalities in Southern Ontario through an Environmental Registry for Ontario Notice 019-6171 (<https://ero.ontario.ca/notice/019-6171>), posted on October 25, 2022. The Notice did not state how the “homes” of the Municipal Housing Target were to be measured, for example, whether this was to be measured by units starting construction or units built. The Notice stated that the selected municipalities are to work towards achieving these targets by 2031, however it did not indicate when the ten-year period began. For the purpose of assessing the potential to achieve the Pledge, the staff report referred to the analysis of Planning approvals in the Development Pipeline 2022 Q2 Bulletin as an indicator of the City’s capability to achieve the target by 2031.

Later in the year on August 21, the Province announced the **Building Faster Fund**, with annual targets for 2023, 2024 and 2025 toward to the Municipal Housing Target. The Province then established housing starts as reported by the Canada Mortgage and Housing Corporation (CMHC) as the measure for progress toward the Municipal Housing Target and the annual targets of the Building Faster Fund. The Province’s “Housing Tracker” (<https://www.ontario.ca/page/tracking-housing-supply-progress>) describes the ten-year period as “2021-2031” and states “Currently, this tracker relies on monthly housing data provided by the Canada Mortgage and Housing Corporation.” The table, last updated November 23, 2023, refers to each municipality’s 10-year housing target, “total housing starts since 2022”, the 2023 target, and then compares CMHC’s starts against the annual target. **Housing starts in the City of Toronto this year total 28,768 units as of October 2023 as reported by CMHC.** This is 138% of the Building Faster Fund target for 2023 of 20,900 units.

Housing starts information is collected by CMHC through their Starts and Completions Survey, a field survey undertaken by CMHC based on their methodology.

**City Planning is creating a Municipal Housing Target dashboard**, to report on progress to the Municipal Housing Target and the annual Building Faster Fund targets. It will report CMHC housing starts and completions, as well as the City's Planning approvals, as multiple indicators of the City's progress to these targets. This dashboard, created with Tableau, an interactive data visualization tool, is scheduled to be completed by the end of Q1 2024.

For more information, please contact Michael Wright, Manager, Planning Research and Analytics, City Planning Division at [Michael.Wright@toronto.ca](mailto:Michael.Wright@toronto.ca).

Sincerely,



Paul Johnson  
City Manager

cc:

Jag Sharma, Deputy City Manager, Development & Growth Services  
Gregg Lintern, Chief Planner and Executive Director, City Planning