

## Development Pipeline 2022

**Date:** February 13, 2023

**To:** Planning and Housing Committee

**From:** Chief Planner and Executive Director, City Planning

**Wards:** All

### SUMMARY

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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-and-a-half 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, 2017 and June 30, 2022. 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. The bulletin illustrates how the city has grown over these five-and-a-half years and how it may continue to develop over time.

In total, 717,327 residential units and 14,484,961 million square metres of non-residential gross floor area (GFA) were proposed by projects with development activity between January 1, 2017 and June 30, 2022. Of this, 103,638 residential units and 3,087,319 square metres of non-residential GFA have been built. There were 203,793 residential units approved but not yet built, and an additional 409,896 units in projects still under review. Similarly, there was 5,483,875 square metres of non-residential GFA approved and not yet built, and a further 5,913,767 square metres in projects under review. In total, there are 613,689 residential units and 11,397,642 m<sup>2</sup> 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 half.

### RECOMMENDATIONS

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

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

## **FINANCIAL IMPACT**

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

## **COMMENTS**

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

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.

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. 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.

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 overall scale of the pipeline is about potential development, and is not a substitute for having met Provincial approval targets. 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.

## City-wide Trends

- Over 717,000 residential units and over 14 million square metres of non-residential gross floor area (GFA) were newly proposed, representing all projects with development activity between January 1, 2017 and June 30, 2022.
- Development proposals include newly proposed development as well as existing buildings retained from previous development, totalling over 760,000 units, 54.9 million square metres of residential space and 21.8 million square metres of non-residential gross floor area. This bulletin reports on newly proposed uses, units and spaces.
- About 94% of the total residential units in development projects are newly proposed and 6% are retained from existing buildings retained on site as part of the proposals, with a total of over 717,000 new units being proposed; 93% of the total residential GFA in development projects is newly proposed and 7% is retained from existing buildings on site; and 66% of the total non-residential GFA is newly proposed and 34% 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 653,485 net new residential units and 46,545,883 square metres of net new residential GFA are reported in this pipeline after accounting for an 8.9% demolition rate. This is a conservative estimate of the net new housing supply if the Development Pipeline was fully realized.
- The total potential housing supply of units built, approved and still under review since 2011 is over 800,000 residential units.
- There are 167,599 more residential units and 1,096,666 square metres more non-residential GFA in the five-year-period between 2017 and 2021, compared to the five-year-period between 2016 and 2020 as reported on in the Development Pipeline 2021 bulletin.
- Almost 204,000 residential units and almost 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. This includes projects that have received Official Plan Amendment and/or Zoning By-law Amendment approval, but may not yet have applications for Site Plan Control or Building Permits submitted or approved.
- Almost 410,000 residential units and over 5.9 million square metres of non-residential GFA are in projects under review.
- If all of these proposed residential units were approved and eventually built, the total number of dwellings in the city would increase by over one half.
- If all projects in this Pipeline proposing purpose-built rental units were realized and if the proposed tenure were unchanged, there would be approximately 105,323 net new purpose-built rental units.

## Potential Population

- In August, 2020, *A Place to Grow*, the Provincial Growth Plan for the Greater Golden Horseshoe was amended, including population and employment forecasts for 2051.
- Statistics Canada estimates the City's population in 2021 to be 2,955,861, about 78,100 people below the population forecasts supporting the Growth Plan for 2021. While the City was on track with the forecasts supporting *A Place to Grow* as

amended, disruptions caused by the COVID-19 pandemic have impacted the short-term growth in population, most notably as a result of more limited international migration which is a large driver of the City's population growth. Nevertheless, the Province's consultants anticipated that the fundamental growth patterns of the region would reassert themselves in three years' time.

- As of 2022, the City's population is over 3 million people for the first time. According to Statistics Canada, Toronto's estimated population as of July 1st, 2022 is 3,025,647. This is population growth of almost 70,000 people in a single year.
- There are 185,655 units after accounting for demolitions which are approved but not yet built in the Development Pipeline. If completed and occupied, the potential population in these units could be about 403,000 people and could bring the City's population to 3.36 million or 92% of the forecasted population at 2051.
- If the 373,415 net new units which were still under review as of June 30, 2022 were also approved, built and occupied, the potential population in these units could be about 810,000 people.
- If fully built out and occupied, and demolished units accounted for, the Development Pipeline could produce a city population of about 4.17 million or 114% of the 2051 population forecast contained in the Provincial Growth Plan.

## **Growth Management Areas**

- Eighty percent of new residential development is proposed in areas currently targeted for intensification by the City's Official Plan.
- Eighty-four percent of new non-residential development is proposed in areas targeted for intensification by the City's Official Plan including *Employment Areas*.
- The *Downtown and Central Waterfront* area is currently one of the key locations for proposed residential development with 25% of the residential units proposed in the city and 34% of the non-residential GFA proposed in the city.
- Over 83,000 residential units and nearly 537,000 square metres of non-residential GFA are proposed in the *Centres*.
- Over 162,000 residential units are proposed along the *Avenues* identified in the Official Plan.
- Areas of the city covered by a Secondary Plan (which contain among other areas Downtown and the Centres) contain proposals for 71% of the residential units and 69% of the non-residential GFA proposed city-wide.
- The Downtown Plan area contains over 179,000 proposed residential units and almost 4.8 million square metres of proposed non-residential GFA.
- Twenty-nine percent of the city's proposed non-residential floor space is in designated *Employment Areas*.
- Almost 1.6 million square metres of industrial GFA is proposed in *Employment Areas*, accounting for 87% of proposed industrial GFA across the city.

## **Approvals**

- As of June 30, 2022, City Council had approved more units in 2022 than in all of 2021, demonstrating the volume and size of development proposals processed by the City.

- City Council has approved an annual average of 29,726 units per year between 2017 and 2021, 186% or almost double the average annual number of units built through the Pipeline over the same five years.
- Projects can have Building Permits applied for once they have received a final Planning approval, in the form of a Notice of Approval Conditions (NOAC) for a Site Plan Control application. Considering only those projects that have received a NOAC, the City approved an average of 22,823 residential units per year between 2017 and 2021. This is 143% of the average annual production through the Pipeline. This will help to ensure that a steady supply of approved housing will be available for construction and occupancy in the future.

## 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, even without accounting for projects received in 2022 up until June 30th. 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 2021 or 2022. 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 *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.

It is important to emphasize that the full spectrum of housing need including affordable housing and the provision of hard and soft infrastructure necessary for complete, sustainable and liveable communities must manifest at pace with the scale of growth. These objectives while not addressed in this pipeline report, are the focus of city-wide policy and area planning frameworks and the Housing Action Plan 2023.

## CONTACT

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## **SIGNATURE**

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City Planning Division

## **ATTACHMENTS**

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Attachment 1: Development Pipeline 2022 Q2