



February 28, 2023

To: Councillor Brad Bradford, Chair, Planning & Housing Committee
Members, Planning & Housing Committee

From: Daryl Chong, Greater Toronto Apartment Association

Re: PH2.7 Development Pipeline 2022

The Greater Toronto Apartment Association (“GTAA”) represents the interests of the multi-family, purpose-built rental housing industry. Our members own and manage more than 150,000 units of multi-family, purpose-built rental housing in the GTA, mostly in the City of Toronto.

Toronto has 318,000 purpose-built rental units (2023), of which 250,000 units are owned and managed by the private sector. 225,000 units of the privately owned rental stock were built before 1980; nearly 90% of the inventory is 45 years and older.

Purpose-Built Rental Apartments by Decade

	pre-1960	1960s	1970s	1980s	1990s	2000s	2010s	2020s	Total
Private	42,972	117,109	67,175	5,117	320	3,402	11,158	3,715	250,968
TCHC	1,813	10,496	20,809	8,629	4,184	1,065	1,063		48,059
Social	792	564	1,685	6,333	8,223	813	627		19,037
	45,577	128,169	89,669	20,079	12,727	5,280	12,848	3,715	318,064

Data: City of Toronto, 2023 Feb

Despite the demand for rental, new primary rental supply has been scarce and insufficient for the anticipated population growth.

How many new units are added each year and how many are needed?

Rental Completions by Year Toronto Planning – Development Pipeline 2022

	Freehold	Condominium	Purpose-Built Rental
2007	1,524	4,690	572
2008	2,071	10,058	1,321
2009	2,231	9,322	920
2010	1,286	10,923	879
2011	1,449	14,568	804
2012	1,528	9,961	1,985
2013	1,735	11,126	1,681
2014	1,573	7,777	201
2015	1,368	28,017	1,364
2016	1,505	13,428	1,090
2017	1,849	11,507	815
2018	1,798	11,816	2,472
2019	1,559	9,724	3,310
2020	1,247	13,315	2,714
2021	1,052	15,994	3,224
10 y avg	1,521	13,276	1,886

In the past few years there has been a modest increase in purpose-built rental production, with a rolling 10-year average of 1,886 units per year.

Toronto Planning's *Right Sizing Housing Report* (May 2021) states that 4,114 rental units need to be built each year, for 35 years (2016-2051) in order to fulfill demand. It states, the "average number of annual rental completions would need to increase by 2,549 between 2016-2051 to fulfill the Base Scenario demand for these units." The same report concludes:

"Given that 4,114 or more rental completions per year has only been achieved once in that time period (in 1993), it is very unlikely that this level of rental development could be achieved consistently in the future without expanded policy and program support for the rental housing sector."

City's Official Plan sets out the importance to the City of purpose-built rental housing including stimulating the production of the new private sector rental housing supply, as follows:

"Investment in new rental housing, particularly affordable rental housing, will be encouraged by a co-ordinated effort from all levels of government through implementation of a range of strategies, including effective taxation, regulatory, administrative policies and incentives."

The current combination of suddenly high interest rates, escalation in construction costs and supply chain interruptions is placing substantial downward pressure on rental projects. Many projects in the pipeline are on pause. Toronto and CreateTO are experiencing the same on a variety of rental projects.

Is the purpose-built rental pipeline full?

According to today’s *Development Pipeline* report tables, there are 113,005 units proposed. Since 2016, only 12,181 (11%) have been built. Since 2016, there are 41,164 ‘active’ projects – most have been active for more than 5 years – but have not been built. More than 50% of the pipeline is under review.

Table 19: Proposed Purpose-Built Rental Units by Submission Year

Year	Number of Projects	Proposed Purpose Built Rental Units
2016 and Earlier	180	33,026
2017	31	5,500
2018	39	7,593
2019	51	16,400
2020	68	15,698
2021	91	26,800
2022	46	7,988
Total	506	113,005

Table 21: Proposed Purpose-Built Rental Units in City of Toronto by Status

	Built	Active	Under Review	Total in Pipeline	% of Total
City of Toronto	12,181	41,164	59,660	113,005	100%

To better understand and assist, Toronto has initiated a *Rental Housing Opportunities Roundtable* to help unlock the rental housing market in light of current macro-economic pressures, and to figure out how to get much needed rental built.

We need to work together to preserve projects in the proposal pipeline and encourage the creation of more new rental supply. We need to bring down the average age of our rental stock of which currently 90% is more than 40 years old.

For more information, please contact info@gtaaonline.com