

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee

From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

Subject: Planning & Development and Building Monthly Housing Update – 2024 Year-To-Date

Date: June 11, 2024

Recommendation

That, on the recommendation of the Director, Planning and Development, the following report **BE RECEIVED**.

Executive Summary

The purpose of this report is to provide Municipal Council with information regarding tracking of Council approvals and new housing units based on their status within the planning and development application process (also called the development “pipeline”).

At the April 16, 2024 Strategic Priorities and Policy Committee, Staff presented the Targeted Actions to Increase London’s Housing Supply in support of the municipal Housing Pledge of 47,000 new housing units. The Targeted Actions report identifies tracking and reporting methods associated with different categories of housing unit in the pipeline.

Linkage to the Corporate Strategic Plan

This report supports the 2023-2027 Strategic Plan areas of focus, including the following under Housing and Homelessness and Well-Run City:

- The City of London demonstrates leadership and builds partnerships to increase quality, affordable, and supportive housing options that promotes access to a range of quality, affordable, and supportive housing options that meet the unique needs of Londoners.
- A well-planned and growing community that promotes faster/ streamlined approvals and increasing the supply of housing with a focus on achieving intensification targets.

Analysis

1.0 Council Housing Approvals

In the month of April 731 units were approved by Council. As of the end of April 2024, 1,346 units have been approved for the year-to-date in 2024. These units include Zoning By-law Amendments and Draft Plans of Subdivision approved by Municipal Council.

	New Unit # Year-to-date	Year-to-date (Month)
Council-Approved	1,346	April

2.0 Building Permit Housing Summary

The Table below shows new units in building permit activity and housing starts statistics based on Canada Mortgage and Housing Corporation (CMHC) as of the end of April.

	New Unit # Year-to-date	Year-to-date (Month)
In Submitted Permit Applications	1,339	April
In Issued Permits	1,377	April
Under Inspections	6,970	April
Total		

The current process of collecting and auditing data pertaining to units granted occupancy is challenging due to several factors related to how the City collects and issues occupancy permits, especially those for apartment buildings. Occupancy permits are only issued for a small portion of residential building permits as defined in the Ontario Building Code and are not technically issued on a unit-by-unit basis for apartment buildings. The City currently tracks areas of an apartment building that are occupied rather than the number of units. Apartment buildings often undergo a partial occupancy process where units become available in phases rather than all at once. These partial occupancies are not reflected in the occupancy data until the final building inspection is passed in full. These issuances limit Staff to track and report individual occupancies and true occupancy status of apartment buildings.

To improve the accuracy and reliability of Granted Occupancy statistics, the Building department has identified several actions. These actions include an enhancement to our system to track partial occupancies and final building permit closures to ensure these permits are reflected in the overall occupancy data tracker. Based on these actions, reporting on Granted Occupancy statistics will become more accurate and cleaner in future reports to Council, as a note, overall timelines to implement these enhancements are still being discussed.

	New Unit # Year-to-date	Year-to-date (Month)
Housing Starts (from CMHC)	834	April

Canada Mortgage and Housing Corporation (CMHC) provides monthly updates on housing starts. CMHC defines a housing start as the beginning of construction work on the building where the dwelling unit will be located. For example, this means a building foundation is being built. There can be some differences between the CMHC “starts” numbers and the City’s unit numbers because of the time between permit issuance, which the City tracks, and the building start, as tracked by CMHC.

3.0 Recent Canada Mortgage and Housing Corporation (CMHC) Housing Market Analysis

The following section provides highlights taken directly from recent Canadian Mortgage and Housing Corporation (CMHC) housing market reports. CMHC provides a variety of housing reports that are published throughout the year.

CMHC Housing Market Outlook (National) published April 4, 2024

Highlights

- Economic growth outlook: Expecting weak economic growth in 2024. We’re projecting a momentum regain in 2025 – 2026 as interest rates decrease.
- Housing starts prediction: Expecting lower housing starts in 2024. There is a slight improvement forecasted over the next 2 years. Supply challenges, notably the lagged effects of higher interest rates, mean that new construction in 2025 – 2026 won’t reach 2021 – 2023 levels.
- MLS® price forecast: Forecasting demand to push MLS® prices beyond previous peak levels. This indicates a lack of short-term affordability improvement.
- MLS® sales rebound: Foreseeing an increase in MLS® sales due to strong population growth. Sales are expected to surpass the past 10-year average

levels but remain below the record levels of 2020 – 2021. This is reflective of decreased housing affordability.

- Rental housing demand: Despite more rental completions, growing demand for rental homes will not be met because the cost of homeownership will lead households to stay in rental housing. Rents will rise and vacancy rates will fall.

CMHC Housing Supply published March 27, 2024

Highlights

- In 2023, housing starts in the 6 largest CMAs combined remained stable. Notable increases in the apartment segment (purpose-built rental and condominium) were offset by declines in ground-oriented types (single-detached, semi-detached and row homes). Single-detached starts registered the most significant decline of 20%.
- In Toronto, Vancouver, Calgary, and Ottawa, apartment construction (purpose-built rental and condominium) reached record levels. Conversely, apartment construction in Montréal hit an 8-year low. Purpose-built rental units accounted for a greater proportion of apartment starts compared to historical averages.
- The high number of rental apartment starts in 2023 reflected an unprecedented level of rental demand. However, ongoing challenges on the supply side suggest that demand will continue to outpace supply.
- Record condominium apartment starts reflected robust pre-sale activity and favourable borrowing rates secured before 2023. We expect condominium apartment starts to moderate in 2024 to reflect current demand conditions and financial challenges.
- Ground-oriented homes, especially single-detached properties, have become increasingly unaffordable for homebuyers. The share of construction accounted for by single-detached homes reached a record low and is expected to remain low in the near term.
- Supply barriers stemming from rising costs, growing project sizes, and labour shortages have resulted in extended construction timelines.
- Various levels of government have implemented or announced new programs to stimulate the supply of new rental housing. There was a high take-up of these programs by developers.

Source: [CMHC Reports Calendar | CMHC \(cmhc-schl.gc.ca\)](#)

4.0 Completed Housing Initiatives

This section of the report provides a summary list of the City's housing initiatives undertaken in support of Municipal Housing Pledge of 47,000 new units. The following initiatives have been completed since introduction of the municipal housing target in October 2022:

- Q1 2023 Council adoption of Province's Housing Pledge.
- Q3 2023 Federal Government's approval of City's Housing Accelerator Fund (HAF) Application.
- Q4 2023 Housing Open Data Initiative: Vacant Land Inventory on City's Open Data Portal.
- Q1 2024 Additional Residential Unit (ARU) policy and zoning amendments.
- Q2 2024 Targeted Actions Report: "Targeted Actions to Increase London's Housing Supply: Supporting Council's Pledge for 47,000 units by 2031".
- Q2 2024 Draft Land Needs Assessment (Community Growth Land Uses).

Conclusion

The purpose of this report is to provide Municipal Council with information regarding housing units based on their status within the planning and development application process. This report provides information on new unit approvals from Council and building permits in process and issued.

A new City of London webpage is also being prepared to highlight key housing indicators and initiatives. Until the web portal is ready, these monthly reports will be brought to Council during for the transition period.

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