

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
Housing Update – 2024 Year-To-Date

Date: November 12, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic 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 October, there were 8,462 units approved by Council. As of the October 15, 2024, Council Meeting, 21,572 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.

Table 1: Year-to-date Council Approved Units
As of: October 15th Council

New Units Year-to-date	New Units in 2023	New Units in 2022	Provincial Pledge Total New Units	Current Council Term Approvals
21,572	5,337	4,430	31,339	27,315

*Council Term Approvals accounting October 2022 to present.

2.0 Building Permit Housing Summary

The following section provides an update on current housing activity. It includes both data from the City’s Building Division statistics. The table below includes year-to-date (YTD) new housing units in building permits issued by the Building Division.

Table 2: New Housing Units in Permits Issued by the Building Division.
As of: September 30, 2024

Units (2024 YTD)	Units (2023 YTD)	% Change (2023 YTD)	5-year Average Units (YTD)	5-year Average % Change (YTD)
2,851	1,131	152%	2,350	21%

Due to the delay between permit issuance and a CMHC “housing start” the number of permits issued and the number of “housing starts” will not match. CMHC defines a “housing start” as the beginning of construction work on the building where the dwelling unit will be located. Preliminary work on a housing construction site may occur before or after a permit building permit is issued.

A request was made at the last committee meeting to provide a projection of the number of units anticipated by the end of 2024. Using the historical 5yr. monthly averages for November and December, a total of 3133 units is currently being projected by the end of 2024.

3.0 New Housing in London

CMHC provides monthly reporting on housing starts that is used by the Province as the basis for determining London’s progress towards our 47,000 unit housing pledge. Progress towards the housing pledge is counted after January 1, 2022. Due to the use of CMHC “housing starts”, any homes in a building that had construction work initiated prior to January 1, 2022, is excluded from the Province’s housing tracking data.

London has been extremely successful in promoting more intense forms of housing and achieving much needed apartment rental housing. An apartment building can take several years to construct and when multiple phases of a building are constructed on the same property a “housing start” the entire ultimate development is registered by CMHC. Civic Administration has identified almost 3,000 housing units registered as “housing starts” prior to 2022 that represent new homes for Londoners since Council’s 47,000 unit housing pledge.

The following table provides a hybrid housing unit total combining the CMHC’s “housing starts” data since January 1, 2022, and with the additional new housing available to Londoners over the housing pledge period.

Table 3: Provincial Pledge New Housing Units
As of: September 30, 2024

Source Year	CMHC Housing Starts	Pre 2022 Housing Starts	Provincial Pledge New Housing
2022	2,495	412	2,907
2023	1,534	195	1,729
2024 (to date)	2,153	543	2,696
Pre 2022 Starts Currently Under Construction	-	1,775	1,775
Total New Housing Units:			9,107

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

The CMHC housing supply and market reports are published throughout the year and will be summarized in this monthly staff report. Below are the national highlights from the Fall 2024 Housing Supply Report, published September 26, 2024:

- Total housing starts in the 6 largest census metropolitan areas (CMAs) rose by 4% in the first half of 2024 compared to the same period in 2023. The level of new construction (68,639 units) was the second strongest since 1990. However, when adjusted for population size, combined housing starts were close to the historical average and weren't enough to meet growing demographic demand.
- Calgary and Edmonton led the growth in housing starts due to record interprovincial migration in recent years, driven by their lower cost for housing and favourable economic conditions. In contrast, housing starts decreased in Toronto, Vancouver and Ottawa.
- Apartment starts in the 6 CMAs increased slightly, driven by rental construction. Nearly half of the apartments started in the first half of 2024 were purpose-built rentals – the highest share on record. This trend aligns with demographic changes and declining homeownership affordability.
- Except for Calgary and Edmonton, condominium apartment starts fell in the first 6 months of 2024 – a trend we expect will continue as developers struggle to reach the minimum pre-construction sales needed to start construction. Both investors and end users have significantly reduced their purchases of new condominiums because of the impact of higher interest rates.
- Developers prioritized clearing backlogs of projects under construction. As a result, apartment completions increased across the 6 CMAs, setting new records in each one except Montréal and Vancouver.
- Municipalities and provinces are working actively to increase housing supply and variety, with policies aimed at better meeting the needs of a broad range of buyers and renters.
- Industry sources indicate that developers, particularly high-density apartment developers, have been hesitant to lower prices for unsold units in existing projects, instead offering substantial incentives like free parking, waived maintenance fees and upgrades. To maintain acceptable profit margins, developers may face longer pre-sales phases, extended development times and potential project cancellations, leading to lower starts numbers in the future.

5.0 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), for continued consultation.
- Q3 2024 Heights Review/Transit Village/Major Shopping Area, *pending Minister of Municipal Affairs and Housing approval.*

- Q3 2024 Protected Major Transit Station Areas Zoning Review, *pending Minister of Municipal Affairs and Housing approval.*

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 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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