

Will Build Canada Homes (BCH) create the housing SHHR is calling for?

Soon after being elected in 2025, the Carney government fulfilled its promise to create Build Canada Homes (BCH). The new federal agency, set to become a Crown corporation through recently-tabled legislation, will focus on the “development of affordable housing at scale” through direct construction, funding and financing, and acquisitions of rental buildings. Support is for development capital only, and not operating costs. Financial commitments to BCH are outlined in Budget 2025. Further details about BCH have now been released, and the Parliamentary Budget Office (PBO) and others have reviewed BCH in the context of other programs. SHHR is calling on the government of Canada to expand the supply of social housing to ensure that households with low-incomes have access to sustained, deeply affordable housing. SHHR defines social housing as public, non-profit, and co-op owned housing for low-income renters where rents are set at less than 30% of household income, or social assistance housing allowances, in perpetuity.

We want to know if BCH will get us closer to our goal. Here is what we have learned.

1. What does BCH mean by “affordable”?

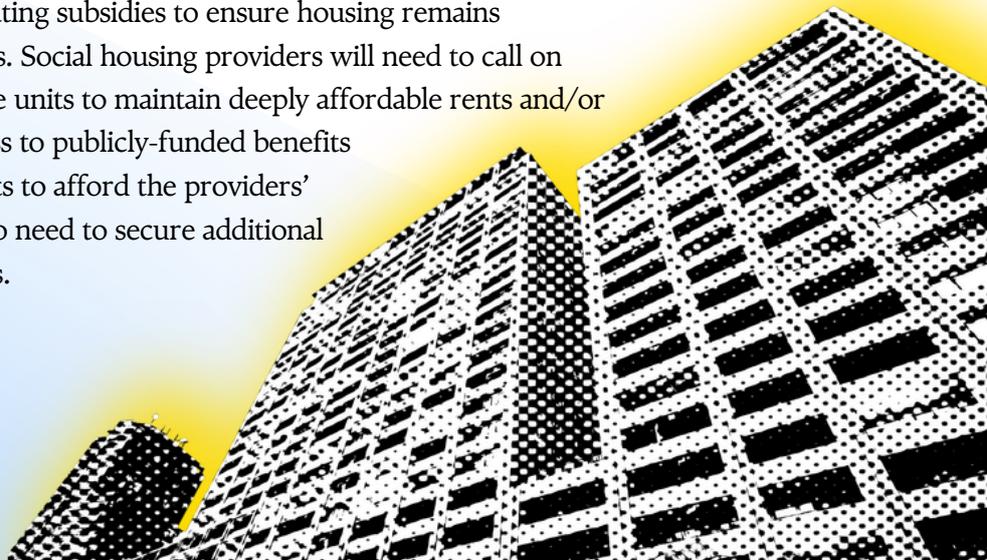
The recently tabled Build Canada Homes Act does not define affordability, however the BCH Investment Policy Framework uses an income-based measure. It defines affordability as housing that costs no more than 30% of the household’s income. BCH will support affordable units for these four income bands: very low (0%-25% of median regional income), low (26%-50% of median regional income), moderate (51%-75% of median regional income) and median (76%-100% of median regional income). For example, at the national income level, to be affordable a one-bedroom would need to rent no more than \$377 for someone living on a very low income and no more than \$1,131 for someone living on a moderate income.

2. Will BCH create housing affordable to low-income renter households?

Rent levels will be assessed against the local median (all) household income levels. However, this is much higher than the local median income for renter households. Using the measure for all households raises the income limits for each income band. This increases rent levels, allows higher income households to qualify, and makes housing less accessible for the renters who need it most.

Roughly 35% of renters in Canada fall in the very low- and low-income bands. BCH may support projects for very low- and low-income households, but has not committed to outcome-based targets for the quantity or percentage of housing that will be affordable for each income category. That means there is no commitment to create affordable housing for low-income renter households in the greatest need.

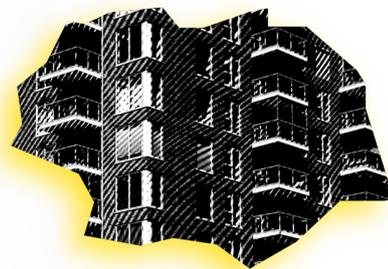
Moreover, BCH will not provide operating subsidies to ensure housing remains affordable to lower-income households. Social housing providers will need to call on other levels of government to subsidize units to maintain deeply affordable rents and/or continue to be reliant on tenants’ access to publicly-funded benefits and rent supplements that allow tenants to afford the providers’ rents. Social housing providers will also need to secure additional funding to offer wrap-around supports.



Additionally, BCH projects include a mixed-income model with market rent units that would not be considered affordable.

For the six initial sites of BCH direct development on public land, the housing is NOT targeted toward housing for low-income households:

- 🏠 60% of units will rent at market rents;
- 🏠 20% of units will have rents set at the median household income band; and
- 🏠 20% of units will have rents set at the moderate income band.



BCH says it will contribute \$625 million to community housing acquisition; \$1 billion towards transitional and supportive housing; and \$5.4 billion (grants and loans) toward projects developing “affordable housing”. This may lead to the development of rental-housing for low-income households, but it isn’t clear how many units.

For example, the PBO estimates that based on currently committed funding, BCH could create 13,000 units of housing affordable to “low and very low-income households” over 5-years, but achieving this number of units is also uncertain. This falls far short of what SHHR has determined we need. In its review of BCH, the PBO also notes the “scheduled expiry” of the Canada Housing Benefit, which will make the affordability of housing more difficult for low-income households.



3. What happens to other housing programs?

The National Housing Strategy (NHS) and the programs that are part of the strategy expires in 2027. The PBO estimates a decline in NHS program funding of 56 percent from \$9.8 billion in 2025-26 to \$4.3 billion in 2028-29 as existing funding programs expire.

4. What does this mean for social housing advocates?

Without outcome-based targets, BCH may not create the housing Canada needs for the growing number of low-income renters in core housing need. The Minister of Housing and Infrastructure has made clear that regardless of whether it is non-market or market housing, his government is focused on private investment to build affordable housing. There is strong evidence that public investment in non-market, social housing is the only way to ensure long-term affordability for low-income households.

Social housing advocates now need to set their sights on a renewed NHS that includes strong public investment, and clear targets and timelines to build social housing.

SHHR will continue to call on the federal government to:

1. Create a minimum of 50,000 net new rent-gear-to-income social housing units each year for 10 years, starting now. These units should be targeted for those experiencing core housing need and homelessness and have rents permanently set at no more than 30% of household income or social assistance housing allowances.
2. Invest in the acquisition, construction, operation, and maintenance of new and existing public, non-profit, and cooperative-owned housing that meets the unique and varied requirements of people experiencing core housing need and homelessness.

Where to Find Information about Build Canada Homes:

- Visit the Build Canada Homes page on the Housing, Infrastructure and Communities Canada (HICC) website: <https://housing-infrastructure.canada.ca/bch-mc/index-eng.html>
- See the BCH FAQs: <https://housing-infrastructure.canada.ca/bch-mc/faq-eng.html>
- Read the “Investment Policy Framework,” which provides a detailed summary of BCH: <https://housing-infrastructure.canada.ca/bch-mc/approach-invest-approche-eng.html#investment-policy-framework>
- Learn how BCH calculates affordability in your region: <https://housing-infrastructure.canada.ca/bch-mc/housing-affordability-abordabilite-logement-eng.html>
- Follow the 6 announced direct-build BCH projects: <https://www.clc-sic.ca/build-canada-homes>

