

Habitat for Humanity Canada Response to the Build Canada Homes Market Sounding

August 2025

Habitat for Humanity Canada (HFHC) welcomes the opportunity to respond to the Build Canada Homes (BCH) Market Sounding. Across Canada, young people, newcomers, and Indigenous families are increasingly excluded from homeownership. Once a cornerstone of middle-class life, ownership is now out of reach for many.

BCH is an opportunity to build on lessons from the National Housing Strategy, respond directly to Canada's housing and affordability crisis, and adopt innovative approaches to delivering the homes Canadians need.

Habitat for Humanity Canada Responses:

1. Clarify and focus the mandate of Build Canada Homes

Outcome: A clearly defined role and value-add for BCH.

Habitat for Humanity Canada recognizes the complexity of the housing system and the need for multiple, coordinated interventions. BCH should focus on tools, resources, and relationships that improve access for those excluded from private rental and ownership markets—particularly low- and moderate-income households.

The Market Sounding identifies a potential role for BCH as a “facilitator” bringing together land, financing, project proponents, and governments. If focused on non-market solutions, this function could significantly advance affordability.

Habitat for Humanity recommends that:

- BCH focus on delivering non-market housing solutions – community housing, co-ops, and assisted homeownership for low-to-moderate income households.
- BCH serve as a connector between the non-market sector and private sector investment and developers.
- BCH provide both access to capital and targeted support to drive scale in the non-market sector.
- That the BCH focus less on building itself and more on enabling conditions to deliver scale, speed, flexibility and innovation.
- BCH measure the success of its mandate on more than just units created. Affordability, scale, suitability, and productivity metrics are important measures and can ensure a better match between what is build and what the beneficiaries need.
- Distinguish clearly the role of BCH relative to other organizations that operate in or on the housing sector, including the Canada Mortgage and Housing Corporation.

BCH can play a pivotal role in enabling affordable housing conditions and strengthening non-market providers while leveraging private-sector capacity.

2. Include affordable homeownership in the BCH mandate

Outcome: Restore homeownership options for Canadians locked out of the private market.

Homeownership remains a clear public priority, offering stability, financial security, and intergenerational benefits. Current federal housing investments have improved supply but have not met the ownership aspirations of many Canadians.

Including affordable homeownership in BCH's mandate would address this policy gap, enabling targeted supply, reducing financial barriers, and preserving affordable housing through repairs and buybacks.

Habitat recommends that BCH:

- Explicitly include affordable homeownership within its non-market housing focus.
- Establish a dedicated funding stream for affordable ownership housing.
- Collaborate with providers to test ownership models that combine a federal equity/land role with non-profit delivery.
- Invest in providers to scale delivery, using flexible financing and modern construction methods.

Habitat for Humanity's affordable homeownership program shows the impact of including non-market ownership in the BCH mandate—generating \$35M in annual economic uplift, raising household employment income by 28%, and improving health, education, and intergenerational outcomes. BCH can build on this success by ensuring affordable homeownership remains part of Canada's broader housing system response.

3. Adopt a true portfolio approach

Outcome: Efficiency and scale through collaborative portfolio management.

Habitat recommends that BCH work with trusted providers to create national portfolios of affordable ownership units, supported by contributions, low-cost financing, and equity-sharing.

Habitat recommends that BCH:

- Allow portfolios to be designed based on combinations of factors such organizational reach and project size (e.g., Habitat delivers projects from 2 to 500+ units across all provinces and the North).

- Delegate investment responsibility and risk to portfolio managers.
- Balance accountability with trust, moving away from project-by-project approvals and heavy underwriting.
- Recognize and fund the capacity costs non-market providers incur in delivering housing and provide support for those functions to drive scale and speed.

A true portfolio approach would better share decisions between government and housing providers on project prioritization and approvals. It is essential that the BCH move away from onerous project by project submissions, drawdowns and approvals for trusted partners.

4. Use existing programs to provide runway for BCH

Outcome: Advance non-market delivery while BCH is being established.

Many Habitat affiliates have shovel-ready projects with typical build times of two years. However, near-term federal investment in affordable ownership is unclear. An additional allocation could deliver up to 2,000 new or preserved affordable ownership opportunities across the country.

Habitat recommends that the federal government:

- Top up the Affordable Housing Fund (AHF) until BCH is fully operational.
- Create a dedicated allocation within the AHF for affordable homeownership.
- Increase per-door contributions and access to low-cost financing.
- Streamline AHF application and reporting to test future BCH approaches.
- Align federal, provincial, and municipal requirements to ease transition to BCH.

A near-term AHF top-up would keep delivery on track and provide a platform to test process changes before BCH is fully operational.

5. Design funding and financing for scale, speed, and innovation

Outcome: A consistent pipeline of homes enabled by flexible, modern financial tools.

Habitat supports the inclusion of a broad range of financial instruments in the BCH Market Sounding. Their design and delivery will determine whether BCH can truly accelerate scale and innovation.

Habitat recommends that BCH:

- Provide grants for both pre-development and builds.

- Enable blending of contributions with financing (low-cost loans, guarantees, equity sharing, provincial/municipal funding).
- Flow funds flexibly, avoiding rigid milestone-tied disbursements.
- Support early-stage financing to enable partnerships with modular and innovative construction firms.
- Allow more flexible stacking of federal funds, particularly across provincial bilateral agreements and municipal programs.

BCH can unlock scale by enabling more creative and realistic capital stacks for non-market builders and removing some of the rigidity built into existing programs.

6. Make investment choices based on impact, not requirements

Outcome: Housing that meets needs, not just targets.

Overly complex requirements have created costly barriers and mismatches between housing delivered and actual community needs. BCH could invest based on broader metrics.

Habitat recommends that BCH:

- Define clear affordability targets and portfolio-level unit commitments.
- Maintain consistent reporting through portfolio agreements.
- Allow flexibility in affordability definitions to reflect regional income/housing market dynamics.
- Consider additional investment criteria:
 - Access for underserved populations
 - Local economic impact
 - Partnerships
 - Sustainability

Impact-driven investment will ensure the right housing, at the right time, for those who need it most. Assessing impact and not just activity will collectively help governments, and the non-market housing sector better understand what is working, what is transformative, and what can deliver the right housing, at the right time, for those who need it.

7. Build sector capacity to catalyze BCH investments

Outcome: A stronger non-market housing sector able to deliver at scale.

The BCH Market Sounding proposes to provide “[p]redictable long-term financial support to affordable housing providers to grow their portfolios.” This is essential. BCH’s success depends on providers’ capacity to scale, innovate, and sustain delivery. This requires predictable long-term supports not only for capital but also for organizational growth.

Habitat recommends that BCH:

- Establish a dedicated capacity-building fund for non-market providers.
- Support soft costs associated with scaling (community engagement, fundraising, service delivery, financing mechanisms).

Habitat stands ready to double our impact but cannot scale solely through philanthropy if we want to meet this opportunity. Capacity investments will allow non-market providers to leverage BCH tools to full effect.

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About Habitat for Humanity Canada

Founded in 1985, Habitat for Humanity Canada is a national charity comprised of local Habitat organizations working in every province and the North. Through innovative home construction, repair, and financing, skills training, and advocacy, we bring people together to build homes, communities, and hope. Habitat for Humanity Canada is a member of Habitat for Humanity International, a leading global non-profit working in more than seventy countries.

About our national Affordable Homeownership Program

Once they move in, Habitat homeowners are responsible for maintaining their own home. We help families and individuals prepare for homeownership by providing homeowner education classes, ranging from financial literacy and budgeting to home repair and maintenance.

Our model bridges the gap for working families who otherwise wouldn't have the opportunity to own a home.

To qualify, eligible homeowners must be:

- In need of better housing. Potential homebuyers might be dealing with poorly maintained, unhealthy or overcrowded housing; unaffordable rent; inaccessible housing for people living with disabilities; or have other shelter needs.
- Willing to partner with Habitat: Habitat homebuyers volunteer a minimum of 500 hours with Habitat including volunteer hours spent building their own home or at a Habitat ReStore. This also includes classes in personal finances, home maintenance and other homeowner topics.
- Able to make affordable mortgage payments: Habitat homeowners buy their home for the fair market value. Mortgage payments are made affordable because they do not exceed 30 per cent of the gross household income, and income is evaluated on a yearly basis.

You can learn more about what we do and our impact at www.habitat.ca.

