

Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

By: Habitat for Humanity Canada

May 2026

Summary of Recommendations

- 1. Recommendation:** That Budget 2026 require Build Canada Homes, in collaboration with the non-market housing sector, to provide the sector with clear annual targets and outcome metrics to quantify intended impact on non-market housing.
- 2. Recommendation:** That Budget 2026 launch the next National Housing Strategy with a 10-year framework beginning in 2028, including a dedicated affordable homeownership pillar, and identify federal housing funding and investment beyond so that support for non-market, Indigenous, and community housing does not decline further as existing programs sunset.
- 3. Recommendation:** That Budget 2026 prioritize an examination of additional tax and financial levers to help address the cost of delivering affordable housing.

Introduction

Habitat for Humanity Canada is a national charity, founded in 1985, working in every province and the North. We bring people together to build homes, communities, and hope—through construction, repair, financing, skills training, and advocacy. We are part of Habitat for Humanity International, active in over 70 countries.

Between 2019 and 2025, Habitat affiliates built steadily—even through some of the toughest years in decades—serving over 5,000 individuals with energy-efficient, accessible, and affordable homes. Habitats across the country leveraged government funding at least 2:1. Our build programs generated over \$311 million in construction activity and \$40 million in tax revenue.

We have continued to build homes and provide affordable mortgages in an environment where housing prices remain out of reach for low, moderate, and, in some markets, middle class incomes. With the average national home price exceeding \$700,000 and rising above \$1 million in high-cost markets like Toronto and Vancouver, our model of affordable homeownership is an essential pathway on the housing continuum.

Supply overall continues to be constrained, with affordable supply even further so. Housing starts are declining, exacerbated by anticipated tradespeople shortages, supply chain uncertainty, and the continued expansion of municipal costs related to new builds. All these add to the cost to construct all homes – whether they are affordable or not.

Habitat for Humanity Canada welcomes recent federal action to expand housing supply and affordability including the launch of Build Canada Homes, the recognition of affordable homeownership within the Build Canada Homes Investment Policy Framework, and efforts to reduce housing-related costs. Budget 2026 is an opportunity to build on these measures with targeted actions that will expand non-market housing supply, strengthen the housing system, and keep homeownership within reach for more Canadians.

Recommendations

Recommendation 1: That Budget 2026 require Build Canada Homes, in collaboration with the non-market housing sector, to provide the sector with clear annual targets and outcome metrics to quantify intended impact on non-market housing. Budget 2026 should also initiate discussions on the future capitalization of Build Canada Homes, given the scale of need.

Habitat for Humanity Canada strongly supports the establishment of Build Canada Homes as a new federal vehicle to grow affordable and non-market housing supply. Budget 2025

provided an initial funding base for Build Canada Homes, but Budget 2026 should now provide a clearer insight into the growth path for BCH resources and support for the non-market sector.

For Habitat, Build Canada Homes could help accelerate our transition toward a social finance approach to affordable homeownership, using long-term and flexible financing to attract new investors, partners, and capital so that more homes can be built over time.

To achieve that potential, the sector needs more transparency about the instruments Build Canada Homes will use, the affordability outcomes it is seeking across different tenures, and how it will partner with non-profit, charitable, and Indigenous housing providers.

Clear public metrics should track not only units created, but also depth and duration of affordability, suitability, accessibility, and the extent to which Build Canada Homes is catalyzing new partnerships and private or philanthropic capital into non-market housing.

Providing this clarity in Budget 2026 would give the housing sector confidence to build multi-year project pipelines aligned with federal priorities.

It would also strengthen accountability for public investments and help ensure that affordable homeownership remains an explicit and durable part of Canada's housing response.

As the federal government moves forward, a clear statement of Build Canada Homes' long-term capitalization plan will also be important to ensure continuity, scale, and market confidence.

Recommendation 2: That Budget 2026 launch the next National Housing Strategy with a 10-year framework beginning in 2028, including a dedicated affordable homeownership pillar, and identify federal housing funding and investment beyond so that support for non-market, Indigenous, and community housing does not decline further as existing programs sunset.

The next National Housing Strategy should take a broader systems view of housing need and housing outcomes, but it must also provide funding certainty. With planned federal housing spending expected to fall as existing programs expire, Budget 2026 should commit to a 10-year successor framework beginning in 2028 and identify potential funding and investment pathways so that non-profit, charitable, Indigenous, and community housing providers can plan projects, assemble land, and build long-term delivery capacity.

Habitat for Humanity Canada also encourages the federal government to adopt clearer, more consistent definitions of affordability and stronger outcome measurement in the next strategy. Success should be measured not only by unit counts, but by the depth of

affordability delivered, improvements in suitability and accessibility, and the extent to which the housing system creates real mobility and choice for Canadians.

Recommendation 3: That Budget 2026 prioritize an examination of additional tax and financial levers to help address the cost of delivering affordable housing.

Federal tax measures and other instruments can play an important role in lowering project costs, crowding in private and philanthropic capital, and improving the viability of affordable housing projects.

Alongside the measures to date around GST, there is an opportunity to explore the role of the Canada Mortgage and Housing Corporation in modernizing collateral and risk-tolerance rules for non-market builders, including builders of affordable homeownership units (current flexibilities are generally restricted to rental units), continued action that reduces costs for first-time buyers and non-profit housing providers, tax measures that will incent private investment into purpose-built affordable housing.

Additional mechanisms that support land assembly, early project design, municipal approvals, and long-term affordability must also be further explored. Together, these measures would help expand the pipeline of affordable homes while ensuring that mission-driven organizations can participate at greater scale and bring more projects to a construction-ready stage.

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.

Contact

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