

Build Canada Homes – Market Sounding
Housing, Infrastructure and Communities Canada
bchengagement-mobilisationmc@infc.gc.ca.

Tuesday, August 26, 2025

RE: ICBA SUBMISSION ON THE “BUILD CANADA HOMES – MARKET SOUNDING GUIDE”

Dear Sir/Madam,

On behalf of the Independent Contractors and Businesses Association (ICBA) – Canada’s largest construction association, representing more than 4,500 member and client companies and supporting over 300,000 Canadians through our group health benefits platform – thank you for the opportunity to comment on the federal market-sounding guide for *Build Canada Homes*.

We share your government’s goal: deliver far more homes, far faster, and at lower cost. **But the approach outlined in the guide puts government in the role of developer, concentrates work in a handful of very large deals, and layers new risks and conditions onto a system that is already too slow and too expensive.** If implemented as drafted, we worry that this plan will crowd out private capital and builders, reduce competition, drive up costs, and add another layer of bureaucracy between projects and shovels in the ground.

We believe the most productive role for the federal government in housing is to fund the enabling infrastructure that unlocks serviced land – sewer, water, stormwater, and road/transit networks – not to dabble in building homes itself. Ottawa should allocate all planned “housing” dollars to supporting, backbone infrastructure through binding *Housing Infrastructure Compliance Agreements* with municipalities and regional districts.

These agreements would require:

- (i) measurable reductions or caps on DCCs and other growth-related fees attributable to the federally funded assets;
- (ii) clear approval/permitting timelines with public reporting;
- (iii) use-it-or-lose-it deadlines and clawbacks for non-performance; and
- (iv) open, fair, and competitive procurement.

Every federal dollar should translate into more serviced, buildable lots at lower carrying costs – bringing DCCs and other similar levies down and getting more homes to “yes” faster.

As for this sounding guide, below we identify our main concerns along with some practical recommendations.

1) Keep government out of the developer role

The guide contemplates federal equity positions, direct development, and long-term ownership/lease models. That creates commercial risk, dilutes accountability, and competes with the very private and non-profit builders Canada needs to scale. Ottawa should be a catalyst – not a developer. Ninety five percent (95%) of dwelling units in Canadian cities, suburbs, towns and rural communities were funded, developed and built by the private sector. We see no reason to fundamentally move away from that model. Government has no obvious expertise or comparative advantage in homebuilding or real estate development. Instead, the federal government should focus on:

- Long-term, concessional finance (construction + take-out) that de-risks delivery but leaves execution to qualified private and non-profit partners.
- Federal land assembly and disposition at speed, with clear, simple ground-lease or sale frameworks.

2) Don't bias toward a "few large deals" – open the door to Small/Medium Enterprises (SMEs)

A preference for 300+ unit projects and bundled portfolios will sideline small and mid-sized builders who are the backbone of Canada's housing supply in most regions of the country. To maximize capacity and competition:

- Set deal-size tiers and reserve a material share of projects for SMEs and regional builders.
- Use standardized, outcome-based contracts that are right-sized for each tier.
- Require prompt payment and reasonable security/insurance thresholds so mid-market contractors can participate.

3) Procurement must be open, fair, merit-based, and neutral

Any drift toward union-only or politically conditioned procurement (including community benefit agreement-style hiring mandates found in B.C. and Manitoba) will choke capacity and raise prices. In B.C., for example, only 15% of all construction professionals are in the Building Trades Unions, and very few of them work in homebuilding. Federal housing policy and programming should keep procurement neutral on labour affiliation, open to all qualified firms, and centred on safety, capability, cost, schedule, and performance. This will ensure fairness to taxpayers, transparency, and provide opportunities for all contractors and everyone working in construction to participate.

4) Make "single window" real: tie funding to hard service levels

A single window without enforceable timelines becomes one more checkpoint. Make federal participation contingent on measurable, service-level agreements (SLAs) from municipal and provincial partners:

- “Application-to-approval” and “approval-to-proceed” targets (e.g., ≤12 months combined).
- Pre-zoning and pre-servicing requirements for priority corridors (especially near rapid transit).
- Transparent, public reporting when timelines slip—and consequences for chronic under-performance.

5) Use outcomes, not prescriptions

Outcome-based specifications (cost per door, speed to occupancy, durability, energy performance) spur innovation; prescriptive rules (mandatory materials, fixed methods, or rigid low-carbon pathways) inflate costs and limit supply. Encourage modern methods of construction, BIM, off-site construction and standard designs where practical, but keep them optional and let competition determine the best value pathway on each site. To maximize the number of homes built for any given quantum of public funding, governments must take a fresh look at building codes and revisit recent policies that have imposed ever more stringent energy-efficiency and other climate-related building standards. Building codes in every jurisdiction have for too long added cost and complexity while providing little corresponding increase in value to the home buyer.

6) Guard taxpayer risk and avoid duplication

Equity stakes, guarantees and “sharing in rewards” language also mean sharing downside. Before any federal risk is taken:

- Apply a rigorous value-for-money test and clear exit paths for federal positions.
- Clarify how *Build Canada Homes* complements – not duplicates – existing CMHC or provincial housing authority tools. Keep governance lean and time-limited.

7) Publish quarterly scorecards

Accountability builds trust. Report publicly on: units started/completed, average federal cost per door, days from application to actual building, percentage on-time/on-budget, and SME participation rates.

8) Reduce costs where Ottawa controls them

Parallel to financing and land, the federal government can materially improve viability by:

- Expediting federal approvals and utility hookups under its jurisdiction.
- Reviewing federal taxes/fees that compound pro-forma pressure at closing.
- Streamlining immigration pathways for skilled trades tied to housing delivery.

To sum up, **Canada does not need another public developer or a greatly increased direct government role in homebuilding. We need a federal catalyst that unlocks land, finance and speed – while the private and non-profit sectors build.**

ICBA recommends that the federal government re-orient and focus *Build Canada Homes* on (1) finance and land assembly, (2) hard permitting SLAs with provincial/municipal partners, (3) open, neutral, merit-based procurement with space for SMEs, and (4) outcome-based standards that drive cost and schedule discipline.

If the federal government focuses on enabling the market – rather than replacing it – we can deliver more homes, faster, at prices Canadians can afford.

Thank you for considering our submission. We would welcome a meeting to discuss these recommendations in greater detail.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Gardner', with a stylized, cursive script.

Chris Gardner

President & CEO

Independent Contractors and Businesses Association (ICBA)

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CC

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