

# Build Canada Homes Market Sounding Guide:

Written Response to Housing,  
Infrastructure, and Communities  
Canada from the Canadian Real  
Estate Association (CREA).





# About the Canadian Real Estate Association

The Canadian Real Estate Association (CREA) is the single largest industry association in Canada, representing more than 160,000 REALTOR® members in every community across the country. CREA advocates on behalf of its members and the communities they serve. We are guided by our social purpose: opening doors to thriving futures for all, beginning with home.

REALTORS® have long advocated in support of drastically increasing the supply of housing available to Canadians across the entire housing system. REALTORS® believe that housing is first and foremost shelter that provides a safe, sustainable, and quality living environment for Canadians.

As partners in the Housing Canada Coalition, CREA works collaboratively with organizations across the housing sector, including the Canadian Alliance to End Homelessness, the Canadian Housing & Renewal Association, and Habitat for Humanity Canada.

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# Introduction

Canada is currently experiencing a generational housing affordability crisis, rooted in decades of under-supply of the types of homes that people actually need—homes that are not only affordable, but also appropriately sized and suited to the realities of the varied needs of individuals, families, and communities. Resolution of this crisis will require an all-hands-on deck approach in partnership with the private sector, community housing providers, non-profits, and all levels of government.

Build Canada Homes (BCH) represents a transformative opportunity to grow and support a healthier housing system in Canada, that serves the needs of our population. It is essential to approach the solutions to the housing crisis from a systems lens – from supporting young Canadians that hope to own their own home one day to building diversified non-market housing and investing in the policy solutions needed to end homelessness. It is in this spirit we offer the following recommendations.

## Recommendation No. 1

### **BCH Should Take a Systems Lens to its Plans and Operations**



CREA recommends that as BCH defines its mandate and operations, it must explicitly recognize and plan for the complexity and inter-connected nature of Canada's housing system. Changes to one part of the housing continuum inevitably affect the whole. A balanced mandate should reflect the full housing continuum, ensuring new supply meets urgent affordability needs without excluding opportunities for ownership.

A systems lens also means that BCH must develop mechanisms – or become the mechanism – to coordinate with other levels of government, and all housing providers and builders within the system (community, non-profit, for-profit, and Indigenous). Only through rigorous coordination and alignment will BCH fulfil its promise.



## Recommendation No. 2

### Define Meaningful KPIs for BCH

CREA urges the federal government to adopt a multi-dimensional framework for measuring success under the Build Canada Homes initiative. While the number of housing units created is a critical metric, it is insufficient on its own to reflect the program's impact on Canada's housing crisis. Success must be measured by human-focussed outcomes such as affordability, suitability, and inclusivity.

#### Key Performance Indicators (KPIs) should include:

- **Affordability:** To ensure that the right homes are built and priced for those who need them most, Canada must adopt a clear, consistent definition of affordability. Currently, the *BCH Market Sounding Guide* groups a wide range of housing types—from supportive housing to homes for low- and moderate-income households—under a broad “affordable housing” label. This lack of precision risks misalignment between housing supply and actual need.

Market-based definitions, such as rents set at 80% of average market rates, often fail to reflect what low-income Canadians can realistically afford. Before launching new programs or funding new developments, the federal government should publicly define affordability, based on the widely accepted benchmark: no more than 30% of pre-tax household income.

- **Household Suitability:** Assess whether units meet the varied space and design needs of families, seniors, and multi-generational households.
- **Housing Type Distribution:** Track the proportion of deeply affordable, market-rate, supportive, and affordable ownership units to ensure a balanced and inclusive housing supply.
- **Tenure Diversity:** Measure the presence of mixed-tenure communities, including rental and ownership options, to reflect how Canadians aspire to live.
- **Speed to Occupancy:** Measure how quickly units move from approval to being lived in, especially for shovel-ready projects.
- **Indigenous and Non-Profit Participation:** Track the share of units delivered by community housing providers, including Indigenous-led organizations.
- **Sustainability and Resilience:** Include metrics on energy efficiency and climate resilience.

These KPIs should be publicly reported and updated regularly, allowing Canadians to see not just how many homes are built, but how well homes meet the needs of diverse communities. These metrics can also be used to guide what needs to be built in the future.



### Recommendation No. 3

## Embed Mixed-Tenure Housing as a Core Principle of BCH



Build Canada Homes should explicitly support the development of inclusive, mixed-tenure communities that reflect the full spectrum of housing needs. While prioritizing deeply affordable and supportive housing is essential, affordable homeownership must also be part of the solution.

Mixed-tenure communities—where rental, supportive, and ownership units coexist—offer key benefits:

- **Social cohesion:** Diverse tenures foster interaction across income levels and reduce stigma.
- **Destigmatization:** Integrating ownership units normalizes subsidized housing and promotes dignity.
- **Investment appeal:** Mixed models attract private capital, increasing scale and sustainability. Market rate units can cross-subsidize affordable units, allowing government investment to be reduced or redirected.

- **Pathways to stability:** Affordable ownership supports long-term security and wealth-building for low- and moderate-income households.

To realize these benefits, Build Canada Homes should:

- Include tenure diversity as a guiding principle.
- Ensure funding, land access, and approvals are available to projects with a modest proportion of ownership units.
- Promote inclusive design standards that support integration across tenures.

This approach will help Canada build not just more homes—but stronger, more resilient communities.





## **Recommendation No. 4**

### **Scale-Up Off-Site Construction Technologies to Serve Canada's Long-Term Interests**

The Build Canada Homes program presents a historic opportunity to modernize how we build homes in Canada by leveraging off-site construction technologies, such as prefabricated housing, to accelerate housing production, lower costs, and improve quality. Realizing this promise requires deliberate government action to ensure that the sector matures into a resilient, widely accepted part of our housing system rather than a temporary response to urgent supply gaps.

A key challenge lies in ensuring market sustainability. While initial government investment and procurement can stimulate demand and establish capacity, the sector must ultimately be positioned to scale-up to serve both affordable and market housing. If prefabrication remains overly dependent on government contracts, without organic demand growth, it risks stagnation. To unlock its full potential, prefabrication must become integral to Canada's entire housing system, contributing to affordability, missing middle supply, and high-demand urban development.

Moreover, if prefabricated housing is framed primarily as a solution for affordable housing, it risks being (further) stigmatized—a perception that could undermine public trust and limit adoption. Instead, prefabrication must be deliberately positioned as a high-quality, modern, and mainstream housing option. Ensuring indistinguishable, or better, design standards, seamless integration into mixed-income developments, and active promotion of its benefits will foster broad acceptance and long-term success.

Government leadership is essential to strike this balance. By pairing strategic investment with industry partnerships, clear design guidelines, and public education, Canada can establish a robust prefabrication industry that strengthens housing development across the housing continuum. This approach will ensure that prefabrication becomes not only a tool for tackling the housing affordability crisis but also a cornerstone of Canada’s resilient, sustainable housing system.



## Recommendation No. 5

### Support Portfolio-Based Housing Proposals



CREA recommends that Build Canada Homes explicitly support portfolio-based housing proposals as a mechanism to deliver scalable, inclusive, and financially viable housing developments. This approach enables developers and community housing providers to bundle multiple projects—across geographies, tenures, and phases — under a unified framework, accelerating delivery and reducing costs. Portfolio models allow for mixed-income and mixed-tenure communities, where deeply affordable rental units can coexist with market-rate housing and a modest proportion of homes designated for ownership. This diversity fosters social inclusion, reduces stigma, and reflects the full spectrum of housing needs.

## Recommendation No. 6

### **Deliver the Supportive Housing Needed to Reduce Homelessness**



CREA supports the inclusion of supportive housing within the Build Canada Homes initiative and echoes the Canadian Alliance to End Homelessness (CAEH) in calling for a bold commitment to deliver 50,000 new supportive housing units. To maximize the impact of federal capital investments, CREA urges the Government of Canada to work with provinces and territories to ensure long-term funding for operating and support services—including health, mental health, and case management. Without coordinated federal-provincial-territorial collaboration, supportive housing risks falling short of its intended outcomes and failing the communities that need it most.



## Recommendation No. 7

### Don't Lose the Existing Pipeline

Canada must maintain momentum on urgently needed community housing. A significant number of projects are already in the pre-development phase, progressing toward shovel-readiness. These initiatives cannot easily adapt to sudden changes in design standards, construction techniques, or material requirements. Any shift toward Modern Methods of Construction or mandated materials should be introduced gradually, with a clear and predictable implementation timeline.

Equally important is ensuring continuity with current CMHC programs. Existing initiatives, such as the Affordable Housing Fund, support a robust pipeline of shovel-ready projects that offer some of the fastest opportunities to deliver new affordable housing. It is critical to avoid any disruption between established programs like the Affordable Housing Fund and emerging ones such as Build Canada Homes (BCH).

# Conclusion

Canada's housing crisis demands bold solutions that balance urgency with long-term vision. Build Canada Homes can succeed by aligning its mandate with the full housing continuum, setting clear, people-centered measures of success, and fostering strong collaboration with all housing partners. With deliberate action to scale innovative construction, support mixed-tenure communities, and protect existing pipelines, BCH can deliver more than just homes—it can lay the foundation for thriving communities for decades to come.





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