

**Canadian Alliance to
End Homelessness**

Submission to the

Build Canada Homes Market Sounding Guide Consultation



The Build Canada Homes Market Sounding Guide is an important step in the federal government's effort to establish BCH and make progress towards addressing the housing crisis. If done right, BCH has the potential to be a transformative initiative that could reshape Canada's housing landscape and drive a major breakthrough in ending homelessness.

The Canadian Alliance to End Homelessness (CAEH) was encouraged to see the Market Sounding Guide include a much-needed focus on deep affordability. The guide's consideration for how BCH can deliver affordable housing at scale; break down sector silos; strategically leverage land and financing; and support the expertise and capacity of the housing sector reflects a promising step towards progress and impact. The proposed investment criteria for BCH – particularly the focus on investing in building affordable housing at scale; growing the supply of affordable housing projects with a focus on non-profit, co-op, and government and Indigenous housing providers – is an important move towards significantly increasing the proportion of non-market housing in communities across the country.

BCH must be focused on fixing the housing crisis, with a particular goal of increasing the supply of affordable housing and reducing homelessness in communities across the country. In order to achieve those objectives and for BCH to succeed, the federal government must:

1. Bring together the federal and provincial/territorial governments to work together on housing and homelessness
2. Clearly define 'affordability' for the programs and funding through BCH
3. Prioritize people in greatest need and keep BCH focused
4. Deliver the supportive housing needed to reduce homelessness
5. Focus BCH on achieving household and community-level outcomes rather than housing outputs
6. Deploy bridge housing to rapidly address unsheltered homelessness
7. Ensure BCH enables and supports by-Indigenous for-Indigenous housing
8. Lower construction costs to deliver housing more efficiently
9. Continue building and supporting Canadians while BCH gets finalized

Recommendations

1. Bring together the federal and provincial/territorial governments to work together on housing and homelessness

The federal government has set out an ambitious agenda for BCH, but implementation will require a ‘team Canada’ approach. The Market Sounding Guide identifies the need for alignment between all levels of government – including provincial, territorial, municipal, and Indigenous governments – to deliver on key outcomes. Many aspects of BCH detailed in the Market Sounding Guide imply the need for intergovernmental coordination to be baked in – especially on land and approvals, cross-jurisdictional program and funding alignment, and the adoption of new homebuilding technologies. While the guide identifies the need to align across jurisdictions, the government must take this a step further and negotiate a new national agreement on housing and homelessness that redefines the relationship between governments on housing and creates the foundation for the coordination and collaboration needed for BCH to be successful.

Without the foundation of a clear FPT agreement that establishes a shared vision, objective and comes, BCH efforts will be delayed by jurisdictional wrangling and the risk that some provinces may opt to step back when we all need to lean in together. While many governments across the country have taken up housing as a priority over the past several years, fragmented efforts and limited intergovernmental coordination on housing and homelessness have slowed progress. With the launch of BCH, Canada is now in a unique moment to develop a new approach with other jurisdictions that delivers for Canadians and solves the housing crisis for good.

2. Clearly define ‘affordability’ for the programs and funding through BCH

The BCH Market Sounding Guide rightly emphasizes deep affordability. However, to ensure the right homes get built and are available to people who need them at the right price, Canada needs a clear definition of affordability. The guide currently groups everything from supportive housing to housing for low and moderate-income households in one broad category of ‘affordable housing.’ Market-linked definitions of ‘affordable rents’, sometimes set at 80% of average market rent, do not reflect the reality of what Canadians can afford.

Before new programs are developed or new ‘affordable housing’ gets built, the federal government must establish and publicly define housing affordability – tied to what low-income households can actually afford based on the accepted standard of 30% of pre-tax income. Without this, we risk building housing that is not truly affordable or accessible to those who need it most – this was a critical shortcoming of the National Housing Strategy that we have an opportunity to fix through BCH.

3. Prioritize people in greatest need and keep BCH focused

BCH's current approach risks trying to be everything for everyone. This new entity will have a critical role to play in addressing Canada's housing crisis, but it cannot be used as the sole mechanism to fix all the challenges throughout our housing ecosystem. Instead, BCH itself should be laser-focused on supporting people that the market can't or won't serve and prioritize serving those in greatest housing need. Under the National Housing Strategy Act, the housing policy of Canada is the progressive realization of the right to housing. That means, Canada's housing policy requires BCH to prioritize those in greatest need and set clear targets and timelines to meet those needs.

While BCH and the federal government can help catalyze private market construction, BCH should not replicate what the private market can often deliver more quickly with smart federal incentives like a modernized Multi-Unit Residential Building (MURB) program or with other tax/regulatory changes. BCH could support people on the way to ownership, through attainable programs like Habitat for Humanity, but the predominant focus must remain on affordable and supportive housing. The government should explore other policy instruments to restore the pathway to home ownership for younger Canadians in particular.

4. Deliver the supportive housing needed to reduce homelessness

CAEH was pleased to see that BCH will work to grow the stock of affordable housing, including supportive housing with wraparound services to support people experiencing homelessness. BCH must enable the delivery of the supportive housing desperately needed in our communities, and CAEH recommends the government work towards an initial target of 50,000 new supportive housing units. However, to realize the full potential of the federal government's capital investment in supportive housing, the provinces and territories need to be involved. CAEH recommends that federal capital funding to build supportive housing be set up so that provinces and territories fund and sustain operating and support costs, including health, mental health, and case management. Without FPT collaboration on supportive housing, the supportive housing units built through BCH risk falling short of their intended impact.

Leveraging federal dollars and working collaboratively with provinces and territories on supportive housing is not only a moral imperative, but also a smart economic investment. Supportive housing is a cheaper and more effective option to house people with complex needs, costing around \$4,000 per month. By comparison, a month-long stay at a shelter costs \$7,000, prison \$10,000, and nearly \$30,000 in a hospital. All levels of government have a shared responsibility and direct interest in ensuring people in our communities have the housing and support they need – new initiatives through BCH can ensure that happens.

5. Focus BCH on achieving household and community-level outcomes rather than housing outputs

Counting the number of units built is one piece of the puzzle. However, the true success of BCH should be measured by measurable reductions in the rate or incidence of core housing need, rental and home prices moving closer to true affordability, and measurable community-level reductions in homelessness. Communities across the country need thousands of new units built, but focusing solely on the raw numbers of units-built risks spending billions of dollars on housing without meeting people's needs or improving housing outcomes for Canadians.

6. Deploy bridge housing to rapidly address unsheltered homelessness

Bridge housing is short-term, continuous stay accommodation that helps 'bridge' the gap between homelessness and permanent housing. This type of housing is very similar to temporary housing used in disaster response, workforce housing used in Alberta's oil patch or quarantine facilities used during the pandemic. It is often factory built or prefabricated and can be rapidly deployed.

Used in conjunction with housing focused outreach, people experiencing unsheltered homelessness are moved from encampments into bridge housing while permanent housing is secured. While in bridge housing, outreach workers support individuals with meeting basic needs, health and wellness support, cultural supports, accessing income support, and obtaining identification, all while working to help them secure permanent housing as rapidly as possible. Residents stay for an average of 21 to 90 days before moving on to housing that works for them. Housing support teams, program support workers, or housing support workers also assist with coordinating meetings with property owners to facilitate viewings and connect community members to housing resources such as damage deposits and furniture.

As part of a national response to unsheltered homelessness, and in partnership with the provinces and cities, BCH could quickly purchase and deploy temporary structures to become Bridge Housing to rapidly resolve unsheltered homelessness across the country. In exchange for this federal capital investment, the provinces would be asked to provide funding for the operation of the facilities and Housing First programs needed to move people in Bridge Housing into permanent housing and provide ongoing wrap around support where required. When unsheltered homelessness has been sufficiently addressed, these facilities can be decommissioned.

7. Ensure BCH enables and supports by-Indigenous for-Indigenous housing

BCH should enable and support by-Indigenous for-Indigenous urban, rural, and northern housing. CAEH amplifies calls to set a 20% target for Indigenous-led housing through BCH and urges the federal government to co-develop and co-design the programs and funding mechanisms for Indigenous-led housing with Indigenous housing providers and communities.

8. Lower construction costs to deliver housing more efficiently

BCH is launching in a challenging context for new housing construction, amid high costs for land and material, increasing development charges, regulatory bottlenecks, infrastructure challenges, and labour and supply chain constraints. There is an inherent tension in trying to transform the housing sector towards adopting innovation while delivering homes at scale in the short term. In order to rapidly deliver housing affordably and at-scale, BCH must simultaneously begin to increase the amount of affordable housing getting and develop the capacity of the Canadian housing sector to adopt innovative and cost-saving housing development technologies and methodologies.

9. Continue building and supporting Canadians while BCH gets finalized

Launching a new federal entity on the scale of BCH is a significant undertaking for the federal government and will take time to fully come to fruition. However, housing affordability remains a central concern for Canadians and homelessness continues on a lethal upward trajectory. Canadians can't afford for a pause in the work to address the housing crisis while BCH gets set up and builders need reassurance and market confidence. The government must find a way to continue building housing and supporting new projects through existing programs even as BCH is established and funding and programs migrate to the new entity – and should articulate this path forward to maintain builder confidence.

Once the new entity is established and investment ramps up, this new housing may not be available to Canadians for months or years. That is why it is critical for the government to consider mechanisms that will have an immediate impact on improving housing outcomes. The government can do this by establishing a housing safety net by renewing, expanding, and focusing on the Canada Housing Benefit, in partnership with the provinces. This would ensure people who are struggling can keep their homes and people experiencing homelessness can afford housing.

Conclusion

The Canadian Alliance to End Homelessness (CAEH) is a national charity working to prevent and end homelessness by helping to build effective community response systems and collaborating with government to solve the housing crisis.

CAEH's submission to the 2025 pre-budget consultation further details how the federal government can maximize the impact of BCH to improve housing affordability and reduce homelessness. Read our full recommendations here: [Canadian-Alliance-to-End-Homelessness-2025-FINA-Pre-Budget-Submission.pdf](#).

Contact

Tim Richter

President & CEO

Canadian Alliance to End Homelessness

tim@caeh.ca