

August 28, 2025

To: Housing, Infrastructure and Communities Canada

Re: Comments on 2025 Build Canada Homes Market Sounding Guide

We are a Metro Vancouver region-based group of urbanists, urban planners, architects, and UBC/SFU academics, most with decades of experience, some with a background in development, who have joined together to broaden the search for enduring housing solutions. While our primary focus is on Vancouver, our comments below on the [2025 Build Canada Homes Market Sounding Guide](#) are also applicable to cities across British Columbia and Canada that are also struggling with affordability issues.

On July 22, 2025 we sent a [letter](#) to Prime Minister Mark Carney and Housing Minister Gregor Robertson that stated BC and Canada's housing crisis demands a reset in how we use public policy to achieve affordability.

We are pleased to see that the proposed Build Canada Homes (BCH) program has the intent to address the issues of affordability and it is a bold initiative with strong potential. To succeed, it must ensure long-term affordability, preserve existing affordable housing, and protect public investment through robust safeguards. We have a number of further suggestions for your consideration.

1. Canada's housing strategy must deliver affordability—not just more supply

Canada's housing crisis is, above all, a crisis of affordability. Supply has increased significantly in cities like Vancouver—where housing starts have outpaced population growth for decades—yet prices remain disconnected from incomes. https://drive.google.com/file/d/1F8vBdAL7iUWIsceT7wtoICt58_sh_LT/view?usp=sharing Current inventory supply of unsold condos and new vacant market rentals are at record highs. However, without addressing land value inflation, financial speculation, and tenure security, supply-side interventions risk worsening the very crisis they aim to solve.

2. Use the market correction as an opportunity—not something to resist

- We are pleased to see that BCH proposes to take advantage of falling land costs and freed-up skilled labour to invest in non-profit, co-op, and public housing that will remain affordable long-term.
- We further recommend not to use public funds to bail out overleveraged speculative developments, reflate prices artificially by reintroducing foreign capital, or by increasing investor speculation and demand, such as MURBs that use tax write-off subsidies.
- Policy—not just construction—can influence affordability. Recent short-term rental regulations, adjusted immigration targets, bans on foreign buyers, and other demand-side measures have already helped reduce pressure on rents and sale prices as we are now seeing in the market.

3. Public subsidies must deliver public benefit outcomes

- Prioritize federal financing and grants for co-ops, land trusts, and nonprofits.
- Since CMHC-backed programs like MLI Select are not producing the right kind of supply that is affordable and livable, while it puts CMHC / BCH at undue risk, instead use public resources to go towards co-op housing with permanently secured affordable housing rather than market REITs.
- Require minimum unit livability standards, especially for family-friendly housing.

4. Clearly define affordability and secure it long term - model on former CMHC Co-ops program

- Ensure rental affordability is defined as 30% of **local incomes**, not market medians.
- Secure affordability long term permanently through strong 99 year leases, 40-99 yr. affordability covenants and housing agreements, not subsidies to market housing developers and REITs.
- Do not sell public lands to private developers. Instead retain and add to public land ownership.
- Ensure co-op housing is for a mix of incomes, units in thirds for market, middle, & low incomes.
- Avoid current BC definitions of "social housing" buildings that only require 30% of units at HILs rates, with 70% of units at market rates, even though they are owned by non-profits.
- Ensure long-term, sustainable operating funding sources, especially for deeply affordable housing.
- Ensure value capture in public subsidies through profit limits, equity capture, and surplus sharing.

5. Preserve what's affordable—don't displace it

- Make tenant protection and zero net-loss of affordable units, mostly through protecting viable existing affordable (market and non-market) rental buildings from demolition, and making that a condition for accessing provincial and federal infrastructure or housing funds.
- **Retain existing rental buildings** by supporting rehabilitation and retrofits of existing rental buildings as climate-resilient, affordability-preserving alternatives to demolition.
- Recognize the human toll of displacement—the **best tenant protections are to protect existing rental buildings**.
- Ensure that public funds do not create the wrong kinds of supply that inflate land values and market rents, like CMHC's MLI Select financing is currently doing, with the impacts on land values of tower development in particular, and instead use more subsidies for true affordability.
- Avoid current Vancouver models of market rental towers of expensive rent small units with huge density bonuses for only 20% of units as slightly below market rents, that are in fact higher rent than many of the older suites that are being demolished.

6. Avoid too much focus on large scale projects or unit target goals

- BCH program proposes "...a small number of large deals, rather than a large number of small deals. Large deals may encompass either substantial individual projects (e.g., 300+ units) or a collection of smaller projects grouped within a broader portfolio."
- Affordable housing, especially supportive housing, has best outcomes in smaller not larger projects.
- Avoid overwhelming local context, supports, infrastructure and amenities.
- Learn from past experiences of the large scale projects from the 1950s & 1960s that failed.
- While supporting new building technologies such as modular housing is important, balance the need for scale with the kinds of livable family housing that is desperately needed.

7. Reform delivery and financing models to align with residents' needs

- Provide tax, financing and policy incentives to encourage individual end-users to build more secondary suites and infill developments that can create both more rentals and mortgage helpers.
- Support gentle, ground-oriented density options that better match household needs and local context while **supporting the forestry sector** through the use of more affordable wood frame construction.
- Avoid making towers the default solution. Towers have their place—particularly in transit-rich areas—but they are not always the best form. The right supply is livable, secure, and suited to local neighbourhoods and larger units for families, including townhouses, without triggering demovictions.
- Allow municipalities flexibility to plan for affordable housing and to coordinate with regional planning. **Avoid one-size-fits-all approaches.**
- Consider other international models that Canada can learn from. See Appendix A.

8. Rebalance costs and benefits between all orders of government

- The costs of growth—especially infrastructure and amenities—should not be downloaded to municipalities (i.e., local taxpayers and communities), with more funding for growth instead coming from the Province and the Feds, especially since their income taxes are collected from businesses and residents in municipalities. More of the tax base should go back to municipalities.
- Do not infringe on the municipal tax base by extracting land value and development based taxes, such as property surcharges, that municipalities need for funding services and growth.

Conclusion: Build Canada Homes is a once-in-a-generation opportunity. To deliver on its promise, it must *build new affordable housing and preserve what exists*, while locking in affordability for the long term and ensuring taxpayers' dollars generate lasting public benefit. We encourage prioritising affordable **co-op housing with larger units for families in smaller projects, based on the former CMHC Co-ops program, that is livable and fits into the context of local neighbourhoods.**

We welcome the opportunity to meet with you to explore how these strategies can be further incorporated into the proposed BCH program. To arrange a meeting, please contact [HousingReset.ca] at your earliest convenience.

Please see the following page for those signing this letter.

Signed by:

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APPENDIX A

International Lessons

Recommended Safeguards:

- **Land:** Federal ground leases with 99-year affordability covenants.
- **Affordability:** 40–99 year covenants tied to incomes.
- **Value Capture:** Profit limits, equity recapture, and surplus sharing.
- **Risk Pooling:** National guarantee facility to reduce borrowing costs for mission-driven providers.
- **MMC Stability:** Long-term off-take agreements and open standards.
- **Operating Subsidies:** Multi-decade support for deeply affordable and supportive housing.
- **Discourage demolition:** discourage planning and rezoning initiatives that incentivize demolition of viable existing affordable (market and non-market) housing for redevelopment.

Background:

Singapore – HDB (developer-owner, land policy + affordability lock-in)

- **How it works.** [Housing Development Board](#) (HDB) master-plans land, builds at scale, and sells 99-year leasehold flats with strong eligibility rules and re-sale controls; ~80% of resident households live in HDB.
- **Why it's relevant to BCH.** Puts land + delivery + rules under one roof, creating predictable pipelines and permanent affordability instruments (via tenure and regulation).
- **Warning.** Rising resale prices in mature estates show that affordability [needs ongoing policy tuning](#) even in a dominant public system.

Lesson: If BCH uses federal land, pair it with ground leases/long covenants and clear resale/eligibility rules for any ownership products—don't rely on [Modern Methods of Construction](#) (MMC) alone to produce affordability.

Vienna – Limited-profit housing + land bank (GBV + Wohnfonds Wien)

- **How it works.** The city's land bank ([wohnfonds wien](#)) assembles/disposes land via competitions; limited-profit housing associations (GBV) build/manage cost-rent homes with strict [profit limits](#), audits, and revolving funds.
- **Why it's relevant.** Separates development margin from rent setting (cost-rent), locks in affordability, and uses land policy to steer outcomes at the city scale.
- **Warning.** Requires strong governance and auditing capacity to keep "[limited-profit](#)" truly limited.

Lesson: Build a *federal land-banking arm* and *cost-rent style covenants*, with audited profit limits/value capture on subsidized projects.

Netherlands – Housing associations + Waarborgfonds Sociale Woningbouw (WSW) guarantee

- **How it works.** Independent housing associations (woningcorporaties) deliver social rent; the [Waarborgfonds Sociale Woningbouw](#) (WSW) backstop guarantees their loans, lowering borrowing costs and crowding in private capital; [social housing is ~29% of stock](#).
- **Why it's relevant.** A credit-enhancement platform (not a builder) scales mission-driven providers by guaranteeing debt at the portfolio level.
- **Warning.** [Needs rigorous risk assessment](#) and staged support to avoid moral hazard; the Dutch system has multi-layer support and supervision.

Lesson: Stand up a federal guarantee facility (with joint assessment and early-warning supervision) to reduce the cost of capital for non-profit/coop portfolios—direct match to BCH’s “loan guarantees/risk mitigation” tools.

Finland – ARA + MuniFin (long affordability covenants, state-backed finance)

- **How it works.** [Housing Finance and Development Centre](#) (ARA) approves and guarantees interest-subsidy loans for social housing, with long restrictions on rents/use; MuniFin provides low-cost lending with municipal guarantees.
- **Why it's relevant.** Shows how to tie concessional finance to decades-long affordability and tenant selection rules, not just unit counts.
- **Warning.** [Auditor flagged gaps](#): instruments don't always meet developer needs; risk of single-lender dependence—design fit-for-purpose products.

Lesson: Make concessions conditional on 40-year+ covenants, with clear tenant/eligibility rules—precisely where BCH says funding should reflect outcomes.

England – Homes England (grant + MMC push)

- **How it works.** [Affordable Homes Programme](#) (AHP) offers capital grants; recent emphasis on [Modern Methods of Construction](#) (MMC); but several large modular builders collapsed (Ilke, L&G Modular, etc.), [underscoring procurement and pipeline risks](#).
- **Why it's relevant.** Validates grant + procurement levers and the idea of a production pipeline—but MMC scaling is fragile without steady deal flow and risk-sharing.
- **Warning.** Don't overindex on factory capacity without multi-year pipelines, standards, and contingency plans.

Lesson: If BCH wants to drive [Modern Methods of Construction](#) (MMC), use bulk/off-take agreements, standards, and portfolio-level pipelines—all hinted at in the guide.