

## **2025 Federal Budget** Housing Summary



## 2025 FEDERAL BUDGET HOUSING SUMMARY

In November 2025, the Government of Canada (the “Government”) delivered the *2025 Federal Budget: Canada Strong*. It identifies a desire to scale up construction capacity, modernize delivery methods and expand housing affordability for Canadians from coast to coast to coast. So, this bulletin summarizes the new housing-related commitments and funding programs proposed in the 2025 Federal Budget.

### Summary of New Programs and Commitments

In Federal Budget 2025, the government tells us it has a coordinated strategy to scale up affordable housing delivery and mobilize Canada’s construction industry through the creation of Build Canada Homes.

New commitments include:

1. Establishing Build Canada Homes to deliver affordable housing at scale, leveraging public land and factory-built construction methods;
2. Expanding investment in co-operative and non-market housing, marking a renewed federal partnership with the Co-operative Housing Federation of Canada;
3. Providing tax relief for first-time homebuyers through the elimination or reduction of GST on new homes;
4. Investing in workforce training to address Canada’s skilled labour shortage and expand apprenticeship opportunities;
5. Increasing financing available, especially for multi-unit rental housing; and
6. Increasing investments in Indigenous and Northern housing, including infrastructure improvements and clean water programs.

Below is a more detailed description of each program/commitment:

Initiative	Summary	Key Highlights
<b>Build Canada Homes</b>	Build Canada Homes will act as a national builder and enabler, delivering affordable housing on public lands and accelerating modular and mass timber construction.	<ul style="list-style-type: none"> <li>● Investment of \$13B over five years (2025–2030)</li> <li>● Targeting 4,000 factory-built homes initially, with the market scaling up to 45,000+ homes/units.</li> <li>● CMHC, a key partner in the Build Canada Homes initiative, will continue to fund key programs such as the Apartment Construction Loan Program and Indigenous housing initiatives across urban, rural and northern communities.</li> <li>● <b>Initiatives include:</b> <ul style="list-style-type: none"> <li>○ \$1.5B Canada Rental Protection Fund to preserve affordable housing stock;</li> <li>○ \$1B for transitional and supportive housing;</li> <li>○ Partnership with Nunavut Housing Corporation (700 new homes); and</li> <li>○ Arbo Downsview (Toronto): 540 homes (40% affordable), supported by \$283MM in federal infrastructure investment.</li> </ul> </li> </ul>
<b>Expansion of Co-operative and Non-Market Housing</b>	Budget 2025 renews the federal commitment to co-operative housing through the Co-op Housing Development Program, co-designed with the Co-operative Housing Federation of Canada (CHF Canada).	<ul style="list-style-type: none"> <li>● \$423MM already committed to eight new co-op buildings (837 homes).</li> <li>● Thousands of additional affordable co-op homes projected by 2028 through this program.</li> <li>● Reinforces community-based, long-term affordability models.</li> </ul>

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<b>Tax Relief for Homebuyers</b>	To improve housing affordability and home ownership access, Budget 2025 eliminates GST on new homes up to \$1MM and reduces the GST rate for homes priced up to \$1.5MM.	<ul style="list-style-type: none"> <li>Introduced through Bill C-4.</li> <li>Targeted to support first-time buyers and young families.</li> <li>Designed to offset construction costs and stimulate new housing supply.</li> </ul>
<b>Strengthening the Construction Workforce</b>	To meet national construction targets, Budget 2025 commits \$75MM over three years (starting 2026–27) to expand apprenticeship and training opportunities in construction trades.	<ul style="list-style-type: none"> <li>Delivered through the Union Training and Innovation Program (UTIP).</li> <li>Supports Red Seal apprenticeships and union-based training.</li> <li>Addresses skilled labour shortages across the housing sector.</li> </ul>
<b>Financing and Market Measures</b>	The Canada Mortgage Bond (CMB) annual issuance limit will rise from \$60B to \$80B (effective 2026), with new capacity directed exclusively toward multi-unit rental housing.	<ul style="list-style-type: none"> <li>CMB annual insurance limit increased to \$80B.</li> <li>Expands cost-effective mortgage funding for lenders.</li> <li>Unlocks thousands of new purpose-built rental units annually.</li> <li>Supports long-term financing stability for developers and investors.</li> </ul>
<b>Indigenous Housing and Infrastructure</b>	Budget 2025 focuses on improving housing and infrastructure outcomes for Indigenous communities across Canada.	<ul style="list-style-type: none"> <li>\$2.8B in new investments for urban, rural, and northern Indigenous housing.</li> <li>Launch of a cross-government Indigenous Housing Strategy, co-developed with Indigenous partners.</li> <li>Canada Infrastructure Bank target for Indigenous investments increased from \$1B to \$3B.</li> </ul>
<b>First Nations Infrastructure and Clean Water</b>	Invests \$2.3B over three years (starting 2026–27) to renew the First Nations Water and Wastewater Enhanced Program, supporting clean water access and enabling sustainable community growth.	<ul style="list-style-type: none"> <li>Investment of \$2.3B over 3 years (2026 - 2029)</li> <li>Approximately 800 active infrastructure projects underway.</li> <li>Commitment to ending all long-term drinking water advisories on reserve.</li> <li>Exploration of new financing tools (such as bonding backstops, federal transfer monetization).</li> </ul>

### What Now?

EllisDon Community Builders’ analysts are monitoring every announcement and new initiative. We will absorb every detail that emerges from Housing, Infrastructure and Communities Canada and the Build Canada Homes agency. We will assess what it means for the affordable housing sector. And we stand ready to discuss with you what it means for you, your developments and your community.

Get in touch, any time, through [communitybuilders@ellisdon.com](mailto:communitybuilders@ellisdon.com)