

## **Build Canada Homes Update** Investment Policy Framework



## Updates to the BCH Investment Framework (November 2025)

In November of 2025, the federal Canadian agency, Build Canada Homes (BCH) released its Investment Policy Framework, updating information from previous announcements and detailing the criteria used for assessing housing development projects for funding. The BCH project portal officially launched on November 27, 2025, allowing proponents to begin submitting housing projects for consideration.

### Updates:

Several updates have been made to the types of project eligible for funding. Most notably:

- Emergency shelters, (facilities that provide short term support for unhoused populations) are not eligible for BCH funding, along with long-term care homes, commercial-only properties and individual home-ownership projects.
- Transitional and supportive housing for people experiencing or at imminent risk of homelessness will be eligible for funding through a \$1 billion capital funding reserve. BCH will have a preference for projects that:
  - Serve a clearly identified population with support needs;
  - Are connected to local homeless-serving systems for tenant prioritization;
  - Can leverage factory-built or rapid assembly methods to accelerate delivery;
  - Have secured operating and wrap-around service funding from service partners; and
  - Demonstrate that BCH funding is required for the project to proceed.
- The acquisition and conversion of non-residential properties for residential purposes may be eligible for BCH funding, depending on the details of the design:
  - Acquisitions that require the rehabilitation and/or retrofit of existing residential buildings are eligible for BCH funding under the Canada Rental Protection Fund (CRPF), particularly with a focus on making environmentally sustainable modifications.
- Existing developments that plan to increase or deepen their housing affordability are also eligible for funding.

Importantly, BCH has intentionally left proposals flexible. BCH is encouraging proponents to bring forward innovative, scalable solutions that align with BCH policy criteria. This approach opens the door for creative financing structures, Modern Methods of Construction (MMC), portfolio submissions and partnership models.

### Interpreting BCH’s Mandate

Build Canada Homes has identified three core functions, Finance, Build, and Industrialize, which collectively signal how proponents should structure viable submissions going forward.

These functions should be understood not only as BCH’s operational mandate, but also as direction to the market on how affordable housing projects are expected to be delivered.

Table 1: Summary of BCH’s Mandate

BCH Mandate	Strategic Implications for Proponents
Finance	BCH expects proponents to leverage multiple funding sources. Projects that blend capital stacks creatively will likely receive stronger consideration.
Build	Projects on federal lands and those with accelerated delivery potential are strongly positioned. Transaction structures must reduce cost and shorten timelines.
Industrialize	MMC, standardized design, and BIM integration are becoming expectations and can strengthen BCH applications.

### Financing Strategy & Capital Leveraging

BCH has signaled that its role is not to be the sole funder, but to enable high-impact projects by filling financial gaps and unlocking additional public and private investment. To that end, BCH encourages proponents to structure capital stacks that may include:

- Government grants or forgivable loan components
- Municipal contributions or fee waivers
- Philanthropic or impact investment capital
- Debt financing supported by rental sustainability
- Co-development with non-profit or Indigenous partners

Projects that blend capital sources and clearly demonstrate how BCH investment enables deeper affordability or faster delivery will likely receive stronger consideration.

### Summary of Prioritized Project Features

Beyond financial need, the Investment Policy Framework also details project features that will be prioritized when assessing eligible submissions:

Table 2: Summary of Prioritized Project Features

Priority	Summary																						
Affordability and Income Band Levels	<p>The primary goal of BCH is to address the affordable housing crisis and rates of homelessness in Canada, and to that end a primary consideration for projects will be their ability to achieve significant depth, breadth and duration of affordability. BCH defines an affordable rental rate as being 30% of median income for a specific region.</p> <p>To support affordability modelling, BCH references income thresholds as a percentage of the local median household income. BCH expects proponents to align rents with local median household income and to consider realistic household sizes by unit type.</p> <table border="1"> <thead> <tr> <th>Income Level</th> <th>Percentage of Median Income (%)</th> </tr> </thead> <tbody> <tr> <td>Very Low Income</td> <td>0% - 24%</td> </tr> <tr> <td>Low Income</td> <td>25% - 50%</td> </tr> <tr> <td>Moderate Income</td> <td>51% - 75%</td> </tr> <tr> <td>Median Income</td> <td>76% - 100%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Unit Type</th> <th>Estimated Household Size</th> </tr> </thead> <tbody> <tr> <td>Studio</td> <td>1</td> </tr> <tr> <td>1 Bedroom</td> <td>1.3</td> </tr> <tr> <td>2 Bedroom</td> <td>2</td> </tr> <tr> <td>3 Bedroom</td> <td>3</td> </tr> <tr> <td>4+ Bedroom</td> <td>4.5</td> </tr> </tbody> </table> <p>BCH also expects proponents to align rents with local median household income and to consider realistic household sizes by unit type.</p>	Income Level	Percentage of Median Income (%)	Very Low Income	0% - 24%	Low Income	25% - 50%	Moderate Income	51% - 75%	Median Income	76% - 100%	Unit Type	Estimated Household Size	Studio	1	1 Bedroom	1.3	2 Bedroom	2	3 Bedroom	3	4+ Bedroom	4.5
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Priority	Summary
Shovel-Ready Projects	In the near-term, BCH will be prioritizing “shovel-ready” projects, developments whose estimated construction period can begin within 12 months or less. This includes zoning alignment, early contractor involvement and at least Class D cost estimates at time of intake.
Modern Methods of Construction (MMC)	BCH is committed to promoting innovative construction methods, prioritizing modular and panelized projects over more conventional approaches. Additionally, projects that can strategically integrate digital technologies, as well as prove scalability and replicability will be given more favourable assessments. BCH is agnostic to specific technologies, but places strong emphasis on speed, cost efficiency, replicability and risk reduction.
Sustainability	Another prioritized feature is environmental sustainability, with BCH encouraging submissions to consider local hazards to design resilient and low-impact projects. BCH puts a particular emphasis on emission reductions through ambitious adherence to the National Energy Code of Canada for Buildings and mitigating the potential adverse environmental effects of the entire lifecycle of a development.
Buying from Canadian Suppliers	BCH also emphasizes the importance of development projects sourcing materials from domestic suppliers, especially when designs integrate softwood lumber.
Partnerships and Project Models	<p>The BCH Framework explicitly outlines the types of partners it will work with, including:</p> <ul style="list-style-type: none"> <li>• Non-profit, co-operative, and Indigenous housing providers</li> <li>• Private developers (preferably in joint ventures with non-market entities)</li> <li>• Municipalities and provincial/territorial governments</li> <li>• Factory-built housing manufacturers</li> <li>• Philanthropic and social impact funds</li> <li>• Financial institutions</li> </ul> <p>Importantly, BCH encourages portfolio-based submissions, where multiple sites can be submitted together under one application. Municipalities, Provinces/Territories and Indigenous governments may act as aggregators, supporting smaller providers and enabling large-scale delivery.</p>

### Alignment with CMHC Affordable Housing Fund (AHF)

BCH and CMHC will collaborate on intake and assessment processes, and projects submitted to CMHC’s AHF may be considered for BCH funding. This opens opportunities to streamline submissions, reduce duplication and build a common funding narrative.

### BCH Application Readiness

With the BCH portal now live as of November 27, 2025, proponents are encouraged to begin preparing their submissions by assessing their level of readiness across key eligibility indicators:

Table 3: BCH Key Requirements Assessment

Key Requirements	What to Assess
Shovel-ready status	Can construction begin within 12 months?
Land control	Do you own or have executed purchase & sale or lease agreements?
Affordability	What level of affordability are you proposing?
MMC Alignment	Can you demonstrate a MMC solution with speed & replicability?
Partnerships	Do you have a non-profit and/or public partner?
Portfolio Potential	Could multiple projects be bundled together?

Key Requirements	What to Assess
Financial leverage & funding sources	Have capital & operating sources been identified? Can BCH close a gap rather than carry the full project?

### Documents Likely Required at Intake

BCH requires several items at proposal intake, including:

- Articles of incorporation and corporate structure
- 3 years of financial statements (audited preferred)
- Resumes & project lists proving development experience
- Property management experience (min. 5 years is strongly preferred)
- Land documentation
- Minimum Class D professional cost estimate (Class C or B strongly preferred)
- Initial Pro Forma & funding commitments
- Draft viability strategy for affordability period

Additional items are required at the underwriting and first-advance stages, including but not limited to Class A estimates, appraisals, geotechnical assessments, ESA reports, performance bonds and insurance certificates.

### How EDCB Can Support

EllisDon Community Builders is tracking BCH's evolving criteria and preparing tailored submission strategies for our clients. We can support:

- Affordability modelling using BCH income bands
- MMC integration and alignment with Base Design
- Portfolio assembly (multi-site submission strategy)
- Partnership structuring
- Submission sequencing and document packaging
- Proforma alignment to BCH underwriting expectations

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).