

Investment Policy Framework

November 2025 (Revised)



What does Build Canada Homes (BCH) do?

- **Finance:** Deploys public capital and attracts investment from private, philanthropic, and other orders of government to back impactful mixed income and affordable housing projects proposed by public, non-profit, Indigenous and private proponents.
- **Build:** Accelerates development on federal lands and structures transactions that reduce the cost to construct and shorten delivery timelines, including through direct development activities and public-private partnerships.
- **Industrialize:** Drives the housing sector's adoption of modern methods of construction—including, but not limited to, factory-built housing, standard designs, mass timber, building information modelling (BIM), low-carbon materials, kit-of-parts approaches, and rapid assembly.

Who does Build Canada Homes partner with?

BCH welcomes proposals from a wide range of organizations across the housing ecosystem, including:

- **Non-market, non-profit and co-operative housing sector:** BCH works with non-market housing proponents with equity (e.g., cash contributions, donated land, or in-kind support) and shovel ready sites who are committed to working with others in building a multi-year pipeline of projects.
- **Private Developers:** BCH works with developers to deliver homes fit for families with long-term affordability. Private sector partners are strongly encouraged to establish joint ventures with public, non-profit or co-operative housing organizations. Private sector proposals that include supportive or transitional housing will require these partnerships.
- **Factory-built housing manufacturers:** BCH collaborates with factory-built housing manufacturers with a proven track record that can scale, building an order book and providing tools to manage financial risks.
- **Financial institutions:** BCH deploys flexible financial tools to mitigate project and financing risks and create predictable pipelines of projects to draw in additional private sector capital.
- **Indigenous governments and organizations:** BCH collaborates on affordable housing proposals that deliver shared housing outcomes with First Nations, Inuit, and Métis governments, Indigenous housing providers, and urban Indigenous organizations. This includes developments that reflect self-determined housing priorities and deliver culturally

appropriate housing models. It will support Indigenous project pipelines to enable long-term planning and capacity.

- **Provinces and Territories (PT):** BCH looks for strong collaboration and coordination in the delivery of affordable housing within a model of a shared financial and social commitment, with predictable public outcomes. PTs will help identify and advance priority projects with BCH, including by providing land, accelerating the approval process, and waiving applicable fees.
- **Municipalities:** BCH works with municipalities and regional governments to help identify and advance priority projects, including by contributing land, expediting approvals, waiving fees, and streamlining permitting and construction processes.
- **Affordable housing and philanthropic funds:** BCH collaborates with mission-driven capital providers—including affordable housing funds and philanthropic organisations—to unlock innovative financing solutions that support affordable housing, de-risk early-stage projects, and catalyse long-term investment aligned with social impact goals.

What can partners expect from BCH?

BCH collaborates with our partners to identify and implement the most effective, tailored financing options that support strong results and maximize the impact of public investments. BCH has the flexibility to invest in affordable housing projects and innovative homebuilding using a range of financial tools, including but not limited to loans and contribution funding. Investments in a given proposal will depend on the project's financial needs, the severity and urgency of housing needs in the community, the strength of risk-mitigation strategies, and the project's potential to achieve measurable policy outcomes.

What types of investments does BCH support?

BCH invests in projects that expand Canada's affordable housing supply. Projects and portfolios must deliver new housing units through:

- New construction;
- Acquisition, conversion and re-purposing of non-residential buildings into residential housing;
- Conversions, rehabilitations, additions to existing buildings, and in-fill opportunities; and
- In cases where projects are ongoing, increasing and/or deepening affordability targets.

BCH supports a range of housing forms:

- Mixed-income and mixed-use developments, combining both affordable non-market rental and market units (with up to 30% ground-floor commercial or retail component);
- Mixed-income housing in rural, remote, northern, and Indigenous communities, including ownership options where rental markets are limited;
- Student Rental Housing on- and off-campus;
- Seniors' independent living housing;
- Supportive and Transitional Housing for people experiencing or at imminent risk of homelessness; and
- Affordable ownership models by organizations that offer entry-level homeownership through community-based contributions and income-sensitive financing.
- Co-operative housing solutions

Long-term care facilities, emergency shelters, commercial-only properties, and individual homeownership are not eligible.

How does BCH support greener, more sustainable housing?

BCH will build homes that are high quality, affordable, and insurable over their lifespan. BCH will prioritize low-carbon, climate-resilient and innovative building materials (e.g., low-carbon concrete and steel, and mass timber and softwood lumber) and efficient design in its direct procurement of materials and in the projects it finances. BCH, via the Canada Rental Protection Fund, would also invest in preserving and, where appropriate, extending the life of existing rental housing through repairs and retrofits as part of acquisitions, which will support climate resilience and emissions reduction goals.

BCH's investment decisions will favour projects that demonstrate energy efficiency and climate performance, including climate-informed site selection and design features that address local hazards, such as flooding, wildfire, hail, and extreme heat. BCH, where feasible and cost effective, will encourage proponents to adhere to higher tier of the National Energy Code of Canada for Buildings. BCH proponents should also follow a clear sequence of actions to safeguard nature: prevent adverse effects where possible, reduce and remediate those that remain, and offset impacts left after these steps.

How does BCH strengthen Canadian supply chains through housing investments?

Build Canada Homes adheres to the Buy Canadian policy by prioritising projects that utilise domestically produced materials, with a particular emphasis on Canadian softwood lumber. BCH encourages proponents to source Canadian softwood lumber wherever feasible, recognising its importance to the national economy, the forestry sector, and sustainable building practices. This approach helps support Canadian jobs, promote local industry, and advance the use of renewable resources in housing construction.

How does BCH support large scale projects?

Over time it is our intention to focus on funding larger-scale and portfolio-based projects that deliver measurable impacts on Canada's affordable housing supply. Through this approach, we aim to build capacity among housing providers and contribute to a robust and vibrant building industry, laying the groundwork for increasingly large and ambitious projects over time.

BCH supports portfolio approaches, allowing one or more partners to submit multiple projects together. Governments, Indigenous, and non-governmental organizations can act as aggregators to help small providers access funding. Project sizes will be tailored to community need (for example, projects may be smaller in rural, northern, or Indigenous communities). Affordability will be assessed across the whole portfolio, not on an individual project basis only, enabling a mix of affordability levels. This method aims to build at scale, speed up delivery, and provide funding certainty by streamlining approvals and support capable housing developers.

In the near term, BCH is seeking shovel-ready projects that materially expand the stock of affordable housing in the communities they serve. Shovel-ready projects are defined as projects which are fully planned and ready to commence construction within 12 months or less.

How does BCH support modern homebuilding industry?

BCH is using its financing and development mandate to drive demand for modern methods of construction (MMC).

MMC is an umbrella term for innovative home building methods and technologies that can reduce cost, time, and labour intensity per housing unit delivered, if done at scale. MMC includes a range of technologies and methods such as factory construction of components or modules (from panels to volumetric units); Repeatable, standardized designs (but potentially mass-customizable); Integration of digital design and production technologies (e.g., Building Information Modelling); and, more controlled production environments, which reduce waste, improve quality, and de-risk workforce gaps. BCH is agnostic to the specific technology being utilized and focuses on the scalability of the methods and their ability to drive higher productivity, more sustainable construction and lower the cost to build over time.

BCH encourages proponents to leverage the Housing Design Catalogue where appropriate. The Catalogue offers over 50 regionally tailored, standardized designs that are affordable, efficient, accessible and sustainable, helping streamline project delivery and reduce design costs.

- **Scope of eligible investments in MMC:** BCH will only consider investments to the extent that they support its core mandate of directly increasing the amount of affordable housing in Canada. This means that business support for technology or other capital needs are not in scope, unless they are needed to directly support a proposed delivery of affordable housing or portfolio of projects. Proponents seeking support for broader business development, technological innovation, or capital expansion are encouraged to engage with their Regional Development Agencies or explore opportunities through Innovation, Science and Economic Development Canada's new Strategic Response Fund, which are better suited to support these types of initiatives.

What costs can BCH funding support?

Funding will be used to support the creation of new affordable housing, with a focus on closing financial gaps that would otherwise prevent a project from moving forward, and increasing the number of affordable units or enhancing the depth of affordability.

- Funding may be used to cover various costs including, but not limited to:
- Construction costs (labour, materials, supplies);
- Land or building acquisition for new builds and redevelopment;
- Project proposals which integrate the use of modern methods of construction or technologies, such as factory-built construction; and
- Firm-level investments in factory-built housing manufacturing capacity, to the extent that they are directly needed as part of a large-scale housing development or portfolio-level opportunity.

Proposals must demonstrate financial viability and sustainability. Projects, whether individually or as part of a portfolio, must be deliverable within budget and supported by a credible and realistic financing strategy. Financial sustainability refers to models that reduce reliance on ongoing public operating subsidies. This can be achieved by incorporating a mix of market and non-market units, securing wraparound supports for supportive and transitional housing, and attracting private and philanthropic capital. BCH is prepared to provide non-repayable grants where necessary to support financially sustainable models that can achieve deeper levels of affordability. These grants are intended to offset upfront construction costs, helping to reduce long-term financial risk and promote operation resilience.

How does BCH define affordability?

All BCH-supported projects must indicate who the homes are intended to house and that the development includes affordable housing units. Mixed-income models that focus on community integration and social inclusion are encouraged, with units that are affordable to households at different income levels to ensure long-term financial sustainability.

BCH will use an income-based definition of affordability that is applicable to the reality of diverse regions and income groups. The definition assumes that housing is affordable when rents are no more than 30% of before-tax income (based on median household income of an area). Rent levels would be assessed against the local median household income levels.

Area median household income (2026)	Illustrative maximum affordable rent per unit size*			
	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Very low income (0-25% median income)	\$293	\$377	\$598	\$781
Low income (26-50% median income)	\$586	\$754	\$1,197	\$1,563
Moderate income (51-75% median income)	\$878	\$1,131	\$1,795	\$2,344
Median income (76-100% median income)	\$1,171	\$1,508	\$2,293	\$3,125

*The figures provided are for illustrative purposes only. Actual values should be calculated based on the specific municipality and changes in median income over time.

BCH's affordability definition adopts a place-based approach that reflects regional differences in household income. This will help ensure that BCH builds units that are truly affordable for households in a range of income groups, across Canada. The table below demonstrates the framework's flexibility to regions, by showing the maximum rents that would be considered affordable to low-income Canadians for a 1-bedroom unit.

Census Subdivision	Maximum Affordable Rent for a 1-Bedroom Unit for Low-Income Canadians (2026)
Vancouver, British Columbia	\$838
Toronto, Ontario	\$803
Sarnia, Ontario	\$750
Brandon, Manitoba	\$738
Prince Albert, Saskatchewan	\$717
Montréal, Quebec	\$683
Amherst, Nova Scotia	\$548

More information is available on the Build Canada Homes website at: bch-mc.ca

How does BCH assess proposals?

BCH examines affordable housing projects and portfolios based on their ability to:

- Demonstrate the potential to deliver meaningful increases in affordable housing supply within communities, with consideration for future scalability through larger-scale and portfolio-based projects that generate measurable impact;

-
- Achieve significant depth, breadth and duration of affordability while maximizing the impact of public investment by efficiently leveraging other public or private sources of funding;
 - Strengthen capacity in the non-market housing sector through high-quality, collaborative partnerships with mission driven organizations, such as Indigenous housing providers and groups supporting women, people with disabilities, and other equity-deserving populations;
 - Demonstrate financial and construction readiness (zoning and approvals in place, etc.);
 - Leverage the use of modern construction methods, such as factory-built, to improve efficiency and reduce costs;
 - Demonstrate integrated approaches to sustainable design and lower-carbon construction materials that reduce environmental footprint, strengthen climate resilience, and optimize longterm operational performance;
 - Strengthen Canadian and local supply chains and enhance sector resilience;
 - Demonstrate a clear need for BCH support in order for the project to proceed, and present a sustainable financial model that does not rely on ongoing operational funding;
 - Increase the accessible housing stock, particularly for persons with disabilities and aging populations, while allowing flexibility to account for project type, cost constraints, and regional context.

These considerations are intended to guide project assessment and do not constitute mandatory criteria for funding eligibility.

How does BCH support supportive and transitional housing?

BCH is deploying \$1 billion in capital funding to build supportive and transitional housing for people who are experiencing or at imminent risk of homelessness, helping people obtain and maintain stable housing. To maximize impact, BCH seeks to collaborate with key partners, such as provincial, territorial, municipal, and Indigenous Governments, private sector developers, for-profit and or non-profit organizations and financial institutions that have identified affordable housing and homelessness as core components of their community or social responsibility goals. Private

sector and for-profits are required to partner long-term with one or more of the other identified non-profit or public proponents.

Supportive and transitional housing projects for individuals experiencing or at imminent risk of homelessness are expected to:

- Accelerate project timelines by leveraging factory-built housing solutions.
- Serve identified populations with specific support or transitional needs.
- Demonstrate that the housing proponent is connected to the local homeless-serving system to ensure tenant prioritization aligns with identified local needs.
- Ensure long-term operating and maintenance costs are funded through negotiated and committed partnerships with PTs or other funders, including ongoing, integrated wrap-around supportive services provided post-project completion.
- Demonstrate that the project would not be able to proceed without the support of BCH.

Future Opportunities

In the coming months, BCH will be consulting with the affordable housing sector to identify other gaps and challenges such as the most effective models for supporting early-stage project development costs; unlocking capital for planning and pre-development; streamlining coordination with government partners, and connecting projects to private and philanthropic capital as well as modern supply chains that leverage and boost the use of domestic materials.

How does BCH funding align with CMHC's Affordable Housing Fund (AHF)?

During this transition period, BCH and CMHC are working in close collaboration to ensure that projects or proposals submitted through CMHC's AHF are also considered for BCH funding. The goal is to identify the most appropriate funding mechanism for each project, ensuring that federal investments are deployed effectively and aligned with the scale and nature of the proposed housing solutions.

Ready to build with the support of BCH?

A portal will be opened in the coming weeks for organizations with shovel-ready projects aligned with this framework, inviting them to submit project details for consideration. In the interim, proponents may continue to submit their questions to: BCHInquiries-DemandesMC@bch-mc.ca

Engagement with stakeholders will be ongoing to support readiness and alignment with program objectives, while also informing adjustments to those objectives to ensure they reflect the needs and realities of the sector.