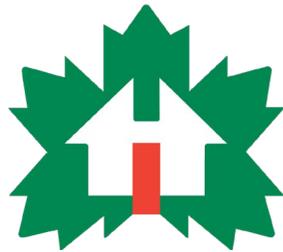


CHBA Submission to HUMA Study on the Impacts of the Temporary Foreign Worker Program on the Labour Market

**Canadian
Home Builders'
Association**



Executive Summary

For years, the Canadian Home Builders' Association (CHBA), which represents more than 8,500 members of the residential construction sector, has been warning about significant workforce challenges. At the same time, Canada faces a severe housing supply challenge, with a need to nearly double housing starts over the next decade to address affordability issues. Yet, the industry is on track to lose more workers to retirement than it will gain.

Without decisive action, labour shortages will continue to contribute to making Canada's housing targets unattainable. CHBA has consistently called on the federal government to address gaps in domestic education and training, help improve productivity (notably by enabling the transition to more factory-built housing), and modernize immigration policy to better reflect the workforce realities of residential construction.

Canada's current immigration system does not adequately support residential construction. Many of the most critical roles in home building fall within entry-level occupations, which are largely excluded from permanent federal immigration pathways. At the same time, the existing Temporary Foreign Worker Program (TFWP) is not a practical solution for most residential construction employers due to its cost, complexity, and poor fit with the sector's cyclical nature. As a result, residential construction – which is distinct from industrial, commercial, and institution (ICI) construction – has not received its fair share of newcomers with the skills and affinity for home building. This continues to be a major cause of the worker shortage in the industry, rendering it impossible to meet the government's goal of doubling housing starts without systemic change.

The need for entry-level workers is especially significant in the factory-built housing sector – an area the federal government has acknowledged it would like to see scaled up. As such, factory-built housing is one of the few parts of the residential sector that has utilized the TFWP. However, recent restrictions on the TFWP, as well as post-graduate work permits (PGWPs), risk permanent losses in workforce capacity, particularly in rural regions where labour shortages are structural rather than temporary.

To address these issues, CHBA has joined 75 other organizations in recommending the establishment a permanent, competency-based federal immigration stream for entry-level workers, entitled the Canadian International Workforce Program (CIWP). More broadly, CHBA urges the federal government to work closely with the residential construction industry to better align immigration selection with labour market needs specific to residential construction, strengthen pathways to permanent residency, improve labour market integration, and stabilize the business case for scaling productivity-enhancing construction methods. Together, these measures are essential to increasing housing supply,

improving productivity, helping restore affordability, and reaffirming Canada’s reputation for strategic and responsible immigration policy.

Introduction

CHBA represents over 8,500 members from across the country, including home builders, renovators, land developers, trade contractors, and more. CHBA members build homes of all forms and tenure and are largely small- and medium-sized enterprises (SMEs): in fact, data from the Canada Mortgage and Housing Corporation (CMHC) shows that the majority (69.5%) of businesses in the residential construction sector were micro businesses with just 1 to 4 employees.¹

In 2024, the residential construction industry supported 973,000 on- and off-site jobs across both new home construction and residential renovation and repair Canada-wide.² This provided \$71.2 billion in wages across the country.³ The value of the work, through investment, was \$191.2 billion.⁴

CMHC has stated that Canada will need to nearly double housing starts over the next decade to help restore housing affordability to 2019 levels.⁵ However, with 22% of the labour force in the residential construction sector – or an estimated 134,000 workers – expected to retire in the coming decade and only 117,000 projected to join the field over that same period,⁶ the industry will come nowhere close to achieving those targets without a dramatic increase in the residential construction workforce.

To do this, CHBA has called on the federal government to: (i) work with CHBA (and other stakeholders) to redevelop the education, training and certification system for skilled workers in residential construction to properly reflect the realities of this part of the sector.; (ii) update the immigration system to proactively attract much-needed skilled workers in

¹ Canada Mortgage and Housing Corporation (CMHC) (2025). [Unlocking housing supply: Why scale really matters.](#)

² Statistics Canada. Input-output multipliers, provincial and territorial, detail level: 36-10-0595-01 (2024), Maintenance and repair expenditures in housing: 34-10-0095-01 (2024), Building permits: 34-10-0292-01 (2024). Consumer Price Index: 18-10-0004-01 (2024), Census Profile, 2021 Census of Population (2021).

³ Statistics Canada. Employee wages by industry, annual: 14-10-0064-01 (2024), Building permits: 34-10-0292-01 (2024), Consumer Price Index: 18-10-0004-01 (2024), Census Profile, Census of Population (2021).

⁴ Statistics Canada. Investment in building construction: 34-10-0293-01 (2024), Housing stock in units included in the gross domestic product by income and expenditure: 36-10-0688-01 (2024), Building permits: 34-10-0292-01 (2024). Consumer Price Index: 18-10-0004-01 (2024); CMHC. Starts and Completions Survey, accessed through the Housing Market Information Portal (2024).

⁵ Canada Mortgage and Housing Corporation (CMHC) (2025). [Canada’s housing supply shortages: moving to a new framework.](#)

⁶ BuildForce Canada (2024). [Residential Outlook Scenario 2024-2033.](#)

residential construction; and (iii) enable increased productivity by stabilizing the business-case for scaling factory-built systems (modular and panelized – see CHBA’s [Sector Transition Strategy](#)) and develop an accompanying workforce.

Immediate and decisive action needs to be taken to ensure there is adequate skilled labour to build enough homes in Canada to help address housing supply and affordability challenges.

Canada's Immigration System and Residential Construction

CHBA has long advocated for improvements to the immigration system for skilled workers to better and more quickly respond to labour shortages in residential construction through permanent immigration solutions.

To illustrate the disconnect with Canada’s immigration system’s ability to bring in workers with the skills and affinity for home building, there are a few key points to consider, namely:

- Many of the roles in greatest need for residential construction *specifically* are classified under **training, education, experience, and responsibilities (TEER) 4 and 5**, which are not prioritized by federal immigration streams.
- Residential construction employers (aside from the factory-built sector – more on that later) are **not wide users of the TFWP** because of the **cyclical**, (less-so seasonal) **boom-bust nature of the housing/home building market** and the **costly and cumbersome Labour Market Impact Assessment (LMIA) process** (keeping in mind most employers are micro-businesses with 1-5 employees and do not have significant money or time to navigate the LMIA process).
 - This means that the majority of the TFWs in construction are being more heavily accessed by the industrial, commercial, and institutional (ICI) construction sector, which CHBA has long said must be treated as a separate industry to residential.

While CHBA did welcome the May 2023 category-based selection Express Entry announcement to include construction National Occupation Classification (NOC) codes in TEERs 0-3, more focus must be placed on the *specific* labour needs of residential construction (not only the trades at large) to pursue the doubling of housing starts. This involves looking at additional professions categories in the TEERs 4 and 5 – for example: installers, framers, and general labourers/helpers. The current permanent immigration

system prevents that, leaving temporary streams and Provincial Nominee Programs (PNPs) as the only viable avenues to bring in entry-level workers.

It is imperative that Canada better leverage the immigration system to ensure the residential sector receives its necessary share of skilled workers with the skills, aptitude, and affinity for building homes.

Impact on Factory-Built Housing

Recent changes to reduce immigration in Canada, including through the tightening of the TFWP and cutbacks to Post-Graduate Work Permits (PGWPs), have had an especially negative impact on employers in the factory-built (modular) construction sector.

While modular construction only makes up about 5% of the total residential construction industry, these factories are typically located in rural areas where recruitment challenges are more acute. For this reason, labour shortages in the factory-built housing sector are more permanent than temporary in nature, as there is not sufficient domestic labour in their regions to build operations capacity, despite rigorous and ongoing efforts by CHBA members to recruit locally. This challenge – among several others (see CHBA’s [Sector Transition Strategy](#)) – will become even more acute as the government aims to scale up factory-built housing and will certainly not help the sector make productivity gains.

Furthermore, given that the construction of modular housing works less like traditional stick-built construction and more like manufacturing (i.e., along an assembly line), there is even less of a requirement for highly educated labour. This makes the need for workers in TEER 4 and 5 manufacturing roles (notably NOC code 94211 *Assemblers and inspectors of other wood products*) extremely imperative for the delivery of factory-built housing. Yet, as noted above, federal immigration streams overlook TEER 4 and 5 roles, leaving temporary streams and PNPs (which have also been impacted by immigration cuts) as the only possible pathways for entry-level workers.

- *Note: PNP programs also often overlook NOC code 94211 as a priority role for targeted draws as they fail to recognize its substantial impact on the creation of factory-built housing.*

As such, cutbacks to entry-level immigration, including through the TFWP and reductions in PGWPs, risk permanent workforce capacity loss for the factory-built housing sector. In some cases, businesses in this sector have had to significantly scale back operations and may be forced to close if changes are not made swiftly. Factories that are unable to meet capacity demands due to labour shortages and are forced to close will unfortunately result

in the further job loss of both newcomers *and* domestic workers employed by these companies, especially at a time when the production of modular housing must grow to help address Canada's housing affordability challenges.

CHBA Recommendations for an Entry-Level Worker Immigration Stream

Residential construction offers accessible pathways for newcomers and with the right supports, workers can grow into highly skilled, long-term contributors to Canada's housing system.

More broadly, CHBA recommends that the **federal government work closely with the residential construction industry** (which has different needs than ICI construction), provinces, and territories **to better align immigration needs, and help facilitate labour market integration for those who are welcomed into Canada.**

With that in mind, **CHBA remains adamant that the immigration system needs a permanent, competency-based federal stream for entry-level workers.**

Along with the recommendations stated throughout this brief, CHBA has also been an early supporter (along with 75 other signatories) of the Employment Insurance Commissioner for Employers' proposed Canadian International Workforce Program (CIWP), which aims to support employers looking to fill jobs in TEER 4 and 5 NOC categories through two streams – one for temporary/seasonal workers and one for year-round workers filling roles with chronic job vacancies.

The CIWP would build upon the positive aspects of the TFWP, including:

- Connecting foreign labour supply to Canada's labour market demand.
- Enabling employers who use the program to do so as a last resort when they have demonstrated that no Canadian or PR will fill the role.
- Complementing existing Canadian workers and enhancing productivity.
- Tying foreign workers to a job to ensure they will positively contribute to Canada in industries, roles, and locations that are consistently vacant.

The CIWP would also prioritize:

- The protection of foreign workers who come to Canada.
- A pathway to permanent residency for foreign workers who wish to stay in Canada.
- Certainty for employers who need workers with a variety of skills.

This would all help restore confidence in Canada's immigration system and help maintain the country's reputation as a viable and promising destination for immigrations of all skill levels.

Building on the positive aspects of the TFWP, it is recommended that for both the CIWP's temporary *and* permanent immigration streams, the federal government:

- Extend the LMIA maximum work duration period to 5 years.
- Implement measures to enable employers to retain their foreign workers already in Canada (such as work permit extensions for workers employed by trusted employers).
- Establish bilateral agreements with source countries. Prioritize countries that Canadian employers consistently recruit workers from to fill long-standing vacancies.
- Expand successful pilot programs that address specific regional or sectoral needs, including for factory-built residential construction. These programs should allow immigrants with employment at entry-level TEER 4 and 5 to enter the country if in alignment with local labour force needs.
- Strengthen worker protections to include:
 - stricter regulation of illegitimate immigration consultants and third parties,
 - a robust LMIA process that ensures integrity and legitimacy of employers and job postings,
 - enhanced inspections and consequences for employers who abuse the program,
 - fulsome pre-departure information for foreign workers before they arrive in Canada,
 - an efficient processing system, and;
 - certainty of pathways to permanent residency.

Overall, addressing Canada's housing supply and affordability challenges requires an immigration system that is better aligned with the real workforce needs of residential construction. A permanent, competency-based entry-level immigration stream, supported by targeted improvements such as the CIWP, would provide employers with the certainty of labour they need while offering newcomers fair protection, clear pathways to PR, and opportunities to build meaningful careers.

By modernizing immigration policy in partnership with the residential construction industry and provinces and territories, the federal government can help strengthen housing supply, improve productivity, and reaffirm Canada's reputation as a country that welcomes and integrates immigrants of all skill levels in a responsible and strategic way.

About CHBA

Since 1943, CHBA has been the national voice of Canada's residential construction industry. Representing one of the largest industry sectors in Canada, our membership is made up of over 8,500 member firms from coast to coast, including home builders, renovators, land developers, trade contractors, and product and material manufacturers. CHBA members build low-rise, mid-rise, and high-rise homes for both ownership and rental. With over 52 local and provincial constituent home builders' associations (HBAs) across the country, CHBA is well-tuned into the unique difference and challenges of the residential construction sector in regions across Canada.