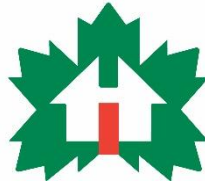


**Canadian  
Home Builders'  
Association**



**Opening Remarks: Kevin Lee, CEO, CHBA**

***For: Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities***

***With regards to: Housing Starts in Relation to Federal Programs***

Thank you for having me today. The Canadian Home Builders' Association – or CHBA – represents over 8,500 member firms across the country. Our members build low-rise, midrise, and high-rise homes, for both ownership and rent.

Housing starts are often presented as a single headline number, but the breakdown of that number is important to see the real story. While recent data show that total housing starts have been above the historic average, the composition of those starts has shifted dramatically - and in a way that puts long-term affordability, economic stability, and homeownership further out of reach for Canadians.

Over the last several years, housing starts intended for ownership have declined sharply as a share of total construction. In 2021, 69 per cent of housing starts were intended for ownership. By 2025, that share had fallen to 49 per cent, with purpose-built rental housing now accounting for the majority of new starts. That's a drop of 50,000 units for ownership per year. In fact, last week's Spring Economic Update acknowledged that while housing starts totaled 260,000 units in 2025, it was driven by record levels of purpose-built rental construction supported by federal measures. Rental supply is needed, and CHBA strongly supports it, along with federal action that has helped projects pencil out in recent years; however, rental housing should not be replacing homes for ownership; we need both, and much more on the ownership side.

The federal government has set ambitious targets to double housing starts, yet CMHC numbers show that achieving affordability requires not just more homes, but more homes for ownership. CMHC has stated that 4.8 million homes are needed over the next decade. That would mean nearly doubling Canada's housing starts to between 430,000 to 480,000 annually. CMHC also states that to succeed, 75% of those need to be for ownership.

It should also be noted that the increase in housing starts for rental is not the result of consumer preference. CHBA polling with Abacus Research shows that 88% of Canadians under 45 would like to own a home one day. It is the outcome of policies at all levels of government that has made achieving that goal increasingly difficult.

Builder sentiment, as measured through CHBA's Housing Market Index, reflects this reality. In BC, the single-family HMI is at 5.8 out of 100; in Ontario, the multi-family HMI is at 3.8. Even Alberta is seeing a drop in the HMI. Across the country, confidence among builders has deteriorated to record lows, indicating still fewer starts for ownership ahead—a trend that must be reversed.

High sales taxes and development taxes, restrictive mortgage policies, municipal red tape causing delays, excessive building code changes, and escalating material and labour costs have significantly driven up construction costs and reduced the viability of ownership housing projects. If buyers cannot buy, then builders cannot build.

There has been much talk, including a study from this committee, on Build Canada Homes, which will focus on government-subsidized non-market housing. The development of more non-market homes is indeed important, but it is critical that in parallel there be a major effort beyond BCH to address housing affordability to double starts in market-rate housing, where 95% of Canadians reside.

In order to increase housing starts and return to affordability, there needs to be a more comprehensive housing plan, especially for homeownership. We saw movement in the right direction in the Spring Economic Update and recent federal announcements, such as funding of \$1.7 billion to go to provinces and territories through the Improving Housing Supply Act, including contributing to the removal of HST on qualifying new homes in Ontario. But other than the deal with Ontario (and even that is stalled due to lack of fed/prov agreement on who will administer the rebate), no other federal/provincial partnerships have been announced, and there seems to be no guarantee that provinces will use the funds to reduce the tax burden.

Announcements for infrastructure and to offset development charges through the Build Communities Strong fund will be very helpful too, but again, outside of Ontario, no other provincial deals have yet been signed. It will also be critical that there be plans for municipalities to find alternative funding models for infrastructure to permanently lower DCs once federal funding winds down.

The Spring Economic Update also made reference to streamlining regulations and addressing affordability issues with regards to the building code and standards. There has been talk of this for a few years, but no action, and in the meantime the 2025 building code was published, increasing the cost of a typical 2500 square foot home by an estimated 50 thousand to over 100 thousand dollars. Immediate action is needed to reverse this, and CHBA is actively calling for a pause on all things code to rectify the situation.

It is positive to see plans to support more construction financing, but what is also needed is the fixing of the stress test so that well qualified buyers can better access a mortgage – this, by the way, is a no cost measure.

There are several other recommendations CHBA has submitted to this committee on how to address affordability and supply, and I'd be happy to cover those further during Q&A.

Thank you. I look forward to your questions.