



# Mark Carney's Liberals unveil Canada's most ambitious housing plan since the Second World War

Canada is in a housing crisis, just as President Trump threatens our economy with tariffs. Canada needs a public policy response on par with many of the best moments in our history.

During and after the Second World War, Canada was facing a massive housing crisis – similar to today's. In response, the government of the day built tens of thousands of affordable starter homes for returning veterans and their families. Prime Minister William Lyon Mackenzie King's policies created new agencies to oversee the construction of homes, built entirely new industries, and found ways to cut costs and cut the time to build.

Canada has solved a housing crisis before, and we can do it again.

The Liberal housing plan will double Canada's current rate of residential construction over the next decade to reach 500,000 homes per year, improving the housing market so that young Canadians can buy their first homes. We need both the public and private sector to get this done.

## Creating Build Canada Homes (BCH)

A Mark Carney-led Liberal government will create a new entity called "Build **Canada Homes**" (BCH), which will get the federal government back in the business of building homes. BCH will have three key functions: building affordable housing at scale (including on public land), catalyzing a new housing industry, and providing financing to affordable homebuilders.

- BCH will act as a developer to build affordable housing at scale, including on public lands. It will develop and manage projects and partner with builders for the construction phase of projects. The government will also transfer all affordable housing programming (such as the Affordable Housing Fund and the Federal Lands Initiative) from CMHC to BCH, allowing the government to draw a clear distinction with CMHC. Wherever possible, BCH will also acquire additional land and offer leases so we can add to Canada's affordable housing stock.
- BCH will also catalyze the housing industry and create higher-paying jobs by providing \$25 billion in debt financing and \$1 billion in equity financing to innovative Canadian prefabricated home builders. Prefabricated and modular housing can reduce construction times by up to 50 per cent, costs by up to 20 per cent, and emissions by up to 22 per cent compared to traditional construction methods.
- BCH will issue bulk orders of units from manufacturers to create sustained demand. Financing will leverage Canadian technologies and resources like mass timber and softwood lumber, as well as support more apprenticeship opportunities to grow our skilled trades workforce.

- BCH will also provide \$10 billion in low-cost financing and capital to affordable home builders. \$4 billion will go towards long-term fixed-rate financing for affordable housing builders. \$6 billion will go towards rapidly building deeply affordable housing, supportive housing, Indigenous housing, and shelters. BCH will direct \$2 billion of this amount to build new student and seniors housing, in partnership with provinces and territories. We will immediately develop homelessness reduction targets with every province and territory to inform Housing First investments, improve access to treatment, and end encampments community by community.
- BCH will build sustainably by prioritizing products such as certified wood, recycled content, and low-emission materials.

## Making Canada's housing market work better

A Mark Carney-led Liberal government will make the Canadian housing market work better by catalyzing private capital, cutting red tape, and lowering the cost of homebuilding.

- We will cut municipal development charges in half for multi-unit residential housing and work with provinces and territories to make up the lost revenue for municipalities for a period of five years. For a two-bedroom apartment in Toronto, the cost savings from this measure would be approximately \$40,000.
- We will reintroduce a tax incentive which, when originally introduced in the 1970s, spurred tens of thousands of rental housing across the country. Known as the Multiple Unit Rental Building (MURB) cost allowance, this policy helped produce nearly 200,000 units in seven years (1974-81).
- We will facilitate the conversion of existing structures into affordable housing units by reducing the tax liability for private owners of multi-purpose rental when they sell their building to a non-profit operator, land trust, or non-profit acquisition fund - so long as the proceeds are reinvested in building new purpose-built rental housing.

- Building on the success of the Housing Accelerator Fund, we will further reduce housing bureaucracy, zoning restrictions, and other red tape to have builders navigate one housing market, instead of thirteen.

### We will:

- » publicly report on municipalities' progress to speed up permitting and approval timelines and implement other commitments under the Housing Accelerator Fund;
- » eliminate duplicative inspections and streamline regulations for prefabricated housing, including modular;
- » leverage pre-approved, standardized housing designs across all public lands and encourage its adoption as-of-right across the country;
- » speed up application approvals by allowing builders and other orders of government to apply for multiple projects at once;
- » fast track the applications for those who have a proven record with government funding; and
- » accelerate reform and simplify the Building Code to speed up approvals and streamline regulations.

These measures will build on the elimination of the Goods and Services Tax (GST) for first-time homebuyers on homes at or under \$1 million. This tax cut will save Canadians up to \$50,000.

We will undertake this national effort in partnership with industry and all orders of government, ultimately building faster, smarter, more affordably, and more sustainably while creating higher-paying jobs for Canadian workers.