

2025 FEDERAL BUDGET: KEY HIGHLIGHTS FOR HOUSING

November 5, 2025

BUILD CANADA HOMES (BCH)

BCH was announced during the Federal Election Campaign and has an initial capitalization of \$13 billion. Budget 2025 places the overall number of investment in housing to be \$25 billion over 5 years. Build Canada homes will double the pace of construction. Through the "Buy Canadian Policy" it will also support the sectors hit by tariffs (steel, aluminum, critical minerals and softwood lumber).

\$1.5 billion was included in the Canada Rental Protection Fund and an additional \$1 billion to build transitional and supportive housing for people who are homeless or at risk of homelessness.

BUILD COMMUNITIES STRONG FUND (BCSF)

This new fund, to be administered by Housing, Infrastructure and Communities Canada (HICC) will provide \$51 billion over 10 years starting in 2026-27 and \$3 billion per year ongoing in new and existing funding including funding to provincial, territorial and municipal governments to support a wide range of infrastructure projects. It will be structured in three streams as follows:

1. **The Provincial and Territorial Stream** will provide \$17.2 billion over 10 years to support housing enabling infrastructure. Out of this stream, \$5 billion over three years is specifically earmarked for Health Infrastructure related projects. For the main fund, provinces and territories must agree to cost match federal funding and to substantially reduce development charges and not levy other taxes that hinder the housing supply. The same restriction will not apply to the Health Infrastructure Fund.
2. **The Direct Delivery Stream** will be delivered through HICC will provide \$6 billion over 10 years to support regionally significant projects, large building retrofits, climate adaptation and community infrastructure. Under this stream, private investment through CIB funding would be required, before being eligible for funding in this stream.



3. **The Community Stream** will provide \$27.8 billion over 10 years and an additional \$3 billion per year ongoing to support local infrastructure projects. The existing Canada Community Building Fund becomes part of BCSF as the Community Stream.

The Canada Housing Infrastructure Fund is being rolled into the Build Communities Strong Fund.

INDIGENOUS HOUSING

Budget 2025 provides \$2.8 billion for urban, rural and northern Indigenous Housing. There remains over \$3 billion available for First Nations, Inuit and Métis to advance housing priorities. In addition, Canada Infrastructure Bank target for investments in Indigenous Infrastructure from \$1 billion to \$3 billion across its priority sectors. This measure will benefit Indigenous communities by supporting the construction of community infrastructure projects. The construction and operation of infrastructure in Indigenous communities is expected increase employment opportunities for Indigenous people residing in those communities with further benefits flowing from indirect economic development opportunities catalysed by investments in infrastructure.

PUBLIC SECTOR CUTS – IMPACTS TO NATIONAL CAPITAL REGION

The projected size of the Federal Public Service is aimed to be 330,000 by 2028-29. This equals a cuts of about 40,000 people, or 10% from the high of 368,000 in 2023-24. It is intended to be achieved through a combination of normal attrition, as well as slowing spending to return the public service to a sustainable size. The voluntary Early Retirement Incentive program through the public service pension plan will be targeted at public servants 50 years or older who are able to retire early with an unreduced pension.

For the City of Ottawa and the City of Gatineau, a 10% reduction in the size of the Federal Public Service will likely have long range impacts for planning and development, for population projections and therefore whether there is sufficient land and therefore housing, as required through the Provincial Planning Statement.



SECTORAL TARIFF RELIEF WITH LAND, INFRASTRUCTURE OR DEVELOPMENT IMPLICATIONS

Support for Forestry – Softwood Lumber

Budget 2025 has \$700 million over 2 years on a cash basis starting in 2025 -26 in loans guarantees administered by the Business Development Bank of Canada, to help ensure companies have the financing and credit support they need to maintain and restructure their operations during this period of transformation. There is an additional \$500 million over three years to renewal and expand existing National Resources Canada forestry programs focused on market and product diversification

Support for Steel Industry

Budget 2025 provides \$1 billion in the Strategic Innovation Fund to support the steel industry's transition toward new lines of business and strengthening domestic supply chains announced in July 2025.

OTHER HOUSING RELATED MEASURES

The Underused Housing Tax (UHT) took effect on January 1, 2022 and applies to certain owners of vacant or underused residential property in Canada, generally non-resident, non-Canadians. The UHT is imposed on an annual basis at a rate of 1 per cent on the value of the property.

Budget 2025 proposes to eliminate the UHT as of the 2025 calendar year. As a result, no UHT would be payable and no UHT returns would be required to be filed in respect of the 2025 and subsequent calendar years.

CONTINUED ADVOCACY

ONPHA remains committed to working with all levels of government to ensure these measures fully benefit community housing providers and the people they serve. Our sector is ready to partner to make every federal dollar count, whether through acquiring and preserving affordable housing, reducing administrative barriers, or delivering culturally appropriate Indigenous-led solutions.



ONPHA will continue advocating for targeted supports, streamlined access to funding, and collaborative initiatives that maximize impact, strengthen communities, and ensure long-term housing affordability across Ontario.

Additionally, ONPHA members can access the [ONPHA Enterprise program](#), which helps housing providers save money on essential supplies and services while meeting federal and **Buy Canadian** targets, supporting both cost-efficiency and local economic growth.

You can read our full **pre-budget recommendations** here:

[Report: 2025 Federal Pre-Budget Submission | Ontario Non-Profit Housing Association](#)