

Budget 2025: B.C. Braces for Tariff Impacts:

March 4, 2025 - On a day when the U.S. government-imposed tariffs on the import of Canadian goods and the Government of Canada announced its own countervailing tariffs in response, the B.C. government released Budget 2025 in the midst of economic uncertainty.

The budget lock up this year began with an unprecedented appearance and speech by the premier speaking to the actions taken by the U.S. government and the potential devastating impacts it will have on B.C.'s economy. This served as the underlying backdrop of much of the budget presented.

Presented by the Hon. Brenda Bailey, Minister of Finance, [Budget 2025: Standing Strong for BC](#) forecasts a deficit of \$10.9 billion in 2025/26, declining to \$9.9 billion over the three-year fiscal plan period.

The budget largely focuses on the U.S. tariffs and potential impacts of a prolonged trade war with the U.S., including updated projections based on the most current information which estimates:

- \$43 billion cumulative decrease to real GDP by 2029;
- 45,000 fewer jobs by 2029;
- Unemployment rate increase to 6.4% in 2025, and 6.7% in 2026;
- \$3.2 billion to \$5 billion annual decline in corporate profits;
- Up to \$1.4 billion annual loss in revenue.

In response, Premier Eby announced several provincial measures, highlighting B.C.'s three-point tariff strategy:

- Strengthen B.C.'s economy, including expediting projects and supporting industry and workers;
- Diversify trade markets for B.C. products so the provincial economy is less reliant on U.S. markets and customers;

- Respond to U.S. tariffs with tough counter-actions and outreach to American decision-makers.

Minister Bailey also noted a contingency fund of \$4 billion per year (a total of \$12 billion for the three-year period) to support businesses and individuals through a COVID-like stimulus package to fill the gaps on any federal government programs.

For the homebuilding sector, new commitments were scarce in this budget with the limited measures focused on BC Builds, rental subsidies, and increases in the Speculation and Vacancy Tax.

“CHBA BC was disappointed to see a lack of new or additional commitments to streamline approval processes, prioritize growing skilled trades, reduce the cost to build homes, and enable low carbon solutions for new homes—all key CHBA BC advocacy priorities.” said CHBA BC CEO, Neil Moody. “We remain focused on ensuring that these priorities continue to be a key focus for the government, so they are balanced amongst concerns around healthcare and US tariffs which were both central focuses for this year’s budget.”

For details on the Budget 2025/26 announcements of interest to CHBA BC and its members, see [Appendix A](#).