

MEMORANDUM

To: CHBA BC Board of Directors, Executive Committee, Government Relations Committee, and Local Executive Officers

From: Jenny Scott, Director, Policy & Government Relations

Date: February 17, 2026

RE: Budget 2026 Overview and Key Highlights

Despite signals from the provincial government of an austerity budget leading up to budget day, the Hon. Brenda Bailey, Minister of Finance, began her budget presentation today markedly stating, “This is not an austerity budget.”

Overall, [Budget 2026: Securing B.C.'s Future](#) forecasts a deficit of \$9.6 billion for 2025-26 (\$1.6 billion lower than forecasted in the Second Quarterly Report), with the following declining deficits over the three-year fiscal plan period:

- \$13.3 billion for 2026-27
- \$12.2 billion for 2027-28
- \$11.4 billion for 2028-29

Although not an austerity budget, the Minister made several references to “disciplined spending”, “careful choices”, as well as a “re-pacing of the capital plan”, which indicates the government’s intention to address the growing deficit through stringent prioritization measures.

“We are making careful choices to secure B.C.’s future,” Minister Bailey said. “We are updating the tax system to raise revenue and prevent cuts to critical services, while keeping B.C. one of the lowest-taxed provinces for working and middle-class families. At the same time, we are reducing government spending and carefully re-pacing our capital plan to deliver services and infrastructure more efficiently.”

The budget reflects these careful measures to cut spending and raise revenue, while protecting core services such as healthcare, education, and social supports.

Reduced spending measures are primarily focused on continued efforts to increase efficiency and streamlining programs through staffing adjustments, hiring restrictions, and reduced discretionary

spending.

Measures to raise revenue involve changes to B.C.'s tax system, including **increases to the Speculation and Vacancy Tax, Additional School Tax, and removal of the PST exemption for professional services.**

For the residential construction sector, no new commitments were made in this budget to address the rising cost of housing delivery, despite a challenged housing market. The Minister cited that housing starts were down 3.5% and home sales were down 5.7% in 2025 (compared to 2024). CHBA BC will continue to advocate on behalf of our members to support a renewal of government's focus on the challenges impacting the homebuilding sector.

Though mostly disappointing, there were some notable targeted investments to "future-proof the economy by training more people for good jobs, attracting private and federal investment and advance innovation."

The most critical for the residential construction sector was a commitment of **\$283 million in new funding over three years to support growing skilled trades** as well as **nearly \$38 billion in capital infrastructure projects** such as hospitals, schools, and transit. This is a welcome investment and one that CHBA BC has advocated for, including in our [pre-budget submission](#).

Full details on Budget 2026 announcements relevant to housing are summarized in **Attachment 1**. To see the full Budget and Fiscal Plan, click [here](#).

CHBA BC welcomes members and executive officers to share any comments or questions with us regarding this year's BC Budget. Please don't hesitate to reach out Jenny Scott, Director of Policy & Government Relations, at jenny@chbabc.org.

Sincerely,



Jenny Scott
Director, Policy & Government Relations

Attachment 1: Budget 2026 Key Highlights

Skilled Trades

- **\$283 million in new funding over three years** including:
 - **\$241 million over three years** to double skilled trades funding;
 - In 2026/27, this funding will support the creation of **5,000 new trades training seats** through SkilledTradesBC and BC Building Trades.
 - **\$12 million over three years** to enhance the employer training grant, helping to double apprenticeship seats by 2028-29 from current levels; and
 - **\$30 million** to train highly qualified professionals by adding specialized streams to existing programs, including engineering, geology, computer science, biology, and aerospace.

Infrastructure Capital Funding

- Nearly **\$38 billion over three years** in capital projects such as hospitals, schools, and transit including for the following:
 - 17 major hospitals and acute-care facilities;
 - Transit expansions such as the Broadway Subway project and Surrey Langley Skytrain;
 - 66 major K-12 school additions and improvements;
 - Student housing projects that will add 3,900 new beds in post-secondary facilities in communities like Nanaimo and New Westminster; and
 - The first new medical school in Western Canada in nearly 60 years in Surrey.

Speculation and Vacancy Tax Rates Increased

- Effective **January 1, 2027**, increasing the **Speculation and Vacancy Tax rate to 4%** for foreign owners and untaxed worldwide earners (up from 3%).

Additional School Tax Increased

- Effective **January 1, 2027**, increasing the Additional School Tax rates to the following, effective for the 2027 tax year:
 - **0.3%** for property values **between \$3 million and \$4 million** (up from 0.2%); and
 - **0.6%** for property values **above \$4 million** (up from 0.4%).

Removal of PST Exemptions for Professional Services

- Effective **October 1, 2026**, removal of PST exemptions for professional services such as accounting and bookkeeping, architectural, geoscientist and engineering services, commercial real estate fees, and security and private investigation services.

CleanBC Better Homes Better Buildings Programs

- Continued investment of **\$60 million** through the Better Homes Better Buildings programs to maintain government's commitment to additional rebate programming for electric heat pumps for low- and moderate- income households, including those in multi-unit residential buildings.

Northern and Rural Home Owner Benefit Repealed

- Effective **January 1, 2027**, the northern and rural home owner benefit is repealed. This benefit was initially introduced to offset the effects of the consumer carbon tax, which has now been repealed.

New Housing Projects through the Homes for People Plan

- The government is adjusting the pace of some housing construction investments, including reallocating nearly **\$1.4 billion** across the fiscal plan.
 - Of this, government is reinvesting over **\$900 million** to support demand for existing housing services and programs. This includes funding for non-profit housing operators, additional assisted-living support services for seniors and people with disabilities, and supporting thousands of new below-market homes through the Attainable Housing Initiative.

Making Government More Efficient

- Continued measures to increase efficiency and streamline programs to make sure service delivery is efficient, effective, and affordable over the long term.
- Reducing the size of the public sector by **15,000 full-time-equivalent positions (FTEs) over the three-year fiscal plan**.
 - This includes a reduction of the BC Public Service by **2,500 FTEs** working for core government ministries by the end of the fiscal plan.