

April 14, 2026

Hon. David Eby  
Premier of British Columbia  
Parliament Buildings  
Victoria, B.C. V8V 1X4

**Re: BC Budget 2026/27 and 2025 National Model Codes Adoption**

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Dear Premier Eby:

On behalf of the Canadian Home Builders' Association of British Columbia (CHBA BC) and our eight locally affiliated associations representing more than 2,300 members across the province, we are writing to express our significant concerns with the current state of the housing market and the growing risks to future housing supply in British Columbia.

Across the province, homebuilders are already navigating a highly challenging environment. High financing costs, softening market conditions, workforce impacts, market uncertainty, and persistent approval bottlenecks are making it increasingly difficult to move new housing projects forward.

To support housing delivery and avoid further supply constraints, we are urging the Province to take the following immediate actions:

1. Reverse the Provincial Sales Tax (PST) expansion on professional services that directly support housing delivery; and
2. Pause adoption of the 2025 National Model Construction Codes, including reversing early implementation of Part 9 lateral load provisions in lower-risk regions.

**The Current State of the Market and Rising Cost of Delivery**

BC's residential building sector is facing a worsening cost of delivery crisis that is making housing increasingly unattainable for British Columbians.

The Canadian Mortgage and Housing Corporation (CMHC) has estimated that BC will need over 600,000 housing units by 2035 to restore affordability to pre-pandemic levels, yet the province is projected to **fall short by over 200,000 homes** if current construction trends continue.

To reach these affordability goals, BC's homebuilding sector will need to grow significantly to support a doubling of housing construction. However, recent labour force data indicates clear signs of contraction across BC's residential building sector. Statistics Canada reported that **construction employment fell by 6,900 jobs** in February with only 2,800 gained back in March. Meanwhile **employment in finance, insurance, real estate, rental and leasing declined by 5,400 jobs** in February and **fell by another 7,200 jobs** in March. These sectors are directly tied to housing delivery, investment, and market activity, and their decline raises serious concerns about the sector's ability to scale up housing supply under current conditions.

At the same time, supply is being constrained as projects are delayed, cancelled, or pushed into receivership due to rising construction costs, labour shortages, high development-related fees and taxes, and increasing regulatory complexity. These pressures are actively limiting new housing supply and widening the gap between the homes British Columbians need and the homes that can realistically be built.

Against this backdrop, additional tax burdens and ever-changing regulatory requirements are not just challenging—they are directly undermining the viability of new housing projects across the province.

### **BC Budget and PST Impacts**

Recent provincial tax changes further exacerbate cost pressures in an already strained housing market. The expansion of the Provincial Sales Tax (PST) for professional services, including accounting, engineering/geoscience, and architectural services comes at a time when many housing projects are already struggling to remain viable.

A CHBA BC member survey found that **two-thirds of builder/developer respondents are concerned/very concerned about the future of their business** as a result of the PST expansion.

Based on our impact assessment, the expansion of PST on engineering, geoscience, and architectural services could add an average of **\$1,200 per project for single family detached homes** and **\$24,000 per project for multi-family projects**, depending on the site and project type. In larger Part 3 projects delivering the highest number of housing units, the cost could be substantially higher due to increased engineering requirements. One **600+ unit condominium** development reported **over \$200,000 in potential PST costs**.

These figures underscore the broader concern: in today's already-constrained market, it is often not one single cost increase that determines whether a project proceeds. It is the cumulative layering of costs—including financing, development cost charges, provincial taxes, changing regulatory requirements, labour, and materials—that determines whether a project proceeds, is delayed, or is cancelled altogether.

This tax change also affects builders beyond the project level, as businesses. Many residential builders in BC are small- and medium-sized businesses that rely on contracted professional services to operate. In BC, **82% of builders are small businesses with fewer than 10 employees**, and **77% of members surveyed reported using third-party accounting services**. Based on survey feedback, this is expected to amount to over **\$6000 in additional PST costs**.

At a time when many homebuilders have already had to reduce staffing and absorb significant financial strain, this added tax burden will further constrain business operations, employment, and investment across the sector.

***We are therefore calling on the Province to immediately reverse the PST expansion as it applies to professional services that directly support housing delivery.***

### **Pause Adoption of the 2025 National Model Codes**

We are also calling on the Province to pause the adoption of the 2025 National Model Construction Codes, including reversing British Columbia's early adoption of Part 9 lateral load provisions in low to moderate wind and seismic locations.

The 2025 National Model Construction Codes were developed under a hybrid system of old and new governance that has yielded one of the most extensive and costly sets of changes in recent history, arriving at a time when housing affordability, industry capacity, and project delivery timelines are already under significant strain. Many local governments and practitioners continue to face implementation and enforcement challenges associated with the BCBC 2024, yet will be expected to adopt an additional set of complex regulatory changes within a condensed timeframe.

British Columbia has already made meaningful progress in safety, resilience, and energy efficiency in housing. A temporary pause in building regulatory change will not undermine these gains; rather, it will provide the stability the sector urgently needs to keep building good homes. The current challenge lies in the pace, scale, and cumulative impact of successive code amendments, which are introducing undue complexity, uncertainty and cost into an already constrained housing ecosystem.

Further, the national code development process does not sufficiently account for both regional conditions and broader housing system impacts. This has resulted in provincial variation or selective adoption of national provisions to better align with provincial priorities and realities.

BC's early adoption of the 2025 National Model Code lateral load provisions illustrates these challenges. The early adopted requirements introduced complex compliance approaches with a high degree of technical interpretation that expanded to all low-rise housing in BC, including low to moderate wind and seismic areas, where such measures were not previously required. In practice, this level of complexity has increased reliance on professional engineering services for conventional housing in lower-risk areas, as building enforcement lacked time, capacity, and supporting tools to readily verify compliance. Builders have estimated incremental costs of **approximately \$10,500 to \$25,000 or more per single-family home in lower-risk regions**, where structural engineering and geotechnical services are now required by many local Authorities Having Jurisdiction. These costs will also now increase with the PST expansion.

This example underscores a broader concern: that increasing regulatory complexity is itself a barrier to effective code implementation and compliance. These provisions warrant immediate course correction through a reversal to a previous BC Building Code edition as an interim solution for lower-risk regions in BC.

At the same time, CHBA BC remains committed to working constructively with the Province and technical experts to identify practical, evidence-based approaches to maintain appropriate structural performance for Part 9 housing, particularly in lower-risk regions. We support measures that are proportionate to risk, straightforward to apply, and can be consistently reviewed and enforced without undue professional reliance.

We therefore urge the Province to ***reverse the BCBC2024 Part 9 lateral load provisions for lower risk regions and more broadly pause adoption of the 2025 code cycle***. This grants the Province time to coordinate a targeted review that enables cost-neutral updates, technical corrections, and stabilizing amendments to proceed, while reassessing more complex or costly measures in light of their full impact on housing affordability.

Such an approach would provide a more balanced and practical path forward—one that maintains sufficient building performance while ensuring the sector can continue to deliver the volume of housing British Columbians urgently need.

For additional information, please see [CHBA National's recent letter](#) to the Prime Minister and [white paper](#) on the urgent need to pause 2025 National Model Codes changes and adoption.



CANADIAN  
HOME BUILDERS' ASSOCIATION  
**BRITISH COLUMBIA**

## Closing Remarks

We remain committed to working constructively with your government to advance practical solutions that support housing affordability and attainability in BC. However, the current trajectory is not sustainable and requires timely, decisive policy action to ensure the industry can deliver more homes for people across the province.

Thank you for your attention to these important matters.

Sincerely,

Darren Witt, Interim CEO (CHBA BC)



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CC: Hon. Christine Boyle, Minister of Housing and Municipal Affairs  
Hon. Brenda Bailey, Minister of Finance  
Hon. Ravi Kahlon, Minister of Jobs and Economic Growth