

June 19, 2026

Select Standing Committee on Finance and Government Services
Parliament Buildings
Victoria, BC
V8V 1X4

Re: CHBA BC Submission for Budget 2027 Consultation

Dear Select Standing Committee on Finance and Government Services:

On behalf of the Canadian Home Builders' Association of British Columbia (CHBA BC), thank you for the opportunity to participate in the Budget 2027 consultation. Please find below our three key recommendations to support housing delivery and affordability in British Columbia.

ABOUT CHBA BC

The Canadian Home Builders' Association of British Columbia (CHBA BC) is the leading voice of the residential construction industry in the province, representing more than **2,300 member companies** through a network of **8 locally affiliated associations**:

- CHBA Central Interior
- CHBA Central Okanagan
- CHBA Fraser Valley
- CHBA Northern BC
- CHBA Sea to Sky
- CHBA South Okanagan
- CHBA Vancouver Island
- Homebuilders' Association Vancouver (HAVAN)

Our members are small- and medium-sized businesses who are builders, renovators, tradespeople, suppliers, and other industry professionals.

In addition to supporting BC's housing goals, our sector is an economic driver as one of the largest sources of employment in the province. In 2025, the residential construction industry provided 179,234 on- and off-site jobs, \$14 billion in wages, and \$33.1 billion in built investment value in BC.

RECOMMENDATION 1: Negotiate and implement a federal-provincial agreement to deliver a GST rebate or equivalent in BC for all buyers of new homes

BC's housing market is facing significant challenges that threaten both current housing delivery and future supply. Despite housing prices declining from recent peaks, homeownership remains out of reach for many households. At the same time, housing development economics have deteriorated substantially. Pre-sale targets are increasingly difficult to achieve, project launches have slowed, and many planned projects have been delayed, cancelled, or placed into receivership as weak sales and rising costs make projects difficult to finance.

These conditions pose a serious risk to future housing supply and affordability. Recently, [BCREA warned](#) that BC risks repeating the post-2008 housing cycle, where weak demand and slowing construction led to severe undersupply and escalating home prices. If current trends continue without policy intervention, BCREA forecasts **inflation-adjusted home prices could increase by up to 27% by 2032** as today's construction shortfalls collide with recovering demand.

To address similar challenges in Ontario, the federal and Ontario governments recently reached an agreement to remove the full sales tax on new homes for one year. This measure will lower the cost of purchasing a new home, help improve affordability for all eligible homebuyers, and provide a positive signal to the homebuilding sector to continue delivering new housing projects that might otherwise be delayed or cancelled.

Although there is no provincial sales tax in BC, providing equivalent tax relief in the way of PTT exemptions or other measures would help restore market confidence, improve project feasibility, and support the continued construction of much-needed homes for people across the province.

Therefore, ***CHBA BC recommends that the Province negotiate a federal-provincial agreement to implement a GST rebate, or equivalent measure, for all homebuyers on new homes under \$1.5 million***, consistent with the agreement reached in Ontario.

RECOMMENDATION 2: Reverse the expansion of PST on professional services related to housing development

The expansion of the Provincial Sales Tax (PST) exacerbates the dire condition of the housing market as it comes at a time when many projects are struggling to remain viable while others are stalled or cancelled indefinitely.

In [April 2026 our survey found](#) that **70% of builder/developer members are concerned or very concerned** about the future of their business as a result of this PST expansion. Our impact assessment suggests the expansion of PST could add an average of **\$700 per project for single family detached homes** and **\$34,000 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**.

Meanwhile, the PST expansion as a whole disproportionately affects small- and medium-size businesses who rely on contracted professional services. In BC, **82% of builders are small businesses with fewer than 10 employees**, and **68% of our surveyed members reported using contracted accounting services**. Based on survey feedback, this is expected to amount to over **\$6,000 in additional PST costs**.

Broadly, the PST expansion points to the core issue faced by our members: while one single tax may not definitively hinder their work, each addition places yet another burden on an industry struggling to survive a floundering market, soaring labour and materials costs, unpredictable regulatory changes, and escalating development charges. No amount of careful calculation and forethought on the part of our members can compensate for all these barriers without the promise of a reprieve from the government.

CHBA BC thus calls on the Province to reverse the PST expansion as it applies to professional services that directly support housing delivery.

RECOMMENDATION 3: Prioritize investment in new market-rate housing by expanding incentives and financing programs and effect building code reforms to enable more attainable housing supply

In a recent news release, Minister Boyle stated, “it takes sustained action on all fronts, year after year, to actually take on a challenge as big as the housing crisis.” CHBA BC agrees.

British Columbia’s housing affordability challenges cannot be solved by focusing solely on supportive and rental housing. A comprehensive housing strategy must support the full housing continuum, including attainable market-rate housing. Rising construction costs and financing, and government-imposed fees and charges have significantly eroded housing affordability, placing homeownership beyond the reach of many qualified buyers. As a result, households are remaining in rental housing longer, increasing pressure on an already constrained rental market. While continued non-market housing investments are necessary, they cannot compensate for the severe lack of supply in the broader market.

CHBA BC recommends that the Province invest in the delivery of new market-rate housing by expanding incentives and financing programs and effect building code reforms that enable attainable housing supply.

More specifically:

- Allocate new construction incentives for homes that exceed minimum Provincial energy efficiency and carbon requirements, such as Better Homes and Better Buildings programs for higher performance Step Code and low-carbon technologies.
- Introduce enhanced incentives for voluntary energy conservation measures for new residential construction, targeting areas with localized electrical distribution capacity constraints, helping to reduce peak demand while improving housing attainability and resilience.
- Enhance access to low-cost construction financing for projects delivering attainable market housing, such as small-scale multi-unit housing—multiplexes, townhomes, and infill developments—which are especially sensitive to upfront costs.
- Partner with Federal Government investments released in the [Spring Economic Update 2026](#) on streamlining rules and modernising building codes to better assess cumulative cost impacts on housing affordability.

CONCLUDING REMARKS

Thank you for the opportunity to provide input on Budget 2027. The recommendations outlined in our submission reflect key challenges and opportunities raised by our members and are intended to support the Province's ongoing efforts to improve housing supply and affordability across communities in BC. Please note that the recommendations are not presented in order of priority.

We hope you will take these recommendations into consideration as you prepare Budget 2027. If you have any questions or require additional information, please do not hesitate to reach out.

Sincerely,



Jenny Scott,
Director, Policy and Government Relations