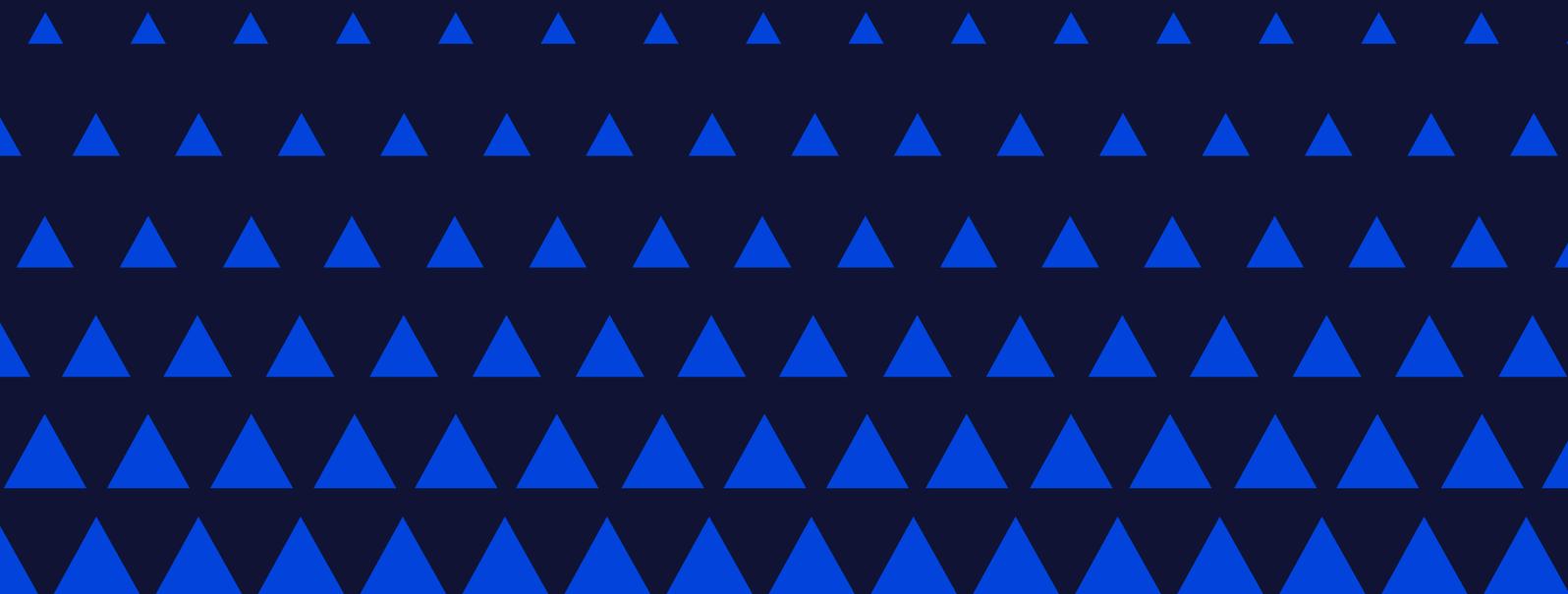


— CAMP Response to the
Build Canada Homes
Market Sounding Guide

August 29, 2025



About CAMP

The Canadian Anti-Monopoly Project (CAMP) is a think tank dedicated to addressing the issue of monopoly power in Canada and around the world. CAMP produces research and advocates for policy to make the Canadian economy more fair, free, and democratic.

Recommendation

1. Allow smaller, innovative firms to contribute to solving Canada's housing crisis by including space for them in the design of Build Canada Homes (BCH).

CAMP welcomes the opportunity to provide our perspective on the design of Build Canada Homes (BCH), an entity with the potential to materially improve affordability in one of the most important markets for Canadians.

Our perspective responds to the discussion of the preferred scale of projects described in the market sounding guide. In section 3. Build Canada Homes, the guide suggests that BCH is "envisioned as growing the stock of affordable housing... through a small number of large deals, rather than a large number of small deals," with above 300 residential units interpreted as a potential floor for projects that will merit consideration by BCH.¹

While the desire to meet the scale of the crisis is understandable, this focus on only large deals, and likely only large players in the market, risks undercutting the objectives of building faster, better, and smarter, as well as improving housing affordability in smaller communities in Canada.

A focus on only large projects risks creating what housing policy experts at the Missing Middle Initiative refer to as the "valley of death," where smaller, innovative companies operating in the space are unable to scale up novel approaches that could otherwise improve the productivity of the sector.² In many markets, newer and smaller companies are an important source of innovative approaches and business models. Housing is no exception. BCH could be an important lever to provide early-stage companies the opportunity to put novel approaches to work on a greater scale, reduce their costs and spur competition in the housing construction market. This kind of competition would provide durable benefits to Canadians beyond the scope of BCH and contribute to increasing the productivity of the homebuilding sector.

By limiting the focus to only large-scale projects and players, BCH could miss this opportunity for productive innovation while widening the resource gap between incumbent and upstart players. BCH can benefit both from the scale of existing players and the innovative approaches employed by upstarts by creating space for new entrants to put these methods to work.

¹ Housing, Infrastructure and Communities Canada, 2025 Build Canada Homes Market Sounding Guide (2025)

<https://housing-infrastructure.canada.ca/alt-format/pdf/bch-mc/market-sounding-guide-sondage-marche-en.pdf>

² Missing Middle Initiative, Build Canada Homes Can Work If We Get the Details Right (2025)
<https://www.missingmiddleinitiative.ca/p/build-canada-homes-can-work-if-we>

The role of these players is particularly relevant for smaller and more remote communities, where the size of the market means projects below the proposed cut off would be relevant to addressing housing shortages. Canada's housing crisis is often understood as a big city story, with the growth of housing prices in cities like Vancouver and Toronto attracting the most headlines. But smaller communities have not been spared from the explosion in the cost of housing. Communities of all sizes, whether in the interior of British Columbia, rural Saskatchewan, or the Atlantic provinces, are grappling with a common problem of inflated housing costs.

Just like with spurring the adoption of innovative methods of construction, BCH could be a powerful tool for improving the affordability of housing in these communities if it envisions a role for smaller players in the housing construction market. To take just one example, in recent years the city of Moncton, NB has added an average of 1,100 residential units annually.³ Under the proposed BCH project cut-off, a single developer would have to be responsible for over a quarter of new housing stock for the city to fit within the current vision for the entity.

By recognizing the potential role for players below the proposed cut off, BCH will be more likely deliver benefits to Canadians in communities of all sizes, not just the large and mid-sized Canadian cities in which larger scale projects make financial sense.

Conclusion

Given the depth and scope of Canada's housing crisis, it will take a diverse range of players to improve housing affordability in communities across the country. By limiting the efforts of BCH to only larger players in Canada's housing market, the BCH risks overlooking an important lever of innovation and reducing its potential positive impact on smaller communities. BCH can avoid both outcomes by including space for smaller, innovative firms in its vision for addressing Canada's housing crisis.

³ Moncton Impact, Moncton by the Numbers: Key Facts (2024)
https://monctonimpact.ca/files/images/City-of-Moncton_Fact-Sheet_DIGITAL_Dec-2024.pdf