Build Canada Homes' first moves: 4,000 direct-build units and a controversial B.C. condo conversion push

August 06, 2026

On Sept. 14, 2025, the Canadian government launched Build Canada Homes, a new federal agency designed to increase Canada's housing supply by building affordable housing at scale. Build Canada Homes will work with provinces, territories, municipalities and Indigenous communities to build affordable community housing for low-income households, while also partnering with private developers to deliver affordable housing for middle-class Canadians.

The federal government introduced Bill C-20, the *Build Canada Homes Act* (the Act), on Feb. 5, 2026, to formalize and expand Build Canada Homes' mandate. The Act provides the legislative framework to establish Build Canada Homes as a Crown corporation dedicated to building affordable housing at scale across Canada, with broader authority and operational flexibility.

The Act received Royal Assent on June 18, 2026, and the Government of Canada announced the milestone on June 19, 2026. Royal Assent established the framework for Build Canada Homes to transition to a Crown corporation. Further steps, including orders in council, governance implementation and leadership appointments, are required before it becomes fully operational as a Crown corporation later in 2026.

What you need to know

- Build Canada Homes has moved from a policy announcement to the implementation phase, with a mandate to increase Canada's housing supply by delivering affordable housing at scale.
- Bill C-20, the Build Canada Homes Act, gives Build Canada Homes the legislative framework, authority and operational flexibility needed to transition into a Crown corporation.
- Build Canada Homes' first direct-build projects will oversee approximately 4,000 homes on federally owned sites, marking the first test of the federal government's land-led housing strategy.

- The Canada-British Columbia condo conversion project could convert more than 2,200 vacant condo units into affordable homes, but its structure, pricing and affordability conditions are still under consideration.
- The Canada-British Columbia condo conversion project may include a first-of-its-kind rent-to-buy arrangement in Canada, giving Canadians who are unable to save a large enough lump sum for a down payment a new pathway to homeownership.

Federal land is the foundation of the strategy

The Canadian government provided Build Canada Homes with an initial $13 billion investment to help finance and launch affordable housing construction projects across Canada. The affordable housing projects under Build Canada Homes will utilize federal public lands as a central tool to reduce land costs, streamline construction and support affordability.

By bringing Canada Lands Company into the Build Canada Homes portfolio, Build Canada Homes has gained access to the federal government's land portfolio, including 88 federal properties identified as suitable for housing. Build Canada Homes can lease or discount surplus and underused public lands to partners, reducing development and construction costs and supporting affordability targets.

Canada's Housing Minister Gregor Robertson has described Build Canada Homes' use of federal lands as a generational decision that will play a key role in ensuring everyone in Canada has a place to live.

While the majority of underused federal lands identified by the Canada Public Land Bank are in Ontario, there are public lands under consideration for project implementation across the country. As of time of publication, the Canada Public Land Bank has identified three British Columbia properties, located in Port Moody, Vernon and Vancouver, in the open-for-feedback phase.By contrast, Ontario has 46 properties under consideration, all of which are either open for feedback, accepting submissions or reviewing submissions.

Despite most of the initial opportunities being in Ontario, the government has instructed federal ministers to identify lands owned by their departments that may be suitable for housing construction beyond the 88 federal properties listed on the Canada Public Land Bank. As federal ministers continue to identify underused public lands, more opportunities to build affordable housing may arise in British Columbia.

From policy to projects: Build Canada Homes starts building

Build Canada Homes has begun implementing its strategy to optimize federal lands through six initial direct-build projects expected to deliver approximately 4,000 homes on federally owned sites.

As the planning process for the initial six build projects continues, Build Canada Homes is now selecting partners for the projects, with a focus on partnerships that prioritize

Canadian resources, support Canadian industries and create high-paying careers across Canada.

The first six projects include:

- Arbo (Toronto): 540 new homes on a portion of the site at Arbo Downsview in Toronto.
- Naawi-Oodena (Winnipeg): A partnership between Treaty One First Nations and Canada Lands Company to deliver 320 new homes.
- Village at Griesbach (Edmonton): 355 new homes on the northeast corner of the Village of Griesbach.
- Pointe-de-Longueuil (Québec): 1,055 new homes located on the St. Lawrence River waterfront in the City of Longueuil.
- Heron Road (Ottawa): Approximately 1,100 new homes on the 18-acre federal site 20 minutes outside downtown Ottawa.
- Shannon Park (Dartmouth): Approximately 630 new homes on a dedicated parcel.

While the six initial build sites represent a meaningful first step to increase the supply of affordable housing in Canada, B.C. Housing Minister Christine Boyle has encouraged the Canadian government to implement similar direct-build projects in British Columbia. By using available federal properties in the Canada Public Land Bank, and continuing to identify new surplus federal properties, the hope is to see new affordable housing built directly in British Columbia.

In addition to the direct-build projects, Build Canada Homes has secured large-scale partnerships across the nation, including with the City of Ottawa, the provinces of British Columbia, Québec and Nova Scotia, and, through a tripartite agreement, with Nunavut and Nunavut Tunngavik Inc.These partnerships aim to generate capital investment, adopt modern construction practices, accelerate approvals and permitting, and reduce delivery costs.

For example, Build Canada Homes and the City of Ottawa are working together to support 3,000 new mixed-income and affordable homes, with construction supported by up to $400 million in federal and municipal contributions. The City of Ottawa has also committed to waiving fees, expediting approval and permitting processes, and providing property tax exemptions to help reduce costs and maintain affordability for residents.

In British Columbia, Build Canada Homes is exploring partnership opportunities through the Canada-British Columbia Partnership on Condo Conversion project (British Columbia condo conversion project). While the British Columbia condo conversion project is an opportunity to increase the supply of affordable housing in Canada, the initiative has attracted more public scrutiny than some of the other announced partnerships.

B.C.’s condo conversion project: Housing tool or developer bailout?

Under the British Columbia condo conversion project, launched on June 18, 2026, the federal and British Columbia governments aim to use financing tools to convert more than 2,200 vacant condo units into affordable homes through Build Canada Homes and BC Housing.

The proposal has drawn criticism from some commentators as a potential developer bailout that will artificially prop up housing prices rather than allow market forces to drive prices down to what Canadians can afford. However, some commentators are optimistic about the initiative, suggesting it could be a practical way to convert existing unsold inventory into affordable housing if the acquisition terms are appropriately structured.

While the details of the acquisition structure are still under consideration, the federal government has stated the condos will be purchased at below-market rates, ideally below the cost of construction. The federal government has also noted that the condos will not be purchased in the City of Vancouver, but rather that the acquisition will focus on regions where the economics work, such as the Fraser Valley, Okanagan and Vancouver Island.

As part of the condo conversion proposal, Prime Minister Mark Carney recently announced that the plan will include a rent-to-buy program aimed at supporting Canadians who are unable to save a large enough lump sum for a down payment. This suggests that at least some converted condo units will be used not only as rental housing, but also as a pathway to eventual homeownership.

Rent-to-buy arrangements typically require monthly payments to the property owner, with a portion of each payment, often called a rent credit, applied toward a future down payment. The occupant may then have an option to purchase the home on an agreed future date without providing the full down payment upfront.

To date, the federal and British Columbia governments have provided limited information about the specific structure of the British Columbia condo conversion project. As more details become available, developers, lenders and British Columbians will have a clearer picture of the project's implications for affordable housing in Canada.

What to watch next

Taken together, the six initial direct-build projects and announced partnerships appear to be only the beginning. Build Canada Homes is actively accepting and reviewing affordable development project applications on an ongoing basis through the Build Canada Homes portal, creating new opportunities for lenders, municipalities and developers to participate.

The Commercial Real Estate Group at BLG will continue to monitor federal government updates and advise clients on how to leverage and participate in Build Canada Homes programs. If you have any questions, please reach out to BLG's Commercial Real Estate lawyers.

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