



## Memorandum

**To:** Canadian Institute of Quantity Surveyors

**From:** Impact Public Affairs

**Subject:** **2024 Federal Budget: Fairness for Every Generation**

**Date:** April 16, 2024

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Today, Deputy Prime Minister and Minister of Finance Chrystia Freeland tabled the 2024 Federal Budget: “Fairness for Every Generation”. This year’s budget focuses on key themes of housing, affordability, economic growth, and fairness for younger generations, with several measures geared towards Millennials and Gen Z voters.

On the Housing and Infrastructure front, government took a new approach this year, unveiling major budget items at campaign-style announcements over the past two weeks, attempting to capture slow news days during constituency weeks when the House is not sitting.

The Liberal government is aiming to build 3.87 million homes by 2031 through a series of tax breaks, incentives, and loans. To achieve this target, housing starts will need to ramp up significantly to an average of 550,000 per year, almost double the current pace.

Housing measures include a \$6 billion infrastructure program, a \$400 million top-up of the already operational housing accelerator fund, and a \$15 billion expansion of the apartment construction loan program. \$600 million was also committed to a series of homebuilding innovation efforts aimed at scaling up modular and prefabricated homes. The government will also sell-off underused federal properties for building rentals, finding savings of \$3.9 billion over 10 years.

The budget shows a \$40 billion deficit for the 2023-24 fiscal year, forecasting smaller deficits each year, declining to \$20 billion in 2028-29. Debt-to-GDP ratio is projected to improve slightly from 41.9% this fiscal year to 39% in 2028-29. As a percentage of GDP, the deficit will be 1.3% in the current fiscal year and is projected to decline to 0.6% in the fifth year of the forecast.

Pierre Poilievre, Leader of the Opposition, in responding to the budget, called on the government to cap its reckless spending, abolish the carbon tax, and build housing, not bureaucracy.

## Specific Program Details Below

### A New Canada Housing Infrastructure Fund

Budget 2024 proposes to provide \$6 billion over 10 years, starting in 2024-25, to Infrastructure Canada to launch a new Canada Housing Infrastructure Fund. The Fund will accelerate the construction and upgrading of housing-enabling water, wastewater, stormwater, and solid waste infrastructure that will directly enable new housing supply and help improve densification. This Fund will be comprised of:

- \$1 billion available directly to municipalities to support urgent infrastructure needs that will directly enable housing supply.
- \$5 billion for agreements with provinces and territories to support long-term priorities. Provinces and territories can only access this funding if they commit to key actions that increase housing supply:
  - o Legalize more housing options by adopting zoning that allows four units as-of-right and that permits more “missing middle” homes, including duplexes, triplexes, townhouses, and small multi-unit apartments;
  - o Implement a three-year freeze on increasing development charges from April 2, 2024, levels for municipalities with a population greater than 300,000;
  - o Adopt forthcoming changes to the National Building Code to support more accessible, affordable, and climate-friendly housing options;
  - o Provide pre-approval for construction of designs included in the government’s upcoming Housing Design Catalogue; and,
  - o Implement measures from the forthcoming Home Buyers’ Bill of Rights and Renters’ Bill of Rights.

Provinces will have until January 1, 2025, to secure an agreement, and territories will have until April 1, 2025. If a province or territory does not secure an agreement by their respective deadlines, their funding allocation will be transferred to the municipal stream. The federal More Affordable Homes 51 government will work with territorial governments to ensure the actions in their agreements are suitable to their distinct needs.

### Changing How we Build Homes

- To spur the development of innovative housing technologies, Budget 2024 proposes \$50 million over two years, beginning in 2024-25, for Next Generation Manufacturing Canada (NGen)—one of Canada’s Global Innovation Clusters—to launch a new Homebuilding Technology and Innovation Fund. NGen will seek to leverage an additional \$150 million from the private sector, and other orders of government, to support a targeted \$200 million investment in housing innovation in Canada. The first projects will aim to be announced this summer.
- To scale-up more innovative housing solutions, Budget 2024 proposes \$50 million over two years, beginning in 2024-25, on a cash basis, through Canada’s Regional Development Agencies to support local innovative housing solutions across the country, such as designing and upscaling of modular homes, the use of 3D printing, mass timber construction, and panelized construction.



- Budget 2024 also announces that the Apartment Construction Loan Program will earmark at least \$500 million to homebuilders that use innovative construction techniques, such as modular housing, for new rental projects.
- To build more rental apartments, faster, Budget 2024 announces an additional \$15 billion in new loan funding, starting in 2025-26, for the Apartment Construction Loan Program, bringing the program's total to over \$55 billion. This investment will help build more than 30,000 additional new homes across Canada, bringing the program's total contribution to over 131,000 new homes supported by 2031-32.
- Building on this momentum, Budget 2024 announces Canada Builds, the federal government's intention to leverage its \$55 billion Apartment Construction Loan Program to partner with provinces and territories to build more rental housing across the country.
- Budget 2024 proposes to provide \$50 million over two years, starting in 2024-25, to Employment and Social Development Canada for the Foreign Credential Recognition Program. At least half of this amount will be to streamline foreign credential recognition in the construction sector to help skilled trades workers build more homes, and the remaining funding will support foreign credential recognition in the health sector.