



**2026/27  
Pre-Budget  
Submission**

Building for Growth Means Planning  
Complete Communities

## Recommendations

1. Prioritize federal funding, programs, and lands to expand non-market, deeply affordable, and supportive housing, addressing gaps not met through current market-based initiatives.
2. Commit to a renewed fiscal framework (“New Deal”) for municipalities to expand revenue opportunities and better align municipal revenue sources with their responsibilities.
3. Better align federal infrastructure funding with housing and economic growth priorities.
4. Provide targeted funding to strengthen local planning capacity in under-resourced communities, including rural, northern, remote, and Indigenous communities, and support their participation in major federal housing, infrastructure, and nation-building initiatives.
5. Provide funding to develop a national AI-enabled repository of planning bylaws, zoning regulations, and permitting processes to support acceleration of housing approvals and innovation across jurisdictions.

## Introduction

As the national voice for professional planners, the Canadian Institute of Planners (CIP) represents over 10,000 diverse professionals and has supported Canada's planning community since 1919. Our members work in both the public and private sectors, across fields such as planning, environmental resource management, land development, heritage conservation, social planning, transportation planning, and economic development. They work in communities of all sizes across the country, bringing critical on-the-ground expertise that shapes our regions and neighbourhoods. Professional planners play a central role in translating federal housing ambitions into on-the-ground outcomes, working across jurisdictions to align housing, infrastructure, and community and economic development.

CIP welcomes the opportunity to share its recommendations with the Standing Committee on Finance in advance of the 2026 federal budget.

Canada's housing efforts are not falling short due to a lack of ambition, but rather to misalignments among policy, capacity, and delivery systems. Recent federal initiatives, including Build Canada Homes, signal important leadership and a renewed commitment to improving housing supply; however, new tools alone will not resolve the housing crisis if underlying system constraints remain unaddressed.

Addressing Canada's housing challenges requires more than increasing supply. It requires ensuring that the right types of housing are built, that communities have the capacity to deliver them, and that housing investments are aligned with long-term community needs.



## Prioritize federal funding, programs, and lands to expand non-market, deeply affordable, and supportive housing

Supply is not the only problem in the Canadian housing system – there is a fundamental mismatch between what is being built and what Canadians can afford. While recent federal initiatives such as Build Canada Homes represent an important step toward increasing supply, they do not fully address affordability challenges or the broader system constraints affecting housing delivery.

Canada Mortgage and Housing Corporation's 2026 Housing Market Outlook revealed that new home construction is set to decline through 2028 as developers face high costs, weaker demand and more unsold homes.<sup>1</sup> The report showed that construction and home sales in Ontario and British Columbia will be weaker than their 10-year averages, while in the Prairies and Quebec, they will remain above their historical averages. Ontario is the only province expected to see price declines in 2026.

This forecast was further corroborated by the Canadian Home Builders' Association's Q1 2026 Housing Market Index, released in April 2026, which found near record-low builder confidence in the single-family market (20.9 points) and a new record low in the multi-family market (13.4 points).<sup>2</sup> These results are based on investment decisions that developers made 3–5 years ago, and the situation is likely to worsen as the current investment climate has all but stagnated, meaning houses will remain in short supply and unaffordable for most homebuyers.

Market housing alone cannot resolve the housing crisis, and there remains a significant need for deeply affordable, supportive, and non-market housing. Federal housing efforts must directly target these gaps to ensure that increased supply translates into improved access, and they must include not-for-profit and cooperative housing providers.

<sup>1</sup> Canada Mortgage and Housing Corporation, *Housing Market Outlook*, Spring 2026, <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/housing-market/housing-market-outlook>

<sup>2</sup> Canadian Home Builders' Association, *Q1 2026 Housing Market Index*, April 2026, <https://www.chba.ca/housing-market-index/>



## Commit to a renewed fiscal framework (“New Deal”) for municipalities to expand revenue opportunities

The ability to deliver housing at scale is increasingly constrained by limited local capacity. Municipalities are responsible for enabling growth but face significant financial pressures and limited tools to generate stable revenue, which in turn affects their ability to hire and retain the staff needed to plan, approve, finance, and deliver housing and infrastructure, including investments in economic growth and climate-adaptive infrastructure. These constraints are contributing to bottlenecks in housing delivery across the country, limiting their ability to respond effectively to housing demands.

CIP endorses the Federation of Canadian Municipalities’ call for the federal government to bring together all orders of government to discuss and develop a Municipal Growth Framework: a new, more equitable way to fund local governments and better align municipal responsibilities with the resources required to support growth.<sup>3</sup>



## Better align federal infrastructure funding with housing and economic growth priorities

Broader federal policy objectives such as economic growth, housing delivery, and climate mitigation and adaptation are closely tied to the availability and timing of supporting infrastructure. Recent federal initiatives, such as the Build Communities Strong Fund, recognize the importance of aligning infrastructure investment with housing growth. However, stronger coordination is needed to ensure these investments consistently support housing, economic and community development, transportation, and climate readiness. This misalignment can delay development and limit communities’ ability to grow sustainably.

The federal government has developed robust policies in areas such as nature conservation and biodiversity, as well as accelerated economic growth and housing supply. The Housing Accelerator Fund, for example—despite some identified areas for improvement in the program—has resulted in 31% more permits being issued and 5% more housing starts than the 2018–2023 averages, and led to streamlined municipal planning processes, reduced red tape, and innovative climate-resilient and diverse housing options.<sup>4</sup>

<sup>3</sup> Federation of Canadian Municipalities, *Municipal fiscal reform*, <https://fcm.ca/en/focus-areas/municipal-fiscal-reform>

<sup>4</sup> Office of the Parliamentary Budget Officer, *An Update on the Housing Accelerator Fund, 2025*, <https://www.pbo-dpb.ca/en/additional-analyses--analyses-complementaires/BLOG-2526-005--an-update-housing-accelerator-fund--point-fonds-accelerer-construction-logements>

Linking federal initiatives to the development of municipal and land use plans will better align federal infrastructure funding and enable more effective, complete, and future-ready growth across Canadian communities.

CIP applauds the recent Canada-Ontario Partnership to Build, supported through the Build Communities Strong Fund, which will invest up to \$8.8 billion in infrastructure and reduce development charges on new home builds to lower costs to home purchasers and direct infrastructure investments to projects that are delivering on supply.<sup>5</sup> We encourage the government to expand this approach to other jurisdictions with high housing demand, ensuring that municipalities remain compensated for the reduction in development charges, while continuing to work towards longer-term, sustainable funding frameworks.

#### Recommendation #4

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## Provide targeted funding to strengthen local planning capacity in under-resourced communities

Planners are the primary practitioners at the local level to enable and facilitate the successful implementation of federal policies and investments; to inform and communicate those policies and investments to local decision-makers and communities; and to advise the federal government on local contexts, policies, and regulations to support successful delivery. And yet, planning capacity varies significantly across the country, with many rural, northern, remote, and Indigenous communities facing persistent challenges in accessing and retaining professional planning expertise.

Sustainable growth also requires a rapidly expanding range of planning expertise. In addition to their traditional field of practice in land use planning, professionals are increasingly called upon to develop policies that encompass transportation, housing, environment, recreation, social supports, and other aspects to make communities vibrant and sustainable. Many communities lack the staffing and resources needed to participate fully in federal programs and meet basic infrastructure and housing needs, including the ability to plan for and invest in climate-adaptive infrastructure. Without targeted support, these gaps can limit the effectiveness of federal investments and slow the delivery of housing and infrastructure.

The Planning Institute of British Columbia (PIBC)'s recently published report, "State and Future of the Planning Profession Study," provides evidence of a growing shortage of skilled and experienced professional planners in BC and the Yukon, and highlights how much more acute the problem is in rural, northern, remote, and Indigenous communities.<sup>6</sup>

<sup>5</sup> Government of Ontario, *Details of the Canada-Ontario Partnership to Build*, March 30, 2026, <https://news.ontario.ca/en/backgrounder/1007226/details-of-the-canada-ontario-partnership-to-build>

<sup>6</sup> Planning Institute of British Columbia, *State and Future of the Planning Profession Study*, 2026. [https://www.pibc.bc.ca/sites/default/files/internal\\_pages\\_pdfs/about-us/PIBC-RKA-Report-final-260310v2.pdf](https://www.pibc.bc.ca/sites/default/files/internal_pages_pdfs/about-us/PIBC-RKA-Report-final-260310v2.pdf)

The same evidence and concerns are being experienced in every regional jurisdiction across the country.

Planning workforce challenges are also compounded by broader labour market pressures, including difficulties attracting and retaining experienced planners and evolving immigration pathways that may not fully reflect current workforce needs. For example, urban and land use planners (National Occupational Classification code 21202) are not currently prioritized through federal Express Entry category-based selection pathways, despite growing demand for planning expertise across Canada.

To maximize its investments, CIP encourages the federal government to work with CIP to develop a national planning advisory service and a youth corps that could begin with small pilot projects in communities involved in priority nation-building initiatives. CIP has supported similar initiatives in the past, including successful projects with federal partners and communities in Nunavut and Atlantic Canada to deliver climate adaptation plans through strong community engagement and cost-effective planning support.

While external planning support can help communities access specialized expertise, many communities note that limited resources often extend only to plan development, leaving them without the capacity needed for implementation. That is why CIP proposes that a planning advisory service should be complemented by a parallel youth planners corps, carefully mentored and overseen, and deployed across communities to help strengthen and build local capacity in the longer term while supporting the timelines for delivering federal priorities.

## Recommendation #5

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# Provide funding to develop a national AI-enabled repository of planning bylaws, zoning regulations, and permitting processes

CIP recognizes that new technology can help bridge some current gaps in planning capacity while ensuring that local jurisdictions take steps now to be more efficient and effective. Housing delivery is affected by varying planning, zoning, and permitting approaches across jurisdictions, even as many communities are advancing new tools and practices to improve efficiency.

Modernizing these systems would provide greater, more efficient access for municipalities and developers to see how other jurisdictions are addressing housing supply challenges. It would also improve access to planning research, tools, and approaches, accelerating professional understanding of local policies and regulations and how they could apply to other jurisdictions.

There is an opportunity to better share and scale proven approaches and innovations already underway in communities across Canada—such as the PIBC’s Intelligent Inventory—to reduce duplication and accelerate housing delivery.<sup>7</sup>

To maximize its investments, CIP encourages the federal government to work with CIP to create an open, accessible repository for all interest-holders, providing easy access to research, planning and permitting information at a national scale. Greater access to different approaches will better ensure these challenges are addressed, and the federal government can establish a sustainable system to deliver housing more consistently and efficiently across the country.

## Conclusion

Canada has made important progress in addressing the housing crisis, but achieving meaningful outcomes will require greater alignment between policy objectives, local capacity, and delivery systems. CIP supports the federal government’s general direction and continues to offer its advice and expertise to help implement this ambitious agenda.

By prioritizing non-market housing, strengthening fiscal and structural municipal capacity, aligning infrastructure and climate adaptation investments, and modernizing planning systems, the federal government can enable more coordinated and sustainable growth across the country. This will ensure that the federal government’s growth strategy translates into transformative benefits for Canadians and complete, resilient communities.

<sup>7</sup> Planning Institute of British Columbia, *Intelligent Inventory*, <https://intelligent-inventory.pibc.bc.ca/>



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