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Written Submission to the Standing Committee on Finance

In Advance of the 2026 Federal Budget

Sustainable Buildings Canada

May 21, 2026

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Recommendation 1: That the Government of Canada continue and expand investment into Model National Building Code harmonization, Codes Acceleration initiatives, and regulatory modernization efforts to accelerate delivery of higher quality and more resilient housing across Canada, including in Indigenous, remote, and underserved communities.

Recommendation 2: That the Government of Canada build on existing workforce development and skilled trades investments by supporting sustainable building practitioner training, technical capacity-building, and implementation delivery models addressing critical sector priorities. In particular, the Integrated Design Process delivery model can be used to rapidly deploy skilled practitioners to priority areas such as Modern Methods of Construction and building sector electrification across the country.

Recommendation 3: That the Government of Canada fund the development of electrification-ready building integrated design initiatives that prioritize aggressive clean energy performance requirements and demand-side optimization strategies from the outset. This is critical given the rapidly growing interdependency between housing and electricity infrastructure and the impact on future energy needs.

Recommendation 4: That the Government of Canada expand funding streams for housing and retrofit projects that lower long-term energy and infrastructure costs in Canadian communities, including for Indigenous, northern, and underserved regions. This includes renewing support for programs such as the Greener Neighbourhoods Pilot Program and Deep Retrofit Accelerator initiatives.

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Sustainable Buildings Canada (SBC) is a national not-for-profit organization that connects communities of learners, practitioners, and leaders to catalyze the positive transformation of the Canadian built environment. We focus on advancing implementation capacity for high-performance buildings and communities across Canada. Since 2003, SBC has delivered over 1,000 Integrated Design Process workshops, as well as Codes Acceleration workshops, Better Buildings Boot Camps, and Energy Modelling initiatives that build workforce capability for delivering high-performance buildings, drive youth and practitioner skills development, and facilitate regulatory modernization across the building sector.

As Canada's housing, electrification, and infrastructure objectives increasingly converge, implementation capacity has emerged as a critical national constraint. Meeting Canada's housing challenge requires not only investment and policy ambition, but also coordinated practitioner expertise, scalable delivery models, and implementation-ready technical capacity.

SBC's Budget 2026 recommendations therefore focus on accelerating sector readiness through building and aligning practitioner workforce capacity with Canada's long-term affordability, resilience, and productivity objectives.

➔ **Recommendation 1: That the Government of Canada continue and expand investment into Model National Building Code harmonization, Codes Acceleration initiatives, and regulatory modernization efforts to accelerate delivery of higher quality and more resilient housing across Canada, including in Indigenous, remote, and underserved communities.**

Canada's housing supply challenge requires a coordinated and supportive regulatory environment that prioritizes not only housing delivery, but also supports long-term building quality, future resilience, and operational performance outcomes for communities of all kinds.

Differing code adoption across Canada's provinces, territories, and municipalities creates unnecessary delays and additional costs for the sector, and contributes to confusion and market uncertainty for designers, builders and developers, manufacturers, and related practitioners that are operating nationally. Code harmonization, combined with training to support consistent code interpretation and performance-based approval pathways, will improve the overall effectiveness of the Code system, support housing innovation, and faster project delivery timelines across the country.

National Model Codes are often developed around mainstream assumptions but require flexibility to reflect the distinct existing conditions and implementation realities facing Indigenous, remote, and underserved communities when it comes to developing regulatory and Code-related measures for improving housing quality and increasing supply.

The federal government's support for the Codes Acceleration initiative, which includes SBC's Codes Acceleration Forum work focused on higher-tier energy performance, has demonstrated strong demand by codes officials for support related to understanding evolving requirements. Continued investment in Codes Acceleration, as well as new support for context-dependent and

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Code-adjacent initiatives for underserved communities, can help improve consistency in Code interpretation and strengthen adoption readiness across the country. Market certainty and direction is fundamental to the effective adoption of innovative and future-ready housing systems for Canadians.

- ➔ **Recommendation 2: That the Government of Canada build on existing workforce development and skilled trades investments by supporting sustainable building practitioner training, technical capacity-building, and implementation delivery models addressing critical sector priorities. In particular, the Integrated Design Process delivery model can be used to rapidly deploy skilled practitioners to priority areas such as Modern Methods of Construction and building sector electrification across the country.**

Canada has spent years building expertise within the sustainable buildings sector, yet current demand for technical expertise and Code-readiness support is already outpacing available capacity. Recent federal investments through Team Canada Strong demonstrate recognition of the importance of growing Canada's skilled construction workforce. Continued investment in youth skills, workforce development, and future-focused technical capacity is necessary to strengthen the labour pipeline and position the sector for adaptability and long-term resilience.

In addition, SBC believes there is a significant opportunity to complement these efforts through leveraging the existing skilled practitioner ecosystem fundamental to delivering high-performance building outcomes in practice. Since 2003, SBC and its national network of external practitioners have delivered more than 1,000 Integrated Design Process workshops and related initiatives across Canada focused on demonstrating practical pathways to achieving higher-performing and cost-effective buildings. SBC believes that the Integrated Design Process

delivery model, which is a collaborative design process that includes advanced use of energy modelling, provides a highly scalable mechanism for planning, evaluating, and implementing critical emerging priorities. This includes designing to consider Modern Methods of Construction opportunities, electrification and load considerations, resilience, and future Code adoption readiness across various building typologies.[1]

Similarly, SBC's Energy Modellers' Forum is a national and practitioner-led community of practice that supports building modelling expertise and provides valuable regional context and technical feedback to evolving codes and standards frameworks. Together, SBC's Integrated Design Process delivery model and Energy Modellers' Forum represent a ready implementation platform that can rapidly deploy skilled capacity to key national priorities, as well as more coordinated uptake of evolving Code requirements.

➔ **Recommendation 3: That the Government of Canada fund the development of electrification-ready building integrated design initiatives that prioritize aggressive clean energy performance requirements and demand-side optimization strategies from the outset. This is critical given the rapidly growing interdependency between housing and electricity infrastructure and the impact on future energy needs.**

Canada cannot afford to expand housing supply while ignoring the long-term pressure that poorly designed buildings place on the electricity grid. SBC believes that there is an immediate need to support an integrated design-based approach tailored toward regions and building typologies that are expected to experience rapid growth and infrastructure constraints. For example, SBC's integrated design and energy modelling work has identified a significant

[1] In addition, the Integrated Design Process has been shown to deliver collateral benefits to projects, including improved occupant comfort, at no additional cost.

increase in the specification of heat pumps and all-electric mechanical systems across new construction projects, particularly for multi-unit residential and affordable housing applications.

While electrification presents opportunities for emissions reduction, widespread building electrification has major implications for electricity demand, constrained transmission infrastructure, and grid capacity if not paired with aggressive building clean energy performance measures and demand-side mitigation strategies from the outset.

Integrated design offers an economical approach to avoid unnecessary generation expansion by optimizing building energy use before construction begins. Early-stage design decisions are the most cost-effective means available to avoid additional high-cost generation expansion, as every unit of avoided peak demand reduces future transmission and generation capital requirements. Integrating electrification, housing growth, and energy efficiency objectives upfront in building delivery is an important opportunity to reduce future infrastructure costs while improving long-term affordability and grid resilience.

- ➔ **Recommendation 4: That the Government of Canada expand funding streams for housing and retrofit projects that lower long-term energy and infrastructure costs in Canadian communities, including for Indigenous, northern, and underserved regions. This includes renewing support for programs such as the Greener Neighbourhoods Pilot Program and Deep Retrofit Accelerator initiatives.**

Housing built today will shape the future of household comfort, infrastructure, energy systems, and insurance costs for decades to come. Federal investments in retrofit, resilience, and community-scale housing initiatives foster significant benefits; programs such as the *Greener Neighbourhoods Pilot Program* for example have demonstrated the value of integrated approaches that address housing renewal, energy performance, and community resilience.

Scaling initiatives such as these can significantly strengthen the ability of communities to meet current and compounding pressures around housing, energy, and climate-related risks.

SBC also believes there is an important opportunity to better connect retrofit and resilience discussions more directly into broader national housing delivery priorities, including exploring how existing housing stock and community renewal strategies can deliver quality net-new housing supply and meet affordability goals. Future-ready retrofit initiatives that direct support to building energy efficiency measures will help improve long-term housing quality and durability and help reduce future infrastructure and adaptation costs across Canada.

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It is SBC's position that Canada's housing, electrification, and infrastructure objectives will ultimately succeed or fail based on implementation capacity. Investments in integrated design, workforce readiness, and Codes acceleration are necessary and scalable mechanisms that will reduce future infrastructure costs, strengthen long-term affordability, and improve housing delivery outcomes across Canada.

In closing, SBC appreciates the opportunity to provide recommendations to the Standing Committee on Finance in advance of the 2026 Federal Budget. SBC welcomes continued collaboration with the Government of Canada to help drive implementation readiness for future-ready building outcomes across Canada.

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Sincerely,

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cc:

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