

Spring Economic Statement 2026

Background

On April 29, 2026, Finance Minister François-Philippe Champagne tabled the federal government's Spring Economic Statement (SES). Under Ottawa's revised budget calendar, a similar fall fiscal update has now been moved to the spring to better align with other industry timelines, including construction. Amid global instability, the statement is an opportunity for the government to provide an update on Canada's fiscal outlook since Budget 2025, as well as to layer additional policy measures to 'Build Canada Strong'.

Unlike previous economic statements, this iteration was closely led by the Prime Minister's office alongside the Ministry of Finance, rather than from extensive input from other Cabinet Ministers. Following a construction-focused budget, the SES furthers the government's commitment to build, with the following key themes underpinning this update:

- Canada's first sovereign wealth fund
- Support for workers and young people, specifically in the skilled trades
- Initiatives to enhance Canada's competitiveness both domestically and internationally
- Measures to address the affordability crisis

This briefing note represents an immediate reaction following the statement. Further comprehensive analysis will be conducted over the coming days, with additional information shared if pertinent.

Fiscal overview

The statement lowers the projected 2025-26 deficit by roughly \$11 billion from Budget 2025. While stronger revenues contribute to the improvement, with revenues now projected to be \$7 billion higher, the larger first-year driver is lower total expenses, at \$10.7 billion, partly due to revised allowances for natural disaster liabilities and delayed spending on some of the previously announced measures. The revenue lift plays a more significant role along the forecasted horizon, reflecting a stronger economic starting point and higher oil prices.

Key areas for construction

Infrastructure investment

Canada Strong Fund (CSF) – The SES introduced CSF, a new national sovereign wealth fund. The fund will have a commercial mandate to generate returns for Canadians and future generations through equity investments in key projects and companies that build Canada. Individual Canadians will also be able to invest additional savings into the fund.

- The federal government will provide seed capital of \$25 billion (on a cash basis) to establish CSF as a new Crown corporation.
- The CSF will invest domestically, taking only minority equity positions alongside private capital.
- The CSF will invest in strategic projects and companies, including many Major Projects Office (MPO) projects, but it will not be limited to them.
- This could help finance strategic, commercial projects in Canada that fall outside traditional public infrastructure funding envelopes, creating additional construction demand over the longer term.

Small Craft Harbours Program (SCH) – As a starting point in investing and repairing essential infrastructure for Canadian communities, the SES proposes to provide \$957.8 million over five years on a cash basis to repair and maintain harbours across the country.

Investment Summit – Announced on April 17, the government intends to host a premier Investment Summit in September 2026 to attract a targeted \$500 billion in private investment over five years, channelled specifically for priority sectors such as energy and critical minerals, artificial intelligence, defence, and infrastructure.

Housing

Innovate homebuilding – On top of recent measures like the \$1.7 billion for Bill C-26: *Improving Housing Supply Act*, the government proposed \$41.9 million over five years to the National Research Council (NRC), the Standards Council of Canada (SCC), and Innovation, Science and Economic Development Canada (ISED) to modernize homebuilding regulations to accelerate construction. The measure points to:

- Reviewing National Model Codes to better accommodate prefabricated and other innovative housing products that improve affordability.
- Making code interpretation more consistent so repeatable systems are not re-litigated site by site.
- Exploring ways to modernize mortgage products to improve homeownership access.
- Mobilizing and collaborating with stakeholders to modernize the ways in which housing data is collected, tracked, monitored, and shared across Canada.

Facilitate homebuilding – SES 2026 proposes several financing measures, including changes to mortgage insurance rules to unlock “missing middle housing” and lower barriers to new housing supply.

- Additionally, the government intends to accelerate more than \$7 billion of low-cost Apartment Construction Loan Program (ACLP) loans. While this is not new funding, it pulls federal financing forward to increase short-term construction of purpose-built rental buildings, up to 16,500 new homes.
- The government intends to launch a 30-day consultation on possible additional financing measures to support the supply of owner-occupied homes ahead of Budget 2026.

Extending Unsheltered Homelessness and Encampments Initiative (UHEI) – The existing encampment response program will receive a one-year extension and an additional \$125 million. The funding can support new or expanded shelter, transitional, and supportive housing spaces

Improving Housing Supply Act – Introduced on March 26, 2026, C-26 plans to provide \$1.7 billion to provinces and territories to lower development charges on new home construction and make incremental investments in provincial and territorial programming to spur further housing developments. Lower upfront cost supports future construction workload.

Urban, Rural, and Northern Indigenous Housing Strategy (UNR) – While there is no brand-new funding, \$2.8 billion will be reallocated, including delivery through Build Canada Homes.

Workforce development

Central to construction is the government’s acknowledgement that skilled trades workers are indispensable to its agenda to deliver historic, nation-building investments at speed and scale. As such, the government outlined a multi-year investment plan with funding concentrated over a five-year horizon starting from 2026-27. The funding breaks down as follows:

Team Canada Strong (TCS) – A new \$6 billion initiative that aims to recruit, train, and hire 80,000 to 100,000 Red Seal trained workers by 2030-31, to ensure that young Canadians are provided pathways to take part in building housing, major infrastructure, and defence projects. Within this TCS package are the following incentives, separated based on employer versus worker support:

For employers – Through TCS, the government is hoping to streamline and expedite recruitment, training, and hiring for the Red Seal process by up to 50 per cent.

- **Team Canada Strong Program** - \$2 billion over the next five years, with \$262 million ongoing from 2026-27 to recruit the number of young people entering the skilled trades. TCS will facilitate paid job placements for youth aged 15-30 and connect them with potential employers and registered apprenticeships.
- **Build Canada Apprenticeship Service** - Participating small and medium enterprises (SMEs) can receive up to \$10,000 in wage incentives to hire, train, and retain apprentices.

For workers – For young Canadians who want to qualify for Red Seal, the SES proposes \$3.4 billion over five years, with \$468 million ongoing to address challenges preventing the full completion of apprenticeship training, such as:

- **Apprentice Training Grant** - Participating apprentices can benefit from an up to \$400 weekly Apprenticeship Grant, up to \$16,000 per apprentice, in addition to Employment Insurance (EI).
- **Apprenticeship completion bonuses and continuation support** – Provision of a one-time \$5000 bonus to apprentices who have successfully obtained a certification in a Red Seal trade.

New pathway to skilled trades through the Canadian Armed Forces (CAF) – From \$250 million over five years, starting in 2026-27, alongside an ongoing \$45 million, the government is proposing to expand hands-on training for the trades through the 'Cadets and Junior Canadian Rangers programs to strengthen the early talent pipeline for construction.

- **Reserve Trades Experience Pilot Program** – Additionally, to meet the needs of Canada's ambitious defence agenda, the SES is piloting a new CAF pathway. Participants who commit to a period of Reserve service can access either fully-funded trades training or paid, part-time experience on critical infrastructure and resilience projects.

Other measures

Red Seal modernization – The SES proposes up to \$331 million over five years, alongside an ongoing \$18 million, to modernize apprenticeship and facilitate a faster journey to Red Seal accreditation. This includes:

- Working with provinces and territories to expand and accelerate both union-led and employer-led training pathways and systems nationwide.
- Streamlining the Red Seal Program through the introduction of online exams, digital logbooks, and secure credentials, by creating a single national registered apprenticeship number.

Union Training and Innovation Program (UTIP) – This program is set to be expanded through an investment of \$225 million over five years in addition to the \$75 million allocated in Budget 2025 to upgrade union-run training facilities, capacity, and training equipment.

Enhancing the Labour Mobility Deduction for Tradespeople – The SES will increase the annual limit on deductible expenses from \$4,000 to \$10,000, including reducing the minimum distance threshold for relocation from 150 kilometres to 120 kilometres for tradespeople.

Procurement modernization

Federal Contracts Review – While not necessarily a new directive, the government has recently launched the Federal Contracts Review to identify cost reductions and alternative pricing strategies to provide more for taxpayer dollars.

Buy Canadian policy – Following the official launch of the Buy Canadian policy on December 16, 2025, the government is beginning to extend its application to provinces, territories, and municipalities. Moreover, a new Small and Medium Business Procurement Program is expected to launch later this spring.

Whole-of-Government Competition Plan – In recognition that government policies can inadvertently impede competition in regulations, industry, and procurement, the government is planning to launch a ‘Whole-of-Government Competition Plan’ to address and remove inefficient policies that impede productivity and competition.

Conclusion

CCA appreciates the continued investment in the construction industry, specifically the recognition that a robust workforce is needed to deliver the major infrastructure, housing, and defence projects that drive Canada’s economic growth. The public affairs team will continue working with the government to ensure that current gaps in these policies are addressed so that the full complement of construction and our membership can benefit.

For more information on CCA’s advocacy efforts, please email [Louis-Philippe Champagne](mailto:Louis-Philippe.Champagne@cca.ca), Associate-Vice President, Public Affairs and Industry Practices.

Annex

Table 1

Economic and fiscal developments, policy actions, and measures

billions of dollars

	Projection					
	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030
Budgetary balance - Budget 2025	-36.3	-78.3	-65.4	-63.5	-57.9	-56.6
Budgetary balance (% of GDP)	-1.2	-2.5	-2.0	-1.9	-1.6	-1.5
Federal debt (% of GDP)	41.2	42.4	43.1	43.3	43.3	43.1
Budgetary balance - SES 2026	-36.3	-66.9	-65.3	-63.1	-57.7	-56.2
Economic and fiscal developments since Budget 2025		17.7	15.7	10.7	8.6	7.6
Policy actions and SES 2026 measures		-6.2	-15.7	-10.3	-8.4	-7.1