VICA Vancouver Island Construction Association

VICA MEMBER BULLETIN

Issued: November 6, 2026

Federal Budget 2026: Opportunities for Vancouver Island Construction

The federal budget tabled November 5 includes investments that could support construction activity across Vancouver Island—from affordable housing and community infrastructure to energy upgrades and industrial modernization.

For VICA members, the budget offers the prospect of a stronger project pipeline, support for equipment investment, and measures to improve project delivery. **The funding commitments outlined below are national; Vancouver Island allocations and individual project approvals remain to be confirmed.**

Affordable Housing and Infrastructure

An additional **$13 billion for Build Canada Homes over 10 years, beginning in 2028–29**, could create opportunities for Island contractors, trades, and suppliers delivering affordable and non-market housing.

The budget also proposes **$1.5 billion over four years, beginning in 2027–28**, to prepare federal lands for housing through investments in water, wastewater, roads, and other infrastructure. Where Island properties are selected, this could generate civil construction and site-servicing work.

First Nations Housing and Community Projects

A proposed **$32 billion commitment over 10 years** for First Nations housing and infrastructure could support community-led construction across the Island. This includes an **$18.5 billion on-reserve infrastructure program beginning in 2027–28**, supporting assets such as roads, bridges, schools, health facilities, and water systems.

Longer-term funding could help communities plan projects with greater certainty while creating opportunities for Indigenous-owned businesses, construction partnerships, and local employment.

Energy Upgrades and Retrofit Work

The budget incorporates the previously announced **National Heat Pump Rebate Program**, backed by more than **$2 billion**, alongside renewed support for developing deep retrofit projects in commercial, institutional, and multi-unit residential buildings.

These measures could increase demand for Island HVAC, electrical, building-envelope, and related contractors and suppliers.

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Support for Equipment Investment

The proposed **Productivity Mega Deduction**, announced in September and included in the budget, would allow businesses to immediately write off a broader range of eligible capital assets. Construction examples include excavators, mobile cranes, loaders, concrete mixers, and dump trucks.

For members considering equipment upgrades, this could improve the financial case for investment, subject to legislation and eligibility requirements.

Faster Approvals and Industrial Opportunities

Proposed funding of **$100 million over three years, beginning in 2027–28**, would support municipal e-permitting and artificial intelligence tools. Participation by Island municipalities could help improve approval timelines and project certainty.

National investments in electricity infrastructure and forest-sector transformation could also create opportunities for Island firms involved in utility construction, industrial upgrades, and facility modernization. Local benefits will depend on project selection and investment decisions.

VICA's Perspective

The budget provides a positive foundation for future construction activity. Its success on Vancouver Island will depend on turning funding commitments into viable projects that move through approvals and reach construction.

VICA's priorities remain clear: predictable infrastructure investment, efficient permitting, fair and accessible procurement, and opportunities for local construction businesses. These are the conditions needed to translate federal investment into lasting benefits for our members and Island communities.