



To: Environment and Climate Change Canada
via email: SDO-BDD@ec.gc.ca

Re: CAGBC Response to the Draft 2026–2029 Federal Sustainable Development Strategy

The Canada Green Building Council (CAGBC) welcomes the opportunity to provide recommendations on the draft Federal Sustainable Development Strategy (FSDS). Buildings are central to the outcomes the FSDS seeks to advance, including housing affordability, energy efficiency, emissions reduction, climate resilience, public asset management, and clean economic growth.

The draft FSDS is clear that Canada's sustainable development priorities must support jobs, reduce costs, make housing more affordable, combat climate change, and ensure public resources are used wisely and efficiently. CAGBC supports this whole-of-government approach and the emphasis on measurable, time-bound targets. Buildings are the most practical and immediate places to connect affordability, productivity, emissions reduction, resilience, and long-term public asset value. Buildings are among the most practical and immediate places to connect affordability, productivity, emissions reduction, resilience, and long-term public asset value.

CAGBC's recommendations are intended to support that delivery-focused approach by identifying practical ways to embed measurable building-performance outcomes into federal housing programs, procurement, real-property decisions, and departmental implementation plans.

Our central recommendation is that high-performance green buildings be treated as long-term public investments that deliver measurable returns through lower operating costs, improved durability, better occupant health and productivity, reduced emissions, and lower climate-related risk.

CAGBC provides solutions and services the building sector needs to construct and manage buildings that are easier on resources, healthier for people, resilient and cost-effective. We work with the sector to influence standards, develop best practices, and educate the market on the benefits of green buildings.

1. **Strengthen acceptable and resilient housing (Goal 2.3).**

CAGBC recommends that federally funded housing initiatives, including Build Canada Homes and related programs, incorporate scalable building-performance requirements to support low-emission, resilient, and affordable housing without slowing time-to-market.

Requirements should be grounded in recognized standards and measurable performance indicators while allowing flexibility in the pathway to achieving outcomes. This would help protect the long-term value of public investment, reduce future retrofit liabilities, and ensure that



“acceptable housing” reflects life-cycle affordability, including utility costs, maintenance, durability, resilience, and health outcomes over the building’s life.

This approach would also ensure that investments in public housing are assessed not only by initial costs but also by long-term benefits, affordability, performance, and resilience for households and communities. These ideas have strong support among Canadians. A recent Abacus Data poll, commissioned by CAGBC, found that 73% of Canadians view energy-efficient buildings positively, 65% believe such homes would improve their quality of life, and a significant 86% support stricter energy-efficiency standards in new construction. Additionally, 91% of Canadians think Build Canada Homes should focus on creating energy-efficient and resilient homes. This demonstrates a widespread public consensus that the federal government has both the mandate and the responsibility to take action.

2. Improve accountability for federal real property emissions reductions (Targets 3.1.2 and 3.2.2).

CAGBC supports the FSDS’s continued emphasis on reducing greenhouse gas emissions and the Greening Government Strategy, a whole-of-government commitment to net-zero operational emissions by 2050.

To support credible progress, CAGBC recommends that federal departments apply transparent performance requirements and independent verification for new construction, major retrofits. Recognized standards and certification systems can help departments demonstrate that projects meet the intent of the Greening Government Strategy while providing consistent, comparable, and publicly accountable evidence of performance. Certification should not be an end in itself. Rather, certification and verification should be used where they help federal departments demonstrate measurable outcomes, reduce implementation risk, improve comparability, and strengthen public accountability.

CAGBC further recommends that the FSDS create a roadmap for future Scope 3 measurement and reporting, focusing on embodied carbon in construction materials, and supply chains. This builds upon the draft FSDS’s references to green procurement, greenhouse gas disclosure, reduction targets, and the Standard on Embodied Carbon in Construction. It would particularly support the industry by promoting EPDs and a comprehensive database of whole-building lifecycle analysis (wbLCA), as outlined in the [Embodied Carbon Summit report](#). A phased approach would help federal departments prepare for upcoming FSDS cycles and provide clearer market signals to encourage low-carbon materials, design, procurement, and performance verification.

3. Integrate climate risk and building performance

Climate risk and emissions performance should be treated as mutually reinforcing priorities. To operationalize the FSDS target that federal organizations take measures to address climate



risks to critical services and assets, CAGBC recommends integrating building envelope performance, energy-system resilience, passive survivability, and adaptation measures into climate risk assessments for federal real property.

Existing green building certification systems and performance standards can provide practical tools and criteria to support this work while allowing departments to establish milestones and timelines for remediation of high-risk assets. This would help improve service continuity, protect public assets, and reduce long-term fiscal exposure from climate-related damage and disruption.

4. Make energy efficiency outcomes measurable, scalable, and integrated (Goal 2.4).

CAGBC supports the FSDS target of saving the equivalent annual energy use of more than 12 million homes through energy efficiency improvements. The FSDS appropriately recognizes that rising electricity demand from electrification, housing growth, and power-intensive technologies such as artificial intelligence will increase the importance of making better use of the energy Canada already produces.

CAGBC recommends supplementing the national energy-savings benchmark with whole-building performance metrics that reflect actual operational outcomes, including energy use intensity, thermal energy demand intensity, greenhouse gas intensity, and peak demand reduction. Energy benchmarking and disclosure for federal buildings, supported by annual public reporting, would provide a transparent basis for tracking progress and improving performance over time.

5. Scale deep retrofits through practical tools, technical support, and performance accountability.

CAGBC also recommends strengthening deep retrofit programs by aligning incentives and technical assistance with measurable performance outcomes. The FSDS should also support less energy-intensive practices and technologies, and accelerate innovative building-system technologies. Priority measures could include advanced automation, heat pumps, smart controls, demand-response readiness, low-carbon structural systems, integrated renewables, and performance verification. These measures can reduce operating costs, improve resilience, support affordability, and help manage growing electricity demand.

The tools to support this work already exist. CAGBC's RetrofitsNow platform (www.retrofitsnow.ca), developed with Purpose Building and Natural Resources Canada funding, provides real estate owners and federal property managers with case studies, transition planning guides, and implementation resources across multiple asset classes. CAGBC's collaboration with REALPAC has also produced a series of Climate-Related Risk Playbooks covering the apartment, industrial, office, and retail sectors (www.realpac.ca/playbooks), offering practical guidance on physical and transition climate risks. These resources offer



federal departments a ready-made knowledge base to inform retrofit planning and accelerate delivery at scale.

6. Create a more integrated federal building-performance approach

Across Goals 2.3 and 2.4 and the FSDS targets related to emissions reduction and climate, adaptation, CAGBC recommends that the final FSDS adopt a more integrated 'green buildings' policy approach. This should include clear standards, measurable indicators, recognized pathways for compliance, third-party certification and verification where appropriate, and transparent reporting.

A more integrated approach will improve coherence across housing, energy efficiency, federal real property, emissions reduction, procurement and climate adaptation. It would also reduce duplication across departments and market participants while ensuring that federal investments deliver multiple public benefits in a disciplined, measurable way. With clear performance expectations, credible verification tools, and coordinated departmental implementation, the FSDS can provide a stronger federal market signal and help accelerate the transition to high-performance, low-carbon, resilient buildings across Canada.

In conclusion

The 2026–2029 FSDS is positioned at a crucial point. As Canada faces economic uncertainty and rising climate risks, the built environment is one of the most immediate and cost-effective tools the federal government can use to cut emissions and showcase credible climate leadership. According to CAGBC's report, [Building Prosperity: Insights on Canada's Green Workforce](#), the green building sector already plays a key role in the Canadian economy, supporting around 500,000 jobs and contributing \$81 billion to the GDP in 2024.

Investing in high-performance buildings is essential for climate action and serves as an economic strategy that promotes skilled jobs, drives innovation, and enhances the long-term competitiveness of Canadian communities and industries. The green building sector is prepared to back federal leadership with the necessary tools, expertise, and market capacity to achieve large-scale results. CAGBC looks forward to ongoing collaboration with various departments as the strategy is finalized and remains dedicated to making Canada's buildings a source of sustained prosperity for Canadians and a mark of global competitiveness.

We appreciate your consideration of these recommendations, detailed in the enclosed Annex. CAGBC would welcome the opportunity to provide additional technical input as the FSDS is finalized, share best practices, and support the federal government with implementation efforts.

Sincerely,

The Canada Green Building Council



ANNEX A — CONSOLIDATED RECOMMENDATIONS

The list below summarizes the recommendations referenced in this letter, organized by FSDS goal/target and implementation strategy.

Goal	Recommendation	Intended Outcome
Greening Government Strategy (cross-cutting)	Continue and expand investment in the Greening Government Strategy as a fiscally responsible approach to infrastructure management and market leadership.	Delivers lower operating costs and improved asset value; supports innovation, clean growth, and jobs through federal market signals.
Goal 2.3 (Implementation Strategy 2.3.1.3)	Embed mandatory building performance indicators and enforceable sustainability requirements in federally funded housing programs (including Build Canada Homes), anchored to recognized standards.	Protects long-term value of public housing investments; reduces operating costs and future retrofit liabilities; supports low-emission, climate-resilient housing.
Goal 2.3	Integrate life-cycle affordability into the FSDS definition of “acceptable housing,” including utility, maintenance, and occupant health outcomes over the building life.	Improves affordability beyond upfront costs; captures long-term cost and health benefits, especially for low- and middle-income households.
Goal 2.4 (Target 2.4.1)	Supplement the “12 million homes” energy savings benchmark with measurable whole-building metrics (e.g., EUI, TEDI, GHGI, peak demand reduction); implement energy benchmarking and disclosure with annual public reporting for federal buildings.	Ensures outcomes reflect actual operational performance; enables transparent tracking and continuous improvement.
Goal 2.4 (Implementation Strategy 2.4.1.1)	Strengthen deep retrofit programs: target	Increases program effectiveness and



	net-zero/near-zero outcomes where feasible; enhance incentives for third-party certification; integrate resilience; provide technical assistance (especially for non-profit and affordable housing).	accountability; supports equitable access; avoids siloed approaches and maximizes co-benefits.
Goal 2.4 (Implementation Strategy 2.4.1.3)	Scale innovative building technologies through federal procurement leadership (automation/energy management, mass timber/low-carbon systems, integrated renewables, heat pumps, smart controls and demand response) with performance verification.	Demonstrates viability at scale; reduces costs through aggregated procurement; accelerates market adoption.
Cross-goal integration (Goals 2.3, 2.4; Targets 3.1.2, 3.2.2)	Align energy efficiency programs with housing and climate goals through a unified green buildings framework anchored to standards, third-party verification, and transparent reporting.	Improves coherence and reduces duplication; maximizes affordability, emissions reduction, and resilience outcomes.
Target 3.1.2 (Federal real property Scope 1 & 2)	Require independent third-party certification (e.g., LEED or Zero Carbon Building Standard) for new federal construction, and major retrofits to verify GHG performance.	Strengthens accountability and transparency; provides credible verification toward the 50% reduction target.
Target 3.1.2 (Future FSDS cycles)	Develop a roadmap for Scope 3 measurement and reporting, prioritizing embodied carbon in materials and supply chains; embed low-carbon materials	Positions government to address lifecycle emissions as operational emissions decline; drives market transformation for low carbon materials.



	requirements in procurement and design standards.	
Target 3.2.2 (Climate risk to critical assets/services)	Integrate climate risk assessment with building performance by assessing envelope performance, energy system resilience, and adaptation measures; align with green building rating systems; set remediation milestones for high risk assets.	Improves service continuity and resilience; leverages existing tools; accelerates risk reduction for critical assets.