



Infrastructure for Housing Initiative

Financing Housing-Enabling Infrastructure

April 2026



Infrastructure for Housing Initiative (IHI)

1

Canada is facing a national housing shortage and needs millions more homes:

- Significant investment is necessary to build the required **enabling infrastructure** to service this growth, including water, wastewater, stormwater, roads, bridges, transit and connectivity infrastructure.
- Building homes at levels needed to restore affordability could mean hundreds of billions in additional investment is needed above anticipated levels.
- Public and private sector proponents are all eager to build, but sometimes struggle to raise capital because they cannot rely on revenues from future anticipated growth (e.g. proceeds of sales, incremental taxes, levies, development fees, etc.) as credit for repayment.

2

The CIB's IHI can help address the housing shortage while supporting other federal measures:

- Loans are dedicated to cover **the cost of enabling infrastructure**, which accelerates the development of new residential housing units – the CIB does not finance the cost of housing construction directly.
- IHI provides a targeted financing platform that relies on future revenue streams for repayment – the CIB does not require repayment until **the housing or serviced lands are monetized**.

IHI Overview

What does IHI Offer?

An IHI loan from the CIB can reduce cost and share risk compared to other available forms of financing.

- ✓ **Lower borrowing costs** – the interest rate is typically at the Government of Canada’s borrowing rate (“GoC”), lowering the overall cost of capital of a project
- ✓ **Risk sharing** – the CIB shares the risk of growth materializing by tying repayment to growth-related revenues, so repayment is not required until the housing or serviced lands are monetized
- ✓ **Public or private borrowers** – loans can be made directly to the public sector or to private developers with public sector endorsement

How does this accelerate housing development?

- ✓ Prioritizes infrastructure spending without delaying other priorities, which facilitates the buildout of enabling infrastructure in advance of growth
- ✓ By offering financing priced at a concessionary rate and sharing some risk of pace of growth/absorption, IHI incentivize projects to move forward more quickly and/or at greater scale than is otherwise achievable



IHI Eligible Costs

- The CIB can provide financing for capital costs of eligible infrastructure for a project. Eligible infrastructure is the infrastructure necessary to enable new residential housing development and must be captured by one of the CIB's existing priority sectors, which include those shown below.
- The CIB can finance up to 50% (alongside debt) or **80%** (alongside cash equity) of this infrastructure cost depending on the structure, business case, revenues and appropriate security.



WATER

Water, wastewater, stormwater, conveyance



LOCAL CIVIL WORKS

Roads, bridges, earthworks, parking (depending on context)



LOCAL TRANSIT

Stations, stops, hubs, rail, right of ways



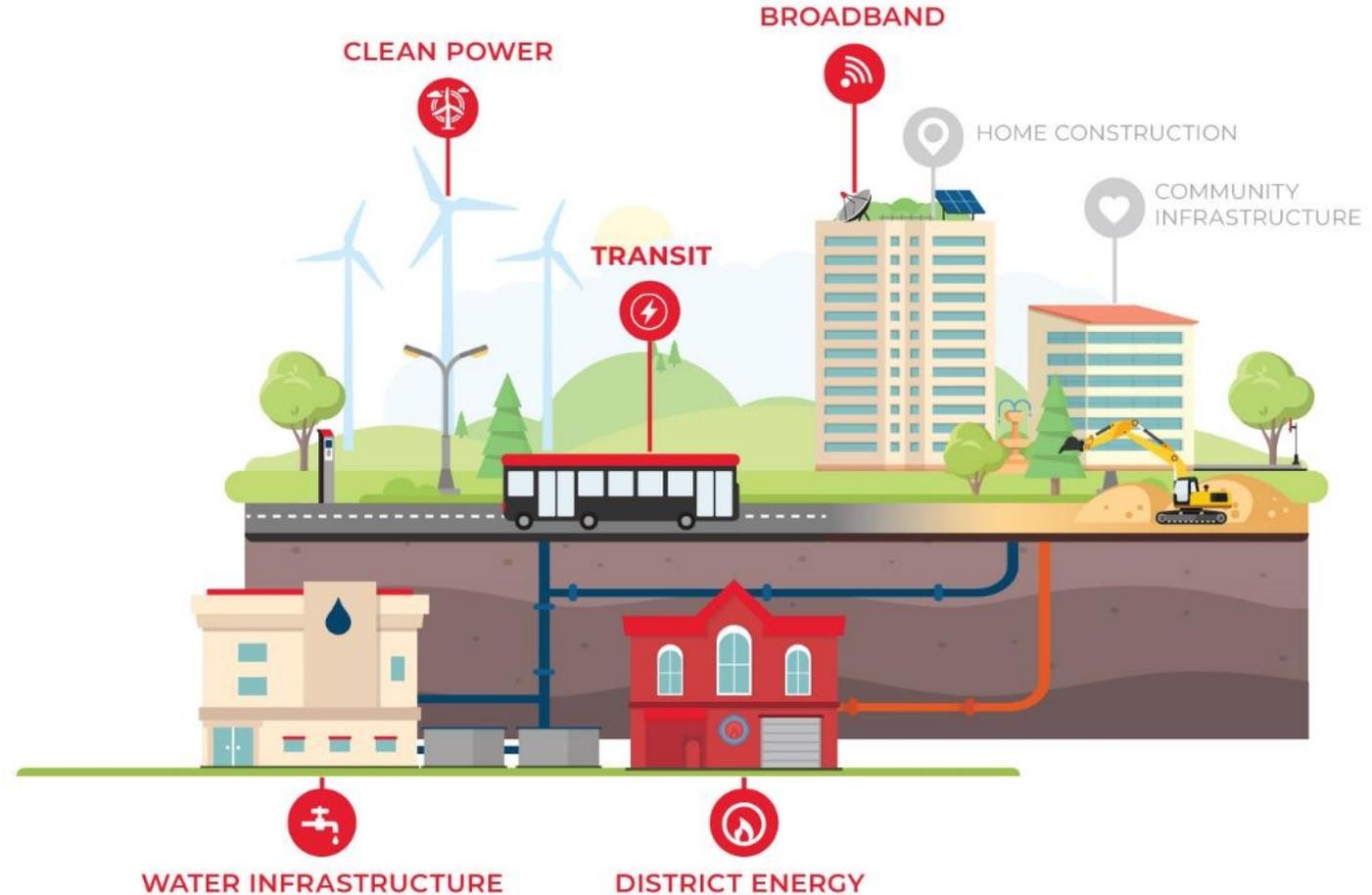
CONNECTIVITY

District energy, electricity distribution, battery storage, broadband, EV charging

- The CIB can finance the public or private sector entity incurring the costs directly, or the contributions from one party to the other (such as those incurred under cost sharing or prepaid development charges agreements).

IHI Complements Existing Federal Programs

Icon	Infrastructure	CIB Involvement	Other Federal Programs
	Clean Power	✓	NRCan
	Transit	✓	BCSF, CPTF, FCM & CCBF
	Broadband	✓	ISED & FCM
	Water Infrastructure	✓	BCSF, CHIF, FCM & CCBF
	District Energy	✓	FCM
	Community Infrastructure	✓	BCSF, CCBF
	Home Construction	✗	CMHC, BCH



CPTF Canada Public Transit Fund
 FCM Federation of Canadian Municipalities
 CCBF Canada Community-Building Fund
 ISED Innovation, Science and Economic Development Canada

CHIF Canada Housing Infrastructure Fund
 CMHC Canada Mortgage and Housing Corporation
 BCH Build Canada Homes
 BCSF Build Communities Strong Fund

Summary of CIB Product – Developers

Overview

The CIB's product for developers provides flexible financing that does not become repayable until there is a monetization event in respect of the subject lands/housing.

Key characteristics and eligibility requirements are described on the right.

Please see **Appendix A** for more information.



Flexible Structure

Offers paid-in-kind interest during construction and grace periods.



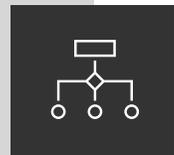
Low-Cost Pricing

Priced at GoC rates to start, with pricing that steps-up to a market rate over time.



Tailored Repayment

Repayment is tied to developer monetization events.



Security and Support

The CIB will review the strength of the security and guarantor collaboratively with other lenders.

Eligibility Requirements



Minimum \$50M of eligible infrastructure investment



Typical commercial structuring outside of concessionality



Public sector endorsement



Measurable and sufficient housing growth

Summary of CIB Product – Public Sector

Overview

The CIB's product for the public sector enables borrowing against future housing-related revenue growth made possible by new enabling infrastructure.

Key characteristics and eligibility requirements are described on the right.

Please see [Appendix B](#) for more information.



Risk Sharing

Shares risk of timing and extent of housing growth, as payments are tied to community growth and their associated increases in revenues.



Low-Cost Pricing

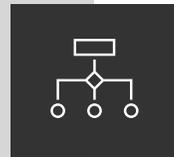
Priced at rates significantly lower than those available to relevant public sector entities.*



Flexibility in Interest/Repayments

- interest rates may start low and end higher, or
- repayments may start low and end higher.

If growth is slower, the rates/payments grow slower.



Security

Security for public sector or municipal borrowing consistent with jurisdictional requirements.

Eligibility Requirements



Minimum \$50M of eligible infrastructure investment (for new infrastructure or significant upgrades)



Borrower is responsible for infrastructure delivery*



Enables material housing growth



Sufficient expected incremental revenues

*Municipalities, Municipal Services Corporations, Provinces, Agencies, Indigenous Communities, Universities, Colleges, etc.

Amongst other outcomes, our investments are enabling thousands of new homes across Canada



Port Stalashen Wastewater Treatment Plant

New wastewater treatment plant and outfall piping upgrades expansion.



Lulu Island District Energy

Expansion of the current district energy system to centralize community heating and cooling.



Brandon Water and Wastewater

Water and wastewater infrastructure upgrades include membrane treatment, intake, piping, pond, lift stations, and sewer.



Netmizaaggamig Nishnaabeg Reserve Extension

Enabling infrastructure including roadworks, hydro connectivity, water connectivity, extension of broadband.



Markham District Energy

Expansion of the existing and development of new district energy systems to enable heating and cooling.



Réseau express métropolitain ("REM")

Development of a new light-rail transit network across the Greater Montreal area.

Thank you

Contact us at investments@cib-bic.ca

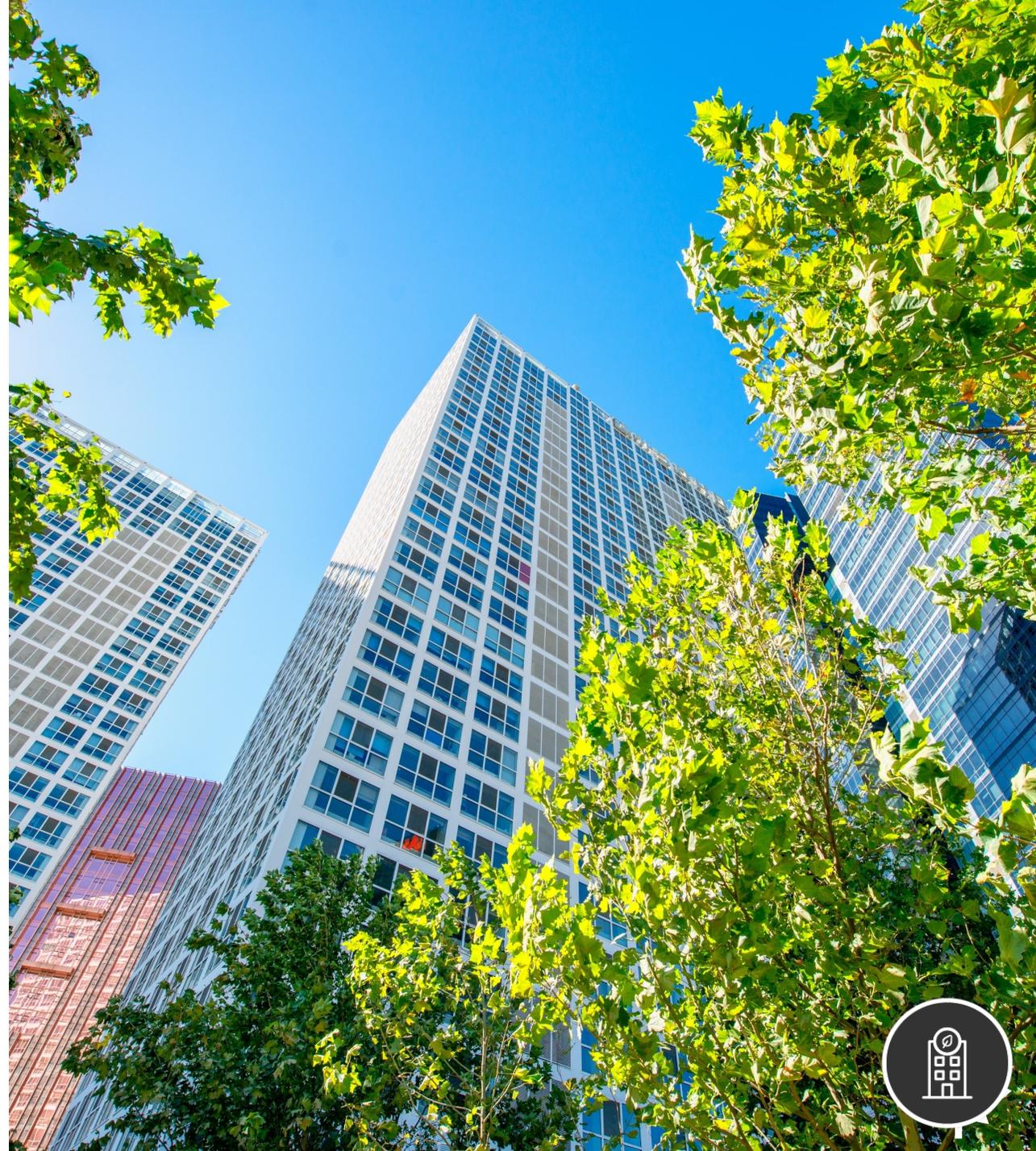
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Appendix A - Developers



Summary of Indicative Terms - Developers

Construction & Availability Period



Forecasted Absorption Period



Tail Period



Duration

- Availability Period where CIB funds can be drawn for construction of enabling infrastructure (max 5 years)

Runs from the end of the Availability Period until forecasted full absorption

- Runs for 5 years from the end of the Forecasted Absorption Period

Pricing

- ~GoC
- Paid-in-kind interest

- ~GoC
- Interest paid current starting at first absorption or 12 months after infrastructure complete if sooner

- Interest rate steps-up in equal amounts every year starting 1 year after the beginning of the Tail Period
- Reaches market rate by the final year

Security

- Secured by land with appropriate loan-to-value covenants with parent company support

- *Pari passu* to any vertical financing, unless sufficient credit support allows for subordination

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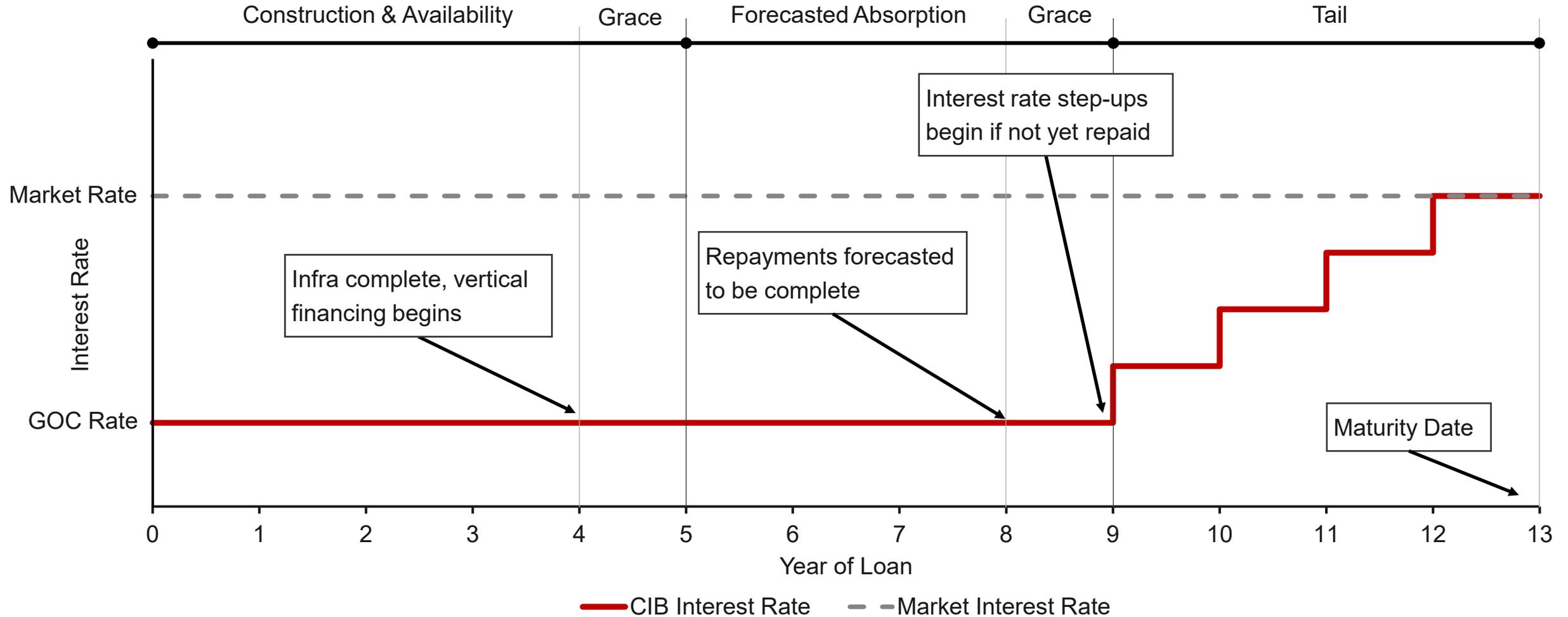
Repayment

- N/A

- Pro rata based on housing units monetized (*see slide 13*)

- Pro rata based on housing units monetized (*see slide 13*)
- Bullet at maturity for any remaining principal

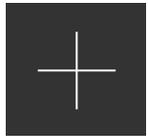
Illustrative Pricing - Developers



Repayment - Developers

The CIB debt does not become repayable **until there is a possible monetization event in respect of the subject lands.**

Those monetization events are aligned to the typical monetization events for developers:



Land or Interest Sale

Sale of serviced lands, or the sell-down of equity interests in the project, to a third party.



Housing Unit Sales

Sale of housing units.



Lease-up Stabilization

At least 80% lease-up achieved on purpose-built rental development to allow commercial refinancing.*



Front Ending Agreements

Reimbursement of upfront infrastructure costs by other developers through cost-sharing.

Upon a monetization event, the borrower is required to repay a pro rata portion of CIB debt related to the monetization event. For example, if the loan enables 1000 total housing units, and the monetization event is the sale of 100 units, the borrower would be required to repay 10% of the total loan upon that event.

* If the borrower prefers to commercially refinance upon >90% lease up or after a set period post-stabilization, the CIB may consider deferring repayment but require an immediate interest rate step-up to a market rate to encourage refinancing as soon as possible.

IHI Project Eligibility Summary - Developers

Projects must meet the following eligibility criteria:

- 1** The project (or a few projects to be delivered and financed collectively within the next five years) must require eligible infrastructure investment of at least \$50 million*.
- 2** The project must otherwise be financed and structured commercially, e.g. satisfying typical debt covenants, guarantor support from strong entity, based on a strong business plan, etc.
- 3** The developer must have the endorsement of the responsible public sector entity in the form of a letter indicating support for the developer exploring CIB financing of the enabling infrastructure.
- 4** The project must enable measurable growth in residential housing units in Canada and demonstrate sufficient housing outcomes relative to each dollar of CIB investment.

*Investment opportunities of a smaller size involving Indigenous communities may be supported through the CIB's Indigenous Community Infrastructure Initiative in tandem with the IHI.

Appendix B - Public Sector

Municipalities, MSCs, Provinces, Agencies,
Indigenous Communities, Universities,
Colleges, etc.



Summary of Indicative Terms – Public Sector

Construction & Availability Period



Repayment Period



Tail Period



Duration

- Availability Period where CIB funds can be drawn for construction of enabling infrastructure (max 5 years)

- Runs from the end of the Availability Period until to a range between 10 and 25 years, depending on the nature of revenue streams

- If revenues do not materialize as expected, the Tail Period extends the Repayment Period by up to 5 years
- May include partial or full extinguishment at the end of the Tail Period

Capital, Pricing & Repayment

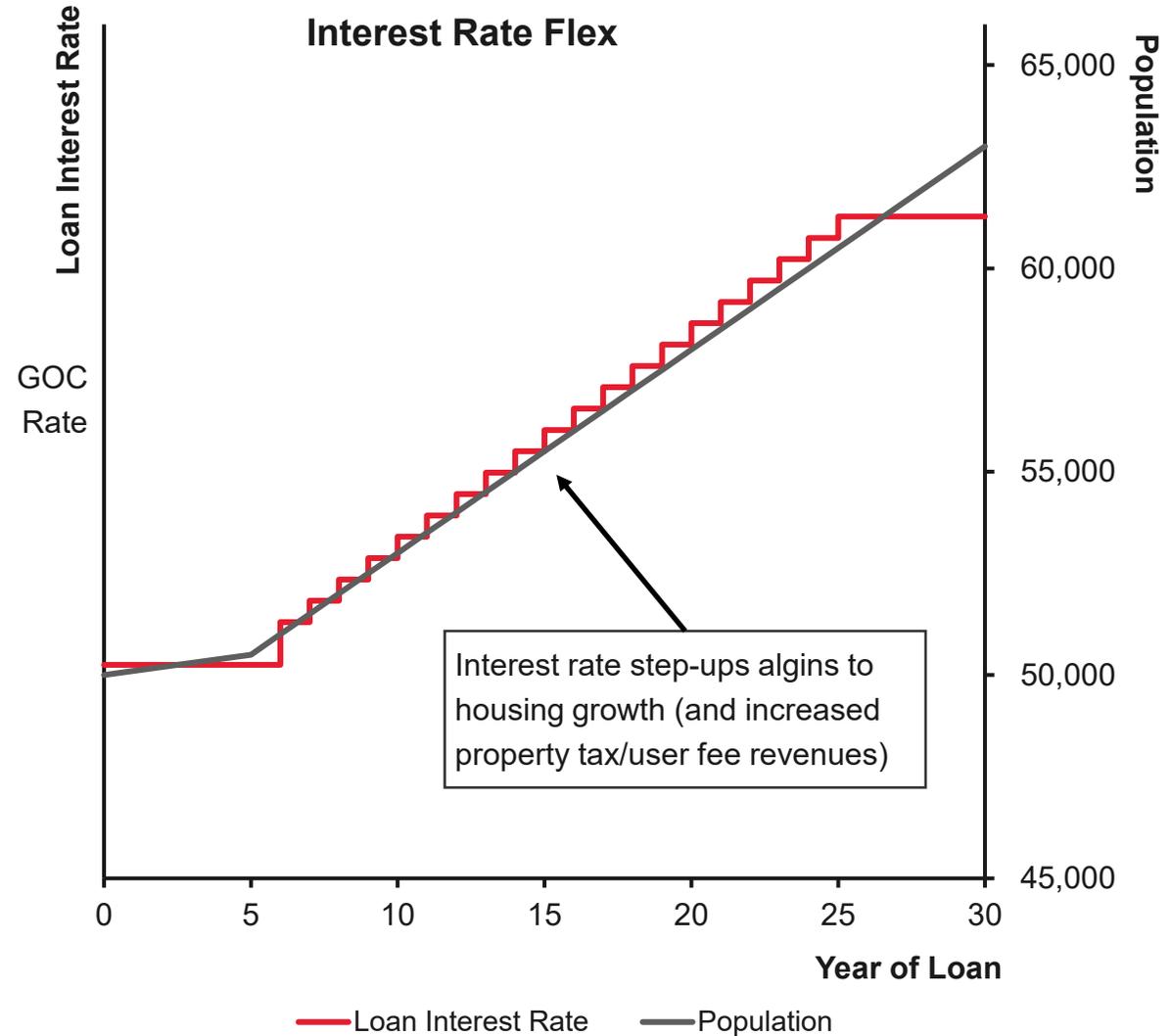
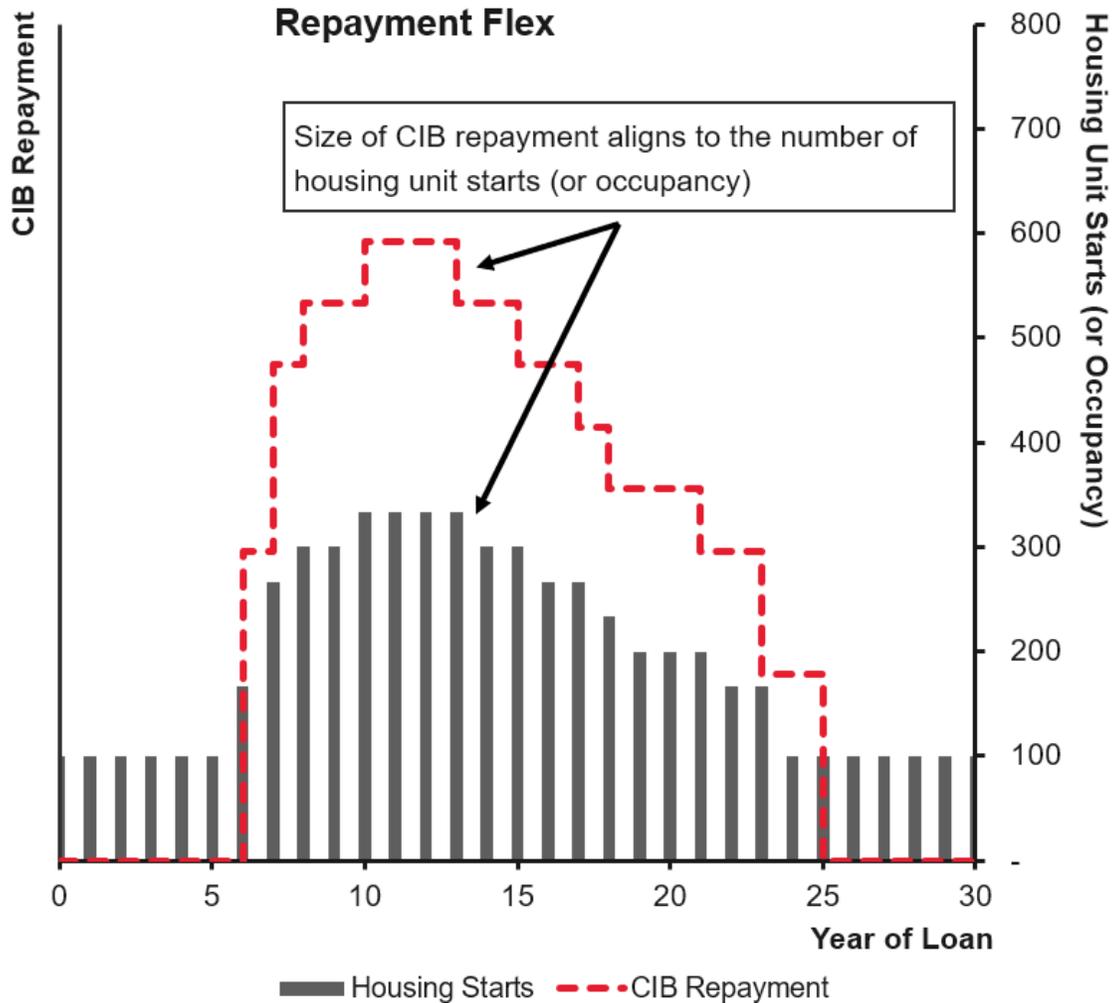
- The CIB and private lender each provide 50% of required capital
- Interest rate blended to target GoC, subject to a 1% floor for CIB debt
- Paid-in-kind interest available

- **Repayments flex** to match designated revenues from new housing growth
- **Interest rate flexes** in line with increased revenue base from housing growth
(These mechanisms are both illustrated on slide 17)

Security

- Pledges for public sector/municipal borrowing are aligned with what is permitted in the relevant jurisdiction
- Pledges for a Municipal Services Corporation include but not limited to a GSA including revenues, accounts and/or assets

Illustrative Pricing & Repayment – Public Sector



Payments – Public Sector

A CIB investment enables municipalities to borrow against future housing-related revenue growth made possible by new enabling infrastructure. Those revenue sources can include:



Direct Charges & Fees

Increases in applicable development charges and user fees that the municipality collects as a result of new housing development enabled by the infrastructure.



Special Levies

Specific levies on properties, or surrounding properties, that directly benefit from the enabling infrastructure project.



Municipal Tax Base

Increases in the municipal tax base and property tax (or other) revenues generated by the new housing development enabled by the infrastructure.

So either:

- i. As one-time payments are received (e.g. development charges), a share of loan principal is repaid; or
- ii. As the revenue base grows (e.g. user fees, property taxes), the interest rate increases (targeting GoC pricing).

The CIB's investment promotes **risk sharing** around the timing of growth, as payments are tied to community growth and increases in revenues.

IHI Project Eligibility Summary – Public Sector

Projects should meet the following eligibility criteria:

- 1 The Project must require an investment of at least \$50 million*.
- 2 The Project must be new or involve significant necessary upgrades to existing infrastructure.
- 3 The Borrower must be responsible for delivering public infrastructure (municipal, Indigenous*, university, or other public sector entity).
- 4 The Project must enable growth of residential housing units in Canada.
- 5 The Project must create incremental revenues as growth occurs that are sufficient to repay the loan.

*Investment opportunities in northern Canada or involving Indigenous communities of a smaller size may be supported through the CIB's existing Indigenous Community Infrastructure Initiative in tandem with the IHI.