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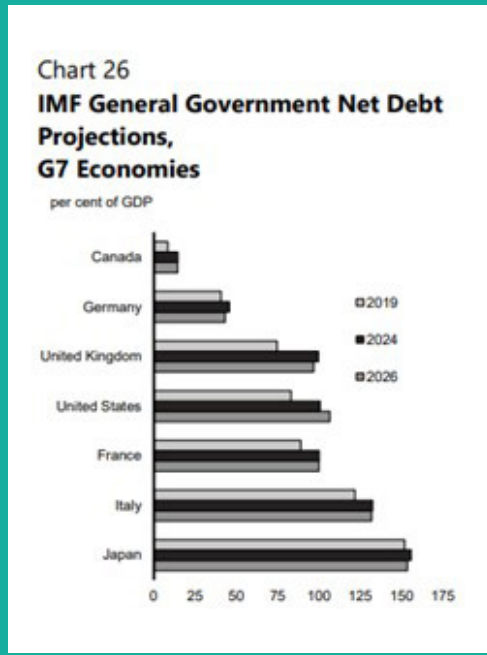
CHAMBRE DES COMMUNES  
HOUSE OF COMMONS  
CANADA



MAY 2024

## WORD FROM YOUR MP

**Canoe camping** is a profoundly educational experience, especially during the **portaging phases**. Those moments when we carry our canoes and equipment through narrow, cluttered trails, battling mosquitoes, are among the most challenging. However, the **reward** comes when, after these trials, the sight of a **peaceful** lake appears on the horizon, promising more **serene moments** with our friends.



This metaphor reflects recent challenges such as the pandemic, inflation, and economic disruptions, symbolizing our collective burden. Despite these obstacles, the Canadian economy shows **promising prospects** for 2025.

According to the IMF and OECD, Canada is expected to record the highest growth among the G7 countries, thanks in part to effective control of inflation at **2.9%**, in line with the Bank of Canada's target, and an anticipated **decrease in interest rates**.

Canada also displays robust financial indicators with the best debt-to-GDP and deficit-to-GDP ratios among the G7. The deficit stabilizes at 40 billion dollars with prospects for reduction, and significant investments in clean energy and green technologies position Canada as a **global leader** in the **electric vehicle** supply chain, surpassing China and the United States.

Despite these advances, many Canadians, especially the **young**, still feel the burden of portage. They see their dream of homeownership slipping away. Our strategy to address these challenges includes unprecedented investments to build **3.9 million new homes**, measures to improve affordability, ecological and technological transitions, and increased fiscal equity, ensuring fairness for every generation.

We are still carrying our canoe, but the vast lake of prosperity and **opportunity** looms on the **horizon**.

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# HOW RECENT FINANCIAL POLICIES COULD AFFECT YOUR DAILY LIFE?

## Élyse's Story: Making Homeownership a Reality

Élyse, a young teacher, dreams of buying her first home but faces high real estate prices in Outaouais. To counter the housing shortage, the budget plans for the **construction of 3.9 million new homes** by 2031. Measures such as extending mortgage **amortization to 30 years**, increasing the Home Buyers' Plan limit to \$60,000, and using rental history for **credit assessment** are other measures that will lighten her monthly payments and facilitate home acquisition.



## Sandrine's Story: Mayor

Sandrine, the mayor of a small town, met with a developer to build **50 housing units** downtown but faces funding challenges for water infrastructure. She hopes to benefit from the Canada Community Building Fund (known as **TECQ** in Quebec) and a recent **\$6 billion** investment in infrastructure.

The 2024 budget also **increases** the Housing Accelerator Fund, which could finance a project of **10 units for seniors**. Sandrine has scheduled a meeting with Richie, the new housing officer at the MRC, to **move forward** with this project.

## Gilbert's Story: Building More Homes



Gilbert, a real estate developer, had paused his project to build **500 new homes** and affordable rental units in Outaouais due to high interest rates and economic slowdown. The **supportive measures** introduced in the budget prompted Gilbert to consider resuming and potentially **expanding** his project:

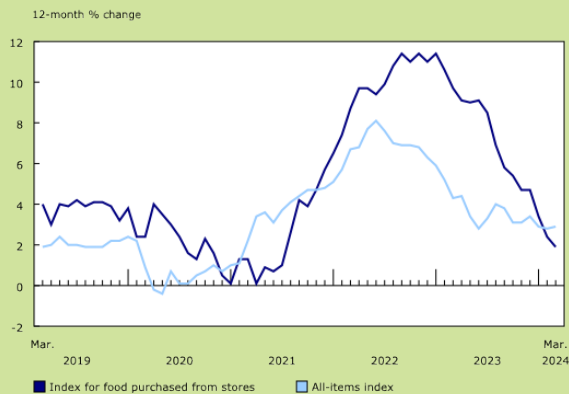
- 1 The annual limit for Canada Mortgage Bonds has been increased to \$60 billion, facilitating lower interest rate loans for developers.
- 2 An enhanced Accelerated Capital Cost Allowance of 10% (up from 4%) is now available for eligible rental projects.
- 3 The Apartment Construction Loan Program provides necessary capital for building rental homes.
- 4 Federal land leasing could offer affordable options for project location and financing.
- 5 Additional support for critical infrastructure such as water and wastewater systems will benefit housing projects.
- 6 Low-interest loans and grants are available for energy-efficient retrofits through the Green and Inclusive Community Buildings program.
- 7 Alignment with Canada's industrial strategy for homebuilding may offer further incentives or support.



### Nancy's Story: Groceries

Nancy, a single mother, faces the rising cost of living and “**shrinkflation**”, a phenomenon where food products such as pasta and cereals become smaller without a decrease in price. In response, the Competition Act was amended to improve competitiveness and transparency in the food industry, also targeting practices like shrinkflation. Recently, Nancy noticed a **decrease** in food prices at her local grocery store, an improvement confirmed by recent data from Statistics Canada.

Consumer Price Index (CPI): Statistics Canada's primary measure of inflation



Source : <https://www.statcan.gc.ca/en/topics-start/food-price>

### Richard's Story: Agricultural Advancements

Richard, an experienced farmer facing rising production costs, found relief through the **Advance Payments Program**, securing a federal guaranteed loan with low-cost cash advances. The 2024 budget further alleviated his burden by **eliminating interest payments** on the first \$250,000 of his loan.

Planning to transfer farm shares to his daughters, he will benefit from a **tax exemption on capital gains** up to \$1.25 million, and a partial reduction on an additional \$2 million.

Richard, who purchased modern agricultural equipment, faced repair issues due to copyright restrictions despite a known solution from his daughter. Recognizing the importance of quick repairs in agriculture, the budget proposes to revise the Copyright Act to **allow farmers to repair their own equipment**, with consultations scheduled for June.



### Michelle's Story: Entrepreneurial Growth

Michelle founded a company that develops **innovative technology**. She anticipates that once her technology is fully developed, larger tech firms may offer to buy her company to scale her innovations. In fact, she has already been approached by such a company. In support of entrepreneurs like Michelle, the budget has increased the **lifetime capital gains exemption** to \$1.25 million and, for certain sectors, introduced the Canadian Entrepreneurs' Incentive which offers a partial exemption on an additional **\$2 million in capital gains**. These measures encourage innovation and supports business growth.



### Linda’s Story: Championing Local Media in Outaouais

Linda, a young journalist at a local media outlet in Outaouais, was thrilled to learn that the budget allocates **\$58.8 million** over three years to the **Local Journalism Initiative**. She felt immense pride in the collective effort of the Outaouais local written press and community radios.

Their voice, effectively carried by Sophie Chatel, MP of Pontiac, and the rural caucus that she chairs, was a **pivotal force** in securing this significant funding. This great success not only safeguards Linda’s career but also ensures the **sustainability** of local journalism throughout Canada. **Cheers to Outaouais!**



### Colette’s Story: Senior Dental Care

Colette, a senior on a small pension, struggles with dental issues but cannot afford treatment. Recognizing this common problem, we launched the **Canadian Dental Care Plan** to help uninsured Canadians, starting with seniors. If like Colette, you are 70 or older, you should have already received a letter with a personal application code and instructions on how to apply.

For those aged 65 to 69, expect your letters to be sent out starting in May 2024. This initiative reflects our commitment to ensuring that dental care is **accessible to everyone**; oral health is a **necessity**, not a luxury.

### Joseph’s Story: Capital Gain on the Sale of a Second Residence

Joseph and his wife are considering selling their cottage, potentially realizing a capital gain of up to \$500,000. Their accountant has confirmed that the new tax rules will not negatively affect them: half of their gain will remain exempt, as is the case for **99.87% of Canadians**. Principal residences remain fully exempt. However, for those with **other** annual gains that exceed \$250,000 (individuals) or \$500,000 (couples), only one-third of the gain will be exempt, compared to half previously. This tax adjustment aims to **reduce the benefits** for large capital holders and to improve equity, especially for younger generations struggling to buy their first home.



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