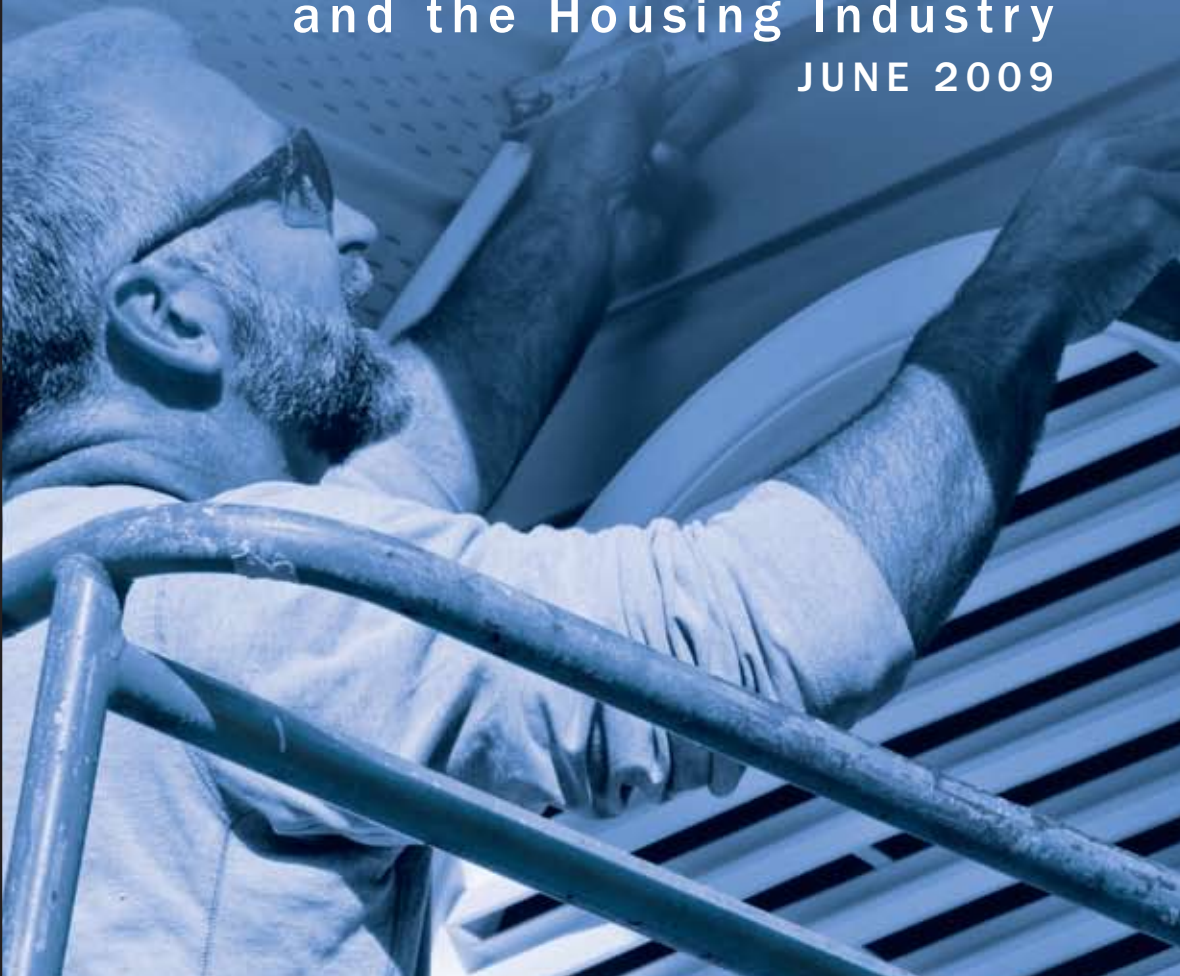


CANADA

# CANADA'S ECONOMIC ACTION PLAN

Support for Home Ownership  
and the Housing Industry

JUNE 2009



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of Canada

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du Canada



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## Canada's Economic Action Plan

Many Canadian communities, businesses and workers have been seriously affected by the economic slowdown. That is why our Government brought forward Canada's Economic Action Plan. It is a clear blueprint to stimulate the economy, protect Canadian jobs and support those hit hardest. It is delivering \$62 billion in stimulus, among the largest of the Group of Seven (G7) economies.

The Government is delivering on Canada's Economic Action Plan today, when it is needed the most. It will provide a boost to output and employment. It is an investment in our future.

### The Plan:

- Reduces taxes permanently.
- Helps the unemployed through enhanced Employment Insurance and training programs.
- Avoids layoffs by enhancing the Employment Insurance work-sharing program.
- Creates jobs through a massive injection of infrastructure spending.
- Helps create the economy of tomorrow by improving infrastructure at colleges and universities and supporting research and technology.
- Supports industries and communities most affected by the global downturn.
- Improves access to and the affordability of financing for Canadian households and businesses.



## Supporting Homeowners and Housing

For many Canadians, purchasing a home is the largest and most important investment they will ever make. A strong housing industry is a key driver of economic activity and job creation in Canada, promoting demand for labour, building materials and other goods and services.

Canada's Economic Action Plan provides up to \$7.8 billion over two years to support homeowners and the housing industry. These measures are already delivering benefits to Canadians. The Plan:

- Helps Canadians purchase and improve their homes.
- Enhances energy efficiency.
- Provides immediate economic stimulus, encouraging and sustaining growth and jobs in the housing industry during the current economic slowdown.
- Improves access to social housing while creating jobs.

## The Home Renovation Tax Credit

Canada's Economic Action Plan provides an estimated \$3 billion of tax support to help Canadians renovate their homes. The temporary Home Renovation Tax Credit (HRTC) applies to eligible home renovation expenditures for work performed, or goods acquired, after January 27, 2009, and before February 1, 2010 (visit [www.cra.gc.ca](http://www.cra.gc.ca) for information on eligible expenditures).

The 15-per-cent credit may be claimed on the portion of eligible expenditures exceeding \$1,000, and up to \$10,000, meaning that the maximum tax credit that can be received is \$1,350.

The HRTC is giving local economies a boost right now. It is putting tradespeople to work and stoking demand for the producers and sellers of building materials. Home improvement retailers, contractors and other small businesses will see increased business, and individuals and families are adding value to their biggest investments—their homes.

The Canada Revenue Agency is already administering the HRTC, which will benefit an estimated 4.6 million Canadian families and stimulate the Canadian economy.

Private surveys suggest vast numbers of homeowners are aware of the HRTC and see it as an important factor in their decision to renovate.



*“Survey results released today by residential mortgage company ResMor Trust Company show that 94% of Canadian homeowners who are planning to do renovations between April, 2009 and February 1, 2010 will use the Home Renovation Tax Credit (HRTC) introduced by the Federal Government earlier this year. In fact, 39% of those surveyed said their decision to renovate was positively influenced by the introduction of the HRTC... 70% of Canadian homeowners surveyed intend to renovate their homes before February 1, 2010... 39% of Canadian homeowners who are planning renovations said their decision to renovate, or the amount they will spend on their renovation, was influenced by the HRTC.”*

— ResMor Trust Company news release, April 29, 2009

- The Canada Revenue Agency has received over 700,000 HRTC-related enquiries through its website and by telephone, and high-profile advertising campaigns undertaken by major building material suppliers and retailers have also helped increase awareness of the HRTC.





## Home Buyers' Plan Withdrawal Limit

The Home Buyers' Plan (HBP) allows first-time home buyers to withdraw amounts from a Registered Retirement Savings Plan to purchase or build a home without having to pay tax on the withdrawal. To help Canadians realize their home ownership goals, Canada's Economic Action Plan increased the HBP withdrawal limit to \$25,000 from \$20,000.

The Canada Revenue Agency is now administering the increased HBP withdrawal limit, the first increase in the limit since the HBP was introduced in 1992.

## First-Time Home Buyers' Tax Credit

To make it more affordable to purchase a home, the First-Time Home Buyers' Tax Credit will provide up to \$750 in tax relief for individuals who acquire a qualifying home after January 27, 2009.

The Canada Revenue Agency is administering the First-Time Home Buyers' Tax Credit.

*"Spring is giving new life to the residential real estate market. The people that we're seeing out there buying right now are a lot of first-time buyers. There's been enough incentives to help them out (such as the federal homebuyers' plan and the first-time buyer tax credit)."*

—Bonnie Wegerich, President,  
Calgary Real Estate Board, *Calgary Herald*,  
May 2, 2009



## Canada's Economic Action Plan: Helping Canadians Invest in Their Homes

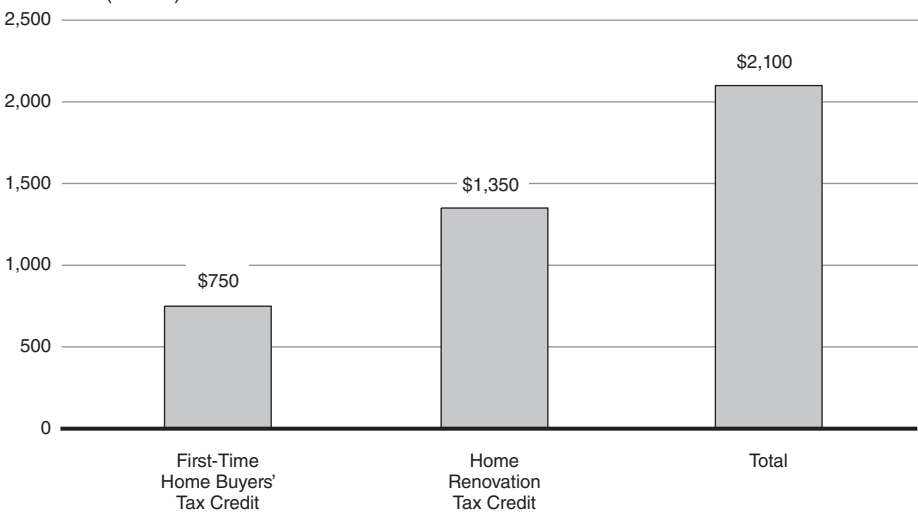
### Tax Support for Home Ownership and Renovation

Sean and Gillian have just purchased their first home and paid \$10,000 to renovate their kitchen.

- As first-time home buyers, one of them will be able claim the \$5,000 First-Time Home Buyers' Tax Credit amount when they file their taxes for 2009 and will receive up to \$750 in income tax relief.
- They are also eligible to receive \$1,350 in additional income tax relief through the temporary Home Renovation Tax Credit.

### Tax Support for Home Ownership and Renovation

total relief (dollars)



## ecoENERGY Retrofits

Canada's Economic Action Plan is helping property owners make their homes more energy efficient by expanding the ecoENERGY Retrofit – Homes program by \$300 million over two years. Up to 200,000 homeowners will benefit.

Grants of up to \$5,000 to offset the cost of energy efficiency improvements are now available.



## Investments in Social Housing for Canadians

Canada's Economic Action Plan is providing more than \$2 billion to construct and renovate social housing for low-income Canadians, including seniors, persons with disabilities and First Nations on reserve, while creating jobs.

## Renovation and Retrofit of Social Housing

\$1 billion in new funding is being provided to renovate and improve the energy efficiency of up to 200,000 social housing units across Canada. Provinces and territories are matching their share of federal funding.





## Key Results to Date

- Agreements have been reached with all but one of the provinces and territories. For the one remaining jurisdiction, agreement in principle has been reached subject to final approvals.
- Canada and Nova Scotia have announced investments of \$128 million to construct new and renovate existing social housing such as public housing buildings, co-operatives and non-profits across the province.
- Canada and Saskatchewan are partnering on a \$161-million investment to construct new and renovate existing social housing units across the province.
- Housing providers who own and operate social housing projects administered by Canada Mortgage and Housing Corporation (CMHC) can now apply for funding on-line through CMHC's website or through the mail.

**First Nations Housing:** \$400 million will be provided over two years to build new and renovate existing affordable housing units.

Program details and a call for applications were announced in April and First Nations communities are preparing their funding applications. Construction and renovation projects will start this summer.

**Northern Housing:** In recognition of its distinctive needs, \$200 million will be provided over two years to renovate and construct social housing units in the North.

Agreements are in place with the governments of Nunavut, the Northwest Territories and the Yukon. Construction will commence this summer.

**Housing for Low-Income Seniors and Persons With Disabilities:** \$475 million will be provided over two years which, along with matching funds from the provinces and territories, provides \$950 million in total support to construct new housing units.

Agreements which will implement the \$475 million in federal funding are in place with all provinces and territories except one. For the one remaining jurisdiction, agreement in principle has been reached subject to final approvals.



Canada and British Columbia have announced a \$123-million initiative to build up to 1,000 new housing units for seniors and people with disabilities.

**Helping Municipalities Build Stronger Communities:** To jumpstart planned housing-related infrastructure projects, up to \$2 billion will be provided over two years in low-cost loans to municipalities for housing-related infrastructure.

Loan applications are being received with several expected to be approved within the next month.

For more information on Canada's Economic Action Plan, visit

[WWW.ACTIONPLAN.GC.CA](http://WWW.ACTIONPLAN.GC.CA)

or call

1 800 O-Canada (1-800-622-6232)

1-800-926-9105 (TTY)

