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**OFFICIAL REPORT (HANSARD)**

**Friday, February 10, 2017**

Speaker: The Honourable Geoff Regan

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**PRIVATE MEMBERS' BUSINESS**

**Income Tax Act (rehabilitation of historic property)**

**Ms. Dianne L. Watts (South Surrey—White Rock, CPC):**

Mr. Speaker, I am pleased to rise and speak to Bill C-323, An Act to amend the Income Tax Act (rehabilitation of historic property).

This private member's bill from my colleague, the member for York—Simcoe, is a very timely piece of legislation that I believe will benefit Canadians from every community across this country, particularly as Canada gears up to celebrate its 150th birthday in July.

Over the past 150 years, Canada has grown immensely, both culturally and in terms of population. Just this week, Statistics Canada released data from the latest census that showed Canada continues to be the fastest-growing country in the G-7.

The census data released also demonstrated that Canadians are increasingly choosing to leave rural areas and migrate towards large urban centres. With this urban centre growth in population, one of two things tends to happen: either there is urban sprawl or older homes are torn down in order to build new subdivisions that can house more people.

One hundred and fifty years ago my home province of British Columbia had a population of just 36,000 people. Today, it has a population of over 4.5 million. As we continue to build new buildings and continue to pursue innovative architecture to accommodate this vast increase in population, we must make sure that we are preserving our history. Heritage homes tend to be found in central locations, as people settle and develop around communities that have existed in the past.

These properties also tend to be the first targets for demolition as developers and landlords tend to find it cheaper to demolish and rebuild. It is not expedient for them to restore and maintain heritage properties. However, as we approach Canada's 150th birthday, it is a perfect

opportunity to remind Canadians to be proud of our history and our heritage. It is an important opportunity to encourage them to preserve the work of Canadians who came before us, rather than tear down and build anew.

This is exactly what the bill from the member for York—Simcoe aims to do. Bill C-323 would create a new tax credit for the rehabilitation of buildings that are on the Canadian Register of Historic Places.

With this legislation, Canadians restoring heritage properties would be able to claim a 20% tax credit on rehabilitation costs, as well as receive an accelerated capital cost allowance. Furthermore, this legislation would give the Minister of Canadian Heritage the power to apply this credit to provincially and territorially designated historic properties that are not included on the Canadian Register of Historic Places.

We know that these kinds of initiatives work. The Canada 150 infrastructure fund was set up under the Conservative government and intended to assist communities in building new infrastructure to help their constituents celebrate this very special milestone of our country.

This legislation would help us preserve the history of our communities. In the mid-2000s Canada ran a pilot project for this kind of policy, the commercial heritage properties investment fund. This pilot program generated eight private sector dollars for every one public sector dollar invested in the restoration of heritage homes. This is much higher than the five private sector dollars earned in an equivalent program conducted by our neighbours down south in the U.S.

Furthermore, this program, on average, doubled the market property values of historic properties, business revenue, and occupancy rates of the historic properties.

Canada clearly has the appetite and potential to restore and uphold our heritage properties. With Canada 150 on the horizon, this is the perfect opportunity to assist Canadians in preserving our history.

We also want to encourage the creation of new jobs: construction jobs, restoration jobs, and new trades jobs. By including the acceleration of the capital cost allowance alongside the tax credit, the legislation would reduce the long-standing conflict between what constitutes a deductible repair versus a capitalized cost, a problem that often slows down or completely hinders rehabilitation projects.

Finally, this policy just makes good sense. Canadians already enjoy a home renovation tax credit, so why not have this same tax credit for heritage home restorations? By minimizing costs to Canadians engaged in restoring heritage homes, we are also incentivizing Canadians to restore and maintain these important pieces of Canadian history.

This legislation also has broad support from stakeholders right across the country. National Trust, one of Canada's leading heritage protection advocacy groups, said, "This is an idea that has widespread support from heritage advocates, federal, provincial, territorial and municipal governments, and the Federation of Canadian Municipalities".

Architects have called the bill a win-win for heritage advocates and for local economies looking to create jobs.

We know the long-lasting benefits and impacts that heritage properties can have in our communities. In my own riding, we have the Elgin Heritage Park, an entire area that is dedicated to the preservation of Canada's history. Stewart Farm, located in Elgin Heritage Park, is on

Canada's register of historic places. Stewart Farm offers Canadians and schoolchildren an opportunity to have a first-hand view of the life of pioneers and the history of Surrey's agricultural sector. This property could benefit from this legislation and help children of future generations to continue to learn and benefit from its operations.

These are the kinds of initiatives that we should be undertaking as we approach Canada 150. I hope that my colleagues on all sides of the House will join me in support of Bill C-323.