

April 24, 2024

TO: Prime Minister Justin Trudeau ([justin.trudeau@parl.gc.ca](mailto:justin.trudeau@parl.gc.ca))  
Minister Chrystia Freeland ([chrystia.freeland@parl.gc.ca](mailto:chrystia.freeland@parl.gc.ca))

cc: Pierre Poilievre, Leader of the Opposition ([pierre.poilievre@parl.gc.ca](mailto:pierre.poilievre@parl.gc.ca))  
Jagmeet Singh, Leader of the NDP ([Jagmeet.Singh@parl.gc.ca](mailto:Jagmeet.Singh@parl.gc.ca))

Dear Prime Minister Trudeau & Minister Freeland,

I am writing to you on behalf of the Federation of Ontario Cottagers' Associations (FOCA) to express our strong opposition to the recent announcement regarding changes to the Canadian capital gains tax. This change, as outlined in your announcement on April 16th, poses a significant threat to the ability of families to maintain their cherished cottages for future generations, which could have profound cultural implications for our Canadian heritage and way of life.

**Firstly, FOCA is deeply concerned about the impact this tax change will have on the approximately 150,000 seasonal cottage owners in Ontario alone, particularly when it comes time for them to pass the cottage on to their children.** Contrary to the government's characterization, these individuals are not among the wealthiest 0.13% of Canadians, but rather hard-working middle-class families who have cherished these properties as part of their heritage and family legacy for generations. For example, a couple who inherited their waterfront property from their parents in the early 1980s, when the average cost of a home was around \$75,000, could now have a property with a fair market value exceeding \$1,000,000 (according to Royal LePage's 2024 Spring Recreational Property Report). This represents a potential capital gain of \$925,000 upon disposition through sale or gifting to their children, of which \$425,000 would be subject to the new higher tax rate.


**Secondly, FOCA is opposed to the implementation date of June 24, 2024, for the new tax rate.** We believe that 60 days' notice is insufficient for such a significant change, which could have a dramatic impact on the financial position of middle-class Canadian families.

It is imperative that any tax measures consider the unique circumstances of cottage owners and preserve their ability to maintain these treasured properties within their families. Failure to do so could result in the premature sale of tens of thousands of Ontario cottage properties, leading to the proliferation of speculators, absentee landlords, and short-term rentals in rural waterfront communities. This outcome would run counter to the government's stated goal of preserving Canadian heritage and way of life.

FOCA respectfully urges the government to reconsider the application of this new tax and to take steps to mitigate its impact on middle-class families. We believe that by doing so, the government can ensure that the traditional stewards of these cottage properties can continue to enjoy the waterfront for generations to come.

Thank you for your attention to this important matter.

Sincerely,



Lesley Lavender  
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*FOCA is a non-profit membership organization representing over 525 lake, cottage, camp, and rural waterfront residents' associations, and the 250,000 families and voters that own waterfront property across Ontario. Waterfront property owners matter to rural Ontario, stewarding 15,000 km of shorelines and 50 hectares of privately-owned waterfront lands from Kenora to Kingston to Lake Erie to north of Temagami. FOCA's [2022 Economic Impact Study](#) confirmed that for every 100 waterfront properties located in a community, 63 jobs are created in Ontario, with 54 of those jobs in the community itself.*