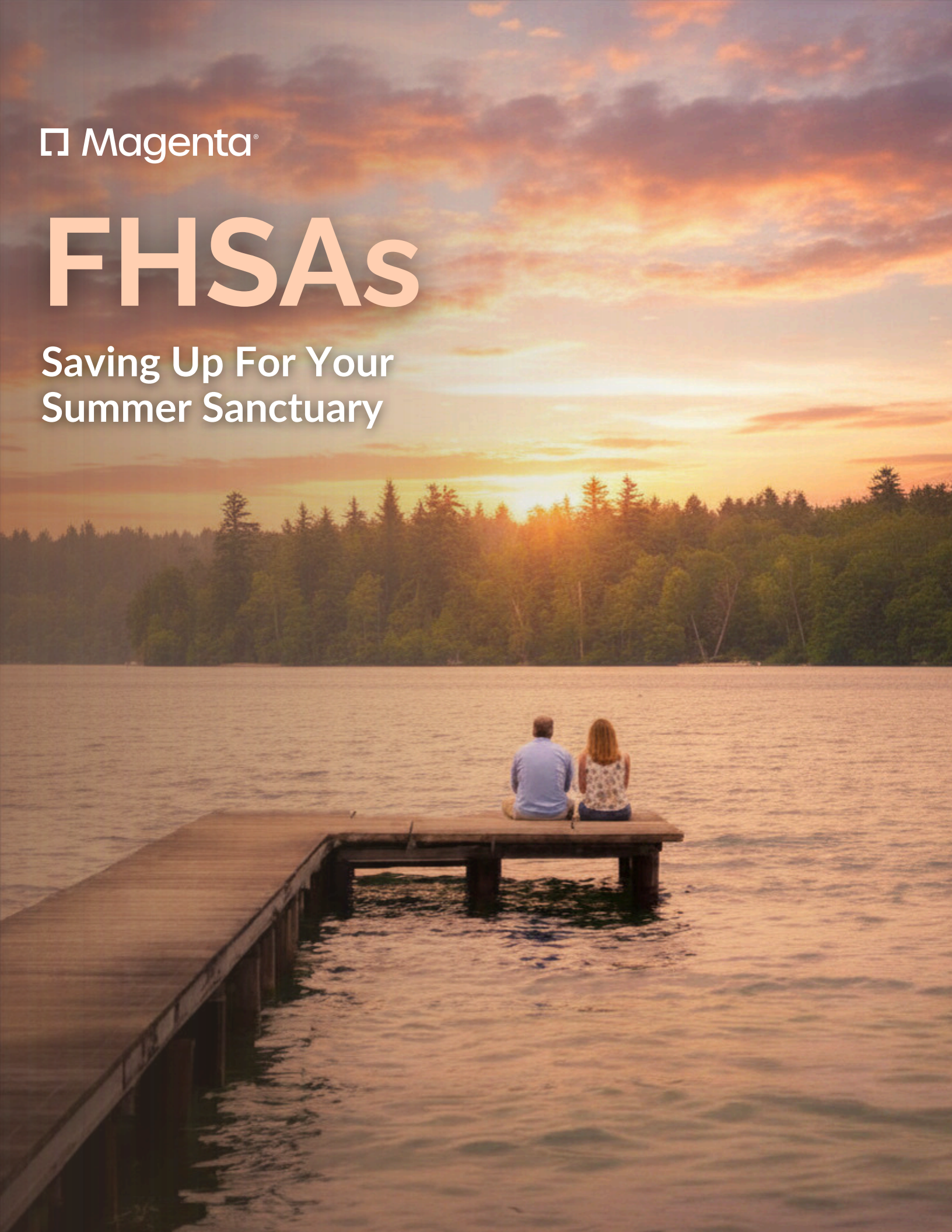
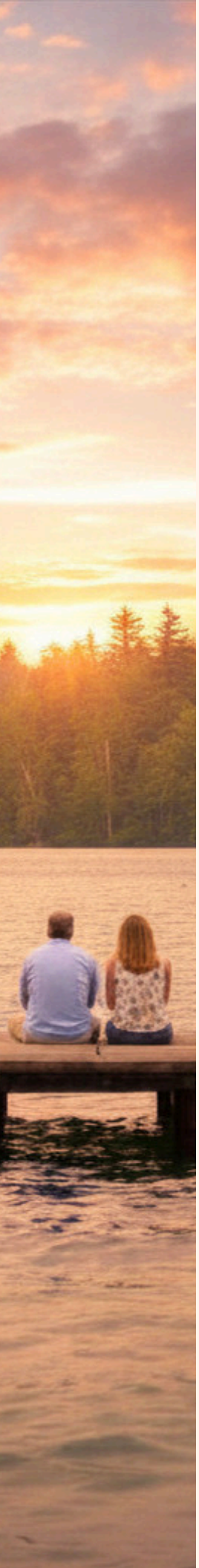
Magenta®

FHSAs

Saving Up For Your Summer Sanctuary





The cry of the loon. The lapping of waves against the wood of a dock. Enjoying a cold one.

"200 billion planets in the Milky Way...and to think, I live on the only one where I can have a lemonade by the lake with my daughter!"

"It would be pretty weird if you weren't on the same planet as your daughter", I laughed.

"You know what I mean." He gestured grandly at our waterside home, at the hillside garden where I'd planted native flowers for butterflies and bees, at the wide lawn where my nephews play soccer, where some years before, my brother was married. "We're lucky to have a place like this. More than just a sign of independence or financial security, a home is a place where you can truly be yourself, a reflection of your life's journey and the journeys of those you have the pleasure of sharing it with."

Independence. Still fresh out of university, that was a luxury I couldn't afford. I sighed despite myself. "With the way house prices are now, Dad, yeah, lucky is right. At this rate, it will be a miracle if I move out of your basement. Let alone treat whatever family I might have to anything like this."

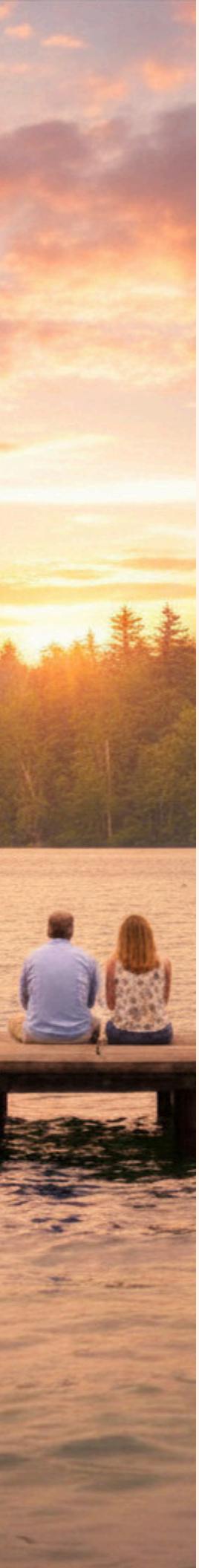
> *He put a reassuring hand on my shoulder. "In today's market, reaching the brass ring of home ownership can feel like an impossible dream for your generation. The good news is that there are many programs and incentives in place to help make that dream a reality. For now, let's focus on just one of them: a First Home Savings Account (or FHSA). An FHSA allows you to save up to $40,000 tax-free towards owning your first home. There is an annual contribution limit of $8,000. As long as you're over 18 and under 71, and you and your spouse, if someone is ever so lucky-"*

I rolled my eyes. "You already have grandkids, dad. I'm not in any hurry."

"-haven't owned a home in the past 4 years, you're off to the races."

"Ok, fine, let's say me and my lawfully wedded something-or-other open a FHSA. $8,000 feels like a lot, right about now."

"Saving to make the down payment on a home can be as simple as incorporating it into your budget. Automatic fund transfers to a savings account for each of your pay periods are a great way to start. You can also consider investing your savings in a short-term strategy such as Guaranteed Investment Certificates (GICs) or low-risk mutual funds. However, if it's important to know that if you want to build and manage your own portfolio of investments in your FHSA, then you're going to need to make it a self-directed FHSA, rather than a depositary, trusteed or insured one."



"So not so different than how I have a self-directed RRSP?"

> *"Exactly. In fact, under the new federal budget, you can even withdraw up to $60,000 from your RRSP tax-free for the purpose of buying a home. That's called the Home Buyer's Plan…but we might be getting a little ahead of ourselves."*

I wiped the sweat from my brow, and it wasn't just from the heat. "Yeah, let's see how I do with $40,000 before I start worrying about that."

He cheers'd me with a grin. "Chin up, Heather. 205 countries on earth, and you live in one where- with a little planning!- your government gives you a head start on owning a home."

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