



The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* prevents non-Canadians from buying residential property in Canada for 2 years starting on January 1, 2023.

Key Highlights

- The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* prevents non-Canadians from buying residential property in Canada for 2 years starting on January 1, 2023.
- The Act defines residential property as buildings with 3 homes or less, as well as parts of buildings like a semi-detached house or a condominium unit. The law does not prohibit the purchase of larger buildings with multiple units.
- The Act has a \$10,000 fine for any non-Canadian or anyone who knowingly assists a non-Canadian and is convicted of violating the Act. If a court finds that a non-Canadian has done this, they may order the sale of the house.
- Please note: This does not apply to non-Canadians who are looking to rent.

Definitions contained in the Act.

Definition of “Non-Canadian”

The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* applies to individuals who aren't:

- Canadian citizens
- permanent residents of Canada
- persons registered under the *Indian Act*.





The Act also applies to corporations based in Canada that are:

- privately held
- not listed on a stock exchange in Canada
- **controlled** by someone who is a non-Canadian

Definition of “Control”

For the purposes of the prohibition vis a vis privately held corporations controlled by a non-Canadian or an entity formed under the laws of Canada or a province and controlled by a non-Canadian, the Regulations define “control” as:

- direct or indirect ownership of shares or ownership interests of the corporation or entity representing 3% or more of the value of the equity in it, or carrying 3% or more of its voting rights, or
- control in fact of the corporation or entity, whether directly or indirectly, through ownership, agreement or otherwise

Definition of “Residential Property”

The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* defines residential property as buildings of **up to 3 dwelling units and parts of buildings, like semi-detached houses or condominium units.**

The Regulations clarify that the **prohibition applies to:**

- residential property located in a **census metropolitan area or a census agglomeration** as outlined in greater detail below.
- vacant land that does not contain any habitable dwelling, that is zoned for residential use or mixed-use and that is located within a census metropolitan area or a census agglomeration.





Exceptions for certain types of property

The Regulations include an **exception for any residential property found outside of a Census Metropolitan Area or Census Agglomeration** as identified in Statistics Canada's *Standard Geographical Classification 2021*.

Both Census Metropolitan Areas and Census Agglomerations are formed by 1 or more adjacent municipalities centered on a population centre, or the core.

A Census Metropolitan Area must have a total population of at least 100,000 of which 50,000 or more must live in the core and a Census Agglomeration must have a core population of at least 10,000.

Definition of "Purchase"

The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* applies to direct or indirect purchases of residential property. This includes purchases made through vehicles such as partnerships, trusts or other entities seeking to avoid the prohibition.

There are some situations where the prohibition doesn't apply, including:

- when somebody acquires an interest in a residential property resulting from a divorce, separation, gift, or death
- **the rental of a dwelling unit to a tenant for the purpose of its occupation by the tenant**
- when the transfer is resulting from the exercise of a security interest or secured right by a secured creditor





Exceptions:

The Act and Regulations provide exceptions for the following persons:

Temporary residents studying in Canada, if they:

- are enrolled in a program of authorized study at a designated learning institution as defined in the [Immigration and Refugee Protection Regulations](#)
- have filed income tax returns for each of the 5 taxation years preceding the year in which the purchase was made
- have been physically present in Canada for a minimum of 244 days in each of the 5 calendar years preceding the year in which the purchase was made
- have not previously purchased a residential property in Canada while the prohibition is in effect
- purchase a property for a price not exceeding \$500,000

Temporary residents working in Canada, if they:

- hold a valid work permit or are authorized to work in Canada
- have worked full-time in Canada for at least 3 years within the 4 years preceding the year in which the purchase was made
- have filed income tax returns for 3 of the 4 taxation years preceding the year in which the purchase was made
- have not previously purchased a residential property in Canada while the prohibition is in effect

Refugees, if they:

- have been given refugee protection or are a protected person under the *Immigration and Refugee Protection Act, 2001*





Refugee claimants and individuals fleeing international crises, if they:

- have made a claim for refugee protection in accordance with the *Immigration and Refugee Protection Act*, if that claim has been found eligible and referred to the Refugee Protection Division; or
- have received temporary resident status in accordance with the *Immigration and Refugee Protection Act* based on humanitarian public policy considerations to provide a haven to those fleeing conflict

Accredited members of foreign missions in Canada, if they:

- hold a passport that has a valid diplomatic, consular, official, or special representative acceptance issued by the Chief of Protocol of Canada.

Non-Canadian spouses and common-law partners, if they:

- purchase residential property in Canada with their spouse or common-law partner who is a Canadian citizen, a person registered under the Indian Act, a permanent resident or a non-Canadian for whom the prohibition does not apply.

Indigenous People and Communities

The Regulations clarify that the prohibition doesn't apply if it conflicts with the rights recognized and affirmed by Section 35 of the *Constitution Act, 1982*.

Section 35 recognizes and affirms the existing Indigenous and treaty rights of Indigenous peoples of Canada. These may include ownership rights to land, rights to occupy and use lands and resources, land to be set aside for First Nation use only, self-government rights and cultural and social rights.

