



2021 Profile of International Activity in Canadian Real Estate

Framework™

We would like to acknowledge and thank the National Association of REALTORS® Research Group for their support and for providing CREA with the opportunity to customize the international survey for deployment in Canada.

The findings of this report are largely influenced by the unprecedented COVID-19 global pandemic that continues. The overall financial and economic impact to the trade of international real estate has changed throughout the year, while the results of the survey are a summary of the year as a whole.

Information obtained from external sources is believed to be reliable, but not guaranteed. CREA makes no representations or warranties of any kind regarding the suitability and accuracy of the information in this publication.

Questions about this report or the survey can be directed to the Canadian Real Estate Association Global Team at global@crea.ca.

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1. ABOUT THE SURVEY

1.1 Overview

CREA retained Framework Analytics to develop, facilitate, and analyze a survey of its members, profiling international activity in Canadian real estate.

The 2021 Profile of International Activity in Canadian Real Estate Survey was created to gain insights into the nature of purchases and sales of Canadian property by international consumers.

The survey was sent to a randomly selected sample of CREA members. It was conducted online, between January and February 2022. Survey respondents' answers were based on the 12-month period beginning in January 2021 and ending in December 2021. The survey had a strong response rate of 6%, a total of 9,170 members, yielding an overall margin of error of plus or minus 1%, 19 times out of 20¹.

The terms 'international' and 'foreign' are used throughout this report. They refer to two types of clients:

- ▶ **Non-resident buyers (Type A):** Non-Canadians with permanent residences outside of Canada who don't stay in Canada year-round. (They typically purchase for investment, vacation, or visits of less than six months in Canada on non-immigrant visas.)
- ▶ **Resident buyers (Type B):** Non-Canadians who are recent immigrants (in the country less than two years at the time of the transaction) or temporary visa holders residing for more than six months in Canada as of the time of transaction (for professional, educational, or other reasons).

¹The margin of error, along with the response rates, changes from question to question because of non-responses or non-relevant answers.



2. SUMMARY

2.1 Highlights



\$875,491

average purchase price of Canadian residential property by international clients (11% higher than 2020).

38%

of international buyers perceived Canadian home prices as less expensive than prices in their home country.

61%

of international buyers were recent immigrants or temporary visa holders (Type B).

60%

of purchases were for primary residences.

36%

of residential buyers-side transactions were made without a mortgage.

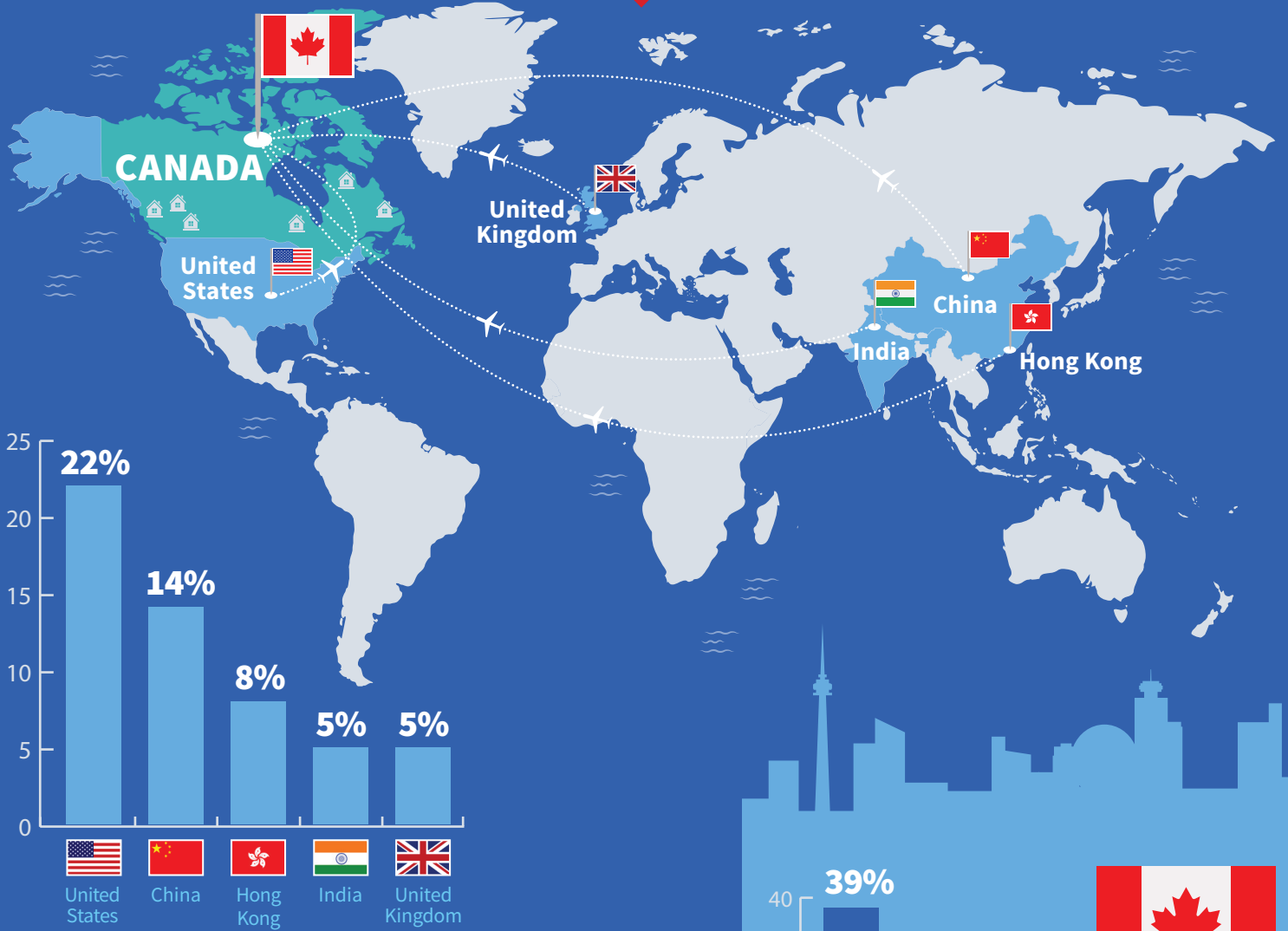
24%

of international buyer purchases were of \$1 million dollars or more (an increase of 26% compared to 2020).

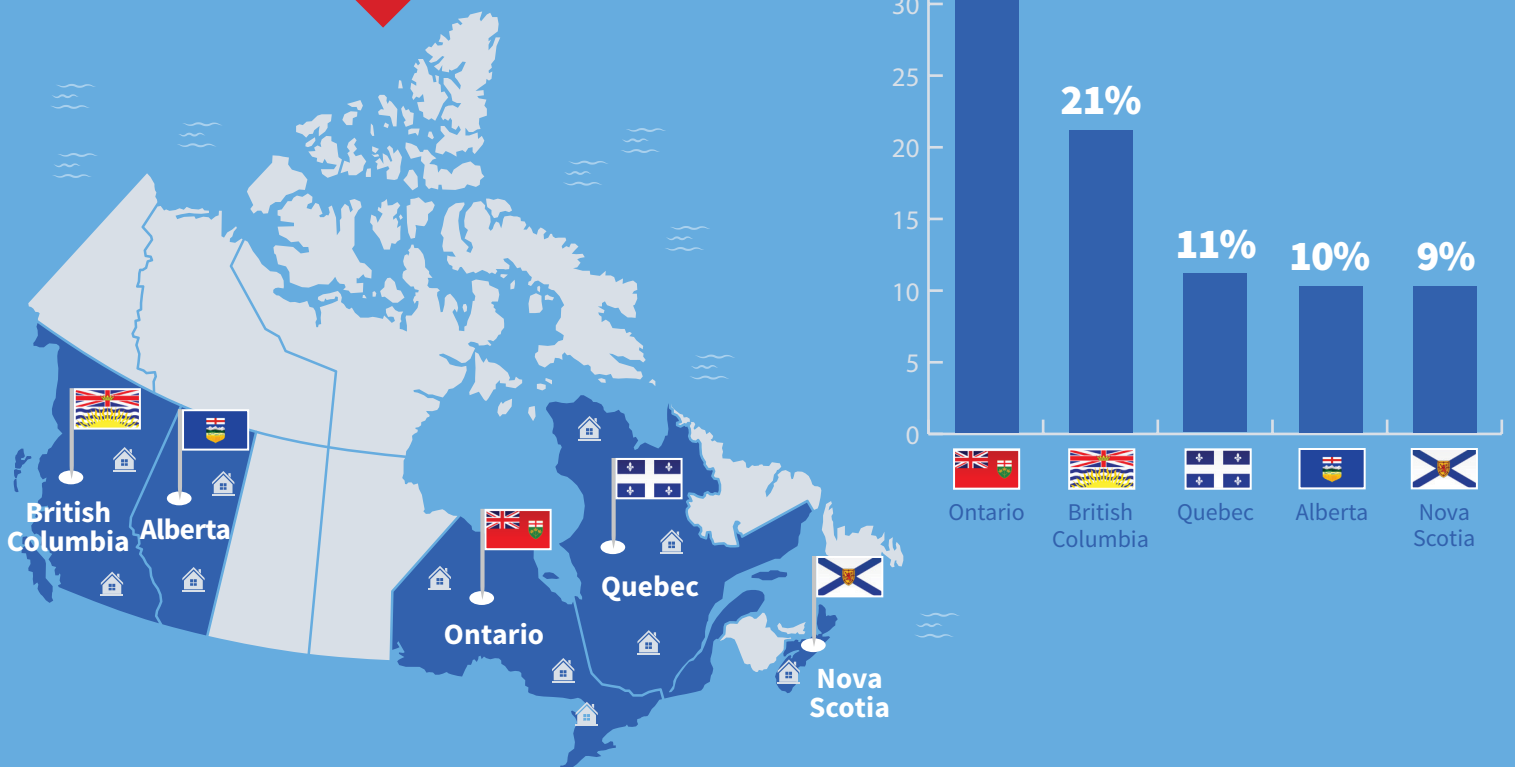
8%

of respondents reported closing a deal with an international client.

TOP 5 INTERNATIONAL BUYER COUNTRIES



TOP 5 CANADIAN DESTINATIONS



2.2 Survey Summary

During the 12-month reporting period, from January to December 2021, the economic environment provided both opportunities and challenges that affected international activity in the Canadian residential real estate market. Overall, home prices increased by 21%² in Canada, but this varied largely by city; larger price increases generally appeared most pronounced in larger cities. Real house prices increased in Canada.

Thirteen per cent of respondents indicated they had at least one international client who decided not to purchase in the last 12 months; this is down from 19%, over the same period in 2020.

Residential Properties Purchased by International Buyers

- ▶ International buyers who were recent immigrants, or on work, student, or other visas (Type B: resident buyers) accounted for 61% of international purchasers. The remaining 39% primarily resided outside of Canada (Type A: non-resident buyers).
- ▶ The average price of properties purchased by international buyers was \$875,491 – 7% higher than the average price of Canadian homes sold through Multiple Listing Service® (MLS®) Systems, of \$816,720³ for the same period.
- ▶ The international buyers average price increased by 31% compared to 2020, when the average purchase price was \$788,110. The median price of properties purchased by international buyers in 2021 was \$665,000. The average home price was higher than the median due to a small number of residential properties purchased for significantly more than the median price.
- ▶ Type A (non-resident) buyers of residential property paid an average of \$939,663, while Type B (resident) buyers paid an average of \$834,816.
- ▶ Thirty-eight per cent of REALTOR® respondents reported their clients perceived home prices in Canada as less expensive than prices in their home country.
- ▶ The United States was the most common origin of international buyers (22%), followed by China (14%). Hong Kong moved from fourth most common country of origin for international buyers, in 2020, with 5%, to third with 8%. The fourth and fifth most common origins were India (5%, down from 11%) and the United Kingdom (5%, up from 2%).
- ▶ Most buyers from China, France, the United Kingdom, and India were resident buyers, while buyers from the United States, Hong Kong, and Germany were mostly non-resident buyers.
- ▶ International buyers purchased property nationwide, however, 60% of purchases were made in two provinces: Ontario and British Columbia. This is a decrease from 68%, in 2020. British Columbia's share of international buyers grew to 21% in 2021, while Ontario's share decreased to 39%. Other significant Canadian markets also saw movement including a decrease in Quebec to 11%, while both Alberta and Nova Scotia saw increases with 10% and 9% respectively.
- ▶ More than half (60%) of international purchases of Canadian property were to be used as primary residences. Slightly more than a third (36%) were to be used as a vacation home for family and friends, as a residential rental property for investment, or both.
- ▶ A significant 54% of Type A (non-resident) buyers purchased without a mortgage, up from 37% in 2020. Type B (resident) buyers were also less likely to use a mortgage in 2021. Thirty-one per cent of Type B (resident) buyers did not use a mortgage, up from 16% in 2020.
- ▶ Of the Type A (non-resident) buyers who used a mortgage, 83% used a Canadian mortgage, down from 94% in 2020. Ninety-five per cent of Type B (resident) buyers who used a mortgage, used a Canadian mortgage, remaining consistent with 2020.
- ▶ Nine per cent of Type B (resident) buyers purchased a detached single-family home; 23% purchased a condominium, cooperative, or condo-townhouse; 13% purchased a freehold townhouse, row house, or duplex; and the remainder purchased land or reported "other" as the type of property purchased. This purchase distribution is in alignment with 2020.

² CREASTats. (2022). National Statistics [online] Available at: <https://creastats.crea.ca/en-CA/> [Accessed 19 May, 2022]

³ CREASTats



Residential Properties Sold by International Clients

- ▶ Five per cent of respondents who worked on seller-side transactions of residential property reported working with international clients.
- ▶ The most common countries of origin of international clients who sold their Canadian residential property were the United States (30%), China (16%), and India (8%).
- ▶ Hong Kong is rapidly becoming a major purchaser of Canadian residential property, with the segment almost doubling since launch of the survey.
- ▶ Properties sold by international clients sold for an average price of \$950,000, up 20% from 2020, while the median price was \$655,500.

Canadian Clients Searching for Properties Abroad

- ▶ Two per cent of respondents had Canadian clients who were interested in purchasing property abroad. The United States was, by far, the most popular country for Canadians seeking property abroad.
- ▶ The majority (94%), of Canadians seeking property abroad were interested in a residential property and intended to use that property as a vacation home, residential rental for investment, or both.
- ▶ Roughly 21% of Canadian clients searching for properties abroad were seeking a primary residence.

REALTOR® Interaction with International Clients

- ▶ Sixty per cent of respondents who worked with residential buyers reported no change in the percentage of international client transactions to their business in the past 12 months. Twenty-one per cent reported an increase, and the remaining 19% reported a decrease.
- ▶ Fifty-six per cent of respondents who reported they worked with international buyers of residential property felt that their transaction activity level would stay the same over the next twelve months, while 32% felt it would increase, and 12% felt it would decrease.

2.3 Economic Environment in 2021

The onset of the COVID-19 pandemic impacted the global economy in an unprecedented way. In Canada, the economy initially experienced a severe downturn amidst steep declines in both gross domestic product (GDP) and employment. At one point, close to three million Canadians found themselves out of work and the unemployment rate was recorded at more than 13%.

Despite the lingering effects of the pandemic carrying over into 2021, economic activity rebounded quickly, albeit not entirely to pre-pandemic levels. This was largely due to the unparalleled level of support made available in the form of low interest rates and various income assistance programs. Considering the above-mentioned factors, real GDP increased for several consecutive months of 2021, and growth occurred throughout many industries. The labour market also bounced back, with many of the jobs lost, recovered by mid-2021; by this time, the unemployment rate fell back to single digits. Overall, the Canadian economy expanded 4.8% in 2021, following a 5.2% decline in the previous year.

Home Price Growth

Many major metropolitan centres across the world saw considerable economic growth, and there are several potential contributing factors: many people spent less than their previous average on costs associated with social outings; an amplified desire to own their home may have resulted from the increased amount of time spent there; and continued price increases may have motivated buyers to move more quickly than they originally planned.

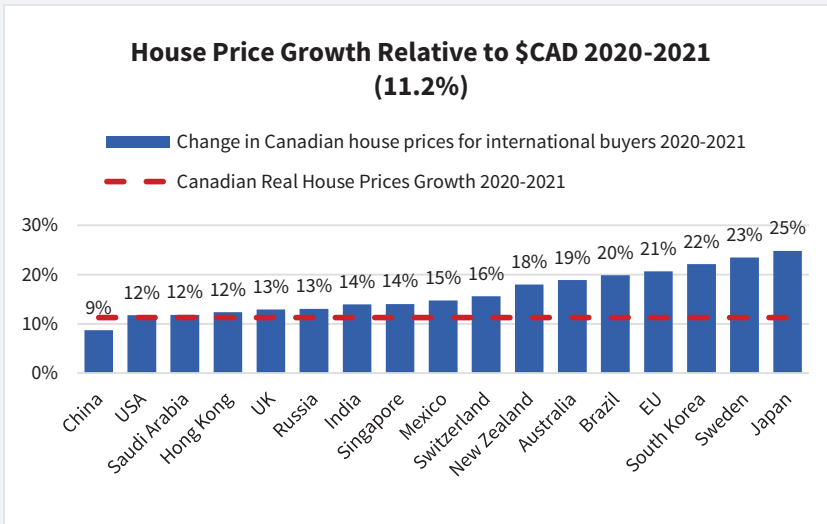
Border restrictions may have made access to the Canadian residential real estate market more difficult for international buyers, therefore purchases have needed to be made through less conventional means, online or otherwise. Canada had fewer restrictions to international travel in late 2021 than it did in 2020, and whether this has already, or will in future, have an impact on the market is still to be determined.

The Canadian dollar appreciated relative to the local currencies of some of the countries of origin of major international buyers of Canadian residential property. This means, in relative terms, and not considering the real increase of Canadian home prices, Canadian property is more expensive for these buyers in 2021, than it was in 2020.



Factoring in a real home price growth of 11%⁴ in Canada aligns with the 21%⁵ year-over-year increase of nominal average home prices in Canada in 2020-2021. This trend further supports the decrease in the number of survey respondents, in 2021, who reported their clients perceived home prices in Canada as less expensive than prices in their home country, than in 2020.

The chart below depicts Canadian home price increases relative to many countries across the world. International clients in countries like South Korea, Sweden, and Japan pay relatively more than buyers from China or the U.S.



⁴Data.oecd.org. (2021). Housing Prices – OECD Data. [online] Available at: <https://data.oecd.org/price/housing-prices.htm> [Accessed 27 Apr. 2021].
⁵CREAStats. (2022). National Statistics [online] Available at: <https://creastats.crea.ca/en-CA/> [Accessed 19 May. 2022]

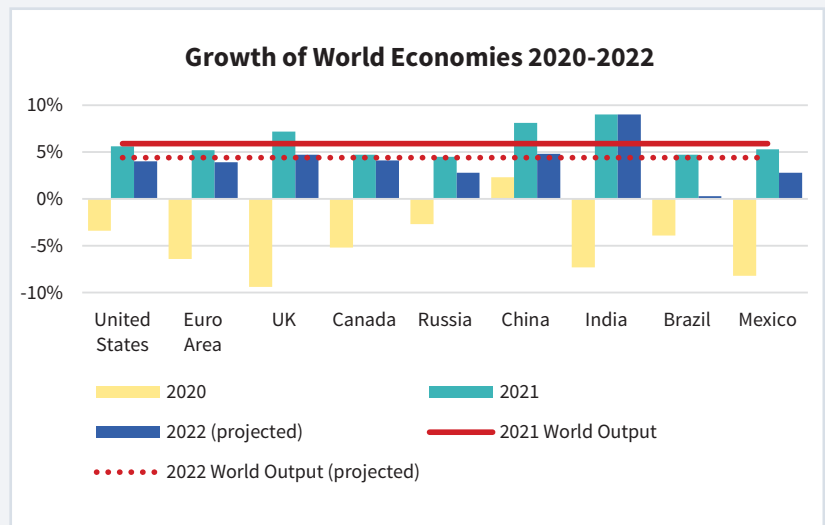
Average House Prices in Canada and the United States in Canadian Dollars ^{6, 7, 8}

	Q4 2020	Q4 2021	Δ		Q4 2020	Q4 2021	Δ
Canada	\$604,643	\$716,138	+18%	United States	\$401,949	\$458,563	+14%
Greater Toronto	\$954,281	\$927,700	+21%	New York Area	\$639,783	\$718,589	+12%
Montreal CMA	\$510,648	\$592,582	+16%	Los Angeles Area	\$876,853	\$1,011,578	+15%
Greater Vancouver	\$1,090,425	\$1,234,889	+13%	Chicago Area	\$371,902	\$403,287	+8%
Calgary	\$464,627	\$495,425	+7%	Dallas Area	\$378,013	\$443,730	+17%
Ottawa	\$545,704	\$639,829	+17%	Washington Area	\$615,974	\$681,316	+11%

Economic Developments

Economic growth in the country of an international buyer improves the capability of international buyers to purchase a property.

Clients from countries that are rapidly growing, and exceeding global rates, like China will be more able to purchase international residential real estate from countries they are outpacing⁹. The world economy, and that of every major country, experienced a decline because of the COVID-19 pandemic. Fortunately, however, the economies of the world have reared back into action almost as quickly as they faltered and are expected to return to pre-pandemic levels in mid-2022.



⁶ Bankofcanada.ca. (2022). Annual Exchange Rates. [online] Available at: <https://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/> [Accessed 28 Feb. 2022].

⁷ NAR Price Map

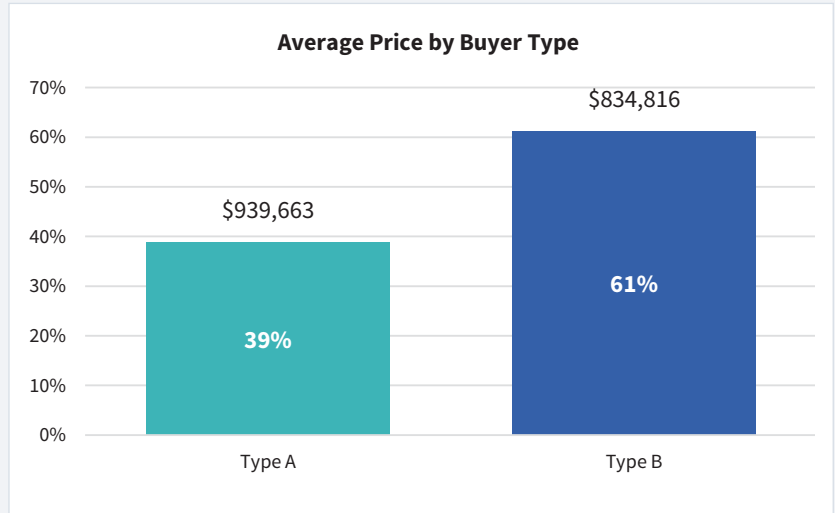
⁸ CREA Price Map. National Statistics. [online] Available at <https://creastats.crea.ca/en-CA/> [Accessed Feb.2022]

⁹ IMF. (2022). World Economic Outlook Update, War Sets Back the Global Recovery [online] Available at: <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022> [Accessed 18 Apr. 2022].

3. INTERNATIONAL CLIENTS WHO PURCHASED CANADIAN RESIDENTIAL PROPERTY

3.1 Volume of International Buyers Purchasing Residential Property

Of all Canadian residential property sold to international buyers, 39% was purchased by Type A (non-resident) buyers and the remaining 61% was purchased by Type B (resident) buyers.



3.2 Origin of International Buyers

American buyers were the most represented buyer group, purchasing 22% of all residential property, by international buyers in 2021, increasing from 18% in 2020. The next largest segment was buyers from China, who purchased 14%, down from 19% in 2020. Buyers from Hong Kong represented the third-largest group with 8% of all residential property purchased by international buyers, up from 5% in 2020; this is the fastest growing segment of foreign purchasers of Canadian residential property.

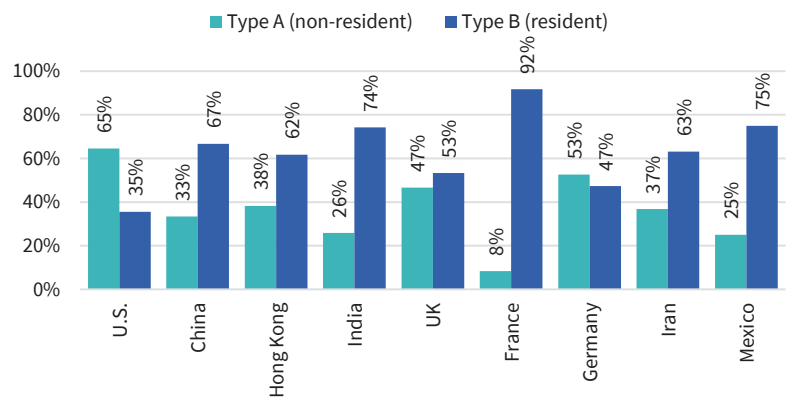


Origin of Major International Buyers

	U.S.	China	Hong Kong	India	UK	France	Germany	Iran	Mexico	Other
2018	20.7%	21.4%	3.5%	5.4%	5%	4.8%	1.6%	1.9%	1.2%	34.5%
2019	21.8%	21.7%	4%	4.7%	5%	6.1%	2.4%	3.3%	2%	29.2%
2020	17.6%	18.9%	5%	11.2%	2.4%	3.8%	2.2%	3.9%	1.4%	33.6%
2021	21.9%	13.8%	8.3%	5.5%	5.3%	4.2%	3.4%	3.4%	2.1%	32.3%

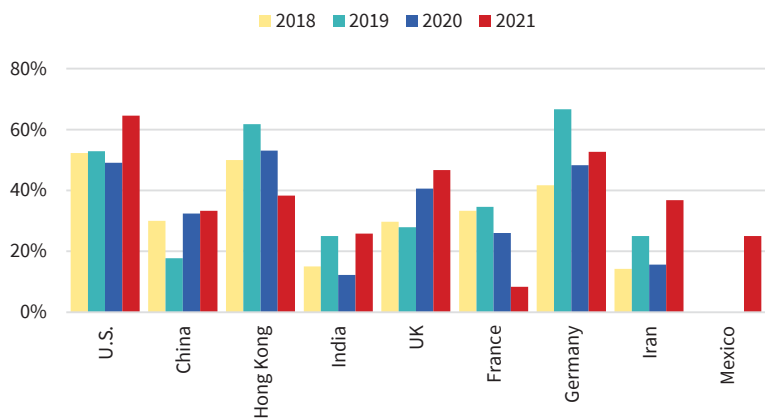
Non-resident rates varied between countries, with most purchasers from major countries residing in Canada at the time they made the purchase. However, buyers from the United States, were less likely to reside in Canada at the time they purchased property. While buyers from India, China, France, and Mexico, were more likely to be Type B (resident) buyers.

Share of Non-resident (Type A) vs. Resident (Type B) Buyers among Major International Buyers



The share of Type A vs. Type B buyers changed for many countries, in 2021. This may have been, in part, due to COVID-19 restrictions and the inability of non-residents to enter the country for much of 2021.

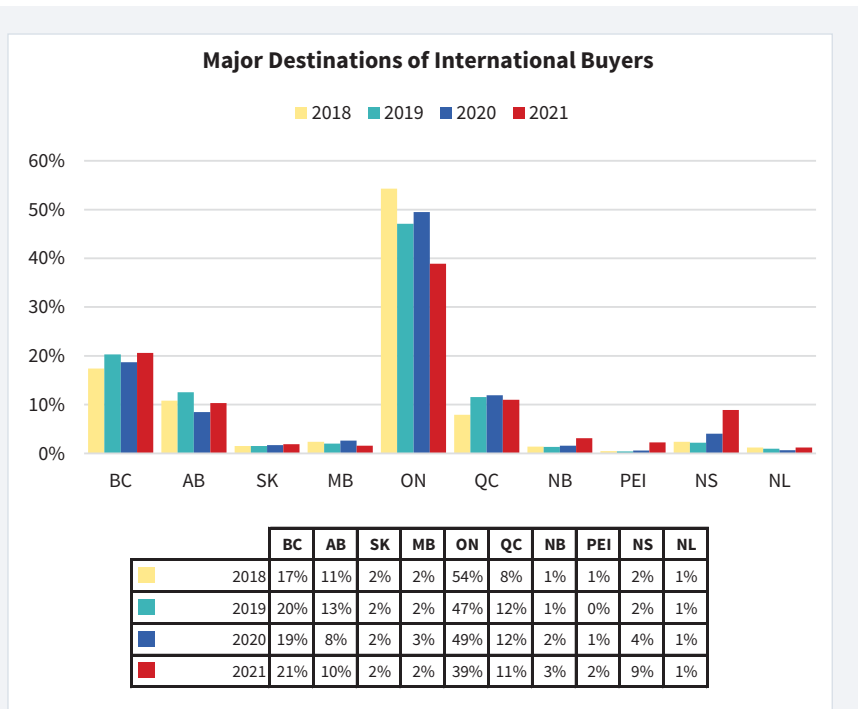
Type A Buyers from Major International Countries



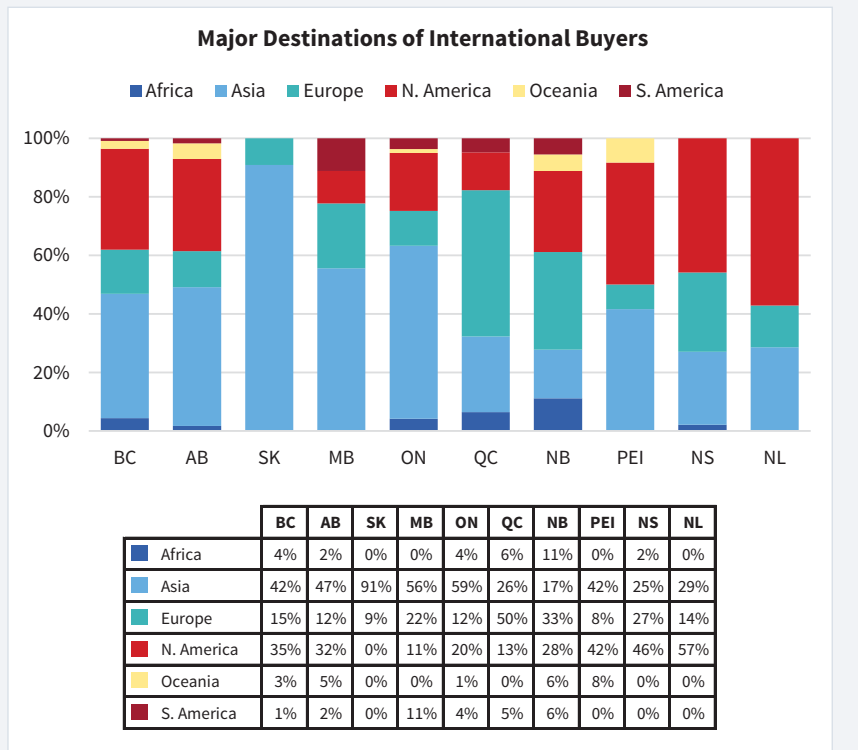
	U.S.	China	Hong Kong	India	UK	France	Germany	Iran	Mexico
2018	52%	30%	50%	15%	30%	33%	42%	14%	0%
2019	53%	18%	62%	25%	28%	35%	67%	25%	0%
2020	49%	32%	53%	12%	41%	26%	48%	16%	0%
2021	65%	33%	38%	26%	47%	8%	53%	37%	25%

3.3 Destination of International Buyers

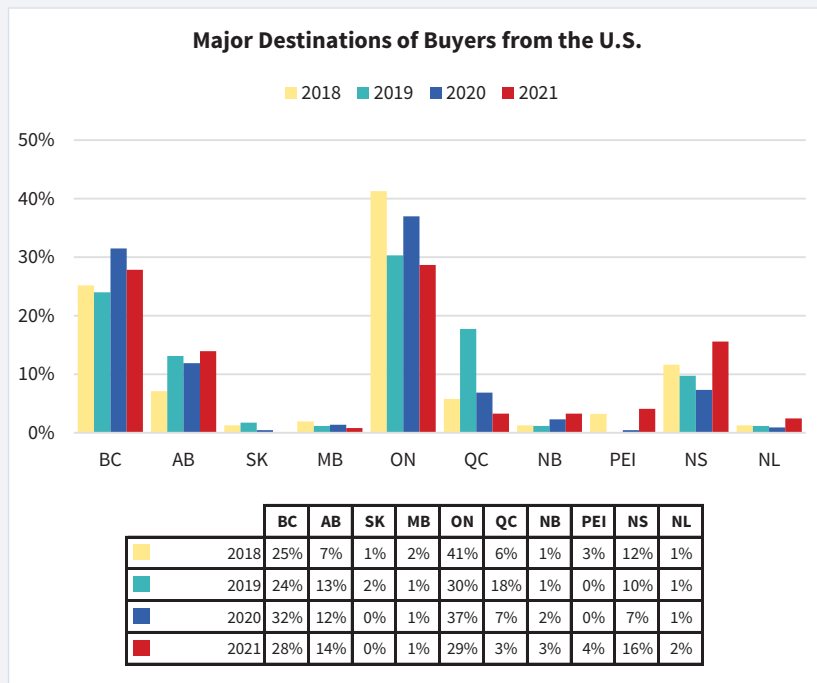
Although international clients represent a small segment of the total Canadian residential real estate market, they're an important segment, particularly for the provinces attracting significant international investment. The major destinations of international buyers are Ontario (39%), British Columbia (21%), Quebec (11%), and Alberta (10%). Nova Scotia experienced strong growth, from 4% in 2020, to 9% in 2021.



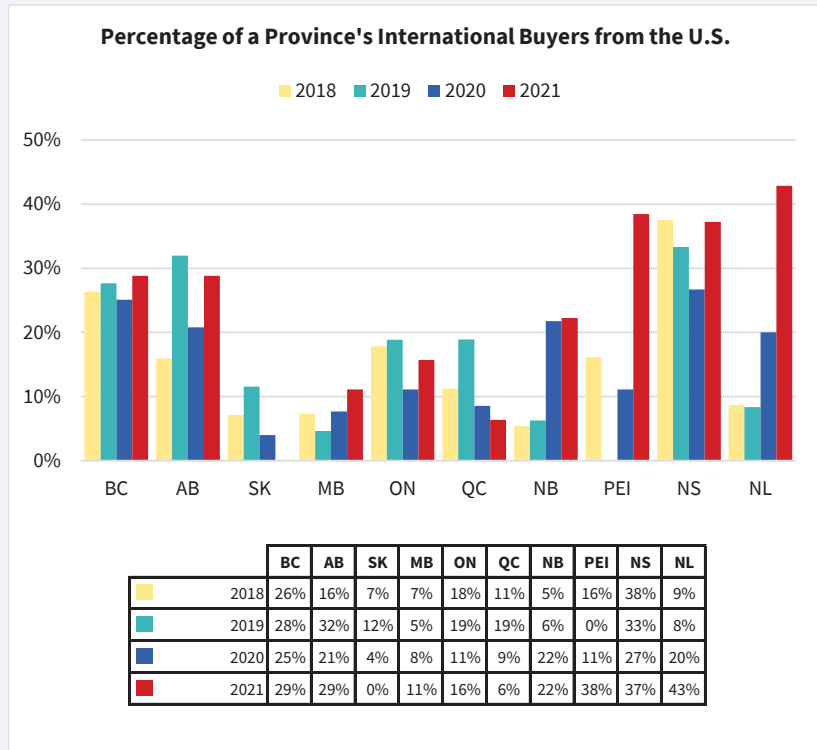
Cultural similarity, population, proximity to home country, and job opportunities seem to influence the decisions of international buyers of Canadian residential property. Buyers from Asia strongly prefer regions with established cultural communities such as British Columbia and Ontario. In the case of British Columbia, it's also the nearest region in Canada to China. American buyers tend to prefer regions known for vacation properties and work opportunities. Buyers from France strongly prefer to purchase in Quebec, likely because of the shared language and cultural similarities. Buyers from India and Iran strongly preferred cities with large populations, particularly Toronto. Properties in Nova Scotia were popular among German buyers.



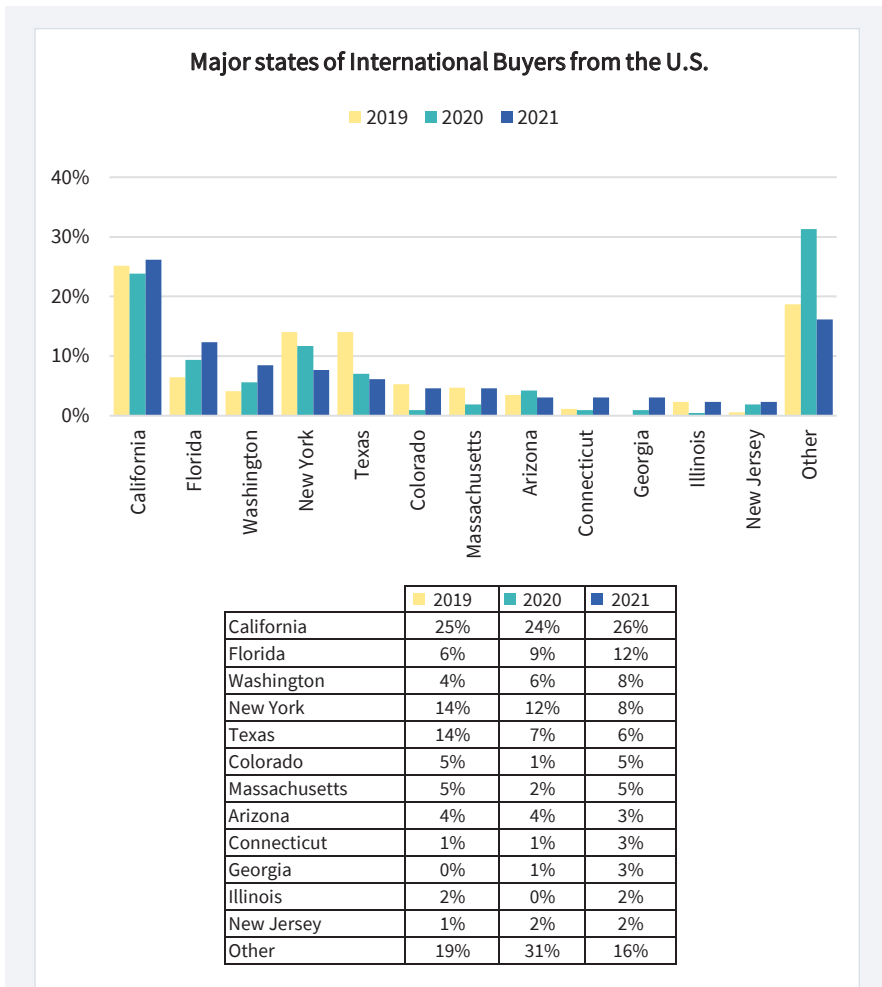
American buyers comprise the largest share of Type A (non-resident) buyers. They purchased a relatively higher amount of Canadian residential property in regions known for vacation properties, like British Columbia. Americans are also a major purchaser of property in the Atlantic region, particularly Nova Scotia. The percentage of Americans who bought in Nova Scotia grew from 7% in 2020, to 16% in 2021.



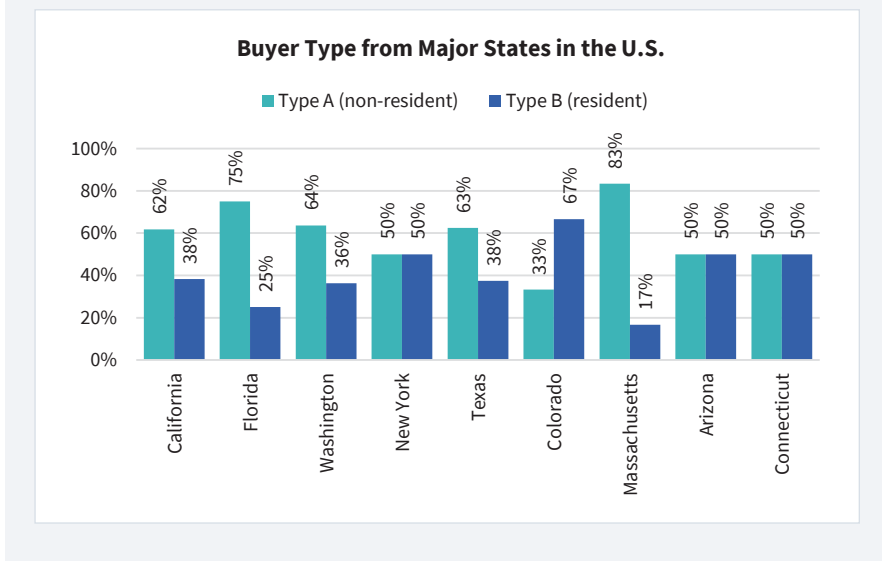
American buyers make up 37% of the total international buyer-side market in Nova Scotia, 38% in Prince Edward Island, and 43% in Newfoundland and Labrador.



Except for increases in California and Florida, American buyers came from a wider area than in years past. However, there was a notable decline in Americans from New York and Texas, while Washington, Colorado, Massachusetts, and Connecticut all increased their market share.

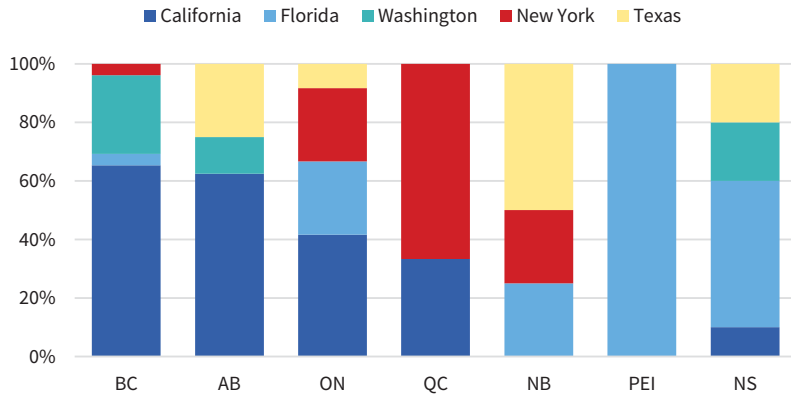


Except for New York, international buyers from wealthier states (such as California, Florida, Washington, Texas, and Massachusetts) were more likely to be Type A, while other American buyers were more evenly balanced.



Buyers from California were more likely to purchase in Western Canada: British Columbia and Alberta. New Yorkers seemed to prefer Quebec, while Texans represented a significant share of those purchasing property in New Brunswick, Alberta, and Nova Scotia.

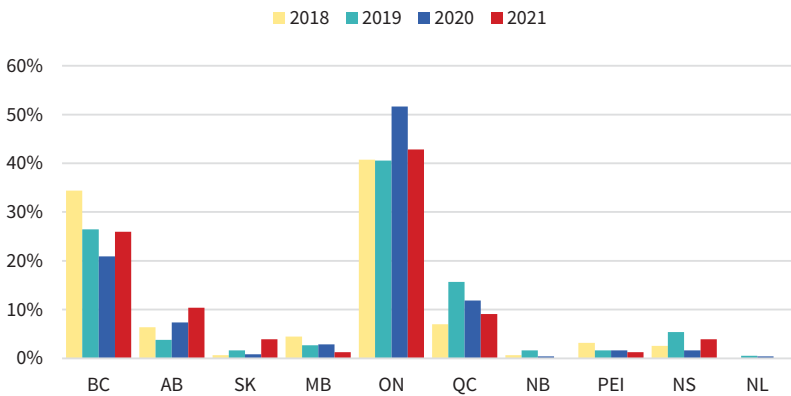
Major Destination of Buyers from the Top 5 U.S. States



	BC	AB	SK	MB	ON	QC	NB	PEI	NS	NL
California	47%	31%	0%	0%	27%	33%	0%	0%	5%	0%
Florida	3%	0%	0%	0%	16%	0%	25%	20%	25%	0%
Washington	19%	6%	0%	0%	0%	0%	0%	0%	10%	0%
New York	3%	0%	0%	0%	16%	67%	25%	0%	0%	0%
Texas	0%	13%	0%	0%	5%	0%	50%	0%	10%	0%

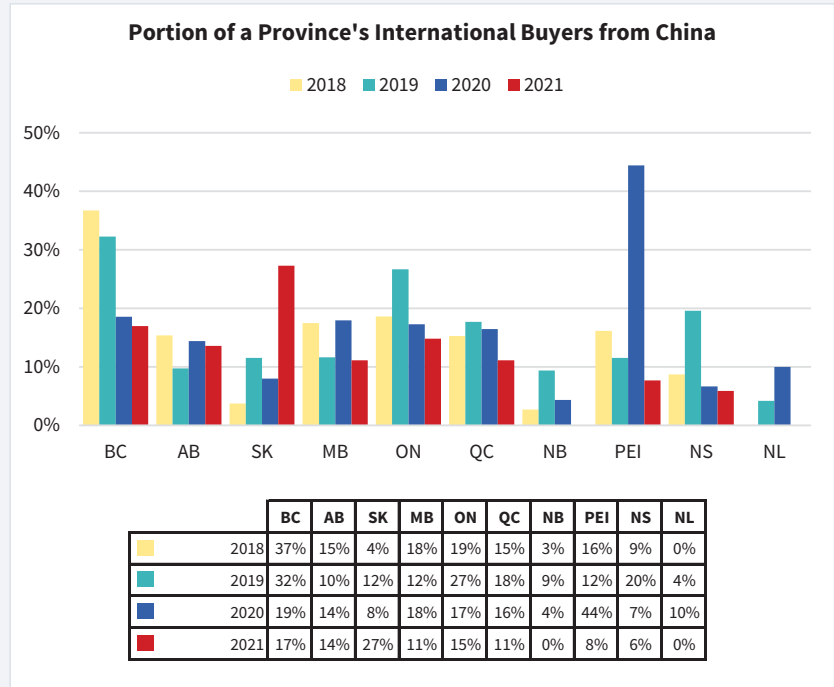
The shift in Chinese purchasing habits in 2020 to central Canada appears to be tapering off. Chinese buyers returned to Canada's western regions in 2021. Nonetheless, the main destination for Chinese buyers remains, Toronto. Chinese buyers tended to purchase residential property in areas with higher average property values like Vancouver and Toronto. Chinese buyers of Canadian property also seem to prefer regions with established Chinese communities.

Major Destinations of International Buyers from China

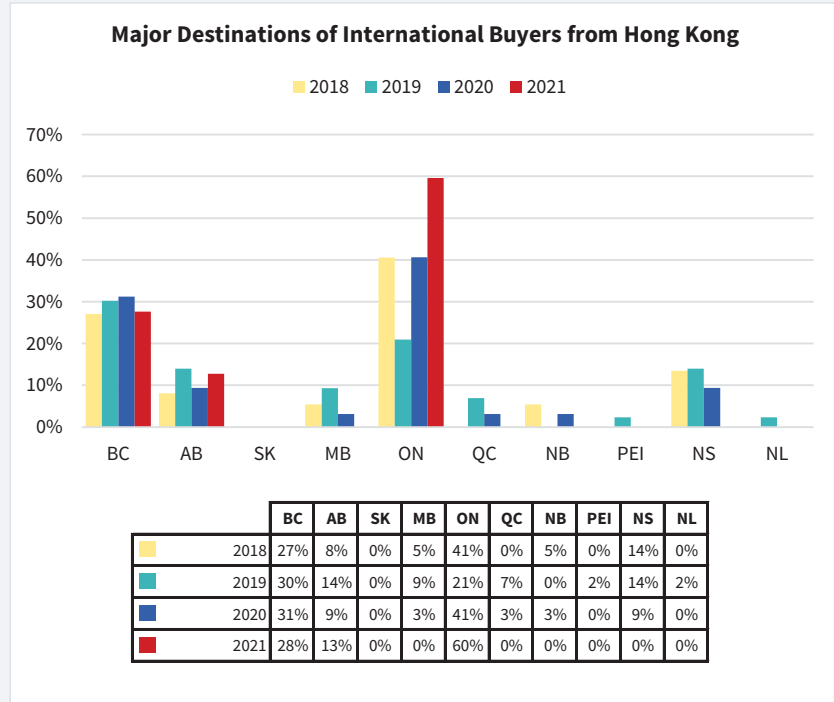


	BC	AB	SK	MB	ON	QC	NB	PEI	NS	NL
2018	34%	6%	1%	4%	41%	7%	1%	3%	3%	0%
2019	26%	4%	2%	3%	41%	16%	2%	2%	5%	1%
2020	21%	7%	1%	3%	52%	12%	0%	2%	2%	0%
2021	26%	10%	4%	1%	43%	9%	0%	1%	4%	0%

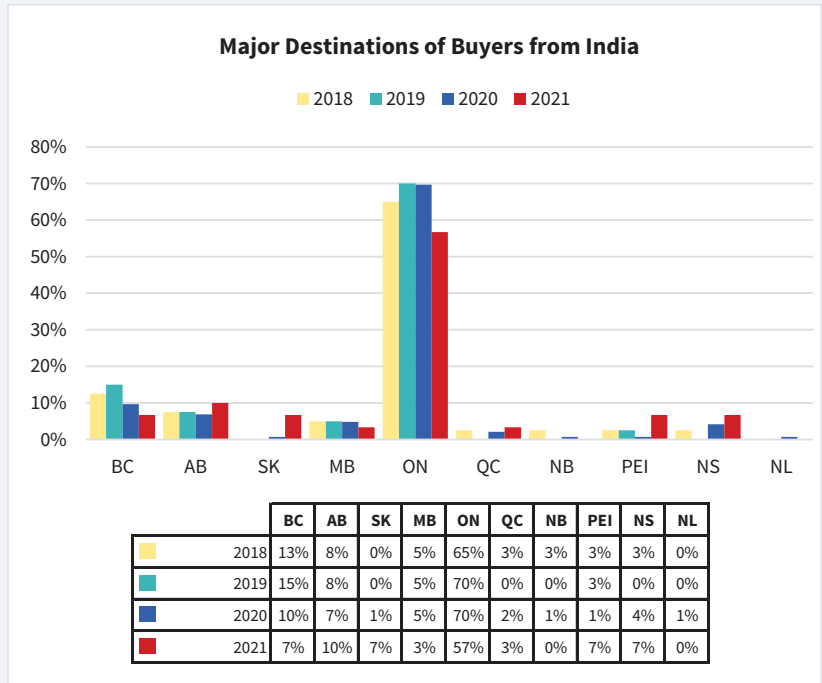
Although buyers from China continue to represent a dominant percentage of all international buyers of Canadian residential property, their total segment was smaller in 2021. They also make up a smaller portion of the international market in all provinces, other than, Saskatchewan.



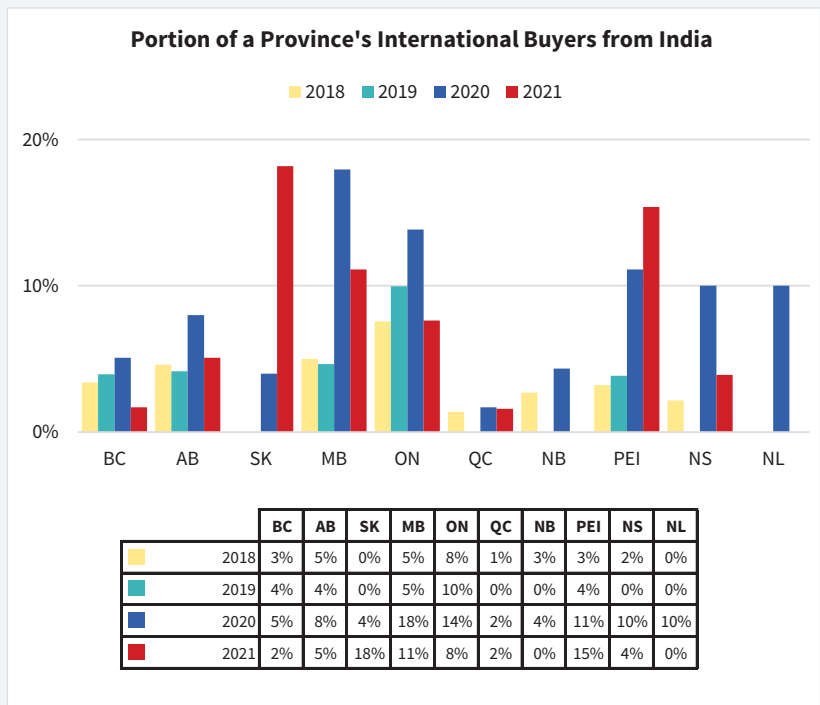
Buyers from Hong Kong made up the fastest growing market segment in 2021. The segment has steadily grown year-over-year since CREA started measuring, from 3% in 2018 to 8% in 2021. They also exhibit similar purchasing patterns to buyers from China: prioritizing large municipal centers and areas with established cultural communities.



Buyers from India have consistently preferred Ontario to other regions in Canada. This may be due to the presence of strong Indian communities in the Greater Toronto Area and the Waterloo metropolitan area.

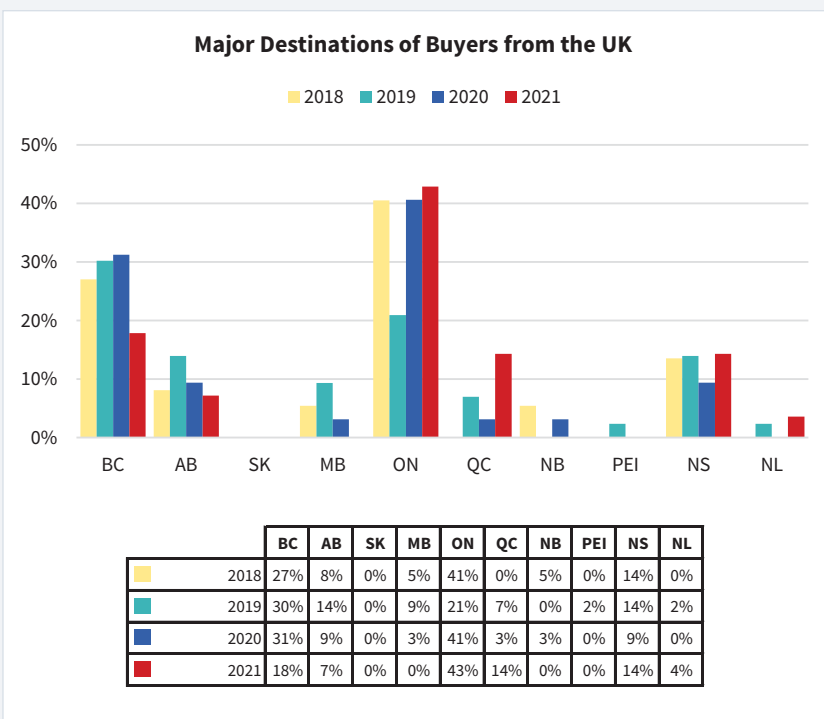


In 2021, they comprised a larger portion of the international buyer market share in Saskatchewan and Prince Edward Island, but a smaller part of the British Columbia, Alberta, and Ontario market share, when compared with 2020.





International buyers from the United Kingdom preferred Ontario, British Columbia, and Quebec to other regions in Canada. Fewer buyers from the UK bought in the western region of Canada (British Columbia and Alberta) than in previous years.

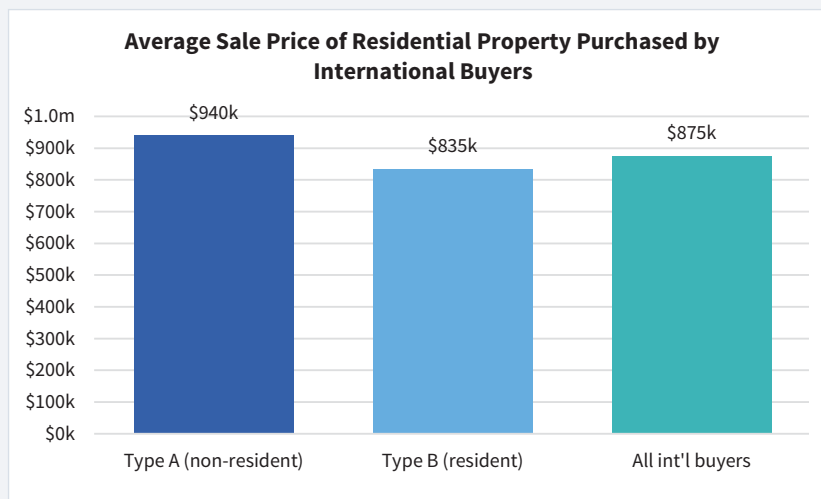
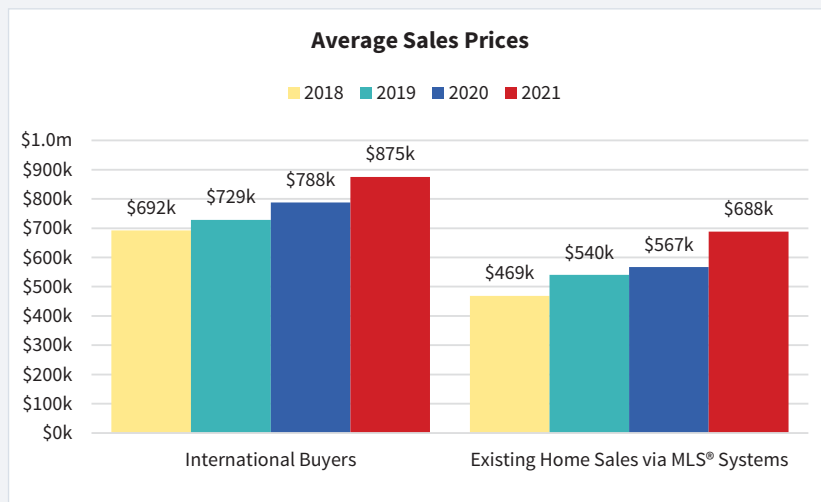
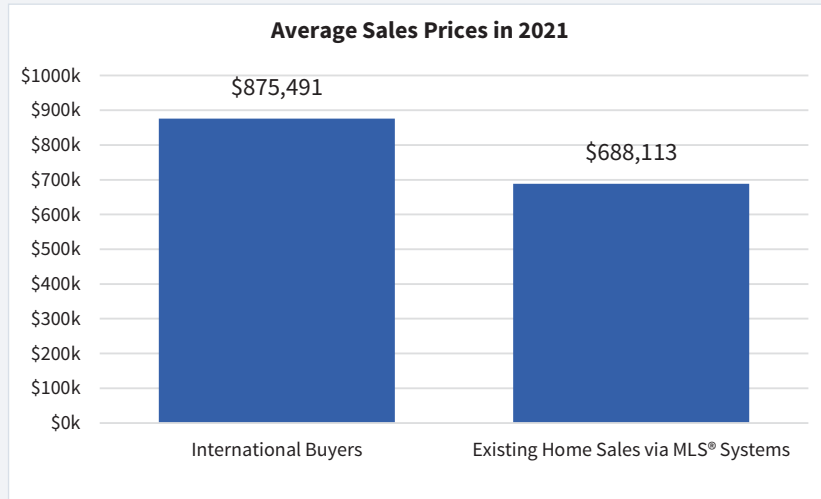


3.4 Prices and Financing

International buyers purchase residential properties for a variety of reasons, across geographic areas, and with widely varying prices. On average, international buyers paid \$875,491, 27% higher than the average price of all existing Canadian homes sold through MLS® Systems, \$688,113¹⁰. The median price of properties purchased by international buyers was \$665,500.

The average price of Canadian residential property sold to an international buyer increased by 11% from \$788,110 in 2020, to \$875,491 in 2021. Notably, this is a smaller increase than the 21% average increase for all existing Canadian home sold through the MLS® Systems over the same period¹¹.

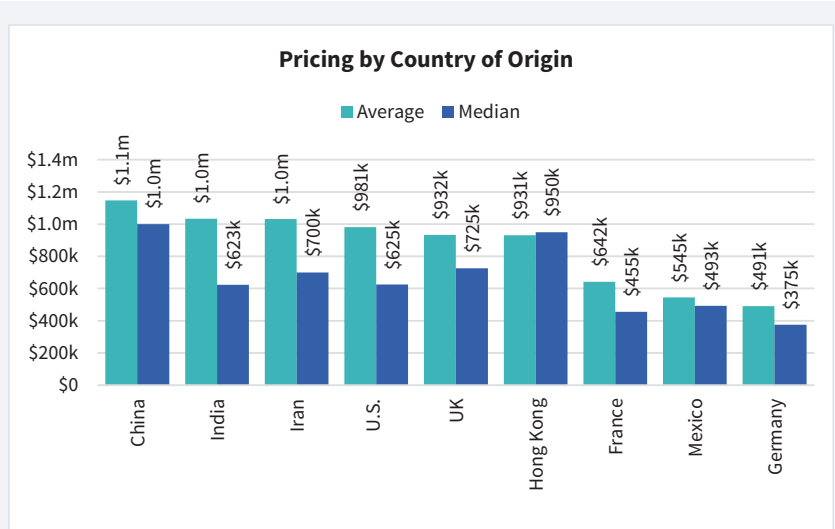
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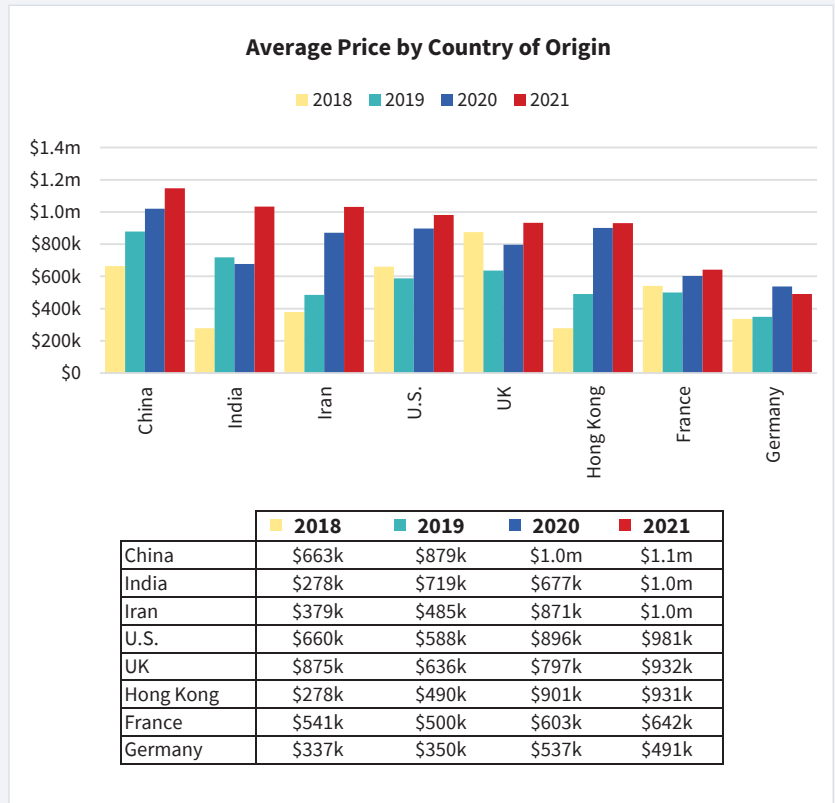
¹⁰ CREASTats. (2022). National Statistics [online] Available at: <https://creastats.crea.ca/en-CA/> [Accessed 19 May, 2022]

¹¹ CREASTats

Median and average prices varied by the country of origin of the buyer. Buyers from China had the highest average purchase price of the major international buyers of Canadian residential real estate. Of the other major countries, buyers from Germany had the lowest average purchase price. Unsurprisingly, buyers from countries that tend to purchase in larger Canadian metropolitan centres, such as those from China, India, Iran, and the U.S. have a higher average purchase price than countries who purchase throughout all regions of Canada.



As the average home price has increased, so too has the average purchase price of each set of major international buyers. India's average purchase price increased 53%, from \$677,000 in 2020, to one million in 2021. This may be due to the decline of inventory, and increase in prices around Ontario, specifically in the Greater Toronto Area – the area where many international buyers from India choose to purchase property.

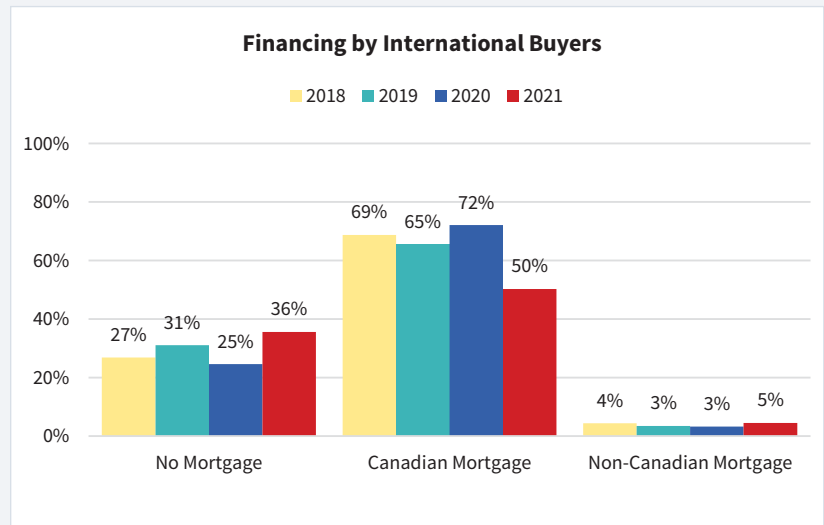


	2018	2019	2020	2021
China	\$663k	\$879k	\$1.0m	\$1.1m
India	\$278k	\$719k	\$677k	\$1.0m
Iran	\$379k	\$485k	\$871k	\$1.0m
U.S.	\$660k	\$588k	\$896k	\$981k
UK	\$875k	\$636k	\$797k	\$932k
Hong Kong	\$278k	\$490k	\$901k	\$931k
France	\$541k	\$500k	\$603k	\$642k
Germany	\$337k	\$350k	\$537k	\$491k

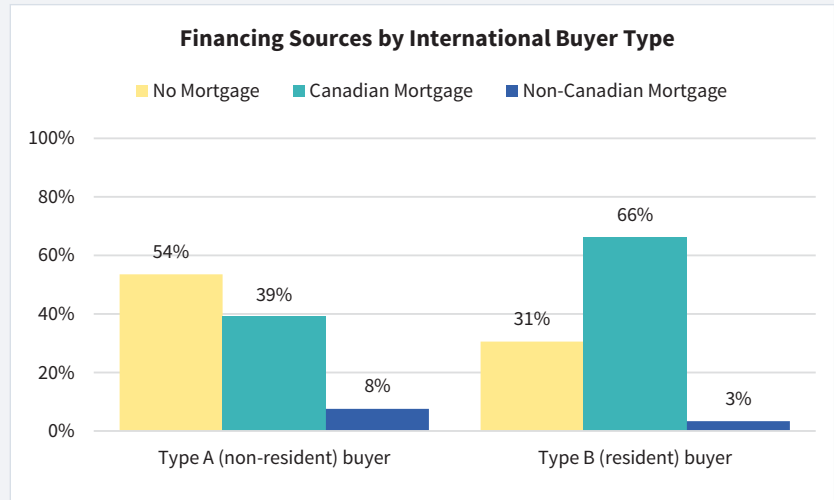
Financing by International Buyers

	No Mortgage	Canadian Mortgage	Non-Canadian Mortgage
2018	27%	69%	4%
2019	31%	65%	3%
2020	25%	72%	3%
2021	36%	50%	5%

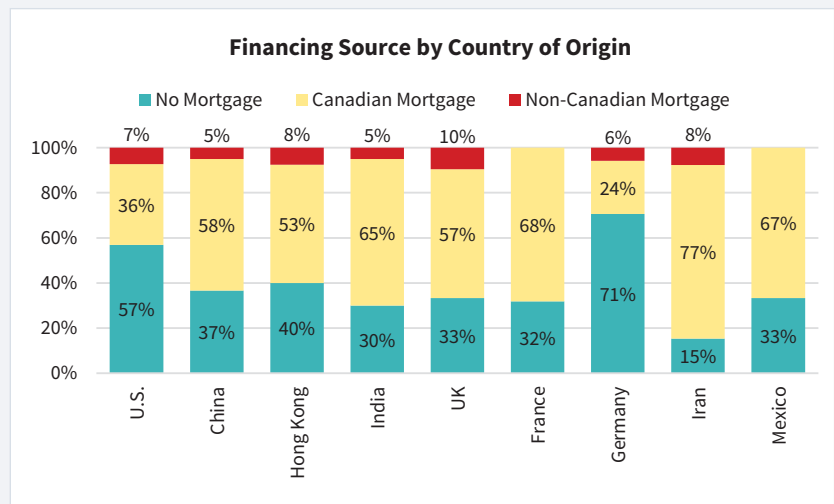
Of all reported residential buyers-side transactions, only 55% were made with a mortgage, the lowest ever recorded by this survey. Purchases made ‘in cash’, or without a mortgage, comprised 36% of all international buyers-side transactions, up from 25% in 2020.



In addition, the number of buyers using a mortgage varies based on type of international buyer, with only 47% of Type A (non-resident) buyers using mortgages, compared to 69% of Type B (resident) buyers.

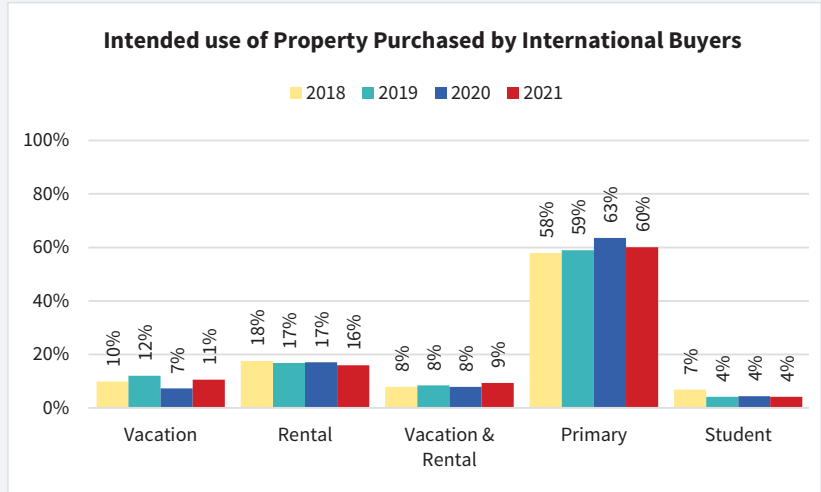


As they have for a few years, buyers from Germany were much more likely to make a purchase without a mortgage than buyers from other countries. Buyers from the United States are also more likely to buy without a mortgage. Buyers from the UK are the most likely to use a non-Canadian mortgage.

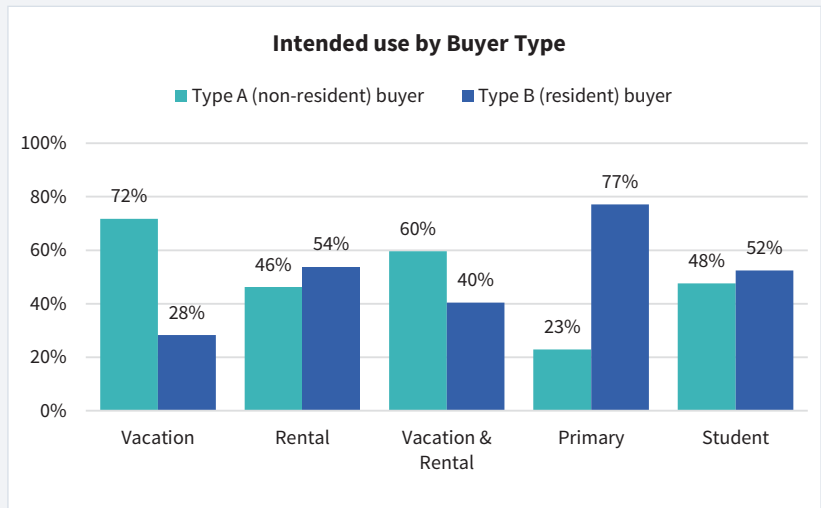


3.5 Intended Use of the Property

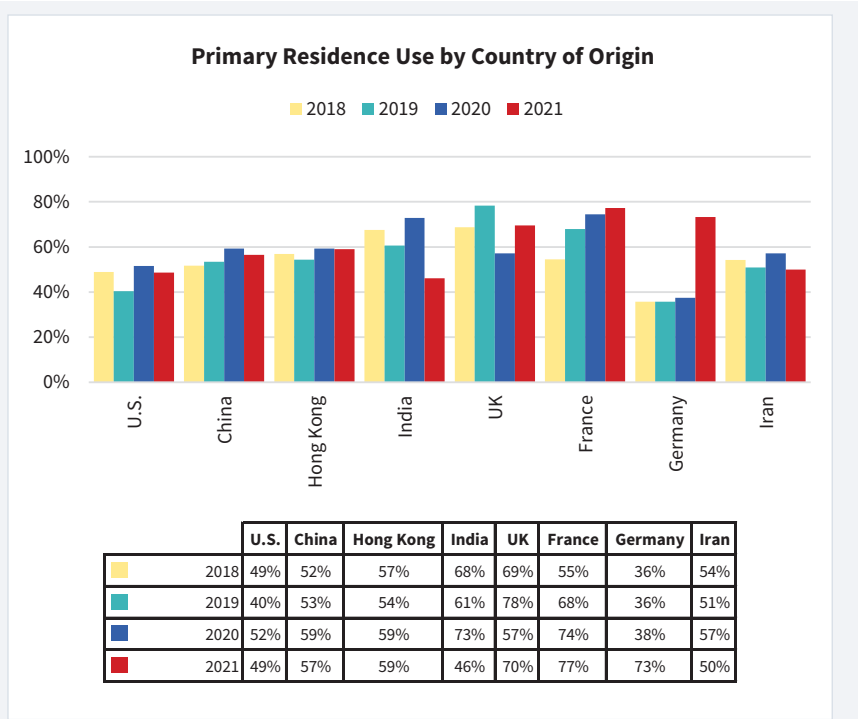
While international clients purchased properties in Canada for residential, investment, and vacation purposes, 60% of international buyers purchased property as a primary residence. There has been little change in the intended use of internationally purchased Canadian residential property since the survey began, in 2018.



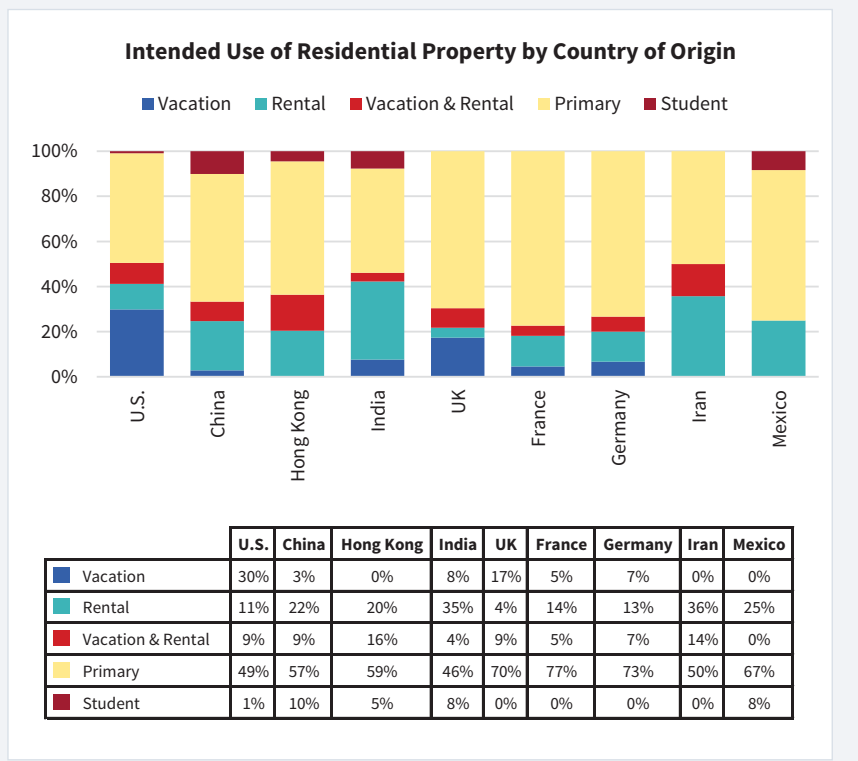
As one would expect, most vacation homes were purchased by Type A (non-resident) buyers, whereas most primary residences were purchased by Type B (resident) buyers.



With two notable exceptions, foreign buyers from all major countries of origin purchased homes for reasons consistent with 2020. The two notable exceptions are buyers from India tend to buy property less often for use as a primary residence, while buyers from Germany are more likely to.



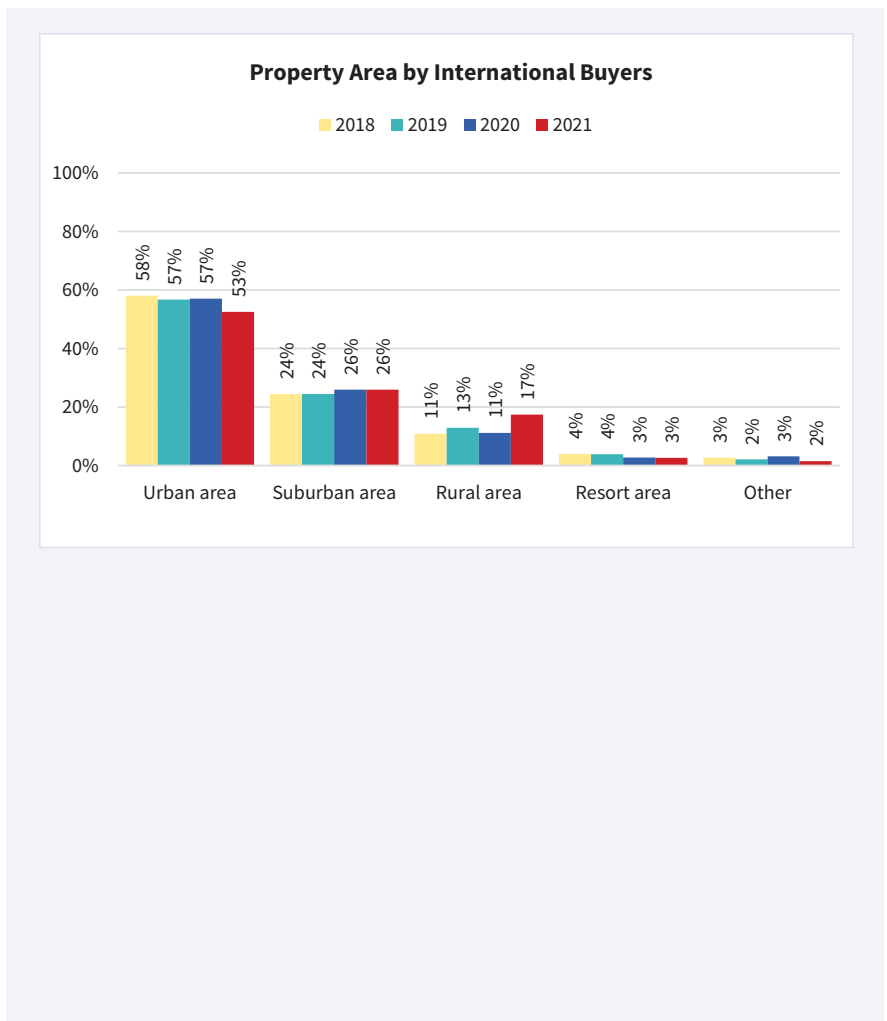
Intended use is mostly consistent by buyer origin, with small variations such as buyers from the United States and the UK who make up a relatively larger percentage of vacation property buyers.



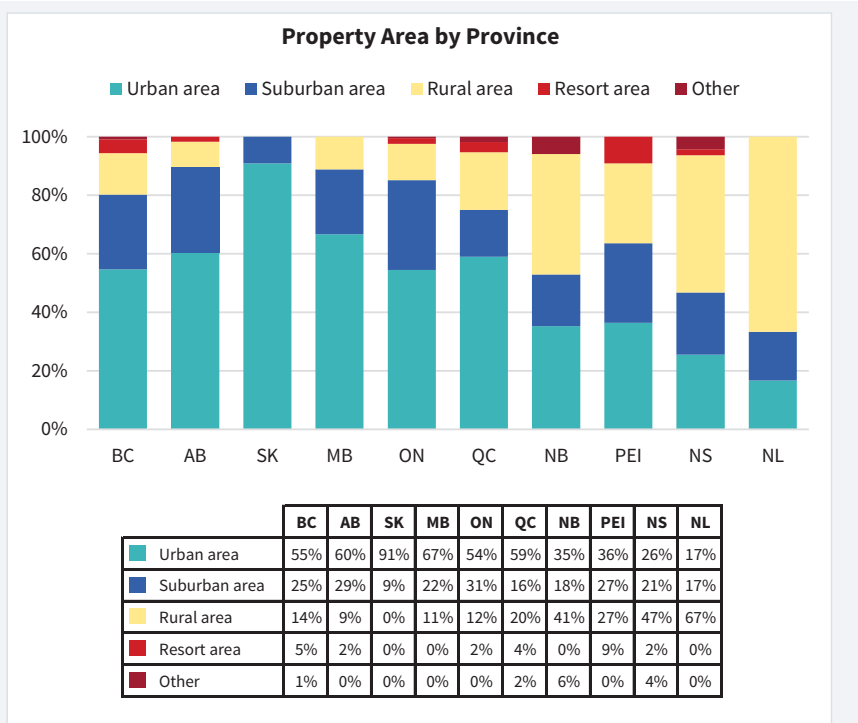
Intended Use by Country of Origin									
	U.S.	China	Hong Kong	India	UK	France	Germany	Iran	Mexico
Vacation home	30%	3%	0%	8%	17%	5%	7%	0%	0%
Residential rental	11%	22%	20%	35%	4%	14%	13%	36%	25%
Both (vacation home & rental)	9%	9%	16%	4%	9%	5%	7%	14%	0%
Primary residence	49%	57%	59%	46%	70%	77%	73%	50%	67%
Students studying abroad	1%	10%	5%	8%	0%	0%	0%	0%	8%

3.6 Type of Area Where Property is Located

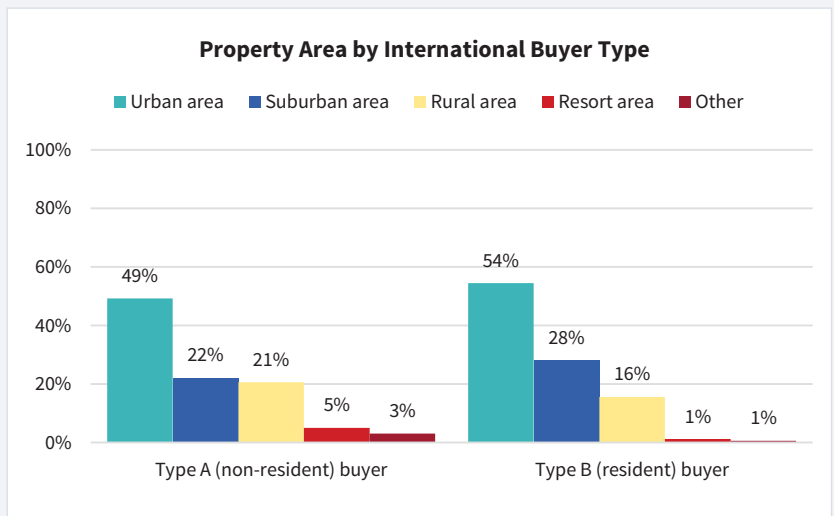
Seventy-eight per cent of international buyers purchased in either an urban or suburban area. Seventeen per cent purchased property in rural areas (an increase of 57% compared to 2020), while only 3% of international buyers purchased in resort areas. There has been little change in the distribution of property locations, other than the noted increase to rural area purchases.



The areas in which international buyers purchased, varied by region. International buyers in the Atlantic provinces were more likely to purchase in a rural area than international buyers in the rest of the country.



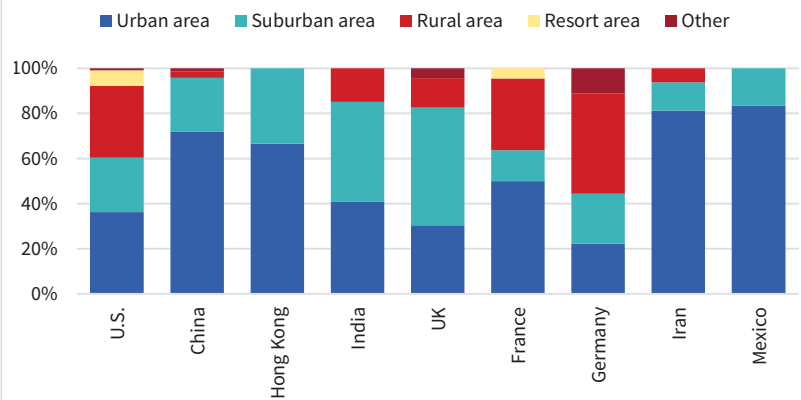
Type A (non-resident) buyers were significantly more likely to purchase residential property in rural areas and resort areas than Type B (resident) buyers, who mostly purchased in the suburban or urban core.





Property area type varied by the country of origin of the buyer. Buyers more likely to purchase in a suburban or urban area were from China (96%), Hong Kong (100%), Iran (94%), and Mexico (100%). Buyers from the United States, France, and Germany were the most likely to purchase in either rural or resort areas, with 39% from the U.S., 36% from France, and 44% from Germany respectively.

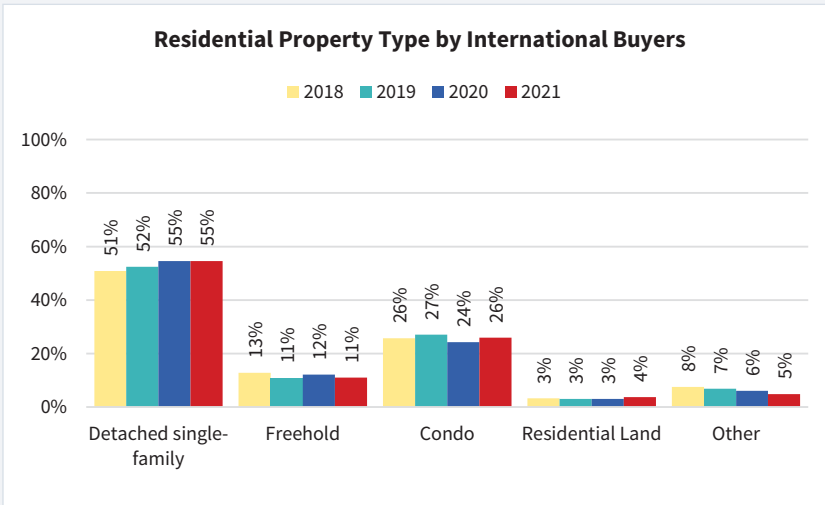
Property Area by Country of Origin



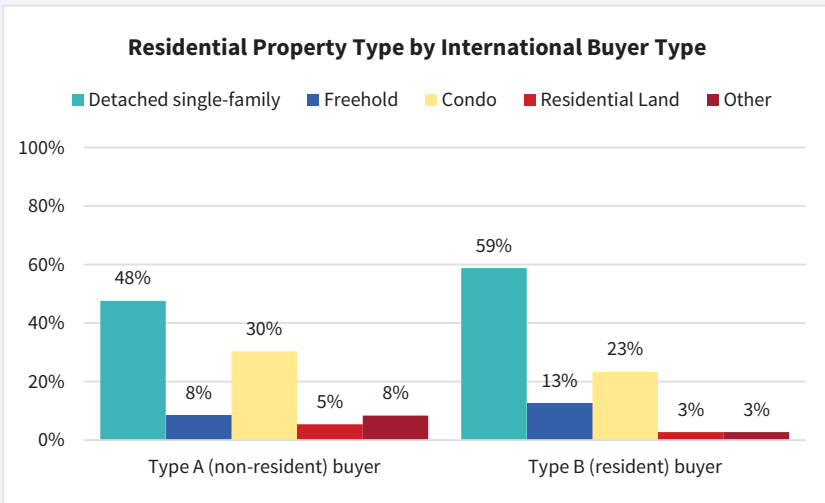
	U.S.	China	Hong Kong	India	UK	France	Germany	Iran	Mexico
Urban area	36%	72%	67%	41%	30%	50%	22%	81%	83%
Suburban area	24%	24%	33%	44%	52%	14%	22%	13%	17%
Rural area	32%	3%	0%	15%	13%	32%	44%	6%	0%
Resort area	7%	0%	0%	0%	0%	5%	0%	0%	0%
Other	1%	1%	0%	0%	4%	0%	11%	0%	0%

3.7 Type of Residential Property

Of all international purchases of Canadian residential property 55% were detached single-family homes. There have been no significant changes to this distribution in the four years CREA has been doing this research.



Property type varied significantly depending on the type of international buyers, with Type A (non-resident) buyers more likely to purchase a condo, residential land, or another type compared to Type B (resident) buyers, who were more likely to purchase a detached single-family home or freehold property.

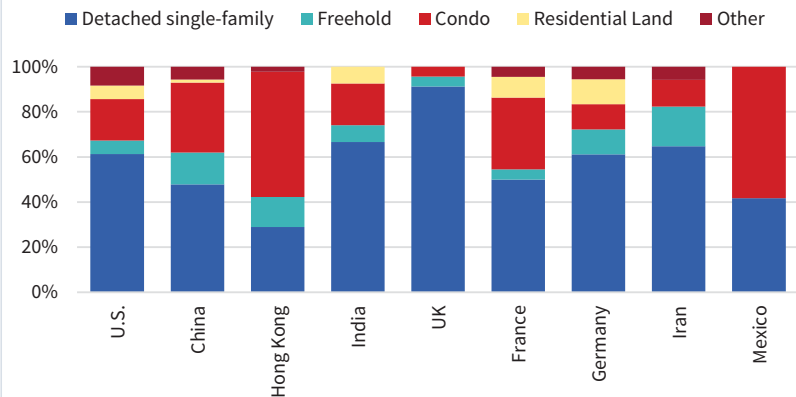


Intended Use by Country of Origin

	U.S.	China	Hong Kong	India	UK	France	Germany	Iran	Mexico
Detached Single-Family	61%	48%	29%	67%	91%	50%	61%	65%	42%
Freehold	6%	14%	13%	7%	4%	5%	11%	18%	0%
Condominium	18%	31%	56%	19%	4%	32%	11%	127%	58%
Residential Land	6%	1%	0%	7%	0%	9%	11%	0%	0%
Other	8%	6%	2%	0%	0%	5%	6%	6%	0%

Property type purchases also varied with the country of origin of the international buyer. Buyers from most countries were likely to purchase a detached single-family home, while buyers from Hong Kong and Mexico were more likely to purchase a condominium at 56%, and 58%, respectively.

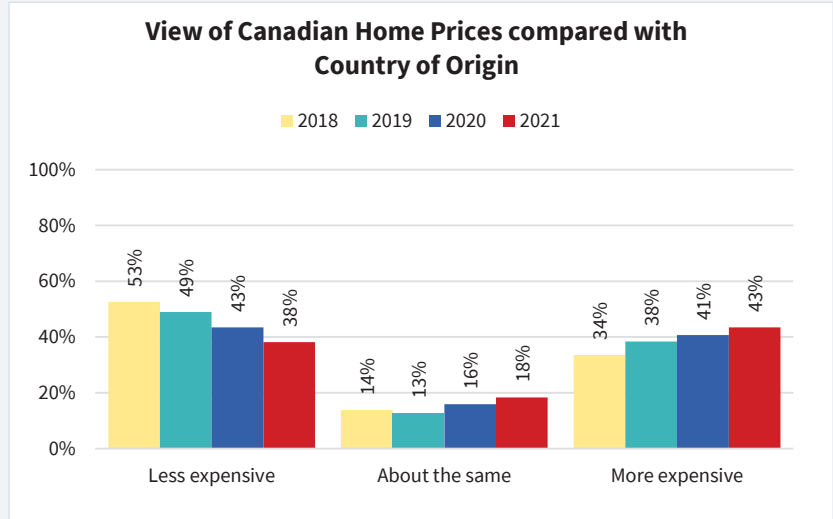
Residential Property Type Purchase by Country of Origin



	U.S.	China	Hong Kong	India	UK	France	Germany	Iran
Detached single-family	61%	48%	29%	67%	91%	50%	61%	65%
Freehold	6%	14%	13%	7%	4%	5%	11%	18%
Condo	18%	31%	56%	19%	4%	32%	11%	12%
Residential Land	6%	1%	0%	7%	0%	9%	11%	0%
Other	8%	6%	2%	0%	0%	5%	6%	6%

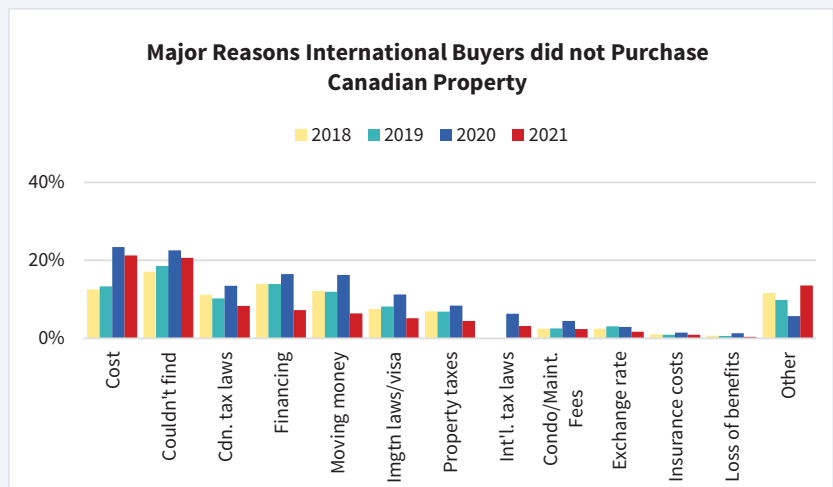
3.8. Factors Affecting the Decision to Purchase Canadian Property

With any sizeable financial transaction, price is an important determinate to consider. With that in mind, Canadian housing prices have traditionally been of good value, relative to the international market, which is often underscored by favourable exchange rates. This appears to be changing over time as Canadian property markets continue experiencing significant growth. This was the first year an increased number of respondents indicated their international clients perceived Canadian home prices as more expensive (43%) than their country of origin. While 38% reported they were less expensive, or about the same (18%).



As is the case with potential domestic buyers, not all international clients will complete a purchase. Thirteen per cent of respondents indicated they had at least one international client who decided not to purchase in the last 12 months.

Commonly reported reasons included: cost (21%), could not find a property to purchase (21%), Canadian tax laws (8%), and difficulty with financing (7%). These results are similar to those seen in previous years.

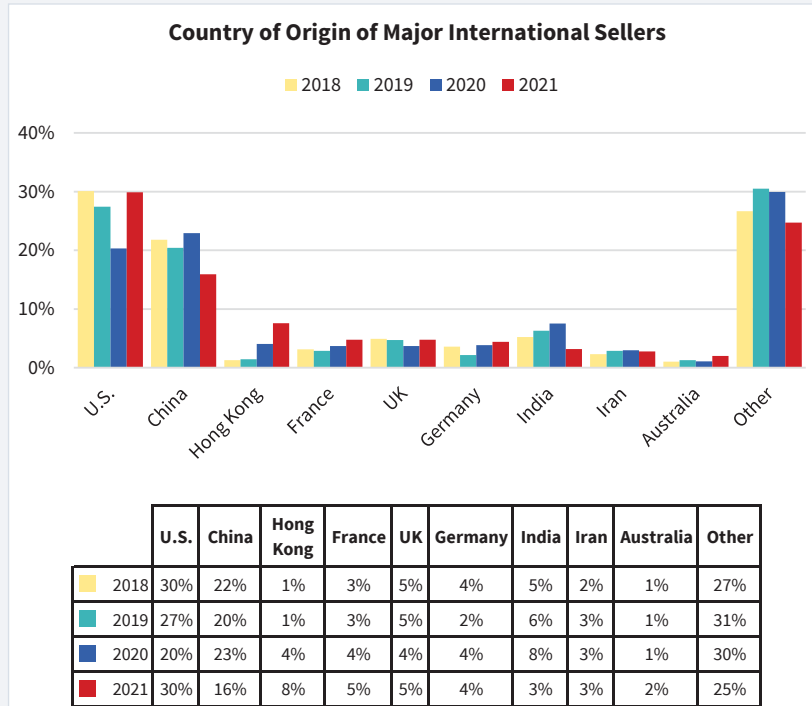


	2018	2019	2020	2021
Cost	13%	13%	23%	21%
Couldn't find	17%	18%	23%	21%
Cdn. tax laws	11%	10%	13%	8%
Financing	14%	14%	17%	7%
Moving money	12%	12%	16%	6%
Immigration laws/visa	8%	8%	11%	5%
Property taxes	7%	7%	8%	4%
Int'l. tax laws	0%	0%	6%	3%
Condo/Maint. Fees	3%	3%	4%	2%
Exchange rate	3%	3%	3%	2%
Insurance costs	1%	1%	1%	1%
Loss of benefits	1%	1%	1%	0%
Other	12%	10%	6%	14%

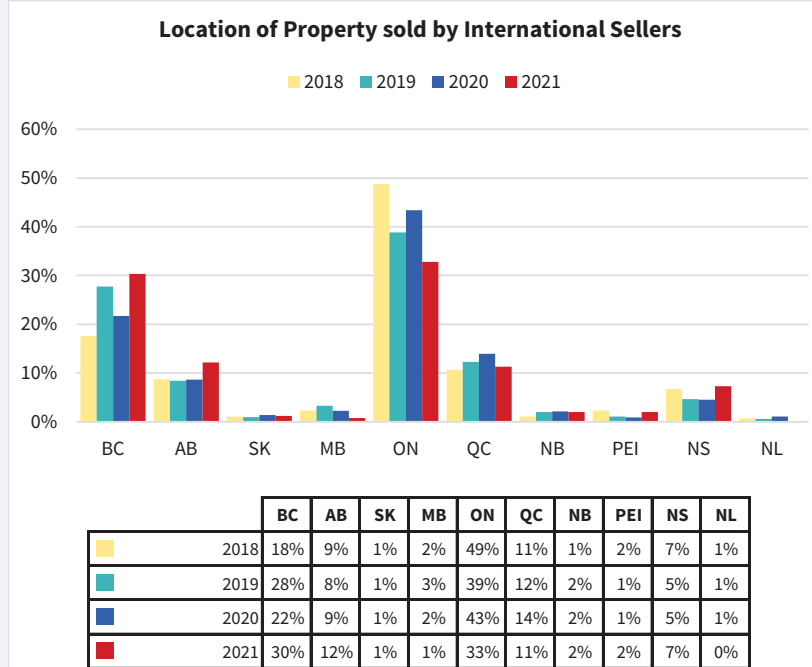
4. INTERNATIONAL CLIENTS WHO SOLD THEIR CANADIAN RESIDENTIAL PROPERTY

The countries of origin of most international sellers of Canadian residential property were the United States, China, and Hong Kong—the same countries that topped the list of international buyers of residential property.

Sellers from the U.S. represented both the largest portion of buyers and sellers of Canadian residential property. They accounted for 30% of all international residential sales, an increase from 20%, in 2020. In comparison, the number of sellers from China was down to 16%, from 23%, in 2020.

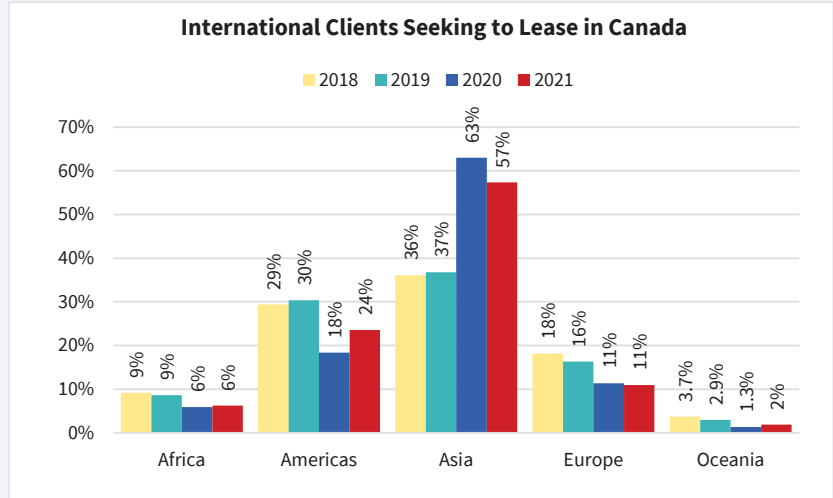


While Ontario had the highest number of international clients selling their Canadian residential property, 33%, this was a decrease from 2020. British Columbia saw 30% of Canadian residential properties sold by international clients, which is 40% higher than 2020. Alberta and Nova Scotia also saw an increase in international clients selling their properties, while Manitoba and Quebec experienced a decline.

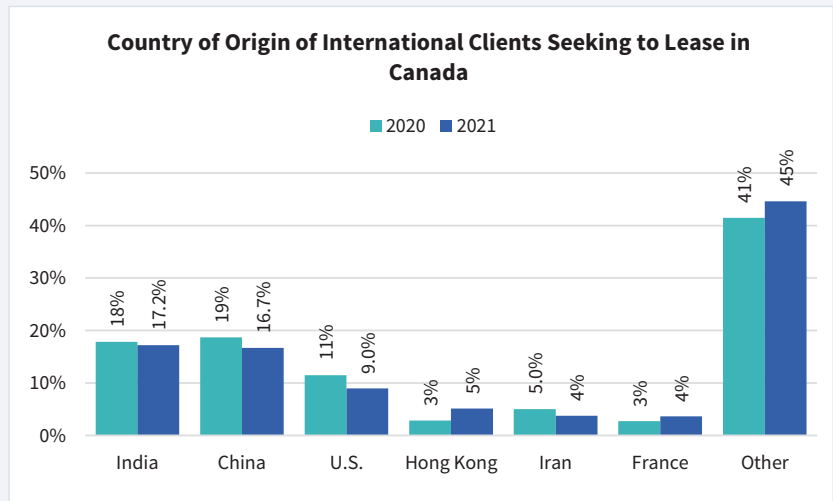


5. LEASE TRANSACTIONS

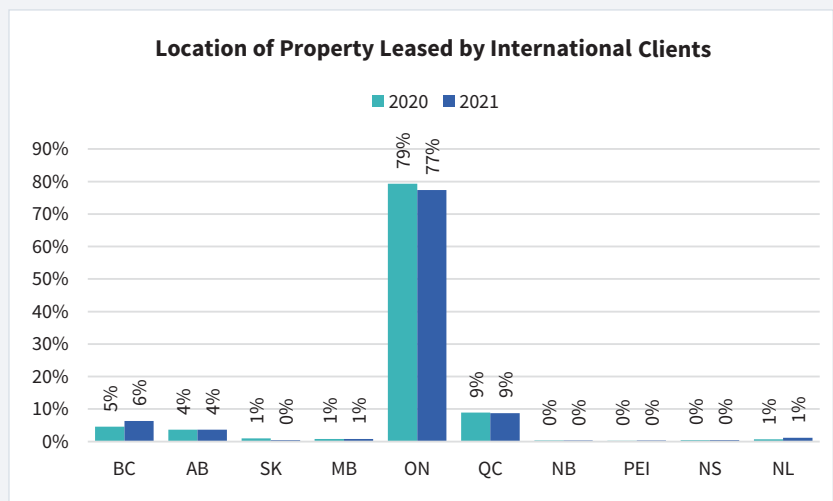
Canadian REALTORS® also reported working with international clients interested in leasing properties in Canada. The pattern for international leases is mostly the same from 2020, with a marked decrease by the Asian market, and slight increase by clients from the Americas.



The most common countries of origin for these clients are consistent with 2020, with India and China at 17%, and the United States at 9%.

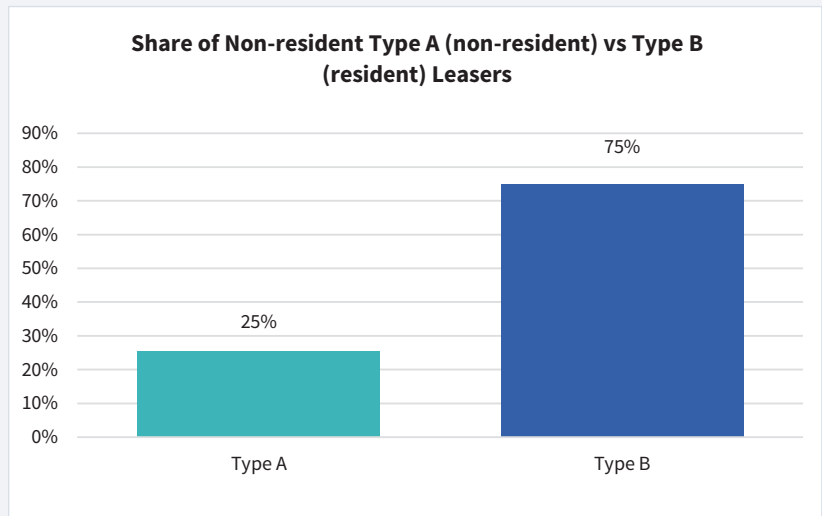


Most international clients seeking to lease a property in Canada did so in Ontario. This is similar to where most international residential purchases are made.





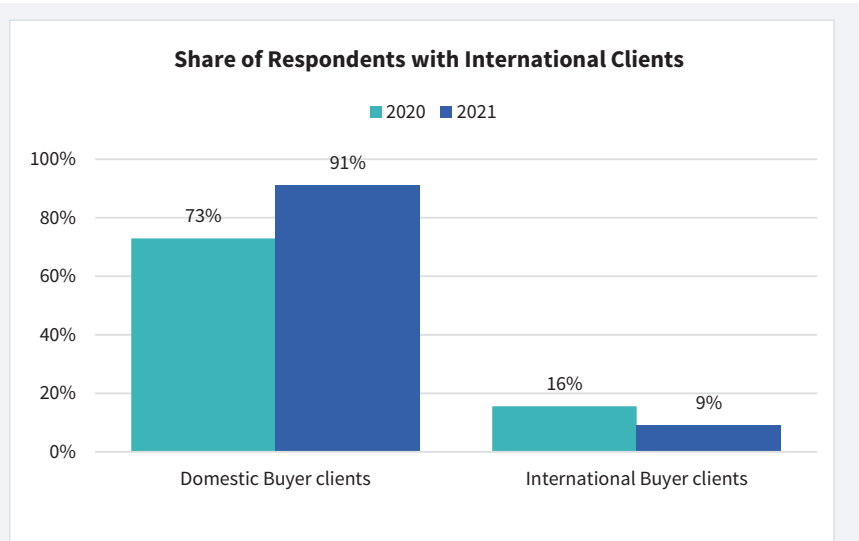
The majority (75%) of international leasing clients were Type B (resident). Few Type A (non-resident) clients maintain a vacation property lease.



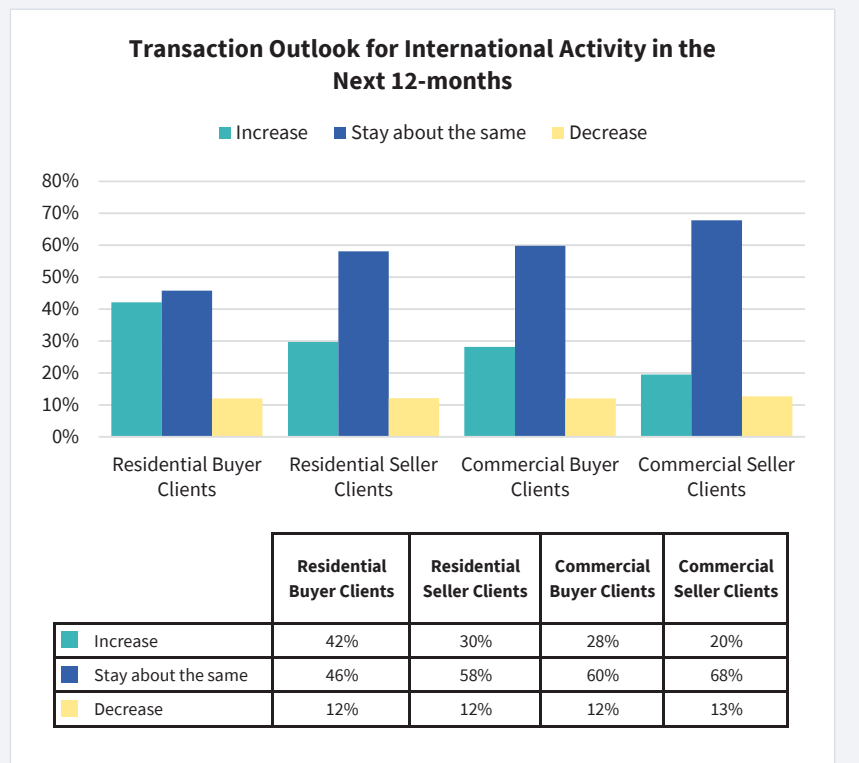
6. INTERACTIONS WITH INTERNATIONAL CLIENTS

6.1 Transactions with International Clients

Nine per cent of respondents indicated they worked with an international client in 2021. This is down from 2020.



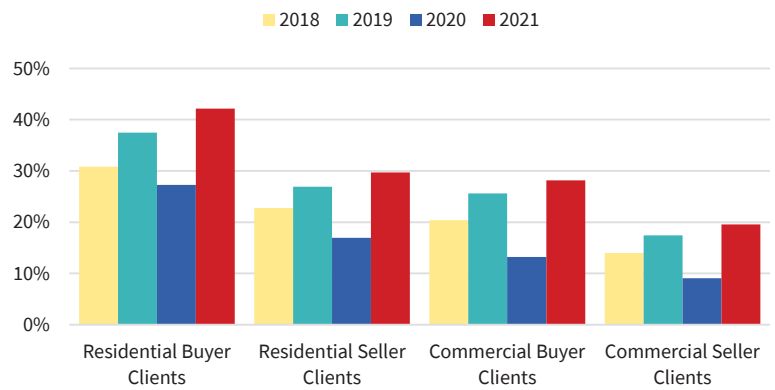
When asked about the outlook for international buying activity over the next 12 months, the majority felt the level of business will remain the same, with some feeling they would see an increase in activity. Few respondents, 12% overall, indicated they believed their businesses would experience a decline over the next 12 months.





Overall, respondents were more optimistic about transaction activity of international clients in 2021.

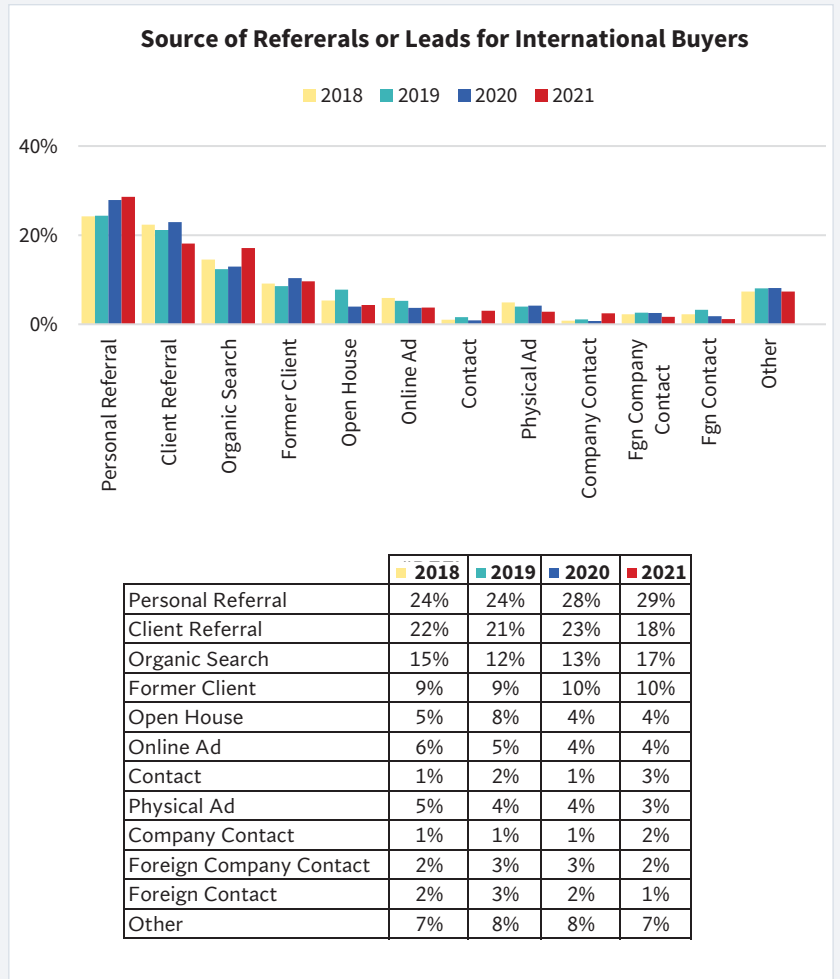
Positive Transaction Outlook for International Clients in the next 12-months



	Residential Buyer Clients	Residential Seller Clients	Commercial Buyer Clients	Commercial Seller Clients
2018	31%	23%	20%	14%
2019	37%	27%	26%	17%
2020	27%	17%	13%	9%
2021	42%	30%	28%	20%

6.2 Source of Leads and Referrals

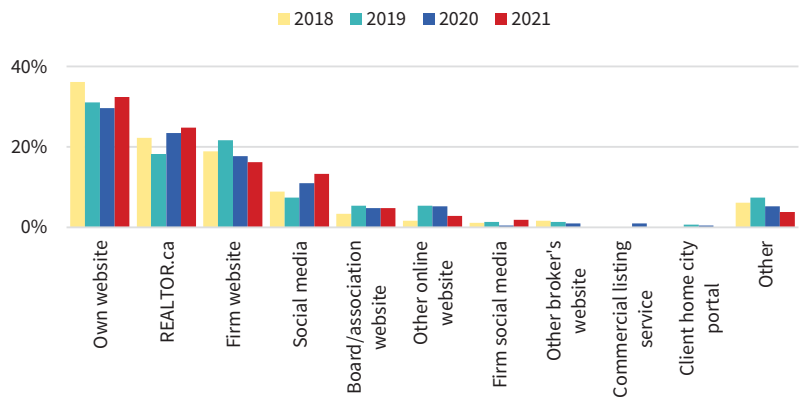
Respondents reported many different sources for international client leads, with personal referral remaining the most common way for Canadian REALTORS® to find international clients. A decline in client referrals and an increase in organic web searches has the two almost on par as the second and third most common avenues for finding international clients. Other methods have not had significant changes in the past four years.





Among website leads, REALTOR.ca, Canada’s No. 1 real estate platform, continues to be a growing source of leads at 25%, an increase of 6% compared to 2020. The trend of personal websites, and social media driving leads continues to hold and grow, while methods such as firm websites or other websites appear to be declining.

Sources of Online or Website Leads for International Buyers



	2018	2019	2020	2021
Own website	36%	31%	30%	32%
REALTOR.ca	22%	18%	23%	25%
Firm website	19%	22%	18%	16%
Social media	9%	7%	11%	13%
Board/association website	3%	5%	5%	5%
Other online website	2%	5%	5%	3%
Firm social media	1%	1%	0%	2%
Other broker's website	2%	1%	1%	0%
Commercial listing service	0%	0%	1%	0%
Client home city portal	0%	1%	0%	0%
Other	6%	7%	5%	4%

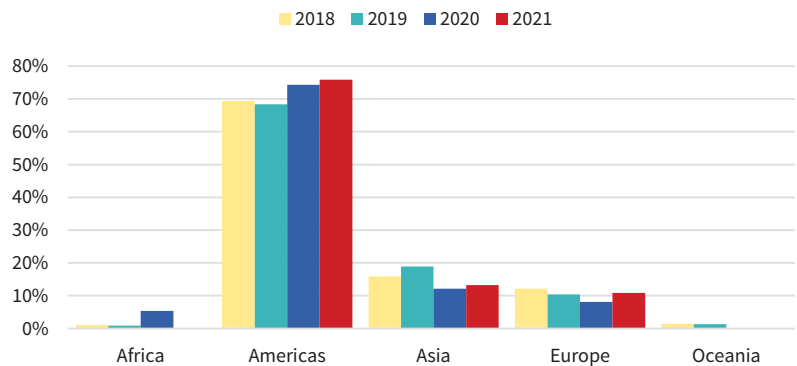
7. CANADIAN CLIENTS SEARCHING FOR PROPERTIES ABROAD

International real estate also includes Canadians looking for property abroad. However, a lower fraction of respondents, 2%, reported they worked with a Canadian client interested in looking for an international property in 2021.

7.1 Destinations of Canadians Purchasing Property Abroad

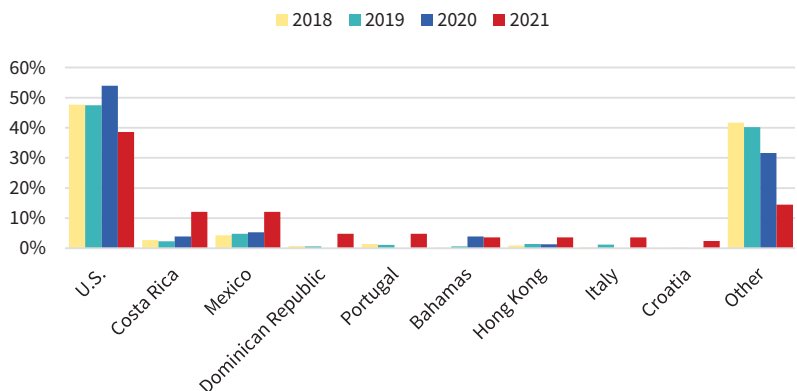
Of all Canadians purchasing property outside of Canada, 39% purchased property in the United States, down from 48% in 2020. Costa Rica and Mexico both experienced significant growth and are tied for second, with 12% each. Canadian purchases abroad were less diverse in 2021 than in 2020, with the Dominican Republic, Portugal, the Bahamas, and Hong Kong experiencing increases.

Major Regions Searched by Canadians looking to Purchase Abroad



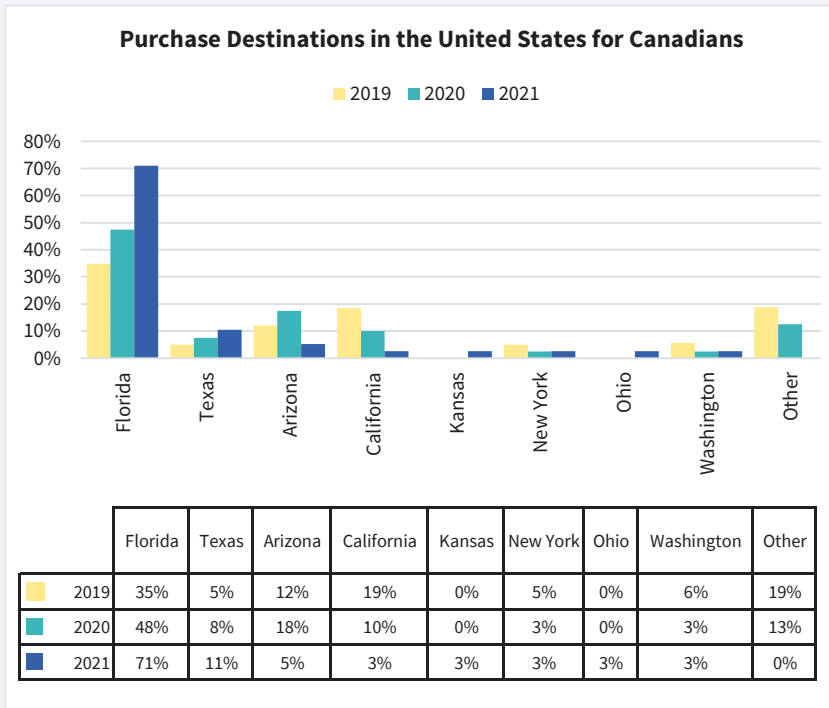
	Africa	Americas	Asia	Europe	Oceania
2018	1%	69%	16%	12%	1%
2019	1%	68%	19%	10%	1%
2020	5%	74%	12%	8%	0%
2021	0%	76%	13%	11%	0%

Major Countries where Canadians Purchased Abroad

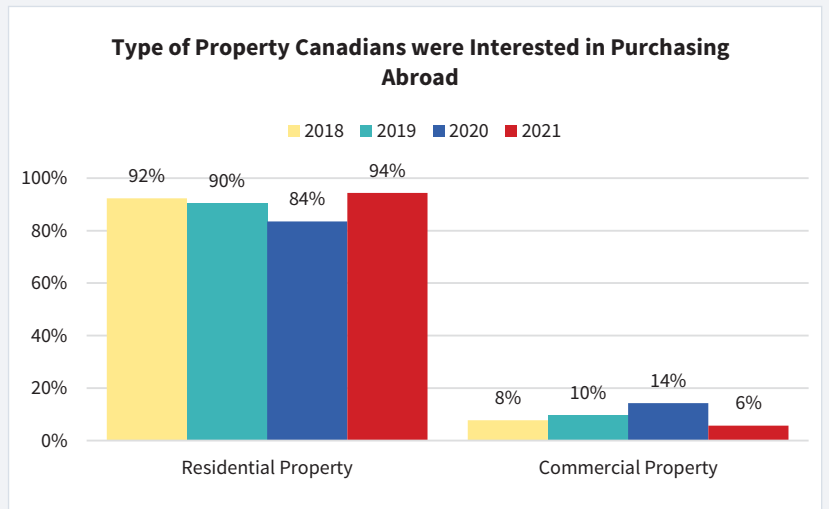


	U.S.	Costa Rica	Mexico	Dominican Republic	Portugal	Bahamas	Hong Kong	Italy	Croatia	Other
2018	48%	3%	4%	1%	1%	0%	1%	0%	0%	42%
2019	48%	2%	5%	1%	1%	1%	1%	1%	0%	40%
2020	54%	4%	5%	0%	0%	4%	1%	0%	0%	32%
2021	39%	12%	12%	5%	5%	4%	4%	4%	2%	14%

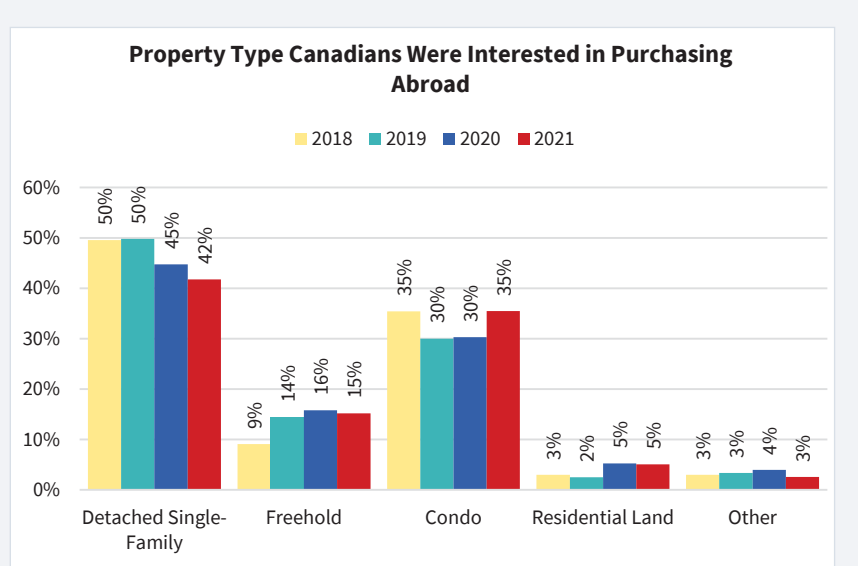
Of all Canadian purchases of property in the United States, the majority continues to be in Florida, with 71%. Texas experienced an increase in real estate activity by Canadians buyers, growing to 11%. While purchases in the previously popular states of Arizona and California saw a decline.



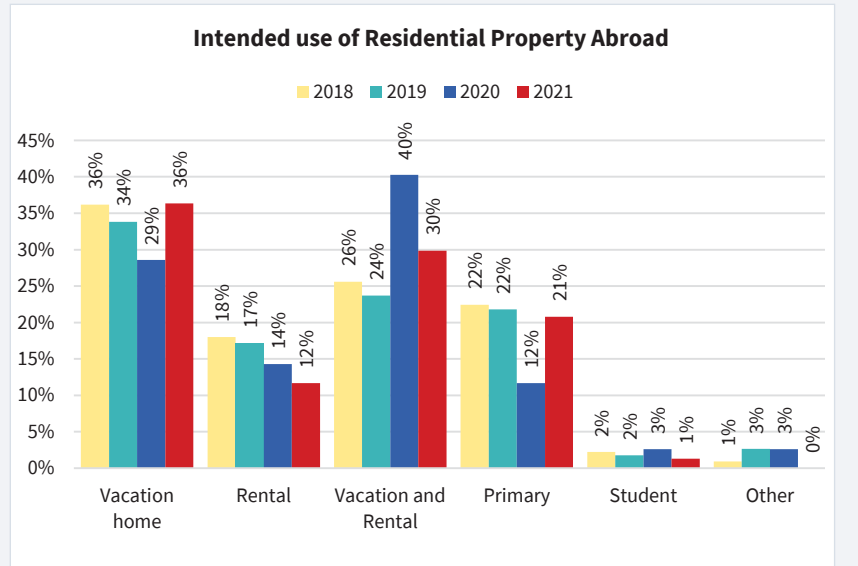
Of Canadian clients searching for a property abroad, 94% were interested in a residential property, of these, 45% were looking for single-family homes.



Fewer Canadians purchased detached single-family homes in 2021, than 2020, with a reciprocal increase in the portion of Canadians buying condominiums. Canadians are 30% less likely to buy a detached single-family home abroad than international clients are to buy the same type of dwelling in Canada.



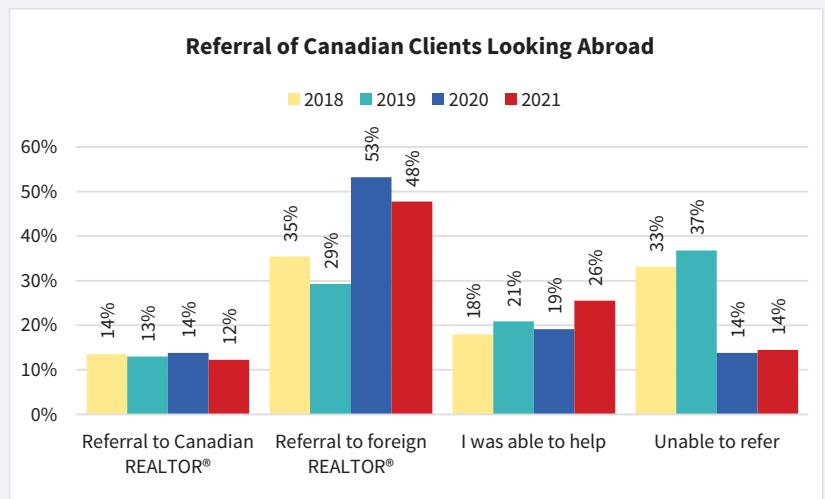
Most Canadians (78%) were interested in using the property as both a vacation home and/or investment/rental unit. Twenty-one per cent of Canadians were seeking a primary residence abroad, returning to previous levels after a dip in 2020, due to the onset of the COVID-19 pandemic. Fewer Canadians are searching for student or other types of property abroad.



8. OUTBOUND CLIENT REFERRALS



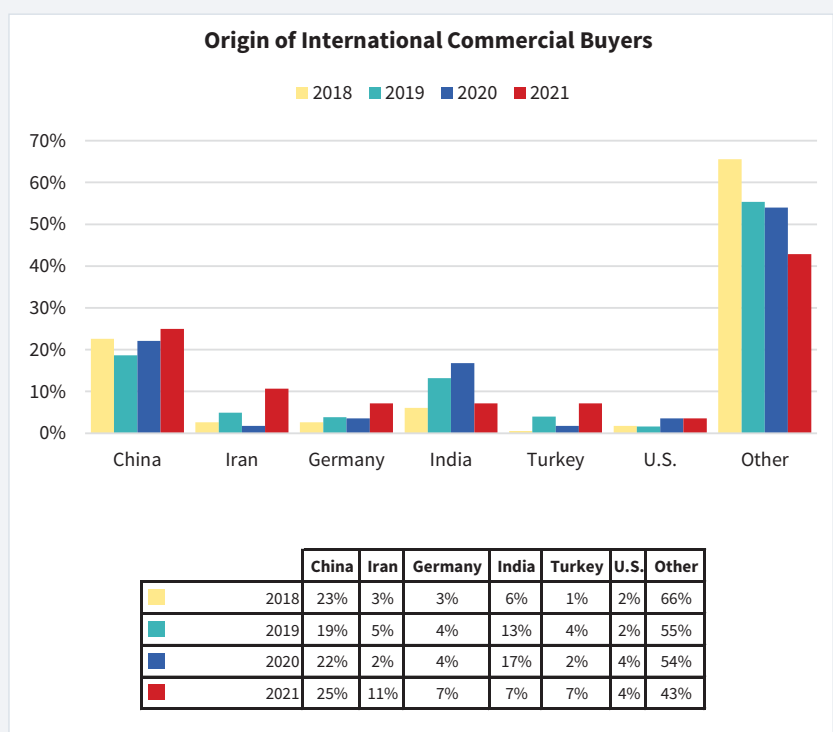
Of those who reported working with a Canadian buyer looking abroad, only 12% referred them to another Canadian REALTOR®, while 48% referred them to a non-Canadian real estate professional. Twenty-six per cent of respondents reported they were able to help the client themselves, an increase of 33% compared to 2020. Fourteen per cent reported they were not able to refer the client to anyone else, consistent with 2020.



9. INTERNATIONAL CLIENTS WHO PURCHASED CANADIAN COMMERCIAL PROPERTY

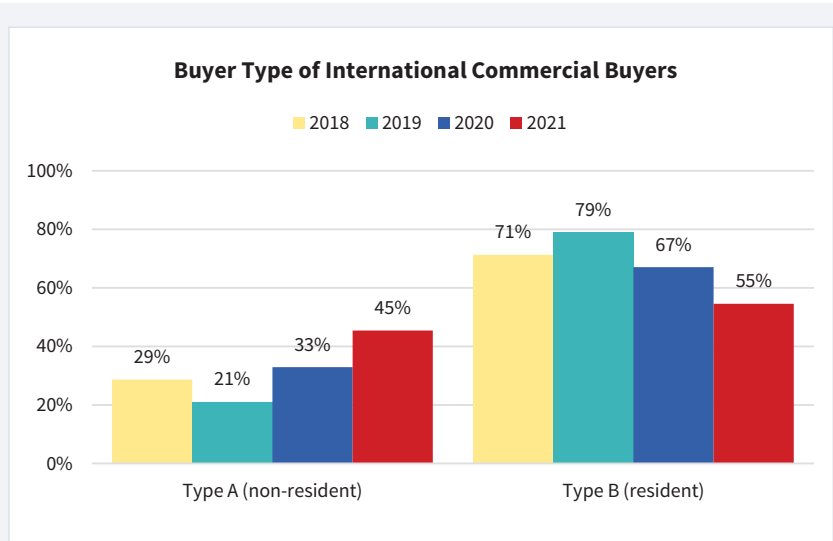
9.1 Origin of International Commercial Buyers

Chinese buyers represented the largest share of international buyers-side, commercial transactions, purchasing 25% of all commercial property, by international buyers, in 2021. This was an increase of 13%, compared to 2020. The next largest segment was buyers from Iran, which accounted for 11% of all commercial property purchased by international buyers in 2021, a significant increase, from 2%, in 2020. Buyers from Germany and Turkey increased their commercial market share as well, while buyers from India purchased significantly less in 2021.



9.2 Type of International Commercial Buyers

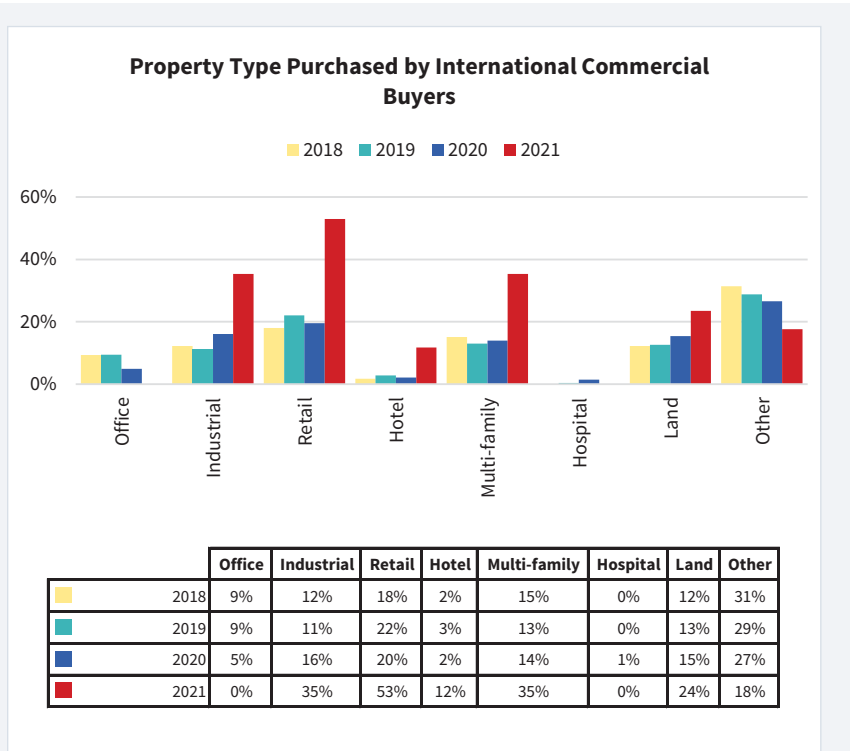
The majority, 55% of international buyers of Canadian commercial property were Type B (resident), although the size of the segment has trended downwards since 2019. Some of this decline may have been a result of the COVID-19 pandemic. Due to this continued trend, international commercial buyers are more likely to be Type A (non-resident) than international residential buyers.





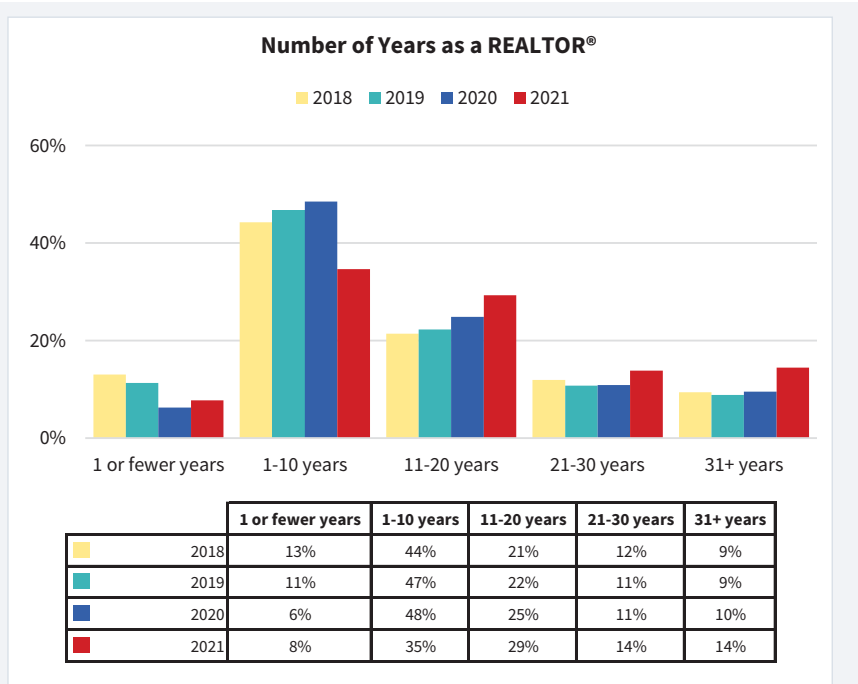
9.3 Type of Commercial Property

Of all international purchases of Canadian commercial property, slightly more than half were retail. The increase of the retail segment size coincided with similar increases to the industrial, multi-family, and land segments.

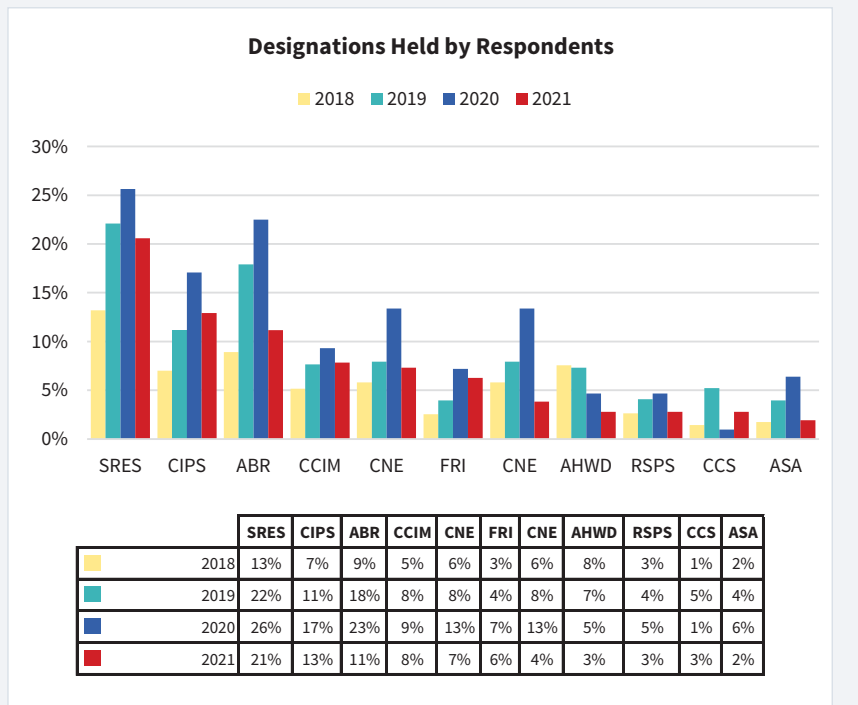


10. RESPONDENT PROFILE

Survey respondents have more experience in 2021 than in 2020. This may be due to the competitive nature of the current international real estate market. A decline in the one to 10 years of experience segment is balanced by an increase in the size of the 11+ years of experience segment.



Among the REALTOR® respondents who reported they hold a designation, 21% reported holding a Senior Real Estate Specialist (SRES) designation, 13% reported holding the Certified International Property Specialist (CIPS) designation, and 11% were an Accredited Buyer’s Representative® (ABR®).



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