



What You Need to Know About Canada's Foreign Buyer Ban

On January 1, 2023, a temporary two-year measure related to foreign buyers came into effect, which bans certain non-Canadians from purchasing residential property in Canada (with some exceptions). *The Prohibition on the Purchase Property by Non-Canadians Act* (also commonly referred to as the foreign buyer ban) restricts certain foreign buyers from acquiring residential property until January 1, 2025 in large and small urban centres around the country. While this legislation may limit the direct or indirect purchase of residential property in Canada, there are still opportunities for international buyers who aspire to own property in Canada. Here's what you need to know:

Key Elements Covered in the Regulations

Purchase

The regulations broadly define the term *purchase* to include the direct or indirect acquisition of a right or interest in *Residential Property*. However, certain acquisitions resulting from transitional or life events such as death, divorce, separation, or a gift, are excluded.

Individual Exceptions

Many exceptions to the prohibition are permitted for international students, temporary residents, foreign nationals, and refugee claimants, subject to varying conditions, such as tax filing and residency obligations. The ban does not apply to renters or to foreigners with a Canadian spouse. For further details, please consult the regulations and/or ensure the buyer who may fall into one of these exception groups seeks legal advice on their eligibility.

Residential Properties Included and Excluded

Properties located outside of a [Census Agglomeration \(CA\)](#) or [Census Metropolitan Area \(CMA\)](#) are excluded from the ban.

To identify if a property is in a CA or CMA, the Canadian Mortgage and Housing Cooperation (CMHC) has developed an [online tool](#).

Types of Properties Permissible for Purchase:

1. Commercial properties

- Non-Canadians can purchase commercial properties, including office towers and grocery stores without dwelling units.

2. Vacant land

- Acquiring vacant land is not restricted, providing opportunities for investment in undeveloped areas.

3. Recreational properties

- Non-Canadians are allowed to purchase recreation properties located outside of a CA or CMA.

4. Multi-unit buildings

- Properties containing four or more dwelling units, such as multi-unit buildings, are not subject to the residential property purchase prohibition.

Additional Guidance

The CMHC has released [additional information and FAQs](#) with respect to the interpretation of the Act and regulations.

Guidance provided above is not a substitute for obtaining legal advice. REALTORS® should consult legal counsel should they have any questions or concerns regarding this legislation.

**Census Metropolitan Area
and Census Agglomeration
Guidance Tool**



**Additional
Information & FAQ**

