

March 28, 2023

Member Bulletin

PROHIBITION ON THE PURCHASE OF RESIDENTIAL PROPERTY BY NON-CANADIANS ACT

The regulations for the [Prohibition on the Purchase of Residential Property by Non-Canadians Act](#) were [announced](#) December 21, 2022 by the Honourable Ahmed Hussen, Minister of Housing and Diversity and Inclusion. The act and the accompanying regulations came into effect on January 1, 2023.

Since that time CERC has met on several occasions with officials from Minister Hussen's office, policy staff within Immigration Refugees Citizenship Canada (IRCC), and policy officials responsible for the development of the regulations at the Canada Mortgage and Housing Corporation (CMHC).

At each of these meetings CERC has continued to educate government officials about the negative consequences of this legislation. On March 27, the government announced the following amendments to the act.

The scope of the amendments include:

- amending the exception for temporary workers to enable work permit holders with 183 days or more of validity remaining on their work permit or work authorization to purchase a residential property;
- repealing the vacant land provision from the definition of residential property so that the prohibition does not apply to the purchase of vacant land zoned for residential and mixed use;
- increasing the control threshold from 3% to 10% so that any corporation or entity with 10% or more direct or indirect ownership of shares or ownership interests by a non-Canadian is subject to the prohibition; and
- introducing an exception for non-Canadians purchasing residential property for the purposes of development. The amendments also extend the exception currently applicable to publicly traded corporations under the Act, to publicly traded entities formed under the laws of Canada or a province and controlled by a non-Canadian.

CMHC has published new information on its [website](#) that supports the Act and amended Regulations, including updated [frequently asked questions and answers](#) for individuals and industry professionals.

Note there have been no changes for real estate transactions related to employee relocations at this time.



CERC's recommendations are:

The regulations should provide an exemption for all transactions related to the purchase of residential properties for employer sponsored employee relocations. CERC has developed a proposed amendment to the regulations that is modelled on [ONTARIO REGULATION 71/91 - ONTARIO LAND TRANSFER ACT](#). This regulation provides an exemption where there is a disposition of land by an employee to his/her employer. The regulation exempts the payment of land transfer taxes to the province of Ontario for real estate transactions related to employee relocation.

[Read CERC's proposed amendments](#)

[Read CERC's brief](#)

We will continue to keep members updated on developments. If you have any comments or suggestions to share, please email president@cerc.ca

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