

# 2023 Canada Home Purchase Ban

—  
Prohibition on the purchase of residential  
property by non-Canadian Act



# Canada Home Purchase Ban

(Prohibition on the purchase of residential property by Non-Canadians Act)

## Overview

As of January 1, 2023, any non-Canadian is banned from acquiring residential property for the next two years under the Prohibition on the Purchase of Residential Property by Non-Canadians Act (the Act).

The Act expires January 1, 2025.

- The ban impacts resident non-Canadian workforce already living within Canada in purchased residences. Such homeowners who may be ready to accept a relocation elsewhere in Canada, will now be barred from purchasing a new home in their destination city.
- Properties under contract but not yet closed on January 1, 2023, are excluded from this Act.



# Non-Canadian & Residency Explained

The Act generally identifies a “non-Canadian” as follows:

1. An individual who is neither a citizen of Canada nor a permanent resident of Canada nor a person registered as an Indian under the Indian Act;
2. A corporation or entity that is not incorporated or formed, as applicable, under Canadian federal or provincial laws; and
3. A corporation that is incorporated (the shares of which are not listed on a Canadian stock exchange), or an entity that is formed, in each case under Canadian federal or provincial laws but controlled by a foreign individual.

Non-Canadians holding a valid work permit for a minimum of 3 years of the last 4 years, filed all required income tax and have not purchased more than one property are exempt.

Transferees and non-Canadian companies will not be able to purchase a primary residence directly or on behalf of a Canadian or non-Canadian transferee as part of a relocation program.



# Why the change?

- The Act was created to slow the historically high escalation rates in housing costs.
- Foreign investment was believed to have contributed to inflationary pressure which made it difficult for Canadian citizens to experience the benefits of home ownership.
- The noble intent to keep housing affordable for their citizens, garnered the support and endorsement for the Act across Party line members.



# What is the Impact?

- As the Act stands, U.S. based corporate employers and their affiliated Relocation Management Companies (RMCs) that are deemed non-Canadian or lack Canadian control will not be able to execute BVO/GBO programs within Canada.
- Non-Canadian headquartered RMCs cannot achieve the tax protected benefits of a BVO/GBO program for Canadian homeowners being relocated to the United States.
- Without the RMC as the contract executer, tax protection and program eligibility will come to a halt for two years.
- US Based employers will need to determine the impact on their executives moving into Canada who will not be able to buy a home if they lack Canadian Citizenship.
- The non-Canadian workforce that is already living within Canada in purchased residences, relocated elsewhere within Canada, will be barred from purchasing a new home in their Canadian destination city.



# Finance, Tax and Legal Considerations

The understanding of how this legislation will be enforced is still being fully understood.

The offences within The Act have broad impact, and not only to non-Canadians trying to circumvent the law, but to anyone who participates in or facilitates a prohibited transaction.

- Anyone found guilty could face fines up to \$10,000
- Corporations, directors, office managers, or others who were authorized or participated in the violation may be held personally liable





# THANK YOU!



Phone: (800) 207-2127  
27271 Las Ramblas, Suite #120, Mission Viejo, California 92691

[www.odysseyrelo.com](http://www.odysseyrelo.com)