



# GMS Flash Alert

## Immigration Edition

2022-079 | April 6, 2023



# Canada - Changes to Prohibition on Non-Canadians Purchasing Homes

On March 27, 2023, Canada announced important changes to the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*.<sup>1,2</sup> These changes will allow more foreign nationals to purchase a home in Canada.

## WHY THIS MATTERS

The *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (“the Act”) originally prohibited individuals who are not Canadian citizens or permanent residents from owning a home, with limited exceptions. As a result, companies were facing challenges in relocating staff to Canada for business operations as foreign workers generally prefer destinations that offer housing stability (for related coverage see [GMS Flash Alert 2023-005](#), January 11, 2023).

Canada has addressed these concerns by allowing almost all work permit holders to purchase residential property anywhere in Canada.

“These amendments will allow newcomers to put down roots in Canada through home ownership and businesses to create jobs and build homes by adding to the housing supply in Canadian cities,” the Honourable Ahmed Hussen, Minister of Housing and Diversity and Inclusion said in the news release.

## What Are the New Changes?

### 1) Those authorized to work in Canada for more than 183 days may purchase residential property

As of March 27, 2023, a majority of work permit holders – or those who are authorized to work in Canada under the *Immigration and Refugee Protection Regulations* – will be authorized to purchase residential property.

Specifically, these individuals are eligible to purchase homes if they have 183 days or more of validity remaining on their work permit or work authorization at time of purchase and they have not purchased more than one residential property.

## 2) Enabling foreign nationals to purchase vacant land in Canada for the purpose of development

Canada has repealed section 3(2) of the *Prohibition on the Purchase of Residential Property by Non-Canadians Act's* accompanying *Regulations*. **This means vacant land that has been zoned for residential and mixed use can now be purchased by non-Canadians and used for any purpose by the purchaser, including residential development.**

This exception allows all non-Canadians to purchase vacant land for the purpose of development.

## 3) Increasing the foreign threshold from 3 percent to 10 percent for corporations controlled by a Non-Canadian

For privately-held corporations or privately-held entities formed in Canada and controlled by a non-Canadian, the control threshold has increased from 3 percent to 10 percent. This aligns with the definition of "specified Canadian Corporation" in the *Underused Housing Tax Act*.

---

## KPMG INSIGHTS

### Context and Why the Changes Are Important

The Act was originally designed to protect and balance Canada's real estate market from foreign buyers; however, the Act impacted certain populations of foreign nationals in Canada who are required to fill in-demand, high-skilled positions. The new amendments are expected to address the imbalance.

### Penalties

Those who contravene the Act may be convicted and fined up to \$10,000 and a court may determine that a property be sold. (All dollar figures expressed are Canadian dollars.)

### Considerations for Employers

These changes should help foster a more supportive environment for employers to hire foreign workers in Canada to address critical labour shortages.

\* \* \* \*

Individuals who have questions or concerns about the new measures are encouraged to contact their usual immigration counsel or KPMG Law LLP (see the Contacts section) for further guidance.

---

## FOOTNOTES:

1 March 27, 2023 News Release from the Office of the Minister of Housing and Diversity and Inclusion, "[Amendments to the Prohibition on the Purchase of Residential Property by Non-Canadians Act's accompanying Regulations](#)."

2 For related coverage, see [GMS Flash Alert 2022-227](#), December 23, 2022.

## Contact us

For additional information or assistance, please contact your local GMS or People Services professional\* or one of the following professionals with the KPMG International member firm in Canada:



**Graeme Black**  
**Partner,**  
**Canadian Immigration**  
KPMG Law LLP  
Tel. +1-416-943-7756  
[graemeblack@kpmg.ca](mailto:graemeblack@kpmg.ca)



**Aamir Talati**  
**Manager,**  
**Canadian Immigration**  
KPMG Law LLP  
Tel. +1-416-943-7821  
[atalati@kpmg.ca](mailto:atalati@kpmg.ca)



**Amira Zubairi**  
**Associate,**  
**Canadian Immigration**  
KPMG Law LLP  
Tel. +1-416-943-7889  
[amirazubairi@kpmg.ca](mailto:amirazubairi@kpmg.ca)

*\* Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

**The information contained in this newsletter was submitted by the KPMG International member firm in Canada.**

© 2023 KPMG Law LLP, a tax and immigration law firm affiliated with KPMG LLP, each of which is a Canadian limited liability partnership. © 2022 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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

[kpmg.com/socialmedia](http://kpmg.com/socialmedia)



© 2023 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click here. To learn more about our GMS practice, please visit us on the Internet: click here or go to <http://www.kpmg.com>.