
SUBJECT
FOREIGN BUYER ACT

ISSUE
What is the purpose of the act?

RESPONSE

- **Mr. Speaker, housing affordability and housing supply are real concerns for many Canadians. That is why our government, as of January 1st 2023, put in place a prohibition for foreign investors purchasing residential property in Canada.**
- **That aims to ensure that housing is owned by Canadians, and those working to settle permanently in Canada instead of foreign investors.**
- **In the meantime, we are working to ensure that every Canadian has a safe and affordable place to call home by expanding Canada's housing supply and continuing to advance our investments in affordable housing.**
- **The Act is a temporary response to housing affordability challenges experienced by Canadians, it prevents foreign commercial enterprises and people who are not Canadian citizens or permanent residents from purchasing residential property located in urban centres.**
- **The Act has a \$10,000 fine for any non-Canadian or anyone who knowingly assists a non-Canadian and is convicted of violating the Act.**
- **On March 27, 2023, we amended regulations to provide greater flexibility to newcomers and businesses seeking to contribute to 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. These amendments strike the right balance in ensuring that housing is used to house those living in Canada, rather than a speculative investment by foreign investors.**

BACKGROUND

The Prohibition on the Purchase of Residential Property by Non-Canadians Act prevents non-Canadians from buying residential property in Canada for 2 years starting on January 1, 2023. The Act and Regulations provide [exceptions](#).

The Act defines residential property as buildings with 3 homes or less, as well as parts of buildings like a semi-detached house or a condominium unit. The law does not prohibit the purchase of larger buildings with multiple units.

The Regulations clarify that the prohibition applies to residential property located in a census metropolitan area (CMA) or a census agglomeration (CA). A CMA must have a total population of at least 100,000 of which 50,000 or more must live in the core and a CA must have a core population of at least 10,000, as identified in the Statistics Canada's Standard Geographical Classification 2021.

The Act has a \$10,000 fine for any non-Canadian or anyone who knowingly assists a non-Canadian and is convicted of violating the Act. If a court finds that a non-Canadian has done this, they may order the sale of the house.

This does not apply to non-Canadians who are looking to rent.