

HOUSING MARKET INSIGHT

Canada



CANADA MORTGAGE AND HOUSING CORPORATION

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“The really interesting thing about this report is the insight it provides into foreign ownership of condominiums in Canada by age of structure. For example, in Toronto Centre, we know that, in buildings completed since 2010, about 10% of those units are owned by foreign buyers. This compares to about 2.3% for units completed during the 1990s.”



Bob Dugan
Chief Economist

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Foreign Ownership of Condominiums in Canada Based on Year of Completion

In line with CMHC's commitment to sharing insightful information as it becomes available, this report is a supplement to CMHC's December 2015 Housing Market Insights on foreign ownership in Canadian condominium markets.¹ The analysis presented in this supplement looks at the share of foreign ownership by the age of the condominium building/structure.

Findings reveal that share of foreign ownership is most prominent in newer condominium apartment structures in Toronto and to a lesser extent in the Vancouver Census Metropolitan Areas (CMAs). The share of foreign ownership is most prominent in newer structures in Toronto Centre.

In recent years, the topic of foreign ownership has gained in importance as evidenced by the level of interest generated in the media. The general perception is that foreign buyers are key players whose actions could have significant implications for Canadian housing markets.

Despite a range of statistics suggested by various studies on the size of foreign ownership², available factual information remains scarce. One meaningful first step towards filling this data gap is through CMHC's Condominium Vacancy Survey which has been used to collect data on foreign ownership since 2014.³

¹ <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=193&itm=1&lang=en&sid=HsBnbxcnQE6RIUdEVEkjEEqQbwQMwZkxObhXsnFijYi8wsRVh3bUiLe8qnS5Mz&fr=1456631797588>

² CMHC HOC's (2013, 2014, 2015); Sotheby's International Realty (2013); Sun, Kerry (2015); and Yan, Andrew (2015)

³ The methodology of the CMHC Survey on Foreign Ownership of Condominiums is presented in detail in the December 2015 HMI publication.

Results of the fall 2015 survey indicated that the shares of foreign ownership in condominium apartments ranged from zero percent in the Regina CMA to 3.3% and 3.5% in the Toronto and Vancouver CMAs, respectively.

In the Toronto and Vancouver CMAs, the shares of foreign ownership also showed a statistically significant increase from 2014 to 2015.

Moreover, a surge in completion of new condominium buildings substantially increased the total number of units that were covered in the 2015 survey compared to the 2014 survey. This created the need for further analysis to assess the potential implications of the year of completion on the share of foreign ownership.⁴

When accounting for buildings' year of completion, the initial reporting of a low share of foreign

ownership in condominium apartments remains valid for most CMAs across the age of the stock (see Table 2). However, findings also reveal that share of foreign ownership is most prominent in newer condominium apartment structures in the Toronto and to a lesser extent in the Vancouver Census Metropolitan Areas (CMAs).

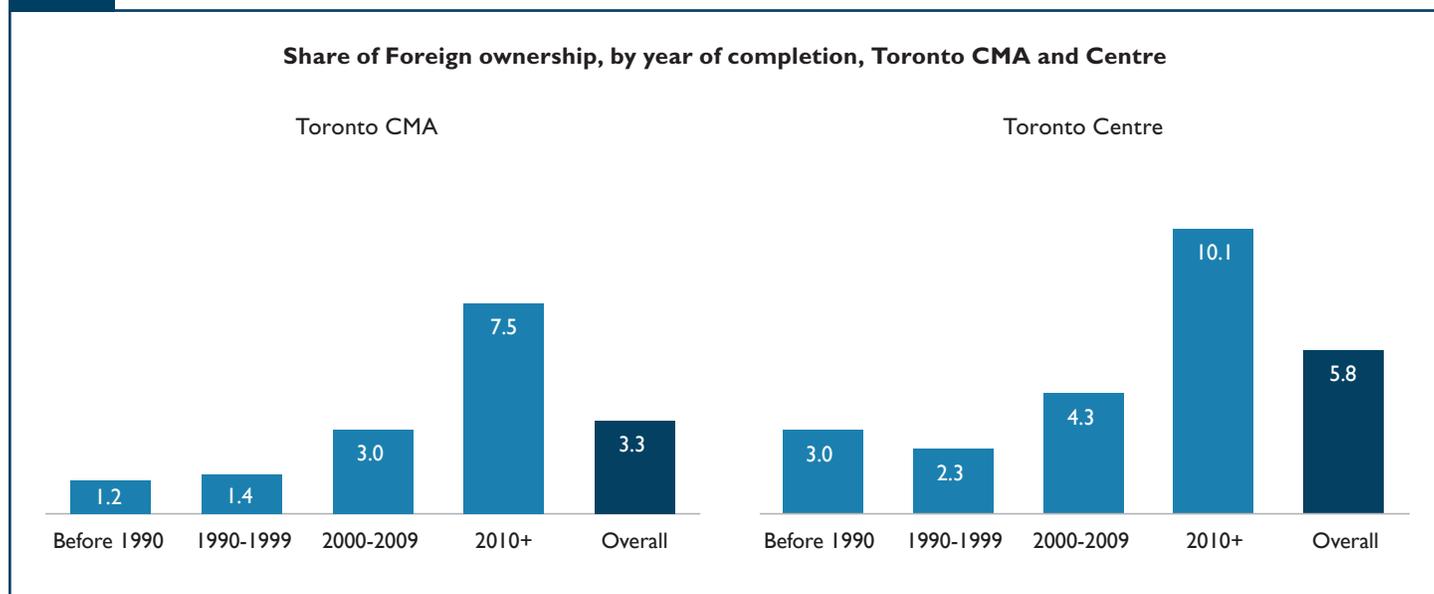
The Toronto CMA is where analysis by the age of the building provides the most interesting insights into foreign buyers' activities. The share of foreign ownership is less than 2% for buildings completed before 2000 to over 7% for those completed since 2010 (see Graph 1). This variation is even more pronounced in Toronto Centre where about 10% of the newer stock is owned by foreigners compared to about 2% of the stock built in the 1990s.

In the Vancouver CMA, similar observations can be made suggesting that the age of the building is an important factor in determining the share of foreign ownership. The share of foreign ownership rises from less than 2% for older buildings (before-1990) to about 6% for structures completed since 2010.

"This report represents another piece in the puzzle of foreign investment in Canada. It remains a top priority for CMHC to continue to get more information on foreign investment in Canada's Housing market."

Bob Dugan
Chief Economist

Figure 1



⁴ For added context, this supplement should be read in combination with the full report published in December 2015.

Table 1: Share of Foreign ownership by year of completion, Selected CMAs, Sub-areas

Area	Year of Construction	Condominium Units		Share Owned by Foreign Residents (%) +			
		2014	2015	2014		2015	
Toronto CMA	Before 1990	100,032	100,358	0.9	a	1.2	a
	1990-1999	40,032	40,510	1.1	a	1.4	a
	2000-2009	103,945	104,216	2.7	b	3.0	b
	2010+	63,301	91,750	5.5	c	7.4	c
	Overall	309,364	338,843	2.4	a	3.3	b
Toronto City	Before 1990	71,406	71,735	1.0	a	1.5	a
	1990-1999	28,544	28,737	1.3	a	1.7	a
	2000-2009	80,372	80,400	3.0	b	3.2	c
	2010+	47,538	69,919	6.6	c	8.7	c
	Overall	229,890	252,776	2.7	a	3.8	b
Toronto Centre	Before 1990	24,088	23,929	1.9	c	3.0	c
	1990-1999	8,908	9,090	2.1	b	2.3	b
	2000-2009	45,181	45,203	3.5	c	4.3	c
	2010+	31,547	46,388	8.9	c	10.1	d
	Overall	110,871	125,277	4.3	c	5.8	b
Vancouver CMA	Before 1990	51,051	51,000	1.0	a	1.4	a
	1990-1999	63,366	63,313	2.4	c	4.4	d
	2000-2009	60,028	59,860	**		**	
	2010+	29,057	36,201	**		6.0	d
	Overall	203,824	210,696	2.3	b	3.5	c

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)

+ Statistically significant changes are highlighted

** Data suppressed to protect confidentiality or data not statistically reliable.

Table 2: Share of Foreign ownership by year of completion, other CMAs

Area	Year of Building Completion	Share Owned by Foreign Residents (%)	
Calgary	Before 1990	0.6	a
	1990-1999	0.7	a
	2000-2009	1.9	c
	2010-2015	0.2	b
	Overall	1.1	a
Edmonton	Before 1990	1.2	d
	1990-1999	0.2	b
	2000-2009	0.2	a
	2010-2015	0.1	b
	Overall	0.5	a
Hamilton	Before 1990	**	
	1990-1999	0.1	b
	2000-2009	0.0	b
	2010-2015	0.1	b
	Overall	**	
Kelowna	Before 1990	0.1	b
	1990-1999	0.4	b
	2000-2009	0.2	a
	2010-2015	0.0	d
	Overall	0.2	a
Kitchener-Cambridge-Waterloo	Before 1990	**	
	1990-1999	**	
	2010-2015	**	
	Overall	0.2	a
London	Before 1990	**	
	1990-1999	**	
	2000-2009	**	
	Overall	2.2	c
Gatineau	Before 1990	0.5	a
	1990-1999	0.2	b
	2000-2009	0.3	a
	2010-2015	0.2	b
	Overall	0.3	a
Montreal	Before 1990	1.1	a
	1990-1999	1.2	a
	2000-2009	1.6	b
	2010+	1.3	a
	Overall	1.3	a
Ottawa	Before 1990	**	
	1990-1999	0.6	a
	2000-2009	1.1	a
	2010-2015	1.6	c
	Overall	1.0	a
Quebec	Before 1990	1.0	a
	1990-1999	0.6	a
	2000-2009	0.5	a
	2010-2015	0.3	a
	Overall	0.6	a
Regina	Before 1990	0.0	a
	1990-1999	0.0	b
	2000-2009	0.0	b
	2010-2015	0.0	b
	Overall	0.0	a
Saskatoon	Before 1990	0.7	a
	1990-1999	0.3	a
	2000-2009	0.1	a
	2010-2015	0.5	a
Overall	0.5	a	
Victoria	Before 1990	0.5	a
	1990-1999	1.2	a
	2000-2009	1.1	a
	2010-2015	2.3	c
	Overall	1.0	a
Winnipeg	Before 1990	**	
	1990-1999	0.0	d
	2000-2009	0.4	a
	2010-2015	**	
	Overall	2.7	c

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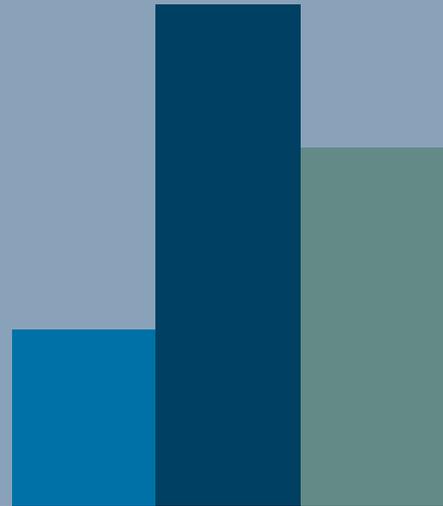
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