

Tracking the real estate market in Quebec

New rules requiring citizenship information to be collected for the transfer of an immovable

The Quebec real estate market is attracting more and more foreign investors. To quell bidding wars for property created by this spike in interest, the Government of Quebec has decided to gauge the extent of this phenomenon to provide a better framework to deal with the situation.





What you need to know about the new procedure for real estate transactions

For several years now, foreign buyers have become more interested in the Quebec real estate market and there have been more transactions with international sellers and buyers.

This increased interest has an impact as it creates a speculative bubble in the real estate market.

New rules

The government is closely watching the effects of this bubble as there could be significant consequences on the economy, on access to property as well as on the speculation that could be anticipated. The government is therefore implementing several mechanisms to prevent real estate bidding wars.

On December 7, 2017, the Quebec Minister of Finance introduced a bill allowing it to get a clearer picture of real estate transactions made by foreign investors and to eventually take the necessary measures to develop tax, economic, budget and fiscal policies to counter this real estate speculation.

As of October 1, 2020, businesses and individuals will be required to provide additional information for real estate transactions, particularly:

- ✦ The citizenship of each party to the real estate transaction, or their permanent resident status
- ✦ For a business, the name of the State (country), province or territory where it was incorporated
- ✦ Additional details to be determined if the natural person acquiring an immovable or a member of their family intends to occupy the acquired immovable as principal residence or a dwelling in said immovable

The notary's role

The notary on file will be in charge of collecting the information. As such, the notary may request a form that you would fill out before meeting at his or her office. The notary would then forward such information to the government when registering the transfer of ownership deed with the land register.

The notary may charge you additional fees for collecting and forwarding the information to the land register as a result of this new obligation. Please consult your notary for information on the fees for your file.

Protected data

Are you worried about the confidentiality of such personal data? Note that notaries must adhere to strict security standards. In fact, the *Chambre des notaires du Québec* has implemented measures to ensure that such data will be maintained in a secure location, just like any document passing through the hands of a notary.

To learn more about these new rules, please consult your notary.