BACH REAL ESTATE GROUP

RE/MAX PROFESSIONALS
EACH OFFICE INDEPENDENTLY OWNED AND OPERATED

FOR AMERICANS AND FOREIGN NATIONALS

Buying a Home from Abroad

2026 EDITION

The ban, the taxes, and the real paths to owning here as a non-resident.

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WELCOME

Buying from outside Canada

We're Travis and Kiel Bach, and we regularly help buyers from the United States and abroad land on Vancouver Island. Buying here as a non-resident is more involved than it is for a local, with a federal ban, provincial taxes, and cross-border rules all in play. None of it is impossible. It just needs the right plan and the right people.

This guide lays out the real picture: who can buy and where, what it costs, how financing and taxes work from outside the country, and how a purchase actually gets done from a distance. It is a starting point for planning, not legal or tax advice, and the rules change, so we work alongside the immigration lawyers, cross-border accountants, and mortgage specialists who get these deals done.

WHAT THIS GUIDE COVERS

- ✓ Whether the federal ban lets you buy, and exactly where on the Island it applies.
- ✓ The provincial taxes that stack on a non-resident purchase, area by area.
- ✓ Financing, cross-border tax, and how to buy from a distance, done right.

YOUR ISLAND TEAM

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THE BIG QUESTION

Can you buy here at all?

For non-residents, the first question is not budget, it is eligibility. A federal ban is in force, but it is narrower than the headlines suggest, and whether it stops you often comes down to the exact address.

The ban, in plain terms. Canada prohibits most non-Canadians, anyone who is not a citizen or permanent resident, from buying residential property with three or fewer dwelling units, including condos. It runs until January 1, 2027, and could be extended again or lifted, so confirm its status before you plan around it.

It only applies in certain areas. The ban bites only inside Census Metropolitan Areas and Census Agglomerations, the urban zones. Property outside those boundaries is not covered by the federal ban at all.

What that means on the Central Island. Nanaimo is a metropolitan area, and Ladysmith, Duncan, Parksville, Courtenay, and Port Alberni are agglomerations, so the towns are largely caught, while many rural and recreational properties just outside the lines are not.

The map is the law. Because it turns on a boundary, the only reliable answer for a given home is the official census-area map, confirmed with a lawyer. We help you check a specific address before you fall for it.

> **THE PENALTY FOR GETTING IT WRONG**
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> Breaching the ban carries a fine of up to ten thousand dollars, and a court can order the property sold. Anyone who knowingly helps, including agents and lawyers, can be penalized too. That is why every non-resident purchase starts with a written eligibility check.

THE EXCEPTIONS

Who can still buy, and how

The ban has real doors built into it. Many non-residents qualify through one of these, or by choosing the right kind of property.

Work permit holders. Those holding a valid work permit who meet the conditions, broadly, enough time left on the permit and not already owning a home here, can generally buy. The exact tests matter, so confirm with an immigration lawyer.

Students, refugees, and spouses. International students meeting strict conditions, protected persons and refugees, and the non-Canadian spouse or partner of a citizen or permanent resident buying together each have an exemption.

Rural and recreational property. A home outside any census metropolitan area or agglomeration sits outside the ban. For some buyers, an acreage or a property beyond the town boundary is the simplest path.

Vacant land and larger buildings. Vacant land zoned residential or mixed-use, and buildings with four or more dwelling units, fall outside the ban entirely.

> **THE CLEANEST PATH OF ALL**
>
> If you can wait, the ban is currently set to lift on January 1, 2027. For some buyers the right move is to plan now, get financing and professionals lined up, and be ready to act the moment it does. We'll help you weigh waiting against the routes open to you today.

ON THE GROUND

Where the rules land, area by area

Two separate things decide a non-resident purchase here: the federal ban, does it apply at this address, and the provincial 20% tax, is this regional district on the list. They do not cover the same map, which trips people up. Here is the lay of the land.

Caught by both. In Nanaimo, Parksville, Qualicum Beach, Nanoose, and Lantzville, the ban applies in the urban areas, and the Regional District of Nanaimo carries the 20% foreign-buyer tax, so an eligible buyer pays the premium.

Banned, but no 20% tax. Ladysmith, Duncan, and Chemainus sit in the Cowichan Valley Regional District, which is not on the 20% tax list, even though the ban can still reach the towns themselves.

Often open, outside the lines. Rural acreages and properties beyond the census-area boundaries may fall outside both the ban and the 20% tax, but it is address-specific and has to be confirmed.

> **ONE RULE TO LIVE BY**
>
> Never assume from the town name. Two homes a few minutes apart can fall on opposite sides of a census line or a regional-district boundary. We confirm both, in writing, before you write an offer.

THE COST STACK

The 20% tax

If you are eligible to buy in one of the taxed regions, British Columbia adds a substantial one-time tax on top of the ordinary purchase costs. It is large enough to change the whole plan, so budget for it from the start.

What it is. On top of the standard property transfer tax every buyer pays, foreign nationals pay an additional 20% of the property's fair market value in the specified regions, which on the Central Island means the Regional District of Nanaimo.

What it costs. On an eight-hundred-thousand-dollar home, that additional tax alone is one hundred and sixty thousand dollars, due at closing and separate from your down payment. It is the single biggest line for most non-resident buyers.

It can apply even if the ban does not. A work-permit holder who is exempt from the federal ban is usually still a foreign national for this tax, and pays it, unless they meet a specific provincial exemption such as the Provincial Nominee Program.

Ownership structure matters. How title is held, for instance when one spouse is a citizen, can change how the tax applies. That is a question for your lawyer, not a do-it-yourself calculation.

BUDGET THE WHOLE NUMBER

Plan for the purchase price, the standard property transfer tax, the 20% additional tax where it applies, legal fees, and your larger non-resident down payment, all at once. Your lawyer or notary files the tax return and confirms any exemption. Confirm current rules at gov.bc.ca and with a BC real estate lawyer.

THE YEARLY COST

The speculation and vacancy tax

Beyond the one-time costs, British Columbia charges an annual tax aimed at homes left empty in its tightest markets, and almost every Island town is now on the list. For a non-resident the rate is the high one, but there is a clear way out.

Where it applies. Nanaimo, Lantzville, Parksville, Qualicum Beach, Courtenay, Comox, Cumberland, Duncan, North Cowichan, Ladysmith, and Lake Cowichan are all designated areas. Vancouver Island itself is included.

The rate, for foreign owners. The tax is charged on the property's assessed value each year. For foreign owners it is three percent for 2026, rising to four percent for 2027, well above the rate for residents.

The way out. A home that is your principal residence, or that you rent out for at least six months of the year, is generally exempt. The tax is really aimed at homes left sitting empty.

You declare every year. Every owner in a designated area files a declaration each year, by the end of March, even just to claim an exemption. Miss it and you are charged the tax by default.

> **IF IT WILL SIT EMPTY, PLAN FOR IT**
>
> For a part-time or vacation home you do not rent out, budget the annual tax as a real holding cost. If you'll rent it or live in it enough to qualify for the exemption, you may owe nothing, but you still have to declare. A cross-border accountant keeps you onside.

THE MONEY

Financing from outside Canada

Non-resident borrowing works differently here, and the differences are big enough to plan around early. The headline: you'll put more down, prove where it came from, and want a specialist in your corner.

A bigger down payment. Most lenders want at least 35% down from a non-resident, from your own funds rather than gifts. Buyers from the United States can sometimes do it with around 20% through cross-border lenders.

Seasoned, traceable money. Your down payment usually has to sit in a Canadian account for a set period before closing, and every transfer is documented. Moving ten thousand dollars or more triggers federal reporting, which is normal; just plan for the paper trail.

No default insurance. Non-resident mortgages are conventional and uninsured, often at a small rate premium. A few major banks have cross-border or non-resident divisions built for exactly this.

Use a specialist broker. Not every lender does these. A mortgage broker who handles non-resident and cross-border deals is the difference between a smooth approval and a dead end. We can point you to ones who do it daily.

START FINANCING BEFORE YOU SHOP

Get a non-resident pre-approval and move your down payment into place early, so you can act when the right home appears and the funds clear in time for closing.

THE PART AMERICANS MISS

The cross-border tax angle

If you are American, or keep ties to another country, owning here reaches back into your home-country taxes too. None of it is a dealbreaker, but the traps are expensive if you find them late.

If you rent it out. A non-resident who earns rent here faces 25% withholding on the gross rent, unless you file the right election to be taxed on net income instead, which almost always costs far less. Set this up before the first rent cheque.

When you sell. A non-resident seller needs a clearance certificate from the Canada Revenue Agency. Without it, the buyer's lawyer must withhold 25% of the entire sale price, not just your gain, so apply six to eight weeks ahead.

US citizens still file at home. The United States taxes its citizens on worldwide income, so a Canadian home has IRS implications too. The Canada-US tax treaty is built to prevent double taxation, but only a cross-border accountant can make it work cleanly.

GET A CROSS-BORDER ACCOUNTANT EARLY

One accountant who works both sides of the border, lined up before you buy, is the best money you'll spend. They coordinate the elections, the filings, and the treaty so nothing surprises you at tax time or at sale. This guide is general information, not tax advice.

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THE PROCESS

Buying from a distance, done right

Most of our out-of-country buyers never sit in our office until possession day, and the purchase still goes smoothly. Here is how it actually works.

Tour by video, decide with us.We walk you through homes by live video, share the real comparables, and give you the real picture of each neighbourhood, so you can shortlist without flying in for every viewing.

Sign from anywhere. Offers and most closing documents are handled electronically or through a local lawyer, and a power of attorney can let someone sign on your behalf at completion if needed.

Money and identity, early. Your lawyer and lender verify your identity and the source of your funds up front, and your deposit moves through proper channels. Starting this early keeps closing on schedule.

Closing across a border. A BC lawyer or notary handles the transfer, the taxes, and registration. Completion and possession are separate days here, which your lawyer will walk you through.

ONE TRIP, DONE WELL

Many buyers make a single scouting visit, choose with us, and return for possession. We help you plan that trip so it counts, and handle the rest from here while you're back home.

HOW WE HELP

The people you'll need

The reason these purchases work is the team around them. We're guides first, and we coordinate with the specialists who make a cross-border deal safe and clean.

An immigration lawyer. To confirm whether the ban applies to you and to your target address, and which exemption fits. This is step one, in writing, before anything else.

A cross-border accountant. To handle the rental elections, the clearance certificate at sale, the treaty, and your home-country filings, so the tax side never surprises you.

A non-resident mortgage broker. To line up financing built for buyers outside Canada, and to get your funds into position in time.

A BC lawyer or notary. To verify identity and funds, file the taxes, and register the purchase. And us, to find the right home in the right place and read the market with you.

> **WHERE ELIGIBLE BUYERS LAND**
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> For those who qualify or buy eligible property, the Cowichan Valley around Duncan draws people with its value, its wine country, and no 20% tax, while rural acreages outside the census lines open up the most options. Tell us your situation and we'll point you to where it actually works.

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HOW WE HELP

The home found, the paperwork handled

We're guides first. Tell us where you're moving from and what you hope to buy, and we'll tell you whether it's possible today, where on the Island it works, and what it will really cost, then bring in the right lawyer, accountant, and broker to get you to the finish line.

TALK IT THROUGH WITH US

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Book a 20-minute call, or explore listings and area guides at bachrealestate.ca

PLEASE NOTE

This guide is a general overview to help you plan, not legal, tax, immigration, or financial advice. The ban, taxes, rates, and rules described here are current at the time of writing and they change, so please confirm the latest and rely on a licensed immigration lawyer, a cross-border tax accountant, a BC real estate lawyer or notary, and gov.bc.ca and the CMHC before you act.