

To: Prime Minister Mark Carney, Canada  
Minister Gregor Robertson, Canada  
Premier David Eby, Province of BC  
Minister Christine Boyle, Province of BC  
Minister Ravi Kahlon, Province of BC

From: Various Housing, Real Estate, and Economic Stakeholders

RE: Crisis & Revitalization of the Real Estate/Construction Industry in BC

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### Introduction

The signatories of this letter represent various parts of the real estate and construction industry (*"the Industry"*) in British Columbia, and other economic agencies and advocacy groups. We are collectively writing to you, as we are concerned about the future of the *Industry*. Specifically, this letter will rationalize that foreign buyer restrictions negatively impact the construction of new homes.

First, we commend the federal and provincial governments for the decisive actions taken in recent years to address housing affordability, a goal that we share. These measures, particularly restrictions on foreign buyers, were introduced with the best of intentions. However, we are increasingly concerned that, as currently structured, these restrictions—though well-intended—may be unintentionally affecting the construction of new homes and impacting jobs.

The real estate and construction sectors are the two largest contributors to the BC economy. Continuing decline in these sectors will impact our economy, if positive regulatory changes are not made soon.

There are many factors contributing to the health of the *Industry*—such as overall economic growth, lending rates, and construction costs. Positive amendment of foreign home ownership policy would be a swift, effective measure while government considers other housing incentives.

This following letter will discuss the *Industry* slowdown, the importance of the *Industry* to BC's economy, and some non-resident home ownership initiatives which have been successful elsewhere in the world.

### Industry Slowdown

There are number of reasons for the *Industry* slowdown, including economic uncertainty, time/cost associated with new housing construction, and supply chain issues. The initial slowdown of the real estate industry began in late 2021, and the *Industry* has been in a significant decline since the start of 2025, with consecutive months of low sales activity.

New housing starts in B.C. are of particular concern, as housing construction declined from March 2024 starts of 4,867, to 2,379 housing starts in March 2025. **This is a 50% decrease.** Furthermore, year-to-date condo/multi-family unit starts are down 22% in B.C., and 29% in Ontario. These trends, if sustained, pose serious risks to long-term housing supply, jobs, and economic stability. Many real estate companies are already facing difficult decisions, from scaling back operations to workforce reductions. Given the *Industry's* economic impact in the province, unemployment in the real estate/construction sectors will impact direct and indirect jobs.

## Economic Impact of the Industry in BC

Recently, the Government of British Columbia's Ministry of Finance published the "2024 Financial and Economic Review." In May 2024, Statistics Canada published the *Preliminary Provincial Economic Accounts*. These reports highlight that:

- ⇒ Real estate sector accounts for 18.6% of BC's GDP, and is the #1 provincial GDP contributor;
- ⇒ The construction industry is the second leading GDP contributor at 10%;
- ⇒ The Industry combined accounted for approximately **29%** of the BC GDP in 2023.

BC Stats reported in July 2024 in "B.C.'s Gross Domestic Product (GDP) By Industry: 2023" that:

- ⇒ The dollar value of the real estate industry to the provincial GDP was \$59.8 billion CDN;
- ⇒ And the dollar value for the construction industry was \$33.2 billion;
- ⇒ **The Industry contributed \$93 billion to the British Columbia GDP in 2023.**

## Foreign Buyer Restrictions Globally

Canada is one of handful of countries with outright foreign home buyer restrictions globally. Unlike nations like Australia and New Zealand, Canada does not permit an exemption for foreign home ownership of newly constructed homes.

Canada's ban on foreign ownership was designed to help curtail the nation's housing affordability crisis, but it has also negatively impacted overall investment into the new home industry.

In 2024, *Reuters* reported that only approximately 1% of homes in Canada were owned by non-residents. *Better Dwelling* did further research into foreign home ownership in Canada and found that foreign buyer presence is more noticeable in the new condo market, particularly in major cities in Canada: *across Canada, approximately 1 in 10 newly built condos (post-2016) are owned by foreign buyers.* A 10% market share can make a difference, whether a housing "starts" and successful through pre-sales.

New condo development requires pre-sales to meet financing thresholds, part of which relies on investor-focused buyers. Closer to occupancy, sales typically shift more toward owner-occupiers. In the absence of foreign investors, fewer projects will meet pre-sale financing thresholds, suppressing supply delivery, which serves no one in a housing crisis as projects will not start.

While we understand that the ban was implemented to protect housing supply for Canadians, it has unfortunately impacted the construction of new homes, as an unintended consequence.

We draw your attention to a housing program implemented by Australia earlier this year, which restricts foreign ownership of established homes but still allows it for newly constructed homes and pre-sales. This 2025 policy for new homes was designed to maintain the strength of their construction industry.

Australia's 2025 housing reforms present a pragmatic, outcomes-focused approach to tackling housing affordability, strengthening the construction sector, and supporting economic growth. Several of the policy tools they have implemented—such as pre-sale guarantees, incentives for modular construction, and strategic restrictions on foreign investment—are directly applicable to high-demand markets like British Columbia. With coordinated action between federal and provincial governments, similar measures could meaningfully accelerate housing starts, address structural challenges in the building industry, thus improving long-term affordability for British Columbians. These strategies merit serious consideration at both levels of government.



## **Recommendations**

We trust that this correspondence has thoughtfully and factually established our position. **Our direct request to government is simply this: the new home construction industry is vital to the BC economy, and the national foreign buyer ban and provincial foreign buyer tax need to be reconsidered, or modified along the lines of the Australia model.**

This crisis has also been recognized and discussed in an article recently published by *BCBusiness*, and found here: <https://www.bcbusiness.ca/industries/real-estate/b-c-real-estate-crisis/>

There has been much more said in local, national, and international media about tariffs and a “trade war with the United States. We are at a point and time in history, where the merits of international trade, international investment, and economic cooperation across borders are being debated—and namely, being hailed by Canada. We are hopeful your government returns foreign home ownership and investment into British Columbia’s leading economic sector, 16 months ahead of schedule.

Sincerely,

## **Housing, Real Estate, and Economic Stakeholders (below)**

*Abstract Developments: Tavish Rai, CEO*

*Ascend Projects: Milton Sorokin, President*

*Amacon: Marcello De Cotiis, President; Stepan Vdovine; VP*

*Beedie Living: Ryan Beedie, President Rob Fiorvento*

*Bonnis Properties: Dimitri Bonnis, Dino Bonnis, Kerry Bonnis, partners*

*Cressey Group of Companies: Scott Cressey, President & CEO*

*Contour Developments: Lauren Liu, President*

*CSJW Financial: Colin Wall, President*

*Edgar Development: Peter Edgar, CEO*

*Elevate Developments: Scott Bearss, Partner*

*Enrich Developments: Brian Tsang, President*

*Executive Group: Salim Sayani, CEO*

*GMC Projects: Jordan Milne, President*

*ICBA: Chris Gardner, President & CEO*

*Infinity Group: Tim Bontkes, President*

*Intracorp: Don Forsgren, CEO; Evan Allegreto, President*

*Mosaic Homes: Chris Barbat, President*

*PATH Developments: Ben Mycroft, Director*

*Persis: Hassan Khosrowshahi, Chairman*

*Polygon: Neil Chrystal, President; Rob Bruno, EVP*

*Pooni Group: Gary Pooni, President*

*Strand Development: Mike Mackay, CEO; Kevin Johnston, President*

*Weathervane Real Estate: Gord Macpherson, Partner*

*Wesbild: Kevin Layden, President*

*Westbank: Ian Gillespie, CEO*

CC: *City of Vancouver Mayor & Council  
Greater Vancouver Board of Trade  
Downtown Vancouver BIA  
BILD Toronto*