

Acquiring real estate



Things to know

- Interests in land are generally held directly in fee simple (meaning absolute title to land, free of any other claims against the title, which one can sell or pass to another by will or inheritance) or by leases as leasehold interests.
- Condominium or strata title ownership is also common throughout Canada.
- All provinces maintain a system of public land titles registration whereby ownership can be verified and through which interests in land are registered.
- Most commercial real estate transactions start with a non-binding letter of intent that sets out the most important business terms; a formal comprehensive agreement would follow containing all the necessary business terms, including representations and warranties and any conditions to be satisfied.

USEFUL RESOURCES

Government of Canada

- [Buying commercial real estate](#)

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- [Canadian real estate law: The Legal Guide to Real Estate 2018](#)

Things to do

DETERMINE YOUR OWNERSHIP VEHICLE

- There are several legal structures available for investment in Canadian real estate, including a general partnership, a limited partnership, co-ownership (commonly known as a “joint venture”), a corporation, a trust, personal ownership or any combination of the foregoing.
- The choice of an appropriate investment structure will be governed by factors such as tax planning requirements, liability issues and business considerations and each foreign investor’s rules and regulations.

DUE DILIGENCE

- Once the Agreement of Purchase and Sale is signed, it is generally the responsibility of the purchaser (usually through counsel) to conduct due diligence concerning the property being acquired. This includes title and zoning searches and a review of any leases and surveys of the property.

FIND A REAL ESTATE BROKER IN CANADA

- Consider leveraging your business relationship with your local real estate broker, if any, to see if they have relationships with a broker located in Canada, or consult local advisors for recommendations – a local broker can provide invaluable information on local market conditions and values.

RELATED TOPICS

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