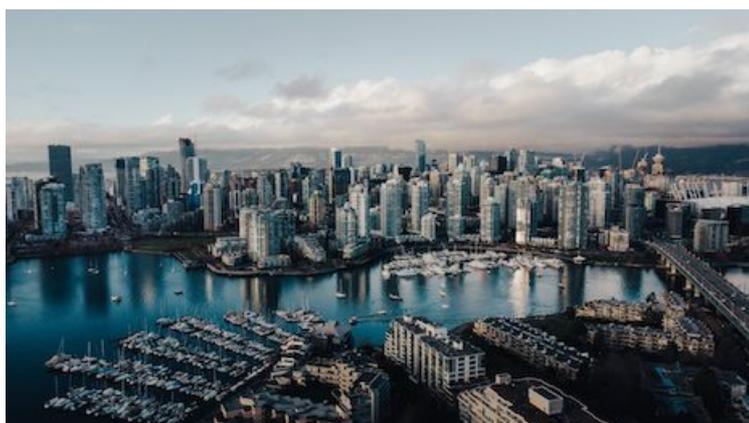


REAL ESTATE

What Canada's ban on foreign home buyers means for Chinese emigrants' pursuit of the Vancouver Dream'

December 13, 2022



Realtors and Chinese clients are rushing to close property deals in Vancouver ahead of Canada's nation-wide ban on foreign home buyers, as more Chinese are looking to move to Vancouver amid China's pandemic lockdowns. Image credit: Unsplash

By **Crystal Tai**

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David Yin and his Chinese clients are in a race against time.

The Chinese-Canadian Realtor has a few weeks left before a looming deadline hits in the new year: Canada's **ban on foreign home buyers**.

"My clients need to complete their sales [in] December," Mr. Yin, who works with Sutton Coast West Coast Realty, said.

The new law, which comes into effect on Jan. 1, will prohibit non-Canadians from purchasing domestic property over the next two years.

The controversial ban comes into place as part of the Canadian government-led **measures** to "cool down" overheated housing markets in cities such as Vancouver which currently ranks as **the third-most unaffordable city for housing in the world**, behind Hong Kong and Sydney.

"One of my mainland China-based clients came here to buy a place so their kids could attend primary school in Vancouver," Mr. Yin said.

These clients normally look for single-family homes in upper-crust neighborhoods such as Vancouver's Point Grey or West Vancouver, which can cost on average CAD\$2.4 million and up, he said.

"Rather than pay CAD\$5,000 (around U.S. \$3,730) per month for a rental, they just want to buy a property and pay the current 20 percent foreign buyer's tax [before the foreign buyer ban arrives]," Mr. Yin said.

Besides these mainland-based "satellite families" where one parent is often working in China and providing the main source of income, while the other spouse raises children overseas Mr. Yin's clients also include young

Chinese professionals who have chosen Vancouver over hotspots such as New York and San Francisco, as they believe the total costs of living are still cheaper overall.

On top of being a bustling city with panoramic ocean and mountain views, Vancouver boasts a burgeoning tech scene, Mr. Yin said.

Despite Vancouver being named the "anti-Asian hate crime capital of North America" [according to a 2021 expos by Bloomberg](#), Mr. Yin argues that his clients believe there are more safety issues in the United States, given the lack of gun control and rising [social unrests](#).

Living the Vancouver Dream'

In recent decades, a growing number of Chinese diaspora from Hong Kong, Taiwan, mainland China and other regions have migrated to Canada for its public education, public healthcare and other aforementioned advantages.

Currently, Canada is home to around 1.77 million ethnic Chinese, who make up 5.1 percent of the overall population.

Wang, a Chinese national and Canadian resident who will be only identified by his surname, moved to Vancouver from a first-tier Chinese city in 2019. He said that while [restrictions are loosening](#), the longstanding and often unpredictable pandemic-induced lockdowns taking place across China have taken their toll.

According to a [report](#) by The Canadian Press, recent permanent residency admissions from China between July to September this year have tripled, compared with the same quarter in 2020. Admissions in the third quarter rose to 9,925 the highest number since 2015, according to the same source.

Over the last few years, Mr. Wang's mainland-Chinese contacts in Vancouver have expanded significantly.

"Back in China, among the eight homes in our housing complex, three or four of our neighbors have immediate family living in Vancouver right now," he said, explaining that even the daughter of a neighbor who lives across from his unit now lives in Vancouver.

"They all moved here within the last four, five years," Mr. Wang said.

According to the most recent data, which dates back to 2016, Chinese buyers from Hong Kong, Taiwan and mainland China comprised nearly [a third of Vancouver's real estate purchases](#) in 2015. That year, they contributed U.S. \$9.6 billion of the total U.S. \$29 billion in sales, according to a study by the National Bank of Canada.

Meanwhile in the neighboring U.S., Chinese investment in real estate jumped from US\$6.7 billion in 2009, to US\$47 billion by 2015.

Over the last two years, Mr. Wang has received a deluge of inquiries from friends, acquaintances and even work contacts about moving overseas to live the "Vancouver dream," in a city where there is a large Chinese diaspora, and the quality of living is consistently ranked [among the top in the world](#).

"There's a great balance between urban life and nature," Mr. Wang said.

"In my circles, people don't care about geopolitics or anti-Asian hate crime," he said, citing that many would prefer to avoid living under China's COVID-19 restrictions.

The Chinese think of Canada as a fairly immigrant-friendly country, he says, where the quality of life and cost of living still represent an improvement compared with rising prices in Chinese cities such as Beijing and Shanghai.

Amid the rising interest in Vancouver, Canadian culture is also spreading across China in the form of coffee chains such as Tim Hortons, and athleisure trends led by Canadian brands including [Arc'teryx](#), [Lululemon](#) and [Canada Goose](#).

From healthy yoga-driven lifestyles in the city, to snowboarding down the powdery peaks in Whistler, for many Chinese, the aforementioned brands and their associated lifestyles have come to represent what it means to be Canadian, according to Mr. Wang.

"During the Beijing Olympics this year, when the Canadian team came out in their head-to-toe Lululemon outfits, all my friends were talking about it," Mr. Wang said.

These avid Lululemon and Arc'teryx shoppers had never been to Canada, "yet they spoke about this country having the best team outfit," he said, adding that they felt a sense of pride about it.

Emigration inquiries on the rise despite Canada's property purchasing ban

For the last few years, Vancouver's skyrocketing property prices and the pandemic-led rises in the cost of living had not been a deterrent for Chinese buyers looking to move overseas but that has changed over the past year, says Brendon Ogmundson, chief economist at the BC Real Estate Association.

Mr. Ogmundson says overall home sales in Vancouver have fallen by around 40 percent compared with sales in 2021.

But more importantly, Mr. Ogmundson remains skeptical of the government's efforts to enforce a cooldown via a ban on foreign buyers. He explains that in recent years, much of what was classified as "foreign home-buying activity" was, in fact, overseas families purchasing homes in advance of actual immigration.

"If your hypothesis was that foreign investment and foreign capital is the most significant driver for housing, we were actually able to test that claim [For part of the pandemic, we] closed the borders, shut off foreign investment and shut off immigration over a year, and we [still] ended up with an all-time record-high home sales," Mr. Ogmundson said. "Banning foreign buyers can only hurt our reputation."

Kashif Ansar, group CEO of Juwai, an Asia-based real estate platform which connects mainland Chinese buyers with overseas agents, echoes Mr. Ogmundson's sentiments.

"This ban will eliminate buying by Chinese who live in China, but that group accounts for a small share of Chinese buying," Mr. Ansar said.

"We don't expect the ban to significantly impact overall demand by buyers of Chinese origin because most of these buyers already live in Canada and in many cases [are] on the route to becoming Canadian citizens," he said.

Overall, global property purchases by Juwai's Chinese consumers have fallen by 50 percent during the pandemic, Mr. Ansari said.

However, the firm also received a record number of inquiries compared with other years since 2020.

"Chinese buyer enquiries have more than tripled," Mr. Ansari said.

"Vancouver is their favorite Canadian city," he said. "We see demand continuing to grow slowly through the end of 2023, at which point policy decisions by the Chinese government will determine what happens next."

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