2024 Review of Real Estate Law Highlights in Quebec

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As we keenly usher in 2025, we thought we would have a quick recap on changes affecting real estate law in Quebec in 2024. Let's have a look back on the past year and on news deserving some attention and follow-up in 2025. This is not a comprehensive list, but a reminder that much has happened in the real estate sector.

1. In terms of rental housing construction, the *Real Property (GST/HST) Regulations* introduced an enhanced GST rebate for residential rental properties, for construction beginning between September 14, 2023 and December 31, 2030, and whose end date is set no later than December 31, 2035.
2. The procedure for authenticating a Canadian document to be used in a foreign country has been standardized for countries that are party to the Hague Apostille Convention Abolishing the Requirement of Legalisation for Foreign Public Documents.
3. *Bylaw 20-20-20* was amended to lighten the financial burden on real estate developers for the construction of affordable social housing in Montréal until the end of 2026.
4. In terms of housing rental, the *Act to limit lessors' right of eviction and to enhance the protection of senior lessees* has imposed a moratorium on the eviction of lessees by lessors who want to subdivide, expand or change the use of a dwelling, until June 2027, in addition to providing more protection for lessees aged 65 or over against eviction or repossession of a dwelling, when they have been living at the dwelling for at least 10 years and their income is equal or less than 125% of the income that would qualify them for low-rental housing based on applicable regulations.
5. The *Competition Act* was amended to further regulate property controls, including the use of exclusivity clauses and restrictive covenants in existing commercial leases.
6. The *Competition Act* was also amended to fight greenwashing. In the real estate industry, developers now have the burden to prove the environmental claims in respect to their properties.
7. The increase in the inclusion rate for capital gains was announced in the federal budget in April 2024. The inclusion rate will go from 50% to 66.66% on all capital gains realized by corporations and trusts, in addition to individuals for the portion of capital gains exceeding $250,000 in a given year. Considering the potential change in government

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and the fact that these measures have no force of law, stay tuned for developments on this matter.

8. Tax authorities plan to increase applicable withholding rates for the sale of a taxable Canadian property by a non-resident of Canada starting January 1, 2025. As a result, the withholding rates for disposals made as of that date have increased significantly further to the increase in the inclusion rate for capital gains. Again, there is, however, still uncertainty on whether this measure will come into force.
9. *Bill 86* amending, among other things, the *Act respecting the preservation of agricultural land and agricultural activities* and the *Act respecting the acquisition of farm land by non-residents* was tabled and introduced to the National Assembly of Quebec by the Minister of Agriculture, Fisheries and Food, André Lamontagne. The amendments aim, in particular, to control the acquisition of farm land and fight against the acquisition of farm land by foreign investors. Stay tuned for changes in this bill.
10. The *Act to amend various legislative provisions with respect to housing* has “opened the door” for municipalities to authorize housing projects before February 21, 2027, that deviate from local planning bylaws, provided that established conditions are met. Municipalities have been granted discretionary power they can use to fast-track construction projects in 2025.

Following this year full of developments in the real estate sector, our real estate law team is motivated and ready to answer all your questions and requests.

Do you have any other topics in mind? Share them with us and feel free to contact us for a further discussion. Have a great 2025!

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