

Twelve things to settle on a multi-residential file

For Canadian apartment building owners. Rules current to 27 October 2026.

- ☐ **Put each building in its own CCA class**
Regulation 1101(1ac), for every rental property costing \$50,000 or more.
- ☐ **Check the allowance has not been claimed into a loss**
Regulation 1100(11) caps it where net rental income reaches nil.
- ☐ **Keep a per-building register of original cost**
You will need it for recapture, and it cannot be rebuilt from pooled entries.
- ☐ **Separate current expenses from capital expenses**
Repairs that restore are deducted now. Improvements go to capital cost.
- ☐ **File soft costs to the project they belong to**
Open the file when the project starts, not at year end.
- ☐ **Deduct bad debts under paragraph 20(1)(p)**
Unlike the allowance, these are not restricted from creating a loss.
- ☐ **Count who was on payroll all year**
More than five full-time employees, or the small business deduction is gone.
- ☐ **Document any related-party management fee**
A percentage of rents or an hourly rate. Not a round number with no basis.
- ☐ **Model recapture before agreeing a sale**
Subsection 13(1), as ordinary income on top of the capital gain.
- ☐ **Check the GST/HST position on any commercial part**
Residential rent is exempt. A commercial component changes the analysis.
- ☐ **File the MPAC income and expense return**
An afternoon from records you already keep. It shapes the assessment.
- ☐ **Keep every record for six years**
Leases, rent rolls, payroll, tax bills and the CCA schedules.

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