

Twelve things to settle on Canadian property

For non-residents who own Canadian rental property. Rules current to 21 October 2026.

- ☐ **Establish who is paying your rent to you**
Everything else depends on it, and a tenant paying directly is exposed.
- ☐ **Appoint a Canadian withholding agent**
Moves the monthly remittance duty to someone who knows it exists.
- ☐ **Check that 25% of gross is being remitted monthly**
On the full rent, not the profit, whether or not the property earns.
- ☐ **File Form NR6 before the first rent payment**
Once approved, withholding follows estimated net income instead.
- ☐ **Collect the NR4 slips the payer issues**
They show rent paid and tax withheld, and the return reconciles to them.
- ☐ **File the section 216 return on Form T1159**
Net income at graduated rates. On a mortgaged property, usually a refund.
- ☐ **Know which deadline applies to you**
Two years from year-end without an NR6. June 30 with one, and it is final.
- ☐ **Decide on capital cost allowance deliberately**
About 4% on the building, recaptured as income when you sell.
- ☐ **Separate repairs from improvements in your records**
One is deductible now, the other goes to the cost of the property.
- ☐ **Notify CRA within days of any sale**
Subsection 116(3) starts the clock at closing, not at your convenience.
- ☐ **Apply early for the certificate of compliance**
It limits the holdback to tax on the gain instead of the whole price.
- ☐ **Keep every record for six years**
Leases, statements, closing documents and CCA schedules, under s. 230(4).

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