

DESIGNATION OF A PROPERTY AS A PRINCIPAL RESIDENCE BY AN INDIVIDUAL (OTHER THAN A PERSONAL TRUST)

Tax year **20**

Use this form to designate a property as a principal residence. You must also complete the "Principal residence designation" section of Schedule 3 for the year you:

- disposed of, or were considered to have disposed of, your principal residence, or any part of it; or
- granted someone an option to buy your principal residence, or any part of it.

Note

If you were not a resident of Canada for the entire time you owned the designated property, call **1-800-959-8281**.

Your period of non-residence may reduce or eliminate the availability of the principal residence exemption.

For more information about designating a principal residence and what qualifies as a principal residence, see Income Tax Folio S1-F3-C2, *Principal Residence*, or the "Principal residence" chapter in Guide T4037, *Capital Gains*.

You can only designate one property as your principal residence for any specific year. However, where you sell a principal residence and buy another (or move to another property that you own) in the same year, the "plus one" rule in calculating the principal residence exemption amount will allow you to claim the principal residence exemption for both properties for that year even though you can only designate one property as your principal residence.

For dispositions that occurred after October 2, 2016, if you were a non-resident throughout the taxation year in which the property was purchased or acquired, the "plus 1" rule does **not** apply.

If you ticked box 1 at line 179 of Schedule 3, you only need to complete the first page of this form. You do not need to report any gain amount on Schedule 3 for this property.

Description of property

Provide the information requested below for the property you disposed of in the tax year. Complete a separate form for each property you sold.

Address				Year of acquisition	Proceeds of disposition	
Street number, Street name, and unit number if applicable						
Prov./Terr.	Postal code	City	Country	9955	9954	

Designation

I, _____, hereby designate the property described above to have been my principal residence for the following number of tax years ending after the acquisition date:

• After 1981	_____	1
• After 1971 and before 1982	_____ + _____	2
Total number of years designated (line 1 plus line 2)	9956 = _____	3

For those years after 1981, I also confirm that neither I, nor my spouse or common-law partner (who was not separated and living apart from me throughout the year under a judicial separation or written separation agreement), nor any of my children (who were under 18 and unmarried or not in a common-law partnership throughout the year) designated any other property as a principal residence. For any tax year after 1981 for which I am designating the property and throughout which I was under 18 and unmarried or not in a common-law partnership, I also confirm that neither my mother, father, nor any of my brothers and sisters (who were under 18 and unmarried or not in a common-law partnership throughout the year) designated any other property as a principal residence.

For those years before 1982, I confirm that I have not designated any other property as my principal residence.

Note
If the property was designated as a principal residence for the purpose of filing Form T664 or T664(Seniors), you have to include those previously designated tax years as part of this principal residence designation.

Signature	Social insurance number	Date
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Definitions

For the purpose of this form, the **acquisition date** is the date on which you acquired or last reacquired the property, or December 31, 1971, whichever is later. However, if you or your spouse or common-law partner filed Form T664 or T664(Seniors), you or your spouse or common-law partner are **not** considered to have disposed of and immediately reacquired the property as a result of that election.

The term **spouse** used throughout this form applies to a person to whom you are legally married. For 1993 to 2000, a spouse included a common-law spouse. For 2001 and future years, the reference to spouse is replaced with **spouse** or **common-law partner** as defined in the "Definitions" section in Guide T4037, *Capital Gains*.

Note
If you made an election to have your same-sex partner considered your common-law partner for 1998, 1999, and/or 2000, then, for those years, your common-law partner also can not designate a different housing unit as his or her principal residence.

Information needed to calculate the capital gain

If you ticked either box 2 or 3 at line 179 of Schedule 3, you must complete the remainder of this form that is applicable to your particular situation.

If you disposed of, or were considered to have disposed of, a property for which you or your spouse or common-law partner filed Form T664 or T664(Seniors), *Election to Report a Capital Gain on Property Owned at the End of February 22, 1994*, use this form to calculate the capital gain for the year if:

- the property was your principal residence for 1994; or
- you are designating the property in this form as your principal residence for any tax year.

You may be entitled to a reduction as a result of the capital gains election. To calculate this reduction, use Form T2091(IND)-WS, *Principal Residence Worksheet*. To get this form, go to **canada.ca/get-cra-forms** or call **1-800-959-8281**.

Number of tax years for which the property is designated as a principal residence (from line 3 of first page)	=	_____	3
Number of tax years ending after the acquisition date in which you owned the property (jointly with another person or otherwise):			
• After 1981		_____	4
• After 1971 and before 1982	+	_____	5
Total number of years owned (line 4 plus line 5)	=	_____	6
Proceeds of disposition or deemed disposition		_____	7
Outlays and expenses related to the disposition		_____	8
Adjusted cost base at the time of disposition (If you or your spouse or common-law partner filed Form T664 or T664(Seniors) for this property, do not take into consideration any increase to the adjusted cost base as a result of that election.)		_____	9
Adjusted cost base on December 31, 1981		_____	10
Fair market value on December 31, 1981		_____	11
Adjustments to the cost base made after 1981 (for example, capital expenditures)		_____	12

Calculation of the capital gain

Part 1

Proceeds of disposition or deemed disposition (line 7)		_____	13
Adjusted cost base at the time of disposition (line 9)		_____	14
Outlays and expenses (line 8)	+	_____	15
Line 14 plus line 15	=	_____	16
Capital gain before principal residence exemption (line 13 minus line 16)	=	_____	17
Amount from line 17		_____	18
Line 3 plus 1 (one year is granted by law *)	x	_____	19
Multiply line 18 by line 19	=	_____	20
Line 6	÷	_____	21
Divide line 20 by line 21	=	_____	22
Net capital gain from Part 1 (line 17 minus line 22; if negative, enter "0")	=	_____	23

Part 2

Complete Part 2 **only** if the property disposed of is one of two or more properties that qualify as principal residences a family member owned on December 31, 1981, and continuously thereafter until its disposition. You will find a definition of **family** in the "Principal residence" chapter in Guide T4037, *Capital Gains*. **In all other cases**, do not complete Part 2 and enter the amount from line 23 above on line 53 in Part 3 on the next page.

a) Pre-1982 gain – If you designated the property as a principal residence for all the years you owned it before 1982, do not complete lines 24 to 31 and enter "0" on line 32.

Fair market value on December 31, 1981 (line 11)		_____	24
Adjusted cost base on December 31, 1981 (line 10)		_____	25
Pre-1982 gain before principal residence exemption (line 24 minus line 25)	=	_____	26
Amount from line 26		_____	27
Line 2 plus 1 (one year is granted by law *)	x	_____	28
Multiply line 27 by line 28	=	_____	29
Line 5	÷	_____	30
Divide line 29 by line 30	=	_____	31
Pre-1982 gain (line 26 minus line 31; if negative, enter "0")	=	_____	32

* Under proposed changes, if you disposed of your principal residence after October 2, 2016, and were a non-resident throughout the year of acquisition of the property, you are not eligible to use the "plus 1" in this calculation.

Part 2 (Continued)

b) Post-1981 gain – If you designated the property as a principal residence for all the years you owned it after 1981, enter "0" on line 44 and complete area d) below.

Proceeds of disposition or deemed disposition (line 7).....			33
Fair market value on December 31, 1981 (line 11). If the fair market value of the property on December 31, 1981, is more than the amount on line 33, enter "0" on line 44 and complete areas c) and d) below.			34
Adjustments made to the cost base after 1981 (line 12)	+		35
Outlays and expenses (line 8).....	+		36
Add lines 34 to 36.....	=		37
Post-1981 gain before principal residence exemption (line 33 minus line 37)	=		38
Amount from line 38			39
Line 1.....	x		40
Multiply line 39 by line 40	=		41
Line 4.....	÷		42
Divide line 41 by line 42	=		43
Post-1981 gain (line 38 minus line 43; if negative, enter "0")	=		44

c) Post-1981 loss

Fair market value on December 31, 1981 (line 11).....			45
Proceeds of disposition or deemed disposition (line 7).....	-		46
Post-1981 loss (line 45 minus line 46; if negative, enter "0")	=		47

d) Net capital gain from Part 2

Pre-1982 gain, if any (line 32).....			48
Post-1981 gain, if any (line 44)	+		49
Line 48 plus line 49	=		50
Post-1981 loss, if any (line 47)	-		51
Net capital gain from Part 2 (line 50 minus line 51; if negative, enter "0")	=		52

Part 3

Total capital gain – If you completed Part 2, enter the amount from line 23 of Part 1 or line 52, **whichever is less**. Otherwise, enter the amount from line 23..... 53

Complete Part 4 **only** if you or your spouse or common-law partner filed Form T664 or T664(Seniors) for this property. In all other cases, enter the amount from line 53 on line 158 of Schedule 3, *Capital Gains (or Losses)*, for dispositions or deemed dispositions.

Part 4

Total capital gain before reduction (line 53)			54
Reduction as a result of the capital gains election (line 66 of Form T2091(IND)-WS).....	-		55
Capital gain (line 54 minus line 55; if negative, enter "0")	=		56

Enter the amount from line 56 on line 158 of Schedule 3, *Capital Gains (or Losses)*, for dispositions or deemed dispositions.