BORDERLESS
SAN DIEGO REAL ESTATE

FREE GUIDE · 2026 EDITION

The Canadian Buyer's Guide to San Diego Real Estate

Stays, financing, RRSPs, cross-border taxes and selling, in plain language.





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THE SHORT ANSWER

Canadians can buy a home in San Diego just like a U.S. buyer, with no visa or U.S. residency needed. The differences are in how long you can stay each year, how you finance (cash, a cross-border or foreign national mortgage, or equity from your Canadian home), and reporting the property to the IRS and CRA.

Can Canadians buy property in the U.S.?

Yes. There's no federal rule stopping Canadians from buying U.S. homes, and you don't need a visa or U.S. address to buy. Canada is consistently one of the top countries of origin for international buyers of U.S. homes, accounting for 14% of foreign buyers in the National Association of Realtors' 2025 report.

The purchase itself works the same way as for any buyer in California: an offer on the standard purchase agreement, a neutral escrow, inspections and a closing that you can sign remotely from Canada.

How long you can stay in your San Diego home

Owning a U.S. home **does not** give you the right to live here. As a Canadian visitor, U.S. border officers generally admit you for up to six months at a time, and owning property doesn't change that.

Snowbirds also need to watch the IRS **substantial presence test**, a day-count formula over three years. If you meet it, you may be treated as a U.S. tax resident unless you file **Form 8840 (Closer Connection Exception Statement)** to show your ties to Canada. Many Canadians who spend winters in the U.S. file it every year.

Keep a simple log of your U.S. days each year. It makes the day-count test, and your Form 8840, much easier.

How Canadians pay for a U.S. home

- **Cash.** The simplest route, and common for second homes.
- **A U.S. mortgage.** Some Canadian banks have U.S. arms that offer cross-border mortgages and can use your Canadian credit history. U.S. lenders with foreign national programs are another option, usually with a larger down payment.
- **Equity from your Canadian home.** A home equity line of credit in Canada can fund a U.S. cash purchase. Your Canadian lender will need to approve it, and the interest-rate and

currency risk stay with you.

Whichever you choose, plan the currency exchange. Moving a down payment through a bank at retail exchange rates can cost thousands more than a currency specialist on the same amount. Our wire fraud guide covers moving the money safely.

Can you use RRSP money to buy a U.S. home?

You can withdraw from your RRSP, but the Home Buyers' Plan is for a qualifying home in Canada, so it doesn't apply to a U.S. purchase. A regular RRSP withdrawal is **added to your taxable income** in Canada, and tax is withheld up front by your financial institution.

For many buyers that makes the RRSP an expensive source of a down payment. Run the numbers with a cross-border tax advisor before you withdraw, and compare it with your other options.

Taxes on both sides of the border

Owning and renting

- **Property tax:** California property tax is based on about 1% of the purchase price plus local charges, paid in two installments a year.
- **Rental income:** taxable in the U.S. You'll file a U.S. return (Form 1040-NR) using an ITIN, and report the income in Canada too, with a foreign tax credit for U.S. tax paid.
- **CRA reporting:** a U.S. rental property generally counts as specified foreign property for Form T1135 when the total cost of such property is over C$100,000. A vacation home used mainly for personal use generally isn't included.

Ownership and estate planning

How you hold title matters. Holding a U.S. home in an LLC can create double-taxation problems for Canadians, so get cross-border advice before choosing an entity. Non-U.S. owners can also face **U.S. estate tax** on U.S. property; the Canada–U.S. tax treaty provides relief for many Canadians, but larger estates should plan ahead.

When you sell

The buyer generally withholds 15% of the price for the IRS under FIRPTA, and California usually withholds 3⅓%. See the FIRPTA guide for how to reduce or recover it.

Your checklist

Work through these in order. Tick them off as you go.

- [ ] Decide how you'll use the home: winters, family, rental or a mix
- [ ] Start a simple log of your U.S. days each year
- [ ] Compare a U.S. cross-border mortgage, a foreign national loan and Canadian home equity
- [ ] Price your currency exchange with a specialist, not just your bank
- [ ] Ask a cross-border tax advisor before any RRSP withdrawal
- [ ] Choose how to hold title before you buy (LLCs often hurt Canadians)
- [ ] Plan for Form 8840, T1135 and U.S. estate tax with your advisor
- [ ] Confirm wire instructions by phone before sending any funds

Questions buyers ask

Can a Canadian buy a house in the USA?

Yes. Canadians can buy U.S. homes without a visa, green card or U.S. residency. The purchase process in California is the same as for any buyer, and you can sign closing documents from Canada.

Can I live in my U.S. home full time as a Canadian?

Not by owning it. Owning a home doesn't give you immigration status. Canadian visitors are generally admitted for up to six months at a time, and you need the right visa to live in the U.S. longer.

Can I use my RRSP to buy a house in the USA?

You can withdraw RRSP funds, but the Home Buyers' Plan doesn't apply to U.S. homes. A regular withdrawal is taxed as income in Canada with tax withheld up front, so speak to a cross-border tax advisor first.

Do Canadians need an ITIN to buy in the U.S.?

Not to buy with cash. You'll usually need an ITIN to report rental income, to file a U.S. return when you sell, and with some lenders.

What is Form 8840?

Form 8840 is the IRS Closer Connection Exception Statement. Canadians who spend enough days in the U.S. to meet the substantial presence test can file it to show closer ties to Canada and avoid being treated as U.S. tax residents.

Should a Canadian buy U.S. property in an LLC?

Often not. LLCs can cause double taxation for Canadians because of how Canada and the U.S. treat them differently. Get advice from a cross-border tax professional before choosing how to hold title.

Want a plan for your exact situation?

Tell me your country, budget and timeline. I'll send a step-by-step plan and introduce the lenders, attorneys and tax advisors who work with buyers like you.

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