

**Designation of a Property as a Principal Residence
by an Individual (Other than a Personal Trust)**

Tax year

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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 are in one of the following situations:

- you disposed of, or were considered to have disposed of, your principal residence, or any part of it
- you 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 17900 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.

If you are filing electronically, keep this form in case we ask to see it later. If you are filing a paper return, you **must** complete, **sign**, and attach this form to your return.

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
(print your name) 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

Definitions

Protected B when completed

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 their principal residence.

Information needed to calculate the capital gain

If you ticked either box 2 or 3 at line 17900 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 one of the following applies:

- the property was your principal residence for 1994
- 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/cra-forms-publications 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	=		▶
Capital gain before principal residence exemption (line 13 minus line 16)		-	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	=		▶
Net capital gain from Part 1 (line 17 minus line 22; if negative, enter "0")		-	22
		=	23

* 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

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

* 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.

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.			
Adjustments made to the cost base after 1981 (line 12)	+		34
Outlays and expenses (line 8)	+		35
Add lines 34 to 36	=		36
Post-1981 gain before principal residence exemption (line 33 minus line 37)		=	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 15800 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 15800 of Schedule 3, Capital Gains (or Losses), for dispositions or deemed dispositions.

See the privacy notice on your return.



Principal Residence Worksheet

Complete this worksheet together with Form T2091(IND), Designation of a Property as a Principal Residence by an Individual (Other than a Personal Trust), or Form T1255, Designation of a Property as a Principal Residence by the Legal Representative of a Deceased Individual, to calculate the reduction as a result of the capital gains election. To calculate the reduction, you will need amounts reported on Form T664 or T664(Seniors), Election to Report a Capital Gain on Property Owned at the End of February 22, 1994, that you (for the purposes of this form, if you are the legal representative for a deceased person, "you" refers to the deceased person) filed for the 1994 tax year. Keep a copy of this worksheet for your records and attach another to Form T2091(IND) or Form T1255.

Note

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

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

Information you need to calculate the reduction

The **acquisition date** is the date on which you last acquired or reacquired the property, or December 31, 1971, whichever is later. For the purpose of the calculation below, you are not considered to have disposed of and immediately reacquired the property as a result of the capital gains election.

Number of tax years ending after the **acquisition date** and before 1995 for which the property is designated as a principal residence:

• After 1981 and before 1995 (line 1 in the designation area of Form T2091(IND) or Form T1255)		1
• Before 1982 (line 2 of Form T2091(IND) or Form T1255)	+	2
Total number of years designated before 1995 (line 1 plus line 2)	=	3

Number of tax years ending after the **acquisition date** and before 1995 in which you owned the property (jointly with another person or otherwise):

• After 1981 and before 1995 (line 4 of Form T2091(IND) or Form T1255)		4
• Before 1982 (line 5 of Form T2091(IND) or Form T1255)	+	5
Total number of years owned before 1995 (line 4 plus line 5)	=	6

Designated proceeds of disposition (column 2, Chart B of Form T664, or column 2, Step 2 of Form T664(Seniors))

_____ 7

Adjusted cost base at the end of February 22, 1994 (column 1, Chart B of Form T664, or column 1, Step 2 of Form T664(Seniors))

_____ 8

Adjusted cost base on December 31, 1981 (line 10 of Form T2091(IND) or Form T1255)

_____ 9

Fair market value at the end of February 22, 1994 (Step 1 of Form T664 or T664(Seniors))

_____ 10

Fair market value on December 31, 1981 (line 11 of Form T2091(IND) or Form T1255)

_____ 11

Adjustments made to the cost base after 1981 and **before February 23, 1994** (e.g., capital expenditures)

_____ 12

Elected capital gain (column 5, Chart B of Form T664, or column 5, Step 2 of Form T664(Seniors))

_____ 13

Chart 1

Complete this chart **only** if the amount on line 7 is **more** than the amount on line 10.

Otherwise, enter the amount from line 10 on line 19.

Fair market value at the end of February 22, 1994 (line 10)

_____ 14

Designated proceeds of disposition (line 7)

_____ 15

Multiply line 14 by 1.1

_____ 16

Line 15 **minus** line 16 (if negative, enter "0")

_____ 17

Line 14 **minus** line 17

_____ 18

Part 1

Enter the amount from line 18 if you completed Chart 1. Otherwise, enter the amount from line 10.

Adjusted cost base at the end of February 22, 1994 (line 8)	—	19
Adjusted gain before principal residence exemption (line 19 minus line 20)	=	20
Amount from line 21		21
Line 3 plus 1 (one year is granted by law) *	x	22
Multiply line 22 by line 23	=	23
Line 6	÷	24
Divide line 24 by line 25	=	25
Net adjusted gain from Part 1 (line 21 minus line 26)	=	26
		27

Part 2Complete this part **only** if you completed Part 2 of Form T2091(IND) or Form T1255. **In all other cases**, enter the amount from line 27 in Part 1 on line 59 in Part 3 below.

- a) Adjusted 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 28 to 35 and enter "0" on line 36.

Fair market value on December 31, 1981 (line 11)		28
Adjusted cost base on December 31, 1981 (line 9)	—	29
Adjusted pre-1982 gain before principal residence exemption (line 28 minus line 29)	=	30
Amount from line 30		31
Line 2 plus 1 (one year is granted by law) *	x	32
Multiply line 31 by line 32	=	33
Line 5	÷	34
Divide line 33 by line 34	=	35
Adjusted pre-1982 gain (line 30 minus line 35; if negative, enter "0")	=	36

- b) Adjusted 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 47 and complete areas d) and e) below.

Amount from line 19		37
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 37, enter "0" on line 47 and complete areas c), d), and e) below		38
Adjustments made after 1981 and before February 23, 1994 (line 12)	+	39
Line 38 plus line 39	=	40
Adjusted post-1981 gain before principal residence exemption (line 37 minus line 40)	=	41
Amount from line 41		42
Line 1	x	43
Multiply line 42 by line 43	=	44
Line 4	÷	45
Divide line 44 by line 45	=	46
Adjusted post-1981 gain (line 41 minus line 46; if negative, enter "0")	=	47

- c) Adjusted post-1981 loss**

Fair market value on December 31, 1981 (line 11)		48
Amount from line 19	—	49
Adjusted post-1981 loss (line 48 minus line 49; if negative, enter "0")	=	50

- d) Net adjusted gain from Part 2**

Adjusted pre-1982 gain, if any (line 36)		51
Adjusted post-1981 gain, if any (line 47)	+	52
Line 51 plus line 52	=	53
Adjusted post-1981 loss, if any (line 50)	—	54
Net adjusted gain from Part 2 (line 53 minus line 54; if negative, enter "0")	=	55

- e) Total adjusted gain before reduction for non-qualifying real property**

Net adjusted gain from Part 1 (line 27)		56
Net adjusted gain from Part 2 (line 55)		57
Total adjusted gain before reduction for non-qualifying real property (line 56 or line 57, whichever is less)		58

* 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 3

Total adjusted gain before reduction for non-qualifying real property. If you completed Part 2 above, enter the amount from line 58. Otherwise, enter the amount from line 27

59

Number of months you owned the property after February 1992 and before March 1994 (do not include any months you or your spouse or common-law partner designated the property as a principal residence)

x 60

Multiply line 59 by line 60

= 61

Number of months you owned the property after 1971 and before March 1994 (do not include any months you or your spouse or common-law partner designated the property as a principal residence)

÷ 62

Divide line 61 by line 62

= 63

Total adjusted gain (line 59 minus line 63)

= 64

Elected capital gain (line 13)

65

Reduction as a result of the capital gains election (line 64 or line 65, whichever is less)

66

Enter the amount from line 66 above on line 55 of Form T2091(IND) or Form T1255.

See the privacy notice on your return.