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MULTIFAMILY NEXT

# AI Regulations and the Canadian Multifamily Industry

What You Need to Know in 2026

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A Plain-Language Guide for Multifamily Leadership

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## Why This Guide Matters to You

If you run, manage, or invest in apartment communities in Canada, AI regulation is not a future topic. It is a right-now topic. Canada's federal AI law (AIDA) collapsed in early 2025 when Parliament was prorogued. The country is now the only G7 nation without a comprehensive federal AI regulatory framework. But that does not mean there are no rules. Provincial governments have filled the gap aggressively.

Quebec's Law 25 is the toughest privacy and AI law in North America, with penalties reaching \$25,000,000 or 4% of global revenue. Ontario released six foundational AI governance principles in January 2026. The Competition Bureau investigated algorithmic pricing in multifamily. And the Federal Housing Advocate is reviewing systemic algorithmic bias in housing decisions.

**This guide translates the Canadian regulatory landscape into plain language so you can make informed decisions, ask the right questions of your vendors, and protect your portfolio.**

You do not need to be a lawyer to lead responsibly with AI. You need to understand what the rules are, where they apply, and what action to take. That is exactly what this guide delivers.

## The Federal Landscape: What Happened and Where It Stands

### The Collapse of AIDA (Bill C-27)

On January 6, 2025, the 44th Parliament was prorogued, killing Bill C-27. This omnibus bill was intended to be Canada's "digital reset," introducing the Consumer Privacy Protection Act (CPPA), the Personal Information and Data Protection Tribunal Act, and the Artificial Intelligence and Data Act (AIDA).

AIDA was criticized for being overly broad yet paradoxically vague. It left the definition of "high-impact systems" to future regulation rather than defining them in the law itself. The proposed AI and Data Commissioner would have lacked independence, housed within the Department of Innovation, Science and Economic Development.

Aspect of Bill C-27	Proposed Function	Status in 2026
CPPA	Replace PIPEDA. Fines up to 5% of global revenue.	Shelved. Core concepts informing new 2026 drafts.

Aspect of Bill C-27	Proposed Function	Status in 2026
<b>AIDA</b>	Identify and mitigate risks in high-impact AI systems.	Officially dead. "Light, tight, right" approach under review.
<b>Data Protection Tribunal</b>	Administrative tribunal for hearing privacy appeals.	Uncertain. Some propose eliminating for direct OPC power.
<b>Privacy Commissioner Powers</b>	Binding orders rather than just recommendations.	Widely supported. Expected in future legislation.

## The 2026 Federal Pivot: The "National Sprint"

Following the 2025 election, the new administration launched a "National Sprint" on AI policy (results released February 3, 2026). This signaled a shift from the omnibus approach toward sector-specific interventions. The results highlighted concerns about job displacement, systemic bias in recruitment algorithms, and environmental impact of data centers.

The current federal strategy focuses on a "Sovereign AI" framework emphasizing Canadian control over data infrastructure and protection of children's data. Organizations must follow voluntary codes of conduct, such as ISED's Generative AI Code of Practice, while waiting for binding federal law.

**Federal preemption is not here yet. PIPEDA is the baseline. The voluntary ISED code requires transparency, accountability, fairness, safety, human oversight, and validity. Adherence is increasingly used as a "reasonable care" benchmark in civil litigation.**

## The Treasury Board ADM Directive

While the private sector awaits a new federal statute, the government has implemented a rigorous framework for its own AI use. The Directive on Automated Decision-Making (effective April 1, 2019, updated 2023 and 2026) applies to all federal institutions. It requires an Algorithmic Impact Assessment (AIA) classifying each system from Level I to Level IV.

Impact Level	Required Governance Actions
<b>Level I (Low)</b>	Notice of ADM use. Documentation of system choice.
<b>Level II (Moderate)</b>	Peer review by one expert. Plain-language explanation of outcomes.

Impact Level	Required Governance Actions
Level III (High)	Peer review. Human-in-the-loop. 60-day notice period for changes.
Level IV (Critical)	Treasury Board approval. Two peer reviews. Mandatory human intervention.

**While this directive applies to the public sector, it serves as the unofficial template for private-sector governance and is increasingly referenced in civil litigation as a "reasonable care" benchmark.**

# Quebec: Law 25 - The Toughest AI and Privacy Law in North America

In the absence of a modern federal law, Quebec has taken the lead with Law 25 (formerly Bill 64), which reached full enforcement by September 2024. Law 25 is essentially a "GDPR-lite" for Canada, introducing extraterritorial reach that applies to any organization handling the personal data of Quebec residents, regardless of the company's physical location.

## Automated Decision-Making Transparency Requirements

Under Law 25, individuals have extensive rights when a decision is rendered exclusively by automated processing:

- **Right to Information:** The right to know the types of personal data used and the factors leading to the decision.
- **Right to Correction:** The right to correct inaccurate data points that fed into the algorithm.
- **Right to Review:** The right to have a human review the automated outcome and submit additional information as part of an appeal.

## Privacy Officer and PIAs

Law 25 mandates that every organization designate a Privacy Officer. If one is not named, the CEO is personally responsible for compliance by default. This officer must oversee Privacy Impact Assessments (PIAs), which are mandatory before launching any new technology or information system that processes personal data.

For property management firms using AI chatbots or resident screening tools in Quebec, the PIA must explicitly address the sensitivity of the data and the protection measures, including contractual safeguards with vendors.

## Penalties

The penalties for non-compliance are the highest in Canada. Administrative fines can reach \$10,000,000 or 2% of global revenue. Penal sanctions for severe violations can reach \$25,000,000 or 4% of global revenue. Additionally, Law 25 creates a Private Right of Action, allowing individuals to sue for damages of at least \$1,000 per violation, which significantly increases the risk of class-action litigation.

**If your portfolio includes Quebec properties, Law 25 applies to you. Designate a Privacy Officer. Complete PIAs for all AI systems. Build automated decision disclosure and human review processes. The penalties are real and the private right of action creates significant class-action exposure.**

# Ontario: Bill 194 and the IPC-OHRC Principles

Ontario has pursued a hybrid approach, combining public sector legislative mandates with ethical guidance for the private sector.

## Bill 194: Public Sector Accountability

Bill 194 introduces the Enhancing Digital Security and Trust Act (EDST), which applies to government ministries, agencies, school boards, and children's aid societies. Organizations under EDST must inform the public about AI use, develop accountability frameworks, manage discriminatory risk, and ensure human oversight for high-risk scenarios.

## The 2026 IPC-OHRC Principles

On January 21, 2026, the Information and Privacy Commissioner (IPC) and the Ontario Human Rights Commission (OHRC) jointly released six foundational principles. While not statutory, these are the benchmark commissioners will use to assess whether organizations meet their human rights and privacy obligations.

Principle	Description	Organizational Requirement
<b>Validity and Reliability</b>	Systems must consistently perform as intended.	Regular validity testing and objective evidence of accuracy.
<b>Safety</b>	Prevention of harm to life, health, and human rights.	Robust cybersecurity and "kill-switch" protocols for unsafe outputs.
<b>Privacy Protection</b>	Minimizing data collection and protecting sensitive information.	"Privacy by Design" and clear lawful authority for data processing.
<b>Human Rights Affirmation</b>	Active prevention of algorithmic discrimination.	Embedding non-discrimination into design and governance lifecycle.
<b>Transparency</b>	Explaining how systems work in plain language.	Documenting data sources and notifying individuals of AI interactions.
<b>Accountability</b>	Internal governance and human oversight.	Clear roles for oversight and whistleblowing protections.

# Western Canada: Alberta and British Columbia

## Alberta: POPA and PIPA Reform

Alberta introduced the Protection of Privacy Act (POPA) for the public sector, reaching full implementation in June 2026. POPA introduces explicit rules for data matching, synthetic data, and mandatory Privacy Impact Assessments when using "innovative technologies."

For the private sector, Alberta launched a public consultation (February to May 2026) to modernize PIPA. Key recommendations under consideration include a statutory right for individuals to be notified before an AI decision is made, the right to contest automated decisions, and stronger protections for children's privacy in digital environments.

## British Columbia: The Clearview AI Precedent

In February 2026, the BC Court of Appeal delivered a landmark ruling in the Clearview AI case, upholding the Privacy Commissioner's order against the U.S.-based company. The court affirmed that BC's PIPA applies to foreign organizations if there is a "real and substantial connection" to the province. Physical location is less relevant in the digital age than the location of the data subject.

**The Clearview AI ruling means that if your AI tools process data from BC residents, BC's privacy law applies to you regardless of where your company is headquartered.**

# The Competition Bureau: Algorithmic Pricing Investigation

In early 2025, the Competition Bureau of Canada launched a civil inquiry into the use of revenue management software by RealPage and Yardi. The Bureau was concerned that these tools might facilitate "tacit collusion" by pooling nonpublic, competitively sensitive data from landlords to generate synchronized pricing recommendations.

On November 10, 2025, the Bureau discontinued the investigation, concluding that revenue management tools were not yet "widely used" enough in Canada. However, the Bureau issued critical warnings for 2026:

- **Continued Monitoring:** The Bureau remains concerned about the potential for AI to artificially inflate rents or limit supply.

- **Guidance to Industry:** Landlords must ensure pricing remains independent and must not share real-time competitor data through a common platform.
- **Algorithmic Collusion:** In a January 2026 report, the Bureau highlighted that AI agents can discover "cartel-like" strategies even without human intent to collude.

**Even though the investigation was discontinued, the Bureau is watching. Ensure your pricing software operates independently and that your vendor is not pooling your data with competitors.**

## Resident Screening and Human Rights Liability

AI in resident screening presents significant liability risks for Canadian property managers. Algorithms that use credit scores or postal codes as "proxies" for race, income, or national origin are increasingly viewed as discriminatory under provincial human rights codes.

Under the Canadian Human Rights Act and provincial codes, discrimination can be proven even without the "intent" to discriminate if the "effect" is harmful. Organizations must conduct Human Rights Impact Assessments (HRIAs) to test for proxy variables that correlate with protected characteristics.

### Common Proxies to Audit For:

- **Postal Codes** can be a proxy for race in segregated neighborhoods.
- **Gaps in Work Experience** can be a proxy for gender (maternity leave).
- **Interest in Competitive Sports** has been found to act as a proxy for gender in some hiring models.

The National Housing Strategy Act recognizes housing as a fundamental human right. The Federal Housing Advocate is currently reviewing systemic issues related to algorithmic bias. The SafeRent settlement in the U.S. is being closely watched in Canada as precedent.

## Compliance Frameworks: CAN/DGSI 101, NIST, and ISO 42001

With no single federal statute to follow, Canadian organizations are converging on recognized national and international standards to establish "reasonable care."

### CAN/DGSI 101:2025 - Canada's National Standard

The Digital Governance Standards Institute released the second edition of CAN/DGSI 101:2025, Canada's first national AI standard, tailored for organizations with fewer than 500 employees. It provides a Toolkit for Ethical AI including risk management blueprints, ethics-by-design principles, and continuous monitoring protocols. As of early 2026, Chartered Professional Accountants (CPAs) can provide formal "assurance services" to validate compliance.

### NIST AI RMF and ISO 42001

Many Canadian firms are also adopting the NIST AI Risk Management Framework (Govern, Map, Measure, Manage) and pursuing ISO 42001 certification to ensure interoperability with U.S. partners and readiness for future Canadian federal laws expected to align with these standards. Insurance

carriers in 2026 have begun introducing "AI Security Riders" requiring documented evidence of risk management programs.

# Provincial Comparison: Enforcement and AI Rights

Feature	Quebec	Ontario	Alberta / BC
<b>Right to Explain</b>	Statutory (Law 25).	Guidance (IPC-OHRC).	Recommendations under review.
<b>Mandatory PIAs</b>	Yes, for all systems.	Required for public sector.	POPA requires for innovative tech.
<b>Max Fines</b>	\$25,000,000 or 4% of global revenue.	Currently limited/remedial.	Under review in PIPA reform.
<b>Consent Model</b>	Explicit opt-in (GDPR style).	Express consent for sensitive data.	Implicit allowed for low-risk.
<b>Private Right of Action</b>	Yes (minimum \$1,000 per violation).	Limited common law.	Limited. PIPA review pending.

**The "strictest common denominator" strategy applies in Canada too. If your portfolio spans multiple provinces, build your enterprise AI standards to Quebec's Law 25 and Ontario's IPC-OHRC principles. This is simpler than maintaining different compliance programs for each jurisdiction, and it protects you everywhere.**

## What to Do Now: Your Action Items

This is not a "someday" list. These are the steps your leadership team should be taking in 2026 to protect your portfolio and use AI responsibly in Canada.

### 1. Assign an AI Owner for Every Tool

Every AI system you use needs a named person accountable for its compliance, performance, and outcomes. In Quebec, if no Privacy Officer is designated, the CEO is personally responsible.

### 2. Complete Privacy Impact Assessments

Quebec requires PIAs before launching any AI system that processes personal data. Alberta's POPA requires them for innovative technologies. Start with your resident screening tools and chatbots.

### **3. Build Automated Decision Disclosure**

Quebec requires you to inform individuals when a decision is made exclusively by automated processing. Build the notification process now.

### **4. Implement Human Review Pathways**

Individuals in Quebec have the right to have a human review any automated decision. Ontario's IPC-OHRC principles require human oversight for high-risk scenarios. Build the process and train your team.

### **5. Audit Screening Tools for Proxy Bias**

Test your resident screening algorithms for proxy discrimination. Postal codes, credit scores without voucher adjustments, and gaps in work history are all flags.

### **6. Verify Revenue Management Independence**

Even though the Competition Bureau discontinued its investigation, the warnings are clear. Confirm your pricing software operates independently and your vendor is not pooling competitor data.

### **7. Adopt the Strictest Common Denominator**

If your portfolio spans multiple provinces, build to Quebec's Law 25 standard. It is the highest bar in Canada and compliance with it covers you everywhere.

### **8. Stop Relying on Vendor Promises**

"The vendor told us it was compliant" is not a defense in Canada any more than it is in the United States. Require signed certifications and written descriptions of safeguards and data handling practices.

## ABOUT MULTIFAMILY NEXT

Multifamily NEXT is the multifamily industry's first hands-on AI implementation event series. Founded by Tami Siewruk, a 49-year industry veteran, Multifamily NEXT is built on one principle: Build, don't listen.

Our 2026 National Tour visits nine cities: Atlanta, Phoenix, Charlotte, Orlando, Chicago, Baltimore, Los Angeles, Denver, and Houston. Each event delivers 2.5 days of hands-on AI workshops where attendees build working tools, establish governance frameworks, and leave with skills they can put to work immediately.

**Every workshop comes with our "Until You Win" guarantee.**

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