

MARCH 2023

Summary of Consultation Feedback

Policy Statements 5 and 6

BCFSA 

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Introduction

In September 2022, BC Financial Services Authority (“BCFSA”) undertook a public consultation on proposed amendments to the Superintendent of Real Estate’s Policy Statement 5 and Policy Statement 6 under the *Real Estate Development Marketing Act*.

The proposed amendments to Policy Statement 5 and Policy Statement 6 are intended to:

- Link the concept of “approval in principle” to a standardized, robust, and well understood development approval milestone;
- Enable developers to obtain financing at an earlier date where financing is contingent on achieving a minimum number of pre-sales; and
- Codify certain existing regulatory practices.

This report provides a summary of the feedback received during the public consultation.

For further information on the proposed amendments see the [Real Estate Development Marketing Policy Statement Amendments Consultation](#) page on BCFSA’s website.

Consultation Process Overview

The consultation was open for public comment for 30-days from September 20, 2022, to October 20, 2022. The primary source of feedback came through BCFSA’s online feedback form and virtual meetings with interested stakeholders.

Participants were invited to answer questions regarding the proposed changes and to provide any general feedback. For further information on the discussion questions see the [Discussion Paper](#) on BCFSA’s consultation webpage.

Here is a summary of BCFSA’s engagement activities:

- Invited feedback from key stakeholders (e.g., the Union of B.C. Municipalities, the British Columbia Real Estate Association, the Urban Development Institute, Canadian Bar Association sections, and individuals who have submitted filings under the *Real Estate Development Marketing Act* in recent years);
- Published a [news release](#) inviting all interested parties to review the consultation materials and participate in the consultation;
- Published a [consultation webpage](#) that contained reference materials explaining the proposed changes;
- Held virtual meetings with key stakeholders to provide further information and ask questions; and
- Sent a reminder to all key stakeholders to participate in the consultation and to provide feedback through the consultation webpage.

Summary of Feedback

BCFSA invited more than 800 stakeholders to participate in the consultation for the proposed amendments to Policy Statement 5 and Policy Statement 6.

A total of 25 comments were received. Respondents submitted comments through the consultation feedback form and by email. BCFSA also held several virtual meetings with stakeholders who expressed further interest in the proposed amendments. BCFSA reviewed and considered all comments.

All responses that BCFSA received were generally supportive of the proposed amendments and their purpose, with no major issues identified. Two comments supported an additional change to Policy Statement 5 and Policy Statement 6 namely extending their early marketing periods. Two other comments supported clarifying certain wording in the proposed amendments.

The following table summarizes the key themes from the feedback received during the consultation.

STAKEHOLDER FEEDBACK TABLE

Theme	Summary of Issue/Comment	BCFSA Response
General Support	None of the feedback expressed issues regarding the core substance of the proposed amendments.	The positive feedback indicates that stakeholders generally support the proposed amendments and do not have significant issues.
12 Month Early Marketing Period	<p>Two respondents stated that the proposed amendments might not be sufficient to promote development units coming to market sooner.</p> <p>The comments suggested that extending the early marketing period or broadening the definition of “building permit” to include a demolition permit might be necessary to achieve that goal.</p>	<p>Extending the Policy Statement 5 and Policy Statement 6 early marketing period was outside of the scope of this consultation. BCFSA appreciates this feedback and will monitor the impact of the proposed amendments as well as market conditions.</p> <p>BCFSA’s view is that the proposed definition of “building permit” balances strong consumer protection with flexibility for developers. Accepting an earlier permit as a “building permit” would increase risks to purchasers.</p>

Consultation Outcomes and Next Steps

BCFSA thanks all stakeholders that participated in the consultation. The majority of the comments received supported the proposed amendments or requested future amendments to other aspects of Policy Statement 5

and Policy Statement 6 that were outside of the scope of this consultation. No major issues or risks were identified during this consultation. Minor revisions have been made to Policy Statement 5 and Policy Statement 6 to further clarify their wording based on feedback received.

BCFSA has published a [news post](#) and [Advisory](#) concurrently with this report informing the public and other stakeholders that Policy Statement 5 and Policy Statement 6 have been amended in accordance with this consultation.



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