

Advisory

Consultation on New Consumer Disclosure Form for Pre-sales

Date: April 17, 2024
Distribution: Real Estate Licensees, Real Estate Developers
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PURPOSE

BC Financial Services Authority is issuing this Advisory to notify the real estate development community and real estate licensees of a public consultation from **April 17, 2024, to May 17, 2024**, on proposed changes to *Real Estate Development Marketing Act* (“REDMA”) requirements.

The consultation will address a proposed requirement under REDMA mandating developers to include a Summary of Pre-sale Risks and Buyer Rights form (“summary form”) at the front of their initial disclosure statement filing for pre-sale developments. The summary form is intended to provide consumers with information on key risks and contractual rights that they should consider prior to signing a pre-sale contract.

BACKGROUND

Under REDMA, developers are required to provide consumers with a disclosure statement. The disclosure statement is a legal document that outlines what the developer is selling and describes a purchaser’s rights to cancel their contract under various circumstances. However, the complexity and length of disclosure statements poses challenges for consumers to fully understand their rights and obligations.

To address these challenges, BCFSA is proposing the implementation of a new summary form that would be attached to the front of a disclosure statement. The summary form aims to:

- Highlight critical provisions of the disclosure statement and purchase agreement;
- Direct purchasers to relevant sections of the disclosure statement for further review; and
- Enhance consumer understanding, while also encouraging purchasers to seek professional advice and to thoroughly read the disclosure statement in its entirety.

This effort aims to enhance transparency and consumer protection in pre-sale transactions, helping to ensure that consumers are better equipped to make informed decisions about their real estate purchases.

HOW TO PARTICIPATE IN THE CONSULTATION

BCFSA has launched an online [Consultation Feedback form](#) inviting public input from April 17, 2024, to May 17, 2024. The consultation aims to gather input on the structure and content of the summary form and proposed amendments to Policy Statement 14.

Responses and comments received during the consultation will be reviewed by BCFSA and will form the basis of a consultation summary report, which will be used to inform BCFSA’s decision on whether to enact the changes.

BCFSA values the feedback it receives during consultations and will treat submissions of feedback as confidential records and will not publish individual submissions or attribute content. However, please note that all submissions are subject to the *Freedom of Information and Protection of Privacy Act*.

ADDITIONAL INFORMATION

The Consultation Feedback form and all applicable materials, including the summary form, FAQs, and proposed Policy Statement 14 amendments, can be found on BCFSA's [Consultation page](#).

QUESTIONS

Please contact engage@bcfsa.ca for more information regarding this consultation.