

# REDMA Enhanced Consumer Disclosure

May 2, 2024

**BCFSA** BC Financial  
Services Authority

Classification: Protected A





# Territorial Acknowledgment



# Hosts and Facilitators

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# Agenda

1. Background
2. Timeline
3. Proposed Form
4. Questions

# Background



# What is happening?

## OVERVIEW

- BCFSA is proposing a new, mandatory one-page form to be completed and attached to the front of an initial disclosure statement filing that summarizes key consumer information.
- The proposed form will serve to summarize key consumer information that is already required to be disclosed under REDMA; the form does not broaden current disclosure requirements.
- The proposed form requires developers to explain to purchasers which contractual rights apply to them and acquire a purchaser's initials to demonstrate compliance and understanding.





# Addressing Complex Disclosure

- Disclosure statements are critical to helping purchasers understand what the developer is selling as well as their rights under REDMA.
- Complexity of current disclosure documents may result in limited comprehension by purchasers.
- BCFSA sees a need for clearer and plainer disclosure of key risks and purchaser rights, given the significant investment of purchasers.





# What is the purpose of this change?

- Provide clear, up-front and plain language information to consumers;
- Enhance consumer understanding of their rights and obligations under REDMA;
- Increase consumer confidence in their purchase agreement;
- Reduce the potential for consumer harm; and
- Provide greater awareness of risks.





# Your Feedback Matters

**BCFSA is:**

- Requesting feedback on the proposed pre-sale summary form and proposed changes to Policy Statement 14 (language, technical details, clarity, formatting, etc.)
- Requesting feedback on the potential unintended consequences of the proposed changes and timelines

**Please visit our Consultation Feedback Form after today's session if you have input to share.**

**The consultation ends May 17.**

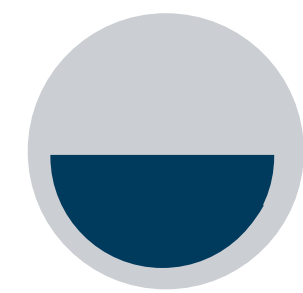




# Anticipated Timelines



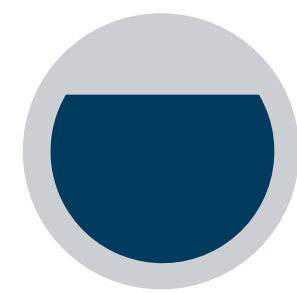
# Next Steps



## Winter/Spring 2024

Held Technical Working Group meetings

**Where we are-**  
Conduct public consultation

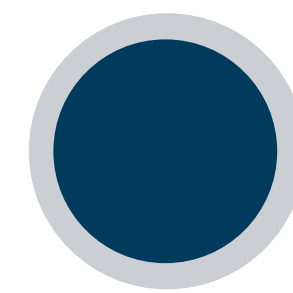


## Spring/Summer 2024

Prepare consultation summary report

Finalize policy statement amendments

Finalize summary form



## Fall 2024

Seek final approval (Superintendent of Real Estate)

Post regulatory content and resources

Communicate amendments to developers and licensees (if approved)

Amended Policy Statement 14 comes into force



# Proposed Form



## Summary of Pre-sale Risks and Buyer Rights

This document highlights important information for you as a purchaser of a pre-sale development unit. This is not a **complete summary** of your rights and obligations under your purchase agreement.

You are strongly advised to seek independent professional advice and review the **entire** disclosure statement and the purchase agreement with your professional advisor prior to signing your purchase agreement.

Name of Development

Name of Development

### KEY RISKS OF PURCHASING PRE-SALE DEVELOPMENT UNITS

Review section \_\_\_\_\_ of the disclosure statement for information regarding the estimated date range for completion of construction. This date range is subject to change. You should review **all** disclosure statement amendments to verify if the developer has changed this date.

There is a risk with all pre-sales that construction may be delayed or **may never** be completed.

Your purchase agreement may include terms allowing the developer to:

- Change the closing date of your purchase;
- Cancel your purchase agreement if certain minimum pre-sale targets are not met, your unit is not ready to be occupied by a certain date, or you fail to pay an amount when required;
- Return your deposit without interest if the developer cancels your purchase agreement; or
- Refuse to allow an assignment of your purchase agreement.

Review BCFSa's [Understanding Pre-Sale Purchases](#) brochure to learn about additional pre-sale risks.



## CONTRACTUAL RIGHTS

Section \_\_\_\_\_ of the disclosure statement describes important information about your purchase agreement. You should review this section as it summarizes your and the developer's rights and obligations. Confirm that the developer or its representative has brought this to your attention: Purchaser's Initials \_\_\_\_\_.

**You always have the right to cancel your purchase agreement within seven days of signing the purchase agreement by giving written notice to the developer** (see Section 21 of the [Real Estate Development Marketing Act](#)).

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**You have the right to cancel your purchase agreement if:**

- The developer does not obtain and disclose to you that it has received a building permit by \_\_\_\_\_;  
**or**  
within seven days of the developer disclosing to you that it has received a building permit and the building permit shows a material change in the layout or size of your unit, the development, or a major common facility; or
- The developer does not obtain and disclose to you that it has received a satisfactory financing commitment by \_\_\_\_\_.

These rights **do not** apply if the developer has already disclosed that it has obtained a building permit and a satisfactory financing commitment.

Confirm that the developer or its representative has explained to you whether these rights to cancel your purchase agreement are applicable: Purchaser's Initials \_\_\_\_\_.



# Questions?



# Contact

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[policy@bcfsa.ca](mailto:policy@bcfsa.ca)

(specific questions)

BCFSA Stakeholder Engagement

[engage@bcfsa.ca](mailto:engage@bcfsa.ca)

(feedback on our consultation)





Thank  
you.