

Deal or No Deal: BC Homebuyers Get Boost in Protection

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On March 28, 2022, the BC provincial government introduced the “Homebuyer Protection Period” to the province’s *Property Law Act* as part of its ongoing effort to provide homebuyers with increased statutory protection and to respond to growing concerns about buyers submitting offers without basic protective conditions in the intensely competitive BC housing market.

Colloquially known as a “cooling-off period,” the proposed Bill 12 - 2022 Property Law Amendment Act, 2022 (Bill 12) would provide the buyer of a residential property with the right to cancel the purchase and sale agreement within a to-be-determined number of days following acceptance of the offer to purchase.

These amendments would function as a statutory right of rescission and allow the would-be homebuyer to walk away from a signed Contract for Purchase and Sale by giving written notice to the seller, irrespective of whether this right was specifically agreed to by the parties. The intended effect of these amendments is to allow the would-be homebuyer a window to consider their offer, perform due diligence, ensure they obtain adequate financing, and obtain a home inspection. This “cooling off period” is consistent with the seven-day statutory right of rescission afforded to buyers of presale developments under BC’s *Real Estate Development Marketing Act*.

The BC government will provide more detail regarding the implementation and content of the Homebuyer Protection Period in the forthcoming regulations, including the length of the “cooling-off period” (which may vary regionally) and any consequences, cost or otherwise, for a buyer retracting their offer to purchase. These details are to be informed by a consultation that the BC Financial Services Authority (BCFSA) completes with a number of real estate industry stakeholders. The BCFSA’s findings are expected to be announced in spring 2022 and will inform the specific regulations that will be used to implement the Homebuyer Protection Period in summer 2022.

While details of how the Homebuyer Protection period will operate in practice have yet to be announced, Bill 12 will nonetheless significantly alter the offer and acceptance landscape in the residential real estate market. If passed, buyers will be afforded enhanced protections when purchasing a home, while sellers will be subject to increased uncertainty regarding the finalization of their sale.