

MEDIA RELEASE



For Immediate Release

BC Government's Plan to Implement Homebuyer Protection Period Misses the Mark

KELOWNA, B.C. – July 25, 2022 – Last Thursday, the BC Government announced regulations that will enable a mandatory three-day Homebuyer Protection Period (HPP), previously called a “cooling off period” to take effect on January 1, 2023. The HPP will allow potential buyers three days to back out of a real estate transaction. A recession fee of 0.25% of the purchase price of the home will be paid to the seller if the buyer rescinds their offer during this period.

The Association of Interior REALTORS® supports consumer protection measures for real estate consumers. That said the Association is dismayed by this announcement. It is unlikely that the HPP will be an effective measure, especially as market conditions come back to balance. Ultimately, this type of measure is intended to protect buyers who feel the need to put in unconditional offers or are in multiple offer situations, both of which have become a lot less common in today's market in the interior and across the province.

“As an association committed to fostering professionalism among REALTORS® we are extremely supportive of measures to protect consumers. This policy, however, severely misses the mark,” says Lyndi Cruikshank, President of the Association of Interior REALTORS®, adding “instead of protecting all consumers, this policy favours buyers and may now put sellers in a compromising position. If the government was really concerned about protecting consumers, then they should include policies that protect both sellers and buyers equally.”

Earlier in the year, the British Columbia Real Estate Association (BCREA) alongside the Association of Interior REALTORS® and other real estate boards around the province offered more than thirty alternative recommendations in a white paper, *“A Better Way Home.”* Many of these recommendations were echoed in the BC Financial Services Authority (BCFSA) report, *“Enhancing Consumer Protection in BC's Real Estate Market,”* which was published in May.

The Ministry of Finance has chosen to ignore the recommendations of the independent regulatory body and instead implement a policy that was announced months ago. It seems that the Ministry of Finance is undermining the BC Financial Services' Authority as an independent regulator.

“Why would the Ministry of Finance cherry-pick one policy recommendation and leave the rest? For consumers to truly be protected, the BC Government needs to both empower the BC Financial Services Authority to do its job as an independent regulator and listen to professional REALTORS® who are immersed in their respective real estate markets on a daily basis,” adds Cruikshank.

“Ultimately, these regulations will be inconsequential and fail to improve consumer protection. Which is a real shame because consumers in the interior and across the province really deserve better,” says Cruickshank.