

NOTICE TO DEVELOPERS – BCFSA PILOT PROGRAM EXTENDS EARLY MARKETING PERIOD FOR LARGE DEVELOPMENTS

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On February 25, 2025, the BC Financial Services Authority (the “**BCFSA**”) launched a new pilot program which extends the early marketing period from 12 to 18 months for eligible development projects with 100 or more development units (the “**Pilot Program**”).

Background

Under the Real Estate Development Marketing Act (“**REDMA**”), a developer can market a development project for a period of 12 months prior to securing a building permit and a satisfactory financing commitment. If these requirements are not met within the early marketing period, the developer must immediately cease marketing the project and purchasers are entitled to cancel their purchase agreement.

Rising interest rates, inflation, and other economic headwinds have recently created a challenging environment for the residential real estate market. Developers have faced greater difficulty securing the necessary building permit and financing within the early marketing period. Considering these challenges, the BCFSA has launched a Pilot Program that extends the early marketing period from 12 to 18 months for eligible developments. According to the BCFSA, the “initiative will evaluate the early marketing period’s impact on real estate development in B.C., balancing the need to support development while maintaining robust consumer protections.”^[1]

Program Eligibility

The following types of developments are eligible for the Pilot Program:

- residential developments with 100 or more development units
- all types of “development units” as defined in REDMA (e.g., strata lots, subdivision lots, bare land strata)
- new and existing projects
- phased developments

Most residential developments with 100 or more development units are expected to be approved for the Pilot Program unless the developer is or has been in significant non-compliance with REDMA.

Projects that have already commenced marketing are eligible for the Pilot Program. To participate, a developer must either amend the existing disclosure statement or file a new disclosure statement. If the existing disclosure statement is amended, the extended 18-month early marketing period will be calculated from the date the original disclosure statement was filed. Purchasers who entered into contracts prior to the projects participation in the Pilot Program will retain their existing 12-month rescission rights. If a new disclosure statement is filed, existing purchasers will be entitled to a seven-day rescission right pursuant to REDMA.

Reporting Obligations

Developers participating in the Pilot Program are required to share quarterly data reports with the BCFSA. In addition to providing general data about the project, developers must also share details about sold development units including the date of the sale, unit type, number of bedrooms, square footage, and other relevant metrics. A complete list of the data sharing requirements is available on the [BCFSA's website](#). All submitted data will remain confidential and will be used by the BCFSA to “gain important insights on trends in the development industry.”^[2]

Beginning in summer of this year, developers will be able to submit data through the BCFSA's Integrated Regulatory Information System (IRIS) platform. Failure to comply with the program's data reporting requirements may result in the suspension or revocation of the granted exemption. Additionally, the developer and its directors may be deemed ineligible to participate in the Pilot Program for future projects.

How to Apply

To apply to the Pilot Program, a developer must submit their exemption application by email to realestatedevelopment@bcfsa.ca. Developers are required to include a completed application form and pay the \$13,500 exemption application fee. The exemption application fee is in addition to the fee of \$13,500 which is payable to file a disclosure statement for a development with 100 or more development units.

[1] [REDMA Early Marketing Period – Pilot Program for Large Developments | BCFSA](#)

[2] [REDMA Early Marketing Period Frequently Asked Questions | BCFSA](#)

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A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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