

**Condo Smarts**

Headline: Buying a New Condo

Topic: Buying & Selling

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**Dear Condo Smarts:** My daughter and I have been touring open houses of new high rise condos over the past few weeks looking for a 2 bedroom apartment. While we have been keen on a few of the condos, we have been turned off by the aggressive sales people and their misunderstanding of condo living. One of the issues that we are really troubled by, is the insistence that the only way the sales offices can give us a copy of the disclosure statement is if we agree to first provide a deposit and sign a preliminary agreement for sale. At the last property we visited over the long weekend, the sales manager told us the law required us to sign an agreement before they could give us a copy of the disclosure statement. So we have been trying to check out what laws may apply but either looking in the wrong place or at the wrong legislation. A few tips may be helpful for buyers to avoid this confusion.

*Jennifer Middleton, Surrey*

**Dear Jennifer:** The law that regulates the marketing and sale of new condos is the Real Estate Development Marketing Act (REDMA) and the legislation around warranty for new homes is covered under the Homeowner Protection Act. There is no such law that requires a signed agreement for sale before the developer provides a copy of the disclosure statement. Under section 15 of the Real Estate Development and Marketing Act the buyer is entitled to a copy of the developer's disclosure statement before an offer is written. 15 (1) A developer must not enter into a purchase agreement with a purchaser for the sale or lease of a development unit unless (a) a copy of the disclosure statement prepared in respect of the development property in which the development unit is located has been provided to the purchaser, (b) the purchaser has been afforded reasonable opportunity to read the disclosure statement, and (c) the developer has obtained a written statement from the purchaser acknowledging that the purchaser had an opportunity to read the disclosure statement."

The developer may choose not to release the disclosure statement until they have an agreement

for sale, but as a buyer think about the implications. You could be making the largest financial decision of your life without knowing anything at all about the property. If you are not being provided with the information you request, it may be better to simply walk away. The disclosure statement is a contractual agreement between the owner developer and the buyer. It defines: what you are buying, the conditions that may apply to strata lots as a result of agreements, leases or contracts entered into by the owner developer, a projected budget for the first interim period, a projection of the schedule of unit entitlement that is used to determine strata fee allocations, any conditions, contracts or agreements that affect the common property of the strata corporation, the existence of an air space parcel agreement, any easements or right of ways for items such as access or recreational or community features or amenities, the joint allocation of costs shared by the parties, the voting entitlements for each strata lot, and any proposed/filed bylaws or allocations of limited common property. Basically the disclosure defines what you are buying. There may also be suite descriptions of appliances, furnishings, decorating finishes and allocations that relate to storage lockers or parking spaces. As a buyer, take some time to review and understand all of the documents. Read the proposed bylaw amendments. If the strata plan has already been filed, check the filed bylaw amendments and the filed schedule of unit entitlement as they will be the accurate documents. The sales representative of the owner developer represents the developer. It may be valuable to bring along your own agent as the buyer and get legal advice on the agreement for sale and the terms and conditions of the contract before you finalize the deal. There are a number of very helpful guides published in the industry for buyers. The Real Estate Council of BC @ [recbc.ca](http://recbc.ca), Buying a Home, The BC Real Estate Association @ [bcrea.bc.ca](http://bcrea.bc.ca), Buyers and Sellers, The Homeowner Protection Office of BC @ [hpo.bc.ca](http://hpo.bc.ca), and you can review the New Homes Registry and under Home Buyers, Buying a New Home.

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