

BRITISH COLUMBIA PRESALE GUIDE

Presale. Look closer.

A step-by-step guide to evaluating a pre-construction home - whether you plan to live in it, rent it out, or are still deciding.



A presale is a future obligation

With a presale, you buy a contractual right to a future home. The building, financing environment and your own plans can all change before completion.

I may live there

Prioritize daily fit, total ownership cost, completion flexibility and whether you could still carry the home if life changes.

or

I may invest

Underwrite rent, vacancy, operating costs, taxes and financing. Treat appreciation as upside - not as the only plan.

Not sure yet? Use the tougher standard: choose a home you could complete and hold without relying on a quick assignment or a perfect resale market.

1 • Purpose

Home, long-term rental, future family use, or uncertain?

2 • Capacity

Can you fund every deposit and still qualify at completion?

3 • Time

Can your plan absorb delays, early notice and changing dates?

The five facts to understand before touring

- ☐ Marketing images are not the legal promise; the contract and disclosure documents control.
- ☐ A mortgage pre-approval today does not guarantee financing years later.
- ☐ Assignment may be restricted, require consent, and carry fees and tax consequences.
- ☐ Estimated strata fees and completion timing can change.
- ☐ The seven-day presale rescission period is valuable review time, not a substitute for due diligence before signing.

Fund the whole journey, not only the first deposit

Map the entire cash journey. A low first deposit can hide a large later obligation.

Deposits

Every instalment, exact due date, accepted payment method and source of funds.

Completion

Down-payment balance, GST, property transfer tax, legal costs and adjustments.

After keys

Mortgage, strata fees, insurance, utilities, tax, repairs and vacancy reserve.

Build a dated funding plan

CASH EVENT	QUESTION TO ANSWER	PROOF TO KEEP
Initial deposit	When is it due, to whom, and what happens if it is late?	Receipt and trust details
Later deposits	Are dates fixed or triggered by construction milestones?	Calendar reminders and statements
Completion funds	What is your conservative cash target after lender proceeds?	Lawyer's estimate and liquidity plan
Emergency reserve	What remains after closing if the unit needs work or sits vacant?	Separate reserve account

Ask the lender now

- ☐ How long is any rate hold?
- ☐ How are presales appraised at completion?
- ☐ What happens if value is below the contract price?
- ☐ What changes in income, debt or job status matter?
- ☐ If renting, what rent and expenses will be recognized?

Stress-test the plan

- ☐ Higher mortgage rate
- ☐ Lower appraisal
- ☐ Later completion
- ☐ Earlier-than-expected completion notice
- ☐ Higher strata fees or insurance
- ☐ One to three months without rent

Key risk: if the lender advances less than expected, the buyer usually still owes the contract balance. Do not assume assignment is an emergency exit.

Investigate the project before judging the suite

A beautiful display suite cannot answer whether the developer can deliver, whether approvals are in place, or what the proposed strata will cost to run.

Developer and team

- ☐ Legal developer name and related companies
- ☐ Completed projects: timing, quality and warranty history
- ☐ General contractor and key consultants
- ☐ Past buyers, owners or strata councils you can independently ask
- ☐ Active litigation, insolvency or regulatory history your lawyer identifies

Project status

- ☐ Building permit and municipal approvals
- ☐ Construction financing commitment
- ☐ Phasing plan and shared amenities
- ☐ Target completion window and outside date
- ☐ What can change in design, unit size, finishes or amenities

Walk the site, then widen the map

The block

Noise, access, slope, adjacent uses, view corridors and current construction.

The pipeline

Nearby rezonings and future towers that may affect traffic, views, rents or supply.

The everyday

Transit, groceries, schools, parks, employment and realistic tenant demand.

Budget test

Read the proposed operating budget. Ask whether staffing, amenities, utilities, insurance and maintenance assumptions look realistic. A low estimate is not automatically a bargain.

Unit test

Verify the plan. Net livable layout, furniture walls, windows, exposure, heating and cooling, storage, parking rights, accessibility and appliance specifications all affect use and resale.

Early marketing matters. Some projects market before final building permits or financing commitments. The disclosure statement should identify status and applicable purchaser rights; have a lawyer explain the exact document you received.

The contract controls the deal

Treat the disclosure statement, every amendment and the purchase agreement as one legal package. A sales presentation does not replace them.

Disclosure statement

- ☐ Developer identity and title to the land
- ☐ Development and phasing description
- ☐ Approvals, permits and financing status
- ☐ Proposed strata plan, bylaws and budget
- ☐ Utilities, services, easements and encumbrances
- ☐ Material risks and filed amendments

Purchase agreement

- ☐ Deposit schedule and default consequences
- ☐ Completion window, outside date and extension rights
- ☐ Developer termination rights
- ☐ Permitted changes to area, layout, finishes and amenities
- ☐ Adjustments and extra charges
- ☐ Assignment, occupancy and deficiency terms

Seven-day rescission: a presale purchaser generally has seven days after the later of entering the contract or receiving the disclosure statement to cancel under the Real Estate Development Marketing Act. Follow the contract and legal instructions exactly if rescinding.

Use the review window with a team

Lawyer

Explains the contract, disclosure, amendments, title matters, remedies and assignment wording.

Lender

Tests current qualification and the likely completion scenario, including appraisal risk.

Realtor

Compares pricing, project positioning, unit utility, supply and exit options.

Do not skim amendments. They can change facts that matter to your decision. Save every version, note when it was received, and ask your lawyer what changed and what rights - if any - follow.

This guide is general education, not legal, tax, accounting or mortgage advice. A presale contract is developer-specific and should be reviewed by qualified professionals.

Assignment is a contract feature, not a safety net

An assignment is a transfer of the contract before completion. It is not guaranteed, instant or cost-free.

Find the exact permission

- ☐ Is assignment allowed at all?
- ☐ Is developer consent required?
- ☐ Can consent be withheld or delayed?
- ☐ When can the assignment be marketed?
- ☐ Is the original buyer still liable after assignment?
- ☐ What administration, legal or marketing fees apply?

Price the full transaction

- ☐ Original deposits and remaining deposits
- ☐ Assignment consideration or profit
- ☐ Developer and legal fees
- ☐ Real estate remuneration
- ☐ GST/HST treatment
- ☐ Income tax and B.C. home flipping tax exposure

A good presale plan works even if assignment demand is weak.

The completion-first rule

Before signing, be able to answer: "If no buyer takes this contract, can I still complete the purchase?" If the answer is no, the strategy depends on a market outcome you do not control.

Consent risk

The developer may control if and when an assignment can proceed.

Market risk

A similar new unit or resale may be cheaper when you need to assign.

Tax risk

An assignment can trigger GST/HST and income-tax obligations; short holding may trigger provincial tax.

B.C. short-hold rule: profit on disposing of a presale contract held for less than 730 days may be subject to the B.C. home flipping tax. The rate is 20% within 365 days and declines to zero by day 730, unless an exemption applies.

Underwrite rent, expenses and rules - not hype

For an investor, the central question is not “Will the price go up?” It is “Does this unit work as a rental at a conservative rent and a realistic all-in cost?”

Income assumptions

- ☐ Current comparable long-term rents
- ☐ Competing completions before possession
- ☐ Parking and storage rent, if separate
- ☐ Vacancy allowance
- ☐ Who pays utilities
- ☐ Rent-ready date after completion

Operating costs

- ☐ Mortgage payment and interest rate
- ☐ Strata fees and likely increases
- ☐ Property tax and insurance
- ☐ Repairs, maintenance and turnover
- ☐ Property management and leasing
- ☐ Vacancy, bad debt and legal/accounting

Net monthly cash flow = collected rent - every ownership and operating cost.

CASE	USE FOR	MINIMUM TEST
Base	Your most likely rent, rate and expenses	Can you hold comfortably?
Downside	Lower rent, higher rate and fees, plus vacancy	Is the shortfall affordable?
Exit	Sale or assignment after transaction costs and taxes	Is there still a rational path without assumed appreciation?

Rental rules to verify

- ☐ Long-term residential rentals generally cannot be prohibited by a B.C. strata, but age, pet, occupancy and conduct bylaws can affect the tenant pool.
- ☐ Short-term rental use is a separate question: provincial principal-residence rules, local bylaws, licensing and strata bylaws may all apply.
- ☐ If the property is in a speculation and vacancy tax area, owners generally declare annually even when claiming an exemption. City of Vancouver has a separate empty homes tax.
- ☐ Confirm the lender and insurer accept the intended rental use and ownership structure.

Separate price, tax, rebates and closing cash

Tax treatment depends on price, use, ownership, residency, timing and the contract. Confirm the live numbers before relying on a rebate or exemption.

GST on new housing

New housing in B.C. is generally subject to 5% GST. Confirm whether the quoted price includes GST, whether any rebate is assigned to the builder, and what is payable at completion.

Property transfer tax

Tax is generally based on fair market value when title is registered. The newly built home exemption can reduce or eliminate tax for qualifying principal-residence purchases.

Living there

Eligible first-time buyers may receive up to 100% of federal GST back, to \$50,000, on a new home valued up to \$1 million; it phases out from \$1 million to \$1.5 million. Agreement and occupancy conditions apply.

Renting it

A purchaser-landlord of a qualifying long-term rental may be eligible for the federal New Residential Rental Property rebate. The ordinary rebate has conditions including a fair-market-value limit for a unit. Get tax advice early.

B.C. newly built home exemption: for qualifying principal residences, the full property transfer tax exemption threshold is \$1.1 million, with a partial exemption above that and below \$1.15 million.

Costs commonly missed

At completion

Legal fees, title insurance, lender appraisal, adjustments, moving and utility setup.

Developer charges

Review the contract for permitted levies, connection charges, upgrades and assignment-related fees.

Investor taxes

Rental income tax, vacancy-related taxes, GST/HST on assignment and short-hold taxes may apply.

Never count a rebate twice. Ask who claims it, when it is credited, what conditions must be met, and what cash is required if the claim is denied or delayed.

From idea to a selected unit

The safest process moves from capacity to project to contract - not from showroom excitement to rushed paperwork.

1 • Set the purpose and fallback

Decide whether the primary plan is to live, rent or hold options open. Write the fallback if assignment or resale is unattractive.

2 • Establish the completion budget

Map deposits, remaining down payment, GST, property transfer tax, legal costs, adjustments and reserve cash.

3 • Prepare financing

Obtain current pre-approval, disclose intended use and ownership, and ask how appraisal and qualification will be refreshed at completion.

4 • Compare the project

Review developer, approvals, site, price per usable square foot, proposed budget, supply pipeline and relevant resale or rent comparables.

5 • Choose the unit

Test layout, exposure, view risk, noise, floor, elevators, parking, storage, heating/cooling and tenant or resale appeal.

Pause point: before signing, you should know the exact legal purchaser name, intended use, funding source for each deposit, and whose advice you still need.

Keep one deal folder

- ☐ Price sheet and floor plan
- ☐ Disclosure statement and amendments
- ☐ Purchase agreement and addenda
- ☐ Deposit receipts
- ☐ Emails and notices
- ☐ Financing and tax notes

Keep one deadline calendar

- ☐ Rescission deadline
- ☐ Every deposit date
- ☐ Financing refresh dates
- ☐ Selection and upgrade deadlines
- ☐ Expected completion window
- ☐ Outside date

From signature to protected ownership

Signing begins the long middle of the transaction. Good records and early financing follow-up matter as much as the original selection.

6 · Sign only with review capacity

Receive the full document package, confirm the rescission deadline and immediately schedule legal, financing and tax review.

7 · Decide within the seven-day window

Read the disclosure and contract, resolve red flags, compare the economics again, then proceed or serve valid rescission notice.

8 · Fund and monitor

Pay deposits on time, save receipts, read every amendment and project notice, and update your plan when facts change.

9 · Prepare for completion

Refresh financing and appraisal, retain a lawyer or notary, confirm insurance, calculate funds required and inspect when permitted.

10 · Complete, document and protect

Transfer funds, take possession, record deficiencies, learn strata operations, meet occupancy or rental conditions and calendar warranty deadlines.

For a home buyer

Re-test whether the home still fits life, commute, household size and cash flow before making upgrades or lifestyle commitments.

For an investor

Refresh rent comparables, leasing rules, insurance, management plan and downside cash flow well before possession.

Missed notices are expensive. Keep your contact details current with the developer, open every amendment, and forward legal or timing questions to your lawyer promptly.

Inspect, complete and protect the warranty

Completion can move quickly after a long wait. Organize the final team before the developer's notice arrives.

60-120 days out

- ☐ Refresh income, debts, down payment and lender file
- ☐ Confirm appraisal process and property eligibility
- ☐ Retain lawyer or notary
- ☐ Estimate closing cash with tax treatment
- ☐ Plan insurance, move or tenant leasing
- ☐ Avoid new debt or job changes without lender review

At inspection

- ☐ Bring contract finish schedule and upgrades
- ☐ Photograph every room and appliance
- ☐ Test doors, windows, plumbing, outlets, heating and cooling where permitted
- ☐ Record damage, missing items and incomplete work
- ☐ Clarify correction process and access
- ☐ Do not assume a deficiency automatically delays completion

The 2-5-10 warranty frame

2 years

Minimum materials and labour coverage, with detailed periods within the first two years.

5 years

Minimum building-envelope coverage, including qualifying water penetration defects.

10 years

Minimum coverage for qualifying structural defects.

Warranty is deadline-driven. Obtain the policy and commencement date, use the provider's process, document issues with dates and photos, and report concerns before the applicable deadline.

After possession

- ☐ Save the statement of adjustments, title documents, warranty policy and inspection record.
- ☐ Introduce yourself to strata management and obtain bylaws, rules, payment instructions and move procedures.
- ☐ For a rental, use a compliant tenancy agreement, give the tenant current strata bylaws/rules and submit required notices.
- ☐ For any rebate or exemption based on occupancy, calendar the move-in and continuing-use conditions.

Name the downside before buying the upside

Presale risk cannot be removed. It can be named, priced and matched to a response before money is committed.

RISK	WHAT IT LOOKS LIKE	YOUR RESPONSE
Delay	Possession arrives months or years later than hoped.	Keep housing and rate plans flexible; read extension and outside-date terms.
Early notice	Completion comes sooner than your cash or move plan expects.	Keep liquid funds and lender file ready; monitor notices.
Appraisal gap	Lender value is below the contract price.	Hold extra equity; ask how the lender values comparable new homes.
Design change	Area, finish, view or amenity differs from expectations.	Read permitted-change clauses and contractual tolerances with counsel.
Cost drift	Rates, strata fees, insurance or taxes are higher.	Underwrite a downside case and preserve monthly cash margin.
Exit blocked	Assignment is restricted or demand is weak.	Choose only a deal you can complete and hold.
Rental miss	Rent is lower or vacancy is longer than forecast.	Use current comparables, a vacancy reserve and conservative rent.
Developer stress	Financing, approvals, construction or delivery is disrupted.	Research status and track amendments; obtain legal advice on rights.

The right presale is not the one with no risk. It is the one whose risks you understand and can carry.

Four checklists for one complete decision

Use these checks before the contract becomes firm. If a box stays open, identify the person and deadline needed to close it.

Before signing

- ☐ Purpose and fallback written down
- ☐ Complete deposit calendar funded
- ☐ Completion cash target estimated
- ☐ Lender knows presale and intended use
- ☐ Developer and project status checked
- ☐ Unit plan and rights verified
- ☐ Disclosure and agreement received
- ☐ Lawyer available during rescission

If investing

- ☐ Rent supported by real comparables
- ☐ Vacancy and management included
- ☐ Downside cash flow affordable
- ☐ Long-term rental is lawful
- ☐ Short-term rental not assumed
- ☐ Tax and ownership structure reviewed
- ☐ Assignment is not the only exit
- ☐ Reserve remains after completion

During construction

- ☐ Every deposit paid and receipted
- ☐ Every amendment saved and reviewed
- ☐ Contact details kept current
- ☐ Financing refreshed periodically
- ☐ Income and credit protected
- ☐ Completion notice plan ready

Before completion

- ☐ Final lender approval and appraisal
- ☐ Lawyer/notary retained
- ☐ Closing cash confirmed
- ☐ Insurance bound
- ☐ Inspection completed or scheduled
- ☐ Move or tenant plan ready
- ☐ Warranty dates calendared
- ☐ Occupancy/rebate rules understood

Stop and get advice if the contract language is unclear, the purchaser name or intended use may change, deposits depend on borrowed money, financing requires future appreciation, or the plan only works through assignment.

Put the plan on one page

Fill this page out before committing. A number without a source is a guess.

PROJECT / DEVELOPER

PRIMARY PLAN

UNIT / PARKING / STORAGE

FALLBACK PLAN

CONTRACT PRICE

EXPECTED MONTHLY HOUSING COST

GST INCLUDED?

INVESTOR: CONSERVATIVE RENT

TOTAL DEPOSITS AND DATES

INVESTOR: DOWNSIDE CASH FLOW

ESTIMATED COMPLETION WINDOW

COMPLETION CASH TARGET

OUTSIDE COMPLETION DATE

RESERVE AFTER COMPLETION

Questions for the team

Lawyer

- ☐ What can the developer change?
- ☐ What are the outside-date rights?
- ☐ Can I assign, and am I released?
- ☐ What adjustments or extra charges apply?
- ☐ What changed in amendments?

Lender

- ☐ What can void approval?
- ☐ How is the unit appraised?
- ☐ What if value is lower?
- ☐ How is rental income treated?
- ☐ When should I refresh the file?

Tax adviser

- ☐ Who pays and claims GST?
- ☐ Which rebate fits intended use?
- ☐ What if use changes?
- ☐ How is assignment taxed?
- ☐ What annual filings may apply?

My decision deadline: _____ My unresolved issue:

Verify the live rules before relying on them

Rules, thresholds and project documents change. Use these official links to verify the live transaction with the appropriate professional.

1. **BCFSA, Policy Statement 3 - disclosure statement requirements and seven-day rescission notice.**
<https://www.bcfesa.ca/media/2326/download>
2. **BCFSA, Policy Statement 6 - early marketing before a financing commitment.**
<https://www.bcfesa.ca/media/2988/download>
3. **B.C. Laws, Real Estate Development Marketing Act.**
https://www.bclaws.gov.bc.ca/civix/document/id/consol21/consol21/00_04041_01
4. **B.C. Laws, Homeowner Protection Act Regulation - minimum 2-5-10 warranty standards.**
https://www.bclaws.gov.bc.ca/civix/document/id/loo72/loo72/13_29_99
5. **Province of B.C., newly built home property transfer tax exemption.**
<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax/exemptions/newly-built-home-exemption>
6. **Province of B.C., property transfer tax rates and calculator.**
<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax?keyword=fair&>
7. **Canada Revenue Agency, first-time home buyers GST/HST rebate.**
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/gst-hst-rebates/first-time-home-buyers-gst-hst-rebate.html>
8. **Canada Revenue Agency, new residential rental property rebate.**
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/gst-hst-rebates/new-residential-rental-property-rebate.html>
9. **Province of B.C., home flipping tax and presale contracts.**
<https://www2.gov.bc.ca/gov/content/taxes/income-taxes/bc-home-flipping-tax/pre-sale-contracts>
10. **Canada Revenue Agency, GST/HST treatment of assignment sales.**
<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/notice323/proposed-gst-hst-treatment-assignment-sales.html>
11. **Province of B.C., short-term rental principal-residence requirement.**
<https://www2.gov.bc.ca/gov/content/housing-tenancy/short-term-rentals/principal-residence-requirement>
12. **B.C. Laws, Strata Property Act - long-term rentals.**
https://www.bclaws.gov.bc.ca/civix/document/id/lc/statreg/98043_08
13. **Province of B.C., speculation and vacancy tax.**
<http://www2.gov.bc.ca/gov/content/taxes/speculation-vacancy-tax>

Professional review: a licensed B.C. real estate professional can help compare the project and market; a lawyer reviews the contract and disclosure; a lender confirms financing; and a tax professional confirms the treatment of your intended use.

General information only. This guide does not create a client relationship and is not legal, tax, accounting, appraisal, insurance or mortgage advice. Confirm current rules and the exact project documents before acting.