



VANCOUVER ISLAND BUYER GUIDE

Buying a Foreclosure Property in BC

A clear start-to-finish guide to court-ordered sales, due diligence, court day and completion.

PROCESS • VALUE • DUE DILIGENCE • COURT DAY

START HERE

Foreclosure is different.

A court-ordered sale can be a real opportunity — but it is not simply a normal resale at a lower price.



THE SHORT VERSION

The safest buyer is prepared before offering, completes as much due diligence as possible before removing subjects, and knows their maximum price before court day.

Three things to know immediately

1

The property is commonly sold on an “as-is, where-is” basis, often with limited seller representations.

2

An accepted offer is usually only the first hurdle. The sale still requires court approval and other buyers may submit competing bids.

3

BC’s Home Buyer Rescission Period does not apply to property sold under a court order or the supervision of a court.



MINDSET

Do not buy the word “foreclosure.” Buy the property only if the value, risk and process still make sense for you.

HOW IT WORKS

From default to getting the keys.

The court remains part of the transaction until approval.



01

DEFAULT + PETITION

The lender begins enforcement and the foreclosure proceeding moves through Supreme Court.

02

CONDUCT OF SALE

A party — often the lender — receives authority to market the property.

03

PROPERTY IS LISTED

The home is exposed to the market under the terms of the court order.

04

ORIGINAL OFFER

A buyer negotiates an offer that remains subject to court approval.

05

DUE DILIGENCE

The original buyer completes allowed investigations, financing and inspection.

06

COURT + COMPLETION

The court considers the sale. If approved, conveyancing and possession follow.



REMEMBER

Until the court approves the sale, an accepted offer is not the same thing as a completed purchase.

BEFORE YOU OFFER

Get financially and practically ready first.

Foreclosure buyers have less room for last-minute financing problems or slow-moving funds.



MORTGAGE READINESS

Confirm your lender is comfortable with a court-ordered, as-is purchase. A pre-approval is not final approval for the property.



DEPOSIT + CASH

Keep deposit funds liquid and protect a separate repair reserve for immediate work and surprises.



LEGAL + INSURANCE

Know which lawyer or notary will review the terms and confirm insurability early — especially for older or vacant homes.



YOUR CEILING

Know the maximum price that still works after repairs, taxes, legal costs and the unknowns.



RULE OF THUMB

The process rewards preparation and discipline more than optimism.

Evaluate the property — not the label.

The word “foreclosure” does not tell you whether the price is good.



1

RECENT COMPARABLES

What have similar properties actually sold for?



2

CURRENT COMPETITION

What else could the same buyer purchase today?



3

CONDITION + REPAIRS

What urgent and future work needs to be priced in?



4

RESALE + LOCATION

Would you still want this property if the word foreclosure disappeared?



THE REAL QUESTION

A low list price can create competition. Ask “What is it worth to me?” — not “How cheap can I get it?”

The Island adds its own due-diligence list.

Older housing stock, coastal weather, rural services and strata complexity can change the risk.



1

OLDER HOMES

Electrical, plumbing, heating systems, oil-tank history, additions, permits and moisture history.



2

RURAL + ACREAGE

Well, septic, access, road maintenance, outbuildings, zoning and regional-district rules.



3

COASTAL CONDITIONS

Drainage, crawlspaces, roofs, siding, retaining walls and water management deserve extra attention.



4

STRATA

Review Form B, minutes, insurance, depreciation reports, levies and upcoming projects carefully.



BOTTOM LINE

A “cheap” property can become expensive quickly if septic, drainage, insurance or major systems were overlooked.

Use the investigation window properly.

Ideally, complete the important work before you become condition-free.



Your investigation should cover:

- 1 Professional home inspection and specialists where warranted.
- 2 Financing, appraisal and insurance availability.
- 3 Title, court order, Schedule A and municipal / regional-district records.
- 4 Strata documents for condos and townhomes.
- 5 Well / septic review for rural properties.
- 6 Occupancy and possession where the property is occupied.
- 7 Permits, zoning, additions, easements and other title matters.



INSPECTION REALITY

If something cannot be investigated, decide whether you can safely accept and price that uncertainty before removing subjects.

The first offer is only part of the strategy.

The lender's Schedule A and court-order terms can change what would otherwise be a familiar contract.



PRICE

Support it with market value and property risk — not the assumption that a lender must sell cheap.



DEPOSIT

Keep the required funds ready and immediately available.



SUBJECTS

The original offer may include financing, inspection, title, strata and other conditions.



DATES + NAMES

Use realistic completion dates and the correct legal purchaser names before court.



ACCEPTED DOES NOT MEAN WON

If the party with conduct of sale accepts your offer, you become the original purchaser — but court approval is still required.

AFTER ACCEPTANCE

Now do the work.

The period before subject removal is usually the original buyer's main opportunity to investigate.



01

INSPECT

Finish the home inspection and specialist follow-up.

02

FINANCE

Obtain firm, property-specific financing approval.

03

REVIEW

Confirm insurance, title, Schedule A and available property / strata records.

04

DECIDE

Set your court-day ceiling before emotion enters the room.



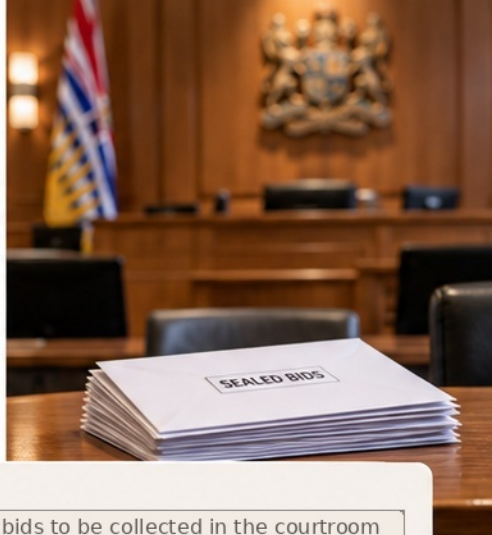
ONCE SUBJECTS ARE REMOVED

Your position becomes much more serious. There is no normal BC three-business-day rescission safety net for a court-supervised sale.

COURT DAY

This is where the deal can change.

BC returned to an in-person sealed-bid process for approval-of-sale hearings effective March 3, 2025.



CURRENT BC PROCEDURE

Practice Direction 66 requires sealed bids to be collected in the courtroom by 9:45 a.m. on the hearing date. The court retains discretion regarding late bids, and the specific court order still governs the sale.

Before you walk in, be ready to:

- ✓ Attend in person unless the court permits otherwise.
- ✓ Submit a compliant, condition-free offer by the required deadline.
- ✓ Include the required Schedule A and proof of deposit.
- ✓ Use the correct legal purchaser name(s).
- ✓ Accept the as-is, where-is nature of the transaction.
- ✓ Know the maximum price before you walk in.



DISCIPLINE MATTERS

The original purchaser can still lose the property. Do not bid beyond the value you decided in advance.



COURT APPROVAL

What does the court actually consider?

Several factors can matter when the court considers which sale to approve. Price is important, but the court retains discretion.

01

PRICE

The court is concerned with a proper sale in the circumstances, including value.

02

CERTAINTY

Condition-free offers reduce the risk that completion fails.

03

DEPOSIT

A meaningful deposit can support the strength and certainty of the bid.

04

COMPLETION

A clean, workable completion date can matter.

05

COMPLIANCE

A bid must follow the court order, Schedule A and required bidding procedure.



IMPORTANT NUANCE

Highest price is important, but a non-compliant offer can still have a problem.



THE FINE PRINT

What “as-is, where-is” really means.

The lender may know very little about the property history.



NO HISTORY GUARANTEE

Do not expect the lender to know every defect, repair, renovation or past issue.



NO REPAIR PROMISE

Do not assume the seller will fix something simply because it changes after your inspection.



NO PERFECT HANDOVER

Do not assume every appliance, key, remote or system will be present

DISCLOSURE STILL MATTERS



Even in an as-is court-ordered sale, a real estate professional must disclose known material latent defects when disclosure is required by BC law.



REALITY CHECK

A lack of information is not proof that no problem exists.



SPECIAL SITUATIONS + COSTS

Some risks depend on the property itself.

Strata, tenancy, vacancy and rural services can change both due diligence and budget.



STRATA

Review Form B, financials, depreciation report, minutes, insurance, levies, litigation and upcoming projects.



TENANT / OCCUPIED

Do not assume a foreclosure automatically ends a tenancy or guarantees immediate vacant possession.



VACANT

Vacancy can create insurance, freeze-up, moisture, vandalism and maintenance concerns.



RURAL / FIXER

Get specialist input on well, septic, access, permitting, major repairs and contractor costs where possible.



ALSO BUDGET FOR

Deposit, inspections, legal fees, taxes, insurance, repairs, cleanup, utilities, locks and moving.



MATH MATTERS

A \$40,000 "discount" disappears quickly if the property needs \$70,000 of urgent work.



YOUR NEXT STEP

A clear order makes the process calmer.

Value → Finance → Inspect → Offer → Remove subjects →
Prepare for court → Court day → Complete

THINKING ABOUT A FORECLOSURE PROPERTY ON VANCOUVER ISLAND?

Send me the listing and I will help you work through the value, court process

Anja Rhomberg, REALTOR®

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CURRENT BC SOURCES CHECKED

Supreme Court of British Columbia — Practice Direction 66; BC Financial Services Authority — Foreclosures practice resource; BCREA — Court-Ordered Sales in the Foreclosure Context (2025); BC Home Buyer Rescission Period Regulation.

General information only. Court orders, property conditions and sale procedures vary. Confirm property-specific questions with the appropriate qualified professionals.