BC FORECLOSURE
& COURT-ORDERED SALE
GUIDE

A step-by-step guide to the foreclosure process in British Columbia

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WHAT IS A FORECLOSURE?

A foreclosure is a legal process where a lender takes action to recover money owed on a mortgage when payments have stopped.

Borrower Defaults

The homeowner misses mortgage payments. In BC, a lender can begin the legal process after as little as one missed payment, though most wait 2–3 months.

Court Takes Control

In BC, foreclosures go through the BC Supreme Court. Unlike some provinces, BC foreclosures are court-supervised — not private auctions.

Property is Sold

The court either grants the lender the property outright (Order Absolute) or orders it sold on the open market (Order for Sale / Conduct of Sale).

Order Absolute

The lender gets the property outright — no sale process. This happens when no equity exists and the owner cannot redeem. The owner loses the property with no proceeds. Relatively rare in BC's high-value market.

Order for Sale / Conduct of Sale

The most common outcome in BC. The court orders the property listed and sold on the open market through a REALTOR®. Proceeds go to pay the mortgage debt, with any surplus returned to the homeowner.

THE 14-STEP FORECLOSURE TIMELINE

Every BC foreclosure follows this court-supervised process — typically 6–18+ months from default to sale.

PHASE 1 — LEGAL PROCESS

1 Default / Missed Payments
Borrower misses payments. Fees & interest start accumulating.

2 Reminder Letter
Lender sends an early notice. Borrower still has time to catch up.

3 Demand Letter
Formal legal demand to repay the full mortgage balance.

4 Petition for Foreclosure
Lender files in BC Supreme Court. Legal proceedings begin.

5 Order for MLS Listing
Court orders the property listed at fair market value.

6 Conduct of Sale Order
Court authorizes the sale process to proceed under supervision.

7 Order Absolute
Most severe outcome — lender gets property outright.

PHASE 2 — LISTING & SALE

8 Property Listed on MLS
Court-appointed REALTOR® lists the property. Sold as-is, where-is.

9 Accepted Offer
Offer accepted — subject to court approval. Not final yet.

10 Firm Offer
Buyer removes conditions. Submitted to court for approval.

11 Court Date Set
BC Supreme Court schedules a hearing (~4–8 weeks out).

12 Sealed Bids
Anyone can submit a confidential bid above the accepted price.

13 Court Date
Judge reviews all bids. Highest qualifying bidder gets the property.

14 Property Sold
Title transfers. Proceeds pay out mortgage, liens, then any surplus to owner.

SEALED BIDS — THE MOST UNIQUE PART

This is what makes a court-ordered sale completely different from a regular real estate transaction.

What are Sealed Bids?

After an offer is accepted on a court-ordered sale, the court schedules a hearing. Before that hearing, ANY party can submit a sealed bid — a confidential offer above the accepted price — directly to the court registry. At the hearing, the judge opens all bids and awards the property to the highest qualifying bidder.

Who Can Submit?

Anyone — including the original buyer, other buyers, or even the borrower (if they can raise funds). There's no limit to who can bid.

Minimum Bid Amount

Sealed bids must exceed the accepted offer by at least a court-specified amount (often $1,000–$5,000+). The court sets this threshold.

Deadline to Submit

Bids must be filed with the BC Supreme Court registry by a specific deadline — usually at least 24–48 hours before the court hearing date.

Buyer Beware — You Can Lose

If you're the accepted buyer and a sealed bid comes in higher, you could lose the property at the hearing. Come prepared to bid again.

Buyer Tips for Court-Ordered Sales:

- ✓ Have your financing 100% ready before the court date — the judge can complete the sale in court
- ✓ Bring certified funds or proof of financing to the hearing
- ✓ If outbid, you get your deposit back — but you lose the property

BUYING A FORECLOSURE — WHAT TO EXPECT

Court-ordered sales are real opportunities — but the rules are different. Know these before you make an offer.

"As Is, Where Is"

All court-ordered sales are sold without warranties. The seller (lender) makes no representations about the condition of the property. You buy it exactly as you find it — get an inspection.

No Seller Disclosures

Unlike a normal sale, there is no Property Disclosure Statement. The lender has never lived in the property and has no obligation to disclose defects. Due diligence is entirely on the buyer.

Inspection Is Allowed

You can (and should) inspect the property before making an offer. However, access may be limited if the owner is still living there. Always do an inspection.

Financing Must Be Ready

Your financing must be confirmed BEFORE the court date — not after. The judge can approve the sale in court. If your financing falls through after court approval, you could lose your deposit.

Longer Closing Timeline

Court-ordered sales take longer than typical transactions. From offer acceptance to court date can be 4–8 weeks. Plan your mortgage commitment accordingly — many lenders offer 90–120 day rate holds.

Court Approval Required

No sale is final until the judge approves it. Even after your offer is accepted, it is subject to court confirmation and any sealed bids. The property is NOT yours until the judge says so.

Potential for Great Value

Foreclosure properties can sell at a discount — particularly if the property needs work or has been vacant. Motivated lenders want to recover their debt, not hold real estate.

Use an Experienced Agent

Navigating a court-ordered sale requires an agent who knows the process. I've worked with these transactions and can guide you through every step — from offer to court date.

COMMON QUESTIONS — ANSWERED

The most important questions buyers and homeowners ask about BC foreclosures.

Q: How long does the BC foreclosure process take?

A: Typically 6–18+ months from first missed payment to sale. The court process alone (after petition filing) can take 4–12 months.

Q: Can the homeowner stop the foreclosure?

A: Yes — at any point before the Order Absolute, the homeowner can 'redeem' by paying the full amount owed. They can also sell the property privately before the process completes.

Q: Are foreclosure properties cheaper?

A: Sometimes, but not always. Court-ordered sales must be listed at market value. Savings come from negotiating distressed properties that need work — not guaranteed discounts.

Q: Can I get an inspection on a foreclosure?

A: Yes, you should always inspect. Access may be limited if the former owner is still occupying, but courts generally allow reasonable inspection access.

Q: What if I'm outbid at the court hearing?

A: Your deposit is returned in full. You don't get the property, but you don't lose your money. This is why financing must be ready — you may need to bid higher on the day.

Q: Do I need a lawyer to buy a foreclosure?

A: Yes. Court-ordered sale transactions are complex. Your lawyer must review the order, attend court, and handle the conveyancing. Do not attempt this without legal representation.

Q: What does 'as is, where is' mean for me as a buyer?

A: You're buying the property in its current condition — the lender makes zero warranties about anything. Structural issues, mechanical problems, liens — all your responsibility after purchase.

Q: Can the former owner contest the sale?

A: Yes — during the court process, the owner can file a response, request more time, or challenge the proceedings. This can add months to the timeline.

Thinking about buying a court-ordered sale?

I know this process inside and out — let me guide you.

Find the Right Property

I track court-ordered listings across Metro Vancouver & the Fraser Valley and can alert you the moment one hits MLS.

Navigate the Court Process

From offer to sealed bids to the court hearing — I'll prep you for every step so there are no surprises on the day.

Negotiate on Your Behalf

My job is to get you into the property at the best possible price, whether that's the initial offer or competing at the court hearing.

Zero Cost to You as a Buyer

In a court-ordered sale, the seller (lender) typically pays your agent's commission. You get full representation at no cost.

Get in touch — I'm always available

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