



BRITISH COLUMBIA  
REAL ESTATE  
ASSOCIATION

April 12, 2016

Carolyn Rogers  
Superintendent of Real Estate  
Chair, Independent Advisory Group  
2800 – 555 West Hastings Street  
Vancouver, BC V6B 4N6

Ms. Rogers,

Thank you for giving the British Columbia Real Estate Association (BCREA) the opportunity to make a presentation to the Independent Advisory Group (IAG). BCREA, real estate boards and REALTORS® already support continual improvement in professionalism, including this process.

We ask that, as you consider input and make your deliberations, you remain aware that very few people understand the differences among real estate organizations in BC. That confusion is demonstrated by elected officials, policy makers, the media, the public and REALTORS®, and it is important to understand that context when examining consumer perceptions and complaints, and the actions of each organization.

Most of BCREA's recommendations, including our own active projects, address all of the seven practice areas being considered by the IAG. There is considerable overlap among the practices, which makes it even more difficult to consider each separately.

#### 1. **Restructuring organized real estate**

BCREA and the 11 regional real estate boards have been working together for some time to examine our own structure, to ensure consistency, efficiency and expediency. As a result, we are about to make a proposal to REALTORS® to creating a single organization for the entire province, instead of 12 separate bodies. REALTORS® will vote on the proposal this summer, and the shape of this new organization could be to emerge by early 2017.

Right now, each real estate board has its own rules and regulations. While the majority of these are the same or similar, discrepancies remain in some areas. The move to a single organization will help ensure a high level of real estate practice and consistent standards around the province, allowing consumers to feel confident in the service they receive.

1420 – 701 Georgia Street W, PO Box 10123, Pacific Centre, Vancouver, BC V7Y 1C6

President Deanna Horn  
Past President Scott Russell

President-Elect Jim Stewart  
Chief Executive Officer Robert Laing

bcrea@bcrea.bc.ca | 604.683.7702 (tel)  
www.bcrea.bc.ca | 604.683.8601 (fax)



Centralization will also allow organized real estate better insight into complains and help us deal proactively with any issues before they escalate, in an efficient and consistent way.

## 2. **Consumer experience portal**

BCREA has begun developing a pilot project to create an easy-to-use, transparent, online portal for consumers. Ultimately, the portal will provide a central starting point for a consumer to lodge a complaint, and then direct them to the appropriate body for resolution.

Currently, complaints are received by BCREA, real estate boards, the Real Estate Council of BC and the Real Estate Errors and Omissions Insurance Corporation. This new tool will make it easier for consumers to make complaints, because they will not have to determine which organization to contact, and will speed up the path to resolution.

In addition to streamlining complaints for the public, the data obtained through the portal will help us quickly identify global practice issues, understand scope and magnitude and proactively respond with targeted action to support both REALTORS® and consumers.

## 3. **Mapping the transaction**

One of BCREA's strategic projects is the creation of an online, interactive representation of the transaction process. It will be used by both REALTORS® and consumers as a way to explain, understand and track their particular journey through the buying and selling process. This transaction map will provide several benefits, including:

- introducing a consistent industry standard,
- providing rich data, and
- creating a vehicle to communicate just-in-time information to REALTORS®.

## 4. **Mandatory courses**

The current relicensing process requires licensees to complete a total of 18 credits of continuing education every two years. BCREA sees this as an opportunity to require that specific courses must be taken by each licensee. The only mandatory course in the program now is Legal Update, which is revised each year to deliver the most current legal changes of which licensees must be aware. BCREA's interested in working with the Council to make additional courses mandatory, possibly in the areas of agency, contracts and disclosure.

Those practice areas for which BCREA has specific recommendations and comments are noted below. However, all four of the recommendations noted above apply to each of the seven practices noted in the IAG mandate.

### Working honestly and with reasonable care and skill

This is central to a REALTOR®'s success, a point of pride with our members and fundamental to all aspects of real estate practice. The Canadian Real Estate Association created the REALTOR® Code and Standards of Business Practice, with which REALTORS® must comply.

Real estate boards enforce the REALTOR® Code and their own MLS® rules and regulations, referring files to Council on matters dealing with breaches of the *Real Estate Services Act* and the Council Rules. Real estate boards and BCREA also regularly publish articles and videos related to real estate practice, and real estate boards hold meetings with their members for the same reason.

Working together, BCREA and the Council thoroughly reworked the applied practice courses, following an extensive research and engagement process with brokers; the revised courses received an award from the Association of Real Estate License Law Officials (ARELLO®) award in September 2015.

#### **Recommendations:**

- BCREA respects and supports the Council's existing processes for complaints and discipline, but recommends measures that speed up the Council's process.
- BCREA also recommends increasing Council fines, including 100 per cent of improper gain, where that is a factor.

### Contract assignments; Disclosure and mitigation of conflicts of interest

Since 2011, the real estate boards have received only a handful of complaints about assignments. That is in the context of about 418,000 transactions on the Multiple Listing Service® (MLS®). The Council already makes available excellent resources and advice, BCREA has courses available about contracts and processes are in place to deal with licensees who break laws or breach professional ethics.

BCREA is in the process of taking several actions:

- placing on the information page of the Contract of Purchase and Sale a reminder about a REALTOR®'s duty to disclose an interest in a trade,
- looking at all BCREA courses that deal with contracts, in preparation for the promised changes,
- asking education instructors to take particular care on this issue with learners,
- publishing a newsletter article on best practices for assignments, referencing materials already available from the Council, and

- reaching out to major media outlets to communicate with the public about what they can expect from REALTORS®.

**Recommendations:**

- Find factual information on the problem, so practice and policy changes can be based on knowledge.
- Consider making mandatory the following BCREA courses:
  - *Contracts: Keep on Top of Changes*
  - *Assignments of Contracts of Purchase and Sale*
- Impose on lawyers and notaries the same restrictions that have been proposed for licensees.

Working in a client's best interest, and the role of limited dual agency

The real estate boards have received less than 20 complaints about limited dual agency since 2011, probably due to the implementation of designated agency in BC in 2012. Even so, the consumer's understanding of agency is extremely important and deserves attention.

**Recommendations:**

- Make mandatory BCREA's *Acting for Buyers and Sellers: Using Agency to Demonstrate REALTOR® Value* course.
- Make mandatory the use of buyer agency contracts; BCREA already has a standard form for this purpose.

Misleading advertising

BCREA supports stringent advertising requirements, and at least three real estate boards already have higher standards than those imposed by the Council. Elements of advertising are scattered across several documents and organizations, including the Council Rules, REALTOR® Code and real estate board MLS® rules and regulations, which can be confusing for REALTORS®.

**Recommendation:**

- BCREA proposes collaboration among the Council and the real estate boards to create a definitive, consistent advertising standard for all licensees.

In addition to the recommendations and projects described above, please understand that, on an ongoing basis, BCREA and the real estate boards highly value and actively strive for professionalism among REALTORS®. To that end, continuing education is a key service area for all of us. Courses are constantly under development and review, and being offered and taken

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around the province, whether in person or online. At the same time, our communications vehicles, including member meetings, websites, newsletters and social media, are filled with updates and notices about practice and professionalism.

If BCREA can assist further with the work of the IAG, please contact Robert Laing directly ([rlaing@bcrea.bc.ca](mailto:rlaing@bcrea.bc.ca); 604.742.2787).

BCREA is the professional association for more than 20,500 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's 11 real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

Sincerely,

A handwritten signature in black ink, appearing to read 'Deanna Horn', with a long horizontal stroke extending to the right.

Deanna Horn  
President

A handwritten signature in black ink, appearing to read 'Robert Laing', written in a cursive style.

Robert Laing  
Chief Executive Officer