



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Real Estate Act on the Fast Track



Reforming the *Real Estate Act* is the profession's top priority. The current Act no longer adequately provides the public protection, consumer confidence and flexibility required by the real estate sector.

"A new *Real Estate Act* must be dynamic and strengthen consumer confidence," says BCREA Past President and Legislative Task Force Chair Dennis Wilson, "especially now that real estate has become the investment of choice for people planning their futures in British Columbia."

With the stated goal of introducing a new Act in May 2004, the government established a tight timeframe within which an enormous amount of stakeholder consultation, discussion and legislative drafting must take place. While this process is on track, steps were taken this summer to speed things up further.

For a new Act to be tabled next spring in the legislature, and passed in the fall of 2004, draft legislation must be prepared and submitted to the government this fall.

"To help move the process along, we asked member boards and REALTORS across the

province to prioritize several important issues related to the Act that we had been discussing with government," reflects BCREA President David Herman. "There was a lot to consider and REALTORS gave us very clear feedback."

Clarification of the lawyers' exemption in the current Act and self-regulating status for the Real Estate Council of British Columbia—the provincial regulator—were returned as the top priority issues.

BCREA enjoys an open and transparent relationship with the government and was pleased to report these priorities to the Ministry of Finance's Financial and Corporate Sector Policy Branch. Ongoing meetings and consultations with that office ensures these priorities will be reviewed with extra care.

Concern with the lawyers' exemption is focused on the premise that the exemption is too broad, allowing lawyers and their staff to perform the duties and functions of REALTORS without being licensed under the *Real Estate Act*.

Thousands of REALTORS across the province engaged in a letter-writing cam-

paign this fall to reinforce this message with MLAs. BCREA continues to receive follow-up questions from MLAs, which means REALTORS are being heard.

REALTORS welcome lawyers into the real estate profession but believe, as do a majority of the public according to a survey commissioned by BCREA, that they need to be licensed. By the same measure, lawyers' employees should only carry out activities, such as holding open houses and making cold calls, if they are licensed.

For the sake of consumers, and to ensure high levels of professionalism, REALTORS believe the Real Estate Council of British Columbia must be self regulating. This would entrust with Council the power to address the changing marketplace without always having to go through the legislature. This would also allow for the imposition of minimum standards of practice and required continuing education for licensees.

Real estate continues to be the bright light in the province's economy with sales set to break the \$19 billion record set in 2002. BC residents are confident in housing markets across the province. A new, responsive *Real Estate Act* will help sustain this confidence.

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Demonstrating Public Interest

About a year ago, BCREA introduced its new strategic plan, which was enthusiastically embraced and supported. With the cooperation of all member boards, we have delivered on the promises we made. By improving our working relationships, communications and trust, we have made significant strides in addressing our challenges.

But new challenges appear all the time, and our strategies must be flexible to deal with them. That is where the planning process we adopted in 2002 has shown its value. In May, the Board of Directors took a hard look at internal and external factors influencing real estate, which helped us refine our goals. Regular reviews also help us keep in mind that everything we do must translate into tangible benefits for REALTORS and member boards.

Because our professional lives revolve around dealing with the public, their support is key to achieving those tangible benefits. Therefore, the Board of Directors added Demonstrating Public Interest as a new plan-

ning principle to BCREA's 2003-2006 Long-Range Plan. We are committed to earning public support by: demonstrating that professional REALTORS are working in the public interest; enhancing the public image of REALTORS and the real estate profession; and conveying provincial leadership in a manner that reflects the public interest.

At our September meeting we adopted a new Strategic Plan for 2004, based on the seven principles of the Long-Range Plan. The new initiatives in each of BCREA's six program areas build on the many achievements of 2003. Highlights include:

- Following through on the *Real Estate Act* reform project.
- Developing a strategy for the federal election, in preparation for the 2005 provincial election.
- In cooperation with member boards, developing a seminar and other educational materials to help boards, brokers and REALTORS prepare for the *Personal Information Privacy Act*.



President *David Herman*

- Conducting research to firmly establish the real estate sector as a driving economic force.

By working together, standing by our principles and remaining flexible in our strategies, we are sure to accomplish our goals. Makes me proud to be a REALTOR.

David Herman
President

The 2003-2006 Long-Range Plan and 2004 Strategic Plan are available on BCREA's REALTOR Link™ (www.realtorlink.ca) homepage.

Members

Fire Relief Giving Campaign

By September 23, REALTORS and staff members had donated nearly \$45,000 to support the relief efforts of The Salvation Army, the Red Cross and the North Thompson Relief Fund.

Though this does not approach the \$1 million goal set at the end of August, BCREA

understands REALTORS have assisted their neighbours in many ways, such as providing household necessities, housing evacuees and helping move farm animals to safety. Thank you for your contributions.

"I have found it truly inspiring to see REALTORS rally together to raise money and

help in other ways," says BCREA President David Herman. "There is no end to what we can accomplish when we work together."

BCREA has learned of several REALTORS who have lost homes and property, and our best wishes go out to them, their families and everyone touched by this crisis.

Long-Range Plan Principles

- Building membership relations
- Responding to communication needs
- Leading provincial advocacy efforts on behalf of the profession
- Demonstrating public interest
- Offering excellence in education services
- Providing enhanced service options for member boards
- Maintaining an equitable fee structure

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Consumer Confidence Shapes Priorities

Public policy may determine how real estate is bought and sold in BC, but public interest lies at the heart of the real estate profession.

This is reflected in the priorities recently established by BCREA's Legislative Task Force (LTF)—a dedicated group of nine real estate professionals from across the province who represent a cross-section of REALTOR opinions.

"We keep track of nearly 20 public policy issues relating to real estate that affect the public," explains LTF Chair Dennis Wilson.

At the top of the list is *Real Estate Act* reform, and the government's announcement to review the Act over a year ago came as welcome news. Because of the broad impact of this legislation, BCREA immediately took action, canvassing REALTORS and other stakeholders.

"...We keep track of nearly 20 public policy issues relating to real estate..."

The *Real Estate Act* was also at the centre of Government Liaison Days, the Association's annual lobbying event in Victoria. Although this project has had the highest profile, the LTF has been active on many other fronts.

Erosion of private property rights is of great concern to REALTORS. Federal and provincial legislation, such as the *Heritage Conservation Act* and *Streamside Protection Regulation*, are continually introduced, often without notice to property owners or adequate compensation for affected property owners. "We suggest the



Land Title Act be amended so titles become notice boards, indicating everything that affects properties," notes Wilson.

REALTORS believe compensation should be awarded when property values are affected by *de facto* expropriation, and account for the fact that property owners may lose value on their property during the legislative process. Compensation should also reflect actual market value lost and provide an appeal process for unsatisfied property owners.

The *Community Charter* is a particular concern for REALTORS. It provides municipalities more power and control in areas such as land use and finance, without checks and balances. With discussion of land use planning and other details now on hold, REALTORS await the opportunity to register their opinions and suggestions with the government.

A change to the *Assessment Amendment Act* is another ongoing priority. For twenty years, BCREA worked with BC Assessment (BCA) to exchange Multiple Listing

Service® data for bulk assessment data. Since 2000, the bulk assessment data has not included names.

REALTORS want the *Assessment Amendment Act* changed to allow the industry to continue receiving name data on the BCA rolls as part of this arrangement. This will ensure the integrity of the bulk information, which is otherwise likely to decline due to the approximately 200,000 property ownership changes that occur at the Land Title Office each year.

The affordability of housing, including the proliferation of development cost charges and the onerous Property Transfer Tax, also concerns REALTORS. Affordability is essential, as the economic benefits of homeownership and access to housing will substantially contribute to the economic recovery of the province.

The LTF deals with these and many other issues. For more information, or to bring your concerns forward, contact Steve Olmstead, Manager of Government Relations at 604.742.2793 or solmstead@bcrea.bc.ca or visit www.bcrea.bc.ca.

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Ensuring Economic Growth

Encouraging investment in real estate and improving housing affordability are just two suggestions to kick-start BC's economy made in a provincial pre-budget submission on October 1 by BCREA President David Herman and South Okanagan Real Estate Board (SOREB) President Ann Hayes.

The focus of this joint presentation is the recommendation that the government eliminate or reduce the Property Transfer Tax (PTT). BCREA has repeatedly recommended this measure since the tax was first adopted, with the firm belief that it will boost the construction industry and cement consumer confidence.

"The government takes in about \$400 million per year through the PTT, so getting rid of it would be a big step," notes Herman. "That's why we changed our tactic this year by suggesting a pilot program."

"...Eliminating or reducing the PTT will help ease the tax burden of future generations..."

As a trial, BCREA and SOREB recommend the PTT be eliminated for one year in the areas hardest hit by forest fires and the softwood lumber dispute. Economic stimulus is necessary in these

areas, and a one-year test period without the PTT will provide enough data for the government to confirm the benefits organized real estate has extolled for years. The next logical step would be complete elimination of the tax.

"We believe this is in line with the government's plans to cut taxes in the future and pay down the debt," says Hayes. "Eliminating or reducing the PTT will help ease the tax burden of future generations and contribute greatly to the government's objective of attracting investors to BC."

For the full pre-budget submission, visit BCREA's REALTOR Link™ homepage.

Economics

Real Estate Buoy Economy

Boosting consumer spending and growth, the real estate sector continues to outpace expectations despite lower economic forecasts for the province.

In fact, according to a forecast by the Credit Union Central of BC, provincial economic growth is expected to be led by consumer demand for housing. "Lower-than-expected mortgage rates have prompted us to revise our housing forecast upward, even though our forecast for BC's overall economy has been lowered," said Helmut Pastrick, chief economist.

In 2002, dollar volume sales of BC homes on the Multiple Listing Service® set a new record at more than \$19 billion, with over 80,000 homes sold.

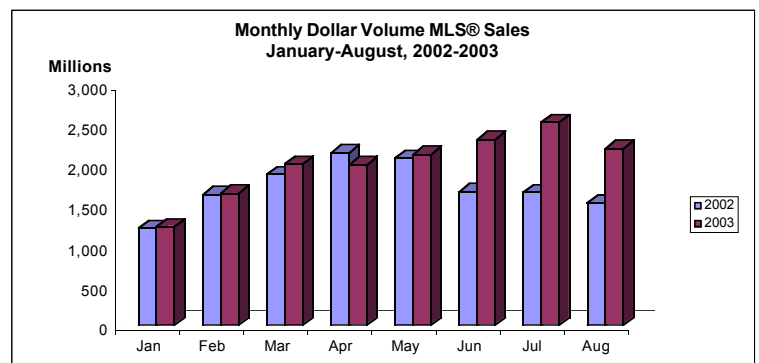
As of August 31, sales for 2003 have outpaced that record by 17 per cent.

Even the areas of the province hit hardest by years of economic slowdown, such as the north, are showing gradual yet determined improvements in their resale markets.

While many other key sectors lag, real estate sales are climbing, topping \$2 billion for the past six months in a row. And those purchases and sales translate into additional spending. A recent study by Clayton Research Associates Limited indicates that, during the period between January 2000 and November 2002, the average housing transaction in Canada generated an estimated

\$19,800 of spending on furniture and appliances, moving costs, renovations, services including legal and financial, and taxes.

With mortgage rates expected to remain near their current levels, the real estate industry is expected to perform well for some time to come, stimulating retail sales and job creation.



Planning for Privacy



BC's new privacy legislation, the *Personal Information Protection Act*, is expected to come into force on January 1, 2004. It will apply to all REALTORS, real estate offices, boards and other pri-

vate sector organizations in BC.

The legislation will protect the collection, use and disclosure of personal information, including a person's race, age, marital status, religion, employment history, home address and telephone number, finances (including the purchase or sale price of their property), credit history and opinions.

The new requirements mean REALTORS and boards cannot assume they have the right to deal with personal information in the same way they have in the past. The legislation has not yet been passed in the legislature, so it is difficult to give complete answers to the questions that arise.

A concise seminar and other, easy-to-use tools are being developed by BCREA, the Real Estate Board of Greater Vancouver, Fraser Valley Real Estate Board, Vancouver Island Real Estate Board and

Victoria Real Estate Board to help brokers and REALTORS prepare for privacy legislation. The materials will also be available on REALTOR Link™ for those who are unable to attend sessions. More information will be available as the legislation and the materials develop.

In the meantime, you should:

- Designate someone in your office to be responsible for privacy matters
- Familiarize yourself with the proposed BC legislation
- Familiarize yourself with CREA's Privacy Code and Toolkit (on REALTOR Link™)

For more information, visit the website of the Office of the Information and Privacy Commissioner: www.oipc.bc.ca/private.

Sources: Fraser Valley Real Estate Board, Real Estate Board of Greater Vancouver

Government Relations

Busy Fall for CREA Federal Affairs

The Canadian Real Estate Association's (CREA) 2004 federal pre-budget submission, filed on September 23, 2003, includes fiscal policy recommendations on several major points, including affordable housing and RRSP contribution limits.

CREA suggests four priorities to further the government's initiative to develop a national affordable housing strategy:

- a taxation change, allowing the rollover of capital gains on rental income property
- encouraging the rehabilitation of existing housing stock
- innovative home ownership finance proposals
- a social housing safety net

The presentation also addresses municipal

finance, noting that the general policy of downloading services to the municipal level has created pressures on property owners to pay increasing property taxes.

"...CREA advocates [RRSP] limits be raised immediately..."

While the 2003 budget did increase RRSP contribution limits, CREA advocates limits be raised immediately to \$19,000, increasing by \$2,000 a year until they reach \$27,000.

CREA's Federal Affairs Committee is also tackling many other issues.

"At our September meeting, we discussed everything from private property rights to a potential federal SPAM policy," said Federal Affairs Committee member and BC/Yukon Regional Director Liz Tutt. "We encourage REALTORS who are concerned about a federal matter to bring it to us, so we can review the issue and determine what steps can be taken."

The committee most recently added insurance issues to the agenda for political action committee (PAC) representatives to discuss with MPs during their fall riding meetings.

For more information, visit CREA's PAC homepage on REALTOR Link™. To read BCREA's federal pre-budget submission, which supports CREA's positions, visit BCREA's REALTOR Link™ homepage.

Bell Mobility Referral Program

For the past 18 months, REALTORS have been telling each other about Bell Mobility's exclusive cellular phone plan. With an ever-increasing number of REALTORS signing up with Bell Mobility every month, the buzz about the plan continues to grow.

To thank REALTORS for their business, we are running a referral program from October 1 to November 30, 2003. You are already spreading the word for us, so we would like to reward you for it.

We will place a \$50 credit on your Bell Mobility account for every new customer you bring us, to a maximum of

\$150. All we need from you is:

1. your name
2. your Bell Mobility phone number
3. the name of your referral
4. their new Bell Mobility phone number

Then we will apply the credits to your account and you will save money on your BCREA cellular plan from Bell Mobility! The credit will be applied to your account in January 2004.

If you are not currently a Bell Mobility customer, but sign up during this campaign, your purchase is also eligible for the \$50-\$150 bill credits, providing you bring one

additional new customer with you.

Please call Bell Mobility representatives Rob Mullin, 604.678.4249, or John Wong, 604.678.4220, for more information or to obtain referral forms.

We hope you take advantage of the savings we offer, and we thank you for your business.

Information about Bell Mobility's cellular phone plan is available at www.bcrea.bc.ca/realtors_only/mobility.pdf.



REALTOR Action

Ever lie awake wondering what is happening with the *Residential Tenancy Act*? Or the *Community Charter*? Wonder no more!

BCREA has developed *REALTOR Action*, an electronic newsletter devoted entirely to government relations. Subscribe on

REALTOR Link™ to have this publication delivered to your email address on the third Wednesday of every month when the provincial legislature is in session.

Just follow these steps:

1. Log on to REALTOR Link™ (www.realtorlink.ca).

2. On the National page, click My mailing lists.
3. Click on the box next to BCREA *REALTOR Action*.

Reminder: Make sure your real estate board knows your current email address.

Education

cpe Seminar Schedule



CONDO 101: Strata Law for REALTORS

Instructor: *Mike Mangan or Adrienne Murray*

- November 3, REBGV, Vancouver
- November 6, KREB, Cranbrook
- November 7, KREB, Nelson

CONDO 202: Advanced Strata Law for REALTORS

Instructor: *Mike Mangan*

- October 17, VREB, Victoria
- October 31, FVREB, Surrey
- November 13, REBGV, Vancouver

Professionalism It Pays! The Manager's Course

Instructor: *Mike Mangan or Trevor Bennett*

- October 30, VIREB, Nanaimo
- October 30, FVREB, Surrey

Legal Update 2003-2004

Instructor: *Mike Mangan*

- November 5, OMREB, Kelowna
- November 6, OMREB, Vernon
- November 7, KADREA, Kamloops
- November 14, VREB, Victoria

- November 25, VREB, Salt Spring Island
- November 27, REBGV, Vancouver
- November 28, VIREB, Nanaimo
- December 1, VREB, Victoria

Construction and Cost Estimating

Instructor: *Will Graham*

- November 13-14, FVREB, Surrey

Applied Ethics in Real Estate

Instructor: *Kim Spencer*

- November 14, SOREB, Penticton

Check with your local board office for last-minute changes. Look for more cpe seminars on BCREA's REALTOR Link™ homepage, under Education.