



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin



Planning, Partnerships Keys to Success

BCREA's Government Relations

Committee (GRC) recently determined that more than 20 issues have a direct or indirect impact on the province's economy and the real estate profession in BC. Although tackling that many issues may be a hefty challenge, the Association has found a manageable way to do so. A three-year action plan has been developed, emphasizing sound planning and focused partnerships with the government and other organizations.

"Our profession had a very positive experience working with the provincial government and all MLAs to introduce the new *Real Estate Services Act* and *Real Estate Development Marketing Act*," explains Dave Barclay, a Smithers-based REALTOR® and BCREA President. "We plan to follow the same cooperative, transparent approach to address our list of priority concerns."

A positive, transparent working relationship with elected officials and government staff is necessary. BCREA began this effort last spring to help establish a foundation on the following concerns, which were also identified as important by BC REALTORS® in a survey earlier this year:

- erosion of private property owners' rights across BC
- negative impact of marijuana grow operations on communities
- role of the Property Transfer Tax

as an impediment to housing affordability and a drain on the province's competitiveness

- erosion of BC's Torrens System of Land Registration

This list shows REALTORS® clearly understand the needs of their customers. In a January 2005 BCREA-Ipsos Reid survey, members of the public indicated support for the profession's advocacy on the rights of property owners and government action to reduce crime, among other issues.

Opportunities for action exist for each of BCREA's priority issues. Reaching consensus and taking steps to implement them will require leadership and creative thinking on the part of BCREA, the provincial government and other partners.

"BCREA is a knowledgeable, credible resource for elected officials and government staff," notes Barclay. "Together, we can achieve real progress."

With a dozen provincial government ministries responsible for aspects of real estate and housing-related policy, BCREA is investing considerable effort to determine how best to address all issues. In some cases, an effective meeting or correspondence is all that's needed. But broader issues require long-term, comprehensive strategies and a cooperative effort between BCREA and the government to help improve the Quality of Life across BC.

BCREA's Government Liaison Days conference, provincial pre-budget submission and ongoing liaison meetings with government officials will play pivotal roles. These activities will be supported by other unique approaches, including original research, participation in alliances with other organizations and offering public validation of workable solutions.



To share your thoughts on issues, contact BCREA's Manager of Government Relations Steve Olmstead by email at

solmstead@bcrea.bc.ca. For more information, visit BCREA's REALTOR Link® homepage.

I N S I D E

President's Report Page 2
Professional development serves everyone

Government Relations Page 3
Less PTT, more activity

Practical Points Page 4
Dates and listing contracts

Government Relations Page 5
Mudslide exposes Torrens System erosion

Education Page 6
cpe seminar schedule

I S S N 1 1 9 5 - 4 4 0 X

President's Report

Professional Development Serves Everyone

Real estate is an important profession. It's our responsibility to understand all aspects of a real estate transaction, be familiar with the areas in which we work and put our clients at ease. It's just common sense.

It's also common sense, then, to develop programs that ensure we all meet these basic requirements. That's why several real estate boards throughout the province have already implemented continuing education programs for REALTORS® as requirements for board membership.

These initiatives have been well received in the Victoria, Chilliwack and Kamloops board areas, because REALTORS® recognize the need to stay on top of legislative and other developments. Continuing education is also an excellent way to demonstrate professionalism to our clients and inspire confidence.

For many years, REALTORS® and real estate boards have understood the necessity of continuing education beyond initial education and licensing.

Currently, all American states, with the exception of New Jersey, have continuing education requirements. In Canada, only BC, Quebec, Newfoundland and Prince Edward Island don't have mandatory continuing education.

That's about to change. Recently, all BC boards agreed to a provincial Professional Development Program (PDP). The program has many benefits, including:

- improving our knowledge of changes in business practices, agency, law, legislation and the Contract of Purchase and Sale,
- enhancing the professional image of licensees,
- improving protection of the public, and
- reducing claims against the Real Estate Errors and Omissions Insurance Corporation.

With the new *Real Estate Services Act* and the upcoming revised CREA Code of Ethics, we've faced a lot of changes in the past couple of years. I believe this program will help us understand



President *Dave Barclay*

and deal with them better.

January 2006 is the scheduled implementation date for the PDP, which is being carefully planned by BCREA and the 12 member boards to be flexible and affordable for all BC REALTORS®. Details will soon be available through BCREA and your local board.

The PDP is a milestone for the real estate profession in BC, and I'm grateful to everyone who paved the way. I know it will serve me well as a professional, which will translate into better service for my clients.

Dave Barclay
President

Board of Directors 2005-2006

Long-Range Plan Principles

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

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Less PTT, More Activity

The Property Transfer Tax (PTT) is a boon for the provincial government's general revenue account, but a bane for everyone else—including the public and the province's housing economy. That's why BCREA's developing a plan and conducting research to help demonstrate how the government can eliminate the tax and still fill the hole in its revenue accounts.



As legislators know, the tax's overwhelming contribution to provincial government coffers topped \$605 million last year and will deliver another windfall in 2005. In fact, the government's Budget and Fiscal Plan, released with the September Budget Statement, includes a revised projection of PTT revenue from \$460 to \$650 million for this fiscal year. Clearly, homeowners have made an enormous contribution to the province's economic recovery.

New PTT impact research

BCREA is committed to working with the provincial government and other organizations to ensure PTT reduction becomes a reality. As a first step, the

Affordability continues to be a top priority for British Columbians

Association commissioned new research to assess the tax's economic impact and presented the results to the government's Standing Committee on Finance and Government Services this month.

Removing the one per cent payable on the first \$200,000 of the purchase price of a home, but keeping the two per cent payable on the balance would:

- enable 3,850 families to enter the housing market
- create 2,880 person years of employment
- generate:
 - \$223 million in extra spending by owners
 - \$43 million in tax revenue
 - \$49 million to the province's GDP

Eliminating the tax would:

- allow 7,310 families to enter the housing market
- create 5,460 person years of employment
- generate:
 - \$422 million in extra spending
 - \$81 million in tax revenue
 - \$91 million dollars to the GDP

Housing sales may be setting records

across the province, but the PTT guarantees continued erosion of affordability and is a threat to the province's competitiveness. Both Alberta and Ontario charge transfer taxes, though their respective terms don't penalize citizens to the same measure. Exemptions for first-time homebuyers would help make housing more affordable.

Public support

Affordability continues to be a top priority for British Columbians. In fact, 65 per cent of respondents to a January 2005 BCREA-Ipsos Reid survey indicated affordability is the most important influence over where people choose to live. The majority of respondents (68 per cent) "support" advocating the elimination of the Property Transfer Tax while 42 per cent "strongly support" the effort (visit www.qualityoflife.bcrea.bc.ca for details).

Setting priorities

The PTT attacks housing affordability and threatens the province's competitiveness. The tax is an arbitrary levy that is neither tied to a household's ability to pay nor to the benefits derived from public services. Its burden falls heavily on first-time homebuyers, middle-income purchasers and does nothing to assist low-income earners. It's time for the government to develop a plan to eliminate, or at least reduce, this tax.

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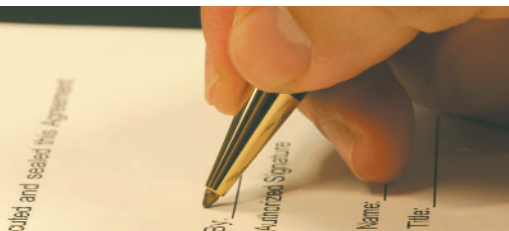
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Dates and Listing Contracts by Kim Spencer,

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When your services begin and end is defined in section 1A of the Multiple Listing Contract. Page two of the contract indicates when the contract was signed.

If the contract says your services begin on June 1, but your seller doesn't sign the contract until June 5, should you be concerned? The common law has no issue with this; a contract can begin on a different day than when it was signed. Even though it's technically OK to do this, is it advisable?

Without a signed contract, the brokerage has no authority to obtain information about the property, advertise or show it. Nor does it have the authority to represent to other brokerages that it represents the owner. Signing the contract ratifies these actions. If the seller doesn't sign the contract, and you've provided services from June 1 to 5, your brokerage is at risk for any

unauthorized actions it undertook. Also, the brokerage has no right to compensation for the services rendered during that period.

The brokerage is also in breach of a Real Estate Council of BC rule if it provided any real estate services between June 1 and 5, because Rule 5-11 requires a "written service agreement to be entered into before the brokerage represents the client in offering the real estate for sale or other disposition."

Therefore, if the date in s.1A differs from the signing date of the contract, the simplest thing to do is change the date in s.1A to coincide with the signing date on the last page of the contract when your seller signs the contract (remember to have your seller initial the change!).

If you intend to "post-date" when your services are to begin, make sure you don't provide any until the beginning date indicated in s.1A, because your listing contract doesn't give you the authority to do so until then.

Your board may also have a rule or regulation governing this issue, so

please check.

Thanks to Brian Taylor, a lawyer with Bull, Housser and Tupper and a member of the Standard Forms Committee, for his assistance with this column.

Reminder: New Ground Water Regulation

Having access to clean drinking water is vital—and the successful sale of a property likely depends on it. On November

1, 2005, a new government Regulation for wells will take effect in BC. The new regulation (posted at <http://wlapwww.gov.bc.ca/wat/gws/gwis.html>) provides guidelines to help prevent the contamination of ground water and wells. Please refer to the August issue of *The Bulletin* for a detailed description.



Trends

Volunteers: Building Better Communities

It's common knowledge that most REALTORS® know their communities. This is one of the main reasons people turn to you to buy and sell their homes. In today's hectic real estate market, the importance of promoting these community ties may be overlooked.

An April survey of BC REALTORS®, conducted by Insightrix Research Services, indicates 66 per cent of you volunteer in your communities. Among the volunteers, two-thirds identify themselves as REALTORS® when performing their community work.

Compare that with a public Ipsos Reid survey from January 2005, where only 43 per cent of British Columbians indicated they're aware of your volunteer activities. What's more, 43 per cent responded that knowing about your volunteerism

Mudslide Exposes Torrens System Erosion

A human life might have been saved, and a \$6 million government buy-back of residential properties in North Vancouver averted, if steps had been taken to stem the erosion of BC's Torrens System of Land Registration. Will the January 19, 2005 mudslide serve as a catalyst for improvements to the system or will we simply wait 'til next time?

What is the Torrens System?

Through the Torrens System of Land Registration, a register of land holdings is maintained by the government. It guarantees indefeasible title to people who are included in the register as the legal owners of a designated parcel of land.

The system was introduced in South Australia in 1858 by then-colonial Premier Sir Robert Torrens. Since then, it has become pervasive throughout the British Commonwealth and around the globe, because it addresses two major problems: uncertainty surrounding land ownership and confusion around land transactions.

The Torrens System was designed to provide a clear line of title and enable the tracing of a seller's title through a series of documents. Each parcel of land is identified by a reference number and each lot is the subject of a separate folio in the register. The folio records the di-

mensions of the land and its boundaries, the names of the registered proprietors and any legal interests that affect title.

Making the system better

BCREA believes the system can be improved and provide certainty to the public, government, REALTORS® and other professionals who depend on it. The provincial government has taken steps that have helped get the process started, including implementing electronic filing of land title documents (April 2004) and establishing the Land Title and Survey Authority (Oct. 2004).

BCREA believes next steps should include an assessment of how to include more information on title about factors that impact a given property, including provincial legislation and regulations.

For example, residential properties that include streams should reference the *Riparian Areas Regulation* and the appropriate authority from which the owner can obtain clarification about the restriction. Without this reference, owners have no clear way of knowing whether their property is impacted and what their responsibilities are.

Special municipal reports, like the one that warned about land erosion along



the now infamous Berkley escarpment in the District of North Vancouver, could also be cited.

REALTORS® who don't review the title of a listed property assume the risk of liability to the purchaser, loss of compensation and disciplinary proceedings if a complaint is received by the Real Estate Council of BC. The absence of information on title may not offer REALTORS® sufficient reprieve from these consequences. The government's efforts to develop comprehensive electronic platforms to include information that more fully characterizes crown land should be reviewed for its ability to perform a similar function, and provide assurance, to private land transactions.

Reinforcing the integrity of the Torrens System of Land Registration would be a positive legacy of the unfortunate events of January 19, 2005 in the District of North Vancouver.

would make them feel more favourably toward the profession.

In addition to establishing a sense of credibility, volunteering your time for a local cause is a great way to establish connections and get noticed. Volunteer organizations rely on the expertise individuals like you can provide, and your presence provides a wonderful

opportunity for networking and relationship building.

Take a few minutes out of your day to let your volunteer colleagues know how you earn your living. If the opportunity presents itself, also consider letting your clients know how you accumulated your wisdom. Donating your extra time goes a long way to creating a solid

image of the real estate profession, both within your community and across the province.



cpe Seminar Schedule

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

Advanced Negotiating Skills for REALTORS®

Instructor: Gerald Clerx

- October 27, SOREB, Penticton
- November 2, KREB, Cranbrook
- November 3, KREB, Castlegar

Applied Ethics in Real Estate

Instructor: Kim Spencer

- October 12, VREB, Victoria

CONDO 101: Strata Property Law for REALTORS®

Instructor: Mike Mangan or Adrienne Murray

- October 14, FVREB, Surrey
- October 27, VREB, Victoria
- November 3, REBGV, Vancouver

CONDO 202: Advanced Strata Property Law for REALTORS®

Instructor: Mike Mangan

- November 10, REBGV, Vancouver

Legal Update 2005-2006

Instructor: Mike Mangan

- October 13, OMREB, Vernon
- October 14, OMREB, Kelowna
- October 26, KADREA, Kamloops
- November 2, REBGV, Vancouver
- November 4, VIREB, Nanaimo
- November 14, VIREB, Duncan
- November 17, VREB, Victoria
- November 18, SOREB, Penticton
- December 1, VREB, Victoria
- December 2, VREB, Victoria
- December 6, REBGV, Vancouver

Negotiating and Presenting Offers

Instructor: Richard Collins

- November 3, VREB, Victoria
- November 17, REBGV, Vancouver
- December 9, KADREA, Kamloops

The New *Real Estate Services Act* – Everything You Need to Know

Instructor: Mike Mangan or Adrienne Murray

- October 12, OMREB, Salmon Arm
- October 28, REBGV, Vancouver
- November 16, KREB, Cranbrook
- November 17, KREB, Castlegar

Project Marketing for the Leading Edge Professional

Instructor: Roger McKinnon

- November 18, KADREA, Kamloops

Selling Time Shares, Hotel Strata Lots, Cooperatives and Other Forms of Real Estate

Instructor: Adrienne Murray

- November 9, VREB, Salt Spring Island

Win/Win: Conflict Resolution Skills for REALTORS®

Instructor: Gerald Clerx

- October 14, VREB, Victoria

continuing professional
education

cpe seminars are developed with REALTORS® in mind. Materials are drawn from years of experience and provide you with real, practical value. New salespeople and seasoned pros will find seminars to enhance professional skills and provide solutions for the most challenging issues. Certificates—perfect for framing—are presented after successful completion of four seminars.