



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Investing in Water Conservation

If you knew that you could save money, help enhance the quality of your drinking water and nurture a more adaptive community, would you be inspired to take action and minimize water consumption in your home?

In September 2010, BCREA worked in consultation with econnics, eco-efficiency specialists, to measure the value of homeowners investing in water conservation. A report on the study findings, *Costs and Benefits of Homeowner Investment in Residential Water Efficiency Technology in British Columbia*, was prepared by econnics and summarizes the positive effects, costs and benefits of water conservation and ways homeowners can better conserve water in their homes.

Water Saving Options

In a typical stand-alone home, study findings indicated that the majority of water consumption is used in the following ways: 31 per cent through toilets, 25 per cent through washing machines and 19 per cent through showers.

Homeowners can replace large-volume toilets that use 13 litres per flush with high efficiency units that only use 4.8 litres or less per flush and reduce water usage by roughly 63 per cent. Well-designed low flush toilets can retail for as little as \$100 and dual flush toilets that give the user the option of a three- or six-litre flush are also available. Installing a water-saver flush kit in a toilet can also save thousands of litres of water per year.

For washing clothing, efficient front load clothes washers provide the most effective way of saving water, using only 40 to 50 litres per load in comparison to 100 to 150

litres per load for top loaders. Possible water savings from efficient models can be as much as 73 per cent. Look for the ENERGY STAR label as an indication that a model is water efficient.

Among the least expensive water conservation options, homeowners can invest in low flow shower heads with flow rates as low as 5.7 litres a minute compared to the average Canadian showerhead with a flow rate of 9.5 litres a minute. This would result in a water and energy saving of 40 per cent and would save the average BC family of four \$50 a year or more on their hydro bill.



Other ways to minimize a home's water consumption include high efficiency dishwashers and bathroom faucets, as well as investing in the use of rain barrels, rain-water harvesting systems and domestic greywater systems.

Water Conservation Benefits

Domestic water conservation not only provides a range of values such as reduced energy consumption and cost savings, but also important benefits for protecting ecosystems and watersheds and for building better communities. Thinking about these broader reasons could provide the additional motivation that an individual needs to make an environmentally-friendly investment in their home and REALTORS® can play a key role in communicating this information to their clients.

Sustainability Resources

BCREA's Green Toolkit for REALTORS® is a platform to provide licensees with information, references and links to learn more about the environmental and sustainability perspective of real estate as it relates to their clients and the profession. In addition to the expansion of its water conservation section, which includes the detailed econnics research report, the Association has recently given the Tool Kit a facelift by adding new sustainability content and creating easier search ability. BCREA will be continuing to update this content throughout 2011.



To visit BCREA's Green Tool Kit for REALTORS® and learn about sustainable options for homeowners, visit www.greentoolkit.ca.

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President's Report

Leaders in Education

In my last report, I stated there are leaders in all of us and I believe there is. If you want to be that leader, education is one of the keys to that goal. BCREA has a great new Director of Education, Marla Gerein, that will lead us into the future of REALTOR® education. All of our member boards will be meeting in May 2011 for a provincial strategic planning session that will include all facets of education. This strategic planning will bring together our existing education practices, as well as information collected from across Canada by Bob Wallace of the Real Estate Board of Greater Vancouver, BCREA Chief Operating Officer Melinda Entwistle and their team.

As we plan for the future, it is very important that we get your feedback regarding REALTOR® education needs, goals and preferences. That is the leadership part we need from you; without it we cannot hope to build the very best education experience for British Columbia's REALTORS® and brokers. Send your feedback to BCREA's Education Department at education@bcrea.bc.ca.

It is not enough that your elected leaders, volunteers and staff have input; on this we need your input as well. You take the courses and we must know if you feel your education experiences are relevant, timely and engaging. And if you don't share your thoughts, we won't know!

Change is coming yet again, but then for all of us that should be old hat by now. Education is evolving and hopefully getting better as we strive to bring quality courses to you and ramp up technologies to better meet learner needs and educational goals. The leader in you should be asking: is our education programming as good as it can be, and will my comments be constructive and helpful in bringing the very best learning experience to our Association?

If we take the time to respond in a constructive way after we attend courses, we can all be involved. Education has a bright future and we need *you* to be fearless and shine the light on it whenever you can – that would be the leader in you!



President **Moss Moloney**

"They say that time changes things, but you actually have to change them yourself."

–Andy Warhol

Sincerely,

Moss Moloney
President



Board of Directors 2010-2011

Core Ideology

Core Purpose

Ensuring the continued relevance of REALTORS® in BC.

Core Values

- Member board vitality
- REALTOR® success
- REALTOR® professionalism
- Quality of Life
 - Economic vitality
 - Housing opportunities
 - Environmental preservation
 - Property owner rights
 - Better communities
- Public trust

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Changes to REP: What This Means for REALTORS®

According to the Real Estate Council of BC's rules, REALTORS® are required to complete applicable continuing education courses in order to renew their real estate licences. Through the Relicensing Education Program (REP), the Council has mandated courses for all licensees during the first and second REP cycles. In August of 2010, the Council decided to defer its decision regarding what the course requirements will be for a third cycle. This deferral does not mean that REP is being discontinued. Rather, the Council is working on developing the format and delivery method for future course requirements and will provide licensees with updated information as it becomes available.

Once the Council determines the most appropriate continuing education requirements for licensees, real estate professionals will be advised of what their educational requirements are for licence renewals in 2013 or 2014.

Reasons for Deciding to Defer Third Cycle Requirements

There are a number of reasons the Council decided to defer making a decision about what the continuing education requirements will be for licence renewal in 2013 or 2014, or for a third REP cycle, including:

1. The confusion between REP and the Professional Development Program (PDP).
2. Issues with respect to course availability and delivery.
3. Appropriate course requirements for all licensing categories (trading, rental and strata).
4. The length of the current REP cycles (currently four years with overlapping cycles).
5. The use of online education and continuing education requirements in other jurisdictions.

The Council's primary philosophy has been to have a continuing education requirement as a formal process for keeping licensees up-to-date on changes within the industry, most particularly on legal, legislative and practice updates. As a result, the Council is currently examining the feasibility of implementing a continuing education program for all licensees on a calendar year basis rather than licensing cycles. Course content, yet to be confirmed will include, but not be limited to:

- recent court cases,
- recent Council consent orders/hearing decisions of note,
- recent Errors & Omissions Insurance Corporation cases, and
- any changes to the *Real Estate Services Act*, other ancillary legislation and amendments to the Council rules.

The method of course delivery has not yet been decided but could include in-class, online or a combination of in-class and online formats.

REP Requirements

The first REP cycle was complete on December 31, 2010. The second cycle requirements for licence renewal in 2011 or 2012 must be completed. Trading services licensees are required to complete the *Real Estate E&O Insurance Legal Update* course. In-class and online versions of the course are available. Licensees can choose to either attend an in-person class or can complete the online version, offered through the Real Estate Division of the Sauder School of Business.

Trading services licensees who are commercial practitioners may choose to complete the *Real Estate E&O Insurance Commercial Legal Update* course.

PDP Requirements

REALTORS® should note that the Council's decision does not affect their PDP requirements. The completion of 18



PDP credits during the third PDP cycle is still in place.

For further information about the Council's REP requirements, visit their website at www.recbc.ca.

To view a detailed continuing professional education (cpe) calendar, including REP and PDP accredited courses, check out BCREA's cpe calendar on REALTOR Link® at www.realtorlink.ca.

To register for the online Legal Update course, visit www.realestate.ubc.ca/BCREAg.

Thank you to the Real Estate Council of BC for permission to reprint portions of this article that originally appeared in the Report from Council, December 2010.

RECBC REAL ESTATE COUNCIL
OF BRITISH COLUMBIA

Getting Back to Normal

The severity of the 2008 financial crisis necessitated that global central banks, including the Bank of Canada, bring interest rates down to previously unthinkable levels. As the crisis dissipated and Canadian output and employment began to slowly recover out of recession, the Bank of Canada began raising its overnight lending rate in 2010, from 0.25 per cent to one per cent, with rate increases expected to resume later in 2011. This is often referenced as interest rate normalization, referring to the highly abnormal level of interest rates that prevailed during the recession. But what is normal and how long will it take to get there?

One definition of normal is the average interest rate prevailing over a period of time long enough to capture changes in business cycles, but not so long as to ignore key changes in the structure of the economy.

For Canada, a suitable period might be the intervening years since the Bank of Canada began targeting a two per cent inflation rate in 1995. Using this definition, we would define a normal 5-year fixed mortgage rate at around 7.2 per cent, a 200 basis point increase from today's historically low level of 5.19 per cent.

However, the drawback of relying on the long-term average is that it does not account for key factors that influence mortgage rates such as the Bank of Canada's monetary policy objectives or market expectations of future growth and inflation. A long-term average also does not tell us anything about the possible timing of interest rate increases. A more useful definition of normal is the interest rate level consistent with a normally functioning economy. A good approximation of which is the interest rate level that



BCREA Economist
Brendon Ogmundson

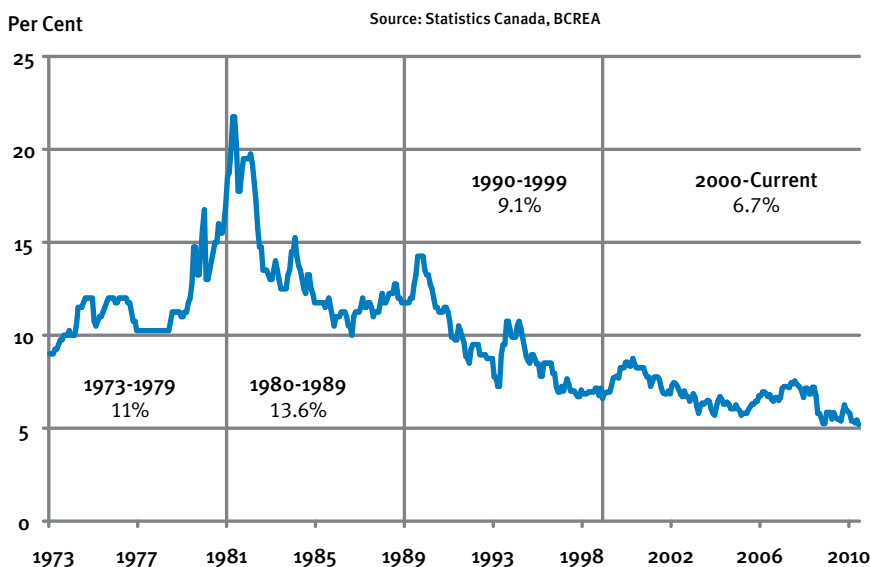
the Bank of Canada judges as necessary to bring the economy back to its full potential and inflation back to its two per cent target.

The Bank's most recent forecast is that the Canadian economy will return to full capacity, and inflation will reach two per cent by the end of 2012. Under our definition, this implies a return to normal interest rates by the end of next year.

Running the Bank's forecast through our model of the Canadian economy suggests that to hit its two per cent target by the end of 2012, the Bank will have to raise the overnight rate by 200 basis points over the next two years. All else equal, a normalized overnight rate will push medium and long-term interest rates higher, which will in-turn influence consumer borrowing rates including variable and fixed rate mortgages. Our calculations show that interest rate normalization implies a 5-year fixed mortgage rate of 6.5 per cent at the end of 2012.

Just like returning to work from an extended vacation, getting back to normal interest rates will take some adjustment. Fortunately, the pace of these rate increases should be gradual, providing BC homeowners with time to lock-in still historically low borrowing rates or improve household balance sheets.

5-Year Fixed Mortgage



The average mortgage rate has fallen steadily over the past 35 years.

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Printed on recycled paper.

ISSN: 1705-3307

Professional Education: Forewarned is Forearmed

Real estate education is integral to a REALTOR®'s livelihood. As a licensing and board membership requirement, education also broadens an individual's knowledge base and levels of professional understanding.

To develop your knowledge base as an effective REALTOR®, an array of courses are available through a variety of service providers. However, if you are looking to fulfill your Relicensing Education Program (REP) and/or Professional Development Program (PDP) requirements, please keep in mind the following recommendations:

1. Real estate courses which are approved for relicensing and/or professional development credit in another jurisdiction/province may not be applicable in BC. For example, while the Canadian Real Estate Association's online REALTOR®

Code of Ethics course was considered a mandatory course for REALTORS®, it was never assigned REP or PDP credits.

2. Not all course titles with the word "accredited" or "certified" represent REP and/or PDP accredited courses. For example, the Real Estate Buyer's Agent Committee (REBAC) *Accredited Buyers Representative® (ABR®)* course has received both REP and PDP credits. However the *Accredited Senior Agent* designation course from the Real Estate Academy has not.
3. Designation courses have merit in the specialized knowledge they offer. While there are many to choose from, it is highly advisable that licensees research the service provider specifically in terms of credibility in order to ensure that the designation that one invests time and

money into will provide an appropriate and functioning title.

BCREA is actively working to advance the quality and quantity of real estate courses available for professional development as well as increasing accessibility to learning opportunities from various course providers. Make sure to select courses that either adhere to PDP and REP guidelines and/or will also provide the knowledge and skills required to function at the highest levels of professionalism.

To view a catalogue of courses available to BC REALTORS®, including detailed course descriptions and accreditations, check out the PDP catalogue available on BCREA's Professional Development page on REALTOR Link® at www.realtorlink.ca.

PDP Professional Development Program

Real Estate Sector

VIREB Celebrates Six Decades of Excellence

On February 24, the Vancouver Island Real Estate Board (VIREB) celebrated its sixtieth anniversary at the Vancouver Island Conference Centre in Nanaimo.

REALTORS® attended the VIREB Tech Fair on Thursday, February 24 and listened to keynote speaker, Amber MacArthur, discuss how to use social media to grow your business. Mike Agerbo also discussed tech tools and trends to know.

That evening, the sixtieth anniversary gala dinner and dance was held. This celebration included recognition of VIREB's Past Presidents and the Annual VIREB REALTOR® Awards, among the highest honours that the board can bestow upon

one of its members. While participating in the festivities, guests received a complimentary copy of the VIREB History Book, *Reflections ... reflecting on 60 years of service*, and learned about how the industry has evolved over the past 60 years.

On Friday, February 25, VIREB's Annual General Meeting took place and was followed by keynote speaker, Richard Robbins, who told of how to ignite your business and your life.

In conjunction with VIREB's sixtieth anniversary, the board will also be demonstrating its dedication to Quality of Life. In collaboration with the Real Estate Foundation of BC and the North Island College and the Vancouver Island

University, VIREB will be setting up an endowment fund grant. The endowment will be paid out annually to eligible students at the two Vancouver Island institutions from the interest earned on the funds beginning in 2012.

For further information about VIREB's sixtieth anniversary and history, link to the VIREB homepage from BCREA's REALTOR Link® at www.realtorlink.ca.



Current as of January 21, 2011. Check with your local board office for last-minute changes. The complete PDP course catalogue is available on BCREA's Professional Development page on REALTOR Link® (www.realtorlink.ca).

Note: this is a schedule of BCREA **cpe** courses only and does not reflect all PDP-accredited courses. Each course on this schedule is assigned 6 PDP credits, unless otherwise indicated, and all courses that are also REP accredited are full-day courses and have been marked with an asterisks (*).

BC Northern Real Estate Board

(all courses held in Prince George unless indicated)

*Real Estate E&O Insurance Legal Update 2011**

MARCH 28, APRIL 18 (TERRACE), MAY 3 (FORT ST. JOHN), MAY 26

Chilliwack and District Real Estate Board

MARCH 2, CHILLIWACK, *Representing Buyers in the Sale of New Homes and Condominiums**

MARCH 30, CHILLIWACK, *What Brokerages and REALTORS® Need to Know About Agency**

Fraser Valley Real Estate Board

(all courses held at FVREB unless indicated)

*Real Estate E&O Insurance Legal Update 2011**

MARCH 10, MARCH 31, APRIL 27

MARCH 17, CONDO 202: Advanced Strata Law for REALTORS®*

MARCH 25, Buyer Agency*

APRIL 6, ABBOTSFORD, *Foreclosures and Court Ordered Sales**

Kamloops and District Real Estate Association

(all courses held at KADREA)

*Real Estate E&O Insurance Legal Update 2011**

MARCH 3, MARCH 4, MAY 18, MAY 19

APRIL 27, Buyer Agency*

Okanagan Mainline Real Estate Board

*Real Estate E&O Insurance Legal Update 2011**

MARCH 22 (VERNON), MARCH 23 (KELOWNA), MAY 24 (SALMON ARM), MAY 25 (VERNON), MAY 26 (KELOWNA)

MARCH 24, KELOWNA, *Real Estate E&O Insurance Commercial Legal Update**

*Contracts: Keep on Top of Changes**

APRIL 26 (VERNON), APRIL 27 (KELOWNA)

Competition Law for REALTORS®: What You Say and Do Matters (3 PDP credits)

MAY 10 (VERNON), MAY 11 (KELOWNA)

Real Estate Board of Greater Vancouver

(all courses held at REBGV unless indicated)

*Real Estate E&O Insurance Legal Update 2011**

MARCH 1, MARCH 10, MARCH 16, MARCH 25 (PITT MEADOWS), MARCH 30, APRIL 8, APRIL 13 (SQUAMISH), APRIL 14, APRIL 26, MAY 6, MAY 12, MAY 31

*CONDO 101: Strata Law for REALTORS®**

MARCH 3, APRIL 6, MAY 5

*Representing Buyers in the Sale of New Homes and Condominiums**

MARCH 8, MAY 17

MARCH 11, *Ethics: Unlocking the REALTOR® Code*

MARCH 14 & 15, *Accredited Buyer's Representative (ABR®) (9 PDP credits)*

*Contracts: Keep on Top of Changes**

MARCH 17, APRIL 20, MAY 19

MARCH 21, *Selling Time Shares, Hotel Strata Lots, Cooperatives and Other Forms of Real Estate**

*Real Estate E&O Insurance Commercial Legal Update**

MARCH 22, MAY 18

*Foreclosures and Court Ordered Sales**

MARCH 23, APRIL 13, MAY 11

*CONDO 202: Advanced Strata Law for REALTORS®**

MARCH 24, APRIL 27, MAY 25

*What Brokerages and REALTORS® Need to Know About Agency**

MARCH 25, APRIL 28, MAY 24

*Electronic Title Searching**

MARCH 31, APRIL 19, MAY 16, MAY 25 (SQUAMISH)

APRIL 7, *Win/Win: Conflict Resolution for REALTORS®*

APRIL 12, *Selling Tenant-Occupied Properties (STOP)**

Know Your Product

APRIL 15, MAY 13

MAY 2, *Negotiating and Presenting Offers*

MAY 30, *Disclosure Issues & Risks**

Vancouver Island Real Estate Board

MARCH 17, PARKSVILLE, *CONDO 202: Advanced Strata Law for REALTORS®*

*Selling Tenant-Occupied Properties (STOP)**

MARCH 31 (CAMPBELL RIVER), APRIL 1 (NANAIMO)

Victoria Real Estate Board

(all courses held at VREB unless indicated)

*Foreclosures and Court Ordered Sales**

MARCH 9, APRIL 6 (SALT SPRING ISLAND)

*Real Estate E&O Insurance Legal Update 2011**

MARCH 17, APRIL 27, MAY 20

MARCH 25, *Disclosure Issues & Risks**

MARCH 28 & 29, *Senior Real Estate Specialist (SRES®) (9 PDP credits)*

APRIL 15, *Contracts: Keep on Top of Changes**

APRIL 20, *Buyer Agency**

MAY 12, *Negotiating and Presenting Offers*

MAY 25, *Risk Management for Commercial REALTORS®**