



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

BC REALTORS®: Making a Difference

Over the years, the province's REALTORS® have worked to help their communities in many ways. Continuing that trend throughout 2011, both the Realty Watch and REALTORS Care® programs have been a valuable focus for several BC real estate boards and demonstrated the importance of Quality of Life for all BC REALTORS®.

Realty Watch, a community crime prevention program, has been in operation since 1995 across the Lower Mainland, from Whistler to Hope and in every community in between. Organized and run by REALTOR® volunteers from the Chilliwack and District Real Estate Board (CADREB), the Fraser Valley Real Estate Board (FVREB) and the Real Estate Board of Greater Vancouver (REBGV), the program facilitates over 14,000 REALTORS® who assist police as extra "eyes and ears" in their communities.

The program operates through two components. Firstly, REALTORS® report relevant suspicious activity that they witness in their daily business. Secondly, in emergency situations, REALTORS® respond to police and RCMP fan-outs to search for missing or abducted people, suspicious vehicles, or people with medical conditions who may be in danger.

Since the program's launch, it has helped to locate three missing people. On November 4, 2011, the twelfth annual Realty Watch Police Breakfast was hosted by CADREB, FVREB and REBGV to reinforce the importance of the program and strengthen relationships with police, RCMP and those in the crime prevention community who work together to help make our communities safer. The breakfast was followed by an invaluable information session to help facilitate the expansion

of these programs across the province. Taking a step in that direction, the Okanagan Mainline Real Estate Board was thrilled to launch its own Realty Watch program on November 16.

In their day-to-day business, REALTORS® are in the unique position of being out and about in local neighbourhoods during business hours. Since there are over 18,000 real estate professionals across BC, the power of this resource is clear. Keep your eyes peeled for the Realty Watch program in your board area as several other BC real estate boards roll out their own programs.

Living and working in communities across the province, REALTORS® also witness many British Columbians overcome by hardship. As a result, a charitable program called REALTORS Care® was established to foster REALTORS® giving back to their communities. One of the fantastic elements of this program is the annual REALTORS Care® Blanket Drive.

In 2011, volunteers from CADREB, FVREB and REBGV collected approximately 3,650 bags (enough to fill 120 pick-up trucks) of warm clothing and blankets for dozens of local charities which helped warm roughly 19,000 working poor and homeless throughout the Lower Mainland. Since 1994, the real estate community has partnered with local charities to distribute items collected in the region, and in that time, has helped an estimated 185,000 people.

British Columbians have generously supported the Blanket Drive for seventeen years running. Individuals, corporations, retailers, community groups and schools all partnered with local REALTORS® to collect quality items to help warm those in need.



REBGV President Rosario Setticas, Chief Superintendent Dave Critchley, Officer in Charge of the Burnaby RCMP, and FVREB Vice-President Ron Todson (left to right) at the 2011 Realty Watch Police Breakfast.

BCREA would like to congratulate its member boards, as well as their related stakeholders and volunteers for their hard work on these programs year after year, creating amazing results. Keep up the great work!

For more information about the Realty Watch program, visit www.realtywatch.net. To find out how you can get involved in a REALTORS Care® program or event, contact your local real estate board.

I N S I D E	
President's Report Ongoing Changes	Pg 2
Education Legal Update: New Version of an Old Favourite	Pg 3
Practical Points BCREA Arbitration Rules: Time for Review	Pg 3
Economics Less Volatility in the Housing Market	Pg 4
Real Estate Sector Maintenance Matters Before and After the Sale of a Home	Pg 5
Education cpe Course Schedule	Pg 6

President's Report

Ongoing Changes

Over the past year, BCREA has devoted considerable time and resources to a number of changes that will help the Association better achieve our core purpose of ensuring the continued value of REALTORS® in British Columbia. These changes cover almost everything that the Association does, including our governance structure, REALTOR® education and inter-board arbitration.

In 2011, as part of its planning for the future, BCREA undertook a governance review. There was some concern from our member boards that the governance structure did not reflect the changes that had taken place in organized real estate.

With the input of experts in governance and feedback from all member boards, the Association is currently drafting a new set of bylaws and governance practices that will ensure a solid foundation for the future. These bylaws will be voted upon at the BCREA Annual General Meeting in April.

As you may recall from the last issue of *The Bulletin*, significant changes are happening to BC REALTOR® education over the next

three years. By the time you read this, some of you will have taken the new Legal Update 2012 course. That course has been completely redesigned, starting from the way it was written, to all new case law and multimedia content. The feedback has been extremely positive and we are thrilled to now offer the online versions of Legal Update 2012.

One service that BCREA offers which not many REALTORS® know about is inter-board arbitration. If REALTORS® from different member boards have a dispute, the Association acts as a facilitator to help find a resolution according to a set of Arbitration Rules.

Based on feedback from member boards, the Arbitration Rules were reviewed by BCREA's legal counsel and new rules were proposed. After discussion and feedback from member boards, the new rules came into place on November 1, 2011.

As you can tell, 2011 was a busy year for BCREA and this year is shaping to be just as busy. With the governance changes, renewed provincial education plan and



President **Rick Valouche**

updated Arbitration Rules, among other things, BCREA and its member boards are well positioned for the future.

Rick Valouche
President



Board of Directors 2011-2012

Core Ideology	Officers	Regional Directors
<p>Core Purpose Ensuring the continued value of REALTORS® in BC.</p> <p>Core Values</p> <ul style="list-style-type: none">• Member board vitality• REALTOR® success• REALTOR® professionalism• Quality of Life<ul style="list-style-type: none">- Ensuring economic vitality- Providing housing opportunities- Preserving the environment- Protecting property owners- Building better communities• Public trust	<p>President Rick Valouche 604.629.6100 rick@valouche.com</p> <p>Vice President Jim McCaughan 604.855.0800 jamesmccaughan@hotmail.com</p> <p>Past President Moss Moloney 604.590.4888 mmoloney@axionet.com</p> <p>Chief Executive Officer Robert Laing 604.742.2787 rlaing@bcrea.bc.ca</p>	<p>Region I Delores St. Amand 250.564.4488 delorespg@shaw.ca</p> <p>Region II Dick Pemberton 250.374.3331 rpemberton@kadrea.com Joe Pearson 250.549.4161 joe@okanaganhomes.com</p> <p>Region III Barbara Gallie 250.478.6530 bgallie@shaw.ca Jennifer Lynch 250.247.2088 lynch@discovergabriola.com</p> <p>Region IV Jake Moldowan 604.271.7288 jake@jakem.ca K. Scott Russell 604.273-3155 russell@direct.ca Wayne Yu 604.879.7000 wayneyu@shaw.ca</p> <p>Region V Kelvin Neufeld 604.590.2444 neufkel@telus.net Paul Penner 604.859.2341 paul@paulpenner.com</p>

Legal Update: New Version of an Old Favourite

BCREA is pleased to announce that the Real Estate Council of British Columbia approved content for both the commercial and residential versions of *Real Estate E&O Insurance Legal Update 2012* at their December 10, 2011 Council meeting.

Since January 1 this year, both commercial and residential face-to-face courses have been available and include a printed text manual for learners as well as access to an online, multimedia version of the manual.

Legal Update instruction in the classroom setting will also be enhanced in the coming year with the use of iClicker systems, video segments, case studies and a robust

PowerPoint presentation. Legal Update instructors had the opportunity to work with iClicker technology and PowerPoint presentations at the January 6 instructor training session, ahead of the first presentation of the residential course on January 9.

In February, the online versions of both the residential and commercial 2012 Legal Update courses went live. BCREA and the Sauder School of Business are now working to create an interactive and reflective online learning experience.

We look forward to a very successful year of Legal Update!



Practical Points

BCREA Arbitration Rules: Time for Review

Over the years, it was brought to BCREA's attention that its Arbitration Rules required updating. To accommodate this need, the provincial rules were put forward to the 11 BC real estate boards and upon an extensive review by BCREA's legal counsel, changes have now been finalized.

As a result of an ongoing proactive arbitration, BCREA asked its legal counsel to review its Arbitration Rules and propose amendments while addressing the concerns of its member boards. No substantive changes have occurred and instead the rules were merely refined to provide better structure and clarity.

The objective of the arbitration process, established under the Inter-Board Agreement and the Rules, is to provide

REALTORS® with a fair, efficient and cost effective means of resolving commission disputes between members of more than one real estate board. There has been some uncertainty regarding enforceability of dispute resolutions on REALTORS®, not just boards and therefore, a role exists for BCREA to provide arbitration services.

In order for a claim to be accepted for arbitration, the following requirements must be met:

- The claim must involve a "Commission Dispute" as defined in the Inter-Board Arbitration Agreement;
- The Commission Dispute must be between REALTOR® members of different BCREA real estate member boards;

- A Notice of Potential Claim must have been delivered by the claimant to the managing broker of the defendant agency within five business days after the completion of the real estate transaction in issue; and
- The arbitration must have been commenced by way of the delivery of a Statement of Claim by the claimant to the managing broker of the defendant agency and to the executive officer of the Association within sixty days of the completion of the real estate transaction in issue.

For information about how to commence arbitration, what the process is and how a hearing will be conducted, select 'Arbitration' from the Quick Links portlet on BCREA's REALTOR Link® homepage.

Less Volatility in the Housing Market



The BC economy continues to face headwinds this year. The Euro-zone debt crisis, a lacklustre US economy and growing pains in China are significant impediments to growth. Modest economic growth will be accompanied by a similarly tepid employment growth rate of 1.6 per cent. This trajectory will only put a dent in the unemployment rate, which is expected to average 7.4 per cent in 2012. However, a welcome shift from part time to full time employment is expected. Consum-

ers, themselves laden with debt, will keep tighter reins on their spending, contributing to below average retail sales growth.

One bright light has been expanding trade to Asia. While the share of BC exports shipped to the US has shrunk from 69 per cent of total exports in 2001 to an estimated 43 per cent in 2011, exports destined to China over the same period have skyrocketed from 2.3 per cent to nearly 15 per cent of total exports. In fact, China overtook Japan in 2011 as BC's second largest trading partner. BC now exports about the same in dollar volume to Asia as we do to the US.

Against this backdrop, the housing market is expected to underperform its ten-year sales average again this year, with 80,000 unit sales compared to the ten-year average of 88,000 unit sales. While this is notably unexciting, the level of consumer demand is nevertheless enviable in many parts of the world. Detroit comes to mind. The key market driver continues to be interest rates. Historically low and accommodative



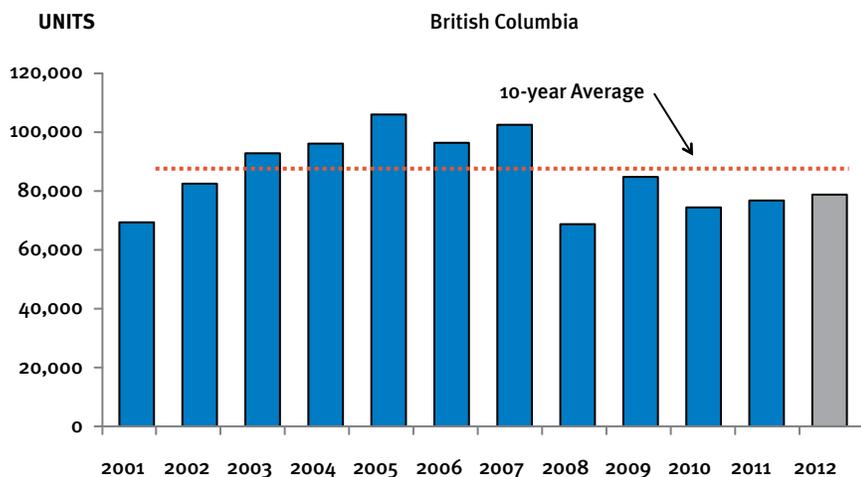
BCREA Chief Economist
Cameron Muir

borrowing costs have bolstered household budgets and kept home prices relatively buoyant. The flip-side of the Euro-zone debt crisis is that risk avoiding investors have flocked to North American bond markets, pulling down yields and mortgage interest rates right along with them. The good news is that mortgage rates are unlikely to begin a normalization trend until the end of 2012 at the earliest.

The once divergent regional market conditions are expected to narrow this year. Moderate gains in consumer demand outside of the Lower Mainland will help reduce the available supply of homes on the market. While the recreation market will take a number of years to regain its pre-recession glory, improving economic conditions in Alberta this year are expected to have a positive impact in the Kootenay and Okanagan markets. However, overall supply conditions are expected to be tilted slightly in favour of home buyers. Expect home price to go nowhere fast, even declining a few percentage points in some of the more oversupplied regions.

On the economic front, it may be time to replace your shock absorbers because the bumpy road will continue for another year, whereas, in the housing market, moderate demand is the keyword.

MLS® Residential Sales



Source: BCREA Economics

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Maintenance Matters Before and After the Sale of a Home

By Karen Karaloukas, Homeowner Protection Office

REALTORS® recognize that owning a home is a big investment – perhaps the largest financial investment that their clients will ever make. Following good maintenance practices is one of the best ways that homebuyers can protect their investment.

In most cases there is a legal obligation to maintain homes with home warranty insurance. If not maintained, home warranty insurance coverage could be limited. In strata titled homes, there is always a duty to maintain the home even if there is no home warranty insurance in place.

REALTORS® are encouraged to ask homebuyers if there is an existing maintenance plan in place and if the building has been properly maintained prior to making an offer to purchase. Homeowners should also be aware of how to maintain the home after the home is purchased to meet legal obligations. That's where the provincial Homeowner Protection Office (HPO) can help.

The HPO's free *Maintenance Matters* bulletins provide practical information on maintaining the building envelope of multi-unit residential buildings, including townhouses, low and high-rise residential buildings. The bulletins target homeowners, strata councils, strata managers, maintenance managers, housing co-operatives and building owners.

If your clients live in or look after a multi-unit residential building, encourage them to visit www.hpo.bc.ca and check out these bulletins. They explain why maintenance needs to be performed on a regular basis, what needs to be maintained and when. You'll also find practical tips and checklists to help your clients stay on track with important maintenance requirements.

When homeowners need to make repairs that require professional help, the

Maintenance Matters bulletins offer practical guidelines for hiring professional contractors.

"During the life of every building, owners make decisions and take action to maintain and renew the various physical components of their buildings. Each of these decisions and actions can affect the lifespan of the building components," said Wendy Acheson, HPO Vice President and Registrar.

"What many owners of new homes may not realize is that failure to perform regular maintenance or improperly performed maintenance could limit their home warranty insurance coverage," Acheson added.

Under BC law, residential builders and warranty providers must provide maintenance information to the original buyers of a new home, if they want to make home warranty insurance coverage conditional upon proper maintenance. REALTORS® can help protect their clients' interests by ensuring that any maintenance manual provided is passed on to subsequent purchasers or is in the possession of the strata council, for the maintenance of common property in strata titled homes.

The HPO, in conjunction with Polygon Homes, has released 10 bulletins in its *Maintenance Matters* series. Visit the Publications section at www.hpo.bc.ca to view the following bulletins:

1. Paints, Stains and Coatings
2. Maintaining Your Roof
3. Avoiding Condensation Problems
4. Residential Windows and Exterior Doors
5. Sealants
6. Decks and Balconies
7. Building Envelope Maintenance and Renewals Planning



Following good maintenance practices is one of the best ways that homebuyers can protect their investment. Visit www.hpo.bc.ca and check out the HPO's *Maintenance Matters* bulletin series.

8. Cladding

9. Exposed Wood Structures

10. At-Grade and Below-Grade Assemblies

Maintenance Matters videos on these helpful topics are currently in production and will soon be available for viewing.

To be notified by email when new *Maintenance Matters* bulletins and videos are available, go to Email Subscriptions on the What's New page of the HPO website, www.hpo.bc.ca.

Thank you to the Homeowners' Protection Office for providing this article.

Current as of February 6, 2012. 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 asterisk (*).

BC Northern Real Estate Board

*Real Estate E&O Insurance Legal Update 2012**
MARCH 12 (PRINCE GEORGE), APRIL 2 (SMITHERS), MAY 4 (FORT ST. JOHN)

Fraser Valley Real Estate Board

(all courses held at FVREB)

FEBRUARY 29, CONDO 101: Strata Law for REALTORS®*
MARCH 6, CONDO 202: Advanced Strata Law for REALTORS®*
MARCH 9, Foreclosures and Court Ordered Sales*
MARCH 15, Representing Buyers in the Sale of New Homes and Condominiums*
MARCH 23, Real Estate E&O Insurance Commercial Legal Update*
MARCH 29, Real Estate E&O Insurance Legal Update 2012*
APRIL 25, Ethics: Unlocking the REALTOR® Code

Kootenay Real Estate Board

*Risk Management for REALTORS®**
MARCH 6 (CRANBROOK), MARCH 7 (NELSON)

Okanagan Mainline Real Estate Board

*Foreclosures and Court Ordered Sales**
MARCH 6 (KELOWNA), MARCH 7 (VERNON)

Real Estate Board of Greater Vancouver

(all courses held at REBGV unless indicated)

Know Your Product
FEBRUARY 27, MARCH 20
*CONDO 202: Advanced Strata Law for REALTORS®**
FEBRUARY 28, MARCH 29, APRIL 24
FEBRUARY 29, Competition Law and REALTORS®: What You Say and Do Matters
*CONDO 101: Strata Law for REALTORS®**
MARCH 2, APRIL 5
MARCH 5 & 6, Seniors Real Estate Specialist® (SRES®) (9 PDP credits)
*Real Estate E&O Insurance Legal Update 2012**
MARCH 8, MARCH 9 (GIBSONS), MARCH 12, MARCH 19, MARCH 27, APRIL 3, APRIL 17, APRIL 27, APRIL 30

*Selling Tenant-Occupied Properties (STOP)**
MARCH 13, APRIL 11

*Foreclosures and Court Ordered Sales**
MARCH 14, APRIL 18 (BURNABY)

*Electronic Title Searching**
MARCH 15, MARCH 30, APRIL 25

MARCH 23 (WEST VANCOUVER), *Negotiating and Presenting Offers*

*Disclosure Issues & Risks**
MARCH 26, APRIL 17 (PITT MEADOWS)

*Contracts: Keep on Top of Changes**
MARCH 27 (BURNABY), APRIL 19

MARCH 28, *Real Estate E&O Insurance Commercial Legal Update**

APRIL 12, *Win/Win: Conflict Resolution Skills for REALTORS®*

APRIL 13, *Risk Management for Commercial REALTORS®**

APRIL 16, *Representing Buyers in the Sale of New Homes**

South Okanagan Real Estate Board

(all courses held at SOREB)

MARCH 29, *Negotiating and Presenting Offers*
MARCH 30, *Risk Management for REALTORS®**
APRIL 20, *Professional Standards Enforcement: Practices and Procedures*

Vancouver Island Real Estate Board

MARCH 5 (PARKSVILLE), *Selling Time Shares, Hotel Strata Lots, Cooperatives and Other Forms of Real Estate**
*Real Estate E&O Insurance Legal Update 2012**
MARCH 8 (COURTENAY), MARCH 9 (PARKSVILLE), APRIL 16 (CAMPBELL RIVER)
MARCH 13 (NANAIMO), *Electronic Title Searching**
MARCH 19 (DUNCAN), *Buyer Agency**
MAY 3 (COURTENAY), *Negotiating and Presenting Offers*

Victoria Real Estate Board

(all courses held at VREB unless indicated)

*Real Estate E&O Insurance Legal Update 2012**
FEBRUARY 28, MARCH 6 (SALT SPRING ISLAND), APRIL 19, MAY 24
MARCH 13, *Risk Management for Commercial REALTORS®**
MARCH 19, *Competition Law and REALTORS®: What You Say and Do Matters*
MARCH 29, *Contracts: Keep on Top of Changes**
APRIL 23, *Win/Win: Conflict Resolution Skills for REALTORS®*
MAY 17, *Negotiating and Presenting Offers*
MAY 30, *Selling Tenant-Occupied Properties (STOP)**