



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

An Evolution of Provincial Education

Since the approval of BCREA's 3-Year Education Plan in October 2011, the Association has focussed on the improvement of its Professional Development Program (PDP) and other education offerings. To better meet the needs of its members, many changes have been underway throughout 2012 to enhance BC REALTOR® education.

Applied Practice Course Redesign

BCREA is thrilled to report that recommendations for the phase II redesign of the *Residential and Commercial Trading Services Applied Practice Courses* were approved by the Real Estate Council of British Columbia in September.

Elements of the new model will include:

- Core competencies to apply during pre-licensing phase with a temporary licence;
- Blended learning (both face-to-face and online) approach with an expanded timeframe to allow practical application at the brokerage level;
- Assessment throughout the course;
- Instructional focus on competencies identified throughout the course;
- Case studies, role plays, video, reflection, and further active learning strategies to engage learners; and
- Ongoing instructor professional development to best support learners.

Recognizing the importance of strong

foundational learning, the Council is collaborating with BCREA on the redesign of the applied practice courses which will focus on competency-based education to help produce qualified and confident new licensees. The Association plans to launch the redesigned courses in early 2014.

Legal Update: Further Improvements

BCREA launched a new approach to the mandatory Legal Update course in 2012, including an online residential course, and has plans for further reviews to continue improvements. Based on feedback received about the changes to this old favourite from partnering stakeholders and both in-person and online learners, Legal Update 2013 will aim to enhance the current format with the addition of exciting new applicable and interactive features. BCREA's goal is to make a clear connection between what's being learned, what's valuable to REALTORS® and their clients, and provide course attendees with concrete "take-aways" to use in their business. Both the residential and commercial 2013 Legal Update courses will also be available in-person as well as online.

To help bring these changes to light, the Association has engaged with an instructional designer and looks forward to launching the enhanced course in 2013.

New PDP Credit Model: Coming Soon!

To better support BC REALTORS® profes-

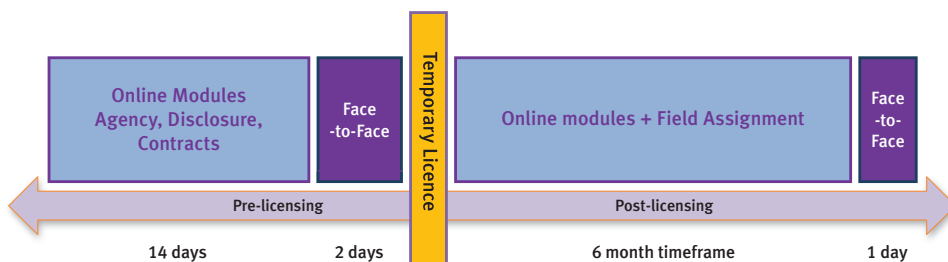
sional development, the Association has drafted a new PDP credit model. Starting in the fall of 2013, a new "ABC" credit model will provide learning opportunities in three categories:

- Category A: mandatory course (Legal Update), a six PDP credit requirement
- Category B: formal learning opportunities (such as current PDP courses), a six PDP credit minimum requirement
- Category C: new expanded learning opportunities such as member board education events, an optional six PDP credits starting fall 2013 (pilots are currently underway at some member boards)

What next?

BCREA aims to launch this new framework, including the new ABC credit model and other exciting new products and services, next fall. The Association looks forward to improving provincial REALTOR® education and will provide detailed process updates throughout the year.

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President's Report

A Year In Review

This is the last issue of *The Bulletin* for 2012 and as I look back at the previous issues, the amount of work that has been done on behalf of BC REALTORS® this year is amazing to me. Major projects such as the introduction of designated agency involved a very successful collaboration between BCREA, our member boards and the Real Estate Council of British Columbia. In fact, the collaboration was so successful that other jurisdictions in Canada and the US are looking to BC as an example of how to best implement agency changes.

There has also been a lot of work done by dedicated volunteers, instructors, experts and staff across the province to continue the evolution of BC REALTOR® education. This is another area where BCREA and the Council have been able to work together to introduce a number of improvements to the *Residential and Commercial Trading Services Applied Practice Courses* and the mandatory Legal Update courses. This is in addition to the changes coming to professional development course offerings and how REALTORS® can earn their professional development credits. The November 2011 issue of *The Bulletin*

has a great summary of these coming changes if you haven't already read it.

The BCREA economics team has also been active producing analysis and market insights for REALTORS® to use with their clients. Every month, Chief Economist Cameron Muir spends a few minutes to explain the latest market statistics on video – check out www.bcrea.bc.ca or follow us on Twitter (@bcrea) to find out when the latest videos are posted.

On the advocacy front, BCREA has been actively lobbying the government for clear transition rules back to the PST, as well as reducing the impact that the Property Transfer Tax has on housing affordability. Most recently, BCREA was involved in a panel discussion at the Union of BC Municipalities conference in Victoria to talk about the challenge REALTORS® face when trying to access information about homes used as drug operations. You can also read about the work we are undertaking regarding floodplain mapping.

All of this has been on top of a comprehensive governance review which will ensure



President *Jim McCaughan*

that BCREA continues to be a well-managed, effectively governed and fiscally sound organization that can meet the needs of its members. The new governance structure, which provides a new process for bringing BCREA Directors to the board, will enable the Association to enhance our continual efforts and demonstrate to the public the relevance and value of BC REALTORS®.

Jim McCaughan
President



Board of Directors 2012-2013

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 Jim McCaughan 604.855.0800 jamesmccaughan@hotmail.com</p> <p>Past President Rick Valouche 604.629.6100 rick@valouche.com</p> <p>Vice President Jennifer Lynch 250.247.2088 jennifer@discovergabriola.com</p> <p>Chief Executive Officer Robert Laing 604.742.2787 rlaing@bcrea.bc.ca</p>	<table border="1"><thead><tr><th>Region</th><th>Director</th><th>Phone</th><th>Email</th></tr></thead><tbody><tr><td>Region I</td><td>Claudia Holland</td><td>250.992.7202</td><td>claudia@claudiaholland.com</td></tr><tr><td>Region II</td><td>Dick Pemberton James Palanio</td><td>250.374.3331 250.492.2266</td><td>rpemberton@kadrea.com jamespalanio@shaw.ca</td></tr><tr><td>Region III</td><td>Barbara Gallie Jim Stewart</td><td>250.478.6530 250.758.7653</td><td>bgallie@shaw.ca jstewart@coastrealty.com</td></tr><tr><td>Region IV</td><td>Jake Moldowan K. Scott Russell Rosario Setticasi</td><td>604.271.7288 604.273.3155 604.986.9321</td><td>jake@jakem.ca russell@direct.ca rsetticasi@gmail.com</td></tr><tr><td>Region V</td><td>Kelvin Neufeld Paul Penner</td><td>604.581.8400 604.859.2341</td><td>kelvin@realtyteam.ca paul@paulpenner.com</td></tr></tbody></table>	Region	Director	Phone	Email	Region I	Claudia Holland	250.992.7202	claudia@claudiaholland.com	Region II	Dick Pemberton James Palanio	250.374.3331 250.492.2266	rpemberton@kadrea.com jamespalanio@shaw.ca	Region III	Barbara Gallie Jim Stewart	250.478.6530 250.758.7653	bgallie@shaw.ca jstewart@coastrealty.com	Region IV	Jake Moldowan K. Scott Russell Rosario Setticasi	604.271.7288 604.273.3155 604.986.9321	jake@jakem.ca russell@direct.ca rsetticasi@gmail.com	Region V	Kelvin Neufeld Paul Penner	604.581.8400 604.859.2341	kelvin@realtyteam.ca paul@paulpenner.com
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Real Estate Sector

Green Resources for REALTORS®

Looking for information about sustainable resources for homeowners or for your own business practices? Did you know that there's a BCREA resource out there created just for this purpose?

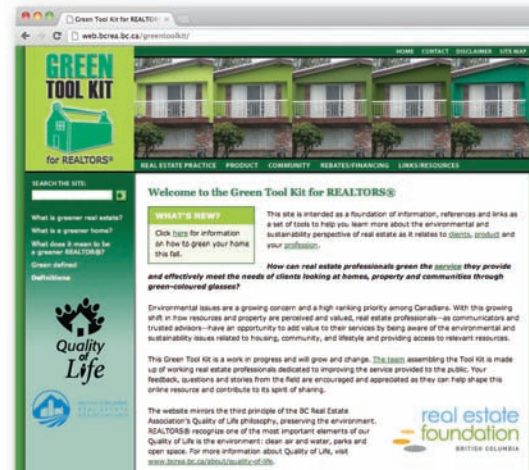


In 2006, the Association launched its Green Tool Kit for REALTORS® web-site, a platform to provide real estate professionals with information and links to resources related to environmental and sustainability perspectives on real estate as it relates to their clients and the profession. With a focus on sustainability, the site uses the term “green” as a way to describe “environmental friendliness”.

Information and resources available on the site include:

- What it means to be and how to be a “greener” or sustainable REALTOR®
- Research reports on the incentives of “greening” a home
- How homeowners can “green” their home and save money through energy and water conservation with simple changes
- In-depth details on sustainable residential retrofits and renovations
- Details of “green” financial services
- Links to numerous online resources and sustainability initiatives

The Association has recently given the tool kit a facelift by adding new information, creating easier search ability and will continue to update this content as new



resources become available.

To visit BCREA's Green Tool Kit for REALTORS® and see what you can learn about sustainable real estate options, visit www.greentoolkit.ca.

Government Relations

Planning to Avoid Disaster: BCREA Floodplain Map Initiative

Floodplain maps in BC can be out of date by as much as 30 years, despite the fact that experts indicate they should be updated every ten years. That means communities around the province are making critical decisions about growth and development without having the most current information at hand.

REALTORS® are directly impacted by this threat given their duty to advise clients and broader communities about risks to properties, measures in place to protect them and other factors that could influence purchase decisions and land use plans.

Since 2004, local governments in BC have had primary responsibility for flood protec-

tion, though their capacities and expertise vary considerably, which contributes to the problem. Increasingly volatile weather, resulting from climate change, is also expected to increase the likelihood of flooding in the future.

In recent years, the provincial government has demonstrated welcome leadership in the area of coastal floodplain mapping and sea level rise, but existing floodplain maps don't seem to be on the agenda.

Because of these concerns BCREA, with generous funding provided by the Real Estate Foundation of British Columbia, is organizing a meeting of stakeholders to discuss how existing floodplain maps can



be updated, kept current and made available to the public. Planning ahead to avoid flooding is less expensive and less disruptive than responding to flood events.

This is a very complex issue, involving a large number and wide variety of stakeholders. BCREA believes this stakeholder meeting, being planned for early in 2013, will be the beginning of a process that provides greater certainty and flood protection for citizens and communities throughout BC—and helps preserve the exceptional quality of life enjoyed in this province.

Housing Bubbleoney

By Cameron Muir, BCREA Chief Economist

I am now convinced that we will never hear the end of housing bubble speak. The premise is now as firmly entrenched in popular consciousness as carbon emissions and TMZ. It has taken the form of idolatry in the blogosphere, where any countervailing narrative is demonized. It has catapulted university dropouts into media darlings because of a hackneyed webpage and an opinion. It has been tarted up by so-called experts who predict impending doom year after year, despite being completely wrong every time.

Now, I'm not wearing tinted glasses. Housing markets go up and they go down. However, my point is that sharp and significant declines in home prices are usually created by massive economic shocks, like the 21 per cent mortgage rates and recession of 1982. Yes, there can be short-term speculative bubbles that float back to earth after the circus leaves town, but



home prices in Vancouver, for example, have been incongruous with other Canadian markets for decades.

The big test was 2008. That was the year of the doomsayers, when the largest financial crisis since the Great Depression besieged us and the collateral damage hurled us into a global recession, one from which we still haven't fully recovered. The airwaves were all a buzz with end of the world prophets and those predicting home prices would be chopped in half, at least. It was going to be the big one! The housing market had gone through a significant inflationary period leading up to 2008. Unlike today, speculation was clearly evident. Accusations abounded that Vancouver was overvalued, unsustainable and frothy. One financial institution even had a publication called *Housing Bubble Watch*, now defunct, in which Vancouver was always the straw man.

So what happened? Home prices fell 15 per cent from peak to trough, but that was short-lived. Indeed, once the clouds of uncertainty dissipated only a few months later, buyers came back in droves.

The most dramatic turnaround ever recorded occurred in Vancouver during 2009, when the year began with 1980s level consumer demand and ended with sales tracking near record levels. Prices came right back to where they were before the crisis, and have stayed there, for the most part, for the past three years. If such a severe financial crisis and global recession couldn't trigger a meltdown of the housing market or pop any asset balloon, what could?

The main misconception about housing markets is that they behave like the stock market. They don't. Bad news can drive



BCREA Chief Economist
Cameron Muir

stocks lower in a matter of seconds, whereas homes are relatively illiquid; they take a long time to sell and have higher closing costs. In addition, owner-occupiers typically don't speculate with the family home. In times of hardship, the home is typically the last thing to go. Instead, they hold off on other expenditures like lattes, movie tickets, new TVs and vacations.

In a market that has a well-diversified economy and expanding population, fire sales are extremely uncommon. Unless there is household financial catastrophe on a large scale, potential home sellers simply wait until market conditions improve.

I write this piece as home sales in Vancouver and many other markets stagnate and homes prices tread water (see the Canadian Real Estate Association's Multiple Listing Service® Home Price Index for an accurate reading). I have no doubt that the voices of impending doom will soon renew their bellicose refrain. Perhaps their tea leaves will be right this time and the market will indeed collapse, leaving homes selling for 50 cents on the dollar. I'd put my money on that refrain continuing for a long time to come.

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New HPO Bulletins Help Interpret the Homeowner Protection Act

Article provided by the Homeowner Protection Office

The *Homeowner Protection Act* is required reading for REALTORS®, licensed residential builders (LRB) and many others involved in BC's housing industry, but it can be difficult to find and understand the information that you need.

The provincial government's Homeowner Protection Office (HPO) recently launched a free Regulatory Bulletin series to help interpret the Act and its regulations as they apply to specific residential construction topics. The series is available at www.hpo.bc.ca.

Why Should REALTORS® Be Familiar With the Act?

The Act regulates residential construction in BC, with the intent to increase consumer protection and improve home construction quality. By learning about the Act, REALTORS® can help ensure their clients purchase homes that meet the requirements and avoid potential costs and legal problems.

The new HPO bulletins provide helpful information on a wide variety of topics covered in the Act, including: home warranty insurance, working with a warranty provider, owner-built homes, substantially reconstructed homes and heritage buildings.

Bulletins of specific interest to REALTORS® include:

- **Bulletin 3: 2-5-10 Year Home Warranty Insurance** – Outlines mandatory home warranty insurance protection in BC for new homes, including minimum coverage, commencement dates, exclusions and limits.
- **Bulletin 4: Information Bulletin for Owner Builders** – Informs individuals building a new home for personal use about obtaining HPO authorization, eligibility, requirements and responsibilities.

- **Bulletin 5: Buying or Selling an Owner-built Home** – Explains the requirements for buying and selling owner-built homes, including Owner Builder Authorizations and Owner Builder Disclosure Notices.
- **Bulletin 6: Substantially Reconstructed Homes and the Homeowner Protection Act** – Uses different scenarios to explain “substantial reconstruction”, to help determine if a New Home Registration Form and home warranty insurance are required.
- **Bulletin 7: Heritage Buildings and the Homeowner Protection Act** – Helps assess if work on a heritage building will trigger the Act and its regulations, and whether or not home warranty insurance is required.
- **Bulletin 8: Registering and Enrolling New Homes for Home Warranty Insurance Coverage** – Describes the legal requirements for home warranty insurance and the steps for obtaining it so that construction can begin.
- **Bulletin 9: Working With Your Warranty Provider During and After Construction** – Outlines responsibilities and obligations of a LRB to the warranty provider during construction, and in ensuring home

warranty insurance is in place for the homeowner.

- **Bulletin 10: De-enrolling Homes from Home Warranty Insurance and the Homeowner Protection Act** – Explains how de-enrollment occurs, legal requirements under the Act, different de-enrollment scenarios, consequences and potential remedies.

REALTORS® may also wish to read these bulletins for further insight:

- **Bulletin 1: How to Become a Licensed Residential Builder**
- **Bulletin 2: How to Become a Licensed Building Envelope Renovator**

The HPO Regulatory Bulletin series is among a number of free bulletins and guides available through the HPO to assist homeowners, home buyers, REALTORS® and others involved in the residential housing industry. Visit www.hpo.bc.ca for details and to sign up for email subscriptions about new HPO bulletins, events and information.

BCREA would like to thank the Homeowner Protection Office for providing this article.



Real Estate Sector

Understanding Property Assessments and Statutory Deadlines

By Connie Fair, President and CEO of BC Assessment

What is the current value of my property? That is one of the main questions that property owners have for REALTORS®. One reference for market value is to look at the most recent property assessment provided by BC Assessment (available at bcassessment.ca). However, there are important statutory dates that must be referenced with assessed values which should also be understood by REALTORS®.

The purpose of the assessment roll is to create an equitable distribution of property taxes. In BC, equity in taxation is achieved when all properties are assessed at market value. Because the main goal is equity, all assessed values must be determined as of the same date. Each annual assessment roll (released on January 1) reflects an estimate of market value as of the preceding July 1. In other words, there is a six month lag between the valuation date used to estimate market value and the earliest publication of those market values.

Other important dates to help understand assessments are the physical condition and land title record dates. Each assessment reflects an estimate of value based on the physical inventory that existed as of October 31. Hence, the assessment notice property owners receive in early January is an estimate of value based on the physical inventory that existed the preceding October 31 and its market value at July 1. Market value is the most probable price of a property in an open market between a willing purchaser and seller based upon comparable sales among similar properties within a given jurisdiction.

BC Assessment's goal is to create as accurate an assessment roll as possible. Each year we assess two million properties at a combined value of over \$1 trillion. The assessments are used by local governments and the province to raise more than \$6 billion in property tax revenue. Property taxes are a major expense for many home-



President & CEO, BC Assessment
Connie Fair

owners and should be distributed equitably among taxpayers, making it crucial that our data is as accurate as possible. To this end, we publish extensive information on our website at bcassessment.ca which we encourage you and your clients to use, as well as advise us if a correction is required. Contact us if you have questions about assessments and we will be pleased to assist you.

BCREA would like to thank Connie Fair, President and CEO of BC Assessment, for providing this article.

Practical Points

New and Improved WEBForms®

Your feedback has been heard! The latest version of WEBForms® has now been launched with improved browser compatibility and added capabilities to better assist REALTORS®.

With the new WEBForms® version 4.9, accessibility has been transformed. Licensees can now create transaction kits and edit forms, templates and clauses using virtually any HTML5-compatible browser including Internet Explorer, Google Chrome, Mozilla Firefox and Apple's Safari.

Since an Adobe Reader plug-in is no longer required with this upgraded platform, HTML forms will display faster and more sophisticated intelligence, such as a new clause editor, has now been made possible. For a smooth transition, all active BC forms were converted to HTML5 and posted to WEBForms® on Tuesday, October 16.

For information about WEBForms 4.9®, visit <http://webforms.realtorlink.ca>.



Education

cpe Course Schedule

Looking for upcoming continuing professional education (cpe) courses in your area? Visit BCREA's cpe course schedule, available from the Association's REALTOR Link® homepage (www.realtorlink.ca). To register for courses, contact your local real estate board. For contact information, visit www.bcrea.bc.ca/about/member-boards.

