



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Home Sales Reach \$24 Billion Record

2003 was the year to buy a home, as consumers invested a record \$24.2 billion in residential real estate across BC, and many experts agree 2004 will bring more of the same. REALTORS in BC sold 93,211 homes on the MLS® last year—only 353 units shy of the record set in 1992.

“REALTORS energized BC’s economy last year, and all signs are pointing to more of the same in 2004,” says BCREA President David Herman. “Sales like these make a tremendous impact, considering that almost everyone who buys a home also buys furniture and appliances, does some renovations and uses legal and financial services.”

The dollar volume of homes sold last year shattered the record \$19.7 billion set in 2002 by nearly \$4.5 billion—an increase of 22.58 per cent. Unit sales also soared, with over 10,000 more people buying homes in 2003 than the previous year. Although economic conditions vary around the province, 2003 saw most markets regain strength as consumers took advantage of low mortgage rates.

According to Canada Mortgage and Housing Corporation (CMHC), housing starts climbed 22 per cent to 24,720 units last year compared to 2002.

“Historically low mortgage rates, solid job growth and rising consumer confidence kept demand for housing strong last year,” said Cameron Muir, CMHC senior market analyst. “Much of the housing demand in 2003 came from first time buyers and individual investors who have put upward pressure on home prices by drawing down inventories.”

Multi-family construction, comprised mostly of condominiums, accounted for more than half of all BC housing starts. In fact, multi-family starts in the Vancouver CMA made up 41 per cent of total BC residential construction in 2003.

Looking forward, CMHC forecasts total housing starts in the province to increase by four per cent to 27,000 units in 2004.

Builders’ intentions are also high. Statistics Canada reports the value of residential building permits issued by BC municipalities from January to November 2003 increased 18.2 per cent over the same period in 2002.

The Credit Union Central of British Columbia (CUCBC) is predicting another record-breaking year for sales, as the market stays on an upward trend, with higher sales volume, housing prices and new construction activity.

All regions are forecast to see higher housing market activity in 2004, although in varying degrees depending on local economic and population growth.

“Low mortgage rates are the main catalyst for housing sales and the expectation is for rates to remain low in 2004,” said Helmut Pastrick, CUCBC’s chief economist. “This market upswing will continue ... and it could keep going into 2005 if the economy and interprovincial migration are stronger.”



Members of the province’s 13-member independent economic forecast council expect BC to see stronger economic growth in 2004 and beyond. Their average forecast for 2004 is 2.9 per cent. TD Bank is even more optimistic, predicting growth at 3.1 per cent, second only to Alberta.

It looks like 2004 will mark the fourth consecutive annual MLS® sales increase. Happy New Year!

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President's Report

I'm Impressed!

In the fall, I travelled to nearly every real estate board in this magnificent province. I must say that I'm impressed with the amazing work they do, and by the activities of REALTORS. All areas saw increased market activity in 2003, which meant real estate boards had to work hard to serve their members.

I received a very warm welcome from the Powell River Sunshine Coast Real Estate Board (PRSCREB). Nearly all of their members made it to the meeting, and it was great to see such a tight-knit group.

For the last several years, the BC Northern Real Estate Board (BCNREB) has battled a slow economy. The worst of it seems to have passed, considering improved sales and an increase in membership. BCNREB also organizes very valuable events, such as the Brokers' Day I attended.

Four boards—PRSCREB, Chilliwack and District Real Estate Board (CADREB), Kamloops and District Real Estate Association (KADREA) and Victoria Real Estate Board (VREB)—introduced continuing education as a condition of membership. I admire

their commitment to maintaining REALTORS' high standards of practice.

But I think what impressed me most was REALTORS and boards working together. Our efforts came together during the forest fire crisis in the late summer. Members of the Northern Lights Real Estate Board were among the first to contribute to BCREA's relief fund, and REALTORS in areas affected by the fires worked hard to help their neighbours and, in some cases, repair the damage to their own property. My hat goes off to REALTORS in the Okanagan Mainline Real Estate Board, South Okanagan Real Estate Board (SOREB), KADREA and Kootenay Real Estate Board.

We also came together to speak with one voice on the *Real Estate Act*. Kudos to everyone who wrote letters and came out to BCREA meetings. SOREB also gained some media attention with the joint pre-budget submission it made to the provincial government with BCREA. All of our government relations efforts are well supported by committees in REBGV, FVREB and VREB.

These three boards and the Vancouver



President *David Herman*

Island Real Estate Board also helped BCREA take the lead in helping REALTORS prepare for the *Personal Information Protection Act*. Substantial contributions from REBGV, in particular, helped bring the Focus on Privacy website to life.

And let's not forget that together we assisted in the sale of 93,211 homes last year! That's 93,211 opportunities to demonstrate our value, knowledge and professionalism.

I'm impressed with every real estate board and every REALTOR in this province, and look forward to another great year!

David Herman
President

Board of Directors 2003-2004

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

Officers

President
David Herman
604.583.2000
davidherman@remax.net

Vice President
Gordon Maroney
604.590.4888
gmaroney@dccnet.com

Past President
Dennis Wilson
604.590.4888
dennis@denniswilson.net

Executive Officer
Robert Laing
604.742.2787
rlaing@bcrea.bc.ca

Regional Directors

Region I	Dave Barclay	250.847.5999	ds@bulkley.net
Region II	Carolyn Boles Scott Veitch	250.374.1461 250.428.9331	carolynboles@royalalpage.ca smveitch@telus.net
Region III	Gary McInnis John Tillie	250.384.8124 800.976.5566	gary@garymcinnis.com john@johntillie.com
Region IV	Stephanie Corcoran Georges Pahud Don Pearce	604.263.2823 604.437.9431 604.467.5131	scorcora@rebgv.bc.ca georges@georgespahud.com don@donpearce.com
Region V	Patti Flostrand Kelly Lerigny	604.535.5553 604.792.7175	patflost@dowco.com lerigny@shaw.ca

Government Relations

BCA Agreement – Input Needed

In December, BCREA signed a one-year agreement with BC Assessment (BCA) to extend the current arrangement, under which MLS® data is exchanged for BCA rolls. For more than twenty years, BCREA has worked with BCA to provide this province with the best land information system in the world.

Since January 2001, the BCA rolls have not included the

names of property owners. At that time, REALTORS made it clear that BCREA should continue to lobby the government for a legislative amendment to allow the real estate profession to receive name data on the BCA rolls as part of the bulk purchase arrangement.

BCREA has consistently stated that REALTORS need the names of property owners when executing property transactions for several reasons, such as ensuring legally-binding listing agreements and Contracts of Purchase and Sale by confirming the parties to the contract are legitimate owners.

The BCA Task Force, chaired by Past

President Dennis Wilson, is determined to get the best outcome possible for REALTORS. As they prepare for a new round of negotiations, they need your input.

- How has your business been affected by the loss of the name data?
- Do you spend more time and money confirming ownership?
- Is having name data on the bulk BCA rolls important to your business?

Please take a few moments to answer these questions and send your comments to Director of Member Services Kim Spencer (604.742.2780, kspencer@bcrea.bc.ca).



Practical Points

New Licensee Practice Manual

The fifth edition of the *Licensee Practice Manual* (LPM) was mailed to every licensee in the province in December by the Real Estate Council of British Columbia. The LPM includes important practice information concerning contracts, agency disclosure and nominee supervision.

The “Clauses & Phrases” information that was formerly produced by BCREA has also been included in the LPM. As a result of this change, the LPM is now used by Pre-Licensing Course students, Applied Real Estate Course students and all real estate licensees.

Among other substantive changes, the

fifth edition LPM includes important information concerning the *Strata Property Act*, the *Homeowner Protection Act* and new construction, the *Heritage Conservation Act*, *Fish Protection Act*, and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

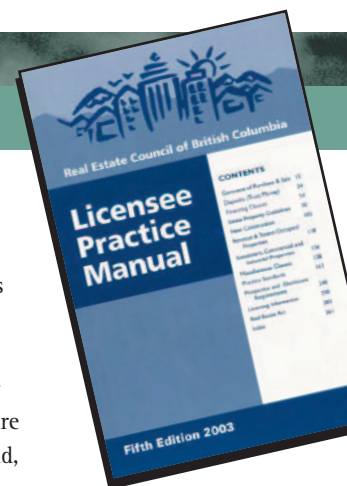
The new manual looks at subjective and objective clauses. According to the LPM:

The ideal subject clause is one whose criteria are so clear that everyone may easily know whether the clause is fulfilled or not. The more objective the criteria, the easier it is to determine whether the subject clause is fulfilled or not.

A licensee makes a subject clause more objective by using specific criteria to measure its fulfillment and, where practical, requiring a reasonable interpretation of those criteria.

For more details on making clauses more objective, see pages 23-24 of the LPM.

Be sure to use the most recent edition and not previous editions of the manual. Additional copies of the LPM are available for purchase for \$15 each from the Council office (604.683.9664 or call toll free: 1.877.683.9664).



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Send questions and comments about *The Bulletin* to:

Editor: Norma Miller
Assistants: Kim Mason
Steve Olmstead

600 – 2695 Granville Street
Vancouver, BC V6H 3H4

Phone: 604.683.7702
Fax: 604.683.8601
Email: bcrea@bcrea.bc.ca

www.bcrea.bc.ca

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Government Relations

GL Days Issues Identified

Housing affordability and property rights in BC are increasingly at risk—and real estate professionals are going to do something about it at Government Liaison Days, April 19-20 in Victoria.

Real estate markets in many areas of the province have improved in recent years. Unfortunately, affordability and property rights threaten this turnaround and require immediate government attention. REALTORS will present briefs and make recommendations to provincial MLAs on both of these issues.

Aggressive use of development cost charges, outdated rules for homeowner grants and application of the Property Transfer Tax increasingly impede affordable home ownership. Soaring homeowner insurance premiums

and fleeting availability of insurance products only make the situation worse.

The state of private property rights is not much better. All levels of government compromise these rights. Provincially, the erosion of rights continues as the amount of legislation and regulation that protects the environment, preserves our heritage and renews infrastructure increases. The government must do a better job of balancing the needs of society with private property rights.

REALTORS will register their concerns that the impact of legislation on existing owners negatively affects the value of their properties. Further, they will point out that buyers are too



often uninformed about land use restrictions that exist on the properties they consider for purchase. The fact that land use restrictions are not adequately included on title makes REALTORS' jobs more difficult.

Visit BCREA's REALTOR Link™ homepage in the weeks ahead for updates on these issues and Government Liaison Days 2004.

New Act Possibly Days Away

REALTORS across the province will keep one eye focused on the provincial legislature this winter, knowing that a new *Real Estate Act* could be tabled at any time. The winter-spring legislative session opened on February 10.

**a new *Real Estate Act*
could be tabled at any time**

“Naturally, I’m excited,” says BCREA President David Herman.

“Our profession has invested a lot of time and energy into developing recommendations and communicating them to the government. I know that,

whenever the legislation is tabled, it will reflect our hard work and open relationship with the Real Estate Council of British Columbia, elected officials and government staff in Victoria.”

BCREA is focused on the job at hand, acknowledging that plenty of work remains to be done. While consultative sessions continue with the Real Estate Council and the Ministry of Finance's Corporate Sector Policy Branch, new opportunities are also emerging.

The Association recently accepted an invitation from the Ministry of Community, Aboriginal and Women's Services to help develop new regulations governing deposit insurance. These regulations

will support provisions to be included in the new Act.

This is a positive development and reflects the profession's recommendation to the government that it invite BCREA to assist in the development of new regulations under the Act. The Association will keep member boards and REALTORS informed of this work, and seek their input on any alternative recommendations put forward by the government.

BCREA appreciates the continued support of member boards and REALTORS, and encourages them to follow this legislative session online at www.leg.bc.ca.

Model for VOW and IDX Regulations

The December *Bulletin* looked at some implications of virtual office websites (VOWs) and internet data exchange (IDX), and the recommendations from CREA's Electronic Data Usage (EDU) Task Force's report on how they should be regulated.

CREA's MLS® and Technology Council (MTC) approved the EDU recommendation that it provide an "operations model" for member boards to follow in implementing VOW and IDX, rather than introducing minimum national standards. The model will provide guidelines that can be incorporated in a board's regulations or bylaws, if it chooses to offer the services.

"The EDU Task Force wanted to provide boards with as much flexibility as possible in the implementation of these technology-based services," said Task Force Chair Ken MacKenzie. "If a board wants to implement an IDX or VOW policy, we are providing the guidelines they can incorporate in their local MLS® rules, but we are not imposing a requirement that a board provide these services."

Liz Tutt, BC/Yukon regional director to CREA, reports the board of directors

endorsed the model at its January meeting; however, CREA is undertaking a legal review before finalizing the guidelines.

The guidelines detail security requirements, how often information must be updated and how listings should be displayed, among many other components.

"If a board wants to implement an IDX or VOW policy, we are providing the guidelines they can incorporate in their local MLS® rules"

-Ken MacKenzie

The model's aim is to accommodate new technologies, while protecting the integrity of MLS® data. It provides several options. For example, a board can opt in to an IDX program, and can opt out of providing data for VOWs. A broker can also opt out of an IDX agreement, and can decide not to set

up a VOW, or any combination of those. An owner can specify their property not be included in an IDX agreement or posted on a VOW site.

The MTC guidelines also say a broker can opt out of participating in a virtual office arrangement, but only on a blanket basis—all or nothing. If they opt out, they cannot use the listings of other brokers in their own VOW site, if they set one up. All of this is conditional on provincial legislation or regulations, and board bylaws and regulations.

The participants in the EDU Round Table session at the CREA Open Forum in Edmonton on October 25, 2003 expressed concern about neighbouring boards with different IDX rules. "The guidelines will help make sure the boards have the same basic rules," MacKenzie explains. "If there are differences that create a problem, then members should take it to their board and the boards should work it out."

The EDU Task Force report is available on CREA's MTC page on REALTOR Link™—it includes FAQs about VOWs and details the recommended guidelines.

—Source: CREA

There are five main differences between the VOW and IDX policy in CREA's guidelines and what was implemented in the US.

United States	Canada
NAR policies are mandatory	Boards have the option
Selective opt out	Blanket opt out only
Opt out based on compensation	Compensation cannot be an opt-out
Includes sold/expired/withdrawn/sales pending	Active listings only
No limit on listings displayed	Limit of 50 listings

A cpe Seminar for Everyone

Professionalism—It Pays! The Manager's Course

Being a manager in today's fast-paced market is challenging. How do you help your salespeople improve their professionalism while reducing the potential for legal claims? What should you talk about at sales meetings and where do you find

the information your salespeople absolutely must know?

Recently revised, *Professionalism—It Pays! The Manager's Course* is a must for all managers. It will give you the tools you need to present the seminar to your salespeople over 24 weekly sales meetings, using your own unique leadership style. It is a practical how-to seminar, containing all the necessary legal information in easy-to-understand terms, so you do not need a legal background to present it. Many of the lessons include hypothetical, but typical, problems

based on actual court cases, so your salespeople can apply the principles to problems they have experienced.

Seminar materials are complete with valuable handouts that help you teach your salespeople how to avoid lawsuits and protect commissions, reflect changes in the law and industry practice and emphasize solutions to real life problems.

Most of the weekly lessons are structured in either 20- or 30-minute segments, including discussion time—perfect for your next sales meeting.



Trevor Bennett



Mike Mangan

Selling Tenant-Occupied Properties (STOP) Gets Rave Reviews

Does the new *Residential Tenancy Act* entitle a tenant to one month's compensation if a landlord decides to use the unit for his own purposes? Has an uncooperative tenant ever made showing your listing a challenge? Do you know your legal and ethical obligations to tenants and sellers? *Selling Tenant-Occupied Properties (STOP)*, the latest cpe seminar, will answer these questions and more.

Instructors Richard Collins and Evelyn McNulty believe establishing and nurturing good relationships with tenants, property managers and clients does not happen by chance; it comes from hard work and a solid understanding of the law, regulations and the rights and obligations of all stakeholders.

STOP earned rave reviews when it

was unveiled at the Fraser Valley Real Estate Board in November. It is an entertaining way to learn how to minimize the chances of an uncooperative tenant making your new listing a difficult sell.



Left
Richard
Collins



Right
Evelyn
McNulty

cpe Seminar Schedule

continuing professional
education

CONDO 101: Strata Law for REALTORS

Instructor: Mike Mangan

- February 13, VIREB, Nanaimo

Hot Property: Environmental Considerations for REALTORS

Instructor: Wally Braul

- March 6, BCNREB, Prince George

CONDO 202: Advanced Strata Law for REALTORS

Instructor: Mike Mangan or Adrienne Murray

- February 26, REBGV, Vancouver
- March 11, KREB, Nelson
- March 12, KREB, Cranbrook

Legal Update 2003-2004

Instructor: Mike Mangan

- February 20, REBGV, Vancouver
- March 12, SOREB, Penticton

Selling Tenant-Occupied Properties (STOP)

Instructor: Richard Collins

- March 18, REBGV, Vancouver

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