



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin



Expand Housing Opportunities in Budget 2007

BCREA believes the following recommendations should be reflected in the 2007 provincial budget to help expand housing opportunities and fortify consumer confidence.

Property Transfer Tax (PTT)

The PTT continues to add significant cost to the purchase of property in BC. Although housing sales are robust in many areas of the province, this tax is an arbitrary levy that isn't indexed or tied to a household's ability to pay or the benefits derived from public services.

No one disputes that the PTT's contribution to government coffers is significant. However, its impact on consumers is increasingly significant—particularly first-time homebuyers.

BCREA recommends the provincial government review its options to address the tax and develop a plan to eliminate it or, at least, significantly reduce it, by spring 2009. Options include:

- raising exemption threshold ceilings annually, in accordance with increases to the Consumer Price Index
- removing the one per cent tax on the first \$200,000 payable
- simplifying eligibility requirements

Leaky condos

The provincial government's 2001 commitment to work with the federal government in pursuit of a fair program of relief for owners of leaky condos has not been met. Although court actions in this matter are ongoing, BCREA recommends the government keep its commitment and pursue discussions with the federal government without delay.

BCREA is also concerned that warranty insurance may not be easily accessible to consumers. The Association recommends the government ensure that current home warranties provide a transparent and efficient appeal process for consumers whose claims are denied.

Pine beetle

BCREA appreciates the government's efforts to address the pine beetle infestation across BC, but the beetle's impact on private land hasn't been carefully examined. Therefore, BCREA recommends the government:

- work with BCREA and other organizations to assess the impact of the infestation on private property owners, determine resources required to assist remediation and promote to owners options to help deal with it
- declare the pine beetle infestation a natural disaster to acquire and provide the needed financial assistance to municipalities and individual property owners to help eliminate associated hazards

Water supply

Strain on water resources and infrastructure, as a result of climate change, rapid urbanization and degradation of current infrastructure, is of growing concern to the real estate profession. These concerns have been confirmed in discussions with the province's Water Stewardship Branch. BCREA recommends the provincial government work with local governments, regional districts and the private sector to examine the strain on water supplies and infrastructure, and establish a plan to address this issue.

BCREA has made these recommendations to the provincial government and will be pleased to assist with additional research or actions to implement them.

Read BCREA's complete submission at www.bcrea.bc.ca.

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President's Report

Embracing Change

If you read the newspaper, watch TV or speak with humans, you may get the impression that the real estate market is slowing down. Slowing down? As a REALTOR®, I'm just not seeing it.

But then, we're dealing with a lot of changes these days, aren't we? Sometimes it's hard to keep up with everything-new REALTOR® Code, Professional Development Program, disclosure requirements.

Although most of these initiatives aren't put in place by BCREA, we understand the pressures they add to the hectic lives of REALTORS® and the member boards. That's why we do everything we can to provide information and make the transition as easy as possible—and at the same time, we try not to add to your workload.

How do I cope? I know the result will be worth it, because all of these measures enhance our profession. Our willingness to change and take on new challenges demonstrates a commitment to provide our clients with the best service—and they deserve no less.

BCREA applies the same commitment to its political advocacy. I attend Government Relations Committee meetings with about a dozen other REALTORS®, and together we discuss an amazing number of issues related to real estate transactions and the business. Some issues always rise to the top. For example, elimination of the Property Transfer Tax is a priority because it impacts housing affordability.

And now other issues are starting to become more prominent, thanks to the Quality of Life philosophy. It helps us take a broader view of the world around us and how it impacts our business and our clients. Concerns about water supply haven't typically made it onto our priority list in the past, but now BCREA and the real estate boards see its significant impact. We also recognize the value in the straightforward messaging provided by Quality of Life.

Being proactive and collaborative on professional and government issues helps us determine the future of the real estate profession and the province.



President *Kelly Lerigny*

It may not always be easy, but embracing change puts us on the path to achieve the results and build the respect we deserve.

Kelly Lerigny
President

Board of Directors 2006-2007

Long-Range Plan Principles

1. Demonstrating leadership through effective communication with member boards, REALTORS® and the public
2. Demonstrating the professionalism of REALTORS®
3. Strengthening membership relations
4. Providing service and support options for member boards
5. Building on the role and recognition of BCREA in the development and delivery of excellent education products and services
6. Leading provincial advocacy efforts and providing valued advice on behalf of the profession
7. Demonstrating public interest by integrating the Quality of Life philosophy in BCREA programs
8. Building and strengthening relationships with external stakeholders

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Tracking the Provincial Housing Strategy

In November 1981, BCREA sponsored a provincial housing conference. Several co-sponsors participated in the event as did representatives from the financial community, consumer groups, trade organizations and the provincial government.

At the time, BCREA's major goal was to effect change in provincial housing policy and encourage the establishment of a stand-alone housing ministry. It was believed these measures would help to address critical housing issues, such as escalating costs and increased demand for housing support programs.

Twenty-five years later, BCREA anxiously awaits the rollout of the current government's Provincial Housing Strategy with solutions for our time. To be successful, BCREA believes the strategy must serve all citizens and balance the needs of both the market and non-market sides of the housing sector in BC.

To help monitor strategy announcements and measure their impact, BCREA has developed a Provincial Housing Strategy Tracker.

How the Tracker Works

It's a document that records each announcement made by the government. The Tracker notes the stated purpose of each initiative and references the contribution each makes to citizens and the housing sector. It will also be used to identify areas in which the government should be doing more. BCREA's Government Relations

Committee, comprised of REALTORS® from almost all regions of the province, is monitoring each announcement and assigning them to one of three categories that together reflect a balanced strategy. A fourth category could be added, if necessary.

1. Assisting people in need
2. Reinforcing consumer confidence
3. Providing leadership in housing

Assisting People in Need

Assisting people most in need is a prominent category within the Tracker, since it reflects the real estate profession's values and one of the government's stated objectives.

Developing more social housing spaces, providing assistance to people through rental supplements and delivering timely solutions to address housing shortages in rapidly growing resource communities would be included in this category.

Reinforcing Consumer Confidence

Consumer confidence in housing is strong throughout the province. It's important to the housing economy that this confidence remains high. The plan to modernize the BC Building Code is included in this category. Announcements regarding the potential licensing of property inspectors and steps to strengthen professionalism in the construction industry would be included here, also.

Providing Leadership in Housing

The provincial government has stated that it has a policy vision of a thriving housing market responsive to the needs of British Columbians, though this vision has yet to be fully communicated. BCREA looks forward to announcements in this regard.

BCREA will share with the government its observations on the Housing Strategy and submit recommendations to help strengthen it in the months ahead. For information on the impact of these and future announcements, REALTORS® can visit the Strategy portlet on the Association's REALTOR Link® homepage.



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You Said It: Community and Professional Issues

Welcome to the second installment of BCREA's 2006 REALTOR® Survey report. Earlier this year, nearly 2,700 BC REALTORS® participated in this online survey, which helps the Association plan its programs and activities.

Community Interests

A unique aspect of the real estate profession is how closely its practitioners are tied to their communities. In fact, the survey indicates more than 60 per cent of respondents speak with between six and 20 people every day.

REALTORS® clearly have a sense of public opinion, so it's interesting to know how they assess community issues. These are the top issues identified by REALTORS®, in order of importance:

1. Housing affordability
2. Health care
3. Crime
4. Growth
5. Economy
6. Traffic / transportation

More than 66 per cent of BC REALTORS® participate in volunteer work, which is higher than the national average of 62 per cent. Of those who volunteer, 66.8 per cent identify themselves as REALTORS® when doing so, just shy of the national average of 67.8 per cent.

In 2004, the BCREA Board of Directors adopted a philosophy called Quality of Life to demonstrate that the real estate profession is committed to improving Quality of Life by supporting growth that encourages economic vitality, provides housing opportunities and builds communities with good schools and safe neighbourhoods.

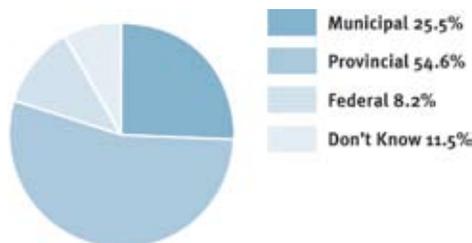
Do you support this philosophy?

	2006	2005
Yes	85.9%	86.9%
No	2.8%	2.5%
Not Sure	11.2%	10.6%

Professional Issues

Ultimately, though, real estate is a business and many REALTORS® take a keen interest in issues that affect their livelihood. Governments at all levels have an impact, due to the dizzying array of details involved in each transaction.

What level of government has the greatest impact on your business?



Even though the bottom line is important to REALTORS®, the provincial professional issues they identify obviously indicate that what's good for their clients is good for REALTORS®.

Please indicate your concern with the following issues using a scale of 1-10, where 1 is "not at all important," and 10 is "very important."

REALTOR® agreement on stated provincial issues

Eliminating the Property Transfer Tax	8.8
Protecting the Torrens System of Land Registration	8.3
<i>Strata Property Act</i>	8.3
<i>Real Estate Services Act</i>	8.2
<i>Residential Tenancy Act</i>	8.1
Affordability of Housing	8.0
Marijuana grow-operations and methamphetamine labs in homes	8.0
Municipal business licenses for REALTORS®	6.4
<i>Heritage Conservation Act</i>	5.8

The third and final article on the REALTOR® survey results, in the December issue of *The Bulletin*, will feature REALTOR® use of technology, including www.mls.ca, REALTOR Link®, WEBForms™ and communications.

More information

- [2006 CREA Membership Survey](#)
Available on the left side of CREA's REALTOR Link® page, under the CREA Research heading
- [2006 BC REALTOR® Survey](#)
Available on BCREA's REALTOR Link® page, under the Research heading on the Publication and Hot Topics page
- [Canadian REALTORS Care™ Foundation](#)
Available on the left side of CREA's REALTOR Link® page, under the Main Menu heading
- [BCREA Quality of Life website](#)
www.qualityoflife.bcrea.bc.ca

Five-Minute Guide: Subsurface Property Rights

Landowners generally hold title to the surface rights of their land, but they don't typically hold title to subsurface minerals, petroleum or natural gas. The Crown retains these rights and has the power to determine how they will be used.

The provincial government can choose to dispose of subsurface rights to companies that wish to remove the resources. When that happens, subsurface rights holders are required to compensate landowners for allowing them to enter and use their land to access the resources.

**private property owners
deserve to be treated
fairly when the use and
value to their property
are negatively impacted**

The Process

If a company or individual holds the subsurface rights to resources, and needs to enter private land to access those resources, they often employ a land agent to notify the landowner, and provide them with details of the company's intentions and of the compensation the company is prepared to offer for use of the land.

If the parties reach an agreement, they sign a standard surface lease form and other documents, allowing the company to register the lease with the Land Title Office. If an agreement isn't reached, then either party may apply to the province's Mediation and Arbitration Board (MAB) to facilitate a resolution.

The MAB is an independent body whose authority and jurisdiction on subsurface resources, including oil and natural gas, minerals, coal and geothermal resources, extends to all areas of the province. It manages cases in the following ways:

Mediation Hearing

- Mediator hears representations, may issue an order addressing the parties' concerns
- Unresolved issues negotiated by the parties or forwarded to an arbitration hearing

Arbitration Hearing

- Panel hears the case and may call on witnesses, representation by legal counsel
- After reviewing the record and information presented, the arbitrator issues an order (e.g., an award of compensation), which is binding on both parties

Provisions of a surface lease or an MAB order can be renegotiated by the parties every five years. If agreement isn't reached, either party may apply for an arbitration hearing.

Clearly, this process enables comprehensive consideration of either party's concerns related to subsurface rights.

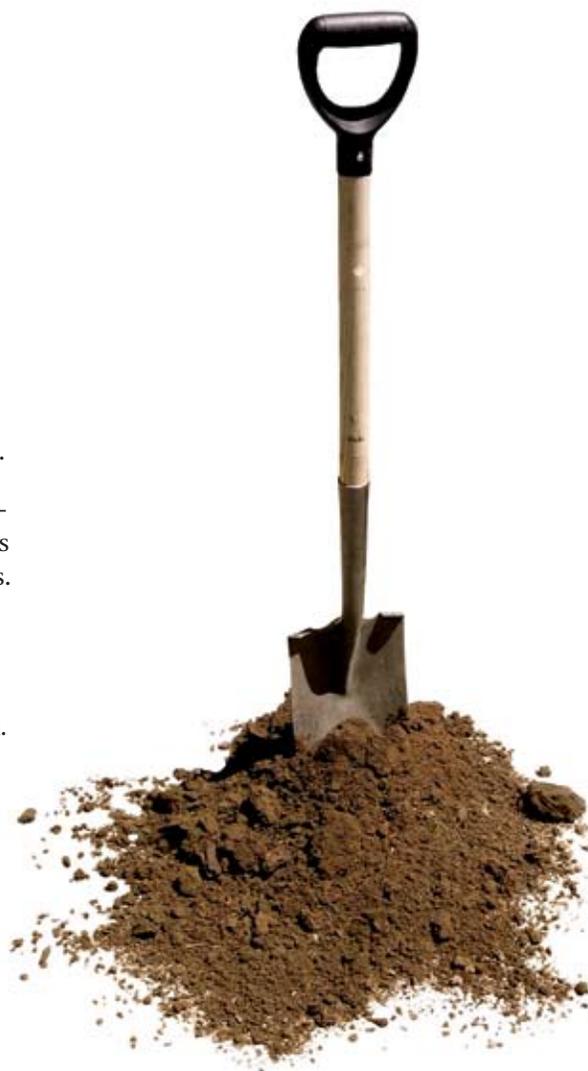
For more information about the MAB, how to submit an application and access the relevant forms, visit www.em.gov.bc.ca/subwebs/M&ABoard.

Surface Rights

The provincial government's approach to managing subsurface rights is comprehensive compared with its method of dealing with the surface rights of private property owners. Surface rights cases are

usually deferred to the courts or land in the laps of local governments.

The real estate profession believes private property owners deserve to be treated fairly when the use and value of their property are negatively impacted by government policy, legislation or other "common good" endeavours. Compensation paid for their lost value and a clear process to appeal government decisions are critical to a complete property rights program.



BC Northern Real Estate Board

- OCT. 16, PRINCE GEORGE, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan
- NOV. 3, PRINCE GEORGE, *Win/Win: Conflict Resolution Skills for REALTORS®*, Gerald Clerx

Chilliwack and District Real Estate Board

- NOV. 1, CHILLIWACK, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan

Fraser Valley Real Estate Board

- OCT. 19, SURREY, *Tax Tips for Selling Real Estate*, Don Nilson
- OCT. 26, SURREY, *Know Your Product*, Will Graham
- NOV. 9, SURREY, *CONDO 101: Strata Law for REALTORS®*, Mike Mangan
- NOV. 16 AND 21* (S), SURREY, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor
- NOV. 17, SURREY, *Legal Update 2005-2006*, Mike Mangan
- NOV. 23, SURREY, *CONDO 202: Advanced Strata Law for REALTORS®*, Mike Mangan
- DEC. 5, SURREY, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor

Kamloops and District Real Estate Association

- NOV. 2, KAMLOOPS, *CONDO 101: Strata Law for REALTORS®*, Mike Mangan
- NOV. 3, KAMLOOPS, *CONDO 202: Advanced Strata Law for REALTORS®*, Mike Mangan

Okanagan Mainline Real Estate Board

- OCT. 18 AND 19 (S), VERNON AND KELOWNA, *Negotiating and Presenting Offers*, Richard Collins
- NOV. 29 AND 30 (S), VERNON AND KELOWNA, *Liability for Contaminated Sites: New Practical Considerations for REALTORS®, Buyers and Sellers*, Wally Braul

Real Estate Board of Greater Vancouver

- OCT. 19 AND 26* (S), VANCOUVER, *What Brokerages and REALTORS® Need to Know about Agency*, Harvey Exner and Jim McCaughan
- OCT. 20, VANCOUVER, *Risk Management for REALTORS®*, Kim Spencer
- OCT. 24, VANCOUVER, *Know Your Product*, Will Graham
- NOV. 1, VANCOUVER, *CONDO 101: Strata Law for REALTORS®*, Mike Mangan
- NOV. 7* AND 23* (S), VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Richard Collins and Harvey Exner
- NOV. 10 AND 24 (S), VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Leslie Howatt and Richard Collins
- NOV. 14, VANCOUVER, *Selling Time Shares, Hotel Strata Lots, Cooperatives and Other Forms of Real Estate*, Adrienne Murray

- NOV. 16, VANCOUVER, *CONDO 202: Advanced Strata Law for REALTORS®*, Adrienne Murray
- NOV. 28, VANCOUVER, *Electronic Title Searching*, Catherine Greenall
- NOV. 30, VANCOUVER, *Buyer Agency*, Jim McCaughan
- DEC. 1 AND 13 (S), VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Kim Spencer and Richard Collins
- DEC. 5* AND 15* (S), VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Leslie Howatt and Jim McCaughan
- DEC. 6, VANCOUVER, *Tax Tips for Selling Real Estate*, Don Nilson
- DEC. 7, VANCOUVER, *Negotiating and Presenting Offers*, Richard Collins

South Okanagan Real Estate Board

- OCT. 27, PENTICTON, *Negotiating and Presenting Offers*, Richard Collins

Vancouver Island Real Estate Board

- NOV. 8 AND 9 (S), CAMPBELL RIVER AND PARKSVILLE, *The New Real Estate Services Act—Everything You Need to Know* (3 PDP credits), Adrienne Murray
- DEC. 6 AND 15 (S), PORT ALBERNI AND DUNCAN, *What Brokerages and REALTORS® Need to Know About Agency*, Gary Brady and Michael Ziegler

Victoria Real Estate Board

- OCT. 17, VICTORIA, *Liability for Contaminated Sites: New Practical Considerations for REALTORS®, Buyers and Sellers*, Wally Braul
- OCT. 20, VICTORIA, *Win/Win: Conflict Resolution Skills for REALTORS®*, Gerald Clerx
- OCT. 27, VICTORIA, *CONDO 101: Strata Law for REALTORS®*, Mike Mangan
- NOV. 7 AND 30 (S), SALT SPRING ISLAND AND VICTORIA, *What Brokerages and REALTORS® Need to Know About Agency*, Gary Brady
- NOV. 10, VICTORIA, *The Management Course: Risk Management—Staying Out of Trouble*, Richard Collins
- NOV. 16, VICTORIA, *Legal Update 2005-2006*, Mike Mangan
- NOV. 28, VICTORIA, *Professionalism—It Pays! Be Safe or Be Sued* (3 PDP credits), Mike Mangan
- DEC. 1, VICTORIA, *Liability for Contaminated Sites: New Practical Considerations for REALTORS®, Buyers and Sellers*, Wally Braul

* FOR MANAGING BROKERS, ASSOCIATE BROKERS AND SOLE PROPRIETORS ONLY
(S) SEPARATE COURSES

Current as of September 12, 2006. Check with your local board office for last-minute changes. Look for a full list of cpe courses on BCREA's REALTOR Link® homepage, under Professional Development.

Please note that this is a schedule of BCREA cpe courses only and does not reflect all PDP-accredited courses. Unless otherwise indicated, each course is assigned 6 PDP credits.