



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

BCREA Welcomes New Online Courses

At the click of a button, technology brings information to our fingertips in the comfort of our own homes and casts a new light on the way that education can be provided. After surveying BC REALTORS® in the fall of 2009, BCREA found that 36 per cent of licensees would prefer to have professional development courses available online instead of in a classroom. As a result, the Association started to examine ways of offering online education.

HST Webinar

With the July 1 implementation date of the Harmonized Sales Tax (HST) on the horizon, BCREA developed a webinar to inform REALTORS® about how this would affect real estate transactions in the province.

Covering topics such as the application of HST, changes to important standard forms and HST transitional rules, the 50 minute webinar will educate REALTORS® on how to evolve their business practices and adapt to these changes. It also includes the most recent information from the Canada Revenue Agency.

Marjorie E. Brown, a tax expert and partner at Lawson Lundell LLP, is the facilitator of the presentation. Ms. Brown's practice includes a broad range of domestic tax. She represents clients in disputes at the audit and appeal levels of Canada Revenue Agency, as well as disputes with provincial taxation authorities. Additionally, Ms. Brown has worked with clients to assist them in the preparation and negotiation of purchase and sale agreements and shareholders' agreements.

In addition to Ms. Brown's audio commentary, REALTORS® can easily search for content within the accompanying presentation.

To access this free online information session, login to REALTOR Link® and visit BCREA's Professional Education page.

Legal Update

BCREA is developing an online version of its popular *Real Estate E&O Insurance Legal Update 2010*. The online version of the course ensures that REALTORS® in every corner of the province can easily complete their required Professional Development Program (PDP) and Relicensing Education Program (REP) credits to maintain their licences.

The content of the online Legal Update course will replicate the classroom sessions, through an audio recording by Mike Mangan, a well-known Legal Update instructor and the principle author of the annual course, combined with a series of PowerPoint slides.

The registration fee is \$150 plus applicable taxes. Upon registering for the online session, a course manual will be sent to the licensee. Upon successful completion of the course, licensees will be eligible to receive 6 PDP and REP credits, exactly the same cost and accreditation as the in-class course.

BCREA is working towards having this course available to real estate licensees through the University of



British Columbia's online education platform by July 1, 2010.

By responding to its members' needs, BCREA hopes that easily accessible online courses will help licensees conveniently fulfill their educational requirements anytime and anywhere.

I N S I D E	
President's Report Managing Change	Page 2
Government Relations Pursuing Tax Fairness	Page 3
Practical Points Updated Standard Forms for BC REALTORS®	Page 3
Economics The Economy and Interest Rates: A Case for Weighing Both Hands	Page 4
Real Estate Sector Member Board Survey: Rating BCREA's 2009 Performance	Page 5
Education cpe Course Schedule	Page 6

President's Report

Managing Change

"...it is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change."

-Charles Darwin

In my years as a REALTOR®, the one thing I can say for sure is that there has always been constant change. Not everyone likes it, but as real estate professionals, change is at the heart of our business.

We help our clients understand and accept the changes in the market and assist them in making one of the largest financial investments of their lives. We help them move from one home to another; sometimes up and sometimes down, and that change can be very stressful.

Our industry continues to change and just as with our clients, some REALTORS® can be nervous about what lies around the corner. Whether it's the Competition Bureau,

discussion about professionalism or how to better educate REALTORS®, there are plenty of challenges ahead for our industry. As Charles Darwin said, if we want to survive, we must learn to accept that change is inevitable and learn how to use that change to our advantage.

If we fail to embrace change and move forward, we risk becoming irrelevant to our clients. If we can accept that change is coming and build a stronger profession out of it, then we can show our clients the value of working with a professional real estate agent.

A cornerstone of successfully managing change is communicating and as BCREA President, I encourage you to send me your thoughts and ideas about how our industry is changing.

While change is constant, the one thing we can control is our attitude to change. I hope that in the year ahead, you will join me in managing the change that lies before us in a positive way.



President **Moss Moloney**

Moss Moloney
President



P.S. A huge thank you to our government relations volunteers who went to Victoria to lobby for change on shelter taxes. We cannot do it without you!

Board of Directors 2010-2011

Core Ideology	Officers	Regional Directors
<p>Core Purpose Ensuring the continued relevance 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"> - Economic vitality - Housing opportunities - Environmental preservation - Property owner rights - Better communities • Public trust 	<p>President Moss Moloney 604-590-4888 mmoloney@axionet.com</p> <p>Vice President Rick Valouche 604.629.6100 rick@valouche.com</p> <p>Past President John Tillie 800.976.5566 john@johntillie.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 Sharron Billey 250.426.3355 sharronbilley@cranbrookagencies.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 Eugen Klein 604.684.8844 eugenklein@shawcable.com W. Dave Watt 604.926.6011 wdavewatt@telus.net Sandra Wyant 604.460.2831 sandrawyant@shaw.ca</p> <p>Region V Jim McCaughan 604.855.0800 jamesmccaughan@hotmail.com Hanne Selby 604.795.2955 hselby@uniserve.com</p>

Government Relations

Pursuing Tax Fairness

British Columbians have the highest home ownership costs in the country. The Property Transfer Tax (PTT) has been levied on all real estate transactions at a rate of 1% on the first \$200,000 and 2% on the balance since the late 1980s. Under the proposed Harmonized Sales Tax (HST), new residential construction will be subject to 12% HST, replacing the 5% GST now charged.

At the end of April, more than 80 REALTORS® and real estate board representatives met in Victoria to ensure the voice of BC REALTORS® is heard on the issue of shelter taxes. Those who attended BCREA's annual Government Liaison (GL) Days conference spoke with a united voice to 73 of BC's 85 Members of the Legislative Assembly.

BCREA recommends the provincial government take several steps to help

minimize the negative impact of shelter taxes on BC homebuyers, homeowners and landlords. The Association looks forward to working with elected officials to index the HST rebate threshold for new homes, using the New Housing Price Index. This measure would ensure homebuyers in the future are treated the same as those who purchase when the HST is first implemented.

The provincial government was also encouraged to implement a three-year phase-out of the PTT. BCREA has advocated for the elimination of the PTT since it was introduced, and the added burden of the HST places further restrictions on homebuyers, who help drive economic activity in their communities.

Since August 2009, REALTORS® and consumers have sent more than 7,500 emails to register their concerns



regarding the PTT and the HST with BC MLAs through the BCREA website. In addition to a full summary of BCREA's recommendations to the government, and overviews of how these taxes impact housing affordability, the site now includes a shelter tax calculator.

Visit BCREA's Shelter Taxes website at www.bcrea.bc.ca/shelbertaxes/.

Practical Points

Updated Standard Forms for BC REALTORS®

BCREA's Standard Forms Committee works to ensure that the forms and contracts used by BC REALTORS® are concise and current. The committee creates, maintains and refines forms for use in the province's real estate transactions.

With the upcoming implementation of the Harmonized Sales Tax (HST), the committee reviewed and updated several standard forms. Reference to the HST was added alongside the GST on the following forms which were made available as of May 4:

- Authority to Lease
- Assignment of Contract of Purchase and Sale – New Development
- Assignment of Contract of Purchase and Sale – Non-Developer
- Contract of Purchase and Sale
- Contract of Purchase and Sale for Commercial
- Contract of Purchase and Sale of a Leasehold Interest in Indian Reserve Lands
- Contract of Purchase and Sale of a Manufactured Home on a Rental Pad
- Exclusive Tenant's Agency Contract
- Fee Agreement

- Lease Report
- Multiple Listing Contract
- Offer to Lease

In preparation for the introduction of the HST on July 1, these forms will be updated again to remove the reference to GST and made available on July 1. BCREA reminds REALTORS® to be sure to only use the most current versions of these forms to maintain the best professional practices for their clients.

To access these updated forms using WEBForms™, visit: <http://webforms.realtorlink.ca/>.

The Economy and Interest Rates: A Case for Weighing Both Hands



By Cameron Muir,
BCREA Chief Economist

It's no surprise to learn that economic conditions play a significant role in the housing market. Household financial conditions and confidence are inextricably tied to housing demand. Changes in the level of employment and wages can either induce additional housing demand or reduce it, while concern for job security can cause households to delay major purchases. In addition, when BC's economy is expanding faster than other provinces, the associated labour demand can attract an inflow of migrants, increasing the number of households in the province and the amount of housing demanded.

Now that the recession is behind us, demand for labour is again growing with business not only returning existing workers to full-time status, but also beginning to hire new workers to staff expanding operations. The aging population also means that an increasing number of retirements will create a sizable number of job openings that need to be filled. By 2017, more than half of all job openings in the province are expected to result from replacement demand.

While the recession doubled the unemployment rate, it did peak at a lower level than previous downturns and is continuing on a long-term downward trend that will reveal much tighter labour markets in the future. As the recovery strengthens, upward pressure on wages will help underpin consumer confidence and housing demand. A robust economy creates jobs, rising wages, investment returns and stimulates new home construction activity.

However, the trajectory of economic recovery may be tempered by sluggish growth south of the border and in

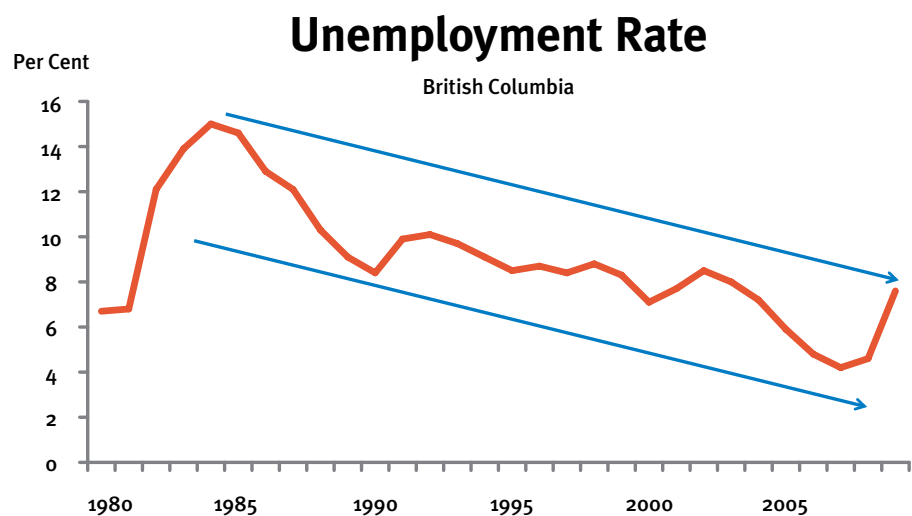
Europe, a high Canadian dollar and rising interest rates. Housing markets are particularly sensitive to interest rates. Over the past two months, the posted five-year fixed mortgage rate has climbed by a full percentage point, just the beginning of an interest normalization phase in Canada.

The Armchair Analyst should be cognizant of not only the stage of the business cycle, but also the carrying cost or affordability of housing. While a return to positive economic growth supports housing demand, rising carrying costs can offset this benefit. For example, the average home price in the province reached \$504,312 in the first quarter and hit a record \$516,970 in March. Rising interest rates reduce the purchasing power of households as the amount of mortgage funds a household can qualify to borrow declines. Recent tightening of borrowing qualifications for high-ratio mortgages exacerbates eroding affordability.

So what does this mean for BC housing markets? While Harry Truman famously quipped, "give me a one armed economist", this is a case

where the Armchair Analyst needs both. On the one hand, improving economic conditions typically support increased housing demand through employment growth, rising wages and consumer confidence. On the other hand, record home prices combined with rising interest rates increases the carrying cost of housing and typically acts as a drag on demand. Putting both hands together, the Armchair Analyst can deduce that housing demand will unlikely set any records this year and that it may be some time before double-digit home price appreciation is a common occurrence.

In the next installment of the Armchair Analyst, we will look more closely at the components of population and household growth and what role they play in housing markets.



Source: Statistics Canada, BCREA

Member Board Survey: Rating BCREA's 2009 Performance

Since 2007, BCREA has commissioned the Mustel Group to conduct an annual survey of its twelve member boards to gauge awareness and satisfaction on the Association's strategic goals and services.

Over a two week period in March, interviews were conducted by web and telephone with an above average response rate of 72 per cent. Having a high response rate is extremely valuable to help the organization maintain or improve its services for member boards and REALTORS®. BCREA was also pleased with the positive feedback received for its overall 2009 performance with 92 per cent of respondents selecting that it was 'good', 'very good' or 'excellent'.

Support for BCREA's 2009 Strategic Plan, a collective work of member boards at the Association's annual meeting held last April in Kelowna, was also a record high of 83 per cent in comparison to 71 per cent in 2008. Similarly, satisfaction with progress on BCREA's strategic goals relating to enhancing the relevance of REALTORS®, advocacy, and organizational excellence, averaged 82 per cent.

BCREA members tended to express the highest levels of satisfaction with BCREA's standard forms, economic analysis and reports, media and public relations activities, continuing education and with the Professional Development Program. The majority were also satisfied with government relations activities, member board communications and with communications with REALTORS®.

For this year's member board survey, BCREA set a goal to receive a trust rating of 80 per cent from respondents and was satisfied that the target was exceeded with 93 per cent of respondents selecting that they were 'very satisfied' or 'satisfied' with the high level of trust and respect between BCREA and its member boards.

BCREA is now working to begin discussions with all boards by following up on the survey results to respond to issues that were raised and take the opportunity to improve its services.

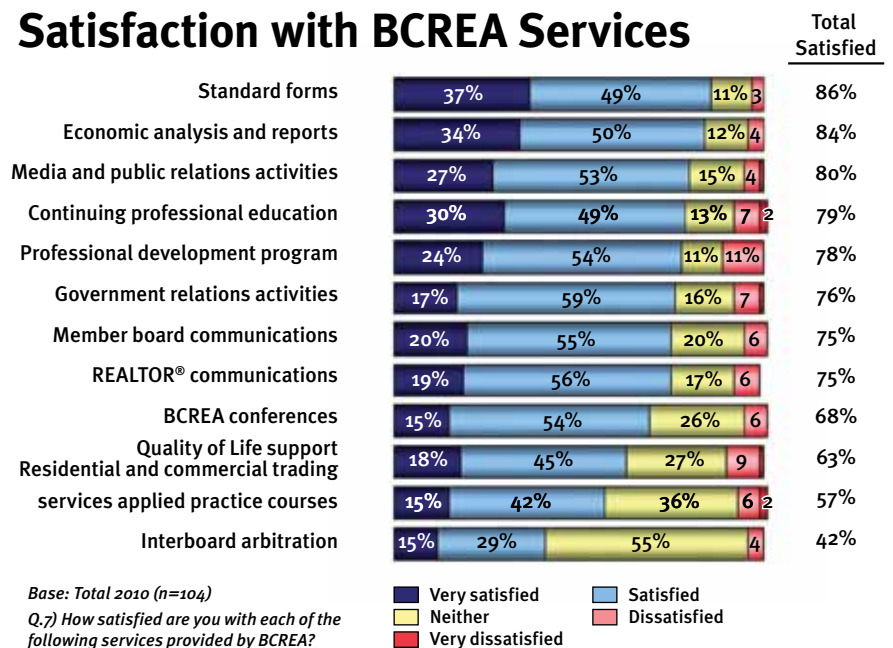
As an added incentive for participating in the member board survey, BCREA provided a prize of an Apple iPad™ to one randomly selected winner: Jim Hoffman from the Vancouver Island Real Estate Board. Congratulations, Jim!

In concert with the March survey,

BCREA has also embarked on a process to clarify further how it might provide optimal customer service by committing to the National Quality Institute's (NQI) program. NQI is an independent, not-for-profit, organization that is committed to advancing organizational excellence across Canada. Through training and assessment, BCREA will work to enable a deeper understanding of how the organization can work with its member boards more effectively. In keeping with that goal, directors and staff at the Association will be doing NQI training throughout the spring of 2010.

BCREA would like to thank its member boards for participating in the survey which provided such valuable feedback and for being active partners in helping to ensure the continued relevance of REALTORS®.

Satisfaction with BCREA Services



The Bulletin is published quarterly by the British Columbia Real Estate Association. Real estate boards, real estate associations and REALTORS® may reprint this content, provided that credit is given to BCREA by including the following statement: "Copyright British Columbia Real Estate Association. Reprinted with permission."

BCREA makes no guarantees as to the accuracy or completeness of this information.

Send questions and comments about The Bulletin to:

Editor: Damian Stathonikos
 Assistant: Lindsay Cook

1420 - 701 Georgia Street West
 PO Box 10123, Pacific Centre
 Vancouver, BC V7Y 1C6
 Phone: 604.683.7702
 Fax: 604.683.8601
 Email: bcrea@bcrea.bc.ca

www.bcrea.bc.ca

Printed on recycled paper.

ISSN: 1705-3307

Current as of April 23, 2010. Check with your local board office for last-minute changes. The complete cpe catalogue is available on BCREA's REALTOR Link® homepage.

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

JUNE 7, 100 Mile House, Know Your Product

JUNE 17, FORT St. John, Real Estate E&O Insurance Legal Update 2010*

Chilliwack and District Real Estate Board

JULY 7, CHILLIWACK, PROFESSIONALISM It Pays! Be Safe or Be Sued
(3 PDP credits)

Fraser Valley Real Estate Board

MAY 28, SURREY, ETHICS: Unlocking the REALTOR® Code

JUNE 4, SURREY, WHAT Brokerages and REALTORS® Need to Know About Agency*

JUNE 10, SURREY, CONDO 101: Strata Law for REALTORS®*

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

JUNE 23, SURREY, REAL Estate E&O Insurance Legal Update 2010*

Kamloops and District Real Estate Association

JUNE 2, KAMLOOPS, REAL Estate E&O Insurance Legal Update 2010*

JUNE 3, KAMLOOPS, CONDO 101: Strata Law for REALTORS®*

Kootenay Real Estate Board

JUNE 22, CRANBROOK, NEGOTIATING and Presenting Offers

JUNE 23, NELSON, NEGOTIATING and Presenting Offers

Northern Lights Real Estate Board

JUNE 10, DAWSON Creek, Contracts: Keep on Top of Changes*

Okanagan Mainline Real Estate Board

JUNE 16, VERNON, REPRESENTING Buyers in the Sale of New Homes and Condominiums*

JUNE 17, KELOWNA, REPRESENTING Buyers in the Sale of New Homes and Condominiums*

JUNE 28, VERNON, BUYER Agency*

JUNE 29, KELOWNA, BUYER Agency*

Real Estate Board of Greater Vancouver

(all courses held at REBGV unless indicated)

What Brokerages and REALTORS® Need to Know About Agency*
MAY 27, JUNE 2, JUNE 10, JUNE 24, JULY 8, JULY 27, AUGUST 5, AUGUST 31

Real Estate E&O Insurance Legal Update 2010*
MAY 31, JUNE 9, JUNE 18, JUNE 30, JULY 7, JULY 29, AUGUST 12, AUGUST 24

Real Estate E&O Insurance Commercial Legal Update*
JUNE 8, AUGUST 17

CONDO 101: Strata Law for REALTORS®*
JUNE 3, JULY 6, AUGUST 6

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

Contracts: Keep on Top of Changes*
JUNE 16, JULY 22, AUGUST 26

Foreclosures and Court Ordered Sales*
JUNE 11 (WEST VANCOUVER), JUNE 23, JULY 14, AUGUST 18

CONDO 202: Advanced Strata Law for REALTORS®*
JUNE 29, JULY 28, AUGUST 30

JULY 20, SELLING TENANT-OCCUPIED Properties (STOP)*

JULY 21, ELECTRONIC TITLE Searching*

AUGUST 10, ETHICS: UNLOCKING the REALTOR® Code

AUGUST 11, KNOW YOUR Product

South Okanagan Real Estate Board

JUNE 10, PENTICTON, REAL Estate E&O Insurance Legal Update 2010*

JUNE 11, PENTICTON, REAL Estate E&O Insurance Legal Update 2010*

Vancouver Island Real Estate Board

JUNE 21, COURTENAY, REAL Estate E&O Insurance Legal Update 2010*

JUNE 22, PORT Alberni, Real Estate E&O Insurance Legal Update 2010*

Victoria Real Estate Board

(all courses held at VREB unless indicated)

Negotiating and Presenting Offers
MAY 30, EDUCATION ON VACATION CRUISE

Real Estate E&O Insurance Legal Update 2010*
MAY 31 (EDUCATION on Vacation Cruise), June 22, August 4

Risk Management for REALTORS®*
JUNE 4, EDUCATION ON VACATION CRUISE,

JUNE 4, CONDO 202: Advanced Strata Law for REALTORS®*

JUNE 10, ETHICS: UNLOCKING the REALTOR® Code

What Brokerages and REALTORS® Need to Know About Agency*
JUNE 29, AUGUST 17