



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

A Strategic Plan for BC REALTORS®

Some call it a useful tool for organizations to describe an aspirational future and outline the steps needed to get there; others criticize it as a document that is drafted, approved and shelved with little engagement. BCREA's new 2015-2020 Strategic Plan is shaping up to break the latter stereotype.

In September 2014, BCREA brought together nearly 80 real estate professionals to discuss the *Journey of Discovery* research and build a five-year strategic plan. When the BCREA Board of Director's presented it to member boards, the plan met strong reaction: both positive and negative.

Predicated on how BCREA can help REALTORS® better deliver value to consumers and guided by research and discussion sparked by the *Journey of Discovery*, the vision of the plan identified innovative ways that BCREA can support REALTOR® relevance.

While many member boards supported these goals and projects, many also expressed concern about a lack of initiative surrounding a new provincial structure for organized real estate. Upon further research and review by the Board of Directors, it became apparent that for BCREA to create an environment to nurture innovation, drive REALTOR® professionalism and enhance the consumer experience, the existing provincial structure had to be examined. Did it support a secure and prosperous future for REALTORS®?

The Board of Directors concluded that a new structure would encourage innovation, enable response to change, focus resources and speed up decision-making.

In response to concern that BCREA's Board of Directors had predetermined this without sufficient consideration, the Directors reiterated their commitment to open and transparent discussions. Member boards have been asked to join a dedicated group and ask important questions related to financial, legal, governance and human resource implications surrounding a new structure. This will be a major focus for the Association in 2015.

Other Strategic Plan Projects can be categorized into three focuses:

- Enhancing the **consumer** experience
- Increasing **REALTOR®** professionalism and reputation
- Transforming **education**

For Consumers:

1. **Transaction Mapping** will create an online, interactive representation of the transaction process for consumers and REALTORS® to track their transaction journey.
2. **REALTOR® Match** will create an online, interactive tool that will help consumers connect with REALTORS® that best meet their needs.
3. **Consumer Experience** will provide information on what to expect from working with a REALTOR®, as well as a simple, transparent process for complaints.

For REALTORS®:

1. **Standard Forms** will look at how to evolve standard forms, using best practices and technology to better meet REALTOR® needs.
2. **REALTOR® Trademark** will examine the use of the REALTOR® brand and its meaning to consumers, facilitated in collaboration with the Canadian Real Estate Association.

3. **Standardized Business Practices** will be based on work done by BCREA's Business Practices Task Force to standardize business practices in BC.
4. **Membership Requirements** will discuss with CREA how to enable a more rigorous set of requirements for potential REALTORS®, and those wanting to maintain their REALTOR® status.
5. **Provincial MLS®** involves BCREA facilitating member boards and the Vancouver and Fraser Valley Real Estate Boards to establish a province-wide MLS® System.

In Education:

1. The **Applied Practice Course** will be built on and restructured, and final steps to roll out, monitor and evaluate it will be implemented.
2. **Relicensing Education** will involve ongoing improvements to the Legal Update courses and continued alignment with the Real Estate Council of BC's Relicensing Education Program.
3. **Learning Paths** will build on work already completed to create an expanded set of Learning Paths within BCREA's Professional Development Program offerings.
4. Finally, the **Education Memorandum of Understanding** project will develop a 2017-2020 Education Business Plan for future adoption.

These are valuable and important projects that form the body of BCREA's 2015-2020 Strategic Plan that aim to ensure the continued relevance of BC REALTORS® to consumers. For more information, visit the "About" page on BCREA's REALTOR Link® site (realtorlink.ca).

President's Report

Living in Interesting Times

As I start my year as President, it is safe to say that we are certainly living in interesting times. The work we have done to research how the REALTOR® and client relationship is evolving has shown me that things will only get more interesting. That is why we have invested in creating a five-year strategic plan focusing on that relationship and how BCREA can better support REALTORS®.

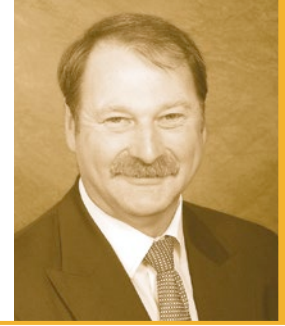
Many of us are busy with a hot spring market. You may even wonder why we should bother worrying about the future? Things are good. People are using REALTORS® to buy and sell their homes. The market is great and my clients love working with me.

Those statements may all be true. But one thing I know from 35 years of experience – change is constant. Whether you are just starting out as a REALTOR® like my daughter or you have decades of experience, the

way that you work with your clients will continue to change.

Our research has shown that consumers are starting to take over parts of the real estate transaction that we used to manage. That's neither good nor bad – I sure appreciate not having to carry around 10 pounds of listing books! But it means that we need to think very carefully about the value that we provide as REALTORS® to our clients. It means that at BCREA, we need to think very carefully about the future of REALTORS®.

Our goal is to have the best structure for the real estate profession in the province. What does that mean? It's about looking at how we use the resources that we have in the best way possible. It's about helping REALTORS® be innovative and creative in serving their clients. It's ultimately about ensuring the continued value of REALTORS® to consumers.



Scott Russell

We have a solid team in place around the BCREA board table with the strength and experience to move things forward. I want to work closely with our fellow leaders at our member boards to figure out how we can drive change, rather than letting change happen to us.

Scott Russell
President



Board of Directors 2015-2016

Core Ideology	Officers	REALTOR® Directors																											
<p>Core Purpose Ensuring the continued value of REALTORS® to consumers.</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 Scott Russell 604.273.3155 srussell@bcrea.bc.ca</p> <p>Past President Jake Moldowan 604.271.7288 jmoldowan@bcrea.bc.ca</p> <p>President-Elect Deanna Horn 604.999.0667 dhorn@bcrea.bc.ca</p> <p>Chief Executive Officer Robert Laing 604.742.2787 rlaing@bcrea.bc.ca</p>	<table border="1"><thead><tr><th>REALTOR® Directors</th><th>Phone</th><th>Email</th></tr></thead><tbody><tr><td>David Kearney</td><td>604.617.2624</td><td>dkearney@bcrea.bc.ca</td></tr><tr><td>Gary McInnis</td><td>604.383.0298</td><td>gmcinnis@bcrea.bc.ca</td></tr><tr><td>Dick Pemberton</td><td>250.374.3331</td><td>rpemberton@bcrea.bc.ca</td></tr><tr><td>James Palanio</td><td>250.492.2266</td><td>jpalanio@bcrea.bc.ca</td></tr><tr><td>Jim Stewart</td><td>250.591.4601</td><td>jstewart@bcrea.bc.ca</td></tr><tr><td>Rosario Setticasi</td><td>604.986.9321</td><td>rsetticasi@bcrea.bc.ca</td></tr></tbody></table> <p>Public Directors</p> <table border="1"><tbody><tr><td>Anthony Ariganello</td><td>604.694.6937</td><td>aariganello@bcrea.bc.ca</td></tr><tr><td>Sharon Bryan</td><td>604.662.8085</td><td>sbryan@bcrea.bc.ca</td></tr></tbody></table>	REALTOR® Directors	Phone	Email	David Kearney	604.617.2624	dkearney@bcrea.bc.ca	Gary McInnis	604.383.0298	gmcinnis@bcrea.bc.ca	Dick Pemberton	250.374.3331	rpemberton@bcrea.bc.ca	James Palanio	250.492.2266	jpalanio@bcrea.bc.ca	Jim Stewart	250.591.4601	jstewart@bcrea.bc.ca	Rosario Setticasi	604.986.9321	rsetticasi@bcrea.bc.ca	Anthony Ariganello	604.694.6937	aariganello@bcrea.bc.ca	Sharon Bryan	604.662.8085	sbryan@bcrea.bc.ca
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The BC Employment Conundrum

In 2014, did the BC economy create a robust 31,000 jobs or a stagnant 13,000 jobs? The answer depends on which employment data you believe.

Statistics Canada reports two primary measures of employment data: the Labour Force Survey (LFS) and the Survey of Earnings, Payrolls and Hours (SEPH). Every month, the LFS surveys the employment status of approximately 100,000 individuals across 52,000 Canadian households.

To generate estimates of job growth, the results of LFS surveys are extrapolated, while SEPH employment data is estimated based on the payroll records of non-agricultural Canadian businesses – rather than a household survey. SEPH data is gathered by similar methodology to that used in the United States; however, to avoid the constant revision that tends to plague monthly US payrolls data, Canadian SEPH data is published with a two-month lag.

The LFS household survey data is the most widely reported measure of Canadian employment for two primary reasons.

Firstly, the LFS is timely. The past month's LFS jobs data is generally available on the first Friday of the following month. Secondly – perhaps most importantly – the number is not subject to revision.

As LFS includes the self-employed while SEPH only tracks firm payroll data, it is common for these measures of employment to differ in absolute value despite normally trending in the same direction and producing similar estimates of employment growth.

For example, from 2002 to 2012, the difference in employment growth between the two surveys averaged just 0.2 per cent. In contrast, the past two years have seen a large and persistent deviation of 1.2 per cent and therefore, have presented a muddled picture of the BC labour market and economy.

According to SEPH data, employment is growing at a healthy rate of 2 per cent, while the LFS data show a labour market that is struggling to eke out minor employment gains. The deviation in the two measures reached an extreme with April's LFS data



BCREA Economist
Brendon Ogmundson

showing that the BC economy had lost close to 28,000 jobs, the worst month for provincial employment on record since 1976.

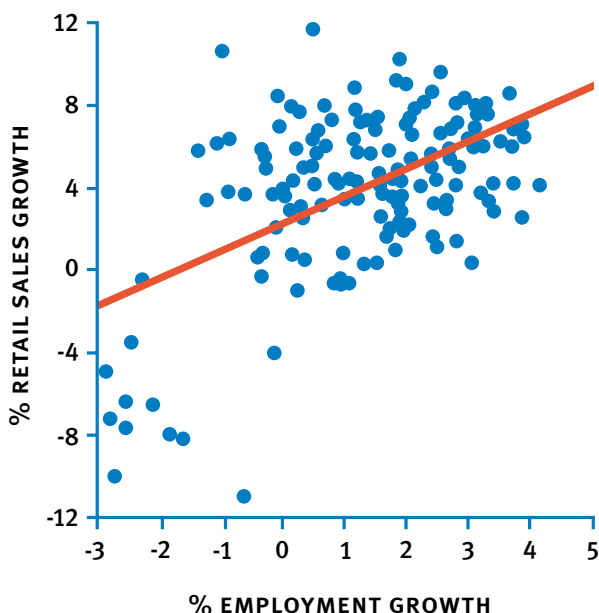
With such a sharp contrast in employment data, it is useful to look to other sectors of the economy for an indication of how well the labour market is performing. As higher employment growth typically drives increased consumer spending, retail sales is an economic variable that tends to be highly correlated with employment. By examining the statistical relationship between retail sales and employment growth, we can see that the current 5 to 6 per cent pace of retail sales growth normally correlates with employment growth of approximately 2 per cent – in-line with SEPH data.

In contrast, the employment growth of 0.2 per cent reported by LFS data presents as a significant outlier.

Growth in other sectors of the economy also support the narrative of “stronger-than-officially-reported” employment growth. Multi-year highs in home sales across the province and a 4 per cent annual rate of growth in employment earnings would suggest relatively little slack in the labour market.

Time will tell if measures of employment eventually converge. However, unless an unknown is causing a historical disconnect in the usual relationship between economic growth and employment, the performance of the overall BC economy supports the SEPH narrative of relatively strong job growth over the past year.

Strong Retail Sales Growth Supports SEPH Employment Data



Online Learning

From commerce to culture, the human experience has expanded to include the online experience – and the field of education is no exception.



To leverage technology in the learning process, BCREA has rolled out new and improved online PDP course options. These new courses cover current issues in the industry, legal and legislative changes, as well as topics that are not being covered in other PDP classroom-based courses. All of these online courses award 3 or 6 Category B PDP credits upon successful completion, moving you forward in your career development and fulfilling your education requirements as REALTOR®.

Now, BC REALTORS® have more options for how they can fulfill their PDP requirements: completing their credits online, in the classroom, or a combination of both.

“Some REALTORS® aren’t sure if online learning is right for them,” says Marla Gerein, BCREA Director of Education, “but we are finding that after they take their first online course, they tend to rate their experience as very positive.” Not only does online learning increase the number

of opportunities for professional development, it provides flexibility around a busy schedule. “Learn how you want, when you want, at the pace that works best for you. Start an online course and then leave it for an hour, a day or a week, and return to it when your schedule allows,” explains Gerein. “That is the beauty of online education – it’s available to you 24/7.”

In partnership with REvia: The Real Estate Knowledge Network, BCREA offers

“Learn how you want, when you want, at the pace that works best for you.”

national real-estate specific Canada’s Anti-Spam Legislation (CASL) and Financial Transactions and Report Analysis Centre of Canada (FINTRAC) online courses, as well as

other BCREA-developed PDP online courses; with the UBC Sauder School of Business, BCREA offers the mandatory Legal Update online course, as well as a roster of other PDP-accredited, commercial and residential courses. Further, both platforms provide support for those in need of assistance regarding course material or technical difficulties. When finished, your member board will be able to verify your course completion for both REvia and Sauder-based courses.

REALTORS® that are already engaged with online education note that it has been a great way to learn, stating that “the format kept it interesting,” and that, “the course was very user friendly. I really enjoyed it!” If you’re looking for a way to develop yourself professionally in the busy months ahead, check out the online learning opportunities on the BCREA Education website: <http://www.bcrea.bc.ca/realtor-education/new-pdp/online-learning>.

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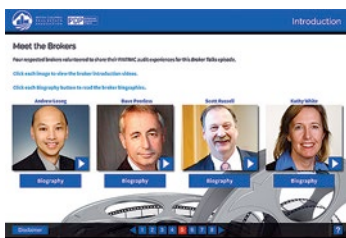
BCREA is currently offering the following online courses through REvia:



Customer Service Excellence and the REALTOR® Brand

6 CATEGORY B PDP CREDITS

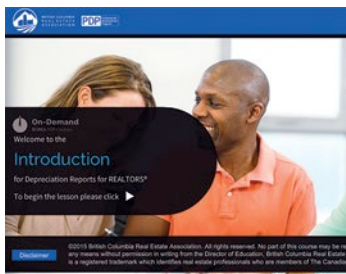
Join renowned industry trainer Gerald Clerx and real estate industry facilitator Charles Holmes as they share proven techniques and tools to take your customer service from ordinary to extraordinary.



Broker Talks – Episode One: Broker FINTRAC Audit Experiences

3 CATEGORY B PDP CREDITS

Four respected brokers share their FINTRAC audit experiences and provide valuable perspectives and lessons learned that can assist any broker in the understanding of how to best approach a FINTRAC audit.



Strata Talks – Episode One: Depreciation Reports for REALTORS®

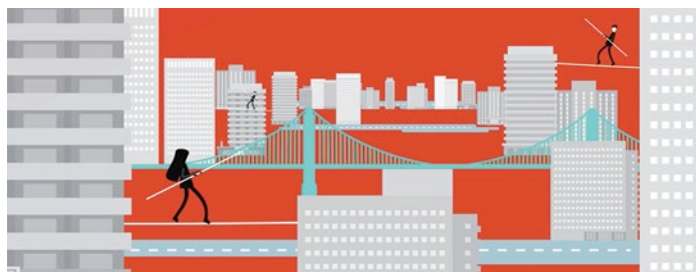
3 CATEGORY B PDP CREDITS

Join Justin Hanson, strata specialist and lawyer, as he walks you through important details about depreciation reports and the role of the REALTOR®, as well as answers the most FAQs on depreciation reports.

Strata Fundamentals

12 CATEGORY B PDP CREDITS

The PDP's first blended course, this three component course is delivered in a blend of online and face-to-face learning environments. The high-quality course structure will prepare you for the complexity and risks related to strata transactions. *Note: Before enrolling in the online course component, BC REALTORS® must first contact their member boards.*



FINTRAC: Compliance for REALTORS®, Brokers and Broker Managers

3 CATEGORY B PDP CREDITS

Designed as the foundation course for REALTORS®, Brokers and Broker Managers to understand their responsibilities as they are related to Proceeds of Crime Money Laundering and Terrorist Financing Act (PCMLTFA) and FINTRAC.



Canada's Anti-Spam Legislation: Guidance for REALTORS®

3 CATEGORY B PDP CREDITS

Provides an overview of the CASL legislation and describes how it affects the real estate industry in Canada, as well as how REALTORS® now can comply with the new law.



BCREA is currently offering the following online courses through the UBC Sauder School of Business:

Real Estate E&O Insurance Legal Update Online

6 CATEGORY A PDP CREDITS/REP ACCREDITED

Provides the current and previous year's PDP Category A-accredited Legal Update courses (both commercial and residential) – now as an online option. If you take a second Legal Update course in your PDP cycle, it will count as 6 Category B credits.

Additional Sauder Online Courses for PDP Credits

There are 8 additional Sauder online courses that are accredited for 6 Category B PDP credits each. While the course offerings are primarily commercial, there is a recently-accredited residential course on "green" building and sustainable housing.

Government Relations

Advocacy on Drug Operations and More

More than 88 per cent of REALTORS® in BC consider it very important to provide input to the government on issues that affect the real estate sector, and BCREA's annual Government Liaison Days conference is a key provincial advocacy opportunity for organized real estate.

On April 12-14 in Victoria, REALTORS® from around BC connected with 66 Members of the Legislative Assembly at this year's conference: delivering focused recommendations to MLAs, networking with each other and discussing advocacy issues at all levels of government.

Properties Used in Drug Operations

Currently, there is no consistent method for REALTORS®, potential buyers or renters to identify whether a building has been used in drug operations or if it has been remediated to eradicate health and safety risks. REALTORS® know their clients need access to this information.

Therefore, the following recommendations were presented to MLAs during GL Days:

1. Develop a centralized, consistent process for disclosure of property history information.
2. Describe a healthy building and then develop a centralized, consistent process for remediation of buildings used in drug operations.
3. Define a "drug operation" in a meaningful way.

MLAs responded positively to BCREA's recommendations, and suggested strategies to move the issue forward. BCREA will now analyze responses to incorporate the most promising new tactics into its advocacy approach.

The submission and background materials are available online at www.bcrea.bc.ca/government-relations/drug-operations.

Between meetings, delegates discussed additional real estate-related public policy issues.

Strata Properties

The Real Estate Council of BC has revised the strata sales information in the Professional Standards Manual, significantly expanding the information available to licensees. Changes incorporate new information about sections, air space parcels, depreciation reports and an in-depth introduction to strata corporation governance and strata property legislation. The Strata Sales section of the Professional Standards Manual is online at www.recbc.ca/psm_section/strata-sales.

Water Sustainability Act

Ian Graeme and Randy Cairns from the BC Ministry of Environment provided an introduction to the *Water Sustainability Act*, which will replace the current *Water Act* in January 2016. Next year, implementation will be a continuation of the *Water Act*, with the addition of groundwater licensing, adjusted fees and rental rates. Large licensees such as Metro Vancouver



Manager of Government Relations
Norma Miller

will see rental fees increase, but that is expected to translate into a marginal increase for residents.

In fact, water used for domestic purposes will be exempt from groundwater licensing; including drinking water, food preparation, sanitation, fire prevention, providing water to animals kept as pets, and irrigation of small gardens.

More information about the *Water Sustainability Act* will be available as the regulations are developed and implementation proceeds.

Transportation

BCREA is considering developing a high-level public policy position on transportation. Due to its direct relationship to safety, the economy and Quality of Life, delegates expressed concerns about commuting times, transit, ferries, commercial trucking routes and the link between transportation and housing affordability.

Learn more about BCREA's government relations activities at www.bcrea.bc.ca/government-relations.



Minister of Finance Mike de Jong speaking at a reception in honour of all MLAs.

