

**1. What will be the impact of a 'cooling off' period on sellers? What about commercial real estate?**

Based on communications from the BC Government and the BC Financial Services Authority (BCFSA), the cooling off period will only apply to buyers of residential real estate. Having said that, there may be indirect knock-on effects for sellers. There is likely to be increased uncertainty regarding their own purchase plans, especially during in BC's undersupplied market, which would create increased stresses.

**2. What if both buyers and sellers do not want a 'cooling off' period?**

At this point, the Ministry of Finance has provided few details on what a 'cooling off' period would look like in advance of their legislation, to be introduced in spring 2022.

**3. Will there be a limit on the number of transactions a buyer can rescind on?**

We will consult with Realtors and provide our own additional recommendations for considerations and exemptions. We have shared concerns with BCFSA and the Ministry of Finance that limitations need to be implemented preventing potential buyers from making many offers without intending to fulfil them.

**4. What time frame is BCFSA considering for a 'cooling off' period?**

BCFSA has been asked to undertake a consultation to advise on the appropriate length of time for a 'cooling off' period, but at this time we don't know what time periods BCFSA is considering. BC's *Real Estate Development Marketing Act* (REDMA) provides for a seven-day rescission period for strata properties, so a similar time period for all residential real estate is likely to be considered by the regulator.

**5. When the 'cooling off' period is implemented, what is stopping sellers and their agents from imposing fee conditions if a buyer backs out?**

BCFSA will consult with the real estate sector to help determine the parameters of a 'cooling off' period for resale properties and newly built homes, including timeframes and potential penalties for exercising the right to rescission. They will present advice to the provincial government in early-2022.

**6. Is BC the only province to come up with this proposal?**

Yes, BC will be the first Canadian jurisdiction to legislate 'cooling off' periods. Other jurisdictions have implemented some sort of period, such as most states in Australia. Parameters vary by state, ranging from two to five business days and with penalties up to 0.25 per cent of the value of the agreement.

**7. Is the BC Government working with municipalities to address the root of these issues, an imbalance between supply and demand?**

The government has made some progress on addressing local government issues of supply related to slow development times. In October 2021, the provincial government removed the default requirement for local governments to hold public hearings for zoning bylaw amendments that are consistent with Official Community Plans. BCREA [wrote](#) Minister of Municipal Affairs Josie Osborne, congratulating them on the announcement and recommended implementing additional measures to improve supply outlined in the [Development Approvals Process Review](#) and the [Expert Panel on Housing Supply and Affordability](#).

**8. Can REALTORS® receive a template letter to initiate a letter writing campaign to MLAs?**

A letter writing campaign is one of many government relations tools BCREA and Realtors can use. At this point, there are other tactics which BCREA's advocacy team will implement, which will be communicated in greater detail in upcoming weeks.

**9. What email should I use to send my thoughts to the BC Financial Services Authority (BCFSA) on their consultation?**

We encourage all REALTORS® to provide feedback to BCFSA by emailing your insights to [coolingoff@bcfsa.ca](mailto:coolingoff@bcfsa.ca) and CC'ing [gr@bcrea.bc.ca](mailto:gr@bcrea.bc.ca). If you experience any issues in contacting BCFSA, please let us know.

**10. Why did BCREA engage in a Non-Disclosure Agreement (NDA) with BCFSA?**

Within public policy, NDAs are routine legal contracts between governments and non-government stakeholders for the purpose of sharing information about potential policy directions prior to engaging in wider public or sectoral consultations. These agreements commonly take place and are a valuable government relations tool.

BCREA was asked and opted to engage in an NDA with BCFSA in September 2021. The regulator provided BCREA with broad policy directions they were considering to improve consumer protection. In exchange, BCREA were provided with the opportunity to provide initial feedback to these potential policies and offered recommendations of alternatives to explore that would achieve consumer protection while minimizing impacts to real estate practice. Foremost, we recommended engaging in fulsome consultation with the real estate sector prior to implementing any policies. While these discussions with BCFSA were constructive, the Ministry of Finance prematurely announced their intent to implement a 'cooling off' period.

There are several benefits to REALTORS® from BCREA's participation in an NDA. Firstly, it's important to have a seat at the table when an opportunity is provided. The request showed that BCREA are trusted advisors who can provide valuable expertise on

Realtors' experiences. Secondly, the NDA provided allowed BCREA with the impetus to engage in our own research, which meant that when the Ministry of Finance announced their intent to implement a 'cooling off' period, we were able to contact Realtors within 24-hours and subsequently send a letter to Minister of Finance Selina Robinson with pre-existing recommendations on best practices and alternative policies to consider. While not a substitute for fulsome sectoral consultation, an NDA provides organizations like BCREA an opportunity to provide initial feedback to government in advance of more substantive feedback following public consultation.

#### **11. What is BCREA's definition of 'blind bidding'?**

Blind bidding is when home buyers submit offers to sellers and sellers choose not to disclose the details of competing bids. While Canadians are not mandated to use this process to sell their homes, blind bid negotiation is by far the most common in residential real estate. By banning blind bidding, homeowners would be required to use more transparent bidding processes, such as open bidding.

#### **12. Is the BC Government aware of pre-existing safeguards for buyers?**

BCREA and Realtors have already taken a series of actions in response to heated market conditions earlier this year to increase awareness and provide greater transparency and consumer protection, including:

- introducing a new Standard Form known as the "Buyer's Acknowledgement of Information – Recommended Conditions" to serve as a buyer's acknowledgement of information. This Standard Form added additional transparency to a real estate transaction and put more focus upon educating the potential buyer of the risks associated with foregoing due diligence,
- introducing a form guide and toolkit to support REALTORS® in integrating its use in transactions,
- producing a podcast, "[What does the Public Really Think About the Hot Market?](#)"
- publishing blog posts on the market, including, "[Interest Rates Main Cause for Hot Market](#)" and "[Protecting Buyers, and Yourself, in a Hot Market](#)," and
- hosting Community of Practice [webinars](#) for managing brokers on emerging issues on hot markets and risk mitigation strategies.

These actions have been shared with BCFSAs senior staff as well as with Minister of Finance Selina Robinson.

#### **13. Why doesn't the government enact consumer protection safeguards by increasing banks' and lenders' FINTRAC accountability?**

We are anticipating the [Cullen Commission of Inquiry into Money Laundering in British Columbia](#)'s findings, which are anticipated to be delivered by December 15, 2021, unless



they are delayed. These findings will likely have implications for many sectors, including banking and mortgage brokers.

**14. Does the Canadian Bar Association BC (CBABC) have an opinion on these issues?**

BCREA has not yet engaged with the CBABC, but we have met with a variety of stakeholders to understand their perspectives on these issues, including the Home Inspectors Association BC, Canadian Mortgage Brokers Association BC, the Society of Notaries Public of BC, and we will continue to meet with other real estate sector stakeholders in coming days.

**15. How can Realtors help?**

There are several actions we encourage you to take. At this time, BCFSa currently does not have a framework for consultation apart from an email address to contact. We encourage all Realtors to provide your own feedback to BCFSa by emailing [coolingoff@bcfsa.ca](mailto:coolingoff@bcfsa.ca) and CC'ing [gr@bcrea.bc.ca](mailto:gr@bcrea.bc.ca).

Additionally, we want to hear directly from you. BCREA will be conducting our own substantive consultations with Realtors to provide BCFSa with structured feedback. Please stay tuned for opportunities to participate in focus groups as well as a survey. Your input will help inform our submission to the regulator.

In the meantime, we encourage you to talk to your clients and other Realtors in order to better understand how the proposed policies could impact your profession. We look forward to compiling and consolidating the wide variety of perspectives coming from the sector as part of the consultation process.

**16. Would consumer protection be improved if the market were cooled by applying the Speculation and Vacancy Tax (SVT) to all homes in BC?**

BCREA has published a Market Intelligence report on the impacts of the SVT on housing affordability. The report found that the SVT had negative impacts on home sales and prices, but the impacts were temporary and appeared to be limited to Metro Vancouver. Within Metro Vancouver, it is difficult to disentangle impacts of the SVT on the rental market with impacts from the Empty Homes Tax, the B-20 mortgage stress test and short-term rental regulations that were implemented around the same time. You can read the full report [here](#).

**17. Is BCREA engaging with opposition MLAs on this issue?**

Yes, BCREA currently has meetings scheduled with opposition MLAs Mike Bernier, Official Opposition critic for Finance, and Ben Stewart, Official Opposition critic for Housing.



BCREA has also communicated with government ministers, including meeting with Attorney General and Minister Responsible for Housing David Eby and writing to Minister of Finance Selina Robinson. We are also scheduling meetings with Minister of Municipal Affairs Josie Osborne and Minister Robinson. We have also had meetings with BCFA senior staff and will continue to meet with them regularly.