

Community of Practice Q&A March 2, 2022

Is there a session that makes the consumer responsible for proving the source of any funds?

We are interested in seeing what the Cullen Commission of Inquiry Into Money Laundering in British Columbia will recommend in their final report in May 2022. We do support a coordinated approach to addressing money laundering to create a comprehensive and efficient enforcement and regulatory regime.

Other than the buttons, are there any promotional material available for Better Way Home?

In addition to the Better Way Home buttons, we are encouraging REALOTRS® to show support on social media. You can raise awareness about our recommendations by using the hashtag #BetterWayHomeBC and share bcrea.bc.ca/betterwayhome and the graphics below on your social media channels:

- [A Better Way Home – Infographic](#)
- [A Better Way Home – Pre-Offer Period](#)
- [A Better Way Home – Housing Supply](#)

Are home inspectors able to work impartially?

Home inspections are an important step for providing potential buyers with a list of repairs needed and disclosing conditions not readily apparent or understood by a non-technical buyer. One concern with mandatory home inspections is that there may be too few qualified home inspectors to cope with the volume of demand, especially in rural or remote areas of BC. As well, there are concerns about content standardization of reports and liability issues.

Why did BCREA decide to throw the entire kitchen sink, complete with all the cabinets, at the government and BCFSAs?

BCREA decided to look beyond the narrow scope of BCFSAs' consultation paper on consumer protection. We found that we were unable to provide fulsome recommendations to address consumer protection without looking at the root cause, which is often the mismatch between supply and demand. We also wanted to address ways that the stakeholder engagement process could be improved, which would lead to more effective policy. As well, we wanted to avoid a "band aid" approach to consumer protection, instead approaching the issue from a "forest instead of trees" perspective.

What about the issue of foreign investors involved in the market?

The connection between foreign investors and housing affordability is a complicated one. Investors are also often newcomers, and immigration is the most important driver in population growth in BC. Immigration also enriches our cities by bringing individuals with new skills, innovative ideas, and international networks. Investors who are not also newcomers may turn their investment property into a rental property, which does not actually decrease overall housing supply.

What about recommending more transparency of strata documents Property Disclosure Statements?

Transparency for potential buyers is important for them to make an informed decision. That is why BCREA is recommending transparency of Property Disclosure Statements and strata documents.

What has been the public perception to BCREA's white paper within Metro Vancouver?

Public perception will be studied more fulsomely in coming weeks through a public survey. However, initial reaction to the white paper seems to be mixed, with some distrust with the sector and some support for the paper's recommendations. It is important to remember that segments of the media have gone out of their way to villainize the real estate sector in recent years, so negative perceptions, particularly in on-line comments, are to be expected. Our advice would be to "ignore the trolls".

What about recommending gentle densification, such as what Langford has done?

Gentle densification is an important step to increasing housing supply. That is why we recommend making infrastructure investments to local governments conditional on Official Community Plans, zoning bylaws and other local policies to allow for increased density and a mix of housing types, with special emphasis on "missing middle" projects in established single-family zoned neighbourhoods.

In Shuswap REALTORS® already use a "pre-offer period," but it doesn't have an impact on bully offers that are subject free, well over the asking price.

There are no silver-bullet, one-size-fits-all solutions to consumer protection. A "pre-offer period" is intended to allow potential buyers time to conduct due diligence and consider their potential offer, but it will not solve concerns for all buyers. The white paper's recommendations are intended to be taken holistically, so that multiple issues are addressed simultaneously. The "pre-offer period" would seek to ban the practice of early bully offers.

Some of these practices are dangerous and may result in more consumers becoming unrepresented.

There is a concern that some policies BCFSA is considering may result in more sellers turning to For Sale By Owner (FSBO), which is often exempted from regulation and may pose a greater risk to consumers. We flag this concern within the white paper and ask BCFSA and the BC Government to consider how to avoid more consumers becoming unrepresented, by requiring FSBOs to comply with the same policies as MLS properties

Would it be worthwhile to have a strategy to help Realtors inform property owners about the challenges of a "cooling off period" and encourage those voters to reach out to the Minister of Finance?

We encourage you to try to inform your social networks on the challenges of a "cooling off period." One concern with Realtors asking property owners to engage with their local MLAs is that consumers tend to be less informed on the complexities of a real estate transaction and may not understand the tradeoffs of a "cooling off period" compared to a "pre offer period." Having said that, if you feel like your consumer is well informed, you can encourage them to amplify our message.

What is the Law Societies position on this and what legal repercussions due they anticipate under the charter of rights?

It is difficult to assess the "cooling off period" from a legal perspective because the government has not given details as to what it would look like. If the government continues with its commitment to implement the policy and introduces legislation, then we will undergo a legal review of the draft legislation.

Very Dismayed to hear the government reply live to your enlightening presentation that BCREA has a "vested interest" in keeping prices high. How can we inform them better?

We are also disappointed to hear the Minister of Finance's views of the real estate sector. We have launched a letter-writing campaign, asking Realtors to show the Minister of Finance that they care about consumer protection and professionalism.

Was there a good (or any) show of government representatives the announcement?

The announcement itself was intended for media to attend, and it received excellent pickup across all major Canadian outlets. In addition, BCREA sent the white paper, as well as a four-page summary brief, to key MLAs

and BCFSAs senior staff and will meet with them in coming days. We are also asking member boards to engage in meetings with key MLAs in their regions to discuss the paper further.