

ABOUT BCREA AND THE HOUSING SECTOR

The British Columbia Real Estate Association (BCREA) is the professional association for about 23,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's ten real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help Realtors provide value for their clients.

To demonstrate the profession's commitment to improving Quality of Life in BC communities, BCREA supports policies that encourage economic vitality, provide housing opportunities, respect the environment and build communities with good schools and safe neighbourhoods.

BCREA MEMBER REAL ESTATE BOARDS



ECONOMIC IMPACT OF REAL ESTATE IN BC

The economic impact of real estate in BC cannot be overstated. In 2020, Realtors helped their clients sell 93,953 homes in the Multiple Listing Service® (MLS®) System, reaching a level not seen since 2017. The value of these sales amounted to roughly \$73.5 billion.

The extent to which the real estate sector impacts the BC economy extends beyond transactions. According to a 2019 study from the Canadian Real Estate Association, each home sale on the MLS® in BC between 2016 and 2018 generated approximately \$72,000 in related expenditures – household purchases, furniture and appliances, legal and appraisal services, etc. – as well as about \$7,000 in taxes.

A significant number of jobs are also created directly and indirectly through real estate transactions, further highlighting the impact of the real estate sector on British Columbians and their families.

1. ASSOCIATION OF INTERIOR REALTORS®
2. BC NORTHERN REAL ESTATE BOARD
3. CHILLIWACK AND DISTRICT REAL ESTATE BOARD
4. FRASER VALLEY REAL ESTATE BOARD
5. KAMLOOPS & DISTRICT REAL ESTATE ASSOCIATION
6. KOOTENAY ASSOCIATION OF REALTORS®
7. POWELL RIVER SUNSHINE COAST REAL ESTATE BOARD
8. REAL ESTATE BOARD OF GREATER VANCOUVER
9. VANCOUVER ISLAND REAL ESTATE BOARD
10. VICTORIA REAL ESTATE BOARD

CONTACT

For more information, please contact BCREA Vice President of Government Relations and Stakeholder Engagement Trevor Hargreaves (thargreaves@bcrea.bc.ca or 604.742.2798).

ENERGY EFFICIENCY AND HOMES

The BC Real Estate Association (BCREA) and REALTORS® are concerned about the Ministry of Finance's 2020 mandate letter requiring Realtors "to provide energy efficiency information on listed homes to incent energy-saving upgrades and let purchasers know what energy bills they will face." This policy proposal suggests a fundamental misunderstanding of a Realtors role in a transaction.

Greenhouse gas emissions from BC buildings decreased by eight per cent between 2007 and 2017, but more needs to be done to meet the government's target to reduce emissions to 64 per cent below 2007 levels by 2030.

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RECOMMENDATIONS

BCREA offers the following recommendations that will impact more buildings and result in more British Columbians reducing their carbon footprints.

1. Consult with real estate sector stakeholders and homeowners before requiring energy assessments on existing homes

The current proposal in the Minister of Finance's mandate letter poses the following challenges, which Realtors and others can help the government avoid:

- only homes listed for sale on Multiple Listing Service® Systems would be impacted,
- to avoid the requirement, sellers may choose not to work with Realtors,
- if on-site assessments are required and there is a shortage of energy advisors, especially in remote or smaller communities, the requirement could lead to a significant delay in listing homes.

2. Ensure that an energy assessment tool is available to owners of all existing homes

Rather than impacting energy efficiency of homes only at the point of listing, an energy assessment tool should be available to all homeowners interested in retrofits.

3. Coordinate an energy assessment tool with other programs

To increase accessibility and uptake of a new energy assessment tool, it should be coordinated with the following programs:

- current CleanBC retrofit incentives,
- local government programs and incentives,
- private sector programs and incentives, such as those provided by financial institutions, utilities and equipment providers, and
- EnerGuide for Homes.

IMPROVING HOUSING SUPPLY

The British Columbia Real Estate Association (BCREA) and BC REALTORS® urge the provincial government to help increase housing supply.

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HOUSING IN BC REMAINS UNAFFORDABLE

Since 2012, BC housing prices have risen by 52 per cent. Housing prices are impacted by a combination of supply and demand factors. Many of these factors, such as interest rates and price expectations, are beyond the control of the BC Government.

DEMAND-SIDE POLICIES HAVE LIMITED IMPACT

Demand has a significant impact on housing prices. Unfortunately, the impact of demand-side measures is limited and short lived. For example, the BC Government implemented the Speculation and Vacancy Tax (SVT) in an attempt to curb rising housing prices. BCREA's assessment found that the SVT had only temporary impacts on home sales and prices, and these impacts were limited to Metro Vancouver.



MLS® Active Listings
British Columbia, YoY % Change



Last data point: February 2021
Source: BCREA Economics

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SUPPLY-SIDE POLICIES OFFER SOLUTIONS

The BC Government should focus on supply factors to improve housing affordability in the long term. The government's 2019 Development Approvals Process Review (DAPR) provides a roadmap to address challenges and identify opportunities to improve local government approvals processes. Approvals affect how quickly housing projects are built, allowing supply to better react to increases in demand. While some progress has been made in implementing opportunities outlined in DAPR, there is still more work to be done.



RECOMMENDATIONS

BCREA recommends the provincial government take the following actions:

1. **Empower Official Community Plans (OCPs) to reduce unnecessary public hearings**

Implementing the following opportunities outlined in DAPR will ensure community input and local government effectiveness:

- conduct a provincial policy review to consider tying development approvals to housing targets,
- provide local governments with best practices for writing, adopting and amending OCPs, and
- provide training and a best practices guide on how and when to hold public hearings.

2. **Leverage transportation funding and OCPs to encourage local governments to increase gentle densification**

Diversity in housing stock helps residents find appropriate homes they can afford, and diversity includes more affordable family-friendly alternatives such as duplexes, triplexes, secondary suites and laneway/coach homes. This is important throughout the province, particularly in neighbourhoods accessible to transit.