



**BCrea**  
British Columbia  
Real Estate Association

# Managing Broker Community of Practice

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# Agenda

- Overview and Context
- Where are we Now?
- Real Estate Sector Actions
- Recommendations and Considerations
- Next Steps
- Questions



# Overview and Context



## Context

- Our sector is facing challenges in BC and across Canada
- We need to be unified and meet those challenges head-on





## Federal and Provincial Context

- April 2021: hot market and the likelihood of government action
  - Low public perception of REALTORS®
  - Federal Liberal Party Home Buyers' Bill of Rights
  - PAC days and new federal Minister of Housing and Diversity and Inclusion
  - High support for federal and provincial government intervention
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## BC Government Announcement

- Intention to implement a mandatory 'cooling off' period
- Decision made without broad consultation with stakeholders and experts
- BCFSA will consult on penalties for exercising the right to rescission and the length of time
- Other policy interventions being considered include:
  - Restricting 'blind bidding'
  - Restricting unconditional offers
  - Mandating home inspections
  - Additional consumer protection measures





# Where are we now?



## Where are we now?

- The BC Government's announcement poses a challenge for our sector across BC
- We need to be proactive and unified
- We know that the sector cares about consumer interests, and we need to hear from you on solutions that would be effective in both practice and enhancing the collective goal of consumer protection.





## Key Messages

- We are not interested in knee-jerk reactionary policy measures that appear to be targeted at public protection. Research, analysis and consultation is needed prior to arriving at conclusions
- While interventions are focused on supporting greater transparency to buyers, we need to ensure consumers interests are balanced, and that any interventions will be effective in practice, provide greater consumer transparency, and will not have unintended consequences that may impact housing affordability.
- We're going to do our complete due diligence and come forward with a smart, effective, fair set of policy recommendations to increase transparency and consumer confidence.





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# **Real Estate Sector Actions**



## BCREA and Organized Real Estate Actions Prior to Government Announcement

- Introducing a new Standard Form, “Buyer’s Acknowledgement of Information – Recommended Conditions”
- Introducing a form guide and toolkit to support REALTORS® in integrating its use in transactions
- Produced a podcast, “What does the Public Really Think About the Hot Market?”
- Published blog posts
- Hosted Community of Practice webinars





## Actions Since Government Announcement

- Met with BC's ten real estate boards to coordinate a unified response
- Sent initial response to Minister Robinson on November 12
- Met with BC Financial Services Authority's senior staff on November 15
- Met with Minister of Housing/Attorney General David Eby (earlier this morning)
- This is just the start!





# Recommendations and Considerations

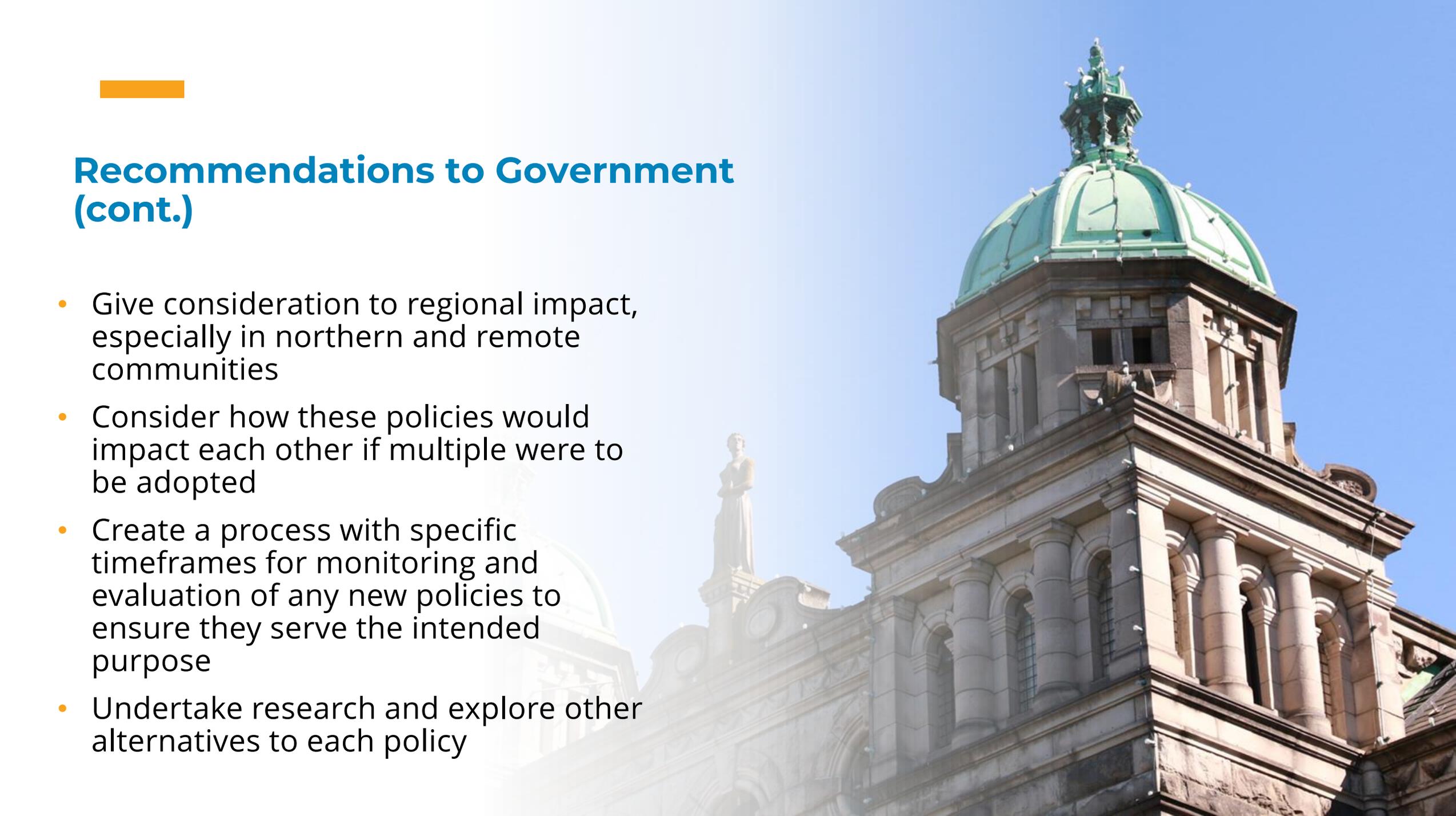


## Recommendations to Regulator (BCFSA) and Government

- Engage in fulsome and meaningful consultation with real estate professionals and the public prior to announcing policies
  - Ensure proposed policies have corresponding goals and metrics to measure their effectiveness
  - Provide resources for consumers and real estate professionals
  - Consider the interests of both buyers and sellers and the risks and impacts on a seller's market as well as a buyer's market
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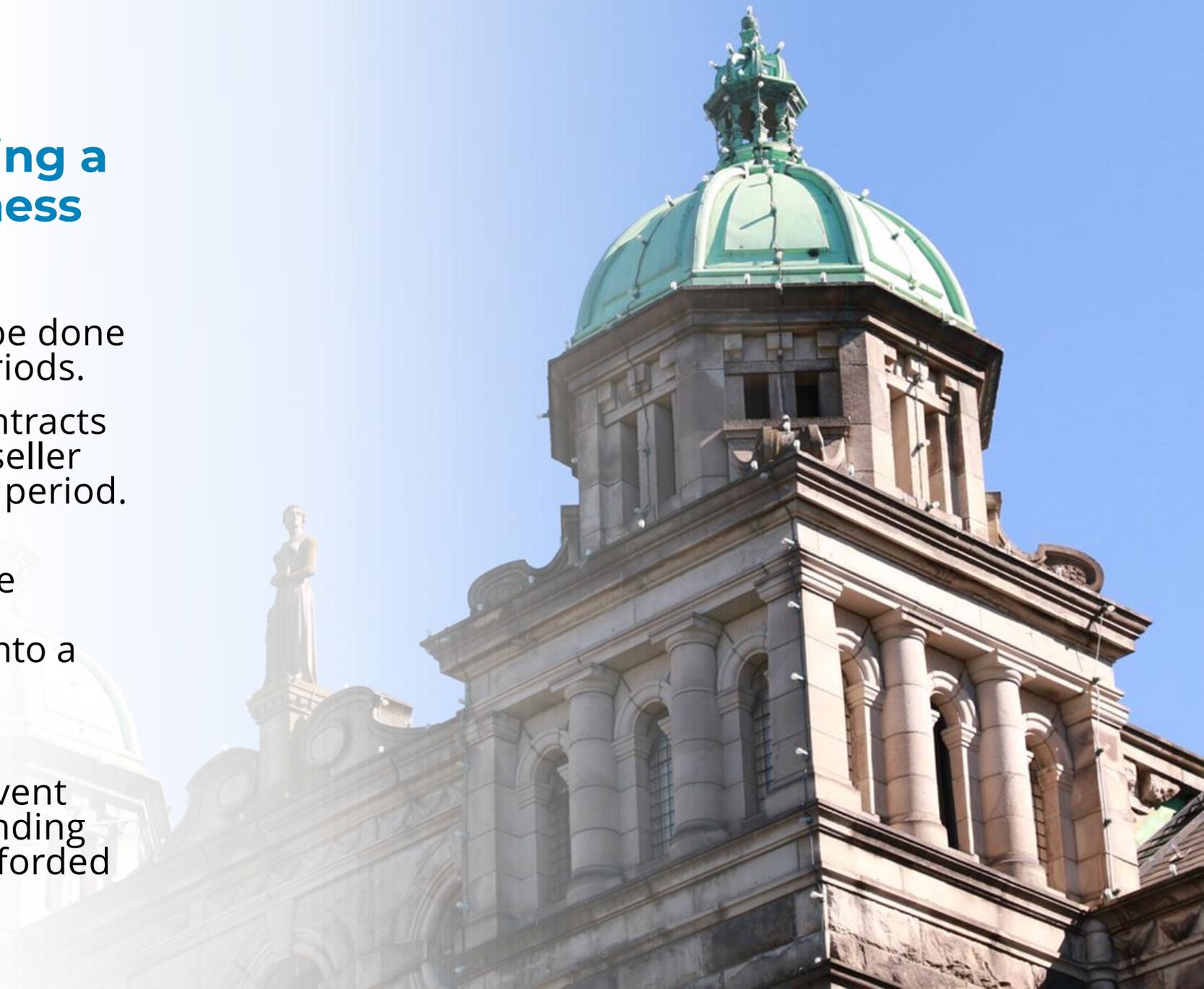
## Recommendations to Government (cont.)

- Give consideration to regional impact, especially in northern and remote communities
  - Consider how these policies would impact each other if multiple were to be adopted
  - Create a process with specific timeframes for monitoring and evaluation of any new policies to ensure they serve the intended purpose
  - Undertake research and explore other alternatives to each policy
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## 1. Explore Implementing a mandatory one-business day window

- We asked that an exploration be done on alternatives to rescission periods.
- Consider windows in which contracts would not be reviewed by the seller as an alternative to a rescission period.
- This would allow potential home buyers time for meaningful consideration before entering into a binding contract.
- This 'opt-in' method would prevent parties from entering into a binding contract until the buyer was afforded more time to think about the consequences of a purchase





## 2. Explore creating an offer registry

- Could help the previous consideration to facilitate a 24-hour rescission window.
- Offers would be registered, but only presented to the seller after the 24-hour time frame has passed, allowing for greater transparency and mitigating bully offers
- Information may include things such as number of offers, Realtors & brokerages presenting offers
- This may help negate the need to consider open bidding or other initiatives that may cause privacy issues or more mandatory disclosure measures, that may not be effective





### 3. Mandatory Property Disclosure Statements

- Property disclosure statements are a public protection issues that improves transparency to the interest of buyers and sellers alike
- For buyers, having information on the properties condition that is made known to the seller provides due diligence and can allow them to make an informed decision on offers.
- For sellers, property disclosure statements can increase the attractiveness of their property and will reduce the risk of possible claims by buyers as complete written disclosure was made





## 4. Do not implement a ban on 'blind bidding'

- Research from the Canadian Real Estate Association shows that increased bid transparency can lead to higher prices in a hot real estate market





## 5. Mandatory Contract Clauses

- Could include terms and clauses protecting the interest of all parties
- Examples could include terms and conditions for the purchase of a property to be subject to property inspection, financing, insurance and the obtaining legal advice
- Could also provide inclusion of the Property Disclosure Statement into the offer
- Exemptions should be considered for consumers to have the ability to waive the protections





## Next Steps

- Consultation with REALTORS®
    - Surveys
    - Focus groups
  - Meet with:
    - Attorney General and Minister Responsible for Housing
    - Minister of Municipal Affairs
    - Minister of Finance
    - Opposition MLAs
    - Additional meetings with BCFSAs senior staff
  - Board and REALTOR® engagement with local MLAs
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# Next Steps



## Next Steps (cont.)

- Case study analysis (e.g. Australia)
- Blog post series explaining each potential policy interventions
- Economic analysis
- Collaboration with real estate sector stakeholders
- Media relations
- Consumer research
- Formal submission





## Contact Information

- Respond to the BC Financial Services Authority's consultation at [coolingoff@bcfsa.ca](mailto:coolingoff@bcfsa.ca)
- Email BCREA at [gr@bcrea.bc.ca](mailto:gr@bcrea.bc.ca)





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# Questions?

**Thank you!**