

July 20, 2018

Darlene Hyde
Chief Executive Officer
British Columbia Real Estate Association (BCREA)
1420 – 701 Georgia Street West
Vancouver, BC V7Y 1C6

Dear Ms. Hyde,

Re: BCREA letter of July 11, 2018 - Rules Implementation Feedback

I am responding to your letter of July 11, 2018 containing feedback from licensees and real estate boards on issues related to the introduction of the new Superintendent's Rules on June 15, 2018.

Thank you for accepting our invitation to attend the recent Council meeting. I hope that it will be one of many conversations to come as our organizations continue to work together to address strategic issues of common interest. As emphasized by the Council Chair Robert Holmes, the Council's meetings are open to the public. BCREA and all real estate boards in the province have a standing invitation to attend Council meetings, observe the public proceedings and, where prior arrangements are made, make presentations.

Your letter includes recommendations in three areas, as well as five "BCREA Requests". My response touches on each of these topics.

The first issue raised in your letter is with respect to the Council's phone and email support for licensees in regards to the new Rules. As you know, the Council has developed an online Licensee Knowledge Base with extensive information on the agency and disclosure requirements under the new Rules. I would encourage BCREA and its member boards to continue to recommend that licensees make use of these online resources. Our Professional Standards Advisors are available to respond to questions in cases where published guidance is not readily available. Despite incredibly high volumes of calls and emails, we continue to maintain our target service standard of providing responses within 1 - 2 business days. Should there be instances where licensees feel that guidance has been inconsistent, please let us know of the specific questions and responses so that we may provide clarification.

Your letter also highlights some concerns received from licensees about the disclosure requirements under the Superintendent's new Rules and the impact on licensees' accustomed business practices. While the Rules do require licensees to make use of new forms, the disclosure requirements are in fact not substantially different from the previous requirements in that disclosure to consumers must be made before trading services are provided. We are confident that licensees will successfully adapt their business practices so that these reforms can serve the best interests of both the public and the industry. By supporting the Rule changes, leaders in the real estate sector such as BCREA, its member boards and managing brokers can help licensees adapt to the changes and support public trust in the profession. We look forward to continuing to collaborate with you in these efforts.

In that regard, thank you for your detailed suggestions for potential improvements to the mandatory Council-approved forms. We are collecting all the feedback and suggestions we receive regarding the forms to be considered as part of the Council's 90-day post-implementation evaluation. I have passed your suggestions along to Council staff to ensure they are included in that process of review.

With respect to your request that the Council and BCREA create a task force, we remain committed to ongoing collaboration with our stakeholders. As you know, Council staff met weekly with BCREA staff for several months in advance of the implementation of the Superintendent's Rules and these meetings were a productive format for sharing information about our respective activities. Later this summer we will be engaging directly with managing brokers across the province through a series of roundtable discussions to gather feedback about the implementation of the Rules. We would be pleased to consider a proposal from BCREA regarding the focus of the suggested task force following that engagement.

You have requested that Council increase the number of Council members with industry experience. As a result of the amendments to the *Real Estate Services Act* in 2016, all 16 members of Council are now publicly appointed by the Lieutenant Governor in Council. As you are aware, two new appointments to Council were made on July 12, 2018 and we look forward to the expertise and fresh perspectives these individuals will bring.

With regard to public education on Rules changes, I agree that consumers need resources to understand the services to expect of real estate licensees. We are committed to building consumer awareness and engagement, and in that regard I would like to invite a member of your staff and board to participate on the Council's Consumer Awareness Advisory Group, which will advise on the activities undertaken with funding from the Real Estate Foundation of BC to develop resources that support consumers to make informed real estate decisions.

Your final request is that the Council take steps to inspire confidence in real estate licensees. As you know, the Council's mandate is to protect the public interest by enforcing the licensee conduct requirements of the *Real Estate Services Act*, to ensure that the interests of consumers who use the services of real estate licensees are adequately protected against wrongful actions. We work to achieve this, together with the Superintendent of Real Estate, by setting and enforcing standards of conduct. Continued demonstration of high standards of ethical conduct and professionalism by licensed real estate professionals is the best way to inspire consumer confidence, and we look forward to working with industry stakeholders such as BCREA to achieve this outcome.

Thank you for taking the time to write and for bringing these issues and your recommendations to my attention.

Sincerely,



Erin Seeley,
Executive Officer

cc: Robert D. Holmes, Chair, Real Estate Council of B.C.
Micheal Noseworthy, Superintendent of Real Estate