



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

October 18, 2017

Cannabis Legalization and Regulation Secretariat
Ministry of Public Safety and Solicitor General
Victoria, BC

Sent by email: cannabis.secretariat@gov.bc.ca

Dear Secretariat Members,

Re: BCREA Submission to BC Cannabis Regulation Engagement

The British Columbia Real Estate Association (BCREA) welcomes the opportunity to provide feedback on the province's plan to regulate non-medical cannabis.

BCREA is encouraged that one of the government's six focus areas in this public engagement process is personal cultivation. The Association is concerned about the dangers posed by properties used in the production of drugs, including cannabis, and hopes the federal government's forthcoming cannabis legislation will be a catalyst to the development of robust regulations for home drug production.

When a property has been involved in drug production, citizens can be exposed to serious health and safety risks resulting from mould, chemicals and electrical fires, even if the property is no longer being used for drug production. The *Cannabis Legalization and Regulation in British Columbia Discussion Paper* from the Ministry of Public Safety and Solicitor General notes these risks, as does the federal government's 2016 *Final Report of the Task Force on Cannabis Legalization and Regulation*. Further, properties used in drug operations often become stigmatized, which can result in financing and insurance challenges.

BCREA appreciates there are significant differences between large-scale grow operations and an individual growing up to four plants in their residence. However, the potential property damage from even four plants per residence is not yet quantified. Depending on the circumstances and the size of the residence, four plants could still potentially cause damage. Growing four plants in a 400-square foot apartment, or in a small closet, may have very different impacts than growing four plants in a large, open space.

In addition, the proposed legislation does not account for multiple residences in the same property, such as high-rise buildings or homes with secondary suites. These properties may experience significant damage if several residents grow their own cannabis at home. Moreover, some individuals may grow more than their allotted amount, and enforcing the size and number of plants will be difficult. This

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creates the potential for even greater property damage and subsequent financing and insurance complications for future residents, and leaves renters and buyers unable to make informed decisions about their homes.

In cases where homes are damaged by personal cannabis cultivation, the provincial government can play a critical role by implementing strong, consistent standards for property remediation. In BC, there are currently no such standards for remediating and certifying properties that have been used to produce drugs. This means there are no consistent standards for what constitutes a safe, successful remediation.

In November 2016, BCREA hosted a forum on properties used in drug production with more than 50 stakeholders from the financial, insurance, real estate, home inspection, business and government sectors. The overwhelming consensus of this forum was that the provincial government should implement standards for property remediation and certification.

A related issue is the lack of consistency across British Columbia as to how municipalities make information available on a property's past drug production. REALTORS®, mortgage brokers, insurance agents, contractors, renters and potential homebuyers may not have access to a property's history and therefore may be unable to make an informed decision about the residence. Residents and industry would benefit from having ready access to basic information about whether properties have been used in drug operations, as well as information about remediation of those properties.

Based on these concerns, BCREA recommends that the provincial government:

1. Develop a centralised, consistent process for disclosure of property history information.
2. Describe a healthy building, and then develop a centralized, consistent process for remediation of buildings used in drug operations, to ensure these buildings are safe for people.
3. Define a "drug operation" in a meaningful way.

Specific to this consultation, BCREA is pleased to see the government consider options to further regulate personal cultivation in BC, as noted in the *Cannabis Legalization and Regulation in British Columbia Discussion Paper*. The Association is in favour of outdoor cultivation, assuming soil is not contaminated, to avoid the previously mentioned property impacts of growing cannabis indoors.

The Association would also support a registration requirement for personal cultivation of non-medical cannabis, but recommends that such a system be tied to the property instead of the individual. It is true that those who do not plan to comply with the laws on home cultivation may be unlikely to register in the first place; however, we believe most British Columbians are law-abiding and would use the registry. This measure would help potential tenants and homebuyers make informed decisions about properties they may want to call home.

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BCREA notes there are gaps in the existing research on this file, and advocates for a risk-averse policy approach. The Association is taking active steps to help provide evidence, including through original research on remediation processes in other jurisdictions and their potential applicability in BC. The Association also recently established a Drug Operations Advisory Group, which brings together industry professionals to advance the establishment of remediation and certification standards. BCREA is happy to provide any further resources or assistance to the government based on this research and expertise. BCREA's research is available at www.bcrea.bc.ca/government-relations/drug-operations.

BCREA is the professional association for about 22,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's 11 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.

Yours sincerely,



Damian Stathonikos
Interim Chief Executive Officer

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