



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

May 18, 2018

Honourable Carole James, MLA
Minister of Finance and Deputy Premier
Room 153, Parliament Buildings
Victoria, BC V8V 1X4
Sent by email: FIN.Minister@gov.bc.ca

Dear Minister,

Re: Upcoming Ban on Limited Dual Agency

The British Columbia Real Estate Association (BCREA) continues to have concerns with the ban on limited dual agency, which is scheduled to come into effect on June 15, 2018. Since our last meeting, where we had a constructive discussion on this issue, BCREA has continued to advance solutions that protect consumers and work for real estate professionals. With this letter, I am sharing with you the specific requests BCREA has made of the Real Estate Council of British Columbia and the Office of the Superintendent of Real Estate.

1. Define Existing Exemption

When this decision was made in November 2017, the Superintendent included one exemption from the ban: limited dual agency will be able to be practiced in geographically remote areas that are under-served by licensees and where it will be impracticable to bring in another licensee. All three criteria must be met for the exemption to be used.

To ensure consumers and REALTORS® can use the exemption, we have asked the Office of the Superintendent of Real Estate and the Real Estate Council of British Columbia for guidance; so far, little has been made available. Giving consumers greater clarity on their rights, and giving licensees more certainty and guidance on the application of the exemption, will create the confidence needed to use limited dual agency in instances where it is in the client's interest.

In the enclosed letter to the Council, we suggest how "remote" and "under-served" can be described, to provide reassurance to consumers and licensees.

1420 – 701 Georgia Street W, PO Box 10123, Pacific Centre, Vancouver, BC V7Y 1C6

President James Palanio
Past President Jim Stewart

President-Elect Michael Trites
Chief Executive Officer Darlene Hyde

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Hon. Carole James

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2. New Exemption for Commercial Transactions

Commercial transactions often use limited dual agency. These situations are unique, because these sophisticated parties already receive advice from lawyers and accountants, and so their interests are well represented and protected.

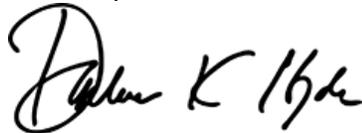
In 2016, the Independent Advisory Group's work focused on residential real estate, and now commercial practitioners and consumers have to work within Rule changes that are not designed for them.

In the enclosed letter, we ask the Superintendent to create a new exemption for commercial transactions.

BCREA agrees with the importance of consumer protection, and we believe these requests will help smooth the transition to the new Rules. Thank you for considering our requests, and if you would like to discuss this issue further please contact me directly (dhyde@bcrea.bc.ca; 604.742.2787).

As you know, 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 11 real estate boards, BCREA provides continuing professional education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

Sincerely,



Darlene Hyde
Chief Executive Officer

Copies: Donna Barnett, MLA – Cariboo-Chilcotin (donna.barnett.mla@leg.bc.ca)
Shirley Bond, MLA – Prince George-Valemount (shirley.bond.mla@leg.bc.ca)
Micheal Noseworthy, Superintendent of Real Estate
(Micheal.Noseworthy@gov.bc.ca)
Tracy Redies, MLA – Surrey-White Rock (tracy.redies.MLA@leg.bc.ca)
Erin Seeley, Real Estate Council of British Columbia (eseeley@recbc.ca)
Andrew Weaver, MLA Oak Bay-Gordon Head (andrew.weaver.mla@leg.bc.ca)
Andrew Wilkinson, MLA Vancouver-Quilchena (andrew.wilkinson.mla@leg.bc.ca)



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May 18, 2018

Erin Seeley
Executive Officer
Real Estate Council of British Columbia
900 – 750 West Pender Street
Vancouver, BC V6C 2T8
Submitted by email: eseeley@recbc.ca

Dear Ms. Seeley,

Re: Defining Exemption to the Ban on Limited Dual Agency

The British Columbia Real Estate Association (BCREA) continues to call for clarity on the criteria for the exemption from the ban on limited dual agency. The exemption will enable consumers and licensees to use limited dual agency in specific circumstances, but it is not clear how it will apply in practice. Specifically, there is a need define “under-served” and “remote” in a way that protects consumers and meets the needs of licensees.

Under-served

A process that clearly outlines which communities qualify as under-served, rather than case-by-case determinations, is needed. An existing provincial government program (the BC Loan Forgiveness Program) already uses a criteria-based approach to define “underserved” communities, and we believe a similar approach could work for our purposes. Criteria for qualifying as an under-served community should be made available for licensees to access.

Licensees are free to practice real estate across the province, and some licensees based out of large communities may practice in small communities. The criterion to measure whether a community is under-served could be based on one of the following:

- Home address information of licensees: while acknowledging the non-restricted scope of practice, if home addresses were used as a proxy measurement for area of practice, then the home addresses of licensees could be used as a baseline measure.
- Primary practice area: data on the primary practice area of licensees would illuminate which communities have few licensees serving them.
- Number of offices per area: counting the number of offices per area, or the number of licensees per office, would represent the level of real estate expertise in an area.

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Remote

The process of determining what constitutes a remote community must also be transparent and consistent. For example, measuring the number of sub-offices in an area could be used. While many REALTORS® live in or are brokered from outside of the community in which they practice, the number of sub-offices in communities could indicate how remote a community is. Geographic measurements, such as latitude, could also be used.

Communication and Evaluation

We believe a list of communities can be created by applying the approaches described above. That list should then be published on the Council's website, and the criteria and list reviewed every three years.

BCREA agrees with the importance of consumer protection, and looks forward to working collaboratively to advance solutions that protect consumers and meet the needs of real estate professionals. Giving consumers greater clarity on their rights, and giving licensees more certainty and guidance on the application of the exemption, will create the confidence needed to use limited dual agency in instances where it is in the client's interest. If we can assist in any way, please contact me directly (dhyde@bcrea.bc.ca; 604.742.2787).

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Sincerely,



Darlene Hyde
Chief Executive Officer

Copies: Robert Holmes, Chair, Real Estate Council of British Columbia
 (rholmes@recbc.ca)
 Micheal Noseworthy, Superintendent of Real Estate
 (Micheal.Noseworthy@gov.bc.ca)



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

May 18, 2018

Micheal Noseworthy
Superintendent of Real Estate
2800 – 555 West Hastings Street
Vancouver, BC V6B 4N6
Submitted by email: Micheal.Noseworthy@gov.bc.ca

Dear Mr. Noseworthy,

Re: Ban on Limited Dual Agency and Commercial Real Estate

The British Columbia Real Estate Association (BCREA) continues to have concerns with the ban on limited dual agency, which is scheduled to come into effect on June 15, 2018.

Buying or selling real estate is a significant decision, and we are concerned that the ban will limit a consumer's ability to work with a REALTOR® of their choice. An exemption to this ban already exists, and we believe that there is a need for an additional exemption for commercial real estate transactions.

The use of limited dual agency is common in commercial transactions, where REALTORS® work with buyers and sellers who already receive advice from other professionals including lawyers and accountants. These sophisticated clients choose to use limited dual agency and their interests are well represented and protected.

The report of the Independent Advisory Group focused on residential real estate and, in doing so, failed to consider the impacts the ban will have on the commercial sector. An exemption from the ban for commercial real estate transaction is needed to avoid unintended negative consequences for consumers and commercial practitioners.

BCREA looks forward to working collaboratively to advance solutions that protect consumers and meet the needs of real estate professionals. If you would like to discuss this issue further, please contact me directly (dhyde@bcrea.bc.ca; 604.742.2787).

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Mr. Micheal Noseworthy

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Sincerely,

A handwritten signature in black ink that reads "Darlene K Hyde". The signature is written in a cursive, flowing style.

Darlene Hyde

Chief Executive Officer

Copies: Robert Holmes, Chair, Real Estate Council of British Columbia
 (rholmes@recbc.ca)
 Erin Seeley, Real Estate Council of British Columbia (eseeley@recbc.ca)