



BACKGROUNDER - *Real Estate Services Act* and *Real Estate Development Marketing Act*

In 2002, the provincial government announced it would reform the provincial *Real Estate Act* and encouraged the real estate profession to become involved in the process.

After two years of consultations with many stakeholders, the new *Real Estate Services Act* (RESA) and *Real Estate Development Marketing Act* (REDMA) came into force on January 1, 2005, replacing the *Real Estate Act*, which was nearly 50 years old.

The British Columbia Real Estate Association (BCREA) believes the government has struck the right balance to ensure fairness and protect consumers in the marketplace. Interest in land, whether owning, renting or mortgaging, is the very heart of our economic system and deserves clear and fair rules. The government has shown its commitment to these principles.

Last year set records for home sales in the province, with more than 96,300 homes worth \$27.8 billion selling on the Multiple Listing Service®. Consumers see real estate as a solid investment and that's due, in part, to the certainty of having real estate legislation that protects their interests.

RESA better protects the public by:

- requiring strata managers to be licensed
- creating a special compensation fund to protect consumers from losses due to theft or fraud by real estate service providers
- giving the Real Estate Council of British Columbia authority to make disciplinary orders and freeze orders in urgent circumstances

REDMA benefits the public by:

- giving buyers the right to rescind an offer for not receiving a disclosure statement
- providing a standardized seven-day cooling-off period during which purchasers who received disclosure can rescind the purchase contract
- allowing the Superintendent of Real Estate to impose administrative penalties and to act against a developer who fails to file a disclosure statement or to provide it to purchasers
- clarifying the rules for pre-selling of real estate developments

BCREA represents 12 member real estate boards and their approximately 14,000 REALTORS on provincial issues, provides an extensive communications network, required licensing and continuing education courses, standard forms and government relations.

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