



For Immediate Release

Contract Changes Benefit Real Estate Consumers

Vancouver, BC – May 10, 2016. Consumer awareness took a step forward with the announcement of new requirements for real estate contracts.

Following on a promise made by Premier Clark in March, as of May 16, 2016 the government will require contracts prepared by real estate licensees to include clauses stating that the contract cannot be assigned without the written consent of the seller, and that any profit from an assignment goes to the initial seller. Clients can instruct licensees to omit or change the clauses.

“Real estate consumers now have a tool to help them decide whether they want their contracts to be assignable,” says BC Real Estate Association (BCREA) President Deanna Horn. “Like many other provisions in the contract, buyers and sellers have the option of keeping the new paragraph, changing it or striking it out completely—but at least the conversation is more likely to happen now.”

BCREA supports the new requirements. To help consumers and REALTORS® with the transition, the Association is adding the following paragraph to the residential and commercial Contracts of Purchase and Sale:

The Seller and the Buyer agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

“Assignment” is the practice of someone assigning their rights in a contract to someone else before the transaction completes. In simple terms, someone can buy the right to step into the original buyer's shoes to complete the contract. Assigning one’s right to a contract is a legitimate practice, allowed by common law and also by section 36 of the *Law and Equity Act*.

Also today, Minister of Finance Mike de Jong announced that, starting in June 2016, the provincial government will begin collecting citizenship data of real estate owners through the Property Transfer Tax form.

“BCREA is pleased that the government will collect this information, in which there is obviously a lot of public interest,” says Association CEO Robert Laing. “Strong policy is based on solid information, and we look forward to learning more about this aspect of the real estate market.”

More information:

- Real Estate Council of BC Frequently Asked Questions – www.recbc.ca/licensee/contract-assignment-faq.html
- About Assignments – www.bcrea.bc.ca/docs/default-document-library/assignments.pdf
- Sample residential Contract of Purchase and Sale (new paragraph: 20A) – www.bcrea.bc.ca/docs/default-document-library/residentialcpssample.pdf
- Sample commercial Contract of Purchase and Sale (new paragraph: 40A) – www.bcrea.bc.ca/docs/default-document-library/commercialcpssample.pdf

[BCREA](http://www.bcrea.bc.ca) is the professional association for over 20,000 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 help ensure economic vitality, provide housing opportunities, preserve the environment, protect property owners and build better communities with good schools and safe neighbourhoods.

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