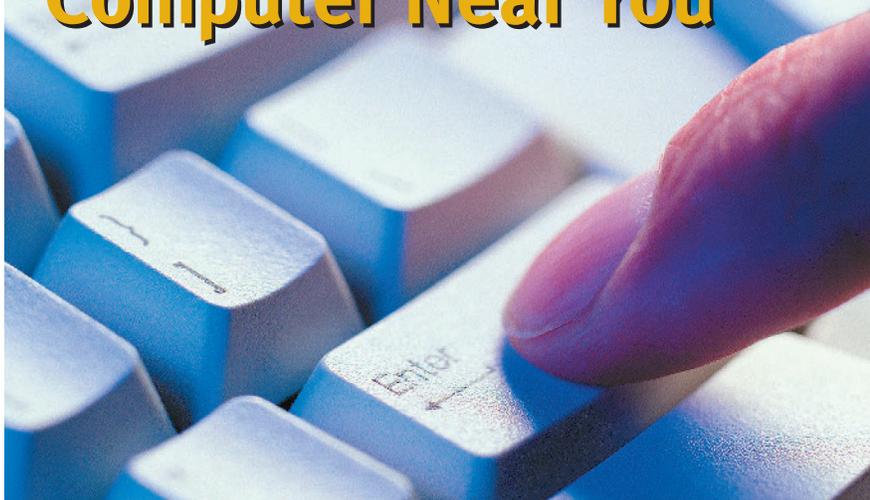




BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Courses Coming to a Computer Near You



In today's busy real estate market, wouldn't it be nice to be able to take real estate courses online? Seventy-two per cent of you say yes, according to BCREA's 2004 REALTOR survey, conducted earlier this year.

Beginning in September, BC REALTORS will be able to take three courses online for only \$65 each: Recognizing Structural Deficiencies in Homes, Money Laundering and Grow-Ops. Learn at your own computer, at your own pace, when it's convenient for you—and gain practical knowledge you can apply right away.

"I couldn't believe how much I thoroughly enjoyed taking this course," said one REALTOR about Recognizing Structural Deficiencies in Homes. "It really pointed out problems that aren't always obvious to the untrained eye. I will surely use these helpful lessons in my real estate practice and I feel they will make me more of a professional."

If you have a computer and Internet access, you can take BCREA's online courses, offered through a partnership with the Ontario Real Estate Association. More courses may be offered, depending on interest in the first three.

Courses are quick and easy to take, presented in modules with exercises in between to help you assess your progress—achieve a score of 75 per cent or more to move on to the next module. After completing all modules, usually four, there is a final quiz. While taking the course, you can email any questions to the instructor. Courses include online readings, which you can print for future reference.

While the online courses are not part of the Continuing Professional Education (cpe) program, you will receive a certificate for completion.

To register, visit BCREA's REALTOR Link™ homepage in late September and click on "Online Education."

Grow-Ops introduces you to the concept of marijuana grow operations. It will help you understand the legislation in place to protect you and your clients. You will receive guidance in recognizing situations governed by legislation and recommendations on how to deal with them. The course will also provide examples to illustrate the information provided, including:

- the ramifications of selling or leasing a property that has been a grow-op
- the characteristics of a grow-op
- avoiding liability by knowing what to disclose

Money Laundering introduces the concept of money laundering and explains the legislation in place to protect you and your clients. Learn how to:

- recognize a suspicious transaction
- design a system to ensure compliance with legislation
- identify the penalties for non-compliance and how to avoid them

Recognizing Structural Deficiencies in Homes teaches simple visual techniques to recognize a major structural deficiency in a home, including:

- visual clues that the house may be shifting
- the difference between a floor sag and a floor slope
- the difference between a serious foundation crack and one that has no structural significance

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President's Report

Staying Power

These are certainly good times for everyone connected with real estate, and it seems this market will last. MLS® sales are an obvious indicator. With all areas of the province enjoying the benefits of an active market, we're well on our way to setting new sales records this year.

Many parts of the province have already experienced more than a year of robust activity, and economist Helmut Pastrick of the Credit Union Central of British Columbia (CUCBC) believes the market has not yet peaked. The June issue of CUCBC's *Economic Analysis of BC* notes:

"The current upswing, which began modestly in mid-2000, is forecast to set a duration record and will not reach its peak until after 2005. The housing market is operating under sound demand fundamentals and speculative activity is not high."

Other factors are also positive. There's been concern in recent years about the amount of debt taken on by Canadians. Clayton Research found the silver lining, though, because part of that debt is caused by a shift from renting a home to owning one.

While a mortgage clearly increases debt, The FIRM Residential Mortgage Survey (Clayton Research/Ipsos-Reid) indicates average home equity and household incomes have risen in the past four years, and lower interest rates have made it easier to carry a mortgage.

In addition to more people entering the housing market, renovation spending by existing homeowners is soaring. In May, Clayton Research reported Canadians spent \$33 million on renovations in 2003, up 8.5 per cent from the previous year. This continues a trend that has seen annual growth of about ten per cent per year since 1999.



President **Gordon Maroney**

Clayton suggests MLS® home sales help drive renovation spending for about three years after the purchase. Considering the forecast for sales, it looks like the renovation trend will continue.

All of this good news might mean we have to cut our summer vacations short, but it also means we're helping more people achieve the dream of home ownership. We can always rest later!

Gordon Maroney
President

Board of Directors 2004-2005

Long-Range Plan Principles

- Building membership relations
- Responding to communication needs
- Leading provincial advocacy efforts on behalf of the profession
- Demonstrating public interest
- Offering excellence in education services
- Providing enhanced service options for member boards
- Maintaining an equitable fee structure

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Trustworthy Title Searches by Kim Spencer



It's Saturday, and you've got a new listing. The sellers show you a copy of a recent title search they did via BC OnLine. With BC OnLine unavailable until Monday, you're happy to have a document that confirms the state of title. You checked the BC Assessment information before the presentation, but having a title search is a real bonus. Showings on Sunday result in an accepted, non-subject offer with a quick closing date.

On Tuesday, you get a copy of the title search. You're horrified to discover there is a *lis pendens* – the sellers and their bank disagree over what constitutes a regular mortgage

payment. The dream deal turns into a nightmare.

Did you realize knowing where the title search came from is important? In this case, the REALTOR trusted the document provided by the seller. The resulting deal relied on that document, which was neither complete nor accurate.

Anyone can recreate a seemingly official title search, because they are simple text documents; for example, BC OnLine title searches can be altered using common word-processing programs. This means names and charges can be removed from title searches at will.

A Certificate of Title is the definitive authority on the state of a property's title. During the work week, REALTORS receive title searches from their boards, BC OnLine or search services.

Ensure you do your own title searches, or at least evaluate the trustworthiness of sources before relying on their accuracy. To do otherwise puts you and your clients at risk.

To learn more about title searches, talk to your board about booking the cpe seminar *Title Searching for REALTORS* today!

Council Elects Chair, Vice Chair

Rosemary Barnes of Park Georgia Realty, Coquitlam – and a past president of BCREA – has been elected as Chair of the Real Estate Council of British Columbia. Dougal Shewan of Royal LePage - Wolstencroft, Langley has been elected as Vice Chair.

Seventeen members of the Real Estate Council are agents and salespeople elected to represent all areas of the province. Aside from Barnes and Shewan, recently-elected Council members are:

- Arlene Butler, Vancouver
- Robert F. Clarke, Campbell River

- Allan Corbett, Vancouver
- John Finlayson, Duncan
- Satnam Sidhu, North Vancouver
- Michael Ziegler, Victoria

Council members with one year remaining in their terms are:

- Cynthia A. Chen, Richmond
- Marshall Cowe, Coquitlam
- Laurie Creak, Prince George
- Marvin Friesen, Vernon
- Abdul R. Ghouri, Vancouver
- Philip Jones, Cranbrook
- David Mio, Smithers
- Wayne Strandlund, Victoria
- Judi Whyte, West Vancouver



Real Estate Council of British Columbia



The Council is a regulatory body established by the provincial government. In conjunction with the Superintendent of Real Estate, its mandate is to protect the public by enforcing the licensing and licensee conduct requirements of the *Real Estate Act*. The Council is responsible for licensing real estate agents and salespersons, enforcing entry qualifications, investigating complaints against licensees and imposing disciplinary sanctions under the *Real Estate Act*.

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Government Relations

PTT Change on Strata Properties



Finance Minister
Gary Collins

The Property Transfer Tax (PTT) will undergo surgery this fall, and the real estate profession will assist the procedure. BCREA has agreed to help the provincial

government develop legislation to change how the tax is charged on pre-sold residential strata properties.

Under the legislation, the charge will be applied to a strata's final purchase price, rather than on its market value at the time title is transferred at the Land Title Office. The legislation

could be effective for all eligible pre-sold residential properties registered after December 31, 2002.

"We remain firm in our position that the tax should be eliminated altogether," says BCREA President Gordon Maroney. "Hopefully this is the beginning of the end of it."

The current busy housing market has resulted in soaring property values, which creates a couple of problems. In some cases, first-time homebuyers who purchase properties before they are built risk losing their eligibility for the PTT exemption

because the market value of their homes at the time of registration increases between then and the time of purchase. In other cases, people who bought residential stratas before ground was broken face higher-than-expected PTT bills.

Since 2001, the government's position had been that PTT reduction was contingent on delivery of a balanced provincial budget. The government's first balanced budget was introduced last February, and the announcement to develop this legislation was made by Finance Minister Gary Collins on June 22.

Member Boards

Affordability in Northern BC

Owning a home in northern British Columbia is twice as affordable as in the City of Vancouver, finds a new affordability study released by the BC Northern Real Estate Board (BCNREB). In fact, the report indicates ownership costs in northern areas consume 21.9 per cent of family income compared to 41.9 per cent for the rest of the province.

BCNREB commissioned the research following the release of a national affordability study by RBC Financial Group, which showed BC as the least affordable place to buy a home.

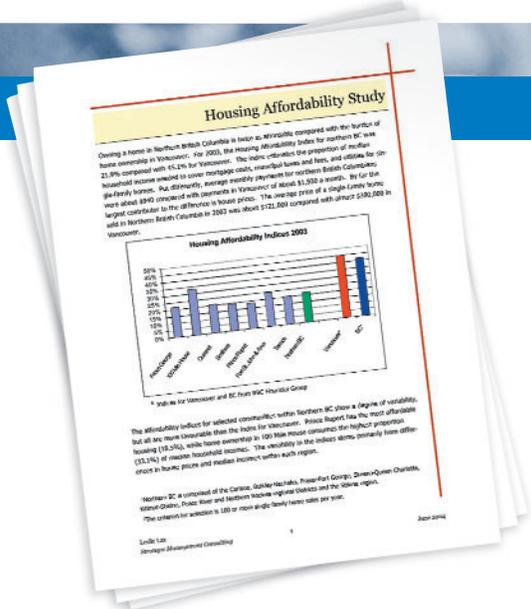
Since the RBC study includes the City of Vancouver, where house prices are among the highest in the nation, "we

knew that northern BC would score much better on such an index," explains BCNREB President Daryl Muchowski.

The study's methodology is based on the same principles as the RBC study. These include the measured proportion of median household income needed to pay taxes, user fees, utilities and mortgage commitments for an average-priced single-family home on less than an acre of land.

In 2003, the average monthly payment for northern residents was \$940 per month, compared to \$1,930 for Vancouver residents.

The study is based on a five-year fixed mortgage rate with a 25 per



cent down payment. BCNREB regions that consistently reported 100 sales or more over the past four years were used for sub-region indices. A minimum threshold of 100 sales was applied.

The BCNREB's Housing Affordability Study is available on the board's REALTOR Link™ homepage.

Fund Offers Boost to Boards

BCREA's Government Relations Committee (GRC) is now accepting applications from member boards for funding through the Association's new Government Relations Activities Reserve. Established by the Board of Directors, the reserve supports and encourages government relations action at the board level.

The GRC, formerly the Legislative Task Force, administers the reserve and has developed an application guide to help member boards develop project ideas and acquire necessary funding.

"Boards recognize the value of government relations to their members and the profession in general. Our goal is to support their enthusiasm for it," explains BCREA Past President David Herman, who chairs the GRC. "Each board has unique needs where government relations are concerned and this reserve will help address them."

How much funding is available?

The reserve was established with \$25,000, and there is a maximum payout of \$3,000 per application. A phased approach to funding may be considered for applications in excess of this amount. Projects must be completed within two years of funding, while retroactive funding is not available.

Applications are evaluated on three basic criteria:

- Does the proposed activity fit with the purpose of the reserve?
- Are the project objectives, budget and plan realistic?
- Will the project help improve the board's government relations efforts?

What types of activities qualify?

Each board approaches government relations in a way that serves its members. Therefore, the GRC will consider all applications and help boards develop project ideas.

Small boards, for example, may have neither a budget nor a standing committee in place to manage government relations opportunities. Funding through the reserve could be applied to a specific activity, such as hosting an annual luncheon meeting with municipal politicians and key staff.

"With a provincial election just around the corner, boards might consider applying for reserve funds to backstop a campaign strategy that creates dialogue with candidates," suggests Herman. "Election campaigns provide an ideal opportunity to build professional rapport with politicians of all stripes."

Boards interested in establishing a year-round government relations program might use reserve funds as seed money to start one. Funds might also be used to conduct research on the local real estate economy, resulting in valuable information that can be shared with government officials.

How do boards apply?

The GRC welcomes applications from all member boards at any time. Applications will be reviewed and notice of the decision returned as soon as possible. The application guide is available on BCREA's REALTOR Link™ homepage.

Wherever possible, the GRC will suggest ways to strengthen appli-

Election campaigns provide an ideal opportunity to build professional rapport with politicians

cations or extend the value of a given project. After all, the committee consists of real estate professionals from around the province who share considerable knowledge and experience. The GRC will also document projects and share success stories in support of all boards.

For more information, contact Steve Olmstead, BCREA's Manager of Government Relations, at solmstead@bcrea.bc.ca or 604.742.2793.



Practical Points

Save Money with Affinity Programs



Did you know you can save on car rentals, fuel, cell phones, long distance and travel?

Petro-Canada will discount fuel by 1.5 cents per litre, when 200 litres/month or more are purchased using its SuperPass credit card. Other discounts include 15 per cent off car washing and five per cent off maintenance.

NATIONAL Car and Truck Rental will offer its Corporate Daily Rate—up to 50 per cent off peak-season posted rates—at its 700 corporate and franchise offices throughout North America. To access the discount, quote the BCREA ID# 3712832 and present a business card at the time of rental. Join Emerald Club at no charge and save even more!

Bell Mobility has created a plan specifically for REALTORS with high minute needs. For only \$45 a month, receive 700 minutes (billed by the second) plus Unlimited Evenings (6 pm to 8 am) and Weekends. And Call Display and Touchbase are included for free. Touchbase allows for up to 20 calls to a designated local number without using your minutes from your plan.

Navigata Communications has been the exclusive provider of telecom solutions to BCREA members since 1995. Navigata offers customers individual attention, a full suite of voice, data and Internet telecom

services. Existing Navigata customers and new customers agreeing to a one-year term are eligible for flat rate, long distance calls at only 5.5 cents per minute—anytime throughout North America.

Loyalty Travel offers a unique travel savings program that gives every member 150,000 free travel points per year, which can be redeemed to save hundreds of dollars on vacations. Trips are paid for with a combination of cash and points. Access and register for the program at: www.bcreatravelbenefitsprogram.com.

For all the details, visit the “REALTORS Only” section of www.bcrea.bc.ca. Coming soon: a new program of discounted banking services from a major national financial institution!

What other affinity programs would you like to see? Contact Director of Member Service and Relations Kim Spencer at kspencer@bcrea.bc.ca with suggestions.

Education

cpe Seminar Schedule

continuing professional
education

CONDO 202: Advanced Strata Law for REALTORS

Instructor: Mike Mangan

- September 9, FVREB, Surrey
- October 27, CADREB, Chilliwack

Legal Update 2004–2005

Instructor: Mike Mangan

- October 13, OMREB, Vernon
- October 14, OMREB, Kelowna
- November 29, VIREB, Campbell River

Professionalism—It Pays! Be Safe or Be Sued

Instructor: Mike Mangan

- September 15, VIREB, Courtenay

Representing Buyers in the Sale of New Homes and Condominiums

Instructor: Gerry Halstrom

- September 17, SOREB, Penticton

Check with your local board office for last-minute changes. Look for more cpe seminars on BCREA's REALTOR Link™ homepage, under Education.