



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

CMHC: Economic Outlook Positive for Housing

The current trends fueling BC's economy will keep the housing market robust, according to the experts at Canada Mortgage and Housing Corporation's (CMHC) tenth annual Housing Outlook Conference.

In her presentation, CMHC BC Regional Economist Carol Frketich said the BC housing market will remain strong. She predicted that, in 2005, housing demand will be fueled by the employment growth in 2004.

"Housing demand typically lags employment growth," she explained. "So, if you look at 2003, it was a good year in terms of employment gains, and there was very strong housing demand the following year." CMHC forecasts 2004 job growth to be 2.2 per cent, only slightly lower than 2.5 per cent in 2003.

Average price gains for the province will exceed inflation, but 2005 will see more of a balance between supply and demand, she said. Interest rates will

continue to stimulate housing, but not as much as the past two years. BC will be the only province in Canada to see continued growth in housing starts in 2005, estimating 32,400 units will be built, a 2.2 per cent increase over the 2004 forecast.

"The BC housing sector continues to be a key driver of economic growth in 2004, but will play a smaller role in 2005," according to Frketich's forecast summary. "Resale activity will set a record in 2004 before moderating slightly in 2005. New listings are increasing and, as a result, most markets are moving towards balance, relieving some of the upward price pressure in existing home markets. This combination of low interest rates, an improving overall economy, employment growth and high levels of resale activity point to further growth in the housing sector in 2005."

In Greater Vancouver, CMHC senior market analyst Cameron Muir said



resales will wane slightly, as pent-up demand is slowing, but migration, jobs and demographics will drive market sustainability. Average price growth in 2005 will be half of what we see in 2004.

"The investor and first-time buyer groups will not be as strong going into the future," Muir said, encouraging developers to focus on the fundamentals of migration, and a demographic shift in buyers from first-timers to baby boomers, who have benefited from a large equity build up in the last several years.

Nearly 400 attended the conference, held on November 4 in Vancouver.

Forecast summary for BC

	2003 Actual	2004 Forecast	Year-over-year % change	2005 Forecast	Year-over-year % change
Housing Starts (units)	26,174	31,700	21.1	32,400	2.2
MLS® Sales (units)	93,211	98,000	5.3	93,000	-5.1
MLS® Average Price (\$)	\$259,968	\$289,500	11.4	\$308,000	6.4

	2003 Actual	2004 Forecast	2005 Forecast
Economic Growth (%)	2.2	3.0	3.3
Employment Growth (%)	2.5	2.2	2.0
Personal Disposable Income (%)	1.9	3.5	4.3

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President's Report

The Value of Networking

One of the privileges of being a volunteer with organized real estate is the opportunity to attend a variety of events. I recently went to the 2004 National Association of REALTORS® (NAR) Conference and Expo, and it was quite an experience.

Before I go on, you need to understand the scale of NAR: it's one of the largest political lobbies in the US with more than 1.1 million members—and 25,000 of them attended the conference!

For four days, I was able to meet with and observe our American counterparts. While there are certainly differences between the two countries (not the least of which is our political systems), two issues struck me as remarkably similar.

First, like Canadians, members of NAR highly value their national Code of Ethics. We all believe it sets us apart as professionals, establishing the tone for the services we provide to our clients.

Second, effective communication is

a challenge in our fast-paced profession. As REALTORS, we receive far more information than we can process, so you can imagine the lengths to which BCREA and your local member board go to get through to us. The other side of that is communication with the government, the media and the public. It's extremely important that a common, accurate understanding exist about the high standards of our profession and our impact on the economy and our communities.

The great thing about conferences is the ability to sit down with others who face similar issues and develop possible solutions. Everyone has a slightly different take on things, and there's no substitute for mixing those perspectives in person. Not that we achieved world peace, but we all found new ideas and potential allies to help us deal with our challenges.

I look forward to similar discussions and opportunities at the Banff



President *Gordon Maroney*



Western Connection VI, January 27-29. This conference consistently attracts

powerful speakers and dynamic REALTORS from across Canada, resulting in the best real estate event in the country.

Talk to you in Banff!

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

Officers

President
Gordon Maroney
604.590.4888
gmaroney@dccnet.com

Vice President
Dave Barclay
250.847.5999
dave@askmel.ca

Past President
David Herman
604.583.2000
davidherman@remax.net

Executive Officer
Robert Laing
604.742.2787
rlaing@bcrea.bc.ca

Regional Directors

Region I	Linda Woodruff	250.567.2271	woodruff@hwy16.com
Region II	Gretchen Gebhard Scott Veitch	250.717.5000 250.428.9331	gretchen@silk.net smveitch@telus.net
Region III	Marc Owen-Flood John Tillie	250.385.2033 800.976.5566	marc@owen-flood.com john@johntillie.com
Region IV	Bill Binnie David Peerless Rick Valouche	604.926.6011 604.263.1144 604.738.8878	billbinnie@royalpage.ca davidpeerless@dccnet.com rvalouch@rebqv.bc.ca
Region V	Patti Flostrand Kelly Lerigny	604.535.5553 604.792.7175	patflost@dowco.com lerigny@shaw.ca



Part One of Two

Branding is always important, but there are times in real estate when it becomes critical. Branding today is usually associated with a business that makes something, like cars or shoes or food. But branding is about making your product or service known on a consistent basis to the greatest number of potential clients. Branding is about referrals, repeat business, and effective marketing—three critical elements in a changing real estate market.

There's no doubt that, at first, the branding challenge can seem overwhelming, invariably leading to one more question: "Where do I begin?"

The answer is to start with what the marketing gurus call a positioning statement. It's a sentence or two that defines who you are by telling your target audience what you offer, how people benefit by relying on you and

in the days, weeks, months or even years ahead. Your positioning should become the place you occupy in your target's mind, so when they decide they're ready to buy or sell a property, you're the REALTOR they think of first.

While there are many ways to build a positioning statement, the easiest approach is to answer four basic questions:

1. Who is your target—that is, the people you most want as clients?
2. What is your product or service?
3. What benefits do you bring to your target clients?
4. What makes you different from your competitors in the market?

What does a typical positioning statement look like? TrashWiz is a garbage bag that helps affluent homemakers dispose of trash more quickly and easily than ever before, by automatically delivering itself to the curbside when

Make sure the medium you've chosen to deliver your message is designed to reach your target audience

what makes you unique. It doesn't necessarily mean how your target sees you NOW, but rather how you WANT him or her to see you

it's full. David Letterman is a talk show host who entertains baby boomers so they can feel good before they go to bed. Unlike other talk show hosts, he performs a Top Ten List. Claire Jones is a commercial REALTOR. Unlike other REALTORS, she specializes in working with small businesses to find commercial space at cost-effective rates.

For the most part, you should already know who your target audience is. If you specialize in executive homes, your target is obviously NOT newlyweds seeking their first home. Likewise, if you specialize in commercial real estate, your target is not the suburban homeowner. As obvious as seems, people forget it when the time comes to deliver the message and buy advertising.

Make sure the medium you've chosen to deliver your message is designed to reach your target audience. Ask anyone attempting to sell you media if their proposal reaches your target market, and make sure they show you in black and white exactly who reads their publications, listens to their radio stations, sees their posters . . . or anything else they're trying to sell you. If the demographics don't match your targets, don't buy.

[Read the February issue of *The Bulletin* to learn how to complete your positioning statement in the second part of this article.](#)

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Send questions and comments about *The Bulletin* to:

Editor: Norma Miller
Assistants: Kim Mason
Steve Olmstead

600 – 2695 Granville Street
Vancouver, BC V6H 3H4

Phone: 604.683.7702
Fax: 604.683.8601
Email: bcrea@bcrea.bc.ca

www.bcrea.bc.ca

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New Authority, Better Service



Certainty and good service are important in the real estate profession and, in October, the provincial government enhanced both. The new Land Title and Survey Authority (LTSA), established by legislation, will administer all aspects of the Torrens land title system and the Cadastral system of land surveys.

“The new authority will preserve the integrity of the Torrens land title system.”

– David Herman

Based in Victoria, the independent, not-for-profit authority will provide better service through improved technology and more management flexibility to respond to changes in demand for services.

“Detailed, accurate and timely land title information is important for a successful economy because it is the basis for selling and developing private land,” said Minister of Sustainable Resource Management George Abbott. “The continuing boom in real estate transactions has pushed service demand up by as much as 30 per cent. This new authority provides the certainty necessary for land transactions that are critical to the province’s economy.”

All existing land title offices in Victoria, Kamloops and New Westminster will remain open to the public. All

employees will be offered the opportunity to transfer to the new authority. All existing third-party contracts, including BC OnLine and collective and pension agreements, will also be transferred to the authority.

“This move will benefit both property owners and real estate professionals,” says BCREA Past President David Herman, who served on the advisory council that laid the groundwork for the LTSA. “Above all, the new authority will preserve the integrity of the Torrens land title system, which means property owners can be confident that what they see is what they get.”

While there is no precise date for establishment of the LTSA, December is the target. Because customer service is the top priority, the transition is being planned very carefully to ensure as little disruption as possible. Therefore, the authority is being established in a series of stages.

The first stage was the selection of directors, which happened in November. The real estate profession nominated four candidates and one was selected. Bob Wallace, Executive Officer of the Real Estate Board of Greater Vancouver (REBGV), will serve a three-year term on the 11-member board.

The transition is being planned very carefully to ensure as little disruption as possible.

Other directors were put forward by the Law Society of BC, Corporation of Land Surveyors of BC, First Nations Summit, Society of Notaries Public of BC, BC Association of Professional Registry Agents and Union of BC Municipalities.

“Real estate is a significant contributor to our provincial economy and affects the lives of all BC residents. As such, the new Land Title and Survey Authority will play a key role in the business of real estate in BC,” Wallace says. “The Torrens system has been a great tool for recording and administering real estate transactions and I appreciate having the opportunity to help protect and strengthen that system. I look forward to employing my experience to help build a strong management, staff and direction for the new authority.”

The Currency of Standard Forms by Kim Spencer



Where do the forms you use everyday come from? BCREA's Standard Forms Committee creates, maintains and refines them. Standard forms, including the Contract of Purchase and Sale, Multiple Listing Contract, Property Disclosure Statements, Exclusive Buyer's Agent Contract, Limited Dual Agency and Fee Agreements, *Working with a Real Estate Agent* brochures, Authority to Lease and Offer to Lease, are the result of the collective wisdom of experienced members of the real estate and legal professions.

[Standard forms] are also the most efficient means of assuring a confirmed sale

These forms, which are changed only once each year, benefit REALTORS and consumers by lowering the liability risk resulting from the use of non-standard forms. They are also the most efficient means of assuring a confirmed sale and keeping REALTORS at the heart of the property transaction.

The Standard Forms Committee and its five subcommittees carefully consider all suggestions received and, as part of their deliberations, attempt to balance the general needs of REALTORS throughout the province with the specifics of the requests being made.

The committee has a close relationship with WEBForms™, enabling REALTORS to continue benefiting from easy and timely access to online forms via REALTOR Link®. The standard forms

have also been made available to RealForms, a third-party desktop application provider, allowing REALTORS easy access to the forms that have become central to every property transaction.

Several changes were made to the forms in 2004, and will be implemented in 2005:

Contract of Purchase and Sale

- Clauses 21 and 23 will be revised to clarify the right of the buyer and seller to revoke their offer/counter-offer prior to their acceptance.
- The Contract of Purchase and Sale allows the parties to use electronic filing to register property transfers. To forestall the possibility that a Saturday closing might inadvertently be chosen—only to discover that legal and financial institution staff are unavailable—a revision will be made to the Information About the Contract page, under Section 3 – Completion.

Limited Dual Agency Agreement

- Recognizing that more than one REALTOR may be involved in a limited dual agency relationship, an additional signature line will be added.

Working with a Real Estate Agent brochure

- To reduce confusion, the word “Sample” will be changed to “Example” on the *Working with a Real Estate Agent* brochure.
- Recognizing that multiple consumers may receive the brochure, an additional consumer signature line will be added.
- To streamline the use of the brochure, the residential and

commercial brochures will be combined into one, using the words “Seller/Landlord, Buyer/Tenant” and “buying, selling and leasing.”

- These revisions will also be reflected in the one-page faxable brochure.

Unit Number and Manager's Signature Box

- Where applicable, a space or field will be provided to denote the unit number of a property on all standard forms.
- The manager's signature box will be removed from the Limited Dual Agency Agreement, Exclusive Buyer's Agent Contract and Fee Agreement.

Further revisions may be necessary to ensure the forms comply with the new *Real Estate Services Act* and its regulations.



Government Relations

Report Card Frames Issues

BC REAL ESTATE



ASSOCIATION

NO VOTE

NO VOICE

PROVINCIAL ELECTION 2005

With the next provincial election only months away, the real estate profession is preparing a strategy to engage candidates, the public and REALTORS like never before.

The purpose of the strategy is to ensure that the province's next government facilitates favourable conditions for home buyers, sellers, owners and REALTORS. To make sure candidates understand what must be done to accomplish this, the profession will frame its priority issues in a unique manner by presenting a report card to candidates.

This novel approach will demonstrate what progress has or hasn't been made on key issues and what the next government must strive to accomplish.

For example, private property rights are fundamental to our free-market economic system. A strong economy depends on preserving the right to freely own, use and transfer real property. However, our provincial government has done very little over the year to support property rights. In fact, they continue to be eroded through government policy and legislation. This is dangerous and must be recognized by the government as a threat to consumer confidence and the provincial economy.

The report card will provide context on issues and vividly communicate to candidates how the profession feels about government performance—satisfied or not satisfied. Numerous issues will be addressed in the report card, reflecting the profession's real estate, community, environmental and economic concerns.

But the election strategy will depend on more than just well framed issues. REALTORS' participation in the election process will be a critical component.

Participation can mean many things, from simply voting to canvassing or even running as a candidate. Regardless of the level of involvement, it's important for all REALTORS to engage in the process. It will demonstrate your responsibility as corporate citizens and concern for the future of the province.

The strategy will begin to take hold in early 2005, including establishment of a special election website for member boards and REALTORS. The website will provide information and tools to support participation in the election process and reinforce the importance of the profession to the next government and the public.

Education

cpe Seminar Schedule

continuing professional
education

Business Ethics – Practices and Procedures

Instructor: Dennis Wilson

- January 20, VREB, Victoria

CONDO 101: Strata Law for REALTORS

Instructor: Mike Mangan

- February 17, REBGV, Vancouver

CONDO 202: Advanced Strata Law for REALTORS

Instructor: Mike Mangan

- February 24, REBGV, Vancouver

Legal Update 2004-2005

Instructor: Mike Mangan

- January 14, VREB, Victoria
- January 17, VREB, Victoria
- January 20, KADREA, Kamloops
- January 21, FVREB, Surrey
- January 28, REBGV, Pitt Meadows
- February 2, REBGV, Coquitlam
- February 4, REBGV, Vancouver
- February 10, REBGV, Richmond
- February 14, VREB, Victoria
- February 25, CADREB, Chilliwack