



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Take Action Today, Don't Curse Tomorrow



REALTORS® have two good reasons to participate in the provincial election campaign: ensure the real estate market continues to prosper and that any future government will promote conditions that support communities and the provincial economy.

Everything that has to do with a REALTOR®'s business is connected in some way with government. Either you take an active part in determining what kind of people are elected to public office, or someone else—who might not fully understand your issues—will.

What are the issues?

BCREA's Government Relations Committee is concentrating on two issues with the 2005 provincial election candidates:

- 1. Provide certainty by protecting private property owners' rights.** When many British Columbians purchase property, they're shocked to learn about limitations to their use of that property. Rights to property are not guaranteed either provincially or federally, and all levels of government continue to erode them.
- 2. Resolve barriers to the affordability of housing.** In a recent survey, affordability was identified as the most important factor in choosing where to live for 65 per cent of British Columbians. Governments can do more to ensure families and individuals throughout the province have more choices.

"If we want the real estate market to continue to prosper, then we must take the necessary actions to make it happen," says BCREA President Gordon Maroney.

REALTORS® can participate in the election campaign in many ways. Actions that have the greatest impact are often the simplest to carry out. Consider these:

Register and Vote

Take a moment to register online at www.elections.bc.ca. Encourage your friends and colleagues to register, too. After all, voting isn't just the responsibility of good corporate citizens like you—it's everyone's responsibility. Be sure to follow through at the polls on Tuesday, May 17.

Stay Informed

There are two ways to stay on top of the issues that impact you and your business. First, visit BCREA's election website regularly for the latest election news: www.bcrea.bc.ca/election2005. The site reports the status of the profession's priority issues, along with questions to pose to candidates.

Second, subscribe to BCREA's electronic newsletter, *BCREA REALTOR® Action*. It focuses on what's happening in the real estate profession and highlights tools and resources to help you make the most of your involvement. To subscribe:

1. Login to REALTOR Link® (www.realtorlink.ca).

2. On the National page, click My mailing lists.
3. Click on the box next to BCREA REALTOR® Action.

Volunteer Your Time and Resources

As REALTORS®, you're uniquely qualified to assist with political campaigns. You already have extensive contacts within the community, and you're accustomed to dealing with people. Here's a sampling of what you can do:

Make a Donation

Resources are critical to political success, and your contribution will be welcome. When making your donation, consider noting on your cheque that you're a REALTOR®.

Volunteer on a Campaign

Every successful campaign needs volunteers. Offer to help stuff and seal envelopes, canvass for a candidate or

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President's Report

Taking the Lead

There's no substitute for personal action. If we don't make sure our businesses succeed, who's responsible if they fail?

The same logic applies to the provincial election. If we don't at least vote, then it's pretty hard to complain about the results. But there are many more opportunities than just voting.

As professionals who care about the communities we live and work in, it's our responsibility to take a proactive role in the process. Doing so demonstrates our commitment to our clients—after all, they buy the whole community, not just the property.

I've been a volunteer with organized real estate for many years, and I know the satisfaction of getting involved and making a difference. Most of you know it, too, through your community volunteer work. The provincial election is another opportunity to make a difference, and the result could benefit the entire province.

Seeing BCREA's leadership in encouraging REALTOR® involvement makes me proud. The Association has worked hard over the past few years in the area of government relations, and our 12 member boards are responding.

For example, the Chilliwack and District Real Estate Board and BC Northern Real Estate Board now have active government relations committees. The Okanagan Mainline Real Estate Board is planning all-candidates' meetings as part of its election activities. And BCREA and the Victoria Real Estate Board (VREB) have teamed up to boost their respective government relations programs. We've hired political veteran Jim Bennett to coordinate local government relations activities for VREB and expand BCREA's provincial lobbying capacity. Jim's wealth of experience in government lobbying and liaison, communications and public relations will be invaluable and complement existing staff.



President *Gordon Maroney*

The boards are coming through, and now it's time for you to respond. We appreciated your input in recent years on the reform of the real estate legislation. Let's put the same energy into making sure the strong real estate market continues by getting involved in the 2005 provincial election.

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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coordinate a phone bank.

Support Your Real Estate Board

Your local board has probably planned a series of activities to undertake during the campaign. Support the efforts in any way possible. At the very least, help identify local issues that should

receive profile during the campaign. Contact your board and ask how you can help.

One person can make a difference. And the difference you make could impact your business. By taking political action—no matter how small—you can

help ensure the real estate market continues to prosper and communities receive the support they need.

Visit BCREA's election website to learn about more volunteer opportunities:

www.bcrea.bc.ca/election2005.

Member Boards

Building Better Communities

REALTORS® live and work in their communities and, according to a 2004 survey, more than 70 per cent are volunteers. Real estate boards are also active locally, continually working to build better communities, benefiting all British Columbians.

At the tenth annual REALTORS® Care Blanket Drive in December 2004, members of the Fraser Valley Real Estate Board and Real Estate Board of Greater Vancouver collected 2,504 bags of clothing, blankets and other necessities to donate to local outreach groups across the Lower Mainland, helping those who need it most.

Both boards also present annual awards, honouring REALTORS® who make the greatest impact by volunteering in their communities.

Last month, the Fraser Valley Real

Estate Board recognized Abbotsford-area REALTOR® Christine Caldwell, Rudy Storteboom of Langley and Heather Woolley of White Rock.

"I'm really grateful that being a REALTOR® gives me the flexibility to be involved in a variety of projects," said Woolley about volunteering.

Another example is Realty Watch, a cooperative effort between police and the real estate profession, which mobilizes Lower Mainland REALTORS® from the Greater Vancouver, Fraser Valley and Chilliwack and District Real Estate Boards in the event of an emergency, like a missing child.

Realty Watch also attempts to stop crime before it happens—a proactive instead of reactive approach to enhancing existing crime prevention programs. Most property crime



Fraser Valley REALTORS® Make Good Neighbours award winners (left to right) *Christine Caldwell, Rudy Storteboom and Heather Woolley*

happens weekdays between 10 am and 3 pm, a time when REALTORS® are in communities showing homes. REALTORS® have a unique opportunity to observe suspicious activity and act as extra sets of eyes and ears for the police. The program's success and recognition by law enforcement professionals is well established and continues to benefit the community.

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Legal Defence for All by Kim Spencer



When a member of the profession encounters a legal difficulty that would be detrimental to REALTORS® and brokerages throughout the province if left unresolved, BCREA's Legal Defence Program can play an important supporting role.

Consider these recent examples:

1. A lawyer demanded that a brokerage pay him the “cooperating brokerage” commission, asserting that he was a “cooperating broker.” The lawyer’s rationale was that he had presented an offer to the court on behalf of a buyer in a foreclosure proceeding. He had never contacted the listing brokerage, nor was he a member of a BC real estate board.

BCREA suggested a lawyer to assist the defendant. The lawyer communicated with the plaintiff lawyer and the claim was quickly withdrawn.

The Standard Forms Committee has reviewed the new Multiple Listing Contract and is of the view that claims of a similar nature will be unsuccessful because “cooperating agent” has now been changed to “cooperating brokerage”—a *Real Estate Services Act (RESA)* term. Lawyers are not licensed under *RESA* and would have difficulty being successful in arguing that they are brokerages.

2. A lawyer prepared an offer to purchase on behalf of his parents. At first, he demanded the selling commission but, later, dropped the demand and agreed that no selling commission was to be paid. The purchase price was lowered. The lawyer then changed his mind and reinstated his claim for the selling commission (based on the adjusted price), stating that he was a “cooperating agent.” The lawyer then garnisheed the selling brokerage’s commission.

BCREA suggested a lawyer to assist the defendant. The lawyer communicated with the plaintiff’s lawyer and the claim was quickly withdrawn.

a brokerage may apply to its real estate board for financial assistance to help defray the legal costs to defend the action

3. A real estate broker underwent a Canada Revenue Agency audit and suffered because a Canada Revenue Agency employee incorrectly interpreted a tax bulletin.

The broker hired an accountant specializing in tax audits, resulting in the Canada Revenue Agency accepting the accountant’s argument.

What do these situations have in common? All three are matters of interest to the entire profession. In situations like these, a brokerage may apply to its real estate board for financial assistance to help defray the legal costs to defend the action. If approved by that board, and if application is then made to BCREA, the Directors consider matching the financial assistance offered by the board, as well as assisting with the file until a resolution is reached.

Here’s what one REALTOR® had to say after she received help: “The fact that BCREA agreed to assist me gave me significant moral support. This was no small factor in the tedious pursuit of my appeal. Now, my accountant tells me that he has noticed a change in the way that some other REALTORS® have been dealt with by the [Canada Revenue Agency] since my successful appeal.”

Sales Inject Billions into Economy

BC's booming home sales have generated an estimated \$9.4 billion in related spending and created more than 78,600 jobs since 2001, according to a report released by BCREA in December 2004.

The study, prepared by the Economic Planning Group, estimates the economic impacts triggered by the transactions surrounding a typical residential MLS® sale in 2003, including legal fees, property appraisals, moving expenses,

utility connections, home renovations, furniture and appliance purchases and taxes—all of which fuel the economy.

"This study shows that a healthy housing market is an important part of a healthy economy," says BCREA President Gordon Maroney. "Home sales don't just reflect consumer confidence or low mortgage rates—they create jobs and generate spending in other areas, like home improvement and furniture sales, and for other professionals."

The report estimates that every home sold on the MLS®:

- generates almost \$28,000 in related spending
- contributes more than \$12,500 to the province's gross domestic product
- produces nearly one-quarter of a job
- generates \$5,400 in tax revenue

The full report is available on BCREA Online (www.bcrea.bc.ca).

Economic Impact Summary of Residential MLS® Sales, 2001 – 2004

	2004	2003	2002	2001	TOTALS, 2001-2004
Residential MLS® sales (units)	96,316	93,126	82,725	69,430	341,597
Related spending generated (\$)	\$2,688,661,140	\$2,599,612,290	\$2,309,268,375	\$1,938,138,450	\$9,535,680,255
Contribution to GDP (\$)	\$1,205,394,740	\$1,165,471,890	\$1,035,303,375	\$868,916,450	\$4,275,086,455
Jobs created	22,538	21,791	19,358	16,247	79,934
Tax revenue generated (\$)	\$520,202,716	\$502,973,526	\$446,797,725	\$374,991,430	\$1,844,965,397

Practical Points

Forest Land Assessments

REALTORS® should be aware that private forest lands may be assessed at a higher value for timber previously harvested.

Two property classes deal with forest land: managed forest land and unmanaged forest land. These classes cover all land in the Forest Land Reserve that's used for timber production, plus land outside the reserve that has as its highest and best use the production and harvesting of timber.

Land in these classes is valued on a two-part basis, as detailed in s. 24

of the *Assessment Act*:

1. Bare land value, which incorporates such factors as soil quality, accessibility, parcel size and location.
2. Added value for cut timber when it's harvested. For example, timber harvested in 2003 shows up as added value on the assessment notice of a forest land property for the 2005 assessment roll. For property taxes payable in the summer of 2005, part of the value may have come from harvesting trees up to two years previously.



BC Assessment advises prospective purchasers of property classed as forest land to enquire about previous harvesting on the property, and its possible property tax implications. Both the land and harvested timber are valued on the basis of rates prescribed by the assessment commissioner. The rates for the 2003 assessment year are found in BC Regulation 90/2000.

For more information, contact BC Assessment through either the local assessor or the Cost & Legislated Assessment Services Division (250.595.6211).

Education

RESA—Everything You Need to Know

Know there's new real estate legislation out there, but don't have time to sift through pages and pages of documents just to find out how it applies to your business?



The New Real Estate Services Act—Everything You Need to Know, written by well-known cpe instructor and author Mike Mangan, is here to help. This seminar is an easy way for you to learn what changed on January 1, 2005—in only three hours.

“This is the best way to learn about how the new *Real Estate Services Act* affects you. There were many little details I had not been aware of,” said

one REALTOR® after attending a recent seminar in Vancouver.

“For any and every REALTOR® who wants to stay in business,” said another.

Attendees will learn the major requirements of *RESA* and its new Rules, how to comply with them and the differences between *RESA* and the *Real Estate Act*.

RESA replaced the *Real Estate Act*, which was nearly 50 years old, and better reflects the environment you do business in. It contains many significant changes, including establishing the Real Estate Council of BC as a self-regulating organization and changing the licence categories and real estate terms.

Anyone with a real estate licence

should attend—*RESA* changes the way you do business, the standard forms you use, the disclosures you make to buyers and the representations you make to sellers.

The seminar, led by popular cpe instructors Mike Mangan or Adrienne Murray, is already being presented across the province. Contact your local real estate board to find out when it will be in your area.

Thank you to The Real Estate Foundation of BC and Real Estate Errors and Omissions Insurance Corporation for their contributions to the development and presentation of this seminar.



Education

cpe Seminar Schedule

continuing professional
education

Business Ethics: Practices and Procedures

Instructor: Dennis Wilson

- April 26 & 27, CADREB, Chilliwack

CONDO 101: Strata Law for REALTORS®

Instructor: Mike Mangan

- April 18, OMREB, Kelowna
- April 28, REBGV, Vancouver

CONDO 202: Advanced Strata Law for REALTORS®

Instructor: Mike Mangan

- May 2, VREB, Victoria

Legal Update 2004-2005

Instructor: Mike Mangan

- May 6, KREB, Fairmont Hot Springs

The New *Real Estate Services Act* — Everything You Need to Know

Instructor: Mike Mangan or Adrienne Murray

- April 15, VIREB, Parksville
- April 18 (am), FVREB, Surrey
- April 18 (pm), FVREB, Surrey
- April 21, BCNREB, 100 Mile House
- April 26, REBGV, Coquitlam
- April 27, REBGV, West Vancouver

Professional Presentation of Offers

Instructor: Richard Collins

- May 6, OMREB, Kelowna

Selling Tenant-Occupied Properties (STOP)

Instructor: Richard Collins

- April 15, REBGV, Vancouver

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