



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Make Water a Priority

Over the past year, risks that could negatively impact public access to safe drinking water and threaten communities and property owners have become increasingly clear.

While a majority of British Columbians are pleased with the quality of life in their communities, BCREA's Housing and Community Priority Study, prepared by Ipsos Reid in January, indicated most respondents ranked "increased provincial government investment in water supply and infrastructure" as the top priority (46 per cent) from a list of four key initiatives.

The issues

Access to safe drinking water

The province's population is growing fast, and the rapid development underway to accommodate that growth maintains a fevered pitch. This has begun to generate concern about increased demand for potable water and the sustainability of current drinking water sources to meet it. The capacity of water infrastructure to meet the demand—including treatment plants, pipes and pumps—is also a concern.

Threat of flooding

Flooding is a common hazard that occurs every winter and spring across BC. However, preparing for a flood isn't easy, and dealing with the ramifications can be overwhelming for governments, communities and property owners.

Given the intensely negative impact a flood can have on communities and

property owners, the real estate profession would like assurance that the provincial government is taking responsibility to ensure the system of dikes, including orphan dikes, throughout the province is dependable in emergency situations.

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The opportunity

BCREA applauds the provincial government's commitment to become a world leader in sustainable environmental management.

In pursuit of this goal, BCREA recommends the government develop and communicate a water action plan that clearly identifies priority issues, actions that address them and measures for success. The Association is prepared to work with the provincial government to help address water issues that may impact communities and property owners.

REALTOR® volunteers from around the province will discuss this issue, along with the need to lessen the negative impact of the Property Transfer Tax, during Government Liaison Days, April 22-24, 2007 in Victoria.



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President's Report

We're in This Together



President *Kelly Lerigny*

Ensuring the continued relevance of REALTORS® in BC.

This is BCREA's core purpose—the basic, timeless reason we exist. If it wasn't for REALTORS®, there would be no BCREA. With this, my final report to you as BCREA President, I want to do my best to communicate the meaning and impact of this short, simple statement.

What does continued relevance mean?

I don't have to tell you this is a dynamic and demanding profession. If you've been a REALTOR® for a year or more, you recognize the challenges we face on several fronts, including competition from other professions, an unbelievably fast rate of change in technology and the evolving expectations of consumers.

That's why we landed on the phrase "continued relevance." Change is the nature of our profession, and the BCREA Directors believe there will always be a role for a confident, educated professional in the real estate transaction.

What's BCREA's role?

It's important to recognize that BCREA's members are the 12 real estate boards, not the nearly 17,000 REALTORS® around the province. Therefore, our role is to create products and services, or facilitate the creation of products and services, that assist the real estate boards serve REALTORS®.

One of many excellent examples is the Professional Development Program (PDP), which is the result of cooperative efforts of BCREA and our member boards. We recognized the benefits of setting the bar of professionalism high, so consumers would know the value of using a REALTOR® and REALTORS® could take greater pride in their work.

What role does every REALTOR® have?

This is a service-oriented profession that potentially touches the lives of every British Columbian. We have an obligation to stay informed—not just by fulfilling our PDP and Relicensing Education Requirements, but by keeping up with the latest technology so we can communicate better with our

clients and by staying in touch with our communities so we can back up our words with knowledge. And by following through as courteous professionals, with our clients and with each other.

This is a situation where everyone wins. If we all hold up our ends, the role of REALTORS® is secure, consumers get great service and we all have a Quality of Life envied by the world.

Kelly Lerigny
President

The full BCREA Strategic Plan is available on the Association REALTOR Link® homepage at www.realtorlink.ca, under About BCREA.

Board of Directors 2006-2007

Core Ideology

Core Purpose

Ensuring the continued relevance of REALTORS® in BC.

Core Values

- Member board vitality
- REALTOR® success
- REALTOR® professionalism
- Quality of Life
 - Economic viability
 - Housing opportunities
 - Environmental preservation
 - Property owner rights
 - Better communities
- Public trust

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Creating Housing Options: PTT Update

On February 20, the provincial government introduced a new, province-wide Property Transfer Tax (PTT) exemption threshold of \$375,000 for first-time homebuyers.

BCREA and its 12 member boards appreciate this first step, which was one of several recommendations made by the Association in its pre-budget submission of September 2006.

More must be done

Although many regions of the country face erosion in public access to affordable market housing, deterioration remains highest in BC. The real estate profession continues to be concerned about this.

In January, a Housing and Community Priority Study prepared for BCREA by Ipsos Reid found that 92 per cent of survey respondents were generally pleased with the quality of life in their communities. However, respondents were particularly critical of government efforts to make homes more affordable—only 33 per cent said they were satisfied with steps taken to “ensure there are homes to buy at affordable prices.”

Public policy solutions to address the housing needs of all people are complex. The real estate profession applauds the government for initiating programs that support people most in need of housing assistance and its stated vision of a thriving housing market.

Axe the tax by 2009

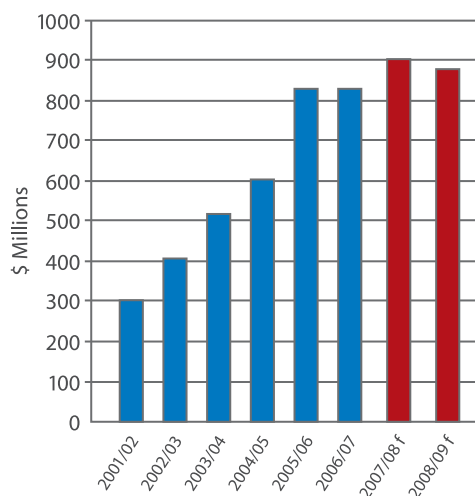
According to the 2007 budget documents, the PTT will pluck approximately \$925 million from purchasers' pockets



this year. The tax's impact on consumers limits citizens' housing choice and mobility across the province.

BCREA strongly encourages the government to build on its efforts to date and to work toward elimination of the PTT by spring 2009.

Property Transfer Tax Revenue (actual and forecast)



Source: BC Ministry of Finance budget documents

As its next steps, BCREA recommends the provincial government:

- Increase the ceiling for the one per cent portion of the tax to \$300,000 from \$200,000.
- Index the price exemption threshold for first-time buyers to annual changes in the median MLS® home price by provincial development regions.

BCREA believes these steps are well within the government's means, given its projected tax revenue over the next two years. The Association is pleased to partner with the government and provide data that demonstrates the economic impact of these actions.

Eliminating the PTT will clearly benefit the market side of the housing equation, which will complement the government's positive activities to date to help create diverse housing choices. BCREA encourages collaboration among all levels of government, the private sector and other stakeholders to seize opportunities and create more market and non-market housing options for British Columbians.

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Transactions Today; Benefits Tomorrow

By Cameron Muir, BCREA Chief Economist



The transactional economy is the subject of a significant amount of academic research. Each sale of a good or service adds to the total output of the economy. A single transaction may not appear to generate much impact but, when they're all added together, their value to the economy is substantial. Indeed, transactions are decisions that add to economic output, and their aggregate also frames future economic conditions.

A typical MLS® home sale adds more than \$15,000 in direct economic output. When you account for the additional activity generated by the sectors that supply the various goods and services to the transaction (indirect impact), the output grows to over \$25,000. That's not all.

The wages and salaries earned as a result of the sale (induced impact) brings the final tally to more than \$28,000, including \$5,000 in tax revenue. For every four MLS® sales, one full-time job is created. This year, MLS® activity will add \$2.6 billion to the provincial economy and support 23,000 jobs.

South of the border, the National Association of Home Builders estimates each multi-family housing unit built creates \$69,900 in direct, indirect and induced economic output. A

new single-detached home adds a whopping \$160,480 to the economy, and the benefits don't end there. For every 100 homes constructed and subsequently occupied, the ongoing impact is an additional \$32,000 per year.

In fact, housing, and home ownership in particular, provides many ongoing benefits. Not only does it diversify the net worth of Canadians, but homeowners also tend to have a much greater net worth overall than renters. First-time buyers with small down payments also benefit from a high return on equity in rising markets, and a home that's a principal place of residence isn't subject to capital gains tax.

The nest egg of long-term ownership has very positive economic benefits to both households and the economy at large.

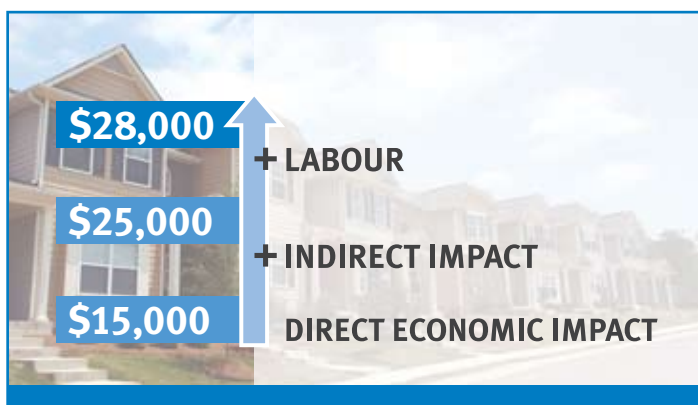
As home equity increases, whether by paying down the mortgage, through rising property values, or both, homeowners have the option of drawing on their equity to finance renovations, their

children's educations or cover emergencies. All of these financial advantages benefit the economy by reducing the need for government assistance. The nest egg of long-term ownership has very positive economic benefits to both households and the economy at large. Deciding to buy a home today reduces the chance of becoming unemployed tomorrow.

Homeowners have better health and a longer life expectancy, as well as other non-monetary benefits, such as a higher level of self-confidence and life satisfaction. The enhanced stakeholder status of homeowners induces a more active role in bettering communities and the environment, enhancing the quality of life for everyone.

Transactions around the creation of green buildings and sustainable cities provide the tangible downstream economic benefits of lowering energy costs and more efficient transportation networks. In a very real sense, the transactions made today can benefit the economy far into the future.

Cameron Muir joined BCREA's staff as Chief Economist in November 2006, after holding the position of Senior Market Analyst for the British Columbia region with Canada Mortgage and Housing Corporation. Cameron, along with Market Analyst Bryan Yu, provides BCREA with analysis and forecasting for residential MLS® markets and the provincial economy and conducts objective economic research. Cameron also acts as the Association's spokesperson on the housing market.



Government Relations

Improving the *Strata Property Act*

Timing and relationships are critical in government relations. Based on conversations with government representatives, BCREA has learned there's currently interest in amending the *Strata Property Act (SPA)*. The Association has implemented a plan to ensure the profession's recommended changes are considered by the government.

Condominiums account for a significant portion of the real estate market. Therefore, the *SPA* is clearly important legislation for the real estate profession, and BCREA will gather feedback through a subcommittee of its Government Relations Committee. Members of the subcommittee include volunteers from the member real estate boards, and their discussions will be facilitated by Adrienne Murray, BCREA Continuing

Professional Education instructor and former Deputy Superintendent of Real Estate.

Although the subcommittee has not yet begun its work, these are some suggestions BCREA has received:

- s. 36 should be amended to require strata corporations to provide more documentation to potential purchasers, specifically strata minutes and a Form B
- the regulation that sets maximum fees for copies of records or documents under s. 36 should be enforced
- s. 59 should be amended to require strata corporations to deliver required documents to potential purchasers more quickly



The Association is also consulting with the Condominium Home Owners' Association (CHOA), and BCREA hopes to be able to support some of CHOA's recommendations. BCREA's brief will be submitted to the government by summer 2007.

Government Relations

Protecting the Torrens System

Since before the Land Title and Survey Authority (LTSA) opened its doors in January 2005, BCREA representatives have helped shape the new organization to make sure it addressed the needs of real estate professionals.

And now the Association's contribution continues with the addition of Robert Laing, BCREA Executive Officer, to the LTSA Stakeholder Advisory Committee. BCREA is also among several stakeholder groups that nominate individuals to serve as directors of the authority.

Why is this important? It's best summarized by this 2004 quote on the creation of the LTSA from David Herman, 2003-2004 BCREA President and member of the advisory council that laid the groundwork for the authority:

"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."

**it's important to ensure
any alterations to
the Torrens system
strengthen its integrity**

The Torrens System of Land Registration was brought to the colony of BC in 1870, with the *Land Registry Ordinance*. Today, the system is a cornerstone of certainty for the province's housing

market. By creating a complete and well-organized public record, the Torrens system eliminates the cost of an expensive examination of title in connection with each land transfer or transaction, as is more common in other forms of land title registration.

While change is inevitable, BCREA believes it's important to ensure any alterations to the Torrens system strengthen its integrity. Therefore, the Association has hired consultants to report on opportunities to preserve the Torrens system. That report is expected in the spring of 2007.

BC Northern Real Estate Board

- APRIL 23, PRINCE GEORGE, *Legal Update 2007*, Adrienne Murray
- MAY 3, PRINCE GEORGE, *Legal Update 2007*, TBA
- MAY 14, TERRACE, *Legal Update 2007*, Adrienne Murray
- MAY 17, 100 MILE HOUSE, *Legal Update 2007*, TBA
- JUNE 11, SMITHERS, *Buyer Agency*, Jim McCaughan

Fraser Valley Real Estate Board

- APRIL 17, SURREY, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor
- APRIL 19, SURREY, *Professionalism-It Pays! Be Safe or Be Sued*, Mike Mangan (3 PDP credits)
- APRIL 26, SURREY, *Electronic Title Searching*, Catherine Greenall
- MAY 10, SURREY, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor
- MAY 23, SURREY, *Legal Update 2007*, Mike Mangan
- MAY 30, SURREY, *CONDO 202: Advanced Strata Law for REALTORS®*, Mike Mangan
- JUNE 14, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan

Kamloops and District Real Estate Association

- APRIL 19, KAMLOOPS, *Electronic Title Searching*, Catherine Greenall
- MAY 16, KAMLOOPS, *Legal Update 2007*, Mike Mangan
- MAY 17, KAMLOOPS, *Professionalism-It Pays! Be Safe or Be Sued*, Mike Mangan (3 PDP credits)

Kootenay Real Estate Board

- MAY 3, FAIRMONT HOT SPRINGS, *Legal Update 2007*, Mike Mangan
- MAY 4, FAIRMONT HOT SPRINGS, *The Real Estate Services Act – Everything You Need to Know*, Mike Mangan (3 PDP credits)

Northern Lights Real Estate Board

- APRIL 17, DAWSON CREEK, *Legal Update 2007*, Mike Mangan

Okanagan Mainline Real Estate Board

- APRIL 19, VERNON, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan
- APRIL 20, KELOWNA, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan
- MAY 22, SALMON ARM, *What Brokerages and REALTORS® Need to Know About Agency*, Richard Collins
- MAY 23, VERNON, *What Brokerages and REALTORS® Need to Know About Agency*, Richard Collins
- MAY 24, KELOWNA, *Win/Win: Conflict Resolution Skills for REALTORS®*, Richard Collins
- JUNE 6, SALMON ARM, *Foreclosures and Court Ordered Sales*, Michael Walker

- JUNE 7, VERNON, *Foreclosures and Court Ordered Sales*, Michael Walker
- JUNE 8, KELOWNA, *Foreclosures and Court Ordered Sales*, Michael Walker

Real Estate Board of Greater Vancouver

- APRIL 18, VANCOUVER, *Negotiating and Presenting Offers*, Richard Collins
- APRIL 19, VANCOUVER, *Legal Update 2007*, Adrienne Murray
- APRIL 20, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Harvey Exner
- APRIL 23, VANCOUVER, *Selling Tenant-Occupied Properties (STOP)*, Evelyn McNulty
- APRIL 23 AND 24*, GIBSONS, *Negotiating and Presenting Offers*, Richard Collins
- APRIL 24, VANCOUVER, *Representing Buyers in the Sale of New Homes and Condominiums*, Gerry Halstrom
- APRIL 26, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Andrew Peck
- MAY 3, VANCOUVER, *Electronic Title Searching*, Catherine Greenall
- MAY 4, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Leslie Howatt
- MAY 10, VANCOUVER, *CONDO 101: Strata Law for REALTORS®*, Adrienne Murray
- MAY 14, VANCOUVER, *Buyer Agency*, Jim McCaughan
- MAY 15, VANCOUVER, *Legal Update 2007*, Mike Mangan
- MAY 17, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Andrew Peck
- MAY 18, VANCOUVER, *CONDO 202: Advanced Strata Law for REALTORS®*, Adrienne Murray
- MAY 22, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Harvey Exner
- MAY 31, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor
- JUNE 15, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Leslie Howatt

South Okanagan Real Estate Board

- APRIL 24, VANCOUVER, *Legal Update 2007*, Mike Mangan
- MAY 25, PENTICTON, *Win/Win: Conflict Resolution Skills for REALTORS®*, Richard Collins

Vancouver Island Real Estate Board

- APRIL 26, PORT ALBERNI, *Legal Update 2007*, Adrienne Murray
- APRIL 26 AND 27*, NANAIMO, *Legal Update 2007*, Mike Mangan

* SEPARATE COURSES

Current as of March 9, 2007. Check with your local board office for last-minute changes. Look for a full list of cpe courses on BCREA's REALTOR Link® homepage, under Professional Development.

Please note that this is a schedule of BCREA cpe courses only and does not reflect all PDP-accredited courses. Unless otherwise indicated, each course is assigned 6 PDP credits.