



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Reducing Flood Risks

Flooding poses risks to BC's

economic vitality, safety, environment, property owners and communities. In 2006, the Fraser River narrowly escaped a flooding disaster that would have created a province-wide social, economic and environmental catastrophe; in 2007, the province again faced near-record flooding.

Governments can face significant financial problems from floods, because emergency responses are required and property owners seek compensation for damages. Quality of Life across the province is negatively impacted by the risk of catastrophic flooding.

REALTORS® are directly impacted by this risk, given their duty to advise clients and broader communities about threats to properties, measures in place to protect them and other factors that could influence purchase decisions and land use plans.

Growing Risk

Several scientific studies are forecasting that extreme weather events and flooding will be exacerbated by climate change and changing weather patterns.

In 2006, the Fraser Basin Council found that the Fraser River flood profile had higher water levels than previously recorded. If flood events similar to those of 1894 and 1948 were to recur, communities wouldn't be adequately protected. In fact, homes would be destroyed and communities devastated, costing the economy billions of dollars.

Last year, the provincial government responded to flood threats with increased funding for flood prevention

projects. This support was critical, and now further measures are needed to identify and reduce flood risk.

Actions Required

In 2007, BCREA recommended the government introduce a comprehensive water action plan that clearly identifies priority issues, including flood hazard, impacting communities and property owners, commits to actions that address them and includes success measures. BCREA has been advised the government will announce a plan this year.

This month, BCREA will also recommend the provincial government:

- Ensure BC has the best systems in place to consistently monitor water levels and other critical information, and ensure processes exist to share that information with stakeholders.
- Ensure BC has adequate infrastructure—including dikes—to protect communities against flooding.
- Provide leadership and encourage local governments to consider all aspects of flood risk in their land use plans.
- Guarantee sufficient emergency response capabilities can be quickly mobilized to help British Columbians when flooding occurs.

Ensuring REALTORS® have the information they need to properly advise their clients and help protect properties, families and communities against flood risks is important. BCREA will invite the government to partner with the real estate profession to help inform REALTORS® of growing flood risks, actions being taken to address them and



how their clients can minimize risks and build resiliency against them.

BCREA looks forward to provincial government efforts to deal with growing flood risks and safeguard communities and property owners.

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President's Report

History in the Making

In January, when the provincial government announced its decision to allow real estate licensing by way of personal real estate corporations, BCREA celebrated.

For years, we had worked closely with the Real Estate Council of BC and the Ministry of Finance's Financial and Corporate Sector Policy Branch toward this regulatory amendment to the *Real Estate Services Act*. The move makes BC the first province to offer this structure to licence real estate professionals.

On January 1, 2009, the changes will take effect. The Real Estate Council of BC, which is responsible for all aspects of licensing, expects to begin accepting personal real estate corporation licence applications for processing in November 2008. In the meantime, the Rules and Bylaws need to be amended to create the step-by-step procedures.

The regulation is available on the Council's website at www.recbc.ca. They provide the framework Council will use to create the procedures. Once those procedures are in place, your accounting and legal advisors will have more

information to help you decide whether a personal real estate corporation is for right for you.

If you decide to pursue that option, you will be engaged by the personal real estate corporation, which will be licensed at your level and category of licence. Also, the personal real estate corporation must be engaged to provide real estate services with the brokerage you work with.

Being licensed as a personal real estate corporation won't change your liability, obligations and responsibilities to clients. However, it will give REALTORS® advantages, such as better tax planning, which will help account for swings in the real estate market.

In this, my last report as President, I need to acknowledge the individuals who make this profession what it is. I applaud REALTORS® who choose to take an active interest in their real estate boards, backing their words with actions. Professionalism is in us. We need to be professional every day in all we do, and every REALTOR® can do little things every day to raise the bar.



President **Andrew Peck**

The real estate boards take professionalism very seriously, and encourage REALTORS® beyond the bounds of real estate practice. I am so pleased many boards have REALTORS Care® awards that recognize the community building efforts of their members. It is truly inspiring to learn their stories.

Finally, the BCREA Board of Directors. These committed volunteers have the courage to embrace the many changes transforming our profession, while maintaining high ethical standards. Their passion has made my year as President a smooth one. Thank you all.

Andrew Peck
President

Board of Directors 2007-2008

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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Government Relations

Make Green Homes Attainable

A simple incentive to purchase new green homes would improve attainability for homebuyers, lay the foundation for incentives to renovate existing homes and help the government meet its greenhouse gas (GHG) emissions reduction targets faster.

According to the Canadian Home Builders' Association of BC (CHBABC), new homes that meet a green standard cost approximately 4 to 6 per cent more than conventional homes and account for less than 1 per cent of the overall housing stock in BC. The cost to renovate the remaining stock of homes to a green standard can vary widely.

Cash-strapped homebuyers may be more likely to buy new green homes and existing homes that meet a green standard if an up-front financial incentive was provided.

Pilot Project

This could be achieved by investing a small portion of the Property Transfer Tax (PTT) revenue (which exceeded \$1 billion in 2007-08) into a pilot project that reduces transfer tax costs as a consumer incentive to buy new homes that meet or exceed Built Green™ standards.

Built Green™ is a national standard that qualifies new homes on criteria of energy efficiency, indoor air quality, resource use management and overall environmental impact. Each Built Green™ BC Gold home has the potential to eliminate 2.5 tonnes of GHG emissions annually over the life of the building, reports CHBABC.

In 2007, 771 Built Green™ BC homes

were completed across BC, representing about 5 per cent of all new housing starts. In 2008, about 1,500 Built Green™ BC Gold level homes will be introduced, representing about 3 per cent of forecasted starts and resulting in reduction of GHG emissions equivalent to taking 165 cars off the road.

The project would be a cost-effective investment by the government to encourage homeowners to reduce their ecological footprint and deliver valuable data to assist further reduction of GHG emissions from existing homes and commercial properties.

Benefits

Quality of Life will improve in several ways if this project proceeds. Reducing the cost to purchase a new, green home will help make those homes more attainable. That's a direct benefit to consumers and the environment, and also to the government in two ways.

First, it would provide choice to consumers and support the principle of revenue neutrality associated with the new carbon tax. Legislation will require the government to demonstrate how revenue raised from that tax is returned to businesses and individuals. In this instance, the revenue returned through the project would be directly linked to consumers, making greener housing choices that reduce GHG emissions.

Second, the project is an opportunity to make greater GHG emission reduction strides in the future by gathering data on the effectiveness of this particular incentive to inform future programs

and incentives. This is critical, since approximately 11 per cent of BC's annual GHG emissions are attributed to the operation and maintenance of residential and commercial buildings, as reported by the Pembina Institute.

In budget 2008, the government emphasized measures to encourage greener choices by consumers and reduced GHG emissions. BCREA believes this project supports that theme perfectly, and will encourage the government to adopt it during its Government Liaison Days conference in April.

Built Green™ BC Levels

Built Green™ Level & Point Ratings	EnerGuide Rating	PTT Rebate
Bronze (75 points)	72	\$2,500
Silver (80 points)	75	\$3,500
Gold (85 points)	77	\$5,000

(Sources: CHBABC, Office of Housing and Construction Standards, Government of British Columbia)

PTT Rebate Cost

Description	2008
New Homes Built in BC	33,500
New Built Green™ BC	1,000 (3% of all new)
Rebate	If 1,000 qualified Gold
PTT Rebate Cost	\$5 million (1,000 x \$5,000)

(Sources: BCREA Economics Department, CHBABC)

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Green Tool Kit for REALTORS®

Consumers across the province are increasingly interested in greener homes, communities and lifestyles. More and more homebuyers are asking for green features, while many owners want to make their existing homes more environmentally friendly. In light of this trend, REALTORS® need to be prepared to answer clients' questions about environmental issues.

In late March, BCREA launched a new online resource: the Green Tool Kit for REALTORS® (www.greentoolkit.ca). The site has been built primarily for REALTORS® and related professionals, and is also accessible to the public.

There's a wealth of information available, and now much of it is accessible from one place at www.greentoolkit.ca. Created with the help of REALTOR® James Rodgers, Executive Director of the Greener Realty Association of BC and self-described greener professional, the site aims to inform REALTORS® about all aspects of green real estate.



Some of the questions the site answers are:

- What is green real estate?
- What is a greener home or building?
- What kind of programs

and rebates are available to homebuyers and homeowners interested in greening their homes?

- Are there green certification programs for REALTORS®?

The website also mirrors Quality of Life's third principle, preserving the environment. REALTORS® recognize one of the most important elements of our Quality of Life is the environment: clean air and water, parks and open space.

The Green Tool Kit for REALTORS® website will evolve over the coming months. Please send your comments, suggestions and greener experiences to bcrea@bcrea.bc.ca.

Economics

The Resource Sector Impacts All of Us

By Cameron Muir, BCREA Chief Economist



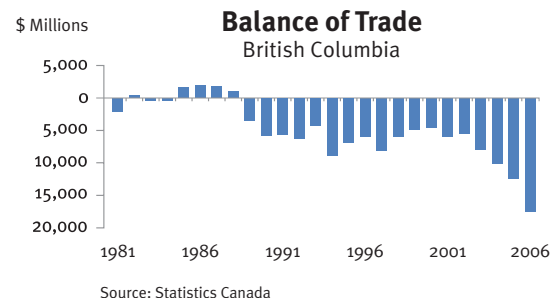
The downturn in the US housing market and the corresponding freefall in US housing starts aren't good news for the BC economy. With more than a million fewer homes being built south of the border this year, BC's balance of trade will likely worsen.

Trade deficits are nothing new to BC. The province has posted a balance of trade deficit every year since 1986. The drag on net exports has historically been interprovincial trade, where the deficit has ranged from \$8 billion to \$12 billion each year since 1981. That deficit was usually offset by an international trade surplus. While a trade deficit is never good, it's the magnitude that's important.

BC's trade deficit has ballooned from

\$4.7 billion in 2000 (3.5 per cent of GDP) to \$17.4 billion in 2006 (11 per cent of GDP)—largely the result of net international exports moving from a \$3 billion surplus in 2000 to a \$7.8 billion deficit in 2006. With an exchange rate at parity and weak US lumber demand, imports will likely increase and exports will likely fall further this year.

The Lower Mainland and Greater Victoria contain two-thirds of the population, but are responsible for just one-third of the province's exports. According to the Urban Futures Institute, based on 2001 data, the south coast generates \$9,700 per person in export revenue, while the rest of the province generates \$28,000 per person. This uneven playing field is smoothed by transfers through resource-oriented manufacturing, processing and administration, plus the sale



of goods and services to areas outside the metropolitan regions.

Whether you live in Mackenzie or Maple Ridge, the resource sector is important to your economic well-being.

Brownfields to Greenfields

BCREA expressed immediate public support for the provincial government's \$10 million remediation fund and supporting strategy to revitalize abandoned and underutilized lands known as brownfields, announced in late February.

"Brownfield revitalization is a complicated process, and the government's announcement provides a clear plan for community development within an environmentally sensitive and sustainable framework," said BCREA President Andrew Peck.

The Brownfield Renewal Strategy is aligned in principle with BCREA's Quality of Life approach, which proposes communities flourish best when they offer affordable housing choices, nearby employment opportunities, an economically viable commercial sector, good schools, safe neighbourhoods, quality public services, and ample recreation and park areas.

For several years, The Canadian Real Estate Association and REALTORS® across BC have called on governments at all levels to provide the necessary tools to help the private sector rehabilitate underused and environmentally impaired properties. Several of those tools are reflected in the provincial government's strategy.

The strategy supports commitments in the 2007 and 2008 Speeches from the Throne related to climate change, reduced urban sprawl and increases in affordable housing. It also supports the Premier's commitment at the 2006 Union of British Columbia Municipalities Convention to increase urban densities and help create healthier communities.

Liability and Risk

The BC Brownfield Renewal Strategy includes several measures to strengthen public policy and address environmental liability and risk management, including:

- Flexibility in liability allocation, so brownfield owners are encouraged to either sell or redevelop idle properties
- Streamlined remediation approval processes and incorporation of tax tools to encourage investment in the renewal of sites
- Fast-tracking green developments waiting for provincial environmental approvals
- Broadening brownfield tools for local governments and linking renewal with the government's proposed Green Communities Initiative

Investment Support

Investments to encourage the redevelopment of idle sites are an important feature of the strategy. Access to capital can be a significant problem for brownfield projects due to the potentially huge up-front costs for site clean up.

The BC strategy establishes a \$10 million fund built up over five years to match private sector investment in the early-stage investigations on sites where market forces won't achieve redevelopment, but where social, economic and environmental benefits exist.

Additional measures, including a virtual brownfield office, partnerships among provincial ministries and with local governments, and development of a post-secondary program certificate of brownfield entrepreneurship will help ensure the strategy's goals are met.

Strategy Roll Out

The BC Brownfield Strategy has begun, with remediation investigation projects already underway in New Westminster, Ladysmith and Millstream Meadows outside Victoria.

The strategy will immediately facilitate the completion of these projects and help to ensure the properties meet their full economic, social and environmental potential.

As the full strategy rolls out in the coming months, the experience and success of these projects will provide a basis for others across the province. REALTORS® will find information about the strategy and these initial projects online at www.al.gov.bc.ca/clad/ccs/brownfields/renewal_strategy.html.



Current as of March 7, 2008. Check with your local board office for last-minute changes. The complete cpe Planning Guide is available on BCREA's REALTOR Link® homepage.

Note: this is a schedule of BCREA cpe courses only and does not reflect all PDP-accredited courses. Each course on this schedule is assigned 6 PDP credits, unless otherwise indicated.

BC Northern Real Estate Board

- APRIL 14, TERRACE, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- APRIL 21, PRINCE GEORGE, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- APRIL 28, FORT ST. JOHN, *Real Estate E&O Legal Update 2008*, Leslie Howatt
- MAY 9, PRINCE GEORGE, *Ethics: Unlocking the REALTOR® Code*, Andrew Peck
- MAY 12, WILLIAMS LAKE, *Real Estate E&O Legal Update 2008*, Mike Mangan
- JUNE 5, FORT ST. JOHN, *Contracts: Keep on Top of Changes*, Mary Wright

Chilliwack and District Real Estate Board

- APRIL 30, CHILLIWACK, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- JUNE 11, CHILLIWACK, *Ethics: Unlocking the REALTOR® Code*, Kim Spencer

Fraser Valley Real Estate Board

- APRIL 15, SURREY, *Negotiating and Presenting Offers*, Richard Collins
- APRIL 24, SURREY, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan
- MAY 8, SURREY, *Selling Time Shares, Hotel Strata Lots, Cooperatives and Other Forms of Real Estate*, Adrienne Murray
- MAY 15, SURREY, *Ethics: Unlocking the REALTOR® Code*, Dennis Wilson
- MAY 21, SURREY, *Real Estate E&O Legal Update 2008*, Mike Mangan
- MAY 29, SURREY, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan

Kamloops and District Real Estate Association

- APRIL 17, KAMLOOPS, *CONDO 101: Strata Law for REALTORS®*, Mike Mangan
- APRIL 18, KAMLOOPS, *Real Estate E&O Legal Update 2008*, Mike Mangan
- MAY 14, KAMLOOPS, *CONDO 202: Advanced Strata Law for REALTORS®*, Mike Mangan
- MAY 15, KAMLOOPS, *Real Estate E&O Legal Update 2008*, Mike Mangan

Kootenay Real Estate Board

- APRIL 22, CRANBROOK, *Know Your Product*, Will Graham
- APRIL 23, TRAIL, *Know Your Product*, Will Graham
- MAY 13, CRANBROOK, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan
- MAY 14, TRAIL, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan

Okanagan Mainline Real Estate Board

- APRIL 22, SALMON ARM, *What Brokerages and REALTORS® Need to Know About Agency*, Richard Collins

- APRIL 23, VERNON, *What Brokerages and REALTORS® Need to Know About Agency*, Richard Collins
- APRIL 24, KELOWNA, *What Brokerages and REALTORS® Need to Know About Agency*, Richard Collins
- APRIL 25, KELOWNA, *Risk Management for REALTORS®*, Richard Collins
- MAY 20, SALMON ARM, *Contracts: Keep on Top of Changes*, Mary Wright
- MAY 21, VERNON, *Contracts: Keep on Top of Changes*, Mary Wright
- MAY 22, KELOWNA, *Contracts: Keep on Top of Changes*, Mary Wright
- MAY 23, PENTICTON, *Contracts: Keep on Top of Changes*, Mary Wright

Real Estate Board of Greater Vancouver

- APRIL 10, VANCOUVER, *Win/Win: Conflict Resolution Skills for REALTORS®*, Richard Collins
- APRIL 11, NORTH VANCOUVER, *Real Estate E&O Legal Update 2008*, Mike Mangan
- APRIL 14, VANCOUVER, *Foreclosures and Court Ordered Sales*, Michael Walker
- APRIL 15, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Andrew Peck
- APRIL 16, VANCOUVER, *Selling Tenant-Occupied Properties (STOP)*, Evelyn McNulty
- APRIL 17, VANCOUVER, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- APRIL 18, VANCOUVER, *CONDO 101: Strata law for REALTORS®*, Adrienne Murray
- APRIL 22, VANCOUVER, *Risk Management for REALTORS®*, Kim Spencer
- APRIL 23, RICHMOND, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- APRIL 23, VANCOUVER, *Contracts: Keep on Top of Changes*, Richard Laurendeau
- APRIL 24, VANCOUVER, *CONDO 202: Advanced Strata Law for REALTORS®*, Adrienne Murray
- APRIL 25, MAPLE RIDGE/PITT MEADOWS, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- APRIL 28, SQUAMISH, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- APRIL 30, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor
- MAY 1, BURNABY, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- MAY 2, MAPLE RIDGE/PITT MEADOWS, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- MAY 5, VANCOUVER, *Foreclosures and Court Ordered Sales*, Michael Walker
- MAY 7, VANCOUVER, *CONDO 101: Strata Law for REALTORS®*, Adrienne Murray
- MAY 8, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Andrew Peck
- MAY 12, SECHELT, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- MAY 13, SECHELT, *Real Estate E&O Legal Update 2008*, Adrienne Murray
- MAY 28, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor

Vancouver Island Real Estate Board

- APRIL 15, DUNCAN, *Real Estate E&O Legal Update 2008*, Mike Mangan
- APRIL 29, PARKSVILLE, *Real Estate E&O Legal Update 2008*, Mike Mangan