



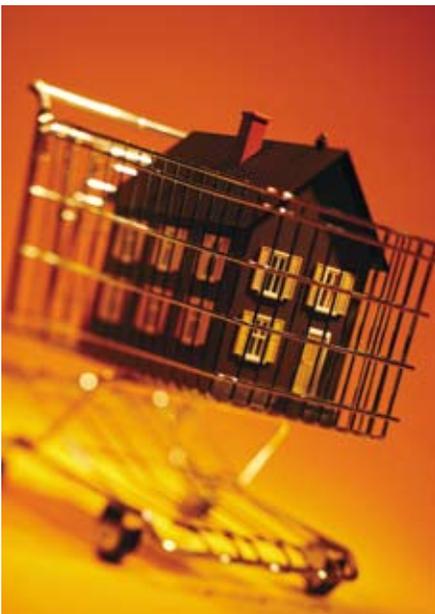
BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Two-Minute Reality Check

The world financial crisis and extremely volatile equity markets have cut consumer confidence off at the knees.

Many households fear their savings are worth pennies on the dollar, and that they'll need to work well past retirement age to re-coup their losses. They're also worried about their jobs, the price of fuel and the value of their most important assets: their homes. Amid your daily dose of doom and gloom, consider the following as a quick reality check.



Home sales will be down nearly 30 per cent this year, and are expected to remain at 2001-2002 levels (the beginning of the last cycle) through 2009. Slower home sales began last spring as rapidly rising fuel prices caused a tipping point in consumer confidence, which has since been intensified by the global financial crisis. Consumer

confidence is now at its lowest level in 26 years.

The housing market is highly dependent on the financial condition and confidence of people who live, work and raise their families in BC. Even though confidence is low, the financial condition of households is relatively solid. This is important, so I'll explain further.

The housing recession in the United States is the result of financial hardship, caused by loose lending practices and over-leveraging with complex financial instruments. Americans are losing their homes due to foreclosure and job losses. Relinquishing one's home is a last resort and a signal of a collapse in the economy. Remember the old saying, "If your neighbour loses her home it's a recession; if you lose your home it's a depression."

Financial hardship is typically caused by job loss and/or an onerous jump in interest rates. By comparison, the unemployment rate in BC remains low—only half what it was ten years ago. While some job losses are likely next year, the unemployment rate is expected to remain low, from a historical perspective. Mortgage interest rates are also low from a historical perspective and are expected to stay near their current level, at least through 2009.

BC households aren't expected to face the same financial hardship as households south of the border. This means home sellers aren't under duress to sell at any price. In fact, statistics back this up: the proportion of BC mortgage holders in arrears (three months or



By Cameron Muir,
BCREA Chief Economist

more behind in their payments) is the lowest in Canada and the lowest in BC in more than a decade. It's a leading indicator of foreclosures, since a homeowner must first stop payment before foreclosure proceedings commence.

Any comparison that concludes a similarity between the US housing market and our own housing market ignores the fundamental difference of household financial conditions. While home prices have edged lower over the past several months, it's not the result of household financial calamity. There's a million miles between households putting off major purchases and being foreclosed upon.

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President's Report

Challenge or Opportunity?

It's definitely been an interesting year, but not necessarily one I'd like to repeat. Even so, looking back, it's clear that our high standards and expectations serve us well in good times and not-so-good times. Here are a few examples.

The year began very well, when the BC government made a regulatory change allowing us to be licensed as personal real estate corporations, as of January 1, 2009. BCREA had worked toward that change for several years, and our persistence (and patience) paid off.

The government delivered again in June when it released Living Water Smart, a far-reaching plan to keep our water healthy and secure for the future. REALTORS®, real estate boards and BCREA expressed concerns about a variety of issues related to water for a long time, and Living Water Smart is a great first step to making sure communities and British Columbians are safe and responsible.

Then, the new federal regulations

to combat money laundering took effect at the end of July. The good news: we knew it was coming, and The Canadian Real Estate Association worked hard for three years to clarify and minimize the requirements for REALTORS®. CREA also provided, and continues to update, materials and information to help us comply. We may not like it, but at least we have support.

Of course, the biggest news in 2008 has been the real estate market. The long, prosperous run has followed the typical economic cycle, and sales have slowed—though we're lucky to live in BC, where only a soft landing is expected.

Less experienced REALTORS® may not be familiar with this part of the cycle, but those of us who've been around for awhile know this is a chance to get creative, pay closer attention to our clients and look at business a little differently. We develop credible, trusting relationships with our clients by providing them with straightforward information about the market so they can make informed decisions.



President **Scott Veitch**

As Thomas Edison said, "Opportunity is missed by most people because it is dressed in overalls and looks like work." Season's greetings, and here's to a new year, full of opportunities!

Scott Veitch
President



Board of Directors 2008-2009

Core Ideology	Officers	Regional Directors
<p>Core Purpose Ensuring the continued relevance of REALTORS® in BC.</p> <p>Core Values</p> <ul style="list-style-type: none">• Member board vitality• REALTOR® success• REALTOR® professionalism• Quality of Life<ul style="list-style-type: none">- Economic viability- Housing opportunities- Environmental preservation- Property owner rights- Better communities• Public trust	<p>President Scott Veitch 250.428.9331 smveitch@telus.net</p> <p>Vice President John Tillie 800.976.5566 john@johntillie.com</p> <p>Past President Andrew Peck 604.266.8989 apeck@royalpacific.com</p> <p>Chief Executive Officer Robert Laing 604.742.2787 rlaing@bcrea.bc.ca</p>	<p>Region I Delores St. Amand 250.564.4488 delorespg@shaw.ca</p> <p>Region II Peter Oswell 250.374.1461 peter@oswell.com Bea Smith 250.493.4372 beasmith@realtyexecutives.com</p> <p>Region III Jennifer Lynch 250.247.2088 lynch@discovorgabriola.com Gary McInnis 250.384.8124 gary@garymcinnis.com</p> <p>Region IV Eugen Klein 604.684.8844 eugenklein@shawcable.com Brian Naphtali 604.737.8865 bnaphtali@rebgv.bc.ca Rick Valouche 604.629.6100 rvalouch@rebgv.bc.ca</p> <p>Region V Moss Moloney 604.590.4888 mmoloney@axionet.com Hanne Selby 604.795.2955 hselby@uniserve.com</p>

Legal Update Required in Second Cycle



Keeping REALTORS® at the peak of awareness and professionalism in the practice of real estate, the content and availability of BCREA's Continuing Professional Education (cpe) courses remain top quality.

To maintain high standards, BCREA is pleased to announce that *Real Estate Errors and Omissions Insurance Legal Update* has been selected by BCREA and its member boards as the required course for the next cycle of the Professional Development Program (PDP).

PDP Professional Development Program

The Real Estate Council of BC has also chosen *Legal Update* as the required course for the next cycle of the Relicensing Education Program (REP) for REALTORS® engaged in trading services.

Legal Update has been among BCREA's most popular cpe courses for years, and REALTORS® have often suggested it should be a necessary component of a REALTOR®'s education, due to the importance of its up-to-date content. Attendance will be invaluable to BC REALTORS® and their clients.

BCREA is also pleased to announce the availability of two recently developed cpe courses. *Disclosure Issues & Risks* (6 PDP credits/full-day REP accreditation), provides a comprehensive understanding of disclosure requirements, updates to existing legislation and common issues such as indoor mould, stigmatized properties and drinking water.

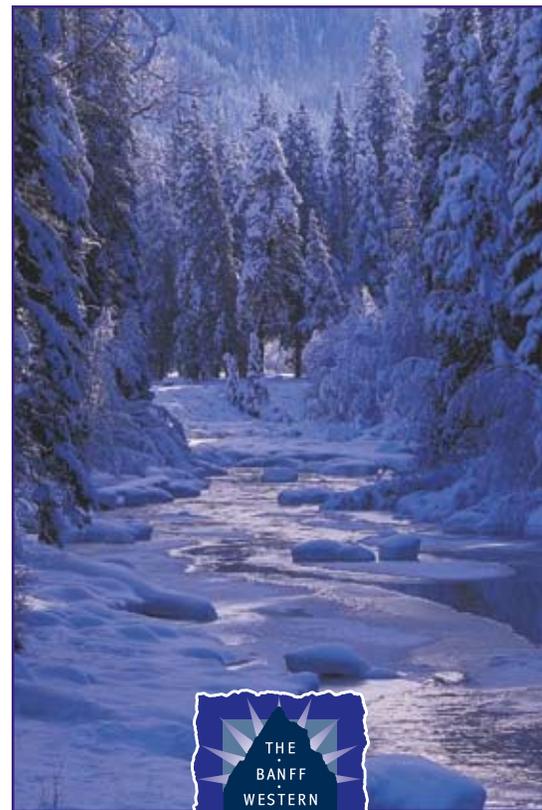
Assignments of Contracts of Purchase and Sale (3 PDP credits) is a half-day session that addresses the two Assignment of Contract of Purchase and Sale forms that were introduced in 2006, including clauses and minimizing risks for the parties involved.

For further information regarding PDP and REP, visit BCREA's REALTOR Link® page (www.realtorlink.ca) and the Council's website (www.recbc.ca), respectively.

See page 6 of *The Bulletin* for a schedule of cpe courses in your area.

Correction

The cover article ("Housing Attainability and the Environment") of the October 2008 issue of *The Bulletin* contained an error. In the second column, the second paragraph under "PTT Structure" should have read, "Economic analysis of transaction data suggests the proposed threshold would have resulted in 63 per cent of buyers not needing to pay the two per cent portion of the Property Transfer Tax in 2007, rather than only 17 per cent, as was the case."



The New Real Estate Environment

THE BANFF WESTERN CONNECTION 2009

Banff Western Connection 2009 Leadership Day, REALTOR® Conference and Trade Show

Fairmont Banff Springs Hotel
January 29 to 31, 2009

Register online at
www.banffwesternconnection.com



BRITISH COLUMBIA REAL ESTATE ASSOCIATION

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The Latest Standard Forms

BCREA's Standard Forms Committee has been hard at work for years, in some cases, to produce the following forms.

These forms are now available on **WEBForms™**, and some are accompanied by guides that provide more information.

BCREA Standard Forms Committee Mandate

The committee's mandate is to create, maintain and refine the forms BC REALTORS® and consumers use for trading in real estate by ensuring they are concise, current and reflect best professional practices.

Indian reserve lands

BCREA has created a contract, assignment and addendum for use with the purchase and sale of a leasehold interest in Indian reserve lands. Please note that the contract should only be used in the following circumstances:

- an existing lease or sublease is already in place and the seller is the tenant under the lease or the subtenant under the sublease. The contract should not be used for a new residential development where the buyer is buying directly from the developer,
- the existing lease or sublease is for residential purposes. If the existing lease or sublease is for commercial or other purposes, this contract may not be appropriate for use, and
- the existing lease or sublease that is being sold is in respect of Indian reserve lands managed by the Department of Indian and Northern Affairs on behalf of the federal government and registered in the Indian

Lands Registry. If the Indian lands in question are lands subject to a treaty (e.g., Nisga'a), or if they are managed directly by a First Nation (e.g., Westbank First Nation, Sechelt Indian Band, Tsawwassen First Nation), or title to the Indian lands is registered in the Provincial Land Title Office (e.g., some Sechelt Indian Band lands and Musqueam First Nation lands), this contract may not be appropriate for use.

Available on **WEBForms™**:

- Contract of Purchase and Sale of a Leasehold Interest in Indian Reserve Lands
- Contract of Purchase and Sale of a Leasehold Interest in Indian Reserve Lands Leasehold Assignment
- Contract of Purchase and Sale of a Leasehold Interest in Indian Reserve Lands Addendum
- REALTOR®'s Guide to the Contract of Purchase and Sale of a Leasehold Interest in Indian Reserve Lands

Manufactured homes

A Contract of Purchase and Sale of a Manufactured Home on a Rental Pad (and supportive addendum) have been created. They are to be used when a manufactured home is being sold, but the land on which it's located is not. For more information about working with manufactured homes, see "Dealing With Manufactured Homes," in the October 2007 edition of *Timely Issues for REALTORS®* (available on REALTOR Link®).

Available on **WEBForms™**:

- Contract of Purchase and Sale of a Manufactured Home on a Rental Pad
- Contract of Purchase and Sale of a Manufactured Home on a Rental Pad Addendum

Commercial real estate

A Contract of Purchase and Sale for Commercial Real Estate (and supporting schedule) are now available. They are to be used for simple commercial transactions (i.e., asset deals, not share deals, no employees being hired by the buyer, etc.).

REALTORS® are encouraged to read the documents carefully to ensure they accurately reflect the transaction.

Available on **WEBForms™**:

- Contract of Purchase and Sale for Commercial Real Estate
- Contract of Purchase and Sale for Commercial Real Estate Schedule

Funds not put into the brokerage's trust fund

Under section 27(4) of the *Real Estate Services Act (RESA)*, if a REALTOR® physically touches a cheque from a buyer it must be deposited into the brokerage's trust account. If the intention is for the REALTOR® to act only as a "courier" to take the cheque to someone other than the brokerage, the buyer and the seller must both agree in writing that this is acceptable.

To ensure REALTORS® meet this *RESA* requirement when they receive funds to deliver to another party, BCREA has created four forms—one for each of several situations.

- Agreements Under Section 27(4) of the *Real Estate Services Act*
 - General
 - Holding Brokerage
 - Offer to Lease General
 - Offer to Lease Holding Brokerage

Quality of Life Works

BCREA and real estate boards around the province have been using the Quality of Life approach to improve their communities since 2004. As the following examples indicate, there are a wide variety of ways to employ Quality of Life to make a difference—and BC real estate boards have many other projects underway. For an overview of Quality of Life and to view a video, visit www.qualityoflife.bcrea.bc.ca.

Providing housing opportunities

In 2008, the Victoria Real Estate Board (VREB) initiated 64 projects related to the Quality of Life principles. Highlights include a \$10,000 donation to assist with finding housing for the homeless and organizing a community leaders' meeting with the former federal minister of housing, the Hon. Monte Solberg, to advocate for more federal funding to help with the region's homeless crisis.

VREB also received a congratulatory letter from the Mayor of Victoria for efforts in chairing the region's Housing Action Team, and is following up on a recent call from the provincial Ministry of Energy, Mines and Petroleum Resources to take VREB up on its offer to run a 2009 pilot project on energy labelling of homes for sale.

Further details, including video vignettes of testimonials from community leaders in Greater Victoria, can be found at the VREB public website at www.vreb.org/community/quality_of_life.html.

Preserving the environment

In an area that relies on watersheds, wells and community water systems, the Powell River Sunshine Coast Real Estate Board's (PRSCREB) Quality of Life Subcommittee recognized the

importance of water conservation. To educate residents, subcommittee members successfully applied to The Real Estate Foundation of BC for funding to publish a brochure.

The brochure includes information about the water cycle, conservation tips, how industrial and recreational uses impact the clean water supply and the importance of registering wells. The brochure was sent to about 8,000 households throughout the region, and PRSCREB will promote the brochure during the upcoming BC Land Summit in Whistler, May 20-22, 2009.

Protecting property owners

Fraser Valley REALTORS® are leading an effort to achieve standardized reporting and remediation of properties that have been used as illegal drug operations (IDOs) across municipalities.

The Fraser Valley Real Estate Board (FVREB) hosted a forum on October 16. The forum was attended by more than 100 community stakeholders involved in the issue of marijuana grow-ups and clandestine drug labs and their impact on housing and communities. To generate discussion and encourage ideas, FVREB commissioned a white paper outlining both the issue and the hurdles faced by seekers of information.

At the forum's conclusion, a call to action was issued to create a task force of experts and stakeholders to work toward finding a solution to better protect the public.

Building better communities

During the local government election, the Chilliwack and District Real Estate Board (CADREB) provided candidates with information packages, including the BCREA Quality of Life video,



asking them to support the five Quality of Life principles. Advertisements were then purchased in local newspapers, listing those candidates who supported the principles, and promoting the approach.

The response from candidates was very positive, and CADREB will use the commitments secured during the election campaign to hold regional politicians accountable.

Ensuring economic vitality

In fall 2008, the Vancouver Island Real Estate Board (VIREB) co-sponsored the 2nd annual State of the Island Economic Summit, building on the huge success of the inaugural event that was held in April 2007. Both events attracted many hundreds of decision-makers and stakeholders—including Premier Gordon Campbell as keynote speaker—interested in better understanding the economy of Vancouver Island.

VIREB was a founding partner of the hosting organization, the Vancouver Island Economic Alliance, which undertakes activities that include regional economic analysis, branding and marketing Vancouver Island and a collaborative workforce strategy.

cpe Course Schedule

Current as of November 13, 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.

Chilliwack and District Real Estate Board

FEBRUARY 11, CHILLIWACK, *Contracts: Keep on Top of Changes*, Richard Laurendeau

Fraser Valley Real Estate Board

DECEMBER 16, SURREY, *Assignments of Contracts of Purchase and Sale*, Brian Taylor (3 PDP credits)

DECEMBER 19, SURREY, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan

JANUARY 9, SURREY, *Risk Management for REALTORS®*, Kim Spencer

JANUARY 15, SURREY, *Selling Tenant-Occupied Properties*, Evelyn McNulty

JANUARY 22, SURREY, *What Brokerages and REALTORS® Need to Know About Agency*, Jim McCaughan

Real Estate Board of Greater Vancouver

DECEMBER 15, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Harvey Exner

DECEMBER 16, VANCOUVER, *Contracts: Keep on Top of Changes*, Mary Wright

DECEMBER 17, VANCOUVER, *CONDO 202: Advanced Strata Law for REALTORS®*, Adrienne Murray

JANUARY 8, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Richard Collins

JANUARY 12, VANCOUVER, *Foreclosures and Court Ordered Sales*, Michael Walker

JANUARY 13, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Andrew Peck

JANUARY 15, VANCOUVER, *Negotiating and Presenting Offers*, Richard Collins

JANUARY 16, VANCOUVER, *CONDO 101: Strata Law for REALTORS®*, Adrienne Murray

JANUARY 20, VANCOUVER, *Assignments of Contract of Purchase and Sale*, Ed Wilson (3 PDP credits)

JANUARY 21, VANCOUVER, *Disclosure Issues & Risks*, Michael Ziegler

JANUARY 22, VANCOUVER, *Contracts: Keep on Top of Changes*, Richard Laurendeau

JANUARY 27, VANCOUVER, *Electronic Title Searching*, Catherine Greenall

JANUARY 28, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor

JANUARY 29, VANCOUVER, *CONDO 202: Advanced Strata Law for REALTORS®*, Adrienne Murray

JANUARY 30, VANCOUVER, *Tax Tips for Selling Real Estate*, Lorana Laporte

JANUARY 30, PITT MEADOWS, *Foreclosures and Court Ordered Sales*, Michael Walker

FEBRUARY 5, VANCOUVER, *CONDO 101: Strata Law for REALTORS®*, Adrienne Murray

FEBRUARY 9, VANCOUVER, *Ethics: Unlocking the REALTOR® Code*, Kim Spencer

FEBRUARY 10, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Richard Collins

FEBRUARY 16, VANCOUVER, *Assignments of Contracts of Purchase and Sale*, Brian Taylor (3 PDP credits)

FEBRUARY 18, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Andrew Peck

FEBRUARY 19, VANCOUVER, *Contracts: Keep on Top of Changes*, Richard Laurendeau

FEBRUARY 23, VANCOUVER, *Foreclosures and Court Ordered Sales*, Michael Walker

FEBRUARY 24, VANCOUVER, *CONDO 101: Strata Law for REALTORS®*, Adrienne Murray

FEBRUARY 25, VANCOUVER, *Disclosure Issues & Risks*, Michael Ziegler

FEBRUARY 26, VANCOUVER, *CONDO 202: Advanced Strata Law for REALTORS®*, Adrienne Murray

FEBRUARY 26, PITT MEADOWS, *What Brokerages and REALTORS® Need to Know About Agency*, Harvey Exner

FEBRUARY 27, VANCOUVER, *What Brokerages and REALTORS® Need to Know About Agency*, Brian Taylor

Victoria Real Estate Board

FEBRUARY 22, EDUCATION ON VACATION CRUISE, *Win/Win: Conflict Resolution Skills for REALTORS®*, Richard Collins

FEBRUARY 23, EDUCATION ON VACATION CRUISE, *Real Estate Errors & Omissions Insurance Legal Update 2009*, Leslie Howatt

FEBRUARY 27, EDUCATION ON VACATION CRUISE, *Risk Management for REALTORS®*, Richard Collins

PDP Professional Development Program

continuing professional education