



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

the bulletin

Housing Attainability and the Environment

In Budget 2009, BCREA and the Canadian Home Builders' Association of BC (CHBA BC) believe the provincial government has an opportunity to build on past initiatives to make changes that would have two beneficial outcomes for all British Columbians: create more affordable housing, while reducing the province's carbon footprint.

Background

In 1987, the government introduced the Property Transfer Tax of one per cent on homes up to \$200,000 and two per cent on the balance. The median BC house price was \$101,916, and the PTT was considered a wealth tax. In 2007, the median BC house price was \$340,000; the two per cent PTT levy is now a tax on medium- and low-income households.

"British Columbians shoulder a land transfer tax burden that's out of step with homeowners in other provinces," noted Moss Moloney, BCREA Director and Chair of the Government Relations Committee.

BC ranks last among all provinces in burden of land transfer taxes on homeowners, with British Columbians paying 222 per cent more than the average Canadian. PTT revenue in the 2007/08 fiscal year was nearly \$1.1 billion, and accounted for 5.6 per cent of total provincial government tax revenue.

The impact of the PTT appears to be at odds with the government's competitive taxation principles, and contradicts Balanced Budget 2007's goal to take a

major step toward ensuring every British Columbian has access to a safe, appropriate and affordable place to call home.

PTT Structure

The first key action the BC Government can take is to restructure the PTT. BCREA and CHBA BC strongly recommend the provincial government increase the threshold for the one per cent PTT levy from \$200,000 to \$400,000, with two per cent tax thereafter.

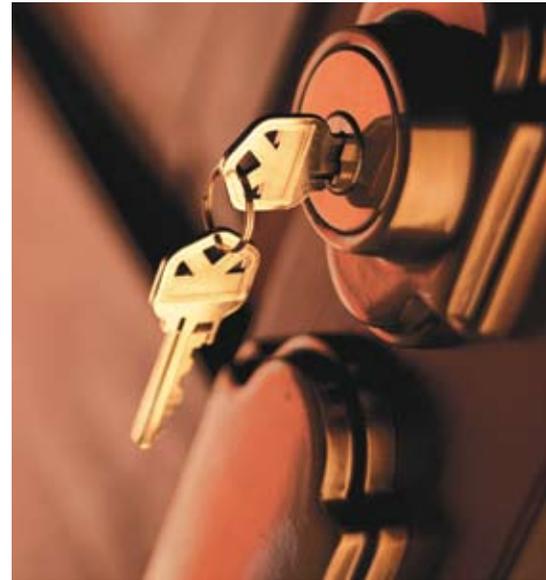
Economic Analysis of transaction data suggests the proposed threshold would have resulted in 63 per cent of buyers not needing to pay the two per cent portion of the Property Transfer Tax in 2007, rather than only 17 per cent, as was the case.

Green Buildings

The second key action government can take is to improve the attainability of green housing around the province through a PTT rebate for buyers of new homes that meet a Built Green™ standard for greenhouse gas emissions and less waste.

"The government's green *Building Code* and other greenhouse gas reduction measures were a significant step toward reducing GHG emissions," observed Ralph Belisle, Immediate Past President of CHBA BC.

Built Green™ is an international 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 greenhouse gas emissions annually over the life of the building.

A PTT rebate incentive coupled with changes to the structure of the tax would ensure citizens continue to choose smarter housing strategies that continue to contribute to the unparalleled quality of life in BC and help set the course for the new, low-carbon economy.

These recommendations are the focus of a submission to the provincial government, as part of its annual budget consultation. The full submission is available at www.bcrea.bc.ca.

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President's Report

Get Involved

The season is upon us. The federal election just ended, municipal elections are in full swing and a provincial election is scheduled for May 2009. As REALTORS® and citizens, we have a responsibility to be part of the political process.

But if you're like a lot of people, and politics isn't your hobby, then here's one very good reason to pay attention: governments at all levels help shape our economy. With a healthy economy as a starting point, other elements that contribute to an excellent quality of life fall into place, like reliable health care and a safe, clean environment.

As professionals who care about the communities we live and work in, taking an active role in politics demonstrates our commitment to our clients. After all, they buy the whole community, not just the property.

What does an "active role" look like?

I'm not saying you have to run for office, but at the very least you should pay attention to the issues so you can make an informed choice at the polls.

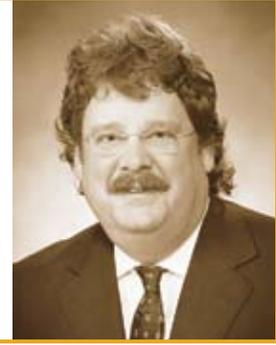
If you're looking for more opportunities, political parties are constantly looking for volunteers to do all kinds of things that contribute to their campaigns.

For people who don't want to commit to a particular party, then your real estate board or a local community or special interest group might offer another way to take action.

**taking an active role
... demonstrates our
commitment to our clients**

Nearly 82 per cent of BC REALTORS® voted in the last federal election. That's a great start, but only about 20 per cent of us did more than vote the last time this cluster of elections happened.

It's been said many times, but it's true so I'll say it again: All REALTORS® have unique knowledge of their communities and their clients. That knowledge is



President **Scott Veitch**

valuable to the political process, and I'd like to see more of us involved. As real estate professionals, we influence positive change in our communities by promoting Quality of Life values.

Scott Veitch
President



Board of Directors 2008-2009

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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Personal Real Estate Corporations Coming

RECBC REAL ESTATE COUNCIL
OF BRITISH COLUMBIA

Effective January 1, 2009, real estate licensees will be able to form personal real estate corporations (PREC's). This new corporate structure was made possible by regulatory amendments to the *Real Estate Services Act*, made in January of 2008.

PREC's are the result of years of advocacy by BCREA, the 12 member boards and REALTORS®, and the patience and diligence of the provincial government, Real Estate Council of BC and the Superintendent of Real Estate.

When the *Real Estate Services Act* came into effect in January 2005, the ability

for real estate professionals to become licensed by way of PRECs wasn't explicitly included in the legislation, though the Act did anticipate licensing of this nature might be possible in the future.

PREC's will allow real estate licensees to access the business advantages of incorporation. This can include better planning of income and tax streams and is similar to options available to other professionals, such as dentists, accountants and lawyers.

Licensees are encouraged to consult with accounting and legal advisors in deciding whether a PREC is for right for them.

With the implementation date around the corner, the Real Estate Council of BC has amended its Rules and Bylaws to create step-by-step procedures for PRECs. Details were provided to licensees in the September issue of the *Report from Council* newsletter.

The *Report from Council*, the PREC Regulation, a News Bulletin on the allowable activities of a personal real estate corporation and more information are available on the Council's website at www.recbc.ca.

Government Relations

Quality of Life Goes National

The Canadian Real Estate Association (CREA) Directors recently approved an implementation plan to incorporate the Quality of Life approach into all aspects of CREA's operations and projects.

The approach demonstrates the real estate profession's commitment to improving Quality of Life in communities. Through Quality of Life, organizations support growth that encourages economic vitality, provides housing opportunities, respects the environment, protects property owners and builds communities with good schools and safe neighbourhoods.

CREA's two-year plan will launch in January 2009, with implementation monitored by the national Quality of Life Task Force.

"This is an amazing step forward," remarked Gary McInnis, BCREA Director, Chair of the BCREA Quality of Life Committee and member of CREA's Quality of Life Task Force. "By using this approach, real estate organizations are able to work with decision makers to advance issues that benefit the government, consumers and REALTORS®."

In 2004, BCREA adapted Quality of Life from an initiative originated by the

Washington REALTORS® Association. Since then, Quality of Life has become a movement across Canada, with several real estate boards and associations using the five principles as a lens to view their work, particularly public and government relations.

"We're seeing Quality of Life work in BC, and I can hardly wait to see results at the national level," added McInnis.

A video presentation explaining the Quality of Life approach and how BCREA uses it is available online at www.qualityoflife.bcrea.bc.ca.



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The Greening of Real Estate



What is green real estate, and why should you care? Consumer interest in all things “green” has been growing, and this includes green homes and renovations.

Respondents to a 2004 Canada Mortgage and Housing Corporation survey were asked to rate a list of housing features they would consider when buying a new home. Energy-efficiency features topped the list, with 89 per cent of respondents indicating such features would encourage their home purchase decision.

According to a 2007 survey by Royal LePage, 72 per cent of Canadians said they would look for a greener home in their next home purchase. From a Canadian Real Estate Association survey done earlier this year, REALTORS® reported their clients were 28.4 per cent more concerned with “green” issues than they were a year ago.

Global environmental issues, coupled with increased costs for housing and energy, have opened up the green building sector of the real estate market. So, what is a “green” home? A greener home has a lesser impact on the environment in its construction and/or operation than its conventional cousin by utilizing a combination of the following features: efficient use of energy, water, space and materials; a healthy habitat for its residents and neighbours; environmentally sustainable materials;

and minimal impact on the building site and surrounding areas.

Many consumers look to REALTORS® as an information source about aspects such as energy efficiency and rebate programs, when looking to buy a home or renovate an existing one.

“REALTORS® can, should, and now are, playing a significant role in addressing the health, energy efficiency and environmental impact of our homes” says James Rodgers, executive director of the Greener Realty Association of BC. “We’re the ones sitting down at the kitchen table exploring people’s housing needs and choices. More and more, those needs require finding a home that’s green—energy efficient and therefore affordable to heat or cool, healthy to live in and built with environmentally sustainable materials.”

According to the 2008 BC REALTOR® Survey, the number one thing REALTORS® pride themselves on is offering valuable knowledge and service to their clients. Here are a few ways REALTORS® can become knowledgeable about greener real estate:

- Take a course on green building or real estate.
- Find out about rebate programs, such as those offered by provincial and federal governments and organizations like Canada Housing and Mortgage Corporation.

- Ask colleagues and business associates what they know about greener real estate. Many are already involved in the practice of green real estate and are happy to share their knowledge.
- Visit the Green Tool Kit for REALTORS® website for a wealth of information on many aspects of greener real estate (www.greentoolkit.ca).

Besides consumers and the real estate and building industries, the government is also aware of the importance of reducing the impact on the environment through the construction of buildings.

The new green requirements in the *BC Building Code* came into effect on September 5, 2008, and apply to all new construction and renovations. The new measures were developed in consultation with industry, local governments and the public, and include energy- and water-efficiency requirements.

Once considered trendy, consumer demand suggests interest in greener real estate is here to stay. Being knowledgeable and staying up to date on this increasingly important area of real estate benefits your clients and the environment.

Property Disclosures: Do You Know the Issues and Risks?



Disclosure is fundamental to real estate practice. For this reason, a new Continuing Professional Education (cpe) course about the issues and risks associated with property disclosures has been developed.

A dry run of *Disclosure Issues & Risks* was recently held in Vancouver with 22 people in attendance. Feedback indicated participants found the instructor knowledgeable and entertaining, and the material substantial and well researched.

Says Michael Ziegler, course writer: "This course is essentially a one-stop shop about disclosure. It covers every

situation out there, including many that REALTORS® may not know about. It's also timely, with course content updated annually to reflect current legislation."

The course covers:

- the origins of disclosure;
- the legal obligation to disclose;
- current legislation that requires licensees to disclose in BC;
- how to recognize a potential requirement to disclose;
- how to decide whether there's a requirement to disclose;
- how to determine how to fulfill the obligation to disclose;

- best practices guidelines for licensees; and
- case examples that demonstrate worst case scenarios.

Disclosure Issues & Risks was recently approved by the BCREA Education Committee for Professional Development Program (PDP) accreditation, and will be submitted to the Real Estate Council of BC (RECBC) for Relicensing Education Program (REP) accreditation.

The property disclosures course is now available for booking. See the cpe schedule on page 6 for course dates.

Real Estate Sector

The New Real Estate Environment



For REALTORS®, staff, volunteers and visionaries, the Banff Western Connection has been a destination conference since 1994. Conference sessions in 2009 will focus on the social, economic and political environments in which REALTORS® operate.

What's the attraction?

Powerful speakers, a dynamic trade show, first-class entertainment and unique networking opportunities deliver a valuable conference experience. With the Fairmont Banff Springs Hotel as

home base, delegates are surrounded by spectacular mountains and everything Banff National Park has to offer.

Here's a sample of what's coming up in 2009:

- Conference emcee Marty Douglas
- Staying up in a changing market, Allan Baylis
- Green Building 101 for REALTORS®, Julie Hardy of Light House Sustainable Building Centre
- Commercial program, including valuing leases, subleases and buyouts, Phil Nesrallah and a lunch session with Adrienne Warren of Scotiabank
- The Emotional Profit Centre™ for REALTORS®, Peggie Pelosi
- Excelling in an on-demand world, Tod Maffin

Networking is also a key feature of the Banff Western Connection, from social events to the Trade Show of more than 50 exhibitors.

Opportunities

- Attend for only \$455 when registering online (register by October 29 for a chance to win a free upgrade to the President's Suite)
- Participate in the Trade Show (just a few spaces are left)
- Advertise yourself and your services with a promotional item in the conference delegate package

Learn more about how you can be part of the Banff Western Connection at www.banffwesternconnection.com.

Current as of September 17, 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

NOVEMBER 4, CHILLIWACK, *What Brokerages and REALTORS® Need to Know About Agency*, Harvey Exner

Fraser Valley Real Estate Board

OCTOBER 23, SURREY, *Foreclosures and Court Ordered Sales*, Jack Micner
What Brokerages and REALTORS® Need to Know About Agency

- **OCTOBER 30, SURREY**, Jim McCaughan
- **NOVEMBER 21, SURREY**, Jim McCaughan
- **NOVEMBER 26, ABBOTSFORD**, Kim Spencer

NOVEMBER 12, ABBOTSFORD, *Ethics: Unlocking the REALTOR® Code*, Dennis Wilson

Real Estate E&O Insurance Legal Update 2008

- **NOVEMBER 20, SURREY**, Mike Mangan
- **DECEMBER 3, ABBOTSFORD**, Adrienne Murray

NOVEMBER 28, SURREY, *Representing Buyers in the Sale of New Homes and Condominiums*, Gerry Halstrom

DECEMBER 10, SURREY, *Disclosure Issues & Risks*, Michael Ziegler

Kamloops and District Real Estate Association

NOVEMBER 6, KAMLOOPS, *Ethics: Unlocking the REALTOR® Code*, Dennis Wilson

Kootenay Real Estate Board

Real Estate E&O Insurance Legal Update 2008

- **OCTOBER 27, NELSON**, Mike Mangan
- **OCTOBER 28, CRANBROOK**, Mike Mangan

Tax Tips for Selling Real Estate

- **NOVEMBER 18, CRANBROOK**, Lorana Laporte
- **NOVEMBER 19, TRAIL**, Lorana Laporte

Northern Lights Real Estate Board

DECEMBER 4, DAWSON CREEK, *What Brokerages and REALTORS® Need to Know About Agency*, Andrew Peck

Okanagan Mainline Real Estate Board

Real Estate E&O Insurance Legal Update 2008

- **OCTOBER 21, SALMON ARM**, Mike Mangan
- **OCTOBER 22, VERNON**, Mike Mangan
- **OCTOBER 23, KELOWNA**, Mike Mangan

Contracts: Keep on Top of Changes

- **NOVEMBER 25, SALMON ARM**, Mary Wright
- **NOVEMBER 26, VERNON**, Mary Wright
- **NOVEMBER 27, KELOWNA**, Mary Wright

Powell River Sunshine Coast Real Estate Board

NOVEMBER 13, POWELL RIVER, *Know Your Product*, Will Graham

Real Estate Board of Greater Vancouver

Disclosure Issues and Risks

- **OCTOBER 20, VANCOUVER**, Michael Ziegler
- **NOVEMBER 14, VANCOUVER**, Michael Ziegler
- **DECEMBER 3, VANCOUVER**, Michael Ziegler

What Brokerages AND REALTORS® Need to Know About Agency

- **OCTOBER 21, VANCOUVER**, Harvey Exner
- **OCTOBER 27, ROBERTS CREEK**, Leslie Howatt
- **OCTOBER 27, VANCOUVER**, Andrew Peck
- **NOVEMBER 6, VANCOUVER**, Richard Collins
- **NOVEMBER 18, VANCOUVER**, Andrew Peck
- **NOVEMBER 28, VANCOUVER**, Brian Taylor
- **DECEMBER 4, VANCOUVER**, Richard Collins
- **DECEMBER 10, VANCOUVER**, Andrew Peck

Real Estate E&O Insurance Legal Update 2008

- **OCTOBER 22, VANCOUVER**, Leslie Howatt
- **OCTOBER 28, ROBERTS CREEK**, Leslie Howatt
- **OCTOBER 31, PITT MEADOWS**, Adrienne Murray
- **NOVEMBER 13, VANCOUVER**, Mike Mangan

CONDO 101: Strata Law for REALTORS®

- **OCTOBER 28, VANCOUVER**, Adrienne Murray
- **NOVEMBER 20, VANCOUVER**, Adrienne Murray

Contracts: Keep on Top of Changes

- **OCTOBER 30, VANCOUVER**, Richard Laurendeau
- **NOVEMBER 26, VANCOUVER**, Richard Laurendeau

Assignments of Contract of Purchase and Sale (3 PDP credits)

- **OCTOBER 31, VANCOUVER**, Brian Taylor
- **NOVEMBER 4, PITT MEADOWS**, Brian Taylor

Foreclosures and Court Ordered Sales

- **NOVEMBER 3, VANCOUVER**, Michael Walker
- **NOVEMBER 4, VANCOUVER**, Michael Walker
- **DECEMBER 8, VANCOUVER**, Michael Walker

NOVEMBER 25, VANCOUVER, *Know Your Product*, Will Graham

NOVEMBER 27, VANCOUVER, *CONDO 202: Advanced Strata Law for REALTORS®*, Adrienne Murray

South Okanagan Real Estate Board

OCTOBER 24, PENTICTON, *Real Estate E&O Insurance Legal Update 2008*, Mike Mangan

NOVEMBER 14, PENTICTON, *Contracts: Keep on Top of Changes*, Mary Wright

Vancouver Island Real Estate Board

OCTOBER 24, NANAIMO, *Assignments of Contract of Purchase and Sale*, Brian Taylor (3 PDP credits) (two sessions offered)

OCTOBER 29, PARKSVILLE, *What Brokerages and REALTORS® Need to Know About Agency*, Michael Ziegler

Victoria Real Estate Board

Real Estate E&O Insurance Legal Update 2008

- **OCTOBER 20, VICTORIA**, Mike Mangan
- **DECEMBER 2, VICTORIA**, Mike Mangan

NOVEMBER 5, VICTORIA, *What Brokerages and REALTORS® Need to Know About Agency*, Michael Ziegler

NOVEMBER 7, VICTORIA, *Selling Tenant-Occupied Properties (STOP)*, Evelyn McNulty

NOVEMBER 25, VICTORIA, *Contracts: Keep on Top of Changes*, Richard Laurendeau

DECEMBER 9, VICTORIA, *Ethics: Unlocking the REALTOR® Code*, Ara Balabanian