

Real Estate Policy Update for Managing Brokers

January 27, 2022

Agenda

1. Enhancing the Regulation of Real Estate Teams
2. Consultation Update: Cooling-Off Period and Enhanced Consumer Protection
3. Brokerage Information Request
4. Questions



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Enhancing the Regulation of Real Estate Teams

Background

- Feedback from a 2018 survey identified teams as an area requiring additional regulation
- Highlights from the survey include:
 - Consumer and licensee confusion;
 - A need for regulatory guidance;
 - A need for process improvements and greater oversight.
- February 2021 discussion paper released for consultation on proposals to strengthen the regulation of teams.
 - Generally well received.



What's Happening

- Proposed amendments to the Real Estate Services Rules for consultation
 - 60 day consultation launching February 2022.
- Additional regulatory guidance will be developed to support implementation
- Modernization of regulatory requirements around real estate teams to improve consumer protection



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We want your feedback!

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Consultation Update: Cooling-Off Period and Enhanced Consumer Protection

Background

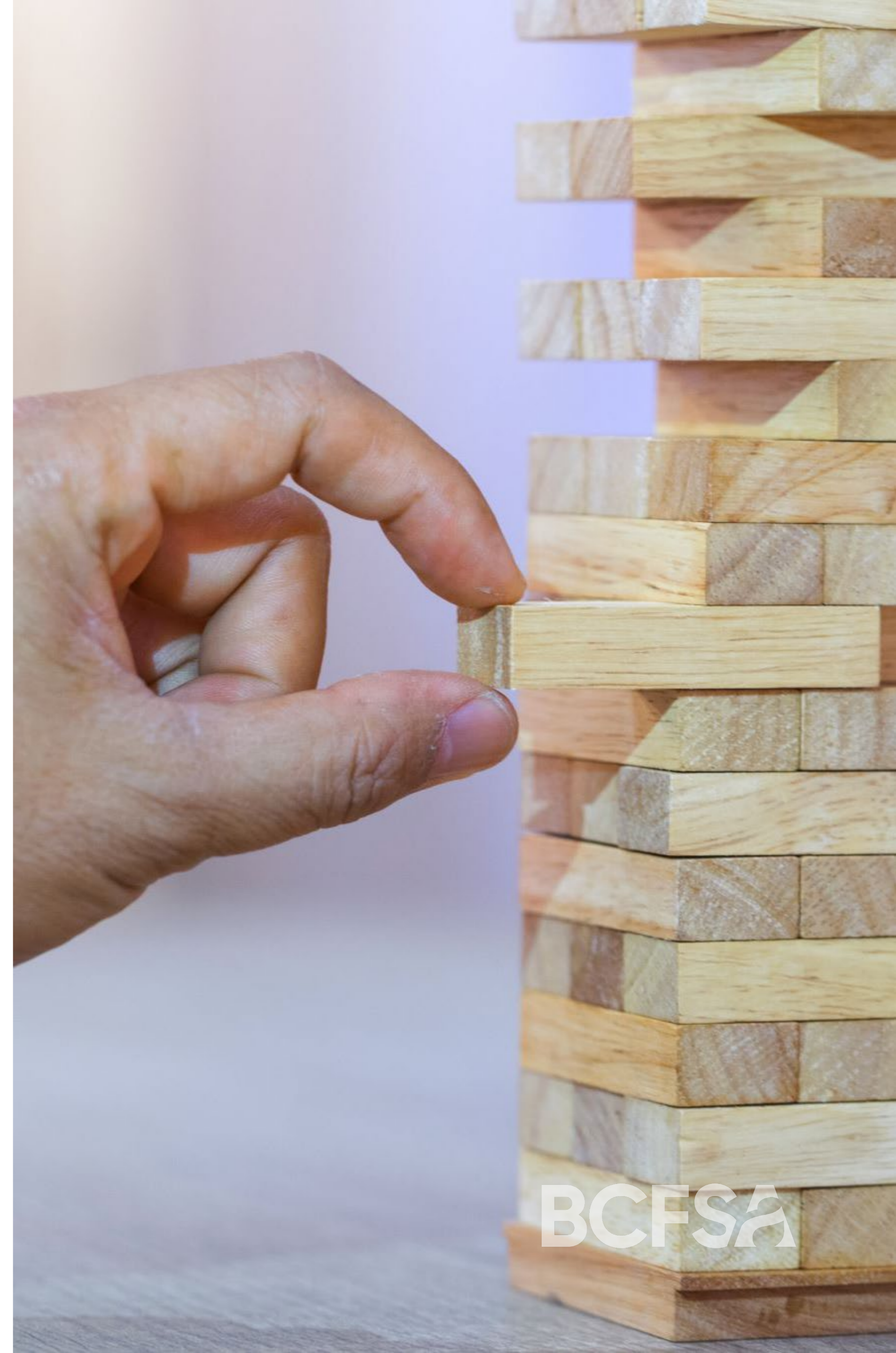
As the pace of market activity has increased, buyers report feeling the need to make purchase decisions under considerable time pressure.

CONSUMER PROTECTION CONCERNS

- Financial risk
- Lack of transparency for buyers

KEY ISSUES

- Subject-free offers
- Blind bidding



Consultation on cooling-off and consumer protection measures

- On November 4, 2021, the B.C. Minister of Finance announced the government's intention to create a **legislated cooling-off period** for resale and newly built homes.
- The **Minister has directed BCFSA** to engage with stakeholders on:
 - Parameters for a legislated cooling-off period
 - Potential additional measures to address unconditional offers
 - Potential alternatives and enhancements to address 'blind bidding'



Consultation Plan

OUR PROCESS AIMS TO

- Hear diverse perspectives
- Support informed participation
- Provide targeted input back to government

JANUARY AND FEBRUARY 2022

- 23 consultation sessions with a diverse cross-section of over 120 participants and organizations
- Included sessions with BCREA, CREA, regional boards

SPRING 2022

- Report back to the Minister of Finance



Brokerage Information Request

Brokerage information request

- B.C. government has directed BCFSA to explore data collection on market practices
- Specific data from brokerage records will assist BCFSA to provide evidence-informed advice to the Minister
- Provides insight into real estate market activity
 - Unconditional offers
 - Blind bidding
 - Multiple offers
 - Regional variations
- BCFSA to request transaction information for specific, limited time periods directly from brokerages
- Working with boards to receive additional data from the real estate sector to add to what the brokerages provide



Summary of request

- WHO** Trading services brokerages
- WHAT** Provide data to BCFSA on residential real estate sales between February 22-28, 2021 and February 21-27, 2022
- WHEN** Submit information by March 11, 2022
- WHY** BCFSA directed by Minister to explore data collection on market practices
- Data collection will support evidence-informed policy and advice to government decision-makers



Timeline



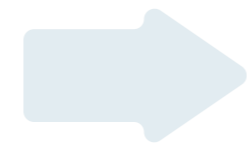
LATE JANUARY 2022

Introduce
brokerage
records request
with managing
brokers



FEBRUARY 2022

Brokerages
compile
information



MARCH 2022

Brokerages
submit
information



SPRING 2022

- BCFSA analyzes data
- Dissemination of results

Frequently Asked Questions

WHICH TRANSACTIONS DO I NEED TO REPORT?

- Residential real estate sales with a firm contract date between February 22-28, 2021, and February 21-27, 2022

HOW WILL YOU BE USING THE DATA?

- To provide evidence-informed advice to the B.C. government on market practices

WHY CAN'T YOU USE MLS DATA?

- MLS system does not contain information on offers
- Only brokerages have the information needed for this request



Frequently Asked Questions

IS IT MANDATORY FOR BROKERAGES TO GIVE BCFSA THIS DATA?

- We ask for your cooperation and best effort to respond
- Demonstrates industry and the regulator working together to build an understanding of market trends

WILL MY BROKERAGE BE DISCIPLINED IF I DON'T RESPOND?

- This is not a compliance exercise, no intention to discipline brokerages
- We ask for your cooperation and best effort to respond



Frequently Asked Questions

WHAT IF I DON'T HAVE ANY SALES TO REPORT FROM THESE PERIODS?

- Reply to the request indicating “nil response”

ISN'T THIS CONFIDENTIAL INFORMATION?

- BCFSA has completed a privacy impact assessment and has established appropriate safeguards to protect the information and privacy of the parties to the transaction.
- As regulator, BCFSA has legal authority to request this type of information from brokerages



Frequently Asked Questions

I AM A MANAGING BROKER AT A BRANCH OFFICE. DO I NEED TO RESPOND?

- You should work with the managing broker at your brokerage's head office to provide a single response

WHO CAN I TALK TO IF I HAVE QUESTIONS ABOUT FILLING OUT THE SPREADSHEET?

- Contact BCFSA's Practice Standards Advisors
[\(604\) 660-3555](tel:6046603555) / [\(866\) 206-3030](tel:8662063030) / advisor@bcfsa.ca

HOW DO I RESPOND TO THE REQUEST?

- Send the completed spreadsheet to policy@bcfsa.ca



Questions?

