

JUNE 2024

# Consultation Interim Progress Report

Applied Practice Courses

**BCFSA** 

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# Introduction

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From October 2022 to March 2024, BCFSA held consultations with real estate services industry members on the development of Applied Practice Courses (“APCs”) for new managing brokers and for individuals seeking licensing to provide rental property management services or strata management services. Similar to the current education requirements for trading services licensees, individuals would need to complete these courses after the successful completion of a licensing exam. These courses would emphasize the development of practical skills and cover key regulatory topics.

During the consultation process, feedback was collected from managing brokers, rental property managers, and strata managers to inform the development of the following courses:

- APC for Managing Brokers;
- APC for Rental Property Managers; and
- APC for Strata Managers.

This report outlines the consultation process and summarizes the feedback received from each of the three phases.

## Consultation Process Overview

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### *Phase 1: Managing Broker Focus Groups (October 2022 – March 2023)*

In October 2022, BCFSA hosted a facilitated virtual meeting with managing and associate brokers to share their thoughts on the skills and knowledge required for success in their roles. Due to the positive response, a follow-up session was held in March 2023 to delve deeper into the topic. A total of 171 managing and associate brokers participated in the initial session, with 71 attending the second session. Insights gathered from these focus groups were instrumental in shaping the development of the licensee survey.

### *Phase 2: Licensee Survey (April 19, 2023 – May 10, 2023)*

In April 2023, the *Strengthening Education: New Applied Practice Courses* survey was sent to over 6,200 licensed individuals, including managing brokers, and those licensed to provide rental property management and strata management services. Participants were invited to reflect on their preparedness upon becoming licensed and to identify areas where additional education would have been beneficial. The survey, consisting of 21 questions, included a combination of multiple-choice and open-text responses.

A total of 1,241 licensees completed the survey, with approximately equal representation from those licensed for under 10 years, and those over 10 years. Additionally, 52% indicated their interest in taking part in additional consultation activities about the development of APCs.

*Phase 3: Technical Working Groups (January 2024 to March 2024)*

For the next phase of consultation on course development, managing brokers, strata managers, and rental property managers were invited to join three technical working groups, each focused on one of the proposed APCs. The composition of these groups was designed to ensure diverse perspectives, essential for the success of the new courses.

Technical working group members reviewed and provided feedback on draft course outlines specific to their practice areas to ensure the courses' quality, relevance, and effectiveness. Their input, based on expert knowledge and practical experience, is outlined in the Summary of Feedback section below.

## Summary of Feedback

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### Feedback from the Managing Broker Focus Groups and Licensee Survey

The focus group feedback was generally positive, and the consensus was that the new APCs will provide further necessary practical training for new licensees, better preparing them for their role in the industry.

The majority of the responses from the licensee survey support the development of these new applied practice courses, with many respondents commenting on the benefits of additional training for these segments. Respondents' feedback is detailed in the table below, including areas where they believe their respective industries would benefit from additional practical training.

#### MANAGING BROKER FOCUS GROUPS AND LICENSEE SURVEY FEEDBACK TABLE

Feedback from the Managing Broker Focus Groups and Licensee Survey		
Sector	Theme	Summary of Issue/Comment
<b>Strata Managers</b>	Current job readiness	The majority of strata managers surveyed stated that after completing the licensing course and exam they felt somewhat prepared or better when they entered the industry.
	Areas where education is needed	The majority of strata managers surveyed believe the top three areas where additional education is needed include strata governance, strata meetings and communications, and accounting fundamentals for strata managers.
<b>Rental Property Managers</b>	Current job readiness	The majority of rental property managers surveyed stated that after completing the licensing course and exam they felt somewhat prepared or better when they entered the industry.
	Areas where education is needed	The majority of rental property managers surveyed believe the top five areas where additional education is needed include residential tenancy laws, commercial tenancy laws, professional ethics, contract law, and commercial leases.

<b>Managing Brokers</b>	Current job readiness	The majority of managing brokers surveyed stated that after completing the licensing course and exam they felt somewhat prepared or better when they entered the industry.
	Areas where education is needed	The majority of managing brokers surveyed believe the top five areas where additional education is needed include the Real Estate Services Act, risk management and brokerage operations, professionalism and ethics, licensee standards and regulatory guidelines, and trust accounting.

**Feedback from the Technical Working Groups**

Each of the three technical groups met once to discuss and provide feedback on the proposed modules in the draft course outlines. They were also asked to consider additional educational opportunities such as mentorship at their brokerages.

Generally, the feedback positively reinforced the proposed course content, with members providing feedback on additional areas in which more education is needed.

**All of the feedback received will be considered to inform the topic areas and content for the courses as BCFSAs develops the course materials.**

**TECHNICAL WORKING GROUPS FEEDBACK TABLE**

<b>Sector</b>	<b>Summary</b>
<b>Strata Managers</b>	<p>The strata management technical working group was asked to consider a draft course outline consisting of 11 topics. During the consultation, members reinforced the proposed content areas and provided further context and detail regarding relevant content including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• The Strata Property Act (“SPA”) requirements pertaining to strata finances, such as creating operating budgets, handling operating fund deficits, and understanding contingency reserve fund vs special levy fund expenditures;</li> <li>• SPA requirements pertaining to strata governance, including the role and responsibilities of the strata council versus the strata manager, conducting strata meetings, enforcing bylaws, retaining strata records, managing a sectioned strata, becoming familiar with Civil Resolution Tribunal decisions to ensure the strata client is compliant with SPA;</li> <li>• Managing and resolving conflicts between (and with) strata councils and strata owners, and handling potential conflicts of interest with third-party contractors;</li> <li>• Understanding the strata management service agreement and the agency duties owed to the strata client, including acting at the strata council’s direction and only within scope of authority set out in the agreement, and when and/or how to terminate this agreement;</li> </ul>

	<ul style="list-style-type: none"> <li>• Handling third-party service contracts and understanding when deficiency holdbacks are required;</li> <li>• Other legislation and regulation such as the <i>Residential Tenancy Act</i>, <i>Builders Lien Act</i>, WorkSafe BC regulation, and New Home Buyers Warranty; and</li> <li>• Managing conversations respecting equity, diversity, and inclusion at the brokerage.</li> </ul>
<p><b>Rental Property Managers</b></p>	<p>The rental property management technical working group was asked to consider a draft course outline consisting of 11 topics. During the consultation, members reinforced the proposed content areas and provided further context and detail regarding relevant content including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Operational budgeting and capital planning;</li> <li>• The tenant onboarding process, dealing with delinquent/problem tenants and the eviction process;</li> <li>• Managing commercial properties;</li> <li>• Requirements and management related to third party service contracts particularly where they intersect with other legislation or bylaws (fire, electric codes, etc.);</li> <li>• Managing equity, diversity, and inclusion conversations at the brokerage;</li> <li>• Dealing with challenging client relationships;</li> <li>• More relevant educational scenarios specific to rental property managers;</li> <li>• Comments on mentorship at the brokerage, energy management, and municipal bylaws requirements on managed properties; and</li> <li>• Appropriate use of disclosures.</li> </ul>
<p><b>Managing Brokers</b></p>	<p>The managing broker technical working group was asked to consider a draft course outline consisting of eight topics. During the consultation, members reinforced the proposed content areas and provided further context and detail regarding relevant content including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Business operations including starting a new brokerage;</li> <li>• Business continuity;</li> <li>• Managing risk, liability, and compliance;</li> <li>• Addressing problems and conflict resolution;</li> <li>• How to supervise all parts of the brokerage and understanding that the managing broker has the authority to make decisions;</li> <li>• Implementing and supporting equity, diversity and inclusion;</li> <li>• Knowing what BCFSAs resources are available and how to find them;</li> <li>• Networking and peer groups;</li> </ul>

	<ul style="list-style-type: none"><li>• Understanding brokerage financials and BCFSA requirements relating to those financials; and</li><li>• Awareness and relevance of other provincial and federal legislation, and when it may apply.</li></ul>
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## Consultation Outcomes and Next Steps

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BCFSA would like to thank all stakeholders that participated in the consultation. Most of the comments received were positive in nature and showed strong support for the development of Applied Practice Courses for rental property managers, strata managers, and managing brokers.

As a next step, BCFSA will incorporate the feedback received into the proposed draft course outlines to develop a high-level course structure and development plan, then draft and design course content through an iterative development process. BCFSA will seek input from the technical working groups at key stages during the development process and may call upon members of the technical working group to provide additional information on course content, design and implementation.

BCFSA plans to launch the three APCs in late 2025.



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