



# **Organizational Overview 2010**

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## **Section 1: RECBC Mandate**

The Real Estate Council of British Columbia is a regulatory agency established by legislation. Its mandate is to protect the public interest by enforcing the licensing and licensee conduct requirements of the *Real Estate Services Act*. The Council is responsible for licensing real estate representatives, brokers and brokerages engaged in real estate sales, rental and strata property management. The Council also enforces entry qualifications, investigates complaints against licensees and imposes disciplinary sanctions under the *Act*.

Within its terms of reference, the Council is responsible for ensuring that the interests of consumers who use the services of real estate licensees are adequately protected against wrongful actions by the licensees. A wrongful action may be deliberate or may be the consequence of inadequate exercise of reasonable judgment by a licensee in carrying out the normal duties and responsibilities as a licensee while acting for the parties involved in the transaction.

The Council is also responsible for determining what is appropriate education in real estate matters for individuals seeking to be licensed as real estate practitioners and arranging for licensing courses and examinations as part of the qualification requirement for licensing. Under the authority of the Council, licensing courses are conducted by the University of British Columbia's Sauder School of Business (Real Estate Division), Vancouver.

The first Council was appointed in 1958. The effectiveness of the Council and recognition of its mature discharging of its responsibilities is evidenced by the fact that for over 50 years, successive governments have not considered altering the Council's considerable powers but have, instead, broadened its role and delegated additional responsibilities to the Council.

On January 1, 2005, the *Real Estate Services Act* replaced the former *Real Estate Act*. The *Real Estate Services Act* significantly expands the regulatory authority and disciplinary powers of the Real Estate Council.

## Section 2: Core Business Areas

### Core Business Areas

#### Education

##### Licensing

Under the authority of the *Real Estate Services Act*, the Council is responsible for determining what is appropriate education for individuals seeking to be licensed as real estate practitioners, including real estate representatives, associate brokers and managing brokers engaged in real estate sales, rental and strata property management. The administration of licensing courses has been delegated to the University of British Columbia's Sauder School of Business (Real Estate Division), Vancouver.

In addition to establishing licensing guidelines and reviewing licensing courses, the Council considers a multitude of education and experience exemption requests from both licensees and members of the public on a daily basis.

##### Relicensing Education Program

In 2007 the Council introduced a Relicensing Education Program (REP). REP requires licensees to complete education courses during the licensees' two-year licence period as a condition of continued licensing.

While REP requirements vary depending on the category of licence, trading services licensees, which make up the largest percentage of licensees in the province, are required to complete "What Brokerages and REALTORS® Need to Know About Agency" plus one elective in the first REP cycle – 2007-2008. In the second REP cycle, trading services licensees are required to complete "Real Estate E&O Insurance Legal Update".

##### Further Education

The Council regularly provides licensees with industry updates and related information in order that licensees may effectively carry out their duties. The Council accomplishes this through its Licensee Practice Manual, Brokerage Standards Manual and *Report from Council* newsletters. This information is currently provided to licensees both in hard copy and on the Council's website where it is archived for future reference.

The Council has taken on a fairly substantial role in public education through the publication of various brochures, its public web site, and its day-to-day handling of telephone, e-mail, and written inquiries from the public.

#### Licensing

The Council is responsible for all licensing procedures associated with both individuals and brokerages under the *Real Estate Services Act*. The Council administers a number of processes in connection with the issuance of licences including the following:

- determining suitability for all licence applicants, including
  - conducting criminal record checks
  - conducting credit history checks
- ensuring that each brokerage has a managing broker in place
- ensuring that brokerages maintain a proper place of business

The Council issues licences in the following categories:

Trading services, rental property management services and strata management services.

## **Compliance Processes**

### **Office and Records Inspection Program**

The Council has been performing office and records inspections since 1967. The mandate of the Council is to ensure that all licensed brokerages in the province have proper controls in place to protect trust monies at all times. The objective of an office and records inspection is to provide constructive feedback to the brokerage by identifying any deficiencies in the office and records as required by the *Real Estate Services Act*. The legislative authority which allows the Council to perform an office and records inspection is found in the *Real Estate Services Act*. The Act is very broad and allows auditors access to **any** documents which may relate to the brokerage's dealings as a licensee.

Office and records inspections are conducted on the following priority basis:

- a) as a result of complaints from consumers, licensees or the Superintendent of Real Estate;
- b) as a result of exceptions on Accountant's Reports;
- c) as a result of previous spot audit reports showing deficiencies;
- d) new brokerages\* involved in strata management services or rental property management services followed by those engaged in trading services; and
- e) new branch offices that handle trust funds\*.

\*It is the intention of the Council to examine all new brokerages in the province within 12 months of the agent obtaining licensing under the *Real Estate Services Act*.

### **Disciplinary and Hearing Processes**

Investigations of matters which involve possible contraventions of the *Real Estate Services Act*, Regulations or Rules, are also a responsibility of the Council.

There are several ways in which the Council's disciplinary procedures provided in the *Real Estate Services Act* may be initiated:

- (a) A complaint may be submitted by a consumer, licensee or the Superintendent of Real Estate.
- (b) The Council may also initiate an inquiry even where there is no complaint from a consumer. This could happen, for example, where the Council becomes aware of a court decision or news report which could indicate wrongdoing on the part of a licensee.

While the Council has the authority to issue licences, it also has the authority to:

- reprimand a licensee;
- suspend the licensee's licence for a period of time and/or until specified conditions are met;
- cancel the licensee's licence;
- impose restrictions or conditions on the licensee's licence, or vary any applicable restrictions or conditions;
- require the licensee to
  - cease or carry out any specified activity related to the licensee's real estate business
  - enroll in and complete a course of study or training
  - pay for enforcement expenses incurred by the Council
  - pay a disciplinary penalty in an amount of not more than \$20,000 in the case of a brokerage or former brokerage, or not more than \$10,000 in any other case.

The Council may also recover enforcement expenses in accordance with section 44 of the *Real Estate Services Act*.

### **Orders in Urgent Circumstances**

If it is determined that a licensee may have acted in a way that could result in a disciplinary order, that the length of time it would take to make such an order would be detrimental to the public interest, and that it is in the public interest to make an order, a discipline committee may suspend a licensee's licence, impose restrictions or conditions on the licensee's licence, or require the licensee to cease or to carry out specified activities related to the licensee's real estate business. The *Real Estate Services Act* also provides the Council with the authority to freeze property if it considers such action to be in the public interest, e.g. where there is evidence that trust funds have been misappropriated.

It is important to note that the Council does not have the jurisdiction to adjudicate monetary or contract matters which come under the control of the civil courts. Anyone who seeks to deal with monetary or contract matters must pursue a civil remedy through legal proceedings.

### **Council Meetings and Decision Process**

Council members serve on a number of standing committees and several task forces. Various issues that arise at Council meetings as well as matters brought forward by staff are discussed at the committee/task force meetings. Staff provide research assistance as well as make recommendations where appropriate. Once a particular issue has been researched and a solution agreed upon, the matter is then brought forth to the Council as a whole. The Council will then discuss the issue and either ratify it, send it back to the committee/task force for further investigation or reject it. The Council generally meets eight times each year.

## Section 3: Organization of Council

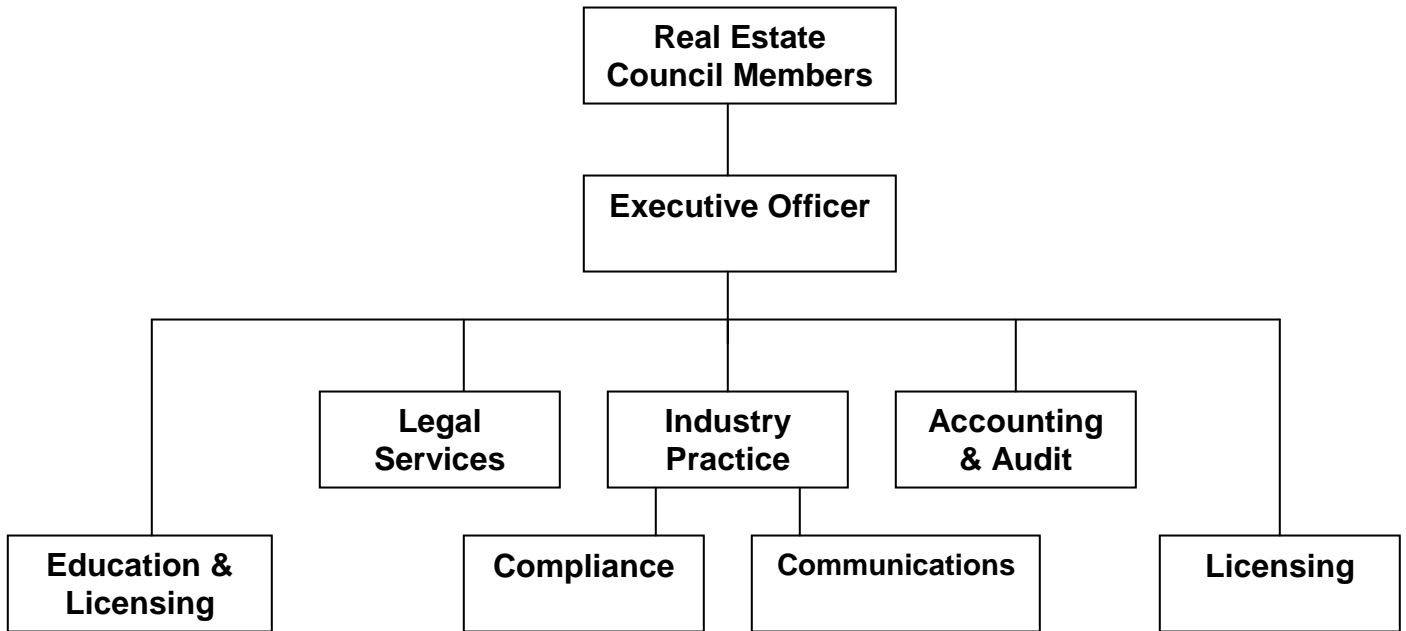
### Council Members

There are 16 members of the Real Estate Council including three members appointed by the provincial government. Thirteen members are chosen through an election process open to all real estate licensees in the province. The elected members are comprised of three representatives and nine brokers representing the various provincial counties. One individual is elected as the strata/rental property management member. Those elected have traditionally been individuals of broad experience who enjoy the professional respect of their fellow licensees. Members are elected for two-year terms, with half of the Council elected each year, thus ensuring continuity. A Chair and Vice-Chair are elected each year by the members of the Council.

### Staff

Supporting the work of the members of the Council is an experienced professional staff. Based out of its offices in Vancouver, the Council employs 37 full and part-time staff members. Apart from administrative, licensing and education matters, their function includes investigations required in connection with disciplinary or complaint matters, as well as frequent checks on such aspects of real estate practice as the proper maintenance of trust accounts.

### RECBC Organizational Chart



## Section 4: Mission, Vision & Values

### Mission

The Real Estate Council of British Columbia protects the public interest by assuring the competency of real estate licensees in B.C. and ensuring their compliance with the *Real Estate Services Act*. The Council is accountable to and advises government on industry issues and encourages public confidence by impartially setting and enforcing standards of conduct, education, competency and licensing for real estate licensees in the province.

### Vision

A self-regulated industry that is recognized as a leader in industry integrity, innovation and viability in North America.

### Values

The Council operates with the following principles and values:

<i>Experience and Dedication</i>	Council members are experienced real estate licensees and public appointees, dedicated to protecting the public interest in real estate dealings and to improving the industry.
<i>Consultative Approach</i>	Council supports a regular consultative approach with industry groups, government and the public.
<i>Impartial, Effective Processes</i>	Council members and staff are impartial in setting and enforcing standards of conduct through effective education, licensing, and compliance processes.
<i>Cost-effective &amp; Responsive Services</i>	Council management and staff work to provide cost-effective, responsive services to consumers and the real estate industry by using current professional business practices and technology.
<i>Open Communications &amp; Trust</i>	Council members and staff work co-operatively to create a working environment where frank and open communications and trust prevail.

## Section 5: Organizational Goals

The Council has four key areas to focus on. To address each of these areas, Council established eight organizational goals.

<b>A. Stakeholder Communications</b>	<ol style="list-style-type: none"> <li>1. <i>Be widely recognized by real estate consumers, the industry and government as providing protection to the public in real estate dealings.</i></li> <li>2. <i>Maintain an effective working relationship with government.</i></li> </ol>
<b>B. Council Structure and Governance</b>	<ol style="list-style-type: none"> <li>3. <i>Enhance consumer confidence and ensure industry integrity by effective and relevant representation on Council and its committees.</i></li> <li>4. <i>Make informed decisions at Council level.</i></li> </ol>
<b>C. Industry Education and Regulation</b>	<ol style="list-style-type: none"> <li>5. <i>Raise the level of relevant competency within the industry at a reasonable cost.</i></li> <li>6. <i>Ensure compliance with the Real Estate Services Act</i></li> </ol>
<b>D. Internal Operations</b>	<ol style="list-style-type: none"> <li>7. <i>Be cost-effective and efficient in internal operations.</i></li> <li>8. <i>Deliver responsive services to consumers and licensees.</i></li> </ol>