

RECBC

REAL ESTATE COUNCIL
OF BRITISH COLUMBIA



ACHIEVEMENTS AND OPPORTUNITIES: RAISING STANDARDS OF REGULATORY EDUCATION

Real Estate Council of British Columbia

A white paper on education initiatives
August 2018

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INTRODUCTION

Regulatory Education: Enhancing Professionalism and Protecting Consumers

The Real Estate Council of BC (RECBC) protects the public interest by enforcing the licensing and licensee conduct requirements of the Real Estate Services Act. We license individuals and brokerages engaged in real estate sales, rental and strata property management, set entry qualifications, investigate complaints against licensees and impose disciplinary sanctions under the Act.

We encourage public confidence by impartially setting and enforcing standards of conduct, education, competency and licensing for real estate licensees. RECBC's education programs ensure that licensed real estate professionals have the skills and knowledge to competently serve the public. RECBC develops comprehensive licensing courses for those entering the real estate profession, and requires all licensed professionals to complete relicensing courses. These courses ensure that real estate professionals develop, maintain, and enhance the necessary skills to protect real estate consumers.

This white paper provides an overview of our recent activities and education initiatives, and highlights future plans for achieving enhanced standards of regulatory education. The objectives of our planned enhancements to regulatory education are to promote increased professionalism among real estate licensees and to strengthen consumer protection.

Current Licensing Programs

Currently, real estate licensees in British Columbia must complete comprehensive prelicensing and re-licensing education programs. A self-paced online licensing course and final examination are delivered by the UBC Sauder School of Business, Real Estate Division. For trading services licensees, this is followed by an applied practice course delivered by the British Columbia Real Estate Association in a blended format with online and in-class components that must be completed before licensing, and for a period following initial licensing. All licensees are required to complete mandatory re-licensing education every two years prior to applying for licence renewal.

Since June 2016, RECBC has been actively working to implement the recommendations of the Independent Advisory Group (IAG) in its *Report on Conduct and Practices in the Real Estate Industry in British Columbia*. The IAG, made up of experts from across a range of public and private organizations, reviewed the regulatory requirements in place for real estate licensees in BC and delivered 28 recommendations to enhance protections for real estate consumers. Two of the recommendations specifically relate to regulatory education and its contribution to competent practice:

Recommendation #25: The Real Estate Council undertake a comprehensive review of licensing education and testing requirements to raise entry standards.

Recommendation #26: The Real Estate Council implement mandatory continuing education with content and testing that reinforces a licensee's ethical obligations, conduct requirements, and duties to consumers.

Evaluation Report Commissioned

In 2017, RECBC engaged consulting firm Reichert and Associates to conduct a review of RECBC's regulatory education program and testing requirements. The goal of the review was to assist RECBC in decision-making related to real estate education in British Columbia by:

- assessing the overall strengths, challenges, and opportunities of real estate education and licensing requirements in BC;
- establishing clear competencies for real estate licensees in BC that reflect their ethical obligations to consumers, responsibilities as members of a regulated industry, and high standards of professional conduct, including the role of English language comprehension and proficiency;
- identifying educational and/or data collection supports to address challenges, act on opportunities, and ultimately, foster a learning environment conducive to service excellence and professionalism.

Engaging with Key Stakeholders

The evaluation was designed to ensure a wide range of stakeholder participation. Between October 2017 and April 2018, Reichert and Associates conducted one-on-one interviews with nearly 100 stakeholders, including:

- Representatives of real estate boards and industry associations
- Industry members
- Education partners
- Regulatory and government partners.

Following the interviews, Reichert and Associates developed an electronic survey and all licensees across BC were invited to complete the survey. A significant number of real estate licensees responded to the invitation: a total of 5,449 individuals completed the survey, for a response rate of over 20%.

A Final Evaluation Report was submitted by Reichert and Associates in June 2018.

Looking Ahead: A Phased Approach to Enhancing Education

This whitepaper outlines the actions that have already been undertaken to raise standards of regulatory education, and the future initiatives that are planned in response to the needs identified through the education review. RECBC will undertake these initiatives, in collaboration with education partners and in consultation with stakeholders, in a phased approach over the next 2-3 years.

We look forward to working with our partners and stakeholders to continue the excellent work that has already been in progress over the past several years to enhance standards of regulatory education, and enhance the competencies and professionalism of real estate licensees.

ACHIEVEMENTS

Prelicensing Education

- Increased examination pass rate to 70% effective Jan 1, 2017.
- All new licence applicants required to achieve level 7 on the Canadian English Language Proficiency Index Program – General (CELPPI) test, effective Sept 1, 2017.

Applied Practice Courses

- Redesigned APC for Trading Services courses to emphasize practical application of agency, disclosure and contracts through four learning components:
 - Component 1:** *online learning*
 - Component 2:** *classroom program*
 - Component 3:** *practicum with managing broker*
 - Component 4:** *classroom discussion and debrief*

The redesigned courses were introduced January 2015 and updated in June 2018 with new rule content.

Relicensing Education Program

- Developed the online Rules Changes: Agency & Disclosure course, introduced May 15, 2018.
- Legal Update Courses were redesigned to include an online component and assessment followed by in-class learning for enhanced learning outcomes and applied knowledge. The new courses replaced previous versions of the courses, effective June 30, 2018.

OPPORTUNITIES – PHASE 1

Developing and Delivering Regulatory Education

- Develop and implement transition plan to increase RECBC's oversight, control and direct involvement in content development and instruction of regulatory education, including Applied Practice courses, Legal Update courses, and other mandatory courses.

Proactive Outreach to Stakeholders

- RECBC will develop a strategic proactive outreach program for Professional Standards Advisors to engage with more licensees on key regulatory requirements.

Stakeholder Engagement

- Review the RECBC advisory group structure to ensure appropriate engagement with industry members and other relevant stakeholder groups.

Applied Practice Courses

- Explore implementing a more formal apprenticeship model to enhance regulatory education.

Legal Update

- Include a more robust ethics component in the course.
- Include a module on privacy and anti-spam legislation.

OPPORTUNITIES – PHASE 2

Prelicensing Education

- Develop updated competency profiles.
- Review the licensing education and examination to ensure there is a clear connection to the appropriate competencies.

ACHIEVEMENTS

RECBC has made significant progress with respect to implementing the recommendations of the IAG to increase educational standards for real estate licensees. Specifically, RECBC has taken the following steps in each of its educational programs:

Prelicensing Education

The prelicensing education programs for trading services, rental property management and strata management are delivered by the University of British Columbia, Sauder School of Business, Real Estate Division.

RECBC has:



increased the required pass rate from 65% to 70% effective January 1, 2017.



introduced a more comprehensive standard of English language proficiency, requiring licence applicants to demonstrate their competence at reading, writing, speaking and listening in English by achieving a level 7 on the four components of the Canadian English Language Proficiency Index Program – General (CELPPIP) test. This change to the RECBC’s English Language Proficiency Requirement came into effect on September 1, 2017. This requirement became a Rule in March 2018.

Applied Practice Courses

The Real Estate Trading Services Residential and Commercial Applied Practice Courses are developed and delivered by the British Columbia Real Estate Association (BCREA) under contract with RECBC.

RECBC directed BCREA to redesign the course structure to enhance practical application of theory learned in the prelicensing course, in particular high level concepts of agency, disclosure and contracts required for practice. The first delivery of the redesigned courses was in January 2015. The course content was updated in June 2018 to reflect new rules.

The redesigned model allows licensing candidates to:

- practice working with clients and writing contracts
- begin their professional careers under the guidance of a managing broker during the first 4.5 months of practice.

Component 1 – *online learning*



Entire program has been reviewed and edited to incorporate changes resulting from the agency and disclosure rules effective June 15, 2018.

Component 2 – *classroom program*



Entire program has been reviewed and edited to incorporate changes resulting from the agency and disclosure rules effective June 15, 2018.



RECBC subject matter experts conducted two full day training sessions (May 24 and June 1) on the new rules for continuing education instructors. The sessions were also attended by representatives from Real Estate Boards, the Office of the Superintendent of Real Estate, and the Real Estate Errors and Omissions Corporation.



RECBC developed five videos for the course to explain the use and intent of the new disclosure forms.

Component 3 – *4.5 month practicum with managing broker or a designate*



All material has been reviewed and updated to incorporate changes resulting from the agency and disclosure rules effective June 15, 2018.

Component 4 – *classroom discussion and debrief on practicum experience*



All material has been reviewed and updated to incorporate changes resulting from the agency and disclosure rules effective June 15, 2018.

Relicensing Education Program (REP)

Rule Changes: Agency and Disclosure



New RECBC requirement for completion of course “Rule Changes: Agency and Disclosure” as part of the mandatory relicensing education program.



RECBC and UBC collaborated on the development of content for this online course delivered by UBC. The course features:

- scenario based learning
- adaptive release of content
- modular assessments which licensees must pass with grade of 70% or higher to proceed through course.



Education instructors and managing brokers received early access to the course.



Course was launched successfully on May 15, 2018.



The course was released to licensees gradually over several weeks to allow those with licences requiring renewal from October 1 – December 31, 2018 to have first access.



All licensees received invitations to register for the program by June 8.



By July 2018, over 7,000 licensees had successfully completed the course.



95% of licensees who completed a course evaluation form indicated that the course was a valuable learning opportunity and that their knowledge improved as a result of taking the course.

Legal Update 2018 – Residential, Commercial, Rental and Strata

These courses have been significantly enhanced to require completion of an online component and assessment in advance of the in-class instruction, case review and discussion. The goal of the changes is to enhance competency development by requiring higher-order learning to take place.



These new versions of the courses fully replaced the previous versions, effective June 30, 2018.

All course materials for Residential, Commercial and Rental Legal Update Courses, both online and in-class components, have been updated to incorporate changes resulting from the agency and disclosure rules effective June 15, 2018.

OPPORTUNITIES – PHASE 1

General Approach to Education Development and Delivery

More responsibility for regulatory education

It is proposed that a plan be developed to review the services provided by BCREA with respect to the Applied Practice Course and Legal Update. The goal is to have RECBC take more control of content development and instruction.

From the Final Evaluation Report:

“The overlapping roles of RECBC and industry associations, particularly BCREA, were identified throughout the evaluation process as a challenge to the effective operations and consistent delivery of regulatory education.” The recommendation followed: “Separate regulatory education from professional development and industry associations.”

Changes to partnerships with industry associations for the delivery of regulatory education align with recent trends of real estate regulators in Alberta, Ontario and Saskatchewan.

Proactive outreach to stakeholders

RECBC will develop a strategic proactive outreach program for Professional Standards Advisors to engage with more licensees on key regulatory requirements.

From the Final Evaluation Report:

“By and large, stakeholders wanted more communication and outreach from RECBC. Indeed, interview and survey data were consistent in that they sought clarification from RECBC as to industry responsibilities, regulatory requirements, upcoming expectations, and educational objectives.”

This aligns with current plans to develop an RECBC stakeholder engagement framework to increase its outreach and consultative approach with industry stakeholders. There is an opportunity to align the outreach program with updated competency matrices and educational objectives of RECBC to enhance the continuing education portion of the learning continuum.

Education and Licensing Committee/Education Advisory Group

The Education and Licensing Committee fulfils a key role in advising RECBC on education matters.

The advisory group structure is being reviewed to ensure engagement of industry and other relevant stakeholders.

Applied Practice Course (APC) - Practicum

The Final Evaluation Report suggests that regulatory education can be enhanced with an apprentice model.

FROM THE FINAL EVALUATION REPORT:

“To help new real estate licensees establish acceptable patterns of practice, the notion of close supervision for a specified period, or a minimum number of transactions, was proposed by the cognitive work and work domain analyses interviewees... This model was also supported in other stakeholder interviews, as well as in survey responses.”

Close to 70% of licensees responding to the education survey indicated they would like to see an applied practice program or mentorship component in regulatory education for strata and rental property management.

It is recommended that a review be undertaken by RECBC staff to examine how a more formal approach to apprenticeship could be implemented under the current licensing model.

Note: Plans to enhance mentorship/apprenticeship in Component 3 with managing broker-licensee interaction and oversight for 2018 delivery were temporarily put on hold while content updates required for the introduction of agency and disclosure rules were made.

Re-licensing Education Program (REP)

Legal Update

During 2019 course content planning meetings with the relevant Residential and Commercial advisory groups representatives proposed:

- more robust ethics components of the programs.
- the inclusion of a module on privacy and anti-spam legislation.

OPPORTUNITIES – PHASE 2

Prelicensing Education

The Final Evaluation Report indicates that there is opportunity to:

- Review the extent to which the course content has a clear connection to the appropriate competency profile.
- Develop updated competency profiles.
- Include higher-order assessment to enhance learning outcomes and practice.

FROM THE FINAL EVALUATION REPORT:

“The nature of assessments associated with the courses focus on the knowledge level, and only to a limited extent, reflect the assessment opportunities of higher-order questions – those involving analysis, synthesis, and evaluation. It is in these higher-order questions that the relevancy to practice can be properly assessed.”

Given the fundamental link of education and assessment to a competency profile, RECBC plans to defer review of course content until an updated competency profile is developed.

In early June 2018, at the annual conference of Real Estate Regulators of Canada, representatives from regulators across Canada agreed to explore engaging a consultant to advise on a nationally harmonized competency matrix. There are clearly significant merits in having a harmonized approach to competency.

RECBC therefore proposes to defer review of the educational and assessment components of licensing education until a competency matrix has been finalized, anticipated in 2019.

ACKNOWLEDGMENTS

Thanks to Reichert and Associates for their work in conducting this comprehensive review of the regulatory education program. Thanks as well to the many licensees who completed the survey and to the licensees and other stakeholders who participated in interviews, sharing their thoughts on the educational needs of real estate licensees and program enhancements to better meet those needs.