

For Immediate Release

New real estate rules protecting home buyers and sellers come into force

June 14, 2018, Vancouver, BC – New rules approved by the Superintendent of Real Estate (OSRE) to enhance consumer protection in the real estate industry come into effect June 15, 2018. The rules will be enforced by the Real Estate Council of BC and they will ensure that consumers have better information to make informed decisions, and that real estate professionals act with undivided loyalty to serve their clients' best interests.

Among other things, these rules will:

- Increase transparency around commissions and who a real estate professional is representing in a transaction; and,
- Prohibit dual agency, except in limited circumstances.

“These changes have been designed to reinforce a real estate agent’s duties and obligations to their clients and to ensure that agents are always acting in their client’s best interests,” said Micheal Noseworthy, British Columbia’s Superintendent of Real Estate. “Consumers need these protections as purchasing a home is likely to be the single largest financial commitment a consumer will ever make in their lifetime. We want to make sure that the advice consumers receive is solely for their benefit and that consumers have confidence that their agent is undoubtedly on their side.”

“The rules will help foster a more professional and ethical real estate industry in BC, with better protection for consumers. Every home buyer and seller deserves certainty that the real estate agent representing them is focused on achieving their goals,” said Robert Holmes, Chair of the Real Estate Council of BC. “With these new rules, BC consumers can be confident they are receiving clear information to help them make informed decisions, and getting the representation they need to safely navigate real estate transactions.”

This significant package of reforms builds on the recommendations made in the final report of the Independent Advisory Group on Real Estate Regulation in British Columbia (IAG) in June 2016. The rules, made by the Superintendent of Real Estate, are the product of extensive [consultation](#) with industry, and feedback received from real estate professionals and the public. OSRE continues to work on implementing other recommendations made by the IAG and is committed to engaging real estate professionals and the public on these important reforms.



Office of the
Superintendent
of Real Estate



The Real Estate Council of British Columbia, as the regulator of licensed real estate professionals, is responsible for educating real estate professionals about the requirements and enforcing compliance under the new rules.

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Backgrounder

Overview of Changes to Real Estate Rules

The changes to the [rules](#) coming into effect June 15 will impact the way real estate professionals provide services to consumers.

- Real estate professionals are banned from practicing dual agency (representing both sides of the same deal – e.g. a buyer and seller, two buyers or a landlord and tenant).
- An exemption to the ban has been established for remote locations underserved by real estate professionals, where it is not feasible for parties to a trade to be represented by separate real estate agents.
- Real estate professionals are required to give consumers more information about the services they can expect, the fees/benefits brokerages may earn from the sale, risks they should be aware of and where to go if they have a complaint.

Increased Consumer Protection

The changes to the rules will enhance consumer protection by:

- Giving home buyers and sellers the assurance that their real estate professional is entirely focused on their interests.
- Providing consumers with more complete and easier to understand information about the services to expect from a real estate professional, and the benefits of representation.
- Giving property sellers information, with each offer to purchase they receive, about the amount a brokerage would earn from the sale of their property.
- Fostering a more professional and ethical real estate industry in BC.

New Mandatory Disclosures for Consumers

There are five new mandatory forms that, depending on the situation, real estate professionals are required to use when working with consumers.

1. The [Disclosure of Representation in Trading Services](#) must be given to consumers before real estate professionals begin working with them, explaining the duties and responsibilities owed to clients and unrepresented parties.
2. The [Disclosure of Risks to Unrepresented Parties](#) must be given to consumers to explain the risks of dealing with a real estate professional who represents another party to the transaction.
3. The [Disclosure to Sellers of Expected Remuneration](#) must be given to sellers with each offer, explaining how the commission will be shared between the seller's brokerage and the buyer's brokerage.
4. The [Disclosure of Risks Associated with Dual Agency](#) must be given to consumers in the rare cases of dual agency, explaining the risks of dual agency and how it benefits real estate professionals.

5. The [Agreement Regarding Conflicts of Interest Between Clients](#) can be used when a conflict of interest exists between two current clients of the same real estate professional, where continuing to act for both of them would amount to dual agency.

Preparing Real Estate Professionals

Since the Rules were first announced in November 2017, the Real Estate Council has developed a diverse array of resources and educational materials to prepare real estate professionals for the changes, including:

- A [dedicated website](#) with a compendium of articles, videos, FAQs and other educational resources designed to help real estate professionals comply with the new rules.
- A monthly series of live webinars for managing brokers.
- Weekly e-newsletters distributed to all 25,000 real estate professionals in the province.

A [mandatory continuing education course](#) focused on the changes to the Rules was introduced in May. The course, developed in collaboration with UBC's Sauder School of Business, must be completed before real estate professionals can renew their licences.

About the Office of the Superintendent of Real Estate

The [Office of the Superintendent of Real Estate](#) (OSRE) is a regulatory agency of the BC government that protects consumers who are buying, selling or renting a home. OSRE provides oversight to the real estate industry and takes enforcement action against unlicensed real estate services and by appealing decisions made by the Real Estate Council. OSRE exercises statutory jurisdiction and takes enforcement action against misconduct under the *Real Estate Services Act*, the *Real Estate Development Marketing Act* and the *Strata Property Act*.

About the Real Estate Council of BC

The [Real Estate Council of British Columbia](#) protects real estate consumers by regulating the conduct of real estate professionals under the *Real Estate Services Act*. The Council sets the standards for the required education and training of real estate professionals, issues licences, and investigates complaints from members of the public. When a licensed real estate professional contravenes the Act, the Council may issue a fine, suspension, reprimand or licence cancellation, as appropriate