

# The Real Estate Council of British Columbia

**T**he Real Estate Council of British Columbia is a regulatory agency established by the provincial government.

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, while acting for the parties involved in a 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 Real Estate 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 47 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 Council.

## 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.

### • Further Education

The Council regularly provides licensees with industry updates and related information so that licensees may effectively carry out their duties. The Council accomplishes this through its *Licensee Practice Manual*, *Office Practice Manual*, newsletters ("Report from Council"), and *Practice Points Bulletin*.

This information is currently provided to licensees both in hard copy and on the



*REIBC member Doug Shewan, Chair of the Real Estate Council of British Columbia for the 2005 – 2006 term*

**“The Real Estate Council maintains consumer confidence in the BC real estate marketplace by effectively regulating licensees engaged in sales, rental, and strata management activities.”**

Council's licensee Website where it is also archived for future reference.

The Council has taken on a fairly substantial role in public education through the publication of various brochures, its public Website, and its day-to-day handling of telephone, email, 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 and Discipline Processes

#### Brokerage 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 that 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 that 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 rental or strata property management followed by those engaged in trading services; and
- e. new branch offices that handle trust funds.

#### Disciplinary and Hearing Processes

Investigations of matters that involve possible breaches 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 that 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; and
- 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, for example, where there is evidence that trust funds have been misappropriated.

#### Council Members

There are currently 21 members of the Real Estate Council. Three are public members appointed by the provincial government for a two-year term; one member is appointed by the Council as a rental property/strata management representative. The remaining 17 members are chosen through an election process open to all real estate licensees in the province.

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 the Council elected each year, thus ensuring continuity. A Chair and Vice Chair are elected each year by the members of the Council. ▲