

# Real Estate Regulation under *the* Supervision of the Superintendent of Real Estate of BC

**F**ICOM (Financial Institutions Commission) administers the disclosure requirements that must be met by developers who market multiple-unit residential properties.

FICOM also investigates unlicensed real estate professionals and may intervene in the regulation of them if an urgent concern for the public interest arises. Real estate professionals are regulated by the Real Estate Council of British Columbia.

FICOM approves certain forms under the *Strata Property Act*. Under that Act, FICOM receives rental disclosure statements for filing and approves some strata plan forms.

In the past year, FICOM responded to more than 4400 inquiries from developers, real estate professionals, and purchasers regarding the disclosure requirements for developers and the licensing requirements for real estate professionals.

In addition, 655 Disclosure Statements and 714 Disclosure Statement Amendments were received for filing under Part 2 of the *Real Estate Act* and its replacement statute, the *Real Estate*

*Development Marketing Act*. Additionally, 476 Rental Disclosure Statements were received for filing and 314 strata plan forms were approved under the *Strata Property Act*.

## Other BC Real Estate Activities

In addition to the many activities involved with the introduction of new real estate legislation, other key strategic activities during the year included the following.

- FICOM has been exploring ways to update and modify its performance reporting framework for regulated real estate activities under the new legislation. FICOM is seeking a framework for assessing cost effectiveness, safeguarding the public interest, and timeliness.
- In November 2004 under the *Real Estate Act*, the Superintendent of Real Estate cancelled the real estate licence of an individual who was a full member of the Hell's Angels Motorcycle Club. The Superintendent found it was contrary to the public interest for that individual to retain his licence.

FICOM maintains a strong working relationship with the BC Securities Commission and, during the year, several meetings took place between FICOM staff and BCSC representatives

to help harmonize operations of the two organizations.

With the enactment of the new *Real Estate Development Marketing Act* and the *Real Estate Services Act* and with the steps FICOM is taking to move to a risk-based regulatory model, both agencies are cooperating to ensure that areas of mutual concern—such as securities involving real estate development—continue to be regulated appropriately.

## Mortgage Broker Regulation

FICOM also has broad responsibilities as the regulator of mortgage brokers. As of March 31, 2005, this involved the oversight of 520 mortgage broker companies, 707 mortgage broker company branch offices, and 2107 sub-mortgage brokers.

Mortgage brokers are authorized to broker residential and commercial mortgages to financial institutions, institutional investors, and private lenders.

FICOM also responds to information requests from both the public and industry. In the past year, more than 21,000 information requests were processed regarding real estate and mortgage brokers.

FICOM's investigations department actively investigates regulatory issues involving mortgage brokers. ▲