



REGULATORY ADVISORY

Indirect Remuneration and the Provision of Real Estate Services Advisory

DATE: January 28, 2021

As per the requirements set out in the [Real Estate Services Act](#) (RESA), any individual or corporation that is providing real estate services in B.C. to or on behalf of another, for or in expectation of remuneration, must be licensed with the [Real Estate Council of British Columbia](#) unless otherwise exempted.

Under RESA, “**real estate services**” means

- a) rental property management services
- b) strata management services, or
- c) trading services (services related to buying/selling or leasing real estate)

A real estate licence is not required if a person is providing real estate services but is not being remunerated for those services and does not expect any remuneration. For example, individuals do not require a real estate licence to sell or rent their own home or to assist a friend or relative for free with the sale or lease of their home. RESA broadly defines “**remuneration**” to include any form of remuneration, including any commission, fee, gain or reward, whether the remuneration is received, or is to be received, directly or indirectly.

Indirect remuneration includes situations where a person is claiming to provide real estate services for free, while charging for other ancillary services. Examples of this may include:

- an immigration consultant that offers to help a client purchase a property for free while charging for immigration consulting services
- an individual hired to provide maintenance for a rental property who offers to help a client to find a tenant for free

In these scenarios, and others where there is a commercial or business relationship between two parties, the services being offered and the remuneration that is being collected cannot be separated. In these types of situations, the real estate services are being provided for or in expectation of remuneration and a real estate licence is required. Any unlicensed person that is receiving remuneration indirectly for the provision of real estate services, and is not otherwise exempted, is in contravention of the requirements of RESA.

The [Office of the Superintendent of Real Estate](#) (OSRE) considers the provision of real estate services without a licence contrary to RESA to be a very serious contravention. OSRE will take enforcement action against any corporation or individual that provides real estate services in B.C. contrary to RESA. The Superintendent may take various regulatory actions, including ordering the person to pay a discipline penalty, in an amount up to \$500,000 in the case of a corporation and \$250,000 in the case of an individual, for each contravention of RESA.