

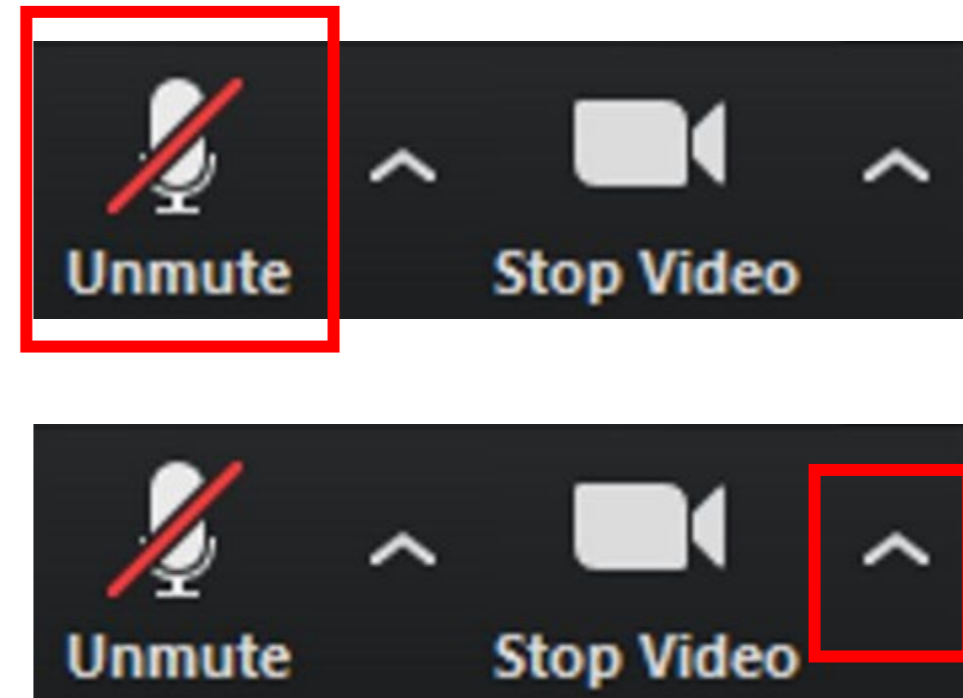
APC Component Two

Day 1 – Working with Sellers



Requirements for participation

- Ensure you are in a quiet surrounding where you can fully participate in today's session or hang a "class in session" sign to help others know you're in a session;
- Your camera is required to be ON with your face visible throughout the session;
- Full attention and active participation is expected;
- Disruptions such as walking away from the computer while the course is in session, having discussions with individuals off screen, driving, or being in transit is not allowed;
- Always be on MUTE, unless you're participating in class discussions; and
- Use the ^ symbol beside the speaker and video icon to select a different speaker or camera.



Housekeeping

Class will begin at 9:00 am Pacific Time – while you wait, please familiarize yourself with the Zoom features we will be using today.

Have your Component Two Learner Activity Book ready for today's session.

Land Acknowledgment

We come together virtually today, with participants joining us from indigenous territories in many parts of BC. We acknowledge that we are grateful guests on these lands.

Disclaimer

The materials in this course and the class discussions are for educational purposes and are general in nature. The content and the discussions do not constitute legal or other professional advice. Licensees are responsible for exercising their own professional judgement in applying comments to particular situations.

Be mindful of confidentiality requirements and keep situations generic as needed.

Contact the British Columbia Financial Services Authority (BCFSA) Practice Standards Advisors for further guidance.

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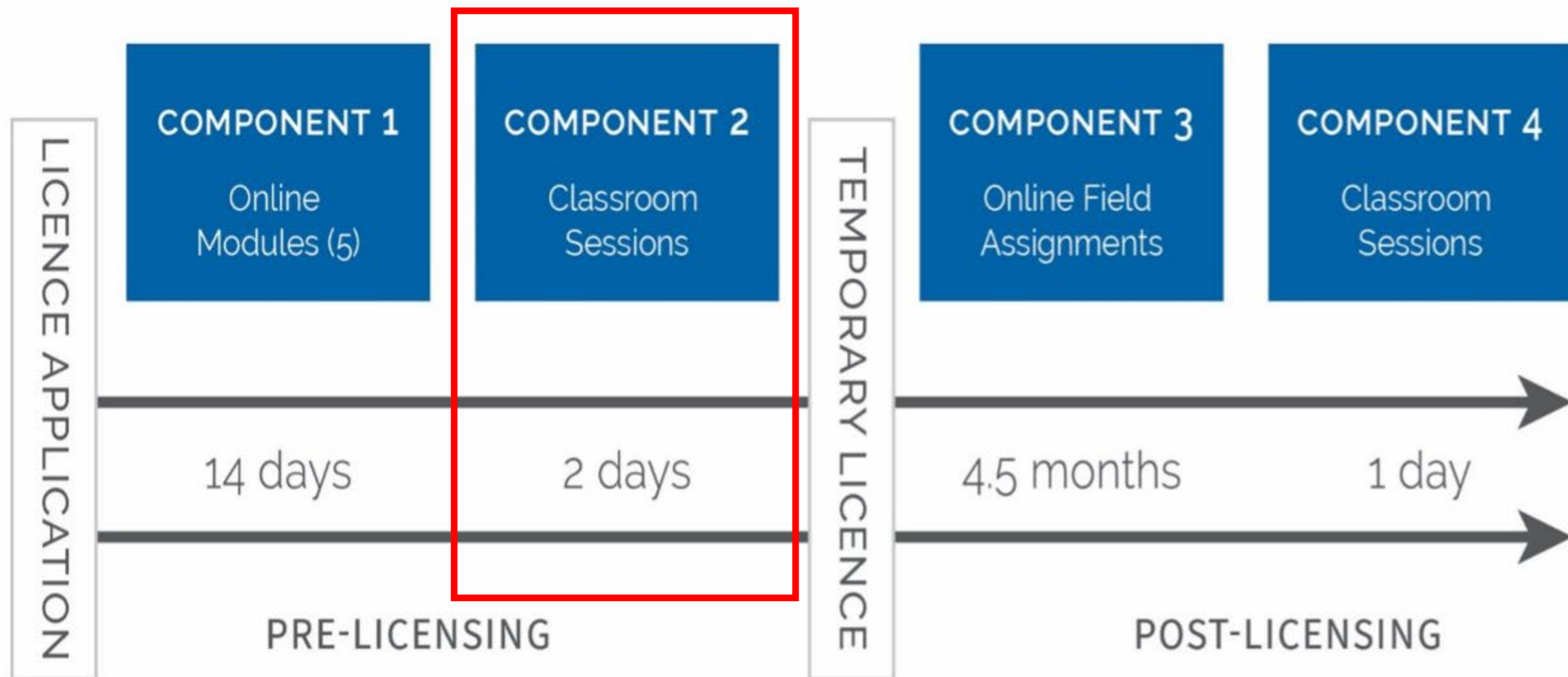
Disclaimer

“

It is strongly recommended for you to keep current on all changes by regularly visiting our website at www.bcfsa.ca for up-to-date licensee resources or by consulting either their managing broker or our Practice Standards Advisor at advisor@bcfsa.ca.

”

Course Framework



Agenda

1. Role play Introduction
 - Class debrief
2. Day 1: Working with a Seller
 - Character Information and Background
3. Scene 1
 - Break-out room discussion
 - Class debrief
4. Scene 2
 - Break-out room discussion
 - Class debrief
5. Scene 3
 - Break-out room discussion
6. Scene 4
 - Break-out room discussion
 - Class debrief
7. Scene 5
 - Break-out room discussion
 - Class debrief
8. Scene 6
 - Break-out room discussion
 - Class debrief
9. Class wrap up (Questions)

Role Play

WHAT YOU WILL BE DOING TODAY:

1. **Read** the scenario.
2. **Explore** background knowledge and character information.
3. **Join your role play breakout rooms** and take on a role (*roles will rotate throughout the day*).
4. **Use** the space provided in your Learner Activity Book to take notes.
5. **Find** Supporting Resources & Guides in your Learner Activity Book.



Role Play

THE CHARACTERS:

As we move through the scenes, you will be rotating to different characters, affording everyone an opportunity to present the materials.

In your Learner Activity Book, turn to page 5 and read through the **Character** profiles:

- **Sally** - Sanjay's wife
- **Sanjay** - Sally's husband
- **Larry** - Sally and Sanjay's real estate professional
- **The Observer** - a member of your group who ensures that the role play **stays on track**. The observer should **prompt** the characters.



Role Play

THE PROCESS:

1. Conduct the Role play with your chosen characters.
 - Call **“Time Out”** to ask the instructor for assistance.
2. **Group debrief** with the observer.
3. **Debrief with the class.**

Have fun, this is a safe place to practice!



Scene 1

Disclosure of Representation in Trading
Services

Scene 1

Disclosure of Representation
in Trading Services

Sally and Sanjay are interested in listing and selling their property—their house was built in the 1970s—but they are emotionally attached to it.

While attending an Open House in a strata condominium on the weekend, Sally and Sanjay come across a strata unit they are interested in. This property is listed by Ojal Öpenhaus.

Scene 1

Disclosure of Representation
in Trading Services

The next day, on May 1st, they welcome Larry into their home. He is a neighbourhood expert and a very active licensee who sells a lot of properties in their market area. Upon arrival, Larry is impressed to see a well-kept home on a nice street that is built out —with the exception of a vacant lot a few doors down, which looks to have multiple foundations on it.

In their kitchen, Sally and Sanjay sit with Larry and discuss how he can best represent them. Larry asks if Sally and Sanjay are working with any other licensees to which they reply that they are not. They are looking to make the move into the downtown area.

Scene 1

IN THIS SCENE, THE CHARACTERS WILL:

1. **Introduce** themselves.
2. **Discuss** the Representation in Trading Services form*.
3. **Discuss** the Privacy Notice and Consent form.
4. **Acknowledge** a designated agency relationship in writing.
5. **Discuss** the goals of, or motivations behind, the sale of the property.

More information can be found on the [Guide to Disclosure of Representation in Trading Services Form | BCFSA](#)



Scene 1

SUPPORTING RESOURCES

1. Disclosure of Representation in Trading Services: A Guide for Real Estate Professionals
2. Disclosure of Representation in Trading Services form
3. Privacy Notice and Consent form



Scene 1

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 1

DEBRIEFING QUESTIONS

1. What questions arose when you were acting out the scene?
 - What worked well in this scene? What did not work well?
2. Why is it important for a licensee to make the disclosure to consumers about the type of representation before providing any trading services?
3. What are things you've noticed in the neighbourhood that impacts how a consumer may view this property? (Around the house? In the neighbourhood?)
4. What did you learn in presenting the Disclosure of Representation in Trading Services to the consumer (agency relationship vs. Unrepresented party)?



Scene 2

General Disclosure of Services

Scene 2

General Disclosure of Services

With the agency conversation now concluded in Scene 1, Sally and Sanjay Seller sign the Disclosure of Representation in Trading Services form acknowledging an agency relationship and the Privacy Notice and Consent form.

Scene 2

General Disclosure of Services

Next, Sally and Sanjay take Larry on a tour of their home, after which Larry continues reviewing the paperwork pertaining to the sale of their home, the Title, and Multiple Listing Contract and Schedule "A".

Because Sally and Sanjay wish to purchase a condo in the downtown area, which is out of Larry's practice area and area of expertise, he refers them to a colleague. A licensee with related experience who will assist them with that purchase.

Accordingly, Larry reviews with Sally and Sanjay the Disclosure of Remuneration form pertaining to the referral he will receive from that licensee, so that they are aware he will anticipate receiving remuneration from the referral.

Scene 2

IN THIS SCENE, THE CHARACTERS WILL:

1. **Review** what is found on the title search.
2. **Review** what is found on the Land Owner Transparency Registry.
3. **Review** a Multiple Listing Contract and Schedule "A".
4. **Go through** a referral process in which Larry refers Sally and Sanjay to a colleague who specializes in the area where they are hoping to purchase.
5. **Document** the referral and anticipated remuneration by having Sally and Sanjay sign and fill out the Disclosure of Remuneration form, which Larry has prepared, acknowledging their informed consent.



Scene 2

SUPPORTING RESOURCES

1. Title Search
2. Multiple Listing Contract (MLS®) with Schedule "A"
3. BCFSA Resource: Referral Fees
4. Disclosure of Remuneration form



Scene 2

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 2

DEBRIEFING QUESTIONS

1. What questions arose when you were acting out the scene?
2. How did you describe to Sally and Sanjay your obligations as an “agent”?
3. Why is it important that Larry document the referral with his clients?
4. What if Sally and Sanjay do not want to sign the Disclosure of Representation?
 - What steps would you take?



Scene 3

Reviewing and Signing a Listing Contract

Scene 3

Reviewing and Signing a Listing Contract

In the last scene, Sally and Sanjay Seller reviewed the Listing Contract and Schedule "A". They also signed the Disclosure of Remuneration form, which disclosed material information to them about the expected remuneration that Larry's brokerage anticipates receiving from Larry's referral of Sally and Sanjay to his colleague Linda.

Scene 3

Reviewing and Signing a Listing Contract

The following day, Sally and Sanjay meet with Larry so he can take room measurements of the house, discuss the comparable listings and sales and best pricing strategy, take photos and execute the Multiple Listing Contract. They also discuss terms of the Listing Contract and the services Larry's brokerage will provide as set out in the Schedule "A". In addition, they discuss and develop a process for handling offers and conflicts that might occur and a process for addressing them.

Scene 3

Reviewing and Signing a Listing Contract

Larry also completes the FINTRAC form with the required information from his clients' IDs and then returns them to Sally and Sanjay. He also reviews the results of the LOTR search he performed on the clients and discusses his Anti-Money Laundering (AML) obligations with them.

Scene 3

IN THIS SCENE, THE CHARACTERS WILL:

1. **Discuss** the comparable listings and sales provided by Larry.
2. **Agree** to a listing price based on the listings and sales.
3. **Review** the listing contract and agree to a commission structure.
4. **Review** the services that Larry's brokerage will provide as set out in the Schedule "A".
5. **Sign** the listing contract (the Multiple Listing Contract will be used for the purposes of the exercise).



Scene 3

IN THIS SCENE, THE CHARACTERS WILL:

- 6. Discuss** the options for dealing with offers and how the seller wishes to handle them.
- 7. Identify** the conflicts that can occur and develop a process with the sellers for addressing them.
- 8. Complete** a client FINTRAC Individual Identification Information Record form and review the LOTR search results.



Scene 3

SUPPORTING RESOURCES

1. Comparable Listings and Sales
2. Multiple Listing Contract (MLS®) with Schedule "A"
3. Two FINTRAC: Individual Identification Information Record forms (one for each seller)



Scene 3

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Quick Chat

COMPARATIVE MARKET ANALYSIS

- Determining market value of your sellers' home;
- Difference between a CMA and an appraisal; and
- How to prepare a CMA.



Scene 3

DEBRIEFING QUESTIONS

1. How did Larry work with Sally and Sanjay to establish a list price for their home?
2. What are the options available to sellers in handling offers?
3. How did you address the different conflicts of interests that can occur and how they might be handled?
4. What identification did Sally and Sanjay present for the required FINTRAC forms? What are other types of identification that can also be used to meet the FINTRAC requirements for identification?



Scene 4

Property Disclosure Statement

Scene 4

Property Disclosure Statement

Now that the Listing Contract and Identification is complete, Larry moves on to discuss the importance and relevance of the Property Disclosure Statement. After Larry completes another tour of their home, he has additional questions and uses this opportunity to discuss them with Sally and Sanjay.

During this discussion, Larry asks if the suite downstairs is authorized. Sally and Sanjay also disclose to Larry that there used to be an oil tank on the property, which had been removed from the property.

Scene 4

IN THIS SCENE, THE CHARACTERS WILL:

1. **Review** and complete the Property Disclosure Statement.
2. **Discuss** material latent defects.
3. **Determine** if the suite is authorized.
4. **Discuss** the oil tank and its implications.



Click to watch a video on contaminated land and oil tank implications.



Scene 4

Property Disclosure Statement

Scene 4

SUPPORTING RESOURCES

1. Property Disclosure Statement
2. Sample: Certificate of Tank Removal



Scene 4

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Quick Chat

PROPERTY DISCLOSURE STATEMENT

- This is a document your sellers may complete;
- This document provides representations from a seller to a buyer about a property; and
- This document is not mandatory.



Scene 4

DEBRIEFING QUESTIONS

1. What are the important things you need to know about the PDS?
2. What is a Material Latent Defect as defined in the Rules?
 - Can you provide examples?
3. What is a patent defect and how does it differ in disclosure requirements from a material latent defect?



Scene 5

An Enforceable Contract

Scene 5

An Enforceable Contract

Larry promptly submits the listing and disclosure paperwork to his office.

With Larry's referral to his colleague Linda, Sally and Sanjay Seller return to the condo (Ojal's listing) they first liked and view the property with Linda. She assists them in gathering more details and ultimately with writing an offer to purchase subject to the sale of their home, among other considerations which include a completion date of August 29 and possession on August 31.

Scene 5

An Enforceable Contract

While Sally and Sanjay work with Linda, Larry is busy marketing their home. He holds five showings and the Agents' Open House.

When Sally and Sanjay return home after their offer is written, presented, and accepted, they learn that there is an offer on their home. The buyer is Brian Buyer, who is a licensee. Larry asks to meet with them tonight to present it to them, so they invite him to come by with the offer.

Scene 5

IN THIS SCENE, THE CHARACTERS WILL:

1. **Complete** a Disclosure to Sellers of Expected Remuneration.
2. **Complete** the CPS page 2, Section 3 Terms and Conditions, with the conditions a buyer may wish to consider in this scenario.
3. **Complete** the Disclosure of Interest in Trade form.
4. **Present** the offer.
5. **Review** with sellers the options for dealing with the offer and the pros and cons of each.
6. **Discuss** and **complete** a counter offer.



Scene 5

SUPPORTING RESOURCES

1. Disclosure to Sellers of Expected Remuneration: A Guide for Real estate professionals
2. Disclosure to Sellers of Expected Remuneration form
3. Disclosure of Interest in Trade form
4. The Contract of Purchase and Sale (CPS) on Sally and Sanjay's House
5. Scenario Information to Prepare the Counter Offer



Scene 5

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 5

DEBRIEFING QUESTIONS

1. What is the purpose of the Disclosure to Seller of Expected Remuneration form?
 - When must it be presented?
2. What options are available to a seller in regards to responding to an offer?
3. What was the challenge of the completion dates of the condo and the house, and how did Larry propose Sanjay and Sally reconcile this?



Scene 6

Counter Offer and Acceptance

Scene 6

Counter Offer and Acceptance

On May 7th at 11 am, Larry gets word from the buyer's agent that the buyer accepts the counter offer on the dates but that to accommodate for that change, the offer price has been reduced.

He explains that to move up the dates and commence rebuilding earlier might require Brian Buyer to bring in trades from other projects, which may drive up costs.

Conversely, he may have to 'sit' on the land longer than he wants, waiting for permits or work crews. Thus, the house may have to be rented out for a period of time.

Scene 6

Counter Offer and Acceptance

The buyer's agent relays that the buyer believes he is doing the seller a favor and wants to be compensated for that. The buyer's agent sends the counter offer to Larry in advance of the deadline.

Larry receives the counter offer on his smartphone, and promptly calls Sally and Sanjay with the news. He arranges to meet them at 1 pm on May 7th. The counter offer is open until 5 pm on May 7th .

Scene 6

Counter Offer and Acceptance

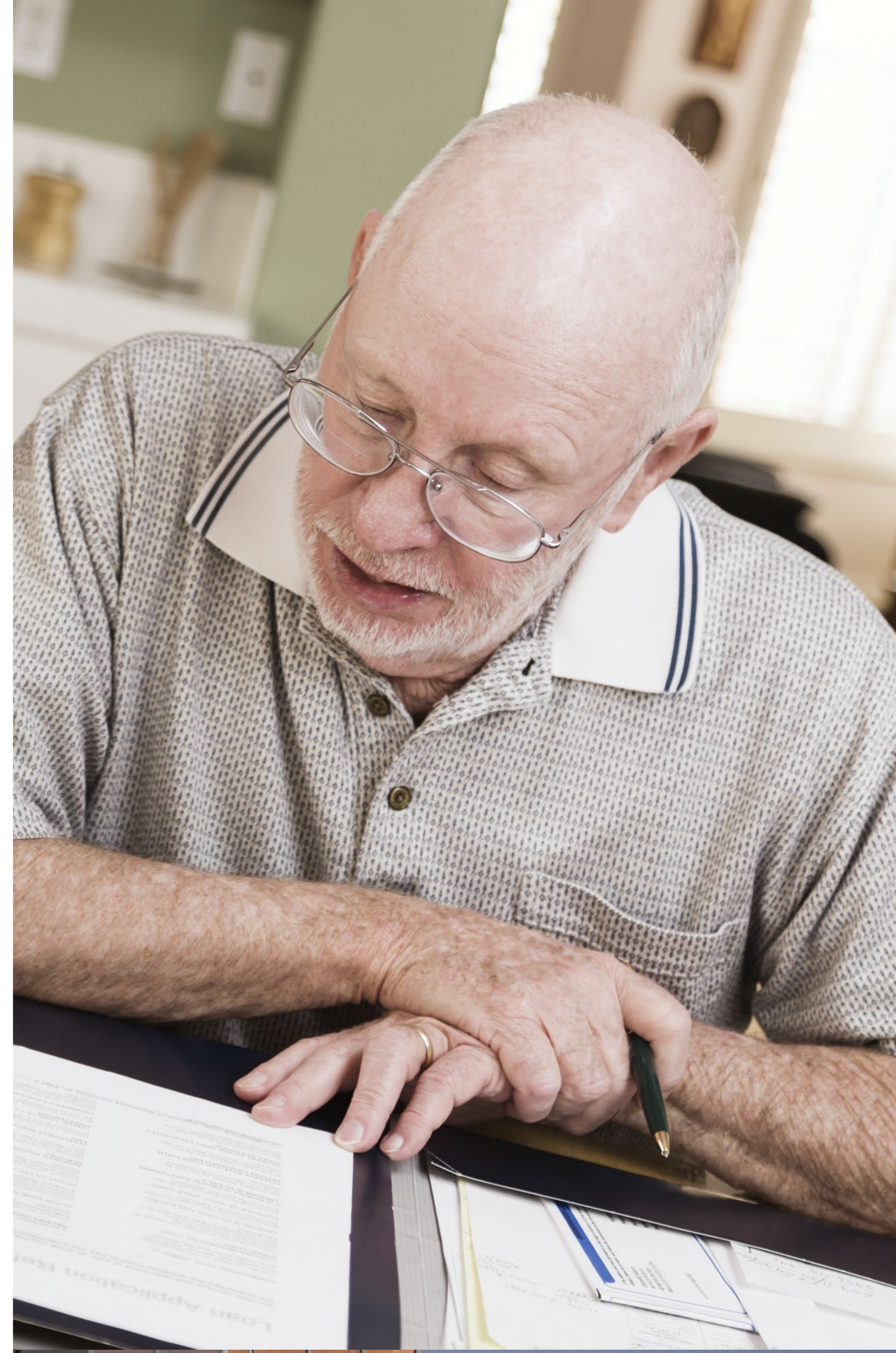
As Sally has fallen ill, she is not able to join them at 1 pm so Larry meets Sanjay on his own. Larry thinks ahead to ensure that Sanjay has a Power of Attorney to sign on behalf of Sally and that he has that document with him for their meeting.

In Sally and Sanjay's kitchen, Larry opens the scene with the latest counter offer, dealing with the dates Sally and Sanjay need, the change in price and the Disclosure to Sellers of Expected Remuneration.

Scene 6

IN THIS SCENE, THE CHARACTERS WILL:

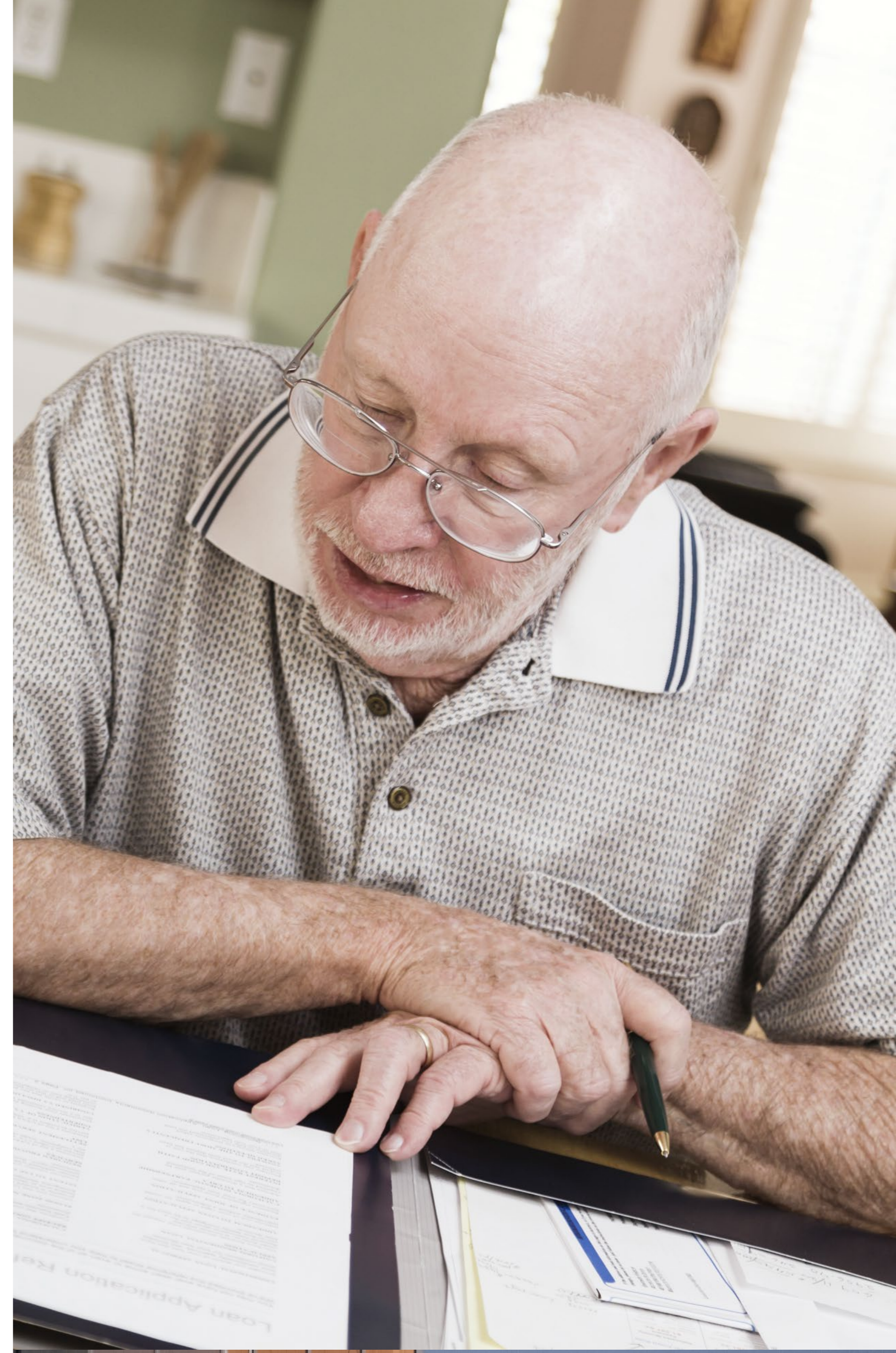
1. **Prepare** and **review** with sellers the Disclosure to Sellers of Expected Remuneration.
2. **Review** and **discuss** the counter offer.
3. **Sign** the counter offer.



Scene 6

SUPPORTING RESOURCES

1. Disclosure to Sellers of Expected Remuneration form
2. Counter Offer
3. Property Disclosure Statement



Scene 6

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Quick Chat

MULTIPLE OFFERS AND BACKUP OFFERS

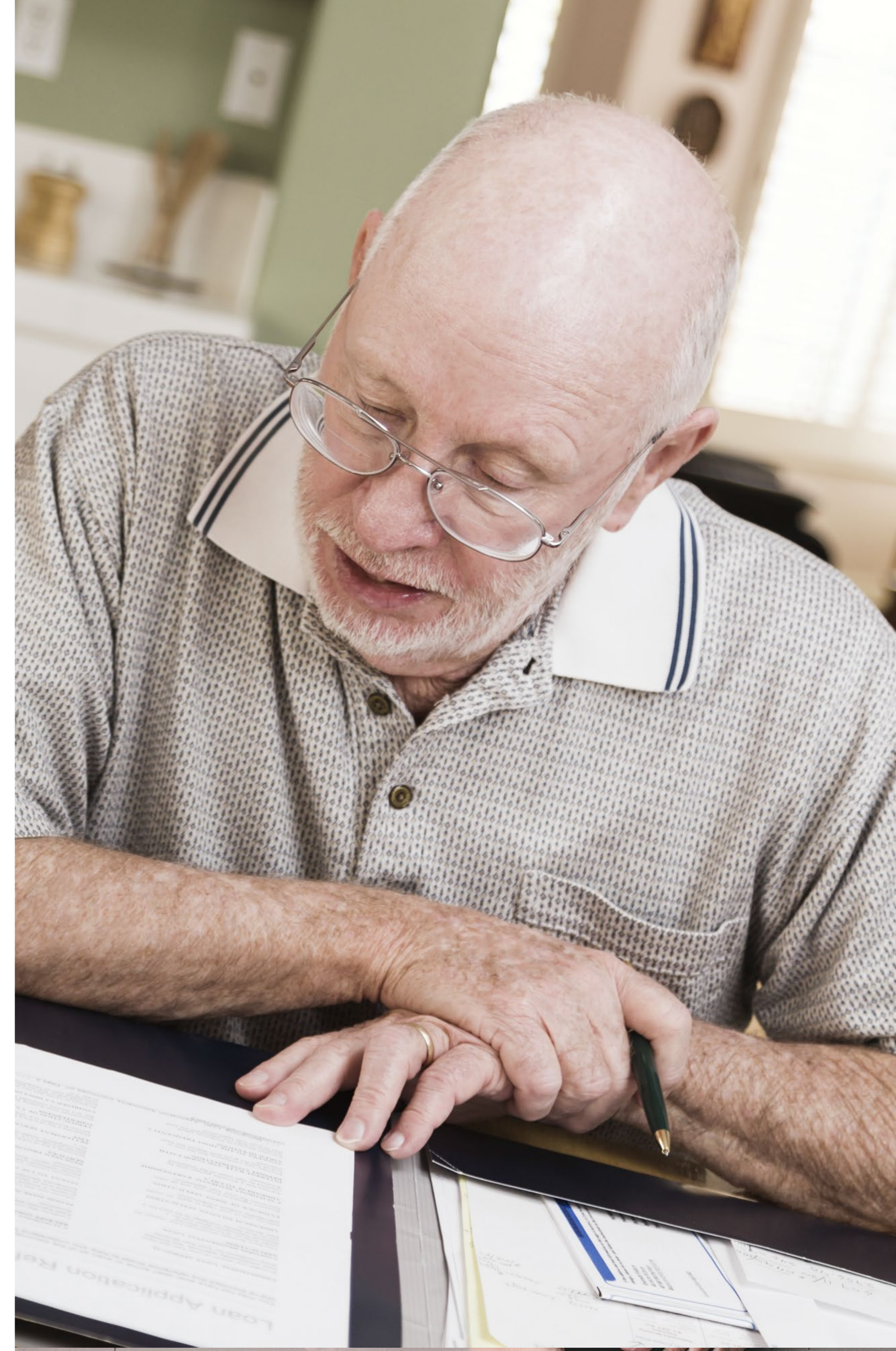
- Obligation to present all offers;
- Discuss how multiple offers can be presented;
- Discuss risks in a hot market; and
- Discuss accepting backup offers.



Scene 6

DEBRIEFING QUESTIONS

1. What are the requirements to completing the Disclosure to Sellers of Expected Remuneration?
2. What options were available to Sally and Sanjay in terms of responding to the counter offer?
3. How did Larry act in Sally and Sanjay's best interest when providing advice around a potential counter offer?



Scene 6

The home inspection turns up only minor issues, with the exception of evidence of a rat infestation. By way of addendum, Sally and Sanjay at their own expense, pay for an exterminator to deal with the rodents. With the conditions precedent (subject) satisfied, the buyer removes his subjects. The home sale completes on August 29th as per the counter offer. Sally and Sanjay sign a contract to complete their condo purchase on August 30th with possession set to take place on August 31st, the same day as when the buyer will take possession of their home.

Sanjay — appreciative of Larry's hard work, and for his helping to make their transaction so smooth— shakes Larry's hand.

CONCLUSION

**Thank
you.**

APC Component Two

Day 2 – Working with Buyers

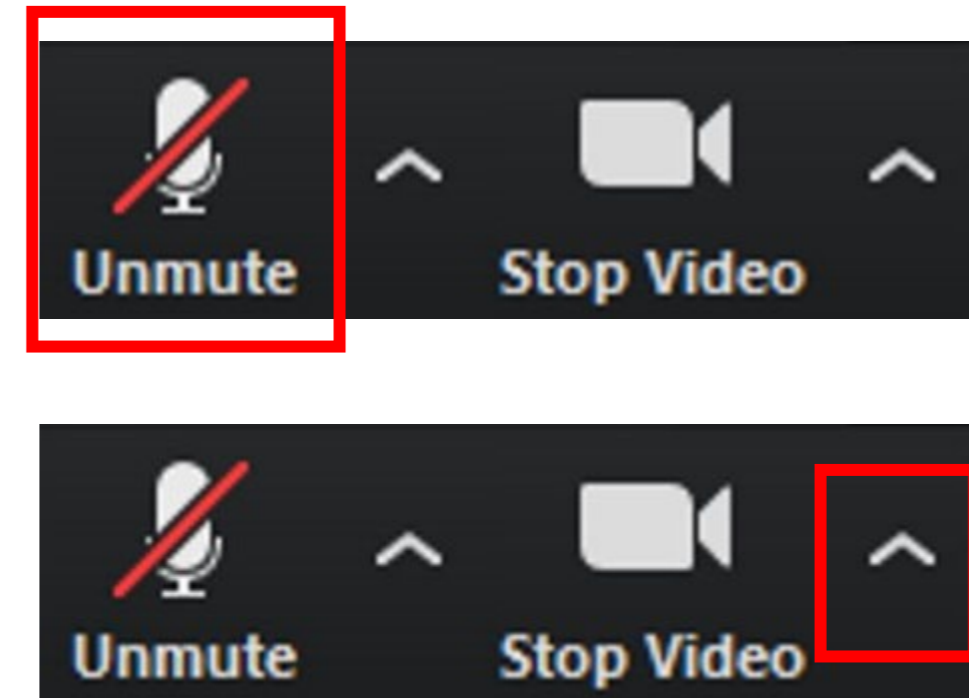


Zoom Call Best Practices:

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- Use the ^ symbol beside the speaker and video icon to select a different speaker or camera

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Have your Component Two Learner Activity Book ready for today's session.



Housekeeping

Class will begin at 9:00 am Pacific Time – while you wait, please familiarize yourself with the Zoom features we will be using today.

Agenda

1. Role play Introduction
2. Day 2: Working with Buyers
 - Character Information and Background
3. Scene 1
 - Break-out room discussion
 - Class debrief
4. Scene 2
 - Break-out room discussion
 - Class debrief
5. Scene 3
 - Break-out room discussion
 - Class debrief
6. Scene 4
 - Break-out room discussion
 - Class debrief
7. Scene 5
 - Break-out room discussion
 - Class debrief
8. Scene 6
 - Break-out room discussion
 - Class debrief
9. Self-assessment
10. Class wrap up (Questions)

Role Play

WHAT YOU WILL BE DOING TODAY:

1. **Read** the scenario.
2. **Explore** background knowledge and character information.
3. **Join your role play breakout rooms** and take on a role (*roles will rotate throughout the day*).
4. **Use** the space provided in your Learner Activity Book to take notes.
5. **Find** Supporting Resources & Guides in your Learner Activity Book.



Role Play

THE CHARACTERS:

As we move through the scenes, you will be rotating to different characters, affording everyone an opportunity to present the materials.

In your Learner Activity Book, turn to page 5 and read through the **Character** profiles:

- **Sally** - Sanjay's wife
- **Sanjay** - Sally's husband
- **Ojal Öpenhaus** – Listing agent who is holding an open house
- **Linda Lista** – Sally and Sanjay's licensee for the purchase of their new home
- **The Observer** - a member of your group who ensures that the role play **stays on track**. The observer should **prompt** the characters



Role Play

THE PROCESS:

1. Conduct the Role play with your chosen characters.
2. **Group debrief** with the observer.
3. **Debrief with the class.**

Have fun, this is a safe place to practice!



Scene 1

Open House

Scene 1

Open House

Sally and Sanjay attend a Public Open House in a strata condominium. Ojal, the listing agent, and other prospective buyers are present.

Sally and Sanjay are excited at the prospect of downsizing from their home of many years and see this particular condominium as a lower maintenance lifestyle to consider. They exchange comments with each other and then approach the listing agent.

Scene 1

Open House

Sanjay opens the scene by expressing to Ojal, the listing agent, their interest in the condo. They start to ask questions in regards to what a reasonable offer might be, and whether the seller might consider a longer completion or subject to the sale of a home.

Refer to day 1, scene 1's interaction between Sally, Sanjay and Ojal, to remember that Ojal indicated he was representing the sellers and could not represent Sally and Sanjay. Also, you must remember that at this point, Sally and Sanjay have not yet met with their listing agent, Larry.

Scene 1

IN THIS SCENE, THE CHARACTERS WILL:

1. **Discuss** agency and no agency.
2. **Review** the Disclosure of Representation in Trading Services form.
3. **Review** the Privacy Notice and Consent form.
4. **Review** the Disclosure of Risks to Unrepresented Parties form.



Scene 1

SUPPORTING RESOURCES

1. MLS® Spec Sheet
2. Disclosure of Representation in Trading Services form
3. Privacy Notice and Consent form
4. Disclosure of Risks to Unrepresented Parties: A Guide for Licensees
5. Disclosure of Risks to Unrepresented Parties form



Scene 1

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 1

DEBRIEFING QUESTIONS

1. In comparison to the previous presentations of the Disclosure of Representation in Trading Services form, what worked well?
2. When is it necessary to provide the Disclosure of Representation in Trading Services form to a consumer?
3. How did Ojal explain a no agency relationship to Sally and Sanjay?
4. What is the purpose of the Disclosure of Risks to Unrepresented Parties, and when is it necessary to provide this disclosure to an unrepresented party?
5. What would happen if one of Ojal's clients became interested in the property?
 - What actions would Ojal need to take?



Scene 1

At the open house, Sally and Sanjay learn that the listing agent, Ojal—who is hosting the Open House—is unable to represent them and cannot protect their best interests or give strategic guidance on their offer. They are also cautioned of the risks involved if they decided to make an offer on the condominium without representation by a licensee.

They consult with their licensee – Larry—who they engaged to sell their home—and he refers them to one of his colleagues, Linda. Linda specializes in the downtown condo market and can work as their designated agent.

CONCLUSION

Scene 2

Disclosure of Representation in Trading
Services

Scene 2

Disclosure of Representation in Trading Services

Sally and Sanjay make an appointment to meet Linda Lista, the colleague Larry referred them to who works in the downtown branch of the brokerage that Larry works for. They meet at Linda's downtown office to discuss agency, the condominium they are interested in buying and how Linda will work with them.

Linda uses the Disclosure of Representation in Trading Services form as a tool for discussing agency with Sally and Sanjay and to review with them the Privacy Notice and Consent form.

Scene 2

Disclosure of Representation
in Trading Services

Linda explains that she must see some government issued photo ID from Sally and Sanjay to satisfy the FINTRAC requirements of the government. She completes the FINTRAC form herself with the required information from their IDs and then returns them to Sally and Sanjay. She also reviews the results of the LOTR search she performed on the clients and discusses her Anti-Money Laundering (AML) obligations with them.

Linda opens the scene by welcoming Sally and Sanjay and introducing herself.

Scene 2

IN THIS SCENE, THE CHARACTERS WILL:

1. **Discuss** agency.
2. **Acknowledge** an agency relationship in writing.
3. **Complete** the FINTRAC Individual Identification Information Record forms and discuss AML obligations.
4. **Discuss** the results of the Land Owner Transparency Registry (LOTR) search.



Scene 2

SUPPORTING RESOURCES

1. Disclosure of Representation in Trading Services form
2. Privacy Notice and Consent form
3. Two FINTRAC: Individual Identification Information Record forms (one for each buyer)



Scene 2

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 2

DEBRIEFING QUESTIONS

1. In comparison to the previous presentations of the Disclosure of Representation in Trading Services form, what worked well?
2. Given that Larry and Linda work at the same brokerage, could the Disclosure of Representation in Trading Services that was completed by Larry be used by Linda?
3. What tools will you use to assist you in your presentation of these documents to future clients?



Scene 3

Reviewing a Buyer's Agency Exclusive
Contract

Scene 3

Reviewing a Buyer's Agency
Exclusive Contract

In the previous scene, Sally and Sanjay acknowledged an agency relationship in writing and the FINTRAC client identification record forms were completed.

Now, Linda reviews the Buyer's Agency Exclusive Contract and the services to be provided under the Schedule "A". She assures them that she will continue to work with them until they purchase a property, whether this one or another.

Linda opens the scene by reviewing the Buyer's Agency Exclusive Contract in its entirety.

Scene 3

IN THIS SCENE, THE CHARACTERS WILL:

1. **Review** the Buyer's Agency Exclusive Contract.



Scene 3

SUPPORTING RESOURCES

1. Buyer's Agency Exclusive Contract and Schedule "A"



Scene 3

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 3

DEBRIEFING QUESTIONS

1. What were some of the questions that the buyers asked pertaining to the Buyer's Agency Exclusive Contract?
2. Which clauses of the Buyer's Agency Exclusive Contract did you highlight with the buyer?
3. What are some of the services that a brokerage might include in the Schedule "A"?



Scene 4

Material Information

Scene 4

Material Information

Having viewed the condo again together, Sally and Sanjay meet Linda in her office to review the facts about the condo, whether it meets their needs, the documents needed for review, the pending AGM impact and the subjects needed in a CPS.

Sally opens the scene by thanking Linda for taking them through the Condo.

They proceed to review with Linda the importance of ensuring the building is pet friendly for their dog and that their grandchildren will be able to visit overnight on occasion.

Scene 4

IN THIS SCENE, THE CHARACTERS WILL:

1. **Determine** the suitability of the property and identify what is important to Sally and Sanjay.
2. **Review** and document with Sally and Sanjay the referral fee payable to Larry on a successful completion of their purchase.
3. **Review** what conditions Sally and Sanjay may want to include in the offer.
4. **Determine** and **disclose** facts about the property.
5. **Agree** to follow up with necessary documentation to verify property information.



Click to watch a video on disclosure facts
about the property.



Scene 4

Material Information

Scene 4

SUPPORTING RESOURCES

1. Feature Sheet
2. Property Disclosure Statement (Strata Titled Properties)



Scene 4

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 4

DEBRIEFING QUESTIONS

1. What information is important to Sally and Sanjay?
2. How did Linda find the answers to Sally and Sanjay's questions regarding their pet?
3. What conditions might you suggest that Sally and Sanjay include in the contract?
4. As a licensee, how might you approach the discussion as to who should be reviewing the strata documents?
5. What is a Form B?



The rules are there to ensure that consumers get all the information they need to make informed decisions about their real estate transactions. That is why understanding your duty to use reasonable efforts to discover relevant facts and disclose material information is particularly important.

You must share “all known material information respecting the real estate services, the real estate and the trade in real estate to which the services relate” with your clients.

It is important to remember, that material information may be different depending on what client you are working with. What is material to one client may not be to another. It is important for you to talk to your client to determine what information is material is to them.

Listing agents can use the Listing Checklist as a guide to help ensure they collect all the relevant information about a property. Buyers’ agents should verify all listing information – particularly any information that is important to their client by using the Buyer’s checklist. Both checklists are in the BCFSA Knowledge Base.

Scene 4

Material Information – What’s key to your client?

Scene 4

Know your client

Every listing—and every client—is unique. It is good practice to make sure you are familiar with your client’s needs and understand what is important to them. Ask your clients if there are any issues you should be aware of and be sure to document the conversation.

If you are unsure about whether a piece of information is “material”, put yourself in your client’s shoes and ask yourself whether it is something you would want to know if you were a buyer or seller.

When in doubt, it is always better to share the information with your client. You could face disciplinary and/or civil action if you fail to disclose a piece of material information.

Scene 5

Drafting an Enforceable Contract of
Purchase and Sale

Scene 5

Drafting an Enforceable
Contract of Purchase and Sale

Sally and Sanjay decide they want to proceed and write the offer. They review with Linda the latest market stats to guide them in their offering. They establish a price to offer, a deposit amount and a strategy for the completion, possession, and adjustment dates without yet having sold their home.

Linda opens the scene by reviewing the list of comparable listings and sales.

Scene 5

IN THIS SCENE, THE CHARACTERS WILL:

- 1. Determine** the relevant information to go into the Contract of Purchase and Sale.
- 2. Discuss** provisions for adding someone to title on completion and the use of the Notice to Seller Regarding Assignment Terms.
- 3. Draft** an enforceable Contract of Purchase and Sale.
- 4. Discuss** the concerns about stigmatized properties (i.e. Has there be a death in the property?)



Click to watch a video on what a stigma is and how it impacts you as a licensee.



Scene 5

Drafting an Enforceable
Contract of Purchase and Sale

Scene 5

SUPPORTING RESOURCES

1. Scenario Information to Prepare an Offer
2. Title Search
3. Disclosure of Remuneration form
4. Contract of Purchase and Sale
5. BCFSA's Standard Clauses (online)
6. Knowledge Base (online)
7. Notice to Seller Regarding Assignment Terms



Scene 5

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 5

DEBRIEFING QUESTIONS

1. If Linda had information that could influence Sally and Sanjay's decision to purchase, is she obligated to tell them?
2. How did Linda capture the disclosure of the referral fee she was paying to Larry?
3. What conditions did you add into the Contract?
 - What made you consider those conditions?
4. If Sally and Sanjay had wanted to add Gio, their son, to the Contract when drafting the original offer, how would you address this?
 - What if it happened after the offer was accepted?
5. How will Linda confirm if the use of the parking stalls and storage locker are included in the purchase of the condo?



Scene 6

Due Diligence

Scene 6

Due Diligence

With their offer on the condo written and signed on May 5th, and a bank draft provided to Linda for the deposit, Sally and Sanjay go out to dinner to celebrate new possibilities.

The next day, they are thrilled when Linda calls and tells them that their offer has been accepted by the 7 pm deadline. Just as they finish their call to Gio, filling him in on the good news, their listing agent Larry calls and says he has an offer to present (as reviewed by you on day 1). Being that the offer is only open until midnight, they agree to meet Larry at their home that evening.

Scene 6

Due Diligence

The offer is perfect in every way, except the dates being in October do not align with the closing of the condo. On Larry's advice, they counter the dates to complete two weeks before the completion of their condo purchase as they are leaving town for two weeks and planning on putting their belongings in storage. They sign and email the counter offer to the buyer's agent open until noon the next day, May 7th.

Scene 6

Due Diligence

On the morning of May 7th, Larry advises Sally and Sanjay that the buyer of their home accepts the dates but is requesting a \$10,000 reduction to accommodate the new dates. Sally and Sanjay accept, giving them a completion date on the house of August 29th, completion date on the condo of September 14th and possession and adjustment of both at noon September 15th.

Scene 6

Due Diligence

They phone Linda with news of this accepted offer on their home subject to May 12th. Linda advises that as promised, she has emailed to them all the required documentation to review. They arrange for an inspector of their choice to inspect the property on May 8th, to meet with the bank on May 9th and finally to meet with Linda on May 12th—their subject removal date.

Sanjay opens the scene with the good news that their home has sold.

Scene 6

IN THIS SCENE, THE CHARACTERS WILL:

Discuss	Discuss the difference in square footage between the strata plans and the advertisement of the property, which Sally and Sanjay have noted in the documentation.
Review	Review the age restriction, pet bylaws and parking details.
Execute	Execute the subject removal.



Scene 6

SUPPORTING RESOURCES

1. Request for Strata Corporation Records and Documents
2. Bylaw Excerpt, including pet and age restrictions
3. Receipt of Strata Documentation form
4. Strata Plan
5. Notice of Conditions Waiver or Fulfillment form



Scene 6

Before you start...

Take a moment to read through the resources and guides available in the Learner Activity Book.

Consider how you are going to approach your role in this scenario. Make notes in the space provided in your Learner Activity Book.

After reviewing the resources, start the Role Play.

Scene 6

DEBRIEFING QUESTIONS

1. Where does a licensee obtain Strata documents?
2. How does Linda confirm the parking leases, the pet restriction and the visitor guidelines?
3. At what point does Linda need to deliver copies of the contract, related documentation, and the deposit cheque to her brokerage?
4. What would happen if Sally and Sanjay did not provide the deposit in accordance with the time on the contract?
 - What would the managing broker of Linda's brokerage be required to do?
 - What would Linda be required to do?



Sally and Sanjay call their son, Gio, to bring him up to date on all they've learned about the condo. Gio explains how an estate is handled. He suggests asking about the circumstances of the owner's passing and to consider if that is an issue. He did provide counsel on the incorrect measurement of the suite by the licensee, the uncertain outcome of the pet bylaw vote at the AGM and the matter of age restrictions. While he encouraged them to get clarity on these matters, he cautioned them on adjusting their purchase price, now accepted, over such a small detail as the 29-square-foot differential. Sally and Sanjay decide to accept the square footage as given in the strata plan without protest. Linda feels it wise to document with the buyers that "The Buyer is aware that the square footage is stated as 1478-sqft on the listing feature sheet and 1454-sqft on the strata plan and is satisfied with that disclosure."

Scene 6

CONCLUSION

Scene 6

CONCLUSION

The inspection of the condo takes place in accordance with the contract, revealing no surprises or cause for concern, and the sale of Sally and Sanjay's property firms up a day earlier with all conditions removed. On May 12th, Sally and Sanjay remove their subjects on the condo. A successful garage sale and the help of their three sons make the transitional move from house to condo a relatively easy one. The successful purchase is made even better with Sally and Sanjay's attendance at their very first AGM of the Strata Corporation. As hoped, the pet bylaw amendment to restrict pets is defeated by a resounding majority.

Next Steps

INSTRUCTIONS:

1. Ensure your application for licensing is complete.
2. Check to see if your license has been processed online. It will take approximately 20 business days to process.
3. A reminder letter about starting Component Three will be sent to you.
4. Component Three is a self-paced, independent study, during which you will be required to reflect on your practice experience and must be completed in 4.5 months.



Next Steps

COMPONENT THREE HAS 6 PRACTICAL FIELD ASSIGNMENTS:

- 1. Establishing** agency and providing trading services.
- 2. Listing** a property for sale.
- 3. Holding** an open house.
- 4. Researching** a property for sale.
- 5. Drafting** an enforceable contract for a client or an unrepresented party.
- 6. Presenting** an offer and negotiating a counter offer.



**Good luck and
see you again
in Component
Four!**

Questions?

If you want to know more about any of the topics we have discussed today:

- Consult the BCFSA Knowledge Base;
- Get in touch with BCFSA Practice Standards Advisors; and
- Speak with your managing broker.

Thank you.

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