

Disclosure of Interest in Trade (Leasing or Renting)

Real estate licensees have a regulatory requirement to present you with this consumer information whenever:

- You are renting or leasing real estate to a real estate licensee or their associate, and they intend to be your tenant, unless they are exempt from this disclosure requirement under section 53(2) of the Real Estate Services Rules (see page 4), or
- You are intending to rent or lease real estate that the real estate licensee or their associate has an interest in.

This disclosure must be provided to you **before** you enter into any agreement with a licensee or their associate* to rent or lease real estate. (*see page 4 for the definition of an associate)

This disclosure is being provided to you to raise awareness of the potential risks that may arise in a real estate transaction when a real estate licensee has a direct or indirect personal interest. These risks can include the potential for conflicts of interest or a disparity in bargaining power because of a difference in knowledge. Real estate licensees are generally considered to be sophisticated parties in a transaction and may have greater knowledge than the average consumer, which may include you, about the property (e.g., fair market value, comparable rents) and the real estate market in general.

You should speak to your real estate licensee and/or seek independent advice if you have any questions about this disclosure or the risks it might indicate.

IT IS STRONGLY RECOMMENDED THAT YOU (the Consumer) OBTAIN INDEPENDENT ADVICE REGARDING THE FAIR MARKET VALUE OF THE PROPERTY YOU ARE LEASING OR RENTING.

IN THIS DOCUMENT

- **Part A** shows you who is making the disclosure and who they represent.
- **Part B** must be filled out when a real estate licensee or the associate they represent, rents **or leases your property** as a tenant.
- **Part C** must be filled out when a real estate licensee or the associate they represent **rents or leases their property to you**.

BC Financial Services Authority

is the legislated regulatory agency that works to ensure real estate licensees have the skills and knowledge to provide you with a high standard of service. All real estate licensees must follow rules that help protect consumers, like you. We're here to help you understand your rights as a real estate consumer.

Keep this information page for your reference.

PART A – TO BE COMPLETED BY ALL REAL ESTATE LICENSEES

Notice to (indicate name of either the landlord or the tenant): _____

Street address of the property

Legal description of the property

I, _____ (name of real estate licensee), am licensed under the *Real Estate Services Act*, and disclose to you that:

- I am leasing or renting your property as a tenant (proceed to Part B)
- my associate(s) is (are) leasing or renting your property and I am providing them trading services (proceed to Part B)
- I am leasing or renting my property (proceed to Part C)
- my associate(s) is (are) leasing or renting their property and I am providing them trading services (proceed to Part C)

Name of associate(s)

My relationship to the associate(s)

PART B – TO BE COMPLETED WHEN THE REAL ESTATE LICENSEE OR AN ASSOCIATE THEY REPRESENT IS LEASING OR RENTING THE PROPERTY AS A TENANT

I am / my associate is LEASING OR RENTING the property as a tenant:

- for personal use or other use, or
- to sublet it
 - and I, and/or my associate intend to sublet the property with the following terms:

Remuneration:

If you accept my and/or my associate's offer, real estate commission or other remuneration is anticipated to be earned or received in the following amounts:

By me: \$ _____

By my associate: \$ _____

From another tenant: \$ _____

PART C – TO BE COMPLETED WHEN THE REAL ESTATE LICENSEE OR AN ASSOCIATE THEY REPRESENT IS LEASING OR RENTING THE PROPERTY AS A LANDLORD

- I own the property
- I am a tenant (where you will be a subtenant)
- My associate owns the property
- My associate is a tenant (where you will be a subtenant)

REAL ESTATE LICENSEE DISCLOSURE DETAILS

Disclosure – To be completed by the real estate licensee:

I make this disclosure to you in compliance with section 53 of the Real Estate Services Rules under the *Real Estate Services Act* at:

_____ (place) on _____ date

Disclosed by _____ (signature of real estate licensee)

Witnessed by _____ (signature of a person other than the person to whom the disclosure is to be made)

CONSUMER ACKNOWLEDGMENT

This is NOT a contract

I acknowledge that I have received the **Disclosure of Interest in Trade** consumer information page and this disclosure form.

Name (optional)

Date

Name (optional)

Date

Initials (optional)

Date

Initials (optional)

Date

BROKERAGE USE ONLY

A COPY OF THIS FORM MUST BE DELIVERED TO YOUR BROKERAGE. **THIS SECTION IS TO BE COMPLETED BY THE BROKERAGE WHOSE REAL ESTATE LICENSEE IS MAKING THE DISCLOSURE.**

I _____ acknowledge receipt of a copy of this disclosure on behalf of the brokerage of the real estate licensee making this disclosure.

Signature of person acknowledging receipt

Date

Title of person acknowledging receipt on behalf of the brokerage

Note: section 83(1)(a) of the Real Estate Services Rules requires a brokerage to maintain a copy of all written disclosures and any other related acknowledgements under Part 5 Division 2 of the Real Estate Services Rules.

Definitions

ASSOCIATE

A licensee's associate means:

- their spouse (as defined by the Family Law Act),
- a trust or estate wherein the licensee or their spouse or family partner have a substantial beneficial interest or serve as a trustee, or
- a corporation, partnership, association, syndicate or unincorporated organization wherein the licensee or their spouse or family partner hold 5% or more of its capital or are entitled to 5% or more of its profits.

An associate in the case of a brokerage that is a corporation or partnership means:

- a director, officer or partner of the brokerage,
- a shareholder of the brokerage who holds more than 10% of the voting shares of the brokerage,
- a trust or estate wherein the brokerage or a director, officer or partner of the brokerage has a substantial beneficial interest (or serves as a trustee)
- a corporation, partnership, association, syndicate or unincorporated organization wherein the brokerage or a director, officer or partner of the brokerage, holds 5% or more of its capital or is entitled to 5% or more of its profits.

53 DISCLOSURE OF INTEREST IN TRADE

2. An individual who is a licensee is not required to make a disclosure under subsection (1) if
 - a. the real estate is rental real estate that is being acquired by the licensee, or a spouse or family partner of the licensee, with the intention that the licensee, spouse or family partner will use the real estate for personal residential purposes during the term of the lease,
 - b. the lease or agreement to lease the real estate is for a term not exceeding one year,
 - c. the lease or agreement does not contain an option to purchase or a right of first refusal, and
 - d. any option to renew or any other provision for renewal, whether or not it is included in the lease or agreement, does not extend the total lease period, including any renewal period, beyond one year.