

RECBC Update to Disclosure Forms

Professional Standards Advisory, RECBC

10/03/2019

Introduction and Welcome

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Professional Standards Advisor





Agenda

- 1** Welcome and Introduction
- 2** Disclosure Forms Changes and Updates
- 3** Disclosure Form Toolkit

Disclosure Form Updates



Consultation and Stakeholder Engagement

Listening Tour

- Meetings with Managing Brokers around the province

Licensee Survey

- All licensees invited to respond and give feedback

Consumer and Licensee Focus Testing

- Focus groups and individual qualitative interviewing

Advisory Groups and Expert Consultation

- Trading Services Advisory Group, Standard Forms Committee

Key Themes in Feedback



Streamline



Plain Language



**Consumer
protection by
RECBC**



**Content relevant
to tenants**

RECBC introduced revised versions of mandatory consumer disclosure forms and new guidance materials on September 30, 2019.

Objectives:

- Streamlined forms that are easy to use & accessible for consumers
- Improved understanding of the disclosure requirements by licensees and consumers

Goals:

- Consumers receive information they need to make good decisions about real estate transactions

Transition Period:

- There will be a 3-month transition period (Sept 30 – Dec 30) during which licensees can use either the current or revised versions of the forms. After December 30, only the revised versions can be used.



Your Relationship with a Real Estate Professional

Real estate professionals have a regulatory requirement to present you with this consumer information before providing services to you.

This information explains the different relationships you can have with a real estate professional to buy, sell or lease property. Before you disclose confidential information to a real estate professional regarding a real estate transaction, you should understand what type of business relationship you have with that individual.

You can work with a real estate professional in one of the following ways:

As a client

If you are the client of a real estate professional, they work on your behalf. The real estate professional representing you has special legal duties to you, including:

- Loyalty.** They will act only in your best interests.
- Full disclosure.** They must tell you everything they know that might influence your decision in a transaction.
- Avoid conflicts of interest.** They must avoid any situation that would affect their duty to act in your best interests.
- Confidentiality.** They must not reveal your private information without your permission, even after your relationship ends. That includes:
 - your reasons for buying, selling or leasing
 - your minimum/maximum price
 - any preferred terms and conditions you may want to include in a contract

When you become a client, you may be asked to sign a written agreement setting out your and the real estate professional's responsibilities.

As a non-client

A real estate professional who is not representing you as a client does not owe you special legal duties:

- No loyalty.** They may be representing a client with competing interests to yours in a transaction. They must be loyal to their client, not you.
- No duty of full disclosure.** They do not have a duty to give you all relevant information.
- No duty to avoid conflicts.** They are not acting in your interests.
- No confidentiality.** They must share any information you tell them with their clients in a transaction.

As a non-client, a real estate professional may give you only limited services.

***** Whenever a real estate professional works with you in a real estate transaction, whether you are their client or not, they have a responsibility to act honestly and with reasonable care and skill.

The Real Estate Council of BC is the legislated regulatory agency that works to ensure real estate professionals have the skills and knowledge to provide you with a high standard of service. All real estate professionals 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 and scan the QR code or visit recbc.ca for more information about real estate transactions.




Your Relationship with a Real Estate Professional

This is a required disclosure form in compliance with section 5-10 of the Rules under the *Real Estate Services Act*. Your real estate professional must present the *Your Relationship with a Real Estate Professional* information page to you along with this disclosure form.

Real Estate Professional Disclosure Details

I disclose that I am (check one):

- representing you as my client
- not** representing you as a client

Name _____

Team name and members. The duties of a real estate professional as outlined in this form apply to all team members.

Brokerage _____

Signature _____ Date _____

Notes: _____

Consumer Acknowledgment This is NOT a contract

I acknowledge that I have received the *Your Relationship with a Real Estate Professional* consumer information page and this disclosure form.

Name (optional) _____ Date _____
 Initials (optional) _____ Date _____



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DISCLOSURE OF REPRESENTATION IN TRADING SERVICES



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Real Estate Professional Disclosure Details

I disclose that I am (*check one*):

- representing you as my client
- not** representing you as a client

Name

Team name and members. *The duties of a real estate professional as outlined in this form apply to all team members.*



Consumer Acknowledgment  This is NOT a contract



I acknowledge that I have received the *Your Relationship with a Real Estate Professional* consumer information page and this disclosure form.



Name (optional)

Initials (optional) Date

Name (optional)

Initials (optional) Date



Not a Client? Know the Risks

Real estate professionals have a regulatory requirement to present you with this consumer information.

This information from the Real Estate Council of BC explains the risks of working with a real estate professional who is already representing a client in the same transaction.

We recommend that you seek independent representation in this real estate transaction.

Be cautious.

The real estate professional who gave you this form is already representing a client in this transaction. They owe a duty of loyalty to that client and must work in that client's best interests. They cannot represent you or work in your interests in this transaction.

This real estate professional must tell their client any relevant information you share with them. For example, if disclosed by you, they must share the following information:

- your reasons for buying, selling or leasing
- your minimum/maximum price
- any preferred terms and conditions you may want to include in a contract

Only share information that you are comfortable being disclosed to the other party in this transaction.

✳ This real estate professional can only provide you very limited services. Because this real estate professional must be loyal to their client and work in their client's interest, they can only give you limited assistance.

They cannot:

- give you advice on an appropriate price
- give you advice about any terms and conditions to include in a contract
- negotiate on your behalf
- share any of their client's confidential information with you, like:
 - their minimum/maximum price
 - their reason for buying/selling/leasing
- protect your confidential information

They may only:

- share general information and real estate statistics
- show a property and provide factual information about the property
- provide you with standard real estate forms and contracts
- fill out a standard real estate contract
- communicate your messages and present your offers to their client

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The Real Estate Council of BC regulates real estate professionals to protect consumers. Visit us online for information on real estate transactions, ask us a question, file a complaint or an anonymous tip. **1.877.683.9664 | ANONYMOUS TIPLINE: 1.833.420.2400 | info@recbc.ca | www.recbc.ca**
(REV 9/2016)



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We're here to help you understand your rights as a real estate consumer.

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DISCLOSURE OF RISKS TO UNREPRESENTED PARTIES



Not a Client? Know the Risks

This is a required disclosure form in compliance with section 5-10.1 of the Rules under the Real Estate Services Act. A real estate professional must present the **Not a Client? Know the Risks** information page to you along with this disclosure form.

Real Estate Professional Disclosure Details

I am already representing a client in this transaction and working in only their best interest. I am not representing you or acting on your behalf.

Name _____

Team name and members. The duties of a real estate professional as outlined in this form apply to all team members.

Brokerage _____

Signature _____ Date _____

Property address _____

Notes: _____

Consumer Acknowledgment **▶ This is NOT a contract**

I acknowledge that I have received the **Not a Client? Know the Risks** consumer information page and this disclosure form. I understand that the real estate professional named above is not representing me as a client or acting on my behalf in this transaction.

Name (optional) _____ Name (optional) _____

 Initials (optional) Date Initials (optional) Date

A COPY OF THIS DISCLOSURE IS NOT REQUIRED TO BE PROVIDED TO THE REAL ESTATE COUNCIL OF BC UNLESS IT IS SPECIFICALLY REQUESTED.

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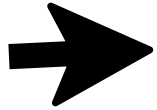
The real estate professional who gave you this form is already representing a client in this transaction. They owe a duty of loyalty to that client and must work in that client's best interests. They cannot represent you or work in your interests in this transaction.

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They cannot:

- give you advice on an appropriate price
- give you advice about any terms and conditions to include in a contract
- negotiate on your behalf
- share any of their client's confidential information with you, like:
 - their minimum/maximum price
 - their reason for buying/selling/leasing
- protect your confidential information

They may only:

- share general information and real estate statistics
- show a property and provide factual information about the property
- provide you with standard real estate forms and contracts
- fill out a standard real estate contract
- communicate your messages and present your offers to their client

DISCLOSURE OF RISKS TO UNREPRESENTED PARTIES



Not a Client? Know the Risks

This is a required disclosure form in compliance with section 5-10.1 of the Rules under the *Real Estate Services Act*. A real estate professional must present the **Not a Client? Know the Risks** information page to you along with this disclosure form.

Real Estate Professional Disclosure Details

I am already representing a client in this transaction and working in only their best interest. I am not representing you or acting on your behalf.

Name



Team name and members. *The duties of a real estate professional as outlined in this form apply to all team members.*

Brokerage

Signature

Date

Property address



\$ Paying for Real Estate Services: What Sellers Need to Know

Your real estate professional is required to give you this form when presenting you with an offer for the purchase of your property.

They must disclose to you:

- the amount their brokerage will be paid
- the amount of the payment that will be shared with the buyer's brokerage, if any
- the amount their brokerage will keep for representing you in the transaction

The amounts may vary depending on the offers you receive, and the information may affect how you decide to proceed with the sale of your property.

When you receive an offer from a buyer, your real estate professional will give you a completed **Disclosure to Sellers of Expected Remuneration (Payment)** form. If you receive a counter-offer, they will update the form with new amounts.

The disclosure form shows you:

the total amount your real estate professional's brokerage will receive if you accept the offer

how the payment would be shared with the brokerage representing the potential buyer, if any

any other payment your real estate professional will receive or expects to receive in connection with this transaction



The disclosure form shows the amount the brokerage will earn, not the amount your real estate professional will earn. Real estate professionals receive payment for the services they provide you from their brokerage.

RECBC REAL ESTATE COUNCIL OF BRITISH COLUMBIA

The Real Estate Council of BC is the legislated regulatory agency that works to ensure real estate professionals have the skills and knowledge to provide you with a high standard of service. All real estate professionals 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 and scan the QR code or visit recbc.ca for more information about real estate transactions.

DISCLOSURE TO SELLERS OF EXPECTED REMUNERATION (PAYMENT)

\$ Paying for Real Estate Services: What Sellers Need to Know

You are receiving this form because an offer has been made to purchase your property. This is a required disclosure form in compliance with section 5-11(1) of the Rules under the Real Estate Services Act. Your real estate professional must present the **Paying for Real Estate Services: What Sellers Need to Know** information page to you along with this disclosure form.

Real Estate Professional Disclosure Details

Name	Property address
Team name and members. The date of a real estate professional as outlined in the form apply to all team members.	Name(s) of seller(s)
Brokerage	Name(s) of potential buyer(s)
Signature	Potential buyer(s)' brokerage, if any

Offer Details	Offer	Counter-offer	Counter-offer	Counter-offer
Date of offer/counter-offer:				
Offered purchase price:				
Date of disclosure:				

Payment Details	Amounts below are exclusive of GST	Offer	Counter-offer	Counter-offer	Counter-offer
If you accept this offer you will pay your real estate professional's brokerage this amount:					
- This amount will be kept by your real estate professional's brokerage for representing you:					
- This amount will be shared with the potential buyer's brokerage:					
Your real estate professional has received or will receive this amount from someone other than you, as a result of providing real estate services to you, or on your behalf!:					

Consumer Acknowledgment **This is NOT a contract**

Please initial to acknowledge disclosure for each offer or counter-offer (optional):

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¹ When buyers and sellers are working with real estate professionals from the same brokerage, this field will be filled out to indicate the amount that is retained by the brokerage for the services provided by the buyer's real estate professional.
¹¹ If the real estate professional discloses an amount in this section, they must provide sellers with a separate form that sets out the source of the remuneration, the amount or likely amount or method of calculation of the remuneration, and all other relevant facts relating to the remuneration under section 5-11(1)(a) of the Rules under the Real Estate Services Act.



Offer Details	Offer	Counter-offer	Counter-offer	Counter-offer
Date of offer/counter-offer:				
Offered purchase price:				
Date of disclosure:				

Payment Details <small>Amounts below are exclusive of GST</small>	Offer	Counter-offer	Counter-offer	Counter-offer
If you accept this offer you will pay your real estate professional's brokerage this amount:				
– This amount will be kept by your real estate professional's brokerage for representing you:				
– This amount will be shared with the potential buyer's brokerage ¹ :				
Your real estate professional has received or will receive this amount from someone other than you, as a result of providing real estate services to you, or on your behalf ¹¹ :				



Consumer Acknowledgment ▶ This is NOT a contract

<i>Please initial to acknowledge disclosure for each offer or counter-offer (optional):</i>				
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Renting Residential Property: What Tenants Need to Know

Real estate professionals have a regulatory requirement to present you with this consumer information before providing services to you.

This information from the Real Estate Council of BC explains the role of a real estate professional when you are considering renting a property.

The real estate professional who gave you this form represents the owner of this residential rental property.

While this real estate professional can provide some limited services to you as a prospective tenant of this rental property, they owe a duty of loyalty to the owner, and are working for the owner's best interests.

This form sets out what this real estate professional can and cannot do for you as a prospective tenant in relation to this rental property.

They cannot:

- give you advice on terms and conditions to include in a tenancy agreement
- negotiate on your behalf
- share any of the owner's confidential information with you

Because this real estate professional is working in the owner's best interests, they have a duty to share important information with the owner if disclosed by you including, for example: your motivations, your financial qualifications, and your preferred terms and conditions.

They can:

- share statistics and general information about the rental property market
- provide you with standard forms and contracts such as a rental application and/or tenancy agreement
- show the property
- assist you to fill out a tenancy agreement
- communicate your messages and present your offers to their client

Find information about the rights and responsibilities of tenants and landlords from:

- BC Residential Tenancy Branch: gov.bc.ca/landlordtenant
- Tenant Resource & Advisory Centre: tenants.bc.ca



As a prospective tenant you should consider seeking independent professional advice about renting property.



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DISCLOSURE FOR RESIDENTIAL TENANCIES



Renting Residential Property: What Tenants Need to Know

This is a required disclosure form in compliance with sections 5-10 and 5-10.1 of the Rules under the Real Estate Services Act. Your real estate professional must present the *Renting Residential Property: What Tenants Need to Know* information page to you along with this disclosure form.

Real Estate Professional Disclosure Details

I disclose that I represent the owner of this rental property. I cannot represent you or act on your behalf.

Name _____

Team name and members. The duties of a real estate professional as outlined in this form apply to all team members. _____

Brokerage _____

Signature _____ Date _____

Rental property address _____

Notes:

Consumer Acknowledgment This is NOT a contract

I acknowledge that I have received the *Renting Residential Property: What Tenants Need to Know* consumer information page and this disclosure form. I understand that the real estate professional named above is not representing me as a client or acting on my behalf in this transaction.

Name (optional) _____
Initials (optional) _____ Date _____

Name (optional) _____
Initials (optional) _____ Date _____



The real estate professional who gave you this form represents the owner of this residential rental property.

While this real estate professional can provide some limited services to you as a prospective tenant of this rental property, they owe a duty of loyalty to the owner, and are working for the owner's best interests.

This form sets out what this real estate professional can and cannot do for you as a prospective tenant in relation to this rental property.

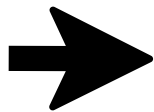
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Remember.....

Rules

8-4 (1) A brokerage must retain the following records:

(a) written disclosures under Division 2 [*Disclosures*] of Part 5 [*Relationships with Principals and Parties*] or Part 9 [*Licensee Exemptions*] of these rules and any related acknowledgments;

All disclosure forms are brokerage records and must be provided to and retained by your brokerage. This also applies to (but is not limited to):

- Unsuccessful listing presentations
- Unsuccessful buyer presentations
- All landlord applications
- All tenant applications
- Collapsed deals
- Consulting services

Disclosure Form Toolkit – LIVE Demo



Guide to Disclosure of Representation in Trading Services Form

Closing Remarks



Thank you

Questions?

