

THE OPEN HOUSE

Your Window to REBGV Government Relations

March 27, 2009

Volume 4 • Number 3

South of the border, REALTORS® not bankers will sell real estate

After almost eight years of lobbying efforts, the National Association of REALTORS® (NAR) has successfully stopped US banks from entering the real estate business.

On March 11, 2009, President Barack Obama signed into law, H.R. 1105, the *Omnibus Appropriations Bill*, permanently prohibiting banks from engaging in real estate activities. It also clarified the separation of banking and commerce.

The banking industry had long sought regulatory changes to allow banks, by law, to enter the real estate business so that financial holding companies (FHCs) and financial subsidiaries could provide real estate brokerage, leasing and property management services.

Since 2001, NAR has presented briefs and submissions and has appeared before the US Senate Subcommittee on Financial Institutions. NAR argued that in an effort to gain a greater market share, large banks have expanded into financial services and if allowed into real estate, could soon dominate. NAR also contended that real estate brokerage and property management are not financial activities, and banking and commerce are inherently different activities.

Throughout the years, NAR never wavered from its position that the end result would be less competition, fewer choices, higher fees, and increased risk of privacy breaches since banks would likely share private data obtained in real estate transactions with their affiliates and third parties.

In the end, NAR successfully convinced legislators that REALTORS® provide personal attention and have a fiduciary relationship with clients which banks could not have. This is because banks have a range of products whose promotion might not coincide with the interests of real estate clients.

Congratulations on your hard-fought victory, NAR!

Know the legislation and the rules about manufactured homes

The *BC Electrical Code, Electrical Safety Regulations* (ESR), Section 21, requires all new manufactured homes to display an approval mark and ESR 21(d) requires used manufactured homes to display a “silver label.”

In keeping with these regulations, the *Rules of Cooperation* 3.30(d), specify that a listing will not be accepted on a manufactured home without both the Manufactured Home Registry (MHR) number and a Canadian Standards Association (CSA) or BC Electrical Inspection silver label number.

If there is no label, the BC Safety Authority recommends REALTORS® have their clients:

- locate an electrical contractor that specializes in residential or manufactured homes;
- have the contractor inspect the existing system and make any required modifications to meet current standards; and
- have the contractor contact a BC Electrical Safety Officer to approve the work and affix the silver label.

This process could take as long as six weeks.

Members who are asked to list a property that does not have a visible CSA sticker or a silver label should carefully look for the sticker or label. It could have been covered in a renovation. If it can't be found, the home owner must have a reinspection done.

If a manufactured home has been renovated or altered in any way, the home owner is required to have a reinspection and must display a new silver label. Non-inspection of homes can pose problems for home owners and may lead to compromises in safety, according to BC Real Estate Association (BCREA).

~ Continued on page two

In a February, 2008 letter to the BC Safety Authority, BCREA made five suggestions for improving regulations and processes. They are:

Review and address enforcement: the current system does not ensure that standards are uniformly applied on all transfers of ownership.

Timing: instead of delaying sales while a property owner arranges an inspection, there should be a provision for homes to be listed and offers presented subject to proof of inspection.

Connection requirement: to reinforce safety, the BC Safety Authority should work with BC Hydro and require that BC Hydro obtain proof of previous certification or inspection before an electrical connection or reconnection is made.

Sticker location: ensure that the placement of stickers is standardized and affixed in a location such as the electrical panel, which would not be affected by most renovations.

Exemption: provisions should be made for abandoned/unserviced manufactured homes on property where there is no intention of hookup, so that the land is saleable.

Rules of Cooperation

3.30 Manufactured Homes

Listing contracts covering manufactured homes shall be accepted by the MLS® on the following basis:

- (a) where the manufactured home is registered in the Manufactured Home Registry for British Columbia and where the manufactured home is situated in a recognized manufactured home park, affixed to a designated “pad” and the right to use that “pad” is transferable to a buyer upon entering into a satisfactory rental agreement with the operator of the manufactured home park; (NOTE: Such listing contracts must state the amount of pad rental and the Manufactured Home Registry number);

- (b) where the manufactured home is affixed to land which is owned by the seller, other than land in a manufactured home park, and is duly registered in the Land Title Office and where both the land and the manufactured home thereon are included for sale in the listing; or

- (c) where the manufactured home is affixed to land which is leased by the seller, other than land in a manufactured home park, and is registered in the Manufactured Home Registry for British Columbia and affords the right to a buyer to continue to reside at that location upon assuming the balance of the current lease and/or options or entering into a satisfactory lease agreement with the owner of the property (NOTE: Such listing contracts must include the Manufactured Home Registry number); and

- (d) listings will not be accepted on manufactured homes without both the MHR number and a CSA or BC Electrical Inspection Label number.



Help for homeless residents

Province-wide, \$800 million will be spent on infrastructure projects for housing, education and public safety.

Of this amount, \$172 million will be spent on the construction of 569 units on six sites for Vancouver area residents facing homelessness. Non-profit societies have been selected to manage these units.

The goal is to create the supports and services for residents to be successful in life and to provide housing for residents at risk of homelessness.

Up to 1,100 direct construction jobs will be created through the building phase of the new Vancouver housing.



Government Relations Advocacy Goal

The REBGV advocacy will result in an economic and regulatory environment that supports property ownership, sustainable communities and the business of real estate.

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the Real Estate Board of Greater
Vancouver

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