



## Backgrounder

### Regulation of Real Estate Teams

February 2021

The Office of the Superintendent of Real Estate and the Real Estate Council of BC have published a discussion paper identifying issues related to the regulation of real estate teams and proposing changes to strengthen the regulatory framework for teams.

#### ***What are real estate teams?***

Real estate teams (“teams”) are groups of real estate professionals who work together to provide real estate services (e.g. buying and selling) to consumers. Team members often advertise their services under a joint name.

A team is different from a real estate brokerage. A brokerage is the company licensed to provide real estate services to consumers. There can be several different teams within a brokerage. While all real estate professionals must be licensed with a real estate brokerage, not all are members of teams.

#### ***What are the current regulatory requirements for teams?***

The regulatory framework – including the *Real Estate Services Act*, its Regulation and the Real Estate Rules– does not define a team. Groups of real estate professionals who advertise under a joint name must register that name with the regulator, except in limited circumstances. Many other requirements related to teams – for example, that teams are collectively the agent of all team members’ clients – are established through more general regulatory principles.

#### ***How will formalizing the regulation of teams benefit the public?***

More formalized regulation of teams will provide greater consumer protection, while still enabling British Columbians to take advantage of the benefits that teams offer their clients. Consumers and real estate professionals have expressed confusion about the agency and fiduciary duties real estate team members collectively owe to their clients. As well, RECBC’s compliance department and professional standards advisors have received complaints and inquiries about teams, including undisclosed teams, dual agency by members of the same team and other conflicts of interest.

#### ***How will it benefit the real estate industry?***

Managing brokers have shared concerns about their ability to provide adequate oversight of team operations. Managing brokers play a central role in ensuring compliance with regulatory requirements, and a stronger role for managing brokers in overseeing teams would assist them to identify issues related to teams at their brokerage, and set appropriate controls, policies and procedures to address them.



Office of the  
Superintendent  
of Real Estate



***What is being proposed?***

We have published a discussion paper analyzing the issues related to teams and are making proposals to improve the regulatory framework by:

1. Defining “teams” in the Rules
2. Requiring all teams to register with the regulator
3. Reserving the term “team” only for use by teams; and
4. Enhancing managing broker and brokerage control of teams

For further information, please see the [Policy Intentions Discussion Paper: Regulation of Real Estate Teams](#).