

AUGUST 2024

Real Estate Brokerage Data Call and HBRP Reporting

2024 Summary Report

BCFSA 

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Results of BCFSA's Real Estate Brokerage Data Call and HBRP Reporting

INTRODUCTION

This report summarizes the results of BCFSA's 2024 real estate brokerage data call. As in 2022 and 2023, BCFSA requested data on residential real estate sales from trading services brokerages.

The report also summarizes information received to date by BCFSA regarding uptake of the Home Buyer Recission Period ("HBRP"). The HBRP was implemented by the B.C. government on January 3, 2023. Trading services brokerages are required to report information about any recissions exercised in their annual brokerage activity report to track uptake of the HBRP and support policy and program evaluation.

This report is split into two parts and presents the results of the data call and HBRP reporting, observations of the processes, and next steps.

Real Estate Brokerage Data Call

BACKGROUND

On December 20, 2023, BCFSA distributed a request to managing brokers licensed for trading services to submit a workbook with information on residential sales with firm contract dates between February 18, 2024, and March 16, 2024. Specifically, managing brokers were asked to submit the following information to BCFSA:

- Whether or not they had any residential sales transactions during the data call period;
- The address of the property, including PID;
- The real estate board or association area where the property is located;
- Date of listing agreement;
- Date of offer acceptance;
- List price on the date that the accepted offer accepted;
- Firm contract date;
- Sale price;
- Whether the accepted offer was unconditional or contained any of the following conditions precedent:
 - Home inspection,
 - Financing,

- Insurance, or
- Other;
- Whether the property disclosure form was incorporated into the contract of purchase and sale;
- Total number of offers received; and
- Price of highest not-accepted offer.

The request was distributed to 957 brokerages (including any branch offices) licensed for trading services. Brokerages were required to provide a submission by March 31, 2024.

Results

RESPONSE

In total 906 brokerages participated in the 2024 data call (a response rate of approximately 95 per cent), of which 537 brokerages reported no transactions during the reporting period. The 2024 data call response rate is significantly improved from previous year's participation (62 per cent in 2023 and 47 per cent in 2022). The high participation rate can be primarily attributed to 2024 being the first year that participation in the data call was mandatory for all trading services brokerages. It may also reflect technological improvements to the data call reporting process that enabled more accurate tracking of submissions. Brokerages that did not participate in the data call were sent a warning letter advising them that non-submission may be subject to an administrative penalty going forward.

USABILITY OF THE DATA

Due to the limited reporting period and small sample size for some regions, the observations made from the transactions in the data call should not be extrapolated to draw conclusions about the broader real estate market and consumer risk trends.

HIGHLIGHTS OF RESULTS

The observations below are based on the transactions reported by brokerages during the 2024 data call, unless otherwise noted. Results for 2024 are generally similar to trends observed in 2023 and are in line with reports of continued balanced conditions in the real estate market. Given the data quality and usability considerations resulting from a small sample size outlined in previous years' reports, data from the 2022 data call has not been included in this report.

The data is discussed in aggregate to describe what was observable in the real estate market province-wide and where possible and relevant, the regional level. Where there is no regional breakdown provided, trends discussed are consistent across all parts of the province. Powell River Sunshine Coast Real Estate Board is not included in the regional breakdown due to the small number of reported transactions.

The highlights include:

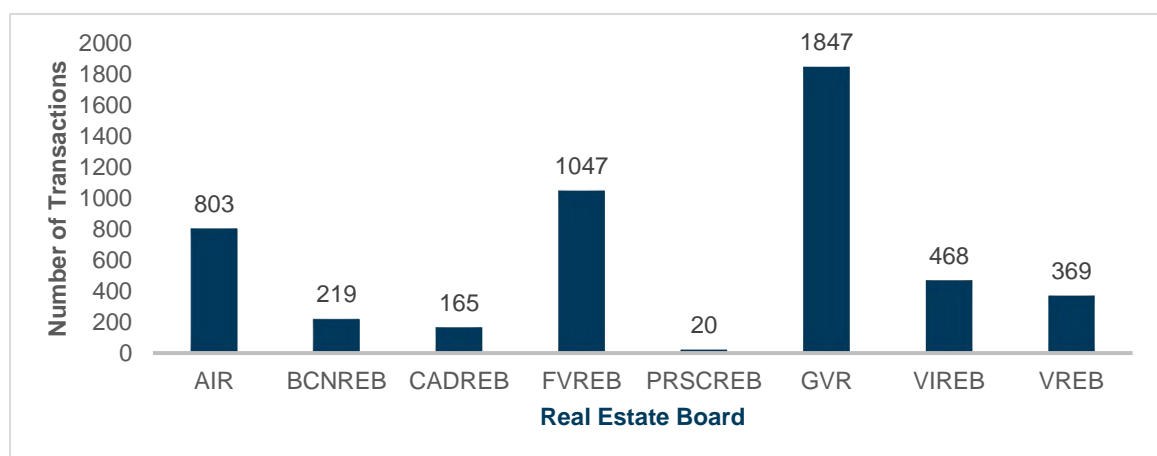
Residential Sales Data

- Brokerages reported a total of 5,047 residential real estate sales through the data call or about 84 per cent of the estimated 5,978 residential real estate transactions recorded by local real estate boards during the same period.

This number is based on the average number of weekly sales in February and March 2024 as reported by the British Columbia Real Estate Association during the same period. Due to differences in how BCREA and BCFSA count and collect transaction data, these numbers are not directly comparable. For next year’s data call, BCFSA will explore whether it is possible to better align industry-reported transactions with those collected by BCFSA.

- The analysis of residential real estate sales is based on 5,027 real estate transactions (Figure 1). Approximately 20 transactions were excluded from the analysis due to data quality issues (compared to 275 transactions or about 8 per cent of all transactions reported in 2023). This marks a significant improvement in data and submission quality and can largely be attributed to IT enhancements and automated data validation upon submission through BCFSA’s IRIS platform.

FIGURE 1: Total Reported Transactions by Real Estate Board¹

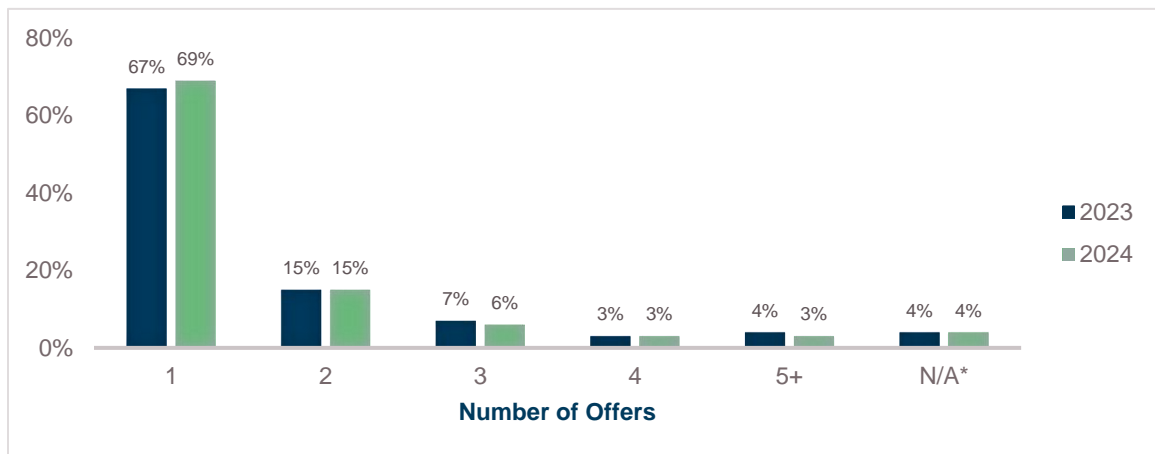


Multiple Offers

- Multiple offers were not prevalent during the reporting period. Less than 30 per cent of all the transactions reported in both 2023 and 2024 had multiple offers (Figure 2).

¹ British Columbia has eight local real estate boards including the Association of Interior Realtors Board (“AIR”), BC Northern Real Estate Board (“BCNREB”), Chilliwack and District Real Estate Board (“CADREB”), Fraser Valley Real Estate Board (“FVREB”), Powell River and Sunshine Coast Real Estate Board (“PRSCREB”), Greater Vancouver Realtors Board (“GVR”), Vancouver Island Real Estate Board (“VIREB”), and the Victoria Real Estate Board (“VREB”).

FIGURE 2: Total Number of Reported Offers (BC)



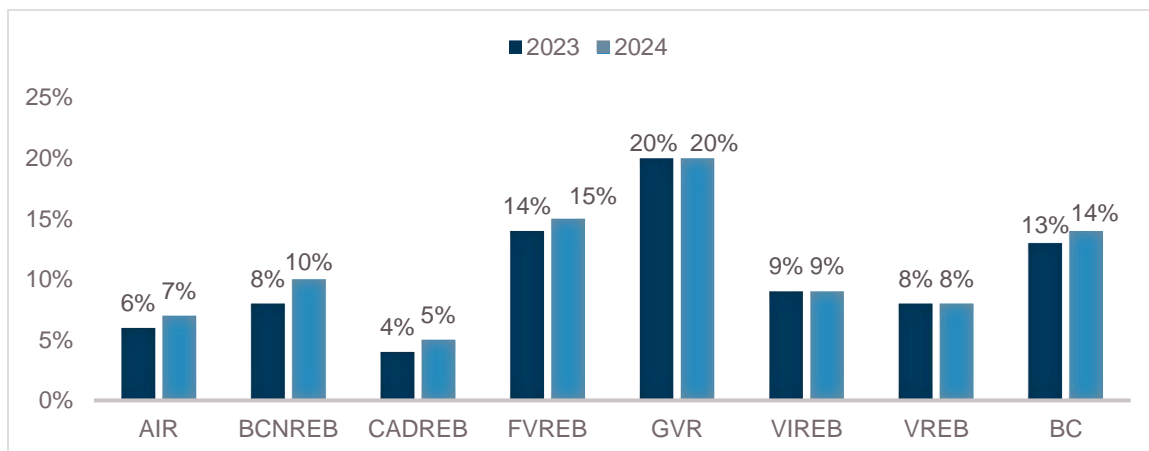
*Transactions where no offers were reported or transactions with data quality concerns.

- Transactions occurring in a census metropolitan area (CMA) were more likely to have multiple offers: 27 per cent of transactions occurring in a CMA had multiple offers compared to 15 per cent of transactions outside of a CMA.
- The Victoria Real Estate Board (“VREB”) and the Chilliwack and District Real Estate Board (“CADREB”) reported a small increase in multiple offers compared to 2023. For VREB, 32 per cent of 2024 reported transactions had multiple offers, compared to 24 per cent in 2023. For CADREB, 20 per cent of 2024 reported transactions had multiple offers compared to 10 per cent in 2023. The other real estate boards saw consistent trends with 2023 reporting.
- Multiple offers were most common for residential dwellings with a suite (34 per cent), followed by single-family dwellings (30 per cent) and duplexes (30 per cent).
- For transactions with multiple offers in 2024, almost 80 per cent of sellers accepted the highest offer received. In about 5 per cent of the transactions where the seller accepted the highest-price offer, the sale price was greater than the next-highest unaccepted offer by more than 10 per cent.

Unconditional Offers

- Unconditional offers were not prevalent across the province. Like 2023, on average only 14 per cent of the reported transactions in 2024 had no conditions. As noted in Figure 3, unconditional offers were more common in the Fraser Valley Real Estate Board (“FVREB”) and the Greater Vancouver Realtors Board (“GVR”).

FIGURE 3: Percentage of Unconditional Offers by Real Estate Board



- Unconditional offers were more commonly accepted in multiple offer situations. However, it is still possible for properties to sell without conditions when a seller received a single offer. For the 2024 data, 10 per cent of transactions with a single offer were unconditional.

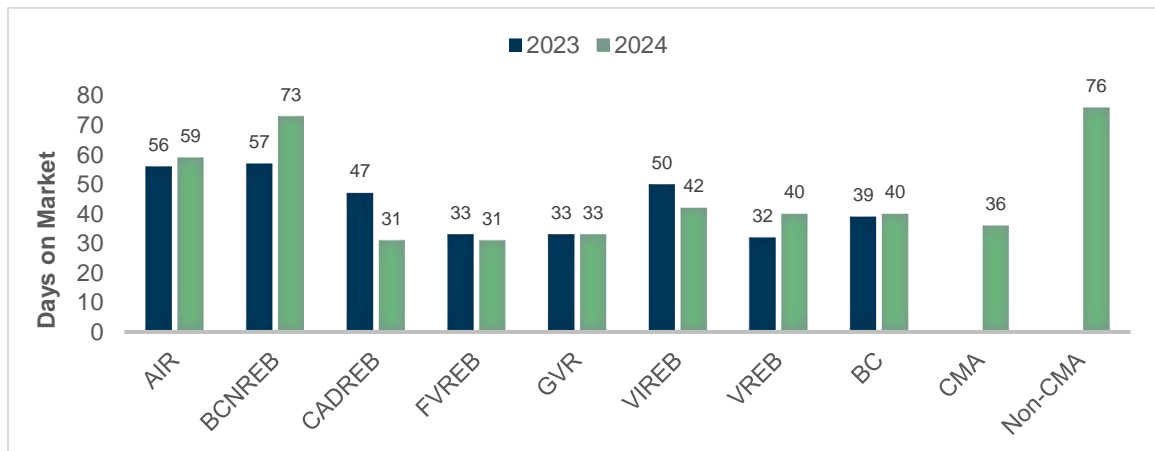
Conditions

- Approximately 65 per cent of reported offers included a condition precedent for insurance, 83 per cent included a home inspection condition, and 75 per cent included a condition related to financing. These numbers are similar to what was reported in 2023.
- Financing and home inspection conditions were less frequently observed for transactions outside of CMAs when compared to those occurring in CMAs.
- Insurance conditions were more common in transactions occurring in the Association of Interior Realtors Board (“AIR”) and the BC Northern Real Estate Board (“BCNREB”). Specifically, 77 per cent of transactions reported from AIR and 89 per cent from BCNREB included an insurance condition, which is higher than the provincial average (65 per cent). Comparatively, only 53 per cent of transactions in GVR included an insurance condition.

Price and Days on Market

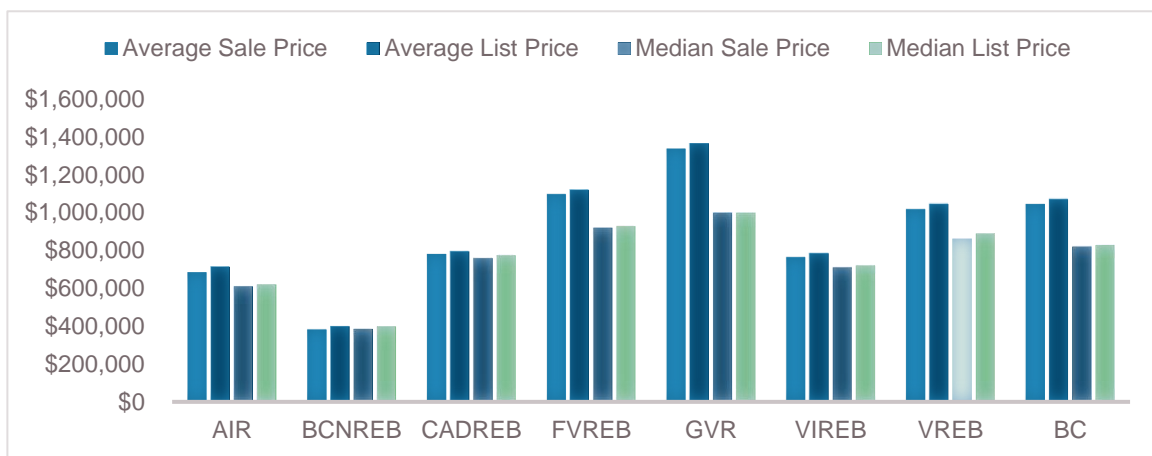
- As show in in Figure 4, listings were on the market for an average of 40 days. This is comparable to the 39 average days reported in 2023. Transactions located in BCNREB and AIR spent comparatively longer on market than those located closer to the Lower Mainland (GVR, FVREB and CADREB). Similarly, listings outside of CMAs were on the market for a longer period on average.

FIGURE 4: Reported Days on Market by Real Estate Board and CMA



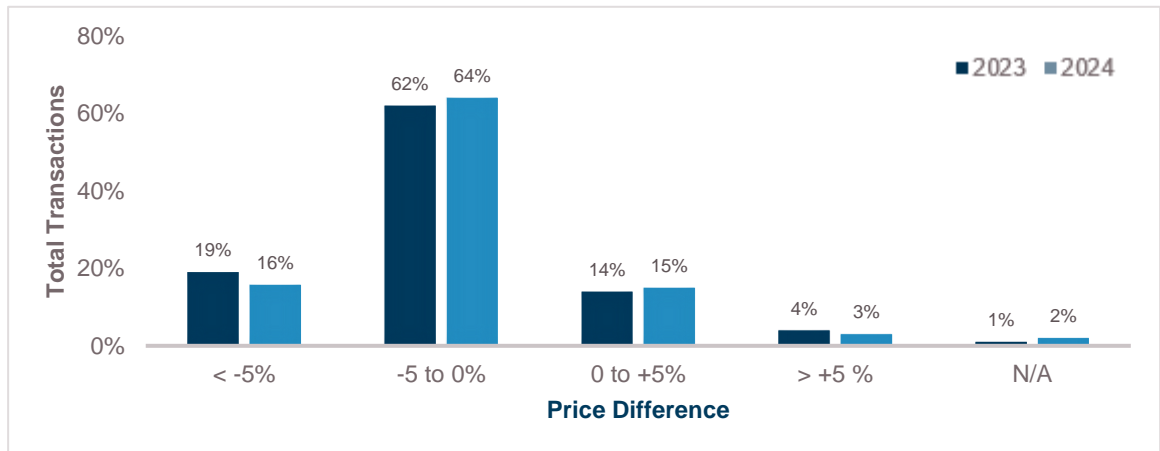
- The average sales price in 2024 based on the reported sample was \$1,044,432 and the average list price was \$1,070,034 (Figure 5). This is slightly higher to what was reported in 2023: \$999,274 average sales price and \$1,030,864 average list price.

FIGURE 5: Average and Median Reported Sale and List Price by Real Estate Board (2024)



- Approximately 80 per cent of properties sold either at or below their listing price both in 2023 and in 2024. However, the difference between the listing price and the sale price was within -5 per cent in 64 per cent of total transactions in 2024 (Figure 6).

FIGURE 6: Difference between List and Sale Price



- A greater share of listings outside of a CMA sold below listing price: 91 per cent of transactions outside of a CMA sold below listing price, compared to 78 per cent of transactions within a CMA.

Next Data Call

BCFSA's access to timely real estate data is essential to support regulatory decision-making and monitor consumer risks. BCFSA is anticipating conducting another data call in 2025. BCFSA will make more information, including a list of fields, available in the months leading up to the 2025 data call and provide advance notice to managing brokers. By regularly collecting and analyzing data on residential sales, BCFSA will continue to compare year-over-year trends in market conditions and monitor the impact of various changes including consumer protection measures.

BCFSA extends its appreciation to the many managing brokers who participated in the data call.

Home Buyer Rescission Period (“HBRP”) Reporting

BACKGROUND

In January 2023, the BC Government implemented amendments to the *Property Law Act* that establish the HBRP. The HBRP provides purchasers of residential real property an opportunity to rescind a contract of purchase and sale within three business days after offer acceptance. BCFSA is responsible for supporting the implementation of the HBRP as well as monitoring its use.

To support policy and program evaluation, brokerages are required to report on rescission notices prepared or received by their brokerage as part of their annual brokerage activity report, which brokerages submit to BCFSA within 120 days of the end of their fiscal year. Additionally, BCFSA collected data on the use of the HBRP in the 2023 data call as an opportunity to obtain early insight into uptake of the HBRP; this data was reported on in the [2023 data call report](#).

As part of the HBRP reporting, managing brokers are required to submit the following information to BCFSA:

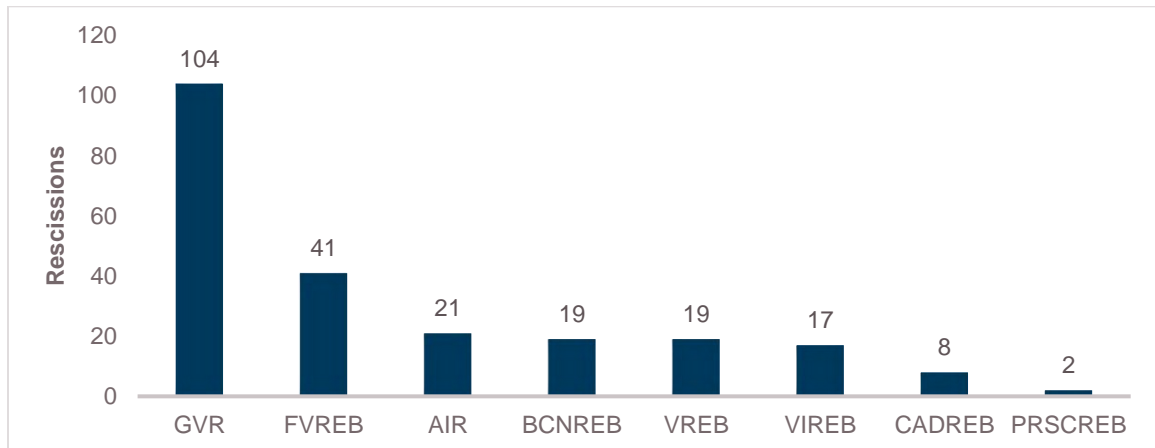
- The licence number of the brokerage or branch office;
- The real estate board or association area where the property is located;
- Property type;
- List price on date of offer acceptance;
- Accepted offer price;
- Date of offer acceptance;
- Which party the brokerage represented;
- Date of rescission notice;
- Amount payable on rescission; and
- Whether there was a deposit and, if so, the amount of the deposit and whether it was held in the brokerage trust account.

Results

To date, BCFSA has received reports of 231 rescissions in 2023. It is important to note that this number is not indicative of the total number of rescissions for the 2023 calendar year. Rather, approximately 50 per cent of brokerages have filed an activity report covering the entire 2023 calendar year, with the balance of brokerages filing at other times throughout the year. Additionally, there were several data quality challenges, which are discussed in more detail below, which limits reliability of the data. As such, the observations should not be extrapolated to draw conclusions about the broader real estate market and the use of the HBRP.

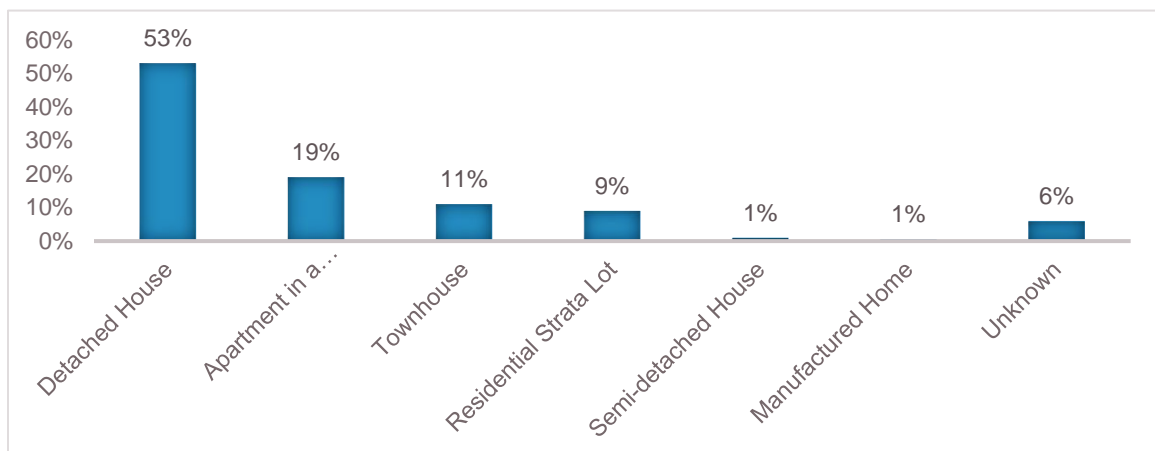
- The sample includes rescissions from all regions of the province. As shown in Figure 7, the highest number of rescissions was reported in GVR (104 rescissions), followed by FVREB (41 rescissions).

FIGURE 7: Reported Rescissions by Real Estate Board



- More than 90 brokerages reported either issuing or receiving at least one rescission over the reporting period. These brokerages also reported approximately 83,344 residential sales transactions (based on their most recent brokerage financial information filing). Because of challenges with aligning reporting and data quality, it is difficult to accurately calculate the use of the HBRP as a proportion of sales. However, based on the limited data BCFSAs has collected, it is BCFSAs assessment that uptake of the HBRP continues to be low and is consistent with the trends reported in the 2023 data call.
- Based on the sample, the average days to rescind was 2.2 days and the average rescission fee amount was \$2,889.
- Figure 8 provides a breakdown of rescissions by property type. Based on the sample, rescissions were most commonly reported in transactions involving detached houses (53 per cent of reported rescissions) followed by apartments in a duplex or multi-unit building (19 per cent of reported rescissions).

FIGURE 8: Reported Rescissions by Property Type



Observations and Next Steps

As noted above, there were several challenges with the timeliness of data and data quality which in turn makes the data incomplete and limits BCFSA's ability to report out on the use of the HBRP with confidence. Preliminary analysis indicates that number of rescissions reported to date is underreported:

- Brokerage annual filings are not reported based on the calendar year but rather follow a brokerage's fiscal year, with the report due to BCFSA 120 days following the brokerage's fiscal year end. Each brokerage may have a different fiscal cycle and as such, despite the HBRP being first implemented in January 2023, BCFSA will not receive all data on HBRP use in the 2023 calendar year until March 2025.
- Some of the reported data had significant data quality issues. In many instances, HBRP data submitted by brokerages was incomplete (e.g., missing fields), inconsistent (e.g., submitting the notice of rescission instead of a workbook) or inaccurate. Additional data validation tools are required to ensure that the data is accurate and reliable.

Taking these reporting challenges into consideration, BCFSA is taking steps to modify how brokerages report HBRP data to improve the timeliness, quality, and reliability of information on the use of the HBRP. Using previously unavailable reporting tools and authorities, revised reporting requirements are anticipated to be in place in the fall to guide reporting out on the use of HBRP in the 2024 calendar year and beyond.



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