



2021 LICENSING FEE CHANGES

Real Estate Council of British Columbia

Consultation Summary Report
February 1, 2021

Executive Summary

This report provides an overview of responses received during the December 2020 – January 2021 consultation on proposed licensing fee changes by the Real Estate Council of BC (RECBC). It summarizes the results of closed-ended questions from the online survey circulated to real estate professionals and available on the RECBC website during the consultation period.

The survey also included open-ended questions that invited respondents to share their opinions and feedback. In addition, written feedback was received via email from the British Columbia Real Estate Association, (BCREA) and feedback was received during a question and answer period following a presentation to over 125 managing brokers at a BCREA Community of Practice webinar. Feedback received from these sources is being themed and analyzed, and a further detailed report on this feedback will be released in March 2021.

Background

At its September 2020 meeting, the members of the Real Estate Council of BC directed RECBC staff to conduct a consultation on a proposed increase of licensing fees for real estate professionals. While RECBC is not required under the Real Estate Services Act to consult before making changes to fees, it was recognized that 2020 was a challenging year for many businesses, and that the most transparent way of proceeding was to conduct a consultation before implementing any increase.

This consultation was also an opportunity to remind licensed professionals that portions of the total fee paid to the regulator are remitted to fund other regulatory services. Currently, just over one third of the licensing fee real estate professionals pay every two years is retained by RECBC. The remainder of the fee is collected by RECBC on behalf of other organizations, including the Real Estate Errors and Omissions Insurance Corporation, the Real Estate Compensation Fund Corporation, and the Office of the Superintendent of Real Estate.

On December 10, 2020, RECBC launched a 30-day consultation period, publishing a consultation paper and inviting real estate professionals, members of the public and other stakeholders to participate by completing an online survey. The survey asked respondents to provide feedback on a number of questions, including whether they understood the reasons for the fee increase, what services from RECBC provided them with the greatest benefits, and what services or programs they would recommend as areas of focus for future improvements or enhancements. The survey, which closed on January 10, 2021, gathered feedback from 1,166 respondents.

Other consultation activities included:

- A presentation on January 13, 2021 to approximately 125 managing brokers as part of the British Columbia Real Estate Association's Community of Practice webinar series.
- Consideration of written feedback received from the British Columbia Real Estate Association on January 25, 2021.

At its January 2021 meeting, the Real Estate Council of BC considered the results of the consultation and approved an increase of \$200 to licensing fees, effective April 1, 2021.

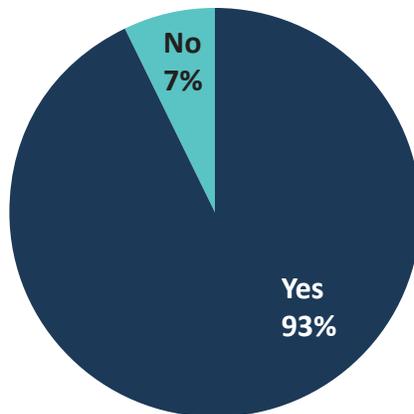
Overview of Survey Findings

The objective of the online consultation survey was to ensure that real estate professionals, members of the public, and other stakeholders had an opportunity to make their voices heard in a confidential process that allowed participation at any time. The survey was completely anonymous, to ensure that participants could feel comfortable providing their feedback. It was purposely kept brief so that time required for completion would not be a barrier to participation.

A total of 1,166 responses were received. Real estate professionals made up the significant majority of respondents (97.9%) and included managing brokers, associate brokers, and representatives from all areas of BC.

Survey Responses

Do you understand how RECBC uses licensing fees to regulate the real estate sector?



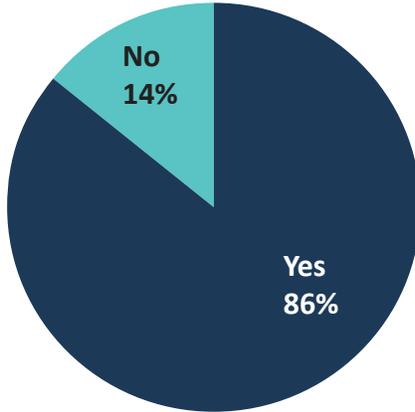
A large majority (93%) of respondents indicated that they understood how RECBC uses licensing fees to regulate the real estate sector.

Licensing fees enable RECBC to regulate real estate professionals, including trading services (real estate sales), strata management and rental property management. RECBC is a Crown agency and does not receive any public funding. Licensing fees pay for the direct costs of regulating real estate professionals in BC including:

- reviewing and processing licensing applications, renewals, licence transfers, surrenders, and other frequent requests;
- conducting brokerage audits to help ensure that business processes and policies are compliant, and that the money entrusted to brokerages by members of the public is adequately protected;
- providing professional standards guidance and advisory services, as well as consumer and public education; and
- responding to inquiries and complaints from members of the public, conducting investigations, and disciplining real estate professionals in cases of misconduct.

There are also indirect costs of regulation: finance and accounting, communications, technology, stakeholder engagement, facilities and staffing, and more.

Do you understand the proposed change to licensing fees?

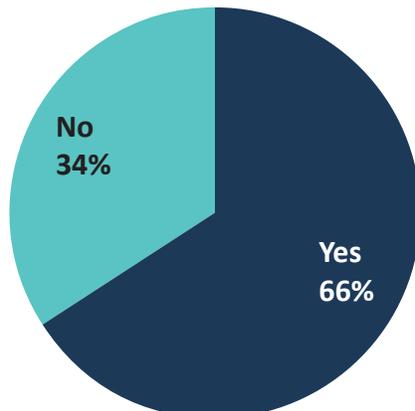


Similarly, a large majority (86%) of respondents indicated that they understood the proposed change to licensing fees.

RECBC’s licensing assessment fee will increase by \$200 effective April 1, 2021. This will mean that of the \$2,000 in total fees paid by first time applicants, \$850 will go to RECBC. For renewal applicants, \$800 out of a total \$1,650 will go to RECBC.

RECBC’s current licence and assessment fees were last updated in 2018. These fees are no longer sufficient to keep pace with a rapidly changing industry, making additional funding necessary to continue the improvements in service delivery that RECBC has initiated. The fee changes effective April 1, 2021 will allow RECBC to continue to invest in systems and technology which are critical to maintaining public protection. RECBC will maintain its focus on service delivery, including increasing public awareness, enhancing the timeliness of processing complaints, conducting thorough investigations, and administering appropriate and proportionate discipline for misconduct.

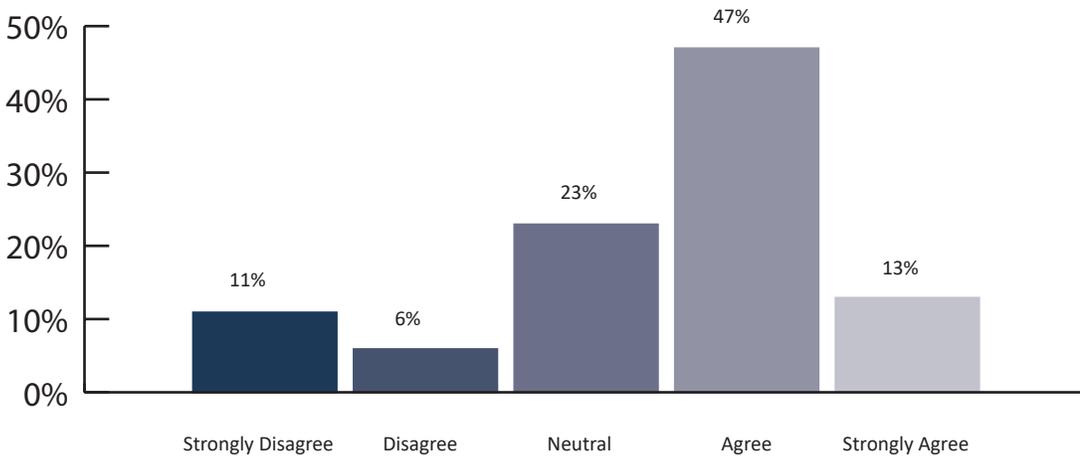
Do you understand the reasons for making the proposed changes to licensing fees for real estate professionals and brokerages in BC?



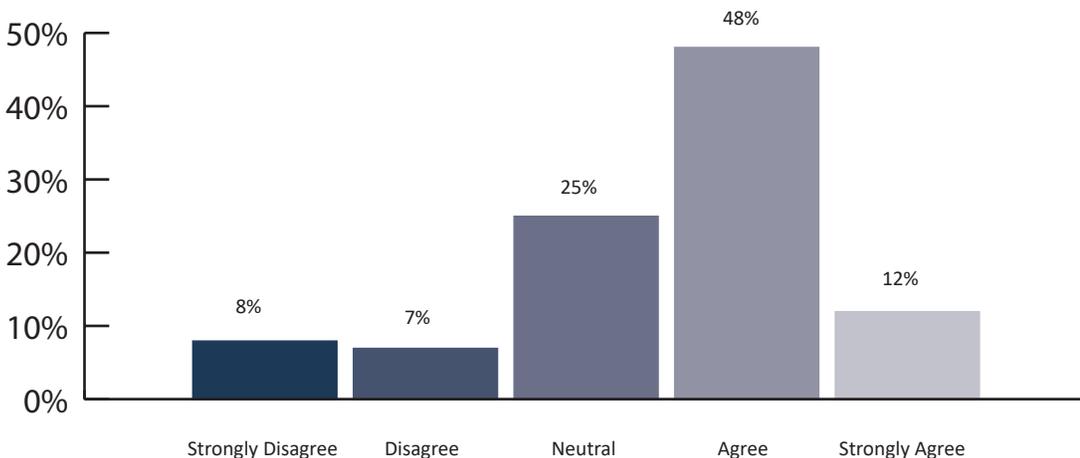
Here, two thirds (66%) of respondents indicated they understood the reasons for making the change to licence fees.

Changes to licensing fees will enable RECBC to continue to deliver service improvements for real estate professionals and achieve our vision: Public trust in ethical and competent real estate professionals. Fees enable RECBC to deliver on regulatory objectives, including improving operations and modernizing service delivery. Fees also support the retention and attraction of skilled staff to support real estate professionals and consumers. Important technology improvements are underway to streamline and automate workflows, increase data security, and improve the efficiency of licensing processes. The fee change will enable RECBC to keep pace with the volume of inquiries and complaints it receives, become more proactive in assessing the consumer impact of industry changes, and will minimize the risk of regulatory services being undermined from lack of funding.

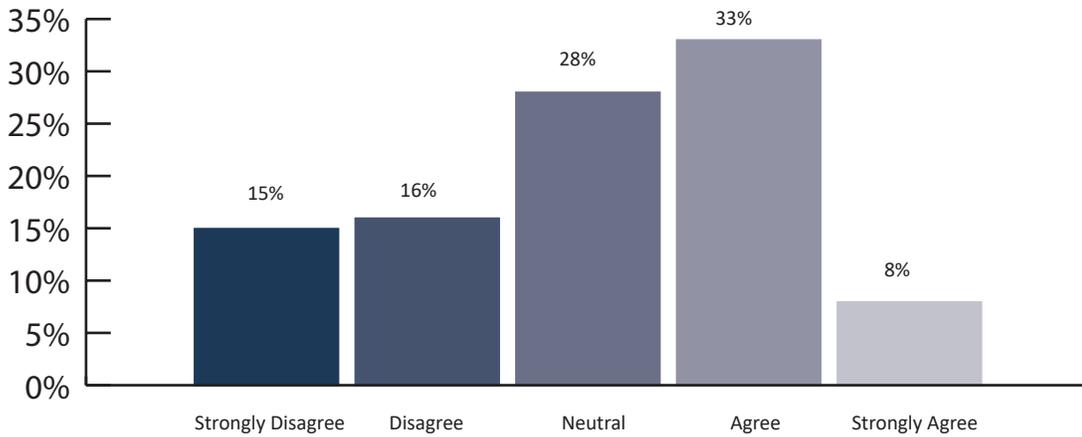
Respondents were also asked to indicate their levels of agreement with three statements about the information that was provided in the consultation documents.



When asked whether they agreed that the information about the licence fee change was easy to read, most respondents (60%) agreed or strongly agreed.



Similarly, the majority of respondents (60%) understood the information provided.



Over one third (41%) of respondents agreed or strongly agreed that the information answered their questions about RECBC's fees.

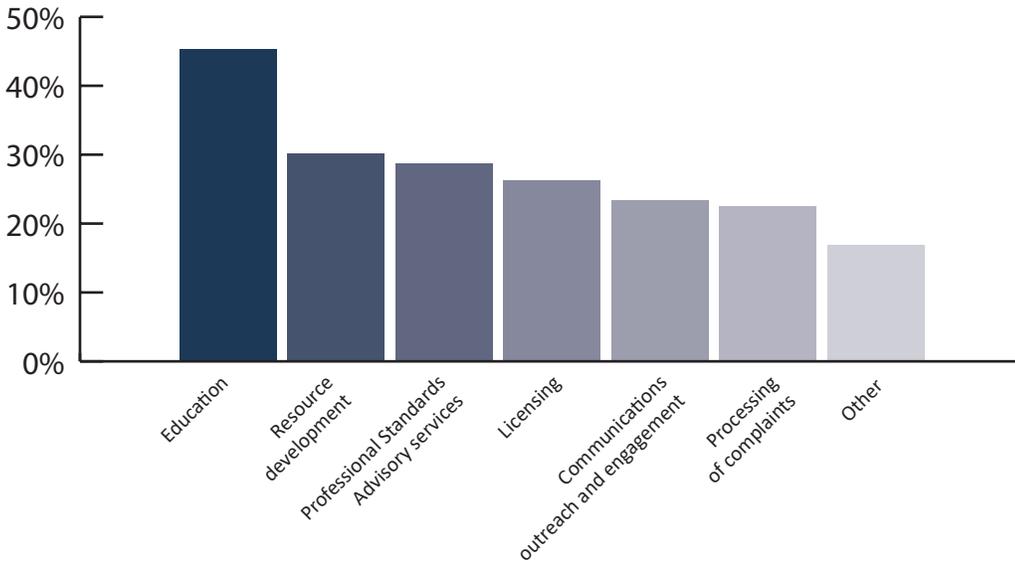
Services that provide real estate professionals the most benefit.

Item	Overall Rank	Rank Distribution
Licensing services	1	
Continuing Education	2	
Professional Standards Advisory services	3	
Information Provision	4	
Investigations and Discipline	5	
Other	6	
Brokerage audits	7	

Respondents indicated that RECBC’s Licensing services, Continuing Education and Professional Standards Advisory Services benefit them the most.

The increase to licensing fees effective April 1, 2021 will help ensure real estate professionals can continue to receive timely, responsive licensing services, valuable education programs and professional practice guidance, along with strong regulatory oversight, and reduced risk of public harm; all of which supports increased public trust in the profession. Each of RECBC’s core business areas is focused on contributing to the achievement of these goals.

Areas where respondents would like to see service enhancement.



Most respondents chose Education as one of the top three areas where they would like to see service improvements and enhancements. This was followed by Resource development and Professional Standards Advisory services.

Education and the provision of information and guidance have been areas of focus for RECBC in recent years, with the development of new mandatory continuing education courses in agency, anti-money laundering, and ethics, along with significant changes to the Legal Update course and the launch of a new website.

We know the value real estate professionals provide to consumers and the public. We are committed to continuing to deliver high quality services to enable real estate professionals to do their jobs safely and effectively. Through continuous improvements in our regulatory approach and processes we will strengthen consumer protection for British Columbians, ensuring that members of the public can participate with confidence in real estate transactions.