

Competency framework in *residential* real estate brokerage

**Professional competencies
evaluated by the OACIQ**

OACIQ
ORGANISME D'AUTORÉGLÉMENTATION
DU COURTAGE IMMOBILIER DU QUÉBEC



Competency framework in *residential real estate brokerage*

The competency framework is a guide to help future brokers understand what competencies must be developed and mastered in order to act ethically and responsibly in their real estate brokerage practice.

Seven competencies make up the competency framework:

- Acting ethically and responsibly in one's brokerage practice
- Managing one's professional activities in the field of real estate
- Making use of general and special rules of law in brokerage transactions
- Assessing the quality and the various building elements of an immovable
- Estimating the market value of a residential immovable
- Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of a residential immovable
- Distinguishing the basic principles of mortgage financing.

Each competency of the framework was developed after an analysis of professional situations, followed by a validation process with the sector's practitioners and professionals to ensure that the framework corresponds to reality while meeting the requirements of the profession.

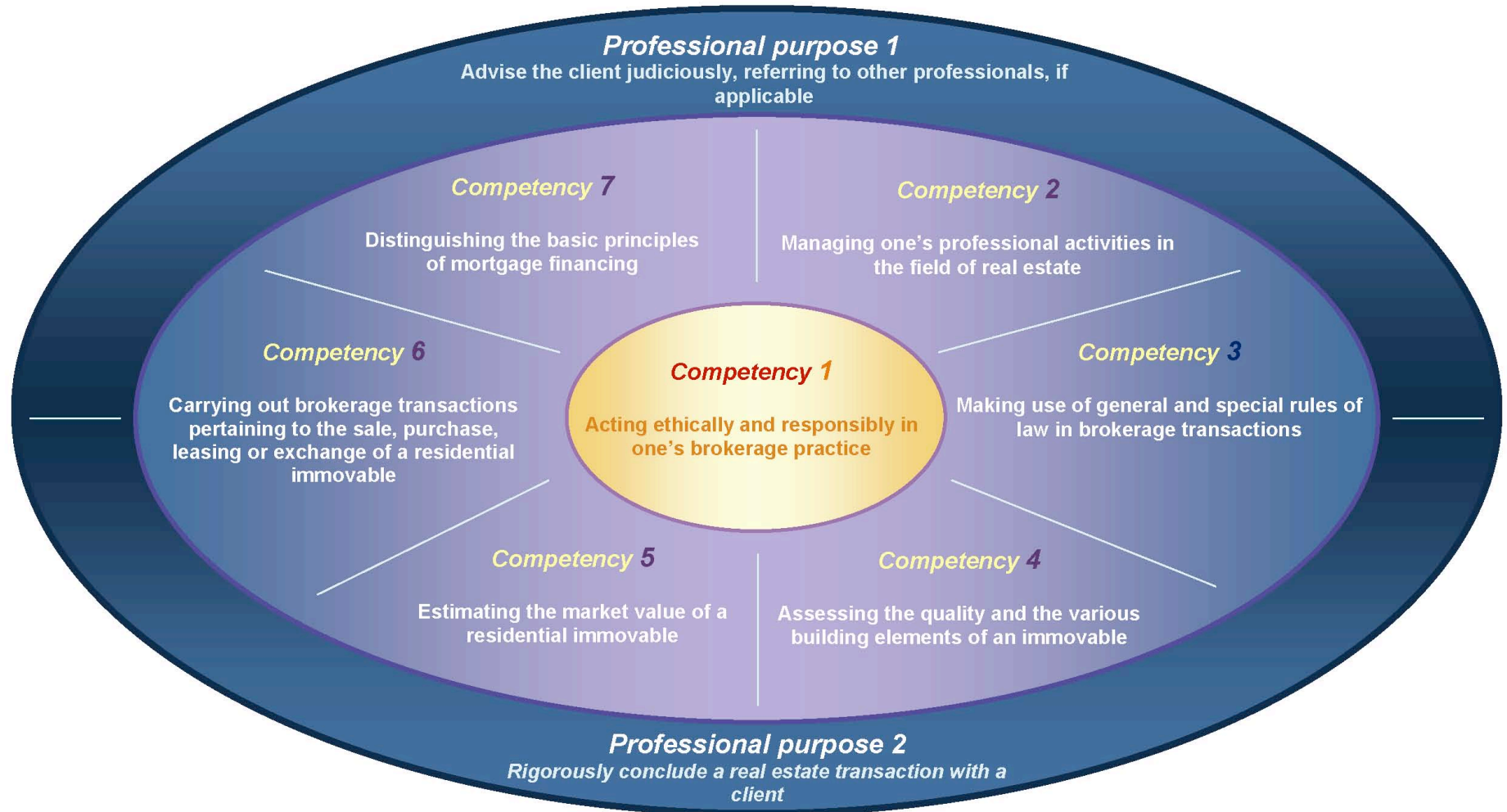
A professional situation represents the responsibility incumbent on the broker in the course of his/her professional duties. These professional situations give rise to professional actions that must be implemented to ensure the fulfillment of such responsibilities.

Finally, these professional actions necessitate mastery of professional resources. These resources are primarily the knowledge that the candidate must master in order to act professionally and effectively.

The OACIQ's new examination was designed based on this competency framework.

The development process of the competency framework in residential real estate brokerage was patterned on the model proposed by Mr. Jacques Tardif, Professor at the Université de Sherbrooke.

Competency framework in residential real estate brokerage



Competency framework in residential real estate brokerage

| Core competencies | Professional situations | Professional actions | Resources |
|---|---|---|------------------------------------|
| Competency 1 Acting ethically and responsibly in one's brokerage practice | All | All | Code of Ethics |
| | | | Rules of ethics |
| Competency 2 Managing one's professional activities in the field of real estate | Fulfilling one's obligations as a self-employed broker or a salaried broker | Being in business | Basic accounting |
| | | | Working capital and liquidity |
| | | | Taxes on purchases and sales |
| | | | Looking for clients, solicitation |
| | | | Business plan |
| | | Knowing one's obligations to a client | Indemnity Fund to protect deposits |
| | | Defining one's practice as a salaried broker or as a self-employed broker | Self-employed broker |
| | | | Salaried broker |
| | | | Time management |
| | | Fulfilling one's fiscal obligations to governments | Tax laws |
| | | Goods and services tax | |
| | Ensuring the legality of one's practice | Liability insurance | |
| | Using professional resources related to real estate | Complying with the OACIQ's rules | Advertising rules for brokers |
| | | | Dues |
| Knowing how to use the resources of real estate boards | | Real estate structure in Canada | |
| | | Roles of the real estate boards | |
| | | Financial implications | |
| | | Membership | |
| Filling in the brokerage form | | Clause 6 of the brokerage contract | |
| Acting as the listing agent | | Listing a property | |
| | SIA/MLS by-law | | |
| | Databases of real estate boards | | |

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|--|--|---|--|--|
| Competency 2 Managing one's professional activities in the field of real estate (continued) | Establishing professional relationships with other brokers in the real estate field | Collaborating with another broker | Compensation in a multi-broker transaction Competition Act and compensation Code of Ethics | |
| | | Settling disputes with another broker | Arbitration by real estate boards | |
| | | Publicizing one's real estate brokerage services | Competition Act | |
| | | Doing the administrative work necessary to keep registers and records | OACIQ standards | |
| | Keeping records, books and registers of real estate transactions | Preparing for a professional inspection | Steps of a professional inspection Syndic's investigation | |
| | | Using the trust accounts | Operation of the trust accounts Rules governing the trust accounts | |
| | | Acting in accordance with the laws and regulations | Real Estate Brokerage Act | |
| | | | OACIQ By-law and Code of Conduct | |
| | Competency 3 Making use of general and special rules of law in brokerage transactions | All | All | |

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| Competency 4 Assessing the quality and the various building elements of an immovable | Recognizing the possible signs of problems with an immovable | Recognizing the possible signs of problems related to the construction and the situation of an immovable's buildings | Problems related to the region (clayey soil, etc.) |
| | | | Problems related to materials (e.g. pyrite, iron ochre and others) |
| | | | Inadequate or faulty foundation |
| | | | Craft renovation |
| | | | Chalet converted into principal residence |
| | | Minimizing the risks of recourses | Broker's first inspection |
| | | | Inspection by a professional |
| | | | History of documented renovation |
| | | Advising use of professional services | Inspectors, experts, etc. |
| | | Ensuring follow-up after inspection | Form and content of the inspection report |
| | | Knowing the possible recourses | Arbitration |
| | | | Civil Code |
| | Negotiated agreement (renegotiation) | | |
| | Deciphering certificates of location | Encroachment | |
| | | Servitudes | |
| | | Compliance with municipal by-laws | |
| | Determining the quality of a building | Evaluating the condition of an immovable | Foundation |
| | | | Envelope and openings |
| Materials used (floors, roof, etc.) | | | |
| History of renovations | | | |
| Evaluation a building's level of maintenance | | Condition of the different parts (plumbing, electricity, etc.) | |
| | | Performing a visual inspection of the interior and the exterior | |
| | | Being present during the inspection performed by a third party | |
| Protecting the client by explaining the issues of the inspection | | Complete normal inspection routine | |
| | | Knowing the broker's limits | |
| | | Association of competent appraisers and professionals for the inspections (professional insurance) | |

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| Competency 5 Estimating the market value of a residential immovable | Providing an opinion on the value of an immovable | Appraising the contributive values of an immovable | Presence of a heat pump, swimming pool, fireplace, busy street, etc. |
| | | | Renovation (kitchen, etc.) |
| | | | Effect of geographic location |
| | | | Effect of architectural style on the property |
| | | | Effect of limitations of public law (e.g. cultural property, religious property, etc.) |
| | | Identifying the comparables or determining the price based on what is comparable | Sales market |
| | | | Rental property (less than 5 dwellings) |
| | | | Farmette |
| | | Using different methods to establish the value of a property | Non-standard property (adjustments) |
| | | | Parity method (comparables) |
| | | Replacement cost method | |

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| <p>Competency 6</p> <p>Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of a residential immovable (less than 5 dwellings)</p> | <p>Drafting a brokerage contract for the sale of an immovable</p> | Distinguishing among the different brokerage contracts to sell | Types of buyers and sellers, seller non-resident of Canada |
| | | | Time limits |
| | | | Property (less than 5 dwellings) |
| | | | Forms available |
| | | | Preliminary contract for a new building |
| | | Ensuring that the parties understand the brokerage contract and their rights and obligations | OACIQ Code of Ethics |
| | | Determining the laws and regulations associated with a property | Zoning, cultural property, agricultural land, riparian zone, airport zone |
| | | | Environment and urban planning |
| | | | Act respecting the Régie du logement |
| | | Determining the ownership of an immovable | Powers of attorney |
| | | | Intervention of spouse |
| | | | Declaration of co-ownership |
| | | | Certificate of location |
| | | | Claims and hypothecs |
| Drafting a standard or specific clause | Succession and security for legal costs (legal warranty) | | |
| | Broker's liability | | |
| | Legal drafting | | |
| Documenting before drafting | Real Estate Brokerage Act | | |
| | Publication of rights | | |
| Reflecting the will of the parties | Declarations by the seller – Annex G | | |
| Drafting the right brokerage contract regarding sales and its annexes | Civil Code on contracts and obligations | | |
| | Forms available | | |

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| Competency 6 Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of a residential immovable (less than 5 dwellings) (continued) | Drafting a brokerage contract for the purchase of an immovable | Knowing the current brokerage contract to purchase | Purchaser |
| | | | Seller |
| | | | Property (less than 5 dwellings) |
| | | | Forms available |
| | | Ensuring that the parties understand the brokerage contract and their rights and obligations | OACIQ Code of Ethics |
| | | | Intervention of spouse |
| | | Determining the ownership of an immovable | Powers of attorney |
| | | | Declaration of co-ownership |
| | | | Certificate of location |
| | | | Succession |
| | | | Zoning, cultural property, agricultural land, riparian zone, airport zone |
| | | | Environment and urban planning |
| | | Drafting a standard or specific clause | Broker's liability |
| | | Documenting before drafting | Real Estate Brokerage Act |
| Publication of rights, land registers | | | |
| Reflecting the will of the parties | Declarations of the seller – Annex G | | |
| Drafting the right contract and its annexes | Civil Code on contracts and obligations | | |
| | Forms available | | |

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| Competency 6 Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of a residential immovable (less than 5 dwellings) (continued) | Drafting a brokerage contract for the leasing of an immovable, including the annexes | Distinguishing among the different brokerage contracts to lease | Lessee Lessor Property (less than 5 dwellings, cottage country, time share, etc.) |
| | | Ensuring that the parties understand the brokerage contract and their rights and obligations | OACIQ Code of Ethics |
| | | Determining the ownership of an immovable | Zoning, cultural property, agricultural land, riparian zone, airport zone |
| | | | Powers of attorney |
| | | | Declaration of co-ownership |
| | | | Certificate of location |
| | | Drafting a standard or specific clause | Leases, sublet and cotenancy |
| | | | Broker's liability |
| | | Documenting before drafting | Legal drafting |
| | | | Real Estate Brokerage Act |
| | | Reflecting the will of the parties | Publication of rights |
| | | Drafting the right contract and its annexes | Declarations of the seller – Annex G |
| | | | Act respecting the Régie du logement |
| | | | Civil Code on contracts and obligations |
| | Forms available | | |

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| <p>Competency 6</p> <p>Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of a residential immovable (less than 5 dwellings) (continued)</p> | Drafting a promise to purchase | Using the right form | Declarations of the seller (section 6) |
| | | | Clauses and standard clauses |
| | | | Forms available |
| | | Accompany one's client in the entire real estate approach | Normal steps of the transaction |
| | | | Notarial act |
| | | | Counter-proposal(s) |
| | | | Follow-up of the promises and their annexes after acceptance |
| | | Ensuring that the parties understand the promise to purchase and their rights and obligations | OACIQ Code of Ethics |
| | | Drafting a promise to purchase | Preliminary contract for a new building |
| | | | Legal elements of a promise to purchase |
| | Time limit for acceptance | | |
| | Time limit for notification | | |
| | Purchase clauses conditional on qualification of the purchaser | | |
| | Clauses conditional on the sale | | |
| | Clauses conditional on cancellation of the first clause B2.3 | | |
| | Conditions attached to the promise to purchase | | |
| | Co-ownership document | | |
| Drafting a promise to lease | Using the right form | Clauses conditional on leasing | |
| | Accompany one's client in the entire real estate approach | Normal steps of the transaction | |
| | | Notarial act | |
| | | Counter-proposal(s) | |
| | Ensuring that the parties understand the promise to lease and their rights and obligations | OACIQ Code of Ethics | |
| | Drafting a promise to lease | Leases, sublet and cotenancy | |
| | | Act respecting the Régie du logement | |
| | | Restricted availability for occupancy | |

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| Competency 7 Distinguishing the basic principles of mortgage financing | Advising the parties in their mortgage approach | Calculating a client's overall borrowing capacity | Calculation mechanism |
| | | | Loan prequalification |
| | | | Initial deposit |
| | | | Amortization and interest rate |
| | | | Types of borrowing (A, B, C) |
| | | | Use of a financial calculator |
| | | Referring to mortgage brokers as needed | Limit of the role of the residential real estate broker |
| | | | Conflict of interest |
| | | | Avoiding a credit judgment |
| | | Giving mortgage advice | Types of loans |
| | | | Client's actual payment capacity |
| | | | Information on mortgage qualification |
| | | | Consequences for the seller |
| | | Informing the parties about the actual expenses related to a purchase and a sale | Seller credit and seller's liability |
| | | | Penalty |
| | | | Release |
| | | Advising the client soundly according to his/her wishes, needs and ability to pay | Mortgage transfer |
| | | | Calculation of debt ratios |
| Understanding the mortgage and how it works | Mortgage insurance | | |
| | CMHC | | |
| | Hypothecary recourses | | |
| | Government programs | | |