

CARMEN

DEFOY

REGULATION OF
REAL ESTATE TEAMS

Agenda

- BC's New Requirements for Teams
- Team Advertising
- Background: How Did We Get Here?
- Impacts of the New Rules
- FAQs
- Questions

New Requirements for Teams

Key Changes to the Rules

- Defining a “real estate team”;
- Requiring all teams to register with BCFSA; and
- Requiring advertising to identify the team’s name

The changes also clarify that:

- Teams must be composed of at least two licensed members;
- Team members cannot provide trading services outside of their team;
- Team members are collectively the designated agent of all the team’s clients;
- Licensees can only be a member of one team at a time; and
- All team members must be related to the same brokerage.

TWO OR MORE LICENSEES FROM THE SAME BROKERAGE:

- who advertise or indicate to the public that they are acting as a single entity.
- regularly engage as designated agents of the same client.
- who regularly work together in a manner that is consistent with the licensees being implied agents of the same party.

What Constitutes a Team?

REQUIREMENTS

Licensees

- registered to a team can only provide trading services through that team.
- must not provide trading services through a team unless they are a member of the team.
- can only be registered to one team at any given time.

All members registered to a team must be licensed to the same brokerage.

Brokerages must designate all members of the team as designated agents of any client of any member of the team.

How Teams Must Operate

REQUIREMENTS

- The term “team” is not required to be included in a team name under the new Rules.
- A team name must be unique to avoid confusion with an existing team name.
- Team names must not suggest that the team is a brokerage. It must be clear to the public that your team is not a brokerage.

Team Names

HOW TEAM AGENCY WORKS

Brokerage Agency

- Not applicable to teams as all licensees at the brokerage are agents of the brokerage's clients

Designated Agency:

- The managing broker designates all team members to act as agents of all the team's clients.
- Confidentiality rules that would apply to a designated agent, apply to the entire team for each client.

Teams and Agency

Team Advertising

Requirements

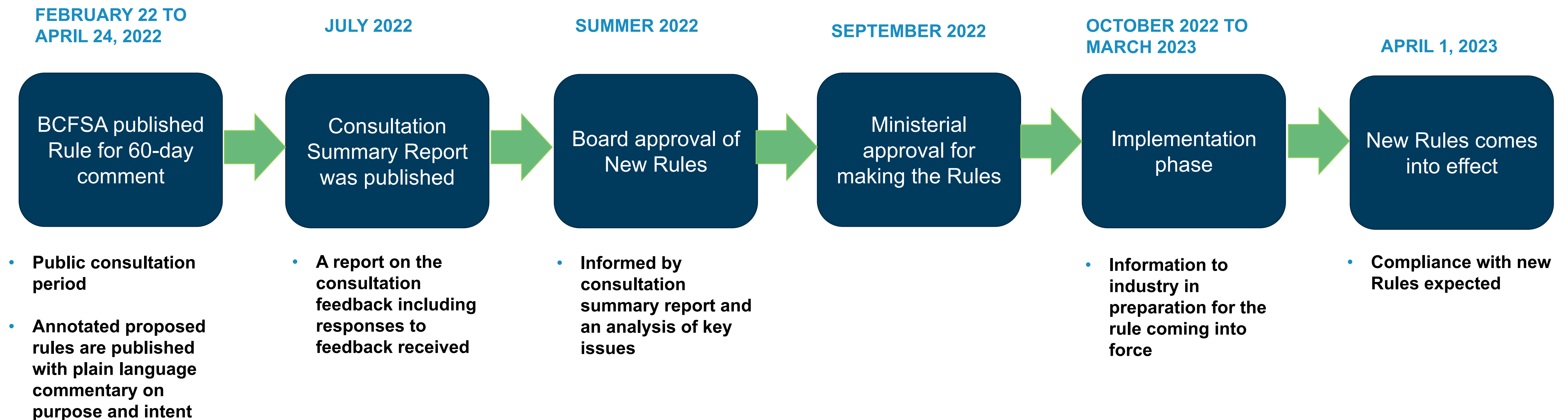
- Team name must appear on all team advertising
- Individual team members that wish to advertise on their own must also include the team name
- You can advertise unlicensed assistants, but you must identify them as unlicensed
- Team names do not have to contain the term “team”
 - It is recommended to avoid potentially misleading the public into believing the team is a brokerage



Background: How Did We Get Here?

Enhancing Regulation of Real Estate Teams

THE JOURNEY



Participation Overview

- **1,252 people** participated in the consultation.
- Of these individuals, **590 chose to provide comments** on various aspects of the proposed Rules for teams.
- **ALL comments were reviewed and considered** by BCFSA.

Consultation Results Summary

Key Themes - Teams

- Team size
- Training and education
- Agency and teams
- Team and brokerage confusion
- Requirement to register
- Red tape

What We Heard

BCFSA

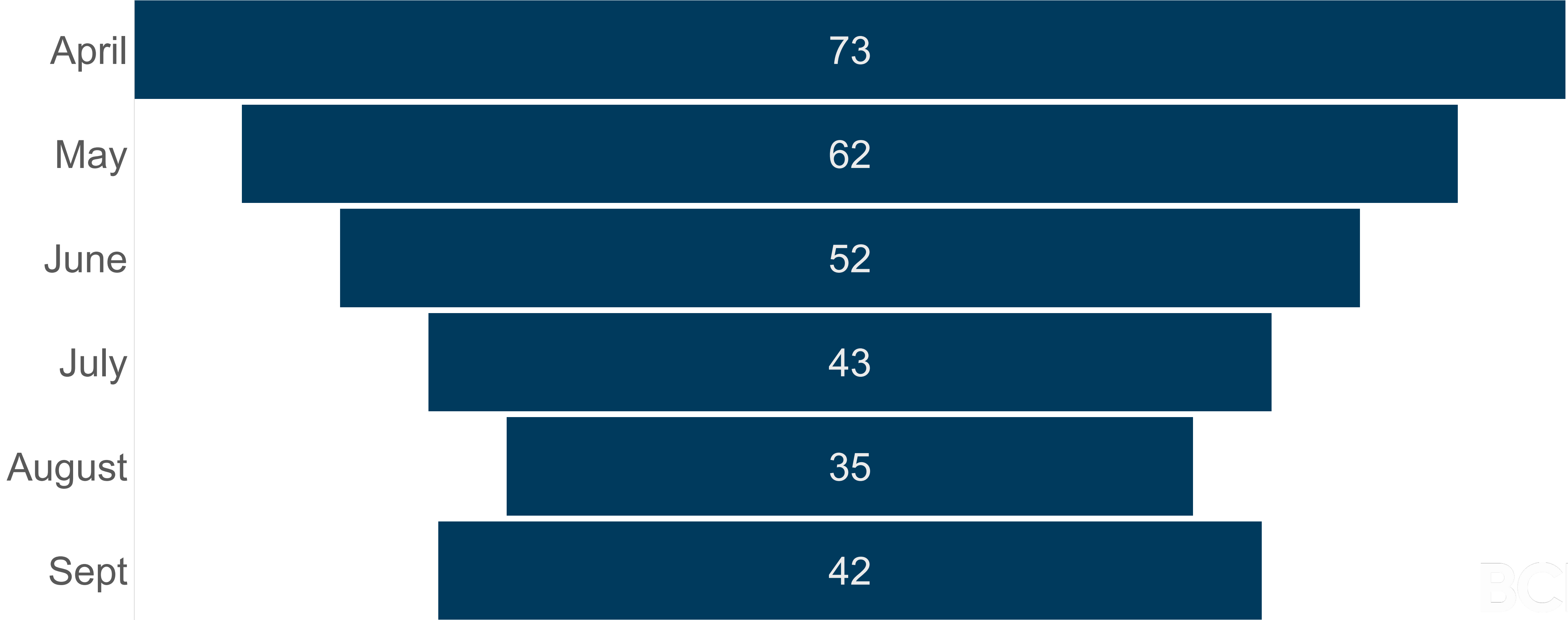
Impacts of the New Rules

Overall Increase in Registered Teams

	Teams	Members	% of Total Licensees
Pre-rules (at December 31, 2022)	1,527	4,299	15%
Current active teams (at October 4, 2023)	1,631	5,106	17%

New Teams Registrations by Month

New Team Registrations



FAQs

Q: I am mentoring a junior licensee, are we considered to be a team?

A: It depends.

- Mentoring an inexperienced licensee is an acceptable practice that may not require team registration.
- Consider if you are exclusively or routinely providing services to the same clients.

Q: Can a team member provide exclusive real estate services to a client is desired?

A: Yes, but be careful. If a client does not wish to receive services from other team members, you can agree to be the only team member who deals with them. However, all team members are still considered to be the client's representative and will still need to be listed on service agreements, contracts etc.

Q: Is the entire team responsible for the conduct of one team member?

A: It depends.

BCFSA will always consider the facts of the matter on a case-by-case basis. In cases where misconduct occurs, both the individual and the team could be held liable.

Q: Can a team be exempted from the requirement to register?

A: No. There are no exemptions to this requirement. All groups of licensees who meet the requirements to register as a team, as defined in the Rules, are required to register with BCFSA.

Q: Can members of a team act for both buyers and sellers in a single transaction?

A: Unless the team is exempt from the restriction on dual agency, the team cannot engage in dual agency to represent both a buyer and a seller, or multiple competing buyers. This is because the members of a team are considered to be collectively the designated agent of a client.

Questions?

**Thank
you.**