

THE ETHICS GUY



Reasons to use a REALTOR® rather than an unlicensed FSBO organization

Below is a list members can refer to when dealing with clients who may be considering using an unlicensed FSBO (for sale by owner) service. If you have any additional points to add, please contact Kim Spencer, Manager of Professional Standards, at kspencer@rebgv.org.

- REALTORS® are trained professionals, licensed by the Province of BC and are accountable to the Real Estate Council of BC.
- REALTORS® are subject to a higher standard than the minimum standard required by the *Real Estate Services Act*. REALTORS® are members of real estate boards and as such are required to adhere to the Canadian Real Estate Association's Code of Ethics and Standards of Business Practice.
- Both the Real Estate Council and 12 BC real estate boards use a comprehensive investigatory and disciplinary process to deal with complaints. REALTORS® who are found to have breached either the legislation or REALTOR® Code are subject to sanctions by their board and the Real Estate Council.
- REALTORS® have completed stringent educational and licensing requirements and must be of good reputation in order to become licensed.
- REALTORS® are committed to continuing education and consistently refine and improve their skills and professional knowledge through participation in the profession's Professional Development Program.
- REALTORS® are covered by a well-funded errors and omissions indemnity plan.
- Transaction deposits held by real estate brokerages are protected by the Special Compensation Corporation and are held by the REALTOR®'s brokerage as "stakeholder" until the transaction completes or the parties give instructions as to the disposition of the deposit.
- REALTORS® use standardized forms and have access to well drafted (and court-tested) clauses and phrases which affords a high level of protection and comfort to their clients.
- REALTORS® are paid when a transaction successfully completes meaning that commissions and fees are not normally paid by the client unless a transaction successfully completes.
- REALTORS® have access to and use the Multiple Listing Service® and MLS.ca listing services – the most successful real estate listing website in Canada.
- MLS® and MLS.ca® give REALTORS® access to the largest buyer pool in Canada, resulting in sellers benefiting from the widest possible exposure of their properties to the market.
- The Multiple Listing Service® is the most complete database of property listings and transactions available in Canada. MLS® helps sellers and buyers establish the market value of a property, eliminating guesswork which results in easier, quicker and more satisfactory negotiations. Only REALTORS® have access to MLS®.
- REALTORS® are trained marketing professionals – they know how to price and market properties so that they sell for the most money possible in the shortest time possible.
- REALTORS® are trained negotiators. Sellers and buyers do not generally negotiate for a living. This places them at a disadvantage because they can become emotionally involved when they deal directly with an unrepresented buyer or seller.
- REALTORS® are thoroughly familiar with representing buyers and sellers in real estate transactions and understand the pitfalls of the process. Sellers and buyers "doing it themselves" can make mistakes, the result of which can far outweigh any perceived or real financial advantages to be gained in saving a commission or fee.
- Unrepresented buyers and sellers using FSBO organizations expect to save REALTORS®' fees. However, since both buyers and sellers want to save the same commission or fee their negotiations begin at a disadvantage. Their negotiations are further hampered because they do not have an independent party like a REALTOR® to help them negotiate the best possible deal.
- REALTOR® involvement can protect consumers against the risk of a potential loss due to misadventure, fraudulent dealings or criminals who case homes during showings. REALTORS® provide 'on hand' professional advice, are adept at advising clients how to avoid any financially damaging situations and give consumers peace of mind by providing them with a stream of qualified clients.

