

GOVERNMENT RELATIONS

Do Greater Vancouver property owners need title insurance?

Property title problems have been making the news more frequently. Mortgage fraud seems to top the list, with examples like that of Susan Lawrence, an Ontario resident who put her home on the market and months later discovered a thief had forged signatures, fraudulently taken out a \$300,000 mortgage on her property, and then disappeared.

Title insurance has been offered as one solution. But is it? Do property owners need title insurance in Greater Vancouver?

For a bit of a history lesson, title insurance is popular in the United States. This is because the US land title system is based on the English deed conveyancing system.

In the US, a home buyer receives deeds from the seller, sometimes going back decades and occasionally even centuries. While not common, title defects in the US do occur, particularly when long forgotten legal owners come out of the woodwork and legitimately claim their property.

To protect against these defects, the title insurance industry developed.

But here in BC, we have a different type of land registry system than that used in the US and Ontario.

"In BC we have what is known as a modified Torrens system, run by the Land Title and Survey Authority which is responsible for managing, operating and maintaining BC's land title and land survey systems," explains Godfrey Archbold, CEO of the Authority.

Here's how it works.

When a property is registered in BC, documents are presented including conveyance documents.

The professional who performs the conveyance, either a notary public or a lawyer, has a professional obligation to perform due diligence to ensure that the identification presented and the property description is accurate.

"The Land Title Office confirms ownership every time a property is sold or mortgaged or when other interests are created including leases and

statutory rights of way," says Archbold.

The registration of title provides legal certainty of ownership and guarantees the certainty and the security of title.

"Fraud is exceptionally rare," notes Archbold who says that in the past 17 years, of a total of 13.5 million transactions in BC, only two have had problems with title fraud.

In these rare cases where a property owner is the victim of fraud, there is an assurance fund to provide financial compensation to the victim.

"There's no question that property owners need to be careful with their property records and their personal identification given the increase in identity theft," cautions Archbold.

"But British Columbians can buy and sell property with confidence that they're not at risk."

The Real Estate Board's position is that consumers can decide for themselves whether there are benefits to having title insurance.



Members we need your help advising the BC Government

Every year REALTORS® have the opportunity to advise the BC Finance Minister about how to spend surplus budget funds. The Real Estate Board has a good track record for having its recommendations adopted.

The BC government has a goal to reduce greenhouse gas emissions by 33 per cent by 2020. To achieve this, they're willing to consider using tax incentives to encourage British Columbians to make environmentally responsible choices.

Finance Minister Hon. Carole Taylor would like to receive ideas, comments or suggestions.

REALTORS® how do you think the tax system can be used to encourage environmentally responsible choices in the real estate and housing sectors?



Send your ideas to **Harriet Permut**, Manager, Government Relations, at hpermut@rebgv.org. Every member who responds will receive a special gift.



(L-R) Trevor Barnett, GR Committee Member; Hon. Colin Hansen, Minister of Economic Development and MLA for Vancouver-Quilchena; Sylvia Sam, Chair, GR Committee; Jamee Justason, Government Relations Assistant.

On July 26, 2007, representatives of the Government Relations Committee met with the Honourable Colin Hansen, Minister of Economic Development. The Property Transfer Tax and the need for a water action plan were discussed.

Mission Statement

The Real Estate Board of Greater Vancouver is committed to providing its members with the structure and services necessary to serve the real estate needs of the community. In the interest of our members and the public they serve, the Board promotes a high standard of professional business practices and ethics.

The Board upholds five principles intended to advance the interest of Greater Vancouver's citizens by: protecting property owners; ensuring economic vitality; providing housing opportunities; preserving our environment; and building better communities.

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Pre-sale issues prompt action from the UDI and the Superintendent of Real Estate **continued from page 1**

period to seek professional advice from their lawyers, notaries or real estate advisors on the contents and implications of their purchase contracts;

- » ensure that sales staff and real estate agents are fully familiar with the contractual terms and cancellation provisions and that they inform the purchasers appropriately; and
- » consult with the project lender as to appropriate pre-sale requirements and timing of pre-sales relative to construction pricing commitments.
- supplement its existing Code of Ethics with requirements for the conduct of best practices in the area of consumer relations and pre-sale agreements.
- support the work of the Homeowner Protection Office in their efforts to elevate the bar for the residential development industry through professional development.
- support initiatives by the Office of the Superintendent of Real Estate to develop enhanced Disclosure Statement requirements relating to pre-sales contracts.

The Superintendent of Real Estate has prepared a bulletin outlining information on pre-sale contracts including tips on obtaining legal advice and reviewing the disclosure statements, as well as some of the risks associated with pre-sales. To read the full text of the bulletin, go to the In the Spotlight section on the front page of www.realtorlink.ca or go to www.fic.gov.bc.ca/pdf/real_estate/REDMA-07-02.pdf.

In addition, in September, the Superintendent of Real Estate will publish two new policy statements which will require enhanced disclosure in the areas of the developer's background and specific requirements for disclosure for the marketing of real estate not yet constructed.



Photo: (Standing l-r): Angel Appleton, Seanry Dean, Laura Russo, Teresa Verigin, Maple Ridge/Pitt Meadows Division President Sandra Wyant and Jennine Brennan. (Seated l-r): Lynn Draper, Darah Wyant, Claudine Hennessey and Tiko the Golden Retriever!

Weekend to End breast Cancer event raises over five million dollars!

Sandra Wyant, president of the Maple Ridge/Pitt Meadows Division, joined over 2,000 participants for The Weekend to End Breast Cancer held from August 17-19. In total, \$5.1 million was raised to support breast cancer research, treatment and services through the BC Cancer Foundation. Just four years ago, in the first year of the event, \$200,000 was raised.

Sandra, and her team of nine, the "Bodacious Tatas", walked a rigorous 60 kilometres through rain and shine and up and down steep hills, camping overnight in the rain. Her team,

which included two breast cancer survivors, fed off the energy and the excitement of over 2,000 people working towards one cause. The slogan on their t-shirts summed up the event – Leave your mark!

Congratulations Sandra on your involvement in making a difference in the fight against breast cancer. The National Cancer Institute of Canada reports that approximately 20,500 Canadian women will be diagnosed with breast cancer in 2007, and about 5,400 will die from the disease.