SELLER'S GUIDEBOOK

A practical reference tool for the sale of your property with a Fraser Valley REALTOR®

WELCOME

The Fraser Valley Real Estate Board (FVREB) is an association of real estate professionals who live and work in the BC communities of North Delta, Surrey, White Rock, Langley, Abbotsford, and Mission. Our mission is to advance the interests of our communities by providing valuable tools, education and skills development opportunities that enable our members to provide the best possible service.

Disclaimer

This guide is intended to serve as a consumer resource for the sale of property in the Fraser Valley region, but does not replace the advice or services offered by a REALTOR®, nor provide any legal advice.

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DISCLAIMER:
This document is not intended to solicit properties already listed for sale with another broker.

CHART YOUR WAY THROUGH A SUCCESSFUL PROPERTY SALE

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CONTACT ME

Get in touch if you'd like to take the next step towards selling your property. I'll help you evaluate the value of your property and understand the current market, so you're better able to achieve your goals.

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01

WHY THIS SELLER'S GUIDE?

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This practical selling guide was designed to help you chart your way through a successful property sale.

For most people, selling real estate is one of the most significant financial decisions they will ever make. REALTORS® protect you with valuable advice, knowledge and expertise that allow you to sell with confidence knowing that you're making informed decisions.

Having the right Realtor on your side can transform a potentially stressful and complex transaction into an exciting and rewarding experience.

02

WHO ARE REALTORS®?

WHO ARE REALTORS®?

Realtors are licensed real estate professionals who are members of the Canadian Real Estate Association (CREA). CREA holds the trademark "REALTOR®." It symbolizes a commitment to competence, service and professional conduct. In the quest for these high standards, Realtors in Canada have been bound together by a REALTOR® Code of Ethics since 1959.

As well, Realtors must uphold the requirements of their provincial association (BCREA) and local real estate board. In most cases, Realtors who work in the Fraser Valley belong to the Fraser Valley Real Estate Board (FVREB).

Realtors have a shared commitment to provide expertise and high quality service to their clients, yet there is a lot of diversity among the Realtor community. Realtors are self-employed, independent business people who come from every walk of life. This means you are likely to find a Realtor to work with you who suits your unique needs.

Why use a Realtor?

When it comes to selling one of your most valuable assets, you want to work with someone you can trust. By using the services of a trained professional, you'll have an expert who can help guide you through every step of selling your property. After all, the key to making smart decisions is being informed.

A Realtor can help with many things including:

- Assessing the condition of your property and helping determine the best price
- Advising on improvements and staging ideas to enhance its marketability
- Promoting your property effectively to attract qualified buyers
- Fielding all enquiries, coordinating showings and reporting to you on both
- Receiving offers and handling negotiations to maximize your investment
- Assisting you at every step of the process by providing valuable advice and essential information

What can you expect from your Realtor?

When you work with a professional Fraser Valley Realtor, he or she is expected to:

- Promote your best interests with expert real estate advice and skills
- Simplify the process of selling with specialized real estate knowledge
- Offer consumer protections with trust coverage and insurance
- Stay informed of market trends, neighbourhoods, and property histories
- Communicate honestly and as frequently as you require on all matters of concern to you and your real estate transaction
- Offer personalized marketing services including MLS® access

Without a real estate advisor, you may be vulnerable to costly mistakes. Naturally you'll want to maximize your investment, and having a professional Realtor on your side increases the likelihood of selling your property for a higher price and with the fewest hassles.

Choosing a Realtor

Choosing a Realtor to work with is not that different from seeking out a good lawyer or dentist. It helps to get referrals from family and friends who have positive things to say about their experience with one.

Talk to several Realtors from different brokerages. Think about how well you communicated with each individual. Did they take the time to talk and listen to you? Did they clearly explain their marketing plan for your home? What unique skills and experience do they offer that will make a difference in your situation? Are they members in good standing with the Fraser Valley Real Estate Board?

What are brokerages?

A brokerage is the real estate office where a Realtor conducts their business.

Although Realtors are self-employed, they must work under the supervision of a licensed managing broker who has the responsibility to make sure all activities are completed competently and in accordance with requirements at all levels of government, the Real Estate Council of BC Rules and provincial legislation, the FVREB's R*ules of Cooperation* and CREA's *REALTOR® Code of Ethics and Standards of Business Practice*.

As well, brokerages each have their own unique approach to training, support, branding and fees, so it's wise to discuss the brokerage's business model with your Realtor.

Realtors must qualify to
renew their license every 2 years by
completing mandatory education courses.

Licensing qualifications

All real estate licensees in BC are required to complete a provincially-mandated training program though the University of British Columbia's, Sauder School of Business – Real Estate Division. Licensees must pass an entrance exam before becoming eligible for a licence.

The licences are issued by the province's regulatory agency for real estate in the province, the Real Estate Council of BC (RECBC). It's the RECBC that determines whether a licence is issued, suspended or revoked. Licenses must be renewed every two years and real estate licensees must complete specific training requirements in order to renew their license.

In addition to the ongoing requirements of the RECBC, in order to maintain their membership with the Fraser Valley Real Estate Board, Realtors are required to complete additional training through a Professional Development Program.

Roles for real estate professionals

A **representative**, salesperson or real estate agent is the most common type of real estate professional who performs all real estate duties while working under the supervision of a licensed broker.

An **associate broker** is licensed to trade real estate under the supervision of a licensed broker, has the same responsibilities as a representative and the skills to operate a real estate brokerage. A representative with a minimum of two years of real estate experience can choose to become an associate broker by obtaining an advanced level of real estate education and training on the operation of a real estate brokerage.

A **managing broker** is authorized to operate or manage a brokerage. He or she is authorized to make management decisions and is given management responsibilities within a brokerage. Each brokerage is required to have a designated licensed managing broker at all times.

A **broker** is responsible for the supervision of the brokerage, its staff and its representatives. He or she is responsible to ensure the business is run competently in accordance with the *Real Estate Services Act* and the *Real Estate Development Marketing Act*. A broker may also choose to trade in real estate with the same abilities as a representative.

A **brokerage** is authorized to trade in real estate on behalf of another individual. The brokerage engages real estate representatives to perform listing/selling functions under the supervision of the managing broker. There are three types of brokerages: sole proprietorship, partnership and corporation, and brokerages may have branch offices. Brokerages offer different business models to attract real estate professionals including different training, support, branding and fees.

Your options for representation

Before you start working together, your Realtor will ask you to review a document titled *Your Relationship with a Real Estate Professional*, which outlines the two types of relationships you can have with your Realtor.

Client – exclusive representation means the Realtor provides you with undivided loyalty, confidentiality, and security.

Non-Client – the Realtor is not working on your behalf as a representative but does provide information and assists with getting the transaction completed.

The most common way to work together is in a Client relationship. This is where you can expect undivided loyalty from your Realtor who is acting in an "agency" capacity. They are obligated to protect your confidentiality, avoid conflicts of interest, obey all lawful instructions, exercise reasonable skill and care when performing all assigned duties and account for all money and property placed in their care.

If you instead decide to be a Non-Client, your Realtor will review a document with you titled *Not a Client? Know the Risks* so you know exactly what to expect. For example, if you are a Non-Client, the Realtor cannot act as your advocate, provide advice, or guarantee to keep your information confidential. However, they can be a source of general information and act as a facilitator.

If, as a buyer, you find yourself in a situation where your Realtor has listed a property that you wish to make an offer on, there is a conflict of interest. Under law, your Realtor cannot represent both parties in the same transaction. The *Not a Client? Know your Risks* document includes a form that you will be asked to sign to acknowledge your understanding of what happens next, either as a continuing Client or a Non-Client.

In 2018, the Real Estate Council of BC banned Dual Agency wherein the same Realtor works with both the buyer and the seller without representing either party.

There is one exception to this ban. In remote locations that are under-served by real estate professionals and where it is impracticable, if not impossible, for the parties to have their own real estate agents, the buyer and the seller may opt to use the same Realtor to help with the transaction. In this exceptional circumstance, the Realtor must provide both parties with the *Not a Client? Know the Risks* document and secure their signatures to acknowledge they understand and accept the dual agency arrangement.

Finally, your Realtor will review with you and ask you to complete a form called *Privacy Notice and Consent* which explains the regulatory requirements of the Realtor, and how your personal information is collected and disclosed by their brokerage.

Professional obligations

Loyalty

Real estate professionals are bound by a strict obligation to promote and protect their clients' best interest. Your Realtor must fully inform you of the services they are providing and disclose any factors that could negatively impact you. Simply put, they are obligated to be totally honest with you on anything that concerns your interest in the sale of real estate.

Obligation to disclose

If your Realtor has a personal relationship with the other party or they are acting on their own behalf or have a personal interest in the property, they must inform you in writing before signing the *Contract of Purchase and Sale*. This includes being related to the other party and buying/selling for themselves, their colleagues or their ongoing clients. If they are expecting to receive any special compensation from a financial institution or a professional they are recommending, they must also notify you in writing and request your written approval.

Advising and informing objectively and accurately

Your Realtor is responsible for disclosing accurate information to clients and customers and for verifying the accuracy of any information shared.

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LEGAL AND ETHICAL OBLIGATIONS

LEGAL AND ETHICAL OBLIGATIONS

Obligations of the seller

A standard listing contract in BC will require the seller to share with their Realtor any and all known details about their listed property, including any defects.

The listing contract also requires the seller to keep their listing with the Realtor and their brokerage exclusively for the period of time agreed to in the listing contract. This means that you can't simply find another Realtor whom you like better, and walk away from your listing contract.

If you do not sell your property by the end of the contract term, you can renew your listing contract with your Realtor for another term or alternatively, find another Realtor to work with.

Obligations of the brokerage and their designated Realtor

Though the brokerage holds the primary responsibility to meet the requirements of a listing contract, your Realtor acts as the designated agent for their brokerage and has an obligation to act according to the listing contract in every detail. Most listing contracts include loyalty, competence, the duty to inform with accurate information, disclosure and conflicts of interest as standard clauses. The contract will also outline the level and timing of advertising and marketing the seller can expect from the brokerage.

Disclosure of conflict of interest

If your Realtor was somehow related to the other party in the deal (a buyer) or buying/selling for themselves, their colleagues or their ongoing clients, they would be obligated to inform you of this, in writing, before the *Contract of Purchase and Sale* is signed.

Further, if the Realtor is expecting to receive a monetary or other benefit from a business or professional that they recommend to you, they must notify you in writing, and request your written approval.

FINTRAC disclosure

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is Canada's financial intelligence agency. They report to the federal Minister of Finance. FINTRAC's mandate is to detect, prevent and deter illegal transactions such as money laundering. Under federal law, if asked, Realtors are required to identify their clients, verify money sources and report suspicious activities such as transferring large sums of cash over $10,000 (CA).

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UNDERSTANDING LISTING AGREEMENTS

UNDERSTANDING LISTING AGREEMENTS

Once you choose a Realtor to sell your home, you will be required to sign a listing contract also commonly referred to as a listing agreement. This document is a legal contract that outlines the professional relationship between you and your Realtor's brokerage for a specific period of time.

All FVREB listing agreements are exclusive, which means the seller agrees to not use the services of another brokerage for the sale of the property. This arrangement ensures the brokerage and its representative devotes their full attention to selling your property and guarantees they will receive compensation for their efforts, usually at the time of the sale.

A listing agreement will include the name of your Realtor and their brokerage, as well as the full legal name(s) and address(es) of the property owner(s). If there is more than one owner on the property deed, a signature for each owner is required on all documents. If one or more owners are unable or unavailable to sign, a legal power of attorney must be obtained to authorize the other party to sign on his or her behalf.

The listing agreement will also include the listing price, the start and end date of the agreement, the services to be rendered and how much the Realtor will be paid for their services.

Real estate commissions are usually paid by the seller and split between the seller's agent and the buyer's agent, and their respective brokerages.

Types of listing agreements

Multiple Listing agreement

This is the most common type of contract between sellers and Realtors. It is highly recommended for maximum exposure because the property will be listed on the Multiple Listing Service (MLS®). In this arrangement, commissions are shared between the seller's Realtor and the buyer's Realtor and their respective brokerages.

Exclusive Listing agreement

An Exclusive Listing agreement is one in which the seller's Realtor markets a property but does not list it on the MLS®. It does not involve any cooperation or shared commission between the seller's Realtor and the buyer's Realtor, as with other agreements. The commission is entirely at the selling Realtor's discretion. Sellers may prefer this type of agreement if they want a shorter listing period, greater privacy or to market a pre-sale property.

Fee-for-Service agreements

In this case, the seller selects the services they desire and pays a set fee for those services only. Examples of the types of services available include: signage, advertising, Multiple Listing Service (MLS®) posting, open houses and contract negotiations.

Mere Posting agreement

A mere posting is the minimum level of service a brokerage may offer. In this case, the agency duties are limited to posting the property on the Multiple Listing Service (MLS®). The seller is responsible for everything else including signage, advertising, viewings and negotiating the sale.

Fees and commissions

All commissions and fees are negotiable between you and your Realtor. It is important that you discuss compensation and it must be specified in the listing agreement. This can be a percentage of the selling price, a fixed sum, or some combination of both.

Commissions are typically paid at the time of the transaction's closing, which is the completion date on the *Contract of Purchase and Sale*, and paid out of the proceeds of the sale. In the majority of transactions, the total agreed-upon commission is shared between the seller's Realtor and the buyer's Realtor. Each Realtor typically shares a portion of their commissions with their brokerage. The commission payable must be clearly identified in the listing contract.

Fee-for-service charges are typically paid at the time of signing.

All commissions and fees are GST taxable.

Marketing and advertising

Before you sign any listing agreement, discuss the marketing plan with your Realtor. This might include listing on MLS®, online postings, print advertising, direct mail, open houses, staging or professional photography. Once discussed, all such activities should be listed in the *Schedule A* form in the listing contract to ensure that clear expectations are established between you, as the seller, and your Realtor.

The MLS®

The MLS® is the most frequently used promotional tool to market real estate. Only a Realtor can post a property to the MLS®. Your MLS® listing alerts all other Realtors that your property is for sale. A portion of this information is made available to the public through Realtor.ca. As well, other Realtors, brokerages, and franchises are able to promote your listing on their websites through special agreements.

The fine print

Remember that these are legal and binding contracts you are signing, so make sure you understand all of the terms and conditions included. Ask questions if you don't understand the terminology which appears in the document and clarify it with the Realtor. Contracts can be altered to suit your needs if both parties agree and sign to those details.

Review the list price, commission rate and length of contract. Your agent will provide you with a copy of the contract for your records. If your Realtor states you can cancel the listing agreement at any time, be sure that you get this stipulation in writing.

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OFF TO MARKET

OFF TO MARKET

Selling price

It's essential to understand the current market conditions and your neighbourhood before you put your property on the market and set a price in your listing agreement. You want to avoid under- or over-pricing your property.

Also, consider what a successful sale is for you. Is it a quick sale? Top dollar? Multiple offers? Knowing this will help your Realtor recommend the best pricing strategy to achieve your desired outcome.

Your Realtor can provide a comprehensive Comparable Market Analysis (CMA), which is a comparison of similar properties actively listed, recently sold and those that didn't sell. The CMA makes it easier to understand market value and to set the right price. Often, when properties sit on the market for a long time, some buyers wonder if something is wrong with the property and that could make it more difficult to attract offers at the asking price.

Pricing is a combination of science and art, which is where a Realtor's expertise is invaluable. Although the market ultimately determines the selling price for your property, setting the correct listing price can be tricky. Going too low can shortchange you, while going too high can deter buyers and lengthen the selling process.

Some things to consider when setting the price for your property include:

- location and neighbourhood
- size of building and land
- age and condition of the building
- number of rooms, bathrooms, layout
- construction materials used
- features and amenities (i.e. pet-friendly space, fireplace, hot tub, pool, recent renovations, views)
- access to public transportation, parks, public areas, waterways, recreational biking/hiking,etc.

Should you decide to change the listing price after signing the listing agreement, an *Amendment Form* must be completed and signed by all parties.

Homes that are staged, consistently sell faster and for more money.

Description of the property

When selling your property, it's important to collect and verify essential details for the listing description on the MLS® including street address, building size, number of rooms, parking spaces, garages, condo fees, property taxes, etc. It's also important to specify which elements will be included or excluded in the sale as clearly as possible to avoid any disputes later. Common items to consider include: security systems, air conditioning units, window coverings, light fixtures, refrigerators, stoves, washers and dryers.

Strata information

When selling a strata property like an apartment or townhouse, additional information is required. Your Realtor may work with your property management company to obtain the necessary documents. At minimum, this includes strata rules & bylaws, two years of strata council meeting minutes, annual or special general meeting minutes, a copy of the registered strata plan, recent financial statements, engineering and depreciation reports and an information certificate known as *Form B*. Your Realtor will discuss any handling fees or costs for this information imposed by your strata corporation.

Terms and terminations

Agreement term

The agreement must start on a specific day and terminate on a specific day. While there are no standard terms, the time it takes to sell a home can vary depending on market conditions and a variety of other factors. Discuss your options with your Realtor.

Holdover clause

This clause protects the brokerage's commission for any buyer introduced while the listing agreement was active. If this buyer was introduced during the list period and did not buy at that time, but chose to purchase within 60 days after the agreement is expired, the seller is required to pay commission to the brokerage. The 60-day period is typically referred to as the holdover period, but this does not apply if you relist the property with another Realtor.

Cancellation of an agreement

The listing agreement is a legally binding document that is not easily cancelled. It's important that you understand and agree with all of the terms and conditions set out in the listing agreement before signing. Early cancellation may be possible in some cases, but there may be restrictions around relisting the home, so be sure to discuss these with your Realtor before entering into the agreement and include these terms in the *Schedule A* form in your agreement.

Withdrawing your property

Withdrawing a property from the market is different than a cancellation because the contract is still in effect even though the property is no longer advertised on the market or shown. This means that you cannot list with someone else. Common reasons for withdrawal include holidays and repairs.

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UNDERSTANDING THE OFFER TO PURCHASE

UNDERSTANDING THE OFFER TO PURCHASE

Once an interested buyer is ready to make a written offer on your property, he or she presents a *Contract of Purchase and Sale*. Your Realtor will explain the process of receiving and reviewing offers. The Realtor is also obligated to bring all written offers to you for your consideration, so do not be alarmed if an offer arrives that is significantly different from your listing price.

Contract of Purchase and Sale

A standard *Contract of Purchase and Sale* includes all of the important details about the transaction. The offer is much more than just the price someone is willing to pay for your home. Your Realtor will take the time to review each item in the contract and explain what each of them means so there are no surprises.

Standard elements include:

- the date of the offer
- full legal names and addresses of the buyer and seller
- full legal description of the home
- the amount of the deposit
- the sale price
- the date for the completion of the sale
- the date for the buyer's possession of the new home
- the list of conditions that must be fulfilled (also called subject clauses)
- the list of inclusions (i.e. fridge, stove, washer, drapes)
- the date and time at which the offer expires
- the signature of the buyer and his/her occupation

Completion date

This is the date when money changes hands and the title is transferred to the buyer's name. Completion happens before the new owner takes possession of the property in order to provide sufficient time to process the transaction.

Possession date

This is the date the new owner can take possession of the property. When negotiating this date, consider if there are any relevant time frames affecting your choice, such as the possession date of your next property. Your Realtor will be able to help you align the dates for a smooth transition between relinquishing your old property and moving to a new one.

Typical subjects/conditions in offers

Offers usually contain standard subject clauses that must be fulfilled before the sale can proceed. Every subject is negotiable and must be agreed upon by both parties before an accepted offer is signed. Prior to the date that a particular subject clause expires, the buyer must sign a form that confirms the subject has been removed. After all subjects are removed, the offer is considered firm and legally binding.

For instance, let's say a buyer is very interested in purchasing your apartment. They agree to buy it, subject to the following: they secure financing, collect a down payment, review all of the relevant strata documents, hire a building inspector — and ensure they have done their due diligence to learn about the property. At that point the intention to purchase would no longer be subject to those conditions.

Financing

Many offers will arrive with a clause relating to financing, which will be removed by a specific date. This clause is to guarantee approval for the necessary mortgage amount and/or the financial institution's obligation to confirm the value of the property with the sale price. The buyer needs to obtain unconditional financing in order to proceed with the purchase of your property.

Property Disclosure Statement

As the seller, you have a legal obligation to disclose any known material or latent defect about the property that could be harmful to the buyer or affect their intended use of the property. These are defects which cannot be discerned through a reasonable inspection of the property. Potential issues may include hidden mould, asbestos, unauthorized renovations, moisture problems, drug production-related usage and heritage site designations.

A *Property Disclosure Statement* can assist with this disclosure. Sellers are not legally required to provide this document but may choose to include it as part of the listing process. As well, the *Property Disclosure Statement* is a good starting point for buyers to begin their due diligence research.

While sellers can be held liable for damages if they conceal such problems, the *Property Disclosure Statement* is not a warranty on the property. It cannot and should not replace a property inspection.

Inspection

Many buyers choose to hire a property inspector to evaluate the condition of a property and to identify any possible issues that may arise in the future and haven't been disclosed. The inspection clause must be completed by a certain date specified in the offer. If any defects are identified, the buyer may choose to proceed as is, void the offer, or negotiate the terms of repair. You have the option to terminate rather than repair (or reduce the price).

Strata documents

In the sale of an apartment or townhome that involves a strata corporation, the strata records must be made available to potential buyers. Buyers will often choose to review the last two years of strata minutes and financial records to gain a better understanding of the building history and engineering and depreciation reports to learn of any potential issues. There is a specific date by which these minutes must be reviewed.

Waiting for subjects to be removed

If you accept an offer that contains subjects, it's wise to continue to market your home in search of a back-up offer. Otherwise you are effectively taking your home off the market for a period of time while the buyer attempts to fulfill the subject clauses.

Should an issue arise with the buyer's ability to remove all the subjects, you have the option of extending the subject removal date or voiding the contract altogether.

If one of the conditions cannot be met after every reasonable effort to do so has been made, the contract ends and there is no legal obligation on the part of the buyer or seller.

07
HANDLING AN OFFER

WELCOME

HANDLING AN OFFER

When you receive one or more offers to purchase your property, it is important to review each one carefully. Your Realtor will review the offers with you and explain the merits of each, but ultimately the decision on which offer to accept, if any, is yours.

Accepting an offer

If you receive a good offer and you'd like to accept it, it's imperative that you review the meaning of each term included in the offer. Once you sign a *Contract of Purchase and Sale*, it becomes a legally binding contract. This means both you and the buyer are legally bound to execute the contract and perform your obligations, which can be enforced by a court of law.

Rejecting an offer

You can reject an offer outright without making a counter offer. However, if the offer matches or exceeds the terms of your Listing Agreement, you could be legally obligated to pay the commission.

Counter offers

Any changes to an original offer are counter offers. A counter-offer is a rejection of the initial offer as written, but an indication that you would be agreeable to a new offer if specific changes or additions are made and accepted.

There is no limit to the number of counter offers that can be proposed. During negotiations there may be several rounds of counter offers as each party gets closer to a final offer that will satisfy both parties.

Each counter offer cancels the previous one and so it must be specific and comprehensive. Your Realtor will manage the document exchange during the offer process to ensure that nothing is dropped from one version to the next.

Like any negotiation, there is an element of risk when making a counter offer because the other party is free to change their mind or walk away, and you may not able to return to the original offer and accept it.

When an offer or counter offer is received, both parties must respect the expiry date and time on the offer because after that time the entire offer is null and void.

It's important to note that a buyer or seller should not proceed with other offers before the specified response period has ended for any current offer they have made. They must first issue a proper revocation notice, ultimately in writing. Your Realtor can assist you in the revocation process, which must be issued before the offer is accepted.

Accepting a counter offer

Once both parties are satisfied with the terms outlined in the counter offer, it must be signed and dated by all the sellers and the buyers in the deal. It's important to respect the expiry time and date after which the offer becomes null and void. Once an offer expires, a new offer must be created.

Signing the offer

It can be easy to get caught up in the excitement of an almost accepted offer. To avoid any errors, carefully double check dates, numbers and the list of inclusions and exclusions.

Remember it's your responsibility to read and clearly understand everything in an offer before placing your signature to it. Once you sign it, it's a legally binding contract. Ask your Realtor as many questions as necessary to ensure everything is clear to you before taking this final step.

Receiving additional offers

Your Realtor is obligated to promptly present all offers on your property until you have an accepted offer and all subjects are removed. Whether you are in the midst of your sixth counter offer or have already accepted an offer, your Realtor must continue to bring you any offers that come in.

Multiple offers

In the case of multiple offers, your Realtor will carefully review each offer in detail and explain the advantages and disadvantages of each so that you can make the best decision possible. Identifying the best offer is about more than just price.

Backup offers

Once you have an accepted offer, a subsequent offer that arrives can be accepted as a backup offer. The offer must clearly include a seller subject clause to protect you from accidentally selling your property twice. Your Realtor will be able to assist you in handling a backup offer properly.

Deposits

A typical offer will require the buyer to pay a deposit to their Realtor's brokerage where the money is held in the brokerage's trust account. The deposit is negotiable and is usually five to ten per cent of the purchase price in the offer. The deposit is credited towards the purchase price at the time of closing. Deposits are typically paid by bank draft and usually provided once all subjects are removed. In some transactions, such as new construction properties, a deposit may be requested earlier in the process.

The deposit can only be released if the deal closes, the buyer and seller sign a release agreement where the deposit is to be paid, or a court decides what to do with the deposit. When a transaction terminates, the buyer and seller typically agree to end the transaction and sign a mutual release form. If the parties are unable to reach an agreement, the deposit is held in the brokerage trust account until a court order determines a resolution.

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OTHER THINGS TO CONSIDER

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Mortgage repayment fees

If you are choosing to terminate your mortgage before the fixed-term period ends, you are likely to incur penalties. This is because if you pay off your mortgage early, the lender won't earn as much interest from your loan as they would have if your mortgage reached its full term, whether it began as a three, five, or 10 year term loan. Be prepared for that penalty, as it can amount to thousands of dollars.

In some cases, the repayment fees can be reduced or waived if you are taking out another mortgage with the same lender for the purchase of another property.

Find out from your lender if there will be any charges and what your options are for early repayment.

Legal services

Realtors prepare, negotiate and finalize property sale agreements. In BC, notaries and lawyers handle the conveyancing and the agreements at the time of closing.

Typical duties include verifying identities, completing title searches, transferring title deeds and executing the sale contract. They also handle the exchange of monies including adjusting taxes, utilities and strata fees, paying out mortgages, penalties and taxes, and collecting and distributing funds appropriately between the buyer, seller, brokerage and legal service provider.

It's advisable to give your selected lawyer or notary sufficient time to prepare the paperwork and execute the transaction. Standard practice is about one month, but quicker time frames can be arranged in certain cases. As a seller, there are a variety of ways to receive your money, such as collecting a cheque or by direct deposit into your account. Discuss these options with your service provider.

Buyers can more easily envision themselves living in a home when a seller takes the time to de-personalize it.

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ENSURING YOUR SATISFACTION

ENSURING YOUR SATISFACTION

Thousands of properties in BC are sold every month without issue. But sometimes problems do occur.

Concerns with your Realtor or brokerage

If you have a problem, the first step is to discuss the issue with your Realtor. Be honest and respectful in explaining the specific ways you are unsatisfied with their service. In many cases, issues arise due to a miscommunication or misunderstanding.

If you are not satisfied with the outcome of that conversation, the next step is to discuss the matter with the managing broker at the Realtor's brokerage. If you cannot agree to a resolution while talking to the managing broker, you have several options available to make a formal complaint.

Complaints and investigations

Filing a complaint with the FVREB

The Fraser Valley Real Estate Board's Professional Standards department is empowered to investigate complaints related to the *Realtor Code of Ethics & Standards of Business Practice*, unprofessional conduct, and the Board's by-laws and rules.

In order to help us assist you properly, it's important to carefully outline the details of your concern in writing, include any applicable documentation and explain the steps you've already taken to try to resolve the issue.

The FVREB can investigate concerns about: a lack of disclosure, misrepresentation, failure to put agreements in writing, late discovery of appropriate facts concerning the property, a lack of cooperation with other Realtors regarding a transaction, entering a property without prior confirmation if required and any violations of the *Realtor Code of Ethics & Standards of Business Practice* and local rules.

It should be noted that the FVREB is authorized to regulate professional misconduct among its membership, but does not award damages to complainants, as this must be pursued through legal action. The FVREB takes matters of professional conduct very seriously and in addition to administering investigations and sanctioning corrective behaviours, we are committed to continually improving the quality of training, education and standards of care for all practicing members.

To file a complaint with the FVREB, please contact us at: professionalstandards@fvreb.bc.ca.

Filing a complaint with the RECBC

The Real Estate Council of BC has the authority to investigate potential contraventions of the *Real Estate Services Act* or the *Real Estate Development Marketing Act* as well as their own regulations and rules.

Violations under the Council's purview could include mishandling of deposits, concealing property defects, misrepresentation, unauthorized signing of documents and professional misconduct including incompetence and conduct inappropriate for a licensee.

To file a complaint with the RECBC, please contact: advisor@recbc.ca.

Errors and omissions insurance

Realtors have professional liability insurance known as errors and omissions insurance to offer financial protection arising from real estate mistakes or oversights. It also ensures that consumers who incur a loss because of the negligence of a licensee will be compensated. If you have questions about this topic, contact the Real Estate Errors and Omissions Insurance Corporation at: reception@reeoic.com.

Compensation Fund

Under the *Real Estate Services Act*, all licensees participate in the Compensation Fund, which provides public protection where monies entrusted to a real estate professional have been misappropriated, intentionally not paid or accounted for, or obtained by fraudulent activities.

In the event of a claim, the Real Estate Compensation Fund Corporation determines whether there is a compensable loss and can authorize a payout of funds to a claimant. For more information, please visit the Real Estate Council of BC's website (www.recbc.ca) or email: info@recbc.ca

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YOUR REALTOR IS THE KEY TO YOUR SUCCESS

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A Realtor is an invaluable asset when it comes to selling a property. The complex nature of real estate transactions requires specialized knowledge, legal paperwork and professional negotiation skills. The process can be overwhelming.

With so many details, it can be too easy to miss something critical or make a costly mistake when selling on your own.

Understanding the recipe for success includes everything from staging and pricing to negotiating offers and writing an enforceable contract that safeguards your best interests.

For many people, selling a property is one of the largest financial transactions they will ever make. Plus when it comes to selling your personal home, it can easily become emotional.

There's a lot at stake, which is why choosing to work with a professional Realtor is a smart move.

Realtors protect you with valuable advice, knowledge and expertise that helps you sell with confidence knowing that you're making informed decisions.

Working with a Realtor helps to transform the selling process from stressful to enjoyable. Often, your Realtor can help you sell your property for a better price with fewer days on the market.

When it comes to making one of the biggest financial decisions of your life, it pays to enlist the help of a professional Fraser Valley Realtor.

SOLD

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Fraser Valley Real Estate Board

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