

profession

BROKER *The publication for Québec real estate brokerage professionals*



THE CHALLENGES
OF REAL ESTATE
FROM YESTERDAY
TO TODAY

From
COMMUNICATION
to
COLLABORATION

EDITOR

Organisme d'autoréglementation du
courtage immobilier du Québec

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OF THE BOARD OF DIRECTORS

Directors elected among licence holders
(by their peers)

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Mario Chouinard

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Jacques Nantel

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President and Chief Executive Officer

Robert Nadeau

A NOTE OF CAUTION

Profession Broker is a publication for real estate professionals, licence holders of the *Organisme d'autoréglementation du courtage immobilier du Québec* (OACIQ).

It covers various topics related to the application of the *Real Estate Brokerage Act* and its regulations, including legal and ethical issues related to the practice of real estate brokerage and the real estate market.

Any advertising appearing in this publication is intended for real estate brokerage professionals and does not in any way reflect the opinions, positions or actions of the *Organisme d'autoréglementation du courtage immobilier du Québec*, whose primary mission under the law is the protection of the public.

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YOUR OPINION MATTERS...

Profession Broker is **YOUR** publication. To make sure it addresses your actual needs, the OACIQ is always looking out for your comments and suggestions. Thank you for sending them to info@oaciq.com.

EDITORIAL

WINNING conditions

What is the future of the profession of residential or commercial real estate or mortgage broker in Québec? What winning conditions will be needed for brokerage to continue to prosper?

Organizations responsible for ensuring this future by overseeing the profession are well aware of the issues at stake. These organizations include people in the field, practitioners who are knowledgeable about the daily challenges of the profession. Even before the Real Estate Summit in February 2012, and even more so since then, all these stakeholders were in agreement about the need to improve broker competence in order to make sure that our profession is ready to face present and future challenges.

Like those of its predecessors, the overall actions implemented by the OACIQ have been perfectly aligned with these priorities, as you will see from the dossier starting on page 5. Whether it's about the interactive tool on forms, informative articles posted on *Synbad*, basic training or continuing education, the advent of electronic signatures, strategic planning, or the issue of *Profession Broker* you are reading right now, everything is designed to support you in your activities.

You can continue to count on your Organization to help create conditions within our profession that will enable licence holders to succeed in an ever-demanding market. In keeping with its public protection mission, the OACIQ will always work to consolidate the essential role that brokers play in the success of real estate and mortgage transactions.

**WE HOPE YOU ENJOY THIS ISSUE
AND EXTEND OUR BEST WISHES FOR
THE HOLIDAYS!**



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TO THE OACIQ BOARD OF DIRECTORS



Here is the composition of the OACIQ Board of Directors following the election process ended on September 27, 2013.

QUÉBEC REGION

Mr. Richard Dion, who already served as a member of the OACIQ Board of Directors for the Québec region, has been re-elected to that position.

MONTRÉAL AND CENTRAL REGIONS

Mr. Serge Brousseau has been re-elected by acclamation and **Mr. Georges E. Gaucher** has been elected by acclamation, respectively on July 19 and 22, 2013, as Directors for the Montreal region. Mr. Gaucher took office on October 27, 2013.

Mr. Daniel Pelchat has been re-elected by acclamation as Director for the Central region.

NORTHEAST REGION

At its meeting of September 9, 2013, the OACIQ Board of Directors appointed **Mr. Mario Chouinard** as Director for the Northeast region on the OACIQ Board of Directors. Mr. Chouinard took office on October 27, 2013.

As no candidate applied to be elected for this position, the Board of Directors filled it by appointing a person having the qualifications set out in the OACIQ *Internal By-Laws* (Section 102).

You may consult the full list of members of the OACIQ Board of Directors by visiting the OACIQ website at: oaciq.com.

ELECTIONS OF SENIOR EXECUTIVES TO THE OACIQ BOARD OF DIRECTORS

At the meeting of the OACIQ Board of Directors, held on November 15, 2013, **Mr. Serge Brousseau** has been re-elected as Chairman of the Board and **Mr. Richard Dion** as Vice-Chair. The Board also re-elected **Mr. Daniel Pelchat** as Treasurer of the Board of Directors.

We congratulate the elected directors who will certainly make every effort to worthily represent those who placed their trust in them.



A COMMON JOURNEY

Your practice has changed drastically since you first began: tools are no longer the same, the market has been transformed. Yet many of the challenges of the past are still around today, including when it comes to the quality of collaboration between the main players in the field of real estate. Here is a summary of the road we have travelled and the lessons we are continuing to learn!

THE 60'S AND 70'S

The Corporation des courtiers en immeubles du Québec (CCIQ), founded in 1954, is attempting to instil some sort of order in the field of brokerage. Despite a small reach and very limited resources, in 1962 the Corporation manages to convince the government, to introduce a first real estate brokerage act. In 1967, the year of Expo, the government creates the Service de courtage immobilier, whose responsibilities include the issuing of permits. At the time, the major banners we know today were not yet present in Québec. They arrived here in the 70's and 80's.

1983, A TURNING POINT

That year, the QREA adopts a code of ethics, a disciplinary process and a mediation and arbitration process for its entire membership. Despite the organization's limited legal means, these tools soon prove their worth and lead to higher standards for the profession.

The same year, the QREA proposes that the government institute a mandatory basic training course for future brokers, and a continuing education program tied to permit renewals. As we can see, these are far from being new concerns!



The adoption of the Professional Code in 1973 is the first sign that mentalities are changing. The Quebec Real Estate Association (QREA) makes a first – and unsuccessful – attempt at turning itself into a professional corporation. The years that follow are marked by a flurry of activity in residential and commercial real estate in every corner of the province. Between 1974 and 1988, the number of QREA members balloons from 4,000 to more than 13,000! This growth finally allows the profession to acquire the resources it needs to self-manage, self-discipline, and self-regulate.

1994, TOWARDS CONSOLIDATION

The creation of the Association des courtiers et agents immobiliers du Québec (ACAIQ) in 1994 symbolizes the reform of the *Real Estate Brokerage Act*. Bringing together Québec's 18,000 real estate brokers and agents, the ACAIQ is entrusted with the responsibility of enforcing the *Real Estate Brokerage Act* and the regulations thereunder, following on the footsteps of CCIQ and the QREA.

2010, TOWARDS COLLABORATION

In 2010, the newly-created OACIQ takes up the torch where the ACAIQ left off. Its mission, confirmed in a new iteration of the *Real Estate Brokerage Act* and its regulations, remains fundamentally the same: to set high quality standards in the practice of real estate brokerage through close oversight and a healthy collaboration between all parties involved, in order to better protect the public.

2012, A SUMMIT

On February 9 and 10, 2012, the Real Estate Summit brings together many of our profession's stakeholders in order to define the best orientations that will secure the success of real estate and mortgage brokerage in Québec in future years. Organized by the Québec Federation of Real Estate Boards (QFREB), the Greater Montreal Real Estate Board (GMREB) and the OACIQ, this event enables participants to identify promising new avenues. Various working groups are created to follow up on these directions.

2013, YEAR OF COMMUNICATION

See next page.



THE FUTURE

Like any other profession, real estate and mortgage brokerage will continue to evolve. Electronic tools and the internet have revolutionized old habits, and they will continue to do so in future, beginning with the advent of electronic signatures, to name just one example. In this context, the quality that a broker's expert assistance can provide to the parties to a transaction is bound to continue to grow.

A FEW MILESTONES

1954: The Corporation des courtiers en immeubles de la province de Québec is created on January 13.

1967: The Québec government creates the Service de courtage immobilier, an agency that issues permits and regulates real estate brokerage.

1972: The Quebec Real Estate Association (QREA) begins operations.

70's: Although others appear earlier, the major banners that we know today first arrive on the scene first in the 70's, 80's and on.

1983: The Quebec Real Estate Association adopts a code of ethics, a disciplinary process and a mediation and arbitration process for its entire membership.

1994: The Association des courtiers et agents immobiliers du Québec (ACAIQ) replaces the QREA on January 15, 1994. The Québec Federation of Real Estate Boards is also created.

2008: Centris is created.

2010: With the coming into force of the new *Real Estate Brokerage Act* on May 1, 2010, the ACAIQ changes its name to become the Organisme d'autorégulation du courtage immobilier du Québec (OACIQ).

2013: Aspiring brokers must now attend a basic training course recognized by the OACIQ.



2013 YEAR OF COMMUNICATION

This topic, which is considered to be promising for the profession, served as a platform for many initiatives of the OACIQ. Judge for yourself!

JANUARY

AGREEMENT CONCLUDED WITH THE NATIONAL BUILDING INSPECTORS AND EXPERTS ASSOCIATION (NBIEA)

The OACIQ concluded a recognition agreement with the NBIEA. The agreement allows you to refer clients to an inspector who is a member of NBIEA and who undertakes to respect the regulatory requirements. The list of inspectors is available at anieb.com. This agreement is added to the one concluded with the Quebec Association of Building inspectors (QABI) in July 2011. For more information, please read on our website the [article no. 119796](#) "Agreement concluded with the AIBQ: Your access to a valuable reference tool for building inspection".

THE ELECTRONIC PUBLICATION OF *PROFESSION BROKER* HAS BEEN PUT FORWARD

The paper version is now available on subscription.

FEBRUARY

REMOVAL OF MLS AND CENTRIS® REFERENCES

The OACIQ Board of Directors decided to remove any specific reference concerning the identification of the information dissemination service between agencies or brokers. For more details, read [article no. 122507](#) "Brokerage contract forms: removal of CENTRIS reference", available on our website.

BEGINNING OF THE *THINK ABOUT IT* ADVERTISING CAMPAIGN

For four weeks, the OACIQ has launched a multiplatform advertising campaign. The “Because every real estate transaction is unique” message, hammered home on television, radio, web and in print, aimed at highlighting the real estate broker’s expertise and the importance of dealing with him. To support the campaign, the Organization enhanced the thinkbroker.ca microsite.

MARCH REDUCING THE COST OF THE PROFESSIONAL LIABILITY INSURANCE PREMIUM

When maintaining their licences, brokers noted that their annual professional liability insurance premium was reduced by \$65. It now stands at \$420 for the same coverage. For more details, visit farcic.com.

APRIL TRAINING ON PYRRHOTITE

In response to the recommendation of the Mauricie Real Estate Board and in accordance with the Board of Directors’ will, the Continuing Education Department developed a training on pyrrhotite, which is now available online. For more information, consult the page [Presence of pyrrhotite and real estate transactions \(online training\)](#) on our website, in the Directory of education activities.

You may also read the following articles: “Mandatory continuing education session on pyrrhotite: informed brokers make for protected consumers” ([article no. 123136](#)) and [article no. 123482](#) “What should a broker who has not completed the training on pyrrhotite do to be able to carry out a transaction in Mauricie?”

MAY AN AGM UNDER THE SIGN OF COMMUNICATION

Almost 600 people met together on May 8, 2013 at Mortagne Hotel in Boucherville on the occasion of the OACIQ Annual General Meeting. The event, which focused on the theme of communication, was a great success.

Luc Pelletier, Manager of the OACIQ Legal Affairs Department, provided the audience with an update on the recent jurisprudence concerning brokers’ liability; as for Jean-Jacques Streliski, Associate professor at HEC Montreal, he offered a stimulating presentation on the impact of image; and finally, the FARCIC proposed a dynamic activity that tests the knowledge of participants regarding professional liability.

The general meeting, which was also webcast, began with a heartfelt intervention of Serge Brousseau, Chairman of the Board of Directors.

To view the video presentations of speakers and the flow of the AGM, check out the [AGM 2013 page](#) on *Synbad*.

JUNE ROBERT NADEAU IN AN INTERVIEW ON “MISLEADING” SOLICITATIONS

In a recent interview with Paul Arcand on 98.5 FM about complaints received from the public regarding questionable solicitations made by brokers, Mr. Robert Nadeau stated that each case is taken seriously. However, he added that solicitations can be legitimate.

To listen to the interview, visit 985fm.ca and select the date of Monday, June 3, 2013.

COMMERCIAL REAL ESTATE BROKERAGE: A WORKING GROUP AND A DEDICATED SECTION

Made up of a dozen brokers representing the different facets of commercial real estate brokerage, this working group responds to the need expressed by professionals of the field. The Organization inaugurated a new section dedicated to this sector of activity in *Synbad*, under [Commercial real estate brokerage](#).

ELECTRONIC SIGNATURE: SECURE CONDITIONS

The OACIQ continues its efforts to use the electronic signature by publishing an article entitled “Electronic or digital signature: Conditions for a secure transaction” ([article no. 123144](#)). See also [article no. 123582](#) entitled “Electronic signature - A first firm certified by the OACIQ”.

JULY

THE SHIFT IN COMMERCIAL REAL ESTATE BROKERAGE

In an interview to *Commercial Real Estate Magazine*, Mr. Robert Nadeau, President and Chief Executive Officer of the OACIQ, talked about the shift taken by the commercial real estate brokerage. Check it out at the following address: immobilier-commercial.ca.

AMENDMENTS TO THE REAL ESTATE BROKERAGE ACT

On June 14, 2013, many provisions of the *Act to amend various legislative provisions mainly concerning the financial sector* came into force and amended the *Real Estate Brokerage Act*. In addition, an amendment relating to the composition of the OACIQ Board of Directors will come into force on January 1, 2014. Following this amendment, the number of the members of the Board of Directors will increase from 11 to

13 to ensure that the mortgage brokerage and the commercial real estate brokerage sectors are more represented.

LAWSUIT AGAINST DUPROPRIO: THE OACIQ IS ASSESSING ITS OPTIONS

On July 19, the OACIQ received from the Superior Court of Québec, chaired by the Honourable François Huot, a judgment confirming the one rendered in November 2011 by the Court of Quebec, acquitting DuProprio Inc. of the six charges laid against the company. We invite you to consult the history of this lawsuit by reading [article no. 120479](#) entitled “The OACIQ is appealing the decision rendered by the Court of Quebec”. You may also read the article entitled “LAWSUIT AGAINST DUPROPRIO INC. - The OACIQ filed a motion for declaratory judgment” ([article no. 123716](#)).

AUGUST

STRATEGIC PLANNING: YOUR OPINION MATTERS!

What should be the OACIQ’s priorities for the coming years? What important issues of the profession need a closer look? To find out, the OACIQ asked brokers to complete an anonymous online survey. Answers will feed into the strategic planning exercise initiated by the Organization.





TWO NEW MANDATORY TRAININGS

Building on the momentum of competence, which is a major issue of the Organization, the OACIQ announces two new mandatory trainings this fall. One deals with the importance of the agency executive officer's role and responsibilities and the other is about all the aspects of collaboration during a real estate transaction.

SEPTEMBER THE BASIC TRAINING BECOMES MANDATORY

In an effort to enhance brokers' skills and address the concerns of real estate professionals, any candidate wishing to take the OACIQ certification exam must, since September 1, 2013, have previously taken and passed a basic training program recognized by the OACIQ. For more information, read [article no. 122585](#) entitled "Mandatory basic training: Important information for candidates wishing to become real estate or mortgage brokers". See also October: "Enhanced mandatory continuing education sessions".

THE REAL ESTATE BROKERAGE IN THE SPOTLIGHT

Mr. Robert Nadeau, President and CEO of the OACIQ, had given two interviews to Argent TV Channel and *Direction informatique* magazine. Check out the magazine at the following address: epubs.itworldcanada.com/i/166794/18.

THE OACIQ INFO CENTER IS ADDRESSING YOU

The OACIQ Info Center, which handles your telephone inquiries and those of the public, begins a series of capsules in the *Pro@ctive* newsletter.

ELECTRONIC SIGNATURE: FIRST CERTIFIED FIRM

The OACIQ granted a first certification to a firm providing an electronic signature service. The Silanis Technology e-SignLive™ system meets all the technical specifications established by the Organization. For more information, please read [article no. 123582](#) entitled "Electronic signature - A first firm certified by the OACIQ".

ELECTIONS TO THE OACIQ BOARD OF DIRECTORS

Five positions were available. Mr. Serge Brousseau, Mr. Richard Dion and Mr. Daniel Pelchat were reelected. In addition, Mr. Georges E. Gaucher has been elected in the Montreal region and Mr. Mario Chouinard in the Northeast region. All the results are available on our website: "Election 2013 to the OACIQ Board of Directors" ([article no. 123585](#)).



OCTOBER RETURN OF THE ADVERTISING CAMPAIGN

In October and November, the campaign “Because every real estate transaction is unique” was back on major TV channels, Web and in *La Presse*. For more information, go to the OACIQ advertising campaign page in *Synbad*, under *News*.

ENHANCED MANDATORY CONTINUING EDUCATION SESSIONS

Attentive to the needs of its brokers, the Organization modified its conditions to access mandatory continuing education sessions on the agency executive officer’s role and on collaboration. See [article no. 123683](#) entitled “Mandatory continuing education: a message from Mr. Robert Nadeau”.

AMENDMENTS TO THE OACIQ REGULATIONS

Coming into force of the amendments to the OACIQ regulations on October 10, 2013 ([article no. 123684](#)).

FILING A MOTION FOR DECLARATORY JUDGMENT AGAINST DUPROPRIO

The (OACIQ) filed a motion for declaratory judgment against DuProprio inc. with the Quebec Superior Court in Civil Matters.

The aim of this motion is to determine whether the activities of DuProprio violate the *Real Estate Brokerage Act*, as maintained by the OACIQ.

MORTGAGE BROKERAGE: COLLECTION – ACT AND REGULATIONS

A collection of excerpts from the Act and regulations relating specifically to mortgage brokerage is now [available online](#) in *Synbad*, under the section dedicated to mortgage brokerage.

NOVEMBER ELECTIONS TO THE OACIQ BOARD OF DIRECTORS

At the meeting of the OACIQ Board of Directors, held on November 15, 2013, Mr. Serge Brousseau has been re-elected as Chairman of the Board and Mr. Richard Dion as Vice-Chair. The Board also re-elected Mr. Daniel Pelchat as Treasurer of the Board of Directors.



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NEW OR AMENDED FORMS IN 2013

MANDATORY (AMENDMENTS)

- ▶ In the “Declarations by the seller of the immovable” form, clause D2.6 b) was amended to reflect the replacement of the “Cultural Property Act” on October 19, 2012 by the “Cultural Heritage Act”

RECOMMENDED (NEW)

- ▶ “Annex RCOM – Reduced compensation”
- ▶ “Exclusive brokerage contract – Residential sublease”
- ▶ “Promise to sublease – Residential immovable”

POPULAR ARTICLES ON SYNBAD

- ▶ *Factors that may affect the decision of a buyer* ([article no. 120651](#))
- ▶ *Exclusive brokerage contract: can the broker authorize his client to sell by himself?* ([article no. 122483](#))
- ▶ *Identity verification best practices* ([article no. 123234](#))
- ▶ *What will happen to the brokerage contract in progress in case of non-maintenance of a broker's licence on April 30?* ([article no. 122801](#))
- ▶ *Representation and teamwork: importance of knowing one's role properly* ([article no. 123000](#))
- ▶ *Duty to inform the parties of products and services that concern heritage protection and relate to the transaction* ([article no. 123129](#))
- ▶ *Referral of clients to or from a person registered under the Act respecting the distribution of financial products and services, the Securities Act or the Derivatives* ([article no. 123131](#))





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2 YEARS of media presence

The public has seen it, you have seen it, and both of you have made it your own:

the *Think about it.* campaign celebrated its second year this fall!

To mark this great success, the OACIQ re-launched its publicity offensive in October. For four weeks, the advertising campaign “**Because every real estate transaction is unique**” returned to French TV, the Web and *La Presse*.

DID YOU SEE IT?

- ▶ The ad “La divulgation” (The disclosure) was seen more than **1,300 times** on the major networks.
- ▶ With over **24,000 hits** on the thinkbroker.ca website, the different Web advertising formats were once again very successful.



- ▶ With seven placements in one of the most read French dailies, *Think about it.* certainly made its way into the psyche of consumers reading the Classifieds.
- ▶ The OACIQ also took part in the GMREB campaign on English television.

This fall campaign is the culmination of four seasons of advertising across Québec. With over **305,000 hits** on the thinkbroker.ca microsite to date and a **17% increase in the recognition** of televised ads in the first three years, *Think about it.* has greatly helped prepare the public to take action when it comes to choosing to do business with a broker for a real estate transaction.



SYNBAD

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Consult Synbad to:

- check your record
- keep abreast of topics that interest you
- register for training activities
- use tools such as forms, standard clauses, etc.

Take advantage of it!

VISIT THE OACIQ.COM WEBSITE and click *Open a Synbad session!*

Here is an overview of **RECENT ARTICLES** (new or modified) on *Synbad*

PROMISE TO PURCHASE OBTAINMENT OF THE CERTIFICATE OF LOCATION – WHAT CLAUSE SHOULD BE USED IN THE PROMISE TO PURCHASE?

Should the broker make the promise to purchase conditional upon the submission and examination of the certificate of location by using clause 9.1?

Clause 9.1 of promise to purchase forms allows the buyer to verify and examine documents referred to therein. In addition to the failure to submit documents to the buyer within the specified time period under this clause, the dissatisfaction arising from the verification and review of documents is also a reason to cancel the promise to purchase.

It could be risky to request the certificate of location under clause 9.1 of promise to purchase forms where the buyer simply wishes to get it before visiting the notary, without having a professional examine the document. Under clause 9.1, if the buyer does not cancel the promise to purchase within the time frame specified in this clause, this means that he is satisfied with the document.

However, when verifying titles in the days prior to the signing of the deed of sale, the notary might discover that the certificate of location, with which the buyer was satisfied under the terms of clause 9.1, does not

describe the current condition of the immovable or it reveals irregularities that the buyer was not actually aware of. A dispute between the seller and the buyer might then occur and many questions might be raised: who would pay the new certificate of location? Has the buyer waived the condition that the seller provides him with a good property title? Would clause 10.5 (defect or irregularity) of promise to purchase forms (clause 10.7 for the *Promise to purchase – divided co-ownership form*) apply?

For the full text: oaciq.com, [article no. 123561](#).

SIGNING THE ACKNOWLEDGEMENT OF RECEIPT

Since July 1, 2012, the new promise to purchase forms have been providing that parties to the transaction are considered to be contractually bound at the time the promise to purchase is accepted, and not at the time the seller's reply to the buyer is notified, as was previously the case. However, the broker still has the obligation to notify the buyer immediately of the refusal or acceptance of his promise to purchase, and keep a written proof of the notice on record.

For the full text: oaciq.com, [article no. 123562](#).

ELECTRONIC SIGNATURE

A FIRST FIRM CERTIFIED BY THE OACIQ

In May 2013, the OACIQ informed you about the establishment of a certification process for electronic or digital signature systems. Remember that the OACIQ certification process for electronic signature systems is based on technical specifications and a normative framework, defining the quality requirements expected from such systems.

After analysis, the OACIQ granted a first certification to a firm providing an electronic signature service. Indeed, the Silanis Technology e-SignLive™ system meets all the technical specifications established by the Organization to carry out real estate transactions safely.

For more information on the e-signature service and the terms offered by the firm **Silanis Technology**, please visit their website.

For any questions regarding the certification process established by the OACIQ or the certification of a firm providing such a service, please contact Pascale Montpetit :

- ▶ by email at pmontpetit@oaciq.com
or
- ▶ by telephone at 450-462-9800 or 1-800-440-7170, ext. 8332.

Please note that other systems are currently being analyzed. We will keep you informed of any future certification.

Other articles about the certification process:

- ▶ [Get ready, Get set, Sign!](#)
- ▶ [Electronic or digital signature: Conditions for a secure transaction](#)
- ▶ [Electronic or digital signature system: Technical specifications](#)
- ▶ [Electronic signature - Good practices](#)

For the full text: oaciq.com, [article no. 123582](#).

GOOD PRACTICES

In May 2013, we notified you that the OACIQ had developed a certification process for firms offering electronic signature solutions. In a second communication, we informed you

that a first solution had been certified: eSignLive™ by Silanis Technology (see right).

Here is an overview of proper practices to adopt when using electronic signatures in the course of your professional activities.

You are strongly recommended to do business with an OACIQ-certified firm.

Choose a certified firm

First, remember that you are strongly recommended to do business with an OACIQ-certified firm. The use of a non-certified system is not advisable as it exposes you and your clients to many risks.

For the full text: oaciq.com, [article no. 123880](#).

IF HE IS NOT A LICENCE HOLDER WHAT CAN THE MORTGAGE BROKER'S ASSISTANT DO?

Brokers are increasingly using the services of an assistant to help them carry out administrative tasks. This reality concerns mortgage brokers as well. It is important to properly determine the tasks that can be delegated to them in order not to entrust them with duties that could be considered as brokerage acts. By doing so, we will avoid violating the *Real Estate Brokerage Act*.

For the full text: oaciq.com, [article no. 123824](#).

For more information, please read [article no. 120798](#) "When the real estate broker is an employer".

CULTIVATION OF MARIJUANA: MOULD AND OTHER IMPACTS

In the last several years, the culture of cannabis, also known as marijuana, has seriously expanded across Canada. Because the climate in Québec is cold, offenders tend to favour indoor growing. More productive and more discreet, indoor installations allow residential growers to harvest three or four crops a year, versus just one outdoors.

For the full text: "Mould contamination in homes used as marijuana growhouses", [article no. 123488](#).

BASIC PRINCIPLES OF COLLABORATION

Collaboration is at the heart of real estate brokerage. From the very beginnings of the profession, brokers felt a need to work together to share information and adopt standards of practice and ways to collaborate to carry out transactions. The importance of information dissemination services (e.g. Centris) in modern real estate brokerage is the most obvious manifestation of this need. In fact, collaboration is so crucial to the smooth functioning of the profession that the legislator has deemed it necessary to enshrine it in the *Real Estate Brokerage Act* and its regulations to ensure the protection of the public as well as to promote harmony in the practice of real estate brokerage.

Collaboration must occur at every step, from the soliciting of a brokerage contract to the follow-up required once a promise to purchase has been accepted. The Assistance Department receives requests regarding each of these steps of the transaction.

For the full text: read [article no. 123487](#) entitled "Basic principles of collaboration between real estate brokerage professionals".

LISTING ON AN INFORMATION DISSEMI- NATION SERVICE OR A SIMILAR SERVICE MUST BE DONE "WITHOUT DELAY"

The OACIQ stresses the importance of an information dissemination service (e.g.: CENTRIS) as a mechanism to promote collaboration in real estate transactions, including through the sharing of information between agencies and brokers. However, some clarification is required regarding listing on an information dissemination service or other similar service. In accordance with regulations and clause 6 of different mandatory brokerage contracts for the sale of an immovable, the broker has an obligation to, "without delay", send the informa-

tion in the brokerage contract to an information dissemination service or other similar service if so required by the seller.

However, the OACIQ has noticed a practice which consists in the seller's agency or broker delaying the listing of a property as much as possible in the hope of finding a buyer himself, thus not having to share his compensation. This practice is not allowed. A broker cannot agree with his client to add a clause to the brokerage contract- Sale to delay sending the information to the information dissemination service or other similar service.

To read the full text: *Listing on an information dissemination service or a similar service must be done "without delay"* on oaciq.com, [article no. 123250](#).

FREQUENTLY ASKED QUESTIONS - CERTIFICATION DEPARTMENT

The OACIQ Certification Department posted online an [FAQ](#) surrounding everything regarding your record management, such as:

- › Licence issuance and reactivation
- › Period required to process an application for issuance or a request for transfer, lifting of suspension, suspension, revocation
- › Suspension and revocation
- › Agency transfer
- › Carrying out broker's activities within a business corporation
- › Reassignment to another establishment of the same agency
- › Change of agency executive officer
- › Signing officer
- › Modifying a licence to act on one's own account

- › Opening of an agency - legal person (incorporation of a business corporation)
- › Opening of an agency - natural person
- › Agency name change
- › Certification examination
- › Agency address change
- › Broker change of address
- › Copy of a document on your record
- › Criminal record check as part of a licence issuance application
- › Licence history

To view all the questions and answers of the FAQ, please read [article no. 123720](#) on oaciq.com.

The coming into force of the *ACT TO AMEND THE ACT RESPECTING THE ACQUISITION OF FARM LAND BY NON-RESIDENTS*

On October 30, 2013, the *Act to amend the Act respecting the acquisition of farm land by non-residents* came into force.

This Act amends in particular the conditions for being considered a resident in Québec and those imposed on non-residents who intend to acquire a farm land and settle in Québec.

It also provides new criteria for examining applications for authorization to acquire farm land filed by persons who do not intend to settle in Québec and limits the total area of farm land that may be acquired by such persons.

For the full text: oaciq.com, [article no. 123853](#).

THIS COLUMN PRESENTS SITUATIONS THAT COME FROM ACTUAL CASES REFERRED TO THE OACIQ INFO CENTRE, AS WELL AS CONCRETE EXAMPLES OF THINGS ONE SHOULD AND SHOULD NOT DO.

The importance of providing sufficient timelines

IN CLAUSE R2.3

The Longpas-Valoin couple have lived in a charming condo for a few years now. One morning in May, they learn that they will become parents in a few months and decide to purchase a larger property. They like a certain property that is for sale in their neighbourhood. They contact the real estate broker, Mrs. Venbiens, whose name appears on the sign placed in front of the property.

Mrs. Venbiens provides them with information about the property and tells them from the onset that she represents the seller and that, as such, she must protect and promote the interests of her selling client. She adds that she can inform and advise them objectively, including by guiding them with the standard clauses to include in their promise to purchase, but that she will not disclose any confidential or strategic information concerning her selling client.

Mrs. Venbiens also tells them that a promise to purchase has already been accepted on the property, conditional upon the sale of the prospective buyer's property. The Longpas-Valoin couple decide to visit the property anyway, and later to present a promise to purchase with the help of Mrs. Venbiens.

THIS RAISES THE FOLLOWING QUESTIONS:

What are the timelines to be respected and the clauses to be completed to avoid jeopardizing the transaction?

In clause 6.2 of the promise to purchase, a period of fifteen (15) days is allowed to obtain a copy of the undertaking by a mortgage lender to grant a loan. In clause 8.1, the period allotted for the building inspection is ten (10) days. Since Mrs. Valoin's cousin has made them a very interesting offer on their condo, which they accepted, and since they will soon be going before the notary to finalize this transaction, they don't have to make their promise to purchase conditional upon the sale of their own property. Mrs. Venbiens must still inform the couple of the need to complete clause R2.3 of the form "Annex R – Residential immovable" and to cross-reference this form in clause 13.1 of the promise to purchase, because there is already an accepted promise to purchase on the property, conditional upon the sale of the prospective buyer's property.

Mrs. Venbiens must also take the time to explain clause R2.3 to them as well as the time period to enter in this clause, **which must be longer than the longest period indicated in their own promise to purchase.**

As we saw, the period indicated in clause 6.2 is fifteen (15) days. In the absence of proof of such an undertaking by a mortgage lender, clause 6.3 provides a mechanism by which the seller has five (5) days following the expiry of the period set out in clause 6.2 to take a position. The total period is therefore twenty (20) days.

As for clause 8.1 regarding inspection, the period allotted is ten (10) days. Following the expiry of this period, if the buyer is not satisfied with the inspection, he must notify the seller in writing and give him a copy of the inspection report within four (4) days following the expiry of the ten (10) day period. The promise to purchase becomes null and void upon receipt by the seller of this notification together with a copy of the inspection report. The total period in clause 8.1 is therefore fourteen (14) days.

Mrs. Venbiens remembers that there is another period that she must plan for in order not to jeopardize the transaction. What is this period?

The agent from the OACIQ Info Centre explains the following to her: in this case, since the longest period is the one concerning the mortgage undertaking, i.e. twenty (20) days, an additional period of three (3) days must be added for the 72-hour notice (clause R2.2) and another two (2) days must be added to allow the seller to send the notices to both parties. With this explanation, Mrs. Venbiens concludes that the period entered in clause R2.3 must be at least twenty-five (25) days.

Therefore she explains to the Longpas-Valoin couple that if the seller accepts their promise to purchase, the time periods in which they must fulfill their conditions will begin to run from the acceptance of their promise to purchase. And finally, she mentions to them that as soon as all the conditions of their promise to purchase are fulfilled (except for the signing of the deed of sale), the seller will take, at his own expense, reasonable steps to obtain cancellation of the first, previously-accepted promise to purchase on his immovable, by sending the 72-hour notice (clause R2.2).

To this effect, Mrs. Venbiens remembers that she can use the form "Notice and follow-up on fulfilment of conditions" and check clause AV4.7 as a means to issue the 72-hour notice to the first prospective buyer, in accordance with clause R2.2.

MICHAEL R. CONCISTER

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The OACIQ INFO CENTER

A wealth of information at your fingertips!

The OACIQ Info Center is there to answer all your questions about the real estate and mortgage brokerage.

Efficient and quick, the information agents of the OACIQ Info Center handle more than **60,000 requests each year**.

Feel free to contact them!



info@oaciq.com



450-462-9800 or
1-800-440-7170
between 9:00 AM and 4:00 PM
on Mondays, Tuesdays, Thursdays
and Fridays and between 10:00 AM
and 4:00 PM on Wednesdays.

SELF-INSPECTION 2012

Evolving practices



Last January, 1,869 agency executive officers and brokers acting on their own account were invited to complete the self-inspection questionnaire about their practice in 2012. This annual exercise is a great way to follow the development of the profession to ultimately improve some aspects of the practice. Here are the trends arising from answers to the questionnaire.

NUMEROUS AND REPRESENTATIVE RESPONDENTS

Of the 1,869 respondents, 282 completed the long version of the questionnaire and 1,587, the short version.

- ▶ Three respondents in four (74%) worked in residential real estate brokerage;
- ▶ 18% in commercial real estate brokerage; and
- ▶ 7% in mortgage brokerage.
- ▶ 1% other

COMPUTERIZATION OF REGISTERS

We immediately noticed that the computerization of registers has remained stable since 2010, for brokerage contracts, transactions and trust accounts, with respective scores of 49%, 52% and 54%. However, the register of disclosure notices, which has been widely used following the coming into force of the *Real Estate Brokerage Act* on May 1, 2010, is an exception; it increased from 25% in 2010 to 47% in 2012.

The electronic document management (EDM) progresses. Thereby, 18% of respondents (16% in 2011) reported using an EDM system. Among them, 89% stated that the system is certified by the OACIQ.

CLIENT REFERRALS

One respondent in two (52%) stated that his agency received compensation after referring clients to financial institutions, a slight decrease of 4% per year since 2010. The vast majority of them (89%) stated that they disclosed compensation agreements related to these referrals to their clients (buyers or sellers), a result that is comparable to previous years (93% in 2011 and 88% in 2010).

TRUST ACCOUNT MANAGEMENT

In a transaction, how many agencies and brokers acting on their own account received a deposit during the year? One in three (32%), based on the answers obtained. All those who received it said that they deposited it in the general trust account.

One agency executive officer in five (19%) stated that he availed himself of the opportunity to delegate the duties of maintaining a trust account to another agency, against 81% who did not do so.

A COMPLAINT MANAGEMENT THAT SHOULD BE ENCOURAGED

Among the respondents to the long version of the questionnaire, more than half (54%) indicated having a procedure for handling clients' complaints. The internal conflicts between brokers are the subject of a management procedure in 43% of agencies, according to executive officers. It is a sharp decline compared to 2011, whereas 62% of respondents had confirmed the existence of a procedure for handling clients' complaints, and 57% had reported the existence of a procedure for handling conflicts internally.

CLOSE SUPERVISION

Among agency executive officers who had to complete the long version of the questionnaire, 90% of those who supervised new brokers reported having implemented a system allowing them to check brokerage contracts files of these new recruits before an immovable is marketed. Most of them (92%) also stated having developed a system for checking transactions of new brokers.

Despite their high scores, these data represent a slight drop compared to previous years. In 2011, 100% of agency executive officers checked the files of their new brokers before marketing an immovable, and 97% checked the processing of transactions, against respectively 98% and 100% in 2010.

CONTINUING EDUCATION

We asked agency executive officers who completed the long version of the questionnaire about the topics that should be covered by continuing education activities, whether intended for them or for new brokers or administrative staff. They were free to check all the relevant answers.

Here are the key answers:

| THE MOST POPULAR TRAINING TOPICS BY DESCENDING ORDER | RESPONDENTS 2012 | RESPONDENTS 2011 |
|---|---------------------|---------------------|
| Using the online land register | 33% | 42% |
| A practical workshop on deadlines specified in mandatory and recommended forms | 32% | 35% |
| Successions | 29% | 30% |
| Divided and undivided co-ownership | 28% | 36% |
| Record documentation | 27% | - |
| A practical workshop on the drafting of brokerage contract-sale-residential immovable | 22% | 25% |
| Keeping of records and registers | 22% | 24% |
| A practical workshop on the certificate of location | 21% | 21% |
| Decency, etiquette | 18% | 19% |
| Managing trust accounts | 10% | 14% |

Each year, the main training need identified is **the use of land register**. The 2012 vintage is no exception. The **divided or undivided co-ownership** ranks as the fourth answer (28%), whereas before it ranked second (36%); this is a significant change. As for the deadlines specified in forms and successions, they remain training topics often desired.

In addition, almost three agency executive officers in four (73%) completed trainings or offered them to their brokers or administrative staff in 2012. This result far exceeds that of 2011 (58%).

These data will be taken into account in the selection of upcoming training activities by our Continuing Education Department.

THE OACIQ RESOURCES ARE POPULAR

Most of you use the electronic resources and tools put at your disposal by the Organization. Three respondents in four (75%) visit the OACIQ website, whereas two in three (67%) use *Synbad* and 70% of respondents read the weekly e-newsletter *Pro@ctive*. Also note that there was an increase in the number of calls to the OACIQ Info Center between 2010 and 2012, i.e. 13%. Unlike previous years, all agencies and brokers acting on their own account were asked questions about the use of OACIQ tools in 2012.

| OACIQ TOOLS | 2012 | 2011 | 2010 |
|-------------------------------------|------|------|------|
| Website | 75% | 80% | 82% |
| <i>Pro@ctive</i> newsletter | 70% | 72% | 67% |
| <i>Synbad</i> | 67% | 68% | 70% |
| Book of standard clauses | 55% | 61% | 64% |
| Electronic forms | 55% | 52% | 51% |
| OACIQ Info Center | 54% | 51% | 41% |
| <i>Profession Broker</i> newsletter | 45% | 37% | - |

CONCLUSION

Self-inspection is a valuable tool to help maintain high competence standards, and thus preserve the good reputation of brokers.

Thank you for your collaboration.

NEW FORMS

Solutions to the most frequently identified issues

Mandatory and recommended brokerage forms have been used for more than a year now and the vast majority of brokers seem to make a good use of them.

To assist you in your practice, the Inspection Department identified clauses that raise the most questions, and possible solutions on the best way to proceed.

IDENTITY VERIFICATION

Brokerage contract and identity verification forms have been designed to comply with the *Real Estate Brokerage Act* and FINTRAC's requirements. We note that:

- the section about the place of issuance, expiry date of the ID card, and the occupation of the person, is sometimes omitted or could be better completed. It should be noted that the place of issuance for a driver's licence is the province. For example, a driver's licence issued in the province of Québec, the place of issuance is Québec;
- section 1.2 in the Brokerage contract-Sale (2.2 in the Identity verification form) must be used only when the seller identified above is represented. For instance, it must be completed in the case of a liquidator, mandatary or a legal person (company) or its representative.

EXCLUSIVE BROKERAGE CONTRACT-SALE OF A RESIDENTIAL IMMOVABLE (BCS)

PRICE AND TERMS OF SALE

- The section 4.2, specifying whether or not the immovable is subject to Goods and Services Tax (GST) and Québec Sales Tax (QST), must be completed, even if it is not subject to these taxes;
- When there are existing loans, they must be specified in section 4.3, provided for that purpose;

- Under section 4.4, some brokers add that the inclusions “are excluded from the legal warranty of quality”, while this statement is already indicated in the form: “which are sold without legal warranty of quality, at the buyer’s own risk, but must be in working order at the time of delivery of the immovable”. It is unnecessary to repeat what is already written, especially that it is generally done partially or differently, which may cause confusion and be a source of disputes;
- Under section 4.6, the information aimed at identifying the service provider or lessor, monthly payment, term of contract and its transferability (if applicable), for appliances and equipment subject of the service or leasing contract, is not indicated. However, it should be specified.

INFORMATION LISTING SERVICES

Section 6 of the brokerage contracts-sale and section 5 of brokerage contracts-residential lease, must be used to specify the information listing service between agencies or brokers in which the immovable will be listed (Centris or other). If the broker wishes to specify the newspapers or websites in which he will be advertising, he may do so under section “Other declarations and conditions” or, if there is no space, in the recommended form Annex G-General of the OACIQ, and not under the section concerning the information listing services provided for in brokerage contracts.

REMUNERATION

- Under section 7.4, we must always indicate a compensation for the broker or agency collaborating to the transaction. This will be the same compensation specified in the detailed description sheet;
- Under the reduced compensation clause, it is important to indicate, in the case of simultaneous promises to purchase, that the reduction of compensation cannot apply in this situation. For this purpose, use section 2.1 *Reduced compensation* of the recommended form *Annex RCOM-Reduced compensation*.

DECLARATIONS BY THE SELLER OF THE IMMOVABLE

(SECTION D2. GENERAL INFORMATION)

- Under question D2.6 a) of the “Declarations by the seller of the immovable” form regarding the existence of real rights or charges on the immovable (example: hypothec, servitudes), it is the “no” box that must be checked and then accompanied by clarifications indicated under section D14. To distinguish information, we must identify the mortgage creditor and describe, if applicable, the servitude, real rights or other charges.
- Under question D2.6 b) of the “Declarations by the seller of the immovable” form concerning the existence of restrictions of public law, it is the “yes” box that must be checked and then accompanied

by clarifications indicated under section D14. Did you ensure to read the deed of sale and the certificate of location and consult the land register to declare agricultural zoning, flood risk areas, cultural heritage, etc? This is exactly what should be done!

EXCLUSIVE BROKERAGE CONTRACT– DIVIDED CO-OWNERSHIP (BCD)

SUMMARY DESCRIPTION OF THE IMMOVABLE

The information regarding the cadastral description of private portions, parking space and storage space as well as dimensions and area of private portions (section 3.1) are regularly missing, incomplete or incorrect. This information (including the parish, in the case where there has not been any cadastral reform yet) must be reproduced as indicated in the certificate of location, title of ownership or in the cadastral plan (available on the online land register).

PROMISE TO PURCHASE (PP-PPD-PPU)

- Section 5. “Method of payment” would often benefit from being filled out properly and being more complete. For example, the amount of additional funds (down payment) and that of the new loan must be broken down.
- Under section 8. “Inspection by a person chosen by the buyer”, the buyer must indicate his choice of having the immovable inspected or, if not, he must affix his initials to the effect that he waives this right. In addition, do not forget to indicate the time frame.

- Under section 9. “Review of documents by the buyer”, a time period must be indicated only if the buyer wishes to review documents specified therein. Moreover, it is not recommended to include the certificate of location. For more information, please read [article no. 123561](#) entitled “Obtainment of the certificate of location: what clause should be used in the promise to purchase?”

AMENDMENTS FORM

The entire section M4 concerns specifically the enhancement of a promise to purchase prior to acceptance. All the other amendments to the brokerage contract or promise to purchase after its acceptance (for example, after an inspection) must be indicated under section M5.

SPECIFIC CLAUSES

To avoid errors or incomplete clauses that may place the broker in a dispute, we invite you to use standard clauses available on the OACIQ website in *Synbad*.

ENHANCE YOUR KNOWLEDGE

Want more information? Specific trainings to each of the forms are available. To register, consult the [list of education activities](#) in the e-store through *Synbad*. You may also consult the [interactive forms tool](#). Finally, feel free to contact the [OACIQ Info Center](#).

SELF-INSPECTION 2013

JANUARY APPROACHING

**Send your documents to the
Inspection Department
by March 31, 2014
AT THE LATEST**

2013 ONLINE SELF-INSPECTION
QUESTIONNAIRE

ANNUAL TRUST TRANSACTION REPORT
FOR 2013

REGISTER OF DISCLOSURE NOTICES
FOR 2013

**Please send your Register of disclosure notices
or your Annual trust transaction report by fax to
450-676-4095 or by email to inspection@oaciq.com.**

IMPORTANT : If you are a broker working for an agency,
you do not have to file these documents.

2013 ONLINE SELF-INSPECTION QUESTIONNAIRE

All agencies and all brokers acting on their own account holding a valid licence issued by the OACIQ must complete one, even if they were recently or will soon be inspected by an inspector from the Inspection Department.

Note: This questionnaire must be completed and sent electronically via Synbad.

ANNUAL TRUST TRANSACTION REPORT FOR 2013

All agencies and all brokers acting on their own account who had activity in their trust account in 2013 must file a report. Don't forget to include all your 2013 bank statements.

Note: If you are an agency that has delegated its obligations regarding the opening and maintaining of a trust account to another agency, you do not have to file this report; the other agency will do it for you.

REGISTER OF DISCLOSURE NOTICES FOR 2013

All agencies (or any of their brokers) and all brokers acting on their own account who, in accordance with their obligation to disclose, issued a notice of disclosure when involved directly or indirectly in a transaction for the purchase, sale or exchange of an immovable or an enterprise, or acted as a lender for a loan secured by immovable hypothec, must file this document.

AS OF JUNE 16, 2014
in the Register of licence holders

Your photo will be MADE PUBLIC

The OACIQ is introducing something new to facilitate searches and improve the user-friendliness of its Register of licence holders. Starting June 16, 2014, the photo that appears on your licence will be uploaded to the Register.

Browsing through the Register is an important step in choosing a real estate or mortgage broker. This new procedure will give consumers even more assurance that they are dealing with a broker who is duly licensed to practice.

- ▶ bear the date on which it was taken on the back; remember that the photo must have been taken in the last six months;
- ▶ bear your licence number on the back.



WOULD YOU LIKE TO SEE OR CHANGE YOUR PHOTO?

Starting on January 15, 2014, you will be able to see the photo we currently have on file for you in *Synbad*. If you wish to change it without charge, you must send a new photo before June 16, 2014; after that date, administration fees will apply.

Your new photo must meet the following criteria:

- ▶ be submitted in paper format;
- ▶ measure 2" X 2¾"; although this is passport size, you are allowed to smile, wear glasses, etc.
- ▶ be in colour;
- ▶ be a full-face view of a white background, including head and shoulders, with nothing obscuring the face;

Then, complete the form [Request for administrative documents and payment of fees](#) available on *Synbad*, attach your photo and mail to:

OACIQ – Certification Department
4905 Lapinière Boulevard, Suite 2200,
Brossard (Québec) J4Z 0G2

Upon receipt of your request, we will make the change in your personal file and send you a reprint of your licence with your new photo.

REAL ESTATE in the MEDIA

AN UPDATE ON THE REAL ESTATE CRASH

"The great Canadian real estate crash of 2013". This is how Maclean's magazine summed up its predictions on the future of real estate in Canada last January. The article, written by Chris Sorensen, explained that the Canadian real estate bubble had burst and that very few would escape unscathed.

The publication of this article set the tone and fuelled the controversy across the country, including in Québec. So where do we stand now, twelve months after the crash was announced? According to analysts, the bubble did not burst after all. Based on this observation, opinions have varied in mainstream media, but all lean towards an eventual correction or rebalancing of the market, both in Québec and across Canada. Read "[Une bulle immobilière au Québec?](#)" and "[Immobilier : les paris sont ouverts](#)" in *L'actualité*; see also the article entitled "[Immobilier : le marché envoie des signaux contrastés](#)" on the [lesaffaires.com](#) website, and the article "[Rebond canadien, frilosité montréalaise](#)" at *LaPresse.ca*.

WHO EARNS WHAT

What is the median salary of real estate brokers in the rest of the country? In its August 26 issue, *Maclean's* magazine compared the salaries of various professionals and specialized employees working in real estate. Of course property values in the areas selected have an impact on salaries. Note also that the amounts posted are average annual salaries for real estate brokers who are at the top of their respective scales:

| | |
|------------|----------|
| CANADA: | \$68,389 |
| VANCOUVER: | \$87,694 |
| TORONTO: | \$61,651 |

Source: "[Who earns what in real estate?](#)" at [macleans.ca](#).

CANADIANS LOVE THEIR BEDROOMS!

Canadian homes have an average of 2.5 bedrooms, which is more than the average 2.3 bedrooms found in American homes. Canada's is the highest percentage of all 34 member countries of the Organization for Economic Cooperation and Development (OECD), which average 1.6 bedrooms. Yet, Canadians work less than their American or European counterparts, i.e. 1,699 hours a year, compared with 1,768 in the States and 1,739 in OCDE member countries.

Source: "[Real Estate](#)" on the [macleans.ca](#) website.

Interview with **MS. BRIGITTE CORBEIL**, GENERAL MANAGER

The Board of Directors of Fonds d'assurance responsabilité professionnelle du courtage immobilier du Québec (FARCIQ) is pleased to announce the appointment of Ms. Brigitte Corbeil as General Manager

Ms. Corbeil joined the team in July 2013. She plays a leading role in the development and management of the Insurance Fund. Here is the interview conducted at the beginning of her mandate.

MS. CORBEIL, CAN YOU SUMMARIZE YOUR PROFESSIONAL ACTIVITIES?

I had an actuarial education at Laval University, a Master's degree in Business Administration from HEC de Montréal and a corporate governance certification from Collège des administrateurs de sociétés (CAS).

I started my career at Groupement des assureurs automobiles (GAA) as an actuary for the Statistical agency. This agency was created under the Automobile Insurance Act in 1978 and membership is compulsory for all automobile insurers. For almost twenty years, I have held various positions within this agency, responsible for several specific mandates provided in the Act, including the establishment of a mechanism to ensure access to insurance market, tools to facilitate claims settlement (direct compensation agreement, joint report, appraisal center) and management of mandates delegated by the Autorité des marchés financiers. During the last six (6) years, I served as General Manager and Vice-President-Québec region for the Insurance Bureau of Canada, since an administrative agreement regulated the activities of both bodies.

I also served as Vice-President-Sales and Business Development for a subsidiary of Desjardins General Insurance Group. I have been serving on the Board of Directors of Société de l'assurance automobile du Québec (SAAQ) since 2009.

WHY YOU CHOSE TO GET INVOLVED WITH THE FARCIQ?

This new challenge is a logical continuation to my professional background. The mandate entrusted to me takes me back to general management tasks including cross-cutting activities, which allows me to put many of my skills into practice. I am a general insurance professional with an extensive knowledge of this industry and its regulations. My experience, vision and knowledge of the market can be used by both the Insurance Fund and the Organisme d'autoréglementation du courtage immobilier du Québec (OACIQ).

WHAT ARE YOUR PRIORITIES FOR THE UPCOMING YEARS AS GENERAL MANAGER?

The primary mission of the Insurance Fund is to offer policyholders a protection that suits their needs. As a General Manager, my role will consist in creating and implementing operational and strategic plans, while supporting the mission, vision, values and outreach of the Insurance Fund.

In my opinion, it is essential to work in close collaboration with the OACIQ to better identify the profession's requirements. Although claims management is at the heart of operations, the Insurance Fund wishes to get closer to its clients and focus on preventive actions with policyholders to prevent professional liability potential disputes. Beyond its insurer's role, the FARCIQ provides support and advice tailored to the profession to meet the needs and concerns of brokers in regard to their professional liability insurance.



BROKERS' ACTIONS



SEPTIC SYSTEM

HOW TO AVOID IT

The **septic system**¹ consists of a septic tank and a soil absorption field. You must always be able to validate the information you transmit to your clients in addition to informing them of the risks and factors that could affect the property. The fact that the seller has never had a problem with his septic system does not mean that it is necessarily functional and compliant.

In all cases, you must get a **letter from the city** confirming whether or not any violation notices have ever been issued, advise the seller to **lift his warranty on the septic system**, obtain all the **documents showing reported or resolved problems** and recommend to the seller to drain his septic tank or obtain the **invoice for the last drainage**. Remember to keep copies on record and refer your clients to an expert in the field.

TIP FROM THE PRO

Depending on the date of installation of the septic system, other documents may be required. Check with the municipality.

If the seller has no document about the septic system and your verifications are not conclusive, you must indicate it on the detailed **description sheet**, (for example unknown system or compliance certificate not available). In addition, you need to have your client complete the *Declarations by seller of the immovable* mandatory form and advise him to exclude from the contract the warranty of quality on the septic system for more caution. This information must also be included in the detailed description sheet.

CONSEQUENCES

In addition to exposing the client to an unpleasant situation, consider the consequences of this type of error for the broker. If you are held responsible and compensation is paid to the claimant, you will have to pay the **deductible** on your insurance. You should also know that a court action will have an impact on your personal credit report during the entire length of the dispute, not to mention the **loss of time** that this will cause you. You are always better safe than sorry.



Fonds d'assurance responsabilité professionnelle du courtage immobilier du Québec

WWW.FARCIQ.COM

1. Water supply, wells and septic tanks: duties and obligations of the broker, article no. 119270, OACIQ

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- Internet with great speeds, generous usage every month and Wireless Home Network included at no extra cost.
- Amazing superphones on Canada's largest LTE network¹.
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2014 CALENDAR

JANUARY 15

You may now see your photo in your record on *Synbad* and decide if you wish to change it (read the conditions on page 30).

MARCH 3 (deadline)

Mandatory continuing education session on collaboration.

Two hours online on *Synbad*.

MARCH 7 TO MARCH 16

The OACIQ will be present at the National Home Show.

Come see us!

MARCH 31 (deadline)

Self-inspection

- ▶ Questionnaire "Self-inspection 2013 online"
- ▶ Annual trust transaction report 2013
- ▶ Register of disclosure notices for 2013

APRIL 30 (deadline)

Licence maintenance and civil liability insurance.

MAY 14

The OACIQ Annual General Meeting

JUNE 16

Your photo will now appear in the Register of licence holders.

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OACIO

Our offices will be open until
December 24 at noon (12 PM).

They will reopen on January 6
at 8:30 AM.

HAPPY
HOLIDAYS!