



## Women, REALTORS® and the Real Estate Transaction

Sigmund Freud famously asked 'What do women want?'

Tara-Nicolle Nelson a well-known columnist for *Inman News* and the host of a recent Inman webinar, doesn't claim to have all the answers, but she offers a perspective on how women relate to REALTORS® and how women view the real estate transaction.

**This article is part 1 in a 3-part series. Watch for part 2 in the January/February 2010 edition of AREA Update.**

### 1. Their REALTOR®

- \* Most women would rather be well-served by a REALTOR® than get a discount
- \* Women don't care about flashy clothes or expensive marketing materials
- \* Women want a REALTOR® they can relate to
- \* Women want a REALTOR® who listens to their needs
- \* Women look for a REALTOR® they can trust to advise them and make the transaction process easier

### 2. The Deal

- \* Women see a real estate transaction as an opportunity to transform their lives
- \* While women may want the transformation, they may be fearful of the process they must go through (i.e. the transaction) to achieve it

*A REALTOR® must build the trust and offer the experience to help them overcome their fear of the transaction. In constructing that trust, it is critical for the REALTOR® to demonstrate that they are acting in the client's best interests.*

### 3. The Knowledge and Connection

- \* Women differentiate between knowledge and data
  - \* Too much data is counterproductive and creates frustration. It adds to the information overload they deal with in their everyday lives
  - \* Data has to be interpreted and applied to their unique situation

*A REALTOR® must guide women to the information they need to know – information that is relevant and strategic to their needs.*

### 4. The Trust

- \* Women are skeptical about REALTORS® and often feel they aren't being heard. A typical fear women have is making a mistake and being taken advantage of.

*A REALTOR® needs to listen and act according to a woman's needs, not to what the REALTOR® believes they need.*

Share your thoughts on this topic at AREA's [REALTOR® Forum](#).

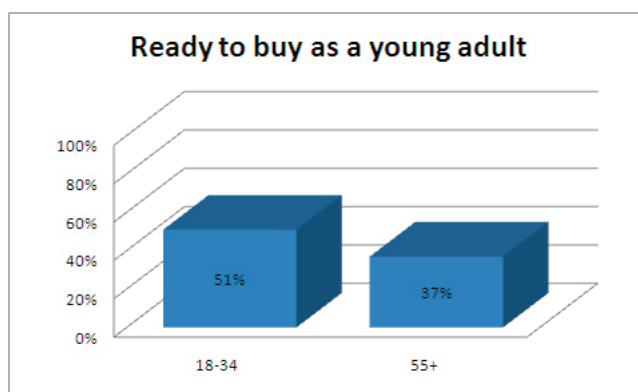
*Editor's Note: The advice in this article is intended to offer some suggestions for marketing your services to a specific market segment, which is, in this case, women buyers and sellers. While the information is based on one prominent real estate professional's experience, coupled with supporting survey data, you are advised to treat each prospective client as an individual and not assume that the generalizations will automatically apply.*

## Young First-Time Buyers More Prepared to Take the Plunge

When it comes to their first home purchase, today's 18-34 year olds feel and behave differently than their parents or grandparents did at the same age, says an October 19, 2009, [survey](#) by TD Canada Trust.

### A State of Readiness

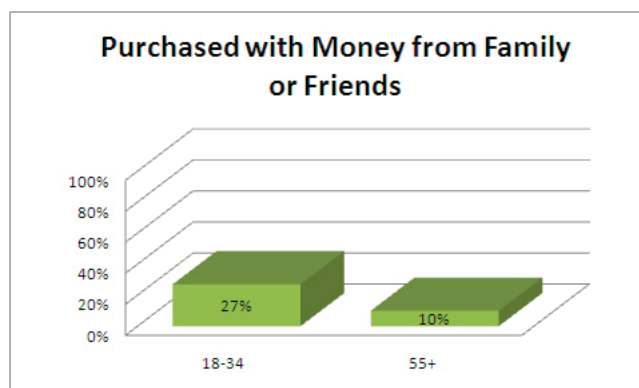
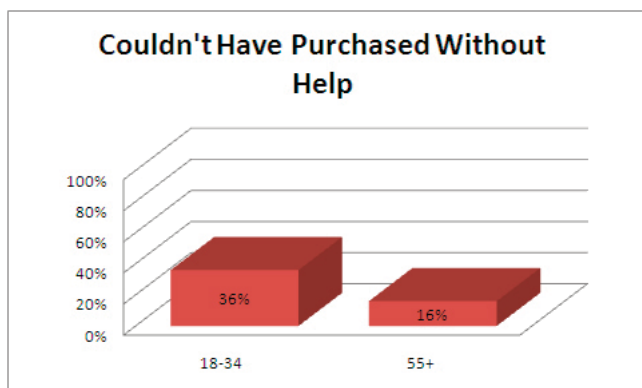
- \* 51% of the 18-34 group said they felt financially ready to buy
- \* 37% of older Canadians (55+) said they felt financially ready to buy at the same stage of their lives



### Why? Because They Can

Help from family sealed the deal:

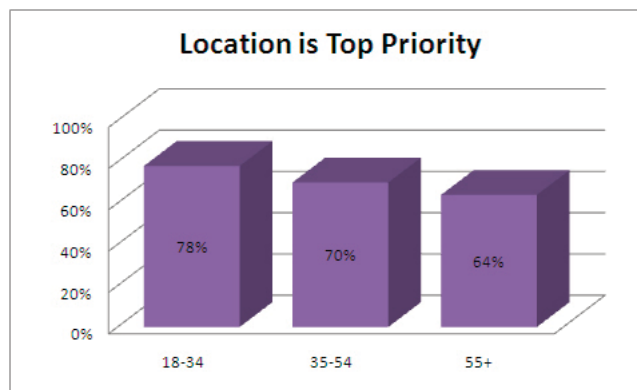
- \* 36% of the 18-34 group said the purchase would have been impossible without help from family (compared to 16% of 55+)
- \* 27% of the 18-34 group said they received money as a gift or borrowed from family/friends to buy their first home (compared to 10% of those 55+)



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### No Surprise: Location Tops the List

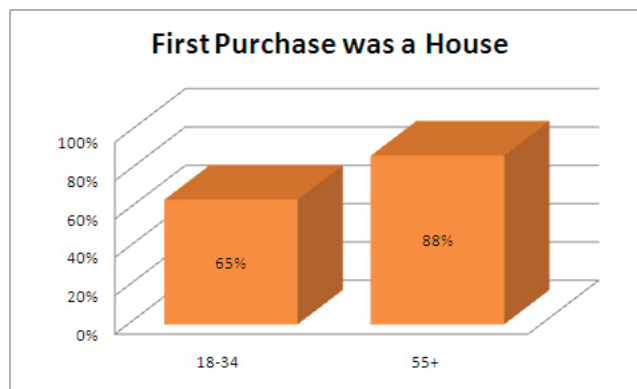
Almost 80% of the 18-34 group surveyed said location was the most important factor in the purchase decision, as compared to 70% of buyers aged 35-54 and 64% of buyers 55+.



### Houses vs. Condos and Townhouses

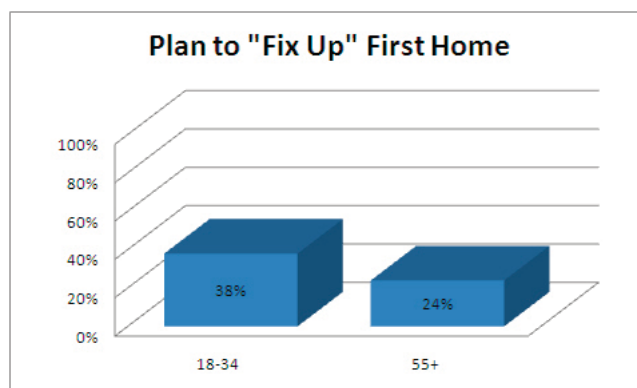
Buying a house in the city is more popular than buying condos or townhomes.

- \* 65% of the 18-34 group bought a house for their first real estate purchase
- \* 88% of 55+ purchased a house for their first purchase



### Life in the City = Older Home

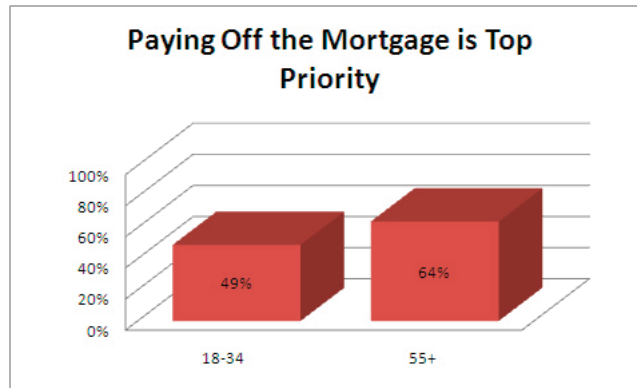
- \* Almost half (48%) of the 18-34 survey group chose a home over 20 years old
- \* 35% of this group purchased their first home with plans to fix it up (versus 24% of 55+)



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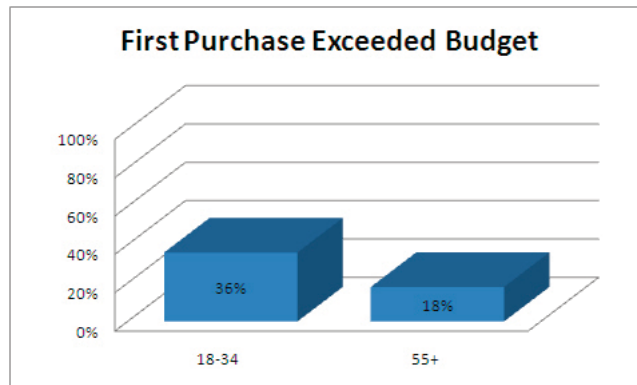
### Life with a Mortgage – Get Used to It

- \* 49% of the 18-34 group said wiping out their mortgage was a top priority
- \* 64% of Canadians 55+ said paying off their mortgage was a top priority in buying their first home



### When Wants Exceed the Budget

- \* 36% of the 18-34 group said their first home was more expensive than they'd planned for
- \* 18% of 55+ said their first home went beyond their planned budget



### How Can You, as a REALTOR® Relate?

- \* Engage your younger clients - they may have more resources than you might expect
- \* Be creative - ask your younger clients if their families can help out
- \* Focus on location - your younger clients may be more willing to put sweat equity into their first home if it's in the right neighbourhood
- \* Encourage your younger clients to shop around for mortgages, as they may not be familiar with all the available financing options but may be more willing to assume long-term debt

Share your thoughts on this topic at AREA's [REALTOR® Forum](#).

## How Well Do You Know Your FINTRAC Obligations?

**F**INTRAC refers to the Financial Transaction and Reports Analysis Centre of Canada. It's better known to REALTORS® as the federal legislation that obligates members of the real estate industry, among other Canadian businesses, to collect, record and keep their clients' personal information. Brokers must keep the information on file and available for FINTRAC access for five years.

REALTORS® must also report all suspicious transactions – attempted or completed – to FINTRAC. The short quiz below tests your knowledge about dealing with suspicious transactions. FINTRAC offers more information about submitting a Suspicious Transaction Record [here](#) and CREA provides real estate industry direction in [this guide](#).

1. What is a Suspicious Transaction?
  - a) A deal that makes you think twice about where the money came from
  - b) A deal where the client provides expired identification
  - c) A deal where the buyer doesn't want his identity disclosed to the seller
  
2. According to FINTRAC, a REALTOR® may have 'reasonable grounds to suspect' a transaction. Those reasonable grounds are best defined as:
  - a) A client whose deposit comes from a numbered off-shore bank account
  - b) A promise of extra commissions to you if you agree to transact the deal
  - c) Any elements of the deal that don't jive with your normal business practices or the standard operating procedures in the real estate industry
  
3. Your client refuses to provide you with the information you need to complete the Identification Information Record. Is this
  - a) Okay because this could be one of your biggest transactions of the year and, after all, what's the likelihood of a problem?
  - b) No cause for alarm because your client is very prominent in the community and you respect her need for privacy
  - c) A problem because your business practice requires you to provide that information
  
4. You've decided the transaction is suspicious. Now what?
  - a) Tell your client about your suspicions and work with him to address your concerns
  - b) Refuse to proceed with the transaction and file a Suspicious Attempted Transaction report with FINTRAC
  - c) Proceed with the transaction and file a Suspicious Transaction report with FINTRAC
  
5. How long do you have to file a Suspicious Transaction Report?
  - a) Within 7 days of the transaction closing date
  - b) Within six months the transaction closing date
  - c) Within 30 days of the transaction closing date

Check your answers on page 6.

## How Well Do You Know Your FINTRAC Obligations?

### Answers

1. a) Suspicious transactions are the ones that give you reasonable grounds to suspect there's a relationship to money laundering or terrorist activity financing. While the events in answers b) and c) combined with other unusual actions or behaviours could lead you to believe the transaction is suspicious, they would probably not cause you to suspect a link to money laundering or terrorist activity financing when presented on their own.
2. c) FINTRAC defines 'reasonable grounds to suspect' as those that you judge to go against normal business businesses and systems within the real estate industry.
3. c) FINTRAC regulations require you to identify your clients. Failure to do so could result in criminal or administrative monetary penalties.
4. b) or c) - depending on the circumstances or your brokerage policies.

CREA advises that members should use their own discretion in deciding whether or not to go ahead with the transaction. FINTRAC advises that if the transaction proceeds, the member should submit a Suspicious Transaction Report. Your brokerage should have policies to help you determine whether you should proceed with the transaction.

(For example, your brokerage policies may prevent you from proceeding without proper client identification.)

5. c) You must file a report with FINTRAC within 30 days of determining a transaction or attempted transaction is suspicious.

# Legal Lou

## Practical Aspects of Real Property Reports



In selling a home the seller provides a key warranty to the buyer that all buildings and other permanent structures on the lands are within the boundaries of the property, do not encroach into a utility right of way or other easement, and comply with all municipal setback requirements. (6.1(e) of the AREA Residential Real Estate Purchase Contract). A building encroachment or non-compliance problem that cannot be remedied prior to closing creates a risk that either the municipality or an affected neighbor will require the structure to be moved or demolished. For that reason these types of building location problems (and breaches of contractual warranties) are viewed by the courts as material title defects which can entitle the buyer to back out of the purchase obligation.

For decades survey certificates and, more recently, Real Property Reports with evidence of municipal compliance have been utilized in home closings to verify that the seller's warranties respecting building location are true. Unfortunately from time to time real estate transactions are delayed and even placed in jeopardy due to a Real Property Report either not being available on time or disclosing a building location problem which cannot be fixed prior to closing. Even more unfortunate is that the vast majority of these problems are entirely avoidable with the adoption of basic practice standards and early recognition of a potential issue by the real estate industry member.

Prior to setting out a basic practice guide with respect to Real Property Reports, I wish to mention that I recognize that there are parts of the province where it is either cost prohibitive or not possible to secure new Real Property Reports or updates on a timely basis. For that reason, unique approaches have evolved in various locations to address the problem including individuals drawing new additions on surveys themselves or relying on title insurance. The following guidelines will, however, be applicable to the vast majority of transactions, including home sales in Edmonton and Calgary, where lawyers have adopted standardized RPR rules of practice for home closings.

### Recommended REALTOR® RPR Practice Guidelines

1. When listing a property for sale where an RPR is applicable (most properties except for conventional condominiums where the building is shown on the condominium plan) an industry member should immediately enquire as to the availability of an existing RPR and endeavor to obtain a copy.
2. If an existing RPR is available, then once obtained it should be carefully reviewed with the seller and compared to the current state of improvements on the property. If structures (including decks and fences) were added since the RPR was prepared, a determination should be made as to whether an update is required. Some rules respecting the acceptability of existing RPRs are as follows:
  - legible photocopies are acceptable (it doesn't have to be an original document);
  - the age of the RPR and the age of the Stamp of Compliance don't matter so long as the RPR continues to reflect the current state of improvements;

*continued page 8*

- the removal of an improvement since the creation of the RPR (i.e. the RPR shows more than the current state of improvements) doesn't necessitate an update;
  - within urban centers all perimeter fences have to be shown (the fact that the neighbor may have built the fence is irrelevant);
  - certain improvements such as movable sheds, landings, non-encroaching driveways and cross-fences are not required to be shown on the RPR, but it would be best to consult with a lawyer on these matters.
3. If an RPR cannot be located then a new RPR should be ordered by the seller, the listing agent or the seller's lawyer and submitted to the municipality for confirmation of compliance as soon as practicable. Ordering an RPR early will minimize the cost involved and, more importantly, allow the seller to discover and, hopefully, remedy building location problems prior to the closing day.
  4. When listing a condominium unit, it is essential for the listing agent to obtain and review a copy of the condominium plan. If the condominium plan shows that the units which were created are lots (bare land condominium) rather than buildings (conventional condominium) then the same RPR obligations that apply to the sale of a single residential home will apply to the sale of the condominium unit. If the condominium plan shows buildings rather than lots then an RPR will not be required, but a careful review of the plan will allow the industry member to determine whether titled parking stalls and storage lockers were created which are relevant to the sale of the property.
  5. Finally, if any building location problems are discovered, most lawyers would appreciate being notified at an early stage (even without a contract in existence) to enable them to assess the risk and assist in the remediation of the problem. If you have any questions or concerns respecting the requirement for a new or updated Real Property Report or any potential building location issue, consulting with your client's lawyer early will help to minimize your liability risk.

Lou

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*The comments expressed in this article are for information purposes only and serve to highlight general principles. Each situation is different and you should seek legal counsel before pursuing any particular course of action. These articles do not create a client/lawyer relationship and do not constitute legal advice. The opinions expressed herein are those of the author and not of AREA.*

## Could You Spot a Former MGO?

Karen Rollins, indoor air quality expert, offers tips to help REALTORS® identify properties that may have been formerly used as illegal drug-ops. Learn how to look for signs of moisture damage, mould growth and more [here](#).

### Alberta REALTORS® Present Remediation Standards to Government

During AREA's annual Government Liaison Days, held October 27 to 29 in Edmonton this year, Alberta REALTORS® presented the final report, *Recommendations for the Assessment and Remediation of Properties Used as Illegal Drug Operations*, to more than 25 MLAs. The study was also presented to industry stakeholders, including air quality consultants, fire and police officials, Alberta Health Services, Alberta Health and Wellness and more.



The study, which was commissioned by AREA on behalf of its members, has received a lot of media and industry attention. We'll be working with many of these industry groups to lobby for the implementation of provincial remediation standards.

The report has been sent to all Alberta MLAs and Ministers and is available in the Newsroom section on the public side of AREA's new website, [www.AREAhub.ca](http://www.AREAhub.ca).

Share your thoughts on this topic at AREA's [REALTOR® Forum](#).

## What's in a Reputation?

A REALTOR®'s success is strongly reliant on referrals, which means your reputation is one of your most valuable possessions. And while securing commission is always a goal, it may be just as important to consider how your actions can affect your reputation.



Here are three different scenarios, all of which are common and all of which can, depending on how you handle them, polish or tarnish your reputation.

1. Your seller client's home has been listed for three months and she's getting anxious to sell. You've gone above and beyond the call of duty to market the property while providing quality service, but your client is still not satisfied. You believe the house is over-priced, but feel you will still be able to sell it. Your client wishes to terminate the listing, but you refuse because you have done nothing wrong.
2. You work in a small, rural town. During the Hold-Over Period of a listing, your client sells his home. You just "know" the buyer must have been introduced to the property by you, even though the seller denies it. You decide to put a caveat on the property as security for the brokerage's fees, as clause 9.1 of the Seller Brokerage Agreement permits.
3. You visit an open house with a client and happen to meet an acquaintance who has come to view the home as well. He tells you that he is represented by another brokerage and that the decision to stop at the house was not planned. He is very interested in placing an offer on the property and informs you that he never signed a Buyer Brokerage Agreement with the other REALTOR®. You give him your card and ask him to meet you in an hour.

While all three situations are vastly different, the similarity is the potential for your responding action to impact your reputation. What would you do? **Share your thoughts and ideas on AREA's REALTOR® Forum at [www.areahub.ca](http://www.areahub.ca).**

*A reputation for a thousand years may depend upon the conduct of a single moment.*

*- Ernest Bramah*

## No Handshakes, You're Contagious?

Popular folklore suggests the practice of handshaking began as a sign that a man wasn't carrying a weapon in his right hand. Today, a handshake is a cornerstone of business professionalism. But in these times of worry over the H1N1 virus, shaking hands upon meeting may deliver more than the good will that was intended.



### Why the Concern?

The H1N1 virus is spread by a transfer of germs from one person to another. Our hands are a primary breeding ground for those nasty bacteria.

### Survey Says 'Don't Touch Me!'

One-third of the 1,000 Canadians surveyed in October say they're less inclined to shake hands these days. And, more than half of those surveyed said someone had recently refused to shake hands or hug them because of fears about the spread of the H1N1 virus.

Those fears aren't confined to business:

- \* Olympic officials are telling athletes to bump elbows, instead of shaking hands or kissing
- \* Canadian churches are replacing a handshake during the sign of peace with a bowed head
- \* Minor league soccer associations suggest clapping instead of handshakes after a game

### The Doctor Weighs In

Dr. Tom Feasby is all in favour of a no-handshake rule. The Dean of Medicine at the University of Calgary says the traditional greeting should be replaced by the 'pound'. For the uninitiated, the pound – or fist bump – features two fists briefly meeting. You've probably seen it when sports teams celebrate or when younger men greet each other.

### What's a REALTOR® to do?

There really isn't a tried and true business protocol here, but you may consider:

- \* Carrying a small container of hand sanitizer
- \* Electing not to shake hands with a brief explanation of your choice (*Note: Your explanation will be better received if you couch it in terms of worrying that you will infect others, rather than that you are worried about getting infected yourself.*)
- \* Smiling and nodding in greeting
- \* Practicing the pound!

## U of A Students Learn From The Experts: Alberta REALTORS®

Alberta REALTORS® helped develop the concept and curriculum and serve as guest speakers for *Business Economics: Principles in Real Estate*, an elective course offered to undergrads and MBA students.

Now in its second year, the course is the result of a \$500,000 initiative from the Alberta Real Estate Foundation and monies from the U of A. 49 undergrads and five MBAs are enrolled in the fall 2009 semester.



### Beyond the Textbooks

Both Edmonton REALTOR® Wayne Moen and Edmonton broker and Foundation Governor Graham Downey helped develop curriculum and serve as guest instructors. Downey says most business students will encounter leasing of space or property development at some point in their careers.

*“I think the biggest thing that industry members bring to the course is real life experience.”*

### Students See the Value

Says Edmonton mortgage broker Brian Menges, a former MBA student who took the course last year:

*“The idea of attending a practical as opposed to theoretical real estate economics course taught by some of Alberta’s best commercial real estate people was very exciting... Much of what I learned in the class I now use in my daily work.”*

### Beyond Location, Location, Location

Commercial development and investment have a rightful place in the business world, says Dr. Paul McElhone, the Associate Director of the U of A’s School of Retailing and the academic instructor for the 2009-2010 course.

*“Regardless of their career paths, all (business) students will be affected by real estate decisions in their career...Real estate strategies have an impact on profitability and bottom line performance.”*

McElhone hopes that continuing student and real estate industry interest will help turn the elective into a permanent School of Business course. [Visit](#) the U of A’s website for more information.

### What Students Are Learning

Topics covered in *Business Economics: Principles in Real Estate* include:

- \* Introduction – land use, law, planning and historic building
- \* Development – site selection and feasibility
- \* Development – Marketing, leasing (landlord and tenant perspectives)
- \* Appraisal – Highest and best uses
- \* Buy or lease and tax implications
- \* Asset and property management

## Using AREA's New Online Practice Advice

AREA's new online practice advice offers an immediate response to your practice dilemmas. To use this service, log into AREA's new website at [www.areahub.ca](http://www.areahub.ca). On the members' home page, click on the question mark on the left of the page and follow the instructions.

While AREA staff tries to be available for your live help questions, sometimes we may be busy helping other REALTORS®. If you're waiting for a reply, or we are offline during your visit, please **leave your full name and an email or phone number** where we can reach you. We will contact you as soon as we can. Our advisors will respond within one business day.

For more information, contact Kerri Romanetz at [kromanetz@areahub.ca](mailto:kromanetz@areahub.ca).

## Google Street View Adds Punch to Your Listings

REALTORS® in several Alberta cities can enhance their value by using [Google Street View](#) to show properties to prospective buyers. Street View is now live in a number of Alberta cities, including Edmonton, Calgary, Grande Prairie, Lethbridge, Medicine Hat and Red Deer.

The high-resolution photos provide close-up 360-degree views of city streets as they'd be seen by someone driving down the street. It can be an effective way to showcase neighbourhoods and amenities.

REALTORS® can also embed the [Maps API](#) into their website, giving buyers a more specific picture of the property.

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We are a provincial industry organization that represents the interests and concerns of more than 10,000 REALTOR® members across Alberta and 11 local real estate boards. We adhere to the REALTOR® Code of Ethics.

We offer our members a range of services:

- ❖ Industry news and information
- ❖ Practice advice and support
- ❖ Professional development
- ❖ Legislative and regulatory advocacy.

We serve the public in a number of ways:

- ❖ By administering pre-licensing requirements for REALTORS® entering the real estate industry
- ❖ Industry news and information
- ❖ Real estate-related advice and resources.

### AREA Member Publications and Subscription Info

- ❖ **AREA Update** – A bi-monthly trade magazine, delivered electronically to all members
- ❖ **AREA Alert** – Notification of critical, real estate practice-affecting news, delivered electronically on an as-needed basis to all members
- ❖ **AREA Political Post** – Political action progress report, delivered as milestones are achieved to politically active members and interested (member) subscribers.

To subscribe or unsubscribe to any of these publications, contact [communications@areahub.ca](mailto:communications@areahub.ca).

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