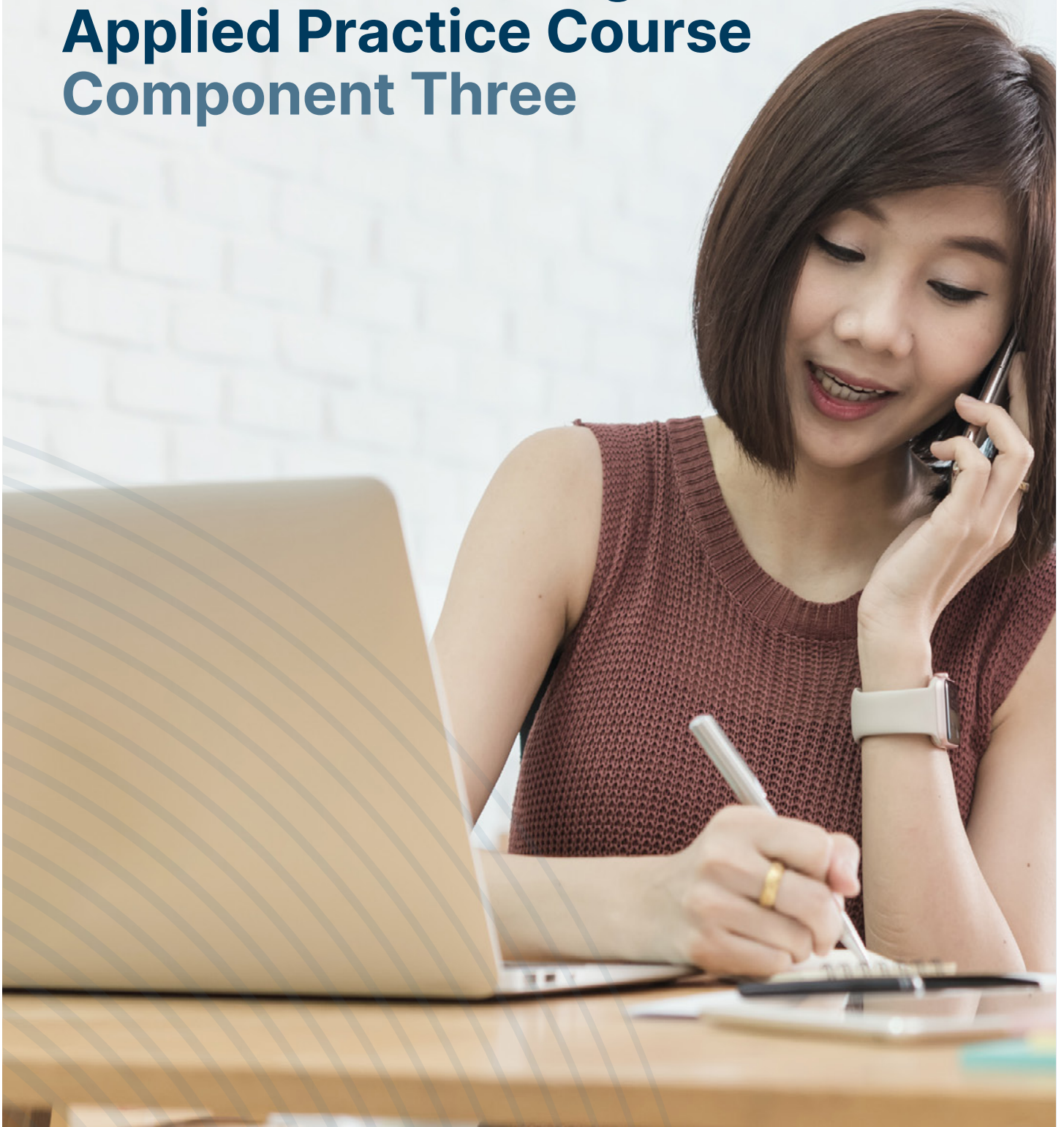


BCFSA

Commercial Trading Services Applied Practice Course Component Three



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Overview

Disclaimer

The materials in this course and the class discussions are for educational purposes and are general in nature. The content and the discussions do not constitute legal or other professional advice. Licensees are responsible for exercising their own professional judgement in applying information to particular situations. Be mindful of confidentiality requirements and keep any discussions generic. Contact British Columbia Financial Services Authority (BCFSA) Practice Standards Advisors for further guidance.

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Introduction

Welcome to Component Three of the Commercial Trading Services Applied Practice Course. As a new licensee in your brokerage, Component Three offers you the opportunity to bring to life the concepts you have been studying in Components One and Two of this course through its practical field assignments. There are eight assignments (seven practical field assignments, and one reflection exercise) to complete while working in your brokerage. Accompanying each assignment will be a series of reflective questions you answer and submit online.

You can complete the practical field assignments in any order that works for you. We recommend starting a Word document (or other text editing program) to answer the reflective questions and submit the file online through Blackboard.

We highly recommend working with your Managing Broker or an experienced real estate licensee at your brokerage to complete your reflective questions for each practical field assignment. If any of the practical field assignments are an activity you do not have a chance to complete during the duration of Component Three, we ask you to interview or shadow a broker or senior licensee within your brokerage to experience that assignment topic and then complete the reflective questions. You will also find a checklist in the additional resources section, that will assist your Managing Broker or an experienced real estate licensee mentor in monitoring your comprehension and completion of the assignments. Please provide a copy of the Managing Broker Checklist to your managing broker or senior licensee.

Each assignment has a resource section that will assist you in completing your practical field assignments.

Make sure you check in with your Managing Broker for any policies or procedures documented in your office specific to your brokerage.

The peer-to-peer discussion forums found on Blackboard are a great place to pose questions to your fellow colleagues. They might also be able to assist you with some of their ideas and insights as they finish their practical field assignments.

There is no instructor present in this component for the course. If you have questions about the practical field assignments or how those concepts are relevant in your brokerage, we encourage you to make an appointment and speak to your Managing Broker. If you have a technical or scheduling questions about Component Three, please contact BCFSa at education@bcfsa.ca.



Assignment One: Listing a Property for Sale

Overview

In this assignment, you will be required to prepare a listing presentation for a potential seller client. You must work with your managing broker, or an experienced licensee at your brokerage who can oversee your work and assist you where necessary.

This assignment is divided into three different steps. The first step asks you to prepare for a listing appointment. The second step has you conduct a listing appointment and in the third step, you will accurately describe the property listed to licensees and potential buyers. This assignment has you working with a seller.

At the end of each step, you will answer a series of reflection questions. You will not be given a grade for your reflection questions. However, but you are encouraged to take the opportunity to review your reflection with your managing broker to identify areas that may require more training from your brokerage or through additional education courses.

Step One: Preparing for a Listing Appointment

In preparing for a listing presentation, ensure that you have:

Supporting Resources

- BCFS Listing Checklist (below)

Instructions

Prepare for a listing appointment by using the following checklist.

BCFSA Listing Checklist

- Research the property by consulting with municipality/Regional District;
- Prepare a current Comparative Market Analysis;
- Obtain a current copy of the property title;
- Review the title search for the property including legal ownership of the property and charges;
- Determine zoning of the property and other aspects of the property;
- Obtain documentation for the property such as financial statements, business documents, and environment assessments (if appropriate);
- Prepare a presentation for potential clients. In addition to the material researched on the property, include:
 - Disclosure of Representation in Trading Services form;
 - Privacy Notice and Consent form;
 - A listing contract – consult with your Managing Broker on Schedule A - listing the services of the brokerage;
 - Commercial Data Input form if needed for a property database upload;
 - FINTRAC form; and
 - Other unique contributions to the presentation.
- Prepare a response to the question “Why would I list with you and not another licensee?”;
- Prepare a description of your business model, the duties you will owe to the consumer and anticipated remuneration you will earn; and
- Determine the style of presentation you will use (iPad, hard copy, etc.).

Reflection Questions

- Summarize how you responded to the question “Why would I work with you?” In your summary, identify at least two characteristics that differentiate you from other licensees.
- Of all the resources provided to you through this assignment and by your Managing Broker, what are the key resources that you will continue to use and integrate into your practice as a licensee? Explain why you chose these resources.
- How did you plan to present to the seller? What, if any, documentation do you plan on leaving with the seller after the presentation?
- Did you practice your presentation on your broker or another more experienced licensee and get feedback? If so, what was the feedback and how did you modify your presentation based on the advice given?

Step Two: Conducting a Listing Presentation for a Property

Now that your presentation is ready for a potential new client, it is time to meet with the seller. During your presentation you will discuss your role as an agent for the seller, the duties required of you, and the services you will be providing.

Supporting Resources

- Disclosure of Representation in Trading Services form;
- Privacy Notice and Consent form;
- MLS® Listing Contract;
- Regulatory Information and Guidelines on Conflicts of Interest;
- FINTRAC – Individual Identification Information Record;
- FINTRAC – Corporation / Entity Identification Information Record;
- FINTRAC – Beneficial Ownership Record if applicable; and
- Regulatory information and guidelines on agency.

For additional resources, speak to your managing broker.

When appropriate, you may want to practice your listing presentation with your Managing Broker and/or another trusted licensee for feedback.

Instructions

Conduct a listing presentation by using the following checklist:

- Discuss agency and the duties owed to clients;
- Review the Disclosure of Representation in Trading Services form;
- Review the FINTRAC forms and ensure the seller understands their purpose and what the information is used for;
- Perform a LOTR search and discuss your AML obligations with the clients;
- Explain recent sales history in the area using the CMA you created;
- Present information about your brokerage, yourself, and the property;
- Review the listing contract and ensure the seller understands all the terms;
- Discuss with the seller any potential conflicts that may arise and establish a process on how the seller wishes to handle any conflicts should they arise;
- Discuss patent and latent material defects and the duty to disclose them before an offer is accepted;

- Measure and/or verify the measurement of the property accurately;
- Advise the seller on the offer process and have the seller decide how they wish to handle offers and advise them that you will provide a Disclosure to Seller of Expected Remuneration for each offer that is received; and
- Agree a communication plan with the seller to keep them informed.

Reflection Questions

- In reviewing the Disclosure of Representation in Trading Services form were there any questions that the client had? If so, what were they and how did you address them?
- Did you use a standard form listing contract, or one that was created by your brokerage? Did the seller have any questions about the contract that you were unable to answer? If so, what were they and were you able to get the information to answer them?
- How did you address the topic of possible conflicts of interest that can occur with your client?
- How did the conversation go about how you will meet your AML obligations?
- What patent defects did you notice upon review of the property? Were there any material latent defects that needed to be disclosed? If so, how did you document the disclosure?
- Who from your brokerage attended the listing presentation with you? In what capacity were they able to assist you?

Step Three: Complete All Necessary Documentation to Secure and List a Property for Sale

In the final step of this assignment, you will complete all necessary documentation to secure and list a property for sale.

Supporting Resources

- Disclosure of Representation in Trading Services form;
- Privacy Notice and Consent form;
- MLS® Contract;
- FINTRAC – Individual Identification Information Record;
- FINTRAC – Corporation / Entity Identification Information Record;
- FINTRAC – Beneficial Ownership Record if applicable;
- Title search;
- LOTR search results; and
- Corporate search results (if your client is a company).

Instructions

It is now time to complete the documentation needed to create the agency relationship and list the property for sale. To complete the final section of Assignment One, you will:

- Verify information obtained at the listing appointment to accurately list the property for sale
 - This includes measuring or verifying the measurement of the property, reviewing title to ensure the seller is person you are entering into the agency relationship with, and ensuring you have the correct legal description and PID for the property.
- Ensure that all fields in the listing contract are completed fully;
- Ensure that all required documentation has been received;
- Ensure that you have all the required information to complete your AML/FINTRAC obligations;
- Ensure the client has received copies of all executed forms; and
- Ensure that you promptly deliver copies of all documents required to be retained by the brokerage, to the brokerage.

Reflection Questions

- What documents did you provide to your brokerage after your listing presentation?
- When and how did you deliver the executed copies of the documents to the seller?
- How did you verify the information about the property that was provided to you by the seller (e.g. age of the property, size of the property)?
- What do you think went well during this listing process, and what do you think you would want to change for your next listing opportunity?



Assignment Two: Establishing Agency and Providing Trading Services to a Buyer or Tenant

Overview

This assignment, Establishing Agency and Providing Trading Services to a Buyer or tenant, requires you to work with a buyer or tenant to establish an agency relationship. As you progress through this assignment, keep track of the documents you use, the questions you pose, and any other information you can use in future buyer or tenant presentations.

At the end of the assignment, you will respond to a series of reflection questions.

In this assignment you will prepare a presentation to a potential buyer or potential tenant with a goal of establishing an agency relationship with them. You will be required to prepare for the presentation by collecting the appropriate forms necessary to create an agency relationship including Disclosure of Representation in Trading Services form, Buyer's Agency Exclusive Contract (where appropriate) and other relevant documents. You will also be required to explain your FINTRAC obligations and gather the required information to retain in the brokerage file.

In addition, you will also be required to gather information about various areas, property prices, and other statistics. You will also assess your buyer/tenant's ability to buy and appropriate financial background, ascertain their needs, and prepare a response to any possible questions that may be asked of you.

Step One: Preparing for a Buyer/Tenant Agency Appointment

Supporting Resources

- Forms:
 - Disclosure of Representation in Trading Services form;
 - Privacy Notice and Consent form;
 - Buyer's Agency Exclusive Contract;
 - Commercial Contract of Purchase and Sale;
 - Offer to Lease; and
 - Fee For Service Agreement.
- Regulatory information and guidelines on agency;
- Regulatory information and guidelines on conflicts of interest; and
 - For additional resources, speak to your managing broker.
- When appropriate, you should practise the buyer's presentation with your managing broker and/or other trusted licensee seeking feedback.

Instructions

Prepare a Buyer/Tenant's presentation by using the following checklist:

- Prepare a presentation for potential clients. In addition to the material researched on the property, include:
 - Disclosure of Representation in Trading Services form;
 - Privacy Notice and Consent form;
 - Buyer's Agency Exclusive Contract (if using one);
 - Tenant's Agency Exclusive Contract (if using one);
 - Commercial Contract of Purchase and Sale;
 - Offer to Lease; and
 - If appropriate, work with your Managing Broker or other advisor to determine CAP rates, ROIs etc.
- Prepare a list of questions to ascertain a buyer/tenant's needs and wants;
- Prepare for a discussion about your AML obligations;
- Prepare a response to the question «Why would I work with you?»;
- Prepare information about your brokerage and the services it provides;
- Research market and area statistics on sold, expired and active listings;
- Research prospective areas and communities to inform the buyer/tenant;

- Prepare a flowchart that informs the buyer/tenant of the buying/leasing process and associated costs;
- Prepare a description of your business model, the duties you will owe to the consumer and anticipated remuneration you will earn; and
- Determine the style of your presentation (iPad, hard copy, etc.)

Reflection Questions

- Summarize how you responded to the question “Why would I work with you?” In your summary, identify at least two characteristics that differentiate you from other licensees.
- Of all the resources provided to you through this assignment and by your Managing Broker, what are the key resources that you will continue to use and integrate into your practice as a licensee? Explain why you chose these resources.
- How did you plan to present to the buyer/tenant? What, if any, documentation do you plan on leaving with the buyer/tenant after the presentation?
- Did you practice your presentation on your broker or another more experienced licensee and get feedback? If so, what was the feedback and how did you modify your presentation based on the advice given?

Step Two: Conducting a Buyer/Tenant Agency Presentation

Now that your presentation is ready for a potential new client, it is time to meet with the buyer/tenant. During your presentation you will discuss your role as an agent for the buyer/tenant, the duties required of you, and the services you will be providing.

Supporting Resources

- Forms
 - Disclosure of Representation in Trading Services form;
 - Privacy Notice and Consent form;
 - Buyer’s Agency Exclusive Contract (where applicable);
 - Tenant’s Agency Exclusive Contract (where applicable); and
 - Commercial Contract of Purchase and Sale.
- When appropriate, you should practise your buyer/tenant’s presentation before managing broker and/or other trusted licensee seeking feedback.

Instructions

When you meet with a potential client you will:

- Discuss agency and the duties owed to clients;
- Review the Disclosure of Representation in Trading Services form;
- Discuss your AML obligations and review the FINTRAC form and ensure the client understands its purpose and what the information can be used for;
- Present information about your brokerage, and yourself;
- Discuss using a Buyer Agency Agreement/Tenant's Agency Exclusive contract and the benefits it offers, ensuring the buyer/tenant understands all the terms;
- Discuss with the buyer/tenant any potential conflicts that may arise and establish a process on how the client wishes to handle any conflicts should they arise;
- Discuss patent and latent material defects and the duty of the seller and their licensee to disclose them before an offer is accepted;
- Determine the buyer/tenant's needs and wants in a property;
- Discuss "deal breakers" for purchasing a property;
- Discuss financing and the buyer/tenant's ability to buy/lease;
- Discuss the pre-approval process and any other pertinent financial information;
- Discuss costs associated with purchasing a property;
- Discuss your business model and remuneration;
- Explain the documentation used in the purchase of a property (where applicable);
- Prepare a response to the question "Why would I work with you and not another licensee?"; and
- Devise a communication plan with the buyer/tenant to keep them informed.

Reflection Questions

- How did the Disclosure of Representation in Trading Services form assist you in explaining your duties to a client? What questions did your client have in respect to the form? Did you receive any hesitation from the buyer/tenant to sign? If so, explain.
- If you presented the Buyer's Agency Exclusive Contract, which areas were the buyers most interested in discussing? What types of questions did the buyers ask? Were they comfortable signing the document? If not, what was their objection?
- If the consumer was a tenant, did you have them sign an agency contract? If so, what conditions/terms did you ask him/her to agree to? What terms did you agree to? If you did not have a written contract, how did you explain and/or document your duties to the tenant?

- Did you inquire as to whether or not the buyer/tenant had been pre-approved for financing? When you discussed the costs associated with purchasing/leasing a property, did you reference the CCPS or the OTL information sheet? If not, how did you detail the costs for the buyer/tenant?
- How did you ascertain the buyer / tenant's needs, wants and deal breakers? Develop a series of questions that will help you ascertain a buyer/tenant's needs, wants and deal breakers. Share your list with your Managing Broker and/or another experienced licensee to provide you with feedback on your list of questions. Submit a detailed list of questions (minimum ten questions). Which questions will you use in future? Which ones will you alter and why?
- Did you inquire as to whether the buyer/tenant had been pre-approved (where applicable)? When you discussed the costs associated with purchasing/leasing a property, did you reference the CCPS information sheet? If not, how did you detail the costs for the buyer?
- How did you explain your AML obligations and the FINTRAC form and what questions did the buyer/tenant have for you? Were there any objections or concerns raised and how did you respond to them?

Step Three: Complete All Necessary Documentation to Enter into an Agency Relationship with a Buyer/Tenant

In the final step of this assignment, you will complete all necessary documentation to enter into an agency relationship with a buyer/tenant.

Supporting Resources

- Forms
 - Disclosure of Representation in Trading Services form;
 - Privacy Notice and Consent form;
 - Buyer's Agency Exclusive Contract; and
 - Tenant Agency Exclusive Contract.
- LOTR search results;
- Corporate search results (if your buyer is a company);
- Regulatory Information and Guidelines on conflicts of interest; and
- When appropriate, you should practise the buyer/tenant's presentation beforehand and seek feedback from your managing broker and/or other trusted real estate licensee.

Instructions

It is now time to complete the documentation needed to create the agency relationship. To complete the final section of Assignment Two, ensure that:

- All fields in the buyer/tenant agency agreement are completed fully;
- All required documentation has been received;
- You have all the required information to fulfill your FINTRAC obligations;
- The client has received copies all executed forms; and
- You promptly deliver copies of all documents required to be retained by the brokerage, to the brokerage.

Reflection Questions

- When and how did you deliver the executed copies of the documents to the buyer/tenant?
- What do you think went well during this process, and what do you think you would want to change the next time you meet with a potential buyer/tenant client?



Assignment Three: Showing a Property — Your Agency Responsibilities

Overview

This assignment, you will prepare to show a property to a potential buyer for your seller client ensuring all your duties are understood by the client. As you progress through this assignment, keep track of what went well, and where you could improve.

At the end of the assignment, you will respond to a series of reflection questions.

The Seller clients and potential unrepresented parties are understood and performed during the showing. In addition, you will demonstrate your knowledge of the property you are representing.

Step One: Preparing for a showing

Supporting Resources

- Regulatory information and guidelines on agency;
- MLS® listing sheets for distribution; and
- BCFSa Knowledge Base.

Instructions

Prepare for the showing by using the following checklist:

- Know the property by doing a title search and ensure PDS is completed (if the seller chooses), view the property and make notes, know the zoning requirements, and ensure you are aware if all construction work was done with permits;
- Ensure that you have discussed with the seller what their expectations are including:
 - Areas of the property that are off limits such as certain rooms or spaces;
 - Any safety measures that may be appropriate such as sanitizing, mask and glove wearing requirements that may be appropriate.
- Ensure you have copies of the Disclosure of Representation in Trading Services and Disclosure of Risks to Unrepresented Parties in case they are required;
- Discuss with the seller, prior to the showing, the services that you can provide to an unrepresented party without impacting your agency relationship to the seller; and
- If possible, prepare to arrive at the property early to ensure that all lights are on, and the property is ready to be viewed.

Reflection Questions

- What marketing materials did you plan to bring to the showing? Why?
- Did the seller have any special requests, such as limiting access to certain parts of the property? If so, how did you plan to accommodate those requests?

Step Two: Conducting a Showing

Supporting Resources

- BCFS Knowledge Base;
- Fact sheet on the property;
- Regulatory information and guidelines on agency; and
- Regulatory information and guidelines on conflicts of interest.

Instructions

During the showing:

As you are representing the seller, describe your role as a designated agent of the seller to any prospective buyers;

Outline the services you are able to provide to an unrepresented buyer who has come to tour the property, and make sure that the seller understands how you treat unrepresented parties;

Provide consumers with general fact-based information on the property being careful not to create an implied agency relationship as you are representing the seller; and

Privacy Notice and Consent form, when appropriate, and as a licensee complete and sign it. If the consumer is unrepresented, review the Disclosure of Risks to Unrepresented Parties form, and as a licensee complete and sign it.

Reflection Questions

- If you were not representing the seller, and just hosting the showing, could you create an agency relationship with any buyers who booked to view the property? If so, what forms would you provide to them and how would you explain the services you would be able to provide to them.
- As you were representing the seller, explain how you avoided creating an implied agency relationship when buyers questioned you about the property.
- What conversations did you have with potential buyers about your duties of agency and what prompted the conversation? For example, did you have the conversation as a result of a potential buyer providing you personal or confidential information about themselves, or did you have the conversation before you got any information?
- Explain what you did with any disclosure forms you had signed during the open house.
- What is the difference between a listing representative and a hosting agent? What duties do both roles have to the seller? When asked about your role at the showing, how did you address your relationship to the seller? To potential buyers?



Assignment Four: Researching Properties

Overview

To develop your market knowledge of the various types of properties, research two different types of properties using several resources including allied professionals (e.g., inspectors, contractors, civic staff, appraisers, architects, experts on specific property types), online databases and traditional resources (zoning information, structural information, federal/provincial/local plans). Prepare reports for each of the three property types.

Instructions

Review the material found in the *Real Estate Trading Services Licensing Course* manual which explains legal ownership of property.

Research the two most common forms of property ownership common in BC—fee simple, and leasehold. Differentiate among the two types.

Select three listings from www.realtor.ca, listings at your brokerage, or through your boards MLS® program, and select three listings.

Determine:

- The legal ownership;
- Property zoning type;
- The property boundaries; and
- Terms used to market the property.

Referencing one of your listings, research what is needed to:

- Identify legal property ownership and property boundaries;
- Determine required documentation to either list/buy the property;
- Further determine how best to market the property for a client; and
- Identify three key resources that you accessed while conducting your due diligence during a sale or purchase of this property (e.g., property manager, municipality, LTSA, etc.).

Reflection Questions:

- Name the resources (websites, regulatory documents, industry publications etc.) which you consulted while conducting your due diligence of the three different types of legal property ownership. Which of the resources was most beneficial to you and why?
- How were you able to verify that the advertised legal descriptions of the property were accurate? Explain why it is important to understand legal ownership of a property.
- Interview three people who are considered experts in specific commercial property types (e.g. restaurants, shopping centers, warehouses, industrial work sites). Who did you interview (not personal names but rather their title e.g., Managing Broker) and what were the three most helpful pieces of information that they provided you with? Use the following table or a similar graphic organizer to record your responses.

Title	Area of Specialization	Three Most Helpful Pieces of Information
Commercial licensee	Restaurants	<ul style="list-style-type: none"> • Know how to interpret an ROI; • Understand how read a commercial lease; and • Know where to locate information on zoning types.



Assignment Five: Drafting an Enforceable Contract for a Buyer Client

Overview

In Drafting an Enforceable Contract for a buyer client, you will draft a commercial contract of purchase and sale under the supervision of your managing broker or an experienced licensee at your brokerage.

At the end of the assignment, you will respond to a series of reflection questions.

In this assignment you must ensure the contract is drafted to match the intentions of your client. You may choose to use pre-drafted clauses that can be found on BCFSAs website or in Webforms®. If you are drafting custom clauses, they should be vetted by your managing broker and possibly a lawyer to ensure they are appropriate and enforceable.

Drafting the Contract

Supporting Resources

- Disclosure of Representation in Trading Services form;
- BCFSAs Knowledge Base;
- BCFSAs Clause index;

- WebForms®
- Commercial Contract of Purchase and Sale;
- FINTRAC – Individual Identification Information Record;
- FINTRAC – Corporation / Entity Identification Information Record;
- FINTRAC – Beneficial Ownership Record if applicable;
- Title search;
- LOTR search results;
- Corporate search results (if your client is a company); and
- Regulatory information and guidelines on deposits.

Instructions

Draft a contract of purchase and sale by using the following checklist:

- Outline what documents must be included in a commercial contract of purchase and sale;
- Review the title to the property to ensure the offer has the correct seller's name, legal description and PID;
- Discuss AML obligations;
- Ensure your buyer client understands all the charges and encumbrances that appear on the title to the property and how those may affect them once they take possession of it;
- Ensure that you do not provide legal or accounting advice to your buyer client and advise them to get professional advice when necessary;
- Advise the buyer on price based on a market analysis of the property;
- Review conditions/terms, and completion dates;
- Discuss appropriate conditions/subject clauses that your client may wish to include in the offer such as a:
 - Financing clause;
 - Review of ROI documents;
 - Review of corporate financial statements;
 - Review of leases in effect (if any);
 - Property inspection clause
 - Environmental assessments; and
 - Requests for property improvements

- Ensure all the contract terms and subjects are clearly drafted and represent the intent of your client;
- Review the property disclosure statement with your client if one has been provided by the seller;
- Present comparables to the potential buyer to help determine an offer price;
- Discuss options for where the deposit may be held and the benefits of each option;
- Review the contract with your client to ensure they understand all the terms;
- Discuss timing of the offer presentation;
- Discuss how offers and counter offers work and what happens in multiple offer situations; and
- Ask your managing broker to review your contract before submitting it to a seller or their real estate licensee.

Reflection Questions

- On a scale of one (no confidence) to five (very confident), how confident did you feel drafting the contract? What resources did you use to draft the contract?
- Did you review the entire contract with your client?
- Did you enlist the services of a legal representative to help?
- How did you determine the clauses to ensure that your client's needs were represented in the Commercial Contract of Purchase and Sale?
- When you asked your managing broker to review the contract prior to having your client sign it what advice did he/she provide?

How did the Knowledge Base assist you in the drafting of an enforceable contract? What sections, clauses and/or articles did you review that were helpful in the drafting of the contract?



Assignment Six: Presenting an Offer, and Negotiating a Counter-Offer on Behalf of a Seller

Overview

As a part of performing your duties for your seller client who has received an offer from a buyer you will need to review the offer with your seller client, prepare a counter-offer on behalf of your seller client, and keep their interests and contract requirements in mind. As you progress through this assignment, monitor your progress and comment on it in the reflection questions that appear at the end of each assignment.

Presenting and Negotiating the Offer

Supporting Resources

- Knowledge Base and Practice Guidelines; and
- Disclosure to Sellers of Expected Remuneration form.

Instructions

Use the following list to help in your presenting a buyer's offer to your seller client. Remember to provide the seller with a Disclosure to Sellers of Expected Remuneration form for all offers submitted.

- Review the offer with your client ensuring they understand all the terms and subject conditions;
- Ensure your clients understand the conditions precedent included in the offer and discuss their ability to provide the required documentation (e.g.. financial statements) to the buyer;
- Discuss the pros and cons of the offer with your client;
- If your client wants to make a counter-offer, amend the offer in writing, ensuring that any changes are clear and reflect your client's intentions;
- Be sure to have your client initial each change and verify that the time provided by the buyer in the contract to respond has not lapsed;
- If there are two acceptable offers, discuss the option of accepting one offer as a backup offer (if approved by the buyer); and
- Ensure the seller understands the dollar amount of remuneration they will be paying for each offer submitted using the Disclosure to Sellers of Expected Remuneration form.

Reflection Questions

- Describe the requirements of the Disclosure to Seller of Expected Renumeration? When is it completed? Who completes it? Who receives a copy?
- Describe, in detail, the process for countering an offer. Include a minimum of five steps.
- What things could 'go wrong' in a counter-offer situation? Explain how you could prevent each of these things from occurring.
- Define a back-up offer. How did you explain a back-up to your seller?



Assignment Seven: Drafting an Offer to Lease

Overview

In Drafting an Enforceable Offer to Lease for a tenant client, you will draft an offer to lease under the supervision of your managing broker or an experienced licensee at your brokerage.

At the end of the assignment, you will respond to a series of reflection questions.

In this assignment you must ensure the offer is drafted to match the intentions of your client. If you are drafting custom clauses, they should be vetted by your managing broker and possibly a lawyer to ensure they are appropriate and enforceable.

Drafting the Offer

Supporting Resources

- Disclosure of Representation in Trading Services form;
- BCFSAs Knowledge Base;
- BCFSAs Clause index;

- WebForms®;
- Commercial Offer to Lease;
- FINTRAC – Individual Identification Information Record;
- FINTRAC – Corporation / Entity Identification Information Record;
- FINTRAC – Beneficial Ownership Record if applicable;
- Title search;
- LOTR search results;
- Corporate search results (if your client is a company); and
- Regulatory information and guidelines on deposits.

Instructions

- Draft an offer to lease by using the following checklist:
- Outline what documents must be included in an offer to lease;
- Review the title to the property to ensure the offer has the correct landlord's name, legal description and PID;
- Discuss AML obligations;
- Ensure your tenant client understands all the charges and encumbrances that appear on the title to the property and how those may affect them once they take possession of it;
- Ensure that you do not provide legal or accounting advice to your tenant client and advise them to get professional advice when necessary;
- Advise the tenant on rental rates based on a market analysis of the property;
- Review conditions/terms, and possession;
- Discuss appropriate conditions/subject clauses that your client may wish to include in the offer to lease;
- Ensure all the terms and subjects are clearly drafted and represent the intent of your client;
- Present comparables to the potential tenant to help determine an appropriate lease price;
- Discuss options for where the deposit may be held and the benefits of each option;
- Review the offer to lease with your client to ensure they understand all the terms;
- Discuss timing of the offer to lease presentation;
- Discuss how offers and formal leases work and the differences between them; and
- Ask your managing broker to review your offer to lease before submitting it to a landlord or their rental property manager.

Reflection Questions

- On a scale of one (no confidence) to five (very confident), how confident did you feel drafting the offer to lease? What resources did you use to draft the offer?
- Did you review the entire offer to lease with your client?
- Did you enlist the services of a legal representative to help?
- How did you determine the clauses to ensure that your client's needs were represented in the Commercial Offer to Lease?
- When you asked your managing broker to review the offer to lease prior to having your client sign it what advice did he/she provide?
- How did the Knowledge Base assist you in the drafting of an enforceable offer to lease? What sections, clauses and/or articles did you review that were helpful in drafting?



Assignment Eight: Overall Reflection on the Practical Field Assignments

Overview

For this reflection assignment, you must consider your practice and experience conducting the transactions required during this practical component of the course. Your responses to the following questions will be submitted by you to your Managing Broker or experienced licensee you have been working with along with the Managing Broker Checklist. These responses, along with the Managing Broker Checklist provides you with the opportunity to discuss with your Managing Broker or experienced licensee your practice experiences and identifies areas you may continue to work on to improve your practice and competency and/or further learning through continuing education.

Use short answers to respond to the following questions:

1. In completing your practical field assignments, you were asked to apply what you learned in Component Two to various activities related to the provision of trading services. In the practical application of agency, disclosure, conflicts, contracts and anti-money laundering what are three things that you learned that Component One and/or Component Two did not teach you? Explain why these learnings are significant to you as a licensee.
2. Which of the seven practical field assignments was the most challenging and which was the least challenging for you to complete? Explain using a minimum of three reasons for each of your choices.
3. Which of the seven practical field assignments did you feel least prepared to complete? Explain your choice. Where did you find the information that you needed to complete the assignment? What resources did you access?

Use the rating scale to respond to the following questions:

4. When I had to describe agency to a potential client, I clearly articulated my duties to the client.
 Not at all Somewhat Very N/A — I did not complete this activity
5. When I had to describe a no agency relationship with a consumer, I was able to clearly articulate the risks associated with being an unrepresented party.
 Not at all Somewhat Very N/A — I did not complete this activity
6. When I was conducting a showing, I could address my agency role to attendees well.
 Not at all Somewhat Very N/A — I did not complete this activity
7. I have a clear understanding of the correct timing for agency disclosure and the disclosure of material latent defects.
 Not at all Somewhat Very N/A — I did not complete this activity
8. When I spoke to my value and expected remuneration, I felt comfortable.
 Not at all Somewhat Very N/A — I did not complete this activity
9. When I listed a property, I completed the documentation accurately.
 Not at all Somewhat Very N/A — I did not complete this activity
10. I used the Buyer's Agency Exclusive Contract when speaking to potential buyer clients.
 Not at all Somewhat Very N/A — I did not complete this activity
11. When I measured the property, I double-checked the measurements to ensure accuracy.
 Not at all Somewhat Very N/A — I did not complete this activity
12. I could easily access information on clauses from the Knowledge Base when drafting a CCPS.
 Not at all Somewhat Very N/A — I did not complete this activity

13. After completing the online modules and the classroom instruction, I felt well prepared to complete the practical field assignments.
- Not at all Somewhat Very N/A — I did not complete this activity

Respond to the following true/false questions:

14. I had a conflict of interest situation when working with two clients.

True False

15. Finding information about a property was challenging.

True False

16. Ascertaining my client's needs was challenging.

True False

17. I found drafting the commercial contract of purchase challenging.

True False

18. I found drafting the offer to lease challenging.

True False

19. I had to disclose a material latent defect when working with a client.

True False

20. My client disclosed a material latent defect.

True False

21. I had to disclose an interest in trade to a client.

True False



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