



April 30th, 2020

BCA Beneficial Ownership
Ministry of Finance
PO Box 9418 Stn Prov Govt
Victoria, BC V8W 9W1
Email: BCABO@gov.bc.ca

Attn: Policy and Legislation Division

To Whom it May Concern,

On behalf of over 1,200 Members of the Appraisal Institute of Canada – British Columbia (AIC-BC), I am pleased to have the opportunity to make this submission in the context of the 2020 Consultation of a Public Beneficial Ownership Registry in B.C. The AIC-BC would like to thank you and the Expert Panel on Money Laundering in Real Estate for your continued commitment to combat real estate fraud and protection of the public in British Columbia. Allegations of criminal behaviour and money laundering within the real estate industry in British Columbia is a concern to us as such activity can contribute to unduly volatile markets.

The Appraisal Institute of Canada (AIC) is the premier real property valuation association in Canada. Founded in 1938, AIC is a self-regulating professional organization that grants the distinguished Accredited Appraiser Canadian Institute (AACI) and Canadian Residential Appraiser (CRA) designations to individuals across Canada and around the world. Our Members adhere to national standards – the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) – and are respected worldwide for the rigorous designation criteria and ongoing professional development requirements.

AIC-BC appraisers are unique participants in the real estate transaction. They bring an independent and objective perspective to real estate transactions as they have no vested interest in the outcome of a transaction or in the value of a subject property. AIC-BC has a long history of providing valued, independent opinions about property value. In 2019, AIC-BC's Members conducted more than 220,000 third-party appraisals with an aggregated value estimated at \$409 billion. This represented \$188 billion in residential property and \$221 billion in non-residential property including commercial, industrial, as well as a variety of other types of real estate. Furthermore, we have many Members who provide in-house expertise to private and public sector organizations including Governments, corporations, and mortgage insurers.

As a key industry stakeholder, AIC-BC shares the Government of British Columbia's objectives to help protect BC's housing market from money laundering where Governments, as well as their respective agencies, coordinate their actions and share information. Our organization is particularly committed to ensuring consumers are protected and informed in real estate transactions; we believe this results in a sustainable and healthy marketplace that enables all British Columbians to prosper.

Increased transparency through a beneficial ownership registry is a mandate that AIC-BC welcomes and supports. The proposed registry is particularly important to help mitigate risk when confirming parties



involved in a transaction to ensure that market information is correctly interpreted and utilized within valuation reports; however, it is also necessary to provide this access in a timely and reasonable manner. With that said, AIC-BC believes that the legislative proposal would be strengthened through the following additional considerations:

Centralized Registry & Access to Data

AIC-BC Members believe that accurate market data is the foundation of quality valuations. Unbiased and independent real estate appraisals play a vital role in helping the public make informed decisions during real property transactions and the lack of reliable information puts our financial system and British Columbia residents at risk for inaccurate valuations and fraud. AIC-BC Members need to have equitable and affordable access to public records of land registry, ownership and sales data, and other key data points to effectively authenticate properties, verify ownership, assess scope of work, commission, and complete appraisal assignments.

Appraisal fees, appraisal turn-around times, and client expectations are all based, in part, on access to reliable data. In recent years, real estate data has commoditized, becoming fragmented, expensive, and ultimately less accessible to the people it is intended to protect. Data held by BC Assessment (BCA) and the Land Title Survey Authority (LTSA) has, in many cases, become inaccessible to, or unaffordable for, our Members. This trend is in conflict with the provincial Government's mandate to protect the public by addressing fraud in the real estate industry. Recent provincial legislation initiatives for data transparency, such as the Real Estate Development Marketing Amendment Act and the Land Owner Transparency Act, while good policy, if not accessible and at a reasonable cost to AIC-BC appraisers, limit its potential impact and effectiveness.

Further limitations by way of high subscription costs amid multiple data channels or an increased dependence on third-party providers limits Members access to data sources, therefore increasing risk to consumers. This can also result in delayed appraisal delivery and increased costs to the consumer, as well as additional costs to maintaining and operating an appraisal practice.

It is important that all stakeholders within the real estate industry have access to public records of land registry, including identifying beneficial ownership, in an equitable way. Limiting the fragmentation and commoditization of real estate data by prioritizing a centralized real estate database that is accessible to and affordable for all real estate professionals will promote industry growth and will help AIC-BC Members and other stakeholders within the real estate industry in their efforts to flag and report suspicious and fraudulent activity in real estate.

As there have been concerns raised over the need to balance privacy rights and the need to combat money laundering in real estate, privacy or non-disclosure should only be permitted in situations related to safety and security of an individual(s). Only Government authorities and qualified, designated, and insured professionals should have access to any withheld information by providing documentation as to why this information is necessary and how it will be kept confidential. AIC-BC Members are steadfast in their efforts to flag and report suspicious, criminal, and fraudulent activity in real estate. We believe professional appraisers play an integral role in the real estate sector and that access to comprehensive, reliable, and affordable market data helps to deliver quality appraisals which ensure that the public is protected. AIC-



Appraisal Institute of Canada
British Columbia

BC is committed to working with Government to deliver solutions that uphold public confidence and trust in the real estate sector.

Thank you for considering our submission and remain available for any questions.

Respectfully,

Brett Garnett, AACI, P. App
1st Vice President | Appraisal Institute of Canada – British Columbia