



PRESS RELEASE



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Canada's real estate market both competitive and secure, national survey of REALTORS® finds

Real estate professionals believe severe deregulation in the residential brokerage system would have a negative impact on home buyers and sellers

TORONTO, Ontario, May 11, 2010 — REALTORS® polled in a recent cross-Canada survey indicated that the country's real estate market is both highly competitive and provides the necessary safeguards to protect consumers. Eighty-six per cent of real estate professionals said they worry that severe deregulation in the real estate industry would erode standards of customer service for Canadians who are buying or selling a home.

According to the online poll of 1,726 REALTORS® by Royal LePage Real Estate Services, the proposed changes to the Multiple Listing Service (MLS®) will do little to improve an already competitive industry.

In the survey, REALTORS® were asked to comment on the potential impact of 'unbundling' real estate services and limiting the extent to which accredited real estate professionals manage the MLS® system, a listings database which holds detailed property information and is used by licensed agents in purchase and sale transactions.

Eighty-six per cent of agents surveyed said they are "concerned that the push to foster increased competition in the industry will result in lower customer service standards." When asked about the state of the marketplace currently, 76 per cent of respondents said the industry is "highly competitive."

"Our company was founded on principles of client service and consumer protection. Our agents welcome competition in the industry, but are very concerned that the severe deregulation of the residential real estate brokerage industry would hurt, not help, Canadian home buyers and sellers," said Phil Soper, president and chief executive, Royal LePage Real Estate Services. "To state that there is a lack of competition in the Canadian real estate industry is simply incorrect. Every day, the one hundred thousand men and women in the profession compete vigorously with each other and with unlicensed, unregulated alternatives. The range of services available from licensed REALTORS® is vast, with fees on the low end that extend downward to a small fraction of one percent of a home's sale price."

The Royal LePage survey revealed the extent to which real estate professionals counsel buyers and sellers during the negotiation and completion of a sale transaction. When asked how often they help clients avoid financial or transactional mistakes, more than 88 per cent of REALTORS® surveyed said "very often" or "often." The poll also found that real estate agents' primary consideration when advising clients is to optimize and protect clients' financial well-being.

"Entering into a real estate transaction is often the largest financial decision a person or family will make, and government regulators and we in the profession have a responsibility to Canadians to ensure that the marketplace has proper safeguards in place," Soper said. "The critical elements in maintaining a fair and efficient real estate market include the need to ensure REALTORS® meet ethical and educational standards, to protect our clients' sensitive

Canadian Mortgage News - Canada's real estate market both competitive and secure, national survey ...
personal data, and to ensure the integrity of listings information."

While almost all advisors surveyed use the MLS® system (98 per cent), they commonly use other tools to promote listings, including an open house (90 per cent), newspaper advertising (89 per cent), and their website (87 per cent).

"We surveyed our agents' opinions on these important issues because we feel it's critical for those in the profession – real estate professionals from across Canada working with home buyers and sellers every day – to have a voice in this matter," added Soper.

Royal LePage advisors responding to the poll had an average of more than 15 years of experience in the industry. Results from the Royal LePage Real Estate Advisors Survey, conducted online in April 2010, can be found below.

Survey results

Agree or disagree – I am concerned that the push to foster increased competition in my industry will result in lower customer service standards:

Agree: 1,482 responses (85.9 per cent)
Disagree: 244 responses (14.1 per cent)

Describe how competitive the real estate market in Canada is:

Highly competitive: 1,313 responses (76.1 per cent)
Competitive for a mature industry: 331 responses (19.2 per cent)
Moderately competitive: 75 responses (4.3 per cent)
Not competitive: 7 responses (0.4 per cent)

How often do you feel like you have helped clients avoid financial or transactional mistakes during the purchase or sale of a home?

Very often: 887 responses (51.4 per cent)
Often: 640 responses (37.1 per cent)
Occasionally: 174 responses (10.1 per cent)

Seldom: 14 responses (0.8 per cent)
Never: 11 responses (0.6 per cent)

Rank your top considerations when advising a client on a transaction (one is highest, five is lowest):

Optimizing and protecting your client's financial well-being: average rank = 1.5
Completing the transaction in a timely manner: average rank = 1.8
Providing the full package of brokerage services: average rank = 1.9

Indicate which methods you have used to promote a listing and help clients sell property:

www.mls.ca or www.realtor.ca: 1,688 responses (97.8 per cent)

Open house: 1,559 responses (90.3 per cent)
Newspaper advertising: 1,534 responses (88.9 per cent)
Broker website: 1,504 responses (87.1 per cent)
Personal website: 1,322 responses (76.6 per cent)

Canadian Mortgage News - Canada's real estate market both competitive and secure, national survey ...

Email marketing: 1,097 responses (63.6 per cent)
Direct mail: 934 responses (54.1 per cent)
Kijiji: 591 responses (34.2 per cent)
Craigslist: 454 responses (26.3 per cent)
Facebook Marketplace: 397 responses (23 per cent)

Other: 392 responses (22.7 per cent)

How long have you been with Royal LePage?

Response average: 15.5 years (Response total: 26,728 / Response count: 1,726)

How often do you participate in ongoing education through formal conferences, seminars or courses?

Four or more times per year: 738 responses (42.8 per cent)
One to three times per year: 796 responses (46.1 per cent)
Once every two years: 92 responses (5.3 per cent)
Less than once every two years: 72 responses (4.2 per cent)
Never: 28 responses (1.6 per cent)