

Ontario real estate rule changes could spread to Vancouver market

Public access to historical sales data has potential to shake up industry

Metro Vancouver realtors will likely fall in line with major datasharing changes that have been forced on Toronto realtors in a competition ruling, Greater Vancouver Real Estate Board president Dan Morrison said Thursday.



Surrey realtor Mayur Arora believes the federal Competition Tribunal ruling ordering the Toronto Real Estate Board to release once-secret sales data is the catalyst for a shakeup in the real estate industry across Canada that will result in fewer agents and the end of shady practices like shadow flipping.

Weeks ago, the federal Competition Tribunal ordered the Toronto Real Estate Board to release proprietary Multiple Listing Service sales data to consumers online.

Homebuyers in Toronto will now be able to access historical sales data that was tightly guarded by realtors in ways that stifled competition, according to a ruling. The new information should give consumers a better idea of the longterm value of properties compared with current asking prices, experts say, and help them avoid bidding wars that are encouraged under the current system.

Some analysts say consumerfriendly changes in Ontario could mark a long-predicted moment of disruption for Canada's real estate industry, and Vancouver's redhot market. The most aggressive predictions envision consumers eventually using technology to directly buy and sell homes through an open MLS system. Toronto realtors have fought to protect their MLS sales data for years, and say they will appeal the ruling.

Morrison said that if the competition order is upheld in Toronto, Vancouver realtors would also release MLS data, but he could not give a timeline for changes.

“I can’t imagine we wouldn’t support a major change like this,” he said. “But I’m not sure I agree that this (ruling) is the thin edge of the wedge in terms of going to a fully open MLS system.”

Surrey realtor Mayur Arora believes the Ontario ruling means B.C. consumers will be paying lower commissions for transactions, and general secrecy around many deals that critics say fuels market-inflating bidding wars could be reduced.

In one example, Arora says he is aware of realtors who tell prospective buyers that many offers have been made on a home, encouraging higher offers. In some cases, Arora says, multiple offers are “greatly exaggerated” or may not even exist. Also, some consumers and realtors say there are cases where properties don’t make it to the open market and the highest bid may not win, for reasons only known by realtors.

In the future, Arora said he can envision all listings being publicly marketed on the MLS system, and disclosure rules would make all offers officially recorded. Ultimately, Arora believes fewer realtors will be working in B.C. due to technology and increased powers for consumers.

“I think we are on the cusp of a huge shakeup in the industry, and this ruling is the catalyst,” Arora said.

“If you remember in the 1990s there were travel agents on every street corner — where did they go?”

Arora’s prediction won’t be popular with many realtors, but he is already a controversial figure. He says he faced a death-threat from an anonymous caller claiming to be a Surrey realtor in 2010, when Arora introduced a comparatively low, flat-fee commission plan for MLS system sales.

There will be continued resistance to greater MLS data sharing and lower realtor fees, Arora says, but the forces of change in B.C. have never been greater, since consumers are already angered by reports of shady dealings in Metro Vancouver’s skyrocketing markets. B.C. Superintendent of Real Estate Carolyn Rogers has acknowledged consumers have reason to complain and realtors must regain trust.

“Right now there is so much secrecy and everything is done on the hush,” Arora said. “Everyone knows shadow flipping and these things are happening. If we open up the data, that will take care of half the problem.”

Rokham Fard, co-founder of tech-savvy Toronto real-estate brokerage TheRedPin, says the Ontario ruling will unleash a technological transformation of Canada’s real estate markets. TheRedPin has an office in Vancouver, and offers a large database of current MLS property listings. When brokerages can add historical MLS data to current listing data, they will be able to judge for clients whether a home is fairly priced, Fard said. Also, consumers will be doing much of the market research now done by realtors, and therefore pay less for services, he said.

Fard says within five years he believes consumers will be able to ask “mechanical questions” of automated apps “before engaging” with human realtors.

“I don’t see the use of realtors going away in the next five years, because technology can’t answer emotional questions yet,” he said. “But who knows, maybe in the next 10 or so years we will be there.”

Morrison said B.C. realtors acknowledge the trust challenges they face, and he hopes the independent panel reviewing B.C. real estate complaints will offer solutions. “I know that realtors provide integral value to successful transactions, and we are working hard to stay relevant.”