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ENDING BULLY OFFERS WILL GIVE ALL BUYERS A FAIR CHANCE AT OWNING A HOME, SAY ONTARIO REALTORS®

OREA responds to government consultation with 28 recommendations for raising professional standards and strengthening consumer protection

TORONTO, ON – In looking for ways to increase fairness in the home buying process, Ontario REALTORS® are recommending an end to “bully offers”, a practice that gives some buyers an unfair advantage when making an offer on a home. Released today, [*OREA’s Vision for a Modern REBBA: Getting to the Highest Professional Standards in North America*](#) outlines 28 recommendations for modernizing real estate rules and ensuring that the REALTOR® at your side during the biggest transaction of your life has the highest professional standards, training and modern tools in North America.

“If a home listing includes an offer date, that’s the date on which all offers should be considered; an offer made before that date, which is known as a pre-emptive, or ‘bully offer’, should not be allowed,” said Karen Cox, OREA President. “This will ensure that all interested buyers of a particular home get a fair shot at making an offer. For sellers, it means they will have a chance to work with their REALTOR® to carefully and thoughtfully consider all offers without feeling like they are in a pressure cooker.”

OREA’s Vision for a Modern REBBA also takes aim at escalation clauses, a provision that a buyer can use to beat competing offers by automatically topping any better offer with a previously stipulated amount.

“A clause that allows a buyer to automatically bump all other offers out of the running in a multiple offer situation makes for a very uneven playing field,” said Cox. “Further, for the escalation clause to kick-in, a REALTOR® must reveal private financial information such as the highest offer on a home to the buyer using the clause, which violates the REALTOR® Code of Ethics. Eliminating contradictory rules like this will strengthen consumer confidence in the Province’s real estate market.”

In transactions where real estate salespeople are caught breaching REBBA, OREA is calling for a process called *disgorgement*, which would force rule breakers to pay back any income they made by unethical means.

To view a copy of *OREA’s Vision for a Modern REBBA*, visit www.rebbareform.ca.

OREA's TOP SEVEN REBBA REFORMS

Level playing field if buying a new or resale home: There is currently a two-tier system of consumer protection which exempts builders and developers from having to follow the rules that all real estate salespeople in Ontario must follow when trading in real estate.

Protect consumers against unlicensed operators: There are some unlicensed real estate 'consultants' in Ontario operating outside of the rules designed to protect consumers. The grey area in REBBA that allows this should be removed.

Providing the option for a more transparent offer process: If buyers and sellers want a fully transparent, multiple-offer process, REBBA should allow for it with buyer and seller consent.

More demanding education: An education program that requires more in-class training and specialization in areas like condominiums, industrial and rural or waterfront properties.

Tougher enforcement: The industry regulator, the Real Estate Council of Ontario, should have the authority to proactively investigate the worst offenders and kick people who break the rules out of the profession.

Fair Tax Treatment for REALTORS®: An outdated piece of red tape is preventing real estate salespeople and brokers from operating their businesses through professional corporations that would allow them to reinvest in their business, hire more staff, and contribute to the local economy.

Specialty Licensing: REBBA should be amended to permit specialty licensing classes for commercial, agricultural, condominium, and other forms of real estate.

OREA represents 78,000 brokers and salespeople who are members of the 38 real estate boards throughout the province. OREA serves its REALTOR® members through a wide variety of professional publications, educational programs, advocacy, and other services.
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