

ADVERTISING DO'S AND DON'TS



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Ask yourself these questions:

- Have you ever advertised other members' listings without first getting their permission?
- Have you ever exaggerated when writing an advertisement for a fixer-upper in a crumbling neighbourhood?
- Have you ever referred to yourself as the top-selling REALTOR® without providing the basis (and time period) on which you're making your claim?
- Have you ever prepared and sent out a flier or letter showing the sold prices of properties that have not yet been registered in the buyer's name?

Advertising, it's one of our profession's biggest issues. There's no question, advertising works, whether it's print, television or the Internet. But all of us – and this includes colleagues, clients, potential clients and regulating bodies – have a right to expect a high level of professionalism and service from one another.

Rule of Cooperation of the Chilliwack & District Real Estate Board, Fraser Valley Real Estate Board and Real Estate Board of Greater Vancouver

SECTION 6 – PROFESSIONAL CONDUCT

6.8 Disclaimer in Advertisements

The Rules of Cooperation do not preclude Members from making general announcements or advertisements to prospective clients describing their services and the terms of their availability, even though some recipients may have entered into representation agreements with another Member. However, any such announcements or advertisements which are directed to specific individuals, groups of individuals, households or neighborhoods must clearly include the following disclaimer or statement to the same effect: "This communication is not intended to cause or induce breach of an existing agency agreement."

6.9 Specifically-Addressed Advertisements

Written solicitations directed specifically to property owners identified under MLS®, by "for sale" or "for lease" signs, or by other sources of information, as being exclusively listed with another Member do not constitute a general mailing and are prohibited. In addition, the Rules of Cooperation prohibit Members from using information published or otherwise made available by the Board as a source for creating a mailing list or any other form of communication to sellers of currently listed properties.

SECTION 8 – ADVERTISING

8.1 Advertising - General

Members shall not advertise in any manner that is false or misleading, prohibited by law or restricted by the seller.

8.2 Price and Terms Authorized by Seller in Writing

No Member may offer or advertise a property at a price or terms other than the price and terms as authorized in writing by the seller.

8.3 Advertising Another Member's Listings

Subject to Sections 8.4 and 8.5, advertising, in any form

whatsoever, of a listed property by any Member other than the Listing Brokerage shall only be done with the prior approval of the Listing Brokerage, unless otherwise indicated in the listing contract.

8.4 Advertising Another Member's Listings on the Internet

Where Reciprocity, VOW or Deep-Linking have been adopted by a Board, a Member may republish another Member's listings on the Internet in accordance with the MLS® Reciprocity Program described in Section 8.11, VOW Program in 8.12 and Deep-Linking Program in 8.13.

8.5 Advertising by Cooperating Brokerage

A Cooperating Brokerage, after publication by the MLS® of the sale of that property, may advertise their involvement in the sale of that property.

8.6 "SOLD" Signs

The privilege of placing "SOLD" signs on a property within the jurisdictional area of the Board shall be at the discretion of the seller. The Cooperating Brokerage may, through the Listing Brokerage, request permission from the seller to place a sold sign on a property subject to any local municipal sign regulations.

8.7 Public Representations

Any advertisement, publication or other form of public representation made by or on behalf of any Member must be factual and clearly demonstrate the criteria upon which such representations are based including, without limitation, the period of time over which such representations are based.

8.8 Reproduction of Board Information

Any representation which includes the reproduction of information generated by the Board must include the disclaimer which accompanied the information in its original form or the following notice:

"NOTE: this representation is based in whole or in part on data generated by the Chilliwack & District Real Estate Board, Fraser Valley Real Estate Board or Real Estate Board of Greater Vancouver which assume no responsibility for its accuracy."

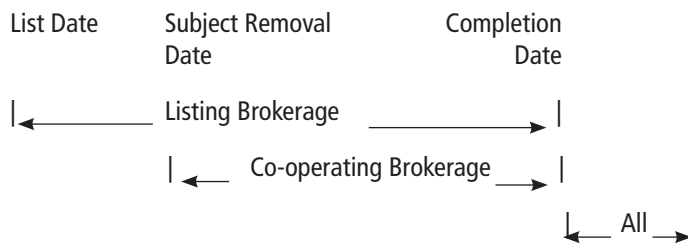
8.9 Other Advertising Requirements

In addition to the Rules of Cooperation, Members should make themselves aware of any advertising guidelines/policies contained in the Board's Code of Ethics and Standards of Business Practice and in the Real Estate Council of B.C.'s "Licensee Practice Manual".

8.10 Medallion/President's Club Advertising

Members should refer to the Medallion/President's Club Policies for advertising policies specific to the Medallion/President's Club. Medallion/President's Club Policies are enforceable under these Rules of Cooperation.

When and Who can advertise a listing?



Advertising Sold and Listing Prices

Sold Price Advertising

Advertising the price at which a property sold in advance of closing is problematic because this information would very likely be considered confidential by the Office of the Information and Privacy Commissioner. In addition, letting the public know the price that a seller accepted in advance of closing would very likely compromise the seller's ability to resell the property at the same or a higher price should the deal collapse. Once the property has been registered in the buyer's name at the Land Title Office, the sold price becomes public information and can be advertised.

Listing Price Advertising

Once a property has been registered in the buyer's name at the Land Title Office you should not advertise the listing price at which it was once offered to the market. As noted above, you can advertise the price at which it sold – providing the deal has closed and has been registered at the Land Title Office. The Office of the Information and Privacy Commissioner would likely consider the listing price, once no longer publicly available through the Board, would be the seller's confidential information.

Please also refer to the new Licensee Practice Manual, sixth edition, pages 87-91.

REAL ESTATE SERVICES ACT

Council Rules

Part 4 – Business Practices – Division 3 – Advertising

4-6 Restrictions and requirements related to advertising generally

- (1) A licensee must not publish real estate advertising unless it complies with this section.
- (2) In all cases, the licensee name of the brokerage must be displayed on a prominent and easily readable way.
- (3) If real estate advertising identifies a managing broker, associate broker or representative, this must be done by using the licensee name of the individual.
- (4) If real estate advertising includes an office address for the licensee, this must be the address of the related brokerage office.
- (5) If the Council approves a team name for a group of related licensees, real estate advertising may also identify the group by this team name.

4-7 False or misleading advertising prohibited

A licensee must not publish real estate advertising that the licensee knows contains a false statement or misrepresentation concerning real estate, a trade in real estate or the provision of real estate services.

4-8 Advertising in relation to specific real estate

A licensee must not publish real estate advertising indicating that specific real estate is being offered for sale of other disposition unless the owner of the real estate, or an authorized agent of the owner, has consented to the advertising.

REALTOR® CODE AND STANDARDS OF BUSINESS PRACTICE

Article 13: Advertising - Content/Accuracy

All advertising and promotion of properties shall accurately reflect property and other details and prominently display the name of the brokerage and any additional information required by provincial regulation.

Interpretations

13.1 The Internet website of a REALTOR® is an advertising vehicle. In the event of a multiple page website, every page is an advertising vehicle. All properties displayed and all representations made on a website must comply with the Code of Ethics and Standards of Business Practices as well as applicable provincial, federal and any other requirements regarding advertising.

13.2 The advertised or offered price shall not be other than that which was agreed upon in writing with the seller.

Article 14: Advertising Listings of other REALTORS®

REALTORS® may only advertise a property if such advertising has not been restricted at the request of the seller and is in accordance with provincial and federal regulations.

Interpretations

14.1 Unless otherwise agreed upon in writing, all property advertising must include the name of the listing brokerage.

14.2 Listing brokerages may permit the advertising of their properties by other brokerages when the seller authorizes to do so in writing.

14.3 Virtual Office Websites (VOWs), Internet Data Exchange Websites (IDXs) and any other similar sites or technologies which display properties of other REALTORS® shall be subject to all applicable laws, and be operated in accordance with the rules established by the appropriate real estate.

Article 15: Advertising Claims

Claims or offerings in advertising must be accurate, clear and understandable.

Interpretations

15.1 Advertising of compensation shall include the details of services provided and whether any additional charges may apply. If the advertised compensation does not include listing on MLS®, or other information that would likely affect a consumer's decision to retain the REALTOR®/brokerage, a statement to that effect must be included.

15.2 Representations of performance (e.g. "#1," "top-selling," etc.) must include the geographical area referred to, the relevant timeframe (e.g. January-June 2004) and the source or basis on which the claim is based (e.g. based on the number of sales on the MLS® system of the relevant Board for the specified time period).

15.3 Advertising of programs, initiatives or guarantees (e.g. "Buy a house with 0% down," "If I don't sell your house, I will buy it from you," "Enroll in my preferred Seller program," etc.) must clearly set out or direct consumers to all details of how the program works, including, but not limited to, exceptions, timeframes and any other information that could affect a consumer's decision to retain the REALTOR®/brokerage.

15.4 Conditions, restrictions, limitations and any additional charges shall be fully and prominently displayed in the body of the advertisement near the claim or offering, or be readily available on direction.

CREA Guidelines for Real Estate Advertising, Marketing and Promotional Practices

CREA advises members to be cautious in advertising to ensure compliance with federal and provincial laws.

The federal Competition Act and the Competition Bureau address false or misleading advertising and deceptive marketing practices.

Members of a real estate board or association may also be disciplined by the board/association for advertising that is false or misleading within the meaning of the *Competition Act*.

In determining what is "false or misleading", the Act looks not only to the literal meaning of the advertisement, but also to the general impression created by it. The test is significant in that in determining whether an advertisement is false or misleading, the general impression conveyed by the advertisement, as well as the literal meaning, is taken into account.

Top 10 advertising tips

Think of all the time and money you spend on advertising. From your business cards to your website, from your brochures and flyers to your newspapers ads, pens, fridge magnets and lawn signs. The list is endless.

Do it right - follow the rules and guidelines set out by the Board, the Council, the *Real Estate Services Act* and the Canadian Real Estate Association - and advertising will become your ultimate competitive advantage.

Do it wrong, and you could forever damage relationships with clients and irritate your colleagues (whose cooperation you will need someday down the road). Worse, you could also impair your own reputation. So that this doesn't happen to you, here are my top 10 advertising tips.

1. **Memorize the definition.** CREA's Code of Ethics states "advertising means any marketing activity to promote the brokerage, the REALTOR® or a transaction and includes any verbal, written or graphic representation in any form, including electronic media." (This includes unaddressed flyers distributed to neighbourhoods and individual flyers specifically addressed to each homeowner.)
2. **Always tell the truth.** Never state or publish advertising that is false or misleading.
3. **Get permission.** Before you take another members' listing and advertise it, get their permission. Send an email, leave a phone message or ask in person, and wait until you have a response.
4. **Let go of the listing price.** Once a sale has completed you shouldn't advertise the listing price. If you're unsure whether the property has sold or not, check.
5. **Beware of the sold price.** You can advertise the sold price only after the deal has closed and has been registered in the Land Title Office. You can check through BC Online.
6. **Don't say you participated if you didn't.** If you weren't involved in a sale - you aren't one of the listing or selling members, you can't advertise your participation in the sale of a property. Don't state "I sold 123 Main Street," or "123 Main Street Sold by me," if you didn't.
7. **Take care with MLS® database information.** You may use listings and sales data from the MLS® database with clients and customers only when you are providing them with a comparative market analysis (CMA), buyer presentation or in response to their specific request for market information. Otherwise, it's hands off.
8. **Provide the facts.** When you promote yourself and make claims to support your reputation, you must provide specific details on the geographical area, the timeframe and the basis for your claim. Don't say "I'm number 1." Instead say, "I was the top-selling REALTOR® for Happy Valley Real Estate Ltd. in Champlain Heights in May 2006."
9. **Make it clear who you work for.** You must always display the name of your brokerage in way that stands out. Make sure this is done in a prominent and easy-to-read style.
10. **Remember,** consumers judge you by the public face you present in your advertising. Make a practice of reviewing your advertising with a critical eye. What does it say about you? Would you work with yourself if you were a consumer?