Business Leaders Forum

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"The Verified Transaction"

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Land Registries: Improvement Journey

- Digital Transformation: Significant advancements in digitizing land records, transitioning from paper-based to electronic systems, improving accessibility, and reducing processing times.

- Enhanced Transparency: Introduction of online portals for public access to land records, increasing transparency and trust in land ownership and transaction processes.

- Interoperability and Data Sharing: Increased collaboration between land registries and other governmental agencies, enabling better data sharing, verification, and a more holistic approach to property management.

- Customer-Centric Services: Introduction of user-friendly platforms and self-service tools, allowing individuals and businesses to conduct land transactions and searches efficiently, enhancing customer experience.

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Real Estate: A High-Value Asset with Increasing Risks

Valuation:

Real estate is often the highest value asset owned by individuals.

BC real estate is valued at $2.79* trillion, making land ownership the most significant asset for many British Columbians.

Fraud Risk:

The high value of real estate makes it a prime target for fraudulent activities, including identity theft.
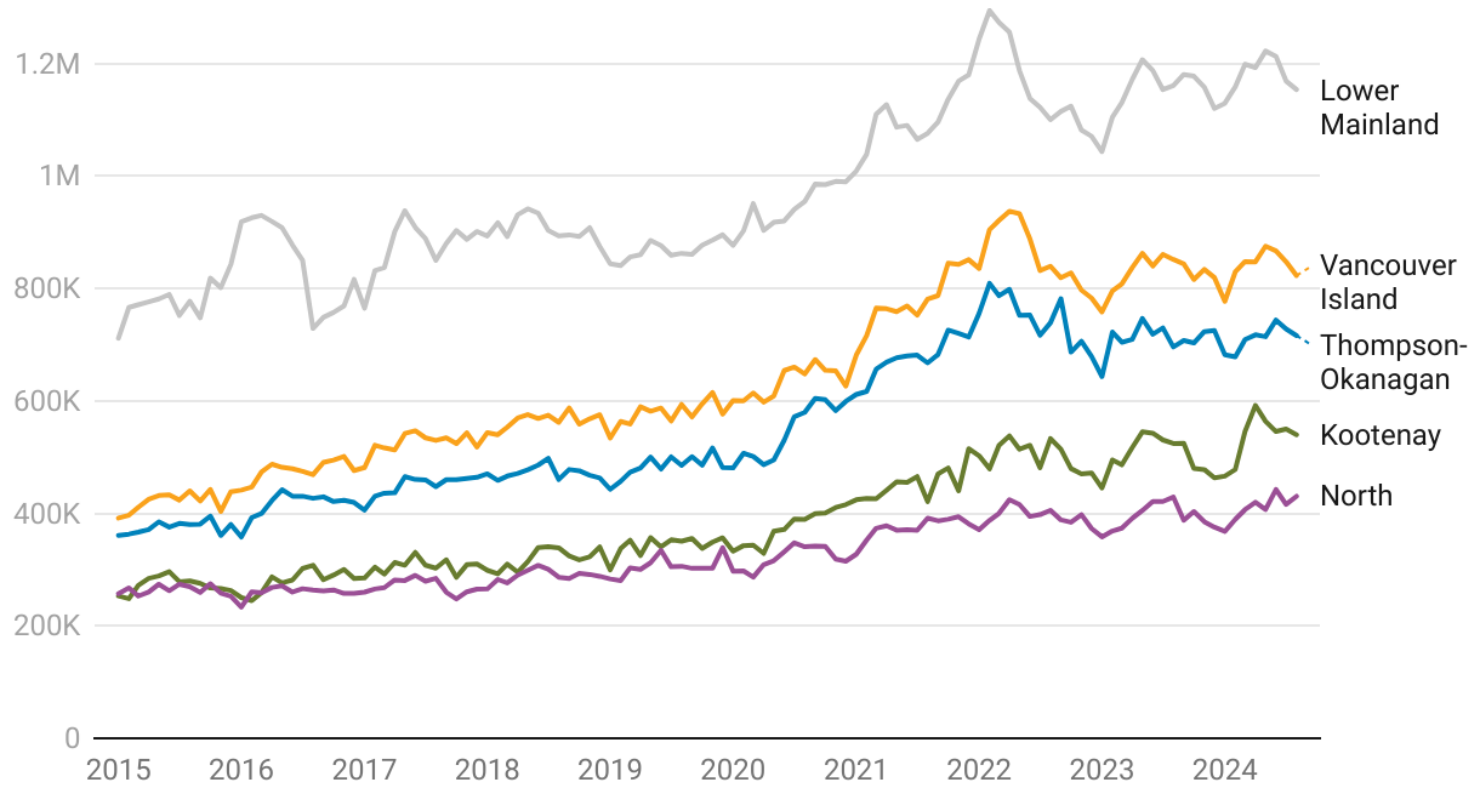
Transaction Challenges:

The transaction process is often disjointed and complicated, which limits transparency and increases risk due to:

- Multiple participants
- Siloed information
- A mix of digital and physical steps

https://info.bcassessment.ca/property-information-trends/province-wide
2024

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Average Price Level by Region

Source: BCREA Economics • Created with Datawrapper

"On the Internet, nobody knows you're a dog."

Money Laundering (AML)

- Increased risk leading to increasingly complex regulatory environment

- 101 Recommendations from Cullen Commission

Identity Fraud (KYC)

- Increased risk from weaknesses in Know Your Client (KYC)

- Proliferation of counterfeit documents

- Unsecured identity verification process

- Multiple unconnected identity checkpoints

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Taking Cues From the Financial System

FINANCIAL SYSTEM

REAL ESTATE SYSTEM

FINANCIAL SYSTEM	REAL ESTATE SYSTEM
One-time, strong KYC	KYC through intermediaries
Ongoing direct client relationship	Intermediaries in client relationship
Payment Rails and Standards (ISO20022)	Fragmented, online/offline transaction process

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Vision for Evolving the Real Estate System

The Chain of Verification

Property Owners | **Professionals**

VERIFY

Transaction

Verify the Property Owner

Collect ID using enhanced KYC protocols, and verify against secure and trusted data sources

Verify the Participants

Connect parties and digitize the transaction to reduce identity fraud and increase transparency

Verify the Transaction

Confirm the transaction with the homeowner using enhanced personal information verification

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Key Takeaways

- Online systems introduce opportunities for improved access while also creating new security risks

- Property owner is disconnected because transactional information related to ownership and interests in land is undertaken by intermediaries

- Fragmentation forces property owners to go to multiple places to perform basic tasks and obtain information (assessment, taxation, land-use)

- Increasing incidence and sophistication of fraud

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Solution Requires

Ecosystem participation   Data standards

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Security Improvements

We must ensure all parties involved in a real estate transaction are "legit" – buyer, seller and all the professionals assisting them.

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"Legit"imacy…. is not a local challenge

Home · News

Oak Bay home put up for sale without owner's knowledge

Neighbour thwarts scam with a phone call

Christine van Reeuwyk
Mar 29, 2021 5:00 PM
Updated Mar 29, 2021 5:45 PM

A neighbour thwarted the potential sale of a home in Oak Bay, which was listed without the owner's consent. (Google street view)

- Foreign players are involved in real property transactions

- Fraudulent activities leverage uncertainty created by dealing across boundaries

Problem Statement

- The lack of standardized data formats, definitions, and quality control mechanisms hinders an efficient and transparent real property market.

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Benefits of Open Data Standards

Data Analysis and Research - consistent data across different authorities, geographies or time

Integration with Other Systems - holistic solutions and improved coordination

Support for Policy Development - evidence-based policy = more effective regulations and services

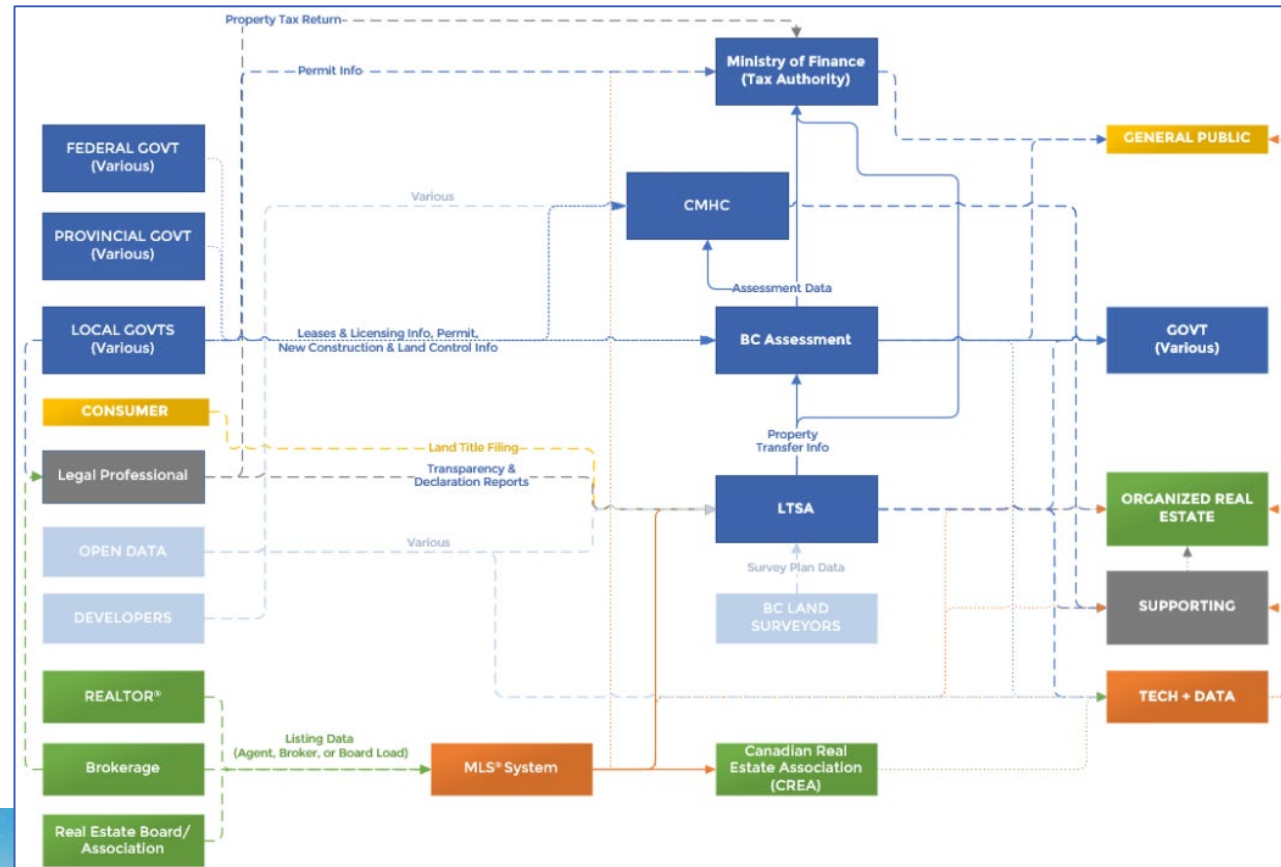**Increased Efficiency** - streamline the process of accessing and exchanging information

Improved Transparency - reduces asymmetry of information in the market

Facilitates Innovation enables the creation of new tools, applications, and services

Data Ecosystem – A complex web

BCREA Data Flow Diagram Project Report: prepared by Shauna Begley, May 20, 2024

Data Flows

Recommendations

Determine path to RESO adoption | Integrate wherever possible | Adopt a sector-wide data governance framework | Balance data access with privacy and security | Update processes to improve data quality | Leverage advanced technologies | Centralize sector resources | Streamline communication

Promote data standardization & interoperability | Implement comprehensive data management strategies | Improve information access

Foster sector collaboration & dialogue

**LTSA has a unique opportunity
to play a central and leading role in the ecosystem:**

1. **Open Data Standards**: e.g., shared ecosystem data model and other data standards.
2. **Interoperability**: enabling standardized connectivity solutions between ecosystem players.
3. **Data Quality Improvements** establishing, tracking DQ across ecosystem data flows, addressing DQ issues.
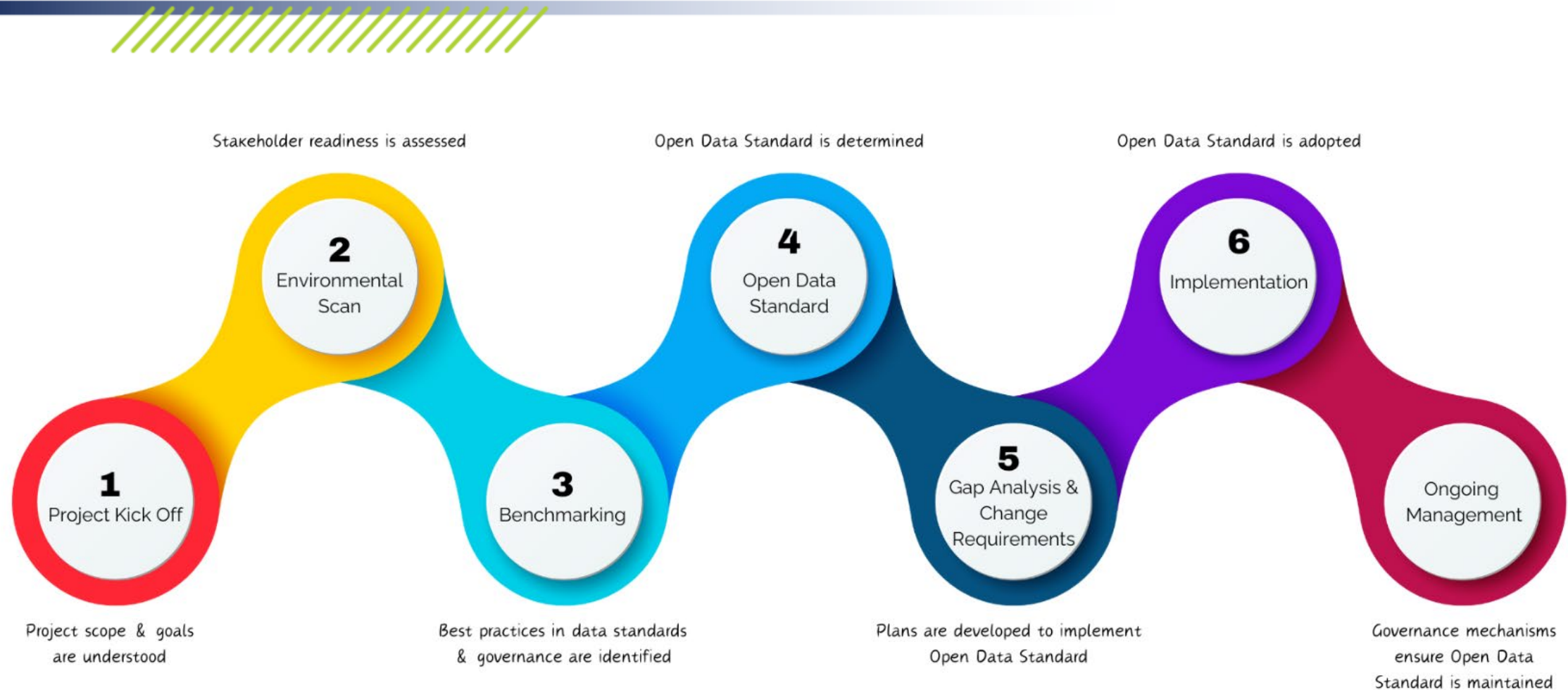4. **Data Cross-Mappings**: definitive/trusted DCMs sourced from and provided to ecosystem.

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So, what is that about Open Data?

Open Data Standard

$\neq$

Open Data

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Open Data Standards: Strategic Roadmap

Stakeholder readiness is assessed

Open Data Standard is determined

Open Data Standard is adopted

2 Environmental Scan

4 Open Data Standard

6 Implementation

1 Project Kick Off

3 Benchmarking

5 Gap Analysis & Change Requirements

Ongoing Management

Project scope & goals are understood

Best practices in data standards & governance are identified

Plans are developed to implement Open Data Standard

Governance mechanisms ensure Open Data Standard is maintained

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But, what if…

Generated using AI

Next Steps

- Evolve vision for digital transactions
  - refining the vision and goals of the project
  - Engage stakeholders
- Assess sector readiness
  - environmental scan focusing on awareness, recognition of benefits, desire, and resource commitment.
  - Collect relevant perspective needed to inform standards development
- Identify Best Practices
  - examination of successful implementations in similar sectors and jurisdictions, highlighting key strategies and frameworks that have proven effective
  - regional, national, international….

Questions?

Thank you

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