



RESPONSIBILITIES – REAL ESTATE ASSOCIATE BROKERS AND ASSOCIATES

Summary: There are a number of responsibilities real estate associate brokers and associates must fulfill as they work as licensed industry members in Alberta. These responsibilities are integral to ensure that trading in real estate is carried out competently and in accordance with legislation. These responsibilities include, but are not limited to, only trading in real estate in the name that appears on the individual's licence, maintaining communication with the broker regarding activities being performed on behalf of the brokerage and notifying the broker upon learning of a violation of the Act, Regulations, Rules or Bylaws by any industry member or employee associated with the brokerage. [See: *Real Estate Act* Rules, s.53]

In an effort to provide more clarity to real estate associate brokers and associates as to what their responsibilities are under the *Real Estate Act* and Rules, section 53 of the *Real Estate Act* Rules was drafted to be specific for those real estate industry members who are not brokers. It means there should be no confusion over what expectations apply to real estate associate brokers and associates.

The responsibilities and accountabilities of real estate associate brokers and associates include:

- trading in real estate only in the name that appears on the individual's licence;
- trading only in the name of the brokerage with which that industry member is registered;
- ensuring that all transactions meet the legislative requirements under the *Real Estate Act* and providing all documentation and trade records to the broker;
- maintaining communication with the broker regarding the activities being performed by the industry members registered to that brokerage;
- notifying the broker upon learning of any violation of the *Real Estate Act*, Bylaws or Rules;
- notifying the broker if a deposit contemplated in an agreement for a trade in real estate has not been received;
- responding promptly to any inquiry from the broker; and,
- notifying the Real Estate Council of Alberta of any changes to information given to the Real Estate Council of Alberta (e.g. address change, change of brokerage) as soon as the change occurs; see RECA Information Bulletin: *Notice to Executive Director*.

For more information on advertising requirements and restrictions related to dealing in the name of the brokerage with which the industry member is registered, please see RECA Information Bulletin: *Advertising – Licensed Name*, RECA Information Bulletin: *Clearly Indicated* and RECA Information Bulletin: *Teams*. Industry members are also encouraged to review the *RECA Advertising Guidelines*.

Associate brokers and associates are responsible for keeping their broker informed of all their business transactions. This includes all written documentation (emails, offers,

service agreements, etc.) with respect to completed and non-completed trades in real estate, as the case may be. Additional documentation could include but is not limited to:

- verification of the industry member's share position in a company if the industry member is having his or her commissions paid to that company;
- any change of information that was given to the Real Estate Council of Alberta at renewal; and,
- any information regarding any trade in real estate on the industry member's own behalf.

If a real estate associate broker or associate hires an assistant who is not employed by the brokerage, the associate is responsible for ensuring adequate supervision of that assistant.

Examples

1. Timothy Tradent is a licensed real estate associate with 123 Real Estate Associates Inc. All of his marketing materials use the name "Tim Trader." Mr. Tradent has previously provided his also-known-as "first" name, Tim, to the Real Estate Council of Alberta for approval. Because it is a derivative of his legal first name, RECA approved his use of the name "Tim" while trading in real estate. RECA, however, does not approve the use of false last names by industry members and as such, Mr. Tradent cannot trade in real estate using the name "Trader." Mr. Tradent may wish to use "Trader" as an additional moniker in his advertising, which is acceptable provided that his full licensed-as name and brokerage name appear in the advertisement and are clearly indicated.
2. Jane Smith is a licensed real estate associate registered with TEAM Real Estate Ltd. Ms. Smith meets with a couple of her buyer clients and completes an Offer to Purchase with them on their behalf. Ms. Smith submits their offer to a seller (represented by a different industry member). The seller does not accept Ms. Smith's clients' offer and her clients decide not submit a further offer. Given that the offer was not accepted, Ms. Smith throws out her copy of the Offer to Purchase. This is not allowed. Ms. Smith is responsible for providing all real estate trade documentation – for completed trades and non-completed trades – to her broker.
3. John Doe is a licensed real estate associate broker. He personally hires an assistant, separately from the brokerage with which he is registered. Mr. Doe is responsible for adequately supervising his personal assistant, this includes ensuring that his assistant is not performing any tasks for which a real estate industry member licence is required.