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Message from the Board Chair

Patricia McLeod, Q.C.

On October 1 we entered the new licensing year at RECA and completed the first renewal period under the modernized governance structure. Thank you to every licensee who renewed, especially those who renewed early. RECA's Registrar has reported that this renewal period was one of the smoothest RECA has ever had, and that the number of licensees who left renewing to the last day or two was at an all-time low. So thank you! You can read more in depth about renewals within this Regulator.

I'm pleased to see the industry taking their requirement to renew their licence seriously. It speaks to the professionalism of the industry when regulatory requirements are a priority. After all, professionalism and regulatory standards are two sides of the same coin. They form a causal relationship. Professionalism drives the regulatory standards and the regulatory standards ensure professionalism.

Licence renewals also brings to mind the purpose of a licensed and regulated environment: to protect the public. Licensing, and the standards licensees must adhere to in order to retain their licence, ensure the public can trust the industry. The role of the regulator is to ensure the public can have that trust, and that anyone who holds a licence is competent and accountable. Ensuring the regulatory standards are being adhered to and the conduct of licensees is professional is the whole point!

[Strategic Planning](#)

One of the primary responsibilities of the Board is to set the strategic direction for RECA. The Board will do that through the development of a multi-year strategic plan.

To develop such a plan, the Board will undergo strategic planning sessions in early 2022, after reaching out to all stakeholders to gather as much feedback on RECA's potential strategic direction as possible. The Board has already reached out to all industry trade associations, consumers have begun providing input through consumer surveys, brokers have and will continue to be given the opportunity to speak directly to RECA about strategic planning at the RECA Broker Forums, and other licensees can provide direct feedback on the strategic planning questions through the [Strategic Planning Form](#) on RECA's website. The Board will review every response that comes through each form of feedback to consider during the strategic planning sessions.

This strategic planning session will come with some tough decisions, particularly due to RECA's divestment of education. Education divestment means a new strategic reality for RECA, as education revenues provided the luxury for the industry of no licence fee increases for 8 years, despite the increase in enforcement matters RECA has been legislatively required to deal with over those years. Without those revenues, the Board will carefully assess how RECA delivers its mandate efficiently and effectively while being extremely conscientious of the impact of any potential fee increase.

Remember, you can always reach the Board by email at board@reca.ab.ca. I confirm that the Board sees every email that comes in.

RECA Bylaws and Education Divestment

One of the most pressing matters for the

Board this year has been the development of the bylaws required by the *Real Estate Act* and Regulations. These bylaws pertain to four main areas: governance, Industry Council elections, education transition, and changes to existing bylaws to support good governance practices.

More specifically, these bylaws relate to:

- roles and responsibilities of Board and Industry Council members
- the duties of Chairs and Vice Chairs
- mandatory governance training
- Board and Industry Council member conduct and dispute resolution
- procedural rules and proceeding record keeping
- election requirements and processes
- the creation of committees
- the roles of the CEO and the Registrar
- financial reporting
- the setting of requirements for third-party education providers.

All of the new bylaws and suggested changes to existing bylaws must be approved by the Minister of Service Alberta. The Board approved draft bylaws and submitted them to the Minister for approval in September. Once approved by the Minister, RECA will communicate the new bylaws to all industry stakeholders.

Part of the bylaws relate to education divestment. This is an ongoing process with many moving parts that must be created, consulted on, and implemented sequentially to achieve full education divestment by the Minister's December 1, 2022 deadline. After careful consultation with stakeholders, the Board approved an Education Framework, and now the Industry Councils have sent out validation surveys for competency profiles related to their licensing areas. These profiles will be used by third-party course providers to create their courses. Each Chair will speak

more about these surveys in their updates, but I wanted to take a moment to thank all the licensees and trade associations that have taken part in the education consultations so far. Education divestment has been a lengthy, monumental undertaking, and the creation of the framework and the processes for it to happen has taken a lot of Board and Industry Council time and energy.

Thank you, again, to all RECA's licensees who renewed and who take self-regulation seriously. I look forward to hearing from all of you about RECA's strategic direction.



Commercial Real Estate Broker and Commercial Property Manager Industry Council Update

Summary of activities since August from Terry Engen, Chair



RECA has successfully entered a new licensing year, and I would like to thank the commercial and agri-business licensees from across Alberta who contributed to the success of the renewal period. I know that commercial licensees take the professionalism of their industry seriously, and that they understand the benefits of regulation. I look forward to seeing that professionalism in action as the Industry Council goes about its work this year, and to seeing the industry thrive as we come out of the COVID-19 pandemic.

RECA's Strategic Planning

The RECA Board has begun the strategic planning process that will ultimately result in a multi-year strategic plan for all of RECA. I urge all commercial and agri-business licensees and stakeholders to let the Industry Council and the Board know what issues, trends, and challenges you see in your day-to-day practice now, and what you anticipate will be issues in the future.

There are many ways you can let your voice be heard, but the most direct method may be the [Strategic Planning Web Form](#) at any time, and you can

also let the Industry Council know your thoughts by emailing us directly at commIC@reca.ab.ca.

RECA will also be hosting a Broker Forum for commercial and agri-business brokers from across Alberta in the coming weeks. If you are a broker or broker delegate who primarily works in commercial or rural real estate, and you have interest in attending, please send an email to commIC@reca.ab.ca, and we'll make sure you are on the invite list. The input you can provide directly to RECA through these informal Forums will be used by the Board during strategic planning.

Education Divestment

As with the other Industry Councils, the Commercial Industry Council has been focused on education divestment. There is a lot of work that has already gone in to this major project, and there will be a lot more work to come to achieve the Minister's deadline of December 1, 2022 to fully divest RECA from licensing education.

The Commercial Industry Council has recently worked on and approved for consultation the competency profiles for real estate broker, commercial real estate associate, property manager associate, and rural real estate associate. Thank you to all of you who provided feedback on these profiles. Some are complete, and others, including the commercial and rural associate profiles, are still available for you to provide feedback. I urge you to do so. These competencies will be used by third-party course providers when they develop their courses. What the competencies are will determine what areas those courses will focus on for creating competent, practice-ready licensees. The competencies will be what your future colleagues will be learning, so I urge you to do your part in self-regulation, and complete these surveys. I understand they are lengthy and at times require a good deal of thought. But in the end, they are the foundational competencies for your industry, and this is your opportunity to take part in self-regulation.

Feedback from stakeholders

The Commercial Industry Council has heard a lot of feedback and concerns on specific regulatory items from trade associations and individual licensee stakeholders. I can assure you that the Commercial Industry Council is listening, and we are working on solutions to issues that satisfy all parties while maintaining RECA's mandate of consumer protection. We are building relationships and rapport with industry associations, in the hopes of a productive and beneficial future working together for the betterment of the industry and consumers. The Industry Council will update all stakeholders when any consultation will occur or decisions are made.

Mortgage Broker Industry Council Update

Summary of activities since August from Clarence Lee, Chair



Though the renewal season is officially behind us, the busy times never cease at RECA and on the Mortgage Broker Industry Council.

I want to thank all of the mortgage licensees who renewed on time and who take their role in a regulated environment seriously. It speaks to the professionalism of the mortgage industry that we are consistently among the earliest industries to fully renew.

Education Divestment

Over the summer and into the fall, the Industry Council has been focused mainly on the divestment of pre-licensing education. I hope you all had an opportunity to take part in the various consultations related to education divestment.

Earlier this year, we consulted broadly on an Education Framework along with the Board and other Industry Councils. From that starting point, those of us on the Industry Council approved mortgage associate and mortgage broker competency profiles for consultation. The two validation surveys for these competency profiles were open to all mortgage licensees in October and November, and just recently closed. I'm pleased to report that the response rate among mortgage licensees was the highest of all the competency profiles released for consultation so far. I sincerely thank all of you who took the time to respond. I understand that the surveys were long and at times arduous. There are a lot of competencies a mortgage licensee must have, and taking the time to validate each one is not a short process. So again, thank you.

The Industry Council will review the feedback on the proposed competencies at our next meeting and determine if we need to make any adjustments. Once approved by the Industry Council, these competencies will be used by third-party course providers to ensure the courses they offer create competent, work-ready mortgage licensees.

Strategic Planning

RECA is entering a period of obtaining feedback for the purpose of strategic planning. The Board is responsible for RECA's strategic direction, however, the Industry Councils will provide extensive feedback to the Board on our respective industries to aid the process.

So let us know what you think RECA should be focused on for the mortgage industry, now and in the next few years. Feel free to fill out the [Strategic Planning Web Form](#) and provide input directly to the Board and the Industry Council. You can also reach us directly at mortgageIC@reca.ab.ca. The Industry Council sees every email that comes to that inbox.

Other Industry Council Activity

RECA recently created a Mortgage Brokerage Policies and Procedures Template for use by mortgage brokers when creating their own brokerage policies and procedures. This is an important document, reviewed by the Industry Council, and offered in partnership with the Alberta Mortgage Brokers Association. Brokers can use whichever parts of the template they need and brand for their brokerage accordingly. This is an excellent resource for brokers to comply with the requirement to have a brokerage policies and procedures document, and an excellent example of cooperation with our industry partners.

RECA also recently hosted a mortgage brokers forum. This is an opportunity for managing brokers to meet with RECA staff in a mostly informal discussion on what trends we're seeing out there and any issues with particular standards of practice. Topics included how to increase professionalism in the industry, emerging technologies and their effect on mortgage brokering, and how the industry can best protect consumers. A few Industry Council members, including myself, had the privilege of participating as observers, and it was great to hear the discussions, and to hear the passion our industry leaders have for mortgage brokering, professionalism, and supporting a strong regulator. Thank you to all of you who attended.

I also want to take a moment to thank the RECA staff and management for their support and diligence through these exciting times in our industry. Their support and knowledge are appreciated. Self-regulation is not a right, but a privilege, and having excellent staff support the Industry Council in ensuring mortgage brokerage remains a self-regulated industry in Alberta really helps.

Residential Property Manager Industry Council Update

Summary of activities since August from Don Newell, Chair

As you know, condominium managers must be licensed with RECA by December 1, 2021. If you haven't started your licensing process, please reach out to RECA immediately to make sure everything is in place and you can continue to work on December 1. Please note there are currently delays with the RCMP in obtaining Certified Criminal Record Checks (CCRC). Completed checks are required for licensing, so if you haven't begun the process of obtaining a CCRC, please consider doing so immediately.

As we come down the home stretch of condominium manager licensing, I'd like to take a moment to recognize the years of work it took to reach this point. Licensing begins in a couple of weeks, on December 1, 2021, but this all began in 2014, with the then government announcing changes to the Condominium Property Act, and the coming licensing of condominium managers under RECA. Seven years, three governments and numerous long legislative delays later, we've finally made it!

Our Industry Council would like to thank RECA's staff for their work through these years. Having come into this for the final year, it was astounding to learn about all the thought and consideration that had gone into preparing for condominium management licensing. Our Council members and I appreciate the dedication and skill RECA's staff have brought to the table. We would not be where we are without their hard work.

The Industry Council would also like to thank all the members of the Condominium Manager Implementation Advisory Committee for your hard work and many meetings over the last years. Your knowledgeable discussions and recommendations gave us tremendous confidence when making important decisions regarding condominium manager licensing and education.



I would also like to thank the members of the condominium management industry. Many of you have operated for years without a regulatory structure, and yet, you have shown your professionalism and willingness to work with RECA to get this implementation done right. Your contributions and engagement are greatly appreciated. We look forward to bringing you all officially into the fold on December 1, and look forward to a productive and efficient first year of regulation.

We haven't forgotten about our existing residential property managers. Thank you to all of you who renewed on time this year. While our focus has been on condominium management licensing and education this past year, we knew we could trust the professionalism of the property manager industry to take self-regulation seriously.

Strategic Planning

The RECA Board of Directors has begun its strategic planning process. The Board is currently asking all stakeholders to provide feedback on RECA's strategic direction and what trends in the industry will inform that strategy. I encourage residential property management and condominium management licensees to provide their input to the Board through the [Strategic Planning Web Form](#), or by emailing the Board directly at board@reca.ab.ca or the Industry Council directly at resPMIC@reca.ab.ca. Associations will also be given the opportunity to provide direct feedback to the Board in the coming weeks.

To maintain the privilege of self-regulation, it's very important that licensees take part in setting RECA's strategic direction. RECA will be hosting property manager and condominium manager Broker Forums in the next few months. If you are a broker who primarily does property management, or are a condominium manager broker, and are interested in participating directly in discussions with RECA on industry and regulatory topics, please email resPMIC@reca.ab.ca, and we'll make sure you get an invitation.

Education Divestment

Beyond the Industry Council's work on getting condominium management licensing up and running, we have also focused on divesting RECA of licensing education. This is an enormous project that requires each Industry Council, the Board and the government to go through certain steps. The latest step is the validation of proposed competencies. The Residential Property Manager Industry Council recently approved for consultation proposed competency profiles for real estate brokers and property manager associates. We consulted on condominium manager associate and broker profiles earlier this year.

The Industry Council will review feedback from the surveys before approving the competencies for use by third-party course providers. The providers will use these competencies to build their courses and to ensure those completing their courses are competent in practicing property management. Thank you to those who took the time to complete the validation surveys for these competency profiles. We know this required you to take time out of your day to take part in the self-regulation of your industry, and the Industry Council really appreciates your participation. Thanks to your input, we can be sure the competencies best reflect the current reality of professionally performing property management in Alberta.

Residential Real Estate Broker Industry Council Update

Summary of activities since August from Sano Stante, Chair



Firstly, thank you to all the residential real estate brokerages, brokers, associate brokers, and associates who took the time to renew early. You make up the majority of licensees in Alberta, and getting the 12,000 residential licensees through the system on time is helped tremendously by licensees bringing a professional mindset to renewals.

RECA's Strategic Planning

The Board of Directors will undertake a strategic planning process over the next few months in order to create a robust, multi-year strategic plan for RECA. It's important that you let our Industry Council and the Board know what issues, trends, and challenges you see for the residential real estate industry now, and in the future.

We welcome your input by filling out the [Strategic Planning Web Form](#) at any time, and you can also email us directly at resIC@reca.ab.ca. We receive every email sent to this inbox.

RECA also hosted two Broker Forums for residential brokers from across Alberta on November 3. Thank you to all the brokers and broker delegates who participated. A few Industry Council members, including myself, attended and

heard first-hand what issues and challenges brokers are dealing with in their day-to-day business. Fifty-five brokers attended, representing more than 5,000 licensees through their brokerages. The input these brokers provided will be used by the Board during strategic planning.

Residential Divestment Update

The Industry Council's most pressing matter for the last few months has been overseeing the divestment of education for the residential sector. Earlier this year RECA consulted with stakeholders on the proposed Education Framework and the Course and Course Provider Requirements. At our more recent meetings, the Industry Council approved proposed competencies for stakeholder validation for residential real estate associates and real estate brokers.

The competencies and the surveys validating those competencies were extremely robust and comprehensive. It's important to note that the foundation of these competencies has been in development for the past two years by the Real Estate Regulators of Canada (RERC), so that future licensing standards and competencies can be harmonized across Canada. We understand that these surveys get very granular, but this level of detail is necessary for third-party course providers

to ensure their courses graduate potential licensees who are competent enough to complete their licensing exam and enter the industry.

We appreciate those of you who completed the surveys and dedicated your time and commitment to our self-regulation. We thank you. The Industry Council will review the results of the validation surveys at our December 2021 meeting, and will make adjustments based on licensee feedback before approving them for use by third-party course providers.

Act and Board Rules Information Bulletin

Our Residential Industry Council initiated a recent change to the information bulletin about Act and Board Rules. Changes to this RECA document make it clearer that RECA does not regulate listing services, and that trade associations can enforce systems, rules, and practice processes, while maintaining the rights of buyers and sellers under agency law.

The changes to this information bulletin show that RECA recognizes the value of the MLS system to consumers in having accurate and timely information, and confirms that boards and associations can make rules to maintain a properly functioning MLS system that benefits the public.

Competing interests are a fact of our day-to-day business. Buyers have an interest in the full disclosure of the status of a property, and sellers have the right to market a property after a conditional sale has been obtained.

RECA will continue to monitor industry practices to ensure that the rights of both buyers and sellers are protected. RECA reserves the right to develop further advisories, directives, or rules, as required.

Industry Council Disciplinary Decisions

As Chair of the Industry Council, I recently issued the first s.53 suspension for the Industry Council under the new governance model. These disciplinary powers of the Chair and of the Industry Council are something I take extremely seriously. The Industry Council must maintain the trust consumers have in residential licensees, and ensure all individuals or companies that breach the Real Estate Act are held accountable.

Other Industry Council Activity

The Industry Council has created a subcommittee to review the Residential Measurement Standard (RMS) rules and industry practice regarding these rules. The subcommittee will be led by Residential Industry Council Vice Chair Brad Kopp. If you, your brokerage, or your association are interested in participating in this review, please contact the Industry Council at ResIC@reca.ab.ca.

The Industry Council is also in the conceptual stages of discussing how mentorship could work in the residential real estate industry, and will soon be seeking stakeholder input. Mentorship will be a strategic topic for RECA at the next strategic planning session.

Professionalism & Self-Regulation

Message from Russ Morrow CEO, RECA



It's been a busy three months since I started at RECA on August 9. I've had the privilege of continuing to meet with many of our stakeholder groups, and I look forward to meeting more regularly as discussions ramp up during RECA's strategic planning process.

As I said in my introductory message to the new licensing year, my short-term goal has been to get to know everyone I can in the industry to best prepare myself, and RECA, for success. I am responsible for RECA's administration and that is a responsibility I do not take lightly.

A word on professionalism and self-regulation

I'd like to take a moment to re-iterate some of what I said in my October 1 email to all licensees. It relates to professionalism and self-regulation. I feel it's important that we all understand what professionalism means in the context of a regulated industry, as I think sometimes the concept of professionalism gets lost when there is no rule that says explicitly "be professional" and defines what that is.

Professionalism can't be separated from regulatory standards. Professionalism is at the heart of and is the essence of regulatory standards. Professionalism and regulatory standards have a causal relationship—professionalism drives regulatory standards and regulatory standards ensure professionalism in a self-regulated environment. They are not the same thing, but rather they are intertwined in the legislation.

The *Real Estate Act* recognizes that it's impossible to have rules to cover every possible circumstance an individual or a brokerage might face, and it speaks to the concept of "conduct deserving of sanction". This phrase and other similar phrases (e.g., conduct unbecoming") have been used in statutes regulating other professionals to cover circumstances that—while not specifically described in the legislation—harm the public or the integrity of the industry.

Licensees have the primary responsibility for effective self-regulation. The collective professional mindset they bring to the services they provide ensures their competence, ethical conduct, and compliance with the rules. All of this determines the integrity of an industry, and ensures the industry is one consumers can trust.

Licensees with a professional mindset are guided by the spirit and intent of the applicable rule. They seek to comply with the rules and act ethically, not to seeking ways to "get around" the rules or professional standards.

RECA's role in ensuring professionalism is the same as its role to set regulatory standards. RECA must act in accordance with the legislation in the *Real Estate Act*, which includes enforcing the standards of practice and investigating and handing down discipline in the event RECA finds conduct deserving of sanction. This is not a role that RECA can relegate to another body.

I know the vast majority of licensees see themselves as professionals, and take that aspect of their business seriously. After all, a professional, accountable industry is one consumers can trust.

I hope I have made it clearer how RECA views professionalism in the industry, and I hope we can all work together to increase the professionalism and integrity of the industry, all in the public interest.

Reach out to RECA

I'm interested to hear from more stakeholders about this notion of professional conduct and how it relates to consumer protection. I encourage everyone to provide feedback through the [Strategic Planning Web Form](#), and reach out to your Industry Council.

Self-regulation is a privilege that can be taken away if we all don't take it seriously. Governments in BC and Ontario have done so within the last few years, and now Alberta stands alone as the last truly self-regulated jurisdiction for real estate and mortgage brokerages. Together, we can make sure things stay that way.

Renewal Roundup

Renewal update from Shawna Risdon, RECA Licensing Manager

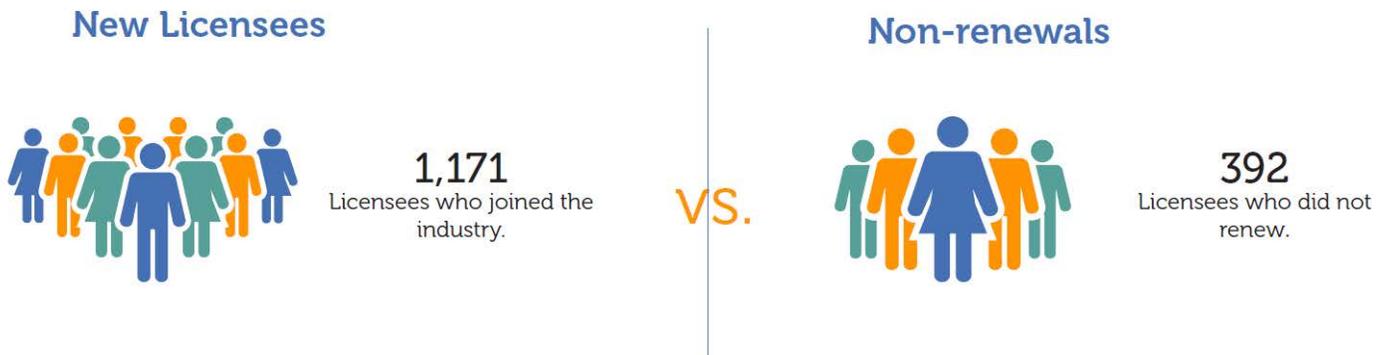
With the latest licensing renewal period behind us, RECA is happy to report that overall, the industry outlook remains positive.

The Numbers

Year-over-year, the number of individuals licensed in Alberta has remained stable. The numbers in real estate and mortgage brokerages both increased over the past year.

As of October 4, 2021, 16,314 licensees were licensed. Of these, 12,954 are real estate licensees (an increase of over 800) and 2,352 are mortgage brokerage licensees (an increase of 185). The 2021/2022 licensing period began with the highest number of real estate and mortgage brokerage licensees we have seen over the past six years.

This year, the number of new licensees joining the industry increased slightly. Between Oct. 1, 2020 and Sept. 30, 2021, 1,171 individuals joined the industry. Last year, 1,108 individuals joined. This year, the industry saw the fewest individuals leaving the industry with 392, the lowest seen in over the past four years.



This year saw a large decline in licensees leaving the industry.

Renewal Experience

During this year's licensing renewal period, RECA staff continued efforts to assist licensees to complete renewals efficiently and effectively. Taking a very proactive approach, RECA sent out numerous communications to licensees about important topics, including the declaration of *Real Estate Act* Rules s. 40 issues, and information relating to transferring brokerages.

This year we saw more individuals renew their license earlier than previous years. More than 43% of licensees had renewed prior to the final three weeks in September. Before the last week of September over 60% of licensees had renewed their license. This year, we saw a large drop in renewals occurring on the final day with 5%, compared to last year with over 17% of renewals occurring on the last day. As of October 1, 2021, 96% of licensees had renewed, which remains steady from the previous year.

Thank you to licensees for completing renewals early, this allowed for RECA's licensing staff, and the myRECA licensing system, to successfully accommodate licensees questions and inquires.

The graph below shows the daily breakdown of licensees renewed in September.

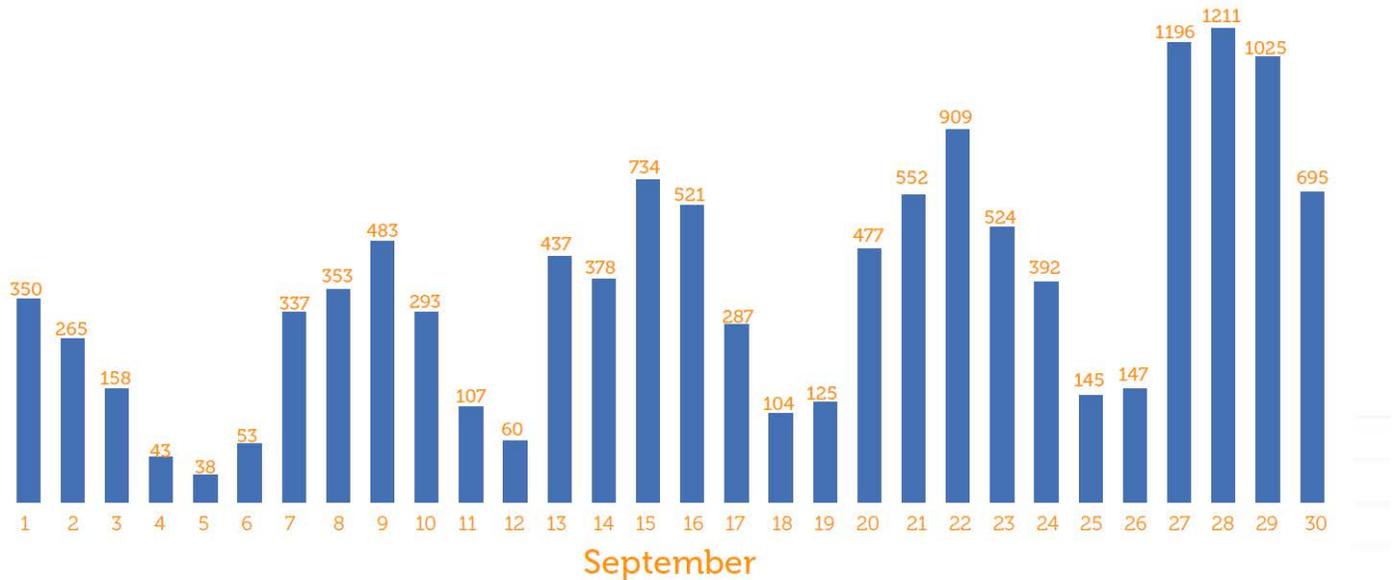
Helpful Tip

Trouble logging in?

Use the links on the myRECA login page to recover your username or reset your password.

Use a password manager to securely keep your myRECA username and password on file for future reference.

Renewed Licensees



Moving Forward

RECA is committed to continuous improvement in its licensing renewals and to this end, units will complete internal reviews to identify any potential areas for improvements.

RECA would like to take this opportunity to thank licensees for their support and cooperation throughout this year's renewal.

Acting In The Best Interests Of Your Clients:

Reminder from the Registrar



Recently, a CBC Marketplace investigation used hidden cameras and represented that some real estate professionals in Canada may be acting unprofessionally and even breaking the law by steering buyers away from low-commission homes. Though the steering was caught on camera in Ontario, the headlines certainly made waves in the industry across the country.

Duty to Act in your Client's Best Interest

If a licensee avoids showing a property because it would provide a lower-than-desired commission, they are acting in their own best interest, not in the best interests of their client. A licensee is also not acting honestly in their dealings with their client if they are misleading the client about a property in order to steer them to a higher commission alternative. It's also considered anti-competitive behaviour and it is indeed very concerning.

When a licensee agrees to represent a client in an agency relationship, they agree to place the interests of the client above everything except the law. This is one of the agency obligations found in the common law. In this instance, it means the licensee has an obligation to bring to the attention of the buyer every property that meets their material requirements.

In fact, the *Real Estate Act* Rules specifically state, "use best efforts in locating a property in the specified market area that meets the material needs identified by the buyer". [section 58(a)]

This means that beyond any misleading or dishonest behaviour used to steer clients away, the actual steering clients away from a property with a less than desired

commission is against the Rules in Alberta. As always, if a licensee breaks the Rules by engaging in this practice, they could find themselves facing sanctions for being in contravention of the *Real Estate Act* Rules and the *Competition Act*.

Mandatory Written Service Agreements

Fortunately, steering is not something we see a lot in Alberta. Since 2014, real estate licensees in Alberta cannot represent a consumer as a client without a written service agreement, and this includes buyers. The Buyer Representation Agreement always includes details about the desired property type and market area(s) so there should be no doubt about the material requirements of the buyer. The agreement also includes the agreed upon remuneration for the buyer representative.

If a licensee finds themselves in a situation where the buyer wants to see a property where the commission offered is less than the amount agreed to in the written service agreement, the licensee must seek the buyer's instructions. If the buyer wants to make an offer on the property, the licensee can either choose to not represent the buyer or to work with the buyer and amend the service agreement to reflect a new amount for remuneration. The buyer might also instruct the licensee to resolve the commission shortfall through negotiations with the seller prior to presenting the offer.



How To Resolve Complaints With Fellow Licensees

Brief guide by James Porter, RECA Professional Conduct Review



Did you know? Sixteen per cent of complaints that come into RECA are from licensees who are facing an issue with a fellow licensee. In many cases, these complaints can be settled by communication between the licensees. This is self-regulation in action, and in a lot of cases, communicating should be the very first course of action if you find yourself having an issue with another licensee.

If you put yourself in their shoes, wouldn't you rather be made aware of a mistake before someone reports you? This way, the person has the chance to make it right and learn to do better.

Here is a brief guide on how to resolve concerns with a licensee:

Step 1: Send the licensee a friendly reminder

Soon after the situation occurs, at your earliest convenience, bring your concerns forward to the licensee in a professional manner. Having a professional tone can also mean casual and helpful, rather than accusatory. For example:

"Hi Holly, I was driving down 4th street today and noticed your bus bench does not have the name of your brokerage on it. I just wanted to let you know that this could impact your reputation. According to the rules, you need to have the brokerage name clearly indicated in your ads. You might want to reach out to your broker and check their policies on advertising to make sure your ads are in compliance. Have a great day."

Step 2: Involve the licensee's broker if the licensee does not respond or does not cooperate

If the licensee does not respond, does not cooperate or reacts to your communication in an unprofessional manner, RECA recommends bringing the issue to the attention of your broker (or broker delegate) who can then bring up the issue to the other licensee's broker.

When you bring up the issue to your broker, remember to write out a summary of the issue and provide them any transcripts of written communication between you and the other licensee.

If your broker is unfamiliar with resolving complaints with other brokers, RECA has a document that guides licensees through the [Voluntary Broker Resolution Process](#), which is designed to satisfy minor consumer complaints through discussion between the consumer, the industry professional, and the broker.

Step 3: If the matter is not resolved after step one and two, a formal complaint should be filed with RECA.

Filing a formal complaint with RECA should be a last resort, after both brokers have been involved and cannot resolve the issue.

If a colleague brings a concern to your attention, try to view it as an opportunity to collaborate and improve, rather than a criticism. Thank the individual for bringing the issue to your attention, even if you feel you did not do anything wrong. If you're confused, ask them for more details. Talk to your broker if you're unsure what to do.

Remember, ignoring or not dealing with concerns from colleagues can result in it becoming an aggravating factor if RECA issues a sanction.

No matter the situation, aggressive behaviour such as threats or profane language is never appropriate and may also result in further sanctions if RECA investigates the issue.

Likewise, if you're the one who is bringing up an issue, remember that it's never easy to hear you've made a mistake and a little kindness goes a long way. Be patient and give your fellow colleague the benefit of the doubt. Especially since we're still in a pandemic, everyone, including your licensee colleagues, is under more stress and may react differently to a perceived criticism.

Like any skill, conflict resolution takes time and practice to become proficient at. Licensees spend a lot of time perfecting conflict resolution techniques between themselves and clients and between buyers and sellers, so why not take the time to use those skills with your peers. Whether you're new to the industry or a seasoned professional, we encourage you to take these types of opportunities to hone your conflict resolution skills and help uphold Alberta's reputation of a safe and professional real estate industry.

DUE DILIGENCE

by Gary Siegle and Kristian Tzenov, RECA Regulatory Compliance Advisors

Some of the complaints RECA has been receiving lately have centered around issues that would never have happened had the licensee involved done their due diligence in a transaction.

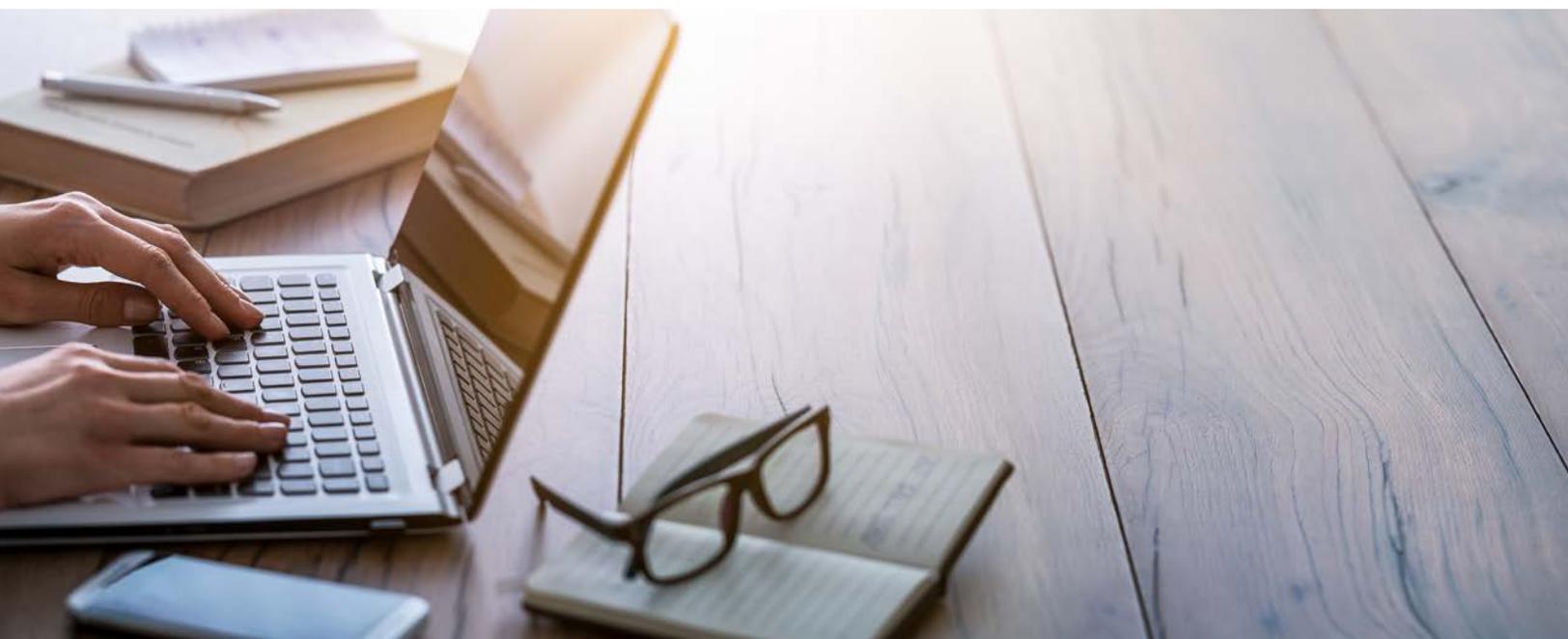
Due diligence is the level of judgment, care, responsibility, and activity performed by the licensee. It includes the systematic acquiring of facts and objective information about the property that is, or may be, the subject of a transaction, and it includes all the necessary procedures that will result in an efficient transaction. It's basically doing your research on a property in the best interests of your client and making sure you document everything and follow the standards of practice. It is a part of competent service, and is expected by the consumer.

Current Trends

Pulling Title – RECA is seeing a rise of complaints where the allegations indicate either title was not pulled or carefully reviewed. Had it been pulled and checked it would have likely changed the course of the transaction.

Ideally a certificate of title should be checked 3 times during a transaction:

- By the seller agent to ensure they are not misrepresenting the property: e.g. is the property being marketed as having a secondary suite? A restrictive covenant may not allow secondary suites regardless of municipality approval.
- By the buyer agent to ensure the property meets the purpose of the buyer: e.g. is there a restrictive covenant that may hinder the buyer to use the property as they wish, such as running a home business or fencing the property.
- By the mortgage broker to ensure the financing is not hindered: e.g. does the historical title show the property was used as a former grow-op, will the lender approve?



Multiple offers – RECA is seeing an increase in complaints around multiple offer situations, usually due to one or both parties not understanding the multiple offer process before they agree to enter it. Licensees assisting sellers should advise them of the pros and cons of multiple offers, and licensees assisting buyers should advise buyers as to how the process works, particularly the fact that the seller is in the driver's seat during multiple offers. For example, many complaints come from buyer clients who are upset that a seller never saw their offer, not knowing that the sellers had advised their licensee to only bring offers that met a certain criterion.

Mortgage Broker Due Diligence – RECA is seeing an increase in complaints after borrowers proceed with a transaction thinking they have mortgage approval, when it's only a pre-approval. Mortgage brokers providing pre-approvals should explain that although qualified for financing, due to many different circumstances consumers may have their financing approval withdrawn by the lender. This can happen if a property was a former grow op— even when remediated fully, or if restrictive covenants are discovered, if the borrower's financial situation has changed since the pre-approval, or if other property issues are discovered by the lender during underwriting (e.g., age, size, location, condition, property type, zoning, etc.)

General Due Diligence

Beyond the situations mentioned above, due diligence activities can vary depending on the situation, but generally they should undertake the following activities:

- Document, in writing, the information they receive from others and convey to clients, including situational details such as where and when the conversations occurred
- Retain and provide to the brokerage all documentation and trade records related to the transaction as part of their record keeping obligations under the Rules
- Ensure that they never provide legal advice to clients
- Advise clients to seek legal advice and/or advice from an appropriate expert if the clients seek an opinion from the real estate professional which is beyond their expertise

Due diligence activities are critical to a real estate transaction as they provide clients with the information, they need to help them make an informed decision and provide instructions on how they wish to proceed.

Congratulations to Laura Sharen, RECA Industry Council Member

Laura Sharen, council member on the Commercial Real Estate Broker and Commercial Property Manager Industry Council, and board member on RECA's Board of Directors, won BOMA Canada's [Member of the Year Award](#), which recognizes a BOMA member who has demonstrated leadership initiative, and/or service to the commercial real estate community. She will also be recognized at BOMA International's 2022 conference next year in Nashville. Congratulations, Laura!

New Act and Board Rules Info Bulletin

RECA made some minor changes and republished the [New Act and Board Rules Info Bulletin](#). This change makes it clearer that trade associations can create rules relating to their listing databases, and that those rules are still subject to agency law, meaning licensees must follow their client's lawful instructions.

Radon Reminder

According to new research, the reliability of radon testing is increasing outside of winter months. Previously, indoor radon levels were thought to be higher during winter. The prevalence of this is decreasing. Data shows that radon is increasing even across seasons given home construction practices that reduce air (leakage or drafts) —in fact, as many as one quarter of homes can even be at its highest during summer periods when air conditioning is used.

According to new research, you can test for radon levels at any time of year. Previously, indoor radon levels were thought to be higher during winter. This is no longer true. Data shows that radon is increasing even across seasons—in fact, as many as one quarter of homes can even be at its highest during summer periods. RECA recommends licensees discuss radon with their seller, buyer, and landlord clients. Remember, if the radon level is 200 Becquerel or higher, you need to disclose that to potential buyers UNLESS you install a radon mitigation device before listing and the 90-day test indicates the new radon level is below 200 Becquerel. See RECA's [radon checklists](#) for resources to use with your clients.

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WATCH RECA.CA FOR CURRENT ENGAGEMENT EVENTS, BROKER FORUMS, AND MORE.