

The Regulator

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Message From Council



Krista Bolton,
Chair

I'd like to begin my first message as Chair of Council by conveying Council's appreciation to the 2014-2015 Chair, Chad Griffiths, for his passion, dedication, and leadership within the real estate industry. Chad worked tirelessly to encourage industry professionals to engage with RECA and to participate in everything a self-regulated profession has to offer. We will miss Chad's enthusiasm and drive.

This year is RECA's 20th year of operations. Alberta and the real estate industry have thrived in those 20 years, but economic uncertainty is the reality in 2016. In

these somewhat uncertain times, we may see more Albertans looking to sell their homes or re-finance their mortgage. RECA's role in protecting consumers and increasing professionalism in the industry is more important than ever. As a public member of Council I believe it is part of my responsibility to ensure consumers in Alberta have confidence in licensed real estate professionals. Council supports promoting consumer trust and confidence in licensed industry professionals to help navigate these challenging times. Part of supporting consumer trust is how we conduct ourselves as a transparent regulator.

This year is the fifth and final year of Council's current strategic plan. That plan saw RECA become a more professional, engaged regulator, now responsible for nearly all of the pre-licensing education in the industry. In fact, I'm proud to announce that RECA recently entered into a Memorandum of Agreement with the University of Alberta to develop and deliver a comprehensive, leading-edge commercial real estate program.

In late 2015, we began planning RECA's strategic direction for the next few years. I'd like to see the industry engage as much

as possible in the regulation of their industry. Council members represent the industry sectors from which they are appointed. RECA Council and staff frequently consult with industry members and look to individuals, boards, and associations to provide insight and perspective on matters that impact the industry and affect the public. You can see some of our stakeholder engagement activities over the past year [here](#).

You, as licensed professionals can engage in the following ways:

- apply to serve on a RECA Industry Sector Advisory Committee
- respond to consultation papers
- attend RECA presentations

Self-regulation of the real estate industry is a privilege. Let's keep earning that privilege.

I look forward to working with my Council colleagues, industry members, and our other stakeholders throughout 2016. We can weather these challenging times if Council, industry associations, all licensed professionals, and Alberta consumers work together for the common goals of improved professionalism and consumer protection.

Council Highlights - January 22 Meeting

- Amended *Real Estate Act* Rule 114
 - Council approved an amendment to s.114(3) of the *Real Estate Act* Rules. REIX now has more flexibility to appoint members of its advisory board. Council will no longer appoint the advisory board and it removed the requirement that a majority of Advisory Board members must be a member of the Alberta Real Estate Association.
- Annual Report and Financial Statements Approved
 - Council approved the 2014-2015 Annual Report and the audited financial statements. The Annual Report and an audited financial statement summarizing the income and expenditures of RECA are on our website, [here](#).
- Amended Publications Policy
 - Section 55 of the *Real Estate Act* gives the Executive Director the authority to publish information about the refusal, suspension, or cancellation of an authorization, disciplinary actions, withdrawal from the industry, and business contact information of industry professionals. Previously the Executive Director did not publish refusals of licensing applications or decisions of appeals of those refusals. The Executive Director will now publish these decisions to show transparency and the rigorous nature of the RECA licensing suitability process.
- Residential Measurement Standards withdrawn for further input and amendments
 - Council accepted a recommendation from the Real Estate Appraisers Advisory Committee to consult more with stakeholders on the residential measurement standards. RECA removed the RMS from its website. You can find more information on this recommendation on page 15 of this newsletter.
- Hearing Panel Roster changes concerning non-Council panel member terms and appointments.
 - Council approved an amendment to the Hearing and Appeal Practice and Procedure policy for the appointment terms of non-Council member hearing and appeal members. Previously, non-Council hearing and appeal members could not complete in-progress hearings or appeals after their term expires. Now, when the term of a panel member expires during a hearing or appeal process, the term of that member automatically extends until the completion of that hearing or appeal process.

Engaging with Industry Professionals and Consumers



At the Real Estate Council of Alberta (RECA), we are committed to meaningful engagement with our many stakeholders.

In 2015, RECA once again teamed up with Weaver Marketing Research to gather in-depth feedback from Alberta consumers and industry professionals. RECA conducts these surveys and focus groups regularly. We compare the results of this research with past results to gauge the effectiveness of RECA's initiatives, and to mark any trends in industry attitudes towards RECA or changes in consumer awareness of RECA, and attitudes towards the industry itself.

Consumers

When it comes to consumers, one of RECA's goals is to understand consumer experiences within Alberta's real estate industry. Consumer awareness of RECA promotes an appreciation for the professionalism and skills licensed industry professionals offer, and lets consumers know we regulate the industry.

RECA conducted seven focus groups with Alberta buyers and sellers in a wide range of demographics, from first-time homebuyers, English as a second language homebuyers, homebuyers who obtained a mortgage through a mortgage broker, to experienced consumers who have bought and sold multiple homes.

Our findings revealed that across the focus groups, consumers believed an organization regulated the industry; they were just unsure what that organization was. Their feedback also showed that licensed professionals perform well in meeting their requirement of explaining the details of their relationship and obligations to their clients.

Consumers indicated information from RECA is important, but that they care about it most when they are actively buying or selling property or obtaining a mortgage. Licensed professionals will likely be consumers' main point of contact for information about consumer relationships,

responsibilities, and the standards required to work in the industry. RECA believes informed consumers are well-protected consumers, and we thank Alberta's licensed professionals for the important role they play in educating their clients about the standards and protections of a regulated industry.

Industry Professionals

When RECA surveyed industry professionals in Fall 2015, we wanted to measure their awareness of RECA and other industry associations, satisfaction with RECA, and find out which areas RECA should focus on in the coming years.

RECA invited all industry members to participate, and we received more than 1,800 responses. Eighty-five percent of respondents reported interacting with RECA in the past year. Of those, most has visited RECA's website or pursued RECA education.

A vast majority of respondents (78%) reported they are thoroughly aware of RECA and its role, and 72% said RECA keeps them informed of key aspects of the *Real Estate Act* and other industry standards.

Seventy-three per cent of industry professionals said RECA was the main source of information about their professional obligations.

Respondents indicated RECA excels at setting and enforcing standards of conduct and at protecting consumers. A solid understanding of the standards of practice is key to the effective operation of our industry, especially when it comes to consumer protection. The engagement of industry professionals is what makes this possible.

Another notable result of RECA's industry survey was that the majority of licensed professionals now give RECA top marks for our "efficient licensing process." The new myRECA system launched in the summer of 2015, and by the Fall 2015 survey, industry professionals had embraced it. Thank you for making the 2015 renewal period one of the most efficient to date.

Looking ahead, industry professionals said RECA should focus on providing education that is more practical and focuses on the day-to-day of the business. RECA will investigate different ways to introduce more practical exercises

into our education, and will explore the addition of more real-world style exercises to help prepare industry professionals for scenarios they may face in their new careers.

Many respondents to this year's survey also called for greater clarification on RECA's relationship with other organizations, particularly Alberta's real estate boards. We are working closely with the many valued boards and associations in Alberta to better clarify the role RECA plays in advancing the professionalism of the real estate industry. For more information, please see our formal [Stakeholder Engagement Policy](#) and a regularly updated list of our [stakeholder engagement activities](#), both available on our website.

We thank Alberta's consumers and industry professionals for their valuable feedback, and as always, will take into consideration the input of our stakeholders as we move forward.

RECA

Amends its Publication Guidelines

The recent amendments will increase transparency and openness by expanding the type of decisions RECA publishes



The Real Estate Council of Alberta (RECA) is committed to transparent communication with consumers, industry professionals, and all our other stakeholders. Section 55 of the *Real Estate Act* allows the executive director to publish:

- refusal, suspension, or cancellation of an authorization
- a withdrawal from the industry
- prosecution and disciplinary actions
- business contact information of industry professionals

In the interest of transparency and accountability, Council

supports the decision of the executive director to amend RECA's publication Guidelines. The amendments will allow for the publication of licensing and registration refusal decisions, as well as licensing and registration appeal decisions.

Council's decision reflects RECA's belief that publishing these decisions demonstrates its commitment to transparent, consistent, and fair authorization decisions. The new policy also demonstrates RECA's commitment to consumer protection through a rigorous licensing suitability process.

RECA will publish licensing and registration refusal and appeal decisions in the monthly Case Summaries newsletter, and on [RECA's website](#). As with many of RECA's other published decisions, licensing and registration refusal and appeal decisions will remain published for a two-year period.

The publications will include the type of refusal or appeal decision, and a summary of the facts and circumstances of each case. RECA will redact all published refusals, and will not publish personal information or information that might identify the person whose application RECA refused.

By the Numbers

14,700

Licensed industry professionals in Alberta

Youngest Licensee

19

years old

Oldest Licensee

91

years old

Female:
5,973



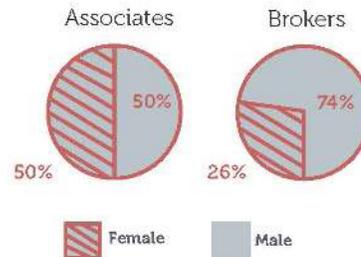
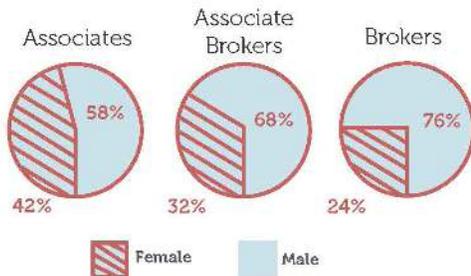
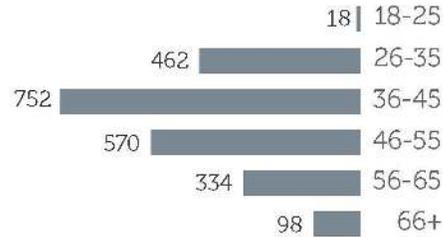
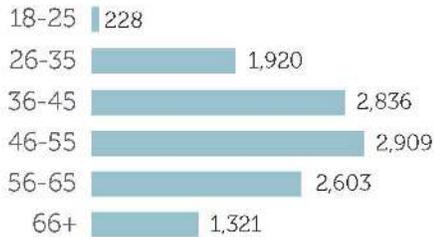
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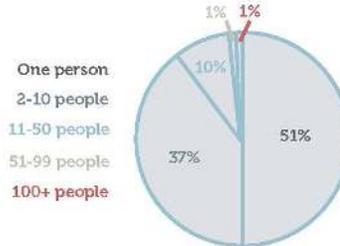
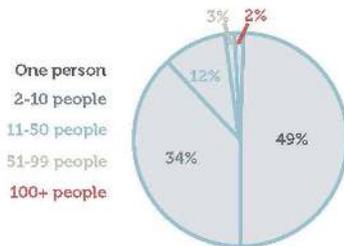
Real Estate

Mortgage

Age of Licensees

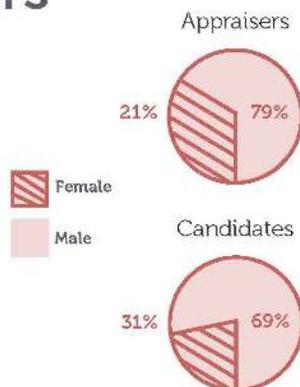
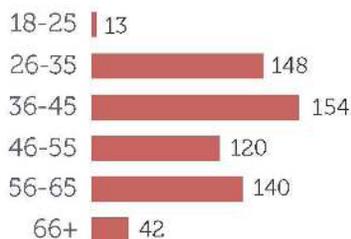


Brokerages by Number of Licensees



Appraisers

Age of Licensees



*Licensee numbers change daily

The RECA Complaint Process from Different Perspectives

The Professional Standards Unit at the Real Estate Council of Alberta (RECA) conducts ongoing surveys to gather feedback on the complaint review process. RECA's objective is to gather a timely and relevant snapshot of people's experiences with the conduct review process. Our goal is to be timely and transparent when handling complaints to ensure a professional and fair review.

In 2015, RECA conducted quarterly surveys of a portion of people involved in the complaint process.

We surveyed:

- complainants (those who submit a complaint)
- subjects of complaints (those the complaint is against)
- subjects' brokers (in the case of real estate or mortgage professionals)

The three groups responded to the same

or very similar surveys, allowing RECA to compare and contrast different perspectives of the complaint process.

Results

A strong majority of respondents in each group reported RECA's requests were clear and responding to them was easy. An impressive 100% of complainants reported feeling this way, while 94% of subjects and 83% of brokers agreed.

In recent years, RECA made an effort to reduce the length of the complaint review process. We are pleased to report that all three groups reported the length of the process met their expectations (100% of complainants and brokers, and 88% of subjects).

While a majority of complainants said RECA gave a clear and constructive explanation of the outcome (75%), there is still room for improvement. As RECA works towards greater

consumer awareness and understanding of our mandate, promoting a better consumer understanding of the complaint and disciplinary process may be beneficial.

When asked if RECA's handling of the complaint was fair and just, 67% of complainants, 83% of brokers, and 67% of subjects agreed it was.

Complainants also reported a relatively low awareness of RECA before they needed to register a complaint. One of RECA's Critical Success Factors in our 2011-2016 Strategic plan is to build awareness and appreciation for RECA and the value of a self-regulating industry. One of the cornerstones of self-regulation is a fair, transparent, yet rigorous complaint and disciplinary process. RECA continues to work for increased consumer awareness, with the intention of elevating consumer trust and confidence in the industry.



Charles Stevenson, Director of Professional Standards

With his work at RECA, Charles is helping to set the standard for a successfully self-regulated industry

"We would rather modify and correct behaviour than punish it."

Some might be surprised to learn this is the philosophy of the Professional Standards Unit at the Real Estate Council of Alberta (RECA).

Misconceptions have led some to believe the Professional Standards Unit is only the policing strong arm of RECA and nothing else, but Charles Stevenson, who has led the department as the Director of Professional Standards since 2011, says nothing could be farther from the truth.

"Our philosophy here is right-touch regulation," says Charles. "Right-touch

regulation to me means employing the minimum regulatory force necessary to achieve the desired outcome."

The Professional Standards Unit he leads is divided into three subunits: Trust Assurance and Practice Review, Professional Conduct Review, and Professional Conduct Proceedings.

The objective of Trust Assurance and Practice Review is to service industry members by working constructively with brokers to develop sound accounting practices and procedures.

RECA's Trust Assurance and Practice Review Officers go out into the field and

help real estate brokerages, mortgage brokerages, and appraisal offices make sure their record keeping is in line with the *Real Estate Act* and Rules.

"Trust Assurance and Practice Review is there to give people a leg-up in complying with their record keeping requirements," says Charles. "It's an educational piece."

Not only does this unit promote professionalism and compliance with the rules, it also helps reduce claims against the Assurance Fund.

Given Charles's background, his emphasis on helping industry professionals should come as no surprise.

Charles started in the real estate industry in 1997, and by 2001 he and a partner opened their own franchise brokerage in Lethbridge, AB.

During his time as a broker in Lethbridge, Charles sat on the Lethbridge Real Estate Board, where he became its president in 2005.

In 2006, having served the Lethbridge Real Estate Board for four years, the Alberta Real Estate Association approved Charles to teach in the pre-licensing program.

“Later, as RECA became more and more involved in the development of education courses, I became approved by RECA to deliver education,” says Charles, who adds that he saw providing education as an opportunity to give back to the industry. “I taught a lot.”

When Charles moved to Calgary in 2007 to become broker at a large brokerage, he was invited to sit on RECA’s Residential Real Estate Advisory Committee. Then, in 2010, he came on board as a RECA employee to give back to the industry and Alberta’s consumers in a new way.

Charles still values education highly, and brings that value into his work at RECA.

“We send out things like advisory notes, for example, which aren’t even sanctions as defined by the Act. There’s always a piece of information that goes with that to help the industry professional deal with a similar situation in the future in a way that won’t get them into trouble, or wouldn’t breach the Act.”

The second subunit is Professional Conduct Review, where Professional Conduct Review Officers assume the role of impartial-fact finders when RECA receives a complaint or information regarding a possible breach of legislation or industry standards.

“While Professional Conduct Review is the investigative arm, we like to think of that it as being educational to the greatest extent possible,” says Charles. “That being said, when there are fraud or trust issues, of course we have to deal with that seriously.”

Charles points out that, despite what some people think, Professional Conduct Review Officers don’t go out

“Our philosophy here is right-touch regulation, which to me means employing the minimum regulatory force necessary to achieve the desired outcome.”

- Charles Stevenson

Director of Professional Standards

looking for breaches of the Act to investigate.

“With the exception of our mandate to detect and suppress mortgage fraud, everything is complaint-driven.”

“There’s a myth that we have the luxury of choosing which complaints we deal with,” he adds. “We don’t. The Act is very straightforward, and it says we have to deal with any complaint or piece of information that we receive.”

That’s where the third subunit, Professional Conduct Proceedings, comes in. They are RECA’s team of lawyers who prosecute the most serious cases.



“They represent RECA’s Executive Director in consent agreements, in contested hearings and appeals, licence refusal appeals and sanctions,” says Charles.

In keeping with the units’ overall philosophy, Charles prefers that files don’t get that far.

About 10% of the complaints the Professional Standards Unit receives are now resolved through the Voluntary Broker Resolution Program. Through this program, RECA encourages complainants to sit down with the individual they

are complaining about, along with someone in a mediation role, usually the industry professional’s broker. If the parties can come to a suitable and satisfactory outcome for all of them, RECA closes the file.

“Self-regulation works best when people in the industries we serve regulate themselves, and we’re just one part of that,” says Charles.

Charles is a believer that self-regulation is a privilege, and a privilege worth fighting for at that. “I think the Professional Standards

Unit is essential to the preservation of a self-regulated industry.”

So what else does the Professional Standards Unit do to help preserve self-regulation and promote the professionalism of Alberta’s industry professionals?

“Our mandate is really clear,” says Charles. “We deliver services that, in the opinion of council, will enhance the business of industry members.”

Professional Standards delivers on this mandate by developing standards, providing information bulletins available on reca.ca, and assisting in the development of education and guides.

“I believe [the Professional Standards Unit] helps raise the level of professionalism by establishing and enforcing standards for practice in the different industries we serve,” adds Charles.

Improved Re-Licensing Education Program Through Industry Feedback



At RECA, we constantly strive to improve the quality of the Re-licensing Education Program (REP), and RECA's strategic plan requires a commitment to continuous course improvement.

In 2012 and 2014, RECA surveyed industry professionals who completed a REP course. Overall, professionals were positive about their REP course, particularly the flexibility and convenience of the course format.

That being said, there is always room for

improvement and survey respondents indicated they want future REP courses to include more multi-media, they would like shorter REP courses, , real estate professionals felt their REP courses don't focus enough on commercial real estate and property management, and appraisers indicated their REP course taught many of the concepts they already knew. The latter comment is likely because we re-purposed some course material from the appraiser pre-licensing course, Real Estate Appraisal in Alberta.

What's next for REP?

RECA has taken feedback from past REP courses and applied it directly to this year's real estate REP course, Real Estate Update 2016. Some of the changes include:

1. Course material specific to real estate practice areas

Beginning with Real Estate Update 2016, RECA will launch separate real estate REP courses for the specific areas of practice. Under the real estate licensing model launched in June 2015, new real

estate associates can choose the areas of real estate practice in which they wish to license (residential, commercial, rural and/or property management) and they only need to complete the pre-licensing courses for those areas of practice. Under this model, REP courses covering all areas of practice are no longer necessary.

2. REP course materials developed with existing professionals in mind

When re-purposing course material for REP, RECA will better adapt the content to the learning needs of experienced industry professionals.

3. Enhanced course interactivity

Future REP courses will include a greater mix of multi-media and more practical examples, case studies, practice tips and activities.



RECA would also like to take this opportunity to thank those who contributed to the creation of the Real Estate Update 2016.

- Ross Chudleigh, Agricultural Programs Coordinator, Clearwater County Agricultural Services and Landcare
- Christine Coggins, Broker/Owner, Linview Realty Inc.
- Harvey Gamble, Executive Director, Real Estate Insurance Exchange (REIX)
- Barbara Howey, Broker/Owner, Royal LePage Parkland Agencies
- Jeff Kahane, Real Estate Lawyer, Kahane Law Office
- Lavern Kundert,

Associate Broker, Royal LePage Community Realty

- Murray Tenove, Water Quality Engineer, Farm Water Supply Branch, Alberta Agriculture and Forestry
- Alex Varro, Founder, Owner, and CEO, Thuro Inc. Sewer and Water Professionals
- Trevor Yurchak, Broker/Owner, Royal LePage County Realty
- Tamara Yurchak, Associate Broker, Royal LePage County Realty

RECA would also like to thank RECA staffers Rhonda McInnis and Doug Dixon for their contribution.

News Bytes

Improved and Updated Ad Guidelines Now Available

The Real Estate Council of Alberta has released new Advertising Guidelines in the interest of enhancing the professionalism of the industry and meeting our mandate of consumer protection.

RECA is mailing copies of the guide to real estate and mortgage brokerages across Alberta. RECA's Advertising Guidelines offer industry professionals extensive examples and tips to assist with their marketing and advertising.

You will find some notable updates in RECA's new Advertising Guidelines, including:

- plainer language and increased clarity
- expanded section on electronic advertising and social media
- expanded policy on advertising sold listings
- new policy and rules for using the RECA logo in advertising

If you have questions about advertising before your copy of the new Advertising Guidelines arrives, a digital copy of the guidelines are available on RECA's website, [here](#).

New Policy and Rules for Using the RECA Logo in Advertising

All industry professionals may now use a version of the RECA logo in their advertising. The approved logo clearly states the professional using it is licensed and regulated by the Real Estate Council of Alberta. We believe this will help promote consumer confidence as well as the professionalism of our industry.

To download a copy of the approved logo, click [here](#). Please review the [Information Bulletin: Using RECA's Logo in Advertising](#) for more information.

Residential Measurement Standards Guide Removed

At its January meeting, Council accepted a recommendation from the Real Estate Appraisers Advisory Committee to do additional consultation with stakeholders on the Residential Measurement Standards (RMS). As a result, RECA removed the Residential Measurement Standards information bulletin and the Guide to Residential Measurement in Alberta from its website.

RECA will contact key stakeholders and work together to alleviate any outstanding issues with the RMS. Council will review an amended version of the information bulletin and Guide at a future meeting.

2014-2015 RECA Annual Report Now Available

The Real Estate Council of Alberta's (RECA) [2014-2015 Annual Report and 2014-2015 Financial Statements](#) are now available on RECA's website. Some Annual Report highlights include:

- summarized financial statements
- an update on strategic goals and accomplishments from the past year
- annual statistics on authorization, education, complaint and conduct reviews
- messages from the Council Chair and RECA's Executive Director

Any questions about the 2014-2015 Annual Report or Financial statements can be sent to communications@reca.ca.

Trade Show Season

The Real Estate Council of Alberta (RECA) is getting ready for another trade show season.

RECA is exhibiting at the Home and Garden Shows in Calgary and Edmonton. The Calgary show is February 25 – February 28 at the BMO Centre, and the Edmonton show is March 17 – March 20 at the Northlands Expo Centre.

Be sure to come by the RECA booth and say hi.

RECA Launches Real Estate Update 2016

In January, RECA launched Real Estate Update 2016 as the Re-Licensing Education Program (REP) course for individuals currently licensed to trade in residential and/or rural real estate. Licensees practising in these areas must complete the course prior to September 30, 2016 in order to meet the education requirement for renewal. Brokers and associate brokers must also complete this course as they are licensed to trade in all real estate areas.

The course is available online at no cost through your [myRECA](#) account and is compatible with most mobile devices, so industry professionals can complete it at their convenience.

For more information, click [here](#).



2015-2016 Council Members

KRISTA BOLTON, CHAIR

Appointed from the public

BONNY CLARKE

Appointed from non-AREA industry members

RAMEY DEMIAN

Appointed from the industrial, commercial and investment real estate sector

TONY DHALIWAL

Appointed from the public

JOHN FARMER

Appointed from the real estate appraisal sector

BRIAN KLINGSPON

Appointed from the REALTORS® Association of Edmonton

ANGELA KOLODY

Appointed from the boards outside of Calgary and Edmonton

STAN KUSHNER

Appointed from the Calgary Real Estate Board

STAN MILLS

Appointed from the boards outside of Calgary and Edmonton

ROBYN MOSER

Appointed from residential real estate industry members

GARY SIEGLE

Appointed from the mortgage brokerage sector

CHRISTINE ZWOZDESKY

Appointed from the property management sector

RECA Management

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Executive Director

KIRK BACON

Deputy Executive Director

DALE CAWSEY

Director of Corporate Services

JOSEPH FERNANDEZ

Registrar

JEAN FLANAGAN

General Counsel

CHARLES STEVENSON

Director of Professional Standards

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The Regulator is published by the Real Estate Council of Alberta.

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