

The Regulator



RECA BLOG.CA

Message From Council

Council Announces Date for Written Service Agreements

Making Mandatory Content Clearer for Consumers

Renewal Round-Up

Are You Accredited?

Update on Designated Agency

RECA Blog Roll

RECA is Coming to a Trade Show Near You



Vol. 19 • Issue 4
November 2013



REAL ESTATE
COUNCIL
OF ALBERTA



Message From Council

Bill Buterman, Past-Chair (2012-13)

When I began my term as Council Chair on November 1, 2012, I did so with a tremendous amount of respect for the concept of being self-regulated, and all of the privileges that self-regulation brings with it. I have appreciated the opportunity to contribute by being a small part of our industry's move towards that elusive and often undefined term "professional."

I had confidence that our industry members would continue to set high standards for themselves when working with other industry members and consumers, and more importantly, that they would ensure they put the public's interest before their own. This is not accomplished simply by using the correct forms; rather, it happens by adopting a culture of professionalism.

I am confident most of you already set standards for yourself at a higher level than what is required. In fact, having spent the past year speaking and meeting with industry professionals from across the province, I can say with all certainty this is, in fact, the case. I want to thank all of you who strive to be the best. As I have had the opportunity to attend conferences and meetings outside Alberta, it has become even more obvious to me how good we are as an industry.

Before I comment on Council's experiences this past year, though, I would like to begin by thanking the six Council members whose terms ended on October 31. Cindy Dubray, Wayne McAllister, Ken McCoy, Cheryl Schindel, Gary Siegle and Robert Telford gave tirelessly to Council and to our industry

as a whole. We thank them for their years of service, their commitment to our industry and to the enhancement of consumer protection. These individuals care deeply about the industry and the public.

New Chair, Kevin Clark, will lead Council in the 2013-2014 year. Kevin is a real estate associate with RE/MAX Real Estate (Mountain View) in Calgary. Kevin started his real estate career in 1976, and since that time has owned and managed brokerages, and has extensively instructed within the industry. He serves on Council as an appointee of the Alberta Real Estate Association, representing industry professionals trading in residential real estate. Kevin's commitment and passion to industry excellence will help Council continue to move steadfastly in the direction of promoting new branding and other initiatives that focus on awareness and understanding of what is to be "self-regulated and the privileged it brings to us all.

As I said in beginning of this message, the professionalism and commitment to the industry that our industry professionals show continues to impress me. We heard from thousands of engaged industry professionals earlier this year during the Real Estate Act amendment consultation and when RECA reached out for input into changes to Rule 43. At every industry event I was fortunate enough to attend this year – trade shows, conferences, and general meetings – I was met by professional, competent industry professionals, who were genuinely interested in working together for the betterment of our industry.



As Chair, I had the opportunity to work more closely with RECA staff and I have been equally impressed with not only their dedication to our industry but the significant amount of time and effort they take to support industry members as well as Council. This group tirelessly works behind the scenes at RECA to support Council in its duties. What I have grown to appreciate from all of these hard-working individuals is that they are just as committed to our industry as each one of us who is out every day working as authorized professionals.

The coming year brings with it six new members to the Council table. They will bring with them new ideas, new experiences and a new energy that will serve Council – and the industry as a whole – well. More details about their appointments are available [here](#).

Elsewhere in this newsletter you will read about implementation plans for the revised Rule 43 along with significant progress in the development of new “plain language” relationship forms. These initiatives would not have been possible without tremendous support and cooperation from industry associations, such as the Alberta Real Estate Association, industry sector advisor committees, and individual industry professionals who provided their feedback when asked. The cooperation and communication lines are fully open and working well, which once again speaks to the focus on you the industry members while enhancing collaboration and the industry standards.

In the coming year, our industry will continue to change; but, just as I was confident about its strength at the beginning of last year, I remain so today. We have a strong foundation of almost 15,000 industry professionals authorized in this province; we have solid leadership within RECA and at the various associations with which we interact; and, we have a commitment to continuous improvement.

If I could provide one parting comment that I hope will resonate with those who read this message, it is that if you seek change, if you seek to better the industry, if it is your desire to use the term “professional,” then it is up to you to ensure your day to day activities move you towards those goals. There are committees, boards, industry meetings and hundreds of other things YOU can do to enhance your craft and career, and give back to the very industry that provides for families and contributes to our communities.

It has been an honour and a pleasure to serve you and Alberta consumers as Chair of RECA.

With sincere thanks and respect.



Coming Soon: Council Announces Date for Revised Rule 43 - Written Service Agreements

Effective July 1, 2014, the Real Estate Council of Alberta (RECA) will require industry members who establish a client relationship when trading in residential real estate, property management, or when dealing in mortgages to enter into a written service agreement with that client. Written service agreements help ensure the role of an industry professional is clear, and when clients are better informed, there is less confusion and typically, fewer disputes.

Written service agreements help industry professionals clearly and confidently communicate with clients about:

- The relationship between the parties;
- The services to be provided by the brokerage;
- The obligations and responsibilities of the parties;
- Consent for collection, use and distribution of personal information of the client;
- Method of calculation of remuneration or how the industry professional will be compensated; and,
- Consent to obtain a credit report (for mortgage brokerage professionals).

Establishing a written service agreement with clients also offers benefits and protections to the industry professional. For example, even if a client chooses not to litigate, a written service agreement reduces the chances of dispute and dissatisfaction on the part of the

client, because the client has a written record of the roles and responsibilities of all parties to the agreement.

Regardless of their sector, RECA believes all industry professionals should use written service agreements when establishing client relationships. Many commercial real estate practitioners and real estate appraisers already use written service agreements and RECA will continue to work with these sectors to meet the requirements of the Rules as they relate to written service agreements.

Please click on the link to your industry sector below for more information about written service agreements and how they apply to your work as an industry professional.

Residential Real Estate
Click [here](#)

Mortgage Brokerage
Click [here](#)

Property Management
Click [here](#)

Commercial Real Estate
Click [here](#)

Real Estate Appraisers
Click [here](#)



Making Mandatory Content Clearer for Consumers:

The Real Estate Council of Alberta (RECA) is excited to announce new plain language mandatory content for residential real estate relationship forms, including a new mandatory Consumer Relationships Guide, which will take effect on February 4, 2014.

The revised mandatory form content will create greater clarity between consumers and residential real estate practitioners about their representation relationships, responsibilities and the resulting trades in real estate. The meaning of the mandatory content in the new plain language forms has not changed, but the wording has. The forms have been simplified with clearer, plain language wording – and some of the clauses have been re-ordered for better conversational flow.

RECA heard from the Alberta Real Estate Association (AREA) and industry professionals that they want forms that are clear, simplified, easier for consumers to understand, with less duplication. In response, Council made a review of the Agency Relationships Guide and a simplification and streamlining of the mandatory content within the residential real estate relationship forms a strategic priority.

In Fall 2012, RECA began working with AREA to review the mandatory form content. In Spring 2013, once the content had been streamlined and simplified through this effort with AREA, RECA initiated a plain language review with a third-party plain language expert.

Following that review and editing of the residential real estate relationship form mandatory content, RECA

and AREA did their own reviews. This comprehensive review process included extensive discussion between senior staff at RECA and AREA, as well as review and consideration by Council, AREA's Forms and Practice Committee and AREA's Board of Directors.

At a meeting in mid-September, Council approved the new mandatory content and also approved a new Consumer Relationships Guide, as a mandatory form, to replace the current Agency Relationships Guide. AREA will no longer be producing its own version of the Guide for residential real estate practitioners. RECA's Consumer Relationships Guide will be a mandatory form for use in residential real estate in Alberta as of February 4, 2014. The new Consumer Relationships Guide, in brochure format and in a simple print-friendly version, will be available for download from the RECA website and through AREA's WebForms® and repree™ systems.

Front line staff at RECA and AREA will be available to answer questions about the new forms and to assist industry professionals as they introduce them into their practice. AREA is also developing practice resources related to the mandatory content in the new forms. For more information about AREA's support activities and resources, please click [here](#).

As of February 4, 2014, all real estate professionals trading in residential real estate will be required to use the real estate relationship forms with new plain language mandatory content. These forms will be available through the RECA website, and the AREA versions of the forms, which will contain additional AREA member content, will be available through WebForms® and repree™.



Renewal Round - Up



The new licensing year began on October 1, and the Real Estate Council of Alberta (RECA) would like to thank industry professionals from across the province who renewed on time and helped RECA's busiest time go as smoothly as possible.

RECA's Office of the Registrar is committed to continuous process and service improvement and recent improvements were on display throughout the 2013-2014 renewal period, including:

- The elimination of the affidavit requirements from renewal forms.
- Revision of licensing renewal forms and guides, which improved their clarity.
- Acceptance of electronically-submitted documents in support of licence renewals if submitted from a brokerage/broker email address.
- The availability of an updated renewal tutorial for real estate appraiser professionals.

The number of renewal-related calls and emails received by Consumer and Industry Services were down 70% from the previous renewal period.

RECA knows there is quite a bit of flux in the number of authorized industry professionals between September 1 and October 31 of any given year. The fact is, leading up to the renewal period, there are some authorized industry professionals who have not taken the step of cancelling their registration, but who essentially have already left the industry. There are also those industry professionals who do not renew prior to September 30, but who 're-join' the industry only a

few weeks later. For the purpose of looking at renewal numbers, we do a comparison between September 1 and October 31 to get a full sense of the strength of each sector for the coming year.

Real Estate

September 1, 2013

Real estate brokers, associate brokers and associates - 11,789

Real estate brokerages- 1,034

October 31, 2013

Real estate brokers, associate brokers and associates - 11,508

Real estate brokerages- 1,013

Mortgage

September 1, 2013

Mortgage brokers and associates- 2,336

Mortgage brokerages - 342

October 31, 2013

Mortgage brokers and associates - 2,150

Mortgage brokerages - 326

Real Estate Appraisal

September 1, 2013

Appraisers - 466

Candidates - 86

Total - 652

October 31, 2013

Appraisers - 443

Candidates - 162

Total - 605

Continued on next page



Though each sector has seen some loss – through retirement and/or amalgamation of brokerages – these numbers are in line with RECA’s budget for the 2013-2014 year.

As part of its commitment to strong customer service, RECA conducted an optional post-renewal survey with brokers and appraisers of RECA’s renewal services. Overall, the results were extremely positive.

Some highlights from the survey results were:

- Of the survey respondents who contacted RECA with renewal questions or concerns, 97.5% “strongly agreed” or “agreed” that RECA responded in a timely manner.
- More than 96% of respondents “strongly agreed” or “agreed” that this year’s renewal experience was an improvement over previous years.
- Of the survey respondents who received renewal service from RECA staff, more than 98% “strongly agreed” or “agreed” that they received courteous and professional service.

RECA will use comments received as part of this year’s post-renewal survey to guide future improvements to the renewal process. Again, thank you for your cooperation in making this year’s renewal period a successful one.



Are you Accredited?

More and more industry professionals are becoming accredited through the Better Business Bureau (BBB) and using the BBB Accredited Business seal in their marketing. While this may be a strong endorsement of your work, and there is nothing wrong with attaining such an accreditation, professionals must ensure that in using the BBB seal in their marketing, it isn't misleading to consumers.

The fact is, all advertising done by a real estate or mortgage professional is actually done on behalf of their brokerage. If an individual industry professional becomes a BBB-accredited business, but their brokerage doesn't – that industry professional can't affix the BBB seal to their advertising as that would essentially make it come across that the brokerage is accredited.

On the other side, if a brokerage is the entity that is accredited – an industry professional registered with that brokerage can use the BBB seal in their advertising. Those industry professionals just need to make sure it's clear that it's the brokerage that is accredited, not the individual.



Update on Designated Agency

One of the Real Estate Council of Alberta's (RECA) priorities this past year was on agency practices in general, and ensuring that brokerage practices and the practices of individual industry professionals align with the documentation being used and the chosen business model of the brokerage. It is this continuity that helps industry professionals ensure they are providing consumers with competent service.

As a direct result of RECA's focus on this important issue, brokerages and brokers across the province started looking at their own agency practices. In doing so, in many cases, they were finding that their practices were not in alignment with their business model and more of them reached out to RECA about transitioning to designated agency.

As a result, there has been a significant increase this year in the number of brokerages and the number of individual real estate professionals practicing designated agency.

On December 1, 2012, there were eight brokerages and fewer than 300 industry professionals practicing designated agency. Less than a year later, on November 1, 2013, there were 43 brokerages and more than 2,800 real estate professionals under the designated agency model with another nine brokerages and 500 real estate professionals transitioning by January 1, 2014.

Also adding to the increased interest in designated agency was Council's announcement in July 2012 that the rule for written service agreements in residential real estate will be changing from "should" have written service

agreements when in client relationships to "must" have written service agreements in client relationships. In anticipation of that rule change, some brokerages felt that it made sense to transition to designated agency, which already requires written service agreements for all client relationships.

Here is the breakdown of designated agency (already practising and transitioning) in the larger centres across Alberta:

City	# of Brokerages	# of Industry Professionals
Calgary	19	2,092
Edmonton	14	675
Red Deer	3	71
Canmore	1	5
Cochrane	1	15
Fort McMurray	2	85
Grande Prairie	1	20
Lethbridge	2	42
Medicine Hat	2	9
St. Albert	1	44
Spruce Grove	2	66

If brokers would like more information on designated agency, would like to clarify what is involved in transitioning to designated agency or would like to begin the transitioning process, please contact Doug Dixon, RECA's Real Estate Practice Advisor, at 403-685-7920 or ddixon@reca.ca.



Here are some links and snippets to a few RECA Blogs from the past month. For those who may not have visited the RECA Blog, it has been created specifically to assist all industry professionals and to generate discussion. RECA Blog addresses issues and trends that are important to those in Alberta's real estate, mortgage and appraisal sectors.



[The Name Game: Choosing a Trade Name for Your Brokerage](#)

When opening a brokerage, one of the toughest decisions is often what to name it. A brokerage's trade name can go a long way in generating business. There are, however, things to consider beyond a catchy name.



[Upon Further Review: Falsifying Online Reviews](#)



The emergence of online peer review sites have given anyone with an internet connection the ability to rate any number of things. This trend has carried into the real estate, mortgage and appraisal sectors across North America, but another trend has coincided with the rise of the consumer review websites: false or misleading reviews.

[RECA Practice Tip: Conflict – Representing Competing Buyers](#)

RECA Real Estate Practice Advisor, Doug Dixon, lays out the duties and responsibilities of real estate professionals when representing two buyers who are interested in purchasing the same property.



RECA is Coming to a Trade Show Near You

The Real Estate Council of Alberta (RECA) will be appearing at slew of industry and consumer trade shows in the upcoming calendar year.

RECA will have a booth at the [Calgary Real Estate Board \(CREB®\) Forecast Conference](#) and Trade Show on January 15, 2014. Stop by booth 425, say hi to RECA staff and ask any questions you may have. The conference and tradeshow will take place at the BMO Centre at Stampede Park and always sells out.

RECA will also continue to participate at consumer trade shows as part of Council's commitment to enhancing engagement with consumers, while ensuring consumers recognize RECA as the standards-setting governing body for the real estate, mortgage and appraisal sectors.

RECA will kick-off its consumer trade show appearances with a booth at the [Wedding Fair](#) on January 26, 2014. This is the first time RECA has exhibited at a bridal show, but is looking forward to connecting with attendees, many of whom are likely first-time home buyers. RECA will also have booths, for the second year in a row, at the [Calgary Home and Garden Show](#), February 27 to March 2, 2014, at the BMO Centre at Stampede Park, and the [Edmonton Home and Garden Show](#), March 20 to 23, 2014 at the Edmonton Expo Centre.

RECA looks forward to talking to industry professionals and consumers at these shows!



2013-2014 Council Members

KRISTA BOLTON
Appointed from the public

BILL BUTERMAN, PAST-CHAIR
Appointed from non-AREA industry members

KEVIN CLARK, CHAIR
Appointed from residential real estate industry members

JOHN FARMER
Appointed from the real estate appraisal sector

GORDON GRAYDON
Appointed from the public

CHAD GRIFFITHS
Appointed from the industrial, commercial and investment real estate sector

PAT KELLY
Appointed from the mortgage brokerage 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

DALE RUSSELL
Appointed from the boards outside of Calgary and Edmonton

CHRISTINE ZWOZDESKY
Appointed from the property management sector

RECA Management

BOB MYRONIUK
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

CONTACT RECA

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

Please forward any questions regarding the content of the Regulator, or any questions regarding licensing or mandatory education, to info@reca.ca



Suite 350, 4954 Richard Road SW,
Calgary, AB T3E 6L1
Phone (403) 228-2954 - Toll-free
1-888-425-2754
Fax (403) 228-3065
www.reca.ca