



Consultation Paper

Graduated Licensing for Property Managers

Background Graduated Licensing for Property Managers

The Real Estate Council of Alberta (RECA) is an independent, professional, self-governing body established under the *Real Estate Act* (REA). It regulates Alberta's real estate brokerage, mortgage brokerage, property management, and real estate appraisal professionals. RECA is committed to the public interest. It promotes the integrity of the industry and protects consumers.

Property management brokerages indicate to RECA that they have difficulty attracting individuals to enter the property management profession. The shortage of property management professionals could result in existing professionals being overworked, not completing their responsibilities or taking shortcuts. It also can result in unlicensed activities. These situations place the public at risk and have the potential to undermine the integrity of the profession.

This chronic shortage of property management professionals is expected to worsen as our population ages, and existing property management professionals begin to retire and exit the property management profession.

Property management trade associations and real estate brokerages focused on property management have taken proactive steps to resolve the property manager shortage. These efforts include holding career days at colleges, universities, and employment centres, and supporting a Bachelor of Commerce with a minor in property management through MacEwan University.

Despite these efforts, property management professionals state the number of individuals entering the property management profession is not sufficient to meet the profession's needs. Property manager professionals report to RECA that the 210 hours of pre-licensing education deters many individuals from entering the property management profession. Most of these individuals cannot complete the pre-licensing education program without an income.

RECA would like to explore graduated licensing as a means to address the shortage of property management professionals. That said, a graduated licensing process must ensure that individuals with a graduated licence only carry out property management activities for which they can provide competent service and that there is a robust oversight process by the brokerage. Any decision to implement a graduated licensing process must ensure the public interest is protected.

If implemented, a graduated licence process would be an option within the current licensing process. The current licensing process is not being discontinued. Brokerages and individuals would be able to choose the licence process that best meets their needs. Brokerages may alternate between processes depending on circumstances.

Under the graduated licensing concept, individuals would be authorized to perform property management activities under direct supervision from the broker or a broker delegate while completing the property management pre-licensing education.

Rationale for Graduated Licensing

- Graduated licensing may help brokerages recruit individuals to become property manager professionals and reduce the property manager professional shortage.
- A shortage of property manager professionals can result in required services not being done, not done properly, or not done in a timely manner. It can also result in unauthorized practice. These situations place the public at risk and have the potential to undermine the integrity of the profession.
- Graduated licensing blends learning with a practical, hands-on work environment. This has the potential to enhance the learning experiences of learners seeking to become property management professionals.

Exploring Graduated Licensing

RECA is exploring the concept of graduated licensing. RECA is trying to determine:

- If there is industry support for graduated licensing in the property management sector
- if brokers are interested in participating in graduated licensing for new property management professionals
- an appropriate structure for graduated licensing that is attractive for new professionals while protecting the public
- the terminology to describe graduated licensing and the resulting licence

RECA is seeking your input on these questions. Your feedback to this consultation will help us determine if there is industry support for graduated licensing and how it should be structured, while ensuring ongoing protection of the public interest.

For the purposes of this consultation RECA will use the term "entry licence" to describe an individual who:

- Is completing the pre-licensing education to become a property management professional, and
- has been given a licence to carry out property management activities under the supervision of the broker or broker delegate, to ensure the property management activities are carried out competently and in accordance with the legislation.

Consultation and Feedback

RECA wants to hear from you. Your views, comments, and suggestions are welcome and encouraged. If you want to make a written submission, the deadline for submissions is: July 15, 2019

You can complete the online survey [here](#), email written submissions to consultation@reca.ca or mail to:

Real Estate Council of Alberta
Suite 202, 1506 11 Ave SW
Calgary AB
T3C 0M9

Telephone: (403) 228-2954
Toll-free: 1-888-425-2754
Fax: (403) 228-3065

Council will review the feedback at its October 2019 Council meeting and decide on any next steps. If Council decides to pursue graduated licensing, there will likely be a second consultation process for feedback on a proposed graduated licensing model.

Additional Comments

If you have any comments on these issues, or if you would like to suggest other changes or bring other matters to our attention, please email them to us.

RECA looks forward to your response to this consultation. Consultation submissions and responses will be made available on RECA's website. Individuals will not be named. Consultation responses from industry associations will be posted in full, including the responding organization's name.