



Real
Estate
Council
Alberta

reca.ca

RECA 2019 Annual Meeting

Your hosts

Rob Telford,
Chair



Bob Myroniuk,
Executive Director



An aerial photograph of a farm. In the upper right, a tractor is visible in a field of rows of crops, possibly corn. The field is divided into sections by green grass. The overall scene is a lush, green agricultural landscape.

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Welcome



Openness and Transparency

Agenda

- Annual Report Review
- Current Issues
- Questions



The background image shows a bright, modern office space with large windows on the left and right. In the center, a group of people are gathered around a table, looking at a laptop and some papers. The scene is overlaid with a semi-transparent blue rectangle that contains the text.

Annual Report Review



Strategic Achievements

Based on RECA's 2016-2020 Strategic Plan

Strategic Achievements

1

CONSUMERS

Aware and informed consumers have trust and confidence in RECA:

- to provide timely and effective responses to their inquiries
- to remedy and resolve issues

ACHIEVEMENTS

developed and launched the new, mobile-friendly RECA website at www.reca.ca.

enhanced resources for improved consumers' financial literacy

enhanced participation and profile in Provincial Fraud Awareness Month

conducted biennial consumer focus groups to assess awareness of RECA

launched "accountability matters" video series

published disciplinary decisions on CANLii website

Strategic Achievements

2

REAL ESTATE PROFESSIONALS

Competent real estate professionals serve and protect the public interest by:

- embracing and demonstrating a clear understanding of being a part of the real estate profession and an appreciation for self-regulation
- adhering to clear professional standards
- knowing and accessing RECA's industry advisory services

ACHIEVEMENTS

held stakeholder and industry consultation on proposed new Mortgage Standards of Practice and Rule changes

developed a Re-Licensing Education Program (REP) course for the commercial real estate and property management sectors

searchable information bulletin database on www.reca.ca

Strategic Achievements

3 STAKEHOLDERS

Government, stakeholder associations, and industry colleagues will understand RECA promotes positive relations and is the open, transparent, responsive governing body for real estate professionals in Alberta.

ACHIEVEMENTS

RECA worked with the Alberta Real Estate Association At-Risk Commissions Working Group to propose changes to the *Real Estate Act* Rules 96 and 97

RECA undertook leadership roles with national regulatory bodies, the Real Estate Regulators of Canada and Mortgage Brokers Regulators' Council of Canada, and collaborated to address regulatory issues and develop common occupational and practice standards

Council approved a new Diversity Policy, made amendments to the *Real Estate Act* Bylaws regarding the appointment of non-Alberta Real Estate Association and Public Council members, updated the Terms of Reference and position descriptions for Council members and the Council Chair

RECA started publishing Council meeting minutes and agendas, a hearing schedule, and made amendments to the disciplinary decisions publications guidelines as a part of our continuous openness and transparency policy

Strategic Achievements

4 CAPACITY

Maximize RECA's capacity to achieve its 2020 Vision by establishing an appropriate regulatory framework of policies and procedures, a prudent financial plan, and develop both internal and external human resources.

ACHIEVEMENTS

RECA opened for business at our new office in Calgary

RECA made significant organizational changes including; a new Strategic Initiatives and External Relations department, centralized regulatory functions under the Office of the Register, and RECA Education is now its own department.

RECA hired Downey Norris & Associates to conduct an extensive audit of RECA communications, both internal and external

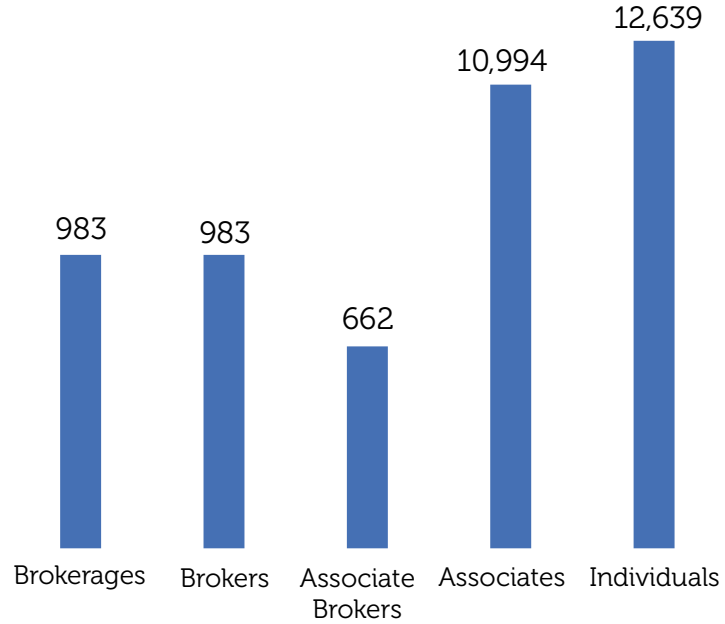
RECA continued the implementation of the Information Technology Strategy, by enhancing network security and utilizing computer resources

RECA established Service Excellence Principles to support an environment of service excellence for consumers, industry and all stakeholders

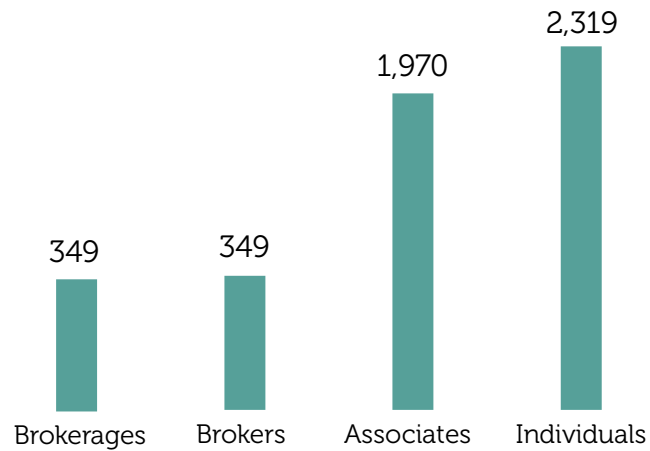
Licensing Numbers

Authorizations

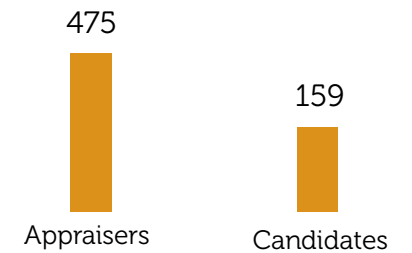
Real Estate



Mortgage Brokerage



Real Estate Appraisal



Education Numbers

Pre-licensing enrollment report



Real Estate Associates Program

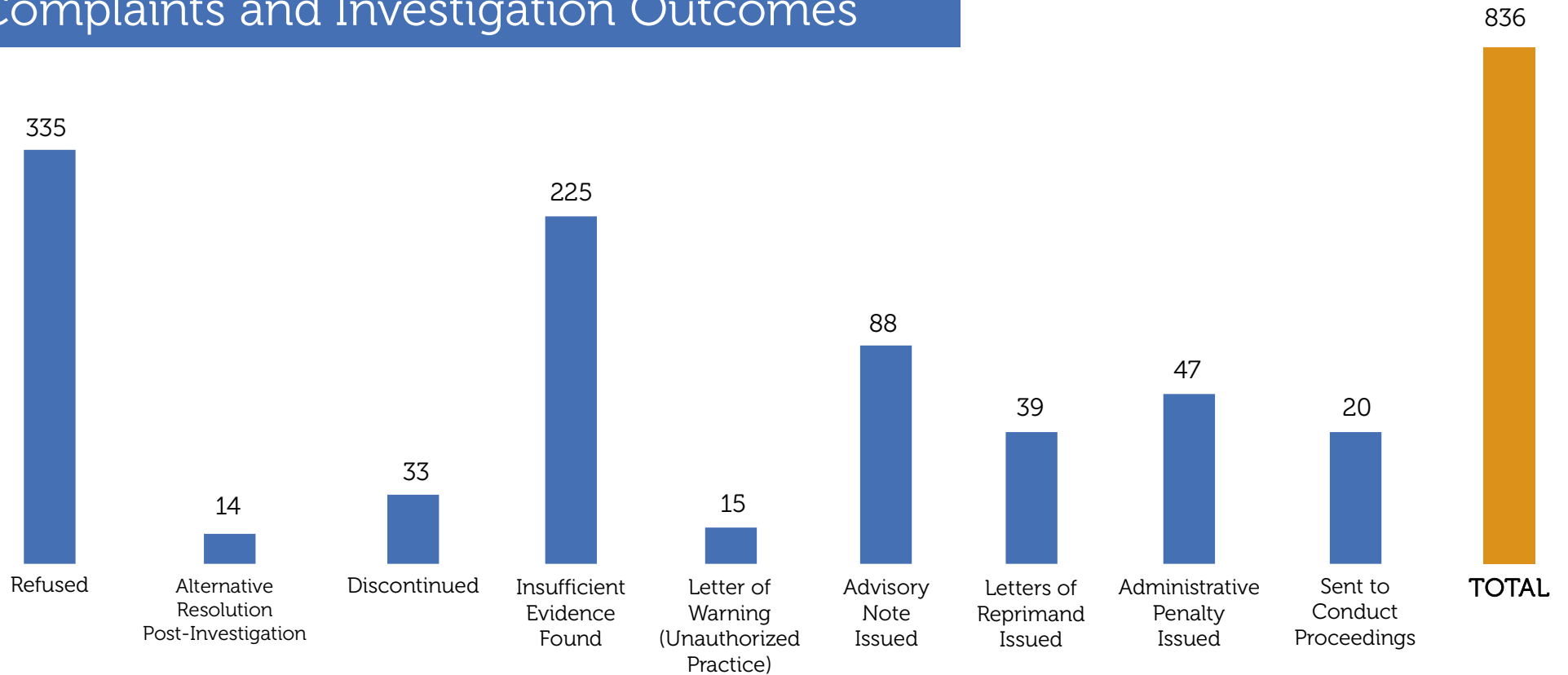
<u>Career in real estate information session</u>	2,192
<u>Fundamentals of real estate</u>	1,753
<u>Practice of residential real estate</u>	1,030
<u>Practice of commercial real estate</u>	250
<u>Practice of rural real estate</u>	129
<u>Practice of property management</u>	245

Mortgage Associates Program

<u>Fundamentals of mortgage brokerage</u>	300
<u>Real Estate Appraisal in Alberta</u>	27

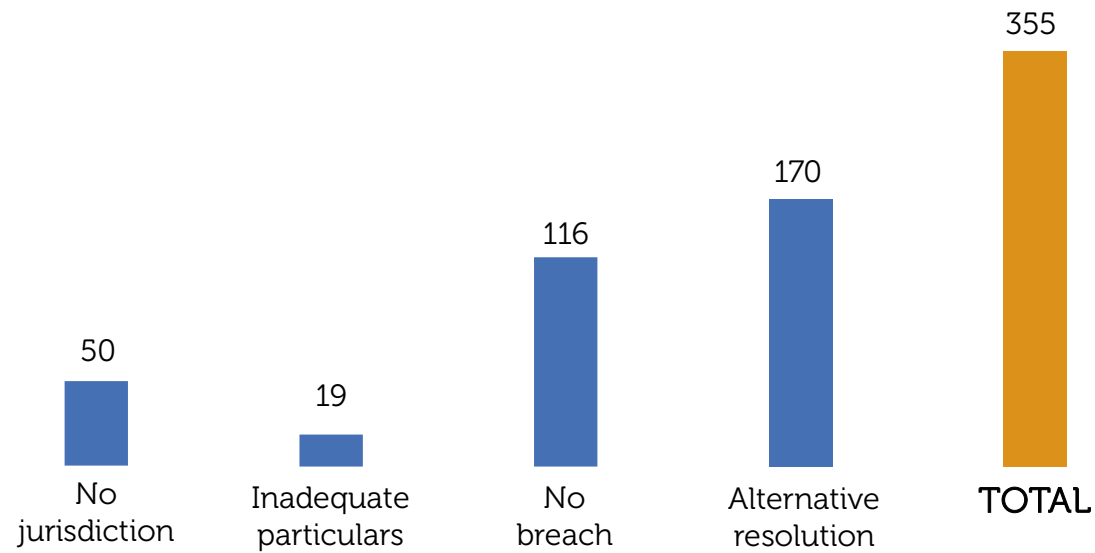
Professional Conduct Review

Complaints and Investigation Outcomes



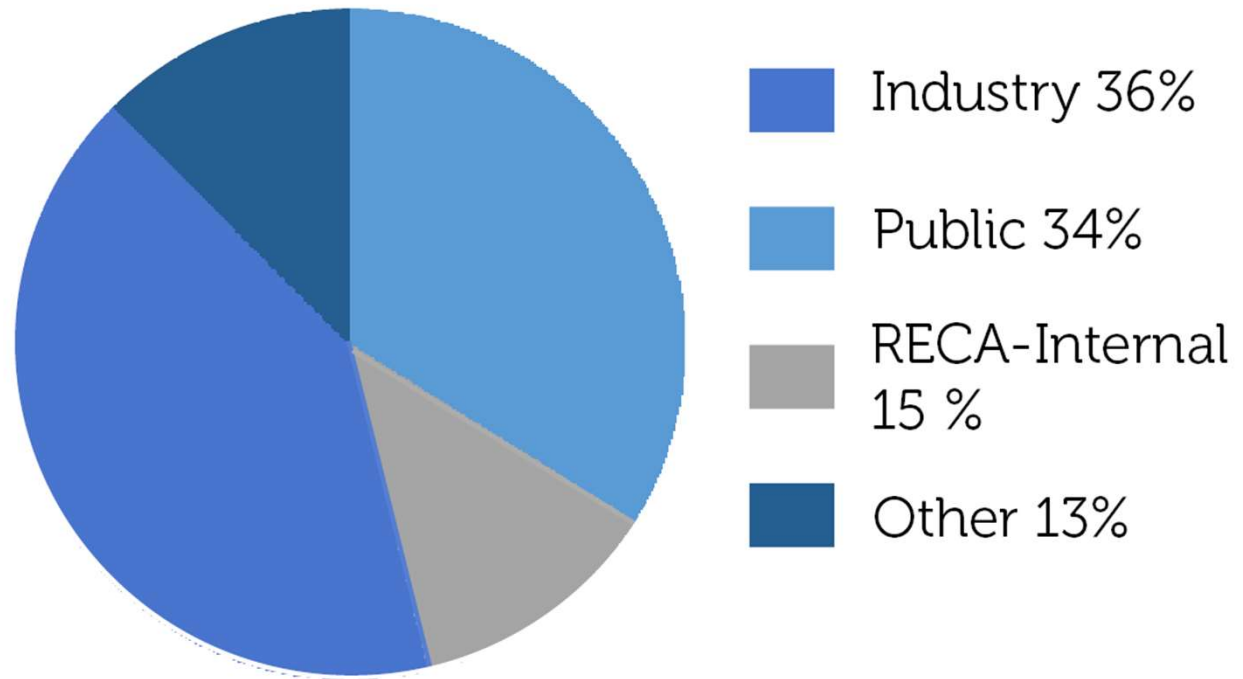
Professional Conduct Review

Reason for Complaint Refusal



Professional Conduct Review

Source of Reviewed Complaint



Professional Conduct Proceedings

File Count

82

Open files as of
Oct. 1, 2017

37

Files opened
during year

53

Files closed
during year

67

Open files as of
Sept. 30, 2018

Professional Conduct Proceedings

Fines & Penalties

Fines

\$62,500

Ordered

\$85,750

Received

Administrative Penalties

\$98,000

Ordered

\$100,150

Received

Professional Conduct Proceedings

File Closing Process

Administrative Penalty Issued

8

Appeal Panel Decision

1

Appeal Withdrawn

7

Complaint Appeal Successful

1

Court Decision Denying Judicial Review

1

Hearing Panel Decision

9

Insufficient Evidence Found

5

Letter of Reprimand Appeal Successful

1

Letter of Reprimand Issued

1

Lifetime Withdrawal

17

Opinion Completed

1

Order to Extend Time Granted

1

Trust Assurance and Practice Review



Regular Reviews



Special/Follow Up
Reviews



TOTAL

Real Estate Assurance Fund

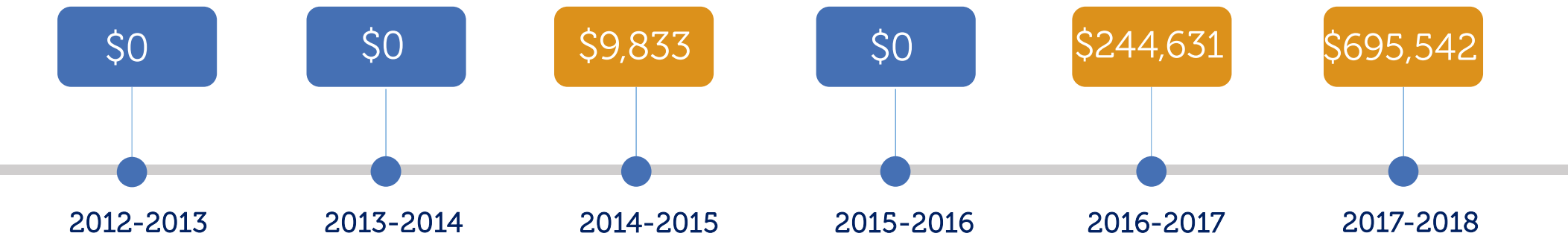
Compensation paid from REAF since its inception in 1985 totals **\$2,992,222**.

Compensation paid from REAF since RECA began administering it totals **\$1,444,531**. RECA paid **\$695,542** in compensation from REAF in the 2017-2018 fiscal year.

There are **24** potential future applications for compensation (open claim files) from REAF as of September 30, 2018, with total reserves of **\$1,206,549** set aside.

Real Estate Assurance Fund

Claims Paid





Financials

\$13,946,675 Revenues

\$15,086,600 Expenses

\$2,899,752 Assurance Fund Balance



Current Issues

Condominium Manager Licensing

Service Alberta passed the Condominium Property Amendment Act in 2014

Regulations coming into force in December 2018 finally set the stage for RECA to licence condominium managers in 2020-2021

Regulatory model established after Phase 1 consultation in 2014 mirrors the real estate and mortgage brokerage model

Council recommended to Service Alberta that condominium management company employees be exempt from licensing

RECA will undertake consultation on Rules and Mandatory Form Content in the Summer of 2019

Mortgage Broker Rules

Proposed changes include to mortgage broker standards of practice

Consultation in 2018 to gauge industry on:

- disclosure of material risk and product suitability
- identity verification
- agency relationships
- private lending and syndicated relationships

New consultation on draft Rules and mandatory form content in Summer 2019

Brokerage Advertising

New clarifications come into effect on October 1, 2019

Council clarified that “clearly indicated” for brokerage advertising means:

- The brokerage name must be similar in size and adjacent to other identifiers in the ad
- Teams must include the licensed name of at least one team member in their advertisements
- Teams are prohibited from using certain terms in their team names

This is a consumer protection issue, and a brokerage responsibility issue. All industry professional advertisements are brokerage advertisements

RECA has tools to help industry professionals

Residential Measurement Standard

The RMS is nearly four years' old

The latest consultation concluded in March 2018

Consultation dealt with the potential consequences of the current RMS methodology for measuring semi-detached and attached properties (paint-to-paint)

Based on consultation feedback, Council approved the creation of an Ad Hoc committee to consolidate the methodology for measuring all types of homes.

The committee will make a recommendation to Council at its July 2019 meeting

Section 76 Review

The Minister of Service Alberta initiated a review of RECA's governance and operations in November 2018

The Minister appointed KPMG the reviewer in January 2019

The governance portion of the review is complete and at the Minister

The operations portion is ongoing

Cannabis

Cannabis became legal in Canada in October 2017

Nothing has changed from RECA's perspective

Industry professionals must continue to disclose material latent defects

Four legally grown plants do not in themselves constitute a material latent defect

Talk to your clients about any concerns they may have with Cannabis in a property

Property managers, commercial real estate professionals, and mortgage professionals should take extra care and have in depth discussions with clients about the issue



Radon

Alberta has high levels of radon

More consumers are becoming aware of radon

The test for radon takes three months to complete and cannot reasonably be part of a condition period in an offer situation

Talk to your clients

The background of the slide is a blurred photograph of a person with long brown hair, seen from behind, looking towards a bright screen in a dimly lit room. Other people are visible in the background, also blurred.

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Thank you



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QUESTIONS?