

RECA Annual Meeting Questions

Thank you to everyone who participated in the meeting. More questions came in to RECA after the event had concluded. Below is a copy of all the questions received and RECA's answers.

Radon and Cannabis

1. I'm a little curious as to the last two items as it appears that they fall outside RECA's regulatory mandate. I was wondering when this course change began and if it would be reviewed

One of the requirements that all industry has is to comply with the laws of Alberta and Canada, and where they impact the standards of practice in the industry then we try to provide information to support those practices. For example, in the cannabis issue, it is a very important question for people in the property management sector and we've provided a fair amount of information on our information bulletins on that topic.

2. You mention that Radon should form part of a Purchase Agreement. Can you suggest the points of the terms to be included?

RECA suggested talking about radon to your clients ahead of time as a best practice, and suggested the possibility of including the cost of radon mitigation into their offers. This is a discussion to have with your clients. RECA does not currently have responsibility for a Real Estate Purchase Agreement.

RECA

3. Does RECA own the building on 14th St.

Yes. RECA purchased the building last year and subsequently moved in.

4. How many people are employed at RECA?

RECA currently employs around 70 employees.

Condominium Managers

5. May I ask how taking on Condo Property Managers has impacted resource allocation at RECA? Is it proportionate to the licensing revenues anticipated from that sector? Do you anticipate any other areas of licensing becoming part of RECA's purview?

Service Alberta asked RECA to implement amendments to the *Real Estate Act* for the regulation of condominium managers. A full time Condominium Management Implementation Coordinator was hired to assist the project. The implementation of condominium managers involves developing a regulatory model, drafting standards of practice, education courses, consumer materials, consultation papers and reports, and stakeholder relations.

Licensing fees are anticipated to be the same for condominium managers as for other industries.

At this time RECA does not anticipate regulating any other industries.

ASSURANCE FUND PAYOUT

6. I was wondering why the assurance fund is so high. It was mentioned that the law stipulates a certain amount needs to stay in the fund, but the financials show it is well above the amount.

The detailed Annual Report provides more clarity. As of September 30, 2018, there were 24 open applications for compensation from the Fund. RECA holds more than \$1.2 million in reserve for these. The fund is legislatively required to have on deposit at least \$2 million.

7. With the big payout coming from the fund last year, will RECA impose a levy to ensure the fund stays at mandated levels?

We are monitoring the amounts in the Assurance Fund closely. There has been no decision at this time.

LICENCE FEE INCREASE

8. Are licensing numbers down because of the Alberta economy? If so, if this trend continues, does RECA foresee any increase in our licensing fees?

It is not clear why licensing numbers are down so far this year as compared to other years, but the economy could be a contributing factor. RECA has weathered economic downturns before. Half of this fiscal year remains, so numbers may improve but there is uncertainty.

Council will review licensing fees, as it does every year, when it approves the RECA budget at the July meeting. As you know, we have not raised the licensing fee since 2013-2014. If Council does decide a fee increase is warranted, this will be communicated after the July Council meeting.

RESIDENTIAL MEASUREMENT STANDARDS (RMS)

9. Is the RMS going to revert to the way it was before... all exterior measurements?

Council has created a subcommittee to explore harmonizing the RMS across all property types. That committee will report to Council with a recommendation at the July 2019 meeting. There will be nothing further to report on this matter until the subcommittee completes its work.

10. Why didn't council adopt the recommendation of the RMS working group to go to all interior measurements?

The recommendation did not take in to account the potential consequences of interior measurements for all property types, particularly as it relates to appraisers, lenders, and insurers. RECA undertook the most recent RMS consultation to ask this question and discover those consequences. Those industries brought up some complications, including underinsured properties and undervalued appraisals, which could affect lending. The RMS subcommittee will come to Council with a new recommendation.

SECTION 76 REVIEW

11. What is a Section 76 Review?

Service Alberta decided to undertake a governance and operational review of RECA under the *Real Estate Act*. RECA is cooperating fully with the review and is looking forward to the results of the reviewer's report or direction.

12. Will the section 76 review pull RECA back into government? Will we lose self-regulation?

RECA cannot speak to the Minister's thoughts or the contents of the reports resulting from the review. This is not known. We know just as much as the public knows. The moment we hear anything, we will let stakeholders know.

TOO MANY EDUCATION COURSES

13. Why are you making us take so many courses this year?

RECA offers topical, useful courses to industry professionals free of charge. Appropriate education is what makes an industry a professional industry, and allows you to give the best service possible to your clients. RECA expects a professional attitude towards education.

We anticipated multiple re-licensing courses because of the move to sector licensing in real estate. If you are not licensed in commercial or property management, and are not a broker or associate broker, you are only required to take one course this year.

14. When will mortgage industry professionals get a re-licensing course?

RECA is developing a course for mortgage brokers as we speak, and should be available for the 2019-2020 licensing year. As for a course for brokers AND associates, we are awaiting anticipated changes to the mortgage standards of practice before we prepare a re-licensing course.

ADVERTISING CLARIFICATIONS

15. Why is RECA cracking down on advertising with more rules and red tape?

The requirement to have your brokerage clearly indicated in industry advertisements has been in place for a decade. After all, industry advertising is done on behalf of the brokerage.

As the years have gone by, it became clear to RECA that the industry was not following the guideline that a reasonable person must be able to identify the brokerage. All these new clarifications do is further clarify what RECA means when we say the brokerage name must be clearly indicated. After all, the consumer is hiring the brokerage, not your team, and not you individually. The brokerage assumes the liability in a professional client relationship.

16. Does the font in my brokerage name have to be the same size as the font in my team name?

The clarification says 'similar in size and adjacent to'. It does not mention font sizes. Follow the checklist RECA provides on the website.

Is your brokerage name similar in size and adjacent to your other identifier?

If you're a team, does the licensed name of at least one team member appear in the ad?

Does my team name use any of the prohibited terms?

A good rule of thumb for to follow is that if you are unsure if you are meeting the standard, perhaps rethink your ad. Also, involve your broker. They are responsible for your advertisement. Follow their advice.