

The Regulator

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Message from Council



Robert Telford,
Chair

Welcome to this spring edition of the Regulator newsletter. A lot has been happening at RECA. You'll be able to read information about Council initiatives in the Council Highlights section of this Regulator and read Council's [January, 2019 meeting minutes](#) on the RECA website. I'd like to draw some important Council news to your attention.

Chair-Elect

I'm pleased to announce that Council elected Stan Mills as its Chair-Elect. Stan is an Alberta Real Estate Association (AREA) appointee to Council from industry members who are members of real estate boards outside Edmonton and Calgary. Stan is the real estate broker with Sun City Realty Ltd. in Lethbridge. He brings many years of real estate industry experience and industry knowledge to Council. In addition to being Chair-Elect, Stan also currently serves as Council's representative on the REIX Advisory Board, and as Chair of RECA's Hearings Committee. Congratulations, Stan.

Council Committee Chairs

I'm also pleased to announce that the Chairs of all Council committees are in place. You can read more about the Chairs in the Council Highlights section of this Regulator. If you would like information about RECA's committees, it is available on [RECA's website](#). Congratulations to all Committee Chairs.

Real Estate Act s.76 Review Update

Last fall, the Minister of Service Alberta advised RECA that the Minister would conduct a review of RECA under *Real Estate Act* s. 76. In early 2019, the Minister appointed KPMG as the reviewer. KPMG is reviewing RECA's governance and operations. Council has been advised that the reviewer has concluded the governance portion of the review and KPMG's report was submitted to Service Alberta. The operations review is taking place at this time. Council will provide future updates about the review as information becomes available from Service Alberta.

Inaugural Annual Meeting Webinar

On Monday, May 13, 2019, on behalf of the Council, I'll be hosting an online event - [RECA's inaugural Annual Meeting](#) - for industry professionals and members of the public. This will be an opportunity to learn about RECA and RECA's accomplishments this past year. Time will also be set aside for you to ask questions. The Annual Meeting will be a key opportunity for industry professionals to participate in the self-regulation process. If you'd like to learn about RECA's Statement on Self-Regulation, you'll find it [here](#). We know self-regulation is a privilege. It's a privilege I appreciate greatly as I'm sure you do, too. I'm looking forward to your interest, support, and participation in this event.

Council will be very interested in your feedback about RECA's first Annual Meeting webinar. We will contact you for your feedback after the Annual Meeting.

Consultation in Action

In this newsletter you'll read an update about RECA's consultations during the past months. As you're likely aware, Council approved its [Consultation Policy](#) in 2018. In all consultations, RECA seeks feedback from industry, consumers, organizations or stakeholder groups. I believe you'll find the information in the RECA consultation update interesting and helpful. The input RECA receives from its public consultations is very important and is an integral part of RECA's advancement. The consultation responses and feedback are invaluable to Council's decision making processes and ultimate decisions. RECA is committed to sharing updates about its consultations with you to show you we are open, transparent and accountable. For information about RECA's commitment to openness and transparency see [RECA's Statement on Openness and Transparency](#).

Council appreciates and thanks everyone who has taken the time and energy to respond to its consultations. We will continue to keep you informed.

Council Highlights April 17 Meeting

1. Council elected Stan Mills to the position of Chair-Elect of Council. His term began on April 17, 2019 and will end on October 31, 2019. The appointment was made in accordance with s.5(3)(a) of the *Real Estate Act* Bylaws.

2. Council approved the creation of an Ad Hoc committee to consolidate the methodology of the measurement of detached, semi-detached, and attached homes. The committee will consist of Stan Mills (Chair), Ramey Demian, JT Dhoot, Tiago Lage, and Robyn Moser. The Committee will bring back recommendations to Council at the July 2019 meeting.

3. Council proposed to Service Alberta that condominium corporation employees be exempt from licensing requirements under amendments to the *Real Estate Act* Exemption Regulation.

4. Pursuant to the *Real Estate Act* Bylaws, Council appointed Ramey Demian as Chair of the Nominating Committee for Real Estate Appraiser & Property Manager to Council to:
 - o review the recommendations received for the real estate appraiser and property manager positions on Council that are in compliance with the *Real Estate Act* (Ministerial) Regulations;
 - o interview any or all of the individuals recommended; and
 - o provide Council with the names of all individuals who have been recommended candidates (in compliance with the *Real Estate Act* (Ministerial) Regulations).

Council Highlights April 17 Meeting

5. The Chair advised Council that the following Committee Chair appointments had been made:

- Finance & Audit Committee – Tiago Lage (April 3, 2019)
- Governance Committee – Amina Deiab (April 3, 2019)
- Policy Sub-Committee – Bill Kirk (March 27, 2019)
- Hearings Committee – Stan Mills (March 27, 2019)
- Commercial Real Estate Advisory Committee – Ramey Demian (April 3, 2019)
- Residential Real Estate Advisory Committee – Robyn Moser (March 27, 2019)
- Condominium Managers Implementation Advisory Committee – Christine Zwozdesky (March 27, 2019)
- Consumer Advisory Committee – Bobbi Dawson (March 27, 2019)
- Legislation Review Committee – Amina Deiab (April 5, 2019)
- Real Estate Appraisers Advisory Committee – Rob Telford (by acclamation on March 27, 2019)
- Property Management Advisory Committee – Christine Zwozdesky (by acclamation on March 27, 2019)
- Mortgage Brokers Advisory Committee – Phil McDowell (by acclamation on March 27, 2019)
- Executive Director Selection Committee – Amina Deiab and Christine Zwozdesky (co-chairs) (February 11, 2019)

6. Council approved a motion stating that Committee Chairs shall select their Committee members based on relevant experience, skills and interest.

RECA Consultation Update



Residential Measurement Standard (RMS)

From January 18 – March 18, 2019, Council consulted about the consequences of the current methodology for measuring semi-detached and attached properties. The current methodology in the RMS is measuring interior perimeter walls at floor level (paint-to-paint).

Thank you to everyone who provided feedback. The consultation resulted in 472 responses (12 responses from stakeholder groups, 362 responses from industry members, and 98 responses from consumers). Overall, the feedback received was varied. The prominent consequences identified by industry professionals were:

- Builders are not bound by the RMS therefore new homes are measured such that they appear larger than those on an online listing service for licensed professionals

- There is a financial burden for paying for measurement companies to measure properties
- There is general inconsistency across jurisdictions and/or across property types
- There is a perception of reduced square footage for attached and semi-detached properties
- The public may believe they are receiving misleading information
- No consequences were identified

Council reviewed the data at its April, 2019 Council Meeting. Please refer to the Council Highlights for Council motions arising from this consultation.

Graduated Licensing for Property Managers

On April 15, 2019, RECA opened a consultation to explore the feasibility of graduated licensing as a means to address the shortage of property management professionals in Alberta.

Property management brokerages have indicated 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.

For more information, including the consultation paper and links to the survey, visit [RECA's website](#). The consultation closes on July 15.

Annually on RECA's website, RECA will list consultation results.

Basement Suites, In-law suites, Secondary Suites and More

If you work in older communities, chances are you have some experience with buying/selling/leasing secondary suites (defined by the Alberta Government as self-contained living units created within single-family homes).

As more and more Alberta municipalities allow these affordable rental options, the number of secondary suites available in desirable locations has skyrocketed. At the same time, municipalities are cracking down on suites that do not meet the municipality's standards for secondary suites, making these properties less desirable for those looking to rent or buy, and therefore possibly more difficult to sell or lease.

Real estate professionals working with secondary suite properties should always do their due diligence by:

- Staying up to date with the zoning or land use bylaws for the area in question
- Checking the status of the suites with the municipality
- Being aware of any municipal initiatives regarding secondary suites
- Disclosing this information to clients along with the potential consequences of buying/selling/leasing a property with a secondary suite

Keeping yourself up to date ensures your competency as an industry professional. Being knowledgeable will demonstrate value to your clients and show you have their best interests in mind. This elevates both your image as a professional and the image of the industry.



Real estate professionals have a fiduciary duty to use reasonable care and skill in their dealings with clients, and this includes being competent and knowledgeable in areas that could affect a client's decision to buy, sell, or lease.

Best Practice

Discuss secondary suites with your clients, including their comfort level with so-called "illegal" suites, allowing them to make an informed decision. If you find properties for them to consider that have secondary suites, you must do your due diligence and disclose the status of the suite (i.e. if it is registered with the municipality, not registered, or requires work to meet the standard of the municipality).

[Read more about secondary suites, including how to advertise them and what you have to disclose.](#)

Pressure to Waive Financing? What You Should Do.



Real estate professionals often ask why mortgage professionals seem reluctant to provide them with a letter confirming that their clients' financing conditions have been met and they can waive conditions. They are reluctant for good reason.

Typical Scenario

Mortgage professionals communicate the terms of the buyers' commitment specifically when the borrower has satisfied the lender's conditions. This happens when the lender is prepared to disburse the funds to close the purchase transaction, but only if the borrower's situation remains unchanged between final approval and the funding date.

Mortgage professionals should let the buyer know it is the buyers' responsibility to maintain their income and debt levels at what they were during initial approval of the loan funding. Even then, a borrower's situation can change without the knowledge of the mortgage broker, making previously approved financing void.

If they provide a letter waiving financing on behalf of the borrower when it hasn't actually happened, and there's been an unknown change or some other complication, mortgage professionals could end up on the hook.

Mortgage professionals CAN'T waive conditions

The purchase contract and related conditions are contractual matters between the buyer and seller. The mortgage commitment is between the lender and the borrower. The mortgage broker facilitates lending arrangements for the borrower, but has no legal authority to waive the buyer's purchase contract financing conditions.

So, as much as the mortgage professional would like to help move the process along as quickly and as efficiently as possible, the responsibility to waive the financing condition lies only with the borrower.

Advertising: Six Months Until New Clarifications Take Effect

With October 1, 2019, quickly approaching, it's important that all industry professionals have a clear understanding of the latest advertising guidelines.

Council made clarifications for team advertising and what "clearly indicated" means when it comes to including brokerage names in industry advertisements. These changes will take effect on **October 1, 2019**.

RECA will give industry professionals, teams, and brokerages an additional six months (until March 31, 2020) where they may advertise with "formerly known as." After the six months, RECA will take a zero-tolerance approach.

Additional Advertising Resources

RECA has put together extensive resources on its website to help all industry professionals including:

- [A Visual Guide](#): includes examples of advertisements that meet and that do not meet requirements across various platforms
- [A Social Media Visual Guide](#): includes multiple examples of social media profile pages, and what to include in individual posts across multiple social media platforms
- [An Advertising Checklist](#): a step-by-step process to ensure your advertisements meet the latest guidelines
- [FAQ](#): provides answers to the most frequently asked questions regarding advertising
- [Broker Presentations](#): brokers can request a presentation to their brokerage by contacting our practice advisors

For more information, visit RECA's [advertising page](#).

REMINDER: New Advertising Clarifications

1. "clearly indicated" means: the brokerage name must be similar in size or larger than other identifiers, and immediately adjacent to other identifiers in advertising.
2. RECA has an existing requirement that industry must "trade in real estate/deal in mortgages only in the name that appears on that individual's licence." As it relates to "team" advertising, Council expanded this requirement to include "the name of at least one licensed team member, as it appears on the individual's licence, must appear in any team advertising."
3. Council has prohibited specific words and terms that may suggest to consumers, or create the impression, the team is a brokerage.
 - The prohibited terms include: Agency, Associates, Brokerage, Brokers, Company, Corporation, Corp., Inc., Ltd., LLC, LLP, Mortgages, Properties, Property, Realty, Mortgages*, Real Estate*
 - **Exception:** "Mortgages", "Mortgage", "Real Estate", and "Realty" may be used in team names only when followed immediately by one of two terms; either "team" or "group".

Re-licensing Education for Real Estate Professionals

Know which courses you need to complete by September 30



There are mandatory courses for real estate professionals

All professionals practicing in the real estate industry must complete re-licensing education prior to renewing their licence in September. Which courses you must complete depends on your licence class and your sector authorizations. See below for details.

There are no mandatory courses for mortgage and real estate appraisal professionals

However, RECA Education Programs has designed courses that benefit all industry professionals and ensure that our industry professionals are the most-educated, well-trained professionals in the country. Therefore, mortgage professionals are free to take the *Real Estate Update 2019 (All Real Estate Professionals)* course listed below, should they choose to.

IMPORTANT: All real estate brokers and real estate associate brokers must complete three courses this year:

- *Real Estate Update 2019 (Real Estate Brokers)*
- *Real Estate Update 2019 (All Real Estate Professionals)*
- *Real Estate Update 2019 (Commercial/Property Management)*

Failure to complete these courses will result in your broker licence reverting to an associate licence.

Re-licensing education courses for real estate professionals

The following are the re-licensing courses required for professionals in the real estate industry this year. Please read through everything carefully to ensure you complete all of the required education for your licence class and authorization.

All real estate brokers and associate brokers must complete the *Real Estate Update 2019 (Real Estate Brokers)* course prior to renewing in September 2019. The course launched on May 1, 2019.

The course covers: risk management, cybersecurity, and occupational health and safety. The estimated time to complete the course is about 3-5 hours. The course is divided into sessions that enable you to complete it in segments.

To enrol in this course, log in to your myRECA account and go to the Course Catalogue in the Education tab.

Real Estate Update 2019 (All Real Estate Professionals)

All real estate professionals (**including ALL associates, brokers, and associate brokers**) must complete the *Real Estate Update 2019 (All Real Estate Professionals)* course prior to renewing.

This course covers: self-regulation, radon, cannabis, and advertising. The estimated time to complete the course is about 3-5 hours. The course is divided into sessions that enable you to complete it in segments.

To enrol in this course, log in to your myRECA account and go to the Education tab. Check the [Education page](#) on our website to see available classroom course providers.

Real Estate Update 2019 (Commercial/ Property Management)

All real estate professionals authorized in commercial and/ or property management, (**including ALL brokers and associate brokers, and any associates with authorizations in either of these sectors**) must also complete *Real Estate Update 2019 (commercial/property management)* prior to renewing in order to retain these sectors.

If you choose not to complete this course, you will no longer be authorized in those sectors. If you're a broker or an associate broker, you will lose that licence class and become an associate.

To enrol in this course, log in to your myRECA account and go to the Education tab. Check the [Education page](#) on our website to see available classroom course providers.

Did you know? There is no cost associated with re-licensing courses when taken online through myRECA. For more information about education requirements, visit the [re-licensing education page](#) on reca.ca.

New Pre-Licensing Course Announcement!

Effective May 1, 2019, RECA is pleased to offer Phase 1 of a new *Practice of Commercial Real Estate* course. This course is for learners wishing to obtain an authorization to trade in commercial real estate. Industry professionals already licensed in commercial real estate do not have to take this course. RECA will offer this course on RECA's new mobile-friendly interface, which includes many interactive elements, a video tutorial on how to use the financial calculator, and much more.

This course is available online through myRECA.

Important Occupational Health and Safety (OHS) changes for brokerages

Brokers need to be aware of key changes the Government of Alberta made in June 2018 to the [*Occupational Health and Safety Act*](#).

Under the new Act:

- brokerages that employ 20 or more people must have an **established health and safety committee**
- brokerages that employ five to 19 people must have an **appointed health and safety representative**

Please note:

- independent contractors such as the industry professionals in your brokerage count towards the employee total
- each work "site" with the number of employees listed above must have its own committee or representative, so if your brokerage has multiple offices, you may need multiple committees or representatives

The Role of the Committee or Representative

This committee/representative is responsible for:

- addressing concerns and complaints about the health and safety of workers
- identifying and clearly communicating worksite hazards to workers or other persons
- developing, promoting and evaluating measures to protect the health and safety of all employees
- cooperating with Alberta Occupational Health and Safety Officers exercising duties under the *Occupational Health and Safety Act*, the Regulations, and the Code
- developing and promoting programs for education and information concerning health and safety
- making recommendations to the broker respecting the health and safety of workers
- investigating serious injuries and incidents at the worksite
- maintaining records on concerns and complaints received
- attending other matters relating to the duties of the committee/representative
- performing additional duties as may be specified in the *Occupational Health and Safety Act*, Regulations and Code



Brokerages must review these mandated elements every three years.

The role of the committee/representative is to advise and assist, and not assume managerial responsibilities for health and safety in the workplace.

Committee Composition

If your brokerage requires a committee, it must be made up of employees and management. The employees must choose how they will select their own members to the committee.

New Types of Occupational Hazards

Harassment and violence in all forms, including domestic and sexual violence, are now defined as workplace hazards. Under the new rules, employers must develop workplace harassment and violence prevention plans and address incidents when they do occur.

It is important for brokerages to understand and comply with the new OHS requirements.

Read more about these requirements [here](#).



News Bytes

RECA Executive Director Bob Myroniuk, announces retirement

After more than 22 years of dedicated service to RECA, Executive Director Bob Myroniuk, advised RECA's Council that he will retire at the end of August.

Involved since its inception, Mr. Myroniuk was RECA's first employee and only Executive Director. Through his leadership, RECA has been recognized as one of the leading real estate regulatory jurisdictions in North America.

An executive search consultant will assist a Council-appointed selection committee in the search for RECA's next Executive Director.

Join us for RECA's Annual Meeting

You're invited to join our inaugural public Annual Meeting webinar on Monday, May 13, 2019 from 10 – 11 a.m.

This is an opportunity to learn about public consultations and current projects, hear highlights from RECA's annual report, provide your feedback, and ask questions.

[Register online today](#)

Tradeshow season: it's a wrap!

RECA's official tradeshow season is finished. Attendance at tradeshows is part of RECA's consumer and industry outreach campaigns. Events like these help to ensure RECA engages directly with all stakeholders, including consumers and industry.

This year RECA attended home shows in Calgary, Red Deer, and Edmonton. RECA also had a presence at Calgary Law Day, the Fraud Prevention Month kick-off at Cross Iron Mills, and at the Better Business Bureau's shred event.

Consumers and industry alike continue to be very interested in RECA's mandate. A big thank you to everyone who dropped by our booths at these various events across the province.

The winner of the \$500 Fairmont Hotels gift card was Tammy N. from Calgary—congratulations, Tammy!

Alberta Insurance Council mortgage creditor insurance licence deadline

If you are a mortgage brokerage that distributes mortgage creditor insurance, a restricted licence from the Alberta Insurance Council is required. If you have a licence, it will expire on June 30, 2019 and must be renewed prior to that date if you wish to continue. The Alberta Insurance Council emails renewal notifications to all license holders through Designated Individual(s) in early May. If you are not sure if you currently hold a licence, search your business name [here](#). Questions can be emailed to: licensing@abcouncil.ab.ca

2018-2019 Council Members

BOBBI DAWSON

Appointed from the boards outside of Calgary and Edmonton

AMINA DEIAB

Appointed from the public

RAMEY DEMIAN

Appointed from the industrial, commercial and investment real estate sector

JT DHOOT

Appointed from non-AREA industry members

BILL KIRK

Appointed from the Calgary Real Estate Board

BRIAN KLINGSPON, PAST CHAIR

Appointed from the REALTORS® Association of Edmonton

TIAGO LAGE

Appointed from the public

PHIL MCDOWELL

Appointed from the mortgage brokerage sector

STAN MILLS, CHAIR-ELECT

Appointed from the boards outside of Calgary and Edmonton

ROBYN MOSER

Appointed from residential real estate industry members

ROBERT TELFORD, CHAIR

Appointed from the real estate appraisal sector

CHRISTINE ZWOZDESKY

Appointed from the property management sector

RECA Management

BOB MYRONIUK

Executive Director

JEAN FLANAGAN

Director of Strategic Initiatives & External Relations

WARREN MARTINSON

Director of Corporate Services

JOSEPH FERNANDEZ

Director of Education Programs

CHARLES STEVENSON

Registrar

STACY PAQUIN

General Counsel & Corporate Secretary

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



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