



Real Estate Council of Alberta Advertising Guidelines

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These guidelines are for real estate and mortgage industry professionals licensed by the Real Estate Council of Alberta (RECA).

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Disclaimer

These are guidelines only. This Guide does not include every possible advertising situation and it is not legal advice. Please review the appropriate legislation concerning advertising as an industry professional in Alberta before proceeding with any advertising. This includes, but is not limited to, the *Real Estate Act*, the *Real Estate Act* Rules, the *Consumer Protection Act*, the *Franchises Act*, and any advertising bylaws in your community.

As the result of changing legislation, evolving Court decisions, and the practice of trading in real estate and dealing in mortgages, the Real Estate Council of Alberta may periodically update these Advertising Guidelines. To obtain the current version of these guidelines, please visit the RECA website at www.reca.ca

Industry professionals are encouraged to share these Guidelines with third-party service providers who assist them in their advertising and marketing.

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Introduction



Real Estate Council of Alberta Overview

Established in 1996, the Real Estate Council of Alberta (RECA) is the independent governing authority that sets, regulates, and enforces standards for real estate brokerage, mortgage brokerage, real estate appraisal, and property management professionals under the *Real Estate Act* of Alberta.

Mandate

RECA's mandate is to protect consumers, and to provide services that enhance and improve the industry and the business of industry professionals.

Mission

RECA builds consumer trust and confidence in industry professionals by:

- setting and enforcing standards of conduct and professional development requirements for the industry to protect the consumer
- providing services that enhance and improve the industry
- promoting the integrity of the industry
- protecting against, investigating, detecting, and suppressing mortgage fraud as it relates to the industry.

RECA protects consumers by:

- establishing education standards for entry into the industry
- setting licensing requirements to ensure suitability of individuals who wish to enter the industry
- requiring mandatory participation in an errors and omissions insurance program
- setting standards of business conduct that promote the integrity of the industry
- carrying out effective investigation of complaints
- conducting trust assurance and practice reviews
- conducting disciplinary proceedings
- administering the Real Estate Assurance Fund
- providing information services to educate consumers about real estate, mortgage, and real estate appraisal services, and the business of industry professionals

The principles set out in this document are not binding on any Real Estate Council of Alberta proceedings under Part 3 of the *Real Estate Act*; however, complying with these guidelines will reduce the risk of being the subject of a RECA professional conduct review.

Broker Remains Responsible

All industry professional advertising is on behalf of the brokerage with which the industry professional is registered. RECA expects all industry professionals to know, understand, and comply with all advertising rules; each industry professional is individually responsible for complying with the rules. However, given the structure of the real estate and mortgage brokerage industries in Alberta, brokers have special responsibilities to oversee the work of industry professionals registered with their brokerage and carry on activities on behalf of the brokerage.

Brokers must ensure industry professionals carry out the business of the brokerage competently and in accordance with the legislation. Brokers must ensure that any advertising on behalf of the brokerage complies with the legislation, - whether by an individual industry professional registered with the brokerage or by the brokerage itself.

Brokers remain accountable for the conduct of all associate brokers, associates, and employees within the brokerage regardless of any delegation agreement that may exist within the brokerage.

Related Legislation

Provincial legislation imposes advertising standards through the *Real Estate Act* of Alberta, the *Real Estate Act* Rules, and the *Consumer Protection Act* of Alberta, and through federal legislation, the *Competition Act*.

The Competition Act contains criminal and civil provisions aimed at preventing anti-competitive practices in the marketplace and applies to not only real estate boards and associations, but directly to every licensed brokerage and every individual industry professional.

RECA requires industry professionals to comply with the advertising standards found in the *Real Estate Act* and *Real Estate Act* Rules, the *Consumer Protection Act* and the *Competition Act*. If you fail to comply with the advertising standards, consequences can range from an advisory note, letter of reprimand, or administrative penalty for minor infractions, to criminal or civil charges under the *Competition Act* for major violations. Ensuring your advertising complies with the standards protects you as an individual, protects the reputation of your brokerage, and protects the image of the industry.



Advertising Basics



What is advertising?

Advertising includes any activity, public notice, or representation an industry professional makes or that someone makes on behalf of an industry professional that promotes an industry professional or their services.

Advertising includes:

- all promotional events
- websites
- business social media accounts and profiles
- · printed material
- circulars, pamphlets
- billboards, signs
- business cards, letterhead
- bench signs
- fax cover sheets
- other similar materials

The line between "innovative" and "misleading" advertising is thin and industry professionals need to be careful.

Industry professionals are required to act honestly at all times, and that requirement extends to

all of their advertising, no matter the medium. Industry professional advertising must not be false, inaccurate, capable of misleading the recipient or intended recipient, in bad taste or offensive, harmful to the best interests of the public or industry, or prohibited by law.

RECA considers advertising that promotes an industry professional's services or solicits business to be a trade in real estate and/or a deal in mortgages. Only authorized industry professionals may advertise their services.

Advertising requirements

Industry professionals may only advertise properties for sale or lease, or properties that have been sold or leased, when they have written authorization from the owner or the owner's lawful representative. This means industry professionals cannot place signs that designate property as being on the market, such as "for sale," "sold," "for rent," "will develop to suit," etc. without the written consent of the owner of that property or the owner's authorized representative.

1 Must not be false or misleading

Industry professionals must avoid misrepresentations or conduct that is reckless or intentional and that misleads or deceives any person. This includes advertising.

To determine if advertising is misleading, RECA considers the literal meaning of the advertisement and the general impression it creates.

- advertising is misleading when it makes a representation or claim that is false or misleading in a material respect
- advertising can be misleading even if there is no proof a consumer was misled. It is only necessary to show the advertisement is capable of misleading a reasonable consumer

Carelessness, negligence, incompetence, and recklessness can result in misleading advertising, as

can intentional misrepresentations (intentionally untrue statements).

Industry professionals can avoid the problems associated with false and misleading advertisements by considering the following when advertising:

Permanence: Advertisements in circulation for long periods of time (billboards, bus benches) present special problems for industry professionals. The problem is the facts that support the claims in the advertising may change while the advertisement is still active. Industry professionals need to consider whether the claims they are making are likely to change. If they are, the industry professional should consider a form of advertising with a shorter time. If the basis for the advertising claims change, the industry professional needs to make corrections or deletions as soon as possible.

Implied endorsements: Avoid giving the impression that someone endorses you unless you have written confirmation of the endorsement.

Examples

A. Business cards are misleading if industry professionals hold themselves out as specialists in a given area when they do not have the necessary education or experience to advertise such a specialty. To advertise that you're a specialist at helping self-employed individuals obtain mortgages, you should have specialist training and/or significant experience successfully obtaining mortgages for self-employed borrowers. To call yourself a "condo specialist," you should have specialist training and/or significant experience in condominium transactions.



On this card, the real estate associate claims he is a condo specialist. To advertise this way he should have significant experience or education in condominium transactions.

- **B.** Making a deliberate misrepresentation with the intention of enticing a party to act, i.e. an industry professional justifies a commission rate by stating that commission rates are set in provincial legislation, which is untrue.
- **C.** It is misleading to identify an industry professional along with an unauthorized assistant without indicating the assistant is unauthorized.



In this ad, the licensed mortgage broker, Maria, is pictured with her unlicensed assistant. The ad is misleading because consumers may believe both team members are licensed mortgage brokers. Using information that implies an endorsement without actually stating that a certain individual or organization endorses the advertisement could also result in a misrepresentation. Make sure you only use logos you have permission to use. Using a logo other than one's own could be an improperly implied endorsement, in addition to potential copyright or trademark infringement.

"Restrictions or Conditions Apply": Only use the statement "terms and conditions apply" when the conditions do not materially alter the offer you're advertising. If the terms and conditions materially alter the advertisement, you must include the terms and conditions in the advertisement in a clear and conspicuous way. Details of all restrictions and conditions must be available to consumers upon request at the brokerage office and/or on the brokerage's website.

Using industry terms, not understood by the public: If using industry-specific terms in advertising, industry professionals must present the information in such a way that consumers will have a clear understanding of what the advertising means. For example, claims that specifically mention listing commission or selling commission may be confusing to consumers.

Comparisons to other industry professionals:

Industry professionals who use comparative advertising (advertising that compares them to other industry professionals) must ensure they:

- present facts and figures in a clear, straightforward way
- disclose the source of any facts and figures they include
- do not take any facts and figures out of context
- include reliable facts and the conclusions based on those facts are based on adequate and proper tests

Bait and switch tactics: Some marketing schemes rely on communicating a misleading offer to get a foot in the door with a consumer, but then they substantially restrict the offer during the meeting with the prospective client. This is misleading advertising. It's called "bait and switch" and it's illegal in Alberta and most jurisdictions in Canada.

2 May only be done on behalf of the brokerage

All industry professional advertising is on behalf of the brokerage with which the industry professional is registered. Brokerages must have policies and procedures in place for advertising and brokers should review all industry professional advertising.

If a broker identifies an issue of concern with an industry professional's advertising, they must take steps to correct the advertising with the industry professional.

3 Must include full name of brokerage

Because real estate and mortgage brokerage professionals may only trade or deal, as the case may be, in the name of the brokerage with which they are registered, they:

- must <u>clearly indicate</u> the name of their brokerage, as it appears on the brokerage's licence, in all of their own advertising
- cannot abbreviate the name of their brokerage in advertisements. For example, if the name of the brokerage contains the words "Real Estate" or "Mortgage Broker," industry professionals cannot use "R.E" or "M.B." as an abbreviation

Including a brokerage logo or website address does not qualify as clearly indicating the brokerage name; advertisements should be unambiguous in stating the full name of the brokerage. A reasonable consumer should be able to identify the brokerage based only on the advertisement. For more information on including the full name of brokerage, review the **Clearly Indicated** section of this guide.

If the brokerage has a trade name registered with Alberta Registries and RECA has approved it, industry professionals can advertise using the brokerage's trade name, but it must be the full and complete trade name, with no abbreviations.

Including their own name

When industry professionals include their own name in their advertising, they must use their name as it appears on their licence. Industry professionals may only use a nickname or abbreviation after RECA approves their use of an also-known-as name (AKA).

Example: Real estate professional - name as it appears on her licence is **Margaret Mosby**



Margaret is known in the business as "Maggie Dealmaker." She brands herself to stand out from the crowd. But the AKA name, "Maggie," is not her name as it appears on her licence, and "Dealmaker" is not a name at all.

If professionals want to include a nickname like "Dealmaker," they can only do so in addition to their legal name, so "Maggie Mosby, the Deal Maker," would be acceptable.

In this version of the ad, the professional uses the RECA-approved AKA name, "Maggie," and she includes her last name as it appears on her licence.

RECA will typically approve common short forms of names, such as Maggie for Margaret, John for Jonathon, David for Davinder or Steven for Esteban.

As long as RECA approved "Maggie" as an AKA, this advertisement complies with these Guidelines.





If the professional never applied to RECA for an AKA, she must advertise using her name as it appears on her licence. In this case, "Margaret Mosby."

Applying for an AKA is a simple, free, online process within the myRECA system.

Advertising Essentials



Many of the advertising essentials within this section further detail truth in advertising. It goes beyond simple truthfulness; advertising must not mislead or be capable of misleading a reasonable consumer.

When an industry professional makes claims in an advertisement, information substantiating those claims must be readily available to consumers from the brokerage upon request. Claims may include the brokerage's or an individual professional's guarantee, performance, accomplishments, service levels, etc.

Brokerage policies and procedures

One of the easiest ways for brokers to help ensure their brokerage and its industry professionals comply with advertising rules is to have a brokerage policies and procedures manual in place that includes information about advertising. RECA expects brokerages to have robust oversight of all industry professional advertising since all advertising is done on behalf of the brokerage.

For example, a brokerage policy may require the broker or broker delegate to review and approve all advertising. In the event that a broker does not have such a policy, the brokerage policies and procedures should outline the steps through which an industry professional can ensure their advertising complies with the advertising guidelines.

If an industry professional uses advertising that is false or misleading, RECA may sanction that industry professional and their broker.

Commission policies

Some brokerages may have a policy with respect to the amount of commissions it charges clients. Industry professionals must not advertise that commission rates are somehow "set" or regulated by a higher authority, such as a governing body or trade association. Commission rates are negotiable between a brokerage and a client, and to say otherwise is false and misleading. The industry professional is the brokerage's representative in those negotiations.

A brokerage may be unwilling to negotiate commission – and that's allowed – but the client must understand that is a brokerage policy. Industry professionals cannot give clients the impression that all brokerages charge the same non-negotiable commission.

Performance guarantees

A brokerage, through its industry professionals, may wish to offer a performance guarantee, such as a commission reduction if the property fails to sell by a specific date. Only the brokerage may offer such performance guarantees.

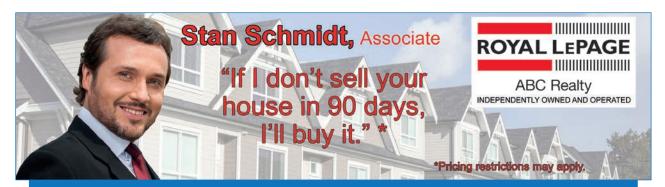
Brokerages may advertise performance guarantees as long as the advertisements are not false or misleading. Brokerages do not need to include full particulars of the guarantee in the advertisement itself, as long as the copy within the ad does not materially alter the guarantee. The details of the guarantee must be available to consumers upon

request at the brokerage office and/or on the brokerage's website.

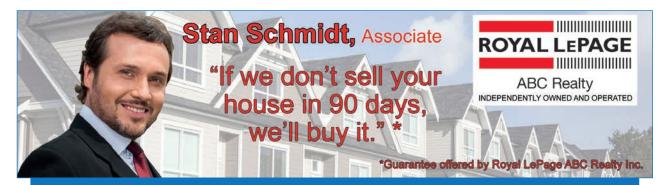
A best practice is for industry professionals to include the full particulars of any performance guarantee in written service agreements with clients.

If there is a link between the performance guarantee and an evaluation of the property's market value, the evaluation must reflect the reality of the market. The industry professional should keep the information for the basis of the property's evaluation in the file. It could be useful in determining if there was any misrepresentation or conflict of interest later.

Example: Real estate associate offering a performance guarantee



In this advertisement, the advertisement copy alters the particulars of the guarantee. The brokerage, Royal LePage ABC Realty, must offer the guarantee, not an individual associate. In this example, it is misleading to say that Stan Schmidt would personally buy a client's home if it doesn't sell in 90 days. Having an asterisk with further particulars of the guarantee does not make this advertisement any less misleading.



In this advertisement, it is clear the performance guarantee is offered by the brokerage, and not by the individual associate. The particulars of the guarantee are not required in this advertisement, as long as the advertising wording doesn't contradict those particulars.

Stated experience

Industry professionals often advertise that they have special qualifications, experience or expertise in specific industry sectors or in certain geographic areas. Consumers often rely on these claims. When making these claims, industry professionals must ensure they are in a position to demonstrate the qualification or experience they are claiming. If an industry professional advertises special qualifications or expertise, the Courts and RECA typically hold them to a higher standard.

Industry professionals should also keep in mind that when using terms such as "expert" or "specialist" in in their advertising, there should be an additional benefit to consumers. If a complaint arises, the industry professional is held to a higher standard than one who does not held themselves out as an "expert" or "specialist."



experience in income properties and should feel confident in calling herself

Material representations and verifiable statements

Statements such as "We sell every home we list in 60 days or less!" is a material representation that may have a direct impact on a consumer's choice of a listing brokerage. Though RECA doesn't prohibit such statements, you must be able to prove these claims with accurate documentation.

Making statements along the lines of being the "#1 industry professional" is meaningless without additional information. If you want to use such a statement in advertising, you need to include enough information in the advertisement not to deceive or mislead the public. A verifiable and quantifiable identification statement in any advertising must provide enough information so that a member of the public cannot attribute more than one meaning to the message.

Industry professionals must:

- be able to justify claims using factual upon request from any person and solid proof
- any conclusions an industry professional makes in advertising must be factual, and based on adequate and proper tests

An industry professional who wants to refer to him or herself as "#1" needs to include more information in the ad – such as information about the market in which the professional is #1 and information about what makes the industry professional #1 (i.e. most homes sold, most homes listed, most money made) and it needs to include a timeframe.



This real estate associate is a 30-year resident of the neighbourhood this bus bench is in. However, the 100 homes sold were by his brokerage, not by him personally. Therefore, it is misleading for him to claim that activity in neighbourhood sales.

an expert.

Example: Material Representations and Verifiable Statements



"We will sell your home faster and for more money than anyone else."

Rory Jones, broker 780-555-6543

It is impossible for a consumer to verify the statement in this advertisement.

"I'm working with 400 buyers who want to buy your home." Call today!

Sun Nguyen 403-555-1234



Nguyen Realty



The claim in this advertisement assumes 400 buyers are qualified for the same amount of mortgage and they all want the exact same type of home (location features, size) as the one a consumer is selling.

Achievement awards/ corporate clubs

Many brokerages, franchise companies, real estate boards, and industry associations have a system of awards to recognize industry professional achievements. These awards may recognize sales achievements, service to the industry, years of employment with the brokerage or years of membership with the local real estate board, among other things. Examples of these awards include language such as "President's Club," "100% Club," "Million Dollar Club," "ROAR Awards," "REALTOR® of the Year" and "Top Producer Award." The rules for granting these awards may vary greatly between each brokerage, as well as between real estate boards.

RECA accepts that industry professionals may receive this type of recognition and does not prohibit industry professionals from including these awards in advertising. Industry professionals who include awards in their advertising must be able to provide verification of the achievement of the award or membership of the club in question. Real estate boards and industry associations often monitor their members' use of board/association recognition in advertising.

If an industry professional achieves membership in a brokerage, board or association "club" and there is no expiry to that membership, the industry professional may include the membership in their advertising on an ongoing basis. If the membership is for a specified period, that must be clear in the advertisement.

As a best practice, industry professionals should only include award club "memberships" that are current as of the date of advertisement. If the award or club membership was for a specific time period (i.e. 2013), and you want to include it in an advertisement after that time, make sure you reference the time period in question, for example: 2013 Multi-Million Dollar Club Member.

Professional designations

An industry professional who is a licensed professional in another profession, such as an engineer or lawyer, may include it in their advertising as long as they are a member in good standing and/or remain licensed. Likewise, real estate and mortgage professionals may hold a professional designation or certification given to them through a professional or industry association, and they can include those in advertising as long as they are current.

Comparative advertising

The Competition Bureau's view is that ads comparing data in a straightforward way make it easier for consumers to decide with whom they wish to work. RECA's Advertising Guidelines allow for comparative advertising – however, the overriding principle remains it can't be false or misleading.

Industry professionals may only make claims they can substantiate. Any advertisement that makes a comparison to a competitor needs to be clear, truthful and in good taste. For more information on comparative advertising, check out the Competition Bureau's website at www.competitionbureau.gc.ca.

Examples: Comparative Advertising

"Our brokerage sells more houses than anyone else."

This is a meaningless comparison because it does not specify where or in what market the brokerage sells more houses, and it doesn't include a timeframe. It may also be misleading. Consumers may reasonably assume the information applies locally. If this claim is based on Red Deer statistics, but the advertisement appears in Calgary, Calgary consumers are likely to be misled. The claim would also be misleading if the statement is based on MLS® figures and an industry professional outside the MLS® system sells more real estate. A simple change could fix both of those issues, for example: "We sell more real estate through MLS® than any other brokerage in Red Deer."

"Our mortgage rates are always lower than anyone else's."

Nobody can claim lower rates 100% of the time. There will be a rate lower someplace at some time. If it is the rate that you want to focus your advertising on, as opposed to the most suitable mortgage option, your advertisement should be accurate, with appropriate qualifiers, and defensible with facts.



"Our client saved \$3,000 in commissions!"

Call Today 403-555-1234

RF//IX 123 Realty Without additional information to clarify the statement, it's meaningless and may be a misleading comparison. It leaves consumers with the impression they would pay \$3,000 more at other brokerages. What is the initial commission rate that forms the basis of the advertisement? Are there differences in the type or level of services the brokerage provides? The fact the statement does not mention an initial commission rate may also imply there is a fixed commission rate throughout the industry, which there isn't. This advertisement can be much more useful – and truthful – with a simple clarification, for example: "Our client saved \$3,000 based on our lower than average, 6% commission rate." Rates vary – there is no fixed commission rate.

Years of experience

Industry professionals can indicate the number of years of experience they have working in real estate or mortgage brokerage, but they can only include years of experience of licensed activity. Five years of experience as a secretary in a real estate office plus five years of experience as a real estate associate does not equal 10 years of experience.

Combined years of experience

Industry professionals cannot advertise combined years of experience – that is, the total number of years of experience for a group. Only individuals can indicate years of experience because combined experience for a group is meaningless to a consumer. For example, the following three selling teams each have 46 combined years of experience.

Example: Combined years of experience

Team X includes two real estate associates, each licensed for 23 years

Team Y includes six real estate associates, with no person licensed for more than 8 years

Team Z includes three real estate associates, one with 45 years of experience and two who have six months of experience

While each group can legitimately claim 46 years of combined experience, the groups as a whole are vastly different in terms of size, experience, and skills.

Inducements and incentives

Industry professionals often advertise incentives to attract consumers.

Some industry professionals confuse "incentives" with "inducements."

An inducement is anything a brokerage offers to a specific person who is a party (or potential party) to a specific real estate transaction or mortgage deal to assist, persuade or cause that person to enter into or complete a specific transaction or deal. Because inducements relate to specific transactions or deals, industry professionals cannot advertise them. The broker/brokerage must approve and provide any inducement that an individual industry professional is offering, and the inducement must be in writing. Individual industry professionals cannot offer inducements independent from their brokerage; only a brokerage can offer inducements.

Example: Inducements - These are all examples of inducements, but remember, industry professionals cannot advertise inducements.

Mortgage

In the middle of a mortgage application, a mortgage broker, on behalf of his brokerage, offers to pay the borrower's appraisal fee in order to close the deal.

Residential Real Estate

After working with a buyer to put in a conditional offer on a resale home, the real estate associate, on behalf of her brokerage, offers to pay the buyer's legal fees before the buyer waives conditions in an attempt to get the buyer to remove conditions.

Commercial Real Estate

A commercial real estate brokerage offers \$5,000 towards interior design services to a commercial buyer interested in a brokerage listing.

An incentive is something a brokerage offers to the public to attract business to the brokerage. Incentives include promises, goods, services, games of chance, contests or anything else of value. Incentives are not specific to one individual and do not relate to a specific, actual or potential real estate transaction or mortgage deal. Individual industry professionals cannot offer incentives independent from their brokerage; only a brokerage can offer incentives.

Industry professionals can advertise or communicate incentives in any way, including word of mouth, television, Internet, websites, newspapers, flyers, brochures and mail outs. But, individual brokers, associate brokers and associates cannot offer their own incentives; they cannot offer incentives with the sole purpose of attracting business to them personally.

To determine if it's the brokerage providing the incentive, RECA considers:

- is the brokerage advertising the incentive as a brokerage incentive?
- does the brokerage have a marketing plan to communicate the incentive to all clients and potential clients?
- do all associate brokers and associates offer the incentive?
- is it mandatory for all associate brokers and associates to participate in the incentive or can they opt out from participating?
- who purchases, lends, gives or provides the incentive?
- if there are problems or concerns with the incentive, who is responsible for dealing with those issues?
- who pays for the incentive?
- do all of the brokerage's clients receive the incentive regardless of which associate broker or associate they're working with?

Incentives offered by a seller

Some seller clients may wish to offer their own incentive to potential buyers. This is permitted as long as it is clear the seller is offering the incentive and not the brokerage. For example, a commercial property owner may wish to offer \$35 per square foot of tenant improvements to any tenants who sign long term leases in the owner's commercial building. If advertising a seller incentive, make sure it's clear that it's the seller offering the incentive, not your brokerage.

Examples: Incentives - unacceptable ads

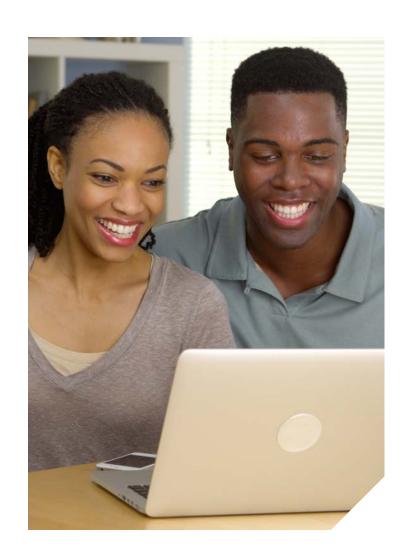
The following advertisements suggest it is an individual associate broker or associate who is offering the incentive for their own benefit, rather than for the brokerage, on behalf of the brokerage:

"Let me sell your house and I will give you free use of my moving van."

"If you hire me to find your next home, I'll give you a \$500 gift certificate for ABC Appliance Depot."

"If you hire me to find you a new mortgage, I will donate \$200 to XYZ Charity."

These are not acceptable incentive advertisements.



Examples: Incentives - acceptable ads



A newspaper advertisement stating that any home buyer who obtains a mortgage through one of its mortgage brokers in the next 60 days could be eligible to win a trip for two to Hawaii.



of their commercial listings.



Clearly Indicated



Industry professionals must clearly indicate their brokerage name in all advertising. A brokerage name is "clearly indicated" when a reasonable consumer, under normal circumstances, can clearly distinguish the name of a brokerage in an advertisement.

As discussed in earlier sections of this Guide, real estate and mortgage industry professionals are responsible for trading in real estate or dealing in mortgages only in the name that appears on the brokerage's licence. They must clearly indicate the brokerage's name in all of their advertisements.

The advertisement must be unambiguous in stating the full name of the brokerage; including a brokerage logo or website address is not clearly indicating the brokerage name. A reasonable consumer should be able to identify the brokerage based on the advertisement alone.

When RECA licenses a brokerage, the brokerage licence is in its legal entity name whether it is a sole proprietorship, partnership or corporation. The brokerage may also register a trade name with Alberta Registries for the legal entity/brokerage. The brokerage is limited to using one trade name and the brokerage would have to use that trade name for all licensed activities. The brokerage and all of its industry professionals must clearly indicate that name in advertising. Before using a trade name, a brokerage needs to provide proof of trade name to RECA and RECA must approve it.

Branding

Industry professionals can include other identifiers – team names, a branding name, franchise name – in their advertising, however they must continue to clearly indicate their brokerage name. Industry professionals must also ensure they are not holding themselves, or their team, out as a brokerage. Industry professionals cannot leave the impression through their marketing, advertising, team structure or name that they are a brokerage.



Clearly indicated using font choice

It isn't unusual for industry professionals to use a larger font for their own name or their team name and a much smaller font for their brokerage's name. RECA's definition of clearly indicated does not include specifics as to the size of font an industry professional must use for the brokerage name in advertisements as it doesn't want to hamper the creativity or uniqueness that an industry professional can use in their ads. However, the brokerage name, no matter the actual size, must be clear to consumers and not easily confused with other information (branding, team name, etc.) in the advertisement.

Sometimes industry professionals "grey" out the name or logo of their brokerage. This is not allowed if it makes the brokerage name illegible or somehow unclear.



Abbreviations

Industry professionals cannot abbreviate the name of their brokerage in advertising. For example, if a brokerage name contains the words "Real Estate," an industry professional may not use "R.E." as an abbreviation. Brokerage names must be included in all advertisements exactly as they are on the brokerage licence. RECA does not allow abbreviations, omissions, or transposed words.



Franchises

Many industry professionals work for brokerages that are part of a franchise system. Including only a franchise logo in your advertisements is not sufficient to "clearly indicate" your brokerage. Company logos cover all brokerages under that brand, but do not indicate a specific brokerage. Industry professionals must include the full brokerage name as written on the brokerage licence.



Special Considerations



Teams

Teams are not brokerages but they create their own administration that, in some ways, mimics the appearance of a brokerage in order to attract, retain, and service clients.

The team concept can lead to confusion with respect to advertising. Advertising a team name or a "brand" complies with legislation as long as that other identifier is in addition to a clearly indicated brokerage name.

Team leaders should avoid the use of identifiers in their team name or branding efforts that could increase the likelihood of misleading consumers about whether the team is a licensed brokerage. Teams must be careful to avoid any behaviour, including their choice of team name and advertising, which could lead consumers to believe they are a licensed brokerage

To advertise that a potential client will be hiring an entire "team" for the same price as a single real estate professional is misleading because, in common law brokerages, a client always hires an entire brokerage, not a single team or individual real estate professional. Real estate professionals in common law brokerages should remove any such claims from their advertising.

Teams must get their broker's approval before doing any branding or launching any advertising campaigns. It is the broker's responsibility to ensure that any advertising done by the brokerage's registrants complies. All advertising carried out by individual real estate professionals – and teams – is on behalf of the brokerage with which they are registered so it's important to have the broker review and approve it.



Unlicensed assistants

Real estate and mortgage professionals can have unlicensed assistants. However, the industry professional can never suggest or imply that the unlicensed or unregistered assistant is qualified to trade in real estate or deal in mortgages.

Industry professionals may include an unlicensed individual's name or picture in advertising, but they must clearly identify the unlicensed individual as being unlicensed. You must not mislead the public into believing unlicensed individuals are actually industry professionals.

Co-brokering

In certain situations, consumers may wish to have their property listed with real estate professionals from two different brokerages (for example, divorcing spouses); this is a "joint listing" or "cobrokering." When this happens, both brokerages need to be included on the seller representation agreement and normal advertising policies apply (such as clearly indicating the brokerage name that is doing the advertising). Either brokerage may advertise the property as long as there is nothing in the seller representation agreement that says otherwise. When one of the brokerages advertises the property, it does not need to include the name of the other brokerage.

Recruitment advertising

RECA does not have policies for recruitment advertising, though as always, industry professionals must ensure their advertisements are truthful and do not mislead. Industry professionals may want to review the *Competition Act* with respect to advertising to make sure they comply with that legislation.

Remember that all advertising, including recruitment advertising, is on behalf of the brokerage. Industry professionals can only place recruitment advertisements in the name of the brokerage and not on behalf of themselves personally. That means a team must not place recruitment advertisements that make it appear as though the team is recruiting for team membership, separate from the brokerage with which the team is registered.



Seller advertising

Because RECA does not regulate buyers or sellers, if sellers want to advertise their own property, separate from advertising their real estate representative does, that's fine. However, if sellers do their own advertising and include the name of their real estate professional, they must also include and clearly indicate the brokerage name. Real estate professionals, when signing a seller representation agreement with a seller, should explain to the seller that the agreement is actually with the brokerage, not the individual industry professional.

Advertising completed transactions

Personal information is information about an identifiable individual under the *Personal Information Protection Act*. Privacy cases demonstrate there's a continuing evolution of when information is personal information and whether consent is needed to disclose the personal information. This affects industry professionals' advertising.

Industry professionals may want to advertise completed transactions. If the information they want to advertise could be personal information and there is no consent, they must seek consent. The context is all important. If there is information about an individual of a personal nature in the advertisement, such as taste, personal style, personal intentions or legal compliance, then it is likely personal information and consent is required to disclose this information.

An exterior photograph of a property, its general location (neighbourhood), or its municipal address and nothing more is likely not personal information. When disclosed in combination with an advertisement of a sold transaction, it is unclear whether or not this is personal information. Defaulting to getting consent from the parties is preferred.

If an advertisement contains interior photographs with specific details about an individual, contains information about the selling price, or otherwise connects an individual to a transaction, the advertisement most likely contains personal information. To advertise this information, consent will be required from the parties to the transaction. If you are unable to obtain written consent, do not include personal information in advertising.

It is important to note that RECA's position on advertising completed transactions is subject to future privacy considerations and findings of Alberta's Office of the Information and Privacy Commissioner (OIPC). In the event of a privacy complaint to the OIPC, it is the OIPC that will determine what is or is not personal information.

To the best of RECA's knowledge, there have been no complaints to the OIPC on the advertising of completed real estate transactions. RECA encourages industry professionals to monitor this issue, and it will do the same.



Electronic Advertising and Social Media

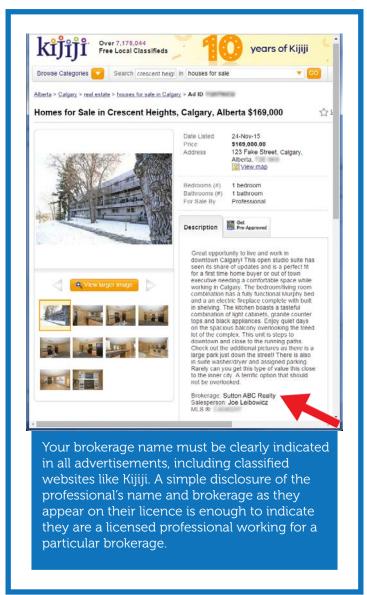


Online and social media advertising includes but is not limited to websites, marketing email distributions and social media accounts. Generally, the rules for online and social media advertising are the same as for offline advertising, including clearly indicating the brokerage name. The same copyright rules and guidelines also apply. Industry professionals should not take content from other industry professionals and post it as their own. For example, if a mortgage broker has posted a blog about the process to obtain a mortgage, another industry professional should not post that content as their own on their own blog. Industry professionals need to be aware that taking someone else's content can lead to copyright issues.

Disclosure of brokerage

Any advertising that real estate and mortgage brokerage professionals do is on behalf of the brokerage. This means that any website an industry professional operates is a brokerage website, regardless of the fact it may be primarily advertising that individual professional's services.

When industry professionals advertise on websites they don't operate, for example Kijiji or Craigslist, they must also ensure they disclose their brokerage in those ads; they can do so in the advertising copy itself.



Any electronic advertising that consumers can view as a separate unit, for example, an email message or a website, requires clear disclosure of the industry professional's brokerage.

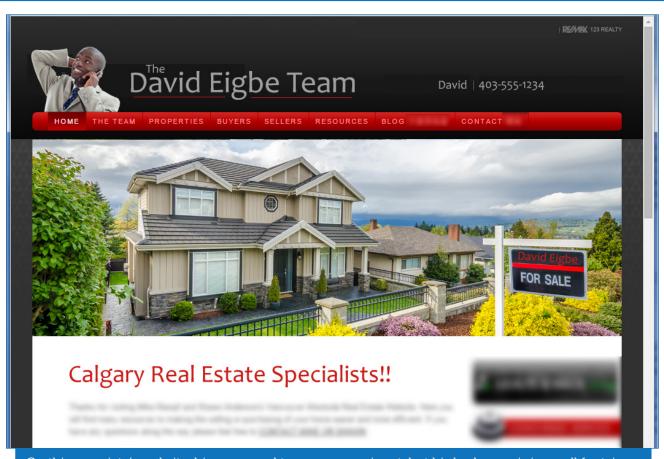
Websites: When an industry professional owns a website or controls its content for advertising purposes, every viewable page must include clear disclosure of the industry professional's name and brokerage. If an industry professional owns or controls a website that does not fall under the definition of a trade or deal in mortgages, they do not need to disclose their role as a licensed industry professional and name their brokerage. For example, if a real estate professional maintains a blog for sharing family travel adventures, as long as there is nothing within the blog meant to attract business (for example, no phone number, no pictures of listings, no talk of open houses), that industry professional would not need to disclose their name and brokerage. A best practice for industry professionals who want to use social media for personal and business purposes have separate accounts for each.

Email messages, Newsgroups, Discussion Groups:

When an industry professional sends email or participates in an online newsgroup or discussion group, and the purpose for doing so is to attract business or service existing clients/customers, they need to include full disclosure of their brokerage within their message.

Banner ads: Industry professionals need to include full disclosure of their brokerage in their banner advertisement and any website the advertisement links to must provide full disclosure of the brokerage.





On this associate's website, his name and team are prominent, but his brokerage is in small font, in the corner, barely noticeable. Brokerage names must be clearly indicated on every page within a professional's website.

Online active solicitation guidelines

Active solicitation occurs when an industry professional establishes active online communication with a consumer about real estate or mortgage brokerage services with the intention of forming a client or customer relationship. Active online communication includes email, chat, instant messaging, and any other form of contact with specifically identifiable individuals or groups of individuals. Other forms of online communications, such as websites, banner ads and bulletin boards, are not "active solicitation" because they are passive forms of communication.

The rules relating to providing information to consumers, marketing, advertising and communicating with customers and clients applies to all industry professionals who actively solicit business using the Internet.

Guidelines for advertising listings online

The primary issues with online listings relates to keeping the online information current and accurate (i.e. keeping all online sources of the same listing information current, accurate and consistent), and advertising listings from other brokerages.

Consumers should be able to assume that information they find in an online listing is current and accurate; that principle applies to all forms of advertising and marketing. It's not unique to online.

Online listing information needs to be consistent with the property description and actual status of the listing. Real estate professionals need to update material changes to the listing status or property description in a timely manner.

If real estate professionals want to display listing information from other brokerages, they must have an agreement with the other brokerage to do so. RECA recommends that real estate professionals don't display other brokerage's listing information unless they can ensure current and accurate information.

Key points:

- online listing information should be consistent
 with the property description and actual status of
 the listing. When a real estate professional controls
 a website, they should make updates in a timely
 manner if there are any material changes to the
 listing status or property description that the seller
 has authorized
- when a real estate professional/brokerage has a website that is maintained by a third-party, the professional needs to make sure they submit requests in writing to that third-party in a timely manner if there are updates reflecting material changes to the listing status or property description
- all listing information should clearly indicate the date on which the information was last updated
- real estate professionals should not advertise listings from other brokerages without written permission and, if given, should not alter the online display or any informational part of the listing without written permission from the listing brokerage



Brokerage and associate websites

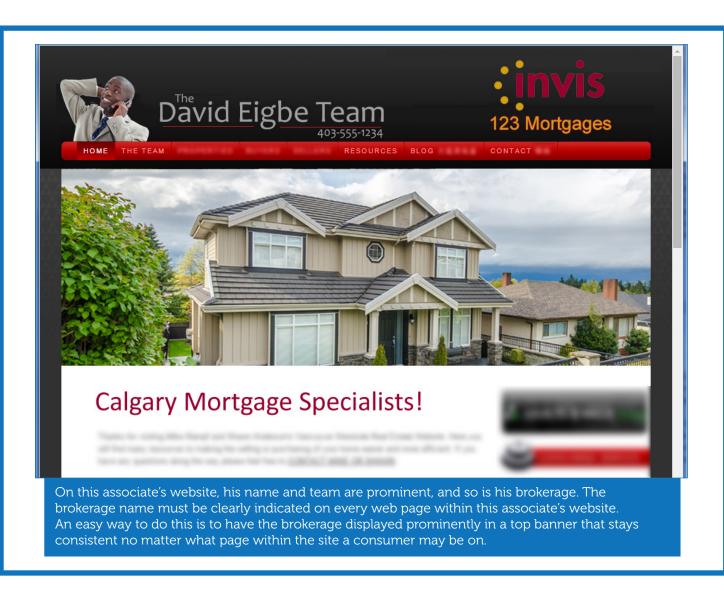
The brokerage name must appear in all advertisements in the course of trading in real estate and dealing in mortgages. This applies to websites that real estate and mortgage professionals control for the purpose of trading in real estate or dealing in mortgages. Each individual page and/or frame of a website should clearly indicate the brokerage name. It is not enough to put the brokerage name on a single page, such as the Contact Us page, within the website. Real estate and mortgage professionals must clearly indicate their brokerage name on every page within their website.

Because online advertising is global, industry professionals should ensure they include enough contact information for the brokerage, i.e. include the area code with the phone number. If the

brokerage has a website or email address, include that too. It also helps consumers when industry professionals indicate their licence jurisdiction (which provinces, etc.).

If a brokerage belongs to a franchise, the franchise may have its own advertising and trademark rules. Professionals should comply with those rules as long as they don't conflict with RECA's rules. If they do, RECA's rules take precedent.

Alberta brokerages should have internal policies and guidelines for websites their industry professionals operate.



Domain names, email addresses, meta tags and descriptions

A domain name is the Internet address of a website. For example, the Real Estate Council of Alberta's domain name (website address) is www.reca.ca. Meta tags and meta descriptions are keywords and phrases embedded in a website that help search engines find that website. For example, a real estate professional might include keywords such as "real estate," homes," "houses," or their location etc. in their website's meta tags field. When a person enters the word "homes" in the search function of search engines, the search engine results will include websites with the word "homes" in the meta tags.

Domain names, email address and meta tags should not contain any trademark that the industry professional is not authorized to use.

Industry professionals must not use misleading meta tags. One example of this is to include a competitor's name in your website's meta tags. Search engine results would display your website when a consumer is actually doing an Internet search for your competitor.

Industry professionals must also avoid registering and using domain names for their websites that include the names of their competitors. For example, if your name is John Doe and your closest competitor is Bob Smith, it would be inappropriate for you to register www.BobSmith.com, and then advertise your services – or redirect website visitors to your website.

Some website users attempt to find an industry professional's website simply by typing in the professional's name and adding .ca or .com. If a website visitor typed in www.BobSmith.com, it would likely be because they wanted information about Bob Smith, but instead they would find themselves on John Doe's website.

Industry professionals must not make representations or carry on conduct that is reckless or intentional and that misleads or deceives any person or is likely to do so. Misleading meta tags or the use of domain names in these ways could mislead consumers.

Currency and accuracy of information

Industry professionals must keep listing information current and accurate. They must ensure that when listings expire, they immediately remove them from any websites they control. Similarly, if property information changes during a listing period, the industry professional should also change the information on websites to ensure it remains accurate. If an industry professional wants to link to a database of other listings, they need to make it clear to consumers which brokerage has each property listed.

Industry professionals who want to provide general market information on their websites should include a statement such as "General market information on this website was last updated on _____."

Links, deep links and frames

Links are either graphics or words on a webpage that, when a user clicks on them, takes them to another webpage, either within the same site or a different website. Deep links are links that take a user to a webpage other than the homepage of a specific website.

Frames are a design element that are created when one website captures information from another website or webpage and displays it graphically within the original browser window/tab. A website is "framed" if one web page appears to be a part of, or embedded in, another page. A website designer may do this to retain design elements and links within certain frames on the website, even while the user changes the information presented in another frame. Some website designers also use frames to post content from other websites, and embed that content within their own website, such as outside mortgage calculators, MLS® information or Canada Mortgage and Housing Corporation information.

There are a number of issues relating to linking and framing.

- 1. Regardless of which website hosts the listings of your local real estate board or a commercial property database; there are rights of compilation in those databases. Whether a real estate board, CREA, or a private company own those rights, industry professionals should adhere to the guidelines established for linking to that listing information.
- 2. Many websites earn advertising revenue based on the number of visits to the home page of the site. By deep linking to an interior page of a website, advertising revenue is potentially lost. You shouldn't "deep link" to a website without first getting permission from the website owner.
- 3. Embedding content from another website within a frame of your website can lead to copyright and/or trademark infringement. You should have permission from the website owner prior to framing.
- 4. Industry professionals must not misrepresent the relationship between their services and the services offered by a site to which their site links. If the link creates the impression the industry professional is participating in, or endorsing the services the other side offers, the industry professional may be assuming responsibility for the performance of those services.

Licence jurisdiction

Industry professional websites are viewable by people around the world. Industry professionals should be upfront and clear on their website about their location and service area. Industry professionals must not give the impression they hold a licence in a province or state where they do not, and they should clearly indicate on their website the jurisdiction(s) in which they hold a licence.

Social media

The use of social media has grown and continues to grow. There are new sites and applications on an almost daily basis. The advertising principles and rules, however, still apply, no matter the social media platform or app.

As with all of their websites and print ads, industry professionals must clearly indicate their registered name and their brokerage name on all of their social media profiles and pages if they are using the accounts to trade in real estate or deal in mortgages.

On some social media platforms, such as Twitter, the number of characters a user can post in a message is limited. However, if an industry professional uses these platforms to trade in real estate or deal in mortgages they still need to meet the advertising standards that are in place. That being said, RECA recognizes the limitations of these platforms.

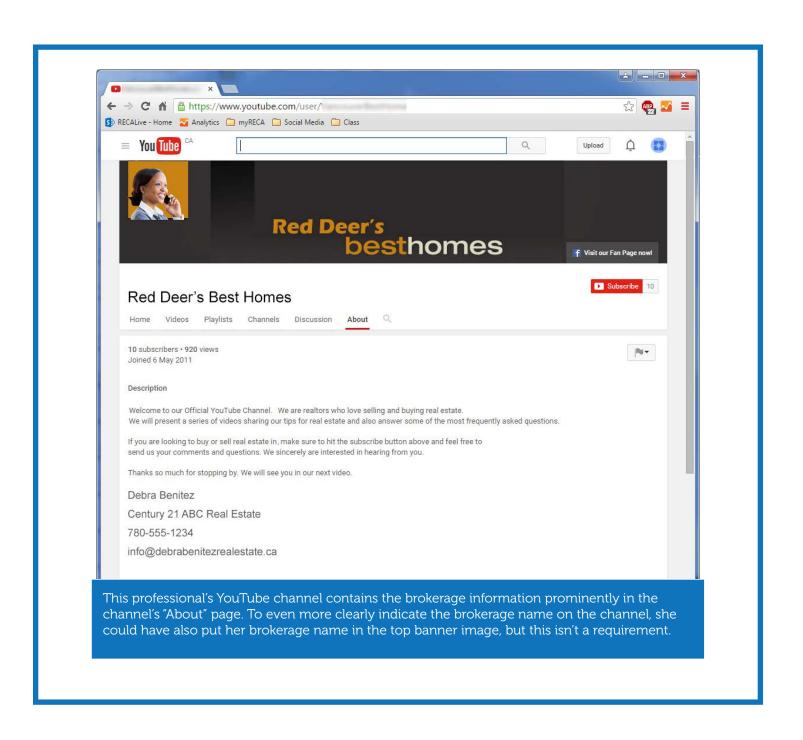
For example, with respect to Twitter, if an industry professional wishes to use a Twitter message (a "Tweet") to only direct the public to an advertisement located elsewhere, where brokerage information (full disclosure) is clearly indicated, that industry professional doesn't need to include their brokerage information in the Tweet itself. Below is an example Tweet that only directs the public to full information found elsewhere:



On YouTube, you may not be able to include your full brokerage name in your YouTube Channel name, but your channel description can have up to 1,000 characters. You will need to ensure full disclosure of your brokerage name appears in your channel description if you're using your channel to trade in real estate or deal in mortgages.

Additionally, each video you're using to trade in real estate or deal in mortgage – even if simply advertising your services rather than a specific property – should include full disclosure of your brokerage in the video's description.

Personal social media profiles outside of your work as an industry professional do not need to include your brokerage name, as long as you do not use those profiles/accounts to trade in real estate or deal in mortgages. Any mention of your services as an industry professional, open house listings, posting mortgage rates, etc. is considered a "trade" or a "deal," and your profile/account would require full disclosure of your brokerage name.



Examples: Social Media Advertisements

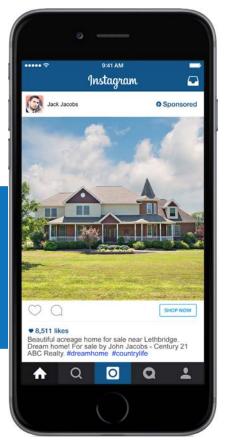
Facebook



In this Facebook advertisement, the mortgage professional advertises their name and the name of their brokerage. Facebook advertisements aren't as limiting as tweets in terms of content, so professionals must include their brokerage directly within the advertisement and not just on the page the advertisement directs consumers to.

Instagram

In this Instagram ad, the professional has the space to clearly indicate his brokerage. The character limit on Instagram posts is 2,200 characters; more than enough space to clearly indicate a brokerage name within the ad copy.



Using RECA's Logo in Advertising

Authorized industry professionals registered with RECA may use RECA's logo in their advertising. Industry professionals must not include the logo in advertising that is harmful to the best interests of the public, the industry as a whole or RECA.

If using the RECA logo in advertising, industry professionals must not:

- alter the RECA logo (colour, skewed proportions, cropping, etc.) with the exception of using it in grey scale if including it in a grey scale advertisement, which is permitted
- use the logo in a size or format that makes it illegible
- affix anything to the RECA logo
- include it in ads that imply RECA endorsement
- include the logo to advertise an illegal activity

Licensed & regulated by



If RECA receives a complaint about an industry professional improperly or inappropriately using the RECA logo, in a way that breaches these guidelines, it can review their conduct and can sanction in accordance with the *Real Estate Act* Rules.

Only industry professionals can use the RECA logo in their advertisements. If an unlicensed individual advertises services as an industry professional and includes the RECA logo, this could be an aggravating factor in the case of an unlicensed activity investigation.

To download an approved version of the RECA logo, go to: https://www.reca.ca/industry/publications/RECA-logo.html.

Acceptable



It is allowed to alter colour of the RECA logo to greyscale when an entire advertisement is in greyscale.

Not Acceptable



Professionals are not permitted to use the RECA logo if it is rendered illegible because of small size or pixelation.



Professionals are not permitted to crop any part of the RECA logo, nor are they permitted to affix anything to the RECA logo, including other logos.

