

9.1 Stakeholder Engagement Policy

Background

The Real Estate Council of Alberta (RECA) is an independent, self-regulating organization responsible for licensing and regulating the residential real estate, commercial real estate, property management, condominium management, and mortgage industries under the *Real Estate Act* of Alberta.

RECA's mandate is to:

- Protect consumers
- Protect against, investigate, detect and suppress fraud as it relates to the business of licensees
- Set and enforce standards of conduct for licensees and the business of licensees to promote the integrity of, and confidence in, the industry
- provide, or support the provision of, services that promote regulatory compliance by licensees

RECA recognizes the importance of engaging with stakeholders to foster constructive relationships, enhance decision-making and drive better outcomes in regulatory matters. We identify stakeholders based on their interest and potential impact. We prioritize stakeholders based on their significance to our mission.

Definitions:

- **Stakeholders:** individuals or groups affected by RECA's activities, including consumers, licensees, industry associations, other regulators and agencies, employees, advocacy groups and the Alberta government.
- **Engagement:** the process of involving stakeholders in meaningful, consistent and comprehensive dialogue, consultation, and collaboration as it relates to proposed policy changes, licensing requirements and industry standards

Guiding Principles

Our stakeholder engagement efforts will be guided by the following principles

- **Inclusivity:** We actively seek input from diverse stakeholders, ensuring representation across industries, perspectives and interests.
- **Meaningfulness:** RECA will use stakeholder engagement activities that are meaningful and responsive to the needs of its stakeholders. RECA will endeavour to build consensus with affected stakeholders where possible but will prioritize consumer interest needs.
- **Transparency:** RECA's stakeholder engagement will be transparent with all stakeholders. We will communicate openly about our decisions, processes and performance.

- **Consistency:** RECA will treat stakeholders equally and engage in substantially similar ways with all. Meetings will be transparent, agenda driven, and focus on regulatory issues.
- **Effective:** RECA's stakeholder engagement activity will maximize engagement and minimize costs.

Roles

The *Real Estate Act* ("Act") lays out the duties of the RECA Board of Directors ("Board") and the Industry Councils.

Section 5 states:

The purposes of the Board are

- a) to set the strategic direction and ensure the effective operation of the Council;*
- b) to protect against, investigate, detect and suppress fraud as it relates to the business of licensees and to protect consumers;*
- c) to provide, or support the provision of, services and other things that facilitate the business of licensees, as provided for in the regulations;*
- d) to administer this Act as provided in this Act, the regulations, the bylaws and the rules.*

Section 7.2(1) says:

The purposes of an Industry Council are

- a) to set and enforce standards of conduct for licensees and the business of licensees in order to protect consumers and promote the integrity of the industry, and*
- b) to administer this Act as provided in this Act, the regulations, the bylaws and the rules.*

Each Industry Council is responsible for stakeholder engagement within their sector under the mandate and purpose outlined in section 7.2(1) and (2) in the Act.

The Board is responsible for ensuring the effective operation of RECA and, as much as is possible, for ensuring consistency in regulation among the Industry Councils.

The conduit for engagement is not defined in the Act, but for practical purposes, the Board and Industry Councils set the strategic priorities for engagement, and management executes within that framework.

The *Real Estate Act* requires Board and Industry Council members to remain impartial. Section 9(1) states, in part: *No person while a member of the Board or an Industry Council shall do any of the following: (a)... act on behalf of an association in any manner other than as an ordinary member of the association; (c) act in a manner, whether or not prohibited by this Act,*

the regulations, the bylaws or the rules, that may result in, or create the appearance of, (ii) giving preferential treatment to any person or (iv) foregoing independence or impartiality.

To mitigate risk, ensure consistent and coherent messaging and to avoid conflict over mandate between management, Board and Industry Councils, all stakeholder engagement must be conducted through a transparent, managed process. Stakeholder engagement plans will be developed by management on an annual basis and approved by the Board and respective Industry Councils

Meeting requests outside of the approved annual stakeholder engagement plans must be made through the Chief Executive Officer and/or the chairs of the Board or Industry Councils.

Acting as RECA Spokesperson

Only the Board Chair, the Chief Executive Officer, and the Registrar speak on behalf of RECA, depending on the context. The Chief Executive Officer or Industry Council Chairs speak with stakeholders on behalf of their respective Industry Councils as it relates to the Industry Council mandate on rules

Broadly speaking, the Board Chair or Industry Council Chairs should be responsible for conveying messages related to major policy decisions, while the Chief Executive Officer is more appropriate to convey operational matters and the Registrar is more appropriate to convey regulatory or disciplinary matters.

Spokesperson messages should be restricted to established RECA policy and not the spokesperson's personal views, or where a policy has not been developed.

Legal Action

RECA will engage with all stakeholders, even those with opposing views. Efforts will be made to find common ground and address concerns constructively. If a stakeholder or other entity initiates legal action against RECA, all stakeholder engagement and correspondence related to the legal action must be routed through RECA's General Counsel. Once legal action against RECA concludes, stakeholder engagement activity with that stakeholder or entity may resume as normal.

Section 9.1

Stakeholder
Engagement Policy

July 2024

Appendix A – RECA Stakeholders

Primary Stakeholders

- **Alberta consumers**
- **Alberta consumer associations**
 - Condominium Owners Council of Alberta (COCOA)
 - Condo Owners Forum (COF)
 - Strathcona County Condominium Association
 - Consumers Council of Canada
- **Alberta licensees**
- **Alberta brokerages**
- **Industry associations**
 - Association of Condominium Managers of Alberta (ACMA)
 - Alberta Mortgage Brokers Association (AMBA)
 - Alberta Real Estate Association (AREA)
 - Alberta Real Estate Foundation (AREF)
 - Building Owners and Managers Association of Calgary (BOMA Calgary)
 - Building Owners and Managers Association of Edmonton (BOMA Edmonton)
 - Canadian Condominium Institute – North Alberta Chapter (CCI North)
 - Canadian Condominium Institute – South Albert Chapter (CCI South)
 - Canadian Mortgage Professionals (CMP)
 - Canadian Mortgage Brokers Association (CMBA-ACHC)
 - Canadian Residential Renters Association (CRRRA)
 - Edmonton Residential Renters Association (ERRA)
 - Mortgage Professionals Canada
 - Real Estate Institute of Canada
 - Real Estate Insurance Exchange (REIX)
 - Real Property Association of Canada (RealPAC)
 - Residential Tenancy Dispute Resolution Service (RTDRS)
 - Institute of Real Estate Management
 - local real estate boards
 - Alberta West REALTORS® Association
 - Calgary Real Estate Board (CREB®)
 - Central Alberta REALTORS® Association
 - Fort McMurray REALTORS®
 - Grande Prairie and Area Association of REALTORS®
 - Lethbridge & District Association of REALTORS®
 - Medicine Hat Real Estate Board Co-op
 - REALTORS® Association of Edmonton
 - REALTORS® Association of Lloydminster & District
 - REALTORS® Association of South Central Alberta
- **pre-licensing learners**
- **accredited education providers**
- **the Minister of Service Alberta**

Section 9.1

Stakeholder
Engagement Policy

July 2024

- **Service Alberta**

Secondary Stakeholders

- **related professional associations:**
 - Law Society of Alberta
 - Canadian Bar Association – Real Property Law North
 - Canadian Bar Association – Real Property Law South
 - Alberta Assessors Association
 - Canadian National Association of Real Estate Appraisers
 - Appraisers Institute of Canada
 - Canadian Bankers Association
 - Canadian Credit Union Association
- **other regulators**
 - Real Estate Regulators of Canada (RERC) and Mortgage Broker Regulators Council of Canada (MBRCC) members
- **home inspectors**
- **real estate measurement companies**

Section 9.1

Stakeholder
Engagement Policy

July 2024