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February 2021

Vol. 27 Issue 1



Message from the Chair

Patricia McLeod, Q.C.
Board Chair of the Real Estate Council of Alberta

Hello everyone! My name is Patricia McLeod and I have the honour of being the first Board Chair of the restructured Real Estate Council of Alberta. I am a member of the public, and I was appointed to this role by the Minister of Service Alberta. I look forward to stewarding the regulation of the exciting and ever-changing real estate industry in Alberta for the next three years. I have been a lawyer in Alberta since 1996, and for the past several years I also served on a number of boards.

“But wait a minute,” I can hear you say. “Wasn’t there always a Chair of RECA?” Yes, there was previously a Chair of the RECA Council, elected to that position by the other Council Members. However, under the modernized governance model that came into force on December 1, 2020, there is no longer a single Council governing RECA. Instead, there are four Industry Councils—one for each of the industry sectors—and a Board of Directors to oversee everything.

This should be old news to all of you (and if it’s not, please be sure to review the [changes that came into force](#) on December 1 later on in this Regulator), but I think it is important that certain aspects of the new governance structure be clearly understood by all stakeholders. These changes did not simply give new names to the same governing body. What these changes have done is usher in a new era of regulation for Alberta’s licensees, one where all stakeholders are fully represented, can meaningfully take part in regulation, and can help ensure and maintain the protection of the public interest.

Firstly, the new Board and Industry Councils have 40% consumer representation, while the old Council had only 17% consumer representation. This is perhaps the most meaningful change to the *Real Estate Act*, and a change I personally believe in strongly. RECA regulates licensees in the public interest, after all. It's the entire point of regulation. The public should have a stronger say in how that regulation happens, and with the new Board and Industry Councils, this is the case.

Secondly, by giving some of the powers of the old Council to the new Industry Councils—particularly the power to set the education requirements and standards of conduct—each sector can have more direct control of how that sector and its licensees are regulated. In the past, Council was made up of representatives from all sectors who made decisions regarding every sector of the real estate industry. The modernized governance structure allows for each sector to engage with and regulate its stakeholders in a more meaningful, direct way.

It will be my job, and the job of the Board, to set a strategic direction for all of RECA, and to ensure smooth communication and collaboration between the Industry Councils. To that end, the Chairs of each Industry Council and I will use round table discussions to ensure we are moving in the same direction, we are properly managing resources and priorities, and are engaging with stakeholders consistently.

I would also like to take a moment to announce that [Duane Monea](#), who served as Administrator of RECA from November 8, 2019 to December 10, 2020, will be assisting myself and the Board as a special advisor during this transitional phase. His experience over the past year will go a long way in ensuring the Board and Industry Councils can hit the ground running.

What's Going on Right Now

After initial meetings in December to appoint Industry Council Chairs, Vice Chairs, and Industry Council appointees to the Board of Directors, the Board and Industry Councils have held or are holding several meetings each throughout January, February, and March. Be sure to check [reca.ca](#) for the latest [meeting agendas and minutes](#). We will ensure that key [Board and Industry Council decisions](#) from those meetings are provided to you in this Regulator.

There will be a lot of meetings this year. The legislative changes to RECA's governance took more than a year to go through the legislature and come into force, so all [Board and Industry Council members](#) are eager to get moving, and to identify the priorities of each stakeholder group.

But I want to be clear: there is a lot of work to do. The new [sections 11.1, 11.2 and 11.3](#) of the *Real Estate Act* require the new Board and Industry Councils to develop Bylaws, take governance training, develop a Code of Conduct, and develop a dispute resolution process by December 1, 2021. These are large undertakings, and combined with a search for a new Executive Director and establishing an updated strategic plan and budget, will take the bulk of the Board and Industry Council's time in the coming months.

This doesn't mean we won't begin identifying the priorities of RECA's stakeholders through robust and transparent engagement. In fact, all stakeholders should be on the lookout for outreach from the Board and from their Industry Councils. Stakeholder engagement is a clear priority, and as Board Chair, I commit to you that RECA's engagement will be timely, consistent, equal, meaningful, and transparent. We will be speaking to you regularly through Chair's messages, such as this one, through formal engagement activities such as the RECA Broker Forums and consultation surveys, and through new online engagement sessions. Keep an eye on your inbox. Soon you will have the opportunity to have your voice heard by the Board and Industry Councils, and directly participate in the regulation of your industry.

By focusing regulation on RECA's public interest mandate and on meaningful stakeholder engagement, all RECA stakeholders can know they have a transparent and accountable body regulating licensees in Alberta.

The industries RECA regulates are some of the most dynamic in the province and are an integral part of Alberta's economy. I look forward to tapping into that energy, and to meeting and engaging with all of you soon.



Your New Board of Directors & Industry Councils



RECA Administration looks forward to working cooperatively with the Board of Directors and Industry Councils.

Board of Directors

Patricia McLeod, QC (Chair)

Appointed by the Minister of Service Alberta from the public

Paul Bojakli

Appointed by the Mortgage Broker Industry Council

Bill Briggs

Appointed by the Residential Real Estate Broker Industry Council

Shirish Chotalia, QC

Appointed by the Minister of Service Alberta from the public

Jai Parihar, MBA, CFA, ICD.D

Appointed by the Minister of Service Alberta from the public

Carrie Plett

Appointed by the Residential Property Manager Industry Council

Laura Sharen

Appointed by the Commercial Real Estate Broker and Commercial Property Manager Industry Council

Industry Councils

Commercial Real Estate Broker and Commercial Property Manager Industry Council (includes rural/agri-business)

Terry Engen (Chair)

Appointed by the Minister of Service Alberta from the public

Brittane Laverdure (Vice Chair)

Appointed by the Minister of Service Alberta from the public

Cheri Long

Elected by commercial licensees

Laura Sharen

Elected by commercial licensees

Ben Van Dyk

Elected by commercial licensees

Mortgage Broker Industry Council

Gord Appel (Chair)

Elected by mortgage broker licensees

Paul Bojakli (Vice Chair)

Elected by mortgage broker licensees

Clarence Lee

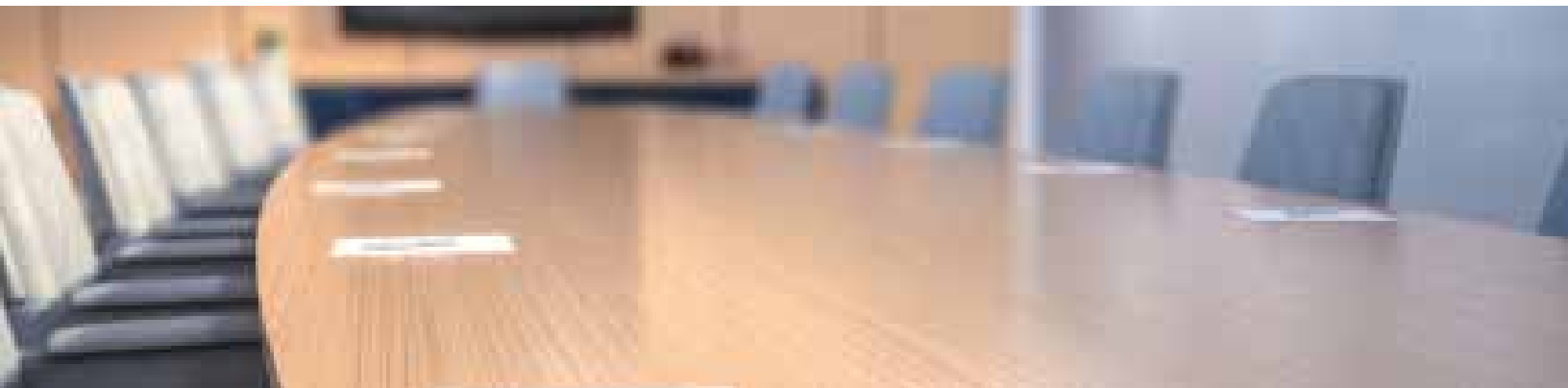
Elected by mortgage broker licensees

Nkem Onyegbula

Appointed by the Minister of Service Alberta from the public

Guy Ouellette

Appointed by the Minister of Service Alberta from the public



*Residential Property Manager Industry Council
(includes condominium management)*

Don Brown (Vice Chair)

Elected by property management and condominium management licensees

Keith McMullen

Elected by property management and condominium management licensees

Don Newell (Chair)

Appointed by the Minister of Service Alberta from the public

Carrie Plett

Elected by property management and condominium management licensees

Cyril Pratt

Appointed by the Minister of Service Alberta from the public

Residential Real Estate Broker Industry Council

Bill Briggs

Elected by residential real estate licensees

Brad Hamdon

Appointed by the Minister of Service Alberta from the public

Brad Kopp (Vice Chair)

Elected by residential real estate licensees

Erika Ringseis

Appointed by the Minister of Service Alberta from the public

Sano Stante (Chair)

Elected by residential real estate licensees



Governance Highlights - January 20, 2021 Board Meeting

1. **Board approved the 2019-2020 Annual Report.** The Board has directed RECA Administration to deliver a copy of Annual Report and Financial Statements to the Minister of Service Alberta, pursuant to *Real Estate Act* s.16.

2. **Board appointed Board Member Bill Briggs to the REIX Advisory Board.**

3. **Board approved the creation of, terms of reference for, and appointed Chairs and Committee members on, three Standing Committees:**
 - **Hearings Committee**—Board directs the Committee Chair to evaluate interest in committee involvement from among currently approved hearing panel public members and make a recommendation to the Board for appointment to this Committee.
 - **Finance and Audit Committee**
 - **Governance and Human Resources**—Board directs the Committee to commence an RFP process to retain an external recruiter to facilitate the recruitment for the Executive Director role and make a recommendation for a recruiter to the Board.

4. **Board approved the continuation of Condominium Managers Implementation Advisory Committee (CMIAC)** with a new term expiry of March 31, 2021, unless otherwise extended by the Board. Board directs CMIAC to submit its work product and recommendations to the Residential Property Manager Industry Council for consideration. The Residential Property Manager Industry Council will, in turn, submit its recommendations to the Board who shall then transmit the recommendation to the Minister of Service Alberta for consideration.

5. **Board will use round table discussions between the Board and Industry Councils** to assist them in their collaboration.

Real Estate Amendment Act 2020 has Come into Force



Introduced on June 3, 2020, Bill 20, the *Real Estate Amendment Act 2020* came into force on December 1, 2020. Bill 20 outlined changes to the *Real Estate Act*, adding renewed focus to RECA's mandate, removing real estate appraisal activities from the *Real Estate Act*, and adding condominium managers as a licensed sector in Alberta.

Bill 20 also set out a new governance structure for RECA, including a new [Board of Directors and Industry Councils](#) that oversee the four industries licensed under the *Real Estate Act*.

Industry Councils

The four Industry Councils—residential property management, commercial real estate and property management, residential real estate, and mortgage brokerage—each made up of three licensees elected from that sector plus two members of the public appointed by the Minister of Service Alberta.

These Industry Councils will be responsible for setting the conditions for a person to become and remain a licensee of the industry to which the Industry Council relates, including minimum standards for conduct and education requirements.

Additionally, licensees looking to permanently withdraw from the industry will now need to apply to the relevant Industry Council(s), who may accept or deny the application. Additionally, Industry Councils will be required to reject applications when there are allegations of fraud or criminal activity against the licensee.

Under the old governance model, the industry advisory committees were just that: advisory. They did not have the power to make rules, set standards, or undertake enforcement. Now, Industry Councils have these responsibilities, which will result in more responsive regulation in each sector.

Board of Directors

The Board of Directors will now be comprised of a member from each Industry Council and three members of the public appointed by the Minister of Service Alberta, one of whom must be the Board Chair. The Board of Directors will be responsible for RECA's strategic direction and corporate governance.

Both the Board and Industry Councils will have to follow policy directives issued by the Minister in respect to matters of concern to the Minister, such as matters relating to red tape concerns or consumer protection.

Enforcement Powers

In addition to the changes at the governance level, Bill 20 split the administrative powers that were previously under the purview of the Executive Director of RECA. Under the new Act, the Registrar is appointed by, and accountable to, the Board of Directors. The Registrar will now be responsible for sanctioning licensees under certain circumstances.

Other Notable Changes

RECA is now working to divest itself from the delivery of pre-licensing and re-licensing education in order to focus on regulation.

RECA has been working with the Government of Alberta since 2014 to create a regulatory model, standards of practice, and legislative changes required to have condominium managers regulated by RECA. While condominium managers are now included in the *Real Estate Act*, they are not yet required to hold a license with RECA. It is expected that the licensing process will be in place by December 1, 2021.

The Government of Alberta has decided real estate appraisal will be directly regulated by the three industry associations.

Reporting and transparency requirements for RECA have now been expanded and codified. In addition to adding legislated timelines around when Board and Industry Council meeting minutes must be posted, RECA must also provide the Minister of Service Alberta with annual budgets and business plans and meet expanded reporting requirements for the Annual Report.

What it All Means

In short, under the new Act, RECA can provide more targeted and responsive regulation, there is greater consumer representation, and greater transparency.



Message from the Administrator

Duane Monea

Shortly after the *Real Estate Amendment Act 2020* came into force, December 10, 2020 to be exact, I worked my last day as Administrator of RECA. I want all licensees and industry stakeholders to know that my appreciation for the industry has grown over the past 15 months. This transitional period was a challenging, yet rewarding time, and I would like to thank the Minister and his team, Service Alberta staff, RECA Administration, the industry trade associations, and all the licensees who participated in making this transition to a new governance model possible. I am pleased with the Board and Industry Councils that are now in place, and I look forward to seeing the industry grow in the coming year.

Although my role as Administrator has ended, I will not be saying goodbye as of yet. I have been asked to serve for a few months as Principal Advisor to the Board and Board Chair during this transitional time. I look forward to continuing to advise the Board as they take the reins and work to protect consumers in Alberta.

Licensing Renewal Roundup 2020

The latest licensing renewal period is behind us, and overall, the industry outlook remains positive. **Please note, this renewal information includes real estate appraisers, as they were still licensed by RECA from Oct. 1 - Nov. 30, 2020.**

The Numbers

Year-over-year, the number of individuals licensed in Alberta remained stable. The numbers in real estate brokerage increased, while the numbers in mortgage brokerage and real estate appraisal decreased slightly.

As of October 7, 2020, 14,857 licensees were licensed. Of these, 12,134 real estate licensees (an increase of 200), 2,188 mortgage brokerage licensees (an increase of 44), and 535 real estate appraisers (a decrease of 4) were licensed. The number of real estate appraisers is down over the last five years while the number of mortgage brokerage licensees is similar to those in the past five years.

This year, the number of new licensees joining the industry decreased slightly. Between Oct. 1, 2019 and Sept. 30, 2020, 1,108 individuals joined the industry. Last year, 1,220 individuals joined. However, the industry saw the fewest individuals leaving the industry in the past three years.



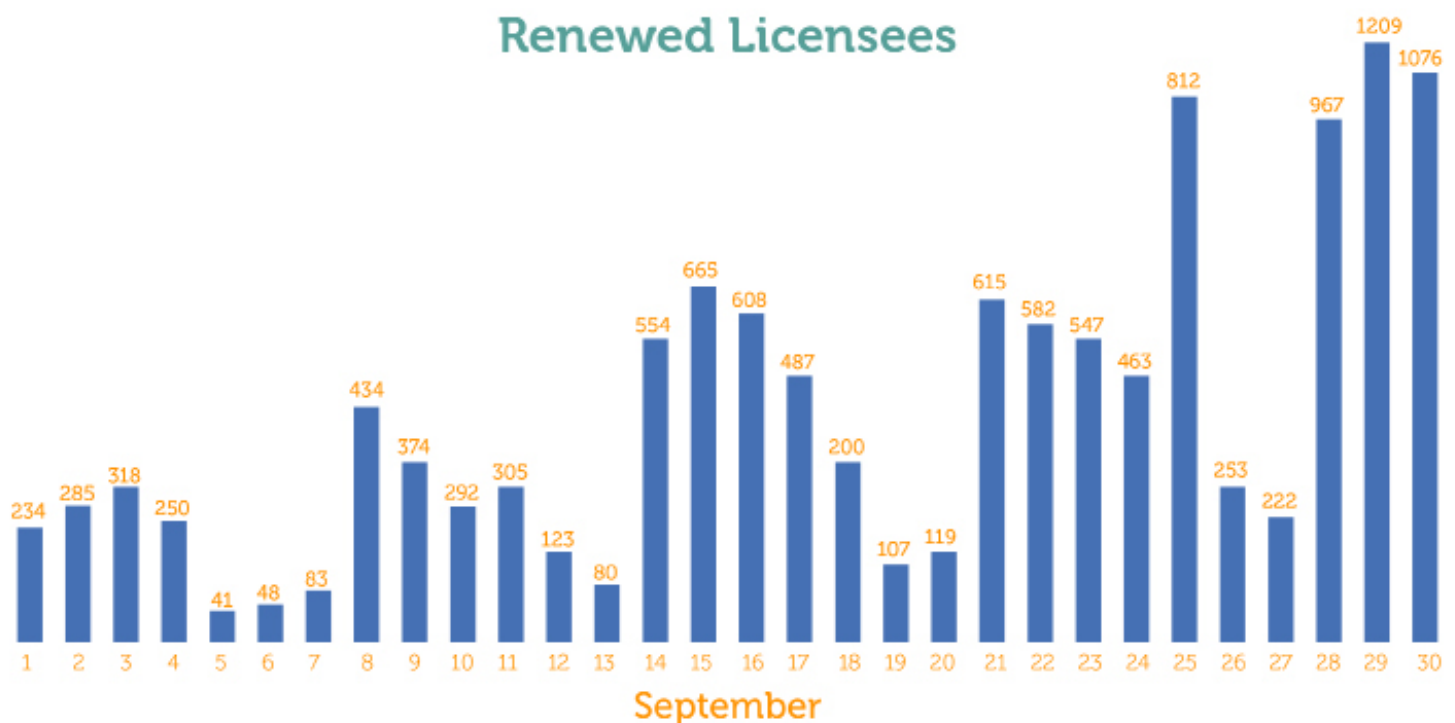
Renewal Experience

During this year's licensing renewal period, RECA staff continued efforts to assist industry to complete renewals efficiently and effectively. RECA was very proactive and assisted in resolving renewal issues early. There were numerous communications to industry about important topics including the requirement to notify RECA about *Real Estate Act* Rules s. 40 issues before starting a renewal, advice

about how to avoid mistaken “yes” answers in the renewal form suitability questions, and advice relating to transferring brokerages.

This year we saw more individuals renew their license earlier than previous years. Before the last week of September 60% of licensees had renewed their licence. On September 30, 2020, 96% of licensees had renewed, which was a significant increase from the previous year. This could have been tied to licensees not having to complete re-licensing courses on time this year. Last year, more than 50% of renewals took place in the final week of September. RECA wants to thank licensees for completing renewals early, this allowed for RECA licensing staff, the myRECA licensing system, and RECA’s education staff to successfully accommodated licensees questions and inquires.

The graph below shows the daily breakdown of licensees renewed in September.



Moving Forward

RECA is committed to continuous improvement in its licensing renewals and to this end, units have already completed internal reviews. RECA will reach out to brokerages in the coming months to identify whether there are further opportunities for additional improvements.

RECA would like to take this opportunity to thank industry licensees for their support and cooperation throughout this year’s renewal.

Trouble logging in?

Use the links on the myRECA login page to recover your username or reset your password.

Use a password manager to securely keep your myRECA username and password on file for future reference.

Licensee Marketing and the Do Not Call List

With people limiting their activities due to pandemic restrictions, they are on the road less often and make fewer stops. Traditional forms of real estate and mortgage advertising, such as billboards and bus bench ads, aren't getting the exposure they used to. To counter this decrease in publicity, many brokerages have begun including telemarketing in their marketing efforts.

Under the *Real Estate Act* Rules, licensees must practice in strict accordance with the *Real Estate Act*, Regulations, Rules, Bylaws, and any other applicable legislation [s. 41(g)]. In the case of telemarketing, in addition to ensuring their marketing content meets the standards set out by RECA's advertising guidelines, licensees must ensure their personal, team, and brokerage advertising adheres to the *Telecommunications Act*, [Unsolicited Telecommunications Rules](#), and the National Do Not Call List (DNCL).

Telemarketing regulation

Under the *Telecommunications Act*, the Canadian Radio-television and Telecommunications Commission (CRTC) is responsible for enforcing the Unsolicited Telecommunications Rules and National DNCL.



The CRTC recognizes two types of telemarketers—regular telemarketers and exempt telemarketers. Regular telemarketers make calls in order to sell or promote a product or service. Real estate and mortgage brokerage companies are considered regular telemarketers and, as such, must comply with the [Telemarketing Rules](#) at all times.

The CRTC takes all complaints seriously. As of November 10, 2020, the CRTC has received 1,055 complaints from Canadians receiving telemarketing calls promoting mortgage broker and real estate services. As a result of these complaints, the CRTC has issued 44 citations, 258 warning letters to correct actions, and 23 administrative monetary penalties totalling \$103,300 to agents and brokerages.

If you or your brokerage hire a service to complete telemarketing for you, you are still ultimately responsible for ensuring the Rules are followed on your behalf. The CRTC can hold individuals responsible for violations committed by [third-party agents](#).

Telemarketing responsibly

Licensees engaging in telemarketing themselves or through a third-party must:

- [register and subscribe to the National DNCL](#)
- ensure you understand your responsibilities as a marketer (non-compliance can result in significant penalties)
- maintain records, including your own do not call list
- ensure that every call made or fax sent to consumers follows CRTC's Unsolicited Telecommunications Rules.

Visit the CRTC website to [understand telemarketing rules for compliance](#).



RECA's 2019–2020 Annual Report

[RECA's Annual Report](#) and audited [Financial Statements](#) for the 2019–2020 fiscal year are now available on reca.ca.

RECA's Annual Report provides a review of the 2019–2020 fiscal year, including: committee work, the Real Estate Assurance Fund, professional conduct review, as well as annual statistics on authorizations, education, complaints, and investigations.

If you have any questions about the 2019–2020 Annual Report or financial statements, please email communications@reca.ca.

Real Estate Competency Survey Coming Soon!

[The Real Estate Regulators of Canada \(RERC\)](#) is currently developing core competencies for real estate associates and real estate brokers to set the competency requirements for all member jurisdictions in Canada. This project, applicable to residential and commercial licensees, will allow for easier licence mobility across the country, and protect Canadian consumers by ensuring all real estate licensees are competent.

RECA is a member of RERC and in the near future we will send a survey to all Alberta real estate licensees seeking feedback on the draft competencies. The other Canadian jurisdictions will send the same survey to their licensees at the same time. It is important that all real estate licensees consider these competencies and provide informed feedback, as they will set the minimum standards for your industry moving forward.

Look for the survey and the accompanying information in your inbox and on reca.ca in the near future.

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(Acting Executive Director)

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The Regulator is published by the Real
Estate Council of Alberta.

Please forward any questions regarding
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