



COMMERCIAL REAL ESTATE BROKER & COMMERCIAL PROPERTY MANAGER INDUSTRY COUNCIL

9:30 am, Thursday, March 10, 2022

Virtual Teams Meeting

MINUTES

- In Attendance:** Terry Engen, *Chair*
Brittanee Laverdure
Cheri Long, *Vice-Chair*
Laura Sharen
Ben Van Dyk
- Resources** Charles Stevenson
Joseph Fernandez
Stacy Paquin
Barbara Young (*Item #6 & 7*)
Bryan Douey (*Item #8*)
- Absent:** Russ Morrow
Warren Martinson
- Recording Secretary:** Christina Harrington
Rina Hawkins

1. Call to Order and Approval of Agenda

The Chair called the meeting to order at 9:31 am.

***MOTION:** The Commercial Real Estate Broker and Commercial Property Manager Industry Council approves the March 10, 2022 meeting agenda as presented.*

*Moved by Ben Van Dyk
Seconded by Cheri Long
Carried*

2. Conflict(s) of Interest Declared

No conflicts of interest were declared.

3. Chair's Opening Remarks

The Chair welcomed participants to the meeting of the Commercial Real Estate Broker and Commercial Property Manager Industry Council (the "Industry Council").

4. Consent Agenda

The Industry Council reviewed the consent agenda, which included the minutes of the December 10, 2021, and December 21, 2021 meetings, the Action Register Update, and the Regulatory Activity Scorecard.

***MOTION:** The Commercial Real Estate Broker and Commercial Property Manager Industry Council approve the consent agenda which includes the December 10, 2021 and December 22, 2021 meeting minutes, the Action Register Update, and the Regulatory Activity Scorecard, as presented within the meeting package.*

Moved by Cheri Long

Seconded by Ben Van Dyk

Carried

5. RECA Board of Director's Report

The activities of RECA's Board of Directors (the "RECA Board") were received as information, as provided within the meeting package.

6. Education Update and Examination

Management reported the RECA Board's progress in the divestiture of pre-licensing and re-licensing education.

Management reported that constructive response examination questions will be integrated into exams, over time. These questions require a learner to write, amend, and/or explain a concept. Mock-forms will be introduced for education purposes only, with a caveat identifying their use. Management recommends exam questions & competency profiles be reviewed by psychometric analysis every 18 months.

Practice examinations are offered to learners for a fee. Practice examinations reduce the likeliness of compromised questions and increase learners' confidence and preparedness.

Management advised that RECA's *Course and Course Provider Recognition Process* creates an open and competitive market. A learner may review the success rates of a course provider to make an informed selection. RECA's *Pre-licensing Education Philosophy* requires periodic surveys of new learners to assess the effectiveness of credentialing programs. Management issues surveys to new licensees and their brokers six months after licensure.

Industry Council Member Brittane Laverdure joined the meeting at 10:12 am

7. Choosing Between Various Re-Licensing Education Models

Management presented re-licensing education models, which require licensees take assigned courses or, alternatively that licensees report their

own professional development plan. Consultation with industry is recommended to identify relevant course material. The Industry Council will continue to discuss the topic as a strategic initiative.

8. Stakeholder Engagement

The Industry Council directed that the Stakeholder Engagement session be held in May, in person and virtually, with dates to be determined.

ACTION: Management will poll the Industry Council's availability to attend the Stakeholder Engagement session in May 2022.

9. Strategic Planning

The Industry Council discussed the effectiveness of the Strategic Planning session held by the RECA Board and Industry Councils in Feb. 2022. The Industry Council supports the objectives of the RECA Board.

10. RECA Industry Council Annual Evaluation Results

For this information item, Management presented the results of the Industry Council Annual Evaluation process to the Industry Council.

11. Practice Review Broker Satisfaction Survey

Management reported the results of the *2020/2021 Practice Review Broker Satisfaction Survey*. The Annual Practice Review examines brokerage records, accounting practices, and internal procedures to ensure compliance with the *Real Estate Act* and Rules. The brokerages may then review the audit process and provide RECA with feedback.

12. License Structure Orientation/Rules Review and Overview

Management reported on the RECA Board and Industry Councils strategic initiative to update, refine and amend the *Real Estate Act* Rules. Amendments would include revising existing licensing structure(s) (Rules 2 – 40). The objectives of the Rules review are to eliminate unnecessary impediments to entry, to improve licensee competencies, to modernize the existing licensing structure, to better align with legislation, and to maintain high standards of consumer protection. Management provided timelines and consultation models for discussion purposes.

Industry Council Member Laura Sharen joined the meeting at 11:34 am

13. Share Sales (Real Property) Exempt from *Real Estate Act*

The Industry Council reviewed and discussed Share Sales (Real Property) exempt from the *Real Estate Act*, for example, the sale of corporation whose only asset is real property.

ACTION: Management to research whether a share sale is considered a trade in real estate and return their findings to the Industry Council.

14. Common Law Brokerage Versus Designated Agency Brokerages

The Industry Council discussed the differences of *Common Law Brokerages* versus *Designated Agency Brokerages*. Management advised that, in *Common Law Brokerages*, brokerage associates are prohibited from engaging with their colleague's counterparts to a transaction. Meaning that a brokerage collectively represents a client's interests and all associates under that brokerage are "*deemed knowledgeable*" of their colleague's transactions. Associates of a brokerage owe a duty of care to each other's clients, and the brokerage is barred from representing both sides of a real estate transaction ("undivided loyalty").

In the Designated Agency model, a client enters into service agreement with a brokerage and designates an individual, or group of individuals, to represent their interests. A brokerage may then represent both sides of a real estate transaction without a conflict of interest.

15. In-Camera Session with the CEO

The Industry Council moved in-camera with RECA's General Counsel.

16. In-Camera Session with the Industry Council Only

The Industry Council moved in-camera with the Industry Council only.

17. Termination

***MOTION:** That the Commercial Real Estate Broker and Commercial Property Manager Industry Council meeting of March 10, 2022 be terminated.*

Moved by Brittane Laverdure

Seconded by Laura Sharen

Carried

The meeting terminated at 12:32 pm.

18. Next Meeting(s)

- June 16, 2022

Approved at Calgary, Alberta on June 16, 2022

Terry Engen, Industry Council Chair