



COMMERCIAL REAL ESTATE BROKER & COMMERCIAL PROPERTY MANAGER INDUSTRY COUNCIL MEETING

10:00 a.m., Friday, June 21, 2024

Virtual Microsoft Teams Meeting

MINUTES

In Attendance: Terry Engen, *Chair*
Brittanee Laverdure
Ben Van Dyk
Cheri Long
Laura Sharen
Elan MacDonald, *Board of Directors Chair*

Resources: Russ Morrow
Janice Harrington
Warren Martinson
Stacy Paquin

Recording Secretary: Christina Harrington

Absent: Rina Hawkins

1. Call to Order

The meeting of the Commercial Real Estate Broker & Commercial Property Manager Industry Council ("Industry Council") was called to order at 10:01 a.m.

2. Approval of Agenda

The Chair presented the June 21, 2024, agenda.

***MOTION:** The Commercial Real Estate Broker and Commercial Property Manager Industry Council approves the June 21, 2024, meeting agenda, as presented.*

*Moved by Laura Sharen,
Seconded by Ben Van Dyk
Carried*

3. Conflict(s) of Interest Declared

No conflicts of interest were declared.

4. Chair's Opening Remarks

The Chair welcomed participants to the meeting.

5. Consent Agenda

The Industry Council reviewed the consent agenda.

***MOTION:** The Commercial Real Estate Broker and Commercial Property Manager Industry Council approves the consent agenda, which includes the minutes of the meeting of March 12, 2024, and receives the Action Register Update and Regulatory Activity Scorecard, as information, as presented within the meeting package.*

*Moved by Brittanee Laverdure,
Seconded by Laura Sharen
Carried*

Elan MacDonald, RECA Board of Directors Chair, joined the meeting at 10:06 a.m.

6. RECA Board of Directors Update

The RECA Board of Directors ("Board") member, and the RECA Board Chair, reported on the activities of the Board.

Janice Harrington left the meeting.

7. Ministerial Direction – *Real Estate Act* Section 54

Management reported on correspondence received from the Honourable Dale Nally, Minister of Service Alberta and Red Tape Reduction ("Minister"), addressed to the Board Chair and all Industry Council Chairs, regarding voluntary lifetime withdrawals under section 54 of the *Real Estate Act* ("REA").

The Minister directed that, pursuant to *REA* s. 76.5(1), and the intended outcome of legislation to recognize the serious nature of allegations of fraud and criminal activity, RECA will:

- immediately cease approving licensee applications for voluntarily lifetime withdrawal under section 54 of the *REA* where allegations of fraud or criminal activity, which warrant an investigation, have been made against a licensee, unless or until such time as the allegations are proven to be unfounded; and
- refer the matter to law enforcement agencies where allegations of fraud or criminal activity appear to have merit.

8. RECA Board of Director/Industry Council Calendar

In accordance with *REA* Bylaws, the Board Chair will issue a schedule of regular meetings for the succeeding year. The Industry Council will hold regular meetings at least four times per year, on a quarterly basis. The Industry Council reviewed the proposed Board/Industry Council calendar.

ACTION: The Industry Council will review the proposed Board/Industry Council Calendar and advise Management of any scheduling conflicts by June 28th, 2024.

9. Feedback on The Regulator's Practice Governance Training

In May 2024, all Board and Industry Councils attended governance training, hosted by The Regulator's Practice. The Industry Council thanked The Regulator's Practice for an effective training session.

10. RECA Stakeholder Engagement Policy and Stakeholder Engagement Guidelines

Management presented proposed amendments to the Stakeholder Engagement Policy. If the Stakeholder Engagement Policy amendments, which include shifting from a prescriptive to a principles-based policy, are endorsed by the Industry Councils, and approved by the Board, amendments to the Stakeholder Engagement Guidelines will be made, accordingly.

ACTION: At future quarterly Industry Council meetings, Management will provide a standing report of stakeholder engagement activities.

MOTION: *The Commercial Real Estate Broker and Commercial Property Manager Industry Council recommends that the Real Estate Council of Alberta Board of Directors approve the Stakeholder Engagement Policy, as provided in the meeting package, subject to the amendments of the Board of Directors and as suggested by the collective Industry Councils.*

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

11. Broker Forums

Management reported on Broker Forums held in Edmonton and Calgary. Attendance was low. Both sessions discussed the issue of some licensees dabbling in commercial real estate, which threatens the professionalism of the industry. At the Edmonton forum the importance of English proficiency for licensees was discussed and is essential when communicating the terms of a contract. Both forums considered graduated licensing and mentoring for new licensees. Although not a regulatory issue, the Edmonton session discussed the need for, and prevalence of, multi-family dwellings.

Elan MacDonald, RECA Board Chair, left the meeting at 11:00 a.m.
Janice Harrington rejoined and left the meeting at 11:02 a.m.

12. Credentialing Report and Learner Success Rates

Management reported on credentialing statistics and learner success rates. The Industry Council will continue its cut-off-score analysis of examination pass marks.

ACTION: Management will provide the Industry Council with a distribution breakdown of examination pass rates.

ACTION: Management will continue its analysis of examination cut-off-scores.

13. Education Requirements and Labour Mobility

The Industry Council discussed the education requirements to obtain a commercial real estate and commercial property management licence in Alberta, and interprovincial labour mobility.

ACTION: Management will report on labour mobility statistics at the September 2024 meeting.

14. Industry Council Workplan Strategic Planning

The Industry Council discussed its workplan and strategic direction. The Industry Council decided on the following strategic initiatives:

1. REA Rules Review (currently in progress)
2. Stakeholder Engagement
3. A concurrent review of prelicensing and relicensing competencies

The strategic workplans will return to the Board to operationalize, allocate staff, and arrange funding.

Brittanee Laverdure left the meeting at 11:35 a.m.

15. Enterprise Risk Management

To assist the Board in its review of enterprise risk management, the Industry Council considered potential market and industry threats that may affect RECA's operations or strategic initiatives.

The Industry Council noted an increase in real estate transactions in Alberta due to interprovincial migration and new residents. Auction companies are busy, and "quick-flips" are common in the new market. One risk identified is the finality of sale when no individual is managing a property post-auction and pre-possession date.

The Industry Council recessed at 11:51 a.m.
The Industry Council reconvened at 11:58 a.m.

16. Rules Review Steering Committee

Management reported on the activities of the Rules Review Steering Committee. Phase Three consultations will gather input on any unforeseen impacts caused by proposed REA Rule amendments.

In March 2023 the Industry Council endorsed the Rules Review Steering Committee's interim recommendation, in principle, to allow brokers to approve individual incentives rather than brokerage-wide incentives. However, having received Phase Three feedback, the Rules Review

Steering Committee changed its position on incentive amendments. The results of final consultation(s) will be presented to the Industry Councils through the final report of the Rules Review Steering Committee.

17. Industry Council Self-Evaluation

In accordance with *REA* Bylaw 4.4, the Industry Council must undertake an annual self-evaluation to review its collective performance. The Chair advised that further work is being undertaken to review the annual self-evaluation format, and the subject will return to the Industry Council at its September 2024 meeting.

18. In-Camera Session with the CEO

The in-camera session with the CEO was dispensed with.

19. In-Camera Session with Industry Council only

The Industry Council moved in camera with the Industry Council, only, 12:20 p.m.

20. Final Adjournment

***MOTION:** The Commercial Real Estate Broker and Commercial Property Manager Industry Council approves the final adjournment of the June 21, 2024, meeting.
Moved by Ben Van Dyk,
Seconded by Cheri Long
Carried*

The meeting adjourned at 12:56 p.m.

21. Next Meeting(s)

- September 24, 2024

Approved at Calgary, Alberta

Terry Engen,
Industry Council Chair