



**Ministry of Service Alberta and Red Tape Reduction**  
Third-Party Review of Real Estate Council of Alberta  
Final Report  
April 7, 2026

**Government of Alberta**  
**Service Alberta & Red Tape Reduction**  
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April 7, 2026

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*This document is intended for the information and use of the Ministry of Service Alberta and Red Tape Reduction. No other person or entity is entitled to rely, in any manner, or for any purpose, on this document.*

*The procedures performed comprise an advisory engagement, which is not subject to Canadian Auditing Standards or Canadian Standards on Review or Assurance engagements. Consequently, no opinion or conclusion intended to convey assurance are expressed. Had additional procedures been performed, other matters may have come to our attention that would have been reported.*

Minister Nally,

We were engaged by the Ministry of Service Alberta and Red Tape Reduction (SARTR or the Ministry) to perform an independent third-party review of the Real Estate Council of Alberta (RECA). This review has been conducted in accordance with our services agreement dated June 20, 2025.

The report which follows summarizes the key findings and recommendations arising from our review. Our work focused on RECA's governance and leadership, regulatory framework, internal relationships and culture, external and stakeholder relationships, administrative operations and financial management, and oversight of the education system.

Between August 2025 and February 2026, we undertook the following activities:

- Individual and group interviews with representatives from the Ministry, RECA governance bodies, RECA management, industry stakeholder groups, and other interested individuals working in the real estate industry;
- Review and analysis of approximately 700 documents and data sets provided to us by RECA and RECA stakeholders, including policies, procedures, strategic plans, budgets, and correspondence;
- Detailed examination of select case files and processes identified during our review; and
- Research into leading practices observed in select Canadian jurisdictions.

We thank the representatives of RECA and the Ministry, as well as the many other stakeholders who contributed to this work. Their openness, responsiveness, and commitment were essential to the success of this review.

Our numerous interactions with RECA's leadership and staff consistently highlighted the dedication they bring to advancing RECA's mandate on behalf of Albertans. With shared commitment to continuous improvement and regulatory excellence, we identified opportunities—validated through our independent review procedures—to further strengthen RECA's regulatory role in Alberta's real estate sector.

We trust that the findings and recommendations provided in our independent review report will support the Ministry in advancing discussions about the real estate industry in Alberta and its regulation. We remain available to the Ministry and RECA to discuss these findings and recommendations further, as required.

*Deloitte LLP*

**Deloitte LLP**

# RECA Review Highlight Sheet

## About RECA

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- RECA is the governing body for Alberta’s real estate industry—including real estate brokerage, mortgage brokerage, property management, and condominium management licensees.
- The *Real Estate Act* (the Act or the REA) establishes the framework for regulation of the real estate industries, and established RECA as the authority responsible for administering the Act through mechanisms and activities described in the Act.
- The Minister of SARTR oversees RECA.
- RECA regulates more than 22,000 Alberta real estate professionals across four industries.
- RECA’s operations are self-funded, with annual revenue of \$11.7 million and expenses of \$13.8 million for the fiscal year ended September 30, 2025.

## About the 2026 RECA Review

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- Under Section 76 of the *Real Estate Act*, the Minister may require a review of RECA whenever they consider it necessary.
- Deloitte Canada was appointed to conduct this review in June 2025 and conducted the review between August 2025 and February 2026.
- The review was performed under the terms of the agreement signed between the Minister and Deloitte. It included a review of RECA’s: governance and leadership, regulatory framework, internal relationships and culture, external and stakeholder relationships, administrative operations and financial management, and oversight of education.
- The review procedures included interviews with RECA and Ministry representatives, engagement with industry stakeholders, analysis of approximately 700 documents and datasets, industry surveys, and research of leading practices in Canadian and international jurisdictions.

## About Deloitte

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Deloitte Canada is the largest Canadian-owned and operated professional services firm, providing a full range of audit, consulting, financial advisory, risk management and tax services.

## Summary of Key Findings and Recommendations

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### Overall:

- RECA has responded meaningfully to legislative changes made in 2020 and the accompanying structural changes to its governance and operations. Opportunities exist to further refine structures and key regulatory processes to help RECA establish itself as a class-leading regulator for a dynamic sector.

### Governance and Leadership:

- RECA’s governance system put in place following legislative amendments in 2020 is still maturing. Clearer roles and accountability, particularly between the Registrar and Industry Councils, are needed. Clarity can be achieved through appropriate and fulsome use of existing delegation authorities, bylaws, and policy. Should these changes not be fully exercised or effective, further legislative changes to Industry Council authority may be required in future.

### Regulatory Framework:

- RECA maintains a strong public-protection mandate and handles a high volume of complaints, but its complaint investigation and disciplinary processes could be made more efficient, consistent, and risk-responsive. Establishing clear service standards, decision frameworks, strengthening documentation, and advancing IT systems would better support analytics, risk detection, and reporting.

### Internal Relationships and Culture:

- Despite a strong Human Resources (HR) foundation, ongoing external criticism affects RECA’s confidence and contributes to a more conservative and less agile regulatory approach. Clearer guidance, targeted training, and a documented workforce strategy would better support flexible, outcome-focused decisions and ensure resources align with regulatory needs.

### External and Stakeholder Relationships:

- RECA maintains active stakeholder relationships, but clearer structures, documentation and communication would improve consistency, transparency and public awareness. RECA should create a defined engagement framework and annual work plan, enhance plain-language reporting and publicly track progress on key engagements.

### Administrative Operations and Financial Management:

- Although Alberta remains the lowest-cost jurisdiction for entry into the real estate industry (licensing and education combined), RECA’s recent fee increases and continued surpluses indicate opportunities to better align budgeting and forecasting without impacting affordability.

### Oversight of Education:

- RECA successfully exited education delivery but has pulled back too far from its oversight role and should establish strong education governance through rigorous approval processes and quality assurance, and a flexible continuing-education model supported by enforceable partnerships.

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# Executive Summary



# Executive Summary | Review Background

## Background

The Real Estate Council of Alberta (RECA) is Alberta's independent regulator for real estate, mortgage brokerage, and condominium and property management. Established under the *Real Estate Act* (REA), RECA's role is to protect consumers, and uphold industry integrity. Its responsibilities include licensing, industry oversight, complaint resolution and discipline, and managing the Real Estate Assurance Fund. It also ensures licensees have the skills needed in a fast-changing marketplace and act within the rules for real estate practice in Alberta.

In December 2020, following the release of a third-party review of RECA, the Government of Alberta passed Bill 20 to modernize RECA's governance. The former council was dissolved and replaced with a new governance model that aimed to put consumer protection at the forefront. The reforms created a clearer separation between government oversight, governance, adjudication, and administration while maintaining RECA's operational independence. Further regulation changes were implemented by 2022, including removing RECA's education delivery role and modernizing disciplinary systems. These updates aimed to strengthen accountability, reduce regulatory burden, align RECA with leading practices, and reinforce a consumer protection mandate. Beyond legislative and regulation changes, RECA introduced new fee structures and began a comprehensive rule review, significantly shifting how professionals interact with the regulator.

Since 2020, Alberta's real estate market has seen rising transaction volumes, growing numbers of licensees, and market volatility. These pressures have tested RECA's licensing, conduct, and communication systems. RECA continues to be the subject of criticism from some external stakeholders.

Given the scale and pace of change, the Ministry of Service Alberta and Red Tape Reduction engaged Deloitte to conduct an independent third-party review RECA's effectiveness. The review examined licensing, conduct and hearings, transparency, consumer protection, and overall alignment with regulatory principles. The goal of this review is to identify the structural and process barriers that, if removed or resolved, will allow RECA to be a modern, class-leading regulator.

The focus of the review included evaluating RECA's:

- 1 | Governance and leadership under the revised governance structure
- 2 | Regulatory framework and effectiveness in its core regulatory mandate
- 3 | Internal relationships and organizational culture
- 4 | Relationships and engagement with external parties and key stakeholders
- 5 | Administrative operations and financial management practices
- 6 | Oversight of the real estate education system



# Executive Summary | Review Approach

## Approach

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The review was conducted in **three phases** over a six-month timeline: Planning and Kickoff, Evidence Gathering and Analysis, and Validating and Reporting.

## Key Evidence Gathering and Analysis

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### Legislative, Policy, Procedure, and Key Document Review

We reviewed RECA's policies and procedures against leading regulatory and governance practices to assess clarity, consistency, transparency, and alignment with legislative intent. This review focused on financial management, complaints handling, hearings, and governance structures and practices.



### Governance, Management, and Stakeholder Interviews

We met with nearly 100 different individuals, approximately 40% of whom were external stakeholders to RECA, to gain insight and perspective into our review. These interviews were conducted both in individual and group formats. These represented input from the Ministry, RECA's governance bodies, RECA's leadership and staff, industry associations, interest groups and stakeholders, and licensees. Our engagement sought input from a range of key stakeholder groups, both internally and externally.



### Industry Surveys

We invited all 21,025 active RECA licensees to participate in a survey to better understand licensees' perspectives on RECA's performance as their regulator. In total, we received and analyzed 2,079 responses.



### Data Analysis

We performed detailed analyses over RECA's data on its licensing, complaints, and education processes to identify trends and validate RECA's reporting.



### Jurisdictional Scan

We conducted a jurisdictional scan of comparable real estate regulators across Canada, including British Columbia, Saskatchewan, Ontario, and Nova Scotia focusing on fee structures, regulatory practices, consumer protection mechanisms, and reporting.



### Sample Testing

We took samples and tested RECA's processes, in areas such as the Assurance Fund, consumer complaints, and conduct investigations, to understand if policies were consistently applied in practice.

## Limitations

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The assessment analysis was conducted based on the following limitations:

- 1 Public Data** | Jurisdictional scan data is based on publicly accessible data; procedures have not been conducted to verify the completeness or accuracy of public data.
- 2 Formal Documentation** | Where policies or processes were not formally documented, understanding and analysis were based on verbal discussions and interviews.
- 3 Data Limitations** | Analysis was performed on data provided by RECA and stakeholder groups. Any inaccuracies or omissions in the data may affect the conclusions drawn.

## Restrictions

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- 1** The report has been prepared at the request of the Ministry of Service Alberta and Red Tape Reduction.
- 2** The analyses, advice, and conclusions are valid only as of the indicated date and purpose.
- 3** Our review does not cover all matters which may be of interest to a reader or stakeholder. Topics which have been the subject of earlier third-party reviews have been excluded, including, notably, the 2018 office building purchase.
- 4** Any third party using this information does so at its own risk and agrees to hold Deloitte and its personnel harmless from any resulting claims. Access does not create a relationship between Deloitte and any third party.
- 5** No item in this report shall be changed by anyone other than Deloitte and Deloitte shall have no responsibility for unauthorized changes.
- 6** Upon final transmission to the Minister, this report is the property of the Minister of Service Alberta and Red Tape Reduction.
- 7** We used professional judgement to identify and document the key findings in the report to provide a concise summary. There may be other information that we have reviewed that another professional may consider a key finding.
- 8** We reserve the right, but will be under no obligation, to review this report, and, if we consider it necessary, to revise this report in light of any information that becomes known to us after the date of this report.

# Executive Summary | Key Strengths & Pervasive Findings

## Observed Strengths

The purpose of our review was to identify opportunities to strengthen RECA’s performance. However, across our review, we found that RECA demonstrates strong practices in key areas throughout its practice, providing a foundation for continued improvement toward class-leading regulatory performance.

### Operational Continuity

RECA has sustained delivery of core licensing, complaints, and discipline functions through governance upheaval, legislative reform, leadership turnover, and sustained public scrutiny. Staff and leadership have shown a capacity to adapt under pressure, a baseline that should not be understated.

### Alternative Regulatory Approaches

The Practice Review program and expanded use of Alternative Complaint Resolution reflect a shift toward ‘right-touch’, education-first regulation for lower-risk complaints. Stakeholders identify these among RECA’s most effective tools, resolving lower-risk matters without escalation and building trust with both licensees and consumers.

### Consumer Protection Orientation

RECA has taken deliberate steps to reorient around public protection: consumer-facing tools, risk-based complaint triaging, public education and awareness programs, and broadened intake channels. These signal genuine institutional intent to modernize how the regulator engages with the public it serves.

### Information Management

RECA has acknowledged its information management capabilities as a strategic weakness and initiated a technology modernization roadmap. Recognizing the problem at a leadership level and committing resources is a necessary first step toward achieving the data and technology maturity modern regulatory practice requires.

## Pervasive Findings

Across our review, several findings recurred across different areas of focus. These pervasive findings are summarized below, with further examples and supporting analysis presented throughout the remainder of this report.

### Performance Measurement Gap

Continuity is not a proxy for performance and aggregate data points do not amount to effective, insightful measurement. Without defined Key Performance Indicators (KPIs) and consistent reporting, RECA cannot demonstrate whether operations are effective, timely, or improving, creating a fundamental gap between activity and outcomes.

### Complaint Handling Standards

The absence of organization-wide service standards undermines proactive process improvements. No time-based benchmarks exist and communication with complainants during processing is uneven, eroding confidence in RECA’s timeliness and consistency.

### Policy Framework Fragmentation

The public protection shift is not yet embedded in policy infrastructure. Fragmented frameworks across education, investigations, and discipline risk inconsistency and a reactive stance, making the mandate difficult to sustain across functions and leadership transitions.

### Data & Transparency Deficits

Transparency and documentation are the foundations of regulatory trust. RECA’s governance disclosures and performance information publications are limited. Complaint files are inconsistently documented, and the case management system provides limited data, constraining RECA’s ability to respond to scrutiny with verifiable evidence.

# Executive Summary | Focus Areas (1 of 6)

The review examined specific areas of RECA's framework that affect licensees and consumers.

## Governance & Leadership

### Why This Matters

Effective governance and leadership require clear roles, independent decision-making, transparent reporting, and defined accountability mechanisms. Effective governance enables timely, defensible regulatory action while maintaining public confidence and industry trust.

### What We Expected

Under the *Real Estate Act*, RECA's governance framework should:

- Clearly define authority between the Board, Industry Councils, CEO, and Registrar
- Safeguard independence from undue industry influence and maintain mandate focus
- Operate with transparency, confidence, and accountability for decisions, results, and performance

Following Bill 20, we would expect a mature governance structure with effective role delineation and streamlined decision pathways.

### How We Evaluated it

We evaluated RECA's governance against legislative expectations, Bill 20 reforms, and leading regulatory governance practices by reviewing governance structures and authorities, interviewing internal leaders, consulting external stakeholders through surveys, and benchmarking findings to identify gaps in transparency and performance reporting.

### What Stakeholders Said is Happening

While acknowledging improvements since Bill 20, stakeholder feedback indicates uneven confidence in governance, citing inconsistent decision-making, unclear accountability, perceived complexity that slows regulatory action, limited transparency, and tensions between consumer protection and industry interests.

### What We Found

In response to Bill 20, RECA has implemented a functioning but complex and still-maturing governance model.

#### *Key findings include:*

- Role ambiguity: Decision-making boundaries between the Board, Industry Councils, and Registrar remain unclear, leading to duplication and slowed action; RECA has not yet demonstrably exercised all existing legislative authorities and powers to resolve these issues.
- Registrar accountability duplication: The Registrar holds formal accountabilities to the Board and the CEO, and practical accountabilities to each Industry Council; clarity is lacking over the boundaries of Registrar and Industry Council roles.
- Limited performance reporting: RECA does not publish defined performance measures aligned to its mandate.
- Transparency lag: Governance-level materials, strategic documentation, decision rationales, and performance outcomes are less accessible and transparent than leading regulatory practice.
- Limited evidence of key decisions: Numerous important strategic decisions are not well supported by documentation.

Overall, RECA has successfully operationalized the post-Bill 20 governance model. However, structural ambiguity, limited transparency, and unclear authority boundaries continue to constrain effectiveness. Strengthening independence, clarifying roles, and enhancing public reporting are necessary to ensure governance fully supports RECA's public protection mandate.

### What We Recommend

#### *RECA should:*

- Fully utilize its existing legislative authorities and powers to clarify and reinforce decision authority, accountabilities, roles and responsibilities between the Board, Industry Councils, and with the Registrar.
- Publish comprehensive, mandate-aligned performance measures and a Management Discussion & Analysis in reporting.
- Expand transparency practices over governance, operational performance, and disciplinary outcomes.
- Review and clarify the Registrar's role and implement an annual authority matrix review to maintain clear governance boundaries and streamline the Registrar's multiple practical accountabilities.

#### *The Ministry should:*

- Request RECA develop a staged plan with quarterly check-ins and a targeted date of June 30, 2028 to determine if it can roll back the Ministry's enhanced oversight of RECA's processes and authorities following the implementation of Bill 20. The plan should include defined stage gates and measurable targets that enable the Ministry to evaluate whether RECA's performance is sufficient to reduce involvement or to apply additional actions.

# Executive Summary | Focus Areas (2 of 6)

The review examined specific areas of RECA's framework that affect licensees and consumers.

## Regulatory Framework & RECA's Effectiveness as a Regulator

### Why This Matters

RECA's core mandate is to protect consumers and the public by regulating licensees through fair, consistent, and timely oversight and enforcement. An effective regulatory framework must ensure complaints are assessed timely and rigorously, investigations are consistently well-documented, hearings are administratively fair and just, and high-risk conduct is addressed transparently and decisively.

### What We Expected

A modern regulatory framework should:

- Resolve complaints within defined and reasonable timelines
- Apply consistent decision standards across similar cases
- Maintain thorough documentation and audit trails
- Use quasi-judicial hearings strategically for serious matters
- Ensure disciplinary tools promote accountability and deterrence

Public confidence depends on transparency, timeliness, fairness, consistency, and procedural integrity.

### How We Evaluated it

We reviewed RECA's regulatory processes and documentation, analyzed the full complaints and disciplinary lifecycle, including REA Section 54 use, and evaluated timelines and outcomes against modern standards for transparency, proportionality, and procedural fairness.

### What Stakeholders Said is Happening

Stakeholder feedback highlights uneven confidence in complaint handling and enforcement, citing prolonged timelines, inconsistent disciplinary outcomes, limited transparency in decision-making, and procedural complexity, despite some licensees reporting positive interactions with staff.

### What We Found

While RECA has significant policy, mature processes, and many effective practices in some areas of its core regulatory practice, our review identified areas for focused improvement in how the regulatory mandate is operationalized.

#### *Key findings include:*

- Prolonged complaint timelines: RECA does not have an internal standard for how long investigations should take. While licensee complaints take an average of 114 days to result in disciplinary action; higher risk, more complex fraud cases take 370 days on average. At the time of our testing, 135 Complaint investigations have been open more than a year, and 46 of those investigation files have been open for more than 3 years.
- Lengthy and variable hearing processes: The processes leading to a hearing require extensive legal work after the conclusion of an investigation and take months before a hearing can be scheduled. The absence of structured decision-making frameworks creates a risk of inconsistency in quasi-judicial panel decisions.
- Inconsistent application of outcomes: Complaint outcomes, including use of Section 54 withdrawals, have not always been applied consistently.
- Inconsistent documentation: Documentation inconsistencies and data limitations impact transparency, defensibility, and auditability of decisions.

RECA receives an average of 1,350 complaints each year, and process limitations are evident in key areas of the complaint and investigation lifecycle. Some complaints are large and can be highly complex, but long timelines and variable documentation practices suggest that focused strengthening in process, case management controls, and standardized decision frameworks can respond to risks to transparency, perceptions of proportionality and fairness, and public confidence.

### What We Recommend

#### *RECA should:*

- Establish and publish service standards for complaint investigations and pre-hearing legal processes, including target timelines, outcome definitions, and regular internal and public reporting.
- Standardize complaint assessment and resolution pathways through documented decision frameworks to improve consistency and defensibility.
- Strengthen documentation and data requirements to ensure all decisions are consistently evidenced and auditable.

#### *The Ministry should:*

- Consider removing Section 54 of the REA in future legislative changes given mixed incentives and existing statutory authority enabling the Registrar to remove high-risk licensees without ceasing accountability in serious cases.

# Executive Summary | Focus Areas (3 of 6)

The review examined specific areas of RECA's framework that affect licensees and consumers.

## Internal Relationships & Culture

### Why This Matters

A strong internal culture enables a regulator to translate its mandate into consistent, timely, and outcome-focused action. It aligns strategic priorities with decision-making and day-to-day operations while ensuring clarity in roles and accountability. Without this alignment, even well-designed frameworks can be difficult to operationalize, leading to delays, inefficiencies, and reduced consumer protection outcomes.

### What We Expected

Internal culture of a regulator should be:

- Clearly aligned to mandate and organizational priorities
- Supports proportionate, risk-based decision-making
- Defined roles and clear accountability across functions
- Strong cross-functional collaboration and feedback loops
- Adequate resourcing aligned to regulatory demands

A mature regulatory culture brings these elements together to enable confident decision-making, organizational learning, and consistent delivery against its mandate.

### How We Evaluated it

We reviewed internal documentation, including results from recent staff surveys, and conducted interviews with leadership and staff across the organization. We also examined key processes and workflows to understand how culture and structure influence day-to-day operations.

### What Stakeholders Said is Happening

Stakeholders consistently described an environment that is highly committed to regulatory compliance, but where decision-making can be cautious and, at times, slow. They also noted challenges related to coordination across teams and capacity constraints, which can impact responsiveness and overall effectiveness.

### What We Found

While RECA demonstrates a strong commitment to regulatory integrity and its mandate, we identified several areas for improvement in internal alignment, resourcing, and cross-functional coordination that are impacting overall agility and performance.

#### *Key findings include:*

- **Compliance-driven rigidity:** While RECA demonstrates a strong commitment to its legislative mandate, its legalistic and conservative approach to interpretation can slow decision-making and limit flexibility. This orientation risks prioritizing process adherence over timely, outcome-focused regulatory action.
- **Capacity constraints:** Persistent resourcing pressures across legal, investigations, and education functions create bottlenecks and limit responsiveness to regulatory demands. RECA does not currently have a formal workforce strategy to align staffing and resources with evolving priorities.
- **Siloed operations:** Limited cross-functional coordination and weak feedback loops reduce collaboration and organizational learning. RECA does not have formal mechanisms in place to consistently share insights and improve processes across teams.

Overall, RECA's internal culture reflects a strong commitment to compliance and regulatory integrity; however, structural and cultural factors are constraining agility and performance. A more balanced approach, supported by clearer decision guidance, improved resourcing alignment, and stronger cross-functional integration, would enhance the organization's ability to deliver timely, effective, and outcome-focused regulation. Addressing these areas would also help reduce bottlenecks, improve consistency in decision-making, and better position the organization to respond to emerging risks. Strengthening alignment between teams and clarifying accountability would enable more efficient use of resources and support a more proactive regulatory posture. Over time, these improvements would reinforce RECA's ability to achieve its mandate while maintaining public confidence in its oversight.

### What We Recommend

#### *RECA should:*

- Introduce clearer decision guidance and training to support proportionate, outcome-focused regulatory judgment
- Develop and implement a comprehensive workforce strategy aligning staffing, priorities, and resourcing with regulatory demands
- Establish formal cross-functional learning and coordination mechanisms to strengthen feedback loops and organizational effectiveness

# Executive Summary | Focus Areas (4 of 6)

The review examined specific areas of RECA’s framework that affect licensees and consumers.

## External & Stakeholder Relationships and Engagement

### Why This Matters

Effective stakeholder engagement is essential to maintaining the transparency, credibility, and legitimacy of a regulator. It ensures that diverse perspectives inform decision-making while reinforcing trust in regulatory outcomes. At the same time, engagement must be carefully structured to preserve regulatory independence and avoid undue influence from any single stakeholder group.

### What We Expected

External relationships of a regulator should be:

- Clear, structured, and aligned to regulatory objectives
- Transparent in how stakeholder input informs decisions
- Consistent and predictable across stakeholder groups
- Supportive of independence while enabling meaningful input
- Documented and reported to demonstrate accountability

A mature regulatory approach to external relationships balances openness with independence, enabling informed decision-making while maintaining public confidence in the regulator’s objectivity.

### How We Evaluated it

We surveyed RECA’s licensees to gather broad-based input and conducted interviews and reviewed submissions from external stakeholders. We also assessed RECA’s current engagement practices, including how consultations are structured, documented, and communicated.

### What Stakeholders Said is Happening

Stakeholders acknowledged that RECA is active in its engagement efforts, though overall views were mixed. One stakeholder was particularly outspoken about shortcomings, while others expressed fewer concerns. Overall, some uncertainty remains around how input is used, contributing to a perception that engagement does not always translate into action.

### What We Found

While RECA maintains active engagement with stakeholders, we identified several areas for improvement in the structure, consistency, and transparency of these interactions that are limiting their overall effectiveness.

#### *Key findings include:*

- **Unstructured engagement practices:** While RECA engages regularly with stakeholders, engagement objectives, frequency, and documentation standards are not consistently defined or communicated. This results in variability in how engagement is conducted and limits the ability to ensure alignment with strategic priorities.
- **Limited feedback reporting:** While consultations are conducted, RECA does not consistently provide clear summaries of what was heard or how stakeholder input influenced decisions. The absence of a structured “what we heard / how it was used” approach reduces transparency and limits stakeholder understanding of outcomes.
- **Perception gap:** While RECA has made efforts to advance initiatives and respond to stakeholder input, ongoing pressure from industry stakeholders has contributed to a widening gap between internal progress and external confidence in RECA’s responsiveness. This dynamic risks undermining trust, even where meaningful progress has been made.
- **Inconsistent experience:** Stakeholder interactions vary in clarity, structure, and predictability across different engagement channels. This inconsistency contributes to uneven stakeholder experiences and can lead to misaligned expectations and reduced trust in the engagement process.

Overall, RECA demonstrates a clear commitment to stakeholder engagement; however, structural gaps in how engagement is designed, executed, and communicated are limiting its effectiveness. More consistent and transparent practices would strengthen stakeholder trust while reinforcing the organization’s independence. A more structured approach, supported by clear frameworks, improved reporting, and predictable engagement planning, would enhance the quality and impact of stakeholder interactions. Over time, this would help close the perception gap and ensure that engagement efforts more effectively support informed, credible regulatory decision-making.

### What We Recommend

#### *RECA should:*

- Develop and publish a structured stakeholder engagement framework clarifying objectives, frequency, and documentation standards
- Publish an annual consultation and engagement plan to support predictable and meaningful participation
- Provide plain-language summaries of consultation outcomes and publicly report on progress against tracked recommendations

# Executive Summary | Focus Areas (5 of 6)

The review examined specific areas of RECA's framework that affect licensees and consumers.

## Administrative Operations & Financial Management

### Why This Matters

As a licensee-funded regulator, RECA must align revenues with its statutory mandate, maintain disciplined budgeting and forecasting practices, and ensure financial transparency. Effective financial management supports public confidence, balances regulatory needs with affordability for licensees, and ensures that consumer protection tools, such as the Assurance Fund, are functioning as intended.

### What We Expected

A well-functioning financial and administrative framework should:

- Maintain alignment between revenues and mandate scope
- Apply disciplined forecasting and scenario planning
- Minimize structural surpluses through deliberate fee calibration
- Periodically review and communicate fee structures and their uses
- Operate the Assurance Fund in a manner that is accessible and effective for consumers

Affordability, transparency, and financial precision are central to maintaining confidence in RECA's stewardship.

### How We Evaluated it

We examined RECA's financial statements, budgeting and fee-setting practices, benchmarked licensing fees across Canadian jurisdictions, assessed stakeholder perceptions of fee fairness and transparency, and reviewed the Assurance Fund's administration and accessibility relative to its intended consumer protection purpose.

### What Stakeholders Said is Happening

Stakeholders express concern about RECA's financial transparency and alignment, citing operating surpluses, unclear fee calibration, limited visibility into surplus allocation and the Assurance Fund, and overall uncertainty about how financial decisions are explained and justified.

### What We Found

Our review identified structural misalignment between revenues, budgeting practices, and RECA's consumer protection mandate.

#### *Key findings include:*

- Temporary relief without structural correction: Fee credits have provided short-term relief but have not addressed RECA's underlying structural surplus in a sustainable, predictable way. Although licensing costs increased following divestment of education, Alberta remains the lowest-cost jurisdiction for entry into the real estate industry.
- Reactive forecasting practices: Budgeting and revenue forecasting have historically produced material variances between projected and actual results, reflecting reactive adjustments rather than structured scenario planning.
- Limited Assurance Fund impact: The Assurance Fund is administered in accordance with policy; however, limited awareness and narrow statutory eligibility requirements introduce barriers that constrain its practical consumer protection impact.

RECA has continued to generate operating surpluses despite a reduced scope of responsibility, indicating that financial calibration has not fully adjusted to post-divestment realities. The issue is not affordability relative to other jurisdictions, but precision and alignment with cost-recovery principles.

### What We Recommend

#### *RECA should:*

- Implement a formal, recurring fee review process that combines external benchmarking with internal cost-recovery analysis and publicly report the results.
- Enhance the effectiveness and accessibility of the Assurance Fund through improved awareness, clearer eligibility communication, and review of structural barriers.
- Strengthen revenue forecasting through scenario planning, regular validation, and transparent reporting on variances and allocation decisions.

#### *The Ministry should:*

- Maintain RECA's current fee-setting framework while clarifying expectations of fee transparency from RECA through standardized reporting on benchmarking, cost-recovery performance, and the rationale for material fee changes.
- Review legislative limitations and Assurance Fund eligibility requirements to better support consumers affected by fraud or theft.

# Executive Summary | Focus Areas (6 of 6)

The review examined specific areas of RECA's framework that affect licensees and consumers.

## Oversight of Education

### Why This Matters

Licensee education is foundational to public protection. As the statutory regulator, RECA is responsible for ensuring that entry-to-practice standards, examinations, and ongoing competency requirements produce licensees who meet professional, ethical, and technical expectations, both at the time of their entry into the industry, and across their careers.

### What We Expected

A modern education oversight framework should:

- Define a clear, system-wide governance structure for education
- Apply minimum approval standards and formal provider agreements
- Conduct risk-based quality assurance of third-party providers
- Maintain a structured review cadence for competencies and blueprints
- Provide transparent information to learners and stakeholders
- Embed continuing and re-licensing education

Regulatory credibility in industry education depends on visible oversight, consistency, and lifecycle-based competency management.

### How We Evaluated it

We assessed RECA's education oversight by reviewing provider approval processes, competency and exam practices, gathering stakeholder input on quality and consistency, and performing statistical analysis of learner-outcome variability, and benchmarked to leading practices for transparent, lifecycle-based quality assurance.

### What Stakeholders Said is Happening

While the initial transition away from direct delivery was felt to be relatively effective, stakeholders expressed concern that education oversight has become too limited since divestment, citing unclear roles, variable learner outcomes, misalignment between course content and exams, and a need to strengthen RECA's quality-assurance functions.

### What We Found

RECA has successfully divested itself from direct education provision and implemented one continuing education course for Mortgage Brokers, but divestment exposed gaps in RECA's remaining system-wide oversight responsibilities.

#### *Key findings include:*

- Weak approval and monitoring controls: RECA's education provider approval and recognition process lacks minimum standards, substantive due diligence, formal agreements between RECA and providers, and ongoing monitoring once providers are approved.
- No defined review cadence: RECA does not operate under a structured schedule to review competencies, exam blueprints, or question mapping, creating resourcing stress and sustainability risks.
- Variability in exam outcomes not strictly the result of course content-to-exam misalignment: Statistical analysis of learner results did not demonstrate conclusive evidence of course content-to-exam misalignment; indicating cause of poor and variable learner outcomes is multi-factorial and includes variability in course delivery quality.
- Limited system-wide framework: Education oversight lacks a comprehensive, authoritative framework defining responsibilities, timelines, accountability, and quality assurance expectations in the revised real estate education system.

RECA successfully divested education delivery in 2022; however, it has stepped back too far from its statutory responsibility to oversee and assure the quality of real estate education in Alberta.

### What We Recommend

#### *RECA should:*

- Implement third-party educator approval standards, including minimum eligibility criteria, formal provider agreements, risk-based quality assurance, and structured remedial policies.
- Establish and publish a comprehensive Real Estate Education Framework defining roles, timelines, quality assurance processes, and accountability across all stakeholders, overseen by a dedicated senior leader and supported by an adequately resourced education division in RECA.
- Serve as a centralized, transparent hub of information on recognized providers to help prospective learners choose and allow efficient market functioning. Information provided should include at least delivery models, costs, performance indicators, and quality assurance results.
- Create a flexible but enforceable continuing and re-licensing framework with minimum standards, leveraging partnerships under formal agreements to ensure scalable and sustainable career-long continuous education.

# Executive Summary | Path Forward

Required action from both RECA and the Ministry.

## Review Conclusion

While RECA has made positive improvements since the 2020 restructuring, our overall conclusion is that further work is needed to strengthen its efficiency and effectiveness as a regulator.

## RECA's Path Forward

Addressing these findings will require RECA to strengthen foundational systems by using its statutory powers to further clarify roles and authorities, setting clear service standards and time-based frameworks, improving documentation and data reliability, enhancing public reporting and governance transparency, and ensuring up-to-date policies, supported by targeted legislative changes where needed, to improve predictability, accountability, and regulatory consistency.

### Short Term Actions (0-6 months)

### Medium Term Actions (6-18 months)

### Long Term Actions (18-36 months)

- **Review and act on quick-wins:** Rapidly review, prioritize, and implement key low and medium effort recommendations from the report.
- **Governance and authority actions:** Review of legislative authorities and delegation powers, updates to authority matrix, identify documents for publication, streamlining of Registrar's practical accountabilities.
- **Investigation and compliance actions:** Update and implement revised Investigative Policy Manual, develop and publish Service Level Agreements, improve complainant and victim communication practices.
- **Transparency-focused actions:** Performance reporting, MD&A release, governance information & documents, unified licensee info portal.
- **Workforce-focused actions:** Implement workforce strategy, targeted supplements in key regulatory functions.
- **Financial planning actions:** Finalize and communicate a multi-year financial outlook and identify key cost drivers to licensees.
- **Education system actions:** Implement comprehensive education framework, implement review and update cycle, begin provider QA practices, broaden provider information for prospective licensees.
- **Rule-review actions:** Have each Industry Council set an industry-specific rule review cadence, with the Board set to review cross-cutting rules.
- **Continuous improvement actions:** Evaluate implementation and results, report publicly on outcomes and lessons learned, further adjustments.

## Towards a Vision of Canada's Leading Real Estate Regulator

Implementing the recommendations in this report can ensure RECA and the real estate industry in Alberta can lead into the future by:



### *Protecting consumers and the public*

- Service standards, regular follow-up, and clear communication in complaints (Recommendation 2.1, 2.4, 2.7, 2.10)
- Reduced barriers and increased awareness of Assurance Fund (Rec. 5.4, 5.5)
- Policy, tools, and decision-making optimized towards consumer protection (Rec. 2.11, 2.5, 2.6, 3.1)
- One-stop hub for relevant consumer information, including past licensee conduct (Rec. 2.8)



### *Supporting high-quality licensee practice*

- Predictable, sustainable, and transparently established fee structures (Rec. 5.1, 5.2, 5.3, 1.3)
- High-quality, consistent licensing education regimes, with continuing education (Rec. 6.1, 6.2, 6.3, 6.7)
- Regularly updated regime of rules, with clear and actionable interpretation bulletins and lessons learned from past non-compliances (Rec. 2.3, 2.2)
- Clear, predictable, and consistently applied disciplinary action and related disclosure, maintains public confidence in real estate professions (Rec. 2.10, 2.1, 2.2, 2.9)



### *Achieving regulatory excellence*

- Fully exercised authority ensures clarity, reinforces mandate, and facilitates action (Rec. 1.1)
- Clear policy architecture enables timely, verifiable, consistent regulatory performance (Rec. 2.5, 6.1, 1.5)
- Effective, regular reporting of consistent KPIs and performance measures, both internally and publicly (Rec. 1.2, 1.3)
- Transparency and disclosure about functioning, decision-making, and performance at all levels of the organization promotes trust and demonstrates regulatory confidence (Rec. 1.5, 1.6, 2.8)
- Workforce and staffing is strategically planned, and optimized towards consumer protection (Rec. 3.2, 3.3)
- Clear and effective roles and accountabilities at governance and leadership levels facilitate timely decisions, clear action, and drive consumer protection focus (Rec. 1.1)

Note that the report which follows contains additional recommendations not referenced in the summary lists on this slide.



# Background



# Background

RECA is the regulator of the real estate industry in Alberta, including residential and commercial real estate, mortgage brokers, condominium management and property management services.

As outlined in RECA’s 2025–2028 Strategic Plan, RECA’s mission, purpose, and values articulate the organization’s intended impact, guiding principles, and the standards that shape its regulatory approach. Together, they provide the foundation for how RECA interprets its mandate and conducts its activities in support of public confidence and professional integrity in Alberta’s real estate sector.

## Mission

“To protect Alberta’s real estate consumers by ensuring licensees meet high ethical and competency standards. Through rigorous licensing standards, proactive fraud management, and firm but fair enforcement, we create a marketplace where Albertans can engage with confidence.”\*

## Purpose

“RECA is dedicated to making Alberta the safest, most secure province for real estate transactions, whether buying, selling, renting, or mortgaging. Through rigorous oversight, transparent requirements and appropriate enforcement, RECA strives to foster an environment where buyers, sellers, owners, renters and industry professionals alike can have peace of mind that every transaction is conducted with professionalism and ethics.”\*

## Values

Core organizational values are:\*

- Effective
- Accountable
- Respectful
- Professional
- Collaborative
- Forward-looking

\*: Source: RECA 2025-2028 Strategic Plan

## Mandate

RECA’s website states that their mandate is:

- Administering the *Real Estate Act* on behalf of the Government of Alberta to regulate real estate, mortgage brokerage, property management, and condominium management professions.
- To protect consumers and promote industry integrity by setting and enforcing standards of conduct for licensed professionals.

## Responsibilities

Per RECA’s website and the *Real Estate Act*, its key responsibilities include:

- Licensing and regulating industry participants, including establishing education, examination, and eligibility requirements to ensure individuals meet defined competency and ethical standards before and throughout their practice.
- Developing, implementing, and enforcing the Real Estate Act Rules, which set expectations for professional conduct, trust accounting, disclosure, advertising, brokerage operations, and other regulatory requirements.
- Receiving, assessing, and investigating complaints against licensees and determining appropriate regulatory responses, such as administrative actions or referral to disciplinary hearing panels.
- Conducting disciplinary hearings and imposing sanctions when breaches of the *Real Estate Act* or Rules are established, helping maintain public confidence in the regulatory system.
- Monitoring compliance with statutory and regulatory requirements through investigations, practice reviews, and other oversight activities.
- Administering the Real Estate Assurance Fund, including evaluating and adjudicating compensation claims in accordance with legislative requirements.
- Supporting the role of Industry Councils, with the Board providing oversight and RECA management assisting the Industry Councils in establishing sector-specific licensing and conduct standards consistent with the Act.
- Engaging with industry, government, and the public to promote awareness of regulatory requirements and strengthen confidence in Alberta’s real estate marketplace.

# Background

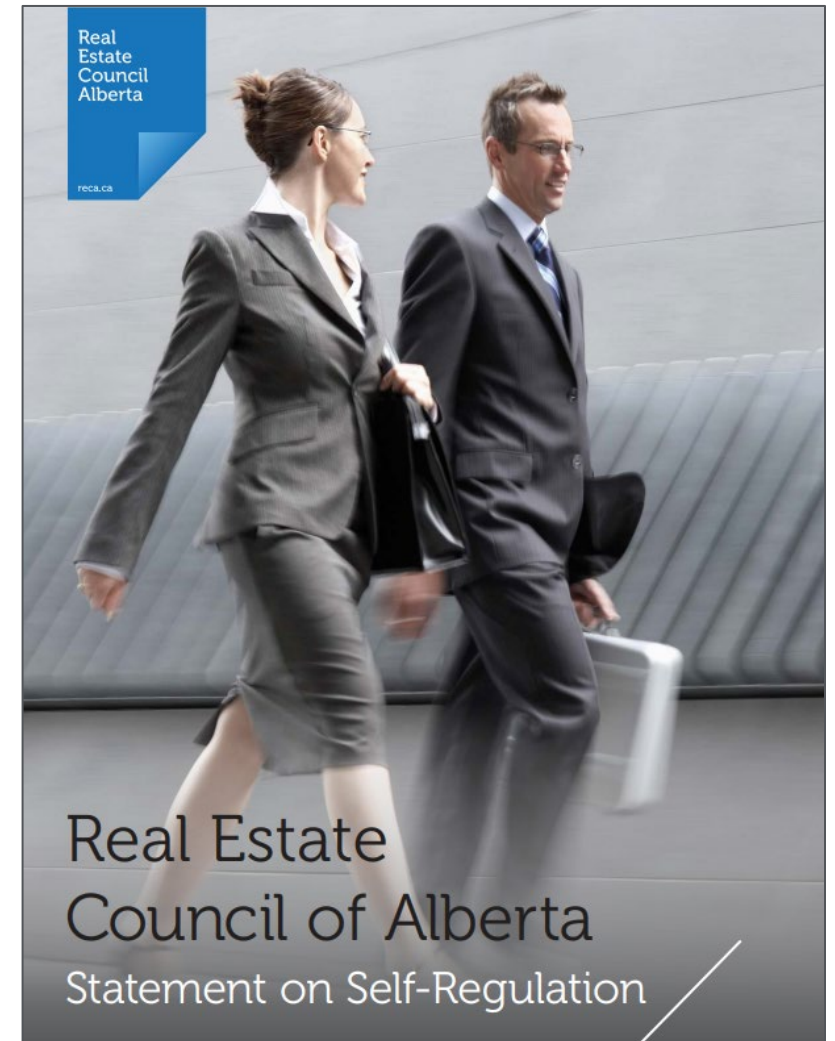
RECA's governance and stakeholder ecosystem: a multi-layered structure integrating legislative authority, oversight, industry expertise, and operational delivery.

## RECA Governance and Stakeholders

RECA operates within a multi-layered governance and stakeholder structure established under the *Real Estate Act* and significantly reshaped by the 2020 governance reforms brought by Bill 20. The Ministry of Service Alberta and Red Tape Reduction sets the legislative framework and appoints public members to governance roles. RECA's Board of Directors provides strategic oversight and is accountable for ensuring the organization fulfills its public protection mandate. Management, led by the CEO and Registrar, is responsible for operational delivery, including licensing, investigations, enforcement, education oversight, and corporate administration.

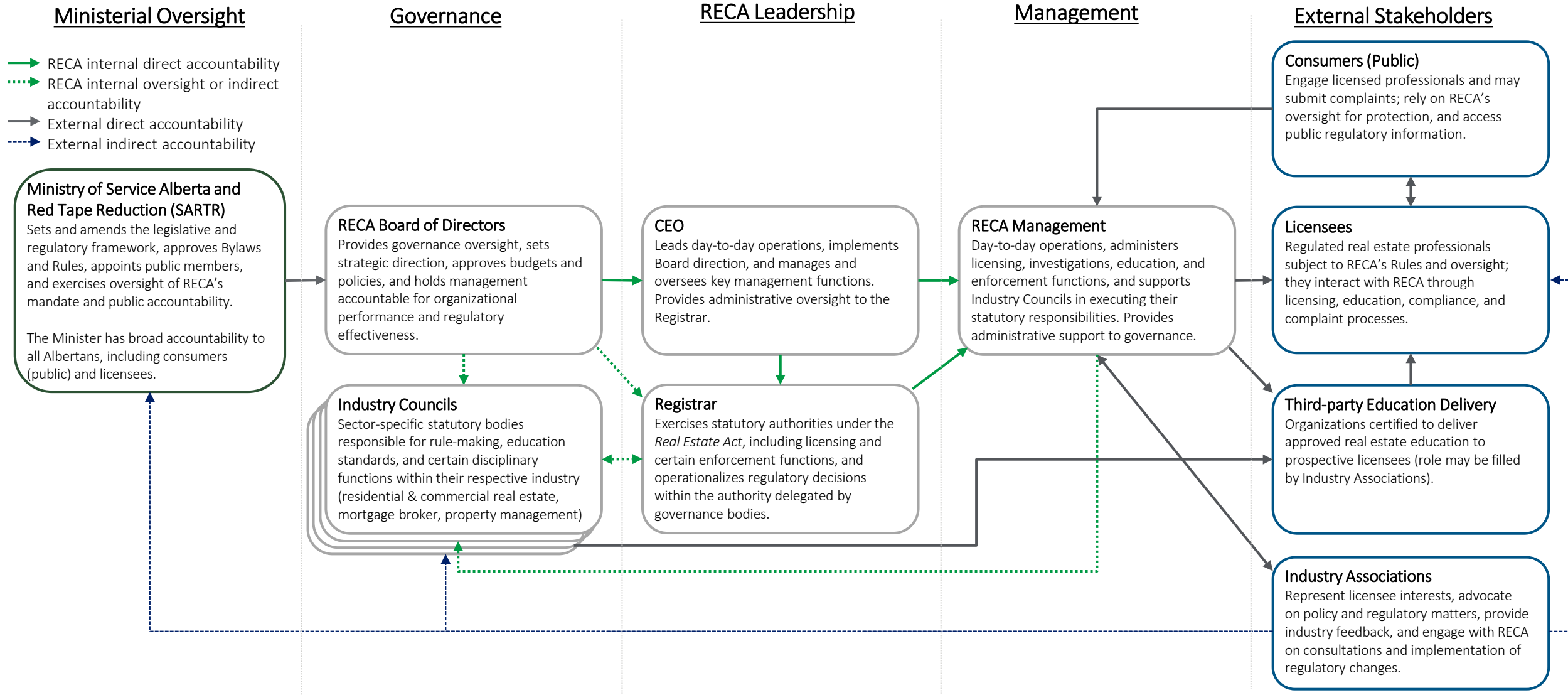
A central feature of RECA's revised governance model in 2020 was the introduction of Industry Councils. Four Industry Councils exercise rule-making, licensing, and certain adjudicative functions within their respective sectors (real estate, mortgage brokerage, property management, and condominium management). These councils were designed to blend industry expertise with public representation, enhancing subject-matter insight while preserving regulatory independence. While the model has strengths, it also adds structural complexity, requiring careful coordination and role clarity between the Board, Industry Councils, and management.

Beyond formal governance, RECA operates within a broader ecosystem that includes licensees, industry associations, third-party education providers, and consumers. Education providers deliver pre-licensing programming under RECA recognition, while associations represent member interests and frequently engage with RECA on policy and operational matters. Licensees interact with RECA through licensing, compliance, and enforcement processes, and consumers engage primarily through complaints and public information tools. Collectively, these interconnected relationships create a governance and stakeholder matrix that is comprehensive but complex, requiring disciplined communication and coordination to function effectively.



# Background

RECA's governance and stakeholder ecosystem: a multi-layered structure integrating legislative authority, oversight, industry expertise, and operational delivery.



# Background

Legislative authority, regulatory powers, and accountability framework governing RECA's operations.

## Legislative and Regulatory Framework

The foundation of RECA's authority is established through provincial legislation and supporting instruments that collectively define its mandate and powers.

### Primary Legislation – *Real Estate Act* (REA)

- Establishes RECA as the regulator and sets out its mandate, powers, governance structure, and enforcement authorities.
- Defines licensing requirements, investigation powers, disciplinary processes, and the Assurance Fund framework.
- Specifies reporting and governance obligations, including business planning requirements.

### Regulations (including the *Ministerial Regulation* and *Exemption Regulation*)

- Provide operational detail to the Act, including licensing categories, education requirements, and procedural matters.
- Provides for Ministerial approval of Bylaws and Rules (to June 30, 2028).
- May expand, limit, or clarify RECA's functions (e.g., amendments affecting education delivery).
- Are established or amended by the Lieutenant Governor in Council or Minister.

### RECA Bylaws

- Adopted under authority of the REA to govern internal operations, elections, roles and responsibilities not defined in the Act, and governance procedures.
- Established by Board, with Ministerial approval.

### RECA Rules

- Established by Industry Councils and approved by Minister as required.
- Define professional conduct standards and requirements for licensees.
- Carry enforceable obligations supporting consumer protection.

## Regulatory Responsibilities

RECA's statutory responsibilities are exercised across licensing, oversight, enforcement, and consumer protection functions.

### Licensing and Registration

- Assess and approve eligibility of individuals and brokerages.
- Maintain a public register of licensees and brokerage information.

### Standards Setting and Rule-Making

- Develop and amend Rules governing professional conduct and practice requirements.
- Establish and update educational competencies and exam standards (subject to statutory framework).

### Complaint Investigation and Enforcement

- Receive and assess complaints regarding licensee conduct.
- Conduct investigations and impose administrative penalties or refer matters to hearings.
- Oversee compliance with trust accounting, advertising, and consumer protection standards.

### Assurance Fund Administration

- Administer claims in accordance with statutory eligibility requirements.
- Manage fund assets and assess levies as permitted under legislation.

### Education and Examination Oversight

- Administer licensing examinations.
- Approve third-party education providers and set competency frameworks (within statutory interpretation).

## Accountability and Stakeholder Responsibilities

RECA's statutory environment creates differentiated responsibilities toward multiple stakeholders.

### To the Minister and Government of Alberta

- Operate within the authority granted by the REA and Regulations.
- Submit required business plans and annual reports.
- Ensure alignment with public protection objectives and legislative intent.

### To Licensees and Regulated Industries

- Establish clear, enforceable Rules governing conduct.
- Provide fair, consistent, and procedurally sound investigations and disciplinary processes.
- Maintain transparent licensing and compliance requirements.

### To Consumers and the Public

- Protect the public interest in real estate transactions.
- Provide accessible information about licensees and disciplinary outcomes.
- Administer the Assurance Fund within statutory limits.

### To Governance Bodies (Board and Industry Councils)

- Support rule development and enforcement consistent with delegated authority.
- Provide information necessary for oversight and strategic decision-making.

# Background

Independent, comprehensive review of RECA's governance, operations, and regulatory Effectiveness

## Objectives of the Review

This review was commissioned by the Ministry of SARTR to assess RECA's effectiveness as the regulator of Alberta's real estate industry. The central objective of the review was to evaluate whether RECA is fulfilling its statutory mandate to protect consumers while avoiding unnecessary regulatory burden, red tape, and costs for licensees. The review examined governance, operations, regulatory effectiveness, stakeholder engagement, culture, and administrative management to determine whether RECA's structure and practices support long-term public confidence and regulatory integrity.

- ✓ Assess whether RECA's governance and operations are aligned with its legislative mandate under the *Real Estate Act* and regulations.
- ✓ Evaluate whether the Board and Industry Councils have appropriate expertise, resources, and support to fulfill their roles effectively.
- ✓ Determine whether regulatory processes (licensing, inspections, investigations, enforcement, sanctioning, and appeals) are fair, consistent, and aligned with best practices.
- ✓ Examine whether enforcement practices effectively deter misconduct and prevent fraud.
- ✓ Assess whether education oversight responsibilities are clearly delineated and carried out reasonably.
- ✓ Evaluate internal culture, behaviours, and accountability of Board members, Industry Councils, and staff.
- ✓ Assess stakeholder engagement practices and public confidence in RECA's transparency and responsiveness.

## Methodology

The review used a mixed-methods approach, including legislative and comparative analysis, extensive document review, benchmarking against comparator Canadian real estate regulators and other leading regulatory practices, detailed file testing, process testing, data review and analysis of key administrative and regulatory data sets, and extensive stakeholder engagement and survey methods to assess RECA's regulatory effectiveness.

## Scope of the Review

The scope of the review included a comprehensive examination of six key pillars of RECA's regulatory performance:

- Governance and Leadership;
- Regulatory Framework and Effectiveness;
- Internal Relationships and Culture;
- External Stakeholder Relationships and Engagement;
- Administrative Operations and Financial Management; and
- Oversight of Education.

The review considered how RECA administers the *Real Estate Act*, *Ministerial Regulation*, Bylaws, Rules established by Industry Councils, operational policies, and related standards. While individual enforcement decisions were not reassessed for correctness, a sample of complaint, investigation, and conduct files was reviewed to evaluate procedural consistency from intake to conclusion.

## Data Sources and Stakeholder Input

This review was commissioned by the Ministry of SARTR and conducted independently of RECA. The majority of operational, financial, and administrative documentation was provided by RECA, including internal policies, reports, business plans, file records, and data extracts.

In addition, extensive written submissions were received from external stakeholders including industry associations and interested parties. Numerous interviews were conducted with a broad cross-section of stakeholders, including RECA leadership and staff, Board and Industry Council members, representatives of industry associations, education providers, and Ministry officials. Publicly available documents, including legislation, annual reports, financial statements, regulatory decisions, and policy publications, were also reviewed to ensure completeness and triangulation of findings.

# Background

## Review approach: licensee survey

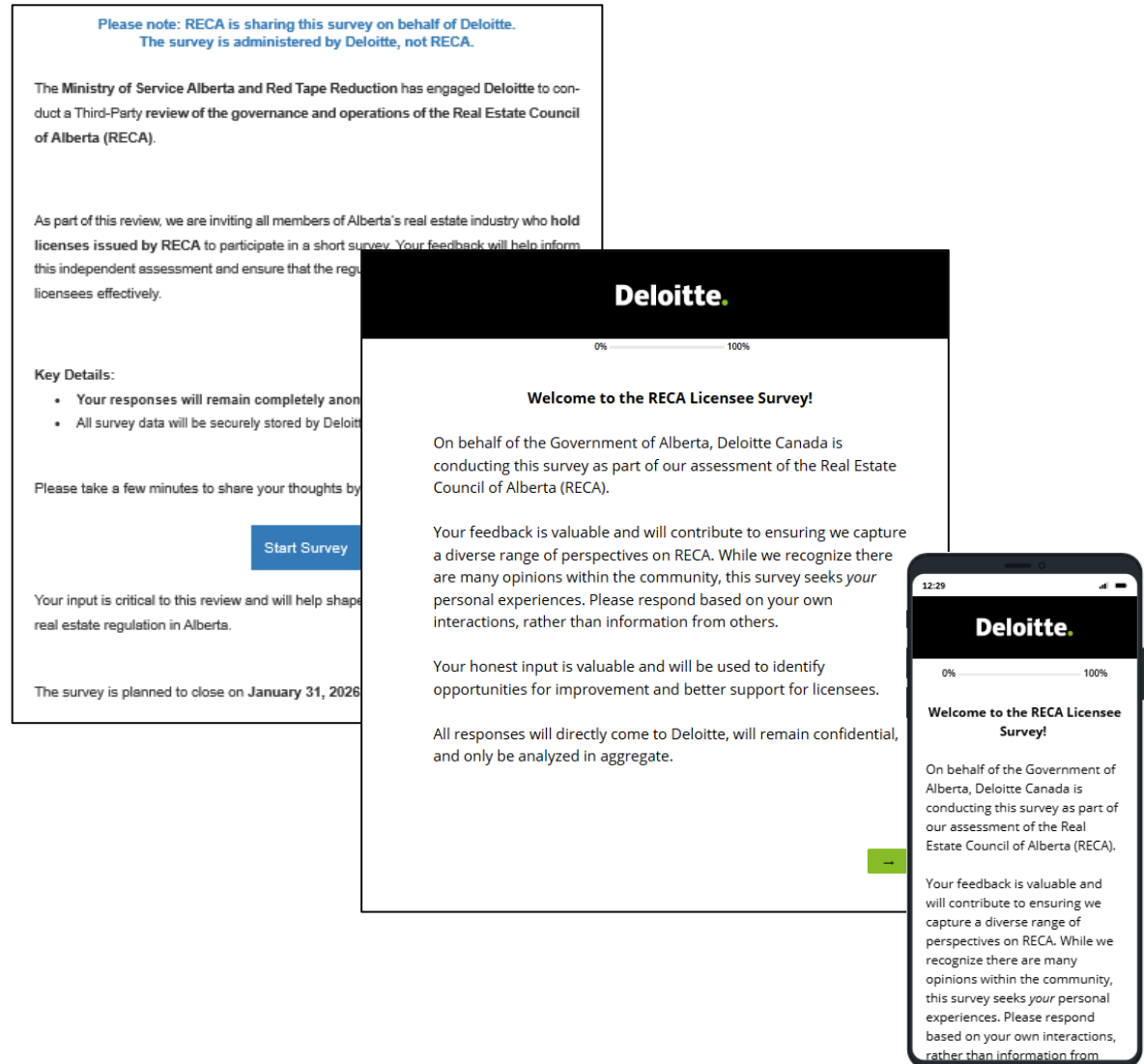
### Survey Approach and Methodology

As part of this review, a licensee survey was conducted to gather direct input from regulated professionals regarding their experiences with RECA's services, regulatory approach, and overall effectiveness. Prior to launching the survey, consultations were undertaken with subject-matter experts to determine the most appropriate survey methodology. After considering alternatives, it was determined that distributing the survey through RECA's licensee contact database would maximize reach and participation rates across all license classes.

While RECA distributed the survey invitation link to licensees, it did not host the survey platform, and it did not have access to the survey tool, raw data, response-level information, or interim results. All responses were collected and stored independently to preserve confidentiality and ensure the integrity of the process. Licensees were explicitly instructed to respond based only on their own direct experiences.

A total of 21,025 licensees were invited to participate. 2,079 responses were received. Because the survey was administered via an open link, particular attention was given to the risk that results could potentially be impacted by duplicate or fabricated entries. A structured, multi-step data quality review and validation process was undertaken to identify and remove potential duplicates.

Each flagged entry was reviewed holistically rather than removed automatically. Through this process, 20 duplicate responses were identified and excluded from the final dataset. This rigorous validation approach was implemented specifically to ensure that the survey results reflect genuine licensee perspectives, free from artificial distortion, and of the highest reliability and utility possible.





# Key Findings and Recommendations

Analysis insights and outcomes





# Governance and Leadership Review



# Governance and Leadership Review

## Section Overview

# 01

## Governance & Leadership

This section examines RECA's governance framework, assessing whether its structures, roles, and accountability mechanisms effectively support its public protection mandate.

### Overall Conclusion

RECA's governance is **operational but functioning below its potential**. RECA implemented the Bill 20 governance model, but structural complexity, role ambiguity, and limited transparency are creating friction that slows regulatory action and erodes stakeholder confidence.

## At a Glance

### How We Conducted the Review

We assessed RECA's governance against the expectations set out in the *Real Estate Act* and *Ministerial Regulation*, the changes introduced by Bill 20, and leading practices in public regulator governance. This included reviewing governance documents, decision-making structures, and internal authorities across the Board, Industry Councils, CEO, and Registrar. We interviewed across the organization's leadership and management, and gathered external stakeholder perspectives through surveys and consultations, to understand confidence levels and perceived pain points. Findings were benchmarked against leading regulatory practice to identify gaps in transparency and performance reporting.

### Our Most Significant Findings

RECA has successfully stood up and stabilized a complex functioning governance model post-Bill 20, but further work is needed to ensure it runs optimally and supports efficient regulatory oversight. Decision-making authority between the Board, Industry Councils, and Registrar is unclear, resulting in duplication and delays. Transparency is limited, with no published performance measures tied to RECA's mandate and insufficient public reporting on governance decisions and outcomes. Stakeholder confidence remains mixed, with ongoing tension between consumer protection goals and industry interests.

### What Needs to Happen

RECA should leverage its existing legislative authorities to clarify roles, responsibilities, and decision boundaries across its governance structure, and introduce a formal annual authority matrix review. It should also publish mandate-aligned performance measures and expand transparency around governance, operations, and disciplinary outcomes. The Ministry should partner with RECA on a staged plan with defined milestones and measurable targets to progressively reduce enhanced oversight, contingent on demonstrated governance improvements.

# Governance and Leadership Review

Decision rights and accountability remain unclear under the revised governance framework.

## Decision Rights and Role Clarity Under Revised Governance Structure

RECA's revised governance model, introduced following Bill 20, represented a significant shift in how governance and management functions operate, and how decisions and authorizations are made. The model is broadly viewed by governance members, RECA management, and many external stakeholders as directionally appropriate and aligned with the intent of strengthening oversight and accountability. However, it is also a novel and complex structure, with multiple governance bodies, layered and sometimes duplicative decision-making processes, and intersecting authorities, making consistent implementation challenging.

Since the legislative changes, RECA's Board, Industry Councils, and management have taken important steps to operationalize the framework, including establishing an authority matrix, creating Board sub-committees, formalizing roles and terms of reference, and developing workplans and working groups. These actions demonstrate a strong commitment to improving clarity, structure, and operability.

Despite this progress, ambiguity around roles, authorities, and decision rights, distinct from decision authorities and defining who actually makes decisions, persists in key areas of regulatory performance, creating practical challenges for governance, management, staff, and stakeholders, including:

- Ongoing ambiguity across the Board, Industry Councils, Registrar, and senior management regarding roles, authority, and decision rights; while tools such as the authority matrix and Chairs' Roundtable have helped, gaps remain
- Industry Councils hold rule-making responsibilities but lack corresponding budget authority, resulting in delays and weakened accountability for implementation
- The informal Chairs' Roundtable, created to address decision ambiguity and duplication, lacks the authority and structure to consistently resolve cross-body decision-making issues, underscoring the model's complexity
- Insufficient role clarity and onboarding for governance members, including governance and RECA policy training, leading to confusion and overlapping responsibilities, particularly for new members
- A tendency toward scope drift away from the core mandate in response to external criticism

## Exercising Existing Statutory Authorities to Achieve Clarity

The legislative environment of RECA, including the *Real Estate Act*, *Ministerial Regulation*, *Real Estate Act Bylaws*, and *Real Estate Act Rules*, create a complex system of statutory requirements on RECA and its licensees. It must also be considered that legislation, generally, lays out only a list of minimum requirements and a basis of acceptable conduct. It does not, in and of itself, dictate how a system ought to function or to achieve optimal organization or functioning. Provided an organization operates safely within the minimums set out by the law, they may do as necessary to achieve optimal results, in accordance with their mandate.

Much of the complication, confusion, and potential inefficiency within RECA's governance structure could be resolved or at least improved by more fulsome exercise of its existing authorities and an effort to operate above the minimums set out in its governing law—the *Real Estate Act*. In particular:

- Strategic though clear descriptions of the purposes and roles of the Board (S. 5), Industry Councils (S. 7.2), Executive Director (S. 8), and Registrar (S. 8.1).
- Robust delegation authorities under S. 15, which permit the Board and Industry Councils to delegate all but the most central of their powers, duties or responsibilities. While RECA has an authority matrix for decision-making and role clarity, its existence does not imply effective and full use of delegation powers.
- Subject to the approval of the Minister, Bylaw making powers of the Board under S. 11 which permit the Board to direct and define roles, conduct, functioning, and appointments of RECA's governance and management.
- Clear and explicitly focused duties of the Registrar under S. 8.1(5) which clarifies that the Registrar is to perform only duties, and exercise only powers, granted in the *Act*.

Taken together, these provisions give both conceptual guidance and considerable flexibility, as well as a backstop of Ministerial approval, for RECA to clarify and create structures to resolve or improve the persistent areas of role and decision ambiguity.

# Governance and Leadership Review

Role clarity and specificity to empower and enable the Registrar, while preserving independence.

## Registrar’s Statutory Duties and Powers

The Registrar’s role and statutory responsibilities are central to RECA’s core regulatory functions and legitimacy. They are so central and important that Section 8.1(5) the *Real Estate Act* specifies the Registrar shall *only* perform the duties imposed by the Act. To facilitate this critical role and ensure the Registrar is able to focus on their core duties, the Registrar’s roles must be clearly documented, distinct from other authorities and decision rights, and appropriately independent from other functions.

The Registrar’s role is also unique in that the Act lays out two clear accountabilities on the Registrar. Section 8.1(4) describes that the Registrar is accountable to RECA’s Board of Directors for the “performance of duties ... and the exercise of powers” granted to the Registrar under the Act. The Registrar also holds administrative accountabilities to the CEO of RECA, as described under Section 8.1(3) and (6). These dual-accountabilities are, themselves, complex, but both management and the Board expressed confidence that this arrangement was functional, and we found no evidence of concerns related to this.

## Role Confusion and Multiple Informal Accountabilities with Industry Councils

However, we identified a potential for confusion and ambiguity regarding the respective roles and accountabilities of the Registrar and the four Industry Councils.

Under Part 3 of the Act, the Registrar is responsible for licensee conduct and disciplinary systems and processes at RECA, including the conduct of investigations, the determination of sanctions, and, where appropriate in the Registrar’s judgment or as required by the Act, referrals of matters to quasi-judicial hearing panels. Because Industry Councils represent licensee interests within RECA’s broader governance structure and are comprised in the majority of licensees, Sections 37(3) and (4) place significant restrictions on their involvement in these matters to preserve the independence of the Registrar’s investigative function.

At the same time, Industry Councils are mandated under Section 7.2(1)(a) of the Act to “set and enforce standards of conduct for licensees and the business of licensees.” This reference to enforcement creates inherent tension and, in practice, has led to uncertainty regarding the appropriate extent of Industry Council involvement in enforcement activities and decision-making.

As a result, there is a risk of blurred accountability between governance and regulatory functions, which may inadvertently challenge the independence of the Registrar and introduce inefficiencies into already complex investigations. In practice, this dynamic can also create informal expectations for the Registrar to be responsive to each Industry Council, effectively establishing multiple, and at times competing, lines of accountability on top of the Registrar’s existing accountabilities under the Act.

## Additional Responsibilities Placed on the Registrar

On the other side of the Registrar’s already substantial and mandate-critical responsibilities, we also observed instances where the Registrar was being tasked with additional responsibilities beyond those laid out in the Act.

Of note was the allocation of the responsibility for RECA’s education division under the Registrar after the 2022 divestment, which included the removal of a Director-level position for education. We also found the Registrar was regularly involved in the recent Real Estate Act Rules review process—attending meetings and workshops, and supporting from a management perspective. While gaining the input of the Registrar into certain aspects of the Rules as a stakeholder would hold obvious benefits, a deeper involvement by the Registrar in the rule-setting process may risk independence or the perception of it.

# Governance and Leadership Review

## Strengths and weakness of the Authority Matrix.

### Authority Matrix Developed but does not Identify Registrar Role Clearly

RECA developed a detailed authority matrix intended to aid decision-making and role clarity across its governance and key management roles. The matrix is organized across six key categories and, in many areas, provides a clear and useful framework for understanding who prepares, recommends, approves, or is informed on key activities.

Strengths of the authority matrix include:

- Clear structuring across six governance and management groups: management, CEO/Registrar, standing committees, Industry Councils, Board of Directors, and the Minister
- Detailed mapping of responsibilities for strategic planning, budgeting, policy development, and operational decisions
- Consistent use of roles (prepare, recommend, approve, inform), which supports transparency and accountability in most non-regulatory functions

However, despite this level of detail and the complex legislated roles attributable to the role, the matrix does not identify the Registrar, rather lumping the role in with “Management.” The Registrar and Industry Councils hold complex and potentially overlapping responsibilities in critical regulatory areas, most notably monitoring, and enforcement.

Other weaknesses we noted in the matrix include:

- Lack of consideration of many core regulatory roles and processes, for example, licensing and discipline
- Overlapping roles that blur accountability for regulatory judgments, for example, multiple positions given “prepare” or “recommend” roles
- Lack of clarity on who has final authority when disagreements in actions or decisions arise
- Increased likelihood of escalation, duplication, or delay in decision-making due to multi-layered reviews

These challenges are compounded by the fact that the authority matrix, while detailed, is updated on a triennial basis. In more traditional governance models and in stable times, a triennial basis is generally sufficient, but given the complexity of the shared governance model and its novelty to RECA and its regulatory environment, this cadence has proven insufficient to ensure clarity.

Clarifying the distinction between advisory input and statutory decision authority, particularly by reinforcing the Registrar’s role, would improve operational efficiency, reduce governance friction, and better align the authority framework with RECA’s public protection mandate.

Leadership						
Strategic Planning						
Issue	Management (MCT)	CEO	Standing Committees	Industry Council	Board of Directors	Minister
1. Mandate, Mission & Vision	Prepare	Prepare, Recommend				
2. Strategic Plan	Prepare	Prepare, Recommend				
3. Business and Financial Plan for Minister	Prepare	Prepare, Recommend	Recommend (FAC)			
4. Business Plan Initiatives (Annual)	Prepare, Recommend	Approve				
5. Performance Management for RECA Employees	Prepare, Recommend	Approve				
6. Capital & Operating Budgets	Prepare	Prepare, Recommend	Recommend (FAC)			
7. Annual Report	Prepare	Recommend	Recommend (FAC & GOV)			
Succession Planning and Management						
Issue	Management (MCT)	CEO	Standing Committees	Industry Council	Board of Directors	Minister
8. Appointment of CEO	Assist (COO/HR)		Prepare, Recommend (GOV)			
9. Appointment of COO	Assist (HR)	Prepare, Approve				
10. Appointment of REG	Assist (COO/HR)	Prepare, Recommend	Recommend (GOV)			
11. Appointment of GC	Assist (COO/HR)	Prepare, Approve				
12. Organizational Design: Org Chart & Structure	Prepare, Recommend	Approve	Receive (GOV)			
13. Board and IC Orientation and Mandatory Governance Training	Prepare (GC)	Prepare, Recommend	Recommend (GOV)			
14. Succession Planning for CEO	Prepare (COO/HR)	Recommend	Recommend (GOV)			
15. Succession Planning for Registrar	Prepare (COO/HR)	Recommend	Recommend (GOV)			
16. Succession and Retention Plan for Management	Prepare, Recommend (COO/HR)	Approve				
17. Employee Recruitment Policies	Prepare, Recommend (COO/HR)	Approve				
18. CEO Professional Development		Prepare, Recommend				
External Resources Policy – Procurement and Contracting						
Issue	Management (MCT)	CEO	Standing Committees	Industry Council	Board of Directors	Minister
52. Design expenditures for new buildings and significant addition to existing buildings	Prepare (COO)	Recommend	Approve, Recommend (Ad-Hoc Committee)		Approve	
53. Expenditures on New Capital Projects (see Budget)	Prepare (COO)	Recommend	Monitor and Recommend (FAC)		Approve	
54. New Capital Projects not included in the Budget (< \$300,000)	Prepare (COO)	Approve				
55. New Capital Projects not included in the Budget (> \$300,000)	Prepare (COO)	Recommend	Monitor (FAC)		Approve	
56. Capital Project Overruns (<\$300,000)	Prepare (COO)	Approve				
57. Capital Project Overruns (>\$300,000)	Prepare (COO)	Recommend	Monitor (FAC)		Approve	
58. Management of Capital projects (i.e. Progress payments, change orders, administration, etc.)	Prepare (COO)	Approve				
59. Management of Building Operations Administrative Expenditures and Credit Notes (Budgeted)	Prepare and Approve (COO)	Monitor				
60. Non-Budgeted Management of Building operations, Administrative Expenditures (<\$300,000) Unbudgeted Expenditure Policy	Prepare (COO)	Approve				
61. Non-Budgeted Management of Building operations, Administrative Expenditures (>\$300,000) - Unbudgeted Expenditure Policy	Prepare (COO)	Recommend	Monitor (FAC)		Approve	
62. Warrants	Prepare and Approve (COO)	Monitor				
63. Reserve Fund Investments - Policy E.6 and E.7	Prepare (COO)	Approve	Monitor (FAC)		Monitor	
64. Mortgage Debt	Prepare (COO)	Recommend	Recommend (FAC)		Approve	

### Impact of Turnover

#### Impact of Turnover and Training Gaps

While there are no existing prohibitions on the use of staggered terms for Board and Industry Council appointments, these have not been used. This has led to periodic waves of turnover, increasing reliance on, or deference to management, and reducing continuity in governance practice. While onboarding and training exist, they are not sufficient to consistently align new members around complex authority boundaries, especially for licensee-elected Industry Council members who may have limited regulatory governance experience.

This has contributed to uneven understanding of roles and, at times, inconsistent application of governance norms, for example, encouraging or requesting practices not in accordance with *Robert’s Rules of Order*.\*

### External Perceptions

#### External Perceptions and Accountability

Confusion regarding RECA’s governance structure and decision-making authority extends beyond the organization. External stakeholders expressed uncertainty about who is responsible for key regulatory decisions and how accountability is exercised. While RECA governance and leadership acknowledged these concerns and indicated that corrective work is underway to educate and explain roles to stakeholders, the persistence of these perceptions underscores the importance of clearer authority delineation and more transparent communication of governance roles.

\*: *Robert’s Rules of Order* are a widely used parliamentary authority that provides standardized procedures for conducting meetings and making decisions, and while they have no force of law in Canada, they are commonly adopted—by bylaw or policy—as a procedural framework for Canadian boards of directors to ensure fair, orderly, and transparent governance.

# Governance and Leadership Review

Composition and competency gaps create risk to consistent governance oversight.

## Governance Independence, Composition, and Capability

Bill 20 increased public-member representation within RECA's governance structure from 17% pre-2020 to 43% to strengthen public-interest oversight. While these changes improved the balance of public and industry interests at decision making tables, RECA's governance bodies remain majority industry-represented which can create conflict with a direct consumer protection mandate.

Our review of documentation and interviews identified recurring tensions within RECA's governance model, particularly at the Industry Council level:

### Consumer protection vs. licensee interests

Ongoing tension between RECA's public-interest mandate and industry advocacy perspectives.

### Governance vs. management roles

Some members struggle to distinguish strategic oversight from operational involvement.

### Regulatory decision-making complexity

Complex governance arrangements create uncertainty in how authority is exercised.

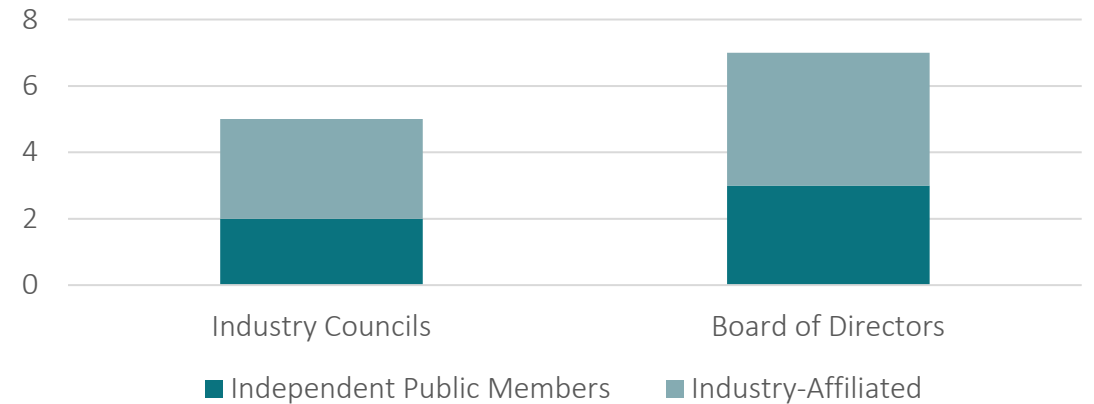
## Governance Capability and Training Gaps

The requirements to stand for election focus on license-holding, clean conduct and criminal records, and independence. Industry experience and perspective is invaluable to RECA's governance. However, the governance structure of RECA requires that Industry Councils provide much more than advice. Rather, they must undertake many key governance and adjudicative functions, and so effective participation requires additional governance-specific knowledge that is not consistently present.

While RECA provides onboarding and ongoing training to new governance members, many interviewees indicated that existing supports are not sufficiently tailored to the needs of licensee-elected members, who are new to regulatory governance. Our review suggested the materials were reasonable but appear to assume a base of governance and processual knowledge that may not exist among industry members. Several noted that expectations and accountabilities are not always clear early in a member's term.

Training demands also increase significantly following Industry Council elections, when multiple new members may be onboarded simultaneously. This creates periods where Industry Councils may be required to make complex regulatory decisions while members are still developing a foundational understanding of governance roles, processes, and legal obligations.

## Governance Composition



## Skills Assessment Gap:

Skill assessments provide a structured mechanism to support effective oversight and targeted development.



RECA's Board completes a formal skills matrix to assess collective competencies and identify gaps



No equivalent skills or competency assessment exists for Industry Councils

## Industry Council members may lack prior experience in:

Due to a lack of skills or competency assessments, there is no way to meaningfully evaluate skill gaps. However, our interviews and review of key decisions and documentation suggested the following to be key experience gaps in some Industry Council members:



Public-interest regulation, including balancing consumer protection and industry advocacy interests



Consistency, procedural fairness, and precedent in administrative and quasi-judicial decision-making



Governance versus management accountability, including limits of Industry Council authority and the role of operational staff

# Governance and Leadership Review

Structural drivers impacting governance effectiveness.

## Appointment Processes, Continuity, and Diversity

RECA's election and appointment processes further affect governance effectiveness, continuity, and participation. These challenges are structural rather than performance-based and were raised consistently across governance and management interviews.

Although Industry Council appointments are a form of professional service and a way for licensees to contribute to the broader real estate system, participation in elections is consistently low. Interviews with current and former Industry Council members indicated that relatively few licensees put their names forward, not due to a lack of interest in governance, but because the process itself is perceived as inaccessible and burdensome.

### Common Barriers to Prospective Industry Council Candidates:

#### Low awareness of election timing

Many licensees reported being unaware that elections were underway until late in the process or after nomination deadlines had passed, limiting the pool of potential candidates from the outset.

#### Perception of complexity and time commitment

The nomination process is widely viewed as administrative, legalistic, and time-intensive, discouraging participation from otherwise capable candidates, particularly those balancing full-time practice responsibilities.

#### Fragmented and difficult-to-navigate information

Eligibility criteria and nomination requirements are dispersed across multiple documents and sources, requiring prospective nominees to piece together requirements rather than receiving a clear, consolidated explanation.

To determine basic eligibility, a licensee must independently identify that an election is occurring, navigate RECA's industry website, locate nomination materials, and interpret eligibility requirements across the *Real Estate Act*, Bylaws, and RECA policy, without direct links to relevant legislative sections. We found this initial step alone can require significant investments of time into complex legislative and legalistic documents before a prospective candidate could meaningfully self-assess their eligibility.

These barriers create friction at the very first stage of participation and may discourage all but the most motivated or governance-experienced licensees from engaging. Over time, this risks narrowing the candidate pool, reinforcing reliance on repeat participants, and limiting diversity of perspective within Industry Councils, despite the significant time commitment and service orientation expected of those who serve.

## Continuity and Succession Challenges

Several structural features of RECA's current approach to governance appointments limit continuity and institutional memory:

- Fixed term lengths with no staggered appointments
- Periodic, simultaneous turnover across Boards and Industry Councils
- Limited formalized succession planning
- Vacancies filled only for the remainder of an existing term

Of these limitations, only the vacancy filling requirements are embedded in legislation, and the Act would not restrict staggered appointments and changes to timing of appointments.

## Governance Meeting Cadence

RECA's governance, both Board and Industry Councils, hold regular meetings on a quarterly basis. Given the number of special meetings required and the complexity of RECA's governance, this cadence may prove to be insufficient.

## Transparency and Diversity Considerations

Concerns were also raised regarding transparency and representation within RECA's governance framework:

- Public Member Appointments
  - Criteria and timing are not publicly available or well understood
  - Potentially excludes qualified or interested candidates
- Diversity
  - No formal diversity policy or targets
  - No completed diversity assessment for Board or Industry Councils
  - Limited public information about governance members beyond names

Public membership and diversity on a Board of Directors matters because it brings a broader range of perspectives, experiences, and insights, leading to better governance, stronger decision-making, and improved organizational performance. While some diversity is evident, the absence of a clear policy framework limits RECA's ability to assess or demonstrate whether governance composition aligns with public expectations.

# Governance and Leadership Review

RECA’s strategic planning and accountability reporting lacks performance measurement & MD&A.

## Accountability Reporting & Compliance

RECA’s public and accountability reporting revolves primarily around its Business Plan and Annual Report. Both are required to be published by the Act. The two documents are to have a logical relationship to each other, with the annual report documenting the results against the strategy and direction set in the business plan.

## No Public Performance Measurement Reporting

Among the requirements for RECA’s Business Plans described in the REA are a clear requirement under S. 16(1.2)(d) to define performance measures for each year in its business plan. RECA’s business plans between 2020 and 2025 fiscal years did not include clear, defined performance measures, as commonly understood in contemporary public reporting practice. While the business plan is clear and direct about RECA’s priorities, the absence of stated measures reduces transparency about how RECA will measure its own performance.

The *Real Estate Act* lacks a complementary statutory requirement to S. 16(1.2)(d) for RECA to report against the performance measures expected to be set in each year’s business plan. This omission creates a potential gap that could limit accountability and prevent the Ministry, as well as RECA’s stakeholders and the public from transparent evaluation of its performance.

As previously noted, the law sets minimums of expected behaviour and notwithstanding the lack of a statutory requirement, RECA has not developed a Bylaw or policy to ensure credible, transparent public reporting on its performance. RECA lags significantly behind comparator regulators in both Alberta and across Canada in this important public accountability domain. An examination of annual reports and other regular public reporting, such as RECA’s “The Regulator” publication, did not reveal any reporting of performance measures or KPIs. While in some areas RECA does report raw data points and some statistics, these do not meet the commonly accepted expectations and definitions of performance measurement in public accountability reporting in Canada. Without these, it is difficult for the Ministry, stakeholders or the public to know if RECA is performing well against its mandate and priorities.

## Management’s Discussion and Analysis Lacking in Annual Reporting

RECA does not provide a Management’s Discussion and Analysis (MD&A) for its financial results. MD&A are a nearly ubiquitous tool used in both public- and private-sector financial reporting to contextualize and provide further analysis to a basic set of financial statements. MD&A provide deeper analysis, discussion of trends, and explanation. The absence of such reporting restricts stakeholders’ ability to assess RECA’s financial stewardship, outlook, and trends in fulfilling its mandates.

However, and in RECA’s unique circumstances, most importantly, the absence of these important transparency and accountability tools in public reporting further exposes RECA to criticism. The lack of objective measurement is assumed to be a cover for poor results and the lack of context and explanation fuels speculation, extrapolation, and biased interpretation.

BC Financial Services Authority			
Performance measures and related discussion			
Performance Measures	2023/24 Actual	2024/25 Target	2024/25 Actual
[2a.i] Risk-assess complaints within 5 business days of receipt. <sup>1</sup>	91%	75%	83%
[2a.ii] Monitor conduct activities to proactively identify and prevent harmful business practices. <sup>2</sup>	220 monitoring activities	130 monitoring activities	158 monitoring activities
[2a.iii] Process completed applications (requiring no further investigation) for new real estate licensees within 15 business days of receipt. <sup>3</sup>	94%	90%	38%
[2a.iv] Develop and deliver mortgage broker relicensing continuing education that is	100% of courses developed and 50% of courses delivered	100% of courses developed and delivered	100% of courses developed and delivered

## Management’s discussion and analysis

Management’s discussion and analysis (MD&A) provides a review of the financial condition and the results of operations for the Real Estate Council of Ontario (RECO) for the fiscal year ended December 31, 2024.

This MD&A should be read in conjunction with the audited financial statements. Management provides explanations for the results from operations and insurance. The MD&A also provides an analysis of the organization’s recent past performance and its future outlook, which is derived from management’s reasonable assumptions based on information currently available to them.

### Strategic goals

RECO’s strategy focuses on achieving enhanced consumer protection in the public interest. This is enabled by the three strategic goals in the 2024-2026 Strategic Plan “Innovative and Progressive.”

Specifically, strategic goal #3 outlines the organization’s ongoing enhancements to foster a culture of innovation and continuous improvement. Some of these initiatives act to improve efficiency and may reduce burden on business. This goal provides broad direction toward ongoing organizational effectiveness.

Additionally, RECO manages potential risks to the achievement of its strategic objectives through its Enterprise Risk & Innovation Management (ER&IM) program – a continuous, proactive, and dynamic process that is based on the ISO 31000 risk framework. The program helps RECO identify and respond to risks that may emerge from time to time, and facilitates mitigation and proactive risk management tactics.

**STRATEGIC GOAL #1**  
Deliver innovative, progressive regulation

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**STRATEGIC GOAL #2**  
Advance an informed real estate market in Ontario

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**STRATEGIC GOAL #3**  
Enhance the organization’s resilience and agility

# Governance and Leadership Review

Governance activities lack public visibility and accountability clarity.

## Governance Function Transparency

Modern regulators must balance the public interest with the needs and realities of the industries they oversee. This creates a constant tension that requires objective, principled, and measured decision-making. Because these decisions can be difficult and far-reaching, governance is carried out as openly as possible, emphasizing transparency and clear disclosure so stakeholders can see that the process is fair, impartial, and accountable.

RECA's transparency practices at the governance level is limited to its statutory requirements of publishing governance meeting agendas and minutes. These disclosures contain limited detail, include frequent in-camera sessions without summaries or records of decisions made while in-camera, and regular use of redaction. Statutory requirements include timelines for the publication of key governance meeting agenda and minutes. Meeting agendas were not consistently posted at least seven days in advance, and some Board meeting minutes were published with delays, reducing transparency and potentially breaching Section 14(1) of the *Real Estate Act*.

RECA does not host public meetings of its governance functions and does not provide public access to key governance documents, such as Board policy, priorities, or meeting materials.

RECA's website provides little beyond the names and position filled by members of the Board and Industry Councils. No biographical, expertise, or other information on its current governance members is provided. The website also does not contain any governance policies or other key documents governing the Board and Industry Councils. It is noteworthy that RECA's website does contain one highly-specific instance of more detailed governance disclosures: the results of the Board's internal investigation into the 2018 office building purchase.\* However, this disclosure is largely reactive in nature. Other potentially informative and helpful disclosures, for example RECA's response and action plan to its 2024 regulatory review, are not voluntarily published.

These gaps fall short of leading practice expectations and weaken stakeholder trust, particularly given RECA's public accountability mandate and pre-2020 history of governance problems. The lack of disclosure furthers the informational vacuum in which speculation driven by vocal critics can take root and grow.

\*: As noted on page 7, this review did not investigate or re-evaluate matters prior to 2020. While we did not conduct further work on the 2018 building purchase, we note the document here as it is the only substantive example of a voluntary information disclosure from the Board which was publicly available during the time of our review.

## Briefing Materials Supporting RECA's Complex Governance Structure

Management must prepare briefing materials for a large and complex governance structure in RECA, including:

- a Board,
- three formal Board committees,
- four Industry Councils, and
- numerous ad hoc and working group committees

Governance briefing materials are often lengthy, duplicative, and governance members reported that they found them not always focused on key decisions. Internal stakeholders communicated that they occasionally lack clear options, resourcing implications, and relevant performance data.

Management is significantly burdened by the considerable scope of reporting and briefing requirements to the governance functions. Work in preparing briefings is sometimes duplicative and potentially unsustainable across the longer term with current resources, leading to a need for more efficient processes.

**Board Members**

Members of RECA's Board of Directors

**Cynthia P. Moore**  
Appointed by the Minister of Service Alberta and Red Tape Reduction

**Jai Parihar, MBA, CFA, IC.D.D**  
Appointed by the Minister of Service Alberta and Red Tape Reduction from the public

**Vacant**  
Appointed by the Minister of Service Alberta and Red Tape Reduction from the public

**George Bamber**  
Appointed by the Residential Real Estate Broker Industry Council

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

**RECA Board of Directors Regular Meeting**  
Wednesday, November 26, 2025  
Edmonton, Alberta

AGENDA

**PRELIMINARY MATTERS**

- 1. Call to Order
- 2. Approval of Agenda
- 3. Conflicts of Interest Declared
- 4. Chair's Comments
- 5. Informational Items
  - RECA Board Workplan
  - 2025/2026 Board & Industry Council Calendar
  - 2025 10 28 Board Chair letter to Minister
  - 2025 11 18 Letter from Minister - Thank You to Dan MacDonald

**REGULAR BUSINESS**

- 1. Approval of Minutes
- 2. Board Committee Minutes
- 3. Quarterly External Whistleblower Report
- 4. Board Litigation Report – November 2025
- 5. Board Priority Report
- 6. Quarterly Regulatory Scorecard
- 7. Regulatory Review Action Plan
- 8. Consent Resolutions
  - Reopening Nomination Period for Rural Real Estate Seat #1
  - Reopening Nomination Period for Rural Real Estate Seat #2

**ADJOURNMENT**

- 9. Consent Agenda Items Requiring Discussion
- 10. Board Action Register Update

**RECA Board of Directors Special Meeting**  
8:30 – 9:00 am, December 15, 2025  
Virtual Teams Meeting

**MINUTES**

In Attendance: Cynthia P. Moore, Chair  
George Bamber  
Jai Parihar  
Jared Morrison  
Anand Sharma  
Ken Morris

Staff Resource: Stacy Prusoff  
Janice Harrington  
Warren Morrison

Recording Secretary: Rina Hawkins

1. Call to Order  
The Real Estate Council of Alberta (RECA) Board Chair ("Chair") called the meeting to order at 8:31 am.

In accordance with the Real Estate Act, the terms of all members of the RECA Board of Directors ("Board") concluded on November 30, 2025, except for Mr. Jai Parihar, a public member, whose term will end on November 30, 2026. The newly appointed Board members are as follows:

- Mr. George Bamber, Residential Real Estate Broker Industry Council appointee to the Board, effective December 5, 2025, and concluding November 30, 2028.
- Ms. Cynthia P. Moore, public member, and Board Chair, appointed by the Minister of Service Alberta and Red Tape Reduction, effective December 1, 2025, and concluding November 30, 2028.
- Mr. Jared Morrison, Mortgage Broker Industry Council appointee to the Board effective December 5, 2025, and concluding on November 30, 2028.
- Mr. Anand Sharma, Commercial Property Manager Industry Council

# Governance and Leadership Review

Rationale for major decisions and changes insufficiently supported.

## Documentation to Support Material Strategic and Operational Decisions is Incomplete

Across our review, in discussing some of the most significant developments and strategic and operational decisions impacting RECA since 2020, including education divestment, the scope of the recent rules review, decisions regarding licensing and other fees, and key directions regarding hiring limitations, we found the evidence and documentation to support or explain the actions taken was limited or nonexistent. Repeatedly, we were advised that these decisions resulted from conversations, emails, or “direction” received.

This review is not the first to encounter or report on the ambiguity of rationale. RECA directly engaged its own consultants to perform a regulatory review in 2024. In that review as well, the authors express their confusion or lack of clarity into why or how material decisions affecting RECA’s regulatory strategy and performance were made.

Two primary examples stand out from evidence obtained through this review:

### Approach to Education Oversight Responsibilities

Through our document review, inquiries, and discussions with management, we found the rationale for RECA’s hands-off approach to education oversight after its divestment from education delivery was rooted in a single email from the Department of SARTR providing some clarity and responding to questions regarding the educational divestment. By our reading, and in subsequent discussions with the Department staff, the direction to build a low-barrier third-party education system based on market principles was clear, but the email was not intended as authoritative direction, did not provide a complete view across all statutory responsibilities, nor was it accompanied by any Ministerial Directive. Its use as justification for RECA’s conservative interpretation of its remaining responsibilities for education oversight under the Act and Regulation was noteworthy, both to this review and was also noted by consultants hired by RECA to conduct a regulatory review in 2024.

### Hiring Restrictions Despite Surpluses and Utility of Staff in Key Areas

RECA has operated for several of the recent fiscal years in a financial surplus. Throughout the review, we encountered several areas where RECA management noted significant constraints and bottlenecks, or highlighted the possibility of greater efficiency from more staffing. We inquired why RECA had not simply hired additional staff in key regulatory areas to reduce burden or increase efficiency and throughput. Management advised us that, until recently, it was operating under a hiring restraint at the direction of its Board. We were able to see documentation in the Board and sub-committee minutes supporting discussion of some salary limitations, but no clear evidence of a board-mandated hiring restriction.

There is no evidence from this review, nor from RECA’s 2024 review, to suggest that RECA management has acted irresponsibly or deceptively. The response of management to these various, often informal, directions, and the pressures they create, is understandable. However, RECA is and remains a licensee-funded and publicly accountable regulator, and it is critical that material decisions, affecting its strategy, functioning, and how the licensees and public it is accountable to might perceive its performance, be supportable.

The responsibility for this, however, goes both ways. Those responsible to oversee and direct RECA must ensure material directives are clear, direct, and exist in some formal record, such as minutes, records of decisions, memoranda, or directives. RECA management, for its part, must have an unwavering focus on its mandate and the organizational confidence to request this where it is not provided, and to seek sufficient clarity to ensure decisions rendered and directions received are clear enough to define its actions, and to support any such actions when scrutinized.

The imperative towards documentation and record keeping is not all-encompassing, but it is critical to RECA’s accountability and continued legitimacy that material decisions be supported.

# Governance and Leadership Review

Enterprise Risk Management governance practices and reporting do not fully enable effective Board oversight.

## Governance of Enterprise Risk Management (ERM)

ERM is a critical process within any modern organization and requires active, ongoing management and oversight.

RECA retained specialist expertise to develop and implement an ERM process in 2021-2022. We found that the reporting and processes around ERM development, update, and reporting to governance levels evolved and normalized across 2022 and 2023, with the Board ultimately delegating responsibility to the Finance and Audit Committee (FAC) and requesting an annual update on ERM to be provided to the Board as a whole. The ERM processes and reporting at RECA continue to evolve, with recent presentations given to the Board regarding ongoing development and refinement of the process.

While responsibility for the administration and direct oversight of management for ERM was effectively and clearly delegated by the Board to the FAC, that delegation does not absolve the Board of its responsibilities for effective risk management. ERM governance processes could be strengthened, including:

- RECA’s ERM governance and oversight includes only an annual review of ERM by the Board as a whole; leading practice involves a quarterly review is appropriate for informed risk oversight.
- RECA’s Board minutes and Board work plan indicate the Board currently receives a report on ERM annually, but does not support or evidence any substantive involvement by the Board in key risk governance practices, such as the identification and evaluation of risks. Leading practice would include an annual session to obtain input from the Board on enterprise risks for consideration and integration by the responsible sub-committee and administration.
- ERM discussions are generally referred to in Board minutes as a sub-element of FAC updates, leading practice suggests ERM should be its own discrete agenda item.
- While not the direct responsibility of Industry Councils, there is no indication of processes to obtain input from Industry Councils on risks, potentially limiting the unique perspectives of Industry Councils on their industries and licensees.

Taken together, these observations indicate that while RECA has made meaningful progress in establishing its ERM framework, important opportunities remain to strengthen governance involvement and ensure the system fully supports informed, organization-wide risk oversight.

## Risk Management Operational Practices

ERM is much more than the preparation of a periodic report to governance. Management is responsible for the regular monitoring and response to risks, including deciding the approach to mitigate, manage, or avoid risks.

- We found several operational and reporting processes related to ERM which could be strengthened, including:
  - The absence of a defined, Board-approved “risk appetite statement” to guide risk management practices and support consistent decision-making by the FAC and management.
  - Some risk statements are vague and/or generic, meaning potential problems are hard to define or risks not understood in RECA’s unique operating context
  - Risk mitigation plans described in ERM reporting are high-level and not specific.
- ERM reporting and processes do not:



Clearly identify a risk-owner with the agency and operational proximity sufficient to meaningfully manage the risk. The executive leadership (e.g., CEO, COO, CFO, Registrar) may have oversight and accountability but cannot directly own all risks.



Classify RECA’s response into common categories of Avoid, Reduce/Mitigate, Transfer, Accept to frame management’s mitigations and actions. Describe incremental processes and controls put in place in response to manageable/mitigatable risks.



Provide status updates on specific planned actions, mitigations, and/or report on the effectiveness of controls in place.

# Governance and Leadership Review

## Findings & Recommendations

### Key Finding 1.1: Role ambiguity and structural complexity undermine governance effectiveness and create risks to efficiency

After five years of concerted effort by RECA’s Board, Industry Councils, and Management:

- Ambiguity continues to exist across and between Board, Industry Councils, the Registrar and senior management regarding roles, authority, and decision boundaries; including most critically between the Registrar and Industry Councils in core regulatory functions and authorities (page 26 – 28)
- Governance continuity and succession planning continues to challenge RECA’s new governance system (page 29 – 30)
- The Registrar, in addition to dual-accountabilities to the Board and CEO required under the REA, also maintains practical accountabilities to each of the four Industry Councils (page 27)
- The Registrar also holds or has significant involvement in other operational functions outside of their legislated roles and responsibilities of the Registrar under the REA (page 27)
- Additional governance functions, training, and tools are necessitated by the Industry Councils structure and their governance and decision-making authorities (page 29)
- Administrative demands of RECA’s governance structure are potentially unsustainable in the long-term for management tasked with its administration and support (page 32)

Bylaw-making, delegation, and other powers exist in the REA to allow RECA and its Board to continue to take steps to resolve and clarify this structure. However, bold action is required to put structures in place to resolve bottlenecks, provide clarity to authorities, and ensure efficiency in core regulatory and governance processes.

### Recommendations

RECA should:

#### Clarify and Rationalize Registrar Roles and Responsibilities, Benchmarking on the REA:

- Evaluate compliance with S. 8.1(5) by reviewing, identifying, and categorizing all Registrar responsibilities, accountabilities, and authorities as detailed in the Act and Regulations. Compare roles to current Bylaws, Rules, functional responsibilities and practices and identify all inconsistencies and gaps. Refine roles and responsibilities, including through Bylaw changes where necessary, to ensure Registrar’s scope of responsibility is clear, optimized, manageable, free from potential for perceived conflicts of interest, and focused on legislated regulatory responsibilities. Obtain Ministry input where necessary.
- Evaluate the multiple practical accountabilities of the Registrar to each of the four Industry Councils in licensing and conduct enforcement decisions. Audit current accountabilities against core legislated roles and responsibilities to identify and streamline decision-making processes.

Impact

**High**  
The Registrar’s regulatory role is of paramount importance to the effective and efficient functioning of regulatory processes.

Effort

**Medium**  
RECA and the Registrar’s awareness of its statutory environment is exceptional, documentation exists, but such a review and streamlining will require involvement of the Board and Industry Councils.

# Governance and Leadership Review

## Findings & Recommendations

### Recommendations (cont'd)

#### RECA should:

	Impact	Effort
<p><b>Review and Clarify Responsibilities and Authorities of Industry Councils:</b></p> <ul style="list-style-type: none"> <li>Review, identify, and categorize all Industry Council responsibilities, accountabilities, and authorities as detailed in the Act, Regulations, Bylaws, Rules and existing delegations. Compare identified responsibilities to those of the Board and Registrar to identify gaps, overlap, and potential conflicts. Focus should be placed on ensuring decision rights are clear between Industry Council and Registrar.</li> <li>Debrief results with key leadership, management, and Board personnel to confirm and identify any other pain points from recent historic experience.</li> <li>Determine best-fit for any unclear authorities and formalize decisions in Bylaws and Policy. Any conflicts or disagreements should be adjudicated by the Board Chair with resolution based first and foremost on statutory requirements.</li> </ul>	<p><b>High</b> The role of Industry Council's in RECA's revised governance is significant and complex. Streamlining and optimizing these roles is key to ensuring efficient regulatory processes in most key regulatory areas of RECA's mandate.</p>	<p><b>Medium</b> The considerations of Industry Council responsibilities crosses the Act, Regulation, Bylaws, and Rules. However, RECA has considerable expertise and experience of functioning over the last 5 years.</p>
<p><b>Revise and formalize Authority Matrix and ensure annual review:</b></p> <ul style="list-style-type: none"> <li>Taking the results of the in-depth analysis of the Registrar, Industry Council roles and responsibilities, and existing documentation, complete a comprehensive update of the Authority Matrix. Ensure the Registrar responsibilities are clearly distinct from RECA Management generally. Any further revisions to roles should be clarified in updates to the Bylaws.</li> <li>Prepare and deliver an information session to all parties with roles on the Matrix explaining its use, definitions of responsibilities, and any other information parties require. Focus should be placed on Industry Councils to ensure they understand the extent, limits, and relationships of their decision authorities and roles.</li> <li>Temporarily amend the review schedule of the Authority Matrix from triennial to annual, making amendments where necessary, until role clarity is firmly entrenched and functioning optimally.</li> </ul>	<p><b>High</b> Overall clarifying and streamlining of authorities and decision-making is viewed as key to RECA's complex governance model achieve optimal functionality.</p>	<p><b>Medium</b> Revision and finalization of the Accountability Matrix should be achievable following completion of the preceding steps related to the Registrar and Industry Councils; however, bylaw amendments may be required.</p>
<p><b>Make Enhancements to Governance Structure and Functioning:</b></p> <ul style="list-style-type: none"> <li>Formalize and empower the Chairs' Roundtable function to permit periodic inter-governance function collaboration, authority clarification, and dispute resolution.</li> <li>Utilize Bylaw making powers to introduce staggered terms for Industry Council membership to increase governance continuity and strategic momentum. Work with the Ministry to consider the viability of amending or removing term vacancy filling appointment restrictions in S. 6(7) and 7.1(8) of the REA.</li> <li>Continue and implement efforts currently underway to strengthen governance and leadership succession planning.</li> <li>Consider the need to increase meeting cadence to bi-monthly to ensure adequate time for governance business and avoid reliance on special meetings.</li> </ul>	<p><b>High</b> By resolving key barriers and root causes of noted governance limitations, RECA can improve governance and decision efficiency, and as a result reduce bottlenecks impacting perceived regulatory performance.</p>	<p><b>High</b> While individually uncomplicated, these changes would require careful introduction and potential grandfathering provisions due to their impacts.</p>

# Governance and Leadership Review

## Findings & Recommendations

### Recommendations (cont'd)

RECA should:

	Impact	Effort
<p><b>Empower Industry Council Functioning through Direct Resourcing:</b></p> <ul style="list-style-type: none"> <li>Determine and implement a best-fit approach to provide Industry Councils with access to and authority over reasonable, mandate-relevant financial and human resourcing to be directed towards Industry Council initiatives and responding to emerging issues and priorities. This may include some combination of:               <ul style="list-style-type: none"> <li>Direct involvement of Industry Councils in budgetary planning and discussions</li> <li>Set discretionary allocations of budget to each Industry Council for their mandate-relevant use, with appropriate accountability</li> <li>Provision of a set number of hours of industry-dedicated administrative staff time to focus on supporting Industry Councils' information needs, requests, and liaising with other RECA functions.</li> </ul> </li> </ul>	<p><b>High</b> Ensuring Industry Councils have resources to support the timely execution of their mandate is critical to their efficient and optimal functioning.</p>	<p><b>Medium</b> Will require process changes and potential allocation of existing or new human resources.</p>
<p><b>Ensuring Optimal and Sustainable Governance Administrative Supports:</b></p> <ul style="list-style-type: none"> <li>Evaluate the informational needs of the four primary levels of governance bodies (Board, Industry Councils, Committees, ad hoc Working Groups). Rationalize the information provision focusing on universal, specific, and on-demand information types. Develop systems and processes to ensure briefings and information provision meets needs, while remaining efficient, and action- or decision-oriented with respect to the respective mandates.</li> <li>Evaluate the long-term capacity of existing governance administrative support resources to meet the demands of RECA's complex governance structure. Develop a resourcing plan and obtain human and technology administrative resources, as needed, to ensure long-term sustainability of key governance-supporting functions.</li> </ul>	<p><b>Medium</b> Ensuring governance functions have effective, efficient, and sufficient support is key to their optimal functioning.</p>	<p><b>Medium</b> May require provision of additional human and technology resources.</p>

### Future Considerations to the Ministry

Above, we propose a suite of targeted actions, within RECA's existing mandate and powers to implement, with the aim of clarifying roles, streamlining decisions, and ensuring the optimal functioning of its complex governance system. However, should implementation not be satisfactory to the Minister, or the results not be seen, the Ministry may wish to consider other, more involved legislative options to further reform RECA's governance, increase the Ministry's direct oversight by making RECA a public agency, or allowing the Alberta Ombudsman to independently review and adjudicate performance and conduct concerns using some combination of the following measures:

- Amending the REA to remove the Industry Council structure
- Formalizing RECA as an agency under the authority of the *Alberta Public Agencies Governance Act*
- Amending legislation to bring RECA under the purview of the Alberta Ombudsman for independent adjudication of consumer or stakeholder concerns
- Bringing further legislative or regulatory change to direct RECA's actions, as the Minister sees necessary

# Governance and Leadership Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort	
<p><b>1.2 RECA does not report performance measurement and KPIs</b>                      RECA does not prepare performance measures, nor report performance measures or KPIs in its annual accountability reporting. Without clear, consistent reporting against its mandate, strategic priorities, and lines of business, RECA is unable to objectively demonstrate its results and potential areas for focus or improvement.</p>	<p><b>RECA should develop and implement a complete set of public performance measures and Key Performance Indicators (KPIs) aligned with RECA’s strategy and core mandate and report them consistently in its Annual Report or other annual disclosure reporting.</b>                      To rapidly develop a credible, high-quality system, RECA should use leading practices and authoritative guidance from sources such as CPA Canada’s Statements of Recommended Practice, the Canadian Assurance and Accountability Foundation, Alberta Treasury Board and Finance, and the Office of the Auditor General of Alberta.</p> <p>A list of performance measures for consideration is provided in Appendix A.</p>	<p><b>High</b>                      Robust, transparent performance reporting is an expectation of all leading regulators, and will be important to RECA dispelling myths and criticism.</p>	<p><b>Medium</b>                      Developing a complete KPI framework requires coordinated effort to define measures, establish baselines, build data collection and reporting processes.</p>	Accountability Reporting
<p><b>1.3 RECA does not prepare or publish an MD&amp;A with its annual financial statements</b>                      RECA trails widely accepted practice in financial reporting by not preparing and providing a MD&amp;A to its annual financial statements to more fulsomely explain and contextualize its financial results.</p>	<p><b>RECA should develop and implement a policy requiring a narrative-based MD&amp;A</b>                      section in RECA’s Annual Report to explain financial results and enhance transparency in line with generally accepted financial reporting practices.</p>	<p><b>Medium</b>                      Improving transparency and stakeholder understanding by providing a clear narrative context to financial results.</p>	<p><b>Low</b>                      Can be implemented through internal policy and reporting changes without legislative amendment.</p>	
<p><b>1.4 ERM practices can be strengthened</b>                      While the Board has delegated ERM oversight to the FAC, its limited direct engagement, characterized by annual reporting, minimal involvement in risk identification, and absence of structured input from Industry Councils, reduces the effectiveness of RECA’s enterprise-wide risk governance.</p>	<p><b>RECA should implement a strengthened ERM governance cycle</b> where the Board receives quarterly updates, holds an annual risk-identification session, includes ERM as a stand-alone agenda item, and establishes a formal process to gather risk input from Industry Councils to ensure comprehensive and informed oversight.                      RECA should further refine its ERM operational practices by:</p> <ul style="list-style-type: none"> <li>• developing and approving a comprehensive risk appetite statement</li> <li>• refining risk definitions</li> <li>• assigning explicit risk owners based on functional responsibilities</li> <li>• implementing standardized risk response categories</li> <li>• Enhancing risk reporting to governance with mitigation plans, relevant controls</li> </ul>	<p><b>High</b>                      Improves Board oversight of risk by increasing regular engagement, formalizing risk discussions and incorporating structured input from Industry Councils.</p>	<p><b>Medium</b>                      Requires development and implementation of key ERM tools, documentation and reporting processes.</p>	Risk Management

# Governance and Leadership Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>1.5 Transparency of governance activities is limited to statutory requirements</b>                      RECA's governance transparency practices are limited to meeting its statutory requirements for publishing meeting agendas and minutes. Within these limited disclosures are significant in-camera sessions, minimal detail in records, and no public access to key governance documents or meeting materials are notable.</p>	<p>RECA should review and update its current policy on public materials, renaming this a "Transparency policy" with accompanying changes to maximize transparency, while maintaining any legally required confidentiality. Expand the policy to include regular, transparent publication of governance materials, disclosure of meeting proceedings, and requirements for periodic public governance meetings, guided by leading practices among public regulators.</p>	<p><b>High</b>                      Significantly enhances transparency and public trust by expanding access to governance materials.</p>	<p><b>Low</b>                      Can be implemented through policy updates and procedural changes without legislative amendment.</p>
<p><b>1.6 Visibility into governance bodies and proceedings is limited</b>                      Public-facing information about or from RECA's governance structures lags leading practices among publicly-accountable regulators. The lack of transparency enables and empowers critics to speculate and weave narratives.</p>	<p>RECA should seek to maximize the transparency of its governance functions, including reviewing and updating its governance-related information (e.g., biographic details, policy and guidance, plans, summary evaluations) and identify and publish those speaking to RECA's governance structures, activities, and members.</p>	<p><b>Medium</b>                      Improves transparency and stakeholder understanding of governance structures, activities and members through enhanced public disclosure.</p>	<p><b>Medium</b>                      Requires coordinated updates to governance materials, processes and ongoing publication practices.</p>
<p><b>1.7 Ongoing Ministry oversight</b>                      the Ministry remains involved in enhanced oversight and Ministerial involvement in certain aspects of RECA operations following 2020.</p>	<p>The Ministry should request RECA develop a staged plan with quarterly check-ins and a targeted end date (such as the June 30, 2028 limit date for Ministerial Review of Bylaws and Rules in the <i>Ministerial Regulation</i>) upon which the Minister can base a decision of whether or not to roll back the Ministry's enhanced oversight of RECA's processes and authorities following the implementation of Bill 20. The plan should include defined stage gates and measurable targets that enable the Ministry to evaluate whether RECA's performance is sufficient to reduce involvement or to apply additional actions.</p>	<p><b>Medium</b>                      Removing the requirement for enhanced Ministerial oversight would signal RECA is achieving results and reduce workload on the Minister from an arm's-length regulator.</p>	<p><b>Low</b>                      RECA should be developing a plan to implement recommendations upon which the Ministry can receive updates. Minimal incremental work is required beyond setting targets and goals for the plan.</p>

Transparency

Ministry Oversight



# Regulatory Framework Review



# Regulatory Framework Review

## Section Overview

# 02

## Regulatory Framework

This section evaluates RECA's compliance management and enforcement processes, assessing whether the regulatory framework resolves complaints fairly, consistently, and in a timely manner to uphold public protection.

### Overall Conclusion

RECA's regulatory framework is **functional but underperforming in some key areas**. Complaints are being processed and enforcement is occurring, but risks of long timelines, inconsistent outcomes, and weak documentation practices mean the framework is not operating at the standard expected of a modern regulator with a consumer protection mandate.

## At a Glance

### How We Conducted the Review

We performed inquiries, obtained input from stakeholders, and reviewed key processes and documentation in all key regulatory areas of RECA's mandate. We performed detailed analysis of RECA's complaint, investigation, and disciplinary lifecycle from intake through resolution, reviewing process design, case management practices, and documentation controls. We assessed complaint timelines, hearing processes, and disciplinary outcomes, including the application of Section 54 withdrawals, for consistency and defensibility. Findings were evaluated against modern regulatory standards and leading practices for transparency, proportionality, and procedural fairness.

### Our Most Significant Findings

In most areas of RECA's core regulatory mandate we found processes operate within expectations. Complaint handling and investigations is by far the highest risk area of RECA's regulatory practice, one where public and licensee expectations are highest. In those processes we found room for further improvement. Complaint resolution and hearing timelines are not governed by defined service standards and delays undermine public confidence and the perception of justice. The absence of standardized decision frameworks in hearings processes creates a risk of inconsistency. Documentation and record-retention practices are weak, limiting the auditability and so defensibility of regulatory decisions. Collectively, these gaps risk the perceived fairness and credibility of RECA's enforcement regime.

### What Needs to Happen

RECA should establish and publish service standards for complaints and hearings, including defined timelines and outcome reporting, to improve accountability and public transparency. It should also introduce standardized decision frameworks across the complaint lifecycle to drive consistency and defensibility in outcomes. Documentation and record-retention requirements, including supporting technology, need to be strengthened to ensure all decisions are well-evidenced and auditable. The Ministry should consider removing Section 54 of the REA in future legislative amendments, given the mixed incentives it creates and the existence of sufficient statutory authority to address high-risk licensees through other means.

# Regulatory Framework Review

The rules are clearly articulated, but there is a lack of practical implementation support for new licensees.

## Structure and Usability of Rules

We found that RECA’s Rules are well structured, clearly segmented, and publicly accessible, with comprehensive coverage across real estate, mortgage brokerage, property management, and condominium management activities. Core regulatory requirements, including written service agreements, protection of client information, and disclosure of referral arrangements, are clearly articulated, supporting consistent compliance expectations.

While the Rules are technically sound and aligned with regulatory standards in comparable jurisdictions, opportunities exist to improve their usability and practical understandability, particularly for new and less experienced licensees. The legal and technical nature of the Rules can make it challenging to translate requirements into day-to-day practice without additional guidance.

Several enhancements could strengthen accessibility and support more consistent implementation:

**Plain-language explanations and practice scenarios:** Adding brief “what this means in practice” explanations under frequently referenced sections would help translate legal requirements into operational expectations, consistent with approaches used by comparable regulators such as Ontario.

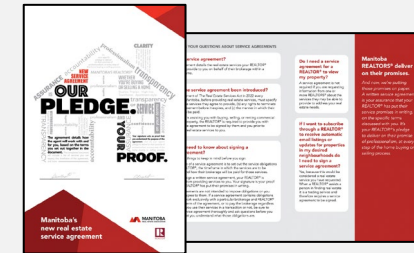
**Role-based presentation of obligations:** Presenting key obligations in side-by-side matrices (e.g., broker, associate, brokerage) would reduce confusion regarding responsibility and accountability. British Columbia’s (BC) role-based formatting within its Real Estate Services Rules provides an example of how responsibilities can be clearly differentiated.

**Clear cross-referencing between legislation, rules, and guidance:** Embedding links between the REA, the Rules, and related RECA advisories or guidance materials would improve navigability and reduce the need for users to search across multiple sources. This approach aligns with the navigational structure used by BC laws, the BC Financial Services Authority (BCFSA), and the Canadian Legal Information Institute (CanLII).

Manitoba

## Guidance and brochures related to service agreements

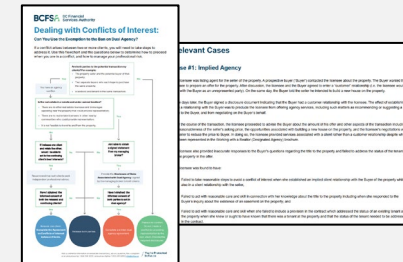
Manitoba uses plain-language guidance and brochures to explain written service agreement requirements, including when agreements are required and what they must contain. These materials support consistent understanding among practitioners and help reduce reliance on interpreting legislative text alone.



British Columbia

## Diagrams and examples explaining agency relationships and multiple representation

BCFSA provides diagrams and practical examples to illustrate different agency relationships and multiple representation scenarios. These visuals help clarify roles, obligations, and disclosure requirements in situations that are often complex for licensees to interpret.



## Flow-chart based explanations of trust accounting and recordkeeping processes

BCFSA uses flow-chart-based guidance to explain trust accounting and recordkeeping requirements, walking licensees through common scenarios and decision points. This approach supports clearer understanding of process expectations and more consistent compliance.

Trust Funds Received and Disbursed					
Received					
Date #	Seller/Buyer	Date Funds Received	Date Funds Disbursed to Bank	Pre-registered Receipt #	Amount
1	AB	January 17, 2021	January 18, 2021	1	\$1,000.00
2	CD	January 19, 2021	January 20, 2021	2	\$1,000.00
3	EF	January 21, 2021	January 24, 2021	3	\$5,000.00
4	GH	January 26, 2021	January 21, 2021	4	\$10,000.00
5	IJ	January 30, 2021	January 31, 2021	5	\$5,000.00
6	KL	January 31, 2021	February 1, 2021	6	\$20,000.00
7	AB	January 17, 2021	January 18, 2021	7	\$500.00

# Regulatory Framework Review

## Clarifying the regulatory purpose and authority of Information Bulletins.

### Bulletins & Understandability

RECA uses Information Bulletins to communicate its existing rules and provide clarity. The intended audience of the bulletins is primarily licensees but are also available to the public. Information Bulletins are a commonly used tool by regulators to support interpretation of legislative and regulatory requirements. When structured and contextualized effectively, they can reinforce compliance expectations, reduce ambiguity, and promote consistent application of rules across the sector.

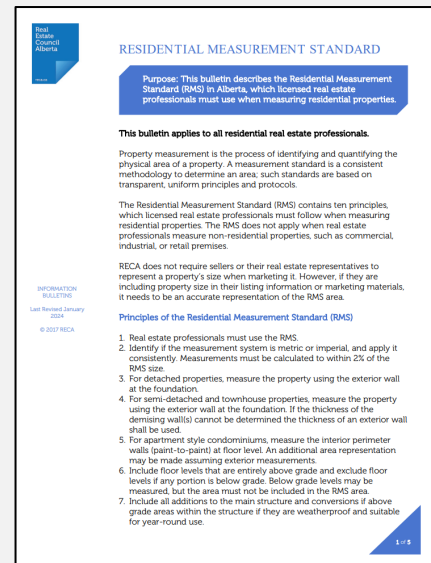
Ensuring that bulletins clearly communicate their purpose and regulatory status can further support licensee understanding and confidence, particularly in environments where requirements evolve over time or are supplemented through guidance.

Our review of RECA's publicly available Information Bulletins found that, while the bulletins generally provide clear and concise explanations of regulatory expectations, they do not consistently indicate whether they reflect a new rule, an amendment to an existing rule, or guidance on current requirements. RECA's bulletin archive includes more than 17 entries issued in recent years, covering topics such as record-keeping, advertising, trust accounts, and property access.

In some cases, bulletins clearly correspond to rule changes, such as the 2024 update to the Residential Measurement Standard (RMS). In many others, bulletins are presented as guidance only (e.g., Access to Property, Records, Mortgage Brokerage, Commissions, and Payment from Trust) without clarifying whether underlying regulatory requirements have changed. This limits licensees' ability, particularly newer practitioners, to assess the regulatory significance of each bulletin and determine whether changes to practice are required.

Overall, while the bulletin content itself is generally strong, the lack of consistent contextual framing reduces transparency and limits the overall usability of the bulletin system for licensees.

### Directed Example – RMS Bulletin



This bulletin provides a comprehensive and clearly written explanation of the RMS, including detailed principles, best practices, and expectations for real estate professionals when representing buyers and sellers. The guidance is well structured and effectively translates technical requirements into practical, operational direction.

However, this example also illustrates a broader issue identified in our review:

- The bulletin does not explicitly indicate whether it reflects a new regulatory requirement, an amendment to existing Rules, or guidance on longstanding obligations.
- Without this context, licensees may have difficulty assessing the regulatory significance of the bulletin or determining whether changes to current practice are required.
- This challenge is likely more pronounced for newer or less experienced practitioners who may rely more heavily on bulletins to interpret regulatory expectations.

# Regulatory Framework Review

Evaluation of the rules review process and outcomes.

## Rules Review

The *Real Estate Act Rules* govern the day-to-day activities of Alberta’s real estate, mortgage brokerage, property management, and condominium management licensees. Last comprehensively updated in 2006, the Rules were subject to a multi-phase review initiated in Summer of 2022 following RECA’s 2022–2025 Strategic Plan to modernize regulatory standards, improve clarity, and support public protection objectives. Under the REA, Rule making authority sits with the Industry Councils and requires Ministerial approval. However, given the comprehensive and cross-industry nature of the review, a steering committee under the Board was tasked to guide the review.

The review was structured as a three-phased consultation process with industry stakeholders, as outlined below.

- Phase I: Issue Identification and Input (February–May 2023)**  
Stakeholders were invited to provide feedback on areas of the Rules requiring clarification, modernization, or improvement. Input was gathered across all regulated sectors to identify common challenges and emerging risks.
- Phase II: Draft Rule Development and Consultation (October 2023–June 2024)**  
Based on Phase 1 input, draft Rule changes were developed and circulated for industry review. Stakeholders were provided opportunities to submit written feedback and engage in consultation discussions.
- Phase III: Final Stakeholder Review (September–November 2024)**  
A final package of proposed Rule changes was shared with stakeholders for validation prior to submission. Formal consultation closed on November 29, 2024.

## Current Status

Since the conclusion of stakeholder consultation in late-2024, the Industry Councils reviewed Phase III consultation feedback and directed additional, third-party consultation on the proposed licensing framework. A consultant was engaged in early 2025 to conduct this work, including in-person engagements and a formal report that informed further amendments to the proposals through spring and summer 2025, along with development of full draft Rules. By fall 2025, the Industry Councils approved the proposed Rules (excluding licensing framework changes) for submission to the Board, which then prepared and transmitted the formal package to the Minister in November 2025. The Minister’s final approval has been put on hold pending the results of this review.

RECA has indicated its intention to proceed with implementation of updated Rules, pending Ministerial approval and formal publication of the amendments. As of the time of our review, the consolidated Rules in effect and published on RECA’s website remain dated July 17, 2023.

## Observations on Effectiveness of the Rules Review Process

The rules review started in 2022 was the first look into the complete set of *Real Estate Act Rules* since 2006. The review represented a substantial amount of work, from RECA management, Industry Councils, and a large and complex array of stakeholders.

While a significant and needed undertaking, the review took more than three years, multiple iterations, and numerous added and unplanned consultations and reviews were added, prior to the draft rules being submitted to the Minister in November 2025.

We made several observations of the process used in the 2022-2025 Rules Review Process:

- Under the REA, rule making authority for each respective industry rests solely with the relevant Industry Council. While it makes sense to seek alignment across all Industry Councils, particularly for general or cross-industry rules, there is no consensus requirement in the Act.
- Stakeholders reported to us that they perceived the process as being driven by RECA management, under the direction of the Board’s steering committee, not the Industry Councils themselves.
- The direct involvement of the Registrar in the rules review was also noted as outside the roles and responsibilities set out for the Registrar in the Act, and potentially creating a conflict given the Registrar’s enforcement responsibilities.

The reality of the complex, cross-industry structure of *Real Estate Act Rules* and the nearly two decades since the last full review of the rules contributed significantly to the need for some of these steps. RECA hopes that the revised rules will now level-set the rules for the future and more frequent, Industry-focused reviews and updates can happen going forward.

RECA’s Industry Councils should debrief the process fully and ensure lessons can be formalized into an efficient, effective rules review and update process for future changes. To ensure timely updates, RECA should consider setting a cadence for each industry to review its unique rules, and for any general and cross cutting rules to be reviewed separately, creating a rolling 5-year cycle of review.

# Regulatory Framework Review

## Section 54 withdrawals: legislative background and regulatory practice.

### S.54 Purpose and Legislative Context

Section 54 of the *Real Estate Act* provides a mechanism for licensees to voluntarily withdraw from the profession on a permanent basis if they are the subject of a complaint or disciplinary matter, or suspect they may be. Under the Act, approval of a Section 54 withdrawal results in the cessation of all investigative and disciplinary proceedings under Part 3.

The provision was originally intended to provide an administratively simple mechanism to remove potentially risky licensees from the industry without the need to conduct a full investigation or proceed to a hearing. The section has been subject of concern from stakeholders over its use, and the 2020 RECA review noted concerns over licensees being pressured by investigators to use the section. Bill 20 introduced Subsection 54(4), with the intention of restricting the use of lifetime withdrawals in cases involving fraud or criminal activity, responding to concerns that the provision could be used to evade accountability and limit consumers' access to recourse through the Assurance Fund.

### Current Process and RECA's Interpretation

RECA developed a highly complex, legalistic, and conservative interpretation of S. 54(4), hinging around the use of the words "warrant an investigation" in the Act. The practical application of RECA's interpretation resulted in minimal observable change from pre-2020, with multiple S. 54 withdrawals being approved where allegations contained fraud and, in several cases, potentially criminal activities. Only one S. 54 application received since 2020 was denied.

Following concerns raised by stakeholders and correspondence about RECA's interpretation, the Minister issued RECA a letter and Ministerial Directive in April 2024 clarifying the intended use of Section 54. Under this direction, Section 54 withdrawals are not to be approved where a licensee is involved in allegations of fraud. Since the Minister's directive, no Section 54 applications have been approved.

### Does S. 54 support a consumer protection mandate?

RECA's mandate is focused on protection of consumers and the public. Among the keys to regulatory trust is a system that sets and enforces rules and, where rules are breached, delivers disciplinary penalties and accountability.

While the intentions of S. 54 are reasonable, its practical use incentivizes behaviour that is misaligned with accountability principles and erodes regulatory trust. Only licensees involved in serious allegations, who know or believe they will be found guilty of the allegations, would be incentivized to take a lifetime withdrawal from their profession in exchange for discontinuation of investigations, and so the avoidance of discipline and accountability. In reality, S. 54 allows people to circumvent regulatory justice and accountability and so undermines the regulatory framework.

When investigations cease, consumers and victims functionally lose recourse to potential remedies and can be left questioning who the regulator is protecting.

### Observations and Key Findings

- Legislative amendments introduced in 2020 were intended to prevent lifetime withdrawals from being used in serious cases. These amendments were not implemented in accordance with legislative intent until the Minister issued clarifying guidance on Subsection 54(4) in April 2024. Prior to this direction, RECA's interpretation resulted in little practical change in the approval of S. 54 applications.
- Although overall use of Section 54 has declined since 2020, 12 of the 16 lifetime withdrawals approved since 2020 involved allegations of fraud, theft, or criminality.
- In at least two cases, the seriousness of the initial allegations prompted the Registrar to seek a temporary suspension under Section 53 while the investigation proceeded—which is to be used only in very serious allegations which indicate a clear and present risk to consumers. These investigations were ceased immediately, with no disciplinary outcomes resulting, upon the approval of lifetime withdrawal applications.
- Where complaints advanced beyond intake and resulted in an opened investigation, the allegations necessarily met the threshold for regulatory scrutiny. This threshold, however, was not consistently applied when determining eligibility for Section 54.
- Wording of the lifetime withdrawal approval letters is confused, inconsistent, and used unnecessarily exculpatory language. Implying the licensee had done nothing wrong, which potentially harms regulatory trust among victims and stakeholders.
- No comparator jurisdiction in Canada has a legislative provision comparable to Section 54. Other regulators rely on existing statutory authorities to remove high-risk licensees from the industry.

# Regulatory Framework Review

Strengthening consumer access and accountability through complaints framework.

## Complaints Process and RECA's Consumer Protection Mandate

RECA's mandate, as established under the Real Estate Act, is centered on protecting consumers and maintaining integrity within Alberta's real estate sector. This mandate is appropriate given the nature of the activities being regulated, which involve significant financial transactions and information asymmetry between industry professionals and consumers. A regulatory framework focused on consumer protection helps ensure that market participants meet defined competency and ethical standards while supporting confidence in the broader marketplace.

Within this mandate, the complaints process is a core component of RECA's regulatory framework and serves as one of its primary mechanisms for consumer protection and professional accountability. Through complaints, RECA identifies potential misconduct, assesses compliance with legislative and professional standards, and determines whether regulatory intervention is required.

Complaints also play an important system-wide role by identifying emerging risks, informing regulatory priorities, and reinforcing public confidence in the real estate, mortgage, property management, and condominium management sectors. An effective complaints framework must therefore balance accessibility for consumers with fairness, consistency, and proportionality in regulatory decision-making.

## Consumer Guidance and Submitting a Complaint

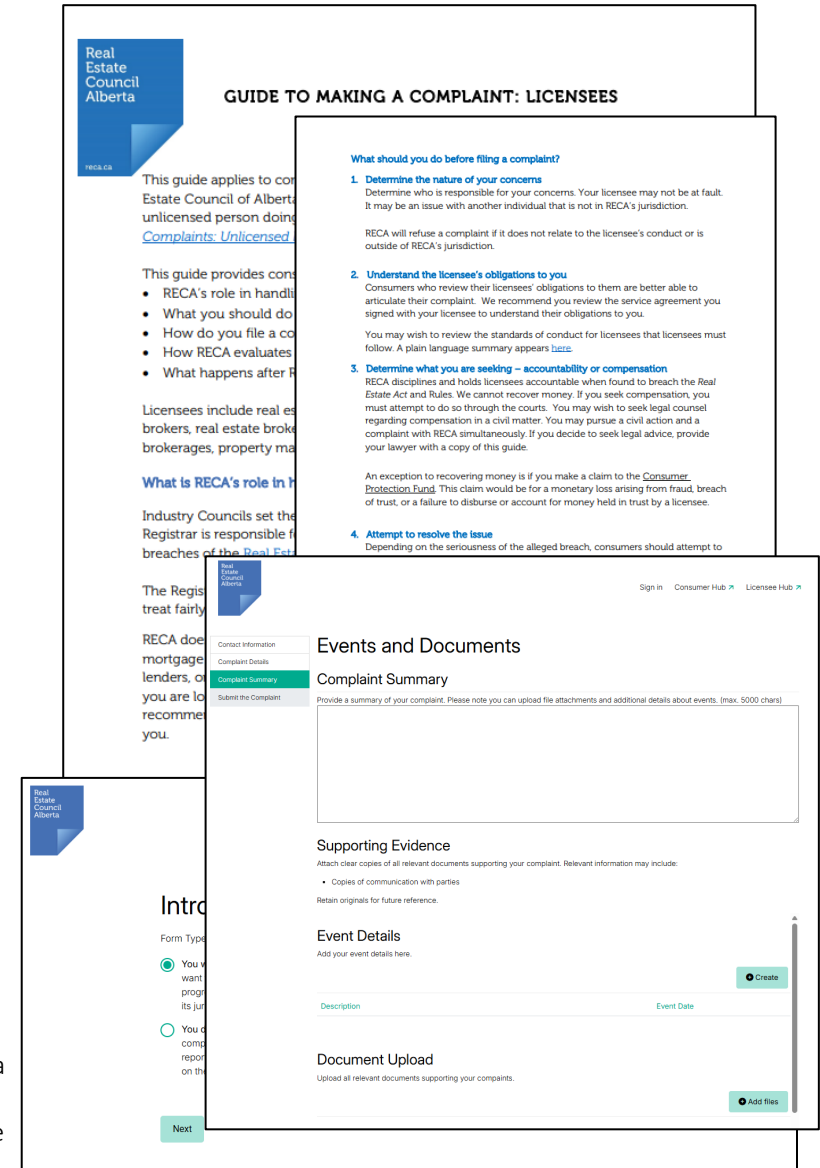
RECA's Guide to Making a Complaint: Licensees provides a clear overview of the complaints process, outlining RECA's role, jurisdiction, and investigative authority. The guide manages expectations by distinguishing between regulatory accountability and civil remedies, including when compensation must be pursued through the courts or the Consumer Protection Fund. It is logically structured, written largely in plain language, and supported by practical examples illustrating complaints that would be accepted or refused.

Consumers are primarily directed to submit complaints through RECA's online portal, which provides a structured process reinforcing key requirements such as identifying the licensee, providing sufficient details, and submitting supporting documentation. This approach supports consistency and investigative efficiency and is generally accessible for users comfortable with digital tools. However, alternative submission methods are not clearly emphasized, which may create accessibility barriers for some users. In addition, the absence of published timelines or service standards limits transparency regarding what consumers can expect once a complaint is submitted.

## Rights to Appeal Investigation Decisions

Complainants may appeal a decision by the Registrar not to proceed with an investigation.

The consumer costs to file an appeal are currently set at \$500, which may be refunded if the appeal is found to be valid. The existence of a fee for appeal of decisions is reasonable and consistent with comparable practices, however the appeal cost and refund structure should be periodically re-examined and benchmarked to comparable practices to ensure it does not create barriers to consumers in accessing the regulatory discipline process. The existence of complainant appeal rights is unusual among Canadian real estate regulators, with only Quebec having a similar legislated right. Other appeal systems we examined use a lower dollar value, but non-refundable option to process similar decision appeals.



Note: Since analysis has taken place, RECA has removed the Guide to Making A Complaint: Licensees from their website

# Regulatory Framework Review

Trends in complaint volume and categories received.

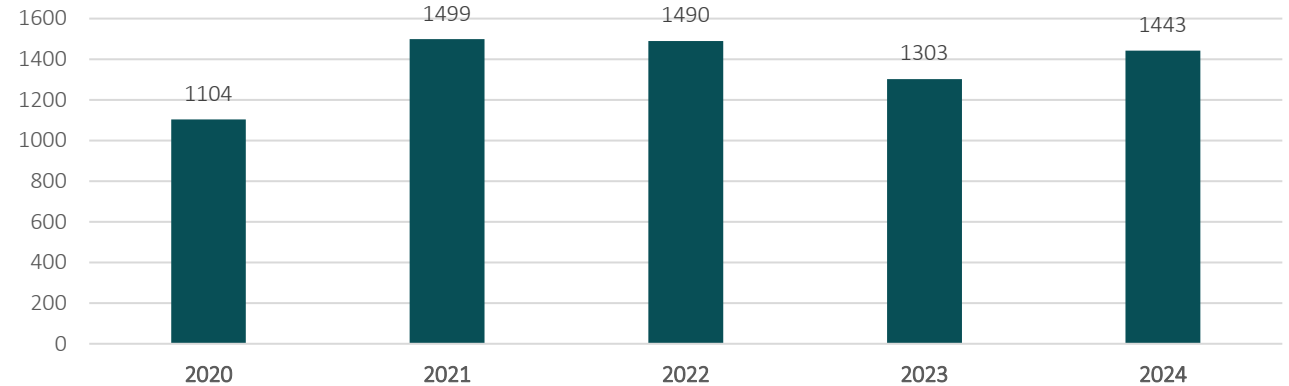
## Volume and Scope of Complaints

Between 2020 and 2024, RECA received an average of approximately 1,350 complaints per year across all license classes. This level of activity reflects the overall size and complexity of Alberta’s real estate sector, which involves thousands of licensees operating across residential, commercial, and property management markets. However, complaint frequency alone should not be interpreted as an indicator of widespread misconduct within the profession. Many complaints arise from consumer dissatisfaction with transaction outcomes, misunderstandings regarding regulatory requirements, or issues that ultimately fall outside RECA’s jurisdiction or enforcement authority. Based on our review of complaint documentation, most files appear to involve a single primary allegation rather than multiple distinct issues, suggesting that complaints are often focused on a specific concern or transaction-related event.

The largest category of complaints relates to competence, including concerns about service quality, communication with clients, and adherence to professional practice standards. These matters often arise in situations where consumers feel expectations were not met during a transaction, even when no clear regulatory breach has occurred. Advertising-related complaints also represent a recurring area of concern, particularly where required disclosures are incomplete, promotional materials lack clarity, or marketing language creates potential confusion for consumers. While these types of complaints tend to occur more frequently, they are often less severe in nature and may be resolved through guidance, education, or corrective actions rather than formal enforcement.

By contrast, fraud-related complaints represent a relatively small proportion of total submissions but remain among the most significant from a public protection perspective. Allegations involving fraud, misrepresentation, or intentional deception can have substantial financial consequences for consumers and may undermine confidence in the broader real estate market. These cases are typically more complex and resource-intensive to investigate, often requiring extensive evidence gathering and coordination with other regulatory or law enforcement bodies. As a result, while less common, they demand a disproportionate level of regulatory attention and remain a key priority within RECA’s enforcement framework.

Total Complaints Received  
2020 - 2024



Complaint Classification	2020	2021	2022	2023	2024
Competence	238	401	380	342	369
Advertising	204	209	119	100	105
Broker Responsibility	18	53	133	96	136
Condo-specific	-	-	16	34	147
Fiduciary Duty	20	53	79	76	122
Fraud	40	69	66	38	63
Character & Honesty	49	75	95	115	73
Misrepresentation	34	66	121	99	64
Unlicensed Activity	131	168	160	163	209
Blank or Other	370	405	321	240	155

# Regulatory Framework Review

Trends in complaint volume and categories received.

## Complaint Outcomes

Complaint outcome data from RECA indicates that a large share of complaints are resolved at the intake or early review stage rather than progressing to formal investigation. Refusals represent the largest single outcome category, accounting for approximately 32% of all complaints, while an additional 16% fall under “no jurisdiction.” Together, these categories suggest that nearly half of all submissions involve matters that either fall outside RECA’s legislative authority or do not meet the threshold required to proceed through the investigative and disciplinary process. While these complaints still require intake review and formal response, they generally conclude before reaching the more resource-intensive investigative stages. As such, a significant portion of complaint activity appears to be addressed through early-stage assessment and file closure processes.

The data also indicates that proportionate resolution mechanisms play an important role in managing complaint volumes. Alternative Complaint Resolution (ACR) accounts for approximately 15% of all complaints and is more common in lower-risk files, reflecting the use of facilitated resolution processes to address service concerns or minor professional conduct issues without requiring a full investigation. Additional matters are closed following review with advisory correspondence or educational guidance. These outcomes align with common regulatory practice, where lower-risk issues are often addressed through corrective or educational approaches rather than formal discipline.

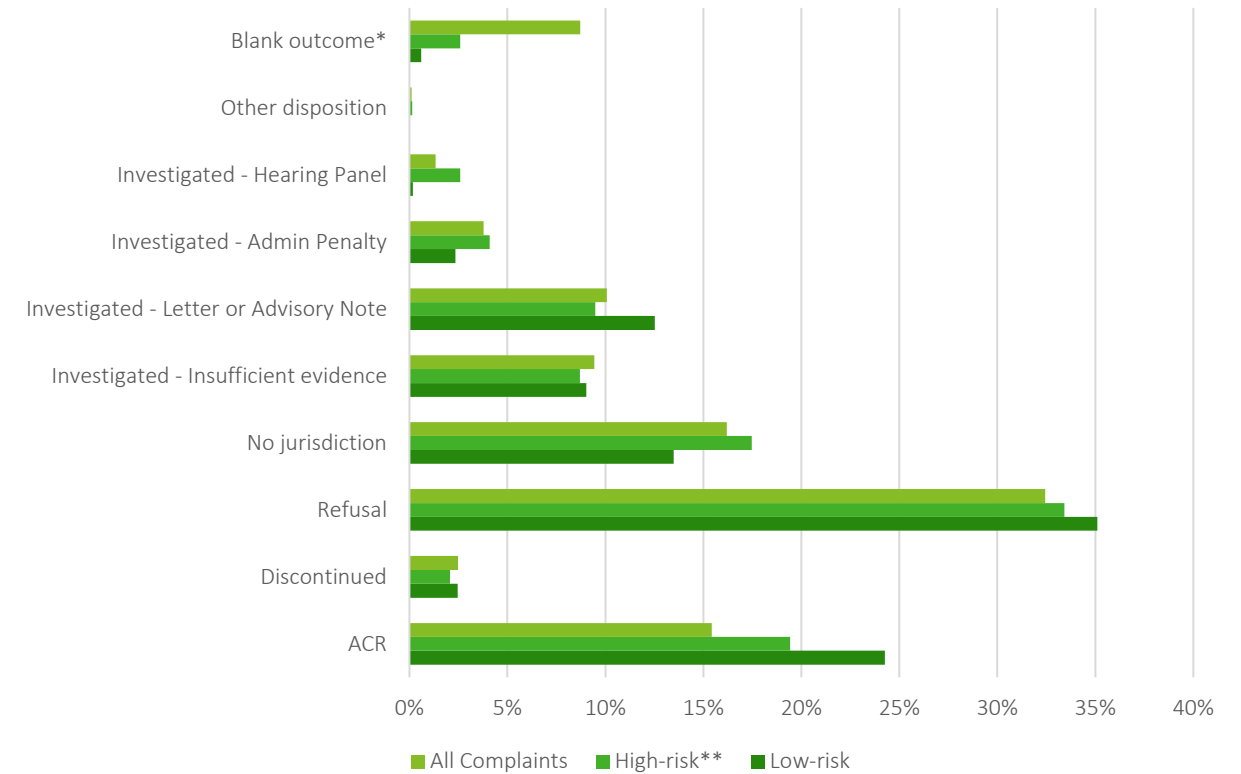
Only a relatively small proportion of complaints ultimately result in enforcement actions. Approximately 9% of complaints proceed to investigation but are closed due to insufficient evidence, while roughly 10% lead to an advisory letter following investigative review. Administrative penalties are applied in a limited number of cases (approximately 4%), and referrals to hearing panels represent a very small share of outcomes. This distribution suggests that while the regulator receives a wide range of concerns from the public, only a subset involve conduct that warrants formal disciplinary action.

Overall, the outcome distribution indicates that RECA manages a diverse range of complaint types, with many files resolved through early assessment or lower-intensity resolution pathways and a smaller share progressing to full investigation and formal enforcement. This pattern highlights the importance of effective intake screening and proportionate response mechanisms to ensure investigative resources can be directed toward the more complex or higher-risk matters that require deeper review.

## Proportional Disposition of Closed Complaints

All complaints vs. High-risk vs. Low-risk

2020 - 2025



\*: “Blank outcome” represent gaps in RECA’s data. 9% of closed complaint files document no regulatory outcome, representing a material incompleteness in RECA’s data. See also the discussion of this on page 51.

\*\* : High-risk complaints include complaints falling into RECA’s Administrative Penalties Sections 2, 6, and 7.

# Regulatory Framework Review

Trends in complaint volume and categories received.

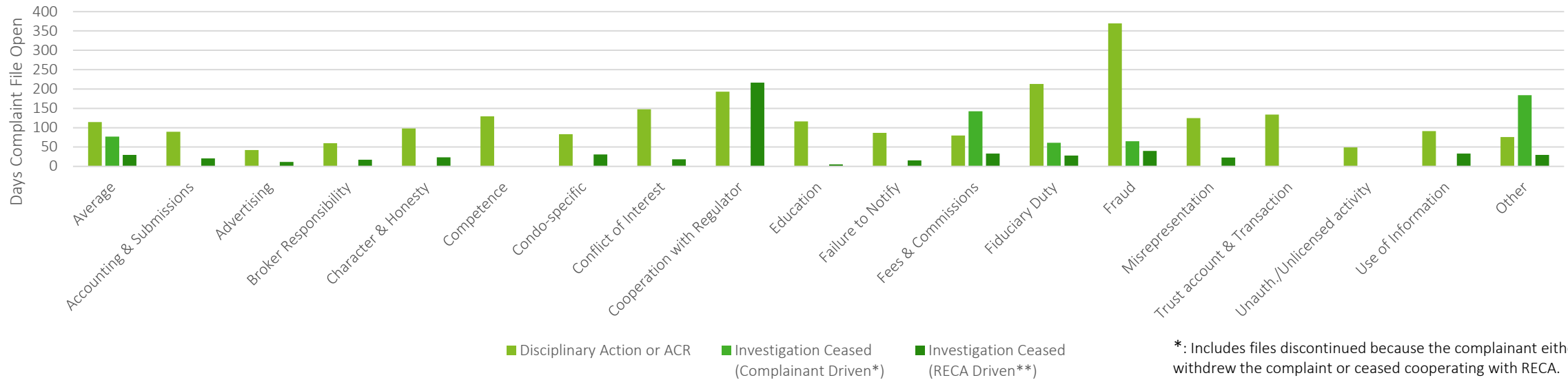
## Complaint Timelines by Allegation Type and Disposition

Analysis of complaint timelines shows that resolution length is strongly tied to the complexity of the allegation and its investigative requirements. Complaints that lead to disciplinary action or ACR take longer because they require more detailed review and evidence gathering. Complaint investigations can have many confounding factors, including those outside of RECA’s direct control, for example, delays or refusal to provide evidence or cooperate with the investigation. In contrast, matters that end early, for example: those withdrawn by the complainant or closed by RECA due to jurisdiction or evidentiary limits, are resolved more quickly.

Some allegation types naturally require deeper investigation. Issues involving fiduciary duties, conflicts of interest, cooperation with the regulator, and especially fraud often involve complex circumstances and professional judgment, resulting in longer timelines. Fraud-related complaints, though few, take significantly longer due to their seriousness and the scrutiny needed to assess potential deception or financial harm.

These findings underscore the need to define reasonable investigation timelines for complaints, and differentiate complex and high-risk case timelines, and ensure processes remain responsive. For matters requiring extended review, transparency can be maintained through proactive communication with complainants about progress, expectations, and key milestones.

Duration of Complaint Processing Time  
Analysis by Complaint Type and Complaint Disposition  
2020 - 2025\*\*\*



\*: Includes files discontinued because the complainant either withdrew the complaint or ceased cooperating with RECA.  
 \*\*: Includes Refused and No Jurisdiction Dispositions.  
 \*\*\*: Data does not include S. 54 Withdrawals.

# Regulatory Framework Review

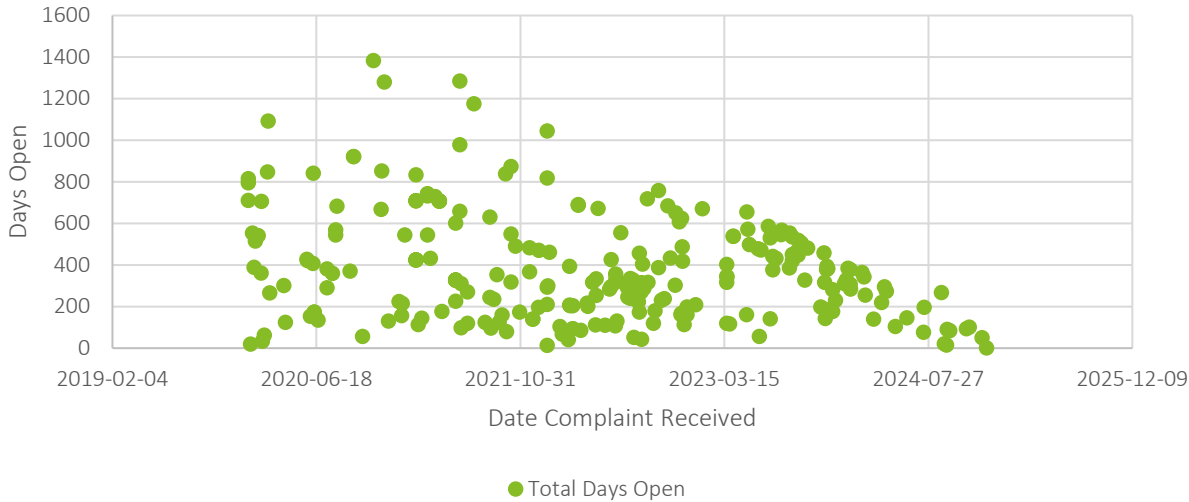
Trends and variability in complaint resolution timelines.

## Complaints

Across all license classes, complaints remained open for an average of 111 days, with notable variation by complaint type. Real estate brokerage complaints had the longest average duration at 283 days, followed by mortgage associate complaints at 254 days, while real estate associate complaints, the largest volume, averaged 134 days. Longer timelines are often associated with complex investigations involving multiple parties, extensive documentation, or financial analysis; however, case testing indicates that complexity alone does not account for the most significant delays observed.

## Analysis – Duration of completed files

Total Days a File is Open – Completed Files (2020 – 2025)



## Analysis - Aging of open complaint files

Age	1 Year or less	1 to 2 years	2 to 3 years	3+ years
Count of Files Open	212	73	16	46

(All complaints; data as of April 2025)

Over the past five years, average closure times for completed files have declined substantially, from over 500 days in 2019 to approximately 220 days by the end of 2024. However, this analysis reflects closed cases only and does not capture the volume of long-standing active files. Current aging data shows 73 open cases between one and two years old, 16 between two and three years, and 46 open for more than three years, indicating that a significant backlog of older matters remains unresolved.

Taken together, while average closure times for completed files have improved, the aging profile of active cases suggests that systemic delays persist and that overall timeliness has not improved as materially as closure statistics alone would imply. These findings reinforce the need for clearer service standards, stronger case management controls, and active monitoring of aging files to prevent prolonged stagnation within the complaints process.

## Detailed Case Review

Aggregate complaint data shows improved average resolution times, but a review of individual files revealed major weaknesses in timeline management. Directed testing of cases with unusually long resolution periods found extended periods of inactivity that cannot be explained by case complexity or external dependencies.

Several files showed delays of hundreds of days between internal review steps and formal assignment, contrary to RECA’s Complaints Policy and Procedures. Additional delays occurred after investigations closed: in some matters referred to hearing panels, more than 1,000 days passed before issuing a notice of hearing, even though evidence gathering was already complete.

RECA attributed these delays to staffing constraints, including limited investigator capacity and turnover among legal staff. While resourcing challenges are common in regulatory settings, they do not adequately explain delays of this magnitude, especially after cases had progressed into formal procedural stages.

Such prolonged inactivity can undermine regulatory credibility, procedural fairness, and public confidence. Once an investigation is complete, lengthy delays weaken enforcement, reduce deterrence, and create uncertainty for complainants and licensees.

# Regulatory Framework Review

Complaint processes lack defined KPIs, timelines and procedural clarity.

## Investigations Policies and Procedures

RECA's investigations policies include elements of leading regulatory practice. However, they are difficult to follow and, overall, do not function as a practical, step-by-step guide for how investigations should progress. The documentation is largely narrative, lacks clear structure, and does not define step-by-step expectations, decision points, or escalation pathways. As a result, investigators must rely heavily on experience, individual judgment, and institutional knowledge rather than standardized procedures. The procedures have:

- 1 Unclear investigation flow:** Policies do not include process maps, flow charts, or defined stages outlining how files move from intake to resolution.
- 2 Limited decision guidance:** There is no clear framework for risk classification, sanction recommendations, or consistent application of penalties dictate in the Rules.
- 3 Incomplete legal guidance:** Evidentiary standards, admissibility requirements, and relevant legal frameworks (including Alberta Rules of Court) are not clearly addressed.
- 4 Missing operational standards:** The policies do not define service standards, internal timelines, or performance expectations for investigations.
- 5 Insufficient governance controls:** Independence safeguards, peer review requirements, and investigator competency or training expectations are not clearly established.
- 6 Weak system integration:** Guidance on how the case management system should be used throughout an investigation is limited and inconsistent.

Case file testing also showed that higher-risk and fraud allegations follow alternative processes that are not documented in the existing investigative policy manual. While management indicated these files are expedited and handled differently in practice, the absence of clear, documented policy guidance and pathways creates room for inconsistency, reliance on institutional knowledge, and reduced transparency in decision-making.

## Complaints Oversight

The Board is responsible to oversee the Registrar's performance of key regulatory duties.

Effective oversight requires clear performance measures, service standards, and consistent reporting. Our review found that RECA does not currently have a comprehensive performance measurement framework to monitor complaint timeliness, consistency, or outcomes. Existing reporting focuses primarily on activity volumes and lacks defined KPIs, targets, or contextual analysis, limiting visibility into delays and setting the foundation for the timeline, IT, and record-keeping issues discussed below.

## "Fraud" not Defined or Discretely Reported

The REA places explicit responsibility for protecting and enforcing against fraud on the Board. However, RECA has not defined the term in its investigation policy or guidance. Management indicated it applies the definition in the *Criminal Code of Canada* and common law, but without contextual clarity and RECA-specific translation, it would be difficult for investigations staff with limited legal training, particularly those responsible to triage complaints, to make this critical determination with the consistency expected and needed by the Act.

Current processes also do not include explicit, periodic reporting on fraud allegations and investigations to the Board, limiting their direct oversight of this key aspect of their mandate.

## Lack of Timelines and Service Standards

Complaint timelines are not governed by service standards or performance targets, so resolution times are not managed against clear expectations. RECA has no formal benchmarks for key stages of the complaints process—such as file assignment, investigation milestones, the period between investigation closure and notice issuance, or referral to hearing panels—and no escalation thresholds when files stall. It also lacks public timelines to guide complainant expectations and internal reporting focused on timeliness or file aging. Without KPIs or benchmarks, complaint management remains reactive, contributing to the delays identified through case testing and limiting RECA's ability to identify and address systemic bottlenecks.

## Information Systems and Recordkeeping Limitations

Reliable data is essential for managing complaint timelines, identifying systemic issues, and enabling effective oversight. Our review found weaknesses in RECA's complaints management system (MMS) that materially limit data quality, completeness, and operational control. Basic system controls, such as restrictions on who can edit files, when edits can occur, and how materials are organized by stage, evidence, or decision, are largely absent. Instead, information is often uploaded without structure or alignment to workflow. Staff consistently described the system as difficult to use, citing limited functionality, poor document tracking, and lack of workflow visibility. These deficiencies lead to incomplete and inconsistent records—for example, the nearly 10% of closed complaint files having no documented outcome in the system, noted on page 48—and significantly impair RECA's ability to monitor performance, analyze trends, and ensure timely, well-controlled complaint processing.

Systemic Issues

# Regulatory Framework Review

Transparency and communication of regulatory outcomes.

## Communication With the General Public

RECA's public protection mandate depends heavily on clear, consistent, and transparent engagement with consumers, both complainants and affected parties. While RECA's investigations policies articulate high-level principles of transparency and responsiveness, these expectations are inconsistently operationalized and applied in practice. As a result, public-facing communication is limited, sometimes unclear, and reactive, and stakeholders have expressed that these experiences have eroded their trust in the complaints process, creating broader risks to confidence in RECA's regulatory effectiveness.

### Key Communication Gaps

- **Minimal required touchpoints:** Policies require communication with complainants only at intake, file opening, and file closure, with little guidance on interim status updates.
- **Lack of status update standards:** There are no defined expectations for update frequency, content, or timeliness during investigations, contrary to leading regulatory practice.
- **Unclear and technical messaging:** Certain notifications, particularly "transfer" communications, can be unclear, providing little clarity on next steps, timelines, or implications for complainants.
- **Narrow definition of stakeholders:** Policies recognize only complainants as entitled to information, excluding informants and known victims, even in large-scale or fraud-related matters.
- **No public service standards:** RECA does not publish external timelines or service commitments for acknowledgements, milestones, or resolution, limiting transparency and expectation management.

It is important to recognize that investigation timelines can vary significantly depending on complexity, evidentiary requirements, legal considerations, and cooperation of parties. Leading regulators address this reality not by promising fixed resolution times, but by establishing transparent service standards, such as target timeframes for key stages, defined update intervals, and clear explanations when delays occur. This approach manages expectations while preserving procedural fairness. In the absence of such standards, stakeholders are left without a clear understanding of what constitutes reasonable progress, amplifying frustration even where delays may be justified.

In one recent fraud investigation involving over 60 known victims and multiple informants, RECA provided no proactive updates to affected parties due to the absence of policy guidance. While only complainants have formal appeal rights under the REA, leading regulators ensure all affected parties who are known to the investigation team receive reasonable and consistent communication to maintain confidence in the regulatory process.

## Public Access to Regulatory Information

S. 55 of the REA permits RECA to publish information on licensees, including both basic licensee information and the results of prosecutions and disciplinary action. While the section uses permissive "may" language, and so leaves decision making over what to disclose in the hands of RECA, it is common across comparable regulators to consistently and comprehensively publish information about licensees and, where necessary, breaches of conduct or rules. It is also a key tool in maintaining high standards and trust in the regulated industries.

RECA provides consumers with access to key regulatory information, including license status, brokerage affiliations, hearing schedules, and certain disciplinary decisions. However, this information is dispersed across multiple webpages and platforms, requiring users to understand different publication rules and search processes in order to piece together a complete picture of a licensee's history. This fragmentation reduces usability and creates barriers for consumers seeking clear, consolidated information about licensees.

Several notable disclosure gaps further limit transparency. Practice review outcomes are not publicly reported, letters of reprimand are no longer published, and disciplinary case summaries, previously a valuable source of insight both to RECA and to stakeholders, have been discontinued. While formal decisions may still be available, the absence of summarized, accessible explanations reduces visibility into regulatory reasoning and trends.

Leading regulatory practice favors a centralized, searchable public register that integrates licensing status, quality assurance results, and disciplinary history in a single, user-friendly interface. Although tools such as RECA ProCheck contribute to this objective, the current dispersed information model remains incomplete and may undermine consumer confidence in the transparency and accessibility of regulatory oversight.

## Public Trust as an Overarching Mandate

Public trust is foundational to RECA's ability to fulfill its public protection mandate. Weak communication practices and fragmented public information create unnecessary friction, reduce confidence in regulatory outcomes, and amplify perceptions of opacity, even where investigations may be substantively sound. Improving clarity, consistency, and accessibility of public communication represents a relatively low-complexity reform with a disproportionately high impact on trust, credibility, and mandate effectiveness.

# Regulatory Framework Review

Assessment of hearing timelines, sanctions and outcomes.

## Timeliness and Consistency

Hearings are reserved for RECA's most serious, complex, or contested matters and play a critical role in enforcement and public protection. Our review of hearing data over the past five years indicates that these cases are resource-intensive, take a considerable amount of time to resolve, and result in outcomes that vary widely in severity.

## Key Observations

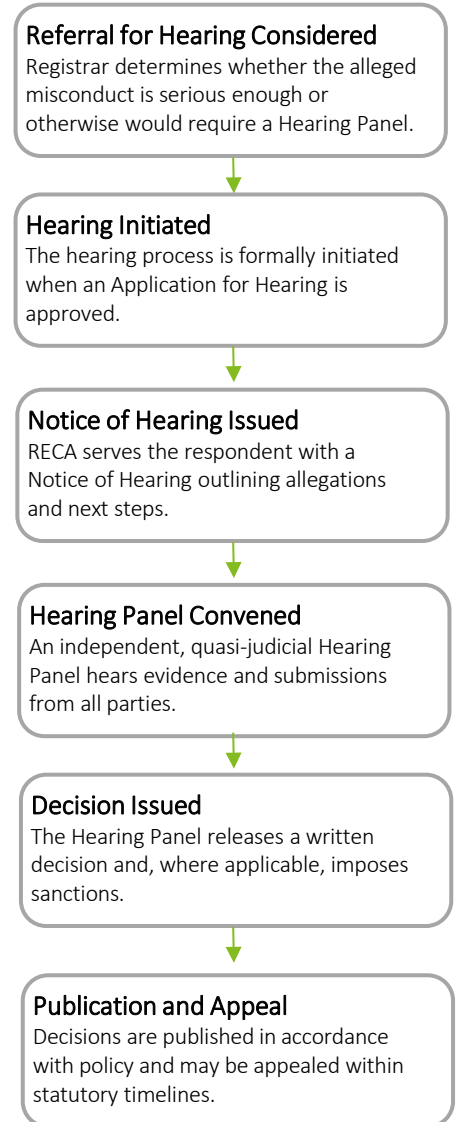
- 1 Hearings are typically initiated where facts are disputed, multiple or serious breaches are alleged, or administrative penalties are not considered appropriate.
- 2 The average time from referral to final disposition was approximately 240 days, with a median of 165 days, including matters still ongoing as of December 3, 2025.
- 3 RECA noted that delays often relate to procedural motions and respondent-driven factors; however, based on precedent that matters exceeding 18 months raise timeliness concerns, extended hearing timelines risk undermining consumer protection and deterrence.
- 4 Hearing volume is low and stable: 70 referrals over five years (approximately 14 per year), suggesting delays are not driven by caseload pressure but by process design and execution.
- 5 As recently as October 2025, the Court of King's Bench has ruled on a statutory review brought to it in Mohamed v Real Estate Council of Alberta (2026 ABKB 84) and while the court found mostly in support of RECA in the matters directly before it, its decision highlighted procedural fairness concerns stemming from the timeliness of RECA's hearing and appeal processes.

## Sanctions and Outcomes

- 1 Monetary penalties and cost recoveries averaged approximately \$19,500, with a median of \$12,500, alongside non-monetary sanctions such as suspensions, re-education, ineligibility periods, and permanent bans.
- 2 Outcomes varied across cases, reflecting the high degree of discretion exercised by hearing panels in the absence of structured sanctioning guidance. RECA does not have a formal framework outlining expected outcomes or sanction ranges for particular breach types or combinations of breaches, leaving panels to determine appropriate penalties largely on a case-by-case basis.

While some variation is appropriate given the specific facts of each matter, this level of discretion, combined with lengthy hearing timelines, can contribute to inconsistency in outcomes and reduce predictability in the disciplinary process. Over time, this may affect stakeholder confidence in the fairness and transparency of RECA's disciplinary framework and may also limit the deterrent value of the hearings process.

## Current Hearing Process



# Regulatory Framework Review

Disciplinary system driven solely by complaints.





## Reactive, Complaint-Driven Model Dominates Compliance Practice

While S. 38(1)(b) of the REA permits the Registrar to initiate reviews without a complaint, RECA's conduct and disciplinary enforcement activity is largely complaint-driven. Investigations are typically initiated in response to a specific complaint or identified file, and the scope of review is generally confined to the individual or transaction under review. While this approach is designed to support procedural fairness and administrative efficiency, it limits RECA's ability to identify broader patterns of misconduct, systemic control weaknesses, or risks extending beyond the original allegation. While data and risk information may be shared between RECA's practice review function and its investigations and disciplinary team, RECA does not currently engage in risk-based or proactive enforcement actions.

Instances where investigative findings identified indicators of potentially broader risk, such as repeated control weaknesses, supervision gaps, or similar transaction patterns within a brokerage, were present, follow-up inquiries did not appear to extend beyond the initial respondent. In these cases, the regulatory response addressed the immediate issue but did not consistently assess whether the concern was isolated or reflective of a wider organizational risk.

## Gaps in Risk Escalation and Pattern Detection

RECA does not have a structured framework requiring investigators to assess whether a file raises systemic or enterprise-level concerns warranting expanded review. In practice, escalation appears discretionary rather than guided by defined risk thresholds. Specifically, the review found:

-  No documented trigger points requiring broader brokerage-level review
-  No formal expectation to test for repeated patterns across related licensees
-  Limited integration of complaint analytics to detect emerging risk clusters
-  No clear escalation pathway from individual misconduct to supervisory review

Licensees with opened investigations in multiple years 2020-2025	
Licensees with opened investigations in:	Number of licensees:
Two different years	110
Three different years	60
Four different years	25
All five years	3
<b>Total</b>	<b>198</b>

A complaint-only enforcement posture can unintentionally allow systemic issues to persist undetected. Where misconduct is linked to weak supervision, deficient trust controls, inadequate training, or cultural issues within a brokerage, addressing only the named respondent may leave underlying risks unresolved.

Modern regulators increasingly supplement complaint-based investigations with risk-based supervisory approaches, including targeted brokerage reviews, thematic investigations, data-driven risk identification, and follow-up audits when red flags arise. These approaches do not presume wrongdoing but instead ensure that potential systemic risks are assessed proportionately and transparently.

## Data as an Untapped Enforcement Tool

RECA holds a significant volume of regulatory data across complaints, investigations, licensing history, discipline, education outcomes, and brokerage activity. When viewed in isolation, these data points support individual case management; however, when analyzed collectively, they could provide meaningful insight into emerging risks, repeat patterns of conduct, supervisory weaknesses, or systemic issues within specific brokerages or practice areas. While current data has weaknesses to be resolved, RECA's data represents a significant opportunity for regulatory insight and performance management.

At present, there is limited evidence that complaint trends, repeat allegations, trust account concerns, or clustered conduct issues are systematically analyzed to identify broader risk signals. Without structured analytics, cross-file review mechanisms, or defined escalation triggers, potential warning signs may remain confined to individual files rather than prompting targeted supervisory or investigative attention.

Developing a basic intelligence function, supported by defined thresholds for pattern recognition and escalation, would allow RECA to move beyond purely reactive enforcement and toward a more risk-based, preventive regulatory posture aligned with modern public protection practice.

# Regulatory Framework Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>2.1 Rules are comprehensive, but not always user-friendly</b> RECA's Rules are comprehensive and aligned with regulatory standards, but their legal and technical framing makes them difficult to interpret and apply in day-to-day practice, particularly for newer licensees. This limits practical usability and creates a reliance on additional guidance to achieve consistent compliance.</p>	<p><b>RECA should improve the usability of its Rules by adding plain-language explanations and practical guidance to help licensees translate legal requirements into day-to-day practice.</b> Presenting obligations in role-based formats and strengthening cross-references between the Act, Rules, and guidance would reduce confusion and improve navigability. Incorporating visual tools such as diagrams and flow-charts, consistent with leading practices in other jurisdictions, would further support clearer understanding and more consistent compliance.</p>	<p><b>Medium</b> This recommendation would moderately improve licensee understanding and consistency of compliance by making existing requirements clearer and easier to apply, without changing the underlying regulatory framework.</p>	<p><b>Medium</b> Implementation would require a focused but manageable investment of staff time to develop guidance, visuals, and cross-references, largely leveraging existing content and established practices from other jurisdictions.</p>
<p><b>2.2 Information Bulletins have limited context</b> RECA's Information Bulletins are generally clear and well written, but they do not consistently indicate whether they reflect new rules, amendments, or guidance only. This makes it difficult for licensees, particularly newer practitioners, to understand the regulatory significance of each bulletin and whether changes to practice are required. As a result, the bulletin system's overall transparency and usability are reduced despite strong underlying content.</p>	<p><b>RECA should require all Information Bulletins to clearly state their regulatory status, specifically whether they introduce a new requirement, amend an existing Rule, or provide interpretive guidance on current obligations.</b> This clarification should be prominently included at the beginning of each bulletin, along with references to the relevant Rule or legislative provision where applicable. Doing so would preserve the strong, practical value of bulletins while improving transparency, reducing uncertainty, and helping licensees, particularly newer practitioners, understand when changes to practice are required versus when guidance is explanatory in nature.</p>	<p><b>High</b> Clarifying bulletin status would greatly improve licensee understanding and compliance.</p>	<p><b>Low</b> Implementation requires only minor updates to templates and review processes.</p>
<p><b>2.3 Current rules review process is cumbersome</b> Despite being comprehensive and resource-intensive, RECA's Rules Review process has taken more than three years. Difficulty achieving Industry Council consensus, particularly where proposed amendments affect multiple sectors, has constrained progress. As a result, the current model limits timely, targeted rule updates and reduces RECA's ability to respond quickly to emerging issues and market changes.</p>	<p><b>Industry Councils should develop a clear, consistent, and repeatable policy and process to guide efficient future rules reviews.</b> Industry Councils should debrief the recent comprehensive rules review and ensure all lessons learned are captured in policy. Key considerations should include:</p> <ul style="list-style-type: none"> <li>• Reinforcing that rule making authority within RECA sits solely with the Industry Councils; and define management and the Registrar's role in future reviews.</li> <li>• Setting a 5-year review an update cadence, with each industry taking a year, and reserving the fifth year for general and cross-industry rule consideration.</li> <li>• Defining reasonable, but appropriately constrained consultation requirements, looking to other regulators for leading practices.</li> </ul>	<p><b>High</b> The ability of RECA to efficiently update the <i>Real Estate Act Rules</i> through periodic comprehensive reviews and one-off changes for emerging issues is central to its functioning as a regulator.</p>	<p><b>Medium</b> Policy development and implementation will require short-term effort to accumulate lessons learned and draft.</p>

# Regulatory Framework Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>2.4 Complaint timelines can extend into years</b> While overall complaint resolution times have improved, some cases experienced excessive delays. These delays, often due to staffing bottlenecks or problems obtaining evidence, undermine fairness, public confidence, and enforcement effectiveness, highlighting the need for RECA to address internal process issues, monitor timelines consistently, and develop a workforce strategy that considers capacity in key regulatory functions.</p>	<p><b>RECA should implement internal controls and monitoring to ensure complaint processes progress efficiently at all stages, addressing bottlenecks caused by staffing or procedural issues.</b> Clear target timelines and KPIs should be established for each step, and RECA should publicly report on these metrics to increase transparency. Proactive management and open reporting will support procedural fairness, maintain public confidence, and ensure enforcement actions are timely and effective.</p>	<p><b>High</b> Improving complaint timelines and publicly reporting KPIs will enhance fairness, accountability, and public confidence.</p>	<p><b>High</b> Implementing these changes requires process redesign, resource adjustments, system updates, and ongoing reporting mechanisms.</p>
<p><b>2.5 Investigation policy and procedure needs further clarification and alignment to process</b> RECA’s investigation policy manual lack clear, practical guidance, and does not consistently reflect current practice. They do not define investigation stages, decision-making frameworks, legal standards, operational timelines, or governance controls, leaving investigators to rely on judgment and institutional knowledge, which creates inconsistency and reduces transparency.</p>	<p><b>RECA should overhaul its investigative policy manual to provide a clear, structured, and practical guide for investigators.</b> This should include defined stages from intake to resolution, step-by-step decision points, risk classification frameworks, evidentiary and legal guidance, operational timelines, performance standards, and governance controls such as peer review and competency requirements. RECA should clearly define “fraud” in its context and develop process to facilitate direct Board oversight of all such matters. The manual, or a separately developed policy, should also clearly describe RECA’s practices in responding to high-risk and fraud complaints to ensure guidance matches practice. Standardizing these procedures will promote consistency, transparency, and accountability across all investigations.</p>	<p><b>High</b> Overhauling investigative procedures will significantly improve consistency, transparency, and fairness across all cases, strengthening regulatory credibility and public confidence.</p>	<p><b>High</b> Developing comprehensive, structured procedures with legal, operational, and governance guidance will require extensive consultation, policy drafting, staff training, and integration with existing systems.</p>
<p><b>2.6 Complaints documentation and data systems does not support effective monitoring</b> RECA’s complaints management system lacks basic controls, structured workflows, and reliable data tracking, resulting in inconsistent records, limited operational oversight, and impaired ability to monitor timelines, identify trends, and manage complaints effectively.</p>	<p><b>RECA should modernize its complaints management system to align with updated investigative policies and provide structured guidance to investigators throughout each stage of a file.</b> The system should include stage-based workflows, role-based access controls, and consistent organization of evidence, decisions, and documentation, while offering real-time visibility into case progress. By embedding prompts, decision points, and escalation pathways linked to the revised procedures, the system would guide investigators, ensure consistent application of standards, and support accurate reporting on performance metrics, trends, and timelines for effective oversight.</p>	<p><b>Medium</b> Improving the complaints management system will enhance consistency, oversight, and data quality, but will primarily affect internal operations rather than public-facing outcomes.</p>	<p><b>High</b> Implementing a modernized system with integrated workflows, guidance features, and robust controls will require substantial planning, IT development, and training for staff.</p>

Complaints

# Regulatory Framework Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>2.7 Communication with complainants is limited</b> RECA's investigation policies provide minimal guidance on communicating with complainants, resulting in limited, inconsistent, and often unclear updates. Interim status updates are rare, messaging is technical or cryptic, and service expectations are not published, undermining transparency, stakeholder confidence, and public trust.</p>	<p><b>RECA should increase the frequency and consistency of communication with complainants throughout the investigative process.</b> Policies should define required touchpoints, standardize content and timelines for updates, and ensure messaging is clear and understandable, helping complainants stay informed and maintaining public confidence in the regulatory process.</p>	<p><b>High</b> Updating communication procedures significantly improves public confidence and transparency by keeping complainants informed and reducing frustration during investigations.</p>	<p><b>Low</b> This can be implemented by updating existing policies and standardizing communication templates without major resource or system changes.</p>
<p><b>2.8 Public access to regulatory information is dispersed</b> RECA's licensing and disciplinary information is fragmented and incomplete, with key gaps such as missing practice review outcomes and discontinued case summaries. This limits transparency and consumer confidence compared with leading practices that use a centralized, accessible public registry.</p>	<p><b>RECA should consolidate all licensing, quality assurance, and disciplinary information into a single, publicly accessible registry.</b> This should include current license status, brokerage details, disciplinary outcomes, and practice review results, with clear guidance for interpretation. A centralized approach would improve transparency, support consumer decision-making, and align with leading regulatory practices.</p>	<p><b>High</b> Consolidating regulatory information into a single public registry will significantly enhance transparency, consumer confidence, and accountability across the real estate sector.</p>	<p><b>Medium</b> Implementing a centralized registry requires moderate effort, including integration of existing data sources, website updates, and consistent formatting for accessibility and clarity.</p>
<p><b>2.9 Section 54 withdrawals undermine trust</b> Section 54 of the <i>Real Estate Act</i> allows licensees to permanently withdraw from the profession, ending all disciplinary proceedings. In practice, this provision has been used in ways that undermine accountability, weaken disciplinary consistency, and pose risks to public confidence. Even with the 2024 Ministerial clarification, the potential for misuse remains, indicating that Section 54 is fundamentally incompatible with effective regulation.</p>	<p><b>The Ministry should consider whether to repeal Section 54 of the <i>Real Estate Act</i> in future legislative amendments, given mixed incentives and existing statutory authority enabling the Registrar to remove high-risk licensees without ceasing accountability in serious cases.</b> Lifetime prohibitions should be initiated and issued by the Registrar, not requested by the licensee, and only in circumstances supported by sufficient evidence and documented rationale, with proceedings completed where appropriate to ensure transparency and accountability. The revised framework should prevent use in cases involving fraud or criminal activity as a means of avoiding scrutiny. This will preserve due process while strengthening public confidence in regulatory outcomes.</p>	<p><b>Medium</b> Clarifying and strengthening the statutory framework for permanent license prohibitions would significantly enhance accountability, transparency, and public confidence in RECA's enforcement regime.</p>	<p><b>Medium</b> Legislative change would be required but does not require major operational redesign beyond updating policies and procedures to reflect the amended authority.</p>

Complaints

Real Estate Act

# Regulatory Framework Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort	
<p><b>2.10 Hearing timeliness and consistency issues impede procedural fairness</b>  RECA hearings are lengthy and produce widely variable outcomes. With average resolution times approaching eight months, and some nearing or exceeding one year, timeliness concerns persist despite low hearing volumes. Sanctions vary significantly across similar cases, raising concerns about consistency, proportionality, and confidence in the disciplinary framework.</p>	<p><b>RECA should establish defined service standards and target timelines for key hearing milestones, including referral, notice issuance, scheduling, and final disposition, to ensure matters are resolved within a reasonable and predictable timeframe.</b> Process mapping and early case management conferences could help reduce procedural delays and improve efficiency. In addition, RECA should develop clearer sanctioning guidance or decision frameworks to promote greater consistency and proportionality across similar cases, while preserving appropriate panel discretion. Regular internal review of hearing outcomes and timelines should be conducted to monitor adherence and identify areas for continuous improvement.</p>	<p><b>Medium</b>  Establishing clearer timelines and sanctioning guidance would improve fairness, predictability, and confidence in the hearings process, though it would not address upstream investigative delays.</p>	<p><b>High</b>  Implementing defined service standards and consistent sanctioning frameworks will require policy reform, stakeholder alignment, potential legislative adjustments, and sustained monitoring to embed changes.</p>	<b>Hearings</b>
<p><b>2.11 Limited Application of Risk-Based Enforcement</b>  RECA’s enforcement approach is primarily reactive and complaint-driven, with limited use of aggregated regulatory data to identify patterns, systemic risks, or supervisory weaknesses across brokerages or licensees. As a result, potential red flags may remain isolated within individual files rather than triggering broader, risk-based regulatory action.</p>	<p><b>RECA should implement a risk-based enforcement framework that allows it to initiate broader reviews when patterns or systemic risks are identified, rather than relying solely on individual complaints.</b> This should include defined escalation triggers (e.g., repeated allegations, clustered complaints, or high-risk conduct indicators) and clear authority to expand investigations to related individuals or brokerages where appropriate. The approach should be supported by better use of existing data and regular reporting to the Board on proactive enforcement activity.</p>	<p><b>High</b>  A proactive enforcement model would significantly strengthen consumer protection and improve RECA’s ability to detect and deter systemic misconduct.</p>	<p><b>High</b>  Implementing this framework will require new policies, analytical capacity, training, and system enhancements.</p>	<b>Proactive Enforcement</b>



# Internal Relationships and Culture Review



# Internal Relationships and Culture Review

## Section Overview

# 03

## Internal Relationships and Culture

This section examines RECA's internal culture, staffing, and cross-functional dynamics, assessing whether its organizational environment supports effective, outcome-focused regulatory performance.

### Overall Conclusion

RECA's internal relationships and culture are **functional but continuing to stabilize and evolve after a period of historic dynamism**. A risk-averse, legalistic orientation coupled with capacity pressures, and siloed operations limit the agility and collaborative environment needed to deliver on its regulatory mandate in a modern, fast-paced environment.

## At a Glance

### How We Conducted the Review

We assessed RECA's internal culture and organizational dynamics through stakeholder consultations, staff feedback, and direct observation during site visits. We reviewed resourcing and staffing structures across key functional areas including legal, investigations, and education. Cross-functional coordination practices and internal feedback mechanisms were examined to understand how information and learning flow across the organization. Findings were assessed against expectations of a mature regulator capable of balanced, proportionate, and outcome-focused decision-making.

### Our Most Significant Findings

RECA's culture is evolving and stabilizing after the effects of the events precipitating Bill 20, the structural changes it created, regular external criticism, and the impacts of turnover in management positions. RECA conducts periodic staff surveys and recent results do not suggest overwhelming areas of concern or situations outside of the ranges normally expected of modern organizations. We found that RECA's culture tends towards a legalistic and compliance-driven orientation that, while needed in some measure for a regulator, can slow decision-making and draw focus away from practical consumer outcomes. Capacity constraints across key functions persist without the support of a formal workforce strategy.

### What Needs to Happen

RECA should introduce clearer decision guidance and training to support staff in exercising proportionate, outcome-focused regulatory judgment with greater confidence. A comprehensive workforce strategy should be developed to align staffing levels, skills, and resourcing with current and anticipated regulatory demands. Formal cross-functional coordination and learning mechanisms should be established to break down silos and strengthen the organization's ability to improve continuously. Together, these steps would help cultivate an internal culture that better supports RECA's public protection mandate.

# Internal Relationships and Culture Review

Culture is high integrity, but sometimes too cautious.

## Strong Ethical Foundation, Limited Strategic Agility

RECA maintains comprehensive codes of conduct, detailed HR policies, and clearly articulated accountability expectations, reflecting a strong institutional focus on procedural integrity. In interviews, staff frequently emphasized fairness, documentation, and careful decision-making as core organizational values. This emphasis provides an important ethical foundation; however, our review did not consistently identify complementary mechanisms that translate these controls into measurable consumer-protection outcomes or operational performance improvements.

In practice, this compliance-driven orientation often extends beyond necessary safeguards and manifests as operational rigidity. File reviews and stakeholder feedback pointed to highly legalistic approaches to interpretation, repeated internal validation steps, and reluctance to exercise discretion even where risk was limited. While risk awareness is appropriate for a regulator, the cumulative effect appears to slow decision-making, constrain innovation, and prioritize procedural defensibility over timeliness and proportionality. Without clearer guidance on where flexibility is appropriate, the organization risks equating compliance with effectiveness, rather than focusing on whether regulatory interventions are achieving intended public-protection results. Among other potential examples is the issues related to RECA's interpretation and application of S. 54(4) of the REA, discussed in detail on page 45 (above), which ultimately required intervention by the Minister to reinforce legislative intent.

## Capacity Constraints and Risk Aversion Reinforce Cautious Culture

The organization reports that it operates within meaningful resource constraints, particularly in legal, investigations, and education functions. Limited staffing capacity, combined with the complexity of RECA's mandate, creates operational pressure in core regulatory areas. These constraints contribute to cautious prioritization and a tendency to defer broader or proactive initiatives in favor of managing immediate obligations.

In several areas of this review, complaints timelines, education oversight, and governance implementation, capacity limitations were cited as a primary explanation for delay or inaction. While resource challenges are real, the absence of a comprehensive workforce strategy and clear prioritization framework amplifies their impact. Without structured planning, staffing pressures can become systemic rather than temporary constraints.

Risk aversion and human resource limitations reinforce each other. When staffing is thin, the organization naturally becomes more cautious. When culture is strongly compliance-focused, there is greater reluctance to test new approaches or exercise discretionary authority. The combined effect is a regulator that is procedurally careful but less agile in responding to emerging risks, sector changes, or stakeholder expectations.

1

**Legalistic Interpretation Bias:** Policy interpretations and implementation often defaults to conservative, lawyer-driven interpretations of authority, sometimes limiting practical implementation even where discretion exists.

2

**Absence of Workforce Strategy:** While HR policies are extensive, there is no comprehensive long-term workforce plan aligning staffing levels with mandate evolution and regulatory priorities.

3

**Capacity-Driven Prioritization:** Operational backlogs in investigations and education suggest that resource constraints are shaping regulatory posture rather than strategic risk assessments. Despite operating surpluses in recent years RECA has not been able to hire additional staffing in key regulatory areas.

4

**Innovation Friction:** Risk sensitivity and procedural layering can discourage experimentation, cross-functional initiatives, or proactive regulatory pilots that could improve effectiveness.

# Internal Relationships and Culture Review

Organizational learning and cross-functional integration constrained.

## Internal Collaboration

Our review identified structural and cultural barriers that limit cross-functional collaboration and organizational learning. Although collaboration does occur across teams, it is often informal and relationship-driven rather than systematically embedded in processes, reporting structures, or performance expectations. Regulatory effectiveness increasingly depends on the ability to share information across organizational functions, identify emerging risks, and respond in a coordinated manner; where these mechanisms are not formalized, opportunities for proactive and cohesive action can be constrained.

## Where Collaboration Breaks Down

- 1 Cross-Functional Information Flow:** Although individual teams perform their mandates competently, mechanisms to routinely share insights across different functions in the organization are limited. This constrains RECA's ability to identify systemic risks and align regulatory responses.
- 2 Limited Data Integration:** Complaints data, investigation and practice review trends, and education insights are not consistently shared across organizational functions to inform standards-setting, risk prioritization, or policy refinement.
- 3 Reactive Rather Than Strategic Coordination:** Cross-organization collaboration tends to occur in response to immediate issues rather than through structured, recurring knowledge-sharing forums.
- 4 Siloed Reporting Structures:** Operational units largely focus on their own mandates, with limited mechanisms requiring cross-department visibility into emerging risks or performance trends.

## Organizational Learning and Feedback Loops

RECA collects substantial operational information across complaints, investigations, education, and licensing functions; however, structured processes to translate that information into organization-wide learning are limited. Insights from enforcement outcomes are not consistently fed back into rule development, guidance updates, or education improvements, and knowledge transfer mechanisms are informal and uneven. As a result, lessons learned in one area are not reliably institutionalized across the organization, reducing RECA's ability to adapt proactively and improve regulatory performance over time. Organizational structure and work patterns also influence collaboration. Current practices may unintentionally reduce opportunities for informal coordination and shared problem-solving:

- 1 Hybrid/Low In-Office Presence:** Limited in-person interaction may reduce informal collaboration and cross-team awareness, particularly for complex or emerging issues.
- 2 Meeting and Documentation Burden:** Excessive materials and formal processes can crowd out time for strategic thinking and collaborative problem-solving.

RECA has many capable professionals and pockets of strong collaboration, but the absence of structured cross-functional mechanisms limits organizational learning and regulatory agility. Without clearer feedback loops, shared risk analysis, and integrated reporting, the organization risks operating as a collection of units rather than as a cohesive regulatory system. Strengthening collaboration will be critical to supporting proactive oversight, improving public confidence, and advancing RECA's public protection mandate.

# Internal Relationships and Culture Review

Governance culture strengthened by collaboration, limited by structural complexity.

In organizations such as RECA, with more than 10% of its organizational headcount represented by the members of its governance bodies, governance culture is key to its operations and can dictate tone and culture throughout the organization.

## Collaborative Governance Culture with Structural Friction

Interviews consistently reflected constructive, if complex, working relationships between the Board, Industry Councils and senior management. The hybrid model of public and industry representation created a generally productive dynamic tension and allows industry-specific knowledge to inform regulatory oversight, though sometimes stretched RECA away from the centrality of its public protection mandate.

However, collaboration alone does not eliminate structural friction. As noted earlier, the governance reforms introduced complexity in authority pathways, and while formal tools such as the authority matrix exist, practical application remains uneven. Decision-making is often slowed by uncertainty about escalation points, duplication of review, or overly cautious referral to higher governance levels.

Over time, this has created a culture that values consensus, conservatism, and procedural completeness, but sometimes at the expense of agility and mandate focus.

1

### Continuity and Knowledge Transfer Risk

Frequent turnover driven by fixed terms and election cycles creates recurring onboarding burdens, and strains culture and cohesion. Incoming members often require significant time to understand regulatory context, historical decisions, and role boundaries. This cyclical reset reduces momentum on long-term initiatives and increases reliance on management for continuity, subtly shifting practical influence away from volunteer governance members.

While RECA has developed a robust governance policy suite and mandatory training for new governance members, issues resulting from insufficient awareness of governance skills and accepted practices periodically causes disruption and cultural issues, particularly in Industry Councils. These issues have escalated and required the intervention of the Board Chair in recent years.

2

### Decision Velocity and Governance Load

Governance packages are often lengthy, highly technical, and compliance-focused. While thoroughness is valued, excessive documentation can obscure core decisions and discourage strategic discussion. Volunteer members, particularly industry-elected representatives, face a steep learning curve and heavy information load, limiting their ability to focus on high-level oversight and future-facing issues.

## Leading Practices in Governance Culture and Continuity

Leading regulatory organizations actively manage governance continuity, particularly where members are elected or serve fixed terms. Best practice includes staggered appointments, structured succession planning, and formal onboarding and mentorship processes to reduce knowledge loss and maintain momentum. High-performing boards and committees also conduct periodic governance effectiveness reviews that assess clarity of roles, decision quality, and collaboration between governance and management, not just structural compliance.

Effective governance cultures also rely on clear decision pathways and disciplined information flow. This includes well-defined escalation thresholds, concise and decision-focused briefing materials, coordinated workplans across governance bodies, and regular refresher training on roles and authorities. Together, these practices help prevent duplication, reduce ambiguity, and ensure governance structures support agility and strategic focus rather than slowing decision-making.

# Internal Relationships and Culture Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort	
<p><b>3.1 Compliance strength supporting integrity but limiting strategic flexibility</b>            RECA maintains a strong ethical and compliance-oriented culture. This emphasis on legalistic processes and risk avoidance can create operational rigidity, slowing decisions and shifting focus from practical, consumer-protection outcomes toward procedural adherence.</p>	<p><b>RECA should balance compliance discipline with greater strategic flexibility by developing guidance that differentiates between essential safeguards and areas where discretion, proportionality, and outcome-focused decision-making are appropriate.</b>            Provide training and decision tools to support practical regulatory judgment, enabling timely action while maintaining RECA’s high ethical standards.</p>	<p><b>High</b>            Increasing the speed and agility of regulatory decision-making meaningfully increases regulator performance.</p>	<p><b>High</b>            Cultural change of this nature takes genuine leadership buy-in, time, and consistency.</p>	Culture & Mandate
<p><b>3.2 Resource constraints limiting agility and regulatory effectiveness</b>            RECA reports persistent capacity constraint, particularly in legal, investigations, and education. The lack of a structured workforce strategy and prioritization framework amplifies these pressures, contributing to a risk-averse culture and reduced organizational agility.</p>	<p><b>RECA should develop and implement a comprehensive workforce strategy that aligns staffing with regulatory demands, clarifies organizational priorities, and supports proactive planning.</b> This should include capacity forecasting, role clarity, resourcing options, and a structured approach to prioritizing initiatives to reduce systemic bottlenecks and enable more agile, risk-responsive operations.</p>	<p><b>Medium</b>            A structured workforce strategy would improve operational clarity and reduce bottlenecks, though broader regulatory outcomes will also depend on governance and process reforms.</p>	<p><b>Medium</b>            Developing and implementing the strategy will require coordinated planning, analysis, and change management, but can largely be achieved within existing organizational structures.</p>	
<p><b>3.3 Limited organizational learning and cross-functional integration</b>            RECA lacks structured processes to turn its voluminous information into organization-wide learning, resulting in inconsistent feedback loops, limited knowledge transfer, and reduced regulatory agility. Current work patterns and limited cross-functional mechanisms constrain collaboration, leading RECA to operate more as siloed units than as a cohesive regulatory system.</p>	<p><b>RECA should establish formal cross-functional learning and coordination mechanisms,</b> such as structured feedback loops from enforcement to policy and education, integrated risk reviews, and routine cross-departmental forums, to systematically share insights and drive organization-wide improvement.</p>	<p><b>Medium</b>            Formal cross-functional learning mechanisms would strengthen organizational alignment and improve regulatory agility, though their effectiveness will depend on sustained participation and follow-through.</p>	<p><b>Low</b>            Establishing structured forums and feedback loops primarily requires clearer process design and leadership commitment rather than significant new resources or structural change.</p>	Collaboration



# External and Stakeholder Relationships Review



# External & Stakeholder Relationships Review

## Section Overview

# 04

## External & Stakeholder Relationships

This section assesses RECA's external stakeholder engagement practices, examining whether relationships with licensees and other stakeholders are managed in a structured, transparent, and confidence-building manner.

### Overall Conclusion

RECA engages with stakeholders regularly and prioritizes the management of stakeholder and external relationships. However, we found a defensive posture, has contributed to a perception gap that is **straining relationships and undermining confidence** in RECA's responsiveness and openness.

## At a Glance

### How We Conducted the Review

We gathered stakeholder perspectives through surveys and consultations with a range of external parties, including licensees and industry representatives, to understand their experiences with and confidence in RECA's engagement practices. We reviewed existing engagement structures, consultation processes, and public reporting to assess how stakeholder input is sought, documented, and acted upon. Findings were benchmarked against leading regulatory practice for structured, transparent, and consistent stakeholder engagement. The sensitivity of the relationships involved was carefully considered throughout the assessment.

### Summary Findings

RECA devotes considerable time and attention, including up to the Board-level, on the management of external and stakeholder relationships. We found that while engagement with stakeholders occurs on a regular basis, it lacks a guiding framework governing objectives, frequency, and documentation standards, resulting in inconsistent experiences across stakeholder groups. Consultation outcomes are not consistently communicated back in a clear and accessible format, leaving participants uncertain of its use. Sustained pressure from industry stakeholders has contributed to a defensive orientation within RECA that, while understandable, has widened the gap between internal progress and external perceptions of responsiveness. The result is uneven trust that limits the perceived legitimacy and effect of RECA's considerable efforts.

### What Needs to Happen

RECA should develop and publish a structured stakeholder engagement framework that clearly defines objectives, frequency, and documentation standards to bring consistency and predictability to its external relationships. An annual consultation and engagement plan should be published to support meaningful and timely participation from stakeholders. Plain-language summaries of consultation outcomes, along with public reporting on how feedback was considered and acted upon, would go a long way toward rebuilding trust and demonstrating that stakeholder input genuinely informs RECA's decisions.

# External & Stakeholder Relationships Review

Key stakeholder relationships and engagement.

## External Stakeholder Relationships and Engagement

RECA maintains ongoing relationships with a broad range of external stakeholders, including industry associations, licensees, education providers, government representatives, and consumer groups. Across interviews, most stakeholders described their interactions with RECA as professional and constructive, even where they disagreed with specific regulatory decisions. Smaller industry associations and sector-specific groups generally characterized RECA as accessible, willing to meet, and open to dialogue.

At the same time, our review identified structural gaps in how stakeholder engagement is organized and communicated. Engagement practices are not consistently guided by a defined framework, documented in a standardized manner, or reported back in a clear “what we heard / how it was used” format. As a result, stakeholder experiences vary, and perceptions of responsiveness are shaped as much by communication practices as by the substance of decisions themselves.

We found that RECA does not operate under a publicly articulated stakeholder engagement framework that defines:

- Engagement objectives by stakeholder group
- Expected frequency and format of consultation
- Documentation and record-keeping standards
- Clear feedback loops summarizing how input influenced decisions

While consultation does occur, often in good faith and with meaningful participation, the absence of visible structure reduces predictability and can lead to skepticism about how feedback is used. Stakeholders are not consistently provided with plain-language summaries outlining themes raised during consultation and RECA’s response or rationale. This gap contributes to a perception gap between internal progress and external confidence.

In a regulatory environment where transparency and trust are central to legitimacy, structured engagement and clear reporting are as important as the underlying decisions themselves.

## External Stakeholder Relationship Dynamics

The Alberta Real Estate Association (AREA) represents a substantial portion of Alberta’s real estate licensees and is therefore a central stakeholder in the regulatory landscape. Given this role, the relationship between RECA and AREA carries significant influence over industry confidence, public perception, and the overall tone of regulatory discourse in the province. Engagement between the two organizations has been strained and highly visible.

AREA has been consistent and vocal in expressing its perspectives on regulatory decisions, enforcement practices, and governance matters. Many of the concerns raised reflect genuine differences in policy interpretation, operational priorities, or views on the appropriate balance between regulatory oversight and industry autonomy. Such differences are not unusual in regulated sectors. However, when these disagreements become highly public or are communicated in strongly adversarial terms, the result can be a polarized narrative that makes collaborative problem-solving difficult.

RECA, for its part, has at times adopted a more cautious and measured engagement posture in response to these dynamics. Concerns about discussions being publicly characterized in ways that intensify conflict have contributed to a more restrained communication approach. While this caution is understandable in a sensitive regulatory environment, reduced direct engagement can inadvertently reinforce perceptions of distance or opacity, further widening gaps in understanding and trust.

It is also important to recognize that industry perspectives are not uniform. Throughout our review, we received both solicited and unsolicited feedback from individuals, associations, and regional Boards expressing views that differed from, and, in some cases directly opposed, positions advanced at the provincial association level. This range of perspectives highlights the diversity within the industry and reinforces that stakeholder views cannot be characterized as singular or homogeneous.

Ultimately, the dynamic between RECA and AREA reflects a broader governance tension common to many regulatory systems: balancing regulatory independence and a strong consumer-protection mandate with meaningful, professional engagement with industry representatives. Constructive disagreement is both expected and healthy in this context. However, when public exchanges become prolonged or highly charged, they can create uncertainty for licensees and consumers and diminish confidence in the regulatory system overall. Strengthening structured engagement mechanisms, clarifying expectations for dialogue, and committing, on all sides, to consistent, professional, and solutions-focused communication would support a more stable and productive relationship going forward. As emphasized throughout this report, increased transparency in decision-making by RECA, performance reporting, and stakeholder communication will be critical to narrowing perception gaps and reinforcing confidence in RECA’s regulatory role.

# External & Stakeholder Relationships Review

Engagement and its effect on stakeholder confidence.

## Perception Gap: Transparency, Progress, and Confidence

Across interviews, we observed a recurring gap between RECA's internal assessment of progress and external stakeholder confidence in that progress. While RECA has undertaken work in areas such as digital modernization, forecasting reform, education oversight adjustments, and governance refinements, these efforts are not consistently visible to external stakeholders. As a result, some stakeholders perceive limited progress or follow-through, regardless of internal activity.

A key contributing factor is the absence of a structured and predictable approach to communicating progress. Consultation outcomes are not consistently summarized in a clear "what we heard / how it was used" format, and updates on longer-term initiatives are not routinely published against defined milestones or timelines. In the absence of visible reporting and structured feedback loops, stakeholders may reasonably question whether their input has informed decisions or whether initiatives are advancing as intended.

## The Transparency Feedback Loop

In environments where stakeholder scrutiny is intense, critical, and persistent, well-intentioned transparency efforts can trigger disproportionate reactions. For example, the publication of disciplinary decisions in the interest of transparency may be used by critics to claim unfairness or delays; or Board minutes may be used to publicly question decision making.

These dynamics naturally produce a defensive response—greater caution, narrower disclosures, or reluctance to publish work in progress. While an understandable response, it can inadvertently reinforce the perception that the organization is not being transparent or is hiding something. Over time, creating a self-reinforcing feedback loop:



Increased opacity does not benefit the regulator, stakeholders, or licensees; instead, it widens the gap between actual progress and public confidence. The issue is less a lack of engagement than a lack of structured transparency. Without predictable consultation plans and public reporting on commitments, stakeholder confidence can become driven more by narrative than by evidence.

Addressing this will require more proactive transparency. Clear engagement frameworks, summaries of feedback and responses, and regular reporting on progress would help shift the conversation toward measurable accountability. In doing so, RECA can strengthen trust and ensure its regulatory progress is visible and understood..

## Additional Perspectives

During the completion of this review, we received five individual submissions from stakeholders who chose to share their perspectives because they believed their views would be relevant to the assessment. Some of these submissions were received following the distribution of the survey, with licensees reaching out directly to provide additional commentary beyond the structured survey responses. While limited in number, these submissions provided useful qualitative insights that complemented the broader information gathered throughout the review.

The fact that licensees took the initiative to provide direct input is notable, as it reflects a level of engagement and interest in the outcome of the review. Importantly, while some submissions raised concerns and areas of disagreement with aspects of the regulatory approach, others expressed support for the work of RECA. This suggests that although there may be a perception gap among parts of the licensee community, there remains a meaningful level of support for the regulator and its role in overseeing the industry.

# External & Stakeholder Relationships Review

Engagement and its effect on stakeholder confidence.

## Survey Results and Licensee Experience

The survey results are largely reflective of the residential real estate sales segment, with most respondents identifying as Real Estate Associates whose primary area of practice is residential sales. In addition, nearly nine in ten respondents completed the survey in their individual capacity rather than on behalf of a brokerage or corporate entity. As a result, the perspectives captured primarily reflect practitioner-level experiences with regulatory processes, services, and oversight. While smaller in proportion, respondents from mortgage brokering, commercial real estate, condominium management, and property management were also represented, providing some broader perspective across the industries regulated by RECA, though residential sales practitioners remain the dominant voice in the dataset.

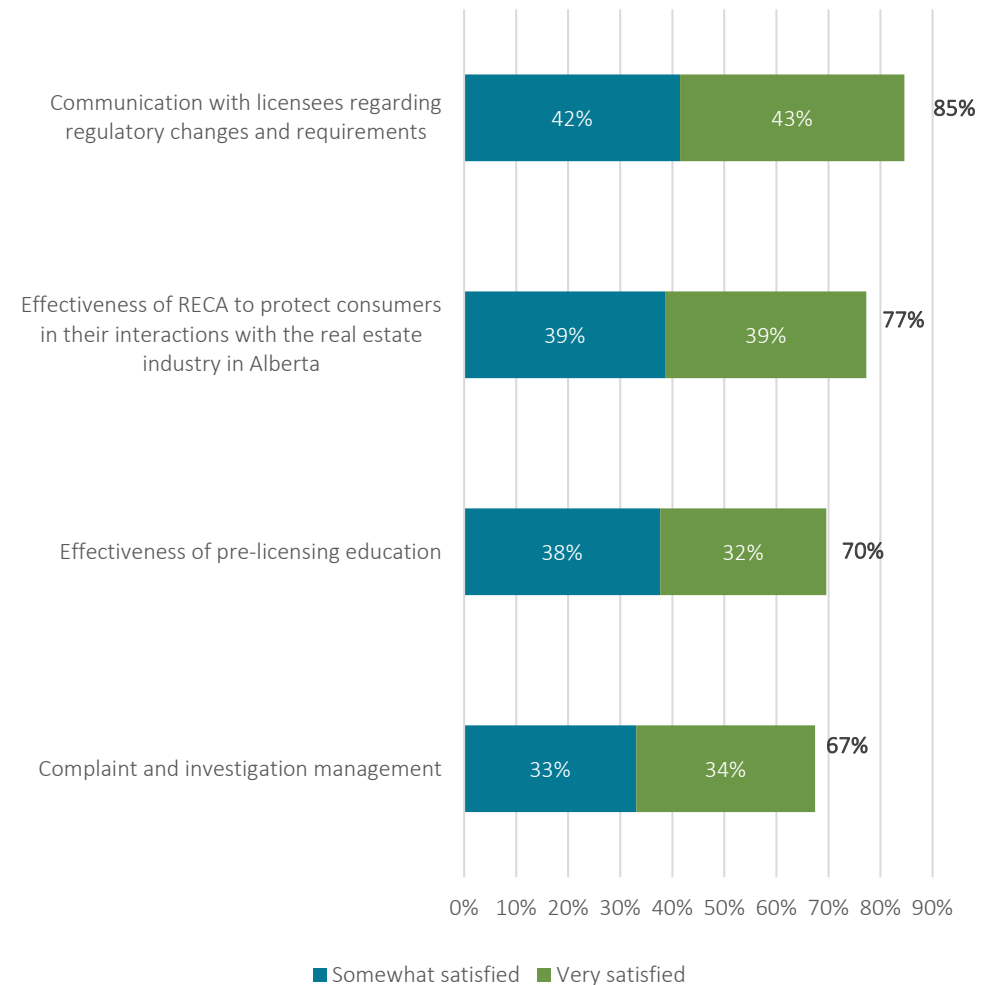
The survey also highlights that a significant portion of licensees operate across multiple areas of practice. More than one-third of respondents reported maintaining a secondary practice area, most commonly in commercial real estate or rural and agricultural markets, with additional representation from property and condominium management. This suggests that many practitioners interact with regulatory requirements across multiple segments of the industry. In this context, the effectiveness of licensing pathways, education programs, and regulatory guidance becomes particularly important, as licensees may need to navigate multiple regulatory frameworks within their day-to-day work.

Overall satisfaction results indicate that most licensees are at least somewhat satisfied with RECA's performance as the sector regulator. Satisfaction is strongest in areas related to communication of regulatory requirements and RECA's role in protecting consumers in industry transactions. However, satisfaction declines in areas involving complaints and investigations, which emerged as the weakest-performing component of RECA's services in the survey. Derived importance analysis further reinforces this finding, identifying complaint and investigation management, alongside pre-licensing education, as the two areas where improvement would likely have the greatest impact on overall satisfaction.

Qualitative feedback provides further context for these findings. Many respondents described licensing and administrative interactions with RECA as clear, predictable, and professionally managed, and a majority of licensees reported having little direct interaction with the regulator beyond these processes. However, where interactions occur in more complex regulatory contexts, particularly complaints and enforcement, licensees reported greater frustration related to timelines, transparency of process, and clarity of outcomes. Taken together, the findings suggest that while RECA's core administrative and communication functions are generally viewed positively, perceptions of regulatory effectiveness are more strongly shaped by experiences within the complaints, investigation, and enforcement processes.

A fully detailed expansion of the survey results are presented in Appendix B.

## Satisfaction with Aspects Related to RECA's Services and Processes



# External & Stakeholder Relationships Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort	
<p><b>4.1 Structured stakeholder engagement framework needed</b> Stakeholder engagement practices are not consistently structured, documented, or communicated, resulting in uneven experiences and unclear expectations across stakeholder groups.</p>	<p>RECA should develop and publish a formal stakeholder engagement framework that clearly defines engagement objectives, roles, and desired outcomes for different stakeholder groups. The framework should establish minimum standards for documentation, meeting summaries, escalation pathways, and feedback reporting, and clarify how engagement informs policy development and decision-making. This would help ensure engagement is deliberate, consistent, and aligned with RECA’s mandate rather than reactive to external pressure.</p>	<p><b>High</b> A clear framework would improve consistency, rebuild confidence, and reduce misunderstandings across stakeholder groups.</p>	<p><b>Medium</b> Requires policy development and internal alignment, but can leverage existing practices and documentation.</p>	Culture & Mandate
<p><b>4.2 Lack of annual consultation and engagement plan</b> Stakeholders lack visibility into when and how major consultations will occur, limiting predictability and meaningful participation.</p>	<p>RECA should publish an annual consultation and engagement plan outlining anticipated regulatory initiatives, expected consultation timelines, methods of engagement (e.g., surveys, roundtables, written submissions), and how input will be evaluated. The plan should be updated periodically to reflect changes in priorities and should align with Board and Industry Council workplans to promote transparency and coordination.</p>	<p><b>Medium</b> An Engagement Plan Improves transparency and participation while reinforcing regulatory credibility.</p>	<p><b>Low</b> Primarily a planning and communication exercise building on existing workplans.</p>	
<p><b>4.3 Limited organizational learning and cross-functional integration</b> Consultation feedback is not consistently summarized or reported back in a clear “what we heard / how it was used” format, reducing transparency into how stakeholder input informs decisions.</p>	<p>RECA should formalize a post-consultation reporting process that includes plain-language summaries of stakeholder input, a synthesis of major themes, and a clear explanation of how feedback influenced final decisions or why certain recommendations were not adopted. Where appropriate, responses should distinguish between policy constraints, legislative limitations, and discretionary decisions to provide clarity on decision-making boundaries.</p>	<p><b>High</b> ‘What we Heard’ summary’s directly address perception gaps and strengthens confidence in responsiveness.</p>	<p><b>Low</b> Can be integrated into existing consultation processes with limited additional resourcing.</p>	Collaboration

# External & Stakeholder Relationships Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort	
<p><b>4.4 Improved public reporting on recommendation progress</b> Stakeholders have limited visibility into the status of previously raised issues or tracked recommendations, contributing to perceptions of limited follow-through.</p>	<p>RECA should establish a publicly accessible progress tracker summarizing key initiatives, consultation outcomes, and previously identified recommendations, including their current status, anticipated timelines, and responsible governance body. Reporting could be incorporated into annual reporting cycles or published semi-annually to demonstrate sustained accountability and momentum.</p>	<p><b>High</b> Public trackers enhance accountability and demonstrates measurable progress.</p>	<p><b>Medium</b> Requires coordination and regular reporting discipline.</p>	Culture & Mandate
<p><b>4.5 Managing perception gaps in high-visibility relationships</b> Ongoing external pressure and highly publicized disagreements have contributed to a perception gap between RECA’s internal progress and stakeholder confidence in its responsiveness.</p>	<p>RECA should adopt a proactive communications approach for high-visibility or contentious issues, including earlier publication of background rationale, legislative context, and consumer protection objectives underlying major decisions. Where disagreements arise, RECA should respond in a measured and professional manner, reinforcing its statutory mandate and clarifying areas of policy discretion, while avoiding reactive communications that may further entrench polarization.</p>	<p><b>High</b> Proactive and wholesome communication reduces polarization and strengthens confidence in decision-making.</p>	<p><b>Medium</b> Requires communications planning and leadership commitment, but not structural reform.</p>	
<p><b>4.6 Strengthening external relationships and direct engagement</b> Engagement with key industry stakeholders is uneven, and relationship dynamics in certain cases have contributed to mistrust, reactive communication, and reduced dialogue.</p>	<p>RECA should take a more deliberate and visible approach to relationship-building with industry stakeholders by increasing direct engagement through attendance at industry events, town halls, and regional meetings, and by maintaining regular, structured communication touchpoints. Establishing predictable forums for dialogue, separate from formal consultations, would help normalize discussion, reduce escalation cycles, and reinforce professional working relationships even where policy differences exist. Consistent senior-level presence and clear communication of regulatory rationale would further support trust and stability.</p>	<p><b>High</b> Stronger relationships can reduce conflict cycles and improve stakeholder confidence without altering RECA’s regulatory independence.</p>	<p><b>Medium</b> Requires sustained leadership time and coordination, but not structural reform.</p>	Collaboration



# Administrative Operations & Financial Management Review

## Note to Reader:

In this section, we focus primarily on financial management considerations.

Consideration of different elements of administrative operations are contained within the review report, where relevant to the other primary focuses of the review - including governance administration, administration of core regulatory services, administration of human resources and internal culture, and stakeholder processes in the preceding sections; and consideration of administration of education oversight in the section which follows.



# Administrative Operations & Financial Management Review

## Section Overview

# 05

## Administrative Operations & Financial Management

This section reviews RECA's financial management, fee-setting practices, budgeting processes, and administration of the Assurance Fund, assessing whether financial operations are aligned with its cost-recovery mandate and support public confidence.

### Overall Conclusion

RECA's financial and administrative operations are **largely sound**. Fees remain competitive relative to other jurisdictions and core functions are being managed adequately. However, reactive forecasting, accumulated surpluses, and limited transparency around how fees are set and allocated to specific mandate activities indicate that **financial precision, predictability of fee structures, and accountability need improvement**.

## At a Glance

### How We Conducted the Review

We reviewed RECA's financial statements, budgeting practices, and fee-setting history, including the impact of post-divestment changes on revenue and expenditure alignment. Consultations were used to understand perceptions of fee fairness, and transparency. Licensing fee levels were benchmarked against comparable Canadian jurisdictions to assess affordability in context. We also examined the administration and accessibility of the Assurance Fund against its intended consumer protection purpose.

### Our Most Significant Findings

RECA continued to generate operating surpluses despite a reduced scope of responsibility following divestment of education provision, though Alberta remains the lowest-cost jurisdiction for initial real estate licensing in Canada (licensing and education combined). Budgeting practices have historically produced material variances, reflecting reactive adjustments rather than structured scenario planning. Limited visibility into how fees are attributed to specific mandate-related costs makes it difficult to demonstrate alignment with cost-recovery principles. The Assurance Fund is administered in accordance with legislation, but low awareness and narrow eligibility requirements limit its practical consumer protection impact.

### What Needs to Happen

RECA should implement a periodic, formal fee review process combining external benchmarking with internal cost-recovery analysis, with results publicly reported to improve transparency. Revenue forecasting should be strengthened through scenario planning and transparent reporting on variances and allocation decisions. Assurance Fund accessibility should be improved through clearer eligibility communication and a review of structural barriers. The Ministry should maintain the current fee-setting framework while setting clearer transparency reporting expectations and should review legislative limitations on Assurance Fund eligibility to better support consumers affected by fraud or theft.

# Administrative Operations & Financial Management Review

Growth in licensing costs and cumulative fee impacts.





## Recent New Fee Introductions

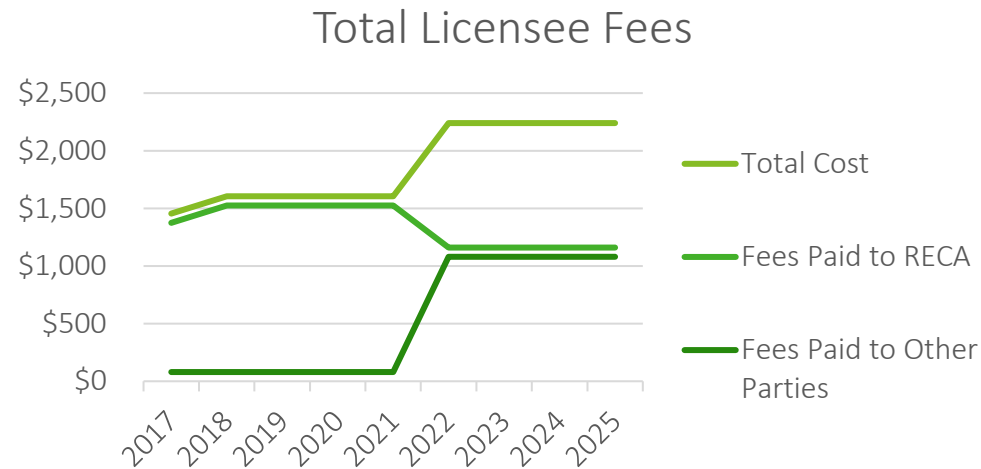
Licensing costs for both associate and broker applicants have increased substantially over the past several years, driven by RECA’s divestment of education, the introduction of new fees, and shifts in examination delivery. Prior to 2018, exam fees did not exist, and total entry costs were considerably lower. When RECA transitioned to a third-party exam provider in 2018, a new \$150 exam fee was introduced, bringing the combined education-and-exam cost to roughly \$950–\$1,000.

A more significant escalation occurred in 2022 following RECA’s divestment of education. At that time, RECA introduced a \$350 eligibility fee, and the exam fee increased to \$235. Third-party course providers also established market-based pricing averaging roughly \$1,000, higher than previous RECA-delivered course costs. Taken together, these changes represent an estimated increase of approximately \$700 in total fees since 2018 for individuals entering the industry (eligibility, exam, and education components combined).

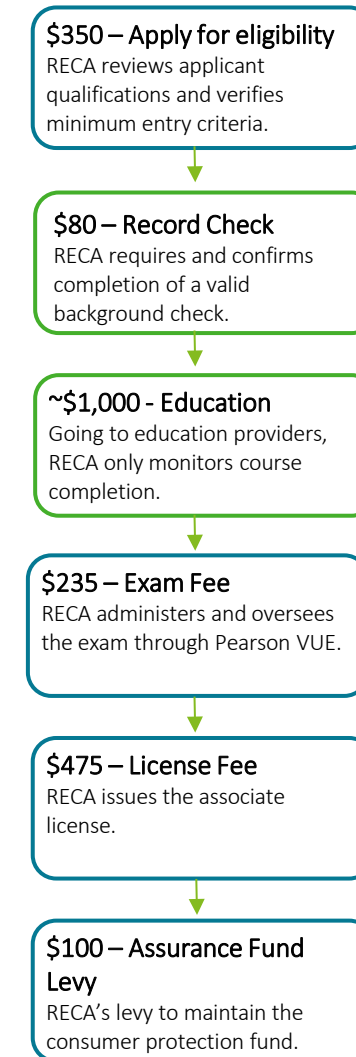
As a result, associate applicants now pay approximately \$2,240 in total initial costs, while brokers pay about \$1,435. The financial impact is pronounced for individuals who must hold both an associate license and a broker license annually. RECA also noted that cost burden varies across brokerage sizes: large multi-person brokerages can diffuse licensing costs across many associates, while small or single-person brokerages, accounting for roughly one-third of all brokerages, bear these costs directly, making them proportionally more significant.

Overall, while the licensing pathway remains structured and manageable, the cumulative increase in fees since 2018 raised the cost of entry. These increases reflect understandable operational changes, market-priced education, external exam administration, and new cost-recovery mechanisms, but nonetheless represent a notable escalation for prospective licensees and small brokerage operators.

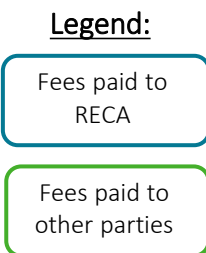
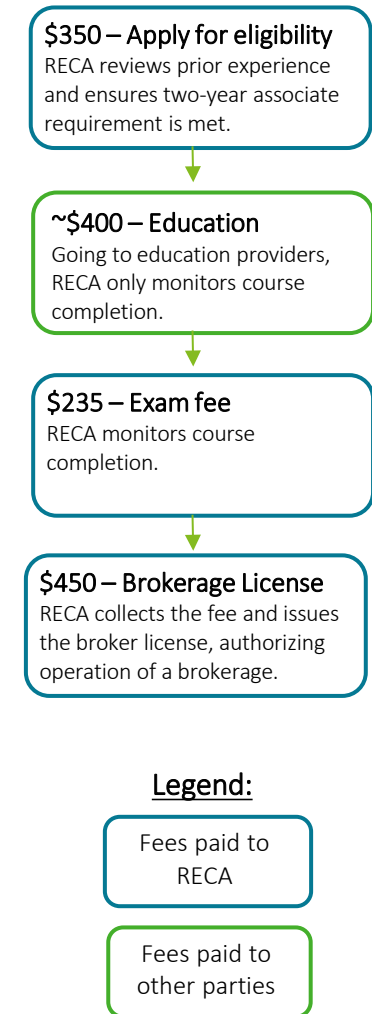
-  **Exam Fee**  
A \$150 exam fee was introduced in 2018
-  **Eligibility Fee**  
A \$350 eligibility fee was introduced in 2022
-  **Exam Fee Increase**  
The exam fee increased to \$235 in 2022
-  **Education Cost Increase**  
Education costs increased approximately \$200 in 2022.



## Current Process & Costs for New Associates (All Sectors)



## Current Process & Costs for New Brokers (All Sectors)



# Administrative Operations & Financial Management Review

Total industry entry costs lowest of comparator jurisdictions.

## Provincial Comparators

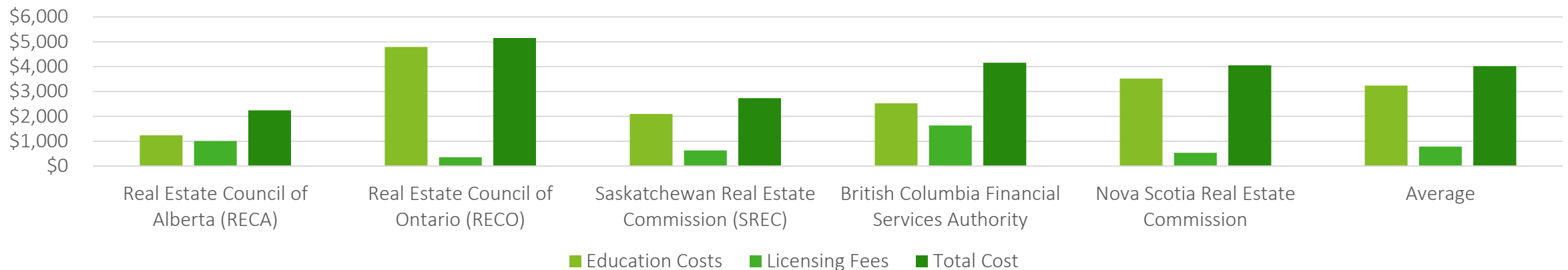
Our jurisdictional scan of four comparable Canadian real estate regulators, Ontario, British Columbia, Saskatchewan, and Nova Scotia, shows that Alberta has the lowest total first-year cost of entry for new associate licensees among the jurisdictions reviewed. Across these provinces, the average education cost is approximately \$3,235 and average first-year licensing fees total about \$788, resulting in an average combined entry cost of roughly \$4,022. It is important to distinguish between education costs (generally paid to third-party providers) and licensing fees (paid directly to the regulator), as these are separate revenue streams and policy levers. This comparison focuses specifically on mandatory regulatory education and licensing costs required to obtain an initial license and does not assess whether fee levels in any jurisdiction are appropriate.

In contrast, Alberta’s combined entry cost is approximately \$2,240, consisting of roughly \$1,235 in education-related costs and \$1,005 in licensing-related fees (eligibility, license, and consumer protection levy). For analytical consistency, the \$235 exam fee, although collected by RECA because it administers the exam, has been classified as an education-related cost, as it is directly tied to completion of the pre-licensing education pathway rather than ongoing regulatory oversight. This places Alberta at roughly half the average total cost of the comparator provinces and establishes Alberta as the least expensive jurisdiction for individuals seeking to become licensed. The next closest jurisdiction is Saskatchewan at approximately \$2,729, still notably higher than Alberta.

While Alberta’s total first-year entry cost is the lowest among comparators, Alberta’s licensing fees in isolation are not the lowest; rather, Alberta’s lower overall cost position is largely driven by comparatively lower education costs. In subsequent years, certain one-time entry fees, specifically the \$350 eligibility fee and \$80 record check, do not recur, and the \$100 Assurance Fund levy is not currently being collected. As a result, ongoing annual licensing costs are \$475, which are the second lowest fees. There are also important caveats to this comparison. Fee transparency varies across regulators, particularly regarding third-party education providers, modular exam fees, and ancillary onboarding costs. Where detailed information was not publicly available, minimum published costs were used; as a result, total entry costs in some jurisdictions may be higher than what is reflected in official fee schedules. Association or board membership fees, brokerage onboarding costs, and other industry participation costs, which can be substantial, were intentionally excluded to maintain comparability and focus on mandatory regulatory cost components.

Overall, despite increases in Alberta since 2018, the province remains the most cost-accessible jurisdiction among those reviewed when considering total first-year entry costs, with a materially lower financial barrier to entry relative to its peers. This analysis reflects entry costs only, and does not capture longer-term operating costs or other expenses that licensees may incur over the course of their careers.

Total Cost of First-Year Licensing by Province



# Administrative Operations & Financial Management Review

Earlier fee restructuring could have reduced surpluses and avoided reliance on large, recurring credits.

## Potential Fee Reductions

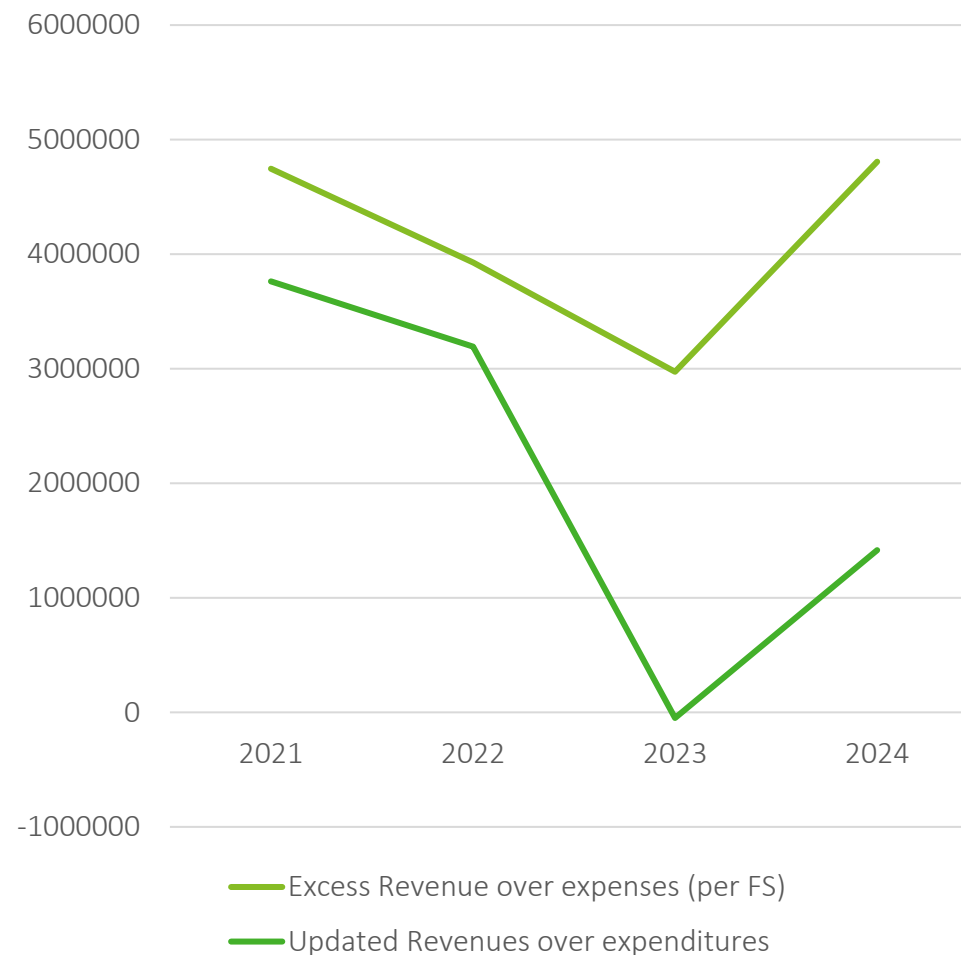
In April 2025, a third-party consultant completed an activity-based costing (ABC) review of RECA's fees. The review found that approximately half of RECA's fees, primarily high-volume individual fees such as license renewals, new licenses, and eligibility fees, could be reduced, while the remaining fees (e.g., brokerage applications, amendments, and license histories) would need to increase to achieve cost recovery. Overall, the recommended changes were intended to better align fees with the actual cost of regulatory activities rather than simply reduce fees across the Board. At the same time, the review highlighted the inherent difficulty of assessing true cost recovery, as regulatory activities and associated costs are dispersed across multiple operational areas, making it challenging to clearly trace how costs propagate through the organization's financial structure.

Management initially proposed reducing individual license renewal fees by \$75–\$135, eligibility fees by \$50, and eliminating the assurance fund levy, resulting in a maximum annual revenue reduction of \$3.33 million. However, management ultimately recommended maintaining existing fee levels and instead offered a \$250 license renewal credit, which the Board adopted in 2024 for a three-year period—following through on a commitment made to licensees. While the credit provides temporary relief to licensees, it does not address the ongoing surplus or stakeholders desire for permanent, transparent fee reductions. The continuation of surpluses may also suggest a potential disconnect between RECA's cost-recovery mandate and the underlying alignment of revenues and expenditures, particularly in the absence of more granular cost data linking activities to financial outcomes.

RECA could have adjusted its fee structure much earlier, bringing revenues and expenditures into closer alignment, consistent with expectations for a cost-recovery regulator. RECA stated that uncertainty following the 2022 education divestiture delayed fee changes. While some uncertainty was reasonable, it does not fully justify postponing fee modeling or incremental adjustments. Earlier action could have reduced reliance on temporary measures and avoided the need for large, recurring fee credits, particularly given the challenges in monitoring cost propagation across RECA's diverse regulatory mandates.

Applying the consultant's recommendations retroactively to RECA's 2020–2025 financial data (excluding fee credits in 2024 and 2025) shows that earlier implementation would have brought RECA's results much closer to break-even. Annual revenues would have been approximately \$0.7 million to \$3.4 million lower, substantially reducing surpluses and resulting in a small operating deficit in 2022–23. Although the ABC model was relatively high-level, it demonstrates that RECA's long-standing fee structure materially contributed to prior surpluses and that earlier, cost-reflective adjustments, affecting both fee increases and decreases, could have mitigated those outcomes while maintaining financial stability. More broadly, the analysis underscores the importance of improving cost transparency and financial tracking to support clearer alignment between regulatory activities, associated costs, and fee-setting decisions.

### Actual vs Updated Surplus\*



\*Updated Surplus is the historic, actual surplus updated retroactively to model impact if cost consultant recommendations were implemented

# Administrative Operations & Financial Management Review

Financial impact of divestment on operating revenue.

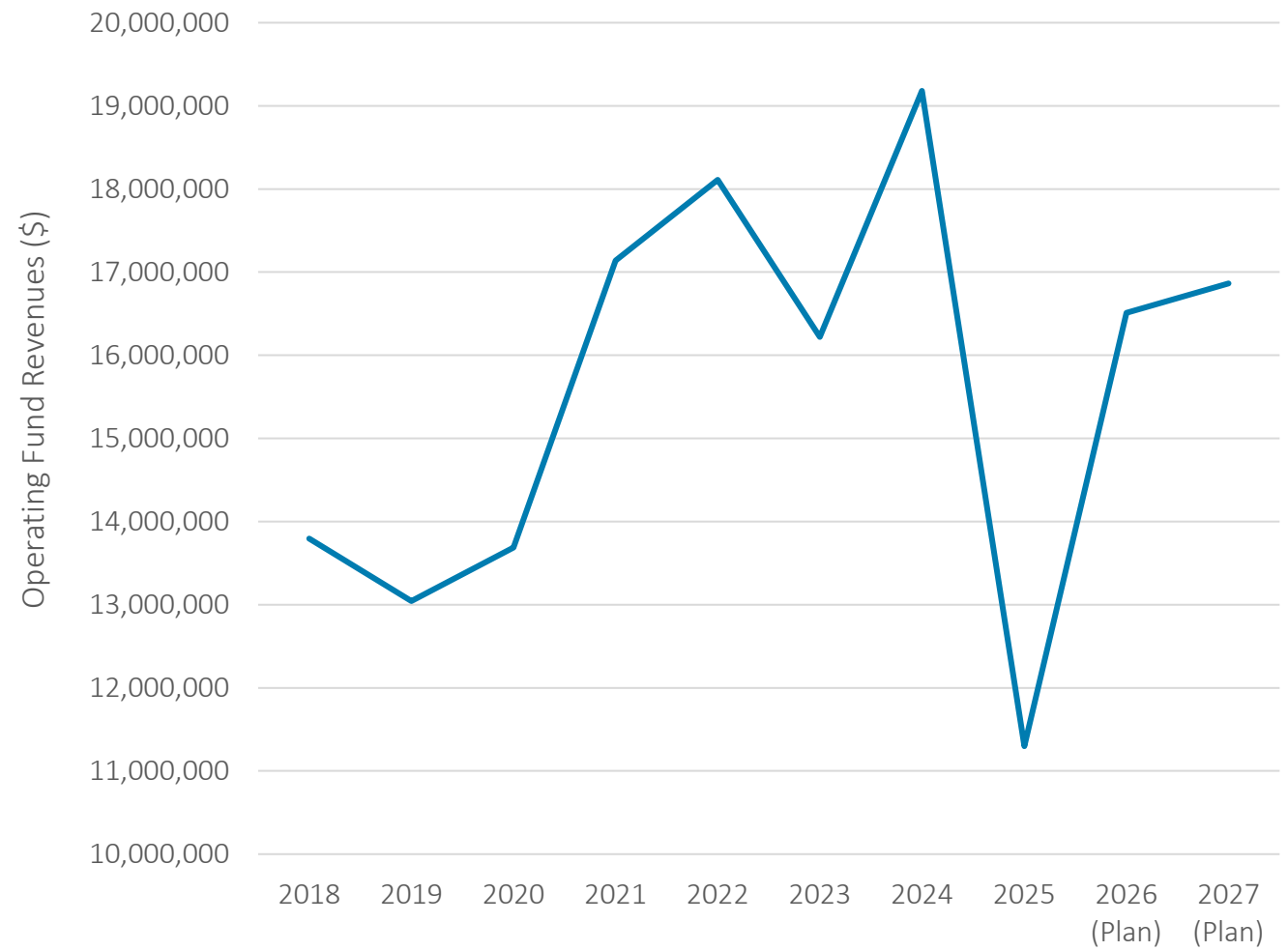
## RECA Revenue Trends

Following the analysis of individual fees and cost components, the accompanying chart presents total revenues from 2018 to 2025, with planned revenues for 2026 and 2027. Operating fund revenues reflect licensing, eligibility, and other regulatory fees. Reviewing these trends provides context for assessing whether RECA's revenue levels align with changes to its mandate and operating responsibilities over time. Key observations from the revenue data include:

- Operating fund revenues increased significantly in 2021, rising to approximately \$17 million from about \$13.5 million in 2020, and have remained in the \$16–\$19 million range in subsequent years.
- (\*) The decline observed in 2025 is largely attributable to the \$250 fee credit provided to licensees, which reduced revenues by approximately \$5 million.
- When normalized to remove the impact of the fee credit, 2025 operating revenues would have been approximately \$16 million, generally aligned with RECA's budgeted amount of roughly \$15.4 million.
- Actual revenues have tended to exceed budgeted expectations, a pattern consistent with concerns previously raised by the Ministry and other stakeholders.
- Following RECA's divestment of education in 2022, a proportional decline in revenues would reasonably be expected over time, given the reduced scope of responsibilities. However, the data indicates that operating revenues have not declined in line with RECA's narrowed mandate.

The introduction of the eligibility fee in 2022 appears to have largely offset the anticipated revenue reduction associated with the removal of education delivery. While Alberta remains the lowest-cost jurisdiction in Canada for licensing overall and individual fees are generally defensible, the aggregate revenue outcomes raise questions from an operational and financial management perspective about alignment between RECA's current mandate, cost structure, and sustained revenue levels.

## Total Operating Revenues



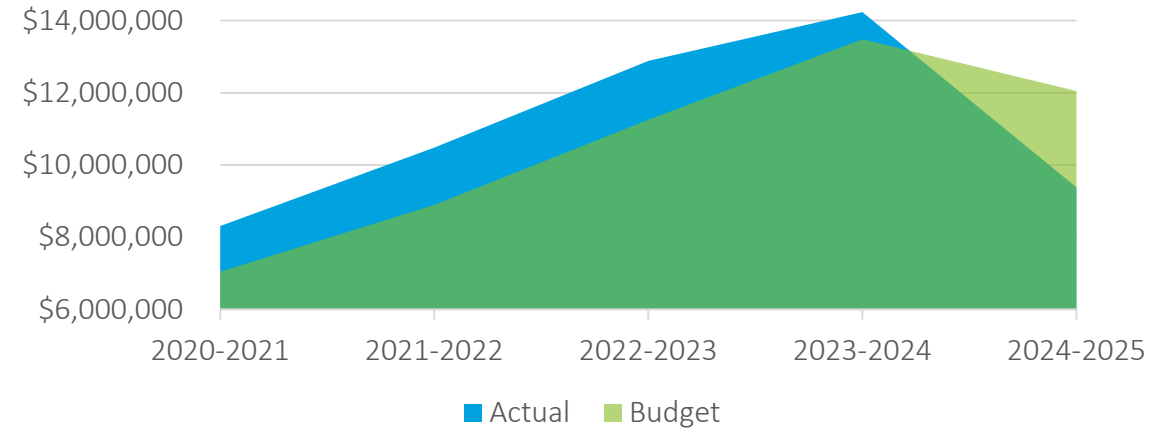
# Administrative Operations & Financial Management Review

Market swings and fee-credit uncertainty have challenged forecasts, requiring a stronger model.

## Budgetary Challenges

From 2020–21 to 2022–23, RECA’s actual fee revenues consistently exceeded budget forecasts, driven by stronger-than-expected licensing activity during a real estate market expansion and conservative budgeting. In 2023–24, revenues more closely matched projections, indicating improved forecast accuracy. However, in 2024–25 this trend reversed, with actual revenues falling about \$2.67 million below budget (inclusive of the \$250 fee credit), suggesting a shift toward more optimistic forecasting influenced by efforts to address past surpluses amid volatile market conditions.

Revenue forecasting has also been complicated by the \$250 fee credit, which applies only to licensees renewing within a specific period, making uptake difficult to predict due to uneven renewal patterns. To address these challenges, RECA has engaged a third-party consultant to strengthen its forecasting approach for 2026 and beyond, with the goal of improving revenue accuracy, accounting for market dynamics, and achieving better alignment between budgets and actual results. See the analysis on page 76 regarding the new budgeting and forecasting system.

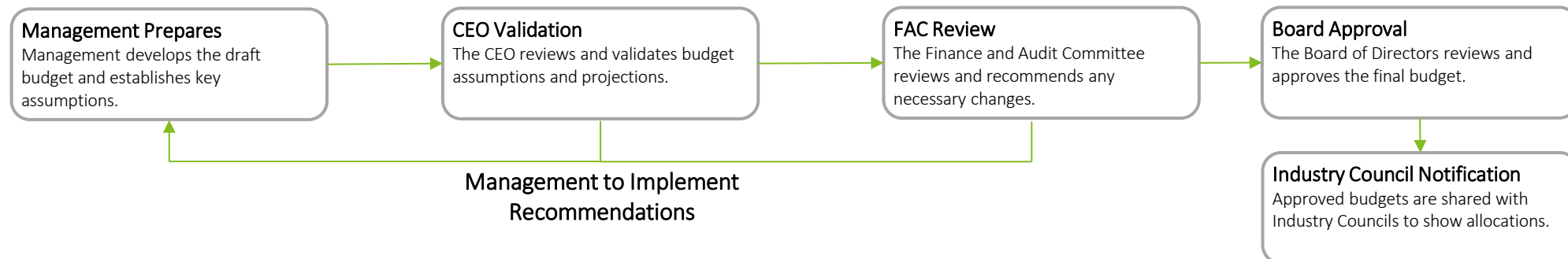


## Lack of Industry Council Involvement

RECA’s budget process does not provide Industry Councils with a formal role in influencing or recommending funding for their priorities. Budgets are developed and approved centrally, with Industry Councils receiving the final budget only for information, and no mandate to review or influence draft allocations. Although Industry Councils have representation on the Board, this does not translate into budget authority for the Industry Councils themselves. As a result, Industry Councils are responsible for advancing sector priorities without control over financial resources, limiting effective planning, timely action, and alignment with RECA’s financial decisions.

It is not clear whether Industry Councils need direct budget authority, a situation which risks further confusing decision authority and roles and responsibilities, however, increased Industry Council involvement in budgeting processes and proactively including small, discretionary budget amounts for Industry Council initiatives or emerging issues may alleviate some of the tension and delay.

### Budget Process/Timeline



# Administrative Operations & Financial Management Review

Sustained surpluses support strategic investments, transparency limited without defined reserve principles.

## The Use of Surplus Revenues

RECA has generated an operating surplus in every year within our review scope (2020–2025), with the exception of 2025, when a deficit occurred as a result of the license fee credit. While annual surplus amounts have fluctuated considerably year over year, they have consistently remained in the seven-figure range. RECA does not currently maintain a formal surplus management policy outlining target reserve levels, decision criteria, or conditions for returning funds to licensees.

Over this period, RECA has allocated accumulated surpluses to several major initiatives, including the purchase of its Calgary office, external reviews and consultant services, license fee credits, and investments in its digital roadmap strategy. These expenditures demonstrate that surplus funds have been directed toward operational infrastructure, strategic modernization efforts, and short-term fee relief; however, in the absence of a defined surplus framework, decisions regarding allocation are not guided by publicly articulated principles or thresholds, resulting in scrutiny.


### Building Purchase

Amid broader concerns about surplus accumulation, RECA's purchase of its Calgary office building was one of the few significant expenditures to attract sustained external scrutiny. Following concerns raised by the Alberta Real Estate Association (AREA), Bennett Jones LLP conducted an independent review in 2022 and concluded the transaction was supported by external financial analysis, undertaken with due diligence, and financially prudent. Projections from Avison Young estimated approximately \$8.8 million in cost advantages over 10–15 years, and RECA obtained external legal, accounting, and appraisal advice prior to purchase.

The total capitalized cost was approximately \$23.3 million, funded through a combination of reserves and a \$15.05 million credit facility that was fully repaid by August 2024. The review found no evidence of misconduct or governance failures and concluded the purchase did not represent an inappropriate use of accumulated revenues. The review did not explicitly consider amenities, such as a gym and specialized office spaces, in its scope.

### External Reviews and Consulting Services

In addition to capital investments, RECA has used surplus revenues to fund a number of external reviews and consultant-led engagements in response to ongoing external pressures. In recent years, this has included two major reviews and additional contracted services intended to address complaints or assess aspects of RECA's operations, representing a cumulative cost of approximately \$470,000, funded through licensee fees. Unlike some other regulators, RECA has no statutory requirement to undertake cyclical reviews, and many of the reviews conducted have been driven by ongoing external pressures.

 **Bennett Jones Building Response (2022)**  
Cost: \$102,000

 **The Regulatory Review (2024)**  
Cost: \$175,000

 **Sapling Fee Review (2025)**  
Cost: \$51,750

 **Sampling Forecast Model (2025)**  
Cost: \$140,500

### Digital Roadmap Strategy

Over the past several years, RECA's digital roadmap has been intended to modernize its regulatory infrastructure and improve operational efficiency, data management, and service delivery. The strategy focuses on upgrading legacy systems, strengthening analytics capabilities, enhancing complaints and licensing platforms, and increasing automation across core regulatory functions.

The roadmap represents a significant organizational investment, with costs expected to span system implementation, vendor services, integration, staff training, and ongoing maintenance. As with most regulatory digital transformation initiatives, expenditures are spread over several years and aligned with strategic priorities and available resources. The long-term objective is to create a more integrated, data-driven, and responsive regulatory environment.

# Administrative Operations & Financial Management Review

Strengthening budgeting alignment with a structured, evidence-based forecasting methodology.

## New Forecasting Methodology

RECA's revenue forecasts have historically lacked accuracy, with actual revenues frequently exceeding approved budgets, raising concerns about the reliability of its forecasting processes. To address this, RECA engaged an external firm to develop a more structured, data-driven forecasting model. The third-party consultant's projections were used to inform the approved FY26 budget, while FY25 relied on internal forecasts that experienced material variances. In FY25, actual license fee revenue totaled \$6.794 million against a budget of \$7.7 million, and eligibility fee revenue reached \$2.583 million compared to a budget of \$4.345 million, highlighting limitations in prior forecasting approaches.

Engaging an independent third party to support revenue forecasting aligns more closely with recognized financial management practices by introducing additional expertise and analytical structure. The model incorporates internal historical trends alongside external benchmark data, which provides a more balanced foundation for projections than prior internally developed approaches. While forecasting risk remains, this methodology represents a step toward improved rigor, transparency, and alignment between projections and budgeting decisions.

## Forecasting Best Practices

Revenue forecasting is a critical component of sound financial management for regulatory organizations operating under a cost-recovery mandate. Best practices include structured methodologies, integration of internal historical data and external benchmarks, linkage to approved budgets, scenario analysis for revenue variability, and regular validation against actual results. While RECA has adopted an external forecasting model to improve rigor and reliability, opportunities remain to further strengthen the transparency and linkage between forecasted revenues, regulatory activities, and underlying costs. Strengthening this connection is particularly important for demonstrating how fee revenues support RECA's regulatory mandate and overall cost-recovery objectives.

Scenario analysis represents a key opportunity for improvement. In addition to considering potential variability in license volumes, RECA should develop clearer scenarios outlining how revenues would be managed if actual results exceed forecasts. Documenting and communicating these scenarios would improve transparency, ensure decisions around revenue use are deliberate, and help demonstrate how revenues are managed within a cost-recovery framework.

Ongoing validation of forecasts is another area for enhancement. Current practices focus primarily on annual updates; more frequent monitoring, quarterly or monthly, would allow management to track trends in license issuance and other key revenue drivers in near real time. This would improve alignment between forecasts and outcomes while providing more timely information to stakeholders and supporting more responsive financial decision-making.

Over time, these improvements should be complemented by more granular tracking of how costs are distributed across regulatory functions and mandates. Clearer data on how activities such as licensing, education oversight, complaints management, and enforcement contribute to overall expenditures would strengthen forecasting, improve financial transparency, and help ensure fee-setting decisions remain closely aligned with RECA's cost-recovery objectives. Developing stronger cost attribution practices would also support future activity-based analyses and provide a more robust foundation for demonstrating that fees are appropriately aligned with the cost of delivering regulatory services.



**External forecasting expertise:** RECA engages an external forecasting partner to leverage specialized modeling techniques and independent judgment that complement internal knowledge and improve overall forecast reliability.



**Use of internal and external data:** Forecasts incorporate both historical internal trends and relevant external benchmark data to ensure projections reflect observed patterns and market context.



**Scenario analysis and risk assessment:** Forecasting includes consideration of potential risks, variability in license volumes, and alternative scenarios to test the sensitivity of projections and prepare for uncertainty.



**Ongoing validation and refinement:** Actual revenue outcomes are regularly compared against forecasted figures, with variances analyzed and models refined over time to strengthen accuracy and accountability.

# Administrative Operations & Financial Management Review

License volume trends and recent stabilization.

## Licensee Increases Through the Years

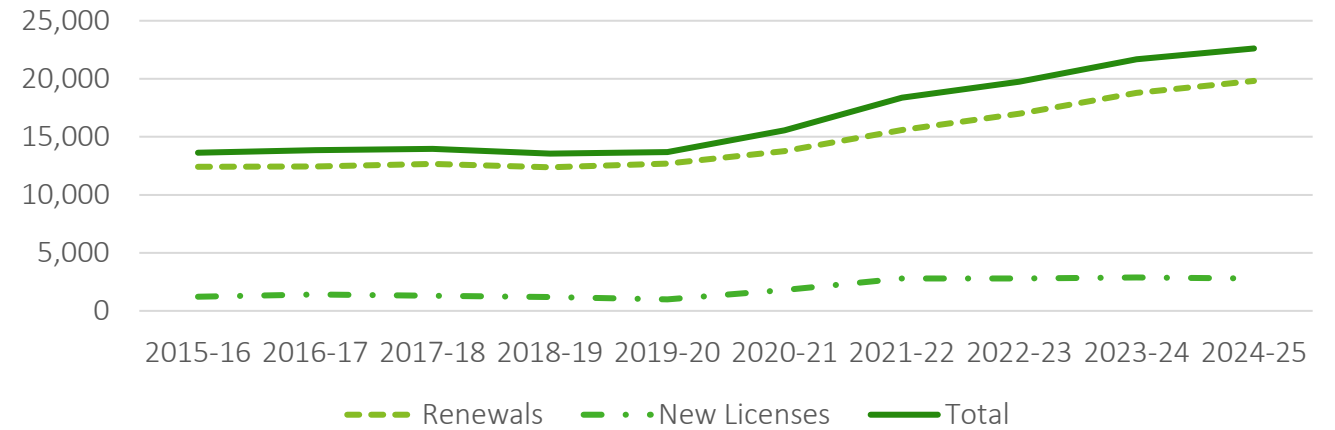
RECA has attributed their surpluses to the unpredictability of Alberta’s real estate market, which has experienced significant volatility since 2020 due to the impacts of the COVID-19 pandemic and subsequent market fluctuations. This rationale holds some merit as licensing activity has indeed expanded during this period, especially among individual licensees.

Between 2020 and 2025, RECA’s data shows a substantial increase in total individual licenses and renewals, rising from a historical average of around 14,000 per year to 22,387 as of September 30, 2025, an increase of approximately 8,400 licensees. Year-over-year growth peaked at 18% in 2021-22, following a 14% rise in 2020-21, before stabilizing somewhat with 8% and 10% increases in the two subsequent years, and a moderated 4% growth rate in 2024-25. While this growth trajectory validates RECA’s claim that market unpredictability has complicated financial forecasting, patterns suggest that by 2022-23, the rate of new licenses had begun to plateau, averaging 2,700-2,800 new licenses per year. This levelling-off may have provided an early indicator that the period of exceptional growth was tapering, allowing for improved medium-term forecasting and more accurate budgeting assumptions.

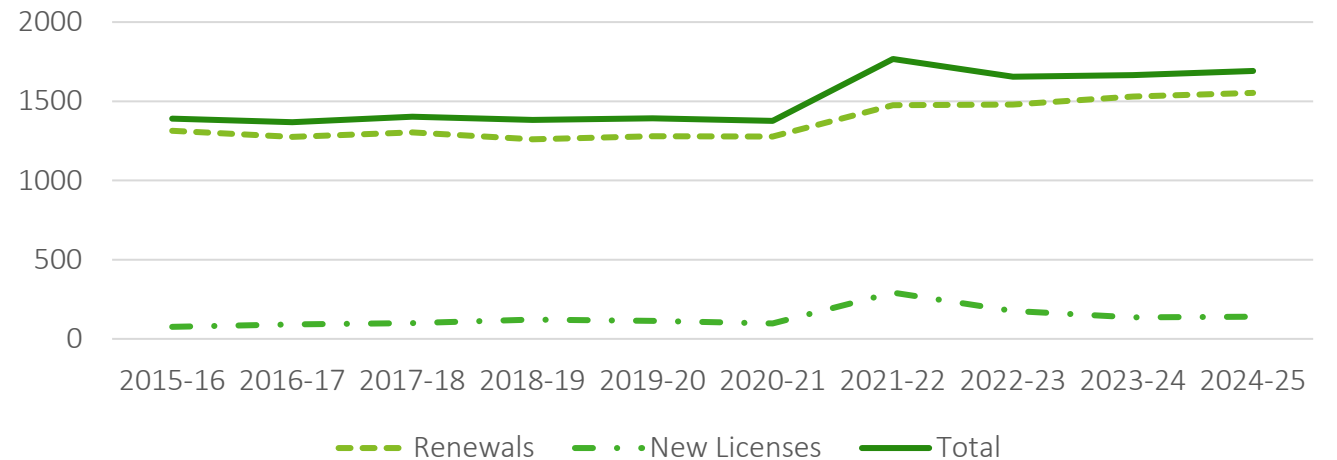
Brokerage license renewals show a similar trend, albeit with less overall impact on revenues. Prior to 2020, annual brokerage renewals averaged around 100 per year, but this number tripled to nearly 300 in 2021-22, before gradually declining to 139 by 2024-25. This spike likely reflected temporary market expansion rather than structural change, suggesting that forecasting models could have been adjusted to smooth out short-term volatility.

Collectively, the data indicates that while RECA’s explanations around market unpredictability are valid, there were identifiable trends, particularly from 2022 onward, that could have been incorporated into more refined projections to mitigate recurring surpluses.

### Licenses and Renewals Since 2015



### Brokerages and Renewals Since 2015



# Administrative Operations & Financial Management Review

Barriers and low uptake limit Assurance Fund impact.

## Assurance Fund

The Assurance Fund is a statutory compensation fund administered by RECA to provide limited financial protection to consumers who suffer losses due to the fraud, theft, or trust-related misconduct of licensed real estate professionals.

### S. 60 Cases

Under Section 60, an applicant must first obtain a court judgment against a licensee before applying for compensation, and the application can only be made once the judgment is final. This process works by effectively shifting the burden of proof to the courts, reducing investigative pressure on RECA. However, it significantly limits access, as many affected parties may be unable or unwilling to pursue separate legal action or costs. As a result, the number of eligible applicants under this section is relatively small.

### S. 60(3) Cases

Section 60(3) allows applicants to seek compensation when a licensee fails to properly disburse money held in trust. Applications must be submitted within one year of the damage occurring. This provision is more flexible than Section 60 because it does not require a separate court judgment. Despite this added flexibility, its application remains narrow and limited to specific trust-related circumstances.

#### Key Assurance Fund Statistics

15

Files Opened\*

8

Cases Paid

4

Not Paid/Eligible

\* One file may contain multiple claimants

Total Reserves opened

**\$934,167**

Total Payouts

**\$407,915**

(as of September 9, 2025)

Over the past five years, the Assurance Fund has processed a relatively low number of claims, with 15 files opened during this period. Our review of a 20% sample of closed cases found that, on average, files took 899 days from opening to close or payout. However, this average is influenced by varying circumstances, including unresponsive plaintiffs, ongoing court judgments, or complex case details. For example, one file where the plaintiff had all documentation in order and a judgment had already been issued was resolved in just 39 days, demonstrating that straightforward cases can be closed efficiently.

When assessing the sample against RECA's stated procedures, we found that the process was materially followed in all cases. Minor discrepancies were noted in a few instances, but these were attributable to case-specific circumstances rather than systemic issues. As part of its review, RECA sets reserves for each claim at the time of eligibility assessment; total reserves for files opened in the last five years are \$934,167, with total payouts as of September 9, 2025, amounting to \$407,915.

Together, this indicates that concerns around limitations and barriers to the Fund may be rooted in legislation and regulation, and not in RECA's management within those requirements.

### Public Awareness of the Assurance Fund

Public awareness of the Assurance Fund appears limited. Many consumers may not know the fund exists, understand its purpose, or be aware of how to apply. This lack of visibility reduces the likelihood that eligible individuals pursue compensation and undermines the Fund's role as a meaningful consumer protection mechanism. Improving RECA's communication and public-facing guidance would help ensure consumers are aware of the support available to them.

### Barriers to Access and Low Take-Up

The Assurance Fund has a consistently low volume of claims, which may reflect structural barriers to access. Eligibility is constrained by strict legal requirements, short limitation periods, and procedural hurdles that many consumers may struggle to navigate. A targeted future review of these barriers would help assess whether they remain appropriate and identify opportunities to reduce unnecessary obstacles while preserving appropriate safeguards.

### Assurance Fund Operations

While the Assurance Fund is administered fairly and in accordance with current policy, it does not fully achieve its objective of providing accessible and effective consumer protection. Limited awareness and access barriers constrain its impact. In addition, the Fund is not subject to regular actuarial review or budgeting processes, nor overseen by a dedicated governance body. Addressing these challenges would better position the Fund to fulfill its intended consumer protection role.

# Administrative Operations & Financial Management Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>5.1 Real Estate licensing fees are comparatively low</b> Total entry costs for new real estate licensees in Alberta are lower than in all comparator jurisdictions examined. Despite this competitive position, RECA does not conduct regular fee benchmarking or publicly report comparative cost data. As a result, this advantage is not transparently demonstrated, and there is limited evidence of ongoing assessment to ensure fees remain appropriate and defensible over time.</p>	<p><b>RECA should implement a regular fee benchmarking exercise comparing total entry-to-practice costs and license fees across major Canadian jurisdictions and publish the results annually.</b> Public reporting would promote transparency, demonstrate value to industry and consumers, and clearly position Alberta's regulatory model within the national landscape.</p>	<p><b>High</b> Regular fee benchmarking and public reporting would strengthen transparency, improve stakeholder confidence, and clearly demonstrate Alberta's competitive position.</p>	<p><b>Low</b> Conducting periodic jurisdictional comparisons and publishing summary results would require relatively modest analytical and reporting resources.</p>
<p><b>5.2 Operating revenues remain elevated</b> Operating revenues have remained elevated in recent years, aside from the temporary impact of a one-time fee credit. Despite RECA's reduced scope following the divestment of education, revenues have not declined proportionately, with new or adjusted fees offsetting expected reductions. While individual fees remain comparatively low, overall revenue levels raise questions about alignment with RECA's current mandate and cost structure.</p>	<p><b>RECA should undertake a comprehensive financial impact assessment once the recommendations in this report have been considered and prioritized, to evaluate how changes to mandate, oversight activities, resourcing, and operational processes may affect its long-term cost structure.</b> Based on that assessment, RECA should determine whether existing revenue levels remain appropriate or whether structural adjustments to fees are warranted to better align revenues with its refined mandate and service model. This review should be documented and communicated transparently to stakeholders to demonstrate deliberate, evidence-based financial planning.</p>	<p><b>High</b> A transparent financial impact assessment would strengthen trust and demonstrate alignment between revenues and mandate.</p>	<p><b>Medium</b> Completing the assessment would require coordinated financial analysis, scenario modeling, and stakeholder reporting.</p>
<p><b>5.3 Forecasting and budgetary practices improving</b> RECA's revenue forecasting has historically been unreliable, with actual results often diverging from approved budgets. While engagement of an external consultant has improved methodology and introduced more data-driven, structured projections, weaknesses remain in scenario planning, frequency of validation, and transparency of assumptions, leaving forecasts still susceptible to volatility and misalignment with actual outcomes.</p>	<p><b>RECA should enhance its revenue forecasting practices by implementing structured, documented scenario analyses that account for variability in license volumes and other key drivers, including clear guidance on how surplus or shortfall revenues would be allocated.</b> Forecasts should be validated more frequently, ideally quarterly or monthly, against actual results to enable timely adjustments and improve alignment with budgeted expectations. All assumptions, scenarios, and methodologies should be clearly documented and communicated to stakeholders to strengthen transparency, accountability, and confidence in RECA's financial management.</p>	<p><b>High</b> Enhancing revenue forecasting practices will improve financial transparency and decision-making confidence but will primarily affect internal planning processes rather than member or public-facing outcomes.</p>	<p><b>Medium</b> Implementing structured scenario analyses and formalizing documentation will require moderate time and resources, as it builds on existing processes rather than requiring entirely new systems.</p>

Fees

Budgeting

# Administrative Operations & Financial Management Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>5.4 Assurance fund awareness is limited</b> Awareness and understanding of RECA’s Assurance Fund are low among licensees and the public. Stakeholders are unclear on when a claim is appropriate, how to access the Fund, or the steps involved in submitting a claim. This lack of clarity limits the Fund’s effectiveness as a consumer protection mechanism and undermines confidence in RECA’s ability to provide recourse for affected parties.</p>	<p><b>RECA should enhance the visibility, accessibility, and understanding of the Assurance Fund.</b> This could include clear, publicly available guidance outlining eligibility criteria, step-by-step instructions for submitting a claim, and examples of typical scenarios where the Fund applies. RECA should also implement targeted advertising campaigns aimed at the public to raise awareness of the Fund and its role in protecting consumers. Additional outreach to licensees and stakeholders would ensure all parties understand how to access the Fund and the circumstances under which it can be used.</p>	<p><b>High</b> Improving complaint timelines and publicly reporting KPIs will enhance fairness, accountability, and public confidence.</p>	<p><b>High</b> Requires process redesign, resource adjustments, system updates, and ongoing reporting mechanisms.</p>
<p><b>5.5 Assurance fund access has barriers</b> The Assurance Fund’s narrow mandate, strict eligibility criteria, and procedural hurdles make it difficult for consumers to access. Section 60 requires a final court judgment, while Section 60(3) is limited to trust-related losses with short deadlines. Low public awareness further reduces usage, meaning the Fund’s low claim volume reflects structural barriers rather than a lack of consumer harm.</p>	<p><b>RECA should work with the Ministry to review the Fund’s mandate and identify opportunities for the Ministry to broaden eligibility, reduce structural barriers, and simplify access, including reconsidering structural requirements that currently limit who can apply.</b> This could involve expanding the types of claims covered, adjusting procedural barriers, and ensuring clear timelines for applications.</p>	<p><b>High</b> Expanding and modernizing the Assurance Fund’s mandate would significantly improve consumer protection, enhance public confidence, and ensure the Fund more effectively fulfills its intended purpose.</p>	<p><b>High</b> Implementing these changes would require legislative amendments, policy redesign, intergovernmental coordination, and operational adjustments to support broader eligibility and increased volumes.</p>

Assurance Fund



# Oversight of Education Review



# Oversight of Education Review

## Section Overview

# 06

## Oversight of Education

This section examines RECA's oversight of real estate education in Alberta, assessing whether its governance, quality assurance, and competency management practices adequately fulfill its statutory responsibility to ensure licensees meet professional and ethical standards.

### Overall Conclusion

RECA successfully and completely divested itself of education provision following the change to the *Ministerial Regulation* in 2020, but in distancing itself from education provision RECA has stepped back too far from its statutory responsibilities for education oversight. Meaningful gaps in provider oversight, quality assurance, and system-wide accountability pose risks to licensee competency and public protection, and the limited continuing or re-licensing education leaves Alberta behind comparator jurisdictions and analogous industries.

## At a Glance

### How We Conducted the Review

We reviewed RECA's education provider approval processes, oversight frameworks, and competency and examination management practices against leading regulatory standards. Stakeholder consultations and surveys captured perspectives from licensees, providers, and other parties on education quality, consistency, and oversight effectiveness. Statistical analysis of learner outcomes was conducted to assess whether variability in results was attributable to course content-to-exam misalignment or other factors. Findings were evaluated against expectations of a modern education oversight framework that maintains regulatory credibility through visible, lifecycle-based quality assurance.

### Our Most Significant Findings

RECA successfully implemented the requirement to divest itself from direct education provision resulting from the 2020 amendment to the *Ministerial Regulation*. It also successfully facilitated, co-developed, and implemented the first re-licensing (continuing education) course in 2025. RECA's provider approval framework lacks minimum standards, formal agreements, and ongoing monitoring, meaning education provider quality is largely unverified after initial recognition. The absence of a structured review cycle for competencies, exam blueprints, and question mapping creates long-term sustainability and resourcing risks. While statistical analysis did not show definitive course-to-exam misalignment, variability in learner outcomes suggests broader issues with delivery quality rather than a single systemic cause.

### What Needs to Happen

RECA should implement rigorous provider approval standards including formal agreements, ongoing audits, and remedial policies to restore meaningful oversight of education quality. A comprehensive Real Estate Education Framework should be established defining roles, timelines, quality assurance processes, and accountability across all stakeholders, supported by dedicated senior leadership. RECA should also serve as a transparent information hub for prospective learners, publishing provider performance indicators and quality assurance results. Finally, a continuing and re-licensing education framework with enforceable minimum standards should be developed to ensure career-long competency across the licensee population.

# Oversight of Education Review

Governance did not align with the new education model.

## Structural Shift Without a Governing Framework

Following the 2020 *Ministerial Regulation* amendments, requiring RECA to cease direct delivery of education by 2022, Alberta’s real estate education system has undergone a substantial structural change. In response, RECA, third-party providers, industry stakeholders, and learners have worked to adapt to a new model in which education delivery is fully external to RECA.

While there is general agreement that RECA no longer delivers education, this is largely where alignment ends. We found RECA has not developed a clear, authoritative description of how the education system is intended to function as a whole or of the respective roles, responsibilities, and authorities of the parties involved. Instead, the system operates based on informal conventions, assumptions, and “understood” practices, resulting in duplication, gaps, and ongoing confusion for providers, learners, and the regulator alike.






## Misaligned Governance and Resourcing of Education Oversight

Following divestment from education delivery, RECA reduced its education function from 14 to four staff, including the removal of a director-level role for education. Responsibility for education oversight was subsequently aligned under the Registrar.

While not explicitly prohibited, this alignment sits outside the Registrar’s core responsibilities as set out in the Act and may be suboptimal given the Registrar’s existing regulatory and enforcement duties. Education remains a core statutory function of RECA and requires close collaboration with Industry Councils in setting, validating, and approving educational standards. Without adequate resourcing or senior-level representation, RECA is more limited in its ability to provide effective oversight, monitoring, and quality assurance of the education system.

## What a Clear Education Framework Must Define

All subsequent findings in this section point to specific gaps and inconsistencies, but among the more specific actions required, RECA needs develop a single, authoritative framework that clearly articulates:

-  **System structure:** what the key components of the education system are and how they relate
-  **Boundaries:** where responsibilities begin and end, and how they intersect
-  **Accountability:** how performance and compliance are monitored and enforced
-  **Roles and authority:** who is responsible for each component and under what authority
-  **Timing:** when oversight, approvals, and reviews occur

RECA publishes an “Education Framework” on its website that includes a set of policies and timelines for exam candidates, but this does not meet the requirements listed above. In the absence of clear authority, governance, and resourcing, RECA cannot reasonably assure that Alberta’s real estate education system is effective, equitable, or consistently high quality. As the 2024 report concluded, and our review confirms, meaningful improvements require enhanced oversight, monitoring, and quality assurance, all organized under a clear, transparent, and authoritative framework.

## A “Light Touch” Approach

Following the 2020 regulation changes, RECA has followed a “light touch” approach to education oversight, leading to confusion about who is overseeing education. RECA has taken the position that it is constrained in its ability to oversee education beyond administering examinations and basic recognition activities.

However, this interpretation is not explicitly supported in the Act, Regulations, or any written Ministerial Directive. A 2024 consultant’s report similarly concluded that RECA retains authority under the *Real Estate Act* to oversee education through its bylaw-making powers and explicitly disagreed with RECA’s interpretation that the *Ministerial Regulation* limiting delivery also restricts oversight and provider approvals.

In discussions with RECA leadership, this interpretation was described as based on direction received verbally and in a clarifying email from the Ministry, leaving the scope of RECA’s authority opaque and undocumented.

# Oversight of Education Review

Educator reviews focus on documentation, not delivery capability.

## Limited Due Diligence Prior to Approval and Recognition

RECA's current approach to approving third-party education providers focuses primarily on administrative completeness rather than an assessment of a provider's capability to deliver high-quality, effective education. As a result, Industry Councils are asked to approve providers without the benefit of a rigorous or standardized evaluation of institutional capacity, instructional quality, or learner outcomes. RECA's approach comes from guidance received from the Ministry seeking to allow education providers to function like a market - with learner choice driving provider quality. However, Ministerial guidance does not supersede its responsibilities for education system oversight under the Act, and requirements in this area should be revisited and strengthened.

RECA does not maintain minimum eligibility criteria for organizations seeking approval and recognition as education providers. There are no formal requirements related to institutional type, governance structure, educational experience, or demonstrated instructional capacity. This approach differs from comparator regulators, many of which restrict eligibility to specific types of organizations with established education credentials. For example, RECO (Ontario) limits accreditation to recognized post-secondary institutions and the Alberta Insurance Council restricts providers to colleges and industry associations. RECA management noted that, in practice, established education institutions tend to be more effective at translating competency guidance into structured curricula. However, this expectation is not embedded in RECA's recognition requirements.

## Application Review Focused on Completeness, Not Capability

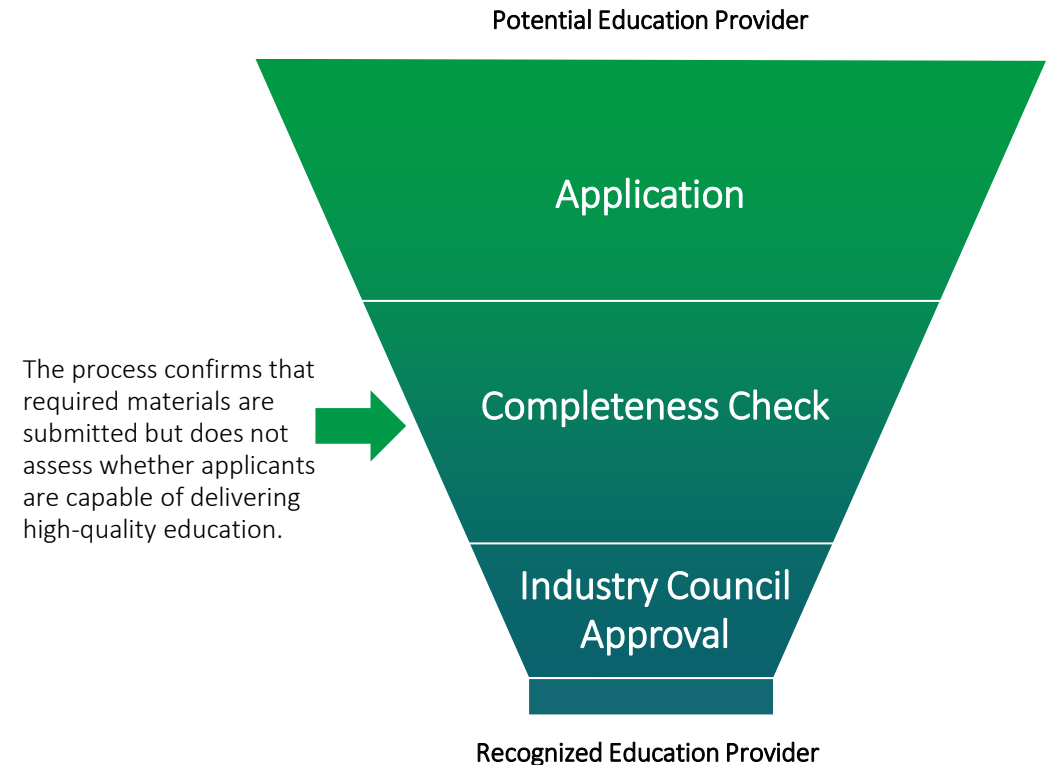
RECA's review of provider applications is largely limited to verifying that required materials have been submitted. Application packages include:

- ~ A checklist-based self-evaluation completed by the applicant
- ~ High-level descriptions of course delivery
- ~ A mapping of course content to RECA's public exam blueprint

We found little evidence of substantive challenge or evaluation of whether an applicant:

- ✗ Has appropriate instructional design expertise
- ✗ Can deliver consistent, high-quality education at scale
- ✗ Has qualified instructors or learner supports
- ✗ Is likely to effectively prepare learners for competency-based assessment

In a few cases, applications that did not fully meet stated requirements were still forwarded to Industry Councils for approval, limiting the effectiveness of the governance review step.



# Oversight of Education Review






Oversight and monitoring gaps reduce confidence in education quality.

## Limited Oversight of Education Providers After Approval and Recognition

Once a third-party education provider is approved and recognized, RECA’s involvement in education delivery largely ceases until learners write their licensing exams. We found that RECA does not maintain a structured approach to monitoring, auditing, or reviewing education providers after approval, despite education remaining a core statutory function of the organization. This creates a significant oversight gap between recognition and examination, where course quality, consistency, and alignment with approved curricula are not actively assessed.

In practice, RECA relies on market forces and learner choice to regulate provider quality, supported primarily by the publication of aggregate pass rates. However, without active oversight or quality assurance mechanisms, RECA has limited visibility into whether recognized providers continue to meet expectations related to curriculum adherence, instructional quality, or exam preparedness. Issues are therefore identified only after learners sit for exams, when remediation options are limited and impacts have already occurred.

We found that RECA does not routinely monitor or oversee:

-  Course quality or instructional delivery
-  Adherence to approved curricula or exam blueprints
-  Costs charged by different providers for the same courses
-  Ongoing provider performance beyond aggregate pass rates
-  Alignment between what is taught and what is tested

As a result, RECA lacks the information needed to proactively identify emerging risks, address underperforming providers, or ensure consistent education quality across the system. Issues with course quality, curriculum alignment, or instructional effectiveness are often only identified after learners write licensing exams, when corrective action is more difficult and impacts have already occurred. This reactive posture limits RECA’s ability to intervene early, support continuous improvement, or apply proportionate oversight based on provider performance. Over time, this increases variability in learner outcomes and undermines confidence in the effectiveness and credibility of the education system.

## Transparency of Recognized Education Programs

Currently, RECA does not clearly advertise or provide comprehensive information about recognized education programs, including which providers are approved, the courses offered, their costs, or how the programs operate. This lack of accessible, centralized information makes it difficult for licensees to make informed decisions about continuing education or re-licensing requirements and undermines confidence in the education system. To address this, RECA should develop a publicly accessible education provider information repository that consolidates all relevant information about recognized programs, course requirements, schedules, and fees. Doing so would improve transparency, help licensees plan their professional development more effectively, and support efficient education market functioning.

## Key Gaps

### Evidence of Variability in Education Quality

Our analysis of RECA-published exam results for 2024 and 2025 identified higher coefficients of variation in approximately half of cohorts with multiple education providers. This indicates noticeable differences in learner outcomes across providers delivering the same approved courses. While some variation is expected, the degree observed suggests that provider quality and instructional effectiveness are contributing factors. These findings reinforce the need for upstream oversight rather than relying solely on exam outcomes as a quality signal.

### Information Gaps Undermine Market-Based Quality Controls

The intent of divesting education delivery was to allow competition and learner choice to drive quality improvements. However, we found that RECA publishes only limited information, primarily annual pass rates, despite holding additional data that could support informed decision-making. Without transparency on course costs, delivery models, quality indicators, or oversight results, learners are not well-positioned to compare providers. This information asymmetry weakens the effectiveness of market-based quality controls and limits incentives for providers to improve.

### Limited Formality or Conditions in Education Provider Approvals

Once approved, a third-party education provider currently may act into perpetuity. RECA does not hold formal, time-bound agreements with providers and so no mechanisms exist for periodic review and re-approval, nor defined pathways for RECA to remove approvals from education providers if warranted.

# Oversight of Education Review

Exam blueprint updates ad hoc and reactive.

## Sustainability of Competency and Exam Blueprint Reviews

RECA does not currently operate under a defined, cyclical schedule for reviewing educational competencies and exam blueprints. Instead, since 2022, updates have been undertaken on an ad hoc basis, typically in response to external pressure from industry stakeholders or the Ministry. While this approach has allowed RECA to respond to immediate concerns, it is not sustainable and introduces structural risks to the education system.






The process of reviewing competencies and exam blueprints is resource-intensive. Management indicated that comprehensive reviews, particularly for complex exams, can take a year or more and require coordination across RECA staff, Industry Councils, subject-matter experts, and external stakeholders. At the same time, RECA maintains a relatively small education oversight team responsible for 12 distinct courses and examinations, significantly constraining review capacity.

As a result, higher-profile courses tend to receive attention at the expense of smaller or less visible programs, increasing the risk that some competencies and exams become outdated over time. Ad hoc reviews also concentrate workload pressure into short timeframes, further straining limited resources. Management has acknowledged this issue and has recently proposed introducing a regular review cadence to improve sustainability and predictability, though this has not yet been implemented.




## Alignment with Certification and Testing Standards

RECA's education and examination framework is intended to align with ISO/IEC 17024 (Personnel Certification) and the Standards for Educational and Psychological Testing. We found that RECA has made progress toward these standards, most notably through transitioning exam delivery to examination and proctoring service provider Pearson VUE, but that material gaps remain.

Key Gaps Identified Against ISO/IEC 17024:

-  **Scheme documentation:** While competencies and blueprints exist and Industry Councils are involved, there is no consolidated certification scheme document defining scope, competence criteria, assessment methods, decision rules, and maintenance requirements.
-  **Recertification and maintenance:** Formal recertification or ongoing competence maintenance processes have not been established.
-  **Ongoing validation:** Stakeholder feedback occurs, but there is no documented, cyclical validation process supported by structured analysis or piloting.
-  **Item-bank governance:** Delivery security is strong at the vendor level, but RECA's internal governance over item lifecycle, exposure monitoring, and form rotation could be strengthened.
-  **Impartiality and consistency:** Multiple education providers with varying quality operate without a quality assurance framework, creating risks to consistent outcomes.

Gaps Against the Standards for Educational and Psychological Testing:

-  **Validity evidence:** RECA lacks a consolidated validity statement explaining how exam content supports licensure decisions and how evidence is periodically reviewed.
-  **Fairness and accessibility:** While accommodations are provided through Pearson VUE, RECA does not publicly document fairness or bias-review processes for exam content.
-  **Regular review:** As noted above, the absence of a formal review cadence undermines alignment with best practices.

# Oversight of Education Review

Issues around exam outcomes observable, but not clearly the result of exam alignment issues.

## Exam Alignment, Stakeholder Perceptions, and Outcome Analysis

Concerns about the alignment and currency of RECA's pre-licensing examinations were among the most consistently raised issues during stakeholder interviews. Education providers, licensees, and industry representatives expressed ongoing frustration with perceived disconnects between what is taught, what is approved through competencies and exam blueprints, and what is ultimately tested. These concerns have contributed to reduced confidence in the licensing process and reputational risk for RECA as the regulator.

Stakeholders identified several recurring themes in their concerns, including:

- **Outdated content:** Exam questions referencing superseded Rules under the *Real Estate Act* or legacy industry practices.
- **Misalignment with approved competencies:** Perceived gaps between Industry Council–approved competencies, published exam blueprints, and actual exam questions.
- **Limited relevance to practice:** Questions related to advanced calculations, HR scenarios, or technical matters rarely encountered in day-to-day real estate practice.
- **Unclear update processes:** A lack of transparency around how and when exam content is reviewed, validated, or refreshed.

While some level of conceptual and theoretical testing is appropriate for professional licensure, stakeholders indicated that the absence of a visible review cadence amplifies frustration and creates the perception that exams are not keeping pace with legislative and market changes.

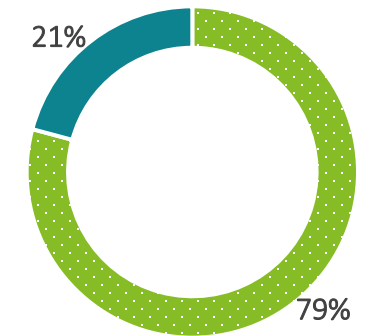
## Exam Outcomes and Data Analysis

To assess stakeholder perceptions regarding exam alignment, we analyzed RECA's published examination results for 2024 and 2025 across all 12 pre-licensing exams, representing 24 exam cohorts. Overall performance was generally strong, with most cohorts achieving average scores above the 70% minimum passing standard, suggesting there is no evidence of system-wide exam misalignment. However, five cohorts (20.8%) recorded mean scores below the 70% passing threshold, with four of these concentrated in two specific exams: *Practice of Commercial Real Estate* and *Fundamentals of Condominium Management*.

All four of these low-performing cohorts exhibited relatively high variability in results, reflected in elevated coefficients of variability. This result means that outcomes are influenced significantly by differences in learner preparedness and education provider quality, and not clearly the result of potential exam alignment issues. Notably, there were no instances where low average scores coincided with low coefficients of variability, an outcome pattern more clearly indicating exam structure or content as the primary cause of poor outcomes.

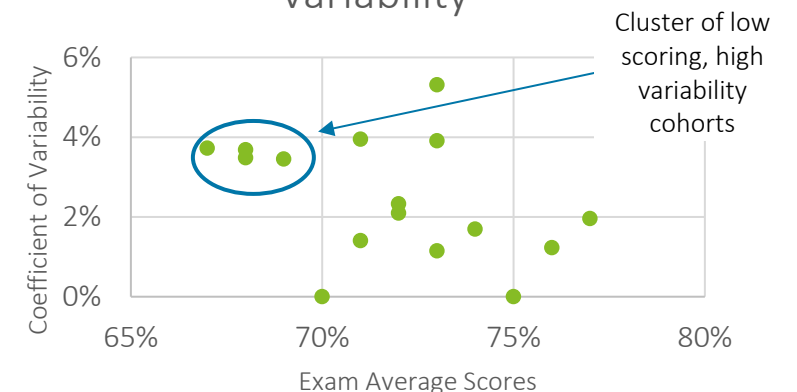
Taken together, the data points to localized alignment risks and provider variability rather than systemic exam alignment failure, particularly within the Commercial Real Estate and Condominium Management exams. However, the absence of formal review cycles, documented validation processes, and comprehensive education quality assurance limits RECA's ability to proactively manage these risks and respond to stakeholder concerns with clear, evidence-based assurance.

## Cohort Mean Scores



■ Above Passing Rate ■ Below Passing Rate

## Exam Average vs Coefficient of Variability



# Oversight of Education Review

Transparency and oversight mechanisms need to be strengthened.

## Data, Information and Transparency to Facilitate Effective Market Functioning

RECA currently provides education providers with limited outcomes data, primarily quarterly summaries of pass rates and average scores by course and provider. While this information offers a high-level snapshot of performance, providers consistently told us that the data is too aggregated, limited in scope, and not presented in a format that supports meaningful analysis or course improvement. As a result, providers have little ability to diagnose learner challenges, assess curriculum effectiveness, or make evidence-based adjustments to their instructional approaches.

From a system perspective, RECA itself produces few analytics beyond aggregate pass–fail reporting. Although RECA cited improved data and analytical capabilities as a key driver for its 2025 transition to a new exam delivery vendor, the practical benefits of this change have not yet translated into more robust insights, structured analysis, or actionable feedback loops for providers or internal oversight purposes

Current transparency gaps include:

- Highly aggregated outcomes data, with limited segmentation by topic area, competency, or question type
- Minimal diagnostic insight into why learners struggle or where course–exam misalignment may exist
- Limited feedback mechanisms to support continuous improvement by education providers
- No public articulation of how exam data is systematically reviewed or used to inform oversight decisions

Taken together, these gaps limit the extent to which transparency can compensate for broader constraints in education oversight and quality assurance.

## Exam Content Disclosure: A Structural Tension

A persistent tension exists between RECA and education providers regarding access to exam content. Providers argue that greater transparency would allow them to better prepare students, reduce failure rates, and mitigate downstream impacts on labour supply. RECA, conversely, has raised well-founded concerns about the risk of providers “teaching to the test,” potentially undermining competency-based education, public protection, and exam integrity.

Both perspectives carry merit, but reconciling this tension is ultimately a regulatory responsibility. Importantly, our review found no examples of modern, mature regulatory bodies that directly disclose exam questions to education providers—validating the direction of RECA’s current practice in this area. Instead, leading practice balances transparency and integrity through other mechanisms.

## Leading Practice: Transparency Without Compromising Integrity

Without more granular data, clearer feedback loops, and visible governance over how exam performance information is used, neither RECA nor education providers are well positioned to drive continuous improvement. As a result, information asymmetry persists, market signals remain weak, and stakeholder confidence in the education and examination system continues to erode, particularly when concerns about misalignment or outdated content arise.



# Oversight of Education Review

Continuing education framework remains underdeveloped.

## Continuing Education and Re-Licensing

RECA's current real estate education framework is largely front-loaded, with no regular continuing or re-licensing education requirements embedded across industries. In early 2025, RECA introduced its first re-licensing initiative, the Private Lending course for Mortgage Brokers, developed in close collaboration with Alberta Mortgage Broker's Association (AMBA). While limited in scope, this initiative represents a meaningful step toward a more lifecycle-based approach to education and oversight.

Across our interviews, internal and external stakeholders consistently expressed strong support for significantly expanded and regular continuing education. Many Industry Councils already have some form of continuing education or re-licensing requirements reflected in their workplans, signaling broad alignment on the need for ongoing competency development as industry practices, legislation, and market risks evolve.

Stakeholders described several potential approaches to continuing education, including:



**Formal re-licensing courses** with examinations, similar to the Private Lending model



**Hybrid models**, combining mandatory regulator-led content with flexible learning options



**Modular or topic-specific courses** focused on emerging risks, legislative changes, or practice gaps



**Self-guided or attestation-based** continuing education (a common model in other regulated professions)

Each model presents different trade-offs in terms of rigor, cost, scalability, and regulatory oversight.

Continuing education is a core feature of most mature regulatory systems, both within Alberta and across other jurisdictions. Real estate regulators in British Columbia and Ontario require bi-annual continuing education tied directly to license renewal, ensuring consistent standards, regulatory visibility, and the ability to track participation and outcomes. These models position continuing education not as an optional add-on, but as a foundational element of public protection and professional accountability.

Stakeholders involved in the development of the Private Lending re-licensing course broadly viewed the model as successful. The collaborative approach, shared development effort, and targeted scope were seen as practical and scalable, particularly if applied selectively to higher-risk or higher-impact areas. Many felt this model could be replicated to support future continuing education initiatives across other industries.

In addition to formal coursework, many stakeholders expressed interest in structured on-the-job learning models, such as mentorship programs or graduated licensing frameworks for new licensees. These approaches could help bridge the gap between theoretical knowledge and real-world practice, though RECA would need to clearly define its role relative to industry organizations and employers.

## Key Barriers to Continuing Education Implementation

Our review identified two primary barriers to establishing a sustainable, system-wide continuing education model:

- **Course and cohort size:** Outside of the largest industries, learner cohorts are often small, sometimes as few as 20 - 30 learners annually. This significantly reduces the incentive for education providers to invest in course development and delivery, particularly for specialized or technical subject matter. Given *Ministerial Regulation* restrictions on RECA's direct provision of education, other incentives or partnerships may be required to support continuing education for smaller real estate industries.
- **RECA education capacity constraints:** RECA's education function is already operating near capacity, with emerging backlogs in core pre-licensing activities such as exam mapping and blueprint updates. Expanding into continuing education without additional strategies or resourcing would risk further strain on an already stretched function.

# Oversight of Education Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>6.1 Comprehensive education framework absent</b>            Since divesting education delivery, RECA has not established a clear, authoritative framework defining system roles, responsibilities, timelines, and accountability. Oversight is fragmented and lacks dedicated senior leadership, limiting effective governance and quality assurance of the education system.</p>	<p>RECA should exercise its existing legislative authority under REA S. 11(1)(l.1) to <b>establish a comprehensive, authoritative Real Estate Education Framework that clearly defines system structure, roles, responsibilities, timelines, decision rights, and accountability mechanisms.</b> Oversight of the education system should be assigned to a dedicated senior leader, separate from the Registrar, with appropriate authority and resources to ensure effective governance, coordination with Industry Councils, and ongoing monitoring and quality assurance.</p>	<p><b>High</b>            Establishing a clear education framework and dedicated senior oversight would significantly strengthen accountability, role clarity, and education quality across the system.</p>	<p><b>High</b>            This will require structural realignment, clarified authority, new senior capacity, and coordinated implementation with stakeholders.</p>
<p><b>6.2 Provider recognition controls need to be strengthened</b>            RECA's process to approve third-party education providers emphasizes administrative completeness over assessing provider capability or instructional quality. Without minimum standards, quality audits, or remedial policies, RECA cannot ensure consistent education outcomes.</p>	<p>RECA should add rigor and standardization to its review and approval process for education providers that goes beyond administrative completeness. Approval and recognition should assess institutional capacity, instructional quality, governance structure, instructor qualifications, and learner support, ensuring providers can effectively deliver competency-based education at scale. RECA should develop formal, time-based agreements with providers setting out conditions for their approval, including defined conditions and mechanisms for RECA to rescind approval if necessary. Once recognized, providers should be subject to periodic, size- and risk-based quality assurance. This approach would align RECA with comparator regulators, improve consistency, and ensure learners are prepared for exams.</p>	<p><b>High</b>            Implementing rigorous approval and quality assurance will significantly improve the consistency, effectiveness, and credibility of education, directly strengthening consumer protection and licensee competence.</p>	<p><b>Medium</b>            Establishing and maintaining this enhanced oversight will require investment in staff expertise, audit processes, monitoring systems, and remediation protocols across all recognized providers.</p>
<p><b>6.3 Exam blueprint reviews are ad hoc and lack regular cadence</b>            RECA lacks a consistent, scheduled approach for reviewing competencies and exam blueprints, relying instead on ad hoc updates. This unsystematic process creates sustainability risks, uneven attention across courses, and increases the likelihood of outdated or misaligned exams.</p>	<p>RECA should implement a structured, cyclical review process for all educational competencies and exam blueprints, ensuring each course receives regular, predictable updates. This process should include defined timelines, resource allocation, and coordination with Industry Councils and subject-matter experts to maintain alignment with current regulatory standards and professional competencies.</p>	<p><b>Medium</b>            Establishing a regular review cadence will improve the relevance, fairness, and credibility of exams, directly supporting learner preparedness and public confidence.</p>	<p><b>High</b>            Implementing this process will require significant planning, cross-functional coordination, and sustained staff and stakeholder engagement to develop, schedule, and execute comprehensive reviews for all courses.</p>

# Oversight of Education Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>6.4 Not fully aligned with testing standards</b> RECA's education and examination framework is not fully aligned with established certification and testing standards, including ISO/IEC 17024 and the Standards for Educational and Psychological Testing. Critical gaps exist in scheme documentation, ongoing validation, recertification processes, item-bank governance, and fairness and accessibility monitoring, leaving the system at risk of inconsistent and non-transparent outcomes.</p>	<p><b>RECA should strengthen alignment with international testing and certification standards</b>, including consideration of Canadian and international credential recognition and labour mobility, by developing a comprehensive certification scheme document, implementing formal recertification and competence maintenance processes, establishing a documented validation cycle, and enhancing internal governance over exam items and provider quality.</p>	<p><b>Medium</b> Improved alignment will increase the credibility, fairness, and defensibility of licensing decisions, boosting stakeholder and public confidence.</p>	<p><b>Medium</b> Addressing these gaps will require targeted updates to policy, procedural documentation, and internal governance practices, alongside coordination with external vendors and education providers.</p>
<p><b>6.5 Limited information on recognized education provider limits efficient market functioning</b> RECA does not provide clear, centralized information on recognized education programs, including provider details, course offerings, costs, or operational guidance. This limits licensees' ability to make informed decisions about continuing education and re-licensing, reducing accessibility and transparency within the system.</p>	<p><b>RECA should establish a publicly accessible, centralized repository of all recognized education programs that clearly communicates provider information, course requirements, schedules, and costs.</b> This "education bank" would enhance transparency, support licensees in planning continuing education and re-licensing, and improve overall engagement with the education system.</p>	<p><b>High</b> Improving transparency of recognized programs will directly support licensees' ability to fulfill continuing education and re-licensing obligations, increasing system accessibility and confidence.</p>	<p><b>Low</b> Publishing a centralized education repository leverages existing program data and requires minimal operational changes.</p>
<p><b>6.6 Limited data transparency to providers</b> RECA provides education providers with only high-level, aggregated exam outcome data, which limits meaningful analysis, continuous improvement, and informed market functioning. The absence of granular insights, structured feedback loops, and visible governance over how exam performance data is used constrains both provider accountability and RECA's ability to proactively manage education quality and alignment.</p>	<p><b>RECA should enhance the transparency and analytical use of course and exam performance data by providing more granular, structured reporting to education providers</b>, including segmentation by competency domains and topic areas where appropriate. In parallel, RECA should formalize how exam data is reviewed internally to inform oversight, identify alignment risks, and support continuous improvement, while maintaining appropriate safeguards to protect exam integrity.</p>	<p><b>Medium</b> Improved data transparency would strengthen provider quality, enhance oversight capability, and support better learner outcomes without requiring structural changes to the education model.</p>	<p><b>Medium</b> Implementation would require analytics development, reporting redesign, and governance protocols, but can largely leverage existing data and new vendor capabilities.</p>

Testing

Information & Data

# Oversight of Education Review

## Findings & Recommendations

Finding	Recommendation	Impact	Effort
<p><b>6.7 More continuing education desired</b> RECA does not currently operate a comprehensive, system-wide continuing education or re-licensing framework, despite strong stakeholder support and alignment with leading regulatory practice. While the Private Lending course is a positive first step, ongoing competency maintenance is not embedded in the licensing lifecycle, limiting RECA's ability to ensure licensee skills remain current as legislation and market risks evolve.</p>	<p><b>RECA should design and implement a structured, regulator-led continuing education and re-licensing framework tied to license renewal, with clear minimum standards, defined oversight responsibilities, and scalable delivery models.</b> This framework should prioritize higher-risk practice areas, leverage collaborative development models where appropriate, and include a sustainable resourcing strategy to ensure continuing education strengthens, rather than strains, the existing education function.</p>	<p><b>High</b> Embedding structured continuing education into the licensing lifecycle would materially strengthen public protection, improve professional standards, and align Alberta with mature regulatory jurisdictions.</p>	<p><b>High</b> Implementation would require significant policy development, stakeholder coordination, system design, resourcing adjustments, and ongoing oversight infrastructure.</p>

Continuing Education



# Appendices



# Appendix A:

Examples of potential performance measures for RECA, by line of business.



# Appendix A

## Examples of potential performance measures for RECA, by line of business.

Below we provide examples of performance measures which RECA could adopt or adapt for regular, mandate-aligned performance reporting for each of its core regulatory lines of business. Examples are drawn from leading practices in real estate and other regulatory performance measurement and accountability reporting across Canada and provide focused, objective insight into key performance aspects of core regulatory practices. RECA should use this information as a starting point in developing effective metrics.

Performance measurement is about more than just the periodic reporting of metrics and must be accompanied by features which facilitate contextual understanding, objective evaluation, and meaningful insight in report users. Guidance on public performance reporting practices in Canada are available from reputable sources such as CPA Canada’s Statements of Recommended Practice, the Canadian Assurance and Accountability Foundation, Alberta Treasury Board and Finance, and the Office of the Auditor General of Alberta.

Line of Business	Measure	Description
<b>Investigation, conduct, and enforcement metrics.</b>	75th & 90th Percentile Duration	Highlights slower resolution cases
	Case Aging Bands	Categorizes duration into brackets (e.g., 0–30, 31–60, 61–90, 90+)
	First Response Time	Time to initial contact with complainant
	Repeat Complaint Rate	% of repeat complaints against same registrant
<b>Licensing</b>	Throughput	Applications received, approved, refused, withdrawn per period.
	CSAT Score	Satisfaction level with licensing process
	Accessibility Indicators	% of applications submitted digitally; % assisted through accessibility channels.
	Red Flags at Licensing	% of applicants requiring enhanced review (e.g., criminal record, prior discipline).

Line of Business	Measure	Description
<b>Education</b>	Exam Pass Rate	Identify high-failure competencies in examinations.
	Curriculum Alignment Audits	% of courses compliant with competency frameworks and current legislation
	Provider Compliance Rate	% of providers meeting delivery, assessment, instructor-qualification standards
	Update Cycle Time	Days from legislative/regulatory change to curriculum update & rollout.
<b>Practice Reviews</b>	Risk-weighted selection	% of inspections triggered by risk signals (complaints, trust-account anomalies, prior findings)
	Finding rate per inspection and Repeat deficiency rate	Average # of deficiencies; severity mix (minor/significant/critical); % with repeated deficiencies



# Appendix B:

Detailed licensee survey results.



# Appendix B

## Respondent profile: licenses held and primary area of practice.

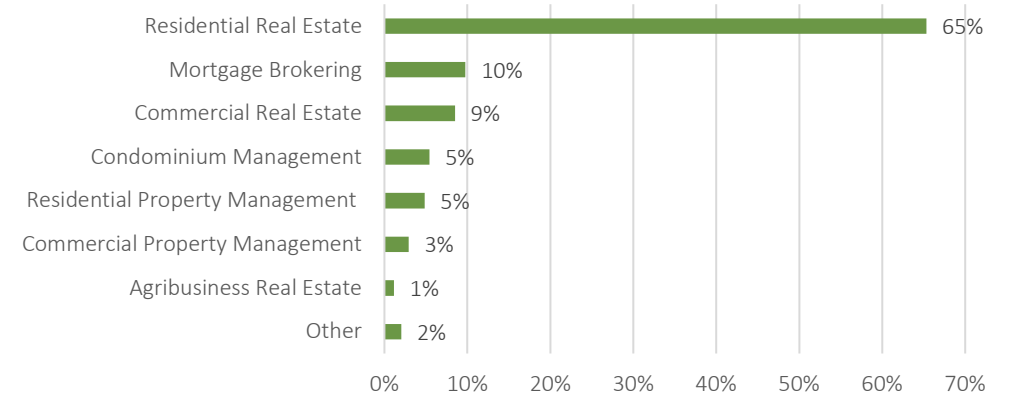
### Respondent Profile and Representation Across Practice Areas

The respondent profile indicates that the survey results are largely reflective of RECA’s licensee registration profile—with most responses coming from residential real estate practice. Most participants reported holding a Real Estate Associate license, and the majority identified Residential Real Estate as their primary area of practice. As a result, many of the perspectives captured in the survey are grounded in the day-to-day experiences of residential sales professionals operating on the front lines of the market.

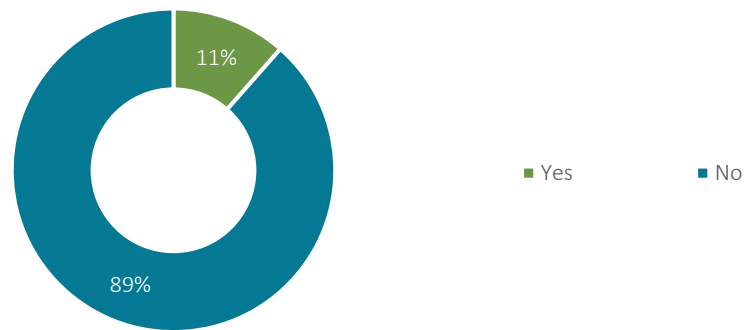
The responses are also predominantly individual in nature. Nearly nine in ten respondents completed the survey in their personal capacity rather than representing a brokerage or corporate entity. This suggests that the findings primarily capture practitioner-level experiences with RECA’s regulatory processes, services, and oversight functions, rather than institutional or management-level perspectives.

Although smaller in proportion, respondents from mortgage brokering, commercial real estate, condominium management, and property management were also represented. This cross-section provides broader insight into RECA’s impact across multiple regulated industries and ensures that the findings are not exclusively limited to one segment of the profession, even though residential sales practitioners comprise the largest share of respondents.

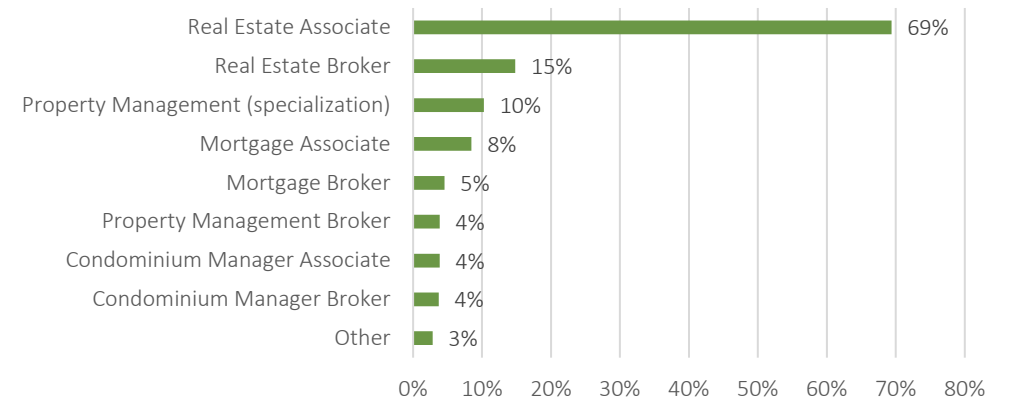
Primary Areas of Practice



Licenses Completing Survey on Behalf of a Brokerage



Licenses Held



Q: Which type(s) of license do you currently hold? Please select all that apply. (n=2,079)

Q: Are you completing this on survey on behalf of a brokerage? Please select one option below. (n=2,079)

Q: What is your primary area of practice? Please select one option below. (n=2,079)

Note: An individual licensee can hold more than one license at a time. 35% of respondents noted two or more licenses. As such, the results above are not expected to total to 100%.

# Appendix B

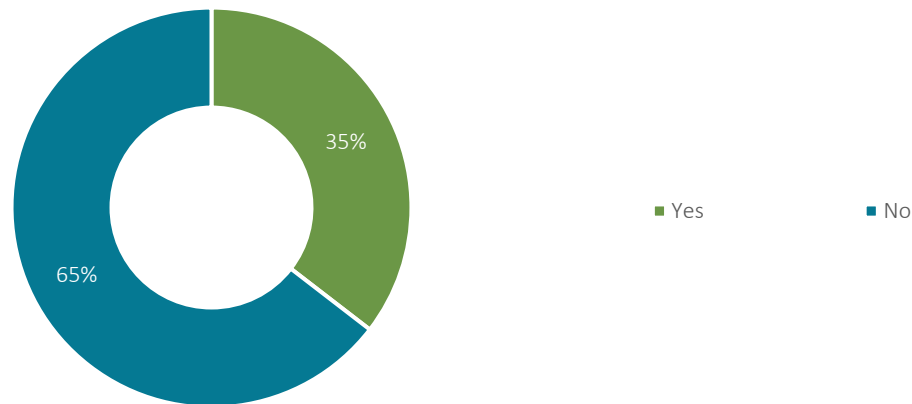
## Secondary area of practice and licensee education.

### Education Pathways and Areas of Practice

A notable proportion of respondents (35%) indicated that they maintain a secondary area of practice in addition to their primary license. The most frequently cited secondary area was Commercial real estate, including commercial property management, followed by Rural/Agricultural and country residential practice. Property and Condominium Management were also commonly referenced, with smaller proportions identifying Residential sales or Mortgage/mortgage lending as secondary practice areas. This suggests that a meaningful segment of licensees operate across multiple market segments, potentially increasing the complexity of their regulatory and educational needs.

The majority of respondents (73%) reported having completed pre-licensing education or re-licensing education to obtain their license. Since 2022, the Alberta Real Estate Association (AREA) was most frequently identified as the primary education provider, reflecting its continued prominence in the post-divestment education landscape.

Licensee with Secondary Area of Practice

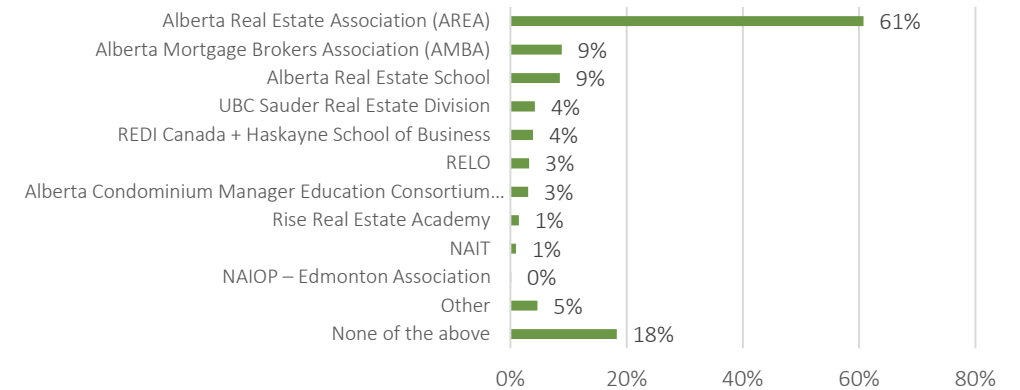


Q: Do you have a secondary/additional area(s) of practice? Please select one option below. (n=2,079)

Q: What mandatory education or training programs have you completed to obtain or maintain your license? Please select all that apply. (n=2,079)

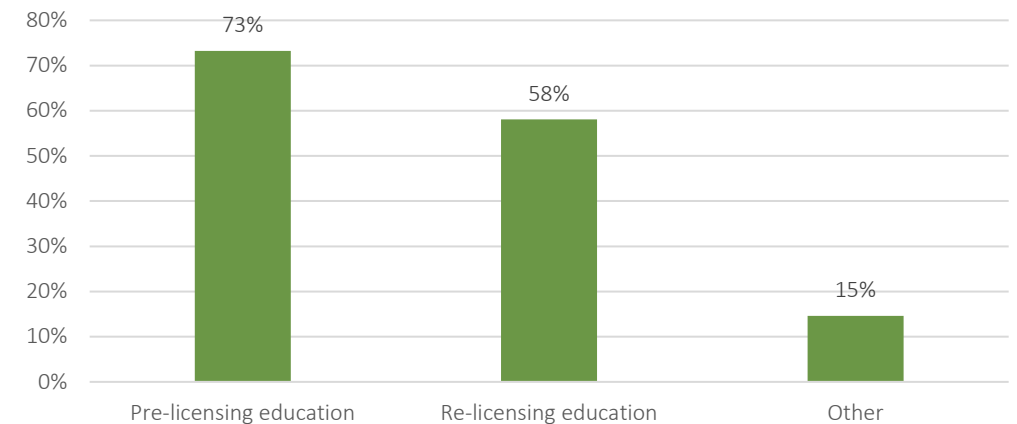
Q: Since 2022, which of the following pre-licensing providers have you used? Please select all that apply. (n=2,079)

Pre-Licensing Providers Used Since 2022



Note: Respondents could select multiple pre-education providers and it is possible that more than one provider could be used across different required preparatory courses. As such, the results above are not expected to total to 100%.

Mandatory Education or Training Programs Completed to Obtain License



Note: Respondents could select multiple training programs. As such, the results above are not expected to total to 100%.

# Appendix B

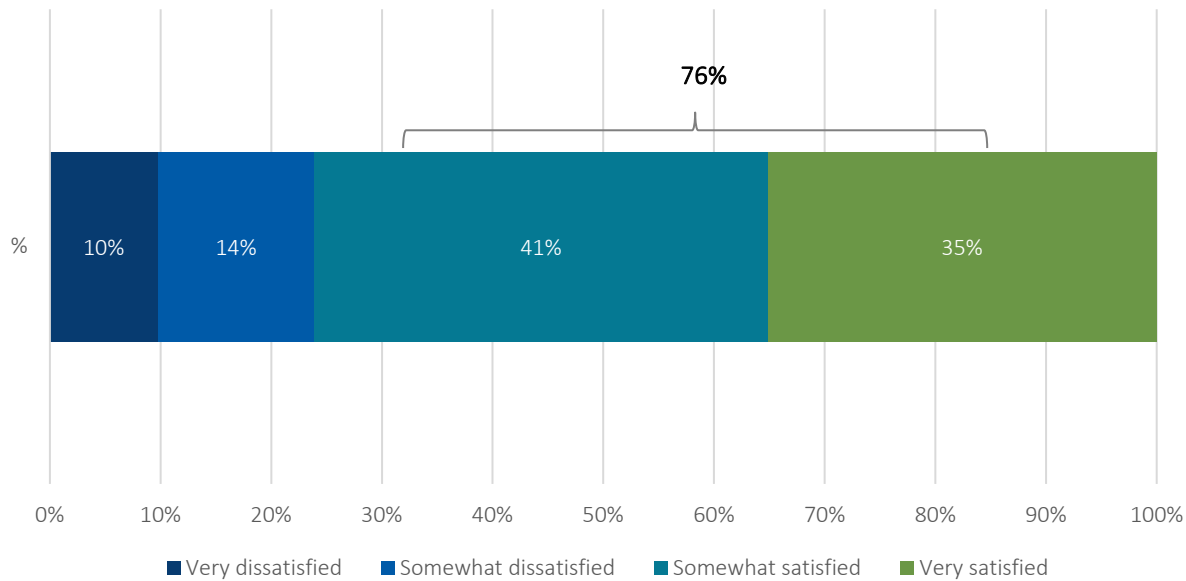
## Overall satisfaction with RECA.

### Overall Satisfaction with RECA's Performance

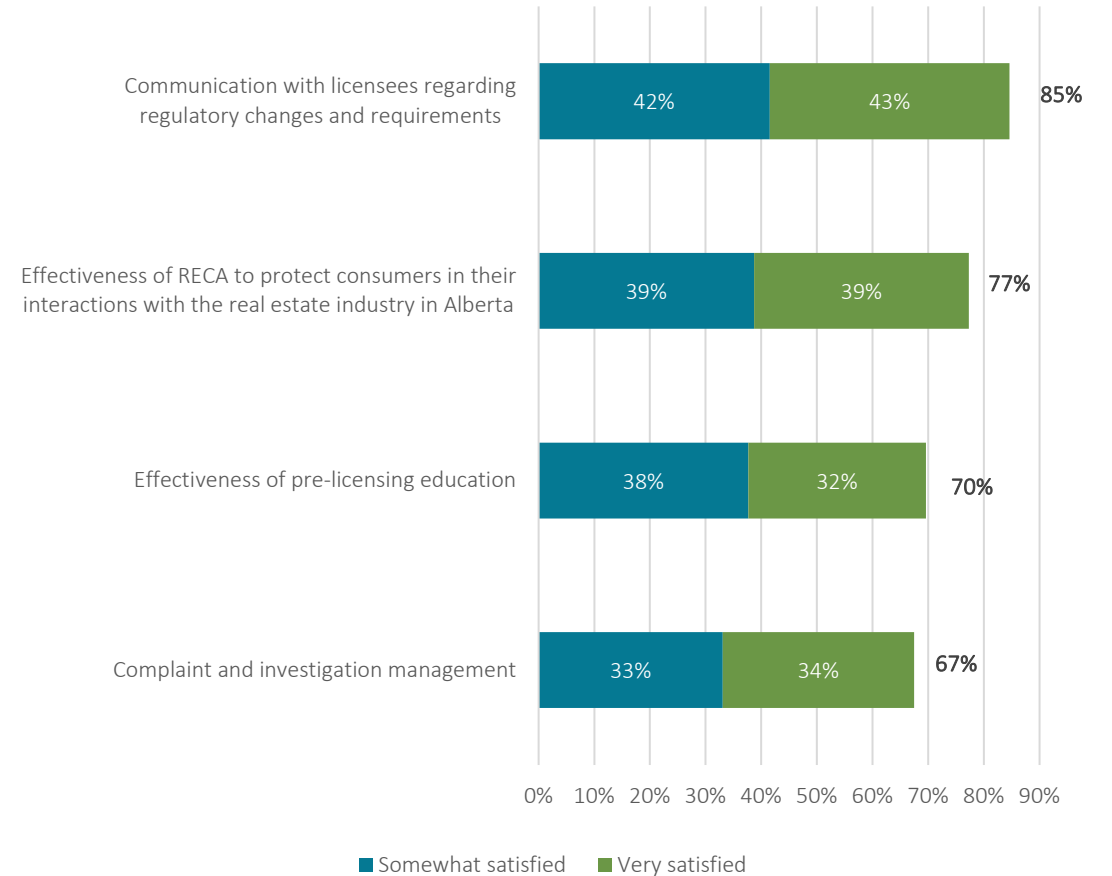
Overall, most licensees indicated that they were at least somewhat satisfied with RECA's effectiveness and efficiency as the regulatory authority for Alberta's real estate, mortgage brokerage, property management, and condominium management sectors. Satisfaction levels were strongest in relation to RECA's communication with licensees regarding regulatory changes and requirements, as well as its perceived effectiveness in protecting consumers in their interactions with the industry.

However, satisfaction was notably lower with respect to RECA's complaint and investigation management processes. This area emerged as the weakest aspect of RECA's performance in the survey, aligning with broader findings in this review regarding timelines, communication, and procedural clarity.

Overall Satisfaction with RECA



Satisfaction with Aspects Related to RECA's Services and Processes



Q: Overall, how satisfied are you with the efficacy and efficiency of the Real Estate Council of Alberta as the independent regulatory authority for Alberta's real estate, mortgage brokerage, property management, and condominium management industries? (n=2,079)

Q: How satisfied are you with each of the following aspects related to RECA's services and processes? (n=2,079)

# Appendix B

## Top priorities for licensees.

### Derived Importance Methodology

To identify which aspects of RECA’s performance most influence overall licensee satisfaction, a priority matrix was developed using a derived importance methodology. This approach analyzes the relationship between respondents’ satisfaction with specific service areas and their overall satisfaction with RECA.

The Priority Matrix incorporates three key measures:

- **Performance:** The percentage of respondents who reported being somewhat or very satisfied with a given factor.
- **Level of Importance:** A statistical measure, generated using a machine-learning algorithm, that determines how strongly satisfaction with a specific factor drives overall satisfaction.
- **Priority Rank:** A combined assessment of high importance and lower performance, identifying areas where improvement would likely have the greatest impact.

This methodology allows for a more data-driven prioritization of improvement areas, rather than relying solely on raw satisfaction scores.

### Priority Areas Identified

The analysis identified complaint and investigation management and the effectiveness of pre-licensing education as the top two priorities for improvement. These areas were rated as highly important to licensees but demonstrated comparatively lower performance levels.

As a result, improvements in these domains are likely to generate the greatest positive impact on overall satisfaction with RECA. The findings reinforce themes observed elsewhere in this review, particularly regarding complaints handling and education oversight, and highlight these as critical focus areas for strengthening licensee confidence in the regulator.

Priority Matrix







Factors	Performance	Importance	Rank
Complaint and investigation management	67%	8.9	1
Effectiveness of pre-licensing education	70%	9.4	2
Effectiveness of RECA to protect consumers in their interactions with the real estate industry in Alberta	77%	7.8	3
Communication with licensees regarding regulatory changes and requirements	85%	4.7	4

# Appendix B

## Key issues in RECA effectiveness and communication.






### Reasons for Dissatisfaction with RECA’s Effectiveness Protecting Consumers – Key Themes

Respondents who indicated dissatisfaction with RECA’s effectiveness in protecting consumers were asked to provide additional context, highlighting several consistent themes underlying their concerns.

-  Slow, reactive, and ineffective enforcement
-  Inconsistent, lenient, or misaligned discipline
-  Low education standards and poor professional competence
-  Lack of transparency, accountability, and trust
-  Insufficient consumer education and public awareness
-  Misalignment with core mandate

### Reasons For Dissatisfaction with RECA’s Communication – Key Themes

To better understand areas of concern, respondents who expressed dissatisfaction with RECA’s communication were asked to elaborate on their reasons, revealing several recurring themes.

-  Timeliness, unpredictability, and lack of advance notice
-  Fragmented channels, email overload, & poor findability
-  Clarity, rational, & implementation guidance
-  Limited consultation & two-way engagement
-  Inconsistency & poor coordination across bodies








Q: Please explain why you are dissatisfied with RECA’s effectiveness protecting consumers in their interactions with the real estate industry in Alberta.. (n=451)

Q: Please explain why you are dissatisfied with RECA’s communication with licensees regarding regulatory changes and requirements. (n=308)

Q: Please describe your past experience(s) with RECA’s complaint and investigation management. (n=816)

### Past Experiences with RECA ‘s Complaint & Investigation Management – Key Themes

Licensees were also asked to reflect on their past experiences with RECA’s complaint and investigation processes, with responses revealing several recurring themes and areas of concern.

- |   |  |
|---|--|
|  Fair & Evidence-based outcomes                |  Excessive delays & poor follow-through         |
|  Professional & respectful investigators       |  Presumption of guilt and adversarial tone      |
|  Improved process compared to the past         |  Inconsistent enforcement & bias                |
|  Effective handling of straightforward matters |  Poor communication, clarity, and intake triage |

### Key Insights

Survey responses indicate that many licensees perceive consumer protection to be weakened by slow enforcement, inconsistent discipline, and limited transparency around regulatory actions. While some respondents described interactions as professional and fair, broader concerns focused on delays and variability that undermine confidence in enforcement.

Experiences with complaints and investigations were mixed, with positive comments about professionalism offset by frustration regarding prolonged timelines, limited follow-through, and unclear processes.

Communication of regulatory changes was also identified as a key pain point, with respondents citing insufficient advance notice, fragmented messaging, and limited practical guidance to support implementation in day-to-day practice.

# Appendix B

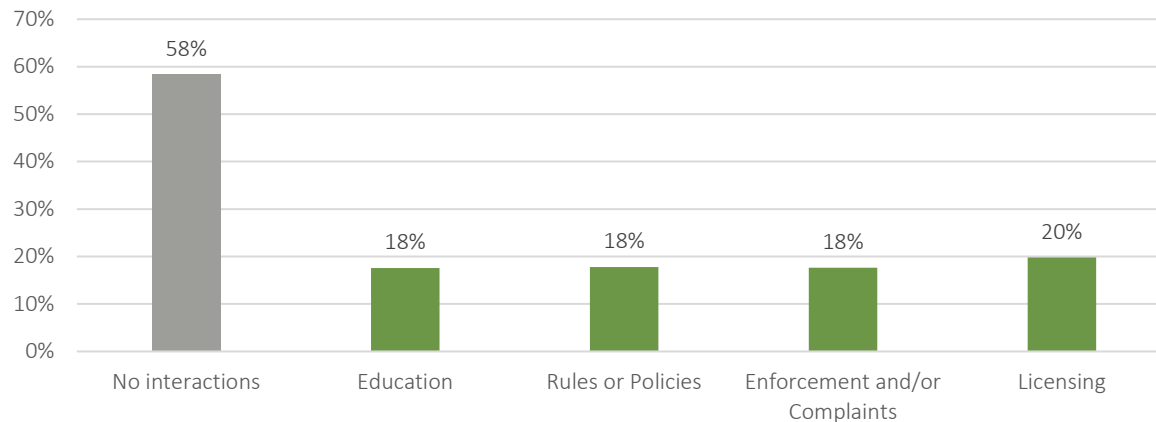
## RECA licensee experience: strengths, pain points & opportunities for improvement.

### Interactions with RECA

Survey results indicate that a majority of licensees (58%) report having no direct interaction with RECA, suggesting that for many practitioners, the regulator’s role is experienced primarily through licensing processes and formal communications rather than enforcement or investigations. Among those who have interacted with RECA, licensing and administrative functions are generally viewed positively, with processes described as clear, predictable, and well managed.

Where direct interaction does occur, staff professionalism, responsiveness, and clarity of communication are consistently cited as strengths. However, dissatisfaction tends to arise in more complex or enforcement-related matters, particularly around follow-up, transparency of process, and consistency of outcomes. These pain points are most pronounced in complaint handling and disciplinary processes, where licensees report uncertainty about timelines, expectations, and decision rationale.

Licensee Interactions with RECA by Inquiry or Concern Type



Q: Have you interacted with, made an inquiry to, or raised a concern with RECA regarding any of the following? Please select all that apply. (n=2,079)

Q: Please explain why you are dissatisfied with RECA's communication with licensees regarding regulatory changes and requirements. (n=857)

Q: Please describe your past experience(s) with RECA's complaint and investigation management. (n=2,002)

### Licensee Experience Interacting With or Raising a Concern With RECA – Key Themes

Respondents who had direct interactions with RECA, whether through raising a concern, participating in an investigation, or engaging with regulatory staff, shared a range of experiences that provide insight into how the regulator is perceived in practice.

- |   |   |
|---|---|
| ✓ Responsive & helpful staff                | ✗ Slow, Inconsistent, or Non-Existent Follow-Up   |
| ✓ Professional & respectful interactions    | ✗ Concerns Dismissed, Minimized, or Deflected     |
| ✓ Clear guidance on straightforward matters | ✗ Education and Exam Misalignment                 |
| ✓ Perceived improvement over time           | ✗ Lack of Transparency, Consistency, and Fairness |

### Activities or Services that RECA Does Well & Areas for Improvement – Key Themes

Respondents also highlighted specific areas where RECA performs well, alongside clear opportunities for improvement across its services and regulatory functions.

- |  |   |
|--|---|
| ✓ Licensing, Renewals, and Administrative Process            | ☆ Education Quality, Exam Alignment, & Practice Readiness |
| ✓ Communication and Information Sharing                      | ☆ Complaints, Investigations, & Enforcement               |
| ✓ Regulatory Framework and Consumer Protection Role          | ☆ Communication, Guidance, & Engagement                   |
| ✓ Practice Advice, Staff Professionalism, and Responsiveness | ☆ Licensing Standards, Scope, & Professionalism           |
| ✓ Education Framework and Continuing Education               | ☆ Governance, Structure, Costs, & Administrative Burden   |



# Appendix C:

Summary of interviewees.



# Appendix C

## Summary of interviewees

The primary round of interviews were conducted between July and November 2025, with follow-up interviews taking place between November 2025 and January 2026.

### Ministry of Service Alberta and Red Tape Reduction (the Ministry)

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- Minister
- Deputy Minister
- Assistant Deputy Minister - Consumer, Registry and Strategic Services Division
- Executive Director - Consumer Services
- Director - Consumer Programs

### External Stakeholders

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- Alberta Real Estate Association (AREA)
- AREA - Review Committee
- Alberta Mortgage Brokers Association (AMBA)
- Canadian Condominium Institute – North Alberta Chapter; South Alberta Chapter
- Association of Condominium Managers of Alberta (ACMA)
- Individual Key Stakeholders including current and former licensees and former members of RECA's governance (8)

### Real Estate Council of Alberta (RECA) Management and Staff

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- Chief Executive Officer
- Chief Operating Officer
- Registrar
- Finance Manager
- Senior Accountant
- Executive Assistant
- Recording Secretary
- Regulatory Policy Manager
- Practice Review Manager
- Investigations Manager
- Conduct Counsel Unit Manager
- Strategic Communications Manager
- Registration Services Manager
- Credentialing Manager/Education Program Manager
- Senior Investigator
- Investigations Administrator
- Contact Council Administrator

### Real Estate Council of Alberta (RECA) Governance

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- Chair, Board of Directors
- Former Chair, Board of Directors
- Board of Directors
- Commercial Real Estate Broker & Commercial Property Manager Industry Council
- Residential Real Estate Broker Industry Council
- Residential Property Manager Industry Council
- Mortgage Broker Industry Council



# Appendix D:

Summary of documents reviewed.



# Appendix D

Summary of documents reviewed.

## Documents Reviewed

**701**

**Total Documents Reviewed**

**83**

**Governance & Board**

**110**

**Financial & Budgetary**

**380**

**Regulatory & Compliance**

**58**

**Stakeholder & Communications**

**70**

**Operations & Human Resources**

## Document Review Summary

As part of this review, a substantial body of current and recent historical internal documentation from RECA was examined to better understand the organization's governance, operational practices, and regulatory activities. In total, more than 700 documents were reviewed across several categories, including Governance and Board materials (83), Financial and Budgetary records (110), Regulatory and Compliance documentation (380), Stakeholder and Communications materials (58), and Operations and Human Resources documents (70). Many of these documents were extensive in length, some spanning hundreds of pages, resulting in a significant volume of material that provided detailed insight into RECA's policies, processes, and decision-making structures.

The largest portion of documentation fell within the Regulatory and Compliance category, reflecting the central role of regulatory oversight in RECA's mandate. These materials included policies, procedural guides, investigation frameworks, enforcement documentation, and regulatory guidance. A significant focus of the review within this category was understanding how key regulatory processes are executed in practice, particularly with respect to complaints intake, investigations, disciplinary procedures, and licensing oversight. Reviewing both formal policy documents and operational materials allowed the analysis to assess not only how processes are designed, but also how they function in day-to-day regulatory activities.

Financial and Budgetary documentation formed another significant component of the review. These materials included annual budgets, financial statements, forecasting models, fee analyses, and related financial planning documents. Together, they supported the evaluation of RECA's financial management practices, including revenue forecasting, fee structures, and the organization's broader cost-recovery approach. Governance and Board materials, including Board meeting minutes, committee documentation, and governance policies, were also reviewed to better understand oversight mechanisms and how strategic and operational decisions are considered at the Board level.

Finally, documentation related to Operations and Human Resources, as well as Stakeholder and Communications activities, provided additional context regarding internal management practices and external engagement with licensees and the public. Collectively, this extensive body of documentation served as a key evidence base for the review, enabling a detailed assessment of RECA's structures, processes, and performance across multiple aspects of its regulatory mandate.



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