

THE REAL ESTATE ACT & BOARD RULES

Purpose: This bulletin reviews the relationship between the *Real Estate Act*, the *Real Estate Act Rules* and real estate association and board rules including listing database rules.

This bulletin applies to all real estate brokerages, brokers, associate brokers, and associates who are members of a real estate board.

All real estate licensees must follow the standards of practice and professional obligations set out in the *Real Estate Act* (Act) and the *Real Estate Act Rules* (Rules). The requirements of the Act and Rules prevail over association and board rules when there is a conflict.

RECA recognizes that Board rules are important for any real estate board and the integrity of its listing database and that these listing databases serve a valuable role for the public. To join a real estate board, a licensee must agree to follow that board's rules. Board rules only apply to those real estate licensees who are members of that board.

As with all Albertans, real estate licensees who are also real estate board members must operate within the laws of the Province of Alberta and comply with the *Real Estate Act*.

The Act and Rules

The Act is the statute that regulates the real estate industry in Alberta. It contains the regulatory framework for the Real Estate Council of Alberta (RECA) to govern the industry. Any person who trades in real estate as a real estate brokerage, broker, associate broker, or associate must hold a licence with RECA.

Industry Councils make rules prescribing standards of conduct and industry practices for all licensees, and the legislature has determined these are the law of Alberta.

Industry Councils develop Rules in consultation with industry stakeholders. They detail:

- eligibility requirements
- education requirements
- classes of licence and licence applications
- licence approvals / refusals / suspensions
- standards of conduct and business practice
- activities of a real estate professional for activities that form the business of a real estate professional

The Act and Rules are law in the Province of Alberta, and real estate licensees must comply with them.

RECA enforces the Act and Rules through a variety of enforcement mechanisms including investigating complaints, conduct review, and disciplinary processes. Conduct review outcomes can include:

- dismissal of the complaint
- advisory note
- letter of reprimand
- administrative penalty
- fines and hearing / appeal costs
- suspension or cancellation of an industry professional's licence

INFORMATION BULLETINS

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Real Estate Board Rules

Real estate licensees may choose to join a local real estate board. Real estate boards are private, voluntary associations. Real estate licensees who join a local board also become members of the Alberta Real Estate Association (AREA) and the Canadian Real Estate Association (CREA). The three levels of association are broadly referred to as organized real estate.

Boards may create membership rules including those that apply to the operation of the specific board, the business relationship between and among its members, its listing database, and standards of business practice. Associations may also create rules and requirements regarding consumers and their access to the listing database. These rules must comply with all laws that apply to trading in real estate in Alberta.

Related information

Legislation

- *Real Estate Act* – sections 5, s.12, s.17
- *Real Estate Act Rules* – sections 41 to 63 inclusive