Real Estate Council Alberta

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RECA Resource
Information Bulletins

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Trading in Real Estate - Jurisdiction

Purpose

This bulletin applies to real estate licensees. It explains how RECA determines whether a real estate transaction involving more than one province falls under Alberta's *Real Estate Act*.

Regulatory status: Information Bulletins provide guidance on how RECA interprets and applies existing legislative requirements. They do not create new legal requirements or amend the *Real Estate Act* or the *Real Estate Act* Rules.

Jurisdiction

Historically, real estate trades transpired between local buyers and sellers. Today, the real estate brokerage industry is increasingly national and global in scope, and components of a trade can occur across several jurisdictions through digital technology. Provincial regulators have limits, and RECA cannot apply the Act to matters that are not sufficiently connected to Alberta. When a trade crosses provincial boundaries, the question is whether it constitutes a "trade" in real estate under the Act and whether Alberta is the appropriate jurisdiction.

How RECA determine jurisdiction

RECA applies the "sufficient connection" test, considering all the facts and the impact on Alberta consumers. RECA uses the following factors to determine whether a trade in real estate has a sufficient connection to Alberta:

- where the property is located
- the ordinary residence of the parties to the transaction
- where the real estate licensee holds a licence
- where advertisements originate and appear
- how documents are prepared, signed, sent, or given to the parties
- where trust deposits are received and who holds them
- where money originates and is delivered to conclude the trade
- whether the person was trading in real estate under the Act

- where a corporation was incorporated and carries out its usual business
- where trading records are kept
- any choice-of-law clauses adopted by the parties in an agreement

No single factor is decisive. The Act applies to a trade in real estate when, considering these factors together, there is a sufficient connection to Alberta.

Advertising by out-of-province licensees

A real estate professional licensed in another province who advertises an Alberta property should not assume their home licence authorizes that activity. Advertising is one factor RECA considers in the sufficient connection test. The origin and the place where the advertisement appears both matter. An advertisement that targets Alberta consumers or promotes an Alberta property may, together with other factors such as the property's location, establish a sufficient connection to Alberta that requires an Alberta real estate licence.

Out-of-province licensees who intend to advertise, market, or otherwise deal with an Alberta property should confirm their licensing obligations with RECA before proceeding, rather than relying on the fact that their client relationship or brokerage is based in another jurisdiction.

Licensing consequences

If a real estate trade has a sufficient connection to Alberta, the Act applies. Under section 17, a person trading in real estate must hold the appropriate licence issued by RECA. A licence from another jurisdiction does not, on its own, authorize trading activities connected to Alberta. If you are uncertain whether the Act applies to your situation, contact RECA before proceeding.

Related Information

Legislation	Relevant Sections
Real Estate Act	ss. 1(1)(x), 17
Additional Resource:	Dealing in Mortgages - Jurisdiction

Information Bulletins	Trading in Real Estate - Commercial Real Estate Trading in Real Estate - Residential Real Estate Trading in Real Estate - Rural Real Estate Trading in Real Estate - Property Management