Real Estate Council Alberta

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RECA Resource
Information Bulletins

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Use of Artificial Intelligence

Purpose

This bulletin applies to all licensees. It explains how existing conduct obligations apply when licensees use artificial intelligence (AI) tools in their business, describes where licensees may encounter AI, and sets out best practices for using AI tools while protecting clients and the public.

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.

Artificial Intelligence

Artificial intelligence (AI) refers to machine-based systems that generate content, predictions, recommendations, or decisions from the information they receive. AI tools include chatbots such as ChatGPT, Copilot, Claude, Gemini, and Grok. AI is increasingly built into everyday business tools, often without being obvious.

The *Real Estate Act* and the *Real Estate Act* Rules do not directly address AI. As with any new technology, the existing Rules continue to apply to everything a licensee does with it.

Where you may encounter AI

- **Office productivity tools**. Word processors and email services can generate or summarize documents and messages at the touch of a button. These features are AI, even if they don't look like it.
- **Industry-specific tools**. Tools that match mortgage products and rates, identify leads, write listing descriptions, or develop marketing materials.
- **Listing databases**. Some automatically generate descriptions for uploaded listing photos.
- **Condominium management applications**. Third-party tools that triage owner requests, assign managers, or summarize condominium documents.

What the Rules require

The following obligations apply whenever a licensee uses AI in their regulated activities:

- **Review everything AI produces before you use it**. Licensees must provide competent service (Rule 41) and must not act recklessly (Rule 42). AI tools present their output as factual, but they cannot apply human judgment and can produce errors. Relying on unreviewed AI content in licensed services, such as a listing description, a document summary, or client advice, may be negligent.
- **Do not mislead**. Licensees must not mislead clients or the public (Rule 42). AI-modified property images must not be presented or reasonably taken as the current condition of a property. If an image is AI-generated or AI-altered, that fact must be clearly disclosed.
- **Protect confidential client information**. A licensee's fiduciary responsibilities include keeping a client's personal information confidential, and licensees must comply with applicable privacy legislation. Many AI tools learn from what users type or upload. Licensees must not input a client's confidential or personal information into an AI tool without the client's written consent.

Best Practices

Best practices go beyond the minimum requirements above. They are not mandatory, but they reflect the level of service RECA encourages licensees to provide. Licensees should:

- **Disclose your use of AI**. Tell clients when and how AI is used in your services, and obtain informed consent where personal information is involved, for example, through a clear clause in your service or relationship agreement.
- **Understand the tool before you use it**. Know whether a tool retains or learns from the information you provide, and treat AI features embedded in familiar software with the same caution you apply to standalone AI tools.
- **Keep human judgment in the loop**. Do not rely solely on AI outputs, summaries, risk assessments, or task assignments to carry out your duties; verify them against source documents and your own knowledge before acting or advising.

Examples

1. A real estate licensee uses an AI program to generate a listing description and pastes it into the listing database without reviewing it. During negotiations, buyers discover that the description mentions a high-end range that the sellers had told their licensee was excluded from the sale. The buyers then exit negotiations.

   Assessment: By failing to review the generated copy for accuracy, the licensee was negligent in providing their licensed services.

2. A mortgage licensee uses FastKey, an external identity verification application that uses Artificial Intelligence and requires the submission of personal information. The licensee's relationship agreement includes a standard clause disclosing the use of this tool and its AI components. Furthermore, the licensee explains the program before the client signs.

   Assessment: The licensee obtained informed consent to use the client's personal information in an AI tool and followed their regulatory obligations.

3. A real estate associate uses Claude to formulate a business plan, incorporating their own business and financial data, client base information without personal details, and publicly available market data.

   Assessment: This use does not involve regulated activities unless a client's personal information has been input.

4. A condominium manager licensee uses ChatGPT to draft a building notice to be emailed to all owners and occupants. Upon review, the licensee notes that the draft directs questions to the condominium board, even though the management agreement requires that questions regarding building notices be directed to the condominium manager. The licensee corrects the notice before sending it.

   Assessment: The licensee demonstrated competence and due diligence; though briefly misleading, the error was corrected immediately.

5. A real estate licensee uses their association's AI tool to generate image descriptions for a new listing, then reviews the listing and finds an office labelled "second-floor laundry room." The licensee notifies the error and corrects it before the listing is published.

   Assessment: The licensee demonstrated competence and due diligence; though briefly misleading, the error was corrected immediately.

6. A brokerage advertises its use of AI to match buyers with properties and to set listing prices. A client lists and sells, then later feels the AI-determined price was too low.

   Assessment: The brokerage was honest and transparent about its use of AI; by choosing to work with the brokerage, the client gave informed consent to AI being used as described.

7. A mortgage associate uses Copilot to summarize a virtual client meeting in which a family member's poor credit history was briefly mentioned. The summary incorrectly attributes the poor credit to the client, and the licensee seeks higher-rate lenders on that basis. The client wanted a traditional lender, and the delay caused the purchase offer to expire.

Assessment: The licensee proceeded based on unverified information and failed to confirm a key aspect of the client's financial circumstances before pursuing lender options. This resulted in recommendations that did not align with the client's objectives and contributed to a delay that caused the purchase offer to expire.

AI and Privacy Legislation

Privacy in Alberta and Canada is governed by the provincial Personal Information Protection Act (PIPA) and the federal Personal Information Protection and Electronic Documents Act (PIPEDA), and these obligations fully apply to information that licensees share with AI tools. AI-specific legislation continues to develop at both levels of government.

Related Information

Legislation	Relevant Sections
Real Estate Act Rules	ss. 1(g.02), 41(a)(b), 42(a)(c)
Personal Information Protection Act (Alberta)	Alberta's provincial privacy law. Deemed substantially similar to federal law, so brokerages operating solely within Alberta follow PIPA for their consumer transactions.
Personal Information Protection and Electronic Documents Act (Canada)	The federal privacy law applies in Alberta when personal information crosses provincial or international borders, for example, when it is stored on out-of-province cloud servers or when marketing to international buyers.