

From: Colin Lloyd
Sent: February-09-15 7:55 AM
To: Colin Lloyd (colin.lloyd@gov.ab.ca)
Subject: FW: email from AREA

From: Kelly Hillier
Sent: Thursday, January 29, 2015 1:30 PM
To: Linda Mattern; Colin Lloyd
Cc: Frank Bosscha; Nolan Steed; Wendy Woodruff
Subject: email from AREA

Hello Linda and Colin,

As discussed in the Grow Op ADM Committee meeting yesterday, here is the email from AREA which, for Linda's attention, asks about air quality standards (recommendation 30). Colin, Kerri is the contact for AREA.

Kelly
(780) 638-3744

From: Kerri Romanetz [mailto:KRomanetz@areahub.ca]
Sent: Friday, January 16, 2015 1:36 PM
To: Frank Bosscha
Subject: Cross-Ministry ADM Implementation Committee

Dear Mr. Bosscha,

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The Alberta Real Estate Association has been a strong advocate for provincial air quality standards for properties previously used as illegal drug operations. We would like to offer our continued support to the government for the work being conducted through Grow Op Free Alberta.

Are you able to share any updates from the cross-ministry Assistant Deputy Minister Implementation Committee that was formed to address the 37 recommendations in the Grow Op Free Alberta Final Recommendations Report or direct me to where I could find further information?

I appreciate your time and assistance.

Sincerely,

Kerri Romanetz
Government Relations
Alberta Real Estate Association
DL: 403.209.3625 | TF: 1.800.661.0231 | areahub.ca

Val Taylor

From: Rob Phillips
Sent: Wednesday, April 01, 2015 10:50 AM
To: Kelly Refah; Mark Seville; George Yates; Jodi Morris
Subject: RE: Land Titles fee increases: Real Estate stakeholders

Interesting. These fees are paid by the purchaser, not the sellers (developers). They will still be concerned as it will raise the cost of a new condo.

I had an interesting discussion with Les Speakman, ED of Land Titles. Even with the new fees Land Titles costs in Alberta are 50% lower than the rest of Canada and well below jurisdictions that have a land transfer tax, linked to the value of the home. Several, including Toronto charge two land transfer fees, one collected by the Province and the other by the City.

Rob

From: Kelly Refah
Sent: Wednesday, April 01, 2015 9:37 AM
To: Rob Phillips; Mark Seville; George Yates; Jodi Morris
Subject: RE: Land Titles fee increases: Real Estate stakeholders

Thanks for sharing. The fee hikes will also impact condo developers, since they have to transfer unit title to new purchasers. This could mean tens of thousands of dollars in additional fees in a large condo project containing 100+ units, for example.

Kelly

From: Rob Phillips
Sent: Wednesday, April 01, 2015 9:17 AM
To: Mark Seville; Kelly Refah; George Yates; Jodi Morris
Subject: Land Titles fee increases: Real Estate stakeholders

Interesting to see the type of ARs that Registries is receiving from real estate stakeholders (including AREA) following the recent Land Titles fee increases. AREA has issued a statement asking Service Alberta to confirm which real estate associations they consulted with, prior to raising these fees.

Rob

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Pages 4 through 5 redacted for the following reasons:
- -
s.27(2); s.17(1)



From: Colin Lloyd
Sent: April-01-15 12:59 PM
To: Rob Phillips
Cc: Robert Whittaker
Subject: RE: Land Titles fee increases: Real Estate stakeholders

Thanks Rob. We should get ahead of this, to the extent we can, by assessing the impact on our largest stakeholders. Once done, we should work with Communications on the messages.

Thoughts?

Colin

From: Rob Phillips
Sent: Wednesday, April 01, 2015 10:47 AM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: RE: Land Titles fee increases: Real Estate stakeholders

Transitory:

Colin,

I had an interesting discussion with Les Speakman, ED of Land Titles. When the budget was released the Minister made a statement in the House that Service Alberta had consulted with interested stakeholders, including real estate associations. The "consultation" actually occurred in 2013 at a meeting with DM and two ADM's. RECA, AREA, the Alberta Law Society and others in attendance had expressed concerns about the potential privatization of Land Titles.

The stakeholders suggested that land titles fees could be raised, as they were well below the rest of Canada and the funds used to upgrade the system, rather than outsource it.

Even with the new fees Land Titles costs in Alberta are 50% lower than the rest of Canada and well below jurisdictions that have a land transfer tax, linked to the value of the home.

Land Titles is working with Communications on messaging.

Rob

From: Rob Phillips
Sent: Wednesday, April 01, 2015 9:46 AM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: RE: Land Titles fee increases: Real Estate stakeholders

Colin,

AREA is only asking about consultation as I understand that Service Alberta's budget messaging identified real estate associations among the stakeholders who were consulted on increases to fees related to the transfer of real estate. Not sure if this statement was made in the post budget conference call. AREA, who represents all of the Alberta Real Estate Boards was not consulted, nor have they spoken to anyone who was.

Kelly flagged another issue. The fee hikes will also impact condo developers, since they have to transfer unit title to new purchasers. This could mean tens of thousands of dollars in additional fees in a large condo project containing 100+ units, for example.

Rob

From: Colin Lloyd
Sent: Wednesday, April 01, 2015 9:37 AM
To: Rob Phillips
Cc: Robert Whittaker
Subject: Re: Land Titles fee increases: Real Estate stakeholders

I am not aware of any such consultation, are you? Governments don't generally consult when it comes to imposing new revenue streams. They do it and then attempt to pass their budget in the house. I think people in general have forgotten how this works because it has been so long since government delivered such a budget.

Sent from my iPhone

On Apr 1, 2015, at 9:20 AM, Rob Phillips <rob.phillips@gov.ab.ca> wrote:

> Colin,
>
> FYI. Registries is receiving complaints from real estate stakeholders (including AREA) following the recent Land Titles fee increases. AREA has issued a statement asking Service Alberta to confirm which real estate associations they consulted with, prior to raising these fees.
>
> Rob

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From: AOL Mail Service [mailto:htanasichuk@shaw.ca]
Sent: Monday, March 30, 2015 9:32 PM
To: Sherwood Park
Subject: Fwd: Increase in Government Real Estate Service Fees



Page 9 redacted for the following reason:
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Duplicate to pages 3-5



From: Colin Lloyd
Sent: April-01-15 2:03 PM
To: Rob Phillips
Cc: Robert Whittaker
Subject: RE: Land Titles fee increases: Real Estate stakeholders

OK, noted - thanks

From: Rob Phillips
Sent: Wednesday, April 01, 2015 9:46 AM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: RE: Land Titles fee increases: Real Estate stakeholders



Pages 11 through 13 redacted for the following reasons:
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Duplicate to pages 7-9

Val Taylor

From:	Mark Seville
Sent:	Thursday, April 23, 2015 3:52 PM
To:	Rob Phillips
Cc:	George Yates
Subject:	RE: meeting with AREA reps on May 4th, 2pm

This message has been archived. View the original item

Here is a link to AREA list of current issues. Of them 2 pop out: CPA Review and CSA standard for home inspectors:

http://www.areahub.ca/AREA-Government-Relations-Portal.aspx

Here's a backgrounder on Ian Burns, AREA CEO

http://www.areahub.ca/About-AREA/AREA-Board-of-Directors/Ian-Burns.aspx

I can find nothing on Brad Mitchell, the new government relations guy.

From: Rob Phillips
Sent: Thursday, April 23, 2015 2:41 PM
To: Mark Seville
Cc: George Yates
Subject: Fw: meeting May 4th, 2pm

Mark,

Can you shed any light on this. Please take the lead on the one pager.

Thanks

Rob
Consumer Services
(780) 422-8177 Phone
s 17(1) Cell
Sent from my BlackBerry

From: Chris Calvert

Sent: Thursday, April 23, 2015 02:19 PM
To: Rob Phillips
Cc: Fay Wong; Robert Whittaker
Subject: FW: meeting May 4th, 2pm

Hi Rob

This request for a meeting has come in. Would you mind putting together a one pager on the "pressing issue" assuming we know what it is. If we don't know what the issue is let me know and I will ask them.

Thanks

Chris

From: Brad Mitchell [mailto:BMitchell@arealtor.ca]
Sent: Thursday, April 23, 2015 11:26 AM
To: Colin Lloyd
Cc: cris.calvert@gov.ab.ca; Ian Burns
Subject: meeting May 4th, 2pm

Hi Colin, Ian burns and I are hoping to confirm a meeting with you Monday May 4th at 2pm. The purpose of the meeting is twofold;

1. An opportunity to introduce myself as the new government relations director for AREA
2. For Ian to highlight a pressing issue that effects realtors in Alberta

Thank you in advance for your time.

Val Taylor

From: Mark Seville
Sent: Monday, April 27, 2015 11:19 AM
To: Jodi Morris
Subject: FW: ARTS Notification 28118 Meeting - Alberta Real Estate Association - May 4 2015

Fyi. This is the info we have for the meeting briefing. We can discuss at our training meeting tomorrow.

I just had another e-mail request through Alberta Connects for response too. I will forward for info.

Mark

Brad Mitchell (780-451-4666)
Ian Burns – Chief Executive Officer

1. An opportunity to introduce myself (Brad Mitchell) as the new government relations director for AREA
2. For Ian to highlight a pressing issue that effects realtors in Alberta - the transfer of education from AREA to RECA, we are reaching the final stages and have run into a situation which may result in a disruption to realtors.

-----Original Message-----
From: Rob Phillips
Sent: Monday, April 27, 2015 8:16 AM
To: Mark Seville
Subject: FW: ARTS Notification 28118 Meeting - Alberta Real Estate Association - May 4 2015

Mark,

Briefing request below. Are you able to attend this meeting on May 4?

Rob

-----Original Message-----
From: Fay Wong
Sent: Monday, April 27, 2015 8:13 AM
To: Darlene Decker; Debbie Woywitka; George Yates; Rob Phillips
Subject: ARTS Notification 28118 Meeting - Alberta Real Estate Association - May 4 2015

Action Request 28118
Assigned To: 04 Executive Director – Consumer Services

Action: Briefing for ADM

Due Date: May 1, 2015

Instructions: ED-Consumer Services, please prepare a meeting briefing note for the ADM. Due to the ADM by May 1, 2015. Fay

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Organization: Service Alberta
URL: s.20(1)(m), s.25(1)

ACTION REQUEST COVERSHEET
Service Alberta

Due to Minister: May 1, 2015
Due to MCU: May 1, 2015
Due to ADMO: May 1, 2015
Due to ED: April 30, 2015
Extended Due Date:

AR Number: 28118
Logged By: ADM's Office-Consumer Services
Priority Level: Normal
Received Date: Apr 27, 2015

AR References:
Assigned To: 04 CS - Consumer Programs
Subject: Meeting - Alberta Real Estate Association - May 4, 2015
Action Requested: Briefing for ADM
Correspondent:
Constituency: ,

	Name and Phone Number		Initials and Date
Drafted by:	Mark Seville Manager	780-422-8228	April 30, 2015 MS
Approved by:	George Yates Director	780-422-8179	April 30, 2015
Approved by:	Rob Phillips Executive Director	780-422-8177	April 30, 2015
Approved by ADM:	Colin Lloyd	780-427-2300	
Edited by MCU:			
Approved by DM's EA:	Vera Krawec	780-644-5151	
Approved by DM:	Rod Skura	780-427-1990	

File Number: 0450-011
Comments:
Additional Notes:

R.L.

Fay \ ng

From: Chris Calvert
Sent: Saturday, April 25, 2015 7:44 AM
To: Fay Wong
Cc: Robert Whittaker
Subject: FW: meeting May 4th, 2pm

Hi Fay

Can you please send a confirmation of the meeting with Brad and Ian to them on Monday. I expect that Colin will want Rob and Robert in the meeting as well.

Thanks
Chris

From: Chris Calvert
Sent: Saturday, April 25, 2015 7:41 AM
To: Chris Calvert
Subject: FW: meeting May 4th, 2pm

From: Chris Calvert
Sent: Saturday, April 25, 2015 7:40 AM
To: Brad Mitchell
Cc: Ian Burns; Fay Wong; Rob Phillips; Colin Lloyd
Subject: RE: meeting May 4th, 2pm

Thanks Brad. I will have Fay confirm the meeting on Monday.

Chris

From: Brad Mitchell [BMitchell@areahub.ca]
Sent: Friday, April 24, 2015 4:24 PM
To: Colin Lloyd
Cc: Ian Burns; Fay Wong; Rob Phillips
Subject: RE: meeting May 4th, 2pm

Hi Chris we would like to meet with Colin regarding the transfer of education from AREA to RECA, we are reaching the final stages and have run into a situation which may result in a disruption to realtors.

From: Chris Calvert [mailto:chris.calvert@gov.ab.ca] **On Behalf Of** Colin Lloyd
Sent: April 23, 2015 3:48 PM
To: Brad Mitchell
Cc: Ian Burns; Colin Lloyd; Fay Wong; Rob Phillips
Subject: RE: meeting May 4th, 2pm

Hi Brad,

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I'm filling in for Colin's EA - Robert Whittaker – who is away this week. Fay has blocked the time in Colin's calendar, however before we confirm it we would like to know what the "pressing issue tha effects realtors in Alberta "is . It will help to ensure Colin has the appropriate information/resources to make the meeting productive

If you can advise me as to the gist of the issue as soon as you can, I would appreciate it.

Thanks
Chris

From: Brad Mitchell [mailto:BMitchell@areahub.ca]
Sent: Thursday, April 23, 2015 11:26 AM
To: Colin Lloyd
Cc: cris.calvert@gov.ab.ca; Ian Burns
Subject: meeting May 4th, 2pm

Transcribe to page 15

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

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Fay W[illegible]g

From: Mark Seville
Sent: Friday, May 01, 2015 2:16 PM
To: Robert Whittaker; Fay Wong
Cc: George Yates
Subject: Fw: RECA education and AREA

Supplemental message from RECA for Mondays meeting. This is fine detail in support of the AR briefing's background section



Alberta Service Alberta

04450-011
Apr 30/15

ADVICE TO THE ASSISTANT DEPUTY MINISTER

Alberta Real Estate Association (AREA)

MEETING DATE: May 4, 2015

TIME: 2:00 pm to 3:00 pm

LOCATION: Boardroom 109, 29th Floor, South Tower, Telus House at ATB Place
10020 – 100 Street, Edmonton, AB T5J 0N3

ATTENDEES:

Alberta Real Estate Association:
Ian Burns – Chief Executive Officer
Brad Mitchell, Government Relations Director

Service Alberta:
Colin Lloyd, Assistant Deputy Minister
Mark Seville, Manager, Market and Industry Standards
Robert Whittaker, Executive Assistant to the ADM

ISSUE:

- AREA wants to raise the issue of transfer of education from AREA to the Real Estate Council of Alberta (RECA), which is connected to RECA's purpose and the *Real Estate Act* (REA) review.
- The subject of the *Condominium Property Act* (CPA) review may also be raised.

KEY MESSAGES:

REA Amendments and Real Estate Education Courses

- AREA has a significant voice at RECA's Council. Legislation and education issues and concerns should be raised there.
- RECA has sent its recommendations for changes to the REA to Service Alberta. Stakeholder submissions, including AREA's recommendations for changes, were included in the package.
- Service Alberta's process to amend the REA will include close examination of stakeholder submissions to RECA and the Ministry.
- With respect to amending RECA's purpose statement, Service Alberta will pay close attention to your concerns and bring them forward during discussions with RECA.
- I cannot confirm when REA amendments will proceed, as the legislative agenda is constantly in flux and Service Alberta will need to assess whether broader consultation is required.

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CPA Review

- Service Alberta is working on regulation changes, so we can bring the Bill 9 amendments into force.
- Priorities are developer/purchaser provisions, enforcement authority, insurance matters and governance issues, in that order.
- AREA will be invited to join several task teams providing comments on the regulation detail. Kerri Romanetz of your office and her predecessor have been most helpful in coordinating participation and input from your members.
- Service Alberta expects to have most of the regulation work completed this year.
- A project to develop the condominium tribunal is separate from the regulation project and has a longer timeline.
- RECA is developing the standards and education requirements for condominium managers. This project also has a longer timeline.

BACKGROUND:

- AREA represents the interests and concerns of 10 regional real estate boards across Alberta, and more than 10,000 Alberta real estate brokers and associates. It has representation on RECA's Council and advocates on its own behalf directly with government (see attached list of AREA's current advocacy issues).
- Service Alberta has regular discussions with AREA directly and indirectly through RECA.
  - The transfer of education programming for real estate professionals to RECA started with discussions in 2010 and an agreement between RECA and AREA. The intent was and is for RECA to be responsible for education related to pre-licensing and re-licensing of real estate professionals and for AREA to continue to deliver courses on professional development (e.g., marketing).
  - Progress on the transfer was smooth until 2013, when RECA asked AREA to step back in to assist with course delivery.
  - RECA has advised that as of today, two AREA courses are left to be transferred. As of June 1, 2015, AREA will no longer be delivering education programs related to licensing requirements (see attached RECA announcement).
  - With respect to RECA's review of the REA, AREA submitted their comments to RECA and also to Service Alberta directly. AREA's recent submission is to change RECA's purpose, mainly because of a perceived overlap in roles between RECA and AREA.
    - As part of its review process, the Consumer Services Division plans to contact AREA about its submission, and will also engage RECA to determine why this recommendation was not included in RECA's request for amendments to the REA.
  - AREA is directly involved in the review of the CPA. AREA was represented on the CPA Working Committee, which was the primary vehicle for stakeholder input to the CPA review, and on Task Teams formed for the second stage of stakeholder consultations.
- REA amendments are targeted for fall 2016. The draft Consumer Agenda proposes the amendments for spring 2016.

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ATTACHMENT(S):

1. AREA's current government liaison priorities from its website. http://www.areahub.ca/AREA-Government-Relations-Portal.aspx
2. RECA announcement regarding new licence model

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Alberta Real Estate

AREA Advocacy & Government Relations

One of AREA's key member services is advocating on members' behalf with the Government of Alberta and other industry stakeholders for actions (including legislation and regulation) which protect and support REALTORS® and the consumers they serve.

Key Issues

Condominium Property Act Amendments

Why it's Important
The current *Condominium Property Act* doesn't contain an efficient framework or tools for encouraging compliance. AREA has urged the government to conduct much-needed revisions to Alberta's *Condominium Property Act* to protect the public's and REALTOR'S® interests.

Latest News
Amendments to the *Condominium Property Act* were introduced in the Legislature under Bill 9 in early December. AREA believes that the proposed amendments take positive strides to address several topics which have been the focus of conversations between Alberta REALTORS® and the provincial government since the Act was last updated 15 years ago.

Links for more Information
Click here for Government of Alberta information on the Condominium Property Amendment Act
Click here to view AREA's backgrounder on this issue.

Alberta Land Titles Registry System Enhancements

Why it's Important
Under Alberta's Torrens System of land registration, the Government has custody of all original titles, documents and plans and has the legal responsibility for the validity and security of all registered land title information. The Government guarantees the accuracy of title and an Assurance Fund is available to anyone who suffers loss due to errors on title or fraudulent activities. Ensuring the integrity of the system's data and the continued application of the Assurance Fund are the foremost concerns to Alberta REALTORS® as Service Alberta reviews methods for modernizing and improving the delivery of land titles and registry services.

Latest News
AREA continues to monitor the government's review of Alberta's Land Titles Registry System.

Links for more Information:
Click here to view AREA's backgrounder on this issue.
Click here to view AREA's position on Land Titles Privatization.

Stopping Land Transfer Tax in Alberta

Why it's Important:

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The implementation of a provincial or municipal Land Transfer Tax or Home Buyers' Tax in Alberta is unfair, hinders housing affordability and negatively impacts the economy.

Latest News
AREA continues to monitor for any mention of provincial or municipal Land Transfer Tax.

Links for more information:
Click here to view AREA's backgrounder on this issue.

CSA Draft Standards (A770) for Home and Property Inspections

Why It's Important
The inspection process should remain reasonable and affordable for buyers, without impeding or creating unnecessary delays in real estate transactions.

Latest News
In December 2014, AREA submitted a letter to the CSA Group outlining key considerations for home and property inspection standards, in response to the CSA Group's public consultation process.

Marijuana Grow-Op Remediation

Why It's Important
Standards and guidelines for the remediation of properties formerly used as illegal drug operations are paramount for the safety of current and future homeowners.

Latest News
In May 2014 the Government of Alberta accepted final recommendations for future legislation to combat the risks and damages caused by illegal grow-ops. AREA participated in government-led consultation meetings to work towards these recommendations and a "Grow-Op Free Alberta".

Links for more information:
Click here for the full Grow-Op Free Alberta recommendations report
Click here to view AREA's backgrounder.
Click here for a report commissioned by AREA on the remediation of grow-op properties

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Mark Seville

From: RECA <communications@reca.ca>
Sent: Monday, April 27, 2015 10:37 AM
To: Mark Seville
Subject: RECA News: Council Approves New Real Estate Licence Model

RECA News

Council Approves New Real Estate Licence Model

A new licensing model is coming to the real estate industry in Alberta effective June 1, 2015.

The new model will require new real estate professionals to complete the practice education courses for the areas of real estate in which they plan to work (residential, commercial, property management and/or rural). If they want to trade in real estate in a single practice area, they need to complete that practice course after successful completion of the Fundamentals of Real Estate course. If they want to trade in real estate in multiple areas, they must complete education for each area of practice.

The feedback from industry professionals suggests Council should not combine the commercial and rural real estate courses, and Council will keep the courses separate. Council amended the definition of commercial real estate to remove any reference to agribusiness.

There will be four practice areas in real estate:

- residential real estate (which includes rural residential)
- commercial real estate
- rural real estate (which includes agribusiness but does not include rural residential)

- property management

The new licence model does not affect current real estate professionals.

For more information on the new licence model, check out the May Regulator newsletter – in your inboxes on May 11, 2015.

Real Estate Council of Alberta
T: 1-888-425-2754
F: (403) 228-3065
communications@reca.ca
www.reca.ca

RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to communications@reca.ca

Val Taylor

From: Mark Seville
Sent: Monday, May 04, 2015 1:09 PM
To: Jodi Morris; Kelly Refah
Subject: FW: AR 28118 Meeting - Alberta Real Estate Association - May 4 2015
Attachments: 28118 BN.doc

fyi

-----Original Message-----
From: Mark Seville
Sent: Monday, May 04, 2015 1:07 PM
To: Fay Wong
Cc: George Yates; Debbie Woywitka; Robert Whittaker
Subject: FW: AR 28118 Meeting - Alberta Real Estate Association - May 4 2015

Fay, Here is the updated briefing for today's 2 pm meeting with AREA. It has not been loaded into ARTS yet.

Mark

-----Original Message-----
From: Fay Wong
Sent: Monday, May 04, 2015 10:56 AM
To: Mark Seville
Subject: AR 28118 Meeting - Alberta Real Estate Association - May 4 2015

Hi Mark,

A heads-up that the BN needs amendment / rewrite. AR has been routed down to Consumer Services. Due to the ADM as soon as you can rewrite/amend the BN.

Fay

-----Original Message-----
From: Fay Wong
Sent: Monday, May 04, 2015 10:54 AM
To: Darlene Decker; Debbie Woywitka; George Yates; Fay Wong
Subject: ARTS Notification 28118 Meeting - Alberta Real Estate Association - May 4 2015

Action Request 28118
Assigned To: 04 Executive Director – Consumer Services

Action: Briefing for ADM

Due Date: May 1, 2015

Instructions: ED-Consumers (Mark), please amend the briefing note to include AREA key issues as outlined on the attachment (Land Titles, CSA, etc.) and recommendation - what role should SA be playing in the education transfer? What is SA's oversight role? etc. Due to the ADM as soon as completed. Fay

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Organization: Service Alberta
URL s.20(1)(m), s.25(1)



From: Colin Lloyd
Sent: May-06-15 5:28 PM
To: iburns@areahub.ca
Subject: RE: May 4th Meeting Follow-Up

Ian,

Thank you for this. It was good to meet you again with your colleagues. We should continue to stay in touch.

Best regards,

Colin

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: Wednesday, May 06, 2015 2:47 PM
To: Colin Lloyd
Subject: May 4th Meeting Follow-Up

Hello Colin,

Thank you again for the time you and your team set aside for AREA. I will keep this short as I can appreciate how busy you are. As was indicated during our meeting, I offer the following information via links below for you to review as it provides additional details to some of the points raised.

Documents:

- Council Appointee Synopsis (PDF) – A summary of a conference call meeting between AREA and 6 AREA Appointees to Council. AREA continues to improve upon our engagement of the AREA Appointees to Council and will look to hone this process based on feedback from the Appointees directly and the results generated.

- A PDF of the communications sent by AREA to all stakeholders today.

- An excerpt from the two-year transition MOU between AREA and RECA which provides background and context, and ultimately why the upcoming REA review is critical for AREA to have a direct opportunity to provide feedback.
    - While the language in the formal industry announcement and transition MOU reads as a joint agreed upon approach, they were not. RECA has the decision making power as per the Act and operationally made changes as they deemed appropriate. As I understand from my predecessors, they had no choice. RECA would not co-operate or change from their own agenda. All other efforts were unsuccessful, including:
        - Work to lobby RECA to shift their approach;
        - Planning to use the RFP process to continue the provincial association involvement; and
        - The many asks for RECA to approve AREA's content updates which were all denied (AREA's outdated content then became RECA's rationale to move forward with an aggressive plan to eliminate AREA from licensing education.

- The original table provided to AREA by RECA is below:

AREA was originally given the following timelines:

Licensing Course	Timing of Transition to RECA
Introduction to a Career in Real Estate (Phase 1)	January, 2011
Fundamentals of Real Estate (Phase 2)	October, 2011
Introduction to a Career in Residential Real Estate (Phase 3)	May, 2012
Introduction to a Career in Commercial (Phase 3)	January, 2013
Introduction to a Career in Rural (Phase 3)	June, 2013
Real Estate Office Management and Brokerage (REBP)	October, 2011

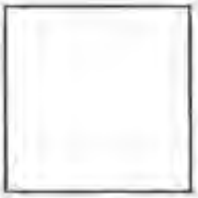
AREA members make up 90% of real estate licensees and approximately 70% of total licences that RECA oversees in a regulatory role. In that regard, AREA, as the provincial professional association, continues to strive to create a more effective relationship with RECA, Service Alberta and all stakeholders.

I will continue to make myself available for discussion should you have questions as you review the information. The offer to formalize the commitment to have AREA directly provide feedback to Service Alberta on the Real Estate Act review is greatly appreciated. I look forward to receiving that at your earliest opportunity.

Regards,

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
P: 403.209.3600
E: iburns@areahub.ca







From: Colin Lloyd
Sent: May-06-15 5:28 PM
To: 'Rob Phillips (rob.phillips@gov.ab.ca)'
Cc: Robert Whittaker; Mark Seville
Subject: FW: May 4th Meeting Follow-Up

Rob,

FYI.

Colin

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: Wednesday, May 06, 2015 2:47 PM
To: Colin Lloyd
Subject: May 4th Meeting Follow-Up



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Page 34 redacted for the following reason:
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Duplicate to pages 31-32

Val Taylor

From: Mark Seville
Sent: Thursday, May 07, 2015 8:18 AM
To: George Yates; Jodi Morris
Subject: FW: AREA May 4th Meeting Follow-Up

fyi

From: Colin Lloyd
Sent: Wednesday, May 06, 2015 5:28 PM
To: Rob Phillips
Cc: Robert Whittaker; Mark Seville
Subject: FW: May 4th Meeting Follow-Up



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Page 36 redacted for the following reason:
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Discussion Guide: Proposals for Condominium Property Regulation Affecting Developers and New Condominiums

Prepared by Service Alberta, Consumer Programs
May 2015

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Attachment 1: Preparation of BAR done for conversions ..... Error! Bookmark not defined.20

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About this Guide

The discussion questions in this Guide are organized as follows:

- Questions 1 to 5 are related to information and documents to be provided to purchasers.
- Questions 6 to 8 are related to prescribed trustees, trust accounts, and records related to condominium purchases.
- Questions 9 to 10 are related to transfer of records and information from the interim board to first elected board.

Information and documents provided to purchasers

1. Building Assessment Report (BAR) requirements for conversions

Proposal(s)
Establish content and requirements of the Building Assessment Report (BAR) done for conversions. Requirements would be similar to section 4 of the *New Home Buyer Protect Act's* General Regulation for preparation of building assessment reports done for conversions, while recognizing that the building construction is already completed, and the person preparing the BAR is not able to directly observe the various delivery and distribution systems or the materials beneath the building envelope. Specific proposals are provided in Attachment 1.

Questions for discussion:

a) Is there any aspect of the proposed approach that is not feasible?

- **TJ:** Question about applicability of this list
  - Under NHBPA, BARs are intended for information transfer to the board and to deal with warranty claims. This seems headed to the possible purchaser and trying to accomplish something a bit different. The modifications to the list themselves are positive steps, but he wonders if we are using something that is intended for 1 thing to serve another purpose→finds this confusing
  Kelly: Under NHBPA, BAR is intended to help the board make a decision whether or not to make a warranty claim
  Allison: Anyone who is a resident of the building can obtain a copy of the BAR under the New Home Warranty legislation.. and any resident can make a claim (claims not only made by the board)

b) Please identify any unintended consequences of the proposed approach

Andre: Has seen a full sized BAR (130 pages) As long as you are going to have to provide people with a summary of defects of the BAR, you might as well give them the entire thing.
- People can get copy of the BAR within 10 days from when they request it, but what if rescission period is 10 days? Does the rescission period reset if they have asked for a copy of the BAR?
- If it does not reset and you get a copy of the BAR on day 11, then it doesn't matter if you get copies of it or not.
- Adding BAR and copy of reserve fund study, reserve fund plan, copy of mortgage, etc. the document becomes lengthy, and purchaser ends up not having an idea of what they are buying.
Laurie: Suggest having a BAR for conversion buildings is a very good idea; having this extra obligation may help with fending off "shady" developers

Darcy: Supplement to Andre's comment above, referring to 12(3), way he reads this is that this would be an extension of the right of rescission. *Would like a clarification on this.
-Laurie agrees with this point

Andre: Another unintended consequence—conversion projects that would otherwise be fully rented might actually end up being vacated in order to allow for the conversion.

Darcy: Under 12(1) purchaser is getting a BAR *summary*, and in 10 days they are asking for the full BAR, then do they have another 10 days to *rescind*?? ←*Will need to look into this as did not consider that 10 day gap/extension

Laurie: Why would you not just give the full BAR upfront, because then you are taking the discretion away. What is the material summary? Kelly: this is was the original proposal
TJ: there has been a lot of evolution of the report.
Allison: Expects the report would not be as long as 100+ pages, based on what they have provided purchasers as to the limitations and intentions of the report
Darcy: Agrees with providing the entire BAR document up front to purchaser, but ALSO wants to include a summary page in the form/document. So the report must include a summary in addition to the full report.

Troy: Is there going to be a "cookie cutter" system for this so that the developer *has to* provide comments on windows, balconies, roofs, doors etc. Because experiences with some small infill conversions, in their reserve fund study they do not talk about roofs, or a foundation→ the numbers make sense but ½ the items are missing. This is done by a home inspector... This is different for a BAR.
Troy: Is there a template that speaks to when it was actually built, not what the city has given an effective date of?. E.g. If you renovate a building and give it a new effective year built, but the foundation is still 60 years old

Andre: Suggestion to have a spreadsheet-reserve fund study vs. having a long 300 pg. report
- A 300 page disclosure package is not in anyone's best interest
- A summary sheet is the level of information that purchasers need to see—they can see on the spreadsheet what they are paying into in e.g. a reserve fund study

Karen: Document reviewers will be going to do the reviewing of the 300 page document anyway; most conscientious buyers go through condo document review

Alan: When BAR is complete and document is sent to prospective purchasers, is there a record of the BAR having been completed and registered at any point? No
- Bev: As a property manager, have never seen a BAR report. Where would you get one? Currently they are not prepared.
-This should be in the building files for future reference
- **Verna**: Why wouldn't you make it a requirement for the developer to turn the BAR over to the board at the same time as all the other documents?
- **Troy**: Would a resale buyer be entitled to that BAR as well? Should it be part of the prescribed documents that the new owner is entitled to if it is within a certain window of time? Kelly: will be in list in s. 44 that is being moved to the regulations

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Allison: Under the NHBPA, if it is a newly constructed condo and the BAR is prepared, when it is completed, BAR is submitted to both Board and the warranty provider due to the connection of the completion of the report to the commencement of the warranty policy.
- under that legislation, as time goes on, any owner in the building could request a copy which would be provided by the board—would pass along the BAR to future owners upon their request

Andre: referring to 9. Transfer of information to first elected board— want to include in the proposals (9.1 to 9.21) a list of information that must be provided if the project is a conversion
←include this

Alan: Discussion and concern about asbestos—this throws another dynamic into the equation in terms of any renovation/restoration to the building, if there is asbestos known to be in the building
- Right now there is no need to disclose it, or no testing done as part of the BAR to identify that
- From a consumer protection, this is an area that could be a significant additional cost and disruption that is not being identified right now
- Could this be an addition that could be added to the BAR? (testing of asbestos in the building)
- TJ: could be redundant if testing for asbestos is on a new(er) building
- "Abestos testing for buildings older than...."

Allison: Suggestion for Kelly to talk to someone in MA re. building codes side and regulations regarding asbestos

2. Disclosure of occupancy date

Proposal(s)
2.1 Developer is to provide purchasers with one of two forms (to be set out in the Regulation, or specified by the Director) stating either the fixed occupancy date, or the tentative and final occupancy date (see Attachment 2). Form must be included in the package of documents and information provided under the new section 12(1). *[Sample forms are provided in Attachment 2]*
2.2 If the unit will not be ready within 30 days of the tentative occupancy date, the developer must provide, in writing, a 'Notice of Delay' to the purchaser at least 60 days prior to the initial date and disclose a new tentative occupancy date.
2.3 If the unit will not be ready within 30 days of the fixed or final occupancy date, the developer must provide, in writing, a 'Notice of Delay' to the purchaser. At this time, the purchaser can immediately rescind the purchase agreement until a new final date is proposed by the developer.
Notice
2.4 Where a tentative occupancy date is moved but no notice is provided to the purchaser of such, the purchaser may rescind the agreement.
2.5 Where a tentative occupancy date is moved but the notice is provided late, the purchaser may take the matter to Court for remedy.
Unavoidable Delay Definition
2.6 "Unavoidable delay" means an event that delays occupancy, limited to a strike, fire, explosion, flood or

Comment [grace.kan1]: This would scare the developer to get their final dates on time.
- Suggestion to use some kind of formula: percentage of purchase price (fraction/ratio based on purchase price).
- *Also set out specific damages e.g. daily penalties
- remedies should be damages

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act of God, civil insurrection, act of war, act of terrorism or pandemic, plus any period of delay directly caused by the event, which are beyond the reasonable control of the Developer and are not caused or contributed to by the fault of the Developer

Questions for discussion:

General comments and observations of occupancy disclosure mode:
Very confusing, would not want to sell this to a first time buyer, a purchaser wouldn't understand this

a) Is there any aspect of the proposed approach that is not feasible?

Verna: How long can developer keep giving a delayed tentative occupancy date for? This could be up to the final date. Kelly: purchaser has full disclosure of all of these dates

Wendy: issue with having tentative and final date—suggests talking about a **range of dates**, rather than having a tentative date. If you talk about range rather than having a tentative date, that sets up better expectations of a "front end" and a "back end" range. The language here is actually going to be more damaging than helpful.
Mark: What would a range of dates sound like? **Wendy:** Suggest rephrasing this as a range of dates. "Your home will be ready between ..." Get rid of "tentative date," as this is bad language for a project that may have not even started. It all depends on the kind and size of project involved, as well as the state of the project. Developer has to continually communicate with customers as the building progresses, in every step of the way of the project.

Norb: Need to have it range oriented and broad. It is hard to nail down final date, until construction starts. This is when you can define a window of time for possession. In the presale environment, it would be almost impossible to tell what the final occupancy date is—unless you put the date way out there, which ultimately does not have any value.
- Must have some range, and must be broader the longer the term is. If more in preconstruction, the longer the range; once construction has started, you can be more finite. How this is defined is hard to determine, but this is the kind of thinking that needs to be involved

Andre: Big problem is the concept of rescission—When you introduce the ability to rescind as a result of delays in occupancy, this results in issues with financing the projects, and making financing more expensive. Agrees with Wendy's comment that it is all about having that relationship with people as the project moves along.
- There is this suggestion that the developer is treating purchasers badly for delays: The biggest victim is the developer. It is in the developer's best interest to finish the project; they are the victim of finishing the project on time because carrying costs are huge. The interest of the consumer is the same as the builder of getting the project finished as quickly as possible. The purchaser is *not* without choices due to the range of different condos available, as if a purchaser cannot deal with the uncertainty with a range of dates, there are other alternatives.

- Must be careful with giving dates, as giving specific dates creates more problems than if you do not give them

Norb: The relationship between the salesperson representing the developer and the buyer is very direct, and over time, they rely on that salesperson for that information of when the project will be completed. It is unusual to have a buyer who is not in tune of what is going on with the project.

b) From a perspective that balances purchaser needs with the realities that developers must deal with, what is a **reasonable** maximum length of time between the tentative occupancy date and the final date?

Kelly: *Suggestion to change terminology; if we were to provide a range of dates, what would be a reasonable length of time between the first date in the range of dates and the final date?
- it really depends on the project; project specific; developer gets to choose the dates
Andre: The developer is trying to make the sale; there is incentive for developer to give reasonable range of dates, Because there is a wide range of projects out there, suggest to leave this to the contracts –All agree

c) In a situation where a purchaser may take the matter to Court for a remedy if a tentative occupancy date is moved and notice is provided late, should the remedy be for damages?
   a. What additional remedies should the purchaser be able to seek?

   Andre: Remedy should be just damages—All agree. This is what the courts all want to do.

d) If there are repeated changes to the tentative occupancy date, what remedy or remedies should the purchaser be able to seek?

Wendy: As long as it is still a tentative date

e) Should the definition of "unavoidable delay" take into account any other events or circumstances that contribute to a delay?

-TJ: Notice period.
- there are things that come up that are short notice, and that usually are not under your control, but are not referred to in the unavoidable delay definition. For example, you cannot force the city to give you your permit; there are issues with utilities and telecommunications, inspections, seasonal issues, etc.
- A lot of the discussion here is making some good progress that might not require that sort of notice
- Need to address *conceptually*, items that are beyond a developer's control that would impact when the unit is available.
TJ: A question that came out of group discussion—If a utility was violating its own agreement with the city, would that make it so that the developer is not found at fault? Because he is not doing anything wrong, yet you are setting up a situation where because he, for example didn't cause an earthquake

Andre: The developer wants to close as soon as possible and there are several things that will stop

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him, e.g. getting occupancy permits from the municipality (which may be backed up).
Darcy: agrees with TJ and his group's comments: to change definition of unavoidable delay to:
"... plus any period of delay directly caused by any events which are beyond...
- Change "the event" to "any events" (plural)
- Want to keep it conceptually. **TJ**: Lists cause problems as you are never able to include everything
- Definition of unavoidable delay should be more of a catch all definition.

Verna: this is between developer and purchaser....why is this in the CPA? Not tied to condo corp and their responsibility. Condo corp is concerned of when it is going to be turned over to actually run the condominium. Kelly: this falls under the purchase agreement

a. What is an acceptable duration for an unavoidable delay, and at what point should a purchaser be entitled to compensation or be able to seek an alternate remedy?
- **All**: Agreed it is hard to put a timeframe/timeline for this

f) Please identify any unintended consequences of the proposed approach

Darcy: We are dealing with that developer who does not perform—issue with new construction where developer is not ready and purchaser gave notice to move out from their previous home→Alberta New Home Warranty Contract with regards to completion date is very open-ended. It come back to the relationship with the purchaser and keeping them informed.
- Another unintended consequence: the ability to rescind— If there are damages, are we looking at a situation with specific performance and contract? What is the recourse for the buyer where a developer continues to continually push the day out?

Wendy: An example of the above situation (rescission) where 2 buildings went up in flames and had to go back to each customer/purchaser who was expecting the original time frame for completion. Felt that those customers were tied to them and that they could not walk away from the contract. In practice, they talked to each purchaser about what the options were, and only a couple of purchasers left their contracts and they were let out because they could not address their personal situation any other way, but still felt these purchasers were tied to the contract.

Norb: The last person who would want to rescind is the buyer—they have made a commitment of going through and waiting from construction to possession. Purchasers are not likely to walk away; they would just want their place. Point is, rescission does not happen very often. Buyer does not want to leave the deal as he has bought into what he thinks is a good deal.

Troy: Following up with Wendy's comment about project funding & financing—from a buyer's side where there is a delay in the project where interest rates have gone up and buyer can no longer achieve financing. At what point do they have the right to pull out?
Wendy: this situation has not been seen yet...
Troy: Says that there are talks that the interest rates are climbing; Want to look at the opposite side of the coin that as developers need financing, so do buyers
Wendy: Both parties have risk. Buyer has to accept some presales risk

Andre: Looking at today regarding damages and rescission—in a purchase agreement, a developer can have a fixed date or a process for determining the date (if it is a presales situation), developer is usually going to provide some days of notice. Once developer has provided that date, if the

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developer does not meet the date the developer is liable for damages resulting in hotel bills and writing cheques, etc. Writing of cheques is the actual damages. Failure to meet the developer's specified dates results in damages. Sometimes you get very long delays where it appears developer is unable to complete the project at all, you have to show there is a fundamental breach in the contract—this would allow the purchaser to get out of the contract in this sort of situation. It is hard to prove.
- Agrees with rescission if developer does not meet drop dead final date

Darcy: Brings up length of completion regarding presales: what disclosures occur when dealing with some financial instruments in terms of investment advice
- May want to consider, on a presales basis, that part of that disclosure package, some of the risk involved in purchasing a presale is: interest rate risk, etc

3. First Budget requirements

Proposal(s)
3.1 Developers must prepare a proposed budget for the corporation for a 12-month period beginning on the date specified in the budget. 3.1.1 The budget must contain the following information: • The projected total revenue and expenses of the condominium corporation; • For each type of expense, a description of the service or amenity to which it relates, including but not limited to specific amounts for maintenance and repairs, insurance premiums, utility services, condominium management services, legal and/or accounting services; • A description of any service or expense that might reasonably be expected to become a common expense after the year for the year in which the budget is prepared, and the projected amount for those services or expenses; • The contribution to the reserve fund, which must be at least 15% of the corporation's total estimated expenses; • The name of the individual and/or the accounting firm that prepared the budget; • The date on which the budget was prepared. 3.1.2 A new budget must be prepared for the year following the period specified in the budget and each year thereafter, until a board as elected under section 29 of the Act. 3.1.3 If the development is to be built in phases, and a subsequent phase is ready for occupancy during the budget year, the developer must update the budget and provide a copy of the revised budget within a specified time period. 3.1.4 Inconsistencies between estimated and actual expenses and updates to the proposed or first budget do not constitute a material change (see Issue 5 below). 3.2 If the expenses accrued by the corporation in its first year of operation are 15% or more than the operating expenses estimated in the proposed budget, the developer must pay the difference to the corporation within 60 days after the first annual general meeting.

Questions for discussion:

a) Is there any aspect of the proposed approach that is not feasible?
- **Verna:** who determines if it is a realistic budget? Kelly responses: there would be a minimum contribution to the reserve fund which currently does not exist
- **Barbra:** is there any reason a reserve fund can't be mandated and that the developer must have one done, prior to turnover?-This would result in a realistic budget

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- **Andre**: reserve fund study is not there to provide deficiencies (and therefore identifying large expenditures)—this results in large special assessments; it is supposed to be a financial planning document; this is getting into the governance issues in the condo world versus a construction issue
- If you make developer produce a reserve fund study in the front end, he is not the one who controls the budget going forward; the developer has an interest in keeping condo fees as low as possible because CMHC takes half of the condo fees as part of the housing expense when they are qualifying individuals for mortgages—higher condo fees= less customers can qualify for
- You are ultimately making the developer responsible for something (the budget) they do not control. This will end up working in the opposite way where developer will contract out to get first budget

Wendy: budgets should be prepared by condo property managers because they are most in tuned with what the actual running costs are, but this is not reflected in the guide

Alan: Clarification around starting of the budget; recent budget and proposed budget
- need a clear definition on how we are planning this budget; could backfire by penalizing the developer by having to pay extra costs
- Reserve fund contributions: is the expectation that the costs for the reserve fund study are going to be taken out of the 15% contribution, or should that be a separate budget line
- suggestion to have template of list of expense categories ; need numbers for justification for condo owners (what are expectations with the money?); now developers will want to have management companies get more involved because it is now more detailed

Andre: an item that is difficult to deal with, with estimating budget—putting a property management in the budget
- Point is, need to have disclosure; CHBA's proposal is that the regulation should say that the budget needs to be a reasonable economic basis, and specify the main categories (insurance, repairs and maintenance, property management and administration, reserve funds) . As long as the reasonable economic basis is defined to include these main categories, ultimately people will produce budgets that address all these categories, and it will be easier for condo owners to know what is in their condos

Verna: Agrees with Andre that condo management company should do the budget. Disagrees with accountability: that a management company is going to take accountability for the proposed budget they did for a developer several years back; issues with developer changing budget from a budget that property manager's did several years ago

Norb: overall feeling is legislating against the person (developer) who is already doing a good job, not fair to developer; most of the developers he works with goes to a management

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company specifically to get a budget done
Mark: distinction between proposed budget vs. operational budget—accuracy of budget increases as project nears complete
- realistic budget to be given to purchaser
- ** we need to keep in mind that developer is not to be responsible for actuals and budgets

Darcy: would a more defined process for budget development mitigate this issue? Yes
- Issue of contribution to the reserve fund; is 15% enough? Would not be enough for a conversion
- How to deal with bad actors out there? If they fudge a budget→ suggestion to have a defined process to get realistic budget numbers

b) Should examples of repair and maintenance be included in the regulation under proposal 3.1.1, second bullet, through a list initiated by the phrase "including but not limited to" followed by a list of common expenses (e.g. lawn care; snow removal; cleaning of stairways, hallways, parkade)?

- **Verna**: disagrees this should not be in the regulations; if you outline these in the regulations, condo owners will expect these, keep it broad in the regs as when you list these, you're asking for trouble
- **Karen**: link it to contracts that the developer has to commit the condo corporation to the following, then it is specific to every condo. If the wording links it to the contracts, you have a reasonable cost, and you cover all these categories, and you don't worry about the specifics
- **Alan**: Goal is to get as close to a realistic budget as possible, not penalizing individuals
-**Darcy**: We have a moving target in terms of being able to legislate within the regulation an appropriate budget process that a purchaser could rely on.
Are we getting to a point of dealing with the punitive issues? Is there a way to punish those developers who do not comply, rather than develop a budget process, as we are going in circles with this discussion?

-**Andre**: Want to make the developers accountable for what they are responsible for, but you cannot make them responsible for blanket increases in the budget—they do not control the new budget and how it is maintained.
- It must be a reasonable economic basis and budget has to include what it is supposed to normally include. The punitive absolutely does not work.
- If developer is giving a supportable and educated best guess as to what the operating costs are, what is wrong with that?

- **TJ**: it is about moving the emphasis off of the percentage of variance between estimated and actual budget, and more on to the *process* that is followed for determining the budget. You are not going to have reputable people *not* follow the process.
-**Mark**: jurisdiction of the tribunal is still to be determined

a. If yes, what additional kinds of maintenance and repairs should be included in the list of examples?

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c) Is a 15% variance between the estimated and actual expenses a reasonable amount to permit?
**Verna: Does not believe anyone can give an answer of what this percentage should be. It is hard to give this % as it depends on the condo complex and their varying budgets (eg. 40 unit vs. 500 unit complex). Without doing actual reserve fund study, it is hard to determine this percentage. If you use 15%, at least it is better than zero, as that is what it is now. *cannot be determined at this time.
- Darcy: 15% is too low for conversions. You need to have a defined budget requirement process

Andre: can't sell conversion unit without a reserve fund; reserve fund may be small; in legislation there must be a minimum contribution to reserve fund
- prescribe on an economic basis to include these 5 main categories (insurance, repairs and maintenance, property management and administration, reserve funds)

TJ: We are all interested in dealing with the "bad actors," and those are the people who are not involved or who do not what to be involved in these discussions. You need to have targeted mechanisms to deal with these people.
Are we really dealing with the problems this review is trying to solve? This needs to shape the comments and the decision on everything discussed.
Kelly: this is an issue that has been raised before

Karen: Defining the budget and how much control the developer has—would be nice if wording of defining the budget tied into contracts the developer had committed to; this would give some cost control to the budget, and gives purchasers an idea of what commitments are already there so they could formulate what costs could possibly go over budget. This would at least give a general baseline.

Barb: how does developer collect maintenance fee if it's not under Act? Andre: it's part of purchase agreement; risk developer takes

Barb: How will corporation pay the over 15%? How does condo corp pay this overage? Andre: condo corporation can issue special assessments
- Laurie: operating on a shortfall ($60 000 shortfall, had to issue special assessment)

If "no" – what would be an appropriate percentage?

d) Under what circumstances, if any, should a developer NOT be required to pay to the corporation the difference between the actual and estimated operating expenses?

- Troy: Referring to previous point, in the event there are 2 floods and condo fires, and the insurance went up unforeseen because of environmental events, this would be the unforeseen covered in the 15%
- Mark: Other examples such as when the owners take over and increase expenses, developers are no longer responsible for these increases. We have a pretty good picture of examples of these circumstances

-Verna: As developers, it would be in their best interest to update their bylaws. Have seen some developers who are using their bylaws 10-15 years old, for their new developments, and

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some do not comply with certain rules in the Act. Developers don't update budgets over the years; their property managers having repeated fees which are the same over the years.

- **Andre**: When you are dealing with regulations, if you set up the general principal of what an estimated reasonably economic basis budget is, everything can fall from the general principal. If you are trying to deal with what the specific exemptions are, e.g. an extra deductible, utility cost, etc., you will never catch all the surprises, and you end up creating more confusion because the things that actually happen haven't been addressed in the actual exemptions. Therefore, you are way better off with general principals and giving consumer costs based on reasonably economic basis. Want to deal with general principals of what reasonable economic basis means rather than specifics.

e) What are the "pros" and the "cons" of setting 60 days from the first annual general meeting as the timeframe for developer to pay the difference between the estimated and actual accrued expenses for the first year of operation?

- **Wendy:** We have not agreed whether or not the developer should actually pay this difference between estimated and actual expenses
- **Park both these issues, d) and e)

- **Andre**: need to make people accountable for what they produce, but cannot make developer accountable for differences in the proposed and the actual budget.

f) Please identify any unintended consequences of the proposed approach.
- **Mark**: Suggestion to take leave in or take 3.2 out of the proposal. **Parking lot issue: needs to be addressed further
- **Andre:** There needs to be a point where you make people accountable for what they produce. Builders need to be accountable for giving people a reasonably economic basis budget. But you cannot make them liable for the difference between the condo's operating budget and what was in the proposed budget, unless there was something unreasonable in the proposed budget.

9. Additional purchase disclosure

Proposal(s)
The developer shall deliver to every person who purchases a unit or a proposed unit a disclosure statement containing all of the documents and information required under section 12(1) and (2) and in this section. • A purchaser's rescission rights under s.13 apply to the disclosure statement. • A disclosure statement shall specify the date on which it is made and shall contain a table of contents itemizing all of the information and documents in s. 12 and set out in this section of the regulations. Additional disclosures: 1) if the corporation is a leasehold condominium corporation, the term of the lease and any other notable aspects of the lease 2) the name and address for service of the developer and the legal land description of the property or the proposed property; 3) the name and address for service of the prescribed trustee who holds deposits under 18(6), if applicable

Comment [grace.kan2]: Suggestions to have an information bulletin:
→ consolidated list of what applies to a) residential b) to everything else; exempt based on this.

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4) a general description of the buildings and structures the developer intends to construct on the entire parcel, including the number of units, buildings and recreational and other amenities that are anticipated together with all conditions that apply to the provision of amenities;
5) a statement whether a building on the property or a unit or a proposed unit has been converted from a previous use and the nature of the previous use;
6) a statement whether one or more units or proposed units is intended for commercial or other purposes not ancillary to residential purposes;
7) a statement setting out any fees or charges, if any, that the corporation is required to pay the developer or a third party for the use of any units or proposed units or any other property located on the parcel, or any service that will be provided to the corporation;
8) if construction of any amenities is incomplete, a schedule of the proposed commencement and completion dates;
9) Proof that the developer has a registered interest in the land upon which the condominium is to be developed or a statement that the developer has no registered interest in the land, as the case may be;
10) A statement setting out information about the buyer's right to pursue remedies set out in this regulation in the event of a material change.
11) a statement that specifies:
    a. the number and type of parking space(s) located on the common property or property of the corporation and other exclusive possession areas that are assigned to the unit being purchased
    b. charges associated with use of the parking space and exclusive possession area.

12) In the case of a bare land development, a description of any facilities located on the parcel and a description of any utilities, services or other costs that the corporation must pay for, including provisions for water, sewage, electricity and natural gas, and the estimated cost of maintaining, servicing or replacing these facilities and utilities.

Questions for discussion:

a) Is there any aspect of the proposed approach that is not feasible?

Andre: One of the problems with putting additional disclosure requirements in the regulations is that now builders have to look at 4 different places to get all their disclosure stuff right
- 4 different places are the regulation with the list, the Act, phasing disclosure statement, and stuff buried in a different regulation dealing with a reserve fund study that has to be done if you have a conversion. Ideal: want to have it all in one place
- Other issues: repetition in other places, e.g. stuff about a lease is already in the Act
-Want to avoid duplication
- Suggestion to have things apply to only those projects to which it applies to (duplication causes confusion of what you have to have included or not, included in the project or not). Would be nice if there was something that said "if it is not in the project, you do not have to include it..."
- It would be nice if there was a regulation that says you do not have to provide documents that do not apply to your project, this would make things easier. *Comes down to giving purchasers only information that they need, not excessive checklists of information.
Andre: Referring to disclosure 4): A lot of this is when you are building in phases, it is in the phasing disclosure statement; if you are not building in phases, it is in the description of the common property.

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Andre: What is commercial use? How do you actually define it?
- Mark: Developer is selling the unit to a business
- Greg: When you get into operating businesses, it is not in the intent of condo board to have large businesses (e.g. 50+ nurses in commercial business). Remedy would be to put the title of the unit that you own (unit factor), and try to keep control of the areas that you are providing complimentary services. The units themselves are intended for residential purposes, then there are mixed uses, etc. He is dealing with life leases.

Verna: What happens if developer doesn't put amenity in, but sold this as a general description. E.g. developer says they are going to put in a pool but ends up not putting one in.
- How tight is the developer tied to the general description? (Referring to disclosure 4)
- This ties into material change concept

Andre: common property is described in the description laid out in the statute
- common property is used for the purpose intended as defined in the Act

Darcy: Question referring to disclosure 7), "statement setting out any fees or charges..."
- Example: Contract negotiation for Rogers to place a communications tower on top of a specific building. Assumption is that there would be fees payable to the corporation; developer would not retain that. Is this not the place where you would want the fees disclosed to the purchaser?
- This refers to third party contracts (between developer and third parties)
- Purchaser should have the opportunity to see what obligations are potentially going to be placed upon the association on turnover

TJ: Question referring to disclosure 2), "the legal land description of the property..."
- Providing this is simple, but given the nature of projects, it could change a number of times; this group is struggling to see the value of providing this
- * Group suggestion to remove 2) "and the legal land description of the property or the proposed property..."

Andre: If you have an additional disclosure document, does it trigger new rescission rights?
Kelly: not providing any rescission rights under material change
Andre: Whatever is in the additional disclosure that is going to be in this regulation is all part of the original disclosure obligations.
- Effectively the rescission period starts from when the purchaser receives all the documents. You are re-resurrecting rescission period rights if you're creating a description of documents that are being created over time.

b) Please identify any unintended consequences of the proposed approach.
- Discussed in a)

c) Please identify any other information that would be of value to purchasers.
- Discussed in a)

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5. Material change

Proposal(s)
Definition 5.1 Define 'material change' as a) "a change or a series of changes that a reasonable purchaser, on an objective basis, would have regarded collectively as sufficiently important to the decision to purchase a unit or proposed unit and, b) that it is likely that the purchaser would not have entered into an agreement of purchase and sale for the unit or the proposed unit or would have exercised the right to rescind such an agreement of purchase and sale under section 13, if the disclosure documents or purchase agreement had contained the change or series of changes." **Notice of Material Change** 5.2 Purchasers have the right to be notified of material change. • A developer must notify purchasers of a material change as soon as the developer becomes aware that a material change has occurred. **Remedies for purchasers** 5.3 Because "material change" will vary with circumstances, court action is a logical remedy for resolving disputes where a material change is believed to have taken place. • Onus would be on the purchaser, and purchaser must take action by making an application to court within a specified time frame. • Purchaser may "before receiving title to the unit being purchased, make an application to the Court for a determination as to whether the change or changes constitute a material change within 30 days of the latest of..." • If the developer does not disclose material change and a purchaser discovers a material change after transfer of title, the purchaser should have right to apply to court to seek damages up to one year from the transfer of title. o This provides incentive for a developer to disclose; while the one-year timeframe provides a degree of certainty that potential for disputes is not open-ended. **Exemptions** 5.4 Exemptions from material change: • Changes to the budget and discrepancies between the estimated and actual condo fees do not constitute a material change.

Questions for discussion:

a) For proposal 5.2, which of the following options best addresses the intention of "as soon as possible":

a "within a reasonable time" after material change occurs (similar to BC's Real Estate Marketing Act), or

Alan: What does reasonable time mean? Cannot see why we cannot put a timeframe to "reasonable time." Putting an actual number is better since "reasonable time" is subjective

Darcy: Want to see balance and consistency in the Act
- For example, special assessment in the Act→ Suggests specific period of time to be recorded

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Bev: Gives 30 days' notice to purchasers if they are issuing special assessments to give them enough time to issue cheques

Darcy: In terms of liability, once the decision has been made by the board to enact a special assessment, then want to see the notification occur within 10 days of that occurring. This would be the same for the disclosure of material change.

Andre: Referring to 5.1 definition of 'material change'
- For reasonable purchaser in a), it is unclear whether the reasonable purchaser is the same as in b), "the purchaser"
- Suggests that if using this definition of reasonable purchaser, state this in both 5.1 a) and b)
- Referring to 5.3- has an issue with "court action is a logical remedy..." → in the regulation, defining material change as something that would change the purchase decision, then you say the remedy is court action—the implication is that the customer wouldn't have bothered if he had have known, and therefore he can get out of it altogether. Is this what we are intending?

Kelly: yes;
Mark: it comes down to the purchaser to determine if it is material to them
Andre: must be a *reasonable* purchaser
- Suggests the definition of material change to be: "a change that significantly detracts from the appearance or value of the home"

Troy: Going back to material change, e.g. a cell tower: How does purchaser who buys into this building know there is going to be a cell tower? Would this be material change? Could purchaser seek damages, or could they get out of that?
Andre: Add "reasonable purchaser" to 5.1 b)

Verna: Pool example of purchaser who bought into the building because was told there would be a salt water pools vs. a chlorine one. Would it count as material change, even though this situation is specific to her?
- Question: what if there is material change in the bylaws? E.g. originally project is marketed where pets are allowed, and then bylaws turn around and say pets are not allowed. Would the owner say they would not have purchased here because they could not have their pet?

Is it a reasonable purchaser, or the purchaser? Need to be clear about this

Darcy: Struggling with having things both ways—either you have disclosure as much as possible up front, and as early on in the buying process as possible to try to mitigate these liabilities, or we do not
- Buyer beware issue
- Believes disclosure needs to occur at the time material change occurs. The right to rescind is not a "trust me"—relationship must occur from the time the individual walks into the door
- Buyer needs to be able to get out of the transaction if material change is not disclosed
- Also difficulty with the issue of mutual agreement: Purchaser can get out of the contract, but "by the way, we're going to keep your deposit, unless you are able to find another purchaser who is prepared to assume your assignment of contract..." ←this gets troublesome, and he understands why the developer would want to have this in here

Kelly: Challenge is how to prove material change has occurred and who's role this is

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Greg: There would be a pattern of rulings in court

Andre: Referring to 5.4 Exemptions
- What if you have to change a unit factor? This is not on the exemptions. As soon as you write 1 exemption, everything else will be treated as not exempted and therefore is material change
- If writing exemptions, want to write a general description of what is exempt
- How to capture/describe this? Economic value; Wants the definition of material change to be: a change that significantly detracts from the appearance or value of the unit, then it is actionable

Laurie: Agrees with Andre suggestion to exclude exemptions; and also to change 5.1 b), "would not have entered into an agreement of purchase and sale..." to material change is "a change that significantly detracts from the appearance or value of the unit"

Greg: Use would be more valuable to appearance; suggests to include a change that significantly detracts from the: appearance/value/ or use of the unit or home
- If you get all subjective, you cannot enforce anything

Andre: Do not want to go to full disclosure until development has been started and there is a development permit
- It is risky for a developer to go to presale agreements to full disclosure contracts when he does not have a development permit

TJ: Share what his group has asked—A lot of builders notify buyers of changes that are not material. Concern with their group that because of the way the legislation was coming to be that these notifications might actually seem to indicate something that is material. You don't want to discourage communication with buyers.
- In favor of talking to customers re. material change

b. notice within a specific time frame (e.g. within 10 days) after the material occurs
c. What are the pros and cons of each option?

b) For proposal 5.3, in the second bulleted item, what should be the triggering event or events that start the 30-day period for the purchaser to make an application for a determination of material change?

Verna: Then it would be the 30 days that they are made aware, whether it is notice by the developer or brought to their attention, because what if they do not get notice by the developer, and several months down the road they notice then change...?

Andre: Suggests to not having deadlines at all. Purchaser doesn't have access to the unit until "1 week before the possession date. If a developer is going to make a material change and not tell anybody because he doesn't think it is material, and the customer first sees it a week before closing, then whatever the statute of limitations says that should be fine
- Sees no reason to restrict purchaser's ability to get recourse if something is being delivered to them that is different than what was contracted. This applies to even when title is transferred
-**TJ**: This is related to when rescission was included in the discussion on material change because there needed to be a limit on when rescission rights could be done

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Kelly: A timeline was originally included so that consumer did not just have an unknown time for when they could go to court. So they couldn't just sit on material change for a year or two. It benefits the developer.
-*TJ*: Thinking back to last November—rescission was included in the material change definition, where now it is not included; it would be a court remedy rescission which is an important difference for financing and their group
-Andre: this is just damages anyway and would not affect the language

c) To assist with developing regulatory wording that supports consistency in marketplace practices and court (or tribunal) decisions:
   a. please identify types of project changes that would be considered a material change.

      TJ: An alternative discussion from his group
      - In BC, developer discloses a list of what is considered material fact; He is somewhat interested in including that but does not believe there would be an appetite for a prescriptive list from the province based on their discussion
      - Agreement: there are not any types of project changes that would be considered a material change

   b. please identify types of project changes that would be suitable for exemption from the definition of material change.
      - Agreement: there are not any types of project changes that would be suitable for exemption from the definition of material change.

d) Manitoba's amended *Condominium Regulation* provides a comprehensive set of forms that developers are to use in providing various types of notice and disclosure to purchasers and that purchasers are to use in providing notice to developers. **What would be the pros and cons of using a standardized disclosure form, developed by government, to provide notice of material change to purchasers?**

Andre: A standard form not necessary
Alan: There has to be something in writing; how detailed does this have to be? How can you have a standardized form when you are just announcing changes?

- The significance of the change could be small or large

Andre: How do you fit this all into a standard form? Could say see attachment.... It puts a label on the change in the form.
A sheet with a heading is all you really need
Alan: You are keeping customers informed of the distinction between a change and material change(s)

e) What are the pros and cons of listing the types of changes identified in response to questions c, d and e within the regulation?
- Addressed in previous questions

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f) Is there any aspect of the proposed approach that is not feasible?
- Addressed in previous questions

g) Please identify any unintended consequences of the proposed approach(es)
- Addressed in previous questions

Amounts held in trust

b. Prescribed trustee

Proposal(s)
Classes of prescribed trustee 6.1 "Prescribed trustee" means (a) Persons authorised to practice law in Alberta (such as a developer's or purchaser's lawyer), or (b) A law firm, a sole proprietorship, or a professional corporation composed of people described in (a) **Notification to purchaser** 6.2 Stipulate that the trustee must notify the purchaser when the purchaser's deposit is placed in trust • Require prominent notification to purchaser of this trustee obligation, similar to notification of purchaser's right of rescission under s. 12.2(a) **Release of trust money to developer** 6.3 A trustee must release trust monies to the developer if the developer certifies in writing or provides evidence to the satisfaction of the trustee that: • the certificate of title to the unit is issued in the name of the purchaser and the units or related common property are substantially completed, as determined by a cost consultant in accordance with s 14 (4) and (5) of the CPA; • the developer elects to terminate the purchase agreement on the basis that the purchaser fails to pay a subsequent deposit or other fees or the balance of the purchase price as required by the purchase agreement; **Release of trust money to a purchaser** 6.4 A trustee must release trust monies to the purchaser if • The purchaser exercises rescission rights in accordance with the Act or the Regulations • The purchase agreement to which the money relates has been terminated by mutual agreement of the purchaser and developer **Other conditions triggering release of trust monies** 6.5 A trustee must release trust monies to the designated recipient if • The money was paid into the trust in error; • The money must be released in accordance with a court order; • The money must be paid to court; • the money must be released in accordance with the *Unclaimed Personal Property and Vested Property Act*. In all cases:

- Money deposited in trust must not be released during the 10 day rescission period
- Money held in a trust account pursuant to this section is not, while in the fund or while being transferred to or from the fund, liable to demand, seizure or detention under any legal process (Reference from Funeral Services Act)

Evidence of compliance

6.6 Within 10 days of receiving payment of the money, the developer or trustee, as the case may be, shall provide to the purchaser a notice setting out the amount deposited into the trust account.

Note: developer should also have to notify purchaser of money paid out of the trust account to the developer

Questions for discussion:

a) Is there any aspect of the proposed approach that is not feasible?

Andre: Once in a while you act for a developer and part way through they change lawyers. There needs to be a way in which where you transfer all the trust money to someone else, or meets the definition of prescribed trustee; does not want to hold onto money for projects he is no longer on involved with

Andre: notification to purchaser— concern with NSF cheques; as a lawyer, will not give access to his trust account

Troy: Follow up on point above. Currently with the real estate brokerage, RECA comes in and when they do their audit, what they do to confirm receipt is they look at the contract, and deposit book and that is where they indicate it was as prescribed within 3 days, and they will write them up if it was no deposited within 3 days. In the event that it is not deposited within 3 days, where is the documentation to say they notified both parties that there was a delay whatever the case may be. The look at their deposit book, bank statement, and then they know it was deposited

Andre: 3 day doesn't work for lawyer because they may not receive the check until several days after the rescission period is over.

- Making more rules doesn't protect anyone

b) What kinds of documentation is necessary to provide to the trustee to prove that conditions such as the following have been met:

a. units and common property being substantially complete?
   Andre: May be excessive; making more rules does not help, just have to enforce the ones that are already out there
   Wendy: get rid of this as it is overkill and we are covered off so many ways
b. purchaser failure to pay subsequent deposits or balances?
   Kelly: all these measures may be excessive based on the existing rules under the regulation
   Laurie: 6.3 and 6.4 should be included
c. termination of agreement by mutual agreement?

- Andre: mandatory completion guarantees
- Andre: insurance of deposits; warranty protection

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c) Please identify any unintended consequences of the proposed approach(es).
Alan: What happens when the deposits have been made, the project ends and the developer walks away—and there is money in the trust account. Who is paying the trustee at this point? Are we expecting that the purchasers will have to absorb the costs of getting their money back by paying the trustee? Or is there any other mechanism in place?
- Andre: from his point of view, he does not have any liens on any of those trust monies, so it is up to him to get the money from whoever hired him

Andre (other issue to bring up): land titles taking 10 days to register a regular transfer of land and in the normal conveyancing world, not in new condos, - lawyer can get around the 10 day registration problem by buying gap insurance—this works for new homes and resale conveyancing, but does not work for new condos. As a result, getting individuals sending cash to close on the closing date and then have to charge them interest for another 10 days.
- Andre to send written comments on proposal to describe this in more detail

Darcy: issue of if developer becomes insolvent or bankrupt prior to completion of the project, but purchaser has removed all conditions on the contract and therefore potentially the deposit could be seen in possession of/rightful ownership of the developer.→ can this be dealt with in material change, with the ability of the purchaser to rescind the contract, based on insolvency/bankruptcy of the developer, which then gives the authority to the trustee to release that deposit immediately in complete full.
Andre: If you are going to give purchasers the ability to rescind agreements when the original developer is not able to complete, then you are going to stop the flow of financing. Kelly: This is a big issue but we do not want to go in this direction
Andre: Practically speaking, the mortgage lenders have the biggest interest to get projects complete, eventually they find a way to complete the project

7. Record keeping for trust accounts

Proposal(s)
7.1 A ~~developer or~~ prescribed trustee, as the case may be, who is authorized under this section to operate a trust account shall keep complete and accurate financial records and maintain a separate record for each purchaser, including the name of the ~~purchaser~~ person on whose behalf the trustee is acting, of • all money received by the ~~developer~~ trustee, including the date the money was received by the trustee, the amount received and the name of each purchaser; • all money placed into trust or received in trust and the date on which it was placed /received; • the amount of money held in trust; • the name and location of the financial institution where the money is held; • interest earned on money held in trust, and • disbursements made from money received or held in trust. 7.1.1 Insert a new subsection for developer requirements here. Document when receipt of money was given, where it is held, date or transfer (for prescribed trustee the money was given to (name and information)
7.2 A developer or a prescribed trustee, as the case may be may not co-mingle trust account deposits with other income or other business accounts. • This provision is similar to the *Residential Tenancies Act*(RTA), which specifies that a landlord shall deposit only money that is a security deposit into the trust account. A number of the regulations

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under the *Fair Trading Act* (FTA) have similar requirements for maintaining separate trust accounts.

7.3 A developer or a prescribed trustee, as the case may be must keep records for a period of **5 years** from the date on which money is paid out of the trust account

Questions for discussion:

a) Is there any aspect of the proposed approach that is not feasible?

- **Andre:** (as a lawyer dealing with trust account, this would only apply to him): Agrees with the majority of these points, as he is required by Law Society rules→ minor issue raised: including the name on whose behalf he is acting. What occurs is when they get customer deposits, they go into the trust account and are marked in terms of who the customer is. But they eventually end up in a pooled account for all the trust deposits of that project.
Issue: need to keep a record of whose money is coming in to the pool. He never takes the position that he is acting for the purchasers; does not want the regulation to be written in a way that suggests that if he is taking in deposits, that he is also acting for that purchaser—which he is not.

Kelly: For SA's investigation function, just need a clear link between purchaser and the deposit money that is in trust. Where an investigation/audit is being done, just need to link the 2.
Andre: does not have an issue with linking, it is the language (7.1 "...including the name of the person on whose behalf the trustee is acting)- says he is not acting on behalf of the purchaser.
* Take this phrase out

b) Please identify any unintended consequences of the proposed approach.
- Identified above

ii. Record keeping, other documents

Proposal(s)
Any record or document required to be available for inspection under section 78.02 of the Act must be retained for a period of 5 years from the time that it was created.

NOTE: Various sections of the regulation include lists of documents that must be created or maintained, in addition to the documents required under various sections of the Act. The final content of those sections of the regulation may differ from the proposals in this Guide, depending on stakeholder feedback. Rather than embedding a list of specific documents in the legislation at this time, SA proposes to develop a guidance document that will contain a comprehensive list of documents required under both the Act and the regulations for developers and other stakeholders to use for reference

Questions for discussion:

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a) Is there any aspect of the proposed approach that is not feasible?
Verna: general question- for the documents or records, do they have to be hard copy or electronic? They can be electronic
Andre: Holding the documents for 5 years is not a problem; believes that s. 78 as a whole is unconstitutional; the way it is written it, if it was challenged, it would be thrown out. For s. 78, does not believe a judge would hold it up

Is there going to be some more discussion re. section 78? This (enforcement) is a concerning item
- specific parts of concern, Andre to share via email
Andre: section 78 needs to be relooked

Mark: it would be helpful to talk to CIU and enforcement group about this. *Mark to arrange meeting

b) Please identify any unintended consequences of the proposed change(s).
- discussed above

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Amendments to support transition from interim to first elected board

9. Transfer of information to first elected board

Proposal(s)
Documents and information a developer must transfer to the first elected board under s.29 (in addition to list in s.16.1):
9.1 copies of all plans that were required to obtain a building permit and any amendments to the building permit plans, including working drawings, filed with the municipal authority;
9.2 a statement setting out any outstanding violations pursuant to the Alberta Building Code, Safety Codes Act, or municipal bylaws;
9.3 the details of any oral agreements amending or altering written agreements entered into by or on behalf of the corporation;
9.4 a copy of the condominium plan registered at the land title office;
9.5 names, addresses and contact information of all contractors, subcontractors and persons who supplied labour or materials to the project, or in the case of a condominium converted from a previous use, the same information for all contractors, subcontractors and persons who supplied labour or materials to the project after the developer acquired title to the property;
9.6 all manuals, schematic drawings, operating instructions, service guides, manufacturers' documentation and other similar information respecting the construction, installation, operation, maintenance, repair and servicing of any common property or real and personal property of the corporation, including any records of service and repairs to the property;
9.7 any document in the developer's possession that indicates the actual location of a pipe, wire, cable, chute, duct or other facility for the passage or provision of systems or services, if the owner developer has reason to believe that the pipe, wire, cable, chute, duct or other facility is not located as shown on a plan or plan amendment filed with the issuer of the building permit and includes record drawings
9.8 a statement setting out any resolutions of the interim board and copies of any minutes of the interim board or general meeting of the owners, including the results of any votes;
9.9 a list of interim board directors;
9.10 a current list of all owners, with their unit addresses, mailing addresses if different, unit numbers as shown on the condominium plan, parking stall and storage locker numbers, if any, and unit factors for the units;
9.11 the names and addresses of mortgagees who have given written notice to the corporation under section 26(3) of the Act;
9.12 the names of any tenants, unit number being occupied by those tenants and any deposits taken from owners of the rental units;
9.13 any rules, other than the bylaws, governing the corporation;
9.14 any unsatisfied judgment by a court or proceeding in which the corporation is a party to and any legal opinions obtained by the corporation;
9.15 a list of any outstanding notices of unresolved violations of building code or other municipal orders;

Comment [grace.kan3]: This point is removed since 9.13 covers this off

9.16 the budget(s) or proposed budget and any financial statement for the corporation's current year and for previous years;

9.17 records pertaining to bank, trust company, treasury, or credit union accounts holding the reserve fund, operating funds and any other funds of the corporation;

9.18 any tax records of the corporation;

9.19 the particulars of any exclusive possession areas or copies of any leases, licences or other instruments granting an owner the right to exclusive possession (in accordance with s.50);

9.20 a copy of any easement or restrictive covenants burdening the condominium parcel (see s.52(1));

9.21 copies of all insurance policies obtained by or on behalf of the corporation and the related certificates.

Questions for discussion:

a) Is there any aspect of the proposed approach that is not feasible?

Greg: 9.7 seems very broad; how could someone have access to this info; is this documented changes or changes? There are lots of changes with no paper trails. Developer may not have details of what happens on site

-trying to manage scope of detail; seems too open ended; would have impact if it had impact on operating—this would be material

Verna: What happens if developer does not provide drawings/documents? Often times condos do not get any of these drawings, even with current provisions of providing drawings.

Wendy: normally as –built drawings are not produced, are not required. As built drawings may be done on high rise commercial properties.

Andre: His understanding from a historical context—in homebuilder's industry, the prime consultant (architect) is the owner's representative dealing with the general contractor; architects charge 7% of project's value; scope of architect's job is to a) design project, b) do an inspection, and c) manage what the change orders are; also produces as built drawing.

For 9.7, group agreement: if these documents exist, they should be transferred over

2 issues to address later:

*-Including Record drawings/red-line drawings should be made mandatory??

*-Verna's comment: developer having documents but not turning over; what is there to enforce this requirement??

Greg: 9.3 "the details of any oral agreements amending ..." should this be just "agreements" as opposed to "oral agreements?" most written agreements specify it's an entire agreement, and anything oral does not apply

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Darcy: 9.5: Regarding conversion unit
- Developer comes in and purchases building who wants to convert into a condo, and they do some work—question around: Warranties offered on conversions: is there anything given to condo corporation?
- Greg: this is out of scope of this Act; this is addressed in NHBPA

Darcy: Is there a home warranty company that offers warranties on conversions? Who backs up the development of a conversion building?
- Greg: there may not be one; TJ: there is not a lot of conversions going on; Greg: there is not a lot of work being done on renovation warranties at present
- this is a provision that is supposed to be enforced, but there is no way to enforce it.

Andre:
1) Is SA interested in forcing people who are selling single family homes to provide warranties to their purchasers if the seller did his own basement renovation?
Protection of single family homes: why is this not protecting them, and only protecting condo conversions?
- If we are not protecting single family homes, why do we have to have mandatory warranties on conversions?
- Most of the issues in the condo world are construction issues: states that the problem with the CPA is that it focuses on Governance issues.
- Issues: production of disclosure documents that consumers do not read, eg. bylaws are not read, individuals think that the bylaws are the same as the disclosure package. Too much information is the same as not enough—consumers get overwhelmed by all this information
- List of things that developer must turn over to first elected board: Andre does not object to any of these listed, issue is with "bad" developers, and when extra rules are created they do not comply with these rules; in the end you tilt the playing field in favor of developers who are ignoring the regulations, rather than tilting in favor of those who comply. Problem is that when you mandate this, most of the developers are not even aware of it, and just ignore it.

Greg (agreement with Andre above, regarding last point): Fundamental discussion that he is in agreement with. The majority of professional developers will work to meet these obligations.
*An issue that will come up over and over: Are you incenting good behavior? Are your regulations actually achieving their intent, or are they just adding to the administrative cost of building condos, which is ultimately passed on to consumers?

Laurie: Suggestion for 9.4 to include not only a copy of condo. plan, but also the condo plan sheet certificate.

Andre: Common property unit vs. structure units
- Issue: throughout condo world, people us these terms incorrectly

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- We will address semantics in the legislation

b) Please identify any unintended consequences of the proposed approach.
- have already been covered, above.

c) What additional documents, or other items, should be on the list?

Bev: in townhomes, boards are looking for copies of occupancy plans, so that owners know they have the proper documentation—this is issued by municipal authority (16.1)

Verna: given condo plan which has the legal units; how does legal units tie with civic units? Sometimes there is no actual plan of how civic and legal units tie together
- civil number and legal plan – parking stall confusion, people are in the wrongs stalls, but have title to them; Referring to 9.10
Andre: Agrees with Verna's point above re. municipal addressing; must correspond/jive with what the unit numbers are
  - most purchasers don't know unit number, they know their suite number
  - legal unit number vs. civil address
  - Agrees there must be a time where legal and civic unit numbers tie together
- **Key:** have municipal address also available so that board can get in touch with owners moving in

d) Should any documents be removed from the list, and if so, for what reason?
- dealt with already

10 Exemption for specified agreements

Proposal(s)
Exempt easements, mutual use agreements and tele-communications agreements from the provisions that permit the first elected board to cancel agreements entered into by the developer or the interim board.

Questions for discussion:

a) Is there any aspect of the proposed approach that is not feasible?

Verna: How is it feasible for the board to cancel a contract that the developer signed without penalty? This is covered in termination of management agreements
- Elevator agreements: elevator companies; developers have signed contracts with elevator companies
- How does this legislation actually work to get them out of the contract with 60 days' notice and no penalty to them?

Andre: Instead of describing the contract in a blanket writ, bring in the notion of an arm's length agreement (any agreement that was reached with an arm's length party by the developer representative on the board)
- If not arm's length agreement, document/agreement would be cancelled by Statute, unless it

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formed part of developer's disclosure package
Andre wants included in what can be cancelled for agreements: a) can't cancel arm's length agreements; if they are not arm's length agreements, you can cancel unless they have been part of the developer's disclosure package

Troy: What is the meaning behind telecommunications? Talking about lines in the ground or talking about Shaw deal?
- Most other provinces have an exemption specifically for telecom agreements because these contracts are regulated by the federal government through CRTC; this is a jurisdiction issue

Greg: heating system—if you put district heating system, geothermal, etc. you do this to service the entire development, and this cost would have to be amortized over a period of time. If the board has the right to kill this (this would be disclosed in the documents), the benefit to the development is lower long term operating costs; there is an upfront capital cost that would have to be paid for. Really, you could never condo a project with a district heating system because you could never pay for it before you turn it over to the board

Darcy: When you get into a situation, an agreement, eg. telecommunications which "handcuffs" the corporation from making a decision for the betterment of its owners, then perhaps this is troublesome in his mind; Greg: agrees and characterizes this as subjective; Darcy: disclosure would be at the time of sale

Alan: Issue of when things go sideways and there is a heated relationship between developer and condo board; concern is if you allow the condo board cart blanche to cancel these contracts just because, eg. Not liking the developer so they are going to cancel the agreement, etc. there are ramifications in terms of operating the building, in terms of any warranties that were provided. Situation now where you terminated the contract, so what happens to the warranty? To the detriment of the corporation, you have situation where you are giving the condo boards cart blanche in terminating agreements that may not be in the best interest of the corporation.
Norb: The ability to try and identify specific areas (including/excluding), is very difficult—you will likely miss something; agrees with Andre's suggestion: disclose everything in the documentation that you can disclose, but limiting the board's ability to just cancel contracts—this is very dangerous
Andre: main point is if it is an arm's length deal, it cannot be cancelled
- if it is not an arm's length deal, everything should be disclosed; there is a duty of fair dealing
TJ: Sonny Mirth has a particular interest in this and wanted to include elevator contracts; will be following up with Kelly
Darcy: Raises a telecommunications issue—some exclusive use situations where company will not let a new company occupy it's old site; there could be repercussions down the road for these types of contracts, eg. Rogers, Shaw, Bell , or Shell and Esso

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b) It would be helpful for Service Alberta to know why termination of certain agreements would be problematic for industry and if there are any examples of other types of agreements that should be considered for exemption.

a. What types of agreements, if any, should be added to the agreements listed above?

Greg: home owners association: should be to be exempt; condo corp has obligation to maintain parks, etc. through the home owners association
Laurie: to include to list—agreements required under the condition of development for the developers by the municipality, and, restrictive covenants
- ** make it clear in regulations that it covers contracts that the corporation is a party to

b. Are there particular parties or kinds of parties to agreements (e.g. municipality; neighboring landowner; public utility) should be exempted from the board's right to cancel a developer-made agreement?
- covered

c. What would be the consequences to the condominium project if the suggested agreements are cancelled by the elected board?
TJ: there could be a direct financial impact on condo owners at that time, or it could result in maintenance and long term implications; suggestion to have a conceptual list rather than a prescriptive list
Andre: lease parking stalls: Aren't those contracts that are between the developer and someone who is not a developer, can the condo board, after the next elected board is elected, cancel all those parking leases? What does this do to your CMHC qualifications?
- Laurie: It is important to address these common property leases and how it affects unit owners' parking; developers could abuse this

c) Please identify any <u>unintended consequences</u> of the proposed change(s)
- covered

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Val Taylor

From: Mark Seville
Sent: Wednesday, June 03, 2015 9:37 AM
To: Jodi Morris
Subject: FW: Upcoming meeting with RECA June 8
Attachments: May 4th Meeting Follow-Up

Jodi,

A meeting has been organized between SA and RECA leadership for June 8 in Edmonton. I have been invited with Rob. This would have been a good meeting for you to go to as well.

I will forward the agenda when Rob sends it. Let me know if we should add anything.

This is some background for you on the AREA/RECA education discussion. It will likely be discussed in some detail, along with the province hopping/AIT item.

Mark

From: Robert Whittaker
Sent: Tuesday, June 02, 2015 10:28 AM
To: Colin Lloyd; Rob Phillips; George Yates; Mark Seville
Subject: FW: s.16(1)

This is quite a "he said/she said" (see attached email). Imagine the truth is somewhere in the middle...

From: Rob Phillips
Sent: Tuesday, June 02, 2015 9:32 AM
To: Mark Seville; Colin Lloyd; George Yates
Subject: Fw: s.16(1)

Consumer Services
(780) 422-8177 Phone
s.17(1) Cell
Sent from my BlackBerry

s.16(1)
s.17(1)

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Page 68 redacted for the following reason:
- -
s.16(1)

May Chaney

From: Kerri Romanetz <KRomanetz@areahub.ca>
Sent: Thursday, June 11, 2015 1:58 PM
To: SA.CondoReview
Cc: Brad Mitchell
Subject: Alberta Real Estate Association Submission
Attachments: SubmissiontoServiceAlberta-CondoPropertyActRegulations-June2015.pdf

Good afternoon,

Please see the attached Submission to Service Alberta from the Alberta Real Estate Association (AREA) regarding amendments to the *Condominium Property Act* Regulations. AREA applauds Service Alberta for their commitment to stakeholder engagement throughout this process and would be pleased to offer further assistance as required.

If you have any questions about AREA's Submission, please contact myself or Brad Mitchell, Director of Government Relations. Brad can be reached at 403-771-3822 or bmitchell@areahub.ca

Sincerely,

Kerri Romanetz
Government Relations Analyst
Alberta Real Estate Association
DL: 403.209.3625 | TF: 1.800.661.0231 | areahub.ca



Submission to Service Alberta

Proposed Amendments:

Condominium Property Act - Regulations

Submitted by: Alberta Real Estate Association

June 11, 2015

Alberta Real Estate Association

Condominium Property Amendment Act - Regulations

Alberta Real Estate Association

The Alberta Real Estate Association is the professional organization representing more than 10,000 working REALTORS® in the province. Collaborating and consulting with government and stakeholders at the provincial level, AREA advocates for actions which protect and support members, as well as the individuals, families, and communities they serve.

REALTORS® Support Greater Consumer Protection for Condominium Buyers/Sellers in Alberta

Condominium ownership is a complex transaction that involves more due diligence than single family ownership. Alberta REALTORS® believe the Condominium Property Act and supporting Regulations should provide consumers:

1. Strong compliance and enforcement protocols to enhance consumer protection
2. Adequate notice requirements and rescission rights prior to and/or in the event of significant Material Change
3. Affordable, effective, alternative mechanisms to the Courts for handling disputes/remedies
4. Access to complete information at transaction time
5. Elimination of additional fees for the provision of condominium documents
6. Clarity regarding sales person duties and responsibilities via agency disclosure requirements for unlicensed sales people

Alberta REALTOR® Positions

1. First Budget Requirements

With respect to Service Alberta's proposal to create a standard budget protocol, Alberta REALTORS® support the following:

- Developers would have to prepare and disclose a budget for a 12 month period to purchasers.

With respect to Service Alberta's proposal to create a standard budget protocol, Alberta REALTORS® support the following with some additional consideration/modification:

- Where "the initial budget would include a mandatory reserve fund category, with a minimum contribution of 15% of the total estimated expenditures for the corporation," Alberta REALTORS® believe consideration should be given to increasing this percentage to 20% for conversion units
- Where "the reserve fund contribution would remain at 15% until such time that a reserve fund study is completed and a funding plan is implemented," Alberta REALTORS® believe that, for conversions, the Regulations should include the requirement to adjust the reserve fund contribution to reflect financial requirements identified in the reserve fund study.
- Where "the expenses accrued by the corporation in its first year of operation are 15% or more than the operating expenses estimated in the proposed budget, the developer must pay the difference to the

corporation within 60 days after the first annual general meeting." Alberta REALTORS® believe the Regulations must provide a means of collecting these funds in the event the developer goes bankrupt or the development company is shut down after the sale. Condo boards should be offered financial protection via bonds, the requirement for the developer to hold money in trust, or by other regulated/licensing means.

- Observation: *Clause 10. states that, "notwithstanding anything to the contrary in a bylaw, where units are located in a building in which one or more units have been transferred to a purchaser, the developer must pay contribution in respect of each unit in the building it owns on the same basis as owners of other units are required to pay contributions. This confirms the requirement of ensuring there is an accurate Budget estimation process contained within the Regulations. The developer may, by underestimating the condo fees, or by referring to such fees as "maintenance" fees, limit their contribution exposure.*

With respect to Service Alberta's proposal to create a standard budget protocol, Alberta REALTORS® also believe:

- Developers should be required to provide a statutory declaration that confirms in writing that the budget has been prepared in accordance with the Act and Regulations, using accepted accounting practices and accurately reflects the finances of the corporation and the actual condo fees payable by the unit owner.
- The Regulations should contemplate punitive action against developers who do not provide realistic, responsible first budgets or for deliberate misrepresentation (via the Tribunal or other Regulatory means) and against property managers involved in the creation and or misrepresentation of such budgets (via RECA).

2. Additional Purchase Disclosure

Alberta REALTORS® support Service Alberta's proposal to regulate the following additional disclosure requirements as per Clause 12(1)m in the *Condominium Property Amendment Act*:

- If the corporation is a leasehold condominium corporation, the term of the lease and any other notable aspects of the lease.
- The name and address for service of the developer ~~and the legal land description of the property or the proposed property.~~
- The name and address for service of the prescribed trustee who holds deposits under 14(6), if applicable.
- A general description of the buildings and structures the developer intends to construct on the entire parcel, including the number of units, buildings and recreational and other amenities that are anticipated together with all conditions that apply to the provision of amenities.
  - Comment: This requirement is redundant if the project is complete.
- A statement whether a building on the property or a unit or proposed unit has been converted from a previous use and the nature of the previous use.
- A statement whether one or more units or proposed units is intended for commercial or other purposes not ancillary to residential purposes.
- A statement setting out any fees or charges, if any that the corporation is required to pay the developer or a third party for the use of any units or proposed units or any other property located on the parcel, or any service that will be provided to the corporation.

- If construction of any amenities is incomplete, a schedule of the proposed commencement and completion dates.
    - Alberta REALTORS® recommend implementing holdback or similar provision to cover completion of these amenities.
- Proof that the developer has a registered interest in the land upon which the condominium is to be developed or a statement that the developer has no registered interest in the land, as the case may be.
- A statement setting out information about the buyer's right to pursue remedies set out in this regulation in the event of a material change.
- A statement that specifies a) the number and type of parking space(s) located on the common property or property of the corporation and other exclusive possession areas that are assigned to the unit being purchased b) charges associated with use of the parking space and exclusive possession area.
- In the case of a bare land development, a description of any facilities located on the parcel and a description of any utilities, services or other costs that the corporation must pay for, including provision for water, sewage, electricity and natural gas, and the estimated cost of maintaining, servicing or replacing these facilities and utilities.

Alberta REALTORS® also believe developers should have to deliver the following documents/information to purchasers prior to selling, or agreeing to sell, a condo unit or proposed unit, including a checklist of these documents:

Disclosure

- Budget, which is accurate with no deliberate misrepresentation;
- Tentative and Final Occupancy Dates (see #6 in this document);
- Statement regarding disclosure of latent defects;
- Statement regarding rescission rights in relation to material changes; and
- The existence of any 3rd party contracts (i.e. telecommunications, common use agreements, etc.).

Other Information

- Description of condo type(s);
- Registered size (i.e. Is the balcony included in the registered sqft? Is this common property?);
- Definition of Common Property;
- Information on metered water (i.e. Location of meters and explanation of common expense);
- Guidelines/process used in the budget creation;
- Any existing environmental assessments;
- Number of rental units occupied in a project (in the past, CMHC would not lend on units if the rental ratio was too high); and
- Any court proceedings or arbitration in which the developer/condo corporation is a party and any judgments or orders against the developer/condo corporation as well as any unsatisfied judgment or order for which the developer/corporation is liable.

Records/Reports

- Reserve fund report – Regulations regarding establishment, maintenance, reporting and use of Fund required;
- Agreements for assigned parking/storage and basis of assignment; and

With respect to some of the items noted above, Alberta REALTORS® also offer the following:

- With respect to the Budget, a standard budget protocol (as proposed by Service Alberta) should be established for consistency and to create a level playing field among condominium developers. The budget should also include:
  - The name and address of the party that created the budget;
  - A statutory declaration on the accuracy of the budget and condo fees; and
  - Disclosure if the contributions are likely to change/increase (including an estimate of how much) after the corporation is turned over to the owners and that bylaws regarding pets/other may change.
- With respect to 3rd party contracts, it is important to note that, while developers are required to provide "all agreements to which the corporation is a party at the meeting of the corporation - 16.1(1)(d)", this meeting to elect the first board is not required until 90 days from the day that the certificates of title to 50% of the units have been issued (29). A purchaser entering into a purchase contract with the developer prior to this event would not be aware of the obligation of the Corporation contained in these 3rd party agreements.
  - Observation: *Alberta REALTORS®, who are licensed under the Real Estate Council of Alberta, are subject to agency, identify and conflict of interest disclosure requirements. There are no such requirements for developers or their employees.*

3. Material Change (Notice, Process and Timelines)

Alberta REALTORS® support the following:

- A definition for material changes should be provided in the Regulations and further legal consideration to whether or not a "reasonable purchaser" should be the optimal standard with consumer protection in mind.
- With respect to notice of material change:
  - Consumers must have a reasonable time frame to respond to notices of such material changes effectively;
  - Developers should be required to deliver notice of any known pending material change within 10 days of the material change becoming known, and ideally, prior to the occurrence of the material change;
  - The developer shall deliver the notice required under subsection (1) to the purchaser within 10 days after the material change occurs (if unknown in advance) and, in any event, before the day the purchaser takes possession of the unit; and
  - The purchaser should be given 10 days to review the impact of the material change to determine its significance and the purchaser's willingness to proceed/rescind.
- With respect to rights of rescission:
  - The purchasers' rights of rescission must be strictly defined as they relate to material changes;

- The purchaser must be provided the right to rescind the purchase contract in the event of a significant/substantial material change (consider attributing to a minimum defined value), such as major structural changes, significant bylaw changes, changes to the Final Possession Date, etc;
- The developer should be entitled to make minor changes to any of the documents provided to the purchaser as part of the developer disclosure package.

  Minor changes are changes which:

  a) Do not significantly detract from the appearance or the value of the unit; and
  b) Are of a nature that a reasonable purchaser, on an objective basis, would not have changed its decision to purchase the unit if the purchaser was aware of the change.

- Purchasers should not have the opportunity to rescind the purchase contract if the material change involves materials/fixtures/appliances being substituted with those of equal or greater value if adequate notice is provided; and
- In the event of a dispute, the purchaser should be able to seek additional remedies (damages, specific performance etc.) through the Tribunal.

- Developers should be required to obtain the required development permits prior to marketing/selling the properties. The potential for major material changes after sale, such as moving the location of buildings, is significantly less if the development permit is in hand.

4. Occupancy Dates

With respect to the Notice requirements included in Service Alberta's proposed "Occupancy Disclosure Logic Model" (see attached), Alberta REALTORS® support the following:

- 60 days notice for delays to Tentative Occupancy Dates beyond the 30 day closing period;
- If notice of delayed occupancy is not provided before the Tentative Occupancy Date, the purchaser may rescind the contract;
- A Final Occupancy Date must be agreed to in the Purchase Contract, subject to the Regulations;
- If adequate notice (60 days) of delayed Final Occupancy Date is not provided, purchaser may rescind agreement and/or apply to Courts or the Tribunal for remedy (damages);
- If the Final Occupancy Date is not met, purchaser has right to rescind the purchase contract (regardless of whether notice is provided); and
- The Final Occupancy Date may be extended by mutual agreement.

With respect to the Notice requirements included in Service Alberta's proposed "Occupancy Disclosure Logic Model" (see attached), Alberta REALTORS® support the following with some additional consideration/modification:

- Where if notice of delay is provided late (during the period beyond the 60 day notice period), purchasers may apply to Courts for remedy (damages), Alberta REALTORS® believe application to the Tribunal should be considered in addition to the Courts.

Observation: *in the sale of new developments, significant time often passes between signing and occupancy.*

5. Transfer of Information to New Board

Alberta REALTORS® support Service Alberta's proposal that "as built drawings" be provided by the developer to the corporation whenever possible and without charge at the meeting of the corporation convened under section 29.

6. Prescribed Trustee

Alberta REALTORS® support Service Alberta's proposal that a "Prescribed Trustee" refers to lawyers/law firms and believe:

- The Regulations need to provide for transfer of deposits in the event the developer changes law firms;
- A time frame for depositing money into Trust must be confined to within three business days after receipt of the purchase contract by the Prescribed Trustee; and
- The Regulations need to provide for "termination by mutual consent" under clause 6.3, without Release of Trust Money automatically going to the developer.

7. Access to Condominium Documents

Alberta REALTORS® believe consumers should have access to complete information at transaction time.

Buyers are often unaware of decisions that oblige them to special assessments or increased fees because this information is not communicated in a timely manner to the owners who, as a result, are unable to communicate the information to the buyer when they purchase the unit.

The Government should facilitate and mandate the use of a central suppository to improve timeliness of document delivery, accuracy and completeness of condominium documents.

8. Fees for Condominium Documents

Alberta REALTORS® believe that the condominium owner has already paid, in their condo fees, for the collection and creation of the information required (with the exception of the estoppel certificate).

Fees should not be charged to condominium owners by management companies for providing condominium documents. This cost should be included upfront in their monthly service fee. (Note: Barring this, REALTORS® would accept a regulated, normal fee on an at-cost basis, such as 10 cents per page.)

This would provide more valuable information for corporations when considering service proposals, put greater control in the hands of the owners, provide consumers adequate opportunity to prepare closing costs, reduce barriers to ownership, and reduce financing issues or other delays at closing.

Observation: *While the Condominium Property Act requires condominium corporations to provide prescribed information or documents within 10 days after receiving a request [44(1)], they are often held under the control of the management company, restricting the ability of corporations to comply.*

9. Building Assessment Report (BAR) Requirements for Conversions

Alberta REALTORS® believe the rescission period should be extended as per 13(1) in the event the summary BAR provided in 12(1)(j)(i) identifies potential concerns and the purchaser requests a complete BAR (12(3)).

- If the developer chooses to provide the complete BAR upfront, the summary should still be provided.

Alberta REALTORS® believe any existing environmental issues should be addressed in the BAR.

10. Exemption for Specified Agreements

Alberta REALTORS® do not support tele-communications or mutual use agreements being exempt from the provisions under section 17 of Bill 9 that permit the first elected board to cancel agreements entered into by the developer or the interim board.

- Condo Boards should have the ability to cancel these types of ancillary agreements as well as other types of utility or service agreements if it is in the best interest of the corporation and its owners to do so.
- Developers may continue to own and control utility infrastructure and/or recreational facilities etc. with the intention of charging the corporation for those services.

Contact Information:

Brad Mitchell
Director of Government Relations
(403) 209-3601
bmitchell@areahub.ca

Kerri Romanetz
Government Relations Analyst
(403) 209-3625
kromanetz@areahub.ca

Alberta Service Alberta

☐ Minister
☐ CS
☐ File

ADVICE TO THE MINISTER

Invitation and Meeting Request from Alberta Real Estate Association

ISSUE:

- The Alberta Real Estate Association (AREA) has requested a meeting with the Minister and has invited the Minister to an MLA reception on November 4, 2015.
- Topics of interest to AREA may include the real estate licensing education program, the *Condominium Property Act* (CPA) amendments and the *Real Estate Act* (REA) review.

BACKGROUND:

- AREA represents the interests of 10 regional real estate boards across Alberta, and more than 10,000 Alberta real estate brokers and associates. It has heavy representation on the Council of the Real Estate Council of Alberta (RECA) and advocates on its own behalf directly with government (see attached list of current issues).
- AREA members make up 90 per cent of real estate licensees and approximately 70 per cent of total licences that RECA issues as the regulator.

Real Estate Education Program

- There is conflict between AREA and RECA regarding RECA's takeover of real estate licensing education for real estate brokers in Alberta.
- RECA and AREA made a joint announcement in 2010 that RECA would take over delivery of all 6 licensing courses for real estate professionals by the end of 2011. The transition process took longer than anticipated by both RECA and AREA for a number of reasons. Two courses remain to be transferred to RECA.
- AREA's current position is that RECA has taken too long to take over the training obligations, should take ownership of this issue and take over the 2 remaining courses now. It declared in May 2015 that it would not offer the 2 remaining courses to new licence applicants effective June 1, 2015.
- Service Alberta recommends the Minister encourage AREA to continue dialogue with RECA on this issue.

REA Amendments

- The REA amendments are tentatively scheduled for fall 2016.
- RECA sent its recommendations for changes to the REA to Service Alberta in April 2013. Stakeholder submissions, including AREA's recommendations for changes, were included in RECA's package.

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- AREA has requested that Service Alberta engage in broader consultation on the REA, taking into consideration issues beyond the scope of RECA's consultation paper and stakeholder engagement sessions.
- Service Alberta is committed to including AREA is its consultations prior to making the amendments.

CPA Amendments

- Bill 9 passed in the Legislature in December 2014. The Bill is the result of extensive consultation aimed at improving consumer protection and supporting sustainable growth of Alberta's condominium industry.
- The amendments will see enhanced purchase disclosures and developer accountability; efficiencies in board governance; better access to dispute resolution; and minimum skills and standards of practice for condominium managers.
- Before the amendments in Bill 9 can be proclaimed, supporting regulations must be developed to clarify the changes and set out the operational details of the new regulatory requirements.
- AREA has been a strong advocate of the CPA amendments and participated in all consultations undertaken by Service Alberta to date. Most recently, members of AREA attended the May 28, 2015 stakeholder meeting on new condominiums and developer obligations. At the meeting, AREA members expressed support for the proposals and provided a written submission containing suggestions to clarify and streamline the rules.

PREVIOUS MEETINGS/CORRESPONDENCE:

- Colin Lloyd met with AREA representatives on May 4, 2015
- Ian Burns, CEO of AREA, sent follow-up email to Colin Lloyd on May 06, 2015

RECOMMENDED OPTION/ACTION:

- It is recommended that the Minister meet with AREA representatives to discuss Alberta's real estate industry and issues of importance to AREA.

ATTACHMENTS:

- List of AREA advocacy issues

Honourable Deron Bilous, Minister

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Tariro Nyemba

From: Fay Wong
Sent: July-08-15 7:24 AM
To: Mark Seville
Cc: Robert Whittaker; Debbie Woywitka
Subject: ADM Edits for AR 28361 Request for Meeting - Alberta Real Estate Association AREA

Hello Mark,

Just giving you a heads up. Colin has made edits and suggestions to redraft the BN. I have requested an extension to July 10 from the MCU and am requesting this AR be returned to the ADM's office as soon as the redraft is done. I am hoping to give you until noon on July 9, 2015, if the extension is approved.

Let me know if you have any question.

Fay

From: George Yates
Sent: Wednesday, July 08, 2015 7:18 AM
To: Fay Wong
Subject: Automatic reply: ARTS Notification 28361 Request for Meeting - Alberta Real Estate Association AREA

I am in meetings for most of July 8. Please contact Mark Seville (780-422-8228) for assistance. Thanks.

Alberta Service Alberta

☐ Minister
☐ CS
☐ File

ADVICE TO THE MINISTER

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- The Alberta Real Estate Association (AREA) has requested a meeting with the Minister and has invited the Minister to an MLA reception on November 4, 2015.

BACKGROUND:

- AREA represents the interests of 10 regional real estate boards across Alberta, and more than 10,000 Alberta real estate brokers and associates. It has strong representation on the Council of the Real Estate Council of Alberta (RECA) and advocates on its own behalf directly with government.
- AREA members make up 90 per cent of real estate licensees.
- AREA has been a strong supporter and contributor in the effort to amend the Condominium Property Act.

The Alberta Real Estate Association may wish to discuss the following with the Minister:

- The Real Estate Education Program.
- Amendments to the Real Estate Act.
- Amendments to the Condominium Property Act.

Briefings on the identified issues will be supplied closer to the proposed meeting date.

PREVIOUS MEETINGS/CORRESPONDENCE:

- Colin Lloyd, ADM, Consumers met with AREA representatives on May 4, 2015.

RECOMMENDED ACTION:

- It is recommended that the Minister meet with AREA representatives to discuss Alberta's real estate industry and issues of importance to AREA.

ATTACHMENT:

- List of AREA advocacy issues
- Draft letter for Minister's signature

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00152-A03

ACTION REQUEST COVERSHEET
Service Alberta

Due to Minister: Jul 14, 2015
Due to MCU: Jul 9, 2015
Due to ADMO: Jul 9, 2015 noon
Due to ED: Jul 9, 2015 by 9:30 am
Extended Due Date:

AR Number: 28361
Logged By: MO
Priority Level: Normal

Received Date: Jun 29, 2015

AR References:
Assigned To: 04 CS-ED's Office – Consumer Services
Subject: Request for Meeting - Alberta Real Estate Association (AREA)
Action Requested: Draft reply for Minister & provide briefing
Correspondent: Brad Mitchell (Alberta Real Estate Association)
Constituency: Brian Malkinson (NDP), Calgary-Currie

	Name and Phone Number		Initials and Date
Drafted by:	Kelly Refah Statute Administrator	780-427-0294	July 8, 2015 MO for
Approved by:	Mark Seville Manager	780-422-8228	July 8, 2015 MO
Approved by:	George Yates Director	780-422-8179	July 8, 2015 MO for
Approved by:	Rob Phillips Executive Director	780-422-8177	July 8, 2015 MO for
Approved by ADM:	Colin Lloyd	780-427-2300	July 9/15
Edited by MCU:	Andrea Searle	427-7913	July 14 on July 17/15
Approved by DM's EA:	~~Vera Krawec~~ Linda Gupka	~~780-644-5151~~ 422-0174	for July 20/15
Approved by DM:	~~Rod Skura~~ Tom Grant	780-427-1990	July 24/15

Nat 31/7/15

File Number:
Comments:
Additional Notes:

R. G. D.H.

Alberta Service Alberta

☐ Minister
☐ CS
☐ File

ADVICE TO THE MINISTER

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- AREA has been a strong supporter and contributor in the effort to amend the Condominium Property Act.
- AREA may wish to discuss the following with the Minister:
  - The Real Estate Education Program.
  - Amendments to the *Real Estate Act*.
  - Amendments to the *Condominium Property Act*.
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ATTACHMENT:

- List of AREA advocacy issues
- Draft letter for Minister's signature

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ATTACHMENT

Key Issues and Positions from AREA's Website

Condominium Property Act Amendments

The current Condominium Property Act doesn't contain an efficient framework or tools for encouraging compliance. AREA has urged the government to conduct much-needed revisions to Alberta's Condominium Property Act to protect the public's and REALTOR'S® interests.

Alberta Land Titles Registry System Enhancements

Under Alberta's Torrens System of land registration, the Government has custody of all original titles, documents and plans and has the legal responsibility for the validity and security of all registered land title information. The Government guarantees the accuracy of title and an Assurance Fund is available to anyone who suffers loss due to errors on title or fraudulent activities. Ensuring the integrity of the system's data and the continued application of the Assurance Fund are the foremost concerns to Alberta REALTORS® as Service Alberta reviews methods for modernizing and improving the delivery of land titles and registry services.

CSA Draft Standards (A770) for Home and Property Inspections

The inspection process should remain reasonable and affordable for buyers, without impeding or creating unnecessary delays in real estate transactions.

**Content excerpted from www.areahub.ca.*

00155- A05
Aug 10/16

ALBERTA
SERVICE ALBERTA

Office of the Minister
MLA, Edmonton-Beverly-Clareview

AR28361

August 10, 2015

Mr. Brad Mitchell
Director of Government Relations
Alberta Real Estate Association
WestMount Corporate Campus
Suite 300, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Mr. Mitchell:

Thank you for your kind words on my recent appointment as Minister of Service Alberta. It is an honour and a privilege to serve this great province as a member of Premier Notley's Cabinet.

I am in receipt of your invitation to the Alberta Real Estate Association's MLA reception and your request for a meeting to discuss issues impacting Alberta's real estate industry. Please contact my scheduling assistant, Patricia Tiamiyu, at patricia.tiamiyu@gov.ab.ca to schedule a meeting.

Sincerely,

Deron Bilous
Minister

208 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta, T5K 2B6, Canada Telephone 780-415-6880 Fax 780-422-2410

Alberta
Real Estate

June 19, 2015

RECEIVED

Office of the Minister
Municipal Affairs
Service Alberta

Hon. Deron Bilous
Minister of Municipal Affairs, Minister of Service Alberta
204 Legislature Building
10800 - 97 Avenue
Edmonton, AB
T5K 2B6

Dear Minister Bilous,

On behalf of the Alberta Real Estate Association (AREA), I would like to extend our congratulations on your appointment as Minister of Municipal Affairs and Minister of Service Alberta

AREA is the professional organization representing more than 10,000 working REALTORS® in the province. AREA advocates on behalf of its members to protect and support the individuals, families, and communities they serve.

REALTORS® value quality schools and parks, safe neighbourhoods, a strong economy, efficient transportation choices and opportunities for affordable homeownership. We congratulate Premier Rachel Notley in following through with her commitment to roll back increases to the mortgage registration tax and other land title fee increases.

Alberta REALTORS® are knowledgeable regarding developments in real estate and can offer insight regarding the information needed to make informed purchasing decisions, including comparable prices, neighborhood trends, housing market conditions and more.

Our members look forward to having the opportunity to meet with you in the near future to discuss issues that impact real estate and your constituents. Enclosed, please find an invitation to our upcoming MLA reception during our government liaison days in November.

Should you have any questions for AREA in the coming months, please do not hesitate to contact Brad Mitchell, Director of Government Relations, or Kerri Romanetz, Government Relations Analyst. Their contact information is below.

Brad Mitchell
(403) 209-3601
bmitchell@areahub.ca

Kerri Romanetz
(403) 209-3625
kromanetz@areahub.ca

We are committed to working with the Government of Alberta as a collaborative and engaging partner. As you begin consultations with stakeholders, AREA would like to be included in the early round of meetings to share our perspective on the industry and hopes for the province. We understand that schedules are busy as transition progresses, and request a meeting with you at your earliest convenience.

Sincerely,

Brad Mitchell, AREA Director of Government Relations
Cc: D'Arcy Donald, Chair, AREA Provincial Government Relations Committee Chair

FACT SHEET

The Alberta Real Estate Association

The Alberta Real Estate Association (AREA) is the professional organization representing more than 10,000 REALTORS® in the province. AREA advocates on behalf of its members to government and other stakeholders to support REALTORS® and the individuals, families, and communities they serve.

Alberta REALTORS® are proud to be part of solutions that put consumers first. REALTORS® are trusted advisors who help consumers make some of the largest purchases of their lives. Our members are in the business of supporting communities – not just selling homes.

REALTORS® value quality schools and parks, safe neighbourhoods, a strong economy and efficient transportation choices.

Home buyers and sellers trust REALTORS® for their insights every day. Alberta REALTORS® assisted with 71,773 home sales in 2014. The insights REALTORS® gain through their work are valuable to policy makers and reflect the opinions of many Albertans.

Licensed real estate professionals who join their local real estate board are automatically members of AREA. Alberta's local real estate boards are:

- Alberta West REALTORS® Association
- Calgary Real Estate Board
- Central Alberta REALTORS® Association
- Fort McMurray REALTORS®
- Grand Prairie & Area Association of REALTORS®
- Lethbridge & District Association of REALTORS®
- Medicine Hat Real Estate Board Co-op
- REALTORS® Association of Edmonton
- REALTORS® Association of Lloydminster & District
- REALTORS® Association of South Central Alberta

Alberta REALTORS® - Your Best Source for Community Information

Alberta REALTORS® are knowledgeable about developments in real estate and can provide information necessary to make an informed purchasing decision: comparable prices, neighborhood trends, housing market conditions and more.

REALTORS® are licensed by the Real Estate Council of Alberta (RECA), as legislated by the Alberta Real Estate Act – though not every real estate professional or salesperson is a REALTOR®.

As professionals, REALTORS® are bound by the REALTOR® Code and committed to high standards of customer service and ethics. The REALTOR® Code is your guarantee of professional conduct and quality service.

AREA supports REALTOR® professional development, allowing them to better serve consumers, including access to education, information and advice on emerging trends and strategies for industry advancement.

ECONOMIC IMPACT OF REAL ESTATE

An April 2013 study, Economic Impacts of MLS® Home Sales and Purchases in Canada and the Provinces, prepared by the Canadian Real Estate Association (CREA) found that in 2011, the average MLS® residential housing transaction generated $41,500 in related expenditures in the prairies. These ancillary expenditures include: general household purchases, moving costs, renovations, and legal and appraisal services. Employment generated by MLS® home sales and purchases in Alberta from 2010-2012 was 20,030 jobs.

AREA: A REALTORS® ADVOCATE

AREA's advocacy work is based on the following principles:

- Aligning advocacy goals with those of the government and the public.
- Establishing alliances with other organizations.
- Supporting positions and recommendations with relevant research.

AREA SUPPORTS:

- Efficient and fair application of taxation and fiscal policy – Homeowners and buyers should not be required to pay more than their share for services that benefit the community-at-large.
- Affordable home ownership and reducing barriers to home ownership – An affordable and secure home provides a stable foundation from which individuals, communities and Albertans as a whole can prosper.
- Property rights – A strong economy depends on preserving the investments people have made in real estate by protecting their ability to freely own, use, buy and sell real property.
- Building better communities – Strong communities are created in partnership with governments to ensure safe neighbourhoods of economic vitality necessary to fund infrastructure projects.

AREA CONTACT INFORMATION

IAN BURNS
Chief Executive Officer
403-209-3600
iburns@areahub.ca

BRAD MITCHELL
Director, Government Relations
403-209-3601
bmitchell@areahub.ca

KERRI ROMANETZ
Government Relations Analyst
403-209-3625
kromanetz@areahub.ca

Alberta Real Estate Association
#300, 4954 Richard Road SW
Calgary, AB
T2J 5V3
www.areahub.ca

Alberta Real Estate


Alberta
Real Estate
Save the Date for our
REALTORS MLA Reception

Tariro Nyemba

From: Sandy Gibson
Sent: July-23-15 12:32 PM
To: Fay Wong; Robert Whittaker
Subject: ARTS Notification 28361 Request for Meeting - Alberta Real Estate Association AREA

Action Request 28361
Assigned To: 02 DM's Office, 04 CS-ADMO

Action: Draft reply for Minister & provide briefing

Due Date: Jul 20, 2015

Instructions: Re-routed for updating per comments from DMO

Organization: Service Alberta
URL: [redacted]



From: Colin Lloyd
Sent: July-23-15 1:44 PM
To: Fay Wong
Cc: 'Rob Phillips (rob.phillips@gov.ab.ca)'
Subject: 28361 BN

Fay,

I have reduced the detail in this BN per the DM's advice. Please upload this version to ARTS and return the hard copy to Linda Monilaws.

Thanks.

Colin

Pages 93 through 94 redacted for the following reasons:
- -
Duplicate to pages 81-82

Val Taylor

From: Rob Phillips
Sent: Wednesday, September 23, 2015 8:36 AM
To: Mark Seville; Jodi Morris
Subject: Composition of Council

The bolded section of the REA below will be the focus of our discussion at 11. Concerns have been expressed that AREA's new appointment in this category does not fit the criteria. Details at the meeting.

Rob

Composition of Council

6(1) The Council shall consist of 12 members appointed as follows:

(a) the Minister shall appoint one member, who must not be an industry member;

(a.1) repealed 2007 c39 s4;

(b) the Alberta Mortgage Brokers' Association shall appoint one member, who must be a mortgage broker;

(c) the Alberta Real Estate Association shall appoint 6 members as follows:

(i) **one member who must be a real estate broker trading in industrial, commercial and investment real estate and who may or may not be active in property management;**

(ii) one member who must be a real estate broker trading in residential real estate;

(iii) from nominations received from the Calgary Real Estate Board, one member, who must be a real estate broker;

(iv) from nominations received from the Edmonton Real Estate Board, one member, who must be a real estate broker;

(v) from nominations received from other real estate boards in Alberta, 2 members, who must be real estate brokers;

(d) repealed 2007 c39 s4;

(e) the members appointed under clauses (b) and (c) shall jointly appoint 2 members as follows:

(i) from nominations from industry members who are not members of the Alberta Real Estate Association, one member, who must be an industry member;

(ii) from nominations from the public at large, one member, who must not be an industry member;

(f) the members appointed under clauses (a) to (e) shall jointly appoint 2 members as follows:

(i) from nominations received in accordance with the regulations, one member, who must be a real estate appraiser;

(ii) from nominations received in accordance with the regulations, one member, who must be a property manager.

(1.1) A member appointed under subsection (1), except under subsection (1)(a) or (e)(ii), must be an industry member.

(2) The term of office of a member appointed under subsection (1) is 3 years.

(3), (4) Repealed 2007 c39 s4.

(5) Where a vacancy occurs, the vacancy shall be filled by an appointment for the unexpired portion of the term, to be made in the same manner that the appointment of the member who is being replaced was made.

(6) If an association fails to appoint a member under this section within the time prescribed by the bylaws, the Council may appoint the member, and the member shall be considered to have been appointed by the association.

(7) If the members appointed under subsection (1)(b) and (c) fail to appoint a member under subsection (1)(c) within the time prescribed by the regulations, the Minister may appoint the member, and the member shall be considered to have been appointed by those members.

(8) A vacancy in the membership of the Council does not invalidate the constitution of the Council nor impair the right of members of the Council to act if the number of remaining members is not less than a quorum.

RSA 2000 cR-5 s6;2003 c31 s4;2007 c39 s4

Limit on terms

7 No person may serve more than 2 consecutive terms as a member of the Council

Rob Phillips
Executive Director
Consumer Services
Phone (780) 422-8177 / Fax (780) 427-3033
Mobile s.17(1)
www.servicealberta.ca

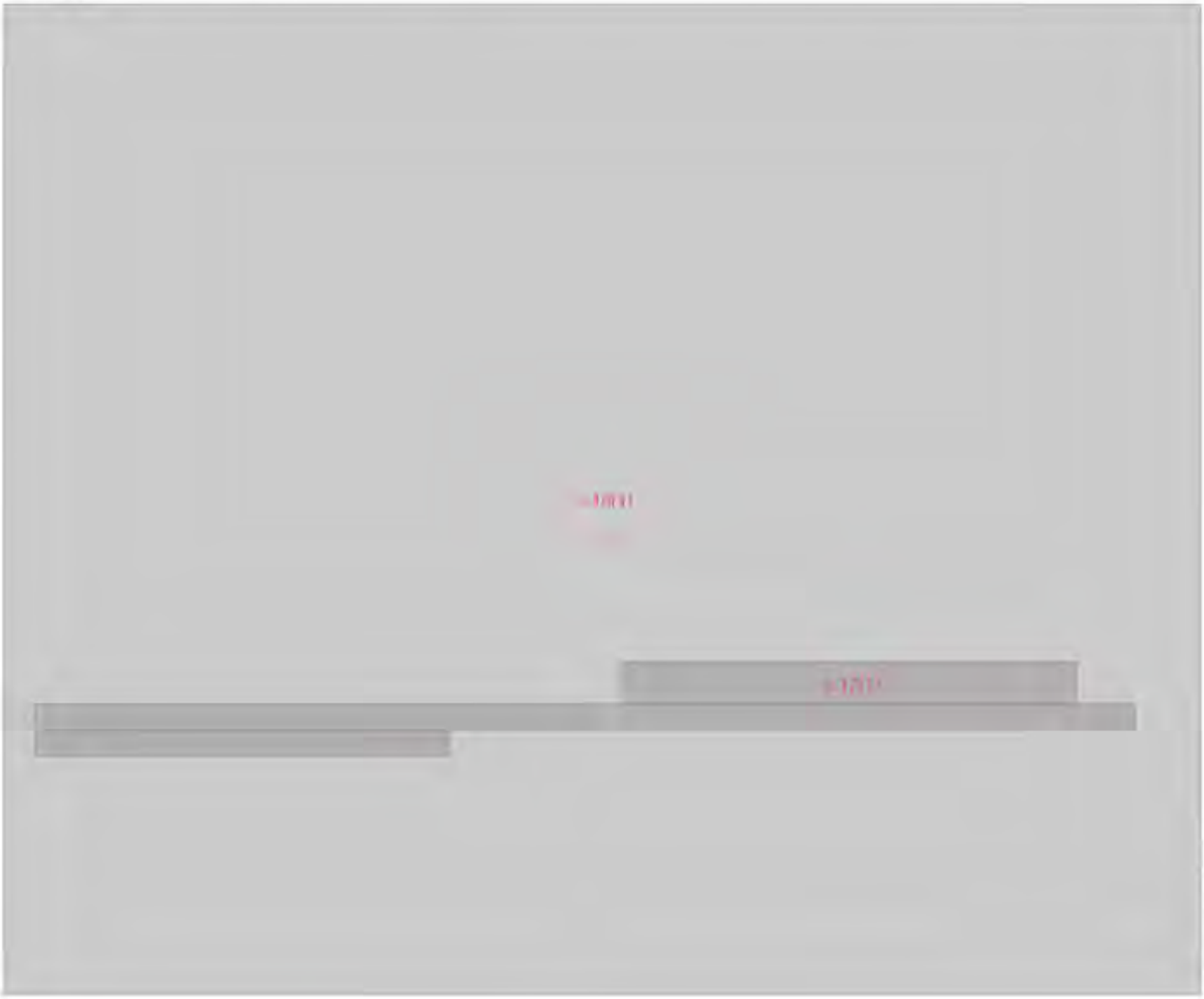
Val Taylor

From: Rob Phillips
Sent: Thursday, September 24, 2015 1:27 PM
To: Jodi Morris; Mark Seville
Cc: George Yates
Subject: Appointments to the Real Estate Council of Alberta

Transitory.

Let's chat next week. I have some concerns with AREA's appointment process and whether Ramey Demian meets the criteria as an industry members trading in industrial, commercial and investment real estate.

Rob



SA 2017-G-0056 - Page 97

[redacted]

[redacted]

[redacted]

[redacted]

From: Ian Burns, on behalf of Ed Jensen [mailto:iburns@areahub.ca]
Sent: September-17-15 4:44 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: Appointments to the Real Estate Council of Alberta

September 17, 2015

SA 2017-G-0056 - Page 98

Bob Myroniuk
Executive Director
Real Estate Council of Alberta
350-4954 Richard Road SW
Calgary, Alberta T3E 6L1

Re: Appointments to the Real Estate Council of Alberta

Dear Bob,

On behalf of the AREA Board of Directors, I am pleased to confirm that AREA is appointing the following individuals to the Real Estate Council of Alberta for three-year terms beginning November 1, 2015 and expiring October 31, 2018:

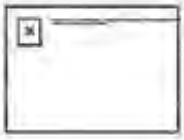
- **Ramey Demian** of the REALTORS® Association of Edmonton, from industry members trading in industrial, commercial and investment real estate;
- **Stan Mills** of the Lethbridge and District Association of REALTORS®, from industry members who are members of the real estate boards outside of Edmonton and Calgary; and
- **Robyn Moser** of the Calgary Real Estate Board, from industry members trading in residential real estate.

The contact information for these individuals is:

Ramey Demian	Robyn Moser	Stan Mills
2761 Hewes Way	#144, 1935 – 32 Ave. NE	1215 – 2nd Avenue S
Edmonton, AB T6L 6N5	Calgary, AB T2E 7C8	Lethbridge, AB T1J 0E4
Business Phone: 403-462-5000	Business Phone: 403-291-4440	Business Phone: 403-329.8899
Email: ramey@rdnathan.com	Email: robyn@robynmoser.com	Email: stan@stanmills.ca

We have advised Ramey, Stan and Robin that you will be in contact with them in due course to provide details of future meetings and work.

Sincerely,



Ed Jensen
President
Alberta Real Estate Association

Copies to: AREA Board of Directors
Ian Burns, AREA CEO

PDF Version





Val Taylor

From: Rob Phillips
Sent: Friday, September 25, 2015 3:01 PM
To: 'Bob Myroniuk'
Subject: RE: Appointments to the Real Estate Council of Alberta

This message has been archived. View the original item

Thanks. I will get back to you as soon as I can.

Rob

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Friday, September 25, 2015 11:01 AM
To: Rob Phillips
Subject: RE: Appointments to the Real Estate Council of Alberta

I don't have anything booked between now and our meeting with the Minister on October 20th. However, I feel this is a very important issue for RECA so Kirk and I can make ourselves available. If you give me some dates over the next two weeks that work for you and Colin, I will check our calendars and get back to you.

From: Rob Phillips [mailto:rob.phillips@gov.ab.ca]
Sent: September-25-15 9:38 AM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: RE: Appointments to the Real Estate Council of Alberta

Bob,

Are you in Edmonton anytime over the next two weeks? I spoke with our ADM, Colin Lloyd and he would like to meet on this issue.

Rob

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Thursday, September 24, 2015 2:11 PM
To: Rob Phillips
Subject: RE: Appointments to the Real Estate Council of Alberta

SA 2017-G-0056 - Page 101

Yes, their appointments are public in the sense they have been communicated provincially to all real estate boards and AREA members. BM

From: Rob Phillips [mailto:rob.phillips@gov.ab.ca]
Sent: September-24-15 1:56 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Cc: Kirk Bacon <kbacon@reca.ca>
Subject: RE: Appointments to the Real Estate Council of Alberta

Transitory:

Bob,

Thanks for your note and clarificatio[redacted]

Are the AREA decisions public yet? We could not find anything on AREA's website.

We are looking into the backgrounds and I am meeting with my ADM, Colin Lloyd on Wed. and will get back to you. I am on an interview panel Monday and Tuesday.

Rob

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Wednesday, September 23, 2015 5:05 PM
To: Rob Phillips
Cc: Kirk Bacon
Subject: FAppointments to the Real Estate Council of Alberta

[redacted]

SA 2017-G-0056 - Page 102

Page 103 redacted for the following reason:
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Duplicate to pages 97-98

Val Taylor

From: Rob Phillips
Sent: Thursday, October 01, 2015 1:46 PM
To: 'Bob Myroniuk'
Cc: 'Kirk Bacon'; Jodi Morris
Subject: RE: Appointments to the Real Estate Council of Alberta

Follow Up Flag: Follow up
Flag Status: Completed

This message has been archived. View the original item

Transitory:

Good afternoon Bob,

We have had a quick look into Ramey Demian's background as a commercial realtor. See results below. Suggest we discuss on Friday as I think we need something more to challenge this appointment.

Rob

- It appears that that Demian is a CCIM – Certified Commercial Investment Member. CCIM is a recognized expert in the disciplines of commercial and investment real estate. The designation is awarded by CCIM Institute.

- Appears to have taught the commercial course for AREA at the Real Estate Training Institute (RETI) and the Red Deer College

- His LinkedIn and Re/max sites indicate: Respected by both his peers and his clients, Ramey Demian has established himself as a powerful force in the Residential and Commercial Real Estate industry. With over 15 years of experience in both Commercial and Residential real estate, Ramey has hundreds of closed deals under his belt. His dedication, one-on-one attention, open communication, honesty, and loyalty to Clients has helped Ramey grow into one of the top real estate agents in Alberta. Ramey Demian is also a real estate broker, leading a team of professional real estate agents at his firm, R.D. Nathan. Furthermore, he is one of the highest accredited educators in Commercial Real Estate. Specialties: Specialty Real Estate Sales, Luxury Homes, Income producing properties, Real Estate Loans, Real Estate Development, Relocation Needs, Short Sale, Foreclosures, Real Estate Owner, Management, Property Consulting, Educator.

Ramey Demian <https://www.linkedin.com/pub/ramey-demian/32/2a9/7b0?trk=seokp-title_posts_secondary_cluster_res_author_name>

Owner/broker at R.D. Nathan Real Estate

Industry

Real Estate

Current

Broker and Operating Owner at R.D. Nathan Real Estate, Educator at Alberta Real Estate Association

Past

Real Estate Agent at Re/max Center, Owner/Franchise Operator at S'nice International Ltd.

Education

CCIM Institute, Alberta Real Estate Association

From: Ian Burns, on behalf of Ed Jensen [mailto:iburns@areahub.ca]
Sent: September-17-15 4:44 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: Appointments to the Real Estate Council of Alberta

Duplicate to pages 98-100

SA 2017-G-0056 - Page 105

Page 106 redacted for the following reason:
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Duplicate to pages 98-100

Val Taylor

From: Rob Phillips
Sent: Tuesday, October 06, 2015 3:49 PM
To: Jodi Morris; George Yates; Kelly Refah
Subject: AREA complaint: telephone discussion with AREA

FYI

Rob

From: Rob Phillips
Sent: Tuesday, October 06, 2015 3:48 PM
To: Robert Whittaker
Cc: Colin Lloyd
Subject: AREA complaint: telephone discussion with AREA

Hi Robert,

I just got off the phone with Colin. He asked me to have you set up a conference call on Thursday for Colin and I to speak with Ian Burns at AREA regarding their appointment of Ramey Demain as a RECA Council member in the category representing commercial realtors.

I have several short meetings on Thursday however they can be moved to accommodate whatever time works best for Colin and Ian Burns.

This call is triggered by the attached letter which should not be provided to AREA at this point. I think we can say we are calling because a concern has been raised by an Industry member about Mr. Demain's commercial qualifications.

Ian's contact information is:

Mr. Ian Burns
CEO Alberta Real Estate Association
WestMount Corporate Campus
Suite 300, 4954 Richard Road

Phone: Toll Free – 1-800-661-0231
In Calgary – 1-403-228-6845
Email: info@areahub.ca

Thanks

Rob



28811

Cindy Chisholm

From: Boddez, Chad <Chad.Boddez@am.jll.com>
Sent: Friday, October 02, 2015 11:26 AM
To: Service Alberta Minister
Subject: Real Estate Council of Alberta

Good morning, Honourable Deron Bilous.

I hope you are well. Congratulations on your recent election win and being named Minister of Service Alberta.

I'm a commercial real estate broker with JLL in Edmonton, where I specializing in the area of office leasing and sales. I also have the privilege of being a member of the 2014 – 2015 Commercial Real Estate Advisory Committee. According to the website, "The mandate of this committee is to provide advice to council on regulatory issues in the commercial real estate sector." The key phrase here being 'commercial'.

To provide the Minister with a brief overview, all people who want to trade in real estate in the province require a real estate license. You may be familiar with the term REALTOR. I am not a REALTOR as my firm is not a member of Board. This is common for brokerages that practice commercial real estate. The majority are not REALTORS. REALTORS are normally associated with residential brokerages such as Re/Max, Century 21 and Royal LePage. REATORS are NOT associated with commercial brokerages such as JLL, Colliers, CBRE, Avison Young and Cushman & Wakefield.

According to the Real Estate Act of Alberta, the Alberta Real Estate Association (AREA) appoints fully 6 out of 12 council positions. The letter that went out to the industry specifically called for " REALTORS trading in industrial, commercial and investment real estate". In other words, since the vast majority of commercial agents in Alberta are not technically "REALTORS", they would be ineligible for applying. This essentially left it to members working at residential brokerages to apply.

Ramey Demian was selected as the REALTOR for industry members trading in industrial, commercial and investment real estate. In my 13 years practicing commercial real estate, I have never heard of this individual, which is quite troubling. More troubling was a visit to his website: http://ramey.demian.remax.ca/. A quick look reveals nothing associated with commercial real estate. He is not a specialist in commercial real estate.

The practice of commercial and residential real estate are completely different and true commercial practitioners strictly specialize in commercial buildings. Most specialize further by property type (office, industrial, multi-family, retail and investment sales). The only similarity is that both must hold a real estate license as per the Real Estate Act. As an analogy, an ophthalmologist and an orthopedic surgeon are both doctors, but you don't get a hip replacement from an ophthalmologist.

Having only REALTORS being allowed to apply to sit as the industrial, commercial and investment real estate contact is a grave error that needs to be rectified. It is vital that the commercial real estate industry maintains their voice by having someone in this role who is a proven commercial real estate professional and this requires allowing all members of the industry to apply, whether or not they are a REALTOR.

The Real Estate Council of Alberta is well aware of the differences between residential and commercial real estate. In fact, they implemented a change to the licensing process this year that requires all practitioners who wish to practice commercial real estate to take a separate commercial real estate module.

I appreciate your attention to this matter and welcome the opportunity to discuss with you further.

Thanks,
Chad

Chad Boddez, BComm, CCIM, SIOR
Senior Vice President, Office Leasing & Sales
JLL
Suite 502, 101 Street Tower

Val Taylor

From: Robert Whittaker
Sent: Tuesday, October 06, 2015 10:03 PM
To: Ian Burns
Cc: Colin Lloyd; Rob Phillips; De Leeming
Subject: Re: Discussion on recent RECA Council appointment

Follow Up Flag: Follow up
Flag Status: Flagged

This message has been archived. View the original item

Hi Ian.

A half hour should be fine. I'll send an invite.

Thanks again.

Sent from my iPhone

On Oct 6, 2015, at 4:55 PM, Ian Burns <IBurns@areahub.ca> wrote:

> Robert,
>
> 11:00 am works well for me. Please call me in my office at 403-209-3600. Do you have a sense on how much time you would like for this discussion?
>
> De, please ensure this is in my calendar and book whatever amount of time Robert requires.
>
> Thanks,
>
> Ian
>
> From: Robert Whittaker [mailto:Robert.Whittaker@gov.ab.ca]
> Sent: October-06-15 4:24 PM
> To: Ian Burns
> Cc: Colin Lloyd; Rob Phillips
> Subject: Discussion on recent RECA Council appointment

Good afternoon Ian.

We are wondering if you would be available to discuss a recent appointment AREA is making to the RECA Council. The reason for the call is to discuss the qualifications of the appointee in the category representing commercial realtors.

Does Thursday around 11:00 am work for you? If so, what number could we call you on?

Thanks.

Robert Whittaker

Executive Advisor

Assistant Deputy Minister, Consumers

Service Alberta

29th fl ATB Place South

10020 – 100 Street

Edmonton, AB T5J 0N3

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Tariro Nyemba

From: Rob Phillips
Sent: October-07-15 1:10 PM
To: Colin Lloyd; Robert Whittaker
Subject: Background for the AREA phone call

Real Estate Act requirement: (AREA section highlighted)

Composition of Council

6(1) The Council shall consist of 12 members appointed as follows:

(a) the Minister shall appoint one member, who must not be an industry member;

(a.1) repealed 2007 c39 s4;

(b) the Alberta Mortgage Brokers' Association shall appoint one member, who must be a mortgage broker;

(c) the Alberta Real Estate Association shall appoint 6 members as follows:

(i) one member who must be a real estate broker trading in industrial, commercial and investment real estate and who may or may not be active in property management;

(ii) one member who must be a real estate broker trading in residential real estate;

(iii) from nominations received from the Calgary Real Estate Board, one member, who must be a real estate broker;

(iv) from nominations received from the Edmonton Real Estate Board, one member, who must be a real estate broker;

(v) from nominations received from other real estate boards in Alberta, 2 members, who must be real estate brokers;

(d) repealed 2007 c39 s4;

(e) the members appointed under clauses (b) and (c) shall jointly appoint 2 members as follows:

(i) from nominations from industry members who are not members of the Alberta Real Estate Association, one member, who must be an industry member;

(ii) from nominations from the public at large, one member, who must not be an industry member;

(f) the members appointed under clauses (a) to (e) shall jointly appoint 2 members as follows:

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(i) from nominations received in accordance with the regulations, one member, who must be a real estate appraiser;

(ii) from nominations received in accordance with the regulations, one member, who must be a property manager.

(1.1) A member appointed under subsection (1), except under subsection (1)(a) or (e)(ii), must be an industry member.

(2) The term of office of a member appointed under subsection (1) is 3 years.

Limit on terms

7 No person may serve more than 2 consecutive terms as a member of the Council.

AREA's Notice to RECA:

From: Ian Burns, on behalf of Ed Jensen [mailto:iburns@areahub.ca]
Sent: September-17-15 4:44 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: Appointments to the Real Estate Council of Alberta

September 17, 2015

Bob Myroniuk
Executive Director
Real Estate Council of Alberta
350-4954 Richard Road SW
Calgary, Alberta T3E 6L1

Re: Appointments to the Real Estate Council of Alberta

Dear Bob,

On behalf of the AREA Board of Directors, I am pleased to confirm that AREA is appointing the following individuals to the Real Estate Council of Alberta for three-year terms beginning November 1, 2015 and expiring October 31, 2018:

- **Ramey Demian** of the REALTORS® Association of Edmonton, from industry members trading in industrial, commercial and investment real estate;
- **Stan Mills** of the Lethbridge and District Association of REALTORS®, from industry members who are members of the real estate boards outside of Edmonton and Calgary; and
- **Robyn Moser** of the Calgary Real Estate Board, from industry members trading in residential real estate.

The contact information for these individuals is:

Ramey Demian	Robyn Moser	Stan Mills
2761 Hewes Way	#144, 1935 – 32 Ave. NE	1215 – 2nd Avenue S

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Edmonton, AB T6L 6N5	Calgary, AB T2E 7C8	Lethbridge, AB T1J 0E4
Business Phone: 403-462-5000	Business Phone: 403-291-4440	Business Phone: 403-329.8899
Email: ramey@rdnathan.com	Email: robyn@robynmoser.com	Email: stan@stanmills.ca

We have advised Ramey, Stan and Robin that you will be in contact with them in due course to provide details of future meetings and work.

Sincerely,

Ed Jensen
President
Alberta Real Estate Association

Copies to: AREA Board of Directors
Ian Burns, AREA CEO

Complaint from Chad Boddez, JLL Commercial Real Estate:



Summary of the info about Mr. Demian from public sources

- No listings on his website for commercial real estate, only one residential listing
- Not known to commercial realtors, including RECA's current Chair, Chad Griffiths and
- Appears the realtor is a CCIM – Certified Commercial Investment Member. CCIM is a recognized expert in the disciplines of commercial and investment real estate.
- His LinkedIn and Re/max sites indicate: Respected by both his peers and his clients, Ramey Demian has established himself as a powerful force in the Residential and **Commercial Real Estate industry**. With over 15 years of experience in both Commercial and Residential real estate, Ramey has hundreds of closed deals under his belt. His dedication, one-on-one attention, open communication, honesty, and loyalty to Clients has helped Ramey grow into one of the top real estate agents in Alberta. Ramey Demian is also a real estate broker, leading a team of professional real estate agents at his firm, R.D. Nathan. Furthermore, he is one of the highest accredited educators in Commercial Real Estate. Specialties: Specialty Real Estate Sales, Luxury Homes, Income producing properties, Real Estate Loans, Real Estate Development, Relocation Needs, Short Sale, Foreclosures, Real Estate Owner, Management, Property Consulting, Educator.

Ramey Demian
Owner/broker at R.D. Nathan Real Estate
Industry
Real Estate

Current	Broker and Operating Owner at R.D. Nathan Real Estate, Educator at Alberta Real Estate Association
Past	Real Estate Agent at Re/max Center, Owner/Franchise Operator at S'nice International Ltd.
Education	CCIM Institute, Alberta Real Estate Association

Page 115 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 109

Tariro Nyemba

From: Rob Phillips
Sent: October-07-15 1:21 PM
To: Robert Whittaker
Cc: Kelly Refah; Jodi Morris; Colin Lloyd
Subject: FW: Composition / Appointment Process for the Real Estate Council of Alberta

Robert,

Can you please add this to Colin's meeting file for tomorrow's call with AREA, along with the information I just sent you.

Thanks

Rob



Page 117 redacted for the following reason:
- -
s.17(1)

Tariro Nyemba

From: Linda Monilaws
Sent: October-07-15 3:42 PM
To: Natalie Sigalet
Cc: Colin Lloyd; Robert Whittaker
Subject: RE: Invitation for Tim Grant to speak

Hi Natalie,

Colin Lloyd will be presenting on behalf of Tim Grant. I have also copied Colin and his Executive Assistant on this as well for information.

Thanks.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

From: Natalie Sigalet [mailto:Natalie.Sigalet@hkstrategies.ca]
Sent: Tuesday, October 06, 2015 3:53 PM
To: Linda Monilaws
Subject: RE: Invitation for Tim Grant to speak

Hi Linda,

I wanted to follow up this. Any word on which ADM will be able to attend?

Regards,
Natalie

From: Natalie Sigalet
Sent: Thursday, October 01, 2015 10:21 AM
To: 'Linda Monilaws' <linda.monilaws@gov.ab.ca>
Subject: RE: Invitation for Tim Grant to speak

HI Linda,

Unfortunately we are not able to move the times around – so if Colin Lloyd is able to speak, that would be greatly appreciated. Will Tim be able to attend the MLA reception on November 4th? The reception is at 5:30pm at the Matrix.

Natalie

SA 2017-G-0056 - Page 118

From: Linda Monilaws [mailto:linda.monilaws@gov.ab.ca]
Sent: Wednesday, September 30, 2015 2:31 PM
To: Natalie Sigalet <Natalie.Sigalet@hkstrategies.ca>
Subject: RE: Invitation for Tim Grant to speak

Thank you. Much appreciated.

Linda

From: Natalie Sigalet [mailto:Natalie.Sigalet@hkstrategies.ca]
Sent: Wednesday, September 30, 2015 2:27 PM
To: Linda Monilaws
Subject: Re: Invitation for Tim Grant to speak

Hi Linda,

Let me get back to you...we would be happy with an ADM perhaps Colin Lloyd. I will let you know asap.

Natalie

From: Linda Monilaws
Sent: Wednesday, September 30, 2015 2:25 PM
To: Natalie Sigalet
Subject: FW: Invitation for Tim Grant to speak

Natalie,

Sorry could you please send the response to my email instead of Mr. Grant's. Thanks.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

From: Tim Grant
Sent: Wednesday, September 30, 2015 2:23 PM
To: Natalie Sigalet
Subject: RE: Invitation for Tim Grant to speak

Hi Natalie,

I am following up on this speaking engagement that DM Grant has accepted to do, unfortunately, he now needs to travel to Toronto from November 1-3. He has asked whether this can be deferred to November 4 in the afternoon and if not, he will have someone from our department speak on his behalf.

Let me know what works for you.

Thanks.

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Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

From: Natalie Sigalet [mailto:Natalie.Sigalet@hkstrategies.ca]
Sent: Tuesday, September 29, 2015 10:31 AM
To: Linda Monilaws
Subject: RE: Invitation for Tim Grant to speak

Hi Linda,

Here is the morning agenda for November 3. The DM would be welcome to stay for lunch. All is taking place at the Matrix hotel.

DAY 1
10:00 am – Registration Opens
11:00 am – Welcome (D'Arcy Donald)
11:15 am – Session 1: This is Government (Deputy Minister Tim Grant, Service Alberta)
12:00 pm – Lunch: Doug Griffiths "13 Ways to Kill a Community"

Natalie

From: Linda Monilaws [mailto:linda.monilaws@gov.ab.ca]
Sent: Tuesday, September 29, 2015 10:02 AM
To: Natalie Sigalet <Natalie.Sigalet@hkstrategies.ca>
Subject: RE: Invitation for Tim Grant to speak

Thanks Natalie. Is there an agenda prepared for this of the DMs time limit and the time he is on?

Linda

From: Natalie Sigalet [mailto:Natalie.Sigalet@hkstrategies.ca]
Sent: Monday, September 28, 2015 4:28 PM
To: Linda Monilaws
Subject: RE: Invitation for Tim Grant to speak

Hi Linda,

The conference on November 3 and 4 is an opportunity for members of the Alberta Real Estate Association to get together – learn about government and meet with MLA's regarding various initiatives. There are also several sessions on development and presentations by motivational speakers.

Regards,

Natalie

From: Linda Monilaws [mailto:linda.monilaws@gov.ab.ca]
Sent: Monday, September 28, 2015 10:18 AM
To: Natalie Sigalet <Natalie.Sigalet@hkstrategies.ca>
Subject: FW: Invitation for Tim Grant to speak

Hi Natalie,

Could you provide any further details on this conference to me? I believe you and Amanda had a conference call with Deputy Minister Tim Grant and any further details you could provide to me at this time, would be greatly appreciated.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

From: Natalie Sigalet [mailto:Natalie.Sigalet@hkstrategies.ca]
Sent: Monday, July 13, 2015 10:12 AM
To: Linda Chupka
Subject: Invitation for Tim Grant to speak

Good Afternoon Linda,

The Alberta Real Estate Association is hosting its members in Edmonton November 3 and 4, 2015. During this Government Liaison Days conference, members will be learning about government and meeting with MLA's.

AREA would like to invite Tim Grant, to be the guest speaker at a session on "This is Government". Details are as follows:

Date: November 3, 2015
Time: 11:15am – 12:00pm
Location: Matrix Hotel

Please let me know if you require further information.

Regards,
Natalie

Natalie Sigalet
Senior Consultant

natalie.sigalet@hkstrategies.ca
Dir : +1 780 229 0221
M : +1 587 335 8233

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http://www.hkstrategies.ca



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From: Colin Lloyd
Sent: October-09-15 2:01 PM
To: Rob Phillips; Scott Seymour
Cc: Cheryl Tkalcic; Robert Whittaker; Andrew Dore; Kelly Refah; Sandy Gibson
Subject: RE: AREA briefings and speaking notes: AR 28747

We may not be talking about the same thing. I am attending on behalf of Tim, who had been asked by AREA to present on "This is Government". Andrew Dore is, as I understand, developing information for this presentation. The AR likely refers to AREA's request for the Minister to also give a presentation.

From: Rob Phillips
Sent: Friday, October 09, 2015 1:43 PM
To: Scott Seymour
Cc: Cheryl Tkalcic; Robert Whittaker; Colin Lloyd; Andrew Dore; Kelly Refah; Sandy Gibson
Subject: AREA briefings and speaking notes: AR 28747

Good afternoon Scott,

I understand that you are working on speaking notes for the Minister who was to attend the AREA function on Nov. 4 at the Matrix Hotel. I met with Colin yesterday and he advised that he is now attending on the Minister's behalf. Colin also advised that Andrew Dore is working on some speaking points for this meeting.

There are three recent ARs related to the Minister meeting with AREA. The AR for the speaking notes is 28747. The notes in ARTS says to "Please coordinate with Consumers who are preparing a BN for this meeting". We are not working on a briefing for the Nov. 4 meeting however, in late June Kelly Refah prepared a briefing note and letter to AREA in response to AREA's meeting request with the Minister and invitation to their Nov 4th event. The AR number is 28361. The version in ARTS was paired down from the original version, at the DM's request. I've attached the original for your reference in case some of the content is useful.

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In addition, the Minister has a one on one meeting with AREA on Oct. 20. This morning we completed the briefing for that meeting. A copy is attached and it is found in ARTS in AR 28748. AREA's email said they wanted to discuss social housing with the Minister however Kelly Refah spoke with Brad Mitchell, AREA's Managing Director of Government Relations who advised that the mention of social housing was an error.

Rob Phillips

Tariro Nyemba

From:	Tammy Tkachenko <TTkachenko@areahub.ca>
Sent:	October-09-15 3:22 PM
To:	Kelly Refah; Colin Lloyd; Robert Whittaker
Subject:	Information request - AREA appointments to Real Estate Council of Alberta
Attachments:	FW: AREA Appoints 3 New RECA Council Members

Colin, Robert, and Kelly,

Thank you for connecting regarding the Real Estate Council of Alberta and AREA's appointments.

During our call, you mentioned the receipt of a complaint from a non-AREA industry member practising in the commercial/investment sector. The *Real Estate Act* lays out distinct categories for appointments for the 12 members of the RECA Council. They are as follows:

1. "the Minister shall appoint one member, who must not be an industry member;"

2. "the Alberta Mortgage Brokers' Association (AMBA) shall appoint one member, who must be a mortgage broker;"

3. "the Alberta Real Estate Association (AREA) shall appoint 6 members..." with specific guidance on each appointment. One AREA appointee "must be a real estate broker trading in industrial, commercial and investment real estate and who may or may not be active in property management;"

4. AMBA and AREA board appointees are jointly responsible for appointing two additional members to the RECA Council including an industry member who is **not** a member of AREA and a member from the public.

5. Board members from categories 1-4 appoint two additional board members, including a real estate appraiser and a property manager.

As per the *Real Estate Act*, AREA is only responsible for its own appointments to the RECA board. Non-AREA industry members practicing in the commercial/investment sector have a potential opportunity to serve on the RECA board through category four above.

This appointment occurred or is occurring this year. Bill Buterman's term on the RECA council concludes November 1, 2015. Mr. Buterman fits into the category that we discussed yesterday - "commercial /investment and industrial real estate members that are not AREA members." He is the industry member who is not a member of AREA that is appointed to council. Traditionally, non-AREA member appointments have been filled by commercial and industrial, investment real estate professionals.

The process RECA uses to solicit nominations for this position and other non-AREA appointees is not clearly stated on its website, but perhaps RECA is able to provide details on this process - and where they are in terms of appointing a new member - to Service Alberta.

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We are happy to answer any questions the department or minister may have regarding our appointments. Attached, please find our member email that went out September 18th, 2015 announcing our new appointees. All of our new appointees have robust LinkedIn profiles you may wish to review for further information.

Warm regards,



Ian Burns

Tammy Tkachenko
Managing Director
Alberta Real Estate Association
DL: 403.209.3627 | TF: 1.800.661.0231 | areahub.ca

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Tariro Nyemba

Subject: FW: AREA Appoints 3 New RECA Council Members

Tammy Tkachenko
Managing Director
Alberta Real Estate Association
DL: 403.209.3627 | TF: 1.800.661.0231 | areahub.ca

From: AREA Advisory [mailto:communications@areahub.ca]
Sent: September-18-15 8:39 AM
To: Cheryle Becker <CBecker@areahub.ca>
Subject: AREA Appoints 3 New RECA Council Members

AREA undertook an extensive process to select three new appointees for the 2015-2018 term on the Real Estate Council of Alberta (RECA). The process included engagement with interested members, interviews with potential candidates, and selection by the AREA Board of Directors. Six of the twelve members of RECA are appointed by AREA for three-year terms.

Through this process, AREA received an impressive response of qualified candidates, and the AREA Board of Directors is pleased to announce the appointment of these three AREA members to terms on Council:

- **Ramey Demian**, representing industry members trading in industrial, commercial and investment real estate. Ramey's career spans 15 years of in commercial and residential real estate and he is a highly accredited educator in the commercial field. Ramey has served on a number of RAE committees throughout his career and is heavily involved in charitable works in the Edmonton community.
- **Stan Mills**, representing industry members from real estate boards outside of Edmonton and Calgary. Stan has been a licensed REALTOR® for 35 years, with extensive expertise in both the commercial and residential fields. He has served on both the LDAR and AREA Board of Directors. Stan will be leaving his current position on the AREA Board of Directors to assume his role on Council.
- **Robyn Moser**, representing industry members trading in residential real estate. Robyn has been a REALTOR® in Calgary for 17 years, in that time building and running a successful residential real estate team. She has served on a number of CREB®, AREA, CREA and RECA committees over her career and was recently honored with the CREB® Mentorship Distinction Award.

AREA had a tremendous response from members interested in these positions on Council and would like

to thank all applicants. These three individuals join three other AREA appointees who are in the midst of terms on Council:

- **Brian Klingspon**, representing members of the REALTORS® Association of Edmonton;
- **Angela Kolody**, representing industry members from real estate boards outside of Edmonton and Calgary; and
- **Stan Kushner**, representing members of the Calgary Real Estate Board.

AREA would like to, on behalf of the Alberta Real Estate community, sincerely thank Dale Russell, Chad Griffiths and Kevin Clark, for their time and commitment in these volunteer positions on Council.

These are important appointments for the real estate industry. Though Council members are not representatives of AREA on Council, they are a critical group to keep apprised of themes and trends by maintaining open communication.

AREA looks forward to enhancing our work with the RECA Council to strengthen and enhance the Alberta real estate experience for consumers and you as REALTORS® alike.

For questions on the AREA Council appointments or any AREA Advocacy topics, please contact governmentrelations@areahub.ca or 1.800.661.0231.

You are receiving this mail because you are a member of our Association. If you unsubscribe, you may miss out on critical information.

Alberta Real Estate Association
Suite 300, 4954 Richard Road SW
Calgary, AB T3E 6L1
communications@areahub.ca
www.areahub.ca

Val Taylor

From: Amanda Nielsen <a.nielsen@hotmail.ca>
Sent: Tuesday, October 13, 2015 10:39 AM
To: Rob Phillips; Kelly Refah
Cc: kromanetz@areahub.ca; bmitchell@areahub.ca
Subject: Get Together

This message has been archived. View the original item

Good morning Rob,

Thanks for chatting earlier today. Brad Mitchell, Kerri Romanetz, and I from the Alberta Real Estate Association look forward to meeting with you and Kelly on Thursday, October 15 at 10am at your office (3rd floor Commerce Place).

As per our discussion this morning, this meeting will be to touch base, make introductions, and share ideas informally relating to our upcoming government liaison days and ongoing advocacy efforts.

Please feel free to contact me with any questions or changes.

Warmly,

Amanda

Amanda Nielsen
Government Relations Analyst
Alberta Real Estate Association
Phone: 780.920.5001
Email: a.nielsen@hotmail.ca

Tariro Nyemba

From: Kim Li
Sent: October-13-15 12:11 PM
To: Robert Hardman; Dan Byer; Andrea Seasen
Cc: Robert Whittaker
Subject: FW: AR's due to MCU - Tuesday October 13th
Attachments: AREA briefings and speaking notes: AR 28747

Please note AR28747 is not with us.

Thanks!

Government of Alberta ■ Service Alberta
Kim Li | Administrative Assistant, ADM Office| Consumer Services, Service Alberta
29th Floor, ATB Place South | 10020 - 100 Street NW | Edmonton, AB T5J 0N3
Phone: (780) 644-8493 | Email: kim.li@gov.ab.ca

From: Rob Phillips
Sent: Tuesday, October 13, 2015 12:04 PM
To: Kim Li
Cc: Jodi Morris; Debbie Woywitka
Subject: RE: AR's due to MCU - Tuesday October 13th

Thanks.

28747 is not with us. See the attached email on this one that I sent on Friday.

Rob

From: Kim Li
Sent: Tuesday, October 13, 2015 11:58 AM
To: Rob Phillips; Debbie Woywitka; Darlene Decker; Chris Hunt; Naina Jairath; Rick Edel; George Yates; Douglas Simpson; Jeff Crozier; Ann MacKay-Drobot
Cc: Robert Whittaker
Subject: FW: AR's due to MCU - Tuesday October 13th

[redacted]

28747 Alberta Real Estate Association (AREA) - Speaking Notes for Minister - Nov 4 (**Consumer Services - CS/Communications**)

[redacted]

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From: Robert Hardman
Sent: Tuesday, October 13, 2015 10:22 AM
To: Chris Calvert; Chris Patry; DI Nugent; Jhoanna Quilala; Kim Li; Leslie Majeau; Margot Meyers; Robert Whittaker; Sandy Hart; Sunea Corry; Verna Basdeo
Cc: Andrea Seasen; Andrew Dore; Dan Byer; Sandy Gibson
Subject: AR's due to MCU - Tuesday October 13th

Hi Everyone,



28747 Alberta Real Estate Association (AREA) - Speaking Notes for Minister - Nov 4 (**Consumer Services/Communications**)



Robert Hardman BSc(Hon), BA(Hon)
ARTS Coordinator, MCU
Policy and Strategic Partnerships
Service Alberta
Telus House At ATB Place, Twenty Nineth Floor
10020 - 100 Street
Edmonton, AB T5J 0N3
Tel: 780-644-8747

Tariro Nyemba

From: Rob Phillips
Sent: October-09-15 1:43 PM
To: Scott Seymour
Cc: Cheryl Tkalcic; Robert Whittaker; Colin Lloyd; Andrew Dore; Kelly Refah; Sandy Gibson
Subject: AREA briefings and speaking notes: AR 28747
Attachments: Minister Briefing - AREA Meeting Request July 2015.doc; Minister's Meeting Briefing Note.doc

Good afternoon Scott,

I understand that you are working on speaking notes for the Minister who was to attend the AREA function on Nov. 4 at the Matrix Hotel. I met with Colin yesterday and he advised that he is now attending on the Minister's behalf. Colin also advised that Andrew Dore is working on some speaking points for this meeting.

There are three recent ARs related to the Minister meeting with AREA. The AR for the speaking notes is 28747. The notes in ARTS says to "Please coordinate with Consumers who are preparing a BN for this meeting". We are not working on a briefing for the Nov. 4 meeting however, in late June Kelly Refah prepared a briefing note and letter to AREA in response to AREA's meeting request with the Minister and invitation to their Nov 4th event. The AR number is 28361. The version in ARTS was paired down from the original version, at the DM's request. I've attached the original for your reference in case some of the content is useful.

In addition, the Minister has a one on one meeting with AREA on Oct. 20. This morning we completed the briefing for that meeting. A copy is attached and it is found in ARTS in AR 28748. AREA's email said they wanted to discuss social housing with the Minister however Kelly Refah spoke with Brad Mitchell, AREA's Managing Director of Government Relations who advised that the mention of social housing was an error.

Rob Phillips

Alberta Service Alberta

☐ Minister
☐ CS
☐ File

ADVICE TO THE MINISTER

Invitation and Meeting Request from Alberta Real Estate Association

ISSUE:

- The Alberta Real Estate Association (AREA) has requested a meeting with the Minister and has invited the Minister to an MLA reception on November 4, 2015.
- Topics of interest to AREA may include the real estate licensing education program, the *Condominium Property Act* (CPA) amendments and the *Real Estate Act* (REA) review.

BACKGROUND:

- AREA represents the interests of 10 regional real estate boards across Alberta, and more than 10,000 Alberta real estate brokers and associates. It has heavy representation on the Council of the Real Estate Council of Alberta (RECA) and advocates on its own behalf directly with government (see attached list of current issues).
- AREA members make up 90 per cent of real estate licensees and approximately 70 per cent of total licences that RECA issues as the regulator.

Real Estate Education Program

- There is conflict between AREA and RECA regarding RECA's takeover of real estate licensing education for real estate brokers in Alberta.
- RECA and AREA made a joint announcement in 2010 that RECA would take over delivery of all 6 licensing courses for real estate professionals by the end of 2011. The transition process took longer than anticipated by both RECA and AREA for a number of reasons. Two courses remain to be transferred to RECA.
- AREA's current position is that RECA has taken too long to take over the training obligations, should take ownership of this issue and take over the 2 remaining courses now. It declared in May 2015 that it would not offer the 2 remaining courses to new licence applicants effective June 1, 2015.
- Service Alberta recommends the Minister encourage AREA to continue dialogue with RECA on this issue.

REA Amendments

- The REA amendments are tentatively scheduled for fall 2016.
- RECA sent its recommendations for changes to the REA to Service Alberta in April 2013. Stakeholder submissions, including AREA's recommendations for changes, were included in RECA's package.

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- AREA has requested that Service Alberta engage in broader consultation on the REA, taking into consideration issues beyond the scope of RECA's consultation paper and stakeholder engagement sessions.
- Service Alberta is committed to including AREA is its consultations prior to making the amendments.

CPA Amendments

- Bill 9 passed in the Legislature in December 2014. The Bill is the result of extensive consultation aimed at improving consumer protection and supporting sustainable growth of Alberta's condominium industry.
- The amendments will see enhanced purchase disclosures and developer accountability; efficiencies in board governance; better access to dispute resolution; and minimum skills and standards of practice for condominium managers.
- Before the amendments in Bill 9 can be proclaimed, supporting regulations must be developed to clarify the changes and set out the operational details of the new regulatory requirements.
- AREA has been a strong advocate of the CPA amendments and participated in all consultations undertaken by Service Alberta to date. Most recently, members of AREA attended the May 28, 2015 stakeholder meeting on new condominiums and developer obligations. At the meeting, AREA members expressed support for the proposals and provided a written submission containing suggestions to clarify and streamline the rules.

PREVIOUS MEETINGS/CORRESPONDENCE:

- Colin Lloyd met with AREA representatives on May 4, 2015
- Ian Burns, CEO of AREA, sent follow-up email to Colin Lloyd on May 06, 2015

RECOMMENDED OPTION/ACTION:

- It is recommended that the Minister meet with AREA representatives to discuss Alberta's real estate industry and issues of importance to AREA.

ATTACHMENTS:

- List of AREA advocacy issues

_____

Honourable Deron Bilous, Minister

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ADVICE TO THE MINISTER

Alberta Real Estate Association Meeting with Minister

MEETING DATE:	October 20, 2015
TIME:	3:00 pm
LOCATION:	(Location)
ATTENDEES:	Brad Mitchell, Managing Director, Finance and Government Relations
	Ian Burns, CEO of Alberta Real Estate Association
	Bill Briggs, CREA Regional Director
	Tim Grant, Deputy Minister, Service Alberta
	Colin Lloyd, Assistant Deputy Minister, Service Alberta

ISSUE:

- The Alberta Real Estate Association (AREA) is requesting a meeting with the Minister.
- AREA's key topics of discussion include the *Condominium Property Act* (CPA) regulation development, the Land Titles Spatial Information System (SPIN 2), and potential land transfer taxes or fees associated with real estate transactions.

KEY MESSAGES:

- Service Alberta completed development of phase one policy recommendations for regulations regarding enhanced protection for purchasers and government enforcement powers in the CPA.
- A draft copy of the phase one regulations was posted on the Service Alberta website along with a survey, and will be available for public input during October.
- I encourage AREA to promote the survey to its members to maximize the input of real estate professionals.
- The Spin2 system is available after regular business hours as follows:
  - Monday to Friday - 7:00 am to 9:00 pm
  - Saturday - 7:00 am to 6:00 pm
  - Sunday - 12 noon to 5:00 pm
- Municipal Affairs will keep AREA apprised of developments on the City Charter Initiative.

BACKGROUND:

- AREA represents the interests of 10 regional real estate boards across Alberta, and more than 10,000 Alberta real estate brokers and associates. It has considerable representation

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on the Council of the Real Estate Council of Alberta and advocates on its own behalf directly with government.

- AREA members make up 90 per cent of real estate licensees and approximately 70 per cent of total licences that RECA issues as the regulator.

Condominium Regulation Development

- AREA actively participated in Service Alberta consultations on the CPA, including the Working Committee (2009 -2011), task team meetings in fall 2013, and more recently, the stakeholder meeting held on May 24, 2015 to discuss proposed regulations for improving protection for new condominium buyers.
- AREA has a strong interest in the CPA revisions and welcomes the opportunity to work cooperatively with Service Alberta and other stakeholders to address condominium issues in a manner that protects the public's interests.
- Key issues of importance for AREA are:
  - Timely access of condominium documents during a real estate transaction;
  - Elimination or reduction of fees charged for condominium documents;
  - Strong compliance and enforcement protocols to enhance consumer protection, including affordable, effective alternative mechanisms to the courts for handling disputes/remedies and;
  - Enhanced rules to ensure condominium corporations maintain healthy reserve funds
  - Bill 9 will be gradually phased-in together with supporting regulations. Under the Phase 1 amendments, new buyers will receive more information at the time of purchase and have clear remedies when condos are not completed on time or as promised. As well, new enforcement provisions will enable government to investigate and enforce offences under the Act.
  - Reserve funds and document administration and costs will be dealt with as part of Governance, in Phase 2. The condominium dispute tribunal will be addressed in the fourth and final Phase of the project.

Land Titles SPIN 2 System

- REALTORS frequently access the SPIN 2 system to retrieve title information and other documents registered against land or property during the course of a transaction.
- AREA had expressed a concern that SPIN 2 is only accessible by realtors until 5:00 pm and would like to see the SPIN 2 operating hours extended into evening hours. The SPIN 2 system is already available for public use during extended business hours.
- Alberta Registries is in the early stages of a multi-year redevelopment process to replace the Land Titles system, ALTA (SPIN 2), to address aging mainframe technology, data access constraints and personal privacy management issues.

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- One objective of the ALTA renewal program is to update the SPIN 2 system in such a way that it becomes available for use 24/7; however, due to the complexity of this project, it will take some time to implement this change.
- Aligned with earlier releases of SPIN 2, the new Online Document Search and an enhanced automated survey plan registration process; the ALTA 2 System will provide a range of new business service options including secure online submission of documents for registration by accredited parties, and possible adjustments to system operating hours.

Land Transfer Tax or fees

- AREA is concerned about the prospect of new land transfer taxes or fees being instituted by municipal authorities as a potential new revenue source.
- This issue falls under Phase Three of the City Charter Initiative, currently being led by Municipal Affairs in collaboration with the Cities of Edmonton and Calgary.
- Phase Three will see the creation of a cross-ministry task force including Calgary and Edmonton representatives in late November 2015. The team will work on a fiscal framework for City Charters until March 2016, based on the roles and responsibilities defined in the previous phases. At that time, Municipal Affairs will take into consideration the scope and limitations of the task force prior to launching this work. Aspects of the fiscal framework, such as land transfer fees, will be considered at that time.

PREVIOUS MEETINGS/CORRESPONDENCE:

- Colin Lloyd met with AREA representatives on May 4, 2015
- Ian Burns, CEO of AREA, sent follow-up email to Colin Lloyd on May 06, 2015

RECOMMENDED OPTION/ACTION:

- It is recommended that the Minister meet with AREA representatives to discuss Alberta's real estate industry and issues of importance to AREA.

MINISTER APPROVAL:

_____

Honourable Deron Bilous, Minister

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Tariro Nyemba

From: Colin Lloyd
Sent: October-13-15 5:42 PM
To: Tammy Tkachenko
Subject: Re: Information request - AREA appointments to Real Estate Council of Alberta
Attachments: image002.jpg

Thanks - all good!

Colin

Sent from my iPhone

On Oct 13, 2015, at 5:35 PM, Tammy Tkachenko <TTkachenko@areahub.ca> wrote:

> Hello Colin,
>
> To confirm, I was not on the call, but was tasked with sending the response on Ian's behalf as I was in the office on Friday afternoon and able to push send. My apologies as I included Ian's signature but neglected to copy Ian on the response nor did I provide any clarification around the response coming from me. My apologies for the confusion.
>
> Perhaps it was all the anticipation for the Thanksgiving festivities. Hope you enjoyed your weekend.
>
> Regards,
> Tammy
>
> **Tammy Tkachenko**
> *Managing Director*
> **Alberta Real Estate Association**
> DL: 403.209.3627 | TF: 1.800.661.0231 | areahub.ca
>
> **From:** Colin Lloyd [mailto:Colin.Lloyd@gov.ab.ca]
> **Sent:** October-13-15 5:12 PM
> **To:** Tammy Tkachenko <TTkachenko@areahub.ca>
> **Subject:** RE: Information request - AREA appointments to Real Estate Council of Alberta
>
> Tammy,
>
> Thanks for this. The call in fact was between me, Ian Burns and Rob Phillips. I wasn't aware you were on the call, but no matter. I am grateful for the information anyway.
>
> Regards,
>
> Colin

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From: Tammy Tkachenko [mailto:TTkachenko@areahub.ca]
Sent: Friday, October 09, 2015 3:22 PM
To: Kelly Refah; Colin Lloyd; Robert Whittaker
Subject: Information request - AREA appointments to Real Estate Council of Alberta



Page 141 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 126-127

Closed

ACTION REQUEST COVERSHEET
Service Alberta

Due Date: Oct 6, 2015
Due to MCU: Oct 8, 2015
Due to ADMO:
Extended Due Date: Oct 13, 2015

AR Number: 28748
Logged By: MO
Priority Level: Normal
Received Date: Sep 23, 2015

AR References: 28361, 28411, 28747
Assigned To: 04 CS-ADMO
Subject: Minister meeting with Alberta Real Estate Association (AREA) - Oct 20
Action Requested: Briefing for Minister
Correspondent: Amanda Nielsen
Constituency: David Shepherd (NDP), Edmonton-Centre

	Name and Phone Number		Initials and Date
Approved by ADM:	Colin Lloyd	780-427-2300	Oct 6/15
Edited by MCU:	Dan Byer		Oct. 9/15 AS.
Approved by ED PSP:	Andrew Dore	780-422-0265	Oct 9/15
Approved by DM CoS:	Linda Chupka	780-422-6174	Oct. 9/2015
Approved by DM:	Tim Grant	780-415-4954	
Approved by MO CoS:	Nathaniel Smith	780-427-3744	9/10/15

File Number:

Comments: Prepare a BN on the following items Land Titles, Condo Regulations and Social Housing that AREA is planning to discuss with Minister during the meeting on Oct 20. See attachments for list of attendees and additional information on what AREA will be touching on a few issues, including the Condominium Property Act and the Land Titles system. In addition, they will give an overview of their upcoming government liaison days conference in Edmonton.
Advised Robert W of additional information.
Telephone message left with Kim at 12:32pm regarding the status of this AR as it was due to the MCU by 12pm on Thursday Oct 8.
AREA confirmed three issues to be discussed with Minister: Condominium Property Regulation, Land Titles SPIN 2 System and Land Transfer Taxes. Social Housing is not on the agenda for the meeting.

Additional Notes:

Alberta Service Alberta

☐ Minister
☐ CS
☐ File

ADVICE TO THE MINISTER

Alberta Real Estate Association (AREA) Meeting with the Minister

MEETING DATE: October 20, 2015

TIME: 3:00 p.m.

ATTENDEES: Ian Burns, Chief Executive Officer, AREA
Brad Mitchell, Managing Director, Finance and Government Relations
Bill Briggs, Regional Director, Canadian Real Estate Association
Honourable Deron Bilous, Minister of Service Alberta
Tim Grant, Deputy Minister, Service Alberta (Tentative)
Colin Lloyd, Assistant Deputy Minister, Consumer Services

ISSUE:

- AREA is meeting with the Minister to discuss the *Condominium Property Act* (CPA), regulation development, the Land Titles Spatial Information System (SPIN 2), and potential land transfer taxes or fees associated with real estate transactions.

KEY MESSAGES:

- Service Alberta completed development of phase one policy recommendations for regulations under the CPA. Phase one includes enhanced protection for purchasers as well as government investigation and enforcement powers.
- A draft copy of the phase one regulations will be posted on the Service Alberta website along with a survey, and will be available for public input during October 2015.
- I encourage AREA to promote the survey to its members to maximize the input of real estate professionals.
- Regarding extended availability of the SPIN 2 system, I can confirm that this service is already available after regular business hours, including evenings and weekends.
- With respect to potential land transfer taxes or fees, Municipal Affairs will keep AREA apprised of developments regarding the City Charter Initiative.

BACKGROUND:

- AREA represents the interests of 10 regional real estate boards across Alberta, and more than 10,000 Alberta real estate brokers and associates. It has considerable representation on the Real Estate Council of Alberta (RECA) and advocates on its own behalf directly with government.
- AREA members make up 90 per cent of real estate licensees and approximately 70 per cent of total licences that RECA issues as the industry regulator.

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Condominium Regulation Development

- AREA actively participated in Service Alberta consultations on the CPA, including the Working Committee (2009-11), task team meetings in fall 2013, and more recently, the stakeholder meeting held on May 24, 2015 to discuss proposed regulations for improving protection for new condominium buyers.
- AREA has a strong interest in the CPA revisions, and welcomes the opportunity to work cooperatively with Service Alberta and other stakeholders to address condominium issues in a manner that protects the public's interests.
- Key issues of importance to AREA are:
  - timely access of condominium documents during a real estate transaction;
  - elimination or reduction of fees charged for condominium documents;
  - strong compliance and enforcement protocols to enhance consumer protection, including affordable and effective alternative mechanisms to the courts for handling disputes/remedies; and
  - enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- Bill 9 will be gradually phased-in, along with supporting regulations. Under the phase one amendments, new buyers will receive more information at the time of purchase and have clear remedies when condominiums are not completed on time or as promised. In addition, new enforcement provisions will enable government to investigate and enforce offences under the Act.
- Reserve funds and document administration costs will be dealt with as part of governance in phase two. The condominium dispute tribunal will be addressed in the fourth and final phase of the project.

SPIN 2 System

- Realtors frequently access the SPIN 2 system during the course of a transaction to retrieve title information and other documents registered against land or property.
- AREA had expressed concern that SPIN 2 is only accessible by realtors until 5:00 p.m. and they would like to see the SPIN 2 operating hours extended into evening hours. However, the SPIN 2 system is already available for public use during evenings and weekends.
  - Monday to Friday – 7:00 a.m. to 9:00 p.m.
  - Saturday – 7:00 a.m. to 6:00 p.m.
  - Sunday – 12:00 p.m. to 5:00 p.m.
- Registries Division is in the early stages of a multi-year redevelopment process to replace the Alberta Land Titles system (ALTA). This will address aging mainframe technology, data access constraints and privacy management issues.
- One objective of the ALTA renewal program is to update the SPIN 2 system in such a way that it becomes available for use 24 hours per day, seven days per week; however, due to the complexity of this project it will take time to implement this change.

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- Aligned with earlier releases of SPIN 2, the new Online Document Search and an enhanced automated survey plan registration process, the ALTA 2 System will provide a range of new business service options, including secure online submission of documents for registration by accredited parties and possible adjustments to system operating hours.

Land Transfer Taxes or Fees

- A land transfer tax is typically paid to the provincial government when a land sale transaction closes. Land transfer tax is normally based on the amount paid for the land, in addition to the amount remaining on any mortgage or debt assumed as part of the arrangement to buy the land.
- Only two provinces do not currently have a land transfer tax – Alberta and Saskatchewan. The City of Toronto also charges a municipal land transfer tax in addition to the provincial tax.
- AREA is concerned about the prospect of new land transfer taxes or fees being instituted by municipalities as a potential new revenue source. AREA supports the status quo.
- The Government of Alberta, the City of Calgary, and the City of Edmonton are working collaboratively to develop city charters. This work is divided into three phases: Phase I addresses matters between the cities and Municipal Affairs; Phase II addressres matters between the cities, Municipal Affairs and other provincial ministries; and Phase III is new fiscal framework for the cities to ensure effective implementation of roles and responsibilities identified in the first two phases.
- Potential new revenue sources for the cities will be explored in Phase III. Phase III discussions have not begun, and no decisions have been made thus far.
- A Phase III task team with provincial and city representatives will be formed to begin developing a draft fiscal framework in late November 2015. This work will continue until March 2016.
- The public and stakeholders will be engaged on all phases of city charters, including the fiscal framework.

PREVIOUS MEETINGS/CORRESPONDENCE:

- Colin Lloyd met with AREA representatives on May 4, 2015.
- Ian Burns, Chief Executive Officer of AREA, sent a follow-up email to Colin Lloyd on May 6, 2015.

FUTURE MEETINGS:

- The Minister will be speaking at the AREA MLA Reception on November 4, 2015 (AR 28747).

MINISTER APPROVAL:

_____

Hon. Deron Bilous, Minister

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Deborah Mason

From: Amanda Nielsen <Amanda.Nielsen@hkstrategies.ca>
Sent: Monday, September 21, 2015 9:34 AM
To: Deborah Mason
Cc: Patricia Tiamiyu
Subject: RE: AREA Reception

Confirmed! This meeting works for us.

Thanks Deborah.

Amanda

From: Deborah Mason [mailto:deborah.mason@gov.ab.ca]
Sent: Friday, September 18, 2015 2:31 PM
To: Amanda Nielsen
Cc: Patricia Tiamiyu
Subject: RE: AREA Reception

Hi Amanda,
Hope all is well with you.
My apologies, I forgot that Session starts on October 26, and we have to change the AREA meeting from November 4 to October 20 @ 3:00 pm.
Will this work?

Thank you so much!

Have a nice day
Deborah

Deborah Mason
Administrative Assistant for Hon. Doron Bilous
Minister of Municipal Affairs
Minister of Service Alberta
Room 204 Legislature Building,
10080 – 97 Avenue NW, Edmonton, AB T5K 2B6
Phone: 780-427-3744
Deborah.mason@gov.ab.ca

From: Amanda Nielsen [mailto:Amanda.Nielsen@hkstrategies.ca]
Sent: Wednesday, September 16, 2015 11:10 AM
To: Deborah Mason
Cc: Patricia Tiamiyu
Subject: RE: AREA Reception

Fantastic.

I will confirm the attendees by mid-October. I'm going to try and match it up so at least one meeting attendee is one of Minister's constituents as well. ☺

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Warmly,

Amanda

From: Deborah Mason [mailto:deborah.mason@gov.ab.ca]
Sent: Wednesday, September 16, 2015 10:44 AM
To: Amanda Nielsen
Cc: Patricia Tiamiyu
Subject: RE: AREA Reception

Hi Amanda,
Thank you for your email.
Nice talking to you.
Can you please send the names of those from AREA that will be meeting with the Minister on Nov. 3.
The meeting will be in Room 210, Legislature Building.

Have a nice day
Deborah

Deborah Mason
Administrative Assistant for Hon. Deron Bilous
Minister of Municipal Affairs
Minister of Service Alberta
Room 204 Legislature Building,
10080 – 97 Avenue NW, Edmonton, AB T5K 2B6
Phone: 780-427-3744
Deborah.mason@gov.ab.ca

From: Amanda Nielsen [mailto:Amanda.Nielsen@hkstrategies.ca]
Sent: Wednesday, September 16, 2015 10:04 AM
To: Deborah Mason
Cc: Patricia Tiamiyu
Subject: RE: AREA Reception

Hi Deborah (and Patricia),

We have confirmed November 3, 1:30pm at Minister's office in the Legislature for a meeting with AREA and Minister Bilous, and confirmed that Minister can speak at AREA's November 4 reception (5:30-8pm) at the Matrix Hotel, with Minister speaking around 6pm.

During our meeting with Minister Bilous, we hope to discuss issues such as land titles, condo regulations, and social housing. At the reception, we hope he can bring greetings on behalf of the Government of Alberta, discuss his portfolios, and take about the important role of business/real estate in the province. MLA Drew Barnes, who worked in real estate for 26 years, will also provide some remarks at the reception (non-partisan and focused on role of business community).

Finally, just for your reference, MLA Lorne Dach will introduce AREA delegates in the Alberta legislature on November 4. MLA Dach has over 20 years of experience as REALTOR™ and has been a great supporter of our organization.

Thanks so much, Deborah! We appreciate it!

Warmly,

Amanda

From: Patricia Tiamiyu [mailto:Patricia.Tiamiyu@gov.ab.ca]
Sent: Wednesday, September 16, 2015 7:29 AM
To: Amanda Nielsen
Cc: Deborah Mason
Subject: RE: AREA Reception

Hello Amanda, I am currently on vacation and have asked my colleague Deborah Mason to contact you to scheduled a meeting with the Minister prior to the November 4 reception.
She will be in touch with you shortly.
Patricia

From: Amanda Nielsen [mailto:Amanda.Nielsen@hkstrategies.ca]
Sent: Tuesday, September 15, 2015 2:47 PM
To: Patricia Tiamiyu
Subject: RE: AREA Reception

Hi Patricia,

Hope this note finds you well.

Just following up on the note below.

Is Minister Bilous able to meet with AREA in November, and speak at their reception on November 4?

Many thanks!

Warmly,

Amanda

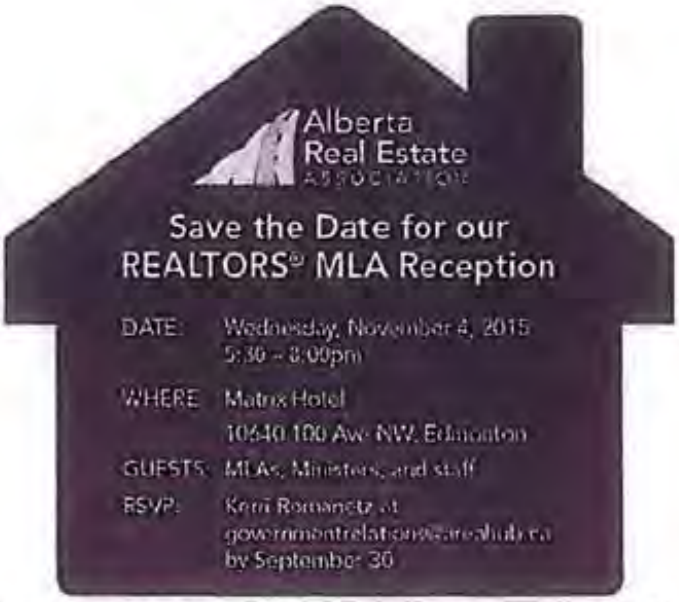
From: Amanda Nielsen
Sent: Saturday, September 05, 2015 5:33 PM
To: 'patricia.tiamiyu@gov.ab.ca'
Subject: AREA Reception

Hi Patricia,

I hope this note finds you well.

This is a quick note to follow up on an invitation to Minister Bilous to attend a reception on November 4 at the Matrix Hotel.

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Over 70 Alberta REALTORS™ from across the province and the Edmonton-area will be in attendance. REALTORS™ are regulated through Service Alberta, and have an interest in numerous Municipal Affairs issues as well.

We hope Minister Bilous might be able to say a few words and bring greetings on behalf of the Government of Alberta, and we hope he can talk a bit about government's priorities in his portfolios particularly. **Is Minister and his Chief of Staff able to attend?**

Additionally, we are hoping Minister Bilous can meet with AREA representatives for one hour on November 3 or 4 when they will be in town to connect with government. AREA representatives will be having numerous meetings with MLAs on these days, and will be introduced in the legislature on November 4 by MLA Lorne Dach, himself a former REALTOR™.

Thanks Patricia! I look forward to hearing from you regarding Minister's availability to attend the reception on November 4, and also his availability for a meeting on November 3 or 4.

Hope you're having a lovely long weekend.

Warmly,

Amanda

Amanda Nielsen
Consultant

amanda.nielsen@hkstrategies.ca
Dir: +1 780 229 0214
M: +1 780 920 5001

HILL+KNOWLTON
STRATEGIES

Hill+Knowlton Strategies
Suite 2104, Bell Tower, 10104 103 Avenue
Edmonton, Alberta, T5J 0H8 Canada
http://www.hkstrategies.ca

Deborah Mason

From: Natalie Sigalet <Natalie.Sigalet@hkstrategies.ca>
Sent: Tuesday, October 06, 2015 4:08 PM
To: Deborah Mason
Subject: RE: October 20 meeting with AREA

Brad Mitchell: Managing Director, Finance and Government Relations
Ian Burns: AREA CEO
Bill Briggs: CREA Regional Director

From: Deborah Mason [mailto:deborah.mason@gov.ab.ca]
Sent: Tuesday, October 06, 2015 4:02 PM
To: Natalie Sigalet <Natalie.Sigalet@hkstrategies.ca>; Patricia Tiamiyu <Patricia.Tiamiyu@gov.ab.ca>
Cc: Patricia Tiamiyu <Patricia.Tiamiyu@gov.ab.ca>
Subject: RE: October 20 meeting with AREA

Hi Natalie,
Thank you for the list of names, greatly appreciated.
Just wondering if I could also get their titles.

Thank you

Have a nice day
Deborah

Deborah Mason
Administrative Assistant for Hon. Deron Bilous
Minister of Municipal Affairs
Minister of Service Alberta
Room 204 Legislature Building,
10080 – 97 Avenue NW, Edmonton, AB T5K 2B6
Phone: 780-427-3744
Deborah.mason@gov.ab.ca

From: Natalie Sigalet [mailto:Natalie.Sigalet@hkstrategies.ca]
Sent: Tuesday, October 06, 2015 3:22 PM
To: Patricia Tiamiyu
Cc: Deborah Mason
Subject: October 20 meeting with AREA

Good Afternoon,

I wanted to follow up with you regarding the meeting with Minister Bilous and AREA on October 20th. Attending from AREA will be: Brad Mitchell, Ian Burns and Bill Briggs. They will be touching on a few issues, including the *Condominium Property Act* and the Land Titles system. In addition, they will give an overview of their upcoming government liaison days conference in Edmonton.

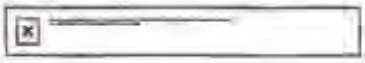
If you have any questions, please let me know!

Regards,

Natalie

Natalie Sigalet
Senior Consultant

natalie.sigalet@hkstrategies.ca
Dir : +1 780 229 0821
M : +1 587 335 8233



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http://www.hkstrategies.ca



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Dhanandjay Goboodun

From: Cheryl Tkalcic
Sent: Tuesday, October 13, 2015 11:03 AM
To: Andrea Seasen
Cc: Sandy Gibson
Subject: RE: Review of Key Messages

Good to go – apologies for the delay.
Thanks,
Cheryl

Cheryl Tkalcic
Assistant Director, Communications Branch
Service Alberta

780-415-8344 (desk)
s.17(1) (cell)

From: Andrea Seasen
Sent: Friday, October 09, 2015 1:44 PM
To: Cheryl Tkalcic
Cc: Sandy Gibson
Subject: Review of Key Messages
Importance: High

Hi Cheryl,

I reviewed 2 meeting BN's today and it looks like neither of them have had Comms review of the Key Messages. Would you mind taking a quick look at the attached BN's and let me know if any revisions are necessary to the content?

Sorry for the rush, but these are both due to the MO on Tuesday.

Thank you.

Andrea Seasen
Senior Writer/Editor
Ministerial Correspondence Unit
Service Alberta
Phone: 780-427-7918

Dhanandjay Goboodun

From: Rob Phillips
Sent: Friday, October 09, 2015 9:34 AM
To: Debbie Woywitka; Robert Hardman
Cc: Kelly Refah; Kim Li
Subject: RE: AR 28748 - New Version - Minister's Meeting Briefing Note

Robert,

The changed portions related to the Land Titles SPIN 2 system and were based on new information received at end of day last night.

Rob

From: Debbie Woywitka
Sent: Friday, October 09, 2015 9:31 AM
To: Robert Hardman
Cc: Rob Phillips; Kelly Refah; Kim Li
Subject: AR 28748 - New Version - Minister's Meeting Briefing Note
Importance: High

Hi Robert, as discussed with you earlier this morning, please find attached an updated version of the Minister's Meeting Briefing Note. Please upload the updated version of the briefing into ARTS. Thanks.

Debbie Woywitka
Service Alberta
Consumer Services Programs
Phone: ((780) 422-7845
Fax: (780) 427-3033
E-Mail: debbie.woywitka@gov.ab.ca.

ACTION REQUEST COVERSHEET
Service Alberta

Due Date:	**Oct 6, 2015**	**AR Number:**	**28748**
Due to MCU:	**Oct 8, 2015**	**Logged By:**	**MO**
Due to ADMO:		**Priority Level:**	**Normal**
Extended Due Date:	**Oct 13, 2015**	**Received Date:**	**Sep 23, 2015**

AR References: 28361, 28411, 28747
Assigned To: **04 CS-ADMO**
Subject: **Minister meeting with Alberta Real Estate Association (AREA) - Oct 20**
Action Requested: Briefing for Minister
Correspondent: Amanda Nielsen
Constituency: David Shepherd (NDP), Edmonton-Centre

	Name and Phone Number		Initials and Date
Approved by ADM:	Colin Lloyd	780-427-2300	
Edited by MCU:			
Approved by ED PSP:	Andrew Dore	780-422-0265	
Approved by DM CoS:	Linda Chupka	780-422-6174	
Approved by DM:	Tim Grant	780-415-4954	
Approved by MO CoS:	Nathaniel Smith	780-427-3744	

File Number:

Comments: Prepare a BN on the following items Land Titles, Condo Regulations and Social Housing that AREA is planning to discuss with Minister during the meeting on Oct 20. See attachments for list of attendees and additional information on what AREA will be touching on a few issues, including the Condominium Property Act and the Land Titles system. In addition, they will give an overview of their upcoming government liaison days conference in Edmonton.
Advised Robert W of additional information.
Telephone message left with Kim at 12:32pm regarding the status of this AR as it was due to the MCU by 12pm on Thursday Oct 8.
AREA confirmed three issues to be discussed with Minister: Condominium Property Regulation, Land Titles SPIN 2 System and Land Transfer Taxes. Social Housing is not on the agenda for the meeting.

Additional Notes:

Val Taylor

From: Rob Phillips
Sent: Wednesday, October 14, 2015 7:48 AM
To: Jodi Morris
Cc: Kelly Refah
Subject: FW: Information request - AREA appointments to Real Estate Council of Alberta

I think we should have mentioned this other category in the recent letter that was prepared. I am going to see where it is in the system.

Rob

From: Colin Lloyd
Sent: Tuesday, October 13, 2015 5:13 PM
To: Rob Phillips
Cc: Robert Whittaker; Kelly Refah
Subject: FW: Information request - AREA appointments to Real Estate Council of Alberta

FYI

From: Colin Lloyd
Sent: Tuesday, October 13, 2015 5:12 PM
To: 'Tammy Tkachenko'
Subject: RE: Information request - AREA appointments to Real Estate Council of Alberta

Tammy,

Thanks for this. The call in fact was between me, Ian Burns and Rob Phillips. I wasn't aware you were on the call, but no matter. I am grateful for the information anyway.

Regards,

Colin

From: Tammy Tkachenko [mailto:TTkachenko@areahub.ca]
Sent: Friday, October 09, 2015 3:22 PM
To: Kelly Refah; Colin Lloyd; Robert Whittaker
Subject: Information request - AREA appointments to Real Estate Council of Alberta

Duplicate to pages 126-127

Page 156 redacted for the following reason:
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Duplicate to pages 126-127

Tariro Nyemba

From: Scott Seymour
Sent: October-14-15 12:11 PM
To: Colin Lloyd; Rob Phillips
Cc: Robert Whittaker; George Yates; Kelly Refah; Beth Jenkins; Cheryl Tkalcic
Subject: Minister speaking notes for AREA event
Attachments: SPE_MIN_AREA meeting Nov4.doc

Hi Colin and Rob...
Attached is a draft of speaking notes for the Minister to use at the MLA reception with the Alberta Real Estate Association on Nov. 4. These were due to the DM's office yesterday but we got an extension to **today**. In light of that tight timeline, I hope you don't mind me combing two approval-steps into one by asking both of you (and others on this email, if appropriate) to review.

Rob helped me out by providing two BNs his program area put together for two upcoming meetings with AREA – one for the Oct. 20 meeting that AREA has requested with the Minister; the other for the Nov. 4 event.

However, I stuck largely with the items recommended for discussion in the Nov. 4 BN... namely the CPA, the amendments to the REA and the real estate licensing education program. I didn't touch the Land Titles SPIN-2 or land transfer taxes/fees that you plan to cover in the Oct. 20 meeting.

Please let me know if this speech covers the ground you feel needs to be covered on Nov. 4, and if there are any other changes to be made.

Thanks! My apologies for the short turnaround on this.

Scott

Alberta Government
Scott Seymour
Public Affairs Officer| Communications | Service Alberta
Telus Plaza South Tower | 10020 - 100 Street | T5J 2N1
T: 780-422-8811| scott.seymour@gov.ab.ca

Speaking Notes

Honourable Deron Bilous
Minister, Service Alberta

Alberta Real Estate Association – MLA reception

November 4, 2015

- Hello and thank you, everyone.
- I appreciate having the opportunity to speak with you today.
- I'm proud to bring greetings from Premier Rachel Notley and the Government of Alberta.
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- In our view, you do so much more than sell houses or properties. You help us build communities.

- For one thing, you're the Welcome Wagon.

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- Buying a home is one of the biggest purchases most Albertans will make in a lifetime.

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- There are so many benefits to meeting that goal, but one of them is a province where Alberta-owned businesses provide Albertans with good, high-skill, mortgage-paying jobs.

- In other words, we want our economy to be able to provide people with the kinds of jobs that allow them to purchase and own a home.

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- When they can afford to do that, it's good to know that there are professional realtors out there who can guide them through the process of settling down roots.

Condominium Property Act regulations

- Many new Albertans are buying homes and many of them are choosing to buy condominiums.
- Condos are increasingly proving to be a desirable option for many Albertans – including families, seniors and those new to the province.
- Roughly a quarter of homes sold each year in Alberta are condos and, in Edmonton and Calgary alone, about one in three homes is a condo.
- That means many of our large communities are building "up" and not just "out."

SA 2017-G-0056 - Page 162

- In our view, responsible, well-planned condominium development is an effective way of promoting sustainable communities and avoiding unnecessary urban sprawl.

- Even more importantly, condominiums are an affordable housing option.

- As your government, it's our job to help make sure condos are a good and safe investment for buyers and owners.

- It's also our job to ensure those who build and operate condominiums know their responsibilities.

- As you know, Service Alberta undertook an extensive review of the Condo Act with the goal of modernizing it to reflect the realities of today's condo industry and marketplace.

- We've been working with key stakeholders to draft supporting regulations that are responsive, fair and

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consistent with both the *Condominium Property Amendment Act* and our government's plans to strengthen consumer protection.

- This fall, we completed the first phase of regulations that support the amendments passed a year ago.

- These regulations are aimed at enhancing protection for buyers as well as the government enforcement powers.

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- For those of you who participated in that survey, thanks for taking time.

- Also, I want to thank AREA for all of the stakeholder work you've done with the Condo Act over the years – some of it dating all the way back to 2009.

SA 2017-G-0056 - Page 164

- You have been a strong advocate for the amendments to the Condo Act and we thank you for that.

- Please make sure watch out for future announcements on the next phases of regulations, which will include repair and maintenance obligations, corporation government, reserve funds, condo management, and dispute resolution.

Real estate licensing education

- As you know, the regulations covering condo management training and certification are being put together by the Real Estate Council of Alberta.

- I know that you've also been working with RECA on its takeover of real estate licensing education for real estate brokers.

- I know that the transition has taken longer than both RECA and AREA expected.

SA 2017-G-0056 - Page 165

- However, I encourage you to continue the dialogue with RECA on this issue.

- I know that RECA and AREA have many common connections and we're confident that you can work together to solve this issue to the benefit of real estate professionals and, ultimately, those home buyers we consider to be so vitally important.

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- You've asked us to engage in a broader consultation on the Real Estate Act.

- Our promise to you is that AREA will be included in further consultations on these amendments before they're passed.

Conclusion

- Once again, thank you for inviting me to come to your event today.

- I hope you can see how the Government of Alberta is working hard to bring forth changes that not only help the buyers and sellers of home, but also the people who help them do that. People like you.

- Thank you very much.

SA 2017-G-0056 - Page 167

DRAFT

Tariro Nyemba

From: Natalie Sigalet <Natalie.Sigalet@hkstrategies.ca>
Sent: October-14-15 12:34 PM
To: Robert Whittaker
Subject: Re: Get Together

Hey...just talked to them, no need to meet with them.

From: Natalie Sigalet
Sent: Wednesday, October 14, 2015 9:56 AM
To: Robert Whittaker
Subject: Re: Get Together

I am not....they know I was meeting with you. Amanda left H+K recently and moved to AREA. I am seeing them this morning. I don't think it is necessary for you to meet with all of them.

From: Robert Whittaker
Sent: Wednesday, October 14, 2015 9:55 AM
To: Natalie Sigalet
Subject: FW: Get Together

Are you aware of this?

I don't think I'll have time tomorrow other than the quick coffee with you.

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumers
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3

From: Amanda Nielsen [mailto:a.nielsen@hotmail.ca]
Sent: Tuesday, October 13, 2015 9:41 AM
To: Robert Whittaker
Subject: Get Together

Good morning Robert,

I hope this note finds you well. I tried calling you a moment ago, but it looks like you might be out.

Brad, Kerri, and I will be in Edmonton on October 15, and we are wondering if we can grab breakfast, lunch, or a coffee with you. The purpose of this meeting will be to touch base informally, build relationships, and share some of our plans regarding our upcoming Government Liaison Days on November 3 and 4.

Any chance you are free?

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Many thanks, Robert!

Warmly,

Amanda

Amanda Nielsen
Government Relations Analyst
Alberta Real Estate Association
This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

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From: Colin Lloyd
Sent: October-14-15 1:05 PM
To: Scott Seymour; 'Rob Phillips (rob.phillips@gov.ab.ca)'
Cc: Robert Whittaker; George Yates; Kelly Refah; Beth Jenkins; Cheryl Tkalcic
Subject: SPE_MIN_AREA meeting Nov4

Scott,

My input.

Colin

Speaking Notes

Honourable Deron Bilous
Minister, Service Alberta

Alberta Real Estate Association – MLA reception

November 4, 2015

- Hello and thank you, everyone.
- I appreciate having the opportunity to speak with you today.
- I'm proud to bring greetings from Premier Rachel Notley and the Government of Alberta.
- This year has been a busy one for us and we're right in the middle of one of our busiest times – the fall session at the Legislature.
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- In fact, in many ways, you do a lot of work **for** us because of how close you work with everyday Albertans.

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- In our view, you do so much more than sell houses or properties. You help us build communities.

- For one thing, you're the Welcome Wagon.

- Realtors are often the first people whom newcomers to our province meet and conduct business with as they secure places for their families to live.

- You are the front-line liaisons for consumers for many of our programs, services and legislation related to building, buying, or renting a house or condominium.

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- Buying a home is one of the biggest purchases most Albertans will make in a lifetime.

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- When they can afford to do that, it's good to know that there are professional realtors out there who can guide them through the process of settling down roots.

Condominium Property Act regulations

- Many new Albertans are buying homes and many of them are choosing to buy condominiums.
- Condos are increasingly ~~proving to be~~ a desirable option for many Albertans – including families, seniors and those new to the province.
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- That means many of our large communities are building "up" and not just "out."

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- In our view, responsible, well-planned condominium development is an effective way of promoting sustainable communities and avoiding unnecessary urban sprawl.

- Even more importantly, condominiums are an affordable housing option.

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- You've asked us to engage in a broader consultation on the Real Estate Act.

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Conclusion

- Once again, thank you for inviting me to come to your event today.

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- Thank you very much.

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DRAFT

Tariro Nyemba

From: George Yates
Sent: October-14-15 1:23 PM
To: Scott Seymour
Cc: Colin Lloyd; Robert Whittaker; Rob Phillips; Kelly Refah; Beth Jenkins; Cheryl Tkalcic
Subject: FW: Minister speaking notes for AREA event
Attachments: SPE_MIN_AREA meeting Nov4.doc

Hi Scott, I had a few suggestions.

George Yates, Director of Consumer Programs and Fair Trading
Service Alberta 780-422-8179

Consumer Tips: Gift cards–Just like giving cash.
KNOWLEDGE IS THE DIFFERENCE! Find us on Facebook !
Be the change - There are no spectators

From: Scott Seymour
Sent: Wednesday, October 14, 2015 12:11 PM
To: Colin Lloyd; Rob Phillips
Cc: Robert Whittaker; George Yates; Kelly Refah; Beth Jenkins; Cheryl Tkalcic
Subject: Minister speaking notes for AREA event

Duplicate to page 16

Speaking Notes

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Minister, Service Alberta

Alberta Real Estate Association – MLA reception

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SA 2017-G-0056 - Page 186

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SA 2017-G-0056 - Page 187

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SA 2017-G-0056 - Page 188

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SA 2017-G-0056 - Page 189

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SA 2017-G-0056 - Page 192

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DRAFT

Tariro Nyemba

From: Scott Seymour
Sent: October-14-15 1:32 PM
To: George Yates
Cc: Colin Lloyd; Robert Whittaker; Rob Phillips; Kelly Refah; Beth Jenkins; Cheryl Tkalcic
Subject: RE: Minister speaking notes for AREA event

Hi George and Colin...
Thanks for sending your edits. Good catches, all.
We'll now upload this version to ARTS for review by the DM's office. I can imagine that it will likely go through at least one more edit by the time the Minister has a printed version in his hands, but I think we've covered the "broad strokes."
Thanks again.
Scott

From: George Yates
Sent: Wednesday, October 14, 2015 1:23 PM
To: Scott Seymour
Cc: Colin Lloyd; Robert Whittaker; Rob Phillips; Kelly Refah; Beth Jenkins; Cheryl Tkalcic
Subject: FW: Minister speaking notes for AREA event

Continued to page 197

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Page 197 redacted for the following reason:
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Duplicate to page 183



-----Original Message-----
From: Colin Lloyd
Sent: October-14-15 9:13 PM
To: Rob Phillips
Subject: Re: AREA meeting

Was that when the phone went dead...

Sent from my iPhone

> On Oct 14, 2015, at 9:07 PM, Rob Phillips <rob.phillips@gov.ab.ca> wrote:
>
> Colin,
>
> I was thinking about the AREA conference call and I think I know what might have bothered Ian.
>
> At one point in the call Ian was critical of RECA for not giving them adequate notice of the need to make their appointments. I asked Ian if AREA would not have known well in advance of the need to re- appoint their members as the 3 year term is well known to AREA.
>
> Rob
>
>
> Consumer Services
> (780) 422-8177 Phone
> s.17(1) Cell
> Sent from my BlackBerry
>



From: Colin Lloyd
Sent: October-16-15 12:19 PM
To: Scott Seymour
Cc: Cheryl Tkalcic; Robert Whittaker
Subject: Re: SPE_MIN_AREA meeting Nov4

Agreed

Sent from my iPhone

On Oct 16, 2015, at 12:07 PM, Scott Seymour <Scott.Seymour@gov.ab.ca> wrote:

> Hi Colin...
> Rob Phillips has advised me to remove any mention of the topic of Real Estate Broker Education from the Minister's speech for the AREA event on Nov. 4. Sounds like this is still a very contentious issue between AREA and RECA and is best covered in a meeting, rather than an MLA reception.
>
> We'll be re-uploading the speech to ARTS later today. Just a heads up in case you needed to know.
>
> Scott
>
> ---
>
> **From:** Colin Lloyd
> **Sent:** Wednesday, October 14, 2015 2:14 PM
> **To:** Kelly Refah; Scott Seymour
> **Cc:** Rob Phillips; George Yates; Beth Jenkins; Cheryl Tkalcic; Robert Whittaker
> **Subject:** RE: SPE_MIN_AREA meeting Nov4

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Good input.

From: Kelly Refah
Sent: Wednesday, October 14, 2015 1:55 PM
To: Scott Seymour
Cc: Colin Lloyd; Rob Phillips; George Yates; Beth Jenkins; Cheryl Tkalcic; Robert Whittaker
Subject: FW: SPE_MIN_AREA meeting Nov4

Scott, I've added my suggestions to Colin's.

Kelly

From: Colin Lloyd
Sent: Wednesday, October 14, 2015 1:05 PM
To: Scott Seymour; Rob Phillips
Cc: Robert Whittaker; George Yates; Kelly Refah; Beth Jenkins; Cheryl Tkalcic
Subject: SPE_MIN_AREA meeting Nov4

Document is on page 171

Val Taylor

From: Rob Phillips
Sent: Friday, October 16, 2015 12:57 PM
To: Kelly Refah; Jodi Morris
Cc: George Yates
Subject: RE: AREA Oct. 20 meeting with the Minister

Good point, they did mention that and I will add it in

From: Kelly Refah
Sent: Friday, October 16, 2015 12:34 PM
To: Jodi Morris; Rob Phillips
Cc: George Yates
Subject: RE: AREA Oct. 20 meeting with the Minister

Looks good Rob. I don't know if this is worth mentioning but AREA also expressed concern over the consortium of mixed sectors (mortgage broker, property management, appraisal) on Council, and the influence of these other sectors on the practice of real estate brokers. I got the impression AREA would like to see greater representation of REALTORS on Council or a separation between real estate professionals and these other sectors.

Kelly

From: Jodi Morris
Sent: Friday, October 16, 2015 12:00 PM
To: Rob Phillips; Kelly Refah
Cc: George Yates
Subject: RE: AREA Oct. 20 meeting with the Minister

Rob,

I think you have accurately described the main points of our discussion with AREA.

Jodi Morris
Director of Residential Tenancies/
Director of Co-operatives
Service Alberta
Market and Industry Standards
Telephone: (780) 415-2186
Fax: (780) 427-3033
Email: jodi.morris@gov.ab.ca
Website: www.servicealberta.ca

From: Rob Phillips
Sent: Friday, October 16, 2015 11:53 AM
To: Kelly Refah; Jodi Morris
Cc: George Yates
Subject: AREA Oct. 20 meeting with the Minister

Can you please review and edit my draft message below with a focus on our meeting with AREA.

DRAFT

Colin,

You mentioned you may be briefing the Minister next week in advance of AREA's meeting with the Minister.

Attached is a copy of the briefing for the meeting (AR 28748) as well as a copy of AREA's June 2015 submission on the CPA amendments.

When we met with Brad Mitchell and Amanda Nielsen from AREA on Oct. 15 they confirmed their three main issues, as outlined in the briefing note;

(1) CPA amendments (access to documents, reduce or eliminate document fees, strong compliance, healthy reserve funds)
(2) Expanding Spin 2 hours of operation
(3) Opposed to a land transfer tax which AREA feels hits low income consumers the hardest, will lead to fewer real estate transactions and make it more difficult for first time buyers to qualify for lending

AREA also expressed concerns with industry's relationship with RECA. In the coming year AREA and their Council appointments will be seeking;

(1) Greater and more open communication between RECA and industry
(2) Posting of all RECA Council meeting agendas and minutes (other than items which should remain confidential)
(3) Returning to the practice of RECA holding an AGM, where industry members can ask questions
(4) Revisiting the original intent of RECA and whether " regulation creep" in terms of forms and training has eroded AREA's role

Rob

<< File: 1856126.doc >> << File: 2015_10_15_08_16_22.pdf >>

Val Taylor

From: Rob Phillips
Sent: Friday, October 16, 2015 2:35 PM
To: Colin Lloyd
Cc: Robert Whittaker; Kelly Refah; Jodi Morris; George Yates
Subject: AREA Oct. 20 meeting with the Minister

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(4) Revisiting the original intent of RECA and whether " regulation creep" in terms of forms and training has eroded AREA's role
(5) AREA also expressed concern over the consortium of mixed sectors (mortgage broker, property management, appraisal) on Council, and the influence of these other sectors on the practice of real estate brokers. We got the impression AREA would like to see greater representation of REALTORS on Council as they are the majority of regulated members or a separation between real estate professionals and these other sectors. This suggestion would require an amendment to section 6 of the Real Estate act and is likely to be strongly opposed by

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mortgage brokers, property managers and appraisers as AREA already appoints six of the twelve Council members and has input on four additional members.

Brad Mitchell made several comments during the meeting that we could not support including:

(1) "Consumers should not have to use a lawyer when purchasing a condominium as long as they use a realtor."
(2) "Prior to the creation of RECA, AREA was the regulator and RECA took over for AREA." This statement is inaccurate. Although AREA delivered training courses and sat on a joint licensing committee, they were not the regulator. Staff from the then department of Consumer and Corporate Affairs processed realtors exams and pre-licensing screening, investigated complaints, audited trust accounts and took enforcement actions. All of these functions transferred to RECA in 1996.

Rob Phillips



Tariro Nyemba

From: Colin Lloyd
Sent: October-16-15 3:26 PM
To: Rob Phillips
Cc: Robert Whittaker
Subject: Re: AREA meeting

Thanks. This will be very useful.

Sent from my iPhone

On Oct 16, 2015, at 12:55 PM, Rob Phillips <rob.phillips@gov.ab.ca> wrote:

> working on a meeting overview for end of day which may be useful if you are briefing the Minister
>
> ---
>
> **From:** Colin Lloyd
> **Sent:** Friday, October 16, 2015 12:52 PM
> **To:** Rob Phillips; Robert Whittaker
> **Cc:** Kelly Refah; Jodi Morris
> **Subject:** RE: AREA meeting
>
> Noted, thanks Rob.
>
> **From:** Rob Phillips
> **Sent:** Friday, October 16, 2015 10:13 AM
> **To:** Colin Lloyd <Colin.Lloyd@gov.ab.ca>; Robert Whittaker <Robert.Whittaker@gov.ab.ca>
> **Cc:** Kelly Refah <Kelly.Refah@gov.ab.ca>; Jodi Morris <Jodi.Morris@gov.ab.ca>
> **Subject:** FW: AREA meeting
>
> Note this morning from Brad Mitchell at AREA.
>
> Rob
>
> ---
>
> **From:** Brad Mitchell [mailto:BMitchell@areahub.ca]
> **Sent:** Friday, October 16, 2015 10:11 AM
> **To:** Rob Phillips
> **Subject:** Re: AREA meeting
>
> Thanks Rob, great meeting with you. Thanks for spending so much time with us and allowing us to provide AREA's perspective. We look forward to regular meetings going forward.
>
> Sent from my iPhone
>
> On Oct 16, 2015, at 8:23 AM, Rob Phillips <rob.phillips@gov.ab.ca> wrote:
>
> > Good morning Brad,
> >
> > It was good to meet you and to hear AREA's perspective on the Alberta real estate marketplace.

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One of your business cards you provided me with had a hand written note on the back. Not sure if you need this information which reads;

" Monday 10:30 calgary.lougheed@assembly.ab.ca"

All the best.

Rob Phillips
Executive Director
Consumer Services
Phone (780) 422-8177 / Fax (780) 427-3033
Mobile [redacted]
www.servicealberta.ca

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Tariro Nyemba

From: Colin Lloyd
Sent: October-19-15 8:30 AM
To: Tim Grant
Cc: Linda Chupka
Subject: FW: AREA Meeting - SPIN2

Tim,

I am running this to ground – it's in Ed's shop.

Colin

From: Colin Lloyd
Sent: Monday, October 19, 2015 8:17 AM
To: Nathaniel Smith
Cc: Tim Grant
Subject: RE: AREA Meeting - SPIN2

Nat,

I'll find the answer for this and get back to you.

Colin

From: Nathaniel Smith
Sent: Monday, October 19, 2015 8:16 AM
To: Colin Lloyd
Cc: Tim Grant
Subject: AREA Meeting - SPIN2

Hi Colin,

Curious if you could provide some clarification for me on SPIN2.

If SPIN2 is available to the public (I assume at Registry Offices) how come it cannot be made available during those extended hours to real estate agents (who I assume access it online)?

My question, I guess, is why is there two different access categories and associated access times?

Nat

Nathaniel Smith
Chief of Staff to the Hon. Deron Bilous
Minister of Municipal Affairs
Minister of Service Alberta
Phone: 780-427-3744
Email: nathaniel.smith@gov.ab.ca

Tariro Nyemba

From: Colin Lloyd
Sent: October-19-15 9:06 AM
To: Nathaniel Smith
Cc: Tim Grant; Linda Chupka
Subject: RE: AREA Meeting - SPIN2

Hello Nat,

SPIN 2 is available as follows:

Monday to Friday - 7:00 am to 9:00 pm
Saturday - 7:00 am to 6:00 pm
Sunday - 12 noon to 5:00 pm

These hours, which are posted to the Spin 2 website, are exactly the same for all who require access. Anyone can access from anywhere in the world via the internet.

Ed's staff tell me the intent is to move to 24 hours access, but this is contingent upon the ALTA2 renewal project. I will ask Ed for some specifics on the development and roll out of this initiative and update you.

Please let me know if you have any other questions.

Colin

Sent: Monday, October 19, 2015 8:16 AM
To: Colin Lloyd
Cc: Tim Grant
Subject: AREA Meeting - SPIN2



Val Taylor

From: Rob Phillips
Sent: Monday, October 19, 2015 10:01 AM
To: Kelly Refah
Cc: Jodi Morris
Subject: RE: Ramey Demian

Agree. I already pulled it back. need to connect with Colin about our approach to AREA. He is dealing with [redacted]

Rob

From: Kelly Refah
Sent: Monday, October 19, 2015 9:13 AM
To: Rob Phillips
Cc: Jodi Morris
Subject: RE: Ramey Demian

Thanks Rob. As you point out, Mr. Demian's Linkedin profile states that he presently holds the CCIM designation. His profile goes on to say that "he is one of the highest accredited educators in Commercial Real Estate." Can this be true if he's not even an active member of the CCIM?

Should we pull back the AR and revisit Mr. Demain's appointment with AREA in light of this discovery?

https://www.linkedin.com/in/rameydemian

Kelly

From: Rob Phillips
Sent: Monday, October 19, 2015 8:47 AM
To: Robert Whittaker; Colin Lloyd
Cc: Jodi Morris; Kelly Refah
Subject: FW: Ramey Demian
Importance: High

CONFIDENTIAL

Robert,

Can you please halt the letter and email in ARs 28811 and 28833. On Saturday I received information from RECA that suggests that AREA's appointment, Ramey Demian is not a member of the CCMI as stated by AREA and on DEMIAN's website.

Rob

I spoke with [redacted] with the CCIM Institute and she has confirmed that Ramey Demian is not currently an active member. He last held an active CCIM designation in [redacted]

I have also requested an email from the CCIM institute for written confirmation. Depending on whether the phone call suffices or if you require written confirmation today, I can continue to follow up with that today until I hear back if necessary.

Misuse of the Designation

If any former designee continues to use the CCIM logo and/or trademark for which they are no longer entitled, the Institute may exercise some or all of the following actions:

1. Submit a cease-and-desist letter
2. Refer former member's violation to Professional Standards and Grievance Committee of the local and/or state REALTOR® Association for a possible Code of Ethics violation
3. Refer violation to former member's state licensing authority for possible violation of respective state's licensing laws and rules
4. Initiate a legal action in Court of Competent Jurisdiction for possible trademark infringement and judgment

The individual, company, or organization shall cease and desist using the CCIM logo or letters upon notice by the CCIM Institute. Further, the Institute reserves the right to initiate a lawsuit to enforce these provisions. The CCIM Institute will notify state and local real estate boards concerning a licensee violation of the CCIM logo by a student, candidate, or designee of the CCIM Institute. Report designation misuse to misuse@ccim.com.

Loss of the Designation

CCIM designees lose the designation when they cease to maintain their member status. In addition, the Institute may suspend or terminate an individual for cause and/or criminal and other unlawful activity (Institute Bylaws111.8).

Thanks again,

http://www.ccim.com/membership/guidelines-use-ccim-designation

This webpage states the following:

Upon receiving the CCIM designation, a designee has the right to use and identify themselves as a CCIM and partake of the member services provided by the Institute so long as they remain a "member in good standing" in accordance with the policies and procedures as established by the Institute and the Board of Directors, **including being current in payment of all financial obligations to the Institute.**

In the **event a designee voluntarily** or involuntarily is **no longer a member in good standing** of the Institute, they **must immediately cease** from the following:

May no longer use the CCIM logo or **identify themselves as a CCIM in any public or private manner such as:**

- Business cards
- Corporate letterhead
- Display advertisements
- **Electronic communications (websites, email, portals, etc.)**
- Client proposals
- Internal or external communications
- Personal resumes

Tariro Nyemba

From: Colin Lloyd
Sent: October-19-15 10:39 AM
To: Curtis Woollard
Cc: Ed Ryan
Subject: RE: AREA Meeting - SPIN2

Thanks Curtis.

From: Curtis Woollard
Sent: Monday, October 19, 2015 10:29 AM
To: Colin Lloyd
Cc: Ed Ryan
Subject: RE: AREA Meeting - SPIN2

Hi Colin,

I just wanted to confirm with you that this answer from Donna Lodenquai is sufficient.

With respect to the 24/7 access issue, our plan is to be live with that service by the Fall of 2016.

Thanks!

Curtis Woollard

From: Rob Phillips
Sent: Monday, October 19, 2015 8:36 AM
To: Colin Lloyd; Curtis Woollard
Cc: Ed Ryan; Robert Whittaker; Kelly Refah
Subject: RE: AREA Meeting - SPIN2
Importance: High

Curtis,

See note below that Donna provided to Kelly Refah when we were preparing this briefing.

The briefing found in AR 28748 does not mention Registry Agents.

Rob Phillips

From: Donna Lodenquai
Sent: Thursday, October 08, 2015 4:12 PM
To: Kelly Refah
Cc: Dennis Mudryk
Subject: RE: Question regarding Spin 2 System

Kelly

Sorry I don't recall speaking to a Brad Mitchell and if so I would not have told him that SPIN2 shuts down at 5:00

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I would have told him as posted on our website the SPIN2 hours of operations are as such

SPIN 2 Hours of Availability
Monday to Friday - 7:00 am to 9:00 pm
Saturday - 7:00 am to 6:00 pm
Sunday - 12 noon to 5:00 pm

The ALTA system which processes registration of titles, documents etc. is a mainframe system that is in operation since 1988 which requires time to run, its various, batch jobs for billing, various programs for data base backup and external interface exchanges. Due to the fact that the titles generated from ALTA to SPIN2 are done in real time, and because the accuracy of titles generated from SPIN2 is guaranteed by Land Titles, SPIN2 has been designed to work in Sync with ALTA, therefore to ensure that only accurate data is passed to SPIN2 and to our customers failsafe was implemented to keep ALTA and SPIN2 them working in sync therefore when ALTA is down of if the Timestamp falls behind, SPIN2 shuts down.
As we speak we are currently in an ALTA2 renewal program and once ALTA2 is implemented the goal is to move SPIN2 to 24/7, unfortunately due to the complexity of this legacy mainframe system and the 150 documents and the screen that accommodate these documents and the financial piece it will take us some time to get to where we need to be.

Thank You for Choosing SPIN2

Donna Lodenquai

From: Colin Lloyd
Sent: Monday, October 19, 2015 8:29 AM
To: Curtis Woollard
Cc: Ed Ryan; Rob Phillips; Robert Whittaker
Subject: FW: AREA Meeting - SPIN2

Hello Curtis,

Please see the question from Minister's Chief of Staff below. I would appreciate an answer ASAP.

Thanks.

Colin

From: Colin Lloyd
Sent: Monday, October 19, 2015 8:19 AM
To: 'Rob Phillips (rob.phillips@gov.ab.ca)'; Ed Ryan
Cc: Robert Whittaker
Subject: FW: AREA Meeting - SPIN2

Please see Nat's question below. I am not sure what times he is referring to. Can you provide me with an answer for him and some background?

Thanks.

Colin

From: Nathaniel Smith
Sent: Monday, October 19, 2015 8:16 AM
To: Colin Lloyd
Cc: Tim Grant
Subject: AREA Meeting - SPIN2



Tariro Nyemba

From: Colin Lloyd
Sent: October-19-15 12:38 PM
To: Cheryl Naundorf
Cc: Robert Whittaker; Andrew Dore; Trevor Bergen; Claudette Dunsing
Subject: RE: AREA Presentation - November 2015

Thank Cheryl

I appreciate this and will review shortly.

Colin

From: Cheryl Naundorf
Sent: Monday, October 19, 2015 10:59 AM
To: Colin Lloyd
Cc: Robert Whittaker; Andrew Dore; Trevor Bergen; Claudette Dunsing
Subject: AREA Presentation - November 2015

Hi Colin,

I understand that you will now be making the presentation to AREA in November on the key players in the policy process – as well as a high level overview of how that process works. Please find attached a draft presentation and speaking notes for your review and comment.

Please let us know if there are any changes you would like made.

Thanks,

Cheryl

Tariro Nyemba

From: Rob Phillips
Sent: October-19-15 1:30 PM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: Thanks for chatting

Colin,

I would like to chat with you about this invite from AREA that Kelly, Jodi and I received. This event seems more for MLAs and Ministers, rather than line staff.

Are you and or our DM attending?

Rob

From: Amanda Nielsen [mailto:a.nielsen@hotmail.ca]
Sent: Friday, October 16, 2015 10:22 PM
To: Rob Phillips
Cc: 'kromanetz@areahub.ca'; 'bmitchell@areahub.ca'; Jodi Morris; Kelly Refah
Subject: Thanks for chatting

Rob, Kelly, and Jodi,

A quick note to say thanks so much for taking time to chat with Brad and I this week. We appreciated the conversation, and the opportunity to share our perspective on condo regulations, the land titles system, land transfer taxes, and industry relationships. We will be sure to forward you a copy of our final advocacy document once it is available.

As discussed, we would be delighted to have you join us for our MLA Reception on November 4 from 5:30-7:30pm at the Matrix Hotel in Edmonton. Service Alberta Minister Deron Bilous will be delivering remarks, and over 60 of our members from across the province will be in attendance. Are you able to join us?

Thanks again for chatting and for your work to ensure the real estate industry is as effective as possible. We look forward to regular, collaborative conversations in the future.

Hope you all have a wonderful weekend!

Warmly,

Amanda

Amanda Nielsen
Phone: 780.920.5001
Email: a.nielsen@hotmail.ca

From: rob.phillips@gov.ab.ca
To: a.nielsen@hotmail.ca
CC: kromanetz@areahub.ca; bmitchell@areahub.ca; Jodi.Morris@gov.ab.ca; Kelly.Refah@gov.ab.ca
Subject: RE: Get Together
Date: Tue, 13 Oct 2015 17:49:36 +0000

Thanks Amanda,

We look forward to the discussion. Kelly Refah and Jodi Morris will be joining me. We will meet in boardroom 3C, 3rd floor Commerce Place (10155 – 102 st.)

If your plans change I can be reached by cell phone at s.17(1)

Rob Phillips
Executive Director
Consumer Services
Phone (780) 422-8177 / Fax (780) 427-3033
Mobile s.17(1)
www.servicealberta.ca

From: Amanda Nielsen [mailto:a.nielsen@hotmail.ca]
Sent: Tuesday, October 13, 2015 10:39 AM
To: Rob Phillips; Kelly Refah
Cc: kromanetz@areahub.ca; bmitchell@areahub.ca
Subject: Get Together

Good morning Rob,

Thanks for chatting earlier today. Brad Mitchell, Kerri Romanetz, and I from the Alberta Real Estate Association look forward to meeting with you and Kelly on **Thursday, October 15 at 10am** at your office (3rd floor Commerce Place).

As per our discussion this morning, this meeting will be to touch base, make introductions, and share ideas informally relating to our upcoming government liaison days and ongoing advocacy efforts.

Please feel free to contact me with any questions or changes.

Warmly,

Amanda

Amanda Nielsen
Government Relations Analyst
Alberta Real Estate Association
Phone: 780.920.5001
Email: a.nielsen@hotmail.ca

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Pages 218 through 220 redacted for the following reasons:
- -
s.16(1), s.17(1), s.20(1)(a), s.24(1)(a)

Val Taylor

From: Jodi Morris
Sent: Monday, October 19, 2015 3:41 PM
To: Rob Phillips
Subject: FW: Update on the status AREA RECA Board appointment review

Here is the email.

Jodi Morris
Director of Residential Tenancies/
Director of Co-operatives
Service Alberta
Market and Industry Standards
Telephone: (780) 415-2186
Fax: (780) 427-3033
Email: jodi.morris@gov.ab.ca
Website: www.servicealberta.ca

From: Mark Seville
Sent: Tuesday, September 29, 2015 2:53 PM
To: Rob Phillips
Cc: Jodi Morris; George Yates
Subject: FW: Update on the status AREA RECA Board appointment review

Jodi provided this summary of the info about Mr. Demian.

From: Jodi Morris
Sent: Tuesday, September 29, 2015 11:34 AM
To: Mark Seville
Subject: RE: Update on the status AREA RECA Board appointment review

Good. Here's a little summary as well:

- New proposed council members are not listed on AREA's website
- Appears the realtor is a CCIM – Certified Commercial Investment Member. CCIM is a recognized expert in the disciplines of commercial and investment real estate. The designation is awarded by CCIM Institute.
- His LinkedIn and Re/max sites indicate: Respected by both his peers and his clients, Ramey Demian has established himself as a powerful force in the Residential and **Commercial Real Estate industry**. With over 15 years of experience in both Commercial and Residential real estate, Ramey has hundreds of closed deals under his belt. His dedication, one-on-one attention, open communication, honesty, and loyalty to Clients has helped Ramey grow into one of the top real estate agents in Alberta. Ramey Demian is also a real estate broker, leading a team of professional real estate agents at his firm, R.D. Nathan. Furthermore, he is one of the highest accredited educators in Commercial Real Estate. Specialties: Specialty Real Estate Sales, Luxury Homes, Income producing properties, Real Estate Loans, Real Estate Development, Relocation Needs, Short Sale, Foreclosures, Real Estate Owner, Management, Property Consulting, Educator.

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Ramey Demian
Owner/broker at R.D. Nathan Real Estate
industry
Real Estate

Current	Broker and Operating Owner at R.D. Nathan Real Estate, Educator at Alberta Real Estate Association
Past	Real Estate Agent at Re/max Center, Owner/Franchise Operator at S'nice International Ltd.
Education	CCIM Institute, Alberta Real Estate Association

RE/MAX Search Results | RE/MAX of Western Canada - Windows Internet Explorer

http://www.remax-western.ca/rsearch/agent/all

File Edit View Favorites Tools Help

Favorites FTA MHSTA RTA CS Resource Manual Google MyAGent SABAS PABLC

RE/MAX Search Results | RE/MAX of Western Can...

Find: ram Previous Next Options

Agent Profile

RE/MAX



Ramey Demian

RE/MAX REAL ESTATE
(EDMONTON) (R0620357)

Each Office Independently Owned and Operated

2761 Hewes Way
Edmonton AB T6L 6N5
Canada

Email This Agent

Title Owner
Year Joined 20(
License Type S
Year Licensed 2

From: Mark Seville
Sent: Tuesday, September 29, 2015 10:40 AM
To: Jodi Morris
Subject: RE: Update on the status AREA RECA Board appointment review

Fyi, I found the papers on your desk and gave Rob a copy of the printouts.

From: Jodi Morris
Sent: Tuesday, September 29, 2015 10:31 AM
To: Rob Phillips
Cc: Mark Seville
Subject: RE: Update on the status AREA RECA Board appointment review

Good thanks.

From: Rob Phillips
Sent: Tuesday, September 29, 2015 10:31 AM
To: Jodi Morris
Cc: Mark Seville
Subject: RE: Update on the status AREA RECA Board appointment review

Mark and I just spoke and I am jammed. Bumped it to tomorrow.

Rob

From: Jodi Morris
Sent: Tuesday, September 29, 2015 10:30 AM
To: Rob Phillips
Cc: Mark Seville
Subject: RE: Update on the status AREA RECA Board appointment review

I gave some info to Mark. However could join by phone. My number is [redacted]

From: Rob Phillips
Sent: Tuesday, September 29, 2015 10:29 AM
To: Jodi Morris
Subject: RE: Update on the status AREA RECA Board appointment review

Thanks. Were you missing the 10:30 meeting or joining us by phone?

Rob

From: Jodi Morris
Sent: Tuesday, September 29, 2015 10:28 AM

To: Rob Phillips
Subject: RE: Update on the status AREA RECA Board appointment review

No 

From: Rob Phillips
Sent: Tuesday, September 29, 2015 10:28 AM
To: Jodi Morris
Subject: RE: Update on the status AREA RECA Board appointment review

Are you in today?

Rob

-----Original Appointment-----
From: Jodi Morris
Sent: Tuesday, September 29, 2015 10:27 AM
To: Rob Phillips
Subject: Accepted: Update on the status AREA RECA Board appointment review
When: Wednesday, September 30, 2015 2:30 PM-3:00 PM (UTC-07:00) Mountain Time (US & Canada).
Where: 3C

Pages 227 through 228 redacted for the following reasons:
- -
s.16(1), s.17(1), s.20(1)(a), s.24(1)(a)

Val Taylor

From: Rob Phillips
Sent: Tuesday, October 20, 2015 12:01 PM
To: 'Amanda Nielsen'
Cc: 'kromanetz@areahub.ca'; 'bmitchell@areahub.ca'; Jodi Morris; Kelly Refah
Subject: RE: Thanks for chatting

Good morning Amanda,

We appreciate the invitation to AREA's Nov. 4 Reception. We feel it best that we not attend as this event seems to be intended for your board, staff and industry members to meet with MLAs.
There will be future events and meetings where Consumer Services staff will be able to interact with AREA staff and members, including the upcoming RECA sessions.

We look forward to further discussions with you as the year progresses and when we start work on the review of the Real Estate Act.

All the best.

Rob Phillips
Executive Director
Consumer Services
Phone (780) 422-8177 / Fax (780) 427-3033
Mobile [redacted]
www.servicealberta.ca

From: Amanda Nielsen [mailto:a.nielsen@hotmail.ca]
Sent: Friday, October 16, 2015 10:22 PM
To: Rob Phillips
Cc: 'kromanetz@areahub.ca'; 'bmitchell@areahub.ca'; Jodi Morris; Kelly Refah
Subject: Thanks for chatting

Rob, Kelly, and Jodi,

A quick note to say thanks so much for taking time to chat with Brad and I this week. We appreciated the conversation, and the opportunity to share our perspective on condo regulations, the land titles system, land transfer taxes, and industry relationships. We will be sure to forward you a copy of our final advocacy document once it is available.

As discussed, we would be delighted to have you join us for our MLA Reception on November 4 from 5:30-7:30pm at the Matrix Hotel in Edmonton. Service Alberta Minister Deron Bilous will be delivering remarks, and over 60 of our members from across the province will be in attendance. Are you able to join us?

Thanks again for chatting and for your work to ensure the real estate industry is as effective as possible. We look forward to regular, collaborative conversations in the future.

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Hope you all have a wonderful weekend!

Warmly,

Amanda

Amanda Nielsen
Phone: 780.920.5001
Email: a.nielsen@hotmail.ca

From: rob.phillips@gov.ab.ca
To: a.nielsen@hotmail.ca
CC: kromanetz@areahub.ca; bmitchell@areahub.ca; Jodi.Morris@gov.ab.ca; Kelly.Refah@gov.ab.ca
Subject: RE: Get Together
Date: Tue, 13 Oct 2015 17:49:36 +0000

Duplicate to page 210

Page 231 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 216

Closed

ACTION REQUEST COVERSHEET
Service Alberta

Due Date: Oct 20, 2015
Due to MCU: Oct 13, 2015
Due to ADMO:
Extended Due Date:

AR Number: 28747
Logged By: MO
Priority Level: Normal
Received Date: Sep 23, 2015

AR References: 28361, 28411, 28748
Assigned To: 03 MCU
Subject: Alberta Real Estate Association (AREA) - Speaking Notes for Minister - Nov 4
Action Requested: Speech for Minister
Correspondent: Amanda Nielsen
Constituency: David Shepherd (NDP), Edmonton-Centre

	Name and Phone Number		Initials and Date
KMs approved by Communications:	Cheryl Tkalcic, AD		Oct 14/15
Approved by ADM:	Colin Lloyd		Approved via email
Edited by MCU:	Dan Byer		Oct. 14/15
Approved by ED PSP:	Andrew Dore	780-422-0265	Oct. 19/15
Approved by DM CoS:	Linda Chupka	780-422-6174	c Oct/26
Approved by DM:	Tim Grant	780-415-4954	Oct 27, 2015
Approved by MO CoS:	Nathaniel Smith	780-427-3744	

File Number: 04/150-011

Comments: Please prepare SN for Minister to bring greetings on behalf of the Government of Alberta, discuss his portfolios, and talk about the important role of business/real estate in the province.
Scott Seymour will be preparing speaking notes.
AR's is due to MCU today. Left a voice message with Scott requesting a status update.
Emailed Scott for a status report. AR currently being progressed. Looking to be completed today.
Dan currently progressing this.

Additional Notes:

Deb...ah Mason

From: Deborah Mason
Sent: Wednesday, September 23, 2015 1:33 PM
To: 'Amanda Nielsen'
Cc: Patricia Tiamiyu
Subject: RE: AREA Reception

Hi Amanda,
Hope all is well with you.
I am pleased to confirm that the Minister Bilous has accepted the invitation to speak at the AREA meeting on November 4 @ 6:00 pm .
Can you please confirm if Bill Kirk will be attending.

Thank you

From: Amanda Nielsen [mailto:Amanda.Nielsen@hkstrategies.ca]
Sent: Monday, September 21, 2015 9:34 AM
To: Deborah Mason
Cc: Patricia Tiamiyu
Subject: RE: AREA Reception

Duplicate to pages 146-149

Pages 234 through 238 redacted for the following reasons:
- -
Pages 234-236: Duplicate to pages 146-149
Pages 237-238: Duplicate to pages 147-149

AR28747

04450-011
Oct 27/15

Speaking Notes

Honourable Danielle Larivee
Minister, Service Alberta

Alberta Real Estate Association (AREA) – MLA Reception

Matrix Hotel
10640 – 100 Avenue
Edmonton

5 p.m. to 8 p.m. (Minister speaks at 6 p.m.)
November 4, 2015

Contact	Amanda Nielsen, Consultant, Hill and Knowlton Strategies; 780-229-0214 (office); 780-920-5001 (cell)
Minister's Role	Speech
Theme/Subject	Greetings on behalf of Government of Alberta; updates on *Condominium Property Act* amendments, *Real Estate Act* amendments, and real estate broker education
Audience	Realtors
Attire	Formal
MC/Introduction	To be determined
Program	
Media	None

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you today.
- I'm proud to bring greetings from Premier Rachel Notley and the Government of Alberta.
- This year has been a busy one for us and we're right in the middle of one of our busiest times – the fall session at the Legislature.
- This is certainly a busy time for me.
- As you know, I hold the portfolios for the Ministries of Municipal Affairs and Service Alberta.
- Both are ministries that work closely with realtors.
- In fact, in many ways, you do a lot of work for ***us*** because of how closely you work with everyday Albertans.

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- In our view, you do so much more than just selling houses or properties. You help us build communities.

- For one thing, you're the unofficial Welcome Wagon.

- Realtors are often the first people with whom newcomers to our province meet and conduct business as they secure places for their families to live.

- You are a front-line contact between consumers and many of our programs, services and legislation related to building, buying, or renting a house or condominium.

- In light of that, you're required to have a good working knowledge of the *Alberta Building Code*, the *Municipal Government Act*, the *Fair Trading Act*, the *Condominium Property Act*, the *Residential Tenancies Act* and the *Land Titles Act*, to name a few.

- You also help home buyers by providing advice, as needed, on obtaining essential services such as electricity, natural gas and other utilities.

- Buying a home is one of the biggest purchases most Albertans will make in their lifetime.

- Our government believes that home ownership is vitally important to this province – a key barometer of our economy.

- You'll hear us talking about that a lot.

- As you know, we released our budget last week and one of its fundamental goals is to continue to ensure that Alberta is Canada's best place to start and grow a business.

- There are so many benefits to meeting that goal, but one of them is a province where Alberta-owned businesses provide Albertans with good, high-skill, ***mortgage-paying*** jobs.

- In other words, we want our economy to be able to provide people with the kinds of jobs that allow them to purchase and own a home.

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- When they can afford to do that, it's good to know that there are professional realtors out there who can guide them through the process of setting down roots.

***Condominium Property Act* Regulations**

- Many new Albertans are buying homes, and many of them are choosing to buy condominiums.

- Condos have become a desirable option for many Albertans – including families, seniors and those new to the province.

- Roughly a quarter of homes sold each year in Alberta are condos and, in Edmonton and Calgary, about one in three homes is a condo.

- That means many of our large communities are building "up" and not just "out."

- In our view, responsible, well-planned condominium development is essential to promoting ***sustainable*** communities and avoiding unnecessary urban sprawl.

- Even more importantly, condominiums are an ***affordable*** housing option for many Albertans.

- As your government, it's our job to help make sure condos remain a safe and affordable investment for buyers and owners.

- It's also our job to ensure those who build and operate condominiums understand ***their*** responsibilities.

- As you know, Service Alberta undertook an extensive review of the *Condominium Property Act* with the goal of modernizing it to reflect the realities of today's condo marketplace.

- Since the *Condominium Property Amendment Act* passed nearly a year ago, we've been working with key stakeholders to draft supporting regulations that are balanced, responsive to industry trends, and consistent with both the Act and our government's plans to strengthen consumer protection.

- This fall, we hope to bring into force the first set of amendments as part of our implementation plan.

- The Phase One amendments are aimed at improving protection for new condo buyers, including enhanced purchase disclosure as well as remedies and safeguards for handling purchase monies.

- The amendments will also equip government with the tools necessary to investigate and enforce breaches under the legislation.

- We wanted the public to have an opportunity to weigh in on the regulations before they are approved, so we set up an online survey for stakeholders to provide feedback.

- For those of you who participated in that survey, thanks for taking the time.

- Also, I want to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by my ministry.

- You have been a strong advocate for the amendments to the *Condominium Property Act* and we're very grateful for that.

- Please make sure to watch out for future announcements on the next phases of the Act and regulation implementation, which will include topics such as corporation governance, insurance, reserve funds, condo management and dispute resolution.

***Real Estate Act* Amendments**

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*. I can tell you that amendments are tentatively scheduled for spring 2017.

- Our promise to you is that AREA will be engaged in further consultations on these amendments before they are passed.

Conclusion

- Once again, thank you for inviting me to come to your event today.

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- I hope you can see how the Government of Alberta is working hard to bring forth changes that benefit Albertans in the course of buying and selling real estate, and raise standards for professionals working in this industry.

- Thank you very much.

Non-Responsive

From: Colin Lloyd
Sent: October-21-15 11:35 AM
To: Cheryl Naundorf
Cc: Robert Whittaker; Andrew Dore; Trevor Bergen; Claudette Dunsing
Subject: RE: AREA Presentation - November 2015

Cheryl,

This is excellent – thank you. One point of emphasis I will make in the presentation is the role of the public service from slide #5 onwards. It will help create the separation between the role of elected officials (the executive branch) in the decision making process and the supporting role of the administrative branch.

I am grateful for this.

Colin

From: Cheryl Naundorf
Sent: Monday, October 19, 2015 10:59 AM
To: Colin Lloyd
Cc: Robert Whittaker; Andrew Dore; Trevor Bergen; Claudette Dunsing
Subject: AREA Presentation - November 2015

Duplicate to page 214

Page 250 redacted for the following reason:
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Duplicate to page 214

Val Taylor

From: Rob Phillips
Sent: Saturday, October 24, 2015 2:58 PM
To: Colin Lloyd
Subject: AREA board appointment

This message has been archived. View the original item

Confidential and transitory:

Colin,

As discussed, the purpose of this email to update the information we have received on Ramey Demian, AREA's appointment to RECA's Council to fill the position as a real estate broker trading in industrial, commercial and investment real estate.

Summary of concerns:

* Two complaints from long term commercial brokers who question Demian's eligibility for the position as they claim he does not trade in commercial real estate
* No commercial listings on his website, only one residential listing
* His resume and website describe him as the "designated broker". This category does not exist and his licence class is associate broker.
* His resume and website describe him as the "owner" of an Edmonton Re/Max franchise (2761 Hewes Road) from 2004 to present. RECA records show he is not the owner. We were advised that he is attempting to buy the Millwood RECA office from Bill Briggs but is having financial difficulties. Bill Briggs is an AREA Director and, may have been involved in the decision to appoint Ramey to RECA'S Council.
* His resume and website state he is a Certified Commercial Investment Member (CCIM). CCIM advised that he designation was last active in s.17(1) Any reference to the CCIM designation in any form by a non-member is contrary to their guidelines and subject to disciplinary action.

Rob Phillips

<<Personal Bio for.docx>>

Background:

Certified Commercial Investment Member (CCIM) concern:

Demian's resume is attached. It clearly states that he is a Certified Commercial Investment Member (CCIM) when that is not the case.
RECA spoke with s.17(1) with the CCIM Institute and she confirmed that Ramey Demian is not currently an active member. He last held an active CCIM designation in s.17(1)

Misuse of the Designation
If any former designee continues to use the CCIM logo and/or trademark for which they are no longer entitled, the Institute may exercise some or all of the following actions:
1. Submit a cease-and-desist letter
2. Refer former member's violation to Professional Standards and Grievance Committee of the local and/or state REALTOR® Association for a possible Code of Ethics violation
3. Refer violation to former member's state licensing authority for possible violation of respective state's licensing laws and rules
4. Initiate a legal action in Court of Competent Jurisdiction for possible trademark infringement and judgment

The individual, company, or organization shall cease and desist using the CCIM logo or letters upon notice by the CCIM Institute. Further, the Institute reserves the right to initiate a lawsuit to enforce these provisions. The CCIM Institute will notify state and local real estate boards concerning a licensee violation of the CCIM logo by a student, candidate, or designee of the CCIM Institute. Report designation misuse to misuse@ccim.com <https://mail.google.com/mail/?view=cm&fs=1&tf=1&to=misuse@ccim.com> .
Loss of the Designation
CCIM designees lose the designation when they cease to maintain their member status. In addition, the Institute may suspend or terminate an individual for cause and/or criminal and other unlawful activity (Institute Bylaws111.8).

http://www.ccim.com/membership/guidelines-use-ccim-designation

This webpage states the following:

Upon receiving the CCIM designation, a designee has the right to use and identify themselves as a CCIM and partake of the member services provided by the Institute so long as they remain a "member in good standing" in accordance with the policies and procedures as established by the Institute and the Board of Directors, including being current in payment of all financial obligations to the Institute.

In the event a designee voluntarily or involuntarily is no longer a member in good standing of the Institute, they must immediately cease from the following:

May no longer use the CCIM logo or identify themselves as a CCIM

Attachments:

2015_10_06_08_35_50.pdf	(148 KB)
Personal Bio for.docx	(32 KB)
ATT67006	(5.0 MB)



-----Original Message-----
From: Colin Lloyd
Sent: October-26-15 11:34 AM
To: Amanda Nielsen
Cc: Brad Mitchell; Kerri Romanetz
Subject: RE: Invitation - AREA Reception

Amanda,

So sorry, this fell off my table during a very busy week. I will be only too pleased to come. Please just remind me of timings and location.

Best regards,

Colin

-----Original Message-----
From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Wednesday, October 21, 2015 9:31 PM
To: Colin Lloyd
Cc: Brad Mitchell; Kerri Romanetz
Subject: Invitation - AREA Reception

Dear Colin,

I hope this note finds you well.

I am writing you to invite you to the Alberta Real Estate Association (AREA)'s upcoming MLA Reception during our Government Liaison Days. The reception will take place from 5:30-7:30pm at the Matrix Hotel. We anticipate having over sixty of our members in attendance, along with AREA staff, industry stakeholders, and numerous MLAs. Minister Bilous will be speaking at the reception. We would be honoured to have you join us.

Are you available to attend?

Many thanks, Colin! I look forward to hearing from you.

Warmly,

Amanda Nielsen
Alberta Real Estate Association
Phone: 780.920.5001
Email: anielsen@areahub.ca

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Val Taylor

From: Brad Mitchell <BMitchell@areahub.ca>
Sent: Thursday, October 29, 2015 2:58 PM
To: Colin Lloyd; Tim Grant; Rob Phillips; Jodi Morris
Subject: Proposed Condominium Regulations Phase 1
Attachments: SubmissiontoServiceAlberta-CondominiumPropertyAmendmentRegulation-2015-10-30.pdf

Dear Tim, Colin, Rob, Kelly and Jodi,

I'm writing to share feedback with you on behalf of the Alberta Real Estate Association (AREA), and it's 10,000 members across the province, on the draft Condominium Property Amendment Act regulations. Thank you for providing stakeholders with an opportunity to share their input.

Overall, AREA is very pleased with the draft regulations. The regulations take important steps towards ensuring enhanced consumer protection through measures such as establishing standard first-budget protocol and reserve fund allocations, specifying requirements for occupancy dates, and establishing protocols for third party contracts. AREA commends and thanks you for this work.

We have a few additional suggestions on how the regulations might be made even stronger in order to protect Albertans and ensure the province's real estate industry works as soundly as possible.

Specifically, we recommend government:

1. Remove clauses 20.1(1)(g) and (h) in the proposed regulations. These clauses relate to the what is considered a reasonable delay in occupancy. Clause 20.1(g) could limit the bargaining power of labour. Clause 20.1(h) is particularly troublesome as it potentially allows the developer to claim a reasonable delay based on shortage of labour or materials, AREA believes that this clause is a large loophole that will not allow consumers to hold developers to promised occupancy dates. AREA considers acts of God and Government to be the only reasonable delays for possession. (this is covered in the regulations). A contractor that is employed by the developer not showing up for work, or materials that were not procured on time should not enable a developer to push a consumers possession date without recourse for the consumer.

2. Strengthen standard budget protocol by:
   a) Mandating the proposed budget be prepared by a certified accountant using International Financial Reporting Standards (IFRS), the world-recognized reporting standard.
   b) Enhancing financial protection for consumers in the event the developer goes bankrupt or the development company is shut down after the sale

3. Improve notice requirements and rescission rights for consumers, particularly in relation to Material Changes and Final Possession Dates. The regulations should be closer to legislation in Ontario and Manitoba that have tougher notice requirements for developers

4. Provides for adequate protection for Condominium Corporations in relation to 3rd party Agreements/Contracts entered by developers. Detailed in our submission, AREA is requesting clarity on some of the regulations to ensure that 3rd party utility agreements are fully disclosed to potential buyers

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5. Expands the definition of "building envelope" in regards to conversions to include windows and patio/sliding doors. Windows and Doors, are an expensive portion of the buildings structure. AREA believes that condominium conversions should include windows and doors as part of the building envelope evaluation.

6. Clarifies that written Variances under the Safety Codes Act are one of the documents required to be provided to the corporation

These relatively minor changes will go a long ways towards ensuring consumers are treated fairly and protected in their condominium purchases and sales. Attached, please find a policy document outlining our rationale for these changes. Please get in touch if you have any questions or concerns. Will you consider supporting the changes we've outlined? We'd appreciate your support in this matter, including discussions with your colleagues, the Minister, and the Service Alberta department.

Many thanks!

Warmly,

Brad Mitchell
Director, Government Relations



SUBMISSION TO SERVICE ALBERTA

Proposed Condominium Property Amendment Regulations

Submitted by: Alberta Real Estate Association

October 30, 2015

Introduction – Enhanced Protection worth Celebrating

Alberta Real Estate Association

The Alberta Real Estate Association is the professional organization representing more than 10,000 working REALTORS® in the province. Collaborating and consulting with government and stakeholders at the provincial level, AREA advocates for actions which protect and support members, as well as the individuals, families, and communities they serve.

Enhanced Consumer Protection

AREA commends Service Alberta for the enhanced owner/purchaser protection provided under the draft Condominium Property Amendment Regulations. The proposed regulations represent a substantial increase in protection afforded to consumers. AREA remains committed to continued involvement and is gratified with the impact our involvement has had to date on the outcomes as published by Service Alberta.

The following amendments are considered by AREA to be significant achievements towards strengthening consumer protection in condominium ownership:

1. Establishment of Standard First-Budget Protocol and Reserve Fund Allocation

- Developers being required to prepare and provide purchasers with a proposed budget covering the 12-month period beginning the first month in which the developer expects contributions to be levied at regular intervals by the corporation.
- The reserve fund allocation set out in the proposed budget must be at least 15% of the projected total revenue of the corporation for the 12-month period (higher for conversions).
- Consequences - If the actual total expenses incurred by the corporation are more than 15% above the projected total expenses in the 12-month period beginning with the first month in which contributions are first levied on owners at regular intervals, the developer shall pay the entire difference between the actual and projected total expenses.

2. Occupancy Dates

- Requirement for developers to deliver an occupancy date statement (defining the final occupancy date) to purchasers.
- Consequences - If a unit is not ready for occupancy within 30 days after the final occupancy date, the purchaser has the right to rescind the purchase agreement at any time before the purchaser receives a revised occupancy date statement setting out a new final occupancy date.

3. Material Changes

- The provision of a definition of material change and clear direction that a purchaser may file an originating application with the court in the event a material change arises.
- Enhanced notification requirements

4. Third Party Contracts

- Developers are required to provide purchasers with a list of any fees, rents or other changes that the corporation is required to pay the developer, or a third party, for the use of any units, proposed units, common property or other real or personal property of the corporation.

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

REALTORS® Support Greater Consumer Protection for Condominium Buyers/Sellers in Alberta

It is safe to say that there is universal alignment on the fact that condominium ownership is a complex transaction that involves more due diligence than single family ownership. In consideration of Service Alberta's draft Condominium Property Amendment Regulation published October 15, 2015, AREA urges elected officials to continue to promote changes that will enhance consumer protection via the following recommendations:

Recommendations for Regulation Amendments Currently Under Review (Phase 1)

1. Strengthen standard budget protocol by:
    a) Mandating the proposed budget be prepared by a certified accountant using International Financial Reporting Standards (IFRS), the reporting standard currently used in Canada
    b) Enhancing financial protection for consumers in the event the developer goes bankrupt or the development company is shut down after the sale
2. Provide adequate notice requirements and rescission rights for consumers in relation to Material Changes
3. Limit the items considered to be legitimate causes for final occupancy delays
4. Provide adequate protection for Condominium Corporations in relation to 3rd party Agreements/Contracts entered by developers
5. Expand the definition of "building envelope" in regards to conversions to include windows and patio/sliding doors
6. Clarify that written Variances under the Safety Codes Act are one of the documents required to be provided to the corporation

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

Recommendations for Regulation Amendments Currently Under Review (Phase 1)

1. **Strengthen Standard Budget Protocol:**

   a) **Mandate Compliance with IRFS Standards:** AREA supports the creation of a standard first budget protocol for developers as per section 20.02 of the draft Regulations with the following addition:

   AREA recommends the Regulations mandate the proposed budget be prepared by a certified accountant using International Financial Reporting Standards (IFRS), the accounting standard used in Canada

   b) **Developer Bankruptcy Protection for Consumers:** Where developers are financially responsible to owners/purchasers for budget inaccuracies and delivery of insufficient notices, AREA believe the regulations should provide a means of collecting these funds in the event the developer goes bankrupt or the development company is shut down after the sale.

   The stage a developer enters into bankruptcy has significant impact on what requirements can be put in place. Consideration for the varying financial structures (project financing terms, new home warranty protection etc.) a developer will have in place is critical to ensure the financial protection is meaningful and can actually be realized. Establishing clear expectations under a key scenarios will then guide developers to structure their financing terms at the project onset to ensure compliance.

   While not an exhaustive list, some scenarios which require consideration and to prompt additional like scenarios, where legislated protection can assist are:

   - If a turnover meeting has occurred, it would be in the condo corporation's best interests to ensure they receive:
     - Condominium fees for the unsold condos the developer is obligated for.
     - First charge to access to any deposits held with the municipality as security for unfinished work as per the municipalities' policy around development and building permits

   - If a turnover meeting has not occurred, but occupancy permit has been received and some owners are residing in the building and the builder/developer is still named as the condo corporation.
   - If an occupancy permit has not been received and the construction is still in progress the deposits

   AREA recommends that developers be required to offer condominium corporations financial protection via bonds, the requirement for the developer to hold money in trust, or by other regulated/licensing means.

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

2. **Adequate Notice Requirements and Rescission Rights Related to Material Changes**

AREA believes consumers must have a reasonable time frame to respond to notices of material changes and the purchaser must be provided the right to rescind the purchase contract in the event of a material change, as defined by the Regulations. AREA believes that the requirement for a purchaser to file an originating application with the Court as proposed in clause 20.05(2) is not sufficient.

Glimpse at Other Provinces:

> **Manitoba** - Sellers have a duty to tell buyers about any material changes to the information in the disclosure documents. A buyer who finds out about a material change – before taking possession of the unit – can cancel the purchase. Buyers can sue if they take possession and find a material change that wasn't disclosed.
>
> **Ontario** - If a material change is not disclosed or the proper notification is not provided under the legislation, the purchaser may rescind the agreement of purchase within 10 day limit (subject to 74(6) of the Act).

AREA recommends developers be required to deliver notice of any known pending material change within 10 days of the material change becoming known and include language in the notice explicitly stating that the rescission period is opened up.

The developer should be required to deliver the notice required under subsection (1) to the purchaser within 10 days after the material change occurs (if unknown in advance) and, in any event, before the day the purchaser takes possession of the unit; and

The purchaser should be given 10 days to review the impact of the material change and to rescind the purchase.

3. **Limit the Items Considered to be Legitimate Causes for Final Occupancy Delays**

AREA is pleased to see that under the proposed Regulations, if a unit is not ready for occupancy within 30 days after the final occupancy date delivered to the purchaser in the "occupancy statement date", the purchaser has the right to rescind the purchase agreement at any time before the purchaser receives a revised occupancy date statement setting out a new final occupancy date, or within 10 days after receipt of a revised occupancy date statement.

AREA is concerned however that clauses 20.1(1)(g) and (h) in the proposed Condominium Property Amendment Regulation, which related to a lack of availability of labour or materials, offer developers an easy out and ability to transfer blame with little information available for purchasers to contest or prove otherwise. 20.1(1)(h) is particularly troublesome for consumers,

as a developer could use this clause to claim delays that would be exceedingly difficult for any consumer to contest.

AREA recommends that the Regulations limit the items considered to be legitimate causes for final occupancy delays, and in particular, that clauses 20.1(1)(g) and (h) be removed from the Regulations.

4. **Third party Agreements/Contracts:**

AREA believes that developers should be required to disclose to purchasers any 3rd party agreements/contracts entered into by the developer that bind the corporation and that adequate language is required to protect purchasers in situations where the developer maintains ownership/control of utilities or recreational facilities after turnover.

AREA supports the inclusion of "a list of any fees, rents or other charges that the corporation is required to pay to the developer or a third party for the use of any units, proposed units, common property or other real or personal property of the corporation" as information required to be provided to the purchaser under 20.01(k) of the draft Regulations.

AREA is asking for clarification from Service Alberta on whether or not copies of such agreements/contracts are to be provided to purchasers as well.

Area suggests that more clarity be provided in the regulations around utility agreements signed by the developer. Purchasers need to be aware of any utility arrangements signed by the developer that obligate owners after purchase

5. **Definition of "building envelope":**

In relation to the list of mandatory items to be inspected and included in the Building Assessment Report for conversions under the *New Home Buyer Protection Act*, AREA believes windows and patio/sliding doors represent significant costs for consumers should they require replacing, and therefore should be included.

AREA recommends the definition of "building envelope" provided in the Condominium Property Act Regulations be expanded beyond the definition included in the *New Home Buyer Protection Act* to include windows and sliding doors.

6. **Providing Written Variances for Conversions:**

Under clause 38(1) the Alberta *Safety Codes Act*, "an Administrator or a safety codes officer may issue a written variance with respect to any thing, process or activity to which this Act applies if the Administrator or officer is of the opinion that the variance provides approximately equivalent or

greater safety performance with respect to persons and property as that provided for by this Act." AREA believes the issuance of such Variances should be provided by the developer or interim board to the corporation.

AREA recommends section 20.2 of the draft Condominium Property Amendment Regulation include the requirement that written variances prepared under the Safety Codes Act be provided to condominium corporations or clarify that this is the intention of 20.2(a).

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

Recommendations for Subsequent Phases of Regulation Amendments

1. Establish and mandate the use of a central repository to improve the timeliness, delivery, accuracy and completeness of condominium documents
2. Encourage affordability by eliminating fees for the provision of condominium documents
3. Apply a standard measurement protocol for developers that would clarify for purchasers the livable space of a unit
4. Establish affordable, effective alternative mechanisms to the Courts for handling disputes/remedies

1. **Access to Condominium Documents at Transaction Time:**

Buyers are often unaware of decisions that oblige them to special assessments or increased fees because the typical owner doesn't keep a repository of all the necessary condo documents. As a result, owners are unable to communicate the information to the buyer when they purchase a unit. While the current legislation prescribes that condo corporations must provide documents within 10 days after receiving a request, these documents are often held under the control of management companies. Currently, an owner's option is to turn to the courts for enforcement in absence of a management company's co-operation, which is often an intimidating and costly process.

Manitoba and Ontario have recently undergone reviews of their provincial condominium legislation, establishing models, themes and recommendations of merit from which Albertans can gain insight.

Glimpse at Other Provinces:

Ontario – Bill 106, Protecting Condominium Owners Act, passed 1st reading on May 27, 2015.

Ontario's Condominium Act Review Stage Two Solutions Report (2013), promotes the use of online tools, as they can play a central role in education, access to information, transparency and accountability and community engagement. The report suggests access to some documents is a "basic right" and recommends that "clear requirements should be in put in place to ensure that corporate records are easily accessible" (p.8).

Manitoba – New Condominium Act and Regulations came into force on February 1, 2015.

Manitoba's Act (Sections 131-132) also requires corporations to keep complete and accurate records of corporation business in paper form or be able to produce them in a readable format electronically.

AREA is aligned with the conclusions and direction taken from these provinces and suggests the Alberta government take additional steps to improve access to information and documents for condominium owners, purchasers and mortgagees.

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

As condominium corporations are responsible under the Condominium Property Amendment Act (Bill 9) for providing purchasers with the required documents, a central repository would:

- Provide corporations with greater control of the documents and enhance their ability to fulfill their legislative duties.
- Improve access for owners and purchasers who rely on the documents to make informed decisions related to purchase/sale.
- Allow inaccuracies or incomplete information to be recognized and remedied in a more timely fashion
- Reduce barriers to ownership

AREA believes consumers should have access to complete information at transaction time and recommends the government facilitate and mandate the use of a central repository to improve timeliness, delivery, accuracy and completeness of condominium documents.

2. **Inconsistent Fees Charged for Condominium Documents:**

Currently in Alberta, there is no regulation or consistency in the price condo corporations/owners/buyers must pay to obtain condominium documents. It can range from tens to hundreds of dollars per document - a cost that is often unexpected and difficult to afford.

Glimpse at Other Provinces:

Manitoba – Condominium corporations may charge reasonable fees for the labour and costs involved in copying the documents.

B.C. – No fee may be charged to an owner, a tenant or a person authorized by an owner or tenant for the inspection of a record or document under section 36 of the Strata Property Act[1]. A 25 cent/per page fee may be charged for copies.

Ontario – Recommendations 71 and 72 in the Stage Two Solutions Report suggest access to some documents is a basic right and the documents should be provided free of charge. Where fees are deemed appropriate, such as for the retrieval and redaction of documents, they should be reasonable and designed to cover the costs of providing the service.

AREA recommends the Condominium Property Act Regulations prohibit the charge of additional fees for the provision of documents (with the exception of the estoppel certificate).

[1] In B.C., The maximum fee that the strata corporation may charge for an Information Certificate, including required attachments, is $35 plus the cost of photocopying, or other means of reproduction, up to 25 cents per page. The maximum fee that the strata corporation may charge for a Certificate of Payment is $15.

AREA believes the cost for producing and handling condominium documents by management companies should be included upfront in their monthly service fee, and the mechanism to ensure this is to prohibit the charge of additional fees for the provision of documents (with the exception of the estoppel certificate) in the Regulations.

Note: Barring this, AREA recommends a reasonable, regulated fee on an at-cost basis, such as 10-25 cents per page for copies of documents.

This would provide valuable information for condominium corporations when considering service proposals, put greater control in the hands of owners, provide consumers adequate opportunity to prepare closing costs, and most importantly, reduce barriers to ownership through reduction of financing issues and other delays at closing.

3. **Standard Measurement Protocol for Developers**

REALTORS® must adhere to Residential Measurement Standards[2] that require them to disclose if a condominium's size is the unit's above grade floor area or its registered size. Many choose to use its registered size as it the information is accessible on the Condominium Plan. They are also required to disclose what this measurement includes in all marketing/communications about the unit and ensure the client understands what the measurement means.

Consumers and professionals are often unsure of what the registered size on the Condominium Plan includes, creating significant grounds for conflict and liability. A frequent misunderstand arises when parking, storage and/or patios are included in the registered size and consumers find themselves with less living space than they originally believed they invested in.

AREA recommends the Regulations apply a standard measurement protocol for developers to determine the registered size of condominiums, to clarify the livable space of units for purchasers.

4. **Alternative Dispute Mechanisms to the Courts**

Going to court can be an intimidating, lengthy and costly battle for consumers. AREA believes affordable, effective, alternative mechanisms to the courts, such as tribunals, should be available to handle disputes/remedies whenever possible (including disputes, for example, regarding occupancy dates).

[2] Real Estate Council of Alberta. Residential Measurement Standards (2015)

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

Glimpse at Other Provinces:

Ontario – Ontario's Bill 106 allows for the establishment of a new Condominium Authority Tribunal for the resolution of disputes. It was recommended in the Stage Two Solutions Report that the Tribunal's services should include:

- The provision of information and advice to condo stakeholders by telephone or in person, and via online resources and self-help tools.
- A "Quick Decision Maker" Process (QDM) – To handle "small item" disagreements, with the authority to make quick, summary decisions on access to records, charge-backs, proxies, requisitions and owner's entitlement to vote.
- A "Dispute Resolution Office" – to deal with weightier "enforcement cases" via early neutral evaluations of disputes, expert advice, help reaching settlements and guidance on next steps in resolution process.

AREA recommends the Government consider Ontario's proposed dispute resolution model as they proceed in developing the Condominium Property Act Regulations related to Alberta's own Tribunal.

The Alberta Real Estate Association appreciates the opportunity to participate in Service Alberta's Condominium Property Amendment Regulations consultation process. Thank you for considering the recommendations put forward on behalf of our 10,000 + REALTOR® members.

Contact Us

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Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

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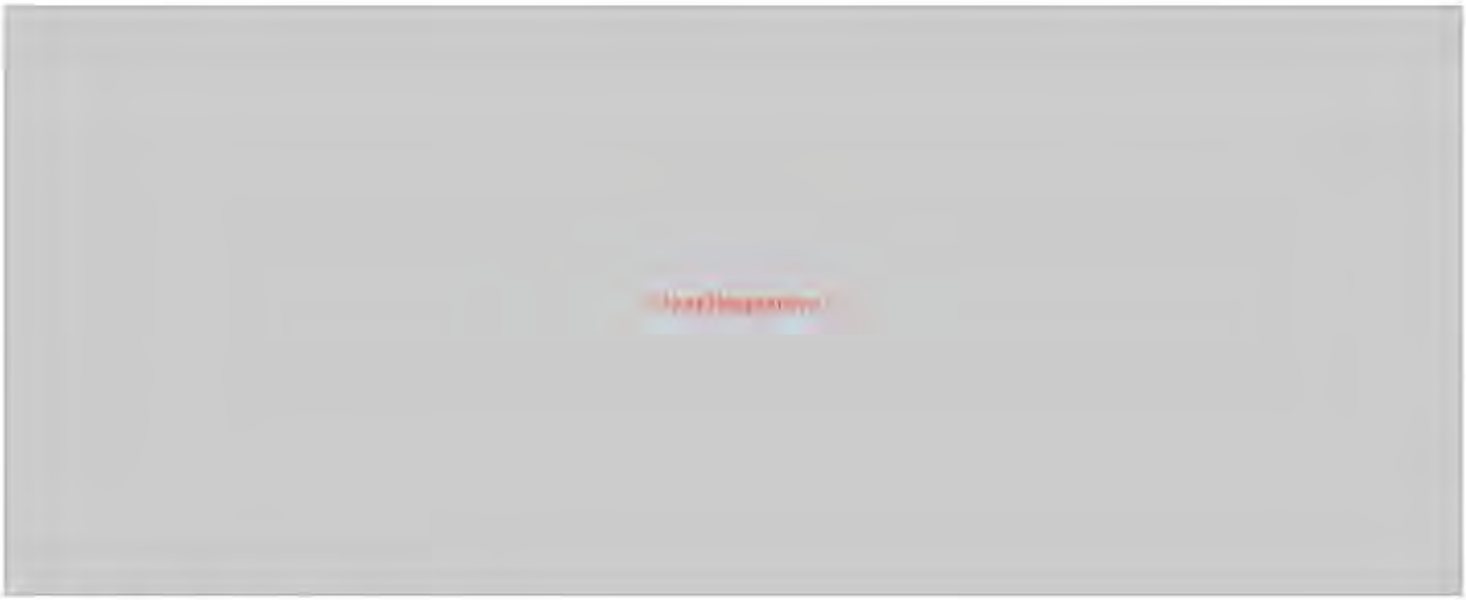
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Ontario Ministry of Government and Consumer Services. (2015). Ontario Increasing Protections for Condo Owners: Province Proposing Changes to Support Stronger Condo Communities. Retrieved September 3, from: http://news.ontario.ca/mgs/en/2015/05/ontario-increasing-protections-for-condo-owners.html

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Service Alberta. (2014). Improved consumer protection, governance for condos. Retrieved August 20, 2015 from http://alberta.ca/release.cfm?xID=37440750ECCE0-F10E-A250-2150AE911CBDD914

Service Alberta, Consumer Programs. (2015). Discussion Guide: Proposals for Condominium Property Regulation Affecting Developers and New Condominiums



-----Original Message-----
From: Colin Lloyd
Sent: October-29-15 4:25 PM
To: Di Nugent; Robert Whittaker
Cc: Andrew Dore; Sarah Leonard; Mark Ammann
Subject: RE: Question

Di,

This is good for now. I'm going to send back to Tim and see if this meets his needs. I will suggest he has a conversation with Robyn to tease out the concern behind the question.

I appreciate the quick turnaround.

Colin

-----Original Message-----
From: Di Nugent
Sent: Thursday, October 29, 2015 4:21 PM
To: Colin Lloyd; Robert Whittaker
Cc: Andrew Dore; Sarah Leonard; Mark Ammann
Subject: RE: Question

I have discussed your question with my Mark and Sarah.

-Neither the Real Estate Act nor the regulations under the Act define the term "ordinary member" of an association

-AREA's bylaws set out different classes of membership (professional, real estate board, honorary life, and others) but no indication is given as to which constitute "ordinary" members.

-it seems likely that s. 9 of the Real Estate Act is intended to prevent conflicts of interest by ensuring that persons who are making decisions for RECA (the regulator for the real estate industry as a whole) are not simultaneously acting to officially advance the interests of the AREA or other groups that represent a specific sector of the industry.

--It is important to note that determining the definition of this term would require Bill's shop to research case law or to draw analogies with definitions in other jurisdictions or other areas of the law (e.g. societies law, companies law).

As an option I could ask Mark or Sarah to team up with Legal Services and see what could be provided to you in a form of a legal opinion. Let me know what you would like us to do.

Di Nugent
Director, Legislative Services
Policy and Strategic Partnerships
Service Alberta
T: 780-422-7840
C s.17(1)
F: 780-422-7060

-----Original Message-----
From: Colin Lloyd
Sent: Thursday, October 29, 2015 1:50 PM
To: Di Nugent
Subject: Re: Question

Thx

Sent from my iPhone

> On Oct 29, 2015, at 1:25 PM, Di Nugent <Di.Nugent@gov.ab.ca> wrote:
>
> Let me see what I can do.
>
> -----Original Message-----
> From: Colin Lloyd
> Sent: Thursday, October 29, 2015 1:22 PM
> To: Di Nugent
> Cc: Robert Whittaker
> Subject: FW: Question
>
> Di,
>
> There is some tension between RECA and AREA. I don't know whether the question below in any way relates to this, but given Rob and others are in a close relationship (appropriately so) with RECA, other than sending it to Rob's area can you give me advice on where I could get the answer Tim is seeking?
>
> Thanks.
>
> Colin
>
> -----Original Message-----
> From: Tim Grant
> Sent: Thursday, October 29, 2015 1:17 PM

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> To: Colin Lloyd
> Cc: Linda Chupka
> Subject: FW: Question
>
> Colin,
>
> Can you look at this. I believe I know the answer but given how the answer could be used (ie what is behind the question) it will be critical to get this right.
>
> Tim
>
> -----Original Message-----
> From: Robyn Moser [mailto:robyn@robynmoser.com]
> Sent: Thursday, October 29, 2015 9:33 AM
> To: Tim Grant
> Subject: Question
>
> Hi Tim,
>
> I hope things are treating you well in legislature. I'm looking for an interpretation to a clause in the Alberta Real Estate Act and I was hoping you could help me.
>
> "9(1) No person while a member of the Council shall do any of the
> following:
>
> (a) act in an official capacity for an association, be on the governing body of an association, be an employee of an association or otherwise act on behalf of an association in any manner other than as an ordinary member of the association;"
>
> I was told you might be able to help me define the interpretation of "ordinary member".
>
> Is this possible?
>
> With great appreciation,
>
> Robyn Moser
> REALTOR(tm)/Team Lead
> Robyn Moser & Associates c/o
> CIR Realty
> 403-818-3907



-----Original Message-----
From: Colin Lloyd
Sent: October-29-15 4:27 PM
To: Tim Grant
Cc: Linda Chupka
Subject: FW: Question

Tim,

I reached out to Di, who in turn consulted her policy experts.

Her answer is below.

Let me know if this meets your need.

Colin

--Neither the Real Estate Act nor the regulations under the Act define the term "ordinary member" of an association

--AREA's bylaws set out different classes of membership (professional, real estate board, honorary life, and others) but no indication is given as to which constitute "ordinary" members.

--it seems likely that s. 9 of the Real Estate Act is intended to prevent conflicts of interest by ensuring that persons who are making decisions for RECA (the regulator for the real estate industry as a whole) are not simultaneously acting to officially advance the interests of the AREA or other groups that represent a specific sector of the industry.

--it is important to note that determining the definition of this term would require Bill's shop to research case law or to draw analogies with definitions in other jurisdictions or other areas of the law (e.g. societies law, companies law).

As an option I could ask Mark or Sarah to team up with Legal Services and see what could be provided to you in a form of a legal opinion. Let me know what you would like us to do.

Di Nugent

Director, Legislative Services
Policy and Strategic Partnerships
Service Alberta
T: 780-422-7840
C s.17(1)
F: 780-422-7060

[redacted]

From: Colin Lloyd
Sent: October-30-15 3:48 PM
To: 'Rob Phillips (rob.phillips@gov.ab.ca)'
Cc: Robert Whittaker
Subject: Updates.

Rob,

These updates have been conveyed somewhat verbally following the meetings with the Minister.

1. RECA's was largely per their agenda. The Minister was not present. They did lay out concerns they have with AREA's approach to board appointments and their sense this could de-stabilize the operations of RECA if left unchecked. Tim committed to keeping an eye on this going forward. We discussed this pre and post meeting with RECA. You are fully up to speed.
2. AREA – theirs was a pretty benign presentation about what they do. They were highly complementary of staff (especially Kelly) and of the inclusive approach taken on consultation for the Bill and the regs. They mentioned they would be bringing forward some aspects that could be improved, which is what Brad Mitchell essentially did yesterday in his email to Tim. The Minister was not present.

[redacted]

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Colin



-----Original Message-----
From: Colin Lloyd
Sent: November-04-15 11:51 AM
To: Robert Whittaker
Subject: This afternoon's calendar

Robert,



Also, can you contact the AREA rep who invited me to the MLA session (cc Ian Burns) tonight and send my regrets. Let them know I am fighting some sort of early onset infection and would rather not take the risk.

Cheers,

Colin

Sent from my iPhone

Tariro Nyemba

From: Ian Burns <IBurns@areahub.ca>
Sent: November-04-15 2:00 PM
To: Robert Whittaker
Subject: Re: Colin's attendance at MLA Reception

Robert,

Thanks for letting us know.

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 | TF: 1.800.661.0231 | areahub.ca

On Nov 4, 2015, at 12:09 PM, Robert Whittaker <Robert.Whittaker@gov.ab.ca> wrote:

> Natalie and Ian –
>
> Unfortunately Colin is coming down with something and will be headed home this afternoon, therefore will be unable to attend the reception tonight. Apologies.
>
> Appreciated the meeting yesterday, and I hope the conference has been a success.
>
> Robert Whittaker
> Executive Advisor
> Assistant Deputy Minister, Consumers
> Service Alberta
> 29th fl ATB Place South
> 10020 – 100 Street
> Edmonton, AB T5J 0N3
>
> This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.
>
> <mime-attachment>

AR28747

Speaking Notes

Honourable Danielle Larivee
Minister, Service Alberta

Alberta Real Estate Association (AREA) – MLA Reception

Matrix Hotel
10640 – 100 Avenue
Edmonton

5 p.m. to 8 p.m. (Minister speaks at 6 p.m.)
November 4, 2015

Contact	Amanda Nielsen, Consultant, Hill and Knowlton Strategies; 780-229-0214 (office); 780-920-5001 (cell)
Minister's Role	Speech
Theme/Subject	Greetings on behalf of Government of Alberta; updates on *Condominium Property Act* amendments, *Real Estate Act* amendments, and real estate broker education
Audience	Realtors
Attire	Formal
MC/Introduction	To be determined
Program	
Media	None

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you today.
- I'm proud to bring greetings from Premier Rachel Notley and the Government of Alberta.
- This year has been a busy one for us and we're right in the middle of one of our busiest times – the fall session at the Legislature.
- This is certainly a busy time for me.
- As you know, I hold the portfolios for the Ministries of Municipal Affairs and Service Alberta.
- Both are ministries that work closely with realtors.
- In fact, in many ways, you do a lot of work for ***us*** because of how closely you work with everyday Albertans.

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- In our view, you do so much more than just selling houses or properties. You help us build communities.

- For one thing, you're the unofficial Welcome Wagon.

- Realtors are often the first people with whom newcomers to our province meet and conduct business as they secure places for their families to live.

- You are a front-line contact between consumers and many of our programs, services and legislation related to building, buying, or renting a house or condominium.

- In light of that, you're required to have a good working knowledge of the *Alberta Building Code*, the *Municipal Government Act*, the *Fair Trading Act*, the *Condominium Property Act*, the *Residential Tenancies Act* and the *Land Titles Act*, to name a few.

- You also help home buyers by providing advice, as needed, on obtaining essential services such as electricity, natural gas and other utilities.

- Buying a home is one of the biggest purchases most Albertans will make in their lifetime.

- Our government believes that home ownership is vitally important to this province – a key barometer of our economy.

- You'll hear us talking about that a lot.

- As you know, we released our budget last week and one of its fundamental goals is to continue to ensure that Alberta is Canada's best place to start and grow a business.

- There are so many benefits to meeting that goal, but one of them is a province where Alberta-owned businesses provide Albertans with good, high-skill, ***mortgage-paying*** jobs.

- In other words, we want our economy to be able to provide people with the kinds of jobs that allow them to purchase and own a home.

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- When they can afford to do that, it's good to know that there are professional realtors out there who can guide them through the process of setting down roots.

***Condominium Property Act* Regulations**

- Many new Albertans are buying homes, and many of them are choosing to buy condominiums.

- Condos have become a desirable option for many Albertans – including families, seniors and those new to the province.

- Roughly a quarter of homes sold each year in Alberta are condos and, in Edmonton and Calgary, about one in three homes is a condo.

- That means many of our large communities are building "up" and not just "out."

- In our view, responsible, well-planned condominium development is essential to promoting ***sustainable*** communities and avoiding unnecessary urban sprawl.

- Even more importantly, condominiums are an ***affordable*** housing option for many Albertans.

- As your government, it's our job to help make sure condos remain a safe and affordable investment for buyers and owners.

- It's also our job to ensure those who build and operate condominiums understand ***their*** responsibilities.

- As you know, Service Alberta undertook an extensive review of the *Condominium Property Act* with the goal of modernizing it to reflect the realities of today's condo marketplace.

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- Since the *Condominium Property Amendment Act* passed nearly a year ago, we've been working with key stakeholders to draft supporting regulations that are balanced, responsive to industry trends, and consistent with both the Act and our government's plans to strengthen consumer protection.

- This fall, we hope to bring into force the first set of amendments as part of our implementation plan.

- The Phase One amendments are aimed at improving protection for new condo buyers, including enhanced purchase disclosure as well as remedies and safeguards for handling purchase monies.

- The amendments will also equip government with the tools necessary to investigate and enforce breaches under the legislation.

- We wanted the public to have an opportunity to weigh in on the regulations before they are approved, so we set up an online survey for stakeholders to provide feedback.

- For those of you who participated in that survey, thanks for taking the time.

- Also, I want to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by my ministry.

- You have been a strong advocate for the amendments to the *Condominium Property Act* and we're very grateful for that.

- Please make sure to watch out for future announcements on the next phases of the Act and regulation implementation, which will include topics such as corporation governance, insurance, reserve funds, condo management and dispute resolution.

***Real Estate Act* Amendments**

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*. I can tell you that amendments are tentatively scheduled for spring 2017.

- Our promise to you is that AREA will be engaged in further consultations on these amendments before they are passed.

Conclusion

- Once again, thank you for inviting me to come to your event today.

- I hope you can see how the Government of Alberta is working hard to bring forth changes that benefit Albertans in the course of buying and selling real estate, and raise standards for professionals working in this industry.

- Thank you very much.

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Pages 288 through 293 redacted for the following reasons:
- -
Duplicate to pages 233-238

Tariro Nyemba

From: SA Communications
Sent: November-05-15 8:57 AM
To: _SA-Hansard Alert Service
Subject: HANSARD ALERT - Daily Selection from November 04, 2015 afternoon session

HANSARD ALERT

On behalf of Communications please find below Service Alberta's selections from the Wednesday, November 04, 2015 afternoon proceedings of the Legislative Assembly.

The focus of Hansard Alerts are questions, tablings, motions, legislation and related issues respecting Service Alberta.

If you are no longer interested in receiving daily Hansard alerts, please email hansardalert@gov.ab.ca.

Service Alberta-related selections from the Wednesday, November 04, 2015 afternoon session include the following:

- **Members' Statements: Alberta Real Estate Association**

Members' Statements
Alberta Real Estate Association

Mr. Dach: Thank you, Mr. Speaker. Having previously worked as a realtor for nearly 30 years, I'm pleased to hereby give a member's statement celebrating the work of AREA, the Alberta Real Estate Association. AREA represents more than 10,000 realtors through- out the province and 10 real estate boards province-wide. AREA's vision is to provide world-class leadership that positively changes the Alberta real estate profession and shapes it to serve the population well. It enhances members' professionalism and reinforces the critical value realtors deliver to both buyers and sellers.

Today Alberta realtors from across the province are in Edmonton for government liaison days. Many of us members have met with our local real estate representatives today.

As a professional real estate association for Alberta realtors AREA is in a unique position to advocate with a singular voice on matters which have the potential to impact realtors' careers, their daily work lives, and their ability to effectively serve their clients. AREA provides a provincial perspective on real estate matters directly to the public, when appropriate, to help the public understand a realtor's expertise and the valuable role they play in the success of the industry. Having been a realtor myself, I know the incredible contribution of real estate to Alberta's economy and realtors to their communities. Realtors support Albertans in making the largest financial decision of many people's lives, that of buying a home. AREA also advocates for ideas to help make industry better in Alberta and to help ensure that consumers are protected.

I look forward to a continued dialogue with my former colleagues in AREA to help bring forward their ideas and concerns to the government and to ensure that all Albertans benefit from the best practices advocated by AREA.

Thank you.

Tariro Nyemba

From: Rob Phillips
Sent: November-12-15 9:45 AM
To: Colin Lloyd; Robert Whittaker
Cc: Kelly Refah; George Yates
Subject: s.17(1) Letter from Premier Notley

Colin / Robert,

See update below. Kelly has had a good discussion with s.17(1) and with Brad Mitchel from AREA. AREA agrees this is there issue and they will be working to resolve it.

Can you please share with Keith Mclaughlin, who may want to update the MLA's office (Marlin Schmidt Edmonton Goldbar).

Rob

From: Kelly Refah
Sent: Thursday, November 12, 2015 8:48 AM
To: Rob Phillips
Cc: George Yates
Subject: FW: condo measurements

Roo,

Here's the latest development on the s.17(1) file. I had a good chat with Brad Mitchell from AREA on Tuesday. He acknowledged the concerns raised by fall within AREA's jurisdiction and should be resolved by AREA in collaboration with local real estate boards across Alberta. We may want to share this update with the MO in case s.17(1) contacts them again.

Kelly

From: Brad Mitchell [mailto:BMitchell@areahub.ca]
Sent: Tuesday, November 10, 2015 6:01 PM
To: Kelly Refah
Subject: Re: condo measurements

Thank you. I will get working by on this right away. I talked to Ian this afternoon, we will convene a committee and have set up a meeting with the Edmonton board executives to ensure compliance with the existing rule.

Brad

s.17(1)

Pages 297 through 301 redacted for the following reasons:
- -
s.17(1)

Val Taylor

From: Kelly Refah
Sent: Friday, November 13, 2015 9:06 AM
To: Rob Phillips; George Yates
Subject: FW: condo measurements

This message has been archived. View the original item

FYI - AREA's Board of Directors has committed to resolving this issue.

Kelly

From: Brad Mitchell [mailto:BMitchell@areahub.ca]
Sent: Thursday, November 12, 2015 3:02 PM
To: Kelly Refah
Subject: Re: condo measurements

Hi Kelly,

I tabled this at the board meeting today, and we just finished the discussion regarding this. The board has agreed that we will move this issue forward and work towards a resolution for the entire province. I will keep you updated, and I will personally advocate for enforcement of existing board rules in the very short term. I will let you timelines and milestones as soon as I have some. Kelly, I hope this helps, let me know if I can help any further.

Sent from my iPhone

On Nov 12, 2015, at 9:21 AM, Kelly Refah <Kelly.Refah@gov.ab.ca> wrote:

Thanks again for your time and attention to this matter.

Kelly

From: Brad Mitchell [mailto:BMitchell@areahub.ca]
Sent: Tuesday, November 10, 2015 6:01 PM
To: Kelly Refah
Subject: Re: condo measurements

Thank you. I will get working by on this right away. I talked to Ian this afternoon, we will convene a committee and have set up a meeting with the Edmonton board executives to ensure compliance with the existing rule.

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Sent from my iPhone

On Nov 10, 2015, at 5:52 PM, Kelly Refah <Kelly.Refah@gov.ab.ca> wrote:

Brad, see my response to s.17(1) You may be receiving a call or email from him. Thanks again for your assistance with this matter.

Kelly Refah

Duplicate to pages 296-297 - s.17(1)

Page 304 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 296-297, s.17(1)

Closed

ACTION REQUEST COVERSHEET
Service Alberta

Due Date: Nov 16, 2015
Due to MCU: Nov 9, 2015
Due to ADMO:
Extended Due Date: Nov 16, 2015

AR Number: 28931
Logged By: MO
Priority Level: Normal
Received Date: Oct 30, 2015

AR References:
Assigned To: 03 MCU
Subject: REDRAFT - Proposed Condominium Regulations Phase 1
Action Requested: Draft reply for Minister
Correspondent: Brad Mitchell (Alberta Real Estate Association)
Constituency: Brian Malkinson (NDP), Calgary-Currie

	Name and Phone Number		Initials and Date
Approved by ADM:			
Edited by MCU:	Andrea Season	427-7918	13 - Nov 19/15
Approved by MCU:	DMcb		Nov 19
Approved by P&G:	Cheryl Naundorf	780-427-6369	CN Nov 19/15
Approved by DM CoS:	Linda Chupka	780-422-6174	LC Nov 19 with edits
Approved by DM:	Tim Grant	780-415-4954	
Approved by MO CoS:	Nathaniel Smith	780-427-3744	NS 23/11/15

File Number:
Comments: AR drafted by Kelly Refah of Consumer Programs
Hardcopy given to Dan for review.
To Sandy for MCU approval.
AR to Cheryl N. for review
Received in DMO for review and approval.
Approved by DM's Office. Returned to MCU.
Received in MO, with CoS for review.
Returning for redraft - Per CoS - Include reference to having met with Brad at AREA MLA reception. Also thank them for their offer to support the Regs going forward and for their contributions to date. - No hard copy to follow

Additional Notes:

ALBERTA
SERVICE ALBERTA

Office of the Minister
MLA, Lesser Slave Lake

AR28931

Mr. Brad Mitchell
bmitchell@areahub.ca

Dear Mr. Mitchell:

Thank you for your October 29, 2015 email outlining the perspective of the Alberta Real Estate Association (AREA) with regard to the Phase One draft regulations under the *Condominium Property Act*. I appreciate you taking the time to provide your feedback.

Before the regulations are finalized, the recommendations put forward by AREA will be carefully considered by department staff, along with the nearly 300 survey responses received from stakeholders in the condominium community. Service Alberta is committed to ensuring that changes to the condominium legislation are balanced, responsive to industry trends and reflective of the input from Albertans.

I admire AREA's commitment to enhancing consumer protection in Alberta's condominium market, and look forward to working with your organization in subsequent phases of the Condominium Modernization Project. Should you wish to discuss any matters related to this initiative, please contact Kelly Refah, Manager of Market and Industry Standards, at 780-427-0294.

I enjoyed meeting you at the AREA MLA reception and appreciate your organization's support of, and valuable contributions to, the *Condominium Property Act* regulations.

Sincerely,

Larivee

Hon. Danielle Larivee
Minister of Service Alberta

204 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6 Canada Telephone 780-422-6880 Fax 780-422-2496

Printed on recycled paper

28931

Cindy Chisholm

From: Nathaniel Smith
Sent: Friday, October 30, 2015 9:17 AM
To: 'Brad Mitchell'
Cc: Cindy Chisholm
Subject: RE: Proposed Condominium Regulations Phase 1

Brad,

Nice to see you on Tuesday in the atrium. I hope that you enjoyed the budget day craziness.

Thank you for you submitting this feedback. We will make sure that it gets sent to the appropriate program people to ensure its rolled into the overall consultation.

I also look forward to having an opportunity to meet again should the Minister and I have time in the near future on a trip to Calgary.

Thanks
Nat

From: Brad Mitchell [mailto:BMitchell@areahub.ca]
Sent: Thursday, October 29, 2015 2:53 PM
To: danielle.larivee@assembly.ab.ca
Cc: Nathaniel Smith; Cindy Chisholm
Subject: Proposed Condominium Regulations Phase 1

Dear Minister Larivee and Nathaniel,

I'm writing to share feedback with you on behalf of the Alberta Real Estate Association (AREA), and it's 10,000 members across the province, on the draft Condominium Property Amendment Act regulations. Thank you for providing stakeholders with an opportunity to share their input.

Overall, AREA is very pleased with the draft regulations. The regulations take important steps towards ensuring enhanced consumer protection through measures such as establishing standard first-budget protocol and reserve fund allocations, specifying requirements for occupancy dates, and establishing protocols for third party contracts. AREA commends and thanks you for this work.

We have a few additional suggestions on how the regulations might be made even stronger in order to protect Albertans and ensure the province's real estate industry works as soundly as possible.

Specifically, we recommend government:

1. Remove clauses 20.1(1)(g) and (h) in the proposed regulations. These clauses relate to the what is considered a reasonable delay in occupancy. Clause 20.1(g) could limit the bargaining power of labour. Clause 20.1(h) is particularly troublesome as it potentially allows the developer to claim a reasonable delay based on shortage of labour or materials, AREA believes that this clause is a large loophole that will not allow consumers to hold developers to promised occupancy dates. AREA considers acts of God and Government to be the only reasonable delays for possession. (this is covered in the regulations). A contractor that is employed by the

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developer not showing up for work, or materials that were not procured on time should not enable a developer to push a consumers possession date without recourse for the consumer.

2. Strengthen standard budget protocol by:
   a) Mandating the proposed budget be prepared by a certified accountant using International Financial Reporting Standards (IFRS), the world-recognized reporting standard.
   b) Enhancing financial protection for consumers in the event the developer goes bankrupt or the development company is shut down after the sale

3. Improve notice requirements and rescission rights for consumers, particularly in relation to Material Changes and Final Possession Dates. The regulations should be closer to legislation in Ontario and Manitoba that have tougher notice requirements for developers

4. Provides for adequate protection for Condominium Corporations in relation to 3rd party Agreements/Contracts entered by developers. Detailed in our submission, AREA is requesting clarity on some of the regulations to ensure that 3rd party utility agreements are fully disclosed to potential buyers

5. Expands the definition of "building envelope" in regards to conversions to include windows and patio/sliding doors. Windows and Doors, are an expensive portion of the buildings structure. AREA believes that condominium conversions should include windows and doors as part of the building envelope evaluation.

6. Clarifies that written Variances under the Safety Codes Act are one of the documents required to be provided to the corporation

These relatively minor changes will go a long ways towards ensuring consumers are treated fairly and protected in their condominium purchases and sales. Attached, please find a policy document outlining our rationale for these changes. Please get in touch if you have any questions or concerns. Will you consider supporting the changes we've outlined? We'd appreciate your support in this matter, including discussions with your colleagues, the Minister, and the Service Alberta department.

Many thanks!

Warmly,

Brad Mitchell
Director, Government Relations

Dhanandjay Goboodun

From:	Amanda Nielsen <amanda.nielsen@albertarealtor.ca>
Sent:	Monday, June 26, 2017 3:16 PM
To:	calgary.varsity@assembly.ab.ca; Service Alberta Minister
Cc:	Rhonda Nguyen; Steve Stringfellow; Carlynn McAneeley; Angela Liu
Subject:	Re: You're Invited: Alberta Real Estate Industry Stampede Meet and Greet
Attachments:	Stampede Invitation.jpg

Good afternoon Minister McLean and team,

Just a quick note to follow up on the email below, and see if you are able to join us... We would be so honoured if you could attend and say a few words at our first ever industry Stampede event!

Thank you for your consideration.

Warmly,

Amanda

AMANDA NIELSEN
Public Affairs and Stakeholder Relations Advisor Alberta Real Estate Association
+780.920.5001/ albertarealtor.ca

From: Amanda Nielsen
Sent: Thursday, June 15, 2017 2:00:29 PM
To: calgary.varsity@assembly.ab.ca; ministersa@gov.ab.ca
Cc: Rhonda.Nguyen@gov.ab.ca; Steve Stringfellow; carlynn.mcaneeley@gov.ab.ca; angela.liu@gov.ab.ca
Subject: You're Invited: Alberta Real Estate Industry Stampede Meet and Greet

Dear Minister McLean, Steve, Carlynn, and Angela,

Please accept this invitation to the Real Estate Industry's Stampede Meet and Greet.

Details are as follows.

Date: Friday, July 7
Time: 12:30-4:00pm
Location: The Marriott Patio, Downtown Calgary (110 9 Ave SE) Who's attending: Local REALTORS®, mortgage brokers, and real estate appraisers

Alberta's real estate professionals are eager to connect with the provincial government and share some Stampede cheer. Given Minister McLean oversees the Real Estate Act, we are also hoping she might consider bringing greetings (5-7 minutes) on behalf of government. Is this possible?

Many thanks! We sincerely hope you will be able to join us!

Warmly,

Amanda

AMANDA NIELSEN
Public Affairs and Stakeholder Relations Advisor Alberta Real Estate Association
+780.920.5001/ albertarealtor.ca
[cid:3574f910-6202-4eeb-9a36-65a1ad0d57da]

Cindy Chisholm

From: Service Alberta Minister
Sent: Monday, November 23, 2015 12:37 PM
To: 'Chad.Boddez@am.jll.com'
Subject: Real Estate Council of Alberta
Attachments: 28811.pdf

Dear Mr. Boddez:

Please see email response attached.

Thank you.

From: Boddez, Chad [mailto:Chad.Boddez@am.jll.com]
Sent: Friday, October 02, 2015 11:26 AM
To: Service Alberta Minister
Subject: Real Estate Council of Alberta



Page 312 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 109

ALBERTA
SERVICE ALBERTA

Office of the Minister
MLA, Lesser Slave Lake

AR28811

Mr. Chad Boddez
chad.boddez@am.jll.com

Dear Mr. Boddez:

Thank you for your recent correspondence to my colleague, Honourable Deron Bilous regarding appointments to the Real Estate Council of Alberta. As the new Minister of Service Alberta, I appreciate the time you took to write.

As stated in your e-mail, the Council includes an appointment by the Alberta Real Estate Association (AREA) of a real estate broker trading in industrial, commercial and investment real estate, who may or may not be active in property management.

AREA has assured Service Alberta staff that an open and competitive selection process was followed for the non-residential appointment. The Association notified all REALTORS of the appointment to the Council and invited all interested parties to apply. Interviews were subsequently conducted with the shortlisted candidates. AREA has stated it is satisfied that all appointments meet the criteria required by the *Real Estate Act* and confirmed that Ramey Demian and his brokerage have been actively involved in commercial real estate.

I appreciate your perspective on representation of commercial practitioners on the Council. Service Alberta is currently reviewing the process for appointments to agencies, boards and commissions responsible for administering the Ministry's legislation and we will examine this matter further as part of that review.

Thank you again for bringing this matter to my attention.

Sincerely,

Hon. Danielle Larivee
Minister of Service Alberta

204 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6 Canada Telephone 780-422-6880 Fax 780-422-2496

Printed on recycled paper

AR28811

Mr. Chad Boddez
chad.boddez@am.jll.com

Dear Mr. Boddez:

Thank you for your recent e-mail regarding appointments to the Real Estate Council of Alberta (Council). As the Minister of Service Alberta I appreciate the opportunity to respond.

As you have stated in your e-mail, the composition of the Council includes an appointment by the Alberta Real Estate Association (AREA) of a real estate broker trading in industrial, commercial and investment real estate and who may or may not be active in property management.

My department staff have discussed the non-residential appointment with AREA and they have assured us an open and competitive selection process was followed. AREA sent notification of to all REALTORS inviting interested parties to apply for appointment to the Council, and interviews were subsequently conducted with the shortlisted candidates. AREA is satisfied that all appointments meet the criteria required by the *Real Estate Act* and confirmed that Mr. Ramey Demian and his brokerage have been actively involved in commercial real estate. Mr. Demian is a Certified Commercial Investment Member and has taught commercial real estate courses on behalf of AREA.

Your perspective on representation of commercial practitioners on Council is worth exploring. Service Alberta is currently reviewing the process for appointments to agencies, boards and commissions responsible for the administration of legislation on Service Alberta's behalf and we will commit to examining this matter further.

Thank you for bringing this matter to my attention.

Sincerely,

ORIGINAL

ALBERTA
SERVICE ALBERTA

Office of the Minister
MLA, Edmonton-Beverly-Clareview

AR28811

Mr. Chad Boddez
chad.boddez@am.jll.com

Dear Mr. Boddez:

Thank you for your recent correspondence regarding appointments to the Real Estate Council of Alberta. As the Minister of Service Alberta, I appreciate the opportunity to respond.

As stated in your e-mail, the Council includes an appointment by the Alberta Real Estate Association (AREA) of a real estate broker trading in industrial, commercial and investment real estate, who may or may not be active in property management.

AREA has assured Service Alberta staff that an open and competitive selection process was followed for the non-residential appointment. The Association notified all REALTORS of the appointment to the Council and invited all interested parties to apply. Interviews were subsequently conducted with the shortlisted candidates. AREA has stated it is satisfied that all appointments meet the criteria required by the *Real Estate Act* and confirmed that Ramey Demian and his brokerage have been actively involved in commercial real estate.

I appreciate your perspective on representation of commercial practitioners on the Council. Service Alberta is currently reviewing the process for appointments to agencies, boards and commissions responsible for administering the Ministry's legislation and we will examine this matter further as part of that review.

Thank you again for bringing this matter to my attention.

Sincerely,

Hon. Deron Bilous
Minister of Municipal Affairs
Minister of Service Alberta

204 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6 Canada Telephone 780-422-6860 Fax 780-422-2496

Printed on recycled paper

AR28811

Mr. Chad Boddez
chad.boddez@am.jll.com

Dear Mr. Boddez:

Thank you for your recent e-mail regarding appointments to the Real Estate Council of Alberta (Council). As the Minister of Service Alberta, I appreciate the opportunity to respond.

As you have stated in your e-mail, the composition of the Council includes an appointment by the Alberta Real Estate Association (AREA) of a real estate broker trading in industrial, commercial and investment real estate and who may or may not be active in property management.

My department staff have discussed the non-residential appointment with AREA and they have assured us an open and competitive selection process was followed. AREA sent notification of to all REALTORS inviting interested parties to apply for appointment to the Council, and interviews were subsequently conducted with the shortlisted candidates. AREA is satisfied that all appointments meet the criteria required by the *Real Estate Act* and confirmed that Mr. Ramey Demian and his brokerage have been actively involved in commercial real estate. Mr. Demian is a Certified Commercial Investment Member and has taught commercial real estate courses on behalf of AREA.

Your perspective on representation of commercial practitioners on Council is worth exploring. Service Alberta is currently reviewing the process for appointments to agencies, boards and commissions responsible for the administration of legislation on Service Alberta's behalf and we will commit to examining this matter further.

Thank you for bringing this matter to my attention.

Sincerely,

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Tariro Nyemba

From: George Yates
Sent: November-30-15 11:32 AM
To: Scott Seymour
Cc: Kelly Refah; Jodi Morris; Cheryl Tkalcic; Colin Lloyd; Robert Whittaker; Grace Findlay
Subject: FW: RECA KMs questions
Attachments: KM_RECA + condo sizing 20151130.doc

Scott, this looks fine.

George Yates, Director of Consumer Programs and Fair Trading
Service Alberta 780-422-8179

Consumer Tips: Gift cards~Just like giving cash.
KNOWLEDGE IS THE DIFFERENCE Find us on Facebook !
Be the change - There are no spectators

From: Scott Seymour
Sent: Monday, November 30, 2015 10:55 AM
To: Kelly Refah; Jodi Morris
Cc: George Yates; Cheryl Tkalcic
Subject: RE: RECA KMs questions

Hi everyone...
Attached is my first stab at KMs/Background on this issue. Hopefully I've captured everyone's input. Please let me know if there are any glaring errors or omissions.

George – Sounds like Colin's away today so if/when this BN meets your approval, our next move will be to forward along to the DM's office.

Thanks everyone!

Scott

From: Kelly Refah
Sent: Monday, November 30, 2015 10:51 AM
To: Jodi Morris; Scott Seymour
Cc: George Yates; Cheryl Tkalcic
Subject: RE: RECA KMs questions

Scott, in answer to your third question, this is a real estate practice issue to be resolved by RECA, AREA and regional real estate boards. The CPA is not the appropriate vehicle to remedy this situation. Section 8(1)(g) of the CPA already requires a developer to disclose the approximate floor area of each unit on the condominium plan. As such, all condo plans provide the 'registered size' of units contained in a building. As the article points out, "the size must come from the condominium plan registered with a land titles

office. Building plans can be pulled for a $2 fee through an online system. But it appears that agents have repeatedly missed this step or, in some cases, actively ignored the requirement."

Kelly

From: Kelly Refah
Sent: Monday, November 30, 2015 10:43 AM
To: Jodi Morris; Scott Seymour
Cc: George Yates; Cheryl Tkalcic
Subject: RE: RECA KMs questions

Hi Scott, I've provided some additional points (yellow highlights) and made a couple edits to Jodi's response below.

Kelly

From: Jodi Morris
Sent: Monday, November 30, 2015 9:55 AM
To: Scott Seymour; Kelly Refah
Cc: George Yates; Cheryl Tkalcic
Subject: RE: RECA KMs questions

Scott,

I am providing information I have on questions 1 and 2 below, however, Kelly has recently had some encounters regarding this matter and therefore it would be pertinent that she provide further clarification, along with input on 3.

1. We are aware of this issue and have discussed the concerns with the Real Estate Council of Alberta and the Alberta Real Estate Association. RECA and AREA are working with the regional real estate boards to remedy these concerns. Discrepancies between the ~~actual~~ registered and advertised condo size occur when realtors fail to retrieve and disclose the 'registered size' from the Land Titles System. Instead they rely on previous listing data, developers data, and possibly the City of Edmonton or other municipal assessment data. In other cases, the discrepancies are the result of unintentional mistakes on the part of realtors.
2. Each of the 10 regional real estate boards in Alberta sets its own criteria for measuring residential property. ~~has its own MLS system that is customized to meet local needs~~. Therefore, the data fields that realtors must complete for listing information are determined by their respective board and customized MLS system. RECA has no jurisdiction over the MLS systems, however they do have an interest in making sure that property information disclosed to consumers is in compliance with requirements set by the local boards. As such, this is a practice issue that must be jointly addressed by RECA, AREA and the regional boards.
3. RECA takes action on complaints relating to discrepancies in condo unit measurements. Every file is opened to establish facts and mitigating factors. RECA's approach to these cases has been to educate realtors and modify the professional misconduct as opposed to taking punitive action. For more serious cases, where RECA has determined a realtor has intentionally advertised a different size than the registered size, administrative penalties have been issued, ranging from $1,500 to $5,000. Generally, only repeat offenders will receive administrative penalties in excess of $1,500.
4. In addition to taking enforcement action, RECA is working with real estate boards to develop a practice guide that will educate realtors about proper disclosure of condominium property measurements.

Jodi Morris
Director of Residential Tenancies/
Director of Co-operatives
Service Alberta
Market and Industry Standards
Telephone: (780) 415-2186

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Fax: (780) 427-3033
Email: jodi.morris@gov.ab.ca
Website: www.servicealberta.ca

From: Scott Seymour
Sent: Monday, November 30, 2015 9:06 AM
To: Jodi Morris; Kelly Refah
Cc: George Yates; Cheryl Tkalcic
Subject: RECA KMs questions

Hi Jodi and Kelly...
Just a quick note to say hello and let you know that we've been asked to do up some Key Messages and Background related to a news story (below) on the Real Estate Council of Alberta and complaints about misrepresentation of condo square footage in sales ads. We'll need your help with this, so I'll have something to send you in an hour or so, hopefully...

Before I get started, I've got a few questions that I can pitch to you...

- Are we "aware" of this? (Basically – we're wondering if one of the key messages for the Minister can simply be: "We are aware of this issue and we're working with RECA to find out more about it" ... or whatever)
- Are there any "rules" or regulations regarding advertising of condo square-footage? Is RECA responsible for policing it?
- I know this is ultimately a Real Estate Act issue, but is there anything in the new Condo Act amendments that will help address this?

If you can please advise on the above, I can add those details to the document I'm working on right now.

Thanks!

Scott

Alberta Government
Scott Seymour
Public Affairs Officer| Communications | Service Alberta
Telus Plaza South Tower | 10020 - 100 Street | T5J 2N1
T: 780-422-8811| scott.seymour@gov.ab.ca

Dozens of Alberta real estate agents fined for improper condo measurements
Source: EDM - Edmonton Journal
Nov 30 22:18
Almost three dozen Alberta real estate agents have been fined in the past two years for misrepresenting the size of condominiums in real estate listings, representing a small fraction of complaints made to the provincial regulator.
The infractions have ranged from errors of a few square feet, to errors of more than a hundred square feet, in the "registered size" category for condominiums listed on the MLS system.
"It's an issue that's fundamental to consumer protection," said condominium lawyer Hugh Willis, who was approached for assistance by an Edmonton resident, and who has lodged 1,100 complaints on the issue since 2014 with the Real Estate Council of Alberta.

"This isn't about throwing (real estate agents) under the bus," Willis said. "I think people don't know or they don't think it will ever be enforced, so they don't care .... If you get 1,000 complaints on the same point, clearly your education to your members is not working."

The council says it is aware of the issue and has been working on education campaigns about the measurement rules.

Real estate professionals in Edmonton must complete several categories for properties in the MLS system, including one described as "registered size." The size must come from the condominium plan registered with a land titles office.

Building plans can be pulled for a $2 fee through an online system.

But it appears that agents have repeatedly missed this step or, in some cases, actively ignored the requirement.

In many cases, complaints have noted discrepancies of relatively minimal square footage - for example, a listed size of 1,109 square feet, versus an actual registered size of 1,038 square feet. But in some cases, the differences were more significant, such as a listed size of 1,044 square feet, versus an actual registered size of 943 square feet.

Perceptions about size are important, said Willis, who runs seminars for condo buyers through Metro Continuing Education. It's one of the first things buyers consider and can immediately alter perceptions of a unit.

The council monitors the activities of real estate professionals in Alberta.

"There are certain people who are genuinely ignorant of what needs to be done. There are people who, at the other extreme, just refuse to think that's the appropriate way to represent the size. And in between, are people who genuinely make mistakes," said Charles Stevenson, the organization's director of professional standards.

He noted the registered size may include spaces such as balconies, storage cages or parking stalls. In those cases, some agents feel the more appropriate measurement is the "living space."

"In my time (as an agent), I had as many people say I want to see what the space feels like as have said, my threshold is 1,000 square feet and that's firm."

Agents should find out what their clients are looking for and provide the most appropriate measurements, which might not be the "registered size," he said.

The council has issued almost 36 administrative penalties in the last two years(https://www.reca.ca/consumers/complaints/administrative-penalties.htm) for those misrepresenting the size of a condominium in an MLS listing. The fines are typically $1,500.

Stevenson said the organization has several levels of penalties, ranging from an advisory letter to financial penalties, which are posted on the organization's website. The penalties depend on aggravating factors, such as whether it's a first-time infraction or the severity of the infraction.

"I feel very confident in saying anecdotally that in the past year, industry professional have been more compliant and I think that's an extension of awareness," he said.

But Willis thinks the stakes are so high that education alone is not enough. The issue not only affects buyers but also other sellers in the same building, the cost of condo fees, and, in some jurisdictions, insurance coverage.

Willis wants to see complaints handled in a timely fashion, especially before the sale of a unit proceeds, and mandatory notification of a purchaser if the sale has already been completed.

"If there's an error and it's something the public is going to rely on, and the regulator is made aware of it, the regulator should get it corrected before the transaction closes," he said.

Last year, 5,633 condominiums sold in Edmonton, representing 30 per cent of total residential sales, according to the Realtors Association of Edmonton.

RECA - Condominium square footage

Advice to the Minister

Issue:

An Edmonton Journal story says the Real Estate Council of Alberta (RECA) has fined almost three dozen realtors over the past two years for misrepresenting the size of condominiums listed for sale. The Minister may be asked about this issue.

Key Points:

- Buying a home is one of the biggest purchases a consumer will ever make. This government is committed to ensuring Alberta's home buyers are protected before, during and after their purchase.
- Our Ministry is aware of this issue and have discussed the concerns with RECA and the Alberta Real Estate Association.
- RECA and AREA are working with regional real estate boards to remedy these concerns.

November 30, 2015

RECA - Condominium square footage

Advice to the Minister

Background

- Discrepancies between the registered and advertised condo size occur when realtors fail to retrieve and disclose the registered size from the Land Titles System, as they should.
- Instead they rely on previous listing data, developer data, and possibly the City of Edmonton or other municipal assessment data. In other cases, the discrepancies are the result of unintentional mistakes on the part of realtors.
- Currently, each of the 10 regional real estate boards in Alberta set their own criteria for measuring residential property. Therefore, the data fields that realtors must complete for listing information are determined by their respective board and customized MLS system.
- RECA has no jurisdiction over the MLS systems, however it does have an interest in making sure that property information disclosed to consumers is in compliance with requirements set by the local boards.
- As such, this is a practice issue that must be jointly addressed by RECA, AREA and the regional boards.
- A new information guide was launched on RECA's website (click here to see the guide), providing realtors with the requirements on proper disclosure of residential measurements and RECA's ongoing investigation of complaints.
- RECA takes action on complaints relating to discrepancies in condo unit measurements. Every file is opened to establish facts and mitigating factors. RECA's approach to these cases has been to educate realtors and modify the professional misconduct as opposed to taking punitive action. For more serious cases, where RECA has determined a realtor has intentionally advertised a different size than the registered size, administrative penalties have been issued, ranging from $1,500 to $5,000. Generally, only repeat offenders will receive administrative penalties in excess of $1,500.

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Tariro Nyemba

From: Kelly Refah
Sent: November-30-15 2:04 PM
To: Robert Whittaker
Cc: George Yates
Subject: FW: quick question regarding RECA KMs

FYI, Robert.

From: Kelly Refah
Sent: Monday, November 30, 2015 2:03 PM
To: Scott Seymour; Jodi Morris; George Yates
Cc: Cheryl Tkalcic; Jo-Anne Nugent
Subject: RE: quick question regarding RECA KMs

Scott, I can confirm that I've personally spoken with staff from both RECA and AREA regarding this matter. Much of the information we provided for this briefing came from those sources.

Kelly

From: Scott Seymour
Sent: Monday, November 30, 2015 1:45 PM
To: Jodi Morris; Kelly Refah; George Yates
Cc: Cheryl Tkalcic; Jo-Anne Nugent
Subject: quick question regarding RECA KMs
Importance: High

Hi Jodi and Kelly...
With regards to our BN on the RECA/condo sizing stuff, we just wanted to clarify one thing ...

"We are aware of this issue and have discussed the concerns with the Real Estate Council of Alberta and the Alberta Real Estate Association."

Colin just wants to make sure that statement is 100-percent true – that our ministry (program-area staff) have been in contact with RECA and AREA about this specific issue. Just a double-check to make sure it's safe to say.

Can one of you please confirm?

Thanks!

Scott

Tariro Nyemba

From: Kelly Refah
Sent: December-01-15 4:11 PM
To: George Yates; Colin Lloyd; Robert Whittaker; Cheryl Tkalcic; Scott Seymour; Jodi Morris
Subject: FW: Alberta REALTORS Committed to Work on Complex Issue of Property Measurements

Update: AREA has issued a press release on steps being taken to resolve issues surrounding misrepresentation of residential (condominium) measurements. The release is in response to the Nov 30th article. We may want to update the key messages we prepared earlier to reflect AREA's work.

Kelly

From: Brad Mitchell [mailto:BMitchell@areahub.ca]
Sent: Tuesday, December 01, 2015 3:12 PM
To: Kelly Refah
Subject: FW: Alberta REALTORS Committed to Work on Complex Issue of Property Measurements

Kelly. Here is our press release re condo measurements. We have agreement from the industry to enforce local board rules and will be working towards a standard. I will have more for you shortly, getting all the local boards to enforce their own standards is a good start.

From: Alberta Real Estate Association [mailto:communications@areahub.ca]
Sent: December-01-15 3:02 PM
To: Brad Mitchell <BMitchell@areahub.ca>
Subject: Alberta REALTORS Committed to Work on Complex Issue of Property Measurements

News Release

Alberta REALTORS® Committed to Work on Complex Issue of Property Measurements

Calgary AB, December 1, 2015 – The Alberta Real Estate Association (AREA) is aware of an article in the November 30th issue of the Edmonton Journal speaking to fines levied by the Real Estate Council of Alberta (RECA) for misrepresenting the size of condominiums in real estate listings, and is taking steps, along with its ten member boards, to look at the issue of residential property measurement.

"The issue of residential property measurements, including condominium, is complex," says Ian Burns, AREA's Chief Executive Officer "As the article notes, even a registered size for a property is not standardized across the industry. Registered sizes sometimes include non-living areas like balconies and parking stalls, and in other instances do not."

Currently in Alberta, there is no province-wide regulation or standard of measurement. Local real

estate boards enforce individual sets of rules with regard to measurements posted on their MLS® Systems and hold members accountable for errors.

Steps are being taken to clarify the measurement rules across the province, says Burns. "AREA will be working with local boards to look at the existing rules and agree on the implementation and enforcement of a provincial standard of measurement for residential properties, including condominiums, for the benefit of all consumers."

AREA and the ten local boards in Alberta have collaborated successfully on similar complex projects core to the real estate industry, including the development and implementation of provincial rules both for REALTOR® practice and for MLS® System listings.

-30-

For more information, please contact:

Alberta Real Estate Association
Ian Burns, Chief Executive Officer
Phone: 403.228.6845
Email: communications@areahub.ca

The Alberta Real Estate Association (AREA) represents more than 10,000 REALTORS® and 10 real estate boards province-wide. AREA's vision is to provide world-class leadership that positively shapes the Alberta real estate profession, enhances member professionalism, and reinforces the critical value REALTORS® deliver to both buyers and sellers.







From: Colin Lloyd
Sent: December-01-15 5:27 PM
To: Linda Chupka; Jo-Anne Nugent; Tim Grant; Robert Whittaker
Subject: RE: AREA responds to concerns about condo sizes in ads

Yes, agreed. Robert will prep.

Colin

From: Linda Chupka
Sent: Tuesday, December 01, 2015 4:39 PM
To: Jo-Anne Nugent; Tim Grant; Colin Lloyd; Robert Whittaker
Subject: Re: AREA responds to concerns about condo sizes in ads

I think we will need to prepare a key issues update to get into Evan Romanow tomorrow morning.

Linda Chupka
Chief of Staff
Deputy Minister's Office
Service Alberta

From: Jo-Anne Nugent
Sent: Tuesday, December 1, 2015 4:36 PM
To: Tim Grant; Linda Chupka; Nathaniel Smith
Subject: AREA responds to concerns about condo sizes in ads

Hello,

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AREA has issued the following press release on steps being taken to resolve issues surrounding misrepresentation of residential (condominium) measurements. The release is in response to the Nov 30th Edmonton Journal article. We will update the key messages we prepared earlier to reflect AREA's work.

Jo-anne

Duplicate information to pages 324-235



From: Colin Lloyd
Sent: December-02-15 10:08 AM
To: Scott Seymour
Cc: Robert Whittaker
Subject: KM_RECA + condo sizing 20151201

Scott,

Looks good. Please see comment though.

Colin

RECA - Condominium square footage

Advice to the Minister

Issue:

Minister may be asked about recent media stories regarding the Real Estate Council of Alberta (RECA) fining nearly three dozen realtors over the past two years for misrepresenting the square footage listed in real estate advertisements for condominiums.

Key Points:

- Buying a home is one of the biggest purchases a consumer will ever make.
- This government is committed to ensuring Alberta's home buyers are protected before, during and after their purchase.
- We are aware of this matter and have discussed the concerns raised with the Real Estate Council of Alberta and the Alberta Real Estate Association.
- The Real Estate Council of Alberta and the Alberta Real Estate Association are working with regional real estate boards to remedy these concerns.

December 2, 2015, Colin Lloyd, 780-427-2300

RECA - Condominium square footage

Advice to the Minister

Background

- Currently in Alberta, there is no province-wide regulation or standard of measurement. Each of the 10 regional real estate boards set and enforce their own criteria with regard to measurements posted on their MLS Systems and hold members accountable for errors. The data fields that realtors must complete for listing information are determined by their respective board and customized MLS system.
- Discrepancies between the registered and advertised square footage of a condominium occur when realtors fail to retrieve and disclose the registered size from the Land Titles System.
- Instead many rely on previous listing data, developer data, and possibly the City of Edmonton or other municipal assessment data. In other cases, the discrepancies are the result of unintentional mistakes on the part of realtors.
- The Real Estate Council of Alberta (RECA) has no jurisdiction over the MLS systems, however it does have an interest in making sure that property information disclosed to consumers is in compliance with requirements set by the local boards.
- As such, this is a practice issue that must be jointly addressed by RECA, Alberta Real Estate Association (AREA) and the regional boards.
- AREA issued a press release on Dec. 1 noting that it is working to clarify measurement rules across the province.
- A new information guide was launched on RECA's website (click here to see the guide), providing realtors with the requirements on proper disclosure of residential measurements and RECA's ongoing investigation of complaints.
- RECA takes action on complaints relating to discrepancies in condo unit measurements.
    - Every file is opened to establish facts and mitigating factors.
    - RECA's approach to these cases has been to educate realtors and modify the professional misconduct as opposed to taking punitive action.
- For more serious cases, where RECA has determined a realtor has intentionally advertised a different size than the registered size, administrative penalties have been issued, ranging from $1,500 to $5,000. Generally, only repeat offenders will receive administrative penalties in excess of $1,500.

Comment [c1]: Do we know when, and was there something in particular that precipitated it to do so?

December 2, 2015. Colin Lloyd, 780-427-2300



From: Colin Lloyd
Sent: December-02-15 10:58 AM
To: Linda Chupka
Subject: FW: Key_Issues_Update_-_RECA realtor fines

Linda,

As discussed.

Colin

From: Colin Lloyd
Sent: Wednesday, December 02, 2015 10:19 AM
To: Robert Whittaker; Kelly Refah
Subject: Key_Issues_Update_-_RECA realtor fines

Please see my comments. Kelly – I am looking to you in the main to answer them please. I will need this turned around fairly quickly as it will go into the key issues update today.

Thanks.

Colin

KEY ISSUE UPDATE

Service Alberta

ISSUE: An Edmonton Journal story ran November 29, 2015 highlighting that the Real Estate Council of Alberta (RECA) has fined almost three dozen realtors over the past two years for misrepresenting the size of condominiums listed for sale. Subsequently, the Alberta Real Estate Association (AREA) has issued a news release indicating their commitment to the accuracy of property measurements and that steps are being taken to clarify rules across the province.

BACKGROUND:

- Discrepancies between the registered and advertised property size occur when realtors fail to retrieve and disclose the registered size from the Land Titles System, as they should.
- Instead there is an apparent tendency they rely on previous listing data, developer data, and possibly the City of Edmonton or other municipal assessment data. In other cases, the discrepancies are the result of unintentional mistakes on the part of realtors.
- Currently, each of the 10 regional real estate boards in Alberta set their own criteria for measuring residential property. Therefore, the data fields that realtors must complete for listing information are determined by their respective boards and customized Multiple Listing Service (MLS) system.
- RECA has no jurisdiction over the MLS systems, however it does have an interest in making sure that property information disclosed to consumers is in compliance with requirements set by the local boards.
- As such, this is a practice issue that must be jointly addressed by RECA, AREA and the regional boards.
- A new information guide was launched on RECA's website providing realtors with the requirements on proper disclosure of residential measurements and RECA's ongoing investigation of complaints.
- RECA takes action on complaints relating to discrepancies in condo unit measurements. Every file is opened to establish facts and mitigating factors. RECA's approach to these cases has been to educate realtors and modify the professional misconduct as opposed to taking punitive action. For more serious cases, where RECA has determined a realtor has intentionally advertised a different size than the registered size, administrative penalties have been issued, ranging from $1,500 to $5,000. Generally, only repeat offenders will receive administrative penalties in excess of $1,500.

PROPOSED ACTION / DIRECTION REQUIRED:

- Service Alberta is monitoring the progress of RECA and AREA as they work with regional real estate boards to remedy the issue of inaccurate condo property measurements.

Comment [c1]: Does RECA not have the jurisdiction to set standards of practice and rules?

Comment [c2]: When was this launched?

Comment [c3]: What do they refer to in establishing whether an offence is committed – the Land Titles measurement? Have individual realtors appealed any decisions, and if so, what has been the basis. How clear are the rules and how are they enforced?



From: Colin Lloyd
Sent: December-02-15 11:08 AM
To: Linda Chupka
Cc: Robert Whittaker; Kelly Refah
Subject: Key_Issues_Update_-_RECA realtor fines (3)

Linda,

Please use this version as it now contains the updated information from Kelly Refah.

Thanks.

Colin

KEY ISSUE UPDATE

Service Alberta

ISSUE: An Edmonton Journal story ran November 29, 2015 highlighting that the Real Estate Council of Alberta (RECA) has fined almost three dozen realtors over the past two years for misrepresenting the size of condominiums listed for sale. Subsequently, the Alberta Real Estate Association (AREA) issued a news release indicating their commitment to ensuring accurate disclosure of residential property measurements and that steps are being taken to clarify rules across the province.

BACKGROUND:

- AREA is working with local real estate boards to standardize and clarify residential property measurement rules across the province, however the problems cited in the Edmonton Journal article were specifically in respect of condominium measurements.
- Discrepancies between the registered and advertised condo size occur when realtors fail to retrieve and disclose the registered size of a unit as indicated on the condominium plan.
- The condominium plan can be purchased online for $2 from the Land Titles System.
- Instead there is an apparent tendency to rely on previous listing data, developer data, and possibly the municipalities or other municipal assessment data. In other cases, the discrepancies are the result of unintentional mistakes on the part of realtors.
- Currently, each of the 10 regional real estate boards in Alberta set their own criteria for measuring residential property. Therefore, the data fields that realtors must complete for listing information are determined by their respective boards and customized Multiple Listing Service (MLS) system.
- RECA has no jurisdiction over the MLS systems, however it does have an interest in making sure that property information disclosed to consumers is in compliance with requirements set by the local boards.
- RECA has prepared information material on this subject for industry members and is currently developing anew information guide to provide better information on proper disclosure of residential measurements..
- RECA takes action on complaints relating to discrepancies in condo unit measurements. Every file is opened to establish facts and mitigating factors. RECA's approach to these cases has been to educate realtors and modify the professional misconduct as opposed to taking punitive action. For more serious cases, where RECA has determined a realtor has intentionally advertised a different size than the registered size, administrative penalties have been issued, ranging from $1,500 to $5,000. Generally, only repeat offenders will receive administrative penalties in excess of $1,500.
- In addition, RECA has directed realtors who are found to have engaged in misrepresentation to repeat education courses explaining the use of Land Titles' SPIN system to obtain the registered size of condominium properties.
- While RECA is the appropriate body to investigate and enforce misrepresentation and professional misconduct of industry members, RECA cannot tackle this problem alone.

- Consistency and accuracy in the advertisement of MLS data is a broader issue that requires the cooperation of individual brokerages, local real estate boards, and of AREA – the umbrella organization representing the interests of boards and realtors.

PROPOSED ACTION / DIRECTION REQUIRED:

- Service Alberta is monitoring the progress of RECA and AREA as they work with regional real estate boards to remedy the issue of inaccurate condo property measurements.



From: Colin Lloyd
Sent: December-02-15 11:08 AM
To: Kelly Refah
Cc: Robert Whittaker; George Yates
Subject: RE: Key_Issues_Update_-_RECA realtor fines

Perfect – thank you!

Colin

From: Kelly Refah
Sent: Wednesday, December 02, 2015 11:00 AM
To: Colin Lloyd
Cc: Robert Whittaker; George Yates
Subject: FW: Key_Issues_Update_-_RECA realtor fines

Hi Colin,

My edits to the briefing are attached. To clarify, RECA has prepared numerous resources for industry members on measuring and disclosing property sizes, however, they are developing a new information guide in light of the on-going confusion and complaints to RECA regarding condo unit measurements.

As I point out in the briefing, RECA cannot tackle this problem alone (i.e. investigating and enforcing thousands of complaints). A joint effort has to be made by RECA, AREA, real estate brokerages and local boards to educate realtors about proper disclosure of measurement standards that are set by local boards. Attached below are links to previous RECA blogs and resources and a sample enforcement letter by RECA to a broker who was found guilty of misrepresenting size.

http://www.recablog.ca/blog/2014/11/always-have-a-plan-condo-plans-registered-size-.html
http://www.recablog.ca/blog/2014/07/have-you-represented-the-right-size.html

https://www.reca.ca/industry/legislation/information-bulletins/PDF/Residential-Measurement-Standards.pdf

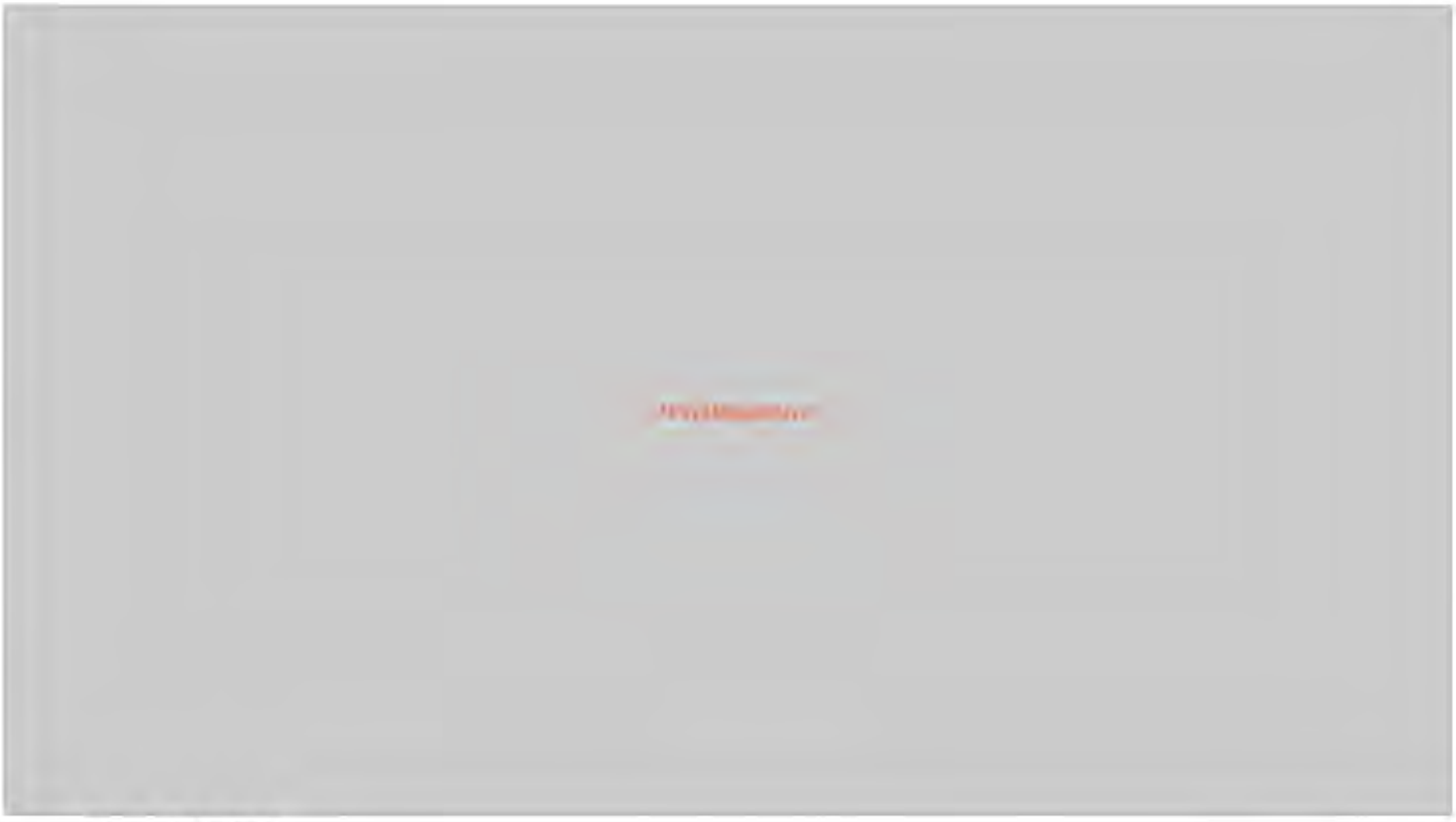
https://www.reca.ca/consumers/complaints/PDF-Discipline/administrative-penalties/Warwa-14-03-31-Admin.pdf

Please let me know if you need anything further.

Kelly Refah
Manager, Market & Industry Standards
Service Alberta
Tel: (780) 427-0294

From: Colin Lloyd
Sent: Wednesday, December 02, 2015 10:19 AM
To: Robert Whittaker; Kelly Refah
Subject: Key_Issues_Update_-_RECA realtor fines

Duplicate to page 331



From: Colin Lloyd
Sent: December-02-15 2:55 PM
To: Kelly Refah; Scott Seymour
Cc: Robert Whittaker
Subject: KM_RECA + condo sizing 20151201

FYI

RECA - Condominium square footage

Advice to the Minister

Issue:

Minister may be asked about recent media stories regarding the Real Estate Council of Alberta (RECA) fining nearly three dozen realtors over the past two years for misrepresenting the square footage listed in real estate advertisements for condominiums.

Key Points:

- Buying a home is one of the biggest purchases a consumer will ever make.
- This government is committed to ensuring Alberta's home buyers are protected before, during and after their purchase.
- We are aware of this matter and have discussed the concerns raised with the Real Estate Council of Alberta and the Alberta Real Estate Association.
- The Real Estate Council of Alberta and the Alberta Real Estate Association are working with regional real estate boards to remedy these concerns.

Comment [c1]: I suppose there is an issue of quantum here. Do we know if this 30+ realtors doing it all of the time, once, some of the time? As it relates to mis-representation, the question to the minister might be "how can purchasers have confidence in the system when realtors routinely flout the rules around measurement...?' The counter to this is to have a sense of how many related offences compared with the sales, making it 00.XX% of sales effected. Can we get this data?

December 2, 2015. Colin Lloyd, 780-427-2300

RECA - Condominium square footage

Advice to the Minister

Background

- Currently in Alberta, there is no province-wide regulation or standard of measurement. Each of the 10 regional real estate boards set and enforce their own criteria with regard to measurements posted on their MLS Systems and hold members accountable for errors. The data fields that realtors must complete for listing information are determined by their respective board and customized MLS systems.
- Discrepancies between the registered and advertised square footage of a condominium occur when realtors fail to retrieve and disclose the registered size from the Land Titles System.
- Instead many rely on previous listing data, developer data, and possibly the City of Edmonton or other municipal assessment data. In other cases, the discrepancies are the result of unintentional mistakes on the part of realtors.
- RECA has no jurisdiction over the MLS systems, however it does have an interest in making sure that property information disclosed to consumers is in compliance with requirements set by the local boards.
- As such, this is a practice issue that must be jointly addressed by RECA, Alberta Real Estate Association (AREA) and the regional boards.
- A new information guide was launched on RECA's website on Nov. 26, providing realtors with the requirements on proper disclosure of residential measurements. The standards in this guide aren't new, but the guide is an attempt to clarify and resolve previous content gaps in relation to property measurement.
- RECA takes action on complaints relating to discrepancies in condo unit measurements.
    - Every file is opened to establish facts and mitigating factors.
    - RECA's approach to these cases has been to educate realtors and modify the professional misconduct as opposed to taking punitive action.
- For more serious cases, where RECA has determined a realtor has intentionally advertised a different size than the registered size, administrative penalties have been issued, ranging from $1,500 to $5,000. Generally, only repeat offenders will receive administrative penalties in excess of $1,500.
- AREA issued a press release on Dec. 1 noting that it is working to clarify measurement rules across the province.

December 2, 2015. Colin Lloyd, 780-427-2300

Tariro Nyemba

From: Colin Lloyd
Sent: December-02-15 4:08 PM
To: Kelly Refah; Cheryl Tkalcic; Scott Seymour
Cc: Robert Whittaker; George Yates; Jodi Morris
Subject: RE: RECA News: Condominium Registered Size - Clarification

Thanks.

I really wish they had not started the first sentence of the final paragraph with "If..."

AREA has already stated in its news release an intention to work with local boards. There is tension in this relationship already.

From: Kelly Refah
Sent: Wednesday, December 02, 2015 2:57 PM
To: Cheryl Tkalcic; Scott Seymour
Cc: Colin Lloyd; Robert Whittaker; George Yates; Jodi Morris
Subject: FW: RECA News: Condominium Registered Size - Clarification

This just came in from RECA. This appears to be in response to AREA's press release. RECA attempts to further clarify 'registered size' and applauds AREA's for committing to work with the local boards to standardize the data field or information related to condominium size that goes into all MLS® systems across Alberta.

Kelly

From: RECA [mailto:communications@reca.ca]
Sent: Wednesday, December 02, 2015 2:08 PM
To: Kelly Refah
Subject: RECA News: Condominium Registered Size - Clarification

Real Estate Council Alberta

RECA News

December 2, 2015

The Real Estate Council of Alberta (RECA) is taking this opportunity to clarify the distinction between the registered size of condominium units and residential measurement standards.

An Edmonton Journal article from November 29 detailed the issue of Edmonton-area real estate professionals misrepresenting the registered size

of condominium units in their listings. The Alberta Real Estate Association (AREA) distributed a press release on December 1, 2015, which implied the issue in Edmonton is the result of inconsistent standards of measurement being used for condominiums.

The fact is, the condominium registered size issue in Edmonton is not related to measurement standards; it is only about the registered size of condominium units. Registered sizes are found on the condominium plan that is registered with Land Titles, typically by the condominium's developer. In most cases, the registered size of a condominium unit is not the same as its living space or measured area, and is not dependent on existing measurement standards.

The REALTORS® Association of Edmonton (RAE) has a data field in its MLS® system that requires REALTORS® to enter the size of the condominium as stated in the registered condominium plan at Land Titles for the unit in question. RECA has received information that some Edmonton REALTORS® are inserting information in the "registered size" data field that misrepresents the registered condominium size.

Regardless of the reason for them doing so, the end result is misrepresentation of information to consumers and other users of the RAE MLS® System. Senior RECA staff have worked cooperatively with real estate brokers in Edmonton and the staff at RAE to communicate the obligations of REALTORS® on this issue, and we will continue to do so.

If AREA's goal is to work with the Boards to standardize or harmonize the data field or information related to condominium size that goes into all MLS® systems across Alberta, that is a laudable goal and RECA supports that initiative. Consistency of how data is provided across Alberta is of benefit to both consumers and other real estate professionals who wish to access this type of information.

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RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to communications@reca.ca

Tariro Nyemba

From: Colin Lloyd
Sent: December-04-15 1:39 PM
To: Kelly Refah; Robert Whittaker; Scott Seymour; George Yates
Subject: RE: KM_RECA + condo sizing 20151201

Perfect – thank you.

From: Kelly Refah
Sent: Friday, December 04, 2015 1:31 PM
To: Colin Lloyd; Robert Whittaker; Scott Seymour; George Yates
Subject: RE: KM_RECA + condo sizing 20151201

AREA has provided statistics for residential MLS listings for the last two years. The quoted 1,100 complaints represents only about 1% of total MLS listings.

Kelly

From: Brad Mitchell [mailto:BMitchell@areahub.ca]
Sent: Friday, December 04, 2015 10:32 AM
To: Kelly Refah
Subject: FW: Statistics

Hi Kelly. Here is the information I promised to you yesterday

From: Kerri Romanetz
Sent: December-04-15 10:29 AM
To: Brad Mitchell <BMitchell@areahub.ca>
Subject: Statistics

2014
Total New Listings – 110,849
Residential Dollar Volume $28,751,563,020

2015 (Year To Date – Oct 31)
Total New Listings - 98325
Residential Dollar Volume $19,787,520,692

Kerri Romanetz
Government Relations
Alberta Real Estate Association
DL: 403.209.3625 | TF: 1.800.661.0231 | areahub.ca

Kelly Refah
Manager, Market & Industry Standards
Service Alberta
Tel: (780) 427-0294

From: Colin Lloyd
Sent: Wednesday, December 02, 2015 4:45 PM

To: Kelly Refah
Cc: Robert Whittaker; Scott Seymour; George Yates
Subject: RE: KM_RECA + condo sizing 20151201

OK, thanks Kelly. I agree, we can only go on the number of known complaints. If there are figures out there that speak to the number of properties sold then we can calculate what this 1,100 complaints represents as a percentage. This goes to the ..."well how bad is the situation, Minister"?... question.

From: Kelly Refah
Sent: Wednesday, December 02, 2015 4:41 PM
To: Colin Lloyd
Cc: Robert Whittaker; Scott Seymour; George Yates
Subject: RE: KM_RECA + condo sizing 20151201

Colin, it's difficult to predict the extent to which the 'registered size' of condominiums are misrepresented on the MLS system for all Alberta. RECA is not in the practice of conducting proactive spot checks, so they won't know there is a misrepresentation until a complaint is filed. Most, if not all, of the 1,100 complaints mentioned in the Edmonton Journal article were made by s.17(1) s.17(1) Each of the 10 regional boards operate their own customized MLS system.

I've asked AREA for the number of total MLS residential property listings across Alberta in the last couple years, to put the number of complaints and investigations into perspective.

Kelly

From: Colin Lloyd
Sent: Wednesday, December 02, 2015 2:55 PM
To: Kelly Refah; Scott Seymour
Cc: Robert Whittaker
Subject: KM_RECA + condo sizing 20151201

FYI

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Phase 1 Condominium Property Regulations

Discussion Guide prepared for Stakeholder Meeting

December 16, 2015

Attendees:
CHBA: T.J. Keil, Clay Hamdon, Wendy Jabusch and Andre Szaszkiewicz
AREA: Brad Mitchell, Amanda Nielsen, D'Arcy Donald
CCI: Alan Whyte, Anand Sharma, Hugh Willis
GoA: Trevor Bergen, Kelly Refah, Alex Witt, Grace Findlay; Colin Lloyd

1. Additional information provided to purchaser by developer

s.20.01

- *Table of Contents* will be moved to a new substantive, stand-alone section and will apply to s.12 of Bill 9 and 20.01 of the Regulation accordingly.
- The form and manner of the TOC will not be prescribed in Regulation. TOC can be customized to meet project needs, as long as all prescribed information and document are reflected.
- New provision will be added specifying the name and address for service for the developer and purchaser, in the form and manner agreed to by the parties. This is to ensure proper and accurate delivery of documentation or service of notices required by the legislation

- Clause (c) will clarify that the legal land description is in respect of the land on which the condominium plan is being registered.
  - Andre: when you provide that legal description, then when people are bringing in their purchase agreements to their mortgage brokers/bank/lawyer, what happens is they see a legal land description that they just fill in the blanks. Now the mortgage instructions get issued with the wrong legal description. The result was ended up with mortgage instructions having to be re-issued
  - Is the intention you shouldn't be able to sell if the parcel does not exist?
  - Over a title that does not exist yet

  - Clay: example: land in Windermere was 80 acres: only legal land description they had was this; this ended up being confusing to purchasers and mortgagers

  -Andre: as long as the customer's money is not going to anyone but their prescribed trustee, it is OK because the money is not going to leave until the site title can be created, and individual titles are being transferred.

- Clause (f) will limit disclosure of floor plan and summary of finishing material to units only, as opposed to entire building.
  - Hugh: should also include other items that corporation is responsible for: amenity rooms, mechanical room, garbage chutes, etc.

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- Clay: Is it the floor plan of the unit? Storage, parking, etc. purchaser should be able to get a feel of the layout of the land
- Clay: Gives architectural measurements to purchaser—this is what people want to see
- Does not understand what is meant by "summary of finishing material" → Kelly: intention is the main fixtures of unit
- Clay: says government should not get into marketing aspect of the unit

-Andre: In order to have an enforceable contract, need to have certainty of what the standard specification is
- Clay: disagrees from industry perspective. We are trying to help purchasers have certainty what developers are representing to them when they purchase a unit
- suggest to add after (f): price of unit, what is finishing spec inside the unit
- Andre: If there is no certainty as to what the property is that is being sold, there is no deal

- Darcy: Is there a disclaimer where you can substitute materials? Equal to or better than material on spec sheet

- Andre: uses standard marketing specifications

- Wendy: this is going to be done in the disclosure statement anyway because purchasers will want to know about these things

- Darcy: consumers will want to know what the size of their living area is in their unit; want to know living space measurements

- Alan: important for purchaser understand floor plan of entire building, therefore building plan should be provided as well. E.g. some purchasers may want to be close to the fitness centre, therefore it is important for them to understand the entire building and be given this information

- Andre: Architectural drawings should be given to purchasers; included for developmental and marketing purposes

- Brad: agrees with Clay; suggestion to word clause in a way to refer to the marketing sheet which lays out what items/finishings purchaser will get→ this should be acceptable
- it is hard to put this in the text of the legislation; would be hard to come up with a term for carpet, etc. This does not help anyone, unless you can refer to a real world document
- Clay: This will not be a help to consumers because they will make it legally as risk adverse as possible so they do not get sued for not delivering what was promised to customers

-** Wording is key; need to revise how this is addressed

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- If the development is bare land, a new statement will be required indicating whether any units will be redivided in the future, in accordance with s.20 of Act. This will alert purchasers of possible future buildings or phases that may be added to the project.
- Clause (i) – further discussion needed on the practicality of this clause, with examples of possible registrations that may remain on a unit title.
- Add section requiring disclosure of 'occupancy fees' and other terms and conditions, as described below.

- Clause (j) – further discussion needed on disclosure of units designed for non-residential use
  - Andre: issue is there are all different types of uses, it is hard to tell if it is for residential or ancillary use; will result in additional disclosure that does not achieve anything; this is difficult to predict
  - may run into projects where unit is recreational, e.g. Separate unit for a fitness facility; is it residential or commercial use?
  - Will end up having to say that any of the unit can be used for any purpose in the zoning bylaw, and this does not achieve anything
  - Hugh: bylaws should alert consumers they may be walking into litigation later; agree with Andre: if cannot provide any specificity, does not achieve anything.

- New 'anti-duplication' section will be added to clarify that any prescribed information already disclosed in purchase agreement can be excluded from the TOC and from s.20.01.
- New exemption clause for purely commercial condominiums - e.g. preparation of Building Assessment Report. Mixed-use condominiums containing residential and non-residential would be captured by the rules.

2. Proposed budget, Consequences of underestimated expenses

Proposed Budget – s.20.02

- The existing Regulation allows up to six years for the completion of buildings or land that form part of a phased development and further time extensions, if approved by 2/3 of owners. Stakeholders pointed to the difficulty of reasonably predicting future condo fee estimates for all proposed phases, prior to the commencement of construction. Others raised concern over the inability to update the budget and loopholes for phased bare land projects (s.20 - Redivision of bare land units).
  - Kelly: phased budget process
  - Andre: phase 1: only need to market this phase, and not phase 2
  - Andre: are there any updates to the proposed budgets? Yes—as a phase is added, this is counted as an update; consumer protection is to give the most recent budget (budget adopted by the corporation)

  - Clay: suggestion to look to BC's legislation on having budgets created based on: registration of the strata plan, interim budget, AGM, etc.; this would help substantially with consumer

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protection because the onus is on the developer, which is fair

- Andre: does not agree with Clay's comment above;
- Clay: once first AGM has passed, no longer developer's responsibility for budget
- Clay: suggestion for SA to look at BC model; purchasers are protected this way, and developer understands they are responsible

- The following modifications to the budget protocol are recommended:
  - Eliminate the concept of a single, one-time budget package containing an initial proposed budget for Phase 1 and estimates of anticipated contributions for subsequent phases.
  - Instead, stipulate the creation of a proposed budget covering expense items in s.20.02, at the time each phase or building in the development is marketed for sale.
  - Purchasers will receive the most recently prepared proposed budget, reflecting the corporation's expenses up to and including the phase they are buying into, plus a copy of the actual annual budget, if the AGM has already taken place.
  - Example: A Condo Plan and corresponding Phased Development Disclosure Statement for a two-phase project are registered in June 2016 and units in phase 1 are sold and occupied shortly thereafter. The first AGM is held in June 2017 and units in Phase 2 are marketed to consumers in early 2018. Purchasers of units in phase 2 are given the proposed budget for the corporation, which combines expenses in Phase 1 and the proposed Phase 2, and the annual budget for the corporation's 2017-18 fiscal year.

  - In 20.02(2), further consideration must be given to the start date for the 12 month period that the budget is forecasting.
    - Wendy: suggest budget should be for the forward 12 months because in certain economic climates you have to update your proposed budget because utility rates, maintenance people, etc., their costs have accelerated so much that you know you are misrepresenting what the condo fees are → you don't want to do this for the benefit of customers
    - suggest they should be able to update the budget every 12 months just like you would when the condo corporation is up and running on the proposed basis
    - reference point is the budget of the date you first created

    - Wendy: should have ability to update budget annually if required
    - Hugh: should have obligation to update budget annually because the consequences is that developer may have underbudgeted
    - Hugh: suggestion for 20.02(6)—need to strengthen language for proposed budget and say it *must* be delivered until there is an actual budget provided by the corporation
    - suggest that proposed budget should include cost of the study, and future contributions to the reserve fund—missing from Actual budget

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- Expand application of the phased budget disclosure requirements to bare land redivision projects to a) level the playing field among developers and b) enhance purchaser disclosure and protection for buyers of bare land units.
- In 20.02(f), require the name of the person, the business they represent, and the qualifications/credentials of that person, as well as the date on which the budget was prepared.

- Consider whether person preparing the proposed budget must be a certified accountant and adopt Canadian generally accepted accounting principles.
  - T.J: accounting principles pieces should be addressed in regulation, but not so much the certified accountant because they are not the expert
  -Brad: standard should be that budgets should follow IFRS

  - Hugh: auditing; leave to accountants of what designation they need to have
  - Clay: experienced property manager and developer are the best to determine proposed budgets
  - Hugh: for proposed budget, you need to do a best estimate

3. Occupancy fees

- Some stakeholders suggested that rules be put in place to address 'occupancy' or 'maintenance' fees charged to owners prior to the implementation of condo fees.

- Clarification is sought as to whether these fees are analogous to rents collected from purchasers prior to the transfer of title in s.16 of the CPA.
  - Andre: when condo plan is registered, interim board is created ; developer from this point on covers all the expenses until he has enough sales to form a board; first board adopts first budget—so developer covers everything until then
  - purchasers pay "80% of what actual operating budget is; contractually creates a requirement for purchasers to pay occupancy fees

  - Wendy: this is dealing with occupancy, not transfer of title

  - Clay: Title has been transferred; uses 80-90% range of these maintenance/occupancy fees because it would not make sense to charge purchasers e.g. for landscaping work when there is no lawn to mow, trees to water, etc.
  - This is a contractual agreement in the bylaws and purchase agreement

  - Alan: what record is there that purchasers are getting what they are paying for? Purchasers will want to know what the fee is going towards and the breakdown
  - suggest to have a budget disclosure for these types of occupancy fees

  - Wendy: developer is always covering more than what they are charging purchasers for maintenance fees; goal is to turn over to the condo corporation with zero debt

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- Anand: Many purchasers do not know where maintenance fees are going to; this is an issue; there should be some disclosure of what these fees are going toward because there could be a long waiting period before purchasers get their unit

- Andre: It is impossible to track these "move in" expenses; makes sense for purchaser to pay operating costs (80%)
- at the front end what is being done is taking a guess on what the 'skipping the move in period' is and basing the monthly payments to the developer based on the reasonable condo fees down the road

- Based on prior stakeholder discussions and Ontario's 'interim occupancy' rules, SA proposes regulations specifying that:
    - 'occupancy' fees (or 'rents') may be charged to purchaser/owner
    - fees cannot exceed the estimated monthly contributions for the unit, as set out in the purchase agreement
      - Hugh: Agrees that fees cannot exceed estimated monthly contributions for unit
      - Andre: Issue is when you have a cap, everyone will go to this; creates more conflict in the end
      - What about developer units and those that have not been built yet—should they be paying into reserve fund contributions for units that are not built or complete yet, or not occupied yet?
      - Issue is: in the move in period, it is very complicated because the expenses are hard to predict

      - Alan: Why would you have a cap if there is no reserve fund obligation in that interim period?
      - there is no obligation to put reserve funds in but the legislation allows it; the reality is there is a proposed budget with a reserve fund allocation to it and that part of it should not be allowed to be included in the occupancy/maintenance fees

    - 'occupancy' fees must end when contributions become payable

Consequences of underestimated budget expenses – s.20.04

- A number of stakeholders suggested the regulation make clear that any new or extraneous expenses approved by the owner-elected board, (expenses over and above those outlined in the developer's proposed budget) be excluded from calculations to determine underestimated expenses, provided that the developer's budget accurately reflects expenses prescribed in s.20.02.
- Further, it was suggested that where the actual total expenses incurred by the corporation are greater than 15% of the estimated amount specified in the most recent proposed budget, the amount owing to the corporation by the developer should be the amount above the 15% variance, not the entire amount above the budget.

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- For example, if the total expenses estimated in the most recent proposed budget was $100,000 and the actual expenses came in at $120,000, the amount owing to the corporation by the developer would be $5,000 ($120 000 - $115,000).

4. Notification of Material Changes and Purchaser Remedies – s.20.05

- Changes to the definition of 'material change' are not being considered, however, a number of stakeholders recommended including a list of examples of 'material changes' to provide greater certainty for the parties, minimize unnecessary litigation, and provide guidance for the Courts.
  - Kelly: feedback on having a non-exhaustive list, what should be covered?

- Input is sought on the following possible scenarios that would constitute a 'material change':
  - Registration of bylaws that are substantively different from those disclosed to the purchaser
  - Changes in building design that restrict access to units and/or common property for persons with disabilities (e.g. wheelchair ramp)
  - Unit factors for the purchaser's unit/s that are different than those initially disclosed to the purchaser
  - Condominium plan is registered on a leasehold interest and that was not disclosed to the purchaser, and
  - Exclusive possession areas that were to be assigned to the purchaser were not assigned to the purchaser

- Brad: does not think it is a good idea to have a list
  TJ: lists are bad
- Andre: the scenarios above are all clearly material changes that they are actually supportive of developers who are making minor changes that are not as serious as these
  - list shows how strong the standard is

- Hugh: ex. sold concrete, now it is wood; 4 story, now its 3 storey building; these examples show that if we are fundamentally changing the size/shape of the unit, it would change the building materials of the unit
  - Agrees with Andre: if creating a list at a certain standard, it will be impossible for consumers to get anything from it
  - Is this an issue that will go to the tribunal or to the courts? Issue is developer has more access to legal resources than purchasers
  - this provides a certain threshold

  - Hugh: suggests mandatory notification process; prospective purchasers need to be notified
  - there needs to be a way for purchasers to address this

  - Clay: refer to BC legislation; need to strike balance between development community and purchasers
  - if it doesn't affect the value, price or use of the unit or project, then it is not a material change

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- Darcy: Who has to prove material change? Hugh: It will be the burden of the purchaser to prove it is material change, and developer to dispute it is not material change; believes these disputes are something that tribunal should be able to hear

- Brad: lots of case law in Ontario that has worked well; AREA supports, but not sure about having a list in legislation; Ontario legislation has worked well and AREA supports this
- lots of case law in ON: judge would follow decisions that were made based on similar legislation; even though there is not a list, there is a lot of case law that could be followed→ look at these and see if the decisions were reasonable; there is a basis for decisions as rules have been developed over a period of years

- Hugh: There have not been much litigation on this topic because there is a disproportionate power situation where these issues come up
- aggressive opposing sides; consumers may not want to pick the fight as it is too expensive for them to go to court

- In response to concerns over the possible rescission of purchase agreement following possession of a unit, SA proposes narrowing the scope of subsection (4) such that damages would be the only remedy available to a purchaser if action is brought forward after the certificate of title is transferred to the purchaser. Damages and rescission would still be provided as remedies if the application is filed in court prior to transfer of title.
- Some argued that requiring a purchaser to initiate court action in the event of a material change may be prohibitive from both a cost and time perspective. They pointed to other jurisdictions such as Manitoba and Ontario, which provide purchasers an automatic right of rescission where a material change occurs prior to the purchaser taking possession of the unit. In this regard, the onus is on the developer to dispute the material change. Conversely, one possible outcome of this approach may be reluctance on the part of the developer to disclose any potential material changes to the purchaser at all. Further discussion is required.

5. Occupancy Date, Consequences of Delay, Delay for Legitimate Cause

Occupancy Date – s.20.06

- Andre: Comment on 20.08(2)
  - issue is many times developer is not aware there is going to be a delay; it becomes almost impossible for them to comply
  - Brad: suggest to add a line for utility providers as an exemption; it is easy to tell if there is delay from a utility perspective

- New 'anti-duplication' section will be added to clarify that where a purchase agreement contains all of the occupancy date information required by the Regulation, the occupancy date statement will not be required.

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- Definition of 'final occupancy date' will be revised to reflect a new possible final date resulting from an unavoidable delay.

  - Clay: Do not know what to put for a 'tentative date'; ok with a range of dates but they cannot be held to a tentative date

  - Andre: consumers should be given a range of dates, not a tentative date which puts expectations on consumers that they will have their unit by this tentative date
  - once you give a tentative date, you set purchasers to have expectations; delays may cause purchasers to feel let down/ not fulfilling promise

  - Anand: does not agree with 20.1(1) g) and h); should be taken out; if customer has a concern with the utilities, it should be put in as an exemption
  - Brad: has no issue with a date range; concern is around right of rescissions and exemptions
  - suggestion to remove 20.1(1)(g) and h) and include utility exemption: it is hard to prove this will delay a project; consumer does not have control over this, you are putting the onus on the consumer

  - Clay: issue is not knowing what tentative and final date is; issue is the "tentative" date where marketing is tied to because do not know what this will be

  - Hugh: consumers need to know when they will be in their home, because of renting, etc. and making arrangements, giving notice in terms of their lease
  - tentative and final dates are important, but if providing a range, it needs to be reasonable

  - Brad: go with a simple concept→ Wendy: suggest you have to disclose a date range
  - TJ: confusion and conflict is around condominium; about ownership, not what building is

  - Darcy: suggest considering the drop dead date, and let market settle itself; allow developer to work within their own parameters, but at the end of the day there has to be some protection to the public to say 'that is the day I get possession'

  - Alan: suggest to get rid of model diagram of different dates; suggest that a final date needs to be given at a minimum to purchasers

- Rescission of purchase agreement will remain a remedy where the final occupancy date is not met and there is no legitimate cause for the delay.

- Stakeholders indicated that the trustee may not be able to refund the entire amount of the deposit where a right of rescission is exercised, as the money may have already been released pursuant to a Purchaser Protection Program approved under the CPA. Further discussion is required.
  - Darcy: How is consumer protected under the CPA? Part of the deposit is non-refundable; is

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there going to be some disclosure?
Darcy: is there a provision that warranty provider needs to pay funds back to the purchaser?
**Need to look into this

Delay for legitimate cause – s.20.1

- Clause (g) and (h) – delays caused by a strike or a lack of availability of labour or materials were viewed by stakeholders as potential loopholes leading to misuse by some developers.
  - Brad: suggestion to add utility exemption and remove g) and h)
  - issue is: putting onus on purchaser, not developer; almost impossible to prove as a consumer, that this didn't occur; these clauses are too general
  - Brad: "strike" is too general it puts the onus on consumer vs. developer
  - Alan: issue is with h); suggest to remove this

  - Andre: When you have a list, the problem is you are identifying those and actually suggesting the other (unknown) ones are not on the list→sometimes more specific is not good; a list causes doubt on the ones that are not listed
    - issues: a) occupancy permits: some municipalities may be behind

- SA proposes that these clauses be expanded to require an explanation of why/how these events gave rise to a delay, i.e. disclose the complete set of circumstances resulting in a delay.

- Clause (i) – it was suggested this clause in unworkable in its current state because timelines required by law for the issuance of necessary permits and approvals are not always upheld by municipalities. Further clarification is needed on this point.
  - Hugh: list of things developer must do but has not been done, and this is entirely in the control of the developer; if there are things that are under the control of the developer, they should be accountable

- Subsection 2(b) – the exact length of the delay may not be readily apparent, making it difficult for a developer to provide a final date at that time. Further discussion is required.

6. Documents provided to newly-elected board by developer on turnover

- Clause (c) – further discussion needed to determine if oral agreements binding the corporation should have to be disclosed on turn over.
- Clause (e) – manuals, drawings and other documentation 'available to the developer' will be replaced with manuals, drawings and documentation that are 'in the developer's possession and control'.
- Clause (g) – input is sought on the accuracy of the document describing: the list of owners, corresponding unit numbers, municipal address, address on the condo plan, address for service, unit factors for the units and exclusive possession privileges assigned to the units.

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- Stakeholders suggested turnover of third-party agreements, however, this is already required in section 16.1(d) of Bill 9.
- As built drawings – Further discussion is needed on the benefits and drawbacks of mandating the production of 'as built' drawings, and the proposed definition that is to appear in Regulation (see below). According to the Act, as builts are optional only, and it is generally understood that these drawings are not prepared for condominium projects. In prior consultations, stakeholders indicated as built drawings are expensive and may not be beneficial for smaller condo projects (e.g. bare land development containing single-detached homes or conventional development consisting of duplexes or townhomes). It was noted that these drawings may be useful to a corporation in situations where technical audits and major repairs to the building are needed.
- Note: Amendments to Bill 9 are not being contemplated at this time, however, SA welcomes the opportunity for further dialogue on this issue.
  Proposed Definition: *For the purposes of section 16.1(1)(b)(ii) of the Act, "as built drawings" means a document that shows all substantial changes made in the specifications and working drawings made during the construction process and identifying the actual location of:*

  (a) the delivery and distribution systems to which the Safety Codes Act applies, including electrical, gas, plumbing, heating, ventilation and air conditioning systems, and

  (b) any other pipes, wires, cables, chutes or ducts or other systems that provide for the passage or provision of services.

7. Payments held in trust, Prescribed trustee, Release of trust money, Trust account records

Release of trust money – s.20.32

- Section will be expanded to address the release of money, as determined by a cost consultant pursuant to section 14(4) and (5) of the Act.
  Possible Wording: *where the certificate of title to the unit is issued in the name of the purchaser, and the unit or the common property is not substantially complete, the prescribed trustee may release money held in trust to a developer only where a cost consultant indicates that the unit or the common property, as the case may be, is substantially complete.*
- Mechanism will be created to allow prescribed trustees to pay deposit money into Court in the event of a dispute. Section will be drafted in accordance with the *Alberta Rules of Court*.

  Andre: this section does not allow the prescribed trustee to release the funds when the work is complete → *need to include this
  - a lot of the times when the work is complete, it is not done all at once; should be able to reduce it as the work is complete, and as long as you have a new cost consultant certificate

  Hugh: need to deal with who pays for the trustee; if it is going to be paid by the developer, it needs to be stated

Developer-initiated agreements that cannot be terminated by newly-elected board

s.20.4

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- Add telecommunications agreements for the provision of services or facilities related to telecommunications, including an easement, lease or licence for the purposes of telecommunications.
- Clause (e) – will be in respect of electricity or natural gas contracts with a term of less than 5 years
- Consider addition of agreements between a corporation and a municipal authority.

Conversions, Building Assessment Reports for conversions, Summaries respecting conversions

s. 45.2

- Subsection will be added to impose a positive obligation on the developer to provide the person preparing the Building Assessment Report (BAR) with copies of project documents and drawings, to support the building inspection. Further discussion required on the types of documents that should be specified.

s.45.3

- Some stakeholders suggested that all BARs prepared for a conversion include 'invasive' testing (i.e. exposing, removing or drilling portions of the common property within the building).
- SA believes the professional engineer retained to produce the BAR is in the best position to determine if destructive testing should be done, and the extent of such testing, following the visual inspection. Section 45.2(2) enables the engineer to engage other experts or professionals for further examination.
- Further, SA believes mandatory invasive testing on all conversions would add significant additional costs to the BAR and may not produce the desired outcome.
- In recognition of the fact that identification, location and description of non-visible property in a conversion building will not be possible, changes will be made to clarify that the contents of this section are subject to a visual inspection only.

Reduction in the maximum rate of interest on outstanding contributions

s.32

- While the majority of survey participants supported setting the interest rate payable on contributions in arrears to a maximum of 10%, some were opposed to the change.
- Most of those who supported keeping the rate at a maximum of 18% said this rate was comparable to the current rate on most credit cards. Others said the rate should float so it is always be in sync with current market rates – e.g. prime plus a specified per cent, with a clear definition of "prime".
- Section 32 will be removed from Phase One implementation and further consultations will be conducted when governance issues are discussed in Phase Two of the regulation development.

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OTHER: 2:35

BAR

- Hugh: BAR unfairly hits developers and condominium corporations, when it is the warranty providers who are taking money without any practical risk of having to pay out
- issue in legislation: warranty starts coverage when the first arm's length transition begins→this should not start until developer turns over to owners; this allows adjustment to market conditions and allows corporations to get practical providers
- developers cannot report to the warranty providers
- raising expenses for consumers, no practical benefit from their fees
- Entire concepts of new home warranty new home buyer protection are flawed

- Alan: nothing in report protecting consumers; it ends up being a visual inspection of an already built building

- Clay: There is never going to be an engineer who is going to sign off on structural, mechanical, electrical, civil, building envelope, etc.; no architect is ever going to do this
- not possible to give the buyer what is being asked
- requirements are too difficult; not any single discipline will want to look at other work beyond their discipline; professionals will not look at someone else's work and sign off on it

- Hugh: giving a false sense of security for purchasers ; not working for owners, builders etc.
Hugh: should allow developers to react to market conditions
- does not work for developers, owners, corporations, etc. from all perspectives;
Brad: new home warranty legislation is flawed because it does not properly address condominiums
- need to revisit BAR and discuss with MA in terms of condominium warranty, etc.

Hugh: there should be some public educational pieces involved
- should not legitimize with what is a flawed piece of legislation; things are worse now than they were before

Darcy: looking at this like it is a home inspection; reality is there could be things that are missed.
- there is reference made to the New Home Buyers Protection Act; there may be some items that can be included e.g. windows, doors, patio doors
- Asbestos should be included: there should be invasive testing to be done for every condo conversion

Andre: needs to be some process for dealing with certification that buildings meets equipable codes and designs—this is different than a BAR you would get from a 20 year old building
- looking for something that is equivalent to a home inspection report but is done by someone who knows what they are doing, and done once, available to everyone
- right now BARs are being used for both purposes because they start the warranty process; confusion is trying get the same document to serve both purposes—this may not be optimal

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Brad: Are we looking for a reserve fund study?
Andre: ~15 years ago, reserve fund studies were never intended to be a picture of the building; they were intended to be financial documents; it is the financial planner telling how much to put in, to match what is going out; it was a coincidence that the people who did these were engineering companies and they were used to doing full inspections before they did their full spreadsheets
- it was never intended to be this way, but this is what is has become now

Anand: We should not walk away with the belief that condo conversions are not an issue—they are; is there a better solution for conversions? Yes, but it is not the BAR

Andre: Disclosure documents for conversions—Reserve fund reports need to be available to customers, as well as the spreadsheet—so people know what the projected expenses are into the future, and what the recommendations are for the funds to come in
- All about understandability—allowing customers to have access to this spreadsheet

Alan: Comment regarding percentage of operating costs being for the reserve fund:
- each building is different; there has never been a standard in terms of what reserve fund expenses are, relative to your operating costs—every building operates differently, has different components and they age differently ; therefore does not understand how we got to a percentage in the first place, other than trying to simplify the idea
- the percentage is absolutely no bearing on the amount of contributions required for the reserve fund

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Val Taylor

From: Rob Phillips
Sent: Monday, December 21, 2015 8:54 AM
To: Kelly Refah
Subject: RE: Condo Unit Size Measurements

This message has been archived. View the original item

kelly,

I am looking back at the email chain on this. Was AREA aware of s.17(1) name before we got involved? If not, did we have s.17(1) consent to provide his email to AREA?

Thanks

Rob

From: Kelly Refah
Sent: Sunday, December 20, 2015 2:18 PM
To: Rob Phillips
Cc: Jodi Morris
Subject: FW: Condo Unit Size Measurements

Rob, this is an FYI should any new issues arise in connection with residential unit measurements.

Kelly



Pages 360 through 364 redacted for the following reasons:
- -
Page 362: s.17(1), s.20(1)(a) and (f), s.24(1)(a) and (b)
Pages 360-361: s.17(1), s.20(1)(a) and (f)
Pages 363-364: Duplicate to pages 359-360

Val Taylor

From: Rob Phillips
Sent: Monday, December 21, 2015 9:42 AM
To: 'Bob Myroniuk'
Subject: RE: Lobbyists Register

This message has been archived. View the original item

Bob,

I just checked the Lobbyists Register and Ian Burns and AREA and a number of their staff and officers applied for registration on Oct. 8 and were approved on Nov. 9.

It looks like this process was underway around the same time you were emailing me.

Their filing mentions the Condo Act, The Real Estate act (good governance) and Municipal affairs regarding any proposed land transfer taxes.

I hope you have a merry Christmas.

Rob

Registration Form for Organization Lobbyists
Registration Number: OL0361-20151008101020

Document Type:

Initial Return

Document Status:

Approved

Initial Filing Date:

Thu Oct 08, 2015

Last Amendment Date:

Mon Nov 09, 2015

A. Designated Filer

First Name:

Ian

Last Name:

Burns

The designated filer is the senior officer of the firm who occupies the highest ranking position in that firm and receives payment for the performance of his or her functions.

B. Organization

Business Address of Designated Filer:

#300, 4954 Richard Road SW
Calgary, Alberta
Canada T3E 6L1

Name of Firm:

Company URL:

Alberta Real Estate Association

www.areahub.ca

Business Address of Firm (if different):

B1. Organization Lobbyist(s)

Organization lobbyist(s) in the organization:
Ian Burns
Brad Mitchell
Kerri Romanetz
Amanda Nielsen

C. Subsidiary Corporation(s)

The name and business address for each subsiduary that to the knowledge after reasonable inquiry of the designated filer, has a direct interest in the outcome of the lobbying activities on behalf of the corporation.

The organization is a subsiduary of the following corporation.

D. Description of Membership

General description of the membership of the organization:

Alberta REALTORS

Director(s) of the organization:
Bill Briggs - Director
Ed Jensen - President
Jennifer McKenzie - President-elect
Brad Cook - Director
Bob Jablonski - Executive-Director
D'Arcy Donald - Director
Charlie Ponde - Director
Rob Friele - Director
Julio Florez - Director
Keith Weinbender - Director
Larry Westergard - Director
Bill Kirk - Director
Derek Austin - Director
Todd Wallace - Director
Brad Kopp - Director
Officer(s) of the organization:
Ian Burns - CEO
Brad Mitchell - Director, Government Relations
Tammy Tkachenko - Managing Director
Cheryle Becker - Managing Director

E. Description of Organization's Business or Activities

The organization's business or activities:

The Alberta Real Estate Association (AREA) represents the interests and concerns of 10 regional real estate boards and more than 10,000 Alberta REALTORS®. We provide strategic leadership through member-centric advocacy,

professional development and provincial services to advance the Alberta real estate profession and our members' success.

F. Former Public Office Holder

Is any person listed in this return as an organization lobbyist, a former public office holder within the last 2 years as of the date of this filing?
No

G. Subject Matters / Areas of Concern

Current Lobbying:

Next Six Months:

Economic Development, Housing, Justice, Service Alberta

Economic Development, Housing, Municipal Affairs, Service Alberta, Taxes

H. Particulars of Lobbying Activities

Particulars and focus of lobbying activities for the current 6 months:

--> Lobbying the following Department (Service Alberta) in regards to Regulation: Condominium Property Act. (Additional Info: Alberta REALTORS® urge elected officials to promote changes to Alberta's Condominium Property Act Regulations that will:§• Establish and mandate the

Attachments:

image001.gif	(0 KB)
image003.png	(0 KB)

Tariro Nyemba

From: Rob Phillips
Sent: December-21-15 9:49 AM
To: Colin Lloyd; Robert Whittaker; Jodi Morris; Kelly Retah
Subject: AREA: Lobbyists Register

FYI only. No action required.

The Alberta Real Estate Association (AREA) applied for Lobbyists Register approval on Oct. 8 and were approved o

Their filing mentions several departments as well as the Condo Act, The Real Estate act (good governance) and Mu

Rob

Particulars of Lobbying Activities

Particulars and focus of lobbying activities for the current 6 months:

--> Lobbying the following Department (Service Alberta) in regards to Regulation: Condominium Property Ac repository to improve the timeliness, delivery, accuracy and completeness of condominium documents§• Er Material Changes and Final Possession Dates§• Mandate standard budget protocol including strong compli

Particulars and focus of lobbying activities for the next 6 months:

--> Lobbying the following Department (Municipal Affairs) in regards to Existing Law/Legislation: Prevent im authority to municipalities to implement land transfer taxes via the city Charter process or by amendments t
--> Lobbying the following Department (Service Alberta) in regards to Existing Law/Legislation: Alberta Real

Registration Form for Organization Lobbyists
Registration Number: OL0361-20151008101020

Document Type:	Initial Return	Document Status:	Approved
Initial Filing Date:	Thu Oct 08, 2015	Last Amendment Date:	Mon Nov 09, 2015

A. Designated Filer

First Name:	Ian	Last Name:	Burns

The designated filer is the senior officer of the firm who occupies the highest ranking position in that firm and receives payment for the performance of his or her functions.

B. Organization

Business Address of Designated Filer:
#300, 4954 Richard Road SW
Calgary, Alberta
Canada T3E 6L1
Name of Firm: Company URL:

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Alberta Real Estate Association www.areahub.ca
Business Address of Firm (if different):

B1. Organization Lobbyist(s)

Organization lobbyist(s) in the organization:
Ian Burns
Brad Mitchell
Kerri Romanetz
Amanda Nielsen

C. Subsidiary Corporation(s)

The name and business address for each subsiduary that to the knowledge after reasonable inquiry of the designate

The organization is a subsiduary of the following corporation:

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General description of the membership of the organization:

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Bob Jablonski - Executive-Director
D'Arcy Donald - Director
Charlie Ponde - Director
Rob Friele - Director
Julio Florez - Director
Keith Weinbender - Director
Larry Westergard - Director
Bill Kirk - Director
Derek Austin - Director
Todd Wallace - Director
Brad Kopp - Director
Officer(s) of the organization:
Ian Burns - CEO
Brad Mitchell - Director, Government Relations
Tammy Tkachenko - Managing Director
Cheryle Becker - Managing Director

E. Description of Organization's Business or Activities

The organization's business or activities:

The Alberta Real Estate Association (AREA) represents the interests and concerns of 10 regional real estate boards and more than 10,000 Alberta REALTORS®. We provide strategic leadership through member-centric advocacy, professional development and provincial services to advance the Alberta real

estate profession and our members' success.

F. Former Public Office Holder

Is any person listed in this return as an organization lobbyist, a former public office holder within the last 2 years as c
No

G. Subject Matters / Areas of Concern

Current Lobbying:
Economic Development, Housing, Justice, Service Alberta

Next Six Months:
Economic Development, Housing, M

H. Particulars of Lobbying Activities

Particulars and focus of lobbying activities for the current 6 months:

--> Lobbying the following Department (Service Alberta) in regards to Regulation: Condominium Property Act. (Addit
the timeliness, delivery, accuracy and completeness of condominium documents§• Encourage affordability by elimin
Dates§• Mandate standard budget protocol including strong compliance and enforcement mechanisms §• Establish ,

Particulars and focus of lobbying activities for the next 6 months:

--> Lobbying the following Department (Municipal Affairs) in regards to Existing Law/Legislation: Prevent implementa
implement land transfer taxes via the city Charter process or by amendments to the Municipal Government Act, and
--> Lobbying the following Department (Service Alberta) in regards to Existing Law/Legislation: Alberta Real Estate A

I. Funding

Is the client or organization funded in whole or in part by any government or government agency?
No

Government Agencies:
- ()

In the financial year that preceded the filing of this return, did any individual or organization contribute $1,000 or mor
No

Name and business address of each individual or organization that contributed $1,000 or more:

J. Communication Techniques

Techniques of communication used or expected to use in the course of lobbying activities:

Current six months:
Arranging one or more meetings
Grass-roots communication
Informal communications
Meetings
Telephone calls
Written communication whether in hard copy or electronic format

Next six months:
Arranging one or more meetings
Grass-roots communication
Informal communications
Meetings
Presentations
Telephone calls
Written communication whether in hard copy or electronic format

K. Contracts for Advice to Government

Does any person associated with an organization lobbyist named in this return hold a contract providing paid advice

Additional Information

Additional Information:
none

Pages 374 through 375 redacted for the following reasons:
- -
Page 374: Non-Responsive, s.17(1)
Page 375: Non-Responsive

Tariro Nyemba

From: Ian Burns <iburns@areahub.ca>
Sent: January-07-16 9:09 PM
To: Robert Whittaker
Subject: Re: Touching base

Thanks we will have space in vehicles for lunch and can arrange transport to the airport if they are flying.

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 I TF: 1.800.661.0231 I areahub.ca

On Jan 7, 2016, at 9:05 PM, Robert Whittaker <Robert.Whittaker@gov.ab.ca> wrote:

> I'll let them know they can just walk to your office. Not sure about transportation yet (whether they are flying or driving...)
>
> Sent from my iPhone
>
> On Jan 7, 2016, at 4:35 PM, Ian Burns <iburns@areahub.ca> wrote:
>
> > Robert, why don't you have them wonder down the hall from RECA's office when they are done and we can leave from there. Will they a car or do they require transportation to lunch and or the airport?
> >
> > Thanks,
> >
> > Ian
>
> **From:** Robert Whittaker [mailto:Robert.Whittaker@gov.ab.ca]
> **Sent:** January-07-16 4:05 PM
> **To:** Ian Burns
> **Cc:** Brad Mitchell; De Leeming; Amanda Nielsen; Kerri Romanetz; Tammy Tkachenko
> **Subject:** RE: Touching base
>
> Thanks Ian. That would work well (and also possibly get them on the road back to Edmonton sooner for the weekend). Suggest meeting in the lobby of your building around noon?
>
> Robert Whittaker
> Executive Advisor
> Assistant Deputy Minister, Consumers

Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: Wednesday, January 06, 2016 8:12 PM
To: Robert Whittaker
Cc: Brad Mitchell; De Leeming; Amanda Nielsen; Kerri Romanetz; Tammy Tkachenko
Subject: Re: Touching base

Robert,

It looks like 130pm on February 19 will work well. How long do you have to meet with us? If they are free for lunch please let us know, it would be our pleasure to take them for lunch.

Thanks,

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 | TF: 1.800.661.0231 | areahub.ca

On Jan 6, 2016, at 2:22 PM, Robert Whittaker <Robert.Whittaker@gov.ab.ca> wrote:

> Afternoon Ian and Brad.
>
> Hope your holidays were relaxing. Just touching base and wondering if you will be in the office on February 19. Deputy Minister Tim grant and Colin Lloyd will be in Calgary that day and were wondering if you would like to discuss some of the various issues that we have "on the go" at the moment. They are meeting with RECA in the morning but are free for 1:30 pm if you are.
>
> Please let me know.
>
> Robert Whittaker
> Executive Advisor
> Assistant Deputy Minister, Consumers
> Service Alberta
> 29th fl ATB Place South
> 10020 – 100 Street
> Edmonton, AB T5J 0N3
>
> This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please

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notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

Val Taylor

From: Joseph Fernandez <jfernandez@reca.ca>
Sent: Friday, January 08, 2016 10:57 AM
To: Rob Phillips
Subject: FW: RECA Strategic Plan Submission

This message has been archived. View the original item

You might be interested in this.

Joseph

From: Bob Myroniuk
Sent: Friday, January 08, 2016 10:52 AM
To: Natalie Scollard <nscollard@reca.ca>; Charles Stevenson <cstevenson@reca.ca>; Dale Cawsey <dcawsey@reca.ca>; Jean Flanagan <jflanagan@reca.ca>; Joseph Fernandez <jfernandez@reca.ca>; Kirk Bacon <kbacon@reca.ca>
Subject: FW: RECA Strategic Plan Submission

FYI - Here is AREA's response to go into the hopper of consultation/feedback from trade associations for strategic planning. BM

From: krista bolton [mailto:boltonkrista@yahoo.com]
Sent: January-08-16 10:01 AM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: FYI: RECA Strategic Plan Submission

In case you didn't get this already.

On Friday, January 8, 2016 9:23 AM, Jennifer McKenzie <governmentrelations@areahub.ca> wrote:

January 8, 2016

TO: Krista Bolton, RECA Chair

CC: Bob Myroniuk, RECA Executive Director

Ian Burns, AREA CEO

AREA Board of Directors

RE: AREA's Submission re: RECA's Strategic Plan

Krista,

The Alberta Real Estate Association (AREA) welcomes the opportunity to participate in RECA's strategic planning process for the post-2016 period. AREA is a significant stakeholder of RECA, in both its appointments to RECA Council and its leadership on behalf of organized real estate in the province.

Our submission regarding RECA's Strategic Plan is available here <http://area.informz.ca/z/cjUucD9taT02Mjc4NjYmcD0xJnU9OTEyMjE2OTU3JmxpPTQzMzcxMjM/index.html> .

Thank you for your time and consideration. Please feel free to get in touch either with myself or Ian Burns, AREA CEO, with any questions or concerns. AREA will continue to be a resource to RECA as it proceeds with its strategic planning process.

Warm regards,

Jennifer McKenzie
2016 President
Alberta Real Estate Association
E: governmentrelations@areahub.ca

Informz for iMIS
<http://www.informz.ca/z/cmVkOC5hc3A_dT05MTIyMTY5NTcmbWk9NjI3ODY2Jmw9MQ/index.html>

<http://AREA.informz.ca/z/cmVkNi5hc3A_bWk9NjI3ODY2JnU9OTEyMjE2OTU3JmI9NTEzNg/image.gif>

Alberta Real Estate Association

Alberta Real Estate Association (AREA) Submission to the Real Estate Council of Alberta re: RECA's Strategic Plan

Introduction

The Alberta Real Estate Association (AREA) welcomes the opportunity to participate in RECA's strategic planning process for the post-2016 period. AREA is a significant stakeholder of RECA, in both its appointments to RECA Council and its leadership on behalf of organized real estate in the province.

AREA represents the interests and concerns of 10 regional real estate boards and more than 10,000 Alberta REALTORS®. We provide strategic leadership and advance the Alberta real estate profession through member-centric advocacy, professional development and provincial services. AREA appoints six of the 12 members of the RECA Council.

In October 2015, RECA began the final year of its current 5-year Strategic Plan, and began a new round of strategic planning. Five questions were posed to stakeholders, and AREA has responded accordingly below. To inform our submission, AREA surveyed its members on RECA and its operations and practices using a third-party provider, Abacus Data. Abacus Data ensured the validity of our survey results by providing each member with an individualized survey link to avoid numerous responses from single individuals, and by guaranteeing the anonymity of 826 individual respondents.

As RECA proceeds with its strategic planning, AREA hopes RECA will offer stakeholders additional opportunities to comment on specific proposals and directions it is considering. General feedback, such as what we've provided below, cannot replace the important ability to share thoughts and concerns relating to specific proposed initiatives. In addition, AREA hopes the plan will be flexible enough to respond to emerging circumstances, opportunities, and new information, and will be revisited more frequently than every five years.

Questions

Are the 5 Critical Success Factors from RECA's 2011-2016 Strategic Plan still relevant?

No. RECA's 5 Critical Success Factors from its 2011-16 Strategic Plan are:

> *1. Advance professionalism of the industry by establishing a clear definition of self-regulation and working with industry professionals to take ownership for and understanding of self-regulation by supporting and promoting responsible and accountable professional behaviour.*

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2. Provide innovative, leading- edge career preparation and training resulting in highly competent and highly valued new industry professionals.

3. Promote quality standards and continuous performance improvement by establishing a professional code of conduct, delivering ongoing professional development, conducting and ensuring transparent, timely and fair practice reviews and solutions, and providing advisory services.

4. Build awareness and appreciation for RECA's self-regulatory value proposition and brand contribution.

5. Ensure RECA has the capacity to achieve its vision of excellence in self-regulation by providing the necessary resources, technology, policies and regulatory framework.

Unfortunately, none of these factors directly relate to RECA's primary responsibility: regulating the real estate sector. AREA recommends RECA re-visit its primary mandate of effectively regulating the real estate sector, and measure its success against this mandate. This includes licensing practitioners and disciplining individuals who fail to uphold defined standards.

RECA's strategic plan should focus on its role as a regulator, with an approach that recognizes the importance of positive stakeholder engagement, and is sensitive to avoiding unnecessary expansion into new regulatory areas. RECA should also consider governance as a strategic priority given the enhanced expectations of transparency held by the public, industry members, and the Government of Alberta.

What are the most significant trends, opportunities, and challenges currently facing industry professionals in your industry sector?

While the landscape of trends, opportunities, and challenges is a large topic to contemplate, it was helpful to position this question within the framework of what trends, opportunities and challenges are important for RECA within its mandate as a regulator. A few key highlights of opportunities are offered below.

Aspiring real estate professionals today want comprehensive and cost effective choices in their educational programming. They want to be prepared to transact in real estate once they obtain their license. Currently, an increasing number of brokers report newly licensed professionals are not "market-ready" due to the absence of in-person and practical training at the time of licensing education. The result is the downloading of cost to the now REALTOR® member for additional education to learn what they expected to learn in their licensing education. An additional burden of responsibility is placed on the broker when onboarding a new REALTOR®. The broker's role is to provide support to improve the level of preparedness of

new industry members, but onboarding should not require brokers to go back to practical knowledge training that should have been covered during licensing. Our membership survey conveyed overwhelming and consistent messaging from REALTOR® members imploring RECA to incorporate practical knowledge and training before a license is granted. This includes providing both principle-based and practical learning as well as in-person and online learning. AREA hopes to see RECA's strategic plan include this as a key component.

Should this be undertaken, AREA remains open to discussions on how our two organizations can work together in the pre-licensing environment. Members have stated they want RECA to focus on enhancing the pre-licensing education and leave post-licensing education to industry organizations. Furthermore, members have conveyed having other organizations deliver education may be of benefit to ensure practical learning opportunities are delivered by REALTORS® and those with thorough "real world" experience which they can share. AREA has clear initiatives mapped out over the near term for the post-licensing education of REALTOR® members. The details of AREA's plan will be impacted by the measures undertaken by RECA to act on improving the practical preparedness of licensees at the time they obtain their license. AREA believes practical learning needs to occur in a pre-licensing environment. Knowing a person is able to transact in real estate as soon as they have a license means making it a priority to enhance levels of preparedness in a pre-licensing environment.

REALTOR® members furthermore see an opportunity for RECA to create stronger requirements to become a REALTOR®. AREA supports the position that RECA implement a more robust process in order to obtain a license. This could include measures such as:

- Increasing practical knowledge requirements for licensing,
- Making exams more difficult,
- The inclusion of an ethics course within pre-licensing requirements, and
- More robust requirements to reactivate an inactive license, such as testing to ensure the licensee is familiar with current industry standards before re-starting his or her practice.

The desired outcome is that this, along with other initiatives by AREA and other industry stakeholders, will contribute to improvement of the industry.

REALTOR® members commented that they would like to see a review of fine/suspension amounts for unethical conduct. This one act, in concert with the work of other industry stakeholders, can result in setting the bar higher for the profession.

REALTOR® members commented that a review and opportunity to incorporate a more cost effective way of handling appeals on smaller sanctions should be available and could prove beneficial for RECA to consider.

An opportunity exists to improve the working relationship between RECA and other industry stakeholders. AREA and other industry stakeholders recognize this as a priority that requires effort from all groups, and have this as a key initiative going forward. REALTOR® members cited power struggles are evident between RECA and industry, and noted this is harmful to the real estate sector overall. Further member comments and themes support RECA reviewing internal staff communication styles, approaches and overall operational structure to be more positive and collaborative with others in the sector.

A general theme of REALTOR® member feedback is that amongst the current political climate and obvious adversarial relationship between AREA and RECA, RECA should focus on improving its industry relations and limit its scope to regulation. AREA and REALTORS® want RECA to come to the table to resolve issues as they arise and make this work a key focus in this strategic plan.

What trends, opportunities, and challenges do you anticipate will emerge in the future?

Governance

The Government of Alberta is reviewing the governance of the province's agencies, boards, and commissions (ABCs) in 2016. RECA may take an interest in this process, and review best practices brought to light, with the goal of enhancing its own governance. Today, governance is increasingly a hot topic in the media and for the public. With increased expectations of transparency and good governance, RECA will likely want to re-visit its processes to ensure it is aligned with best practices.

AREA believes there is an opportunity for RECA to enhance its governance practices. This includes:

- Making its minutes, agendas, and even meetings public,
- Revising its Director Code of Conduct to allow for enhanced industry dialogue,
- Hosting Annual General Meetings,
- Engaging stakeholders for meaningful feedback on a regular basis by gathering both qualitative and quantitative data on stakeholder perspectives, and
- Providing details to the public regarding its major financial expenditures and salaries.

Enhanced transparency and openness will increase confidence in RECA from the public, industry members, and government, and allow for stakeholders to provide more meaningful input into RECA's plans moving forward. It is difficult for stakeholders to contribute to RECA's strategic planning without knowing what specific initiatives are under consideration. In AREA's membership survey on RECA, enhanced transparency and better communication from RECA were common themes in our members' hopes.

The Real Estate Act Review

The *Real Estate Act of Alberta* is scheduled to open for consultation and amendments in 2017, and RECA will no doubt be a contributor in this process. Industry collaboration in review of the *Act* will result in the dialogue necessary to produce the best legislative framework possible, and AREA accordingly recommends RECA consider its submission in concert with ideas from other industry stakeholders.

A critical opportunity exists for RECA going forward, and the themes and feedback are clear. A call for transparency, improved communication styles, and altered engagement approaches with industry is needed. A review and implementation on collaboration and engagement best practices would be a useful starting point. Comments made by REALTOR® members when surveyed by AREA is that engagement and consultation by RECA feels contrived and disingenuous. The results are almost never aligned with what the majority voice is stating in this self-regulating industry. The resulting impression is REALTORS® believe RECA is going through the motions and already has its desired outcomes mapped out.

What is the one regulatory issue on which you would like the Real Estate Council of Alberta to focus on in the next three years? Why?

With a regulatory reach that is already expansive with multiple industries to regulate, RECA should focus on regulating effectively in licensing and disciplining licensees, in the interests of advancing consumer protection and confidence. REALTOR® member feedback overwhelmingly supports that direction. In the trends, opportunities and challenges questions above, some more specific examples have been outlined.

AREA members question the value of RECA initiatives unrelated to core regulatory functions, such as RECA's plans to one day own a building. AREA suggests RECA utilize its strategic planning process to evaluate legacy decisions, and consider adjustments that may support RECA re-focusing on its core regulatory mandate. AREA hopes some of RECA's expansionist initiatives will be re-visited, and perhaps reversed, in the future.

AREA recommends RECA consult with stakeholders on what regulatory practices and services should/should not look like and respond with operational plans that are in alignment with the outcomes of that consultation. RECA's strategic and major operational plans should focus exclusively on enhancing RECA's effectiveness as a regulator – other issues are out of scope. To that end, how RECA approaches its regulatory work could itself benefit from a robust external review.

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Conclusion

AREA hopes the preliminary information as captured above is beneficial. We appreciate structuring a strategic planning project schedule is no easy task. As RECA proceeds through its work, a critical step that would aid RECA in gaining meaningful input and feedback is to engage AREA and other stakeholders on a draft plan once it is produced. Incorporating this mechanism into the process will ensure RECA can garner meaningful feedback linked to its proposed strategic plan.

Thank you for the opportunity to provide input through the questions posed. AREA continues to be available to discuss and work with RECA as a resource as you progress through your strategic planning process.

Val Taylor

From: Trevor Bergen
Sent: Tuesday, January 12, 2016 7:38 AM
To: Rob Phillips
Subject: RE: RECA Strategic Plan Submission

Thanks for forwarding Rob,
Trevor

From: Rob Phillips
Sent: Monday, January 11, 2016 4:15 PM
To: Colin Lloyd
Cc: Trevor Bergen; Kelly Refah
Subject: FW: RECA Strategic Plan Submission

Transitory and confidential:

Some blunt feedback from AREA to RECA on their Strategic Plan. Not sure if this is public yet however, it may come up during your Feb. meetings with RECA and AREA.

Rob

On Friday, January 8, 2016 9:23 AM, Jennifer McKenzie <governmentrelations@areahub.ca> wrote:

RE: AREA's Submission re: RECA's Strategic Plan

The Alberta Real Estate Association (AREA) welcomes the opportunity to participate in RECA's strategic planning process for the post-2016 period. AREA is a significant stakeholder of RECA, in both its appointments to RECA Council and its leadership on behalf of organized real estate in the province.

Our submission regarding RECA's Strategic Plan is available here.

Thank you for your time and consideration. Please feel free to get in touch either with myself or Ian Burns, AREA CEO, with any questions or concerns. AREA will continue to be a resource to RECA as it proceeds with its strategic planning process.

Warm regards,

Jennifer McKenzie
2016 President
Alberta Real Estate Association
E: governmentrelations@areahub.ca

Powered by informz

Val Taylor

From: Trevor Bergen
Sent: Tuesday, January 12, 2016 5:53 PM
To: Kelly Refah; Rob Phillips
Subject: RE: condominium information

Hi Kelly,

Thanks for forwarding.

I recall that issues around incorrect condo measurements on MLS had been referred to AREA and their executive was going to be looking into this (unless I'm mistaken). Just for my own awareness, are we expecting to hear anything from AREA on this issue in the future given that by ccing you s.17(1) is ensuring the department is aware of the examples he is coming across. Thanks,
Trevor

From: Kelly Refah
Sent: Tuesday, January 12, 2016 5:35 PM
To: Rob Phillips; Trevor Bergen
Subject: FW: condominium information

Rob/Trevor:

Just FYI, several times a week I receive copies of emails from s.17(1) I haven't responded to any of these emails.

Kelly

s.17(1)

Val Taylor

From: Trevor Bergen
Sent: Tuesday, January 19, 2016 1:32 PM
To: Kelly Refah; Rob Phillips
Cc: Jodi Morris
Subject: RE: Minister letter to RECA re: condo measurement issue
Attachments: RECA Letter_Condo Measurements Jan 20.docx

Hi there,

I understand from a short conversation with Kelly that the approach we'll be taking is to provide the background about AREA in an e-mail and not in the letter itself. Given that this information will be forwarded outside the letter, I think the letter looks good and only had a minor suggestion which was to add one sentence to the following paragraph (addition in red) to show the Minister has received some degree of updates on status for the condo project:

I would enjoy the opportunity to discuss this matter with you in person along with Executive Director Bob Myroniuk on Tuesday, February 9th at the Legislature Building in Edmonton. In addition, I would appreciate an update on RECA's progress on establishing the regulatory model for condominium managers in Alberta in accordance with Bill 9, Condominium Property Amendment Act. I understand RECA recently completed a consultation in December 2015 to support this work. My scheduling assistant, Patricia Tiamiyu, will be in touch to confirm our meeting.

Hope this helps. Thanks for doing the heavy lifting Kelly,
Trevor

From: Kelly Refah
Sent: Tuesday, January 19, 2016 1:05 PM
To: Rob Phillips
Cc: Trevor Bergen; Jodi Morris
Subject: RE: Minister letter to RECA re: condo measurement issue

Rob, my suggestions are attached. I specifically referenced the Edmonton Journal article to show the magnitude of this problem. I think it's important to note that AREA has a role to play in resolving this matter. AREA has responsibility for ensuring that realtors comply with the measurement standards set by their respective real estate boards, and has the ability to take enforcement action against realtors who violate board rules (e.g. suspending member's access to the MLS system). Back in November, we were informed by Brad Mitchell from AREA that AREA's Executive discussed the misrepresentation of condo sizes and committed to developing province-wide standards for measurement residential properties. They later issued a press release to this effect: https://www.areahub.ca/AREA/media/Main/Services/Press-CondoMeasurements.pdf

Kelly

From: Rob Phillips
Sent: Tuesday, January 19, 2016 9:50 AM
To: Jodi Morris; Kelly Refah
Cc: Trevor Bergen
Subject: FW: Minister letter to RECA re: condo measurement issue
Importance: High

Review and comments please. Would like to see this before it goes forward.

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Rob

From: Colin Lloyd
Sent: Tuesday, January 19, 2016 9:45 AM
To: Rob Phillips
Cc: Robert Whittaker; Trevor Bergen
Subject: Fwd: Minister letter to RECA re: condo measurement issue

Rob,

Can I get some quick turnaround feedback on this please?

Thanks.

Colin

Sent from my iPhone

Begin forwarded message:

> **From:** Keith Mclaughlin <Keith.Mclaughlin@gov.ab.ca>
> **Date:** January 19, 2016 at 9:26:52 AM MST
> **To:** Colin Lloyd <Colin.Lloyd@gov.ab.ca>
> **Cc:** Robert Whittaker <Robert.Whittaker@gov.ab.ca>, Tim Grant <tim.grant@gov.ab.ca>, Linda Chupka <linda.chupka@gov.ab.ca>, Nathaniel Smith <Nathaniel.Smith@gov.ab.ca>
> **Subject: Minister letter to RECA re: condo measurement issue**
>
> Hi Colin,
>
> In response to media reports and other stakeholders who have contacted the MO regarding the condo measurement issue, Minister has decided to send a letter to the RECA chair asking for an account of how they are dealing with the issue. We are aware RECA is employing a combination of punitive fines and education to address the issue but there is some concern whether these measures are remedying the problem sufficiently. The Minister believes this is a consumer rights issue and that the regulator should be doing all it can to ensure consumers who are making large purchases have accurate information.
>
> There is a draft attached that the Minister has yet to approve. I'm interested in your thoughts, any concerns, and proposed edits that you may have.
>
> Additionally, can anyone confirm that Bob Myroniuk is still RECA's ED? He's not listed on their website and I fear I may be relying on old information.
>
> You'll note we have invited RECA for a meeting in the letter to discuss this and progress related to property managers certification/regulation.
>
> Once complete, the letter will be finalized via AR.
>
> **Keith McLaughlin**
> Ministerial Assistant
> Ministry of Municipal Affairs

Ministry of Service Alberta
(c) s.17(1)

AR{Action_Request_Number}

January 20, 2016

Ms. Krista Bolton
Chair, Real Estate Council of Alberta
Suite 350, 4954 Richard Rd SW
Calgary, AB T3E 6L1

Dear Ms. Bolton:

I am writing you today in relation to recent media reports and complaints to my office regarding inaccurate measurements of condominium ~~sizes~~ property on real estate listings.

I view these complaints through the lens of consumer protection and am concerned Albertans are not receiving accurate information when deliberating ~~a major purchase~~the purchase of a home. According to thea November 29, 2015 article published in the Edmonton Journal, approximately 1,100 complaints were filed in the last year with the Real Estate Council of Alberta (RECA), citing incorrect condominium measurements in MLS listings.

I understand from my department staff that RECA has responded to these complaints by taking enforcement action against industry members deserving of sanction, and disseminating education material clarifying the rules for accurate measurement and disclosure of residential property. However, given the magnitude this problem, I urge RECA to consider additional regulatory measures that can be taken to curb misrepresentation by industry members.

s.27(1)(a)

I would enjoy the opportunity to discuss this matter with you in person along with Executive Director Bob Myroniuk on Tuesday, February 9th at the Legislature Building in Edmonton. In addition, I would ~~like~~ appreciate an update on RECA's progress on establishing the regulatory model for ~~property~~ condominium managers in Alberta ~~under~~ in accordance with ~~the~~ Bill 9, *Condominium Property Amendment Act*. I understand RECA recently completed a consultation in December 2015 to support this work. My scheduling assistant, Patricia Tiamiyu, will be in touch to confirm our meeting.

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Thank you for your continued commitment to protecting Albertans and improving standards in the ~~and the province's~~ real estate industry. I look forward to meeting with you and collaborating in the best interest of Albertans and the industry.

Sincerely,

Hon. Danielle Larivee
Minister of Service Alberta

Val Taylor

From: Kelly Refah
Sent: Tuesday, January 19, 2016 3:45 PM
To: Lee Chantal
Subject: FW: Minister letter to RECA re: condo measurement issue
Attachments: RECA Letter_Condo Measurements Jan 20.docx

FYI, an on-going real estate matter.

From: Colin Lloyd
Sent: Tuesday, January 19, 2016 2:31 PM
To: Rob Phillips
Cc: Trevor Bergen; Jodi Morris; Robert Whittaker; Kelly Refah
Subject: RE: Minister letter to RECA re: condo measurement issue

Agreed. Good work on the draft letter. Just talked to Keith and he accepts the edits

Colin

From: Rob Phillips
Sent: Tuesday, January 19, 2016 2:06 PM
To: Colin Lloyd
Cc: Trevor Bergen; Jodi Morris; Robert Whittaker; Kelly Refah
Subject: Minister letter to RECA re: condo measurement issue

Colin,

s.24(1)(a) and (b)

We also note the Minister is seeking a meeting in Edmonton on Feb. 9 and that you and Tim are meeting with RECA in Calgary on Feb. 19.

Kelly Refah has prepared a revised letter with input from Trevor Bergen. If the meeting is taking place on Feb. 9 we may want to try and brief the Minister on the role that AREA has with this issue and the steps that AREA is taking. Kelly has raised this in her email below. AREA and it's appointees on RECA's Council may not support an aggressive stance by RECA considering that they believe that are addressing the issue.

In response to Keith's question we are confirming that Bob Myroniuk is still RECA's ED.

Rob

From: Kelly Refah
Sent: Tuesday, January 19, 2016 1:05 PM
To: Rob Phillips
Cc: Trevor Bergen; Jodi Morris
Subject: RE: Minister letter to RECA re: condo measurement issue

Duplicate p. pages 390-391

Pages 395 through 396 redacted for the following reasons:
- -
Duplicate to pages 389-391

AR{Action_Request_Number}

January 20, 2016

Ms. Krista Bolton
Chair, Real Estate Council of Alberta
Suite 350, 4954 Richard Rd SW
Calgary, AB T3E 6L1

Dear Ms. Bolton:

I am writing you today in relation to recent media reports and complaints to my office regarding inaccurate measurements of condominium ~~sizes~~ property on real estate listings.

I view these complaints through the lens of consumer protection and am concerned Albertans are not receiving accurate information when deliberating ~~a major purchase~~the purchase of a home. According to the November 29, 2015 article published in the Edmonton Journal, approximately 1,100 complaints were filed in the last year with the Real Estate Council of Alberta (RECA), citing incorrect condominium measurements in MLS listings.

I understand from my department staff that RECA has responded to these complaints by taking enforcement action against industry members deserving of sanction, and disseminating education material clarifying the rules for accurate measurement and disclosure of residential property. However, given the magnitude this problem, I urge RECA to consider additional regulatory measures that can be taken to curb misrepresentation by industry members.

s.24(1)(a)

I would enjoy the opportunity to discuss this matter with you in person along with Executive Director Bob Myroniuk on Tuesday, February 9th at the Legislature Building in Edmonton. In addition, I would ~~like~~ appreciate an update on RECA's progress on establishing the regulatory model for property condominium managers in Alberta under in accordance with the Bill 9, *Condominium Property Amendment Act*. My scheduling assistant, Patricia Tiamiyu, will be in touch to confirm our meeting.

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Thank you for your continued commitment to protecting Albertans and improving standards in

the ~~and the province's~~ real estate industry. I look forward to meeting with you and collaborating in the best interest of Albertans and the industry.

Sincerely,

Hon. Danielle Larivee
Minister of Service Alberta

Val Taylor

From: Trevor Bergen
Sent: Monday, January 25, 2016 1:07 PM
To: Kelly Refah
Subject: RE: AREA Responds to Royal LePage Foothills Closure

Interesting. Thanks!

From: Kelly Refah
Sent: Monday, January 25, 2016 1:06 PM
To: Trevor Bergen
Subject: RE: AREA Responds to Royal LePage Foothills Closure

Our legislation does not address commission to industry members. The primary focus of our legislation and RECA's Rules are trust money held on behalf of consumers. I will prepare a response.

From: Trevor Bergen
Sent: Monday, January 25, 2016 1:01 PM
To: Kelly Refah
Subject: FW: AREA Responds to Royal LePage Foothills Closure

Hi Kelly,

Interesting bulletin below, both in terms of the commissions owed (does our legislation address this?) and the measurement standards given the events that unfolded last week (as per Rob's e-mail). We may as well send one response back to Colin so let me know if you want to chat once you've read. Thanks,
Trevor

From: Colin Lloyd
Sent: Monday, January 25, 2016 12:45 PM
To: Trevor Bergen; Kelly Refah
Cc: Rob Phillips; Robert Whittaker
Subject: FW: AREA Responds to Royal LePage Foothills Closure

I would be interested in your comments.

From: Brad Mitchell [mailto:bmitchell@areahub.ca]
Sent: Monday, January 25, 2016 11:38 AM
To: Colin Lloyd; Nathaniel Smith
Subject: FW: AREA Responds to Royal LePage Foothills Closure

Quick note to keep you both updated, our latest communication to members around the office closure in Calgary and provincial measurements standards.

AREA Advocacy updates on two recent initiatives are below.

REALTOR® Commissions

In December 2015, Royal LePage Foothills, a residential real estate company in Calgary, announced it would close it operations leaving its 163 REALTORS® to make decisions about relocating. AREA has been following the situation closely as it unfolds, particularly in light of concerns REALTORS® are not receiving commissions owed to them.

Given the number of REALTORS® impacted and the significant commissions outstanding, AREA has been connecting with impacted members to hear their stories and make referrals to other resources where appropriate.

In addition, AREA has been and continues to work behind the scenes to evaluate options, such as connecting with stakeholders and reviewing legislation in other jurisdictions, to ensure REALTOR® commissions are protected in the future. RECA is already empowered to review the conduct of industry members to ensure professional standards are followed. AREA encourages RECA to use its existing regulatory powers to investigate what happened at Royal LePage Foothills, and take remedial action if appropriate.

Measurement Standards

AREA is also working on establishing measurement standards for the industry through a coordinated consultation effort with stakeholders such as the Alberta Land Surveyor's Association, REIX, the Appraisal Institute of Canada, the Canadian National Association of Real Estate Appraisers, the Building Owners and Managers Association, the Canadian Condominium Institute, the Canadian Homebuilders' Association, and the Royal Architectural Institute of Canada. AREA hopes to have draft measurement standards in place by fall 2016.

You are receiving this mail because you are a member of our Association. If you unsubscribe, you may miss out on critical information.

Alberta Real Estate Association
Suite 300, 4954 Richard Road SW
Calgary, AB T3E 6L1
communications@areahub.ca
www.areahub.ca



Val Taylor

From: Rob Phillips
Sent: Monday, January 25, 2016 2:51 PM
To: Kelly Refah; Trevor Bergen
Subject: Measurement Standards

I suspect this briefing may be asked for earlier as this issue is heating up.

Rob
Consumer Services
(780) 422-8177 Phone
s. 17(1) Cell
Sent from my BlackBerry

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Monday, January 25, 2016 02:31 PM
To: Colin Lloyd; Rob Phillips
Subject: Measurement Standards

Good afternoon Colin and Rob,

I am not sure if you seen the AREA ***Advisory*** below but I thought you should be aware of what transpired today and provide some context. This was distributed by AREA today to its members. I have highlighted the sections that are most relevant. This "***Advisory***" was issued today, a few days following a Council meeting held last Wednesday (January 20th).

On January 20th, Council passed two motions that directly impacted residential measurement standards for industry members and consumers in Alberta. In accordance with the decision of Council, the ***Guide to Residential Property Measurement in Alberta*** was removed from RECA's website on the following day (Jan 21st).

We were in the process of preparing communications to inform industry members with regard to these changes when we received the AREA ***Advisory*** below. We will be communicating these decisions shortly through our normal channels i.e. ***RECA News*** and the ***Regulator***. At this time, RECA has not issued and formal external communications (i.e. outside of RECA) on this matter. However, due to the information circulated by AREA today and the possibility the Minister's Office or your colleagues may receive inquiries, I believe it is appropriate to inform Service Alberta in advance of the industry member communications.

The following two motions were passed by Council on January 20, 2016.

1. That the Nov 2015 "Guide to residential property measurement in Alberta" is removed from the RECA website until such time as revisions can be made to address industry concerns with regard to inconsistencies in the guide to existing industry norms.

2. And further that once refined, the "Guide to residential property measurement in Alberta" is understood to be a document to help real estate professionals' measure residential properties amongst other standards.

I can confirm the letter of January 20, 2016 from Honourable Minister Danielle Larivee to RECA Chair Krista Bolton was read to the Council before the decision to approve these two motions was made.

Without going into the details of the discussion, the majority of Council members did not wish to see the ***Guide to Residential Property Measurement in Alberta*** as a "standard" that all industry members must follow or that could be enforced through conduct proceedings. While the ***Guide to Residential Property Measurement in Alberta*** has been removed from the RECA website, the information in the *Residential Real Estate Practice* course, a licensing course for individuals who wish to trade in residential real estate, will remain in its current format until such time as revisions are made to the guide.

RECA will proceed to conduct further consultations as requested by Council and will revise the guide based on the results of those consultations.

I would add one observation with respect to AREA's ***Advisory***. It indicates AREA is going to conduct industry consultations and prepare "measurement standards" for the industry. It appears AREA's intention is to implement its own "measurement standards" guide within the industry, independent of RECA. If that is the case, we can anticipate a conflict between the AREA "measurement standards" and the standards outlined in RECA's ***Guide to Residential Property Measurement in Alberta***.

This illustrates the ongoing challenge RECA is facing from AREA, and its member real estate boards, of it's statutory mandate "to set and enforce standards of conduct for the industry and the business of industry members" [s. 5, Real Estate Act].

It is my understanding you or your staff may already be aware of these decisions. I am advised we are working on a briefing note as background information for the meeting with Minister Larivee. In the interim, if you have any questions or wish to discuss this matter further, please do not hesitate to give me a call.

Bob Myreniuk
Executive Director

Real Estate Council Alberta

T (403) 685-7920
TF (888) 425-2754
F (403) 228-3065
reca.ca

Real Estate Council Alberta
Suite 350, 4954 Richard Rd SW
Calgary, Alberta T3E 6L1

The authority for a positive real estate experience

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From: communications@areahub.ca [mailto:communications@areahub.ca]
Sent: January 25, 2016 10:53 AM
To: Stan Kushner <info@stankushner.com>
Subject: AREA Responds to Royal LePage Foothills Closure

AREA Advocacy updates on two recent initiatives are below.

REALTOR® Commissions

In December 2015, Royal LePage Foothills, a residential real estate company in Calgary, announced it would close it operations leaving its 163 REALTORS® to make decisions about relocating. AREA has been following the situation closely as it unfolds, particularly in light of concerns REALTORS® are not receiving commissions owed to them.

Given the number of REALTORS® impacted and the significant commissions outstanding, AREA has been connecting with impacted members to hear their stories and make referrals to other resources where appropriate.

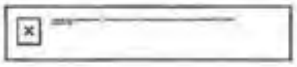
In addition, AREA has been and continues to work behind the scenes to evaluate options, such as connecting with stakeholders and reviewing legislation in other jurisdictions, to ensure REALTOR® commissions are protected in the future. RECA is already empowered to review the conduct of industry members to ensure professional standards are followed. AREA encourages RECA to use its existing regulatory powers to investigate what happened at Royal LePage Foothills, and take remedial action if appropriate.

Measurement Standards

AREA is also working on establishing measurement standards for the industry through a coordinated consultation effort with stakeholders such as the Alberta Land Surveyor's Association, REIX, the Appraisal Institute of Canada, the Canadian National Association of Real Estate Appraisers, the Building Owners and Managers Association, the Canadian Condominium Institute, the Canadian Homebuilders' Association, and the Royal Architectural Institute of Canada. AREA hopes to have draft measurement standards in place by fall 2016.

You are receiving this email because you are a member of our Association. If you unsubscribe, you may miss out on critical information.

Alberta Real Estate Association
Suite 300, 4954 Richard Road SW
Calgary, AB T3E 6L1
communications@areahub.ca
www.areahub.ca





Val Taylor

From: Trevor Bergen
Sent: Tuesday, January 26, 2016 7:38 AM
To: Kelly Refah; Rob Phillips
Subject: RE: AREA Responds to Royal LePage Foothills Closure

Hi Kelly,

Thanks for providing your thoughts on the AREA bulletin. Although I have nothing to add to your comments below, I wonder if it would be worthwhile to send a quick note out to our colleagues in a few provinces (BC, Ontario, etc) to see if their legislation addresses this issue. If you agree, we could make a quick mention in the note to Colin we are inquiring to other jurisdictions regarding whether they have relevant protections in place for industry members in such a scenario. In the event this issue gathers steam, we'll at least have this information available then.

Other than this minor comment, provided Rob has nothing to add I think your note is good to go to Colin. Thanks Kelly, Trevor

---

From: Kelly Refah
Sent: Monday, January 25, 2016 6:04 PM
To: Rob Phillips; Trevor Bergen
Subject: RE: AREA Responds to Royal LePage Foothills Closure

Rob/Trevor, here's my assessment of AREA's bulletin.

Residential Property Measurements
It's clear AREA is not pleased with the Guide RECA produced and has decided to carry out its own consultations to develop 'industry-wide standards'. When I spoke with Jean Flanagan last week, she advised RECA went to great lengths to consult stakeholders in the development of the Guide, especially the appraisal industry. s.17(1) As Bob Myroniuk points out, AREA's intention is to implement its own "measurement standards" guide within the industry, independent of RECA. This presents a conflict between the AREA "measurement standards" and the standards outlined in RECA's *Guide to Residential Property Measurement in Alberta*, which forms part of the pre-licensing education for real estate brokers. More significantly, it challenges RECA's statutory mandate "to set and enforce standards of conduct for the industry and the business of industry members" (s. 5, Real Estate Act).

Remuneration of Commission
It appears from the Bulletin that commissions remain owing to real estate brokers or 'Realtors' from trust accounts maintained by the brokerage, Royal LePage. The Real Estate Act (REA) only deals with commissions owing by parties who benefit from the services of an industry member in a real estate transaction. It sets out a court process for industry members to recover unpaid commissions from clients, pursuant to a written service agreement (sections 22 to 24). As for disbursements from real estate trust accounts, or in this case, commissions owing to Realtors by the brokerage itself, RECA may be able to intervene via the REA Rules (body of rules established by RECA), though noticeably absent from the following section is remuneration to employees of the brokerage. This may be why AREA is reviewing other provincial legislation to see what protections are in place for industry members.

Payment of Commission From Trust
97(1) Subject to (2) below, all payments received by a brokerage as or on account of commission or other remuneration for a trade in real estate shall be classified as trust money and shall be paid into the brokerage's trust account notwithstanding that the commission or remuneration may already have been earned, and, where applicable, the payments shall be recorded as being received in trust for the person liable to pay the commission or other remuneration.
97(2) Sub-section (1) above does not apply to a commission or other remuneration that is not to be shared between brokerages or to a share of a commission or other remuneration received from another brokerage

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97(3) Any money in a brokerage's trust account which represents a commission or remuneration that has been earned and is no longer required to be held in trust shall be paid in accordance with the following rules:

(a) any share of such commission or remuneration payable to another brokerage shall be paid to that brokerage directly out of the trust account;

(b) after the payment pursuant to clause (a) has been made, the commission or remuneration shall be transferred into a brokerage account; and

(c) where a client fails to pay a commission or other remuneration in full when due, which is to be shared between two or more brokerages, the amount actually received shall be shared between them as they may agree and, in the absence of an agreement, the brokerage holding the commission may not withdraw any part into its brokerage account until the other brokerage or brokerages have been paid in full.

Brokerage ceasing to carry on business

37(1)A brokerage that ceases to carry on the business of a brokerage shall:

(a)immediately notify the executive director in writing; and

(b)within 30 days of ceasing to carry on business, provide to the executive director, in a form acceptable to the executive director, an accountant's report on the status of monies held in trust including any trust account(s).

37(2)The executive director may require a brokerage that ceases to carry on business to provide additional information about any monies held in trust including any brokerage's trust account(s) or that the accountant's report contain such further information as the executive director directs.

37(3)Upon receipt of a notification that a brokerage has ceased to carry on the business of a brokerage, the executive director shall:

(a)suspend the licence of the brokerage; and

(b)terminate the licence of the brokerage when the brokerage has provided

(i) the accountant's report referred to in (1) above ;

(ii) the additional information referred to in (2) above; and

(iii)a document signed by the broker, owner or authorized official, satisfactory to the executive director, confirming adequate arrangements have been made with respect to the future status of any monies held in trust including any brokerage trust account(s) and the maintenance of brokerage records as required by the Act.

Kelly Refah
Manager, Market & Industry Standards
Service Alberta
Tel: (780) 427-0294

From: Colin Lloyd
Sent: Monday, January 25, 2016 12:45 PM
To: Trevor Bergen; Kelly Refah
Cc: Rob Phillips; Robert Whittaker
Subject: FW: AREA Responds to Royal LePage Foothills Closure

Duplicate to pages 399-401

Page 408 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 399-401



From: Colin Lloyd
Sent: January-26-16 8:04 AM
To: Rob Phillips
Subject: Fwd: Measurement Standards

Rob,

Are you able to join this call?

Colin

Sent from my iPhone

Begin forwarded message:

> **From:** Bob Myroniuk <bmyroniuk@reca.ca>
> **Date:** January 25, 2016 at 11:48:02 PM MST
> **To:** Colin Lloyd <Colin.Lloyd@gov.ab.ca>
> **Subject: Re: Measurement Standards**
>
> Colin, 10 am works. What number should I call?
> Bob

Sent from my Bell Samsung device over Canada's largest network.

-------- Original message --------
From: Colin Lloyd <Colin.Lloyd@gov.ab.ca>
Date: 2016-01-25 4:59 PM (GMT-07:00)
To: Bob Myroniuk <bmyroniuk@reca.ca>, Rob Phillips <rob.phillips@gov.ab.ca>
Cc: Robert Whittaker <Robert.Whittaker@gov.ab.ca>
Subject: RE: Measurement Standards

Bob,

Is it possible you and I can talk about this tomorrow morning? I am available between 8:30 and 11:00.

Regards,

Colin

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Monday, January 25, 2016 2:32 PM
To: Colin Lloyd; Rob Phillips
Subject: Measurement Standards

Duplicate to pages 402-405

Pages 411 through 413 redacted for the following reasons:
- -
Duplicate to pages 402-405

Tariro Nyemba

From: Colin Lloyd
Sent: January-26-16 8:47 AM
To: Bob Myroniuk; Rob Phillips; Robert Whittaker
Subject: RE: Measurement Standards

I can be flexible – Rob feels he may be in by 10 am. Robert will flip you teleconference details and we'll connect as soon as Rob cam make it.

Colin

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Tuesday, January 26, 2016 8:44 AM
To: Colin Lloyd; Rob Phillips; Robert Whittaker
Subject: RE: Measurement Standards

Good morning Colin,
Just so you are aware, I had spoken with Rob very briefly yesterday and we scheduled a chat at 11:00 am at my request. It was not in relation to the residential measurement standards (RMS) specifically. I saw your email late last night when I was checking my "Junk Mail". I am not sure how that happened but, as a result, I responded that 10:00 am was a good time to respond to your request. Rob suggested 11:00 am because he wasn't sure if he would be back to the office by 10:30 am. In any event, I am okay if you and I chat about RMS at 10:00 am or we postpone to 10:30 am and bring Rob into the discussion. If there is a more convenient time for both you and Rob to discuss RMS, I am flexible as we. Your call Colin, I am good either way.
Bob

From: Colin Lloyd [mailto:Colin.Lloyd@gov.ab.ca]
Sent: January-26-16 8:29 AM
To: Bob Myroniuk <bmyroniuk@reca.ca>; Rob Phillips <rob.phillips@gov.ab.ca>; Robert Whittaker <Robert.Whittaker@gov.ab.ca>
Subject: RE: Measurement Standards

Bob,

Rob will be coming in at 10:30 today. If possible, can we delay the call until then? The downside is I will only have 30 minutes.

Colin

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Monday, January 25, 2016 11:48 PM
To: Colin Lloyd
Subject: Re: Measurement Standards

Duplicate to pages 409-413

Pages 415 through 418 redacted for the following reasons:
- -
Duplicate to pages 409-413

Val Taylor

From: Trevor Bergen
Sent: Tuesday, January 26, 2016 9:37 AM
To: Kelly Refah
Subject: RE: AREA Responds to Royal LePage Foothills Closure

Thanks Kelly!

From: Kelly Refah
Sent: Tuesday, January 26, 2016 8:59 AM
To: Colin Lloyd
Cc: Rob Phillips; Trevor Bergen
Subject: FW: AREA Responds to Royal LePage Foothills Closure

Morning Colin,

My thoughts on AREA's Advisory are below. I think a number of these industry practice issues could be resolved internally by RECA and AREA if they had a good working relationship with each other. Instead, the issues seem to fester and get publicized in this way due to on-going conflict between the two bodies. Rob may provide further insights during your one-on one meeting today.

Kelly

From: Kelly Refah
Sent: Monday, January 25, 2016 6:04 PM
To: Rob Phillips; Trevor Bergen
Subject: RE: AREA Responds to Royal LePage Foothills Closure

Duplicate to pages 408 408

Pages 420 through 422 redacted for the following reasons:
- -
Duplicate to pages 406-408

Val Taylor

From: Rob Phillips
Sent: Wednesday, January 27, 2016 12:47 PM
To: Jodi Morris; Kelly Refah
Cc: Trevor Bergen
Subject: FW: Documentation from June 2015 meeting in Edmonton
Attachments: [redacted] Submission to Minister Griffiths Jan 29 2014.pdf; AREA submission to SA re REA Amendments.pdf

FYI. Thanks for the background.

Jodi, I returned your RECA material to your chair.

Rob

From: Rob Phillips
Sent: Wednesday, January 27, 2016 11:38 AM
To: 'Bob Myroniuk'
Subject: Documentation from June 2015 meeting in Edmonton

Bob,

This is what I was able to locate in relation to the RECA - AREA governance discussion

In addition to the email below and the attached [redacted]

I have also attached RECA's letter and submission from 2014 in response to AREA's submission on the REA Amendments.

Rob

[redacted]

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From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Tuesday, January 26, 2016 03:14 PM
To: Rob Phillips
Subject: Documentation from June 2015 meeting in Edmonton

Rob, can you access the information we provided at that meeting last year in Edmonton and send it to me. I am trying to retrace our steps in terms of when and what information you have received from us last year. For example, I recall we provided an excerpt from AREA's strategic plan and perhaps a document that outlined the issues related to the ARE-RECA relationship. Thanks.

Bob Myroniuk
Executive Director

Real Estate Council Alberta

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Real Estate Council Alberta,
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Calgary, Alberta T3E 6L1

The authority for a positive real estate experience

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Pages 425 through 440 redacted for the following reasons:
- -
s.16(1)

REAL ESTATE COUNCIL OF ALBERTA

January 29, 2014

The Honourable Doug Griffiths
Minister of Service Alberta
103 Legislature Building
10800-97th Avenue
Edmonton, AB, T5K 2B6

Dear Minister:

Re: Government of Alberta's Review of the Real Estate Act – Proposal to Repeal Section 5(b)

The Real Estate Council of Alberta (RECA) received a copy of the January 6, 2014 paper (Submission) provided to you by the Alberta Real Estate Association (AREA).

In light of the cordial and open communications that have been fostered between RECA and AREA over the last several years, we were very surprised to learn this proposal had been brought to you in this manner without prior consultation with RECA.

Given the implications of repealing section 5(b) of the *Real Estate Act* (Act) on RECA's ability to fulfill its regulatory mandate, RECA is pleased to provide you with the enclosed response to AREA's proposal.

Section 5(b) has been in place since November 1995 when Part 1 of the Act was proclaimed by the Government of Alberta. RECA is strongly opposed to the repeal of section 5(b) of the Act. It is an important, integral and necessary part of section 5 of the Act enabling RECA to carry out its mandate. Repealing section 5(b) would seriously undermine RECA's capacity to fulfill the purposes described in section 5 (a) and (c).

RECA does not believe a Minister's Roundtable as proposed by AREA is necessary. For the reasons provided in its response, a dialogue between RECA and interested industry associations to discuss any issues or concerns that may exist is a preferred approach. RECA will provide a detailed written response to AREA addressing the proposal to repeal of section 5(b) and the discussion questions posed in the Submission. RECA will provide your Ministry with a copy of its response to AREA.

Suite 350, 4954 Richard Road SW, Calgary, AB T3E 6L1 Telephone: (403) 228-2954 Fax: (403) 228-3065
Toll Free: 1-888-425-2754 Web site: www.reca.ca E-mail: info@reca.ca

We trust this response provides you with greater insight into the serious implications of AREA's Submission from RECA's perspective. We would be pleased to meet with you or your representatives should you wish to discuss this matter further.

Yours truly,

for, **Kevin Clark**
Chair, Real Estate Council of Alberta

cc: Alberta Real Estate Association Board of Directors
Alberta Real Estate Board Executive Officers and Presidents
Real Estate Insurance Exchange

REAL ESTATE COUNCIL OF ALBERTA

To: Honourable Doug Griffiths, Minister of Service Alberta

RECA'S Opposes the Repeal of Section 5(b), *Real Estate Act* (Act)

The Real Estate Council of Alberta (RECA) opposes the Alberta Real Estate Association (AREA) request to repeal subsection 5(b) of the Act. Subsection 5(b) is an important, integral and necessary part of section 5 of the Act enabling RECA to carry out its mandate.

While subsection 5(b) of the Act outlines a specific purpose within RECA's mandate, it must be read within the context of the entire section and the Act itself. Subsection 5(b) is necessary because it supports subsections 5(a) and (c). In other words, for RECA to achieve the purposes "*to set and enforce standards of conduct for the industry and business of industry members ... in order to promote the integrity of the industry ... and to protect consumers affected by the industry*" and to "*...administer the Act...*", RECA must have the legislative authority "*...to provide services and other things Council deems necessary to enhance and improve the industry and business of industry members*".

The "industry" and "business of industry members" are defined terms in the Act that refer to the individual and collective practices of those who trade in real estate, conduct property management, deal in mortgages and act as a real estate appraiser. The services and other things Council deems necessary "to enhance and improve the industry and the business of industry members" relate to those activities that RECA regulates.

It is important for industry associations to recognize RECA as the organization that is accountable to Albertans for achieving the regulatory mandate described in section 5 of the Act. It is RECA, not AREA or any industry association, that provides assurance to the public that those who receive a licence from RECA:

a) have completed the appropriate educational training prior to being eligible for entry into the industry;
b) have met the personal suitability criteria to obtain a licence;
c) understand and will adhere to the standards of practice (rules of conduct) and regulatory requirements established by RECA;
d) will provide competent and ethical services to the public; and,

e) will be held accountable for their conduct in the business of an industry member.

RECA is the industry regulator and industry associations are membership organizations responsible for providing services to their members to advance industry sales and the commercial interests of their members. Industry associations are also lobbyists who advocate for the political interests of their members.

One of the positive ways a governing body such as RECA achieves its mandate is to provide information and advisory services to those it regulates. RECA's Practice Advisor is an example of a service that facilitates an understanding of the standards of conduct expected of an industry member and delivery of competent service to consumers.

The Practice Advisor provides support to brokers in the operation of a brokerage (e.g. trust accounts, records management, deposit disputes etc.), and interpretations and application of the Act and Rules to trading in real estate. This includes advice on standards of conduct, agency practices, trust deposit disputes, advertising requirements and addressing complaints from consumers. The information and advice is provided to brokers on a confidential and without prejudice basis. This facilitates an honest and open dialogue between the industry and RECA on matters of immediate importance to real estate brokers.

RECA's Practice Advisor has also dedicated a significant amount of time to supporting brokerages that wish to transition to designated agency. This includes meeting with brokers and managers of brokerages, providing training to their associates and assisting with any implementation issues. When not doing formal presentations, the Practice Advisor meets with brokers at their business offices to discuss any regulatory concerns they may have with their interactions with RECA. Since April 2012, the Practice Advisor has visited 78 of the 100 largest brokerages in Alberta and has been invited to make 73 presentations on a variety of regulatory topics.

Examples of other information and advisory services RECA provides to improve the industry and business of industry members (all sectors) include: Information Bulletins, Office of the Practice Advisor (for real estate brokers), Case Summaries, On-Line Licensing & Registration Services, pre-licensing education courses, and re-licensing education courses. RECA has also developed a variety of industry information tools such as newsletters, practice guides, blogs and videos to address specific industry practice issues such as interpretations of legislation, agency practices, and updates on new rules.

Section 5(b) of the Act gives RECA a vital tool by which it carries out its mandate as described in sections 5(a) and (c). Since 1996, the staff at RECA have been providing these information and advisory services to industry members to ensure they understand and meet the expected standards of conduct and their regulatory requirements. These services are one of the reasons today's industry members are achieving higher, more professional, standards and are better positioned to provide services to the public than ever before.

A Minister's Roundtable Is Not Necessary

The issues or concerns raised by AREA are internal to the industry and, in particular, the role of an industry association in a regulated industry. They are not legislative in nature. Accordingly, RECA does not see the need for a Minister's Roundtable as suggested by AREA. On this point, RECA offers the Minister the following observations:

1. The mandates of RECA and industry associations like AREA are very clear and distinct from each other.

   There is no confusion in the mandates. AREA is an industry trade association representing the commercial interests of Member Real Estate Boards and REALTORS® in Alberta. AREA can choose to deliver services that its membership determines are in the best interests of its members. RECA, on the other hand, is the governing body for all industry members in Alberta and its regulatory mandate is not a matter of choice - it is clearly stated in the Act. Any remaining confusion within the REALTOR® community is limited in scope and is being addressed through education and various communication channels within the industry.

2. There is no duplication of services or conflicts of interest.

   AREA's Submission states there are "many ... initiatives and activities and services" of RECA that duplicate the services provided by "existing industry organizations". AREA did not give any examples. The reason for the lack of examples is that, to a great extent, any duplication that may have existed in the past has been removed through cooperation with industry associations. RECA has addressed this issue through various memoranda of understanding with industry associations and real estate boards to eliminate or avoid duplication and overlap where possible.

   It is not the mandate of industry associations to provide services that are properly the domain of a regulatory body such as RECA. Neither is it RECA's mandate to provide services that are properly the domain of an industry or trade association or special interest group. If a industry or trade association such as AREA is providing services that effectively duplicate or overlap with the regulatory services of RECA, those organizations are creating a problem for their members that is rooted in their own decisions.

   The fact remains, there is no conflict of interest nor is there any dilution of RECA's primary focus as suggested by AREA. All of RECA's services [s. 5(b)] are focused on its mandate described in section 5(a) and (c) of the Act.

3. Consumers are negatively impacted by this proposal but not mentioned in the Submission.

   One of the ways RECA improves the industry is by providing information services to consumers to assist them in their dealings with the industry. Often the best way to achieve consumer protection is by providing consumers with information they can use when they need it. Repealing section 5(b) would hamper RECA's efforts to educate and engage with consumers when they need assistance. In a regulated industry it is not the role of industry associations to provide independent information and advisory services to help protect consumers when their core mandate is to advocate for the interests of their members.

4. The AREA Submission is misleading to the extent it states section 5(b) of the Act is an "area of particular interest and concern to REALTORS® across the province".

   RECA would respectfully disagree. The reality is that REALTORS® across Alberta are not interested in this issue or aware of the manner this is being presented to the Government by AREA on their behalf. Section 5(b) has been in place since November 1995. Prior to the Submission from AREA, RECA has never been approached by any industry member or industry association expressing a particular interest or concern related to this purpose section.

   RECA notes an informed, transparent and broad consultation process on this proposal has not taken place within the industry. Neither the small "industry group" referred to in the Submission or AREA took any steps to ensure Alberta REALTORS® or any other industry members were aware of the issues, supported the position AREA has taken, or understood the implications for them, consumers or RECA.

5. The industry view AREA has presented is one-sided.

   RECA works with industry members (including REALTORS®), brokers, managers, real estate boards and industry associations on a daily basis. They often seek the regulatory expertise of RECA. They support the positive approach RECA has taken by providing information and advisory services to support them in their own areas of responsibilities whether it is serving consumers, operating a brokerage or, in the case of real estate board or association staff, providing services to their members. These experiences and the views of those who seek the assistance of RECA on a regular basis have not been included in the report.

6. In March 2012, RECA hosted a successful industry symposium or roundtable to discuss RECA's *Policy Statement on Self-Regulation*.

   Over 100 individuals from the four sectors of the regulated real estate industry participated in this dialogue. Individual industry members from all sectors

regulated by RECA, all the industry associations (including AREA), representatives of Service Alberta, and regulators from other regions of Canada, participated. The meeting participants generally agreed with the draft policy on self-regulation which was subsequently approved by Council in April 2012. RECA's *Policy Statement on Self-Regulation* is enclosed with this submission. Part 5 deals specifically with RECA's "Relationship to Industry Associations".

Conclusion

RECA understands industry associations will, from time to time, take steps to advance their own self-interests or shape their future role within the industry. However, in an effort to advance the interests of AREA, the repeal of section 5(b) would come at the expense of limiting RECA's capacity to meet its regulatory mandate to both industry members and consumers.

As a matter of policy, RECA supports an open and transparent dialogue with the industry. This is the preferred approach to addressing the issues raised by AREA and is consistent with RECA's policy statement on self-regulation. Extensive channels of communication between RECA, industry members and industry associations are in place and have proven to be an effective vehicle for dialogue on regulatory issues within the real estate industry.

RECA is prepared to continue this open approach to communications with the industry including meeting with AREA and each of the industry associations who may have a concern regarding RECA's mandate in section 5(b) of the Act.

Val Taylor

From: Trevor Bergen
Sent: Friday, January 29, 2016 12:40 PM
To: Kelly Refah; Rob Phillips; Debbie Woywitka
Subject: RE: RECA briefing

Great change. Looks good to me.
Trevor

From: Kelly Refah
Sent: Friday, January 29, 2016 12:19 PM
To: Rob Phillips; Debbie Woywitka; Trevor Bergen
Subject: RE: RECA briefing

Looks good. I made one minor suggestion for your consideration

From: Rob Phillips
Sent: Friday, January 29, 2016 12:13 PM
To: Kelly Refah; Debbie Woywitka; Trevor Bergen
Subject: RECA briefing

Please add the following bullet as the second last bullet under the RECA / AREA relationship heading;

kelly / Trevor, I welcome any edits

- the purpose of having industry members serve on RECA's Council is to use their experience and knowledge to enhance consumer protection. AREA and it's new appointees seem to have adopted the position that their members sit on Council to influence a regulatory body to reduce regulation and industry oversight of realtors and in doing so are prioritizing self-interest over ~~ignoring~~ the public interest

Val Taylor

From: Kelly Refah
Sent: Friday, January 29, 2016 3:12 PM
To: Lee Chantal
Subject: FW: RECA - Guide to Residential Property Measurement

Lee, the Minister is meeting with RECA in February to discuss a number of issues, including residential measurement standards for industry members (realtors). The underlying cause of this and other issues appears to be what can be described as a turf war between RECA and the Alberta Real Estate Association. I was asked to prepare a briefing for the Minister's meeting (see attachment) and I'm certain our involvement in this issue will continue as the RECA/AREA conflict intensifies.



Kelly

From: Rob Phillips
Sent: Thursday, January 21, 2016 10:49 AM
To: Colin Lloyd; Robert Whittaker
Subject: FW: RECA - Guide to Residential Property Measurement

Two recent RECA bulletins added below.

Rob



From: Rob Phillips
Sent: Thursday, January 21, 2016 9:58 AM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: RECA - Guide to Residential Property Measurement

Colin,

As you are aware there have been complaints to RECA, AREA and Service Alberta that consumers are being misled about the true square footage of the home or condo they are purchasing.

On Jan. 19, 2016 RECA's Council met and we understand they voted to eliminate RECA's guideline on how residential property is to be measured. Several Council members, including the Chair, Krista Bolton were very opposed to this decision and argued that the guideline provides clarity for realtors and the public and that a decision to eliminate it would be contrary to consumer protection.

Prior to the decision being made, RECA's Executive Director, Bob Myroniuk advised Council of the attached letter they had just received from the Minister expressing her concerns about inaccurate measurements of condominiums and wanting RECA to take additional regulatory measures following complaints of misrepresentation. Despite the concerns raised by RECA staff and some Council members the vote passed and the guideline was struck. We expect it to be removed from RECA's website this week. Of note, this is the first meeting of Council that includes the new members appointed by AREA in the Fall of 2015.

Residential Property Measurement standards:

There is no single standard for determining the correct square footage of a home. In Alberta standards appear to vary between the 11 real estate boards. Some realtors rely on land titles information, on information prepared by new home builders, on the prior listing agreement or on the tax assessment information maintained by municipalities.

As far back as 1998 education materials for realtors have included information on how to properly measure the true size of a residential property. As complaints in this area increased RECA reviewed this material and found that there were gaps in the information.

In 2014 RECA undertook an extensive consultation on this issue. The consultation included realtors, AREA, the Edmonton and Calgary Real Estate boards, appraisers and RECA's Real Estate Appraiser Advisory Committee. The consultation resulted in a vastly improved measurement guidelines that covered a range of situations that realtors encounter when trying to measure a home.

The education material were updated and in the summer of 2015 an information bulletin was sent to all realtors advising them of the new guidelines. In the Fall of 2015 the attached 24 page Guide to Residential Property Measurement was prepared by RECA and posted on their website for use by realtors, assessors and consumers.

Legislation:

Section 5 of the Real Estate Act states that one of the purposes of the Real Estate Council is to " to set and enforce standards of conduct for the industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry and to protect consumers affected by the industry";

Section 12 of the Real Estate Act allows to the Council to make rules in the following areas:

(a) prescribing or adopting standards of conduct and business standards for industry members;

(b) respecting the form and contents of advertising carried out by industry members;

(g) respecting the disclosure of information by industry members to parties and potential parties to transactions in the business of an industry member;

Conclusion:

The elimination of RECA's guideline is concerning, without a replacement in place. There appears to have been no process to assess the impact of this decision.

In the absence of a guideline different interpretations will be adopted by realtors leading to an increase in misrepresentations and complaints. Enforcement action by RECA will be more difficult, especially as it relates to single family homes. Condominiums are somewhat easier as the condominium plan filed by the developer with Land Titles includes the registered size of a condominium unit. However, even with the plan developers

can make errors and there can be confusion as registered size can include the " living space " of a condominium and the "total space" assigned to it which can include storage lockers, parking stalls and balconies. Most consumers believe that the square footage of their condo is the living space.

If this issue is not resolved by RECA's Council the Minister could conduct a review using the authority set out in Section 76 below. Following a review the Minister can order the Council, or any member, officer or employee of the Council to take any action that the Minister considers appropriate in the circumstances. If an order is not carried out to the satisfaction of the Minister, the Council member, officer or employee can be dismissed.

Rob Phillips

Reviews

76(1) The Minister may, whenever the Minister considers it necessary, review or appoint a person to review

(a) the conduct of the Council,

(b) any matter relating to the Fund,

(c) any matter relating to the Foundation, or

(d) any matter affecting the industry or its regulation.

(2) The Minister or other person conducting the review under subsection (1)

(a) may require the attendance of any member, officer or employee of the Council or the board of governors of the Foundation or of any other person whose presence is considered necessary during the course of the review, and

(b) has the same powers, privileges and immunities as a commissioner under the *Public Inquiries Act*.

(3) When required to do so by the Minister or other person conducting a review, a person referred to in subsection (2)(a) shall produce for review all books and records that are in that person's possession or under that person's control that are relevant to the subject-matter of the review.

(4) A person, other than the Minister, who conducts a review shall forthwith on the conclusion of the review report in writing to the Minister.

(5) On conducting a review or receiving a report under subsection (4), the Minister may by order direct that the Council, the Foundation or any member, officer or employee of the Council or of the board of governors of the Foundation take any action that the Minister considers appropriate in the circumstances.

(6) If an order under subsection (5) is not carried out to the satisfaction of the Minister, the Minister may by order do either or both of the following:

(a) appoint a comptroller to oversee the management of the affairs of the Council or the Foundation or the administration of the Fund, as the case may be, and attach terms and conditions to the continued operation of the Council, the Foundation or the Fund, as the case may be;

(b) dismiss all or any of the members of the Council or the board of governors of the Foundation or the member, officer or employee who failed to carry out the order.

(7) If the Minister dismisses the Council or the board of governors of the Foundation, the Minister may in the same or a subsequent order do either or both of the following:

(a) appoint an official administrator to manage the affairs of the Council or the Foundation, as the case may be, until a new Council or board of governors is appointed;

(b) direct that a new Council or board of governors be appointed under this Act.

(8) An order under subsection (7)(a) may provide for the payment of remuneration and expenses to the official administrator and may provide that the remuneration and expenses are the responsibility of the Council or the Foundation, as the case may be.

(9) An official administrator has all the powers and is subject to all the obligations of the Council or the Foundation, as the case may be, under this Act.

(10) An order or direction under subsection (5), (6) or (7) takes effect on the service of a copy of it on the person to whom it is directed.



ADVICE TO MINISTER

MINISTER MEETING WITH THE REAL ESTATE COUNCIL OF ALBERTA (RECA)

PURPOSE:

- The Minister's approval is being sought to proceed with the recommendations provided herein.

RECOMMENDATION:

- Direct RECA to reinstate the Residential Measurement Standards (RMS) Guide until an updated version is ready for public use and lead industry consultations to determine what, if any, changes should be made to the RMS Guide to ensure real estate professionals provide consistent and competent service to consumers across Alberta.
- Communicate government's commitment to consumer protection, RECA's jurisdiction over the creation of industry-wide RMS for real estate professionals, and the Minister's direction to RECA and Alberta Real Estate Association (AREA).
- If Council does not reinstate the standard use the powers under section 76(5) of the *Real Estate Act* (REA) to direct RECA's Council to reinstate the RMS Guide until an updated version is ready for public use.

MEETING DATE: February 10, 2016

TIME: 9:00 am

LOCATION: Room 210, Legislature Building

ATTENDEES:
Krista Bolton, RECA Chair
Christine Zwozdesky, RECA Chair Elect
Tony Dhaliwal, RECA Alberta Government Appointment
Bob Myroniuk, RECA Executive Director
Kirk Bacon, RECA Deputy Executive Director
Jean Flanagan, RECA General Counsel and Government Liaison

KEY MESSAGES:

- I appreciate RECA's efforts to enhance the rules governing residential property measurements. The RMS Guide will benefit consumers in the real estate market and the day-to-day business of industry members.

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- Service Alberta acknowledges RECA is the appropriate body to develop and enforce standards applied by realtors when measuring a home on behalf of consumers. It is our view that this work falls within RECA's regulatory mandate, in accordance with the REA.
- To ensure public confidence, it is important that both RECA and AREA endorse the RMS Guide. To this end, I encourage RECA to engage AREA and other stakeholders in its review of the RMS Guide, and take into consideration AREA's concerns and suggestions for improving the Guide.
- Please keep my office appraised of developments on this initiative.

BACKGROUND:

Registered size vs. Residential Property Measurement

- The November 29 Edmonton Journal Article highlighting the issue of realtors misrepresenting the registered size of condominium units on the MLS system is unrelated to the on-going disagreement between RECA and AREA over RMS.
- Currently, the Realtors Association of Edmonton requires both the registered size and the measurements, or the total living area, of a home to be provided in real estate listings posted on the MLS system. The two sizes are derived differently:
  - The registered size is obtained from the condominium plan that is registered by the developer at the Land Title Office. Developers take some liberties with the registered size as they often include balconies, storage spaces and parking stalls, among other things.
  - The total living area is determined by physically measuring the home in accordance with the RMS set by RECA (Attachment 1).
- Misrepresentation of the condominium registered size occurs when realtors rely on sources other than the condominium plan to obtain the registered size, such as previous listing data and property tax assessment information from the municipality.
- Over 1,000 complaints have been filed with RECA since February 2014, mostly by one Edmonton realtor, alleging misrepresentation of the registered size to consumers. RECA has taken proactive steps to rectify this problem. Specifically, RECA has and continues to investigate complaints and issues warnings or sanctions against licensed real estate professionals found to be deserving of sanction. RECA also continues to work directly with the Realtors Association of Edmonton and real estate brokerages to educate industry members about accurate representation of condominium registered size in advertising.
- As a result of RECA's efforts, the number of complaints has been steadily decreasing (Attachment 2).

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- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property.
- Pre-licensing education courses for realtors have always included information on measuring residential property. However, complaints in this area increased over time and RECA decided to review the course material with a view to making improvements.
- In 2014, RECA undertook extensive consultation on this issue. The consultation included AREA, realtors, the Edmonton and Calgary real estate boards, appraisers and RECA's Real Estate Appraiser Advisory Committee. The consultation identified a number of gaps in the course material and information that was vague or unclear.
- In February 2015, RECA launched a new Practice of Residential Real Estate course to clarify and resolve previous content gaps in relation to property measurement. These standards are substantially the same as the standards in the previous course, and are in line with standards residential real estate professionals have been practicing for years.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* to ensure all realtors have access to RECA's enhanced standards for measuring residential property, regardless of when they completed their pre-licensing education.
- On January 19, RECA's 12-member Council voted to eliminate the Guide and instructed RECA to remove the Guide from its website. Several Council members were opposed to this decision, however, the motion was carried.
- Before RECA could communicate with industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation, and the new standards would be implemented by fall 2016.

RECA/AREA Relationship

- Through the REA, RECA is entrusted to set and enforce standards of conduct for the real estate industry and the business of industry members in order to promote the integrity of the industry and protect consumers affected by the industry. Additionally, RECA has statutory powers to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
- The role of Council is to fulfill RECA's mandate and to serve as a link between industry and members of the public, and advance the welfare or interests of the industry and the public.
- AREA has significant representation on RECA's Council. Of the 12 seats on Council, six members are direct AREA appointments and another four appointments are influenced by AREA.
- For years, AREA has held the position that RECA's mandate treads too far into the business of real estate industry members and expressed its desire to narrow RECA's regulatory scope by way of amending the REA.

- This difference of opinion has significantly strained RECA and AREA's relationship, and presents significant ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust.
- Disagreement over residential measurement standards is just one example of the impact RECA and AREA's strained relationship has on regulation of the real estate industry.
- Council members sit on RECA's Disciplinary Panels. It appears that several newly appointed members may not support enforcement action relating to measurement standards.
- The purpose of having industry members serve on RECA's Council is to use their experience and knowledge to enhance consumer protection. AREA and its new appointees seem to have adopted the position that their members sit on Council to influence a regulatory body to reduce regulation and industry oversight of realtors and in doing so are prioritizing industry self-interest over the public interest.
- Under section 76 of the REA, the Minister has the power to order a review of the conduct of RECA's Council and any other matter affecting the industry or its regulation. Additionally, the section authorizes the Minister to direct Council and employees of Council to take any action that the Minister considers appropriate in the circumstances.

KEY CONSIDERATIONS:

- RECA is seeking the Minister's advice as to whether RECA is the appropriate body to establish rules for RMS and is requesting that the Minister communicate her wishes to AREA, with clear timelines for implementation of a new Guide.
- In addition to the issue of measurement standards, RECA will raise other topics at the meeting including Council governance, licensing of condominium managers and amendments to the REA (Attachment 3).
- Option 1: Direct RECA to reinstate the existing RMS Guide until a new version is available for public use. Send a clear message to industry reinforcing RECA's jurisdiction over the creation of RMS.
  - Pros: Measurement standards in the existing Guide are consistent with information in RECA's curriculum and licensing exam learners must pass in order to work in the real estate industry.
  - Provides further opportunity for RECA to monitor how realtors apply the RMS and determine if further changes should be made to the Guide to ensure accurate and consistent information for industry members and consumers.
  - Cons: Reasserting RECA's authority over this matter may deepen AREA's hostility toward RECA.

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- Option 2: Leave RECA and AREA to resolve the matter independently. This would likely result in a new Guide created by AREA.
  - Pros: Government would keep out of the business of RECA, which is an independent, self-regulatory body.
  - Cons: May undermine RECA's authority and regulatory capacity, and compromise public confidence in RECA.
  - A new AREA Guide will confuse industry members and create inconsistencies between RECA's licensing education and information material.
  - AREA's take-over of this issue may set a precedent for future regulatory matters where AREA and RECA have a difference of opinion.

ATTACHMENTS:

1. Guide to Residential Measurement Standards
2. BAR graph illustrating complaints on Condominium Registered Size
3. RECA Meeting Agenda

CONTACT:

- Colin Lloyd, Assistant Deputy Minister, Consumer Services (780)427-2300

MINISTER APPROVAL:

_____

Hon. Danielle Larivee, Minister

Val Taylor

From: Rob Phillips
Sent: Thursday, January 21, 2016 10:46 AM
To: Rob Phillips
Subject: FW: RECA News: NEW RESOURCE AVAILABLE - Guide to Residential Property Measurement

From: RECA [mailto:communications@reca.ca]
Sent: Thursday, November 26, 2015 2:15 PM
To: Rob Phillips
Subject: RECA News: NEW RESOURCE AVAILABLE - Guide to Residential Property Measurement

RECA News

Guide to Measuring Residential Properties in Alberta is now available

The Guide to Measuring Residential Properties in Alberta is now available on RECA's website for use by all residential real estate professionals.

The Guide explains:

- the Residential Measurement Standards
- how and when to apply them
- what to do if your client wants to use another standard of measurement

The Guide has many visual examples to help explain the standards for measuring residential properties, and how they apply to the day-to-day business of real estate professionals.

What Real Estate Professionals Need to Know

- This Guide is not a new standard for measuring residential properties

  The standards in the Guide come from RECA's Practice of Residential Real Estate Course, which launched in February 2015. RECA used its launch of a new Practice of Residential Real Estate course as an opportunity to clarify and resolve previous content gaps in relation to property measurement, not to create a new standard.

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These standards are substantially the same as the standards in the previous course, and are the same standards residential real estate professionals have been practising for years.

- Providing accurate, consistent measurements is a part of competent service

  Residential real estate professionals need to discuss measurement standards with their clients so the client can make an informed decision about the standard of measurement they want to use. Clients may instruct their real estate professionals to use a different standard and professionals must always obey the lawful instructions of their client. If you use a different measurement standard, disclose that standard in all communications about your client's property.

- RECA is listening and is here to help

  Industry associations suggested RECA make the residential measurement content from the Practice of Residential Real Estate course available to all industry professionals. RECA agreed. This Guide is the result. RECA wants to ensure all residential real estate professionals have access to this information, regardless of when they completed their pre-licensing education.

An information bulletin on the Residential Measurement Standards and FAQs are also available on RECA's website.

Real Estate Council of Alberta
P [illegible] 3154
F (403) 228-2065
[illegible]
[illegible]

RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to [illegible]

Val Taylor

From: Rob Phillips
Sent: Thursday, January 21, 2016 10:46 AM
To: Rob Phillips
Subject: FW: RECA News: Condominium Registered Size – Clarification

From: RECA [mailto:communications@reca.ca]
Sent: Wednesday, December 02, 2015 2:08 PM
To: Rob Phillips
Subject: RECA News: Condominium Registered Size – Clarification

Duplicate information to pages 341-342

Page 461 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate information to pages 341-342

Val Taylor

From: Trevor Bergen
Sent: Wednesday, February 03, 2016 4:46 PM
To: Rob Phillips
Subject: RE: RECA News: RECA Releases New Advertising Guidelines

Hi Rob,

Part of new Guidelines cover use of the RECA logo, which appears to be intended to ensure the RECA logo is the branding to be used to promote consumer confidence and professionalism in the industry. Makes sense to me but it would be interesting to see AREA's take on that.
Trevor

From: Rob Phillips
Sent: Wednesday, February 03, 2016 4:31 PM
To: Trevor Bergen
Subject: RE: RECA News: RECA Releases New Advertising Guidelines

the logo? I am missing something

From: Trevor Bergen
Sent: Wednesday, February 03, 2016 4:18 PM
To: Rob Phillips
Subject: RE: RECA News: RECA Releases New Advertising Guidelines

Particularly the logo...

From: Rob Phillips
Sent: Wednesday, February 03, 2016 4:05 PM
To: Kelly Refah; Jodi Morris; Trevor Bergen
Subject: RECA News: RECA Releases New Advertising Guidelines

I wonder if this will create an issue for AREA?

Rob

From: RECA [mailto:communications@reca.ca]
Sent: Tuesday, February 02, 2016 10:56 AM
To: Rob Phillips
Subject: RECA News: RECA Releases New Advertising Guidelines

RECA News

February 2, 2016

RECA Releases New Advertising Guidelines

The Real Estate Council of Alberta is releasing new Advertising Guidelines in the interest of enhancing the professionalism of the industry and meeting our mandate of consumer protection.

RECA is mailing copies to real estate and mortgage brokerages across Alberta.

RECA's Advertising Guidelines offers industry professionals a variety of examples and tips to assist with their marketing and advertising.

You will find some notable updates in RECA's new Advertising Guidelines, including:

- plainer language and increased clarity
- expanded section on electronic advertising and social media
- expanded policy on advertising sold listings
- new policy and rules for using the RECA logo in advertising

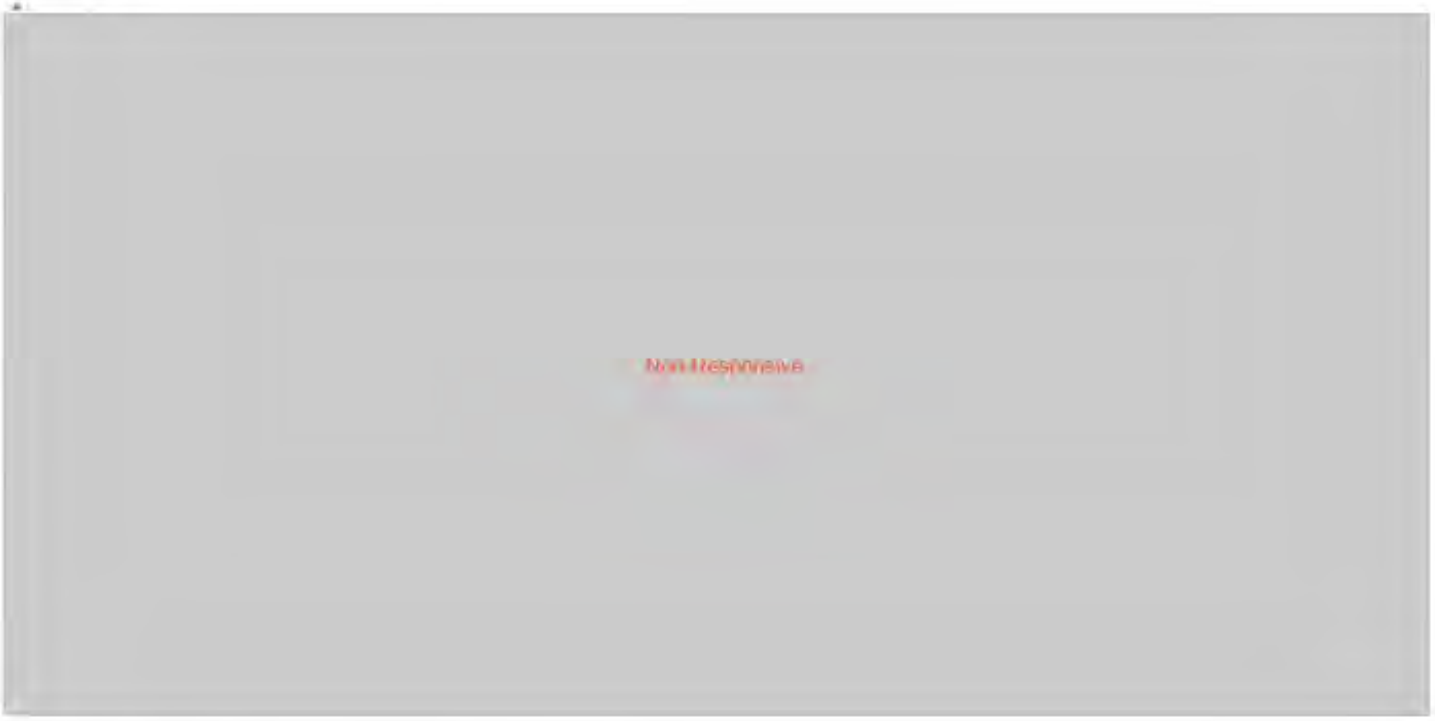
Professionals should pay special attention to the new policy regarding the use of RECA's logo in advertising. The approved logo clearly states that the professional using it is licensed and regulated by the Real Estate Council of Alberta. We believe this helps promote consumer confidence as well as the professionalism of our industry.

Many brokerages have their own policies and procedures in place for their associates' advertising. While each industry professional is responsible for their own advertising, brokers have a special responsibility to oversee the activities of their associates, including their marketing and advertising.

If you have questions about advertising before your copy of the new Advertising Guidelines arrives, a digital copy of the guidelines are on RECA's website, here.

Real Estate Council of Alberta
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communications@reca.ca
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From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Wednesday, January 27, 2016 1:22 PM
To: Rob Phillips
Subject: RE: Documentation from June 2015 meeting in Edmonton

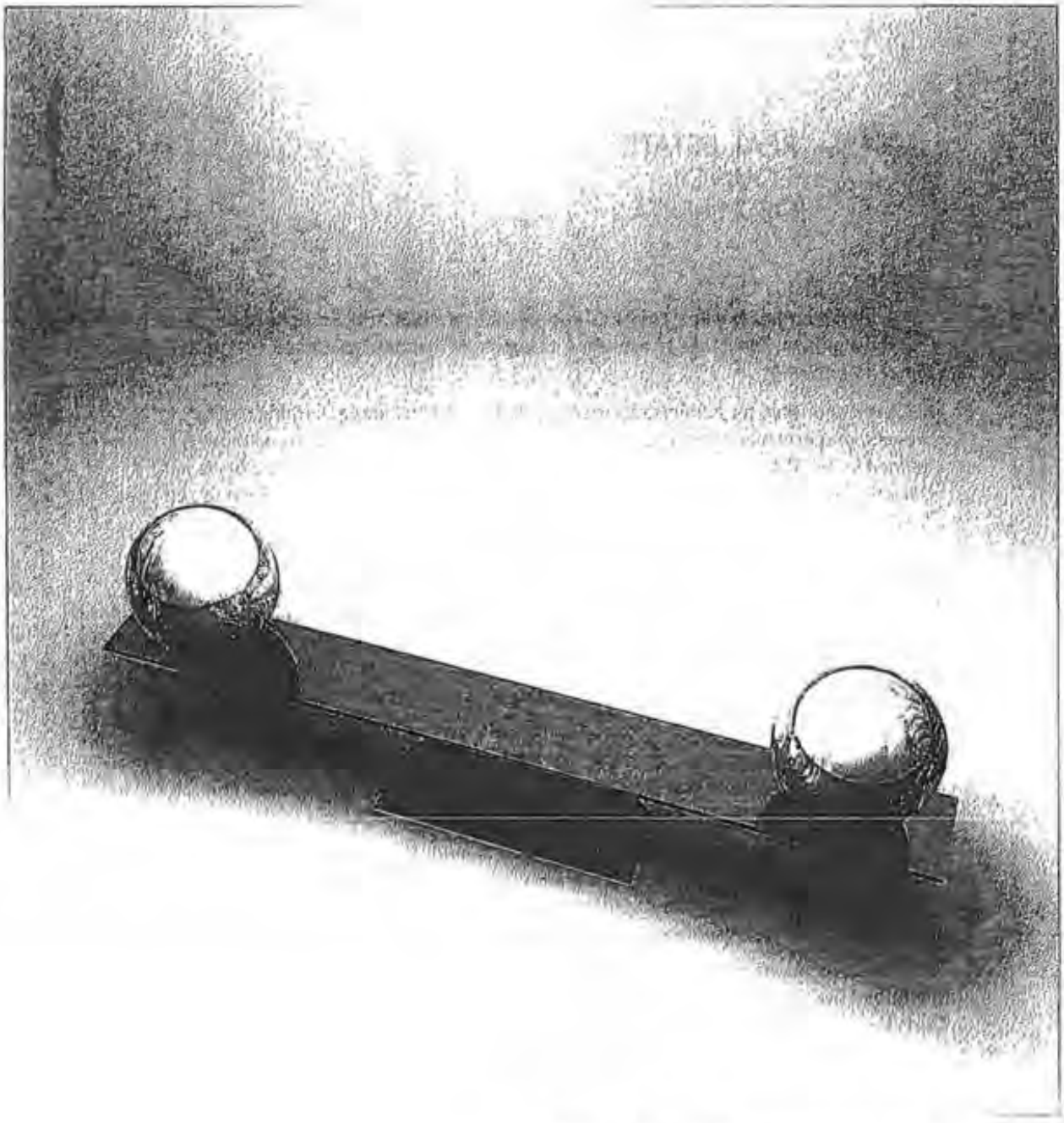
Thanks Rob, I appreciate your effort to respond so promptly. Have a nice day.

Bob

From: Rob Phillips [mailto:rob.phillips@gov.ab.ca]
Sent: January-27-16 11:38 AM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: Documentation from June 2015 meeting in Edmonton



Pages 465 through 473 redacted for the following reasons:
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Pages 465-466: Duplicate to pages 423-424
Pages 467-473: Duplicate to pages 441-447



REAL ESTATE COUNCIL OF ALBERTA
STATEMENT ON SELF-REGULATION

REAL ESTATE COUNCIL OF ALBERTA®

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REAL ESTATE COUNCIL OF ALBERTA

Preface

This paper describes the Real Estate Council of Alberta's (RECA) philosophy of self-regulation and the approach it will take to achieving its legislated mandate as outlined in the *Real Estate Act of Alberta* (*REA*).

RECA is responsible for administration of the *REA*, which includes governing real estate brokers, property managers, mortgage brokers and real estate appraisers as those terms are defined in the *REA*. For the purposes of this paper, this group of industry sectors is collectively referred to as the "real estate industry." Individually, they may be referred to as "real estate professionals."

This paper arises from the experience and knowledge gained since RECA's creation in 1996, the natural evolution of the industry and the extensive research and planning efforts of Council during 2010 and 2011. Council's research and planning included extensive consultation with industry professionals through surveys, brokerage visits and presentations and Advisory Committee meetings. The desire to increase professionalism within the industry was a clear and consistent message across all sectors that came out through the consultations.

Consumers were also consulted as stakeholders through a series of focus groups conducted in 2009 and 2010. Council completed a three-day strategic planning exercise in March 2011, and in July 2011, it approved a five-year strategic plan for RECA for 2011-2015.

The vision Council identified reflects a future direction for RECA more closely aligned with the approach to self-regulation adopted by many professions in Alberta. RECA will strive to be seen as an impartial, principles-based governing body, facilitating excellence in self-regulation, individual responsibility and accountability.

In order to assess its own performance in achieving excellence in self-regulation, Council identified five critical success factors. The first critical success factor in its strategic plan is directly related to establishing a definition of self-regulation and states:

"Advance professionalism of the industry by establishing a clear definition of self-regulation and working with industry professionals to take ownership for and understanding of self-regulation by supporting and promoting responsible and accountable professional behaviour."

This statement represents a shift in approach for RECA's regulation of the real estate industry. While some might consider this a paradigm shift, it would be more accurate to describe this new direction as a continuation of the evolution of the industry, self-regulation and RECA itself.

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Executive Summary

As Albertans, we place a high value on individual freedom, entrepreneurship, competition and innovation. We expect individuals and companies to take responsibility for their own well-being and be accountable for their actions. However, we also depend on the government to establish laws, services and programs for the greater good. Regulations for individuals and companies offering goods and services to the public provide a framework of rules that will ensure fair and open competition but must also ensure fair treatment of, and prevent harm to, consumers.

Within a democratic society, two of the most fundamental principles are the concept of the rule of law and the right to own property, and together, they reinforce the importance of the real estate industry to society. In recognition of this importance, the Government of Alberta implemented a model of self-regulation for Alberta's real estate industry and its professionals. This model of self-regulation is a privilege that comes with significant responsibility. Alberta real estate professionals must demonstrate their model of self-regulation is effective and fulfills the public interest mandate as set out in the *Real Estate Act* (***REA***).

RECA's priorities, resources, policies and rules must be aligned with its mandate to protect consumers while promoting the interests of industry professionals, and real estate professionals and brokerages must understand and appreciate the importance of their role within society and the responsibility of effective self-regulation.

Alberta real estate industry professionals are being challenged to demonstrate their value to consumers, and improving the professionalism of the industry is an integral part of this value proposition. But what is the relationship between self-regulation and professionalism?

As the governing body, RECA is the mechanism through which industry standards are set. RECA ensures transparency and accountability to the public, while setting and maintaining education and licensing standards for each of the industry sectors. In doing so, RECA advances professionalism and facilitates effective self-regulation. That being said, the primary responsibility for effective self-regulation rests with individual real estate industry professionals and their brokerages.

Industry professionals must maintain a professional mindset. They must adopt a culture of adherence to standards, they must know the boundaries of their own expertise, and must maintain an attitude of civility and ethics at all times. Professionalism requires not only industry expertise but also a professional attitude towards peers, consumers and the regulatory authority.

As a governing body with regulatory responsibilities, RECA must balance the need for preservation of individual freedoms with the requirement to prevent harm. Regulation is necessary and compliance with the rule of law is fundamental. RECA's approach is to seek a regulatory balance in the fulfillment of its legislative mandate. On one hand, industry professionals want their governing body to let them go about their work, but they also want to make sure the governing body will step in when there is misconduct.

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As it undertakes its responsibilities in this regard, RECA is guided by the following values and principles: Accountability of Real Estate Professionals; RECA's Focus on the Public Interest; Principles-Based Approach; Commitment to the Spirit of Self-Regulation; "Right Touch" Compliance and Enforcement; Professional Support Services; Procedural Fairness; Quality Education; Professional Development; Transparent and Quality Information; Engagement with Stakeholders; and, Operational Excellence.

There is a fine line that must be walked between the desire to protect individual freedom and the need to protect the public. The public expects professional regulatory bodies to have rules and industry standards of practice in place that ensure fair treatment of the public and prevention of harm. As the governing body for Alberta's real estate industry, RECA requires that Alberta real estate industry professionals know and abide by the *REA* and Rules. Industry professionals are also expected to read communications from RECA, and they must maintain competence in the provision of services to the public.

Cooperation with RECA is also a critical and expected part of effective self-regulation. Lack of cooperation by industry professionals prevents RECA from carrying out its responsibilities, which can seriously undermine the public's confidence in the industry's capacity for effective self-regulation. An industry professional's refusal to cooperate with RECA will be considered a serious matter and the full range of sanctions may be applied. In all cases, Alberta industry professionals must maintain the highest standards of conduct and integrity in all their dealings with the public, other industry professionals and RECA. In return, industry professionals will be treated courteously, fairly, impartially and according to the rules of administrative justice. RECA is committed to transparent professional conduct reviews and proceedings.

As individual real estate and mortgage professionals provide services to the public through and on behalf of the brokerage with which they are registered, the brokerage must ensure the business is carried out competently and in accordance with the legislation and the industry standards of practice. While individual industry professionals are held accountable to their clients, their brokerage and to RECA, brokers have additional responsibility in that they are also accountable for the conduct of industry professionals working within their brokerage.

Brokers can be held accountable even if they themselves did not participate in misconduct. This accountability arises from the fundamental obligations of a brokerage to a client and the expectations of the public, and can occur where the broker failed to be actively engaged in the management of the brokerage, failed to ensure an adequate level of supervision, was willfully blind to the conduct in question or had knowledge of misconduct and failed to take reasonable steps to prevent the misconduct from occurring.

Notwithstanding RECA's approach to determining an individual's accountability in a misconduct situation, ultimately, the brokerage is always accountable for its actions and those of its employees and industry professionals.

RECA is a strong supporter of ongoing dialogue with industry associations. Though there are differences between RECA's mandate and that of related industry associations, it is in the

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best interests of industry professionals and the general public to collaborate or partner on projects that advance the interests of all stakeholders.

Effective self-regulation of Alberta's real estate industry professionals requires the cooperation of all industry stakeholders. It is incumbent on all industry professionals to be accountable and professional at all times, with clients, customers, other industry professionals, their governing body and other industry associations. RECA is the facilitator of self-regulation for Alberta's real estate industry professionals, but the future of the industry – and its regulation – is in the hands of individual industry professionals and their brokerages.

Purpose

The purposes of this paper are to:

a) clearly describe RECA's philosophy and approach to self-regulation;

b) gain the support of individual industry members, brokerages and industry organizations for RECA's vision and approach to self-regulation;

c) initiate a dialogue with industry members and stakeholders regarding their roles in self-regulation and potential opportunities for collaboration.

PART 1: INTRODUCTION

The Role of Regulation in Society

> *"Laws enable complete strangers, with different backgrounds, histories, ethnicities, and social norms, to conduct business with each other with greatly reduced risk. For, example a major investment such as buying a home can be intimidating even with all the protection of property law, building codes, and insurance. Imagine what it would be like if such transactions were completely unregulated. There is a powerful correlation between the wealth of a society and the existence of written laws with mechanisms for enforcement and adjudication ... Laws, of course, do not replace trust, and societies can become dysfunctional if social trust breaks down and people over rely on legal institutions... Nevertheless, complex, large-scale cooperation is impossible without a well-functioning legal and regulatory system to provide protocols for cooperation."*
>
> *Eric D. Beinhocker, The Origin of Wealth 2006*

In a democratic society that relies on free markets and an open economy such as Canada, there are a number of elements of social infrastructure that are necessary to ensure long term stability, viability and prosperity for its citizens. The observations of Eric D. Beinhocker reinforce the importance of stable and effective government structures and adherence to the rule of law. His message speaks directly to the real estate industry and the notion of self-regulation.

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We have a diverse society which, in turn, is reflected in the makeup of the real estate industry. Alberta's industry members come from different backgrounds, histories, ethnicities and social norms.

However, notwithstanding our different backgrounds, Alberta has its own distinct culture, norms and values. In Alberta, we place a high value on individual freedom, entrepreneurship, competition and innovation. Albertans have a strong sense of family, community and public service. We are an open society that values education, hard work and respect for the law. We also expect individuals and brokerages to take responsibility for their own well-being and be accountable for their actions.

Within the context of Alberta's culture, norms and values, the role of government is to establish the laws, services and programs designed to meet the interests of all citizens or the "greater good." For democratic governments, this is their public interest mandate.

Regulations that affect individuals and firms offering goods and services to consumers provide a framework of rules for economic activity to occur. The regulatory framework is intended to ensure fair and open competition but also to set rules that ensure fair treatment of, and prevent harm to, consumers.

When consumers are harmed, lack of proper regulations or ineffective regulation by government or a regulatory agency is often the target of blame. If individuals or firms are prevented from doing something innovative, risky or that poses potential harm to consumers, excessive regulation is the culprit.

The public, media and political leaders often point both ways. Whether they seek more or less regulation will depend on the given issue, moment in time or mood of the day. Often regulators will hear comments such as:

"just let us do our business ... we need to get rid of all this red tape"
"the regulators are simply there to protect the industry"
"if the regulator had just done its job, this would never have happened"
"we need regulations to prevent this from happening again"

As some have observed, the rhetoric may be for less red tape or regulation but often the result is more regulation whether it's dealing with small businesses, large financial institutions, individuals who provide professional services, volunteers who wish to coach youth sports, or for owners of dogs and cats.

We want to have our individual freedoms and we express our willingness to accept responsibility for our own behaviour. However, we also want to be protected from potential harm. We expect individuals to make informed choices when they choose to work with or hire the individuals and brokerages that provide services to the public. However, we also expect regulators to set and enforce standards to ensure no harm will come to the public.

Laws and regulations that govern the behaviour of individuals and brokerages, therefore, are positioned between the values of individual freedom and free markets and the desire to preserve the public interest. Too much regulation is seen as interference in the personal lives of citizens and the conduct of business. Too much regulation may also be less effective in

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achieving the public interest mandate and can have a negative impact on investment and the economy.

Privilege of Self-Regulation

Two fundamental principles of a democratic society, which are closely related, are the concept of the rule of law and the right to own property. These two principles, when brought together, reinforce the importance of the real estate industry to society.

Perhaps it was this recognition, and the critical role real estate professionals play in the transfer of property rights that led the Government of Alberta to develop a "professional" model of self-regulation for the real estate industry.

Alberta's real estate professionals play a variety of key roles in Alberta's property system including estimating property values, advising sellers and landlords, advising buyers and tenants, negotiating contracts, holding funds in trust, securing financing and managing property on behalf of owners.

By choosing a self-regulation model, the Government of Alberta has demonstrated its confidence, and placed its trust, in the real estate industry on behalf of all Albertans.

"Bill 28 [the Real Estate Act] will make regulating these industries more efficient and will create an organization that is accountable not only to industry representatives but to the general public or consumer as well...Bill 28 finalizes a successful process that started in 1987. It creates an independent council to oversee the real estate industry. It gives the council the authority to set standards for the industry and to ensure that those standards are met...This will no doubt result in high standards for the real estate agents, salespeople, mortgage brokers, and property managers, who will help ensure fairness to the real estate marketplace." The hon. Member for Lacombe-Stettler, Mrs. Judy Gordon
Alberta Hansard, April 27, 1995

While it is a privilege to be given the right of self-regulation, it is a privilege that comes with significant responsibility. It is essential real estate professionals demonstrate our system of regulating the real estate industry is effective and fulfills the public interest mandate set out in the *REA* and that the policy of self-regulation was the correct choice.

"It is important to note the fact that the real estate industry, like the legal profession and others, is self-regulating. R.E.C.A. was statutorily created, and one of its key functions is to ensure that its members...abide by the rules and Code of Conduct set by R.E.C.A. for the purpose of protecting members of the public." Mr. Justice Eric Macklin, J.C.Q.B.A., October 21, 2004

For RECA, this means its priorities, resources, policies, and rules must be aligned with its public interest mandate. For industry professionals, it means they must maintain the highest level of accountability, ethics and responsibility. It is a fundamental requirement that individual industry professionals and their brokerages understand and appreciate the

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importance of their role within society, the nature of their relationships with consumers and each other, and the responsibilities associated with effective self-regulation.

Self-Regulation and Professionalism

"Strive not to be a success, but rather to be of value." Albert Einstein

Today, the future of the real estate industry is challenged to present an enduring value proposition to consumers. A key component of achieving this value proposition is to improve the level of professionalism within the industry. RECA's own strategic plan commits itself to advancing the professionalism of the industry. If that is the case, what is the relationship between self-regulation and professionalism?

As previously stated, the regulatory model the ***REA*** establishes for the industry is based on the self-regulatory model of the traditional professions. In other words, the model RECA works under is designed to advance professionalism and responsible self-regulation. The challenge is to understand the relationship between these two great ideas and develop a consensus as to what needs to be accomplished and by whom.

The concept of professionalism means different things to different people. For the purposes of this paper, RECA suggests the following elements are consistent with consumer protection and the expectations of the public, and form the foundation of every profession:

- ✓ appropriate education and licensing standards;
- ✓ adherence to standards of practice (rules) established by the governing body;
- ✓ provision of competent services;
- ✓ a culture of integrity, civility and ethical conduct;
- ✓ support for continuing education and professional development; and,
- ✓ transparency and accountability to the public.

These elements constitute what is commonly referred to as "the public interest." As a result, every profession requires a mechanism to achieve the mandate of serving the public interest.

As the governing body, RECA is the mechanism for setting industry standards and ensuring transparency and accountability to the public. RECA has the responsibility for ensuring appropriate education and licensing standards for the various sectors within the real estate industry. RECA has the responsibility for setting and enforcing rules that establish standards of practice and conduct of individuals and brokerages within the industry. It also has the responsibility for establishing re-licensing education requirements and promoting professional development.

By carrying out its responsibilities, RECA advances professionalism and facilitates effective self-regulation within the industry. More importantly, it is the day-to-day conduct of real estate professionals and brokerages, and their interactions with members of the public that

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ultimately determines whether industry members are acting in a professional manner and effective self-regulation is occurring.

The primary responsibility for effective self-regulation and professional conduct rests with the individuals and brokerages authorized by RECA to provide services to the public. It is their individual and collective responsibility to ensure they have all the necessary resources, knowledge and skills to serve their clients competently and act ethically at all times.

While RECA can offer updates on issues related to legislation, legal developments, compliance, risk reduction and emerging regulatory issues, it is incumbent upon individuals to ensure they are up to date and competent in their area of practice. Courses and seminars offered through industry associations, boards and education providers play an important role in advancing the professionalism of the industry.

In addition to knowing the boundaries of one's expertise, a culture of adherence to standards of conduct set by a governing body, such as RECA, and acting civilly and ethically at all times is imperative. Professionalism is as much about an attitude toward clients, one's colleagues and the industry as a whole as it is about an individual's expertise.

If the public perceives individuals and brokerages within the real estate industry collectively are professionals, they will have the same high level of trust and confidence in the industry the Government of Alberta showed in 1995. The public will see the value in Alberta's real estate professionals and success will inevitably follow.

PART 2: PHILOSOPHY AND APPROACH TO SELF-REGULATION

2.1 Vision

RECA is mandated to protect consumers and to provide services that enhance and improve the industry and the business of industry professionals.

RECA builds consumer trust and confidence in the industry professional by:

- Setting and enforcing standards of conduct and professional development requirements for the industry to protect the consumer
- Providing services that enhance and improve the industry
- Promoting the integrity of the industry
- Protecting against, investigating, detecting and suppressing mortgage fraud as it relates to the industry

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The public interest is best served when all industry professionals are provided the opportunity to be as good as they can be and all stakeholders collaborate to promote and support an environment in which licensees can flourish whilst ensuring the best possible experience for the public within the real estate profession.

The Real Estate Council of Alberta will:

- Be seen as an impartial, principles-based governing body, facilitating excellence in self-regulation, individual responsibility and accountability
- Advance the knowledge, career preparation and ongoing practice in the industry through professional development programs and services
- Establish and promote quality standards and performance improvement solutions in a fair and respected manner that enhance public protection, trust and confidence in the real estate industry.

2.2 Philosophy

As indicated in the introduction, society seeks both the preservation of individual freedoms and the prevention of harm. In civil society, to achieve these goals, regulation is necessary and compliance with the rule of law is fundamental. However, regulators often find themselves between these competing goals.

RECA's approach to this societal challenge is to seek a regulatory balance in the fulfillment of its legislative mandate. This regulatory balance takes into account a number of elements: Alberta's culture, norms and values; the importance of consumer choice; the desire of real estate professionals and brokerages to provide services through business models of their choice; and, the need for a real estate industry that has the trust and confidence of consumers.

Accordingly, RECA will be guided by the following values and principles as it carries out its mandate as the governing body for the real estate industry.

Accountability of Real Estate Professionals

Real estate professionals and brokerages will be acting with a professional mindset as they deliver services to the public. They have the primary responsibility for effective self-regulation. Their standards of conduct and business practices collectively will determine the value and integrity of the industry. They are ultimately accountable for their conduct to clients, colleagues and the governing body.

The individual and collective willingness of the industry to provide competent service, act ethically, and achieve widespread compliance with the ***REA*** Rules is a more powerful and fundamental self-regulatory mechanism than the imposition of sanctions by RECA. The level of trust and confidence in the industry is determined by its individual and collective commitment to this principle.

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RECA's Focus on the Public Interest

As a facilitator of self-regulation, RECA will be focused on the public interest. It will be an independent body that is fair, transparent and accountable. It will follow a model of regulation that reflects the evolution of professionalism within the real estate industry.

Principles-Based Approach

To the extent possible, RECA will use a principles-based approach to rule making and setting standards for the industry. ***REA*** Rules will be supplemented with information resources to assist industry professionals with compliance, as required. Reporting and accounting rules will require greater detail; however, flexibility in these rules will be incorporated, where it is practical to do so, to reflect ongoing changes in technology and the business environment.

Commitment to the Spirit of Self-Regulation

Legislation governing the business of industry professionals is intended to promote the integrity of the industry and protect consumers. It is intended to be comprehensive and effective. The drafting of statutes, regulations and rules is a challenge for government and a regulatory body such as RECA. Rules may not always be clearly written nor is it possible to establish rules to cover every possible circumstance an individual or brokerage might face. More regulation is not always the solution to a problem; new regulations can also create new problems.

The ***REA***, Rules and RECA's information services collectively provide a comprehensive set of standards industry professionals are expected to follow in their day-to-day practices. Where ambiguity exists, industry members are reminded they are professionals and must be guided by the spirit and intent of the applicable rule. The obligation of industry members is to seek compliance and act ethically, not to seek methods or practices to "get around" the rules.

An industry professional, therefore, must be vigilant with respect to his or her own behaviour as well as that of colleagues. However, it is inconsistent with the spirit of the ***REA*** Rules to use any of these provisions as an instrument of harassment or as a procedural weapon in the absence of a genuine concern respecting the interests of a client, the industry or the public.

"Right Touch" Compliance and Enforcement

RECA's approach to compliance and enforcement of standards will be consistent, proportionate, effective, transparent and timely. Where appropriate, it will focus on providing information, advice and suggestions for change in future behaviour. That said, RECA will utilize the full range and level of sanctions available in its overall strategy to obtain industry compliance and protection of consumers. When it is appropriate to do so, it will encourage consumer complaint resolution through the real estate professionals and brokerages that provided the services giving rise to the complaint.

Professional Support Services

RECA will provide a comprehensive range of information, advisory and support services designed to assist industry professionals in meeting industry standards and providing services to the public. RECA will utilize technology and a variety of communication channels to disseminate information and communicate with industry professionals on a timely basis.

Procedural Fairness

In its contested hearings process, RECA will follow the procedures set out in the ***REA*** and adhere to the rules of administrative fairness and natural justice.

While resolution of disciplinary cases through the consent process is advantageous to all parties concerned, RECA will not proceed with a consent agreement on the facts of a case, or the sanction, without ensuring the industry professional understands the case against them, agrees fully with the terms of the consent agreement, has been given time to receive independent legal advice, is proceeding on a voluntary basis and understands the implications of their decision to proceed.

Quality Education

RECA's education programs and courses will provide a quality experience for learners to prepare them for a career in their particular sector of the real estate industry. Development and delivery of pre-licensing and re-licensing courses will be based on RECA's education principles and core values.

Principles

- The primary delivery method of licensing and re-licensing education courses will be through E-Learning
- Provide a quality education program any time a learner wants to take a course – Any Time
- Provide a quality education program without geographical restrictions for a learner – Any Place
- Provide a quality education program at the pace of a learner – Any Pace

Core Values

- RECA education should be available anytime. This value is supported by the flexible delivery of e-learning. Learning is accessible at any time regardless of learners' work, family or personal schedule.
- RECA education should be accessible from anywhere regardless of the remoteness of the geographic location. This value is supported by the flexible delivery of e-learning.
- RECA education should be designed for self-paced learning in order to meet individual learning needs. This value is supported by the flexible delivery of e-learning.
- RECA education should encourage development of the individual's critical thinking and analytical skills.

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- RECA education should promote the learner taking responsibility for their learning through supporting a self-directed and timely approach to education.
- RECA education programs and materials should be based on accepted core competencies for the respective industry, where applicable.
- RECA education materials and methods should be current, accurate, and contextually relevant.
- RECA education programs should be designed using a modular approach for greater ease of updating and greater potential for re-purposing of educational resources.
- RECA education should be designed using a content-appropriate mix of media design elements that maximize opportunities for active learning by supporting learner interactivity and engagement.
- RECA education programs should provide relevant knowledge and practice-based information and activities applicable in the respective industry.
- RECA education should provide learner assessment opportunities with immediate feedback based on the key learning constructs and the identified competencies for the respective profession.
- RECA education should embrace prior learning for education equivalencies for appropriate industries with customized programs.

Professional Development

It is ultimately the responsibility of each individual real estate professional to remain current with continuing professional development and to ensure their own competence in the delivery of services to the public.

RECA supports professional development through a variety of activities including publishing information, conducting presentations, and delivering timely and relevant re-licensing courses. The focus of RECA's professional development activities is on industry standards. RECA's mandate of promoting the integrity of the industry and public protection is reflected in its Re-Licensing Education Program (REP). REP course content will be designed to ensure industry professionals have an understanding of current and emerging issues related to legislative, legal, risk reduction, compliance and regulatory matters.

Where practical, RECA will collaborate with and support industry associations, education providers and other organizations that have goals to promote professional development within the real estate industry.

Transparent and Quality Information

RECA will be transparent by providing information and operational updates to its stakeholders. Its communications will be timely, relevant and aligned with the interests of its industry professionals and the public. Transparency and access to information will be balanced with the principles of fairness and the right to privacy of industry professionals.

Engagement with Stakeholders

RECA, through its representatives and various communication channels, will be engaged with industry members and industry stakeholders. It will continually scan the industry and regulatory environment to stay informed and to identify emerging issues. Comments and feedback on issues will be sought from industry members, industry associations and the public through liaisons, advisory committees, discussion papers, consultations and surveys. Information-based decision-making will be supported by research and information gathered from multiple sources.

Operational Excellence

Operationally, RECA will be an innovative and agile organization focused on its strategic plan, priorities and outcomes. It will adjust its priorities as required to address unforeseen issues in a timely manner. It will be economic, efficient and effective in the delivery of services and in fulfilling its responsibilities as set out in the ***REA***.

PART 3: APPLICATION OF *REA* RULES TO THE PROFESSIONAL

Industry professionals are responsible for knowing and following the ***REA*** Rules, and for providing competent services to the public. They are expected to read communications from RECA and keep up to date on changes to the ***REA***, Rules and standards of practice published by RECA.

In the event of a request for information or an investigation into their conduct, industry professionals are required to cooperate fully with any representative of RECA carrying out their duties and responsibilities under the ***REA***. RECA will give an industry professional every reasonable opportunity to provide the information requested.

Lack of cooperation by industry professionals prevents RECA from carrying out its responsibilities. It undermines the public's confidence in the industry's capacity for effective self-regulation. As a result, lack of cooperation is considered a serious matter and the full range of sanctions, including suspension, may be applied. In return, industry professionals will be treated courteously, fairly, impartially and according to the rules of administrative justice. RECA is committed to transparent professional conduct reviews and proceedings.

Assessment of the conduct of a real estate professional, arising out of a complaint or information received by RECA, will be based on all the facts and circumstances at the time of the conduct in question. This includes the wilfulness and seriousness of the conduct, the impact of the conduct on the complainant and integrity of the industry, and the existence of previous violations. It also includes any mitigating factors, such as an industry professional's willingness to admit misconduct.

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What action, if any, taken by RECA in respect to a particular case will depend on a full assessment of all relevant factors. Disciplinary sanctions may or may not be applied. For example, in relatively minor matters, utilization of the Voluntary Broker Resolution process may conclude the matter without RECA taking further action. In some cases, an advisory note outlining the reason the behaviour in question was problematic, with a recommendation to avoid future problems, may be sufficient. In other cases, an apology to the complainant and a change in future behaviour may resolve the matter. Additional training, education or supervision may also be required.

In cases of a more serious nature, the full range and level of disciplinary sanctions will be applied. Again, the circumstances of the individual case will be critical to arriving at an appropriate sanction. While no two cases are identical, previous cases and panel decisions will be a guide in developing an appropriate sanction. These may include an educational component, a fine, costs, suspension or cancellation of an authorization, or, some combination of these alternatives. In the most serious cases, where the protection of consumers is paramount, a suspension or cancellation of an authorization will be pursued as early in the process as possible.

An industry professional remains subject to the ***REA*** Rules no matter where the individual conducts their professional practice. This applies to the practice of an industry professional entirely in another jurisdiction. If an individual becomes licensed in another jurisdiction and there is an inconsistency or conflict between the rules of conduct of the two jurisdictions in a given situation, the rules of the jurisdiction in which the industry professional is practising in that matter will normally prevail. However, RECA continues to maintain jurisdiction over the conduct of that industry professional. Therefore, disciplinary proceedings by another governing body may form the basis for conduct proceedings by RECA as well.

In a situation where the practice in question had elements of conduct that occurred in Alberta and another jurisdiction, both RECA and the regulatory body in the other jurisdiction may initiate disciplinary proceedings. The ***REA*** Rules would be applied in any conduct proceeding initiated by RECA.

Industry professionals remain subject to the ***REA*** Rules if they are trading in real estate or dealing in mortgages on their own behalf. In those cases, the industry professionals must maintain the highest standards of conduct and integrity in all their dealings with the public.

Generally, however, RECA will not be concerned with the purely private or extra-professional activities of an industry professional that do not bring into question the integrity of the industry professional or the real estate industry.

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PART 4: APPLICATION OF *REA* RULES TO THE BROKERAGE

While it is individual licensees who provide services to the public, in the real estate and mortgage brokerage sectors, licensees must be registered with a brokerage and can only offer their services to the public on behalf of that brokerage. While they may have the most direct service relationship with clients, the contract to provide services is between the brokerage and the client.

It is the responsibility of the brokerage to ensure the business of the brokerage is carried out competently and in accordance the ***REA***, Rules and any other laws that govern trading in real estate or dealing in mortgages.

The broker is responsible for managing the business of the brokerage and supervising the individual industry professionals who are registered with the brokerage.

As a general rule, individual industry professionals are accountable to their clients, their brokerage and to RECA for any actions they engage in that may constitute unprofessional conduct or conduct deserving of sanction within the ***REA*** and Rules.

The broker is accountable for his or her own conduct in accordance with the principles outlined above. (See Part 3, "Application of REA Rules to the Professional"). In addition to being accountable for their own actions, RECA may hold the broker accountable for the conduct of associate brokers and associates registered with the brokerage and employees, in certain circumstances.

The circumstances in which a broker will be accountable to RECA are derived from the fundamental obligations of a brokerage to their clients and the expectations of the public they serve. These include situations where the broker participated in the misconduct, failed to be actively engaged in the management of the brokerage, failed to ensure an adequate level of supervision, was wilfully blind to the conduct, or had knowledge of misconduct and failed to take reasonable steps to prevent the misconduct from occurring. The broker will also be held accountable if, upon becoming aware of the misconduct, failed to take reasonable steps to correct the misconduct or reduce any harm that may have resulted.

Notwithstanding the approach RECA takes with respect to assessing the conduct of the broker, associate brokers and associates, and determining accountability for their individual actions, the brokerage is always accountable for its actions and those of its employees to the public and RECA. The brokerage is ultimately responsible for its business practices and the conduct of its representatives.

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PART 5: RELATIONSHIP TO INDUSTRY ASSOCIATIONS

It is important there is a clear understanding of RECA's mandate and how it differs from industry associations. Overlap or duplication of services, bylaws or rules of industry associations that conflict with the *REA* Rules and RECA interpretations, or conflicting advice on the same issues, should be avoided whenever possible. For these reasons, RECA supports ongoing dialogue with industry associations and, where appropriate, entering into agreements that will promote clarity of mandates and elimination of duplication, overlap and conflict.

RECA values its relationships with industry associations and is committed to ongoing communication and consultations. It is important to recognize all industry associations (including real estate boards) are private membership organizations and membership is voluntary.

Depending on their mandates, industry associations are also referred to as "trade associations." Their boards of directors are made up exclusively of association members whose primary role is to serve the interests of their members. They are fiduciaries of the funds they raise from their members and the assets of the association.

While their mandates may vary, the goal of every industry association is to provide services to their members. Membership in a real estate board is voluntary, but members are required to abide by the bylaws of the association and follow the rules related to the use of any services it provides.

Industry associations also provide advocacy and representation on behalf of their members in matters of interest to the membership. This includes promoting the association, promoting the services of their members to the public, and lobbying governments and regulatory bodies such as RECA. The views expressed by an association may or may not reflect the views of RECA, and RECA has no jurisdiction over industry associations.

In some situations, the interests being advanced by an industry association may coincide with the public interest mandate of RECA. For example, most industry associations support education and increased professionalism within their membership. As a result, they may be involved in the delivery of education programs specific to the needs of their members. The goal of a better educated and professional industry is one shared with RECA and is in the public interest.

As a general rule, when RECA is considering changes to the standards of practice set out in the Rules, it will seek input from industry professionals and the trade associations to gain their perspectives and insights into the changes under consideration. The information and advice received from the associations is valued and taken into account in RECA's decision making process.

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As the governing body, RECA's focus is on the public interest. Taking into account all the information and input, it will strive to make decisions it believes will promote the integrity of the industry and protect consumers.

Notwithstanding the differences in the mandates of RECA and the various industry associations, it is in the interest of the industry and the public for the various organizations to communicate with each other and, when it is appropriate, to collaborate or partner on projects that advance the interests of all stakeholders. For example, RECA supports collaboration on projects initiated by industry associations designed to provide information, resources or courses to advance the expertise and professionalism of industry members.

PART 6: CONCLUSION

It is clear there is a connection between responsible self-regulation and the accountability of real estate professionals to their clients, their colleagues and to RECA. There is also a direct relationship between the success of self-regulation and the level of professional conduct within the real estate industry.

RECA is confident that setting higher standards for Alberta's real estate industry is consistent with the expectations of real estate professionals and the industry as a whole. This approach is also consistent with the expectations of the public and government. By raising the bar and delivering services in a professional manner, the real estate industry will earn and retain the trust and confidence of all Albertans.

RECA looks forward to continued dialogue and collaboration with industry professionals and stakeholders as it strives to achieve its vision of being seen as an impartial, principles-based governing body, facilitating excellence in self-regulation, individual responsibility and accountability.

While RECA may be a facilitator of self-regulation, the future of the industry and the profession is not in the hands of a government, regulatory body or industry association, rather the future of the industry and the profession is in the hands of each individual practitioner and the brokerages with which they are associated.

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AR 25980

March 3, 2014

Mr. Kevin Clark
Chair, Real Estate Council of Alberta
Suite 350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Mr. Clark:

Thank you for your January 29, 2014 letter regarding the submission made by the Alberta Real Estate Association (AREA) in relation to the current review of the *Real Estate Act* (REA).

I appreciate the comprehensive information provided in the attachments to your letter, and I have asked Service Alberta staff to retain a copy for reference during the next phases of the REA review. The process to amend the REA will include close examination of stakeholder submissions, while keeping in mind the implications of each proposal.

I recognize the Real Estate Council of Alberta's (RECA's) role in providing education, information and advisory services to support its role of setting and enforcing standards for the range of industry sectors within your organization's mandate. As a close working relationship exists between RECA and senior officials at Service Alberta, I encourage you to work with my department to address the concerns you have expressed. I also encourage you to share this response with AREA representatives and to work toward a fuller understanding of one another's viewpoints.

Thank you again for writing.

Sincerely,

Doug Griffiths
Minister

Val Taylor

From: Trevor Bergen
Sent: Thursday, February 04, 2016 11:42 AM
To: Rob Phillips
Subject: Re: RECA News: RECA Releases New Advertising Guidelines

Thanks for sharing rob

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA
Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Sent from mobile

On Feb 4, 2016, at 10:54 AM, Rob Phillips <rob.phillips@gov.ab.ca> wrote:

> FYI
>
> Rob
>
> **From:** Bob Myroniuk [mailto:bmyroniuk@reca.ca]
> **Sent:** Thursday, February 04, 2016 10:38 AM
> **To:** Rob Phillips
> **Subject:** RE: RECA News: RECA Releases New Advertising Guidelines
>
> No. It's an updated version of an existing document that was prepared by administration and circulated to the industry in 2009. Its largely the same as the previous version with some updates i.e. more plain language, more on social media and directions for use of the RECA logo in advertising etc.. It's always been well received by the brokers who have the job of supervising their associates.
>
> Advertising issues are very common for all real estate regulators across Canada. We deal with them on a regular basis at RECA through our complaints area. In order to avoid unnecessary complaints on a relatively minor issue, we prefer education and provide support to the brokers who have very independent minded associates. Also, keep in mind there is significant turnover in the industry each year. A lot of folks may not have seen the original version so it was time for an update and re-circulation of this fundamental information tool for the industry.
>
> Printed copies of the booklet are going out to all the brokerages across Alberta by courier. As far as push back goes, who knows!
>
> **From:** Rob Phillips [mailto:rob.phillips@gov.ab.ca]
> **Sent:** February-04-16 9:18 AM
> **To:** Bob Myroniuk <bmyroniuk@reca.ca>
> **Subject:** RECA News: RECA Releases New Advertising Guidelines
>
> Bob,

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Was this vetted by your new board? No one has raised an issue with us however given the state of the relationship with AREA are you expecting any pushback?

Rob

From: RECA [mailto:communications@reca.ca]
Sent: Tuesday, February 02, 2016 10:56 AM
To: Rob Phillips
Subject: RECA News: RECA Releases New Advertising Guidelines



Page 495 redacted for the following reason:
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Duplicate to page 463

Tariro Nyemba

From: Ian Burns <iburns@areahub.ca>
Sent: February-04-16 2:53 PM
To: Robert Whittaker
Subject: Re: Response to Krista Bolton

11-12 or 130-430pm.

Thanks,

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 I TF: 1.800.661.0231 I areahub.ca

On Feb 4, 2016, at 9:31 AM, Robert Whittaker <Robert.Whittaker@gov.ab.ca> wrote:

> Ian – let me know when you are available tomorrow and we will set something up.
>
> Robert Whittaker
> Executive Advisor
> Assistant Deputy Minister, Consumers
> Service Alberta
> 29th fl ATB Place South
> 10020 – 100 Street
> Edmonton, AB T5J 0N3
>
> **From:** Colin Lloyd
> **Sent:** Thursday, February 04, 2016 6:47 AM
> **To:** Ian Burns
> **Cc:** Robert Whittaker
> **Subject:** Re: Response to Krista Bolton
>
> Ian,
>
> I am really sorry about this - I completely ran out of time yesterday. I am acting DM, and in light of the cabinet shuffle and us getting a new minister, it has been hectic to say the least. Today is no different. Tomorrow, however, looks much better. Robert will set up a call.
>
> Regards,
>
> Colin
>
> Sent from my iPhone

On Feb 3, 2016, at 9:34 AM, Ian Burns <iburns@areahub.ca> wrote:

Please me to discuss this. Please keep this confidential.

Thanks,

Ian

From: Jennifer McKenzie <governmentrelations@areahub.ca>
Sent: Wednesday, February 3, 2016 9:00 AM
To: Amanda Nielsen
Subject: ** Informz Test ** Re: Meeting on January 25, 2016

This is a test mailing from Informz

February 3, 2016

TO: Krista Bolton, RECA Chair

CC: RECA Council Members
AREA Board of Directors
Bob Myroniuk, RECA Executive Director
Ian Burns, AREA CEO

RE: Meeting on January 25, 2016

Good afternoon Krista,

Thank you again for lunch last week, and for the email earlier today (see below).

First of all, we are very pleased to hear RECA shares so many of AREA's priorities. We look forward to regular mee with RECA Council members to discuss trends and industry issues, and I am pleased to hear you are receptive to tl idea. We would be happy to work with Mr. Myroniuk to set up mutually agreeable times for RECA Council and ARE/ meetings to take place. AREA remains of the belief that individual Council members are empowered to meet with whomever they choose in industry, but we see tremendous benefit to sharing our perspectives with Council as a wh well.

I would also like to thank you for communicating your concerns about how new appointees would impact RECA's at carry out its role and mandate. We share your belief the primary consideration for prospective appointees is the knowledge and industry experience they can bring to the table. We can agree that a potential impact on RECA's qu judicial functions should be a factor considered in our selection process. Please accept our assurances that the issu you have raised will be given their due consideration.

AREA has a robust process in place to ensure the best appointees are selected, and current appointees are welcon apply to continue serving if they so choose. Our upcoming round of appointees will be selected from potential candi named by our local boards in Calgary, Edmonton, and rural areas. Our final decisions will ultimately be merit based, to that end, there is no guaranteed selection to any of our applicants, incumbents included. As I trust is evidenced b most recent three appointees, AREA is committed to appointing qualified, diverse, and public-interest minded indivi to the Council. We will continue to do so moving forward.

We are pleased to hear RECA will be making transparency and good governance part of its upcoming Strategic Pla look forward to sharing feedback on RECA's proposals in that regard. As outlined in AREA's submission, REALTOF have conveyed a desire to provide feedback on RECA's Strategic Plan once a draft has been established. AREA lo forward to learning if this opportunity will be made available to stakeholders, and would appreciate your comments c matter.

We also share your concerns with regards to the handling of brokerage trust regulations, and would welcome an opportunity to discuss this further with RECA. In our view, this is a complex matter that will require robust, iterative dialogue with key provincial industry stakeholders in order to determine the best potential solutions. This is obvious sensitive issue between REALTORS® and their brokerages. We agree the trajectory of the economy makes it likely this will be a prominent industry issue in the foreseeable future. Would RECA be amendable to a roundtable discus on this matter with a variety of provincial industry stakeholders? This could be a good opportunity for RECA and AR partner together in jointly addressing an issue important to our industry.

Finally, AREA is proud to play an important role in member education and professional advancement, and we are optimistic AREA and RECA will be able to work together constructively to discuss pre and post licensing education i end. We will continue to offer post-licensing programming, and are optimistic RECA will be amendable to licensing forms for inclusion within REAP. A combination of principle and practical based learning is the best way to ensure n industry members are well positioned to transact in real estate.

Thanks again for these constructive discussions, Krista. I look forward to hearing from you further as we move forw I've copied RECA Council, as well as AREA's leadership team, to this email in order to keep them in the loop.

Warmest regards,

Jennifer McKenzie
2016 President
Alberta Real Estate Association
E: governmentrelations@areahub.ca

From: krista bolton <boltonkrista@yahoo.com>

Date: Feb 2, 2016 9:30 AM
Subject: Meeting on January 25, 2016
To: Jennifer McKenzie

Dear Jennifer,

I want to thank you for taking the time to meet with me last week. Sometimes it is the more informal conversations t can lead to greater understanding. I also really appreciate the email that you sent on January 20 about the meeting was held with 6 RECA council members and the AREA leadership on January 15, 2016. What I am most relieved a is that you understand how important it is for AREA to trust RECA council members and let them do their work withc interference.

As a public member I have always believed it is inappropriate for a sub-set of council to meet with AREA with the in influencing RECA council members and how they may vote on any given decision. This places the individual Coun members in a fiduciary conflict as well as a conflict of interest for RECA Council as a whole.

I am pleased to inform you that I have asked Bob Myroniuk to set up some proposed dates for Council and AREA B as a whole to meet to discuss issues. I have asked Bob to contact Ian Burns to determine what topics AREA would discuss and will ensure those are included in the meeting agenda. We will be following our Stakeholder Engagemer Policy and I have attached a copy for you as well.

As the self-regulatory professional body for real estate professionals in Alberta, RECA's Council must remain impar and be beyond the influence of individuals, stakeholder groups or special interest groups. Given the quasi-judicial n of RECA's mandate, it is imperative that Council Members be trusted with making the decisions that are in the best interests of public protection and enhancement of the profession. If a person believes that the judge who is hearing case is biased one way or another, the confidence and trust in the judicial system is lost. It is this same principal tha applies to RECA Council Members.

As we are bound by the Real Estate Act, we can only perform those functions that are within our mandate. It is for t reason that again I ask you to consider the implications of your authority to appoint AREA members to sit as RECA Council. RECA must be able to function as a regulatory body with good, capable, experienced and knowledgeable people. I strongly believe that if the Council members who are currently in their 3rd year on council, and came to co by way of AREA appointment, are not allowed to continue to sit for another three years this will pose a near catastr outcome for RECA. In addition to the negative impact this would have upon governance and decision-making at th Council table, RECA will be unable to function effectively due to the lack of experience for the Hearing and Appeal F processes. These quasi-judicial processes are complex and challenging and designed to ensure the rights of indus members to fairness and due process before their professional regulatory body are protected.

As I indicated to you in our conversation last week, the privilege of self-regulation is one that is currently afforded to Estate Professionals in Alberta. However, if RECA is not able to fulfill its mandate due to deliberate and intentional influence by the industry association whose primary function is the advancement of the association or its members, protection of the public, the privilege of self-regulation may be lost. I urge you and your board colleagues to use the utmost caution in how you proceed with making this decision about re-appointments. The unintended consequence

your decisions may be beyond what you expect.

On a more positive note, as I indicated to you, RECA is going to be discussing the concept of transparency as it apr to how we conduct ourselves at our Strategic Planning session. Currently RECA is a transparent regulator as comp to other regulators across Canada; however, I am confident that Council will make some good recommendations as how we can improve on current practices.

I have also spoken to Bob Myroniuk about researching the topic of commission trust regulations as that was a topic you identified as having some concerns and that this may fall within RECA's mandate. I am advised by Bob that re on this topic is already underway. He requested the research take place in light of the current state of the economy the potential impact on the financial viability of real estate brokerages in Alberta. Like many regulatory issues, this is complex issue and will need careful consideration by Council. Perhaps this could be a discussion topic for our next meeting Board to Council?

I can also assure you that RECA looks to industry associations and boards to play their part in the advancement of professionalism of industry members through post-licensing education and training programs that meet the needs o members. We are confident that the boards and associations across all industry sectors are well equipped to provid excellent learning opportunities and on-going professional development.

Again I thank you for your time and I welcome the opportunity to meet with you again or a whole Board to Council

Warm regards,

Krista Bolton

https://www.reca.ca/industry/about/PDF/stakeholder-engagement-policy.pdf

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Tariro Nyemba

From: Colin Lloyd
Sent: February-08-16 9:39 AM
To: Rob Phillips
Cc: Robert Whittaker
Subject: RE: condo measurements

10:45 works. I'll call your office line and have Robert with me.

From: Rob Phillips
Sent: Monday, February 08, 2016 9:37 AM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: RE: condo measurements

Kelly is away this morning until 10:30 and we have another meeting at 11. I can move the 11 meeting. Are you free at 10:45 or 11?

Rob

From: Colin Lloyd
Sent: Monday, February 08, 2016 9:34 AM
To: Rob Phillips
Cc: Robert Whittaker
Subject: FW: condo measurements

Rob,

FYI.

I will call you shortly, but wanted you to see what I think AREA is using as a pretext for them 'challenging' RECA's guide. I don't know whether Kelly can shed extra light, so include her in the call if you wish. Let's talk at 10 am. Does this work?

Colin

From: Colin Lloyd
Sent: Sunday, February 07, 2016 9:42 AM
To: Brad Mitchell
Cc: Ian Burns; Tammy Tkachenko; Robert Whittaker
Subject: Re: condo measurements

OK, thanks Brad. I note in several places you refer to advocating for compliance with existing rules. If this is a signal that existing rules to protect consumers should be maintained then you no doubt share my concern that the RECA guideline has been taken down. All things are capable of improvement and refinement, but when something is taken down and nothing is in place to guide measurements then we risk scrutiny and growing anxiety about the extent to which consumers will be protected.

Let's continue dialogue on this going forward.

Best regards,

Colin

Sent from my iPad

On Feb 5, 2016, at 4:53 PM, Brad Mitchell <bmitchell@areahub.ca> wrote:

> Colin, here is a portion of the discussion with Kelly regarding measurement standards. I had an additional conversation with Kelly at the engagement session regarding the condominium act in Edmonton in December. I will send you and RECA a full letter explaining next week, in short this appears to be a big misunderstanding that could be avoided by better communication between organizations. I perceived Kelly's email and subsequent discussions as an ask for help which may have been an error, but an honest error. Looking forward to chatting with you and Tim when we meet on February 19th.
>
> **From:** Kelly Refah [mailto:Kelly.Refah@gov.ab.ca]
> **Sent:** November-13-15 9:08 AM
> **To:** Brad Mitchell <BMitchell@areahub.ca>
> **Subject:** RE: condo measurements
>
> That's great to hear! We look forward to learning the outcome of this initiative.
>
> Have a great weekend ☺
>
> Kelly
>
> **From:** Brad Mitchell [mailto:BMitchell@areahub.ca]
> **Sent:** Thursday, November 12, 2015 3:02 PM
> **To:** Kelly Refah
> **Subject:** Re: condo measurements
>
> Hi Kelly,
> I tabled this at the board meeting today, and we just finished the discussion regarding this. The board has agreed that we will move this issue forward and work towards a resolution for the entire province. I will keep you updated, and I will personally advocate for enforcement of existing board rules in the very short term. I will let you timelines and milestones as soon as I have some. Kelly, I hope this helps, let me know if I can help any further.
>
> Sent from my iPhone
>
> On Nov 12, 2015, at 9:21 AM, Kelly Refah <Kelly.Refah@gov.ab.ca> wrote:
>
> > Thanks again for your time and attention to this matter.
> >
> > Kelly
> >
> > **From:** Brad Mitchell [mailto:BMitchell@areahub.ca]
> > **Sent:** Tuesday, November 10, 2015 6:01 PM
> > **To:** Kelly Refah
> > **Subject:** Re: condo measurements

Thank you. I will get working by on this right away. I talked to Ian this afternoon, we will convene a committee and have set up a meeting with the Edmonton board executives to ensure compliance with the existing rule.

Sent from my iPhone

On Nov 10, 2015, at 5:52 PM, Kelly Refah <Kelly.Refah@gov.ab.ca> wrote:

> Brad, see my response to Jim Noble. You may be receiving a call or email from him. Thanks again for your assistance with this matter.
>
> Kelly Refah
>
> ---
>
> **From:** Kelly Refah
> **Sent:** Tuesday, November 10, 2015 5:50 PM
> **To:** 'Jim Noble'
> **Subject:** RE: condo measurements
>
> Hi Jim,
>
> I've had the opportunity look into this matter further and discuss with Real Estate Council of Alberta and the Alberta Real Estate Association. We believe your concerns respecting condominium measurements are legitimate and require further examination. That being said, Service Alberta is not able to remedy the problems you've identified due to the fact that the ministry does not have regulatory oversight of real estate industry members.
>
> While RECA is the appropriate body to investigate/enforce misrepresentation and professional misconduct of industry members, RECA cannot tackle this problem alone. Compliance with professional business standards (i.e. consistency and accuracy in advertisement of MLS data) is a broader issue that requires the cooperation of individual brokerages, local real estate boards, and of AREA – the umbrella organization representing the interests of boards and REALTORS.
>
> I had a productive discussion with Brad Mitchell, Managing Director of Finance & Government Relations with AREA, regarding discrepancies in the 'registered size' and the advertised size of condominiums on MLS. Mr. Mitchell committed to raising this issue at AREA's upcoming board meeting and working with regional boards to ensure accuracy in the disclosure of registered size of residential condominiums.
>
> I encourage you to contact Mr. Mitchell directly to follow up on this and any other matter regarding Alberta residential measurement standards. He can be reached at bmitchell@areahub.ca or by telephone at 403-209-3601.
>
> Regards,
>
> Kelly Refah

From: jimnoblerealtor@gmail.com [mailto:jimnoblerealtor@gmail.com]
On Behalf Of Jim Noble
Sent: Monday, November 09, 2015 4:52 PM
To: Kelly Refah
Subject: Re: condo measurements

Hi Kelly

Thank you for getting back to me so quickly!!

When are you available for a meeting in person? I will be requesting that my local MLA join me, along with my friend/attorney Hugh Willis.

It would be terrific if the minister could join us as well.

I am really looking forward to this - we can all start working on this together

Cheers

Jim

On Mon, Nov 9, 2015 at 4:18 PM, Kelly Refah <Kelly.Refah@gov.ab.ca> wrote:

Hi Jim - hope you're well. Are you available Thursday for a phone call to discuss the latest on condo measurements?

Kelly Refah

Manager, Market & Industry Standards

Service Alberta

Tel: (780) 427-0294

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Tariro Nyemba

From: Rob Phillips
Sent: February-08-16 9:47 AM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: RE: condo measurements

Importance: High

Can you please call us in 3c (780-427-6300). Much better phone there. Trevor is going to join us.

Rob

From: Colin Lloyd
Sent: Monday, February 08, 2016 9:34 AM
To: Rob Phillips
Cc: Robert Whittaker
Subject: FW: condo measurements



Pages 507 through 509 redacted for the following reasons:
- -
Duplicate to pages 502-505

Tariro Nyemba

From: Colin Lloyd
Sent: February-08-16 11:16 AM
To: Rob Phillips; Kelly Refah; Trevor Bergen
Cc: Robert Whittaker
Subject: FW: Response to Krista Bolton

This one and another I will send shortly.

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: Wednesday, February 03, 2016 9:35 AM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: Fwd: Response to Krista Bolton



Pages 511 through 514 redacted for the following reasons:
- -
Duplicate to pages 497-501

Tariro Nyemba

From: Colin Lloyd
Sent: February-08-16 11:17 AM
To: Trevor Bergen; Kelly Refah; Rob Phillips
Cc: Robert Whittaker
Subject: FW: To Additional Communications from RECA that I want to discuss
Attachments: RECA Stakeholder Engagement Policy & Meeting with AREA; RE: Confidentiality Provisions in AREA Code of Conduct

FYI

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: Friday, February 05, 2016 11:27 AM
To: Colin Lloyd; Robert Whittaker
Cc: Brad Mitchell
Subject: To Additional Communications from RECA that I want to discuss

Colin,

I am sorry to add two additional communications to the discussion but they keep coming in.

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 | TF: 1.800.661.0231 | areahub.ca

Tariro Nyemba

From: Bob Myroniuk <bmyroniuk@reca.ca>
Sent: February-05-16 10:22 AM
To: Ian Burns
Subject: RECA Stakeholder Engagement Policy & Meeting with AREA
Attachments: RECA Stakeholder Engagement Policy.pdf

As you are aware, when RECA Chair Krista Bolton and AREA President Jennifer McKenzie met in Edmonton on January 25th, Krista indicated it was inappropriate for members of Council or a subset of Council to hold separate meetings with AREA. There was an understanding that meetings between AREA and the six individuals appointed by AREA to Council would end to ensure the independence of RECA and eliminate any conflicts of interest that might arise, real or perceived, by holding such meetings.

Following the meeting, Krista asked me to set up some proposed dates for Council and the AREA board to meet to discuss issues of common interest. In light of current priorities and commitments of RECA, it became apparent May or June would be a convenient time for this meeting.

It is a priority Krista and Chair-Elect Christine Zwozdesky attend the meeting. Given the challenges related to scheduling meetings for our respective organizations, I started the process by checking dates to see when both of them would be available. These are the dates I received:

- May 2, 3, 4, 5, and 6
- June 13, 14, 15, 16, 17, 20, 21, 22, 23 and 24

I would appreciate it if you could let me know which date is preferred by AREA.

Once we have a date set, we will let everyone know and secure a suitable meeting location in Calgary.

As Krista indicated to Jennifer, RECA will hold this meeting, and any future meetings with AREA, in accordance with its Stakeholder Engagement Policy. I have attached the policy for your convenience. In accordance with the policy, such meetings will be open, transparent and agenda driven.

Given the range of stakeholders RECA will engage with in any given year, the frequency and timing of future meetings with AREA will need to be considered. We will be making similar contact with other industry stakeholders so developing a schedule that is known well in advance will be very helpful from RECA's perspective.

In terms of the agenda, that is something we have time to prepare and will develop in consultation with your office.

I look forward to hearing from you.

Bob Myroniuk
Executive Director

Real [redacted] T (403) 685-7926 Real Estate Council Alberta

TF (888) 425-2754
F (403) 228-3065

reca.ca

Suite 350, 4954 Richard Rd SW
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Real Estate Council Alberta

reca.ca

Stakeholder Engagement Policy

The Real Estate Council of Alberta (RECA) is an independent, non-government agency, responsible for governing real estate brokerage, mortgage brokerage, property management, and real estate appraisal professionals under the *Real Estate Act* of Alberta.



Background

As the governing body for industry professionals, RECA is committed to the public interest, by promoting the integrity of the industry and protecting consumers.

RECA's mandate is to protect consumers and provide services that enhance and improve the industry and the business of industry professionals. It is an independent body that is fair, transparent, and accountable, and it follows a model of regulation that reflects the evolution of professionalism within the real estate industry.

RECA builds consumer trust and confidence in the industry professional by:

- setting and enforcing standards of conduct and professional development requirements for the industry to protect the consumer
- providing services that enhance and improve the industry
- promoting the integrity of the industry
- protecting against, investigating, detecting, and suppressing mortgage fraud as it relates to the industry

What is stakeholder engagement?

RECA defines stakeholder engagement as meaningful dialogue with individuals, firms, and organizations affected by RECA's actions as it carries out its regulatory mandate.

RECA has a vast stakeholder group, with diverging interests, backgrounds, and objectives. RECA is committed to transparent engagement with all stakeholders on matters that affect the regulation of Alberta's industry professionals. This includes, but is not limited to: new legislation and standards; strategic planning priorities; and, consumer initiatives.

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Policy for stakeholder engagement

Council's decision-making process and its governance structure place a high priority on research, stakeholder engagement, and informed decision making. It is through stakeholder engagement that RECA ensures a strong industry and continued consumer protection. Stakeholder engagement is one way in which we demonstrate fairness, transparency, and accountability.

RECA, through its representatives and various communication channels, engages with industry professionals and other stakeholders. It continually scans the industry and regulatory environment to stay informed and to identify emerging issues.

RECA's primary stakeholders include:

- licensed industry professionals
- brokerages
- industry associations
  - Alberta Mortgage Brokers association (AMBA)
  - Alberta Real Estate association (AREA)
  - Alberta Association of the Appraisal Institute of Canada (AIC)
  - Alberta Assessors Association (AAA)
  - Canadian National Association of Real Estate Appraisers (CNAREA)
  - Building Owners and Managers Association of Calgary
  - Building Owners and Managers Association of Edmonton
  - Calgary Real Estate Board
  - Institute of Real Estate Management
  - Real Estate Institute of Canada
  - REALTORS® Association of Edmonton
  - other real estate boards in Alberta
- Alberta consumers
- the Minister of Service Alberta (Government of Alberta)

Council's principles of stakeholder engagement

- **Timely and consistent:**
RECA is committed to timely and ongoing stakeholder engagement activities. It will provide stakeholder engagement opportunities in advance of significant decisions that will affect its industry professionals and it will maintain ongoing and consistent engagement with stakeholders outside of specific consultation initiatives.

- **Meaningful:**
RECA will use stakeholder engagement activities that are meaningful and responsive to the needs of its stakeholders. RECA will endeavour to build consensus with affected stakeholders; however, RECA's commitment to this principle does not mean RECA will always proceed in the manner that pleases the majority of its stakeholders. Notwithstanding the results of its stakeholder engagement activities, RECA must ensure continued fulfillment of its consumer protection mandate.

- **Transparent:**
RECA's stakeholder engagement will be transparent with all stakeholders. Among other things, it will take place at the RECA office, in public forums, through accessible surveys, and open town hall-style meetings. RECA will share results from its stakeholder engagement activities with affected parties.

- **Equal:**
RECA will treat industry associations equally and engage in substantially similar ways with all. Meetings with industry associations will be transparent, agenda driven and focus on regulatory issues.

- **Effective:**
RECA's stakeholder engagement activities will be designed to maximize engagement and minimize costs. It will use both traditional and new media, as well as in-person engagement activities when appropriate to do so.

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Council's formal stakeholder engagement initiatives

- **Industry sector advisory committees:**
The primary purpose of these committees is to provide a direct line to industry professionals and to maintain cooperation, communication, and an exchange of information between RECA and the industry sector. Council may ask a committee to explore a specific issue relevant to the specific industry sector and the committee will report its findings to Council. The committees may also identify and advise Council on trends and issues affecting the industry and consumers, within the industry sector. The committees may also make recommendations to Council with respect to its responsibilities under the *Real Estate Act*. There are currently five industry sector committees. Each industry sector committee has a dedicated email address through which industry professionals can contact them and bring issues forward for discussion.

- **20/20 groups in real estate and mortgage:**
RECA hosts "20/20" groups for the real estate and mortgage brokerage sectors. The membership of these groups is younger industry professionals. Through these groups, RECA connects with industry professionals who may not be at a point in their career where they are ready to assume a role as a Council member or industry sector committee member. At 20/20 group meetings, members bring issues forward to senior RECA staff, and RECA staff provide them with an opportunity to weigh in on RECA's current activities, and future initiatives and priorities.

- **Broker forums:**
RECA hosts broker forum meetings with real estate brokers. The broker forum groups bring brokers together from across Alberta with senior RECA staff to discuss issues of concern to them and to weigh in on RECA's current activities, and future initiatives and priorities.

- **Real estate practice advisor:**
RECA's real estate practice advisor responds to real estate broker and broker delegate questions with practical, timely information, guidance and advisory services that support them in their responsibilities and duties on a "confidential and without prejudice" basis. RECA's real estate practice advisor also conducts presentations to brokerages and industry organizations on real estate brokerage practices and regulatory issues.

- **Liaison meetings with Service Alberta staff and annual meeting with Minister of Service Alberta:**
RECA maintains an ongoing relationship with Service Alberta staff and meets annually with the Minister of Service Alberta. In addition to these regular meetings, RECA communicates with the Government on its initiatives.

- **Consultation papers:**
RECA distributes consultation papers on issues that will affect its industry professionals. In recent years, this has included consultation papers on written service agreements, condominium manager licensing, specialty licensing, and strategic planning priorities. On high-profile topics, in conjunction with these consultation papers, RECA hosts town hall-style information/consultation sessions, which its stakeholders are encouraged to attend.

- **Consumer and industry professional surveys:**
RECA engages a third-party market research company to carry out surveys with industry professionals and consumers on its behalf. By hiring a third-party market research company, RECA ensures independence in the survey design and statistical accuracy in the survey results.

Council's informal stakeholder engagement initiatives

- **Social media presence:**
RECA maintains accounts on social media platforms to engage with consumers, industry professionals and other stakeholders on matters relating to Alberta's real estate industry.

- **Consumer and Information Services:**
RECA staff respond to telephone calls and emails from consumers and licensed professionals.

- **Trade show attendance:**
RECA exhibits at real estate, mortgage brokerage and real estate appraisal professional trade shows, as well as at various consumer home shows. Through these trade shows, RECA staff engage with stakeholders in an informal setting.

- **RECA email distribution list:**
RECA maintains an email database of all licensed professionals as well as related industry associations and other interested stakeholders. RECA regularly communicates with these stakeholders via email and stakeholders are encouraged to email RECA with any questions or concerns they have.

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Tariro Nyemba

From: Bob Myroniuk <bmyroniuk@reca.ca>
Sent: February-04-16 3:26 PM
To: Ian Burns
Subject: RE: Confidentiality Provisions in AREA Code of Conduct

Thank you for sharing this information. This completes the information you had sent earlier with respect to AREA specifically.

I think you will find there are a lot of similarities across organizations on the issue of director confidentiality within respective codes of conduct. This is because the fiduciary duties of loyalty, acting in the best interests of the corporation/association, confidentiality, etc. are identical in common law. Often there are statutory obligations to supplement common law duties. These legal obligations rest outside any code of conduct requirements.

The exceptions to those obligations of confidentiality are well defined in law and include, among other things, the ability to disclose information as approved by the board of directors. It is for that reason, that RECA and most organizations are addressing the issue of fiduciary duties within the context of a society that increasingly looks for increased openness or transparency. That is why RECA has adopted a stakeholder engagement policy; that is, to provide for meaningful, open and fair stakeholder engagement within the context of council (and staff member) fiduciary obligations of confidentiality.

As you indicated, examples of codes of conduct from other regulators are very helpful. In the case of RECA, at the top of the relevance scale, are the codes of conduct of other real estate regulators followed by regulators of other occupations and professions in Alberta and Canada. Codes of conduct of other organizations such as private companies, universities, banks or crown corps are less relevant but informative. While I appreciate receiving links to the various codes of conduct you mentioned, I would not classify the Alberta Pension Services Corp, Grant MacEwan University, ATB Financial, Alberta Capital Finance Authority and City of Edmonton LRT Governance Board as regulators. The ALCB is a regulator of alcohol distribution/consumption and gambling establishments. As such, it is very different from RECA - it does not licence and regulate an occupation or profession either.

A final point. You indicated a serious concern about the policy that requires the prior approval of the executive director to release confidential information. The reason for that is that the executive director is the individual who serves Council over time and, while Council members serve and leave, he or she has the obligation to apply their knowledge and expertise to provide independent advice that is consistent with his/ her fiduciary duties to the corporation. In any situation where it was unclear, legal advice might be sought as well. In any event, before answering a request I would inform and consult with the Chair so they are aware of the request and can provide some input. Chairs, on the other hand, serve for one year and may or may not have the same level of expertise or background to make those decisions independently. You may choose to disagree but that is the rationale. The fact is that I have now served Council for close to 20 years. I have never been asked to rule on the issue of confidentiality or provide prior approval to disclose RECA's confidential information to a third party.

The fact of the matter is that individuals appointed to RECA by AREA cannot disclose any information they receive in the course of serving on Council, unless authorized to do so through policy or by Council as a whole. Any council member who does this has breached their fiduciary duties and is subject to disqualification. They could be removed from Council. Aside from the issue of breaching confidentiality, any secret meetings, meetings of a subset of Council members, or individual council members, or attempts to influence any Council member by AREA or any stakeholder destroys the independence of a regulator, perceived or real, and brings the regulation of the industry into disrepute.

Prior to the current term of Council, Council members have clearly understood their confidentiality obligations and respected the overall need of the corporation to keep certain information confidential. It's never been a problem. The issue of confidentiality and the role of the executive director have never been raised by AREA in the past 20 years. These are only issues because AREA chooses to make these issues at this time.

When and how did these become issues for AREA?

Bob

P.S RECA is not a "subsidiary" of AREA ☺

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: February-04-16 12:16 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: RE: Confidentiality Provisions in AREA Code of Conduct

Bob,

AREA sent you examples of codes of conduct from regulatory bodies. AREA has no regulatory authority so our confidentiality and code of conduct provisions are not directly comparable. That said, I am happy to share and have attached them as requested.

Please note, these documents are currently under review by our governance committee. Updates will be completed by May.

Thanks,

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 | TF: 1.800.661.0231 | areahub.ca

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: February-04-16 8:58 AM
To: Ian Burns <iburns@areahub.ca>
Subject: Confidentiality Provisions in AREA Code of Conduct

We are going through the various codes of conduct you sent us and note you did not attach AREA's confidentiality provisions to the information we received. Please forward the confidentiality provisions that apply to your directors and AREA committee members. This information is required so we can complete our research. Thank you.

Bob Myroniuk
Executive Director

Real Estate Council

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F (403) 228-3065

Real Estate Council of Alberta,
Suite 350, 4954 Richard Rd SW
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Darlene Decker

From:	Lee Chantal
Sent:	Thursday, February 11, 2016 9:45 AM
To:	Kelly Refah
Subject:	RE: RECA-AREA Template

Here's the draft. Because of the format (text boxes/tables), I can't use Word's commenting feature in this document, so my comments are referenced here:

- I took my best stab at the issue – the wording or the focus may need tweaking.
- The background comes from a variety of sources – the Minister's meeting BN, your February 5 e-mail to Colin with background on the issue, and RECA's 16 page briefing note, in chief.
- In the position comparison, Points 1 and 2 are from RECA's 16 page briefing note. Point 3 is from your February 5 e-mail for Colin. The observations are my thoughts, and I know at this point there may be other observations that are more pertinent
- The recommendations are what I understand to be in line with what we have put out already for recommendations on this issue.

I stuck to the format Trevor prepared, as it seems to work.

[redacted]

Lee

From: Kelly Refah
Sent: Wednesday, February 10, 2016 9:28 AM
To: Lee Chantal
Subject: FW: Template

I will stop by to explain this email.

From: Trevor Bergen
Sent: Monday, February 08, 2016 4:51 PM
To: Kelly Refah
Subject: Template

Hi Kelly,

Without the content, it wasn't super easy to put together a fancier template. Attached is a first idea (indeed with a tone of pink).

I'm certainly not sold that this is how it has to look but at least it provides a first idea of a direction we can go in. Let me know if you want to chat once you've taken a look. The purpose was to structure it as a narrative that Colin could use to brief the DM.

Thanks!
Trevor

<< File: RECA-AREA.docx >>

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

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RECA and AREA Summary Analysis

Issue

- RECA and AREA hold a difference of opinion as to the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing *a Guide for Residential Property Measurement* from RECA's website, and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the Real Estate Act, RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Complaints in this area increased over time and led RECA to develop new pre-licensing education course material s about Residential Measuring Standards (RMS) to clarify and resolve previous content gaps in relation to property measurement.
- These materials are substantially the same as the previous course, and are in line with standards residential real estate professionals have been practicing for years.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted extensive consultations on the materials and RECA's prior Council endorsed the standard before it was released.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards.
- On January 20, RECA's 12-member Council voted to remove the RMS Guide from RECA's website. Several Council members were opposed to this decision, but the motion was carried. Support for the motion came primarily from the members appointed by AREA.
- Before RECA could communicate with industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation, and the new standards would be implemented by fall 2016.

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Position Comparison

RECA's Position	AREA's Position	Consumer Programs Observations
RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory scope creep.	RECA is empowered to set necessary standards for the industry by section 5(a) of the REA. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	The launch of RMS in new residential licensing education without communicating with current industry members means RECA is now setting a standard without communicating it to existing real estate professionals.	It is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information.
RECA's Executive Director and some members of RECA's 12-member council believe the development of RMS squarely falls within RECA's mandate.	AREA believes it is better suited to develop RMS, and development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for enforcing standards, RECA is better suited to developing these standards, particularly so the standards align with the information being taught to new licensees.

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Recommendations

- The Minister should meet with RECA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
- Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for conduct in the real estate industry.

Val Taylor

From: Trevor Bergen
Sent: Thursday, February 11, 2016 2:52 PM
To: Rob Phillips
Cc: Kelly Refah
Subject: RE: RECA-AREA Comparative Analysis Template

Good points Rob.

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Rob Phillips
Sent: Thursday, February 11, 2016 1:40 PM
To: Trevor Bergen
Cc: Kelly Refah
Subject: RE: RECA-AREA Comparative Analysis Template

This is a very good start, I think we have to mention the role of AREA in relation to the MLS system, how measurements are one of the MLS fields and the role that AREA has to educate and discipline members who misuse the system.

Rob

From: Trevor Bergen
Sent: Thursday, February 11, 2016 12:32 PM
To: Rob Phillips
Cc: Kelly Refah
Subject: FW: RECA-AREA Comparative Analysis Template

Rob, Lee's done a good job on a first draft for the analysis Colin requested by tomorrow. We are well positioned to get this work done on time. Thanks Kelly for coordinating with Lee on this,
Trevor

From: Trevor Bergen
Sent: Thursday, February 11, 2016 12:30 PM
To: Kelly Refah

Cc: Lee Chantal
Subject: RE: RECA-AREA Comparative Analysis Template

Hi Lee and Kelly,

Thanks goes to Lee for taking a first stab at this. I think you did a fantastic job on a first cut.

I didn't get a chance to give this as thorough a review as I would have like to but given Kelly will be reviewing this afternoon I'm sure she'll catch wording issues, etc. Overall, I think this is coming along very well. Please see my comments in the attached.

As a general point, in looking over my notes Colin wanted this analysis "balanced and objective" so Kelly as you review please keep this in mind in the event any bullets jump out to you as taking one side or the other before we reach the recommendations section. After Kelly has reviewed this afternoon, I'll take another look as well.

Thanks again Lee, great work on the first draft!
Trevor

<< File: RECA-AREA Analysis.docx >>

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Kelly Refah
Sent: Thursday, February 11, 2016 10:52 AM
To: Trevor Bergen
Cc: Lee Chantal
Subject: FW: RECA-AREA Comparative Analysis Template

Trevor, attached is Lee's first draft cut of the comparative analysis for Colin. A new section has been added to address the governance/regulatory implications of the on-going AREA/RECA conflict. You will find the content is similar to previous information provided in briefings and emails to Colin. I will review in detail this afternoon, but thought you may want an advance copy in case you have the time and want to review sooner.

Kelly

From: Lee Chantal
Sent: Thursday, February 11, 2016 10:33 AM
To: Kelly Refah
Subject: RE: RECA-AREA Template

I created a new version of the document with an "Implications" section listing those potential threats.

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<< File: RECA-AREA Analysis.docx >>

From: Kelly Refah
Sent: Thursday, February 11, 2016 10:09 AM
To: Lee Chantal
Subject: RE: RECA-AREA Template

Thank Lee. I won't get to this until the afternoon. At quick glance, I noticed the document does not address the potential threat to good governance this issue can pose if it remains unresolved, and the implications of such for consumers and real estate industry as a whole. The RMS dispute is a symptom of a much larger issue broiling between AREA and RECA and so I think we should comment on the big picture issues.

From: Lee Chantal
Sent: Thursday, February 11, 2016 9:45 AM
To: Kelly Refah
Subject: RE: RECA-AREA Template



Page 532 redacted for the following reason:
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Duplicate to pages 524-525

Val Taylor

From: Trevor Bergen
Sent: Friday, February 12, 2016 11:08 AM
To: Kelly Refah; Lee Chantal
Subject: RE: RECA-AREA Comparative Analysis Template

Text boxes look nice but they are a pain. If you need help with the formatting, let me know.

From: Kelly Refah
Sent: Friday, February 12, 2016 10:58 AM
To: Lee Chantal
Cc: Trevor Bergen
Subject: FW: RECA-AREA Comparative Analysis Template

Lee,

I've added my edits to Trevor's in the attachment. Of note, I added background information to certain points/issues and revised a some bullets to convey the info in a more neutral tone. I had a bit of trouble with this format as the content appeared to dropped off as more text was added. I expanded the size of the text boxes to capture the additional info, but I'm entirely sure all of the material is visible. I suggest you expand the text boxes to make sure all information is visible.

Let me know if you have questions about any of the revisions.

Thanks,

Kelly

From: Trevor Bergen
Sent: Thursday, February 11, 2016 12:30 PM
To: Kelly Refah
Cc: Lee Chantal
Subject: RE: RECA-AREA Comparative Analysis Template

Duplicate to pages 530-532

Pages 534 through 536 redacted for the following reasons:
- -
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Darlene Decker

From: Lee Chantal
Sent: Friday, February 12, 2016 11:40 AM
To: Kelly Refah
Cc: Trevor Bergen
Subject: RE: RECA-AREA Comparative Analysis Template

I migrated all of the information into a new template that uses tables instead of text boxes. It looks almost identical (slight difference on line thickness). I've included all of the changes and made a couple extra tweaks based on comments included in the document.

Lee



From: Kelly Refah
Sent: Friday, February 12, 2016 10:58 AM
To: Lee Chantal
Cc: Trevor Bergen
Subject: FW: RECA-AREA Comparative Analysis Template

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Pages 538 through 540 redacted for the following reasons:
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Alberta

RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing *a Guide for Residential Property Measurement* from RECA's website, and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explains how to measure residential property in Alberta so that realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards.
- On January 20, RECA's 12-member Council passed a motion, brought by the Council representative for real estate appraisers, to remove the RMS Guide from RECA's website. Several Council members were opposed to this decision, but the motion was carried. Support for the motion came primarily from the members appointed by AREA.
- The motion directed RECA to remove the RMS Guide from the RECA website until revisions could be made to address industry concerns.
- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by fall 2016.

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Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing real estate professionals.	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide and the wording of the motion to remove the guide from the Internet pending revision show RECA believes the development of RMS squarely falls within RECA's mandate.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is better suited to developing these standards, particularly so the standards align with the information being taught to new licensees.

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Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Minister should meet with RECA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Val Taylor

From: Trevor Bergen
Sent: Friday, February 12, 2016 11:49 AM
To: Kelly Refah; Lee Chantal
Subject: RE: RECA-AREA Comparative Analysis Template

Please let me know once you are both comfortable and then I'll take a look. I have a meeting at 1:20 to leave for so if I can take a quick look over lunch that would be great if possible...
Trevor

From: Kelly Refah
Sent: Friday, February 12, 2016 11:48 AM
To: Lee Chantal
Cc: Trevor Bergen
Subject: RE: RECA-AREA Comparative Analysis Template

Looks good. I have two further suggestions – we should increase the spacing between the bullets under background and the bullet reading **"RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards"** I suggest we mention something about the negative feedback to make the statement more balanced.

Kelly

From: Lee Chantal
Sent: Friday, February 12, 2016 11:40 AM
To: Kelly Refah
Cc: Trevor Bergen
Subject: RE: RECA-AREA Comparative Analysis Template

Continued on page 197 A-01

Pages 545 through 547 redacted for the following reasons:
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Darlene Decker

From: Lee Chantal
Sent: Friday, February 12, 2016 12:12 PM
To: Kelly Refah
Subject: RE: RECA-AREA Comparative Analysis Template

Kelly,

Changes for your review.

Lee



[redacted]

From: Kelly Refah
Sent: Friday, February 12, 2016 11:48 AM
To: Lee Chantal
Cc: Trevor Bergen
Subject: RE: RECA-AREA Comparative Analysis Template

[redacted]

Duplicate to pages 544-547

Pages 549 through 551 redacted for the following reasons:
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Alberta

RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing *a Guide for Residential Property Measurement* from RECA's website, and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement standards, and with the specific standard for determining thickness of a common wall.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.
- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

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Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing real estate professionals.	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide and the wording of the motion to remove the guide from the Internet pending revision show RECA believes the development of RMS squarely falls within RECA's mandate.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is better suited to developing these standards, particularly so the standards align with the information being taught to new licensees.

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Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Minister should meet with RECA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Darlene Decker

From: Lee Chantal
Sent: Friday, February 12, 2016 12:26 PM
To: Trevor Bergen; Kelly Refah
Subject: RE: RECA-AREA Comparative Analysis Template

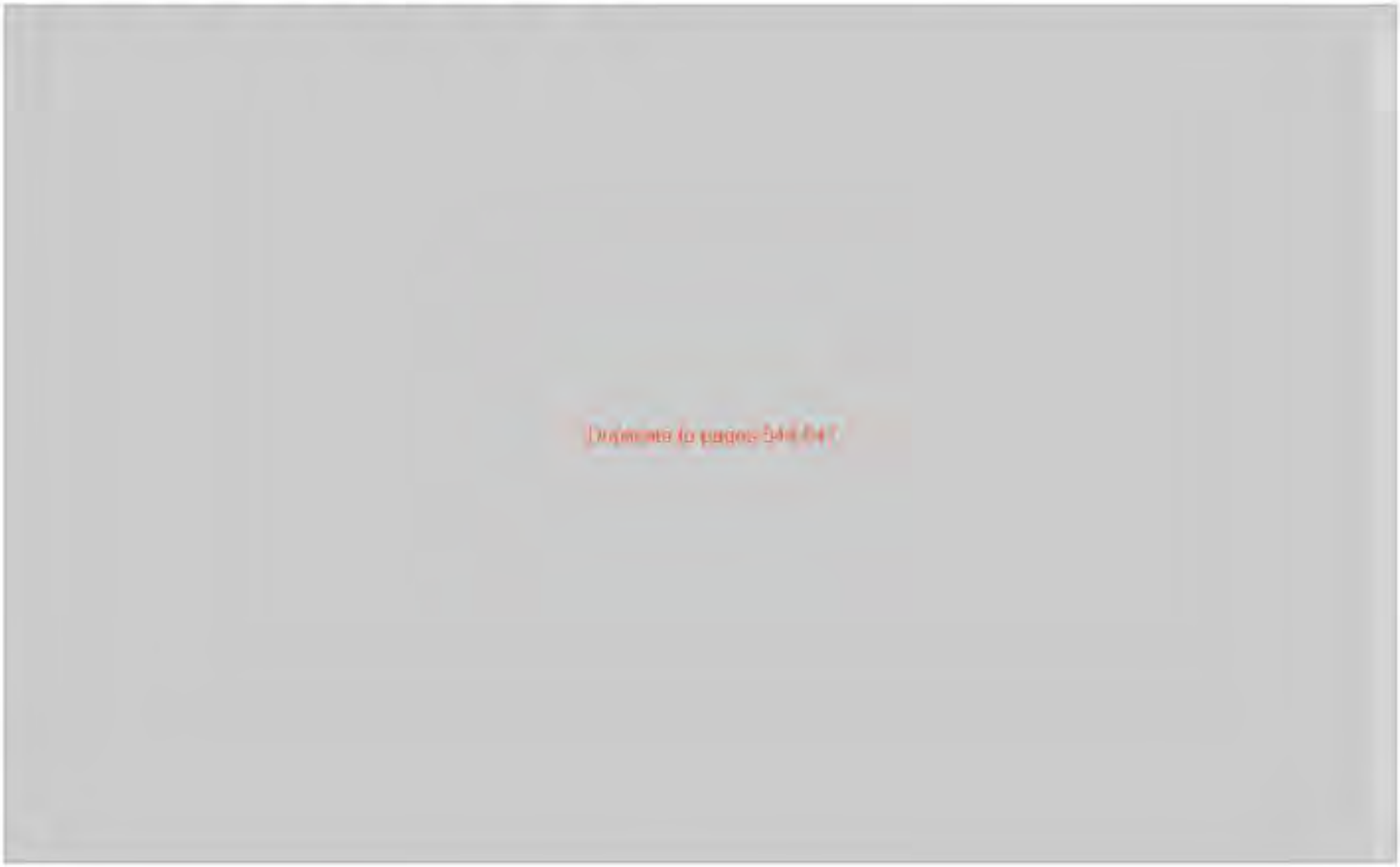
Trevor,

It should be good to go now. Kelly's had a look and agrees.

Lee



From: Trevor Bergen
Sent: Friday, February 12, 2016 11:49 AM
To: Kelly Refah; Lee Chantal
Subject: RE: RECA-AREA Comparative Analysis Template



Pages 556 through 559 redacted for the following reasons:
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Duplicate to pages 544-547

SA 2017-G-0056 - Page 560

Alberta

RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
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Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
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- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
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- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement standards, and with the specific standard for determining thickness of a common wall.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.
- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

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Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing real estate professionals.	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide and the wording of the motion to remove the guide from the Internet pending revision show RECA believes the development of RMS squarely falls within RECA's mandate.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority	As the regulator responsible for setting and enforcing standards under the REA, RECA is better suited to developing these standards, particularly so the standards align with the information being taught to new licensees.

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Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Minister should meet with RECA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Val Taylor

From: Trevor Bergen
Sent: Friday, February 12, 2016 12:52 PM
To: Colin Lloyd
Cc: Kelly Refah; Lee Chantal; Rob Phillips; Robert Whittaker
Subject: RECA-AREA Briefing

Hi Colin,

On Monday, you asked that we prepare a comparative analysis you could use to brief Tim effectively about the conflict between RECA and AREA respecting the scope of RECA's regulatory authority and associated implications for good governance.

Attached is a summary analysis of this issue, intended to be balanced and objective, prepared by Lee and Kelly.

Thanks Colin and please let us know if you have any questions or would like changes once you've had a chance to review the document,
Trevor



Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

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RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement standards and with the specific standard for determining thickness of a common wall.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.
- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

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Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
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Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide and the wording of the motion to remove the guide from the internet pending revision show RECA believes the development of RMS squarely falls within RECA's mandate.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees.

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Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
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- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Minister should meet with RECA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Val Taylor

From: Trevor Bergen
Sent: Friday, February 12, 2016 12:53 PM
To: Lee Chantal; Kelly Refah
Subject: FW: RECA-AREA Briefing

Great work to you both – this reads very well. I made a few tiny edits but nothing major. Thanks again,
Trevor

From: Trevor Bergen
Sent: Friday, February 12, 2016 12:52 PM
To: Colin Lloyd
Cc: Kelly Refah (Kelly.Refah@gov.ab.ca); Lee Chantal; Rob Phillips; Robert Whittaker
Subject: RECA-AREA Briefing



[redacted]

From: Colin Lloyd
Sent: February-12-16 1:04 PM
To: Trevor Bergen
Cc: Kelly Refah; Lee Chantal; Rob Phillips; Robert Whittaker
Subject: RE: RECA-AREA Briefing

Thank for this. I will review over the weekend.

From: Trevor Bergen
Sent: Friday, February 12, 2016 12:52 PM
To: Colin Lloyd
Cc: Kelly Refah; Lee Chantal; Rob Phillips; Robert Whittaker
Subject: RECA-AREA Briefing

[redacted]

Page 569 redacted for the following reason:
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Duplicate to page 563

Val Taylor

From: Trevor Bergen
Sent: Monday, February 15, 2016 11:52 AM
To: Kelly Refah; Lee Chantal
Subject: FW: RECA-AREA Summary Analysis (Feb12)
Attachments: RECA-AREA Summary Analysis (Feb12).docx

Kelly and Lee,

For tomorrow and not today, please see Colin's comments in the attached.

I've taken a quick look and overall his comments are minor and we should be able to add a few points of clarity in response to his feedback.

For the next version, please use tracked changes or highlighting to show our additions.

Thanks,
Trevor

From: Colin Lloyd
Sent: Monday, February 15, 2016 9:15 AM
To: Trevor Bergen
Cc: Robert Whittaker
Subject: RECA-AREA Summary Analysis (Feb12)

Trevor,

This requires no work from you today. I am merely catching up.

Let's discuss tomorrow.

Colin

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RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement standards and with the specific standard for determining thickness of a common wall.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.
- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Comment [CL1]: I think we should avoid the word 'standards', because what is apparent is there is no official standard.

Comment [CL2]: I think we need to mention the letter written to RECA by Minister Ganley and what lead up to this.

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RECA and AREA Summary Analysis

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
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Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide and the wording of the motion to remove the guide from the Internet pending revision show RECA believes the development of RMS squarely falls within RECA's mandate.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees.

Comment [CL3]: Do we know why this was not definitively laid out by RECA as a standard – which is authoritive, rather than a guide – which tends to have a discretionary flavour?

Comment [CL4]: To keep this balanced and objective, what is our assessment of the way this was handled by RECA? Could/should they have been more consultative?

Comment [CL6]: Would a compromise be that AREA develops but only RECA can ratify. However, if we think the composition of the Board (AREA influence) is conducive we should say so.

Comment [CL5]: I am confused by this statement. It sounds as though RECA removed it. My understanding is an AREA block within council moved this. What we have to communicate is the effect and consequences for consumer protection.

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RECA and AREA Summary Analysis

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
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- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Comment [CL7]: I gather they also have this stated as a goal in their strategic plan

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Comment [CL8]: These should be appended

Val Taylor

From:	Trevor Bergen
Sent:	Monday, February 15, 2016 11:56 AM
To:	Colin Lloyd
Cc:	Robert Whittaker
Subject:	RE: RECA-AREA Summary Analysis (Feb12)

Hi Colin,

Excellent - thanks for looking this over so quickly. I'll take a look at your feedback and we can chat on the way over the Legislature. Thanks,
Trevor

From: Colin Lloyd
Sent: Monday, February 15, 2016 9:15 AM
To: Trevor Bergen
Cc: Robert Whittaker
Subject: RECA-AREA Summary Analysis (Feb12)

Duplicate to page 570

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Alberta

RECA and AREA Summary Analysis

Issue

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Comment [CL1]: I think we should avoid the word 'standards', because what is appears is there is no official standard.

Comment [t2]: I think we can use guidelines instead of standards

Comment [CL3]: I think we need to mention the letter written to RECA by Minister Lemiex and what lead up to this.

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Position Comparison

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Comment [CL4]: Do we know why this was not definitively laid out by RECA as a standard – which is authoritive, rather than a guide – which tends to have a discretionary flavour?

Comment [CL5]: To keep this balanced and objective, what is our assessment of the way this was handled by RECA? Could/should they have been more consultative?

Comment [CL7]: Would a compromise be that AREA develops but only RECA can ratify. However, if we think the composition of the Board (AREA influence) is unconducive we should say so.

Comment [CL6]: I am confused by this statement. It sounds as though RECA removed it. My understanding is an AREA block within council moved this. What we have to communicate is the affect and consequences for consumer protection.

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RECA and AREA Summary Analysis

Implications

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Comment [CL8]: I gather they also have this stated as a goal in their strategic plan.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
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- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Comment [CL9]: These should be appended.

Darlene Decker

From: Lee Chantal
Sent: Wednesday, February 17, 2016 9:13 AM
To: Kelly Refah
Subject: RE: RECA-AREA Summary Analysis (Feb12)
Attachments: RECA-AREA Summary Analysis (Feb12).docx

My edits attached. I have a couple of comments included – I was not clear on Colin's second last comment. I also haven't actually appended the REA sections Colin asked for, but did add the "Attachment" listing for this.

Lee

From: Kelly Refah
Sent: Wednesday, February 17, 2016 9:10 AM
To: Lee Chantal
Subject: RE: RECA-AREA Summary Analysis (Feb12)

Is this in progress?

From: Kelly Refah
Sent: Tuesday, February 16, 2016 8:28 AM
To: Lee Chantal
Subject: RE: RECA-AREA Summary Analysis (Feb12)

Yes, please see if you can accommodate Colin's suggestions/comments. I'm in a meeting from 8:30 to 9:00 but will be around afterwards if you need to discuss. Thanks

Kelly

From: Lee Chantal
Sent: Tuesday, February 16, 2016 7:58 AM
To: Kelly Refah
Subject: RE: RECA-AREA Summary Analysis (Feb12)

I assume you want me to take the lead on adding clarification to Colin's points? I can cover most if not all of them.

Lee

From: Trevor Bergen
Sent: Monday, February 15, 2016 11:52 AM
To: Kelly Refah; Lee Chantal
Subject: FW: RECA-AREA Summary Analysis (Feb12)

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Alberta

RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
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- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
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- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices~~standards~~ and with the specific ~~standard~~ method for determining thickness of a common wall.
- ~~Minister Lanvie~~ sent a letter to RECA on January 20, expressing concerns about a November 29 Edmonton Journal ~~article~~ article ~~misrepresentations~~ of the size of condominiums in real estate listings, and ~~recommended~~ urged RECA ~~remove~~ to remove or take further steps ~~that RECA could take~~ to address ~~such issues~~ the issue.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS

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Comment [CL1]: I think we should avoid the word 'standards', because what is apparent is there is no official standard.

Comment [t2]: I think we can use guidelines instead of standards

Comment [CL3]: I think we need to mention the letter written to RECA by Minister Lanvie and what lead up to this.

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Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Lowee's letter being read to the council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.

- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing real estate professionals.	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information. While RECA appears to have undertaken thorough consultation of affected industry groups in the

Comment [CL4]: Do we know why this was not definitively laid out by RECA as a standard – which is authoritive, rather than a guide – which tends to have a discretionary flavour?

Comment [LC5]: I get the impression this was meant as a standard, even though it was termed as a "guide". This is what made RECA's council members so concerned. I don't know that this was clearly communicated to RECA licensees, though.

Comment [CL6]: To keep this balanced and objective, what is our assessment of the way this was handled by RECA? Could/should they have been more consultative?

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			development of the RMS, there appears to have been significant push-back from the industry that may not have been sufficiently addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The development and introduction of the RMS guide by RECA show RECA believes the development of RMS squarely falls within RECA's mandate. The RMS are necessary for clear industry standards and consumer protection ~~, and t~~The wording of the motion to remove the guide from the Internet – that it was to be removed pending revision, suggesting it could be reintroduced in the future – further indicates RECA believes RMS standards are within their authority. ~~show RECA believes the development of RMS squarely falls within RECA's mandate.~~	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

Comment [CL6]: Would a compromise be that AREA develops but only RECA can ratify. However, if we think the composition of the Board (AREA influence) is unconducive we should say so.

Comment [CL7]: I am confused by this statement. It sounds as though RECA removed it. My understanding is an AREA block within council moved this. What we have to communicate is the effect and consequences for consumer protection.

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Alberta

RECA and AREA Summary Analysis

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Attachment

- Real Estate Act, section 76

Comment [CL9]: I gather they also have this stated as a goal in their strategic plan.

Comment [LC10]: Have which stated – to address an impasse with AREA / build a better relationship with AREA?

Comment [CL11]: These should be appended.

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Val Taylor

From: Kelly Refah
Sent: Wednesday, February 17, 2016 11:09 AM
To: Lee Chantal
Subject: FW: RECA-AREA Summary Analysis (Feb12)
Attachments: RECA-AREA Summary Analysis (Feb12).docx

My edits/comments at pg 569

From: Lee Chantal
Sent: Wednesday, February 17, 2016 9:13 AM
To: Kelly Refah
Subject: RE: RECA-AREA Summary Analysis (Feb12)



Page 585 redacted for the following reason:
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Duplicate to pages 578-579

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Alberta

RECA and AREA Summary Analysis

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Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
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- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices~~standards~~ and with the specific ~~standard~~ method for determining thickness of a common wall.
- Minister Larivee sent a letter to RECA on January 20, expressing concerns about a November 29 Edmonton Journal article about representations of the size of condominiums in real estate listings, and requesting a meeting to discuss further steps RECA could take to address such issues.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS

Comment [CL1]: I think we should avoid the word 'standards', because what is apparent is there is no official standard.

Comment [t2]: I think we can use guidelines instead of standards

Comment [CL3]: I think we need to mention the letter written to RECA by Minister Larivee and what lead up to this.

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Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Mission Kanata's [illegible] to the council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.

- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard"	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing real estate professionals.	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information. While RECA appears to have undertaken thorough consultation of affected industry groups on the

Comment [CL4]: Do we know why this was not definitively laid out by RECA as a standard – which is authoritive, rather than a guide – which tends to have a discretionary flavour?

Comment [k5]: Great question. In our discussions with RECA back in November it was suggested the Guide was an 'educational tool' to assist industry members in measuring. However, the Guide itself makes clear the material was created in response to updates that were made to a real estate course and that industry members were expected to learn and apply the standards.

Comment [LC6]: I get the impression this was meant as a standard, even though it was termed as a "guide". This is what made RECA's council members so concerned. I don't know that this was clearly communicated to RECA licensees, though.

Comment [CL7]: To keep this balanced and objective, what is our assessment of the way this was handled by RECA? Could/should they have been more consultative?

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			development of the RMS, there appears to have been significant push back from the industry that may not have been adequately addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The development and introduction of the RMS guide by RECA show RECA believes the development of RMS squarely falls within RECA's mandate. The RMS are necessary for clear industry standards and consumer protection. ~~and~~ The wording of the motion to remove the guide from the Internet – that it was to be removed pending revision, suggesting it could be reintroduced in the future – further indicates RECA believes RMS standards are within their authority. ~~In view RECA believes the development of RMS squarely falls within RECA's mandate.~~	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

Comment [CL10]: Would a compromise be that AREA develops but only RECA can ratify. However, if we think the composition of the Board (AREA influence) is unconducive we should say so.

Comment [k8]: As discussed, please explain the divided views of RECA's Council.

Comment [CL9]: I am confused by this statement. It sounds as though RECA removed it. My understanding is an AREA block within council moved this. What we have to communicate is the effect and consequences for consumer protection.

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Alberta

RECA and AREA Summary Analysis

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
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Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
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Attachment

- Real Estate Act

Comment [CL11]: I gather they also have this stated as a goal in their strategic plan.

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Darlene Decker

From:	Lee Chantal
Sent:	Wednesday, February 17, 2016 11:19 AM
To:	Kelly Refah
Subject:	RE: RECA-AREA Summary Analysis (Feb17)
Attachments:	RECA-AREA Summary Analysis (Feb17).docx

Edit made to third issue as discussed. Note one of Colin's points is still unaddressed – his second last comment as to whether the impasse between RECA/AREA is in the strategic plan (I think this is what he means). I don't know of anything in the strategic plan specific to this, how should we respond? By saying we don't know, by checking with RECA, or by finding the appropriate one of the five strategic goals to address this?

Lee

From: Kelly Refah
Sent: Wednesday, February 17, 2016 11:09 AM
To: Lee Chantal
Subject: FW: RECA-AREA Summary Analysis (Feb12)

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Alberta

RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

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Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Lanyon's letter being read to the council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.

- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
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			development of the RMS, there appears to have been significant push back from the industry that may not have been sufficiently addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The development and introduction of the RMS guide shows the majority of RECA's previous Council believed the development of RMS squarely falls within RECA's mandate. As the majority of RECA's current Council, particularly those appointed by AREA, supported the motion to remove the RMS guide from RECA's website while others voted against the motion, it is clear the current Council is divided as to whether ~~and the wording of the motion to remove the guide from the Internet pending revision~~RECA believes RMS standards are within RECA's authority ~~show RECA believes the development of RMS squarely falls within RECA's mandate.~~	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

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Alberta

RECA and AREA Summary Analysis

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
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Recommendations

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Attachment

- Real Estate Act, section 76

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Val Taylor

From: Lee Chantal
Sent: Wednesday, February 17, 2016 11:52 AM
To: Trevor Bergen
Cc: Kelly Refah
Subject: FW: RECA-AREA Summary Analysis (Feb12)
Attachments: RECA-AREA Summary Analysis (Feb17).docx; Real Estate Act s76.docx

Trevor,

New copy with Kelly's and my edits, plus an attachment of S. 76 of the REA. If you want the attachment to be included inline in the document, I can make that change.

Thanks,

Lee

From: Kelly Refah
Sent: Wednesday, February 17, 2016 11:09 AM
To: Lee Chantal
Subject: FW: RECA-AREA Summary Analysis (Feb12)



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RECA and AREA Summary Analysis

Issue

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- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices and with the specific method for determining thickness of a common wall.
- Minister Larivee sent a letter to RECA on January 20, expressing concerns about a November 29 Edmonton Journal article about misrepresentations of the size of condominiums in real estate listings, and urged RECA to take further steps to address the issue.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's

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letter being read to the council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.

- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing real estate professionals.	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information. While RECA appears to have undertaken thorough consultation of affected industry groups in the development of the RMS, there appears to have been significant push-back from the industry that may not have been sufficiently addressed in the consultation process.

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Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide shows the majority of RECA's previous Council believed the development of RMS squarely falls within RECA's mandate. As the majority of RECA's current Council, particularly those appointed by AREA, supported the motion to remove the RMS guide from RECA's website while others voted against the motion, it is clear the current Council is divided as to whether RECA believes RMS standards are within RECA's authority.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- RECA has goals in their 2011-2016 strategic plan to advance professionalism in the real estate industry and to promote quality standards, including having a code of conduct, conducting practice reviews and promoting responsible and accountable professional behaviour.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.

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- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Attachment

- Real Estate Act, section 76

Reviews

76(1) The Minister may, whenever the Minister considers it necessary, review or appoint a person to review

(a) the conduct of the Council,
(b) any matter relating to the Fund,
(c) any matter relating to the Foundation, or
(d) any matter affecting the industry or its regulation.

(2) The Minister or other person conducting the review under subsection (1)

(a) may require the attendance of any member, officer or employee of the Council or the board of governors of the Foundation or of any other person whose presence is considered necessary during the course of the review, and
(b) has the same powers, privileges and immunities as a commissioner under the Public Inquiries Act.

(3) When required to do so by the Minister or other person conducting a review, a person referred to in subsection (2)(a) shall produce for review all books and records that are in that person's possession or under that person's control that are relevant to the subject-matter of the review.

(4) A person, other than the Minister, who conducts a review shall forthwith on the conclusion of the review report in writing to the Minister.

(5) On conducting a review or receiving a report under subsection (4), the Minister may by order direct that the Council, the Foundation or any member, officer or employee of the Council or of the board of governors of the Foundation take any action that the Minister considers appropriate in the circumstances.

(6) If an order under subsection (5) is not carried out to the satisfaction of the Minister, the Minister may by order do either or both of the following:

(a) appoint a comptroller to oversee the management of the affairs of the Council or the Foundation or the administration of the Fund, as the case may be, and attach terms and conditions to the continued operation of the Council, the Foundation or the Fund, as the case may be;
(b) dismiss all or any of the members of the Council or the board of governors of the Foundation or the member, officer or employee who failed to carry out the order.

(7) If the Minister dismisses the Council or the board of governors of the Foundation, the Minister may in the same or a subsequent order do either or both of the following:

(a) appoint an official administrator to manage the affairs of the Council or the Foundation, as the case may be, until a new Council or board of governors is appointed;
(b) direct that a new Council or board of governors be appointed under this Act.

(8) An order under subsection (7)(a) may provide for the payment of remuneration and expenses to the official administrator and may provide that the remuneration and expenses are the responsibility of the Council or the Foundation, as the case may be.

(9) An official administrator has all the powers and is subject to all the obligations of the Council or the Foundation, as the case may be, under this Act.

(10) An order or direction under subsection (5), (6) or (7) takes effect on the service of a copy of it on the person to whom it is directed.

Darlene Decker

From: Trevor Bergen
Sent: Wednesday, February 17, 2016 4:17 PM
To: Lee Chantal
Cc: Kelly Refah
Subject: RE: RECA-AREA Summary Analysis (Feb12)
Attachments: RECA-AREA Summary Analysis (Feb17) - tracked changes.docx

Hi there,

This looks really good. Thank you.

Please see my one comment on page 2. Will the sentence I added be overkill or is it ok?

I will defer to you and Kelly on this and then send to Colin.

Thanks!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Lee Chantal
Sent: Wednesday, February 17, 2016 11:52 AM
To: Trevor Bergen
Cc: Kelly Refah
Subject: FW: RECA-AREA Summary Analysis (Feb12)

Duplicate to pages 596-597

Pages 605 through 606 redacted for the following reasons:
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Duplicate to pages 596-597

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Alberta

RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices ~~standards~~ and with the specific ~~standard~~ method for determining thickness of a common wall.
- Minister Larivee sent a letter to RECA on January 20, 2016 expressing concerns about a November 29, 2015 Edmonton Journal article about misrepresentations of the size of condominiums in real estate listings, and ~~requesting~~ quoted RECA ~~meeting to discuss~~ to take further steps ~~RECA could take to address such issues~~ the issue.

Comment [CL1]: I think we should avoid the word 'standards', because what is apparent is there is no official standard.

Comment [t2]: I think we can use guidelines instead of standards

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RECA and AREA Summary Analysis

- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's letter being read to the Council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.
- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. It is unclear to the department why RECA did not originally make the RMS Guide a standard. -As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information. While indications are that RECA ~~appears~~

Comment [CL3]: I think we need to mention the letter written to RECA by Minister Larivee and what lead up to this.

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Comment [tS]: Should we add this to address colin's comment below or is it overkill

Comment [CL4]: Do we know why this was not definitively laid out by RECA as a standard – which is authoritive, rather than a guide – which tends to have a discretionary flavour?

Comment [kS]: Great question. In our discussions with RECA back in November it was suggested the Guide was an 'educational tool' to assist industry members in measuring. However, the Guide itself makes clear the material was created in response to updates that were made to a real estate course and that industry members were expected to learn and apply the standards.

Comment [CL7]: To keep this balanced and objective, what is our assessment of the way this was handled by RECA? Could/should they have been more consultative?

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		a standard without communicating it to existing real estate professionals.	~~to have~~ undertake~~ook~~ a thorough consultation of affected industry groups in the development of the RMS, there appears to have been significant push-back from the industry that may not have been sufficiently addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide ~~shows~~ the majority of RECA's previous Council believed the development of RMS squarely falls within RECA's mandate. As the majority of RECA's current Council, particularly those appointed by AREA, supported the motion to remove the RMS Guide from RECA's website while others voted against the motion, it is clear the current Council is divided as to whether ~~and the wording of the motion to remove the guide from the internet pending review~~RECA believes RMS standards are within RECA's authority ~~show RECA believes the development of RMS squarely falls within RECA's mandate.~~	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

Comment [CL9]: Would a compromise be that AREA develops but only RECA can ratify. However, if we think the composition of the Board (AREA influence) is unconducive we should say so.

Comment [CL8]: I am confused by this statement. It sounds as though RECA removed it. My understanding is an AREA block within council moved this. What we have to communicate is the effect and consequences for consumer protection.

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Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may

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also set a precedent for future regulatory matters where the interests of Council members do not align.

- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- RECA has goals in their 2013-2016 strategic plan to advance professionalism in the real estate industry and to promote quality standards including having a code of conduct, conducting practice reviews and promoting responsible and accountable professional behaviour.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Comment [CL10]: I gather they also have this stated as a goal in their strategic plan

Comment [CL11]: These should be expanded

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Attachment: Real Estate Act Section 76

Reviews

79(1) The Minister may, whenever the Minister considers it necessary, review or appoint a person to review

(a) the conduct of the Council,
(b) any matter relating to the Fund,
(c) any matter relating to the Foundation, or
(d) any matter affecting the industry or its regulation.

(2) The Minister or other person conducting the review under subsection (1)

(a) may require the attendance of any member, officer or employee of the Council or the board of governors of the Foundation or of any other person whose presence is considered necessary during the course of the review, and
(b) has the same powers, privileges and immunities as a commissioner under the Public Inquiries Act.

(3) When required to do so by the Minister or other person conducting a review, a person referred to in subsection (2)(a) shall produce for review all books and records that are in that person's possession or under that person's control that are relevant to the subject-matter of the review.

(4) A person, other than the Minister, who conducts a review shall forthwith on the conclusion of the review report in writing to the Minister.

(5) On conducting a review or receiving a report under subsection (4), the Minister may by order direct that the Council, the Foundation or any member, officer or employee of the Council or of the board of governors of the Foundation take any action that the Minister considers appropriate in the circumstances.

(6) If an order under subsection (5) is not carried out to the satisfaction of the Minister, the Minister may by order do either or both of the following:

(a) appoint a comptroller to oversee the management of the affairs of the Council or the Foundation or the administration of the Fund, as the case may be, and attach terms and conditions to the continued operation of the Council, the Foundation or the Fund, as the case may be;

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(b) dismiss all or any of the members of the Council or the board of governors of the Foundation or the member, officer or employee who failed to carry out the order.

(7) If the Minister dismisses the Council or the board of governors of the Foundation, the Minister may in the same or a subsequent order do either or both of the following:

(a) appoint an official administrator to manage the affairs of the Council or the Foundation, as the case may be, until a new Council or board of governors is appointed;

(b) direct that a new Council or board of governors be appointed under this Act.

(8) An order under subsection (7)(a) may provide for the payment of remuneration and expenses to the official administrator and may provide that the remuneration and expenses are the responsibility of the Council or the Foundation, as the case may be.

(9) An official administrator has all the powers and is subject to all the obligations of the Council or the Foundation, as the case may be, under this Act.

(10) An order or direction under subsection (5), (6) or (7) takes effect on the service of a copy of it on the person to whom it is directed.

~~Real Estate Act, section 76~~

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Val Taylor

From: Kelly Refah
Sent: Wednesday, February 17, 2016 4:36 PM
To: Trevor Bergen; Lee Chantal
Subject: FW: RECA-AREA Summary Analysis (Feb12)
Attachments: RECA-AREA Summary Analysis (Feb17) - tracked changes.docx

The additional sentence works, though I tweaked it slightly because it seems RECA had always intended the RMS to be #81 A standards but did a poor job communicating this to industry.

Kelly

From: Trevor Bergen
Sent: Wednesday, February 17, 2016 4:17 PM
To: Lee Chantal
Cc: Kelly Refah
Subject: RE: RECA-AREA Summary Analysis (Feb12)



Pages 615 through 616 redacted for the following reasons:
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Duplicate to pages 604-606

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Alberta

RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices ~~standards~~ and with the specific ~~standard~~ method for determining thickness of a common wall.
- ~~Minister Carlier sent a letter to RECA on January 20, 2016 expressing concerns about a November 29, 2015 Edmonton Journal article about measurements~~ of the size of condominiums in real estate listings~~,~~ and ~~requested~~ prayed RECA ~~provide a status update on the further steps RECA could take~~ to address ~~such issues~~ the issue.

Comment [C1]: I think we should avoid the word 'standards', because what is apparent is there is no official standard.

Comment [t2]: I think we can use guidelines instead of standards

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RECA and AREA Summary Analysis

- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's letter being read to the Council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.
- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Comment [CL3]: I think we need to mention the letter written to RECA by Minister Larivee and what lead up to this.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. It is unclear to the department why RECA did not or could not communicate to industry members that mandatory RMS Guide was a standard. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information.

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Comment [CL4]: Do we know why this was not definitively laid out by RECA as a standard – which is authoritive, rather than a guide – which tends to have a discretionary flavour?

Comment [k5]: Great question. In our discussions with RECA back in November it was suggested the Guide was an 'educational tool' to assist industry members in measuring. However, the Guide itself makes clear the material was created in response to updates that were made to a real estate course and that industry members were expected to learn and apply the standards.

Comment [CL6]: To keep this balanced and objective, what is our assessment of the way this was handled by RECA? Could/should they have been more consultative?

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Exams	an "industry standard".	Indicates RECA is now setting a standard without communicating it to existing real estate professionals.	While- indications are that RECA appears to have undertaken a thorough consultation of affected industry groups in the development of the RMS, there appears to have been significant push-back from the industry that may not have been sufficiently addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide shows the majority of RECA's previous Council believed the development of RMS squarely falls within RECA's mandate. As the majority of RECA's current Council, particularly those appointed by AREA, supported the motion to remove the RMS Guide from RECA's website while others voted against the motion, it is clear the current Council is divided as to whether ~~and the wording of the motion to remove the guide from the previous passing reveals~~ RECA believes RMS standards are within RECA's authority ~~show RECA believes the development of RMS squarely falls within RECA's mandate~~.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the dissident viewpoints of the AREA members do not appear to be conducive to having RECA re-introduce the standards. However

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a

Comment [CL8]: Would a compromise be that AREA develops but only RECA can ratify. However, if we think the composition of the Board (AREA influence) is uncontructive we should say so.

Comment [CL7]: I am confused by this statement. It sounds as though RECA removed it. My understanding is an AREA block within council moved this. What we have to communicate is the affect and consequences for consumer protection.

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regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.

- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- RECA has stated in their 2013-2016 strategic plan to advance professionalism in the real estate industry and to promote quality standards, including having a code of conduct, conducting practice reviews and promoting responsible and accountable professional behaviour.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Comment [CL9]: I gather they also have this stated as a goal in their strategic plan.

Comment [CL10]: These should be appended.

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Attachment: Real Estate Act Section 76

Reviews

76(1) The Minister may, whenever the Minister considers it necessary, review or appoint a person to review

(a) the conduct of the Council,
(b) any matter relating to the Fund,
(c) any matter relating to the Foundation, or
(d) any matter affecting the industry or its regulation.

(2) The Minister or other person conducting the review under subsection (1)

(a) may require the attendance of any member, officer or employee of the Council or the board of governors of the Foundation or of any other person whose presence is considered necessary during the course of the review, and
(b) has the same powers, privileges and immunities as a commissioner under the Public Inquiries Act.

(3) When required to do so by the Minister or other person conducting a review, a person referred to in subsection (2)(a) shall produce for review all books and records that are in that person's possession or under that person's control that are relevant to the subject-matter of the review.

(4) A person, other than the Minister, who conducts a review shall forthwith on the conclusion of the review report in writing to the Minister.

(5) On conducting a review or receiving a report under subsection (4), the Minister may by order direct that the Council, the Foundation or any member, officer or employee of the Council or of the board of governors of the Foundation take any action that the Minister considers appropriate in the circumstances.

(6) If an order under subsection (5) is not carried out to the satisfaction of the Minister, the Minister may by order do either or both of the following:

(a) appoint a person to oversee the management of the affairs of the Council or the Foundation or the administration of the Fund, as the case may be, and attach terms and conditions to the continued operation of the Council, the Foundation or the Fund, as the case may be;

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(b) dismiss all or any of the members of the Council or the board of governors of the Foundation or the member, officer or employee who failed to carry out the order.

(7) If the Minister dismisses the Council or the board of governors of the Foundation, the Minister may in the same or a subsequent order do either or both of the following:

(a) appoint an official administrator to manage the affairs of the Council or the Foundation, as the case may be, until a new Council or board of governors is appointed;

(b) direct that a new Council or board of governors be appointed under this Act.

(8) An order under subsection (7)(a) may provide for the payment of remuneration and expenses to the official administrator and may provide that the remuneration and expenses are the responsibility of the Council or the Foundation, as the case may be.

(9) An official administrator has all the powers and is subject to all the obligations of the Council or the Foundation, as the case may be, under this Act.

(10) An order or direction under subsection (5), (6) or (7) takes effect on the service of a copy of it on the person to whom it is directed.

~~Real Estate Act, section 76~~

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Val Taylor

From: Trevor Bergen
Sent: Wednesday, February 17, 2016 4:42 PM
To: Kelly Refah; Lee Chantal
Subject: RE: RECA-AREA Summary Analysis (Feb12)

Thanks Kelly.

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Kelly Refah
Sent: Wednesday, February 17, 2016 4:36 PM
To: Trevor Bergen; Lee Chantal
Subject: FW: RECA-AREA Summary Analysis (Feb12)



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Pages 625 through 626 redacted for the following reasons:
- -
Duplicate to pages 614-616

Val Taylor

From: Trevor Bergen
Sent: Wednesday, February 17, 2016 4:42 PM
To: Colin Lloyd
Cc: Robert Whittaker; Kelly Refah; Lee Chantal; Rob Phillips
Subject: RE: RECA-AREA Summary Analysis (Feb12)
Attachments: RECA-AREA Summary Analysis (Feb17) - tracked changes.docx; RECA-AREA Summary Analysis (Feb17) - clean.docx

Hi Colin,

Thanks for your quick review of this document.

Kelly and Lee have made some modifications based on your feedback. I've attached a tracked changes and a clean version of the document in the event this is ready to move forward to the Deputy.

Please let us know if you'd like any further modifications. Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Colin Lloyd
Sent: Monday, February 15, 2016 9:15 AM
To: Trevor Bergen
Cc: Robert Whittaker
Subject: RECA-AREA Summary Analysis (Feb12)

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Alberta | Service Alberta

RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices ~~standards~~ and with the specific ~~standard~~ method for determining thickness of a common wall.
- Minister Larivee sent a letter to RECA on January 20, 2016 expressing concerns about a November 29, 2015 Edmonton Journal article about misrepresentations of the size of condominiums in real estate listings, and ~~requesting~~ agreed RECA ~~meeting to discuss~~ to take further steps ~~RECA could take to address such issues~~the issue.

Comment [CL1]: I think we should avoid the word 'standards', because what is apparent is there is no official standard.

Comment [12]: I think we can use guidelines instead of standards

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RECA and AREA Summary Analysis

- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's letter being read to the Council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.
- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Comment [CL3]: I think we need to mention the letter written to RECA by Minister Larivee and what led up to this.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. It is unclear to the department why RECA did not originally communicate to industry members that ~~make~~ the RMS Guide is a standard. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information.

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Comment [CL4]: Do we know why this was not definitively laid out by RECA as a standard – which is authoritive, rather than a guide – which tends to have a discretionary flavour?

Comment [kS]: Great question. In our discussions with RECA back in November it was suggested the Guide was an 'educational tool' to assist industry members in measuring. However, the Guide itself makes clear the material was created in response to updates that were made to a real estate course and that industry members were expected to learn and apply the standards.

Comment [CL5]: To keep this balanced and objective, what is our assessment of the way this was handled by RECA? Could/should they have been more consultative?

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Exams	an "industry standard".	indicates RECA is now setting a standard without communicating it to existing real estate professionals.	While indications are that RECA ~~appears to have~~ undertakenook a thorough consultation of affected industry groups in the development of the RMS, there appears to have been significant push-back from the industry that may not have been sufficiently addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide shows the majority of RECA's previous Council believed the development of RMS squarely falls within RECA's mandate. As the majority of RECA's current Council, particularly those appointed by AREA, supported the motion to remove the RMS Guide from RECA's website while others voted against the motion, it is clear the current Council is divided as to whether ~~and the wording of the motion to remove the guide from the internet pending revision~~RECA believes RMS standards are within RECA's authority ~~show RECA believes the development of RMS squarely falls within RECA's mandate~~.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

Comment [CL6]: Would a compromise be that AREA develops but only RECA can ratify. However, if we think the composition of the Board (AREA influence) is unconducive we should say so.

Comment [CL7]: I am confused by this statement. It sounds as though RECA removed it. My understanding is an AREA block within council moved this. What we have to communicate is the effect and consequences for consumer protection.

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Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a

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regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.

- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- RECA has goals in their 2011-2016 strategic plan to advance professionalism in the real estate industry and to promote quality standards, including having a code of conduct, conducting practice reviews and promoting responsible and accountable professional behaviour.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA will confuse the industry and compromise consistent and competent service to consumers.
- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Comment [CL9]: I gather they also have this stated as a goal in their strategic plan.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Comment [CL10]: These should be appended.

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Attachment: Real Estate Act Section 76

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Reviews

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(d) any matter affecting the industry or its regulation.

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(a) may require the attendance of any member, officer or employee of the Council or the board of governors of the Foundation or of any other person whose presence is considered necessary during the course of the review, and
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(5) On conducting a review or receiving a report under subsection (4), the Minister may by order direct that the Council, the Foundation or any member, officer or employee of the Council or of the board of governors of the Foundation take any action that the Minister considers appropriate in the circumstances.

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(b) dismiss all or any of the members of the Council or the board of governors of the Foundation or the member, officer or employee who failed to carry out the order.

(7) If the Minister dismisses the Council or the board of governors of the Foundation, the Minister may in the same or a subsequent order do either or both of the following:

(a) appoint an official administrator to manage the affairs of the Council or the Foundation, as the case may be, until a new Council or board of governors is appointed;

(b) direct that a new Council or board of governors be appointed under this Act.

(8) An order under subsection (7)(a) may provide for the payment of remuneration and expenses to the official administrator and may provide that the remuneration and expenses are the responsibility of the Council or the Foundation, as the case may be.

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~~Real Estate Act, section 76~~

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RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
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- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices and with the specific method for determining thickness of a common wall.
- Minister Larivee sent a letter to RECA on January 20, 2016 expressing concerns about a November 29, 2015 Edmonton Journal article about misrepresentations of the size of condominiums in real estate listings and urged RECA to take further steps to address the issue.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's

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letter being read to the Council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.

- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. It is unclear to the department why RECA did not originally communicate to industry members that the RMS Guide is a standard. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information. While indications are that RECA undertook a thorough consultation of affected industry groups in the

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		real estate professionals.	development of the RMS, there appears to have been significant push-back from the industry that may not have been sufficiently addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide shows the majority of RECA's previous Council believed the development of RMS squarely falls within RECA's mandate. As the majority of RECA's current Council, particularly those appointed by AREA, supported the motion to remove the RMS Guide from RECA's website while others voted against the motion, it is clear the current Council is divided as to whether RECA believes RMS standards are within RECA's authority.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
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- RECA has goals in their 2011-2016 strategic plan to advance professionalism in the real estate industry and promote quality standards, including having a code of conduct, conducting practice reviews and promoting responsible and accountable professional behaviour.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA

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will confuse the industry and compromise consistent and competent service to consumers.

- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
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Attachment: Real Estate Act Section 76

Reviews

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(2) The Minister or other person conducting the review under subsection (1)

(a) may require the attendance of any member, officer or employee of the Council or the board of governors of the Foundation or of any other person whose presence is considered necessary during the course of the review, and
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(6) If an order under subsection (5) is not carried out to the satisfaction of the Minister, the Minister may by order do either or both of the following:

(a) appoint a comptroller to oversee the management of the affairs of the Council or the Foundation or the administration of the Fund, as the case may be, and attach terms and conditions to the continued operation of the Council, the Foundation or the Fund, as the case may be;

(b) dismiss all or any of the members of the Council or the board of governors of the Foundation or the member, officer or employee who failed to carry out the order.

(7) If the Minister dismisses the Council or the board of governors of the Foundation, the Minister may in the same or a subsequent order do either or both of the following:

(a) appoint an official administrator to manage the affairs of the Council or the Foundation, as the case may be, until a new Council or board of governors is appointed;
(b) direct that a new Council or board of governors be appointed under this Act.

(8) An order under subsection (7)(a) may provide for the payment of remuneration and expenses to the official administrator and may provide that the remuneration and expenses are the responsibility of the Council or the Foundation, as the case may be.

(9) An official administrator has all the powers and is subject to all the obligations of the Council or the Foundation, as the case may be, under this Act.

(10) An order or direction under subsection (5), (6) or (7) takes effect on the service of a copy of it on the person to whom it is directed.

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[redacted]

From: Colin Lloyd
Sent: February-18-16 6:46 AM
To: Trevor Bergen
Cc: Robert Whittaker; Kelly Refah; Lee Chantal; Rob Phillips
Subject: Re: RECA-AREA Summary Analysis (Feb12)

Excellent work by all. Thank you.

Colin

Sent from my iPad

On Feb 17, 2016, at 4:42 PM, Trevor Bergen <Trevor.Bergen@gov.ab.ca> wrote:

[redacted]

Page 642 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 627

Val Taylor

From: Colin Lloyd
Sent: Thursday, February 18, 2016 6:51 AM
To: Tim Grant
Cc: Linda Chupka; Trevor Bergen; Robert Whittaker
Subject: AREA-RECA
Attachments: RECA-AREA Summary Analysis (Feb17) - clean.docx; ATT00001.txt

Tim,

Ahead of our meetings tomorrow, please find attached analysis prepared by Trevor and his team, which I believe provides useful context for the meetings we will have with RECA and AREA tomorrow.

I am available to discuss with you at your convenience.

Colin

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RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices and with the specific method for determining thickness of a common wall.
- Minister Larivee sent a letter to RECA on January 20, 2016 expressing concerns about a November 29, 2015 Edmonton Journal article about misrepresentations of the size of condominiums in real estate listings and urged RECA to take further steps to address the issue.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's

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letter being read to the Council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.

- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. It is unclear to the department why RECA did not originally communicate to industry members that the RMS Guide is a standard. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information. While indications are that RECA undertook a thorough consultation of affected industry groups in the

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		real estate professionals.	development of the RMS, there appears to have been significant push-back from the industry that may not have been sufficiently addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide shows the majority of RECA's previous Council believed the development of RMS squarely falls within RECA's mandate. As the majority of RECA's current Council, particularly those appointed by AREA, supported the motion to remove the RMS Guide from RECA's website while others voted against the motion, it is clear the current Council is divided as to whether RECA believes RMS standards are within RECA's authority.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- RECA has goals in their 2011-2016 strategic plan to advance professionalism in the real estate industry and promote quality standards, including having a code of conduct, conducting practice reviews and promoting responsible and accountable professional behaviour.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA

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will confuse the industry and compromise consistent and competent service to consumers.

- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

Attachment: Real Estate Act Section 76

Reviews

76(1) The Minister may, whenever the Minister considers it necessary, review or appoint a person to review

(a) the conduct of the Council,
(b) any matter relating to the Fund,
(c) any matter relating to the Foundation, or
(d) any matter affecting the industry or its regulation.

(2) The Minister or other person conducting the review under subsection (1)

(a) may require the attendance of any member, officer or employee of the Council or the board of governors of the Foundation or of any other person whose presence is considered necessary during the course of the review, and
(b) has the same powers, privileges and immunities as a commissioner under the Public Inquiries Act.

(3) When required to do so by the Minister or other person conducting a review, a person referred to in subsection (2)(a) shall produce for review all books and records that are in that person's possession or under that person's control that are relevant to the subject-matter of the review.

(4) A person, other than the Minister, who conducts a review shall forthwith on the conclusion of the review report in writing to the Minister.

(5) On conducting a review or receiving a report under subsection (4), the Minister may by order direct that the Council, the Foundation or any member, officer or employee of the Council or of the board of governors of the Foundation take any action that the Minister considers appropriate in the circumstances.

(6) If an order under subsection (5) is not carried out to the satisfaction of the Minister, the Minister may by order do either or both of the following:

(a) appoint a comptroller to oversee the management of the affairs of the Council or the Foundation or the administration of the Fund, as the case may be, and attach terms and conditions to the continued operation of the Council, the Foundation or the Fund, as the case may be;

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(b) dismiss all or any of the members of the Council or the board of governors of the Foundation or the member, officer or employee who failed to carry out the order.

(7) If the Minister dismisses the Council or the board of governors of the Foundation, the Minister may in the same or a subsequent order do either or both of the following:

(a) appoint an official administrator to manage the affairs of the Council or the Foundation, as the case may be, until a new Council or board of governors is appointed;
(b) direct that a new Council or board of governors be appointed under this Act.

(8) An order under subsection (7)(a) may provide for the payment of remuneration and expenses to the official administrator and may provide that the remuneration and expenses are the responsibility of the Council or the Foundation, as the case may be.

(9) An official administrator has all the powers and is subject to all the obligations of the Council or the Foundation, as the case may be, under this Act.

(10) An order or direction under subsection (5), (6) or (7) takes effect on the service of a copy of it on the person to whom it is directed.



-----Original Message-----
From: Colin Lloyd
Sent: February-18-16 8:45 AM
To: Vickie Roth
Subject: FW: AREA-RECA

-----Original Message-----
From: Colin Lloyd
Sent: Thursday, February 18, 2016 6:51 AM
To: Tim Grant
Cc: Linda Chupka; Trevor Bergen; Robert Whittaker
Subject: AREA-RECA



Pages 651 through 656 redacted for the following reasons:
- -
Duplicate to pages 644-649

Tariro Nyemba

From: Brad Mitchell <bmitchell@areahub.ca>
Sent: February-19-16 11:01 AM
To: Robert Whittaker; Grace Findlay
Subject: Accepted: Service Alberta and the Alberta Real Estate Association



From: Colin Lloyd
Sent: February-19-16 11:27 AM
To: Ian Burns
Cc: Brad Mitchell; Robert Whittaker; Vickie Roth; De Leeming
Subject: Re: Meeting with Service Alberta

Sounds good.

Sent from my iPhone

On Feb 19, 2016, at 11:20 AM, Ian Burns <iburns@areahub.ca> wrote:

> We will meet you at our office. We are across the street about a 5 minute walk from the office. Will you be ready at noon? Later is fine, please give 5 min notice to be back at the office. De, please ensure someone is at the front to greet Colin.
>
> Thanks,
>
> Ian
>
> **From:** Colin Lloyd [mailto:Colin.Lloyd@gov.ab.ca]
> **Sent:** February-19-16 11:06 AM
> **To:** Ian Burns <iburns@areahub.ca>
> **Cc:** Brad Mitchell <bmitchell@areahub.ca>; Robert Whittaker <Robert.Whittaker@gov.ab.ca>; Vickie Roth <Vickie.Roth@gov.ab.ca>
> **Subject:** Re: Meeting with Service Alberta

I will join you for lunch. Where shall I meet you?

Sent from my iPhone

On Feb 19, 2016, at 10:24 AM, Ian Burns <iburns@areahub.ca> wrote:

> To confirm, will Colin still join us for a quick lunch or does he have other plans?
>
> Thanks,
>
> Ian
>
> **From:** Brad Mitchell
> **Sent:** February-19-16 10:22 AM
> **To:** Robert Whittaker <Robert.Whittaker@gov.ab.ca>
> **Cc:** Ian Burns <iburns@areahub.ca>; Vickie Roth <Vickie.Roth@gov.ab.ca>; Colin Lloyd <Colin.Lloyd@gov.ab.ca>
> **Subject:** Re: Meeting with Service Alberta
>
> Yes this sounds good.
>
> Sent from my iPhone
>
> On Feb 19, 2016, at 10:10 AM, Robert Whittaker <Robert.Whittaker@gov.ab.ca> wrote:
>
> > Ian and Brad –
> >
> > There has been a slight change of plans. Colin will still be attending today's meeting in person, however Tim Grant was not able to travel down to Calgary. Therefore, I would suggest that we delay the meeting to 1:00 pm to give you and Colin some time to grab a bite, then be back for a conference call or video call with Tim.
> >
> > Hoping this works and makes sense?
> >
> > **Robert Whittaker**
> > Executive Advisor
> > Assistant Deputy Minister, Consumers
> > Service Alberta
> > 29th fl ATB Place South
> > 10020 – 100 Street
> > Edmonton, AB T5J 0N3
> >
> > This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

Tariro Nyemba

From: De Leeming <dleeming@areahub.ca> on behalf of Ian Burns <iburns@areahub.ca>
Sent: February-19-16 11:55 AM
To: Robert Whittaker; Grace Findlay
Subject: Accepted: Service Alberta and the Alberta Real Estate Association

[redacted]

From: Colin Lloyd
Sent: February-19-16 11:59 AM
To: Ian Burns
Cc: Brad Mitchell; Robert Whittaker; Vickie Roth; De Leeming
Subject: Re: Meeting with Service Alberta

Ian,

Sorry - over-running slightly. Is 12:15 too late?

Colin

Sent from my iPhone

On Feb 19, 2016, at 11:20 AM, Ian Burns <iburns@areahub.ca> wrote:

[redacted]

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Pages 662 through 663 redacted for the following reasons:
- -
Duplicate to pages 658-659

Tariro Nyemba

From: Vickie Roth
Sent: February-19-16 12:11 PM
To: Robert Whittaker
Subject: FW: Video Confrence - 1:00 Meeting with DM Tim Grant

---

From: Vickie Roth
Sent: Friday, February 19, 2016 11:59 AM
To: Abioseh Isaac; Jeff Vormittag
Cc: Ian Burns; Terry Cox; Colin Lloyd
Subject: RE: Video Confrence - 1:00 Meeting with DM Tim Grant

Hi,

Thank you Abi and Jeff for trying to get things on the go

Due to differences of technology this will now be a teleconference;

The teleconference information is;

- Dial in 1-866-792-1317
- Conference ID s.20(1)(m), s.25(1)

I will have this up and on the go for 1.00 p.m.

Again, many thanks,

Victoria (Vickie) Roth
Executive Support
Deputy Minister's Office
Service Alberta
29th floor, Telus Plaza South
10020 100th Street
Edmonton, Alberta, Canada
T5J 0N3
(p)780-427-1990

From: Abioseh Isaac
Sent: Friday, February 19, 2016 11:31 AM
To: Jeff Vormittag

Cc: Vickie Roth; Ian Burns; Terry Cox
Subject: RE: Video Confrence - 1:00 Meeting with DM Tim Grant

Hi Jeff,

I was on another call when your call came through however I will call you at 11:45pm.

Regards Abioseh.

From: Jeff Vormittag [mailto:jvormittag@areahub.ca]
Sent: Friday, February 19, 2016 11:17 AM
To: Abioseh Isaac
Cc: Vickie Roth; Ian Burns
Subject: RE: Video Confrence - 1:00 Meeting with DM Tim Grant

Hi Abi,
I just left you a v/m but I will be back at my desk at 11:45 if you're available at that time.

Thanks,
Jeff

Jeff Vormittag
Director – Member Programs & Technology

Alberta Real Estate Association
300, 4954 Richard Road SW
Calgary, Alberta, T3E 6L1
Phone: 403.209.3619
Mobile: 403.305.3110
Email: jvormittag@areahub.ca

WEBSITE | MAP

From: Vickie Roth [mailto:Vickie.Roth@gov.ab.ca]
Sent: February-19-16 11:05 AM
To: Ian Burns <iburns@areahub.ca>
Cc: Abioseh Isaac <abioseh.isaac@gov.ab.ca>; Jeff Vormittag <jvormittag@areahub.ca>
Subject: RE: Video Confrence - 1:00 Meeting with DM Tim Grant

Thank you Abi is awaiting the call.

Vickie

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: Friday, February 19, 2016 11:03 AM
To: Vickie Roth
Cc: Abioseh Isaac; Jeff Vormittag
Subject: RE: Video Confrence - 1:00 Meeting with DM Tim Grant

I am not sure we will be able to connect. I have copied Jeff Vormittag on my team. He can speak to our abilities.

Ian

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From: Vickie Roth [mailto:Vickie.Roth@gov.ab.ca]
Sent: February-19-16 11:01 AM
To: Ian Burns <iburns@areahub.ca>
Cc: Abioseh Isaac <abioseh.isaac@gov.ab.ca>
Subject: Video Confrence - 1:00 Meeting with DM Tim Grant

Hi Ian,

We have our Video Conference Guru here (Abioseh) and he is trying to get in touch with you to see if we have the ability to connect via video. Would you mind giving him a call at 780-427-1554 or have someone call to discuss prior to today's 1:00 meeting.

Thank you so much,

Victoria (Vickie) Roth
Executive Support
Deputy Minister's Office
Service Alberta
29th floor, Telus Plaza South
10020 100th Street
Edmonton, Alberta, Canada
T5J 0N3
(p)780-427-1990

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Val Taylor

From: Trevor Bergen
Sent: Wednesday, February 24, 2016 7:03 PM
To: Rob Phillips
Subject: RE: UPDATE E-MAIL

No problem. Hope the trip was good. See you tomorrow,
Trevor

From: Rob Phillips
Sent: Wednesday, February 24, 2016 6:42 PM
To: Trevor Bergen
Subject: Re: UPDATE E-MAIL

Perfect, thanks.

Rob
Consumer Services
(780) 422-8177 Phone
[redacted] Cell
Sent from my BlackBerry

From: Trevor Bergen
Sent: Wednesday, February 24, 2016 04:51 PM
To: Rob Phillips
Subject: UPDATE E-MAIL

Hi Rob,

In response to your note below, I've provided updates in blue below and added new items in blue as needed. We can talk more once you are settled at our 10:45 meeting. I hope this helps bring you up to speed. Thanks!
Trevor

Residential Measurement Standards:

- Comparative analysis went forward to the DM on Thursday February 18. Colin and DM met with AREA and RECA separately on Friday February 19 (DM by teleconference and Colin in person).
- AR 29372 sent forward on Wednesday February 23 requesting the Minister send a letter to RECA reinforcing need for single set of RMS and reinforcing RECA's jurisdiction over RMS standards
- Kelly and I met with RECA to provide input to their strategy plan on Monday February 22. At the meeting we learned topic discussed at their meeting with the DM and Colin were about condo manager licensing project, need for Minister to send a letter on RMS standards, governance issues, and meeting the Minister. AR 29372 addresses both RMS and the meeting issue.

[redacted] Non-Responsive

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Page 668 redacted for the following reason:
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Non-Responsive

Non-Responsive

From: Rob Phillips
Sent: Thursday, February 11, 2016 11:40 AM
To: Trevor Bergen
Subject: Acting Overview: Feb 12 - 23

Trevor,

A few notes that may assist.

If I can assist with anything I can be reached through my home email: s.17(1) or through my new IPhone at s.17(1)

Non-Responsive

Residential Measurement Standards

Task requested by Colin to undertake a comparative analysis of RECA and AREA's scope of responsibilities in measurement standards and actions taken by the two organizations. Provide options for the DM. Due by Friday Feb. 12. Kelly has the lead.

Non-Responsive

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Page 670 redacted for the following reason:
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Non-Responsive

Tariro Nyemba

From: Linda Monilaws
Sent: March-07-16 12:45 PM
To: Robert Whittaker; Vickie Roth
Cc: Verna Basdeo
Subject: RE: Exec Directors - AREA and RECA

Sounds good. I will see if I can reschedule Tim's meeting with [redacted] that day and get back to everyone. Robert can you give me any further details of what this meeting discussion involves and are we preparing an agenda for this?

Thanks.

Linda

From: Robert Whittaker
Sent: Monday, March 07, 2016 12:14 PM
To: Vickie Roth; Linda Monilaws
Cc: Verna Basdeo
Subject: RE: Exec Directors - AREA and RECA

Let's try to find something the afternoon of March 22. The AGM is in Calgary the next day.

As discussed, McDougall would be ideal. At least an hour and half (possibly 2 hours) would be best.

Real Estate Council of Alberta (RECA):
Bob Myroniuk bmyroniuk@reca.ca (403) 685-7926
Kirk Bacon kbacon@reca.ca

Alberta Real Estate Association (AREA)
Ian Burns iburns@areahub.ca 403.209.3600
Bard Mitchell bmitchell@areahub.ca

Linda, by way of this email, I will also introduce you to our new exec support, Verna Basdeo. She may know her as she joins our office from Ed Ryan's old ADMO.

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

From: Vickie Roth
Sent: Monday, March 07, 2016 10:35 AM
To: Linda Monilaws
Cc: Robert Whittaker
Subject: RE: Exec Directors - AREA and RECA

Hi,

No, I haven't gotten a response from Robert yet.

V.

From: Linda Monilaws
Sent: Monday, March 07, 2016 10:33 AM
To: Vickie Roth
Subject: RE: Exec Directors - AREA and RECA

Vickie,

Has this been scheduled yet?

Linda

From: Vickie Roth
Sent: Tuesday, March 01, 2016 10:11 AM
To: Robert Whittaker; Linda Monilaws
Subject: Exec Directors - AREA and RECA

Hey Robert,

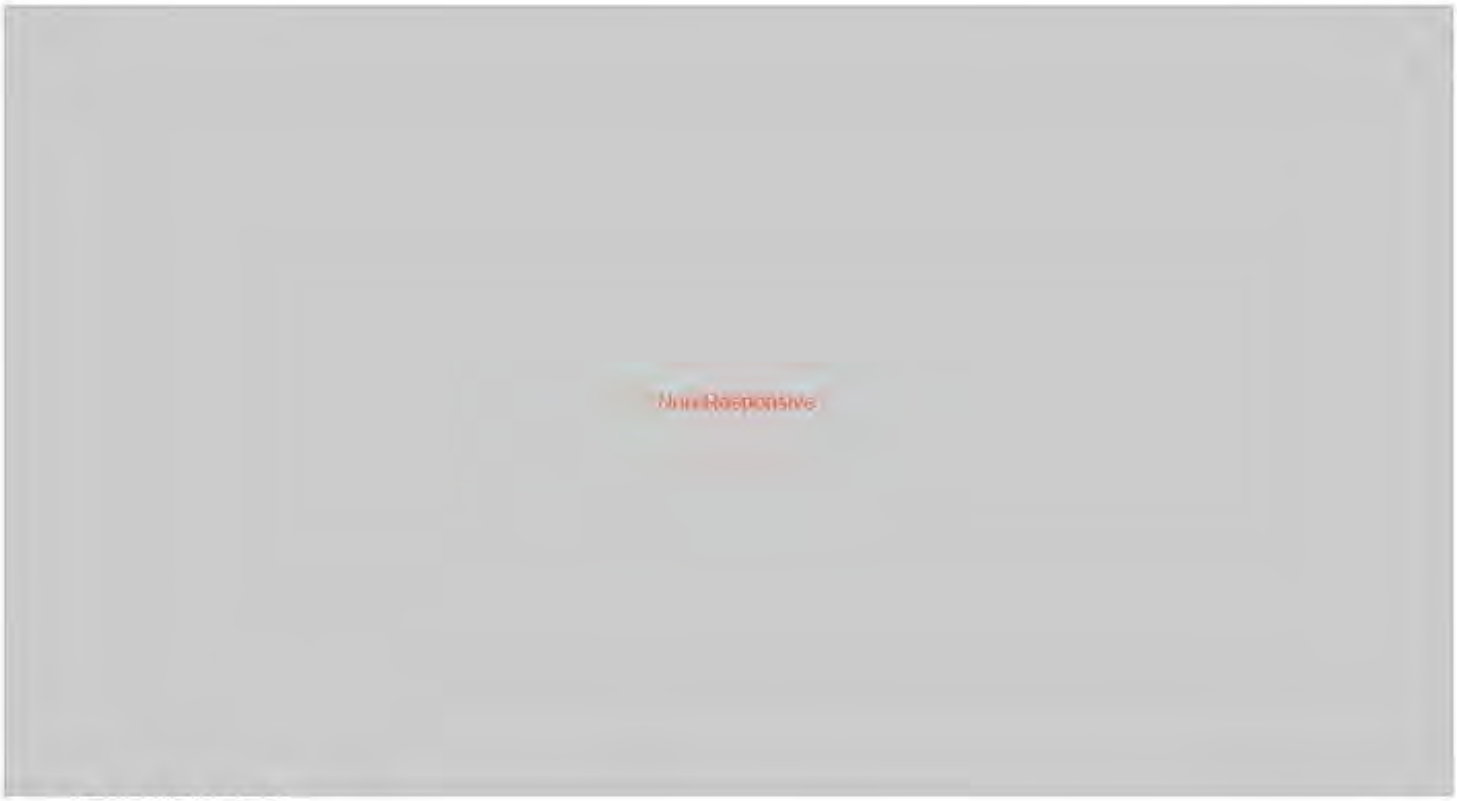
Colin asked if we could work together to arrange a meeting with the Executive Directors of AREA and RECA to be held in Calgary at the same time in about 3 weeks.

Tim has quite a bit of availability the week of the 21st, can you pass along the information of the above and I can get started on this?

Thanks,
V.

Victoria (Vickie) Roth
Executive Support
Deputy Minister's Office
Service Alberta
29th floor, Telus Plaza South
10020 100th Street
Edmonton, Alberta, Canada
T5J 0N3
(p)780-427-1990

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From: Colin Lloyd
Sent: March-08-16 7:55 PM
To: Tim Grant
Subject: Re: Exec Directors - AREA and RECA Meeting

Sounds good.

Sent from my iPhone

On Mar 8, 2016, at 7:53 PM, Tim Grant <tim.grant@gov.ab.ca> wrote:

> Let's chat about this timing.
>
> Tim
>
> Sent from my iPad
>
> Begin forwarded message:
>
> > **From:** Linda Monilaws <linda.monilaws@gov.ab.ca>
> > **Date:** March 8, 2016 at 2:10:05 PM MST
> > **To:** Tim Grant <tim.grant@gov.ab.ca>
> > **Subject: Exec Directors - AREA and RECA Meeting**
> >
> > Tim,
> >
> > I wanted to run this by you first to see if you are okay with. March 23 you have the AGM in Calgary and I could try and arrange the RECA/AREA meeting the afternoon of

March 22 in Calgary and book you a room that evening to attend the AGM the next morning. I have not contacted the other parties as yet until I ran this by you.

Does this sound good for you or would you rather do another day trip to Calgary?

Thanks.

Linda

From: Robert Whittaker
Sent: Monday, March 07, 2016 12:14 PM
To: Vickie Roth; Linda Monilaws
Cc: Verna Basdeo
Subject: RE: Exec Directors - AREA and RECA



Page 675 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 671-672

Tariro Nyemba

From: Linda Monilaws
Sent: March-09-16 1:15 PM
To: Robert Whittaker; Vickie Roth
Cc: Verna Basdeo
Subject: RE: Exec Directors - AREA and RECA

Robert,

I have not scheduled this to date as I discussed with Tim and he wanted to speak with Colin first. I believe they have a 1:1 shortly so maybe mention to Colin to discuss at his meeting on whether Tim wants to pursue this still.

Thanks.

Linda

From: Robert Whittaker
Sent: Monday, March 07, 2016 12:14 PM
To: Vickie Roth; Linda Monilaws
Cc: Verna Basdeo
Subject: RE: Exec Directors - AREA and RECA



Pages 677 through 678 redacted for the following reasons:
- -
Duplicate to pages 671-672



From: Colin Lloyd
Sent: March-10-16 10:19 AM
To: Linda Monilaws
Cc: Robert Whittaker
Subject: Re: Proposed meeting with RECA and AREA on March 22

Sounds good.

Sent from my iPhone

On Mar 10, 2016, at 8:13 AM, Linda Monilaws <linda.monilaws@gov.ab.ca> wrote:

> Good morning,
>
> Colin, I received a call from Ian Burns yesterday after sending my emails to schedule this meeting. Ian cannot make March 22 as he is on a plane to Hawaii and will not be available until after April 8th. I just spoke with Tim to consider March 21, however, Tim indicated to leave this until after Ian's return.
>
> I will be looking at dates that will work with Ian as he has some speaking engagements in April and I will try and nail down a date that could work and send an update to RECA.
>
> Linda

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573

Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

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Val Taylor

From: Kelly Refah
Sent: Tuesday, March 15, 2016 2:43 PM
To: Lee Chantal
Subject: FW: ADM one on one meeting

FYI

From: Kelly Refah
Sent: Tuesday, March 15, 2016 11:50 AM
To: Rob Phillips
Cc: Trevor Bergen
Subject: RE: ADM one on one meeting

Hi Rob, I have three items for consideration.

1. Status of Residential Measurement Standards for real estate professionals
   - During our RECA Strategic Planning meeting with Bob and Kirk (you were away on s. 17(1)), Bob provided a brief update on his Feb 19 meeting with Colin. He indicated RECA is in the process of updating the RMS Guide and expects to forward recommendations for revisions to Council by June, however, AREA (and AREA appointees on Council) maintain the view that any new or revised standards adopted by RECA would be optional and used by realtors on a voluntary basis. In other words, realtors would be free to apply RECA or other standards when measuring a home on behalf of a consumer.
   - Bob stressed the importance of a follow-up letter from the Minister to RECA Chair, Krista Bolton, reinforcing the Minister's position that RECA is the appropriate body to develop and enforce industry-wide measurement standards.
   - CBC published a story on this subject yesterday, and I caught a segment on the same on CBC National's 'Go Public' last night. The segment discussed inconsistencies in measurement standards but also concerns with RECA's soft approach to enforcement. http://www.cbc.ca/news/canada/calgary/realtor-misrepresents-square-footage-1.3487389
   - The issues will only escalate unless RECA's council and AREA mutually accept that residential measurement standards fall within RECA's mandate.
   - Provided Colin is on board with a follow-up letter from the Minister, we can draft the letter and send up for approval.

[redacted] Non-Responsive

Kelly

From: Rob Phillips
Sent: Friday, March 11, 2016 10:16 AM
To: Paul Santos; Kate Diakow; Paul Santos; Shelley Johnson; Kelly Refah
Subject: ADM one on one meeting

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Good morning,

My next one on one meeting with Colin is the morning of Tuesday March 29.

Can you please let me know by Wed. March 23 whether you have anything you wanted added to the agenda or whether you want some time on the agenda. March 23 may look early however the Easter weekend is just before my one on one.

Thanks

Rob

Val Taylor

From: Rob Phillips
Sent: Wednesday, March 16, 2016 9:32 PM
To: Trevor Bergen
Subject: Re: Fwd: Briefings for Minister

Want to talk about the approach for the RECA - AREA briefing as there are several contentious issues.

Rob
Consumer Services
(780) 422-8177 Phone
(780) 975-6040 Cell
Sent from my BlackBerry

From: Trevor Bergen
Sent: Wednesday, March 16, 2016 09:17 PM
To: Rob Phillips
Subject: RE: Fwd: Briefings for Minister

Sounds good Rob. These won't be hard to get together given we've prepared relatively recent versions for each

Non-Responsive

From: Rob Phillips
Sent: Wednesday, March 16, 2016 9:14 PM
To: Trevor Bergen
Subject: Fw: Fwd: Briefings for Minister

Need to chat in the morning and engage kelly and Lee as well.

Rob
Consumer Services
(780) 422-8177 Phone
s.17(1) Cell
Sent from my BlackBerry

From: Rob Phillips
Sent: Wednesday, March 16, 2016 09:11 PM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: Re: Fwd: Briefings for Minister

Will do. I believe we have briefings on all three. Will have to update them and review the messaging in light of any recent messages.

Full briefings are in ARTS for the RECA - AREA relationship and the measurement issue. As I recall it was a single briefing.

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Do you have any updates? We have not sat in on any recent meetings with RECA or AREA.

Rob
Consumer Services
(780) 422-8177 Phone
[redacted] Cell
Sent from my BlackBerry

From: Colin Lloyd
Sent: Wednesday, March 16, 2016 08:25 PM
To: Rob Phillips
Cc: Robert Whittaker; DI Nugent
Subject: Fwd: Briefings for Minister

Rob,

Heads up for our items.

Thanks.

Colin

Sent from my iPhone

Begin forwarded message:

> **From:** DI Nugent <DI.Nugent@gov.ab.ca>
> **Date:** March 16, 2016 at 8:07:00 PM MDT
> **To:** Colin Lloyd <Colin.Lloyd@gov.ab.ca>, Robert Whittaker <Robert.Whittaker@gov.ab.ca>
> **Subject: Fwd: Briefings for Minister**
>
> Just a FYI
>
> Sent from my iPhone
>
> Begin forwarded message:
>
> > **From:** Amy Nugent <Amy.Nugent@gov.ab.ca>
> > **Date:** March 16, 2016 at 7:08:57 PM MDT
> > **To:** Rosalind Hanks <Rosalind.Hanks@gov.ab.ca>
> > **Cc:** DI Nugent <DI.Nugent@gov.ab.ca>, Leezann Freed-Lobchuk <Leezann.Freed-Lobchuk@gov.ab.ca>
> > **Subject: Briefings for Minister**
> >
> > Hi Rosalind,
> >
> > Would you be able to action the following briefings for the Minister? For all of these, could we start with an note for minister and then gauge whether we need to build into a formal MDM or briefing? What's reasonable timing from Dept? Wednesday next week?

Copying Di as early heads up.

- Real Estate Act – IN AREA/RECA, current status, background
- Property Measurements – BN with recommended next steps based on Minister Larrivee's January letter

Non-Responsive

Thanks and happy to chat,
Amy

Amy Nugent | Chief of Staff | Minister of Status of Women and Service Alberta | Alberta Legislative Building | Ph. s.17(1)

Val Taylor

From: Rob Phillips
Sent: Thursday, March 17, 2016 8:47 AM
To: Kelly Refah; Lee Chantal; Trevor Bergen
Subject: FW: AREA/RECA/Condo Briefings
Attachments: RECA-AREA Summary Analysis (Feb17) - clean.docx; Non-Responsive KM_Square footage-RECA_20160314-V2.docx; Condo Property Act regs_Session note_Jan2016_draft (revised).docx

and now the condo briefing from Spring session.

Rob

From: Rob Phillips
Sent: Thursday, March 17, 2016 8:31 AM
To: Lee Chantal; Kelly Refah; Trevor Bergen
Subject: AREA/RECA/Condo Briefings

Briefing that may assist the discussion this morning. I think these are the most recent versions, other than condo.

I will bring copies to the meeting.

Rob

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RECA and AREA Summary Analysis

Issue

- The Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) are in a conflict regarding the scope of RECA's regulatory authority.
- This has led to RECA's council, primarily through members appointed by AREA, voting in favour of removing a *Guide for Residential Property Measurement* from RECA's website and AREA announcing the development of their own such guide shortly thereafter.

Background

- In accordance with the *Real Estate Act* (REA), RECA's mandate is to set and enforce standards of conduct for the real estate industry to promote the integrity of the industry and protect consumers.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTORS as well as 10 regional real estate boards across the province. AREA's core function is to provide professional development for REALTORS and member-centric advocacy on real estate matters to the provincial government and other industry groups. As well, AREA operates the MLS system (realtor.ca).
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property. Due to an increase in complaints in this area, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to residential property measurement standards.
- Residential Measurement Standards (RMS) provided in RECA's Practice of Residential Real Estate course explain how to measure residential property in Alberta so realtors can provide competent service.
- The RMS are used to determine the square footage or total living area of a home. AREA members are required to include the size of the home in real estate listings advertised on the MLS system.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced RMS, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA reports the e-mails and calls received after the RMS Guide was released were about 75% positive, with specific congratulations for the clarity and consistency brought by the standards. The main concerns raised in the remaining contacts were potential inconsistency with existing real estate appraisal measurement practices and with the specific method for determining thickness of a common wall.
- Minister Larivee sent a letter to RECA on January 20, 2016 expressing concerns about a November 29, 2015 Edmonton Journal article about misrepresentations of the size of condominiums in real estate listings and urged RECA to take further steps to address the issue.
- On January 20, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's

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letter being read to the Council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other Council members opposed.

- Before RECA could communicate the motion to industry members, AREA issued an Advisory indicating it would develop its own RMS following industry consultation and the new standards would be implemented by Fall 2016.

Position Comparison

Issue	RECA's Position	AREA's Position	Consumer Programs Observations
Setting and Enforcing Standards for the Real Estate Industry	RECA is responsible to set and enforce standards of conduct for the real estate industry. Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act in their client's best interest.	RECA does not have the authority to set standards for real estate professionals, and is engaging in regulatory creep.	Section 5 of the REA empowers RECA to set standards for the industry and to protect consumers affected by the industry. It is unclear to the department why RECA did not originally communicate to industry members that the RMS Guide is a standard. As the regulator that enforces disciplinary actions against licensees, it is appropriate RECA have the authority to set these standards, particularly based on complaints which have arisen in this area.
Inclusion of Standards for Residential Measurements in Licensing Exams	RECA administers licensing exams for real estate professionals, including a unit on RMS. As these an integral component of the competencies a learner obtains to pass the licensing exam, they represent an "industry standard".	RECA incorporated the RMS into new residential licensing education without communicating with current industry members. This indicates RECA is now setting a standard without communicating it to existing	Based on the REA, it is appropriate for RECA to inform current industry members of standards that are being taught to new licensees, and the RMS guide was one method of providing this information. While indications are that RECA undertook a thorough consultation of affected industry groups in the

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		real estate professionals.	development of the RMS, there appears to have been significant push-back from the industry that may not have been sufficiently addressed in the consultation process.
Setting and Enforcing Standards related to Residential Measurements	The introduction of the RMS guide shows the majority of RECA's previous Council believed the development of RMS squarely falls within RECA's mandate. As the majority of RECA's current Council, particularly those appointed by AREA, supported the motion to remove the RMS Guide from RECA's website while others voted against the motion, it is clear the current Council is divided as to whether RECA believes RMS standards are within RECA's authority.	AREA believes it is better suited to develop RMS and that development of such standards by RECA would be an overreach of RECA's authority.	As the regulator responsible for setting and enforcing standards under the REA, RECA is best suited to developing these standards, particularly so the standards align with the information being taught to new licensees. The current membership of the RECA Council and the apparent viewpoints of the AREA members do not appear to be conducive to having RECA reintroduce the standards, however.

Implications

- A balanced and well-functioning real estate industry depends on a regulatory body that conducts business in accordance with principles of good governance such as accountability, transparency and responsiveness to the needs of consumers and industry.
- Council's decision to strike down RECA's RMS Guide, a decision strongly supported by AREA appointees to the Council, calls into question RECA's mandate and scope of authority. This could create the perception that AREA is using its members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest. This vote may also set a precedent for future regulatory matters where the interests of Council members do not align.
- The perception of AREA working to reduce RECA's mandate is further suggested by AREA's announcement of the development of their own RMS before RECA had the opportunity to advise industry members of the removal of the RMS Guide from their website, demonstrating that the two groups have reached an impasse.
- RECA has goals in their 2011-2016 strategic plan to advance professionalism in the real estate industry and promote quality standards, including having a code of conduct, conducting practice reviews and promoting responsible and accountable professional behaviour.
- Misalignment of any new standards which are to be developed by AREA and those already being taught to license applicants by RECA

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will confuse the industry and compromise consistent and competent service to consumers.

- Proper enforcement of RMS requires AREA and RECA to work collaboratively with each other. RECA is responsible for establishing the RMS and taking appropriate action against licensees where complaints are filed, and AREA for ensuring that data fields populated on the MLS system contain accurate information.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the real estate industry and public confidence.

Recommendations

- The Deputy Minister should meet with RECA and AREA representatives and, after hearing their concerns, set clear expectations for how the RMS issues should be handled.
  - Service Alberta representatives should provide clear support for RECA's mandated ability to set standards for real estate professionals.
  - In recognition of AREA's concerns, RECA's Council should temporarily reinstate the RMS Guide until further stakeholder consultations can be completed to update and improve the Guide. Consultations should involve organizations identified by AREA in its January 25, 2016 Advisory.
- If RECA's Council does not proceed in this manner, it is recommended the Minister use powers under section 76(5) of the REA to direct Council to take actions as outlined above.

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Attachment: Real Estate Act Section 76

Reviews

76(1) The Minister may, whenever the Minister considers it necessary, review or appoint a person to review

(a) the conduct of the Council,
(b) any matter relating to the Fund,
(c) any matter relating to the Foundation, or
(d) any matter affecting the industry or its regulation.

(2) The Minister or other person conducting the review under subsection (1)

(a) may require the attendance of any member, officer or employee of the Council or the board of governors of the Foundation or of any other person whose presence is considered necessary during the course of the review, and
(b) has the same powers, privileges and immunities as a commissioner under the Public Inquiries Act.

(3) When required to do so by the Minister or other person conducting a review, a person referred to in subsection (2)(a) shall produce for review all books and records that are in that person's possession or under that person's control that are relevant to the subject-matter of the review.

(4) A person, other than the Minister, who conducts a review shall forthwith on the conclusion of the review report in writing to the Minister.

(5) On conducting a review or receiving a report under subsection (4), the Minister may by order direct that the Council, the Foundation or any member, officer or employee of the Council or of the board of governors of the Foundation take any action that the Minister considers appropriate in the circumstances.

(6) If an order under subsection (5) is not carried out to the satisfaction of the Minister, the Minister may by order do either or both of the following:

(a) appoint a comptroller to oversee the management of the affairs of the Council or the Foundation or the administration of the Fund, as the case may be, and attach terms and conditions to the continued operation of the Council, the Foundation or the Fund, as the case may be;

(b) dismiss all or any of the members of the Council or the board of governors of the Foundation or the member, officer or employee who failed to carry out the order.

(7) If the Minister dismisses the Council or the board of governors of the Foundation, the Minister may in the same or a subsequent order do either or both of the following:

(a) appoint an official administrator to manage the affairs of the Council or the Foundation, as the case may be, until a new Council or board of governors is appointed;
(b) direct that a new Council or board of governors be appointed under this Act.

(8) An order under subsection (7)(a) may provide for the payment of remuneration and expenses to the official administrator and may provide that the remuneration and expenses are the responsibility of the Council or the Foundation, as the case may be.

(9) An official administrator has all the powers and is subject to all the obligations of the Council or the Foundation, as the case may be, under this Act.

(10) An order or direction under subsection (5), (6) or (7) takes effect on the service of a copy of it on the person to whom it is directed.

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Pages 693 through 696 redacted for the following reasons:
- -
Non-Responsive

Square footage measurement of homes – CBC story

Advice to the Minister

Background information:

- CBC's Go Public has aired a story about a Calgary woman who claims she lost thousands of dollars after a local realtor misrepresented the square footage on the home she purchased in 2007. A link to the story can be found here.
- The consumer believed she was purchasing a house approximately 2,500 square feet in size. When she sold it five years later, she learned it was actually about 2,000 square feet. She sold the home in 2014 at a loss.
- The Real Estate Council of Alberta (RECA) is one of Service Alberta's delegated regulatory organizations. RECA is tasked with administering the *Real Estate Act* and protecting homebuyers.
- RECA investigated this situation and determined there was no evidence that the seller's realtor intentionally misrepresented the size of the property.
- RECA issued a reprimand to the consumer's realtor, who was representing her as a buyer, for contravening the *Real Estate Act* Rules by not verifying the property measurements.
- Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property.
- Pre-licensing education courses for realtors include information on measuring residential property. However, as complaints in this area increased over time, RECA revamped its pre-licensing education course material in early 2015 to clarify residential property measurement standards.
- In 2014, RECA consulted with realtors through the Alberta Real Estate Association (AREA), the Edmonton and Calgary real estate boards, appraisers and RECA's Real Estate Appraiser Advisory Committee.
- In the fall of 2015, RECA released *A Guide to Residential Property Measurement* to ensure all realtors have access to RECA's enhanced standards for measuring residential property, regardless of when they completed their pre-licensing education.
- On January 20, 2016, Minister Larivee sent a letter to RECA chair Krista Bolton acknowledging the guide and requesting RECA consider additional steps to curb misrepresentation of measurements.
- On that same date, RECA's 12-member Council voted to eliminate the Guide and instructed RECA to remove the Guide from its website.

March 14, 2016

Square footage measurement of homes – CBC story

Advice to the Minister

- The motion passed despite Minister Larivee's letter being read to the Council prior to the vote.
- The Alberta Real Estate Association has issued an advisory indicating it will develop its own measurement standards following industry consultation, and the new standards would be implemented by fall 2016.
- The homeowner has the opportunity to pursue remedies in court against the original homeowner (seller) or the listing or selling realtors. On receiving a successful court judgment, the homeowner has the ability to file a claim against RECA's Assurance Fund for fraud or breach of trust by one or both realtors, and may also file a claim with the Real Estate Insurance Exchange (REIX).

Current status:

- RECA is seeking confirmation from the Minister as to whether RECA is the appropriate body to establish rules for RMS and is requesting that the Minister communicate her expectations to RECA and AREA, with clear timelines for implementation of a new Guide.

Next steps:

- Service Alberta will send a clear message to industry reinforcing RECA's jurisdiction over the development and enforcement of standards for measuring the size of homes.

Key Messages:

- Protecting homebuyers in this way falls within RECA's regulatory mandate, in accordance with the *Real Estate Act*. Therefore, RECA is the appropriate body to develop and enforce home measurement standards.
- I will recommend to RECA that they take strong and swift action and that they consult with a variety of stakeholders during the development of these standards.
- Service Alberta will work with RECA and AREA to determine the best ways to protect consumers from such situations.
- Buying a home is one of the biggest purchases a consumer will ever make. Homebuyers deserve to know they will get what they pay for. This government will ensure that standards are put in place to protect consumers.

March 14, 2016

Condominium Property Act – Development of new regulations

Advice to the Minister

Background information

- Service Alberta is currently developing the first setphase~~of four sets or phases~~ of regulations to ~~support~~ implement amendments contained in the *Condominium Property Amendment Act*, which received Royal Assent in December 2014.
- Due to the nature and complexity of many of the amendments, it was most practical to divide the regulatory work into ~~groups~~ phases based on common themes.
- The first phase focuses on ~~new~~ measures to protect buyers of new condominiums. The changes~~y~~ will benefit consumers through ~~from~~ enhanced purchase disclosure at the point of sale, including the date of occupancy, realistic operating budget and accurate estimates of condo fees.
- Other enhancements include trust money safeguards and cancellation rights for certain long-term contracts entered into by the developer.
- New and existing condominium owners will also benefit from improved rules that ensure a smooth transition from the developer to the owner-elected board of directors.
- The first phase also contains stiffer penalties for offences under the Act and its regulations.
- In October 2015, an online survey consulted Albertans on the first phase of draft regulations.

Current status:

- Service Alberta is currently working to incorporate the survey feedback into the draft regulations.

Next steps

- Presentation of the final draft of the regulation to Cabinet for approval is targeted for Spring 2016.
- Once the phase one regulations are approved, as part of implementation Service Alberta will disseminate information material to educate condominium owners and industry about their new rights and obligations.
- Following the completion of the first phase of regulations, work will begin on subsequent phases:
    - **Phase 2** includes~~:~~ pProperty repair and maintenance obligations, corporation governance, insurance and reserve funds.

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January 2016

Condominium Property Act – Development of new regulations

Advice to the Minister

- **Phase 3**~~: P~~ will proclaim~~ation of~~ amendments to the Real Estate Act to, ~~designating~~ designate the Real Estate Council of Alberta (RECA) as regulator of the condominium management sector, as well as amendments to real estate regulations to support RECA's new regulatory framework (see below for more information).
- **Phase 4** will ~~:C~~create~~ion of~~ a condominium dispute tribunal.

Key facts and figures

- Alberta has more than 8,000 active condominium corporations.
- About one in five homes sold (one in three in Edmonton/Calgary) are condos.
- About 300 Albertans participated in the fall 2015 survey review of the first phase of draft regulations. About 75 per cent were condo owners.
- An average of 70 per cent of respondents approved the first phase of draft regulations.

Key Messages

- Owners and buyers of condominiums deserve greater protection and we definitely want to get this legislation right~~ this time around~~.
- We're committed to ensuring that the many voices who participated in the consultation process are honoured and their input is reflected in the Act and its regulations.
- The process doesn't end when the regulations come into effect. As we work on future phases of the regulations, we will continue to seek feedback from Albertans.

January 2016

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Comment [k1]: What is being compared here? Suggest this be removed

May Chaney

Subject:	AREA/RECA/Condo Briefings
Location:	3C
Start:	Thu 3/17/2016 9:30 AM
End:	Thu 3/17/2016 10:00 AM
Recurrence:	(none)
Meeting Status:	Accepted
Organizer:	Trevor Bergen
Required Attendees:	Rob Phillips; Kelly Refah; Lee Chantal

Val Taylor

From: Lee Chantal
Sent: Thursday, March 17, 2016 10:42 AM
To: Kelly Refah
Subject: RE: Condo/Real Estate Briefings for Minister

Got it, that helps.

From: Kelly Refah
Sent: Thursday, March 17, 2016 10:40 AM
To: Lee Chantal; Brendan Guhl
Subject: FW: Condo/Real Estate Briefings for Minister

See instructions from Amy Nugent below.

From: Trevor Bergen
Sent: Thursday, March 17, 2016 10:37 AM
To: Kelly Refah
Subject: Fwd: Briefings for Minister

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA
Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Sent from mobile

Begin forwarded message:

> **From:** Rob Phillips <rob.phillips@gov.ab.ca>
> **Date:** March 16, 2016 at 9:31:46 PM MDT
> **To:** Trevor Bergen <Trevor.Bergen@gov.ab.ca>
> **Subject: Re: Fwd: Briefings for Minister**

Duplicate to page 693885

Pages 703 through 705 redacted for the following reasons:
- -
Duplicate to pages 683-685

Darlene Decker

From: Kelly Refah
Sent: Thursday, March 17, 2016 11:15 AM
To: Lee Chantal
Cc: Trevor Bergen
Subject: Self-governing regulated profession -article

Lee, see academic article on self-governing professions. It contains some well-articulated points on the role and duties of self-regulating bodies, which I think we can use for the RECA/AREA briefing and the Minister's follow up letter to RECA. Below are a few poignant messages...you may find others.

Two key points are clear: (1) self-regulation is granted in order to serve the public interest, and (2) self-regulation is a privilege.

- In our society, certain professions and occupations perform work activity of such a nature that if it is carried on in a negligent or fraudulent way, it can be dangerous to the public or contrary to the public interest.
- As a result, it has been the accepted practice to regulate the activities of groups such as doctors and nurses, engineers and lawyers, real estate and insurance brokers... Self-regulation is a privilege delegated to a professional or occupational group by the Legislature only when it is clear that the public can best be served by regulating the profession or occupation.
- Professions are regulated to ensure the public is protected. Self-regulation is based on an overarching duty to protecting the public.... Standards are essential for the regulatory bodies to ensure they meet their obligation to protect the public.
- Protection of the public interest is ensured by permitting only the qualified and the competent to practise and by stipulating that these members conform to appropriate standards of professional conduct. The public needs to feel confident that a profession's practitioners are capable and honest and that they have the ability to express complaints should they experience problems in their interaction with these practitioners. Finally, the public must be able to perceive that a profession is governing its members, including qualifying and disciplining, in a competent and reasoned manner.
- The self-governing profession is responsible for setting the standards of competence and conduct that govern its members and are considered necessary to protect the public interest.
- It is important to recognise that the public interest is also served by the protection and promotion of the self-governing profession. However, where these interests compete, professional self-interest must yield to public interest.

http://www.collegeofparamedics.sk.ca/docs/about-us/IPTI-article-on-regulated-professions.pdf

Kelly

Val Taylor

From: Kelly Refah
Sent: Thursday, March 17, 2016 12:05 PM
To: Lee Chantal
Subject: FW: RECA education and AREA

I will send you a series of emails on the education dispute between RECA and AREA.

K

From: Mark Seville
Sent: Monday, May 04, 2015 1:47 PM
To: Kelly Refah; Jodi Morris
Subject: Re: RECA education and AREA

This was news to me too. Apparently the transition to RECA has been gradual.

From: Kelly Refah
Sent: Monday, May 04, 2015 01:29 PM
To: Mark Seville; Jodi Morris
Subject: RE: RECA education and AREA

Thanks Mark. I wasn't aware that AREA administers licensing courses for realtors. I thought RECA took responsibility over real estate education and licensing in 2010?

Kelly

From: Mark Seville
Sent: Monday, May 04, 2015 11:36 AM
To: Jodi Morris; Kelly Refah
Subject: FW: RECA education and AREA

This illustrates the somewhat difficult relationship RECA has with AREA. From what we gather, the course to be in place June 1 is what the AREA CEO and Director of government liaison want to discuss with Colin this afternoon.

Duplicate to page 2

Page 708 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 21

Val Taylor

From: Kelly Refah
Sent: Thursday, March 17, 2016 12:06 PM
To: Lee Chantal
Subject: FW: 28361 BN - AREA Meeting Request
Attachments: Minister Briefing - AREA Meeting Request July 2015.doc

FYI

From: Grace Kang
Sent: Monday, July 27, 2015 10:40 AM
To: Kelly Refah
Cc: Mark Seville
Subject: RE: 28361 BN - AREA Meeting Request

Attached is the document I believe you're referring to. It is located in the folder

s.29(1)(b), s.29(1)

Thanks,

Alberta
Grace Kang
Project and Legislation Assistant | Market and Industry Standards
Service Alberta, Consumer Services
Government of Alberta
Tel: (780) 644-2919

From: Kelly Refah
Sent: Monday, July 27, 2015 10:37 AM
To: Grace Kang
Cc: Mark Seville
Subject: FW: 28361 BN

Hi Grace,

Did you save a copy of the original briefing in the shared drive?

Kelly

From: Mark Seville
Sent: Monday, July 27, 2015 10:04 AM
To: Rob Phillips
Cc: Kelly Refah
Subject: RE: 28361 BN

Thanks for keeping us in the loop

I hope someone saved the key messages Kelly wrote, as we will be providing them for the meeting

From: Rob Phillips
Sent: Monday, July 27, 2015 9:46 AM
To: Kelly Refah; Mark Seville
Subject: FW: 28361 BN

FYI

Rob

From: Colin Lloyd
Sent: Thursday, July 23, 2015 1:44 PM
To: Fay Wong
Cc: Rob Phillips
Subject: 28361 BN

Fay,

I have reduced the detail in this BN per the DM's advice. Please upload this version to ARTS and return the hard copy to Linda Monilaws.

Thanks.

Colin

ADVICE TO THE MINISTER

Invitation and Meeting Request from Alberta Real Estate Association

ISSUE:

- The Alberta Real Estate Association (AREA) has requested a meeting with the Minister and has invited the Minister to an MLA reception on November 4, 2015.
- Topics of interest to AREA may include the real estate licensing education program, the *Condominium Property Act* (CPA) amendments and the *Real Estate Act* (REA) review.

BACKGROUND:

- AREA represents the interests of 10 regional real estate boards across Alberta, and more than 10,000 Alberta real estate brokers and associates. It has heavy representation on the Council of the Real Estate Council of Alberta (RECA) and advocates on its own behalf directly with government (see attached list of current issues).
- AREA members make up 90 per cent of real estate licensees and approximately 70 per cent of total licences that RECA issues as the regulator.

Real Estate Education Program

- There is conflict between AREA and RECA regarding RECA's takeover of real estate licensing education for real estate brokers in Alberta.
- RECA and AREA made a joint announcement in 2010 that RECA would take over delivery of all 6 licensing courses for real estate professionals by the end of 2011. The transition process took longer than anticipated by both RECA and AREA for a number of reasons. Two courses remain to be transferred to RECA.
- AREA's current position is that RECA has taken too long to take over the training obligations, should take ownership of this issue and take over the 2 remaining courses now. It declared in May 2015 that it would not offer the 2 remaining courses to new licence applicants effective June 1, 2015.
- Service Alberta recommends the Minister encourage AREA to continue dialogue with RECA on this issue.

REA Amendments

- The REA amendments are tentatively scheduled for fall 2016.
- RECA sent its recommendations for changes to the REA to Service Alberta in April 2013. Stakeholder submissions, including AREA's recommendations for changes, were included in RECA's package.

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- AREA has requested that Service Alberta engage in broader consultation on the REA, taking into consideration issues beyond the scope of RECA's consultation paper and stakeholder engagement sessions.
- Service Alberta is committed to including AREA is its consultations prior to making the amendments.

CPA Amendments

- Bill 9 passed in the Legislature in December 2014. The Bill is the result of extensive consultation aimed at improving consumer protection and supporting sustainable growth of Alberta's condominium industry.
- The amendments will see enhanced purchase disclosures and developer accountability; efficiencies in board governance; better access to dispute resolution; and minimum skills and standards of practice for condominium managers.
- Before the amendments in Bill 9 can be proclaimed, supporting regulations must be developed to clarify the changes and set out the operational details of the new regulatory requirements.
- AREA has been a strong advocate of the CPA amendments and participated in all consultations undertaken by Service Alberta to date. Most recently, members of AREA attended the May 28, 2015 stakeholder meeting on new condominiums and developer obligations. At the meeting, AREA members expressed support for the proposals and provided a written submission containing suggestions to clarify and streamline the rules.

PREVIOUS MEETINGS/CORRESPONDENCE:

- Colin Lloyd met with AREA representatives on May 4, 2015
- Ian Burns, CEO of AREA, sent follow-up email to Colin Lloyd on May 06, 2015

RECOMMENDED OPTION/ACTION:

- It is recommended that the Minister meet with AREA representatives to discuss Alberta's real estate industry and issues of importance to AREA.

ATTACHMENTS:

- List of AREA advocacy issues

_____

Honourable Deron Bilous, Minister

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Val Taylor

From: Kelly Refah
Sent: Thursday, March 17, 2016 12:10 PM
To: Lee Chantal
Cc: Rob Phillips; Trevor Bergen
Subject: FW: Letter for Minister Griffiths from AREA (attached)
Attachments: Letter to Minister Griffiths_Feb. 18, 2014.pdf

FYI, I dug up the letter from AREA President at the time, Brad Kopp, to former Minister Griffiths requesting an RE$ amendment to narrow RECA's regulatory mandate. \\

Kelly

From: Rob Phillips
Sent: Tuesday, February 18, 2014 2:03 PM
To: George Yates; Kelly Refah; Mark Seville; Diane Bauer
Subject: Fw: Letter for Minister Griffiths from AREA (attached)

FYI

Rob
Consumer Services
(780) 422-8177 Phone
s.17(1) Cell
Sent from my BlackBerry

From: Annette Trimbee
Sent: Tuesday, February 18, 2014 02:00 PM
To: David E Williams (SA); Rob Phillips; Ed Ryan
Subject: FW: Letter for Minister Griffiths from AREA (attached)

From: Ruth Pintson [mailto:rpintson@areahub.ca]
Sent: Tuesday, February 18, 2014 1:31 PM
To: Doug Griffiths; Annette Trimbee; Tim Morrison
Cc: Dan Russell; Brad Kopp (bradkopp@telus.net); darcy@darcydonald.ckrt
Subject: Letter for Minister Griffiths from AREA (attached)

Please see the attached letter from our 2014 President, Brad Kopp, to Minister Griffiths.

Best regards,

Ruth Pintson
Government Relations Analyst
Alberta Real Estate Association
DL: 403.209.3619 | TF: 1.800.661.0231 | areahub.ca

Alberta Real Estate Association

February 18, 2014

Hon. Doug Griffiths, Minister
Service Alberta
131 Legislature Building
10800-97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Griffiths,

Thank you for the opportunity to meet with you, Ms. Trimbee, and Mr. Morrison in Edmonton on January 28th. We appreciated you taking time for us, for sharing your current priorities, and for giving us the opportunity to discuss our key areas of concern.

We are very encouraged that you are proceeding with the current timetable for amendments to the *Condominium Property Act*. These much needed amendments will be of great benefit to Alberta consumers and the REALTORS® who serve them. If further input is required as these amendments are drafted, please do not hesitate to have your staff touch base with us or our 'condo expert' members who served on Service Alberta's task forces last Fall.

Thank you, too, for clarifying your priorities as they relate to Land Titles. We were gratified to learn that 'commoditization' and 'privatization' of Alberta Land Titles are not your focus. Rather, you confirmed that your chief concern is uncovering a way to ensure the system that drives Land Titles is upgraded and maintained. We strongly support a model that remains government-owned and operated, and sincerely hope that you can accomplish your goal while still retaining the system within government. AREA continues to be strongly opposed to outsourcing or privatizing the Land Titles system as we feel this would not be in the interests of either the public or the industries/professionals that access the system to serve Albertans. We hope to be of assistance to and engage with you as you move forward on this issue.

We understand, at this time, that amendments to the *Real Estate Act* are not a top priority for you; however, we wish to emphasize that this is a critical piece of legislation for our profession. As you might surmise from our submission to you, and the submissions and letters from the Canadian National Association of Real Estate Appraisers (CNAREA) and the Alberta Mortgage Brokers Association (AMBA), there are issues related to scope and authority with regards to our regulator – an issue that we cannot address without support from Service Alberta as the body that oversees the Real Estate Council of Alberta.

While ideally, we would like to see a complete review of the *Real Estate Act*, we hope that if you opt not to proceed with the review, you will consider adopting the single amendment we have proposed in our submission, and which we feel would suffice until such time as a full, comprehensive review of the *Act* is feasible:

- This amendment refocuses the regulator's mandate on regulation, and seeks to avoid the risks and currently realities, as outlined in our submission;

WestMount Corporate Campus, Suite 300, 4954 Richard Road SW, Calgary, AB. T3E 6L1
Tel 403.228.6845 Fax 403.228.4360 Toll Free 1.800.661.0231

- Section 5 b, which the amendment addresses, is not an issue solely for AREA – it is shared by other associations that serve RECA licensees;
- Refocusing RECA's mandate may help facilitate the possibility of licensing Condo Managers (a proposal from the *Condo Act* review).

Thank you, once again, for meeting with us and for your candid conversation. We look forward to continued dialogue with your ministry on these three issues of critical importance to our REALTOR® members and the consumers they serve.

As always, please feel free to contact us at any time at governmentrelations@areahub.ca or by calling Ruth Pintson, AREA's Government Relations contact at 403.209.2619.

Best regards,



Brad Kopp
President, Alberta Real Estate Association

cc: Annette Trimbee, Deputy Minister; Tim Morrison, Chief of Staff, Service Alberta; Dan Russell, AREA CEO, D'Arcy Donald, AREA 2014 Provincial Government Relations Chair

Darlene Decker

From: Lee Chantal
Sent: Thursday, March 17, 2016 1:23 PM
To: Kelly Refah
Subject: RE: Setting the Record Straight, June 2 2015

Thanks. This is rather... extensive... which is helpful.

From: Kelly Refah
Sent: Thursday, March 17, 2016 1:22 PM
To: Lee Chantal
Subject: FW: Setting the Record Straight, June 2 2015

Found it!

From: Rob Phillips
Sent: Tuesday, June 30, 2015 10:46 AM
To: Kelly Refah
Cc: George Yates
Subject: FW: Setting the Record Straight, June 2 2015

Excellent background here. Too much detail for a briefing however we should include this issue so the Minister is properly briefed and may want to include the " Setting the Record Straight" as an attachment.

Rob

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Tuesday, June 02, 2015 2:41 PM
To: Rob Phillips
Subject: Setting the Record Straight, June 2 2015

s.17(1)

Because RECA is an independent corporation (i.e. not an agent of the Crown) that has the responsibility to operationalize how it fulfills its mandate on a day to day basis, it is our view the model for determining content and delivery mechanisms of licensing education lies squarely with RECA. It should not be an issue the Minister of Service Alberta or officials within the Ministry should normally be concerned with; however, if the reality is that the Minister and Service Alberta staff are receiving information on this issue from AREA, it is critical Service Alberta respond based on accurate information.

I apologize for the length of the attached report, and this email, but we felt it was important to get the history and all the relevant facts on the table so proper consideration can be given to this matter.

As you can appreciate, there is a long history - the evolution of real estate licensing education pre-dates RECA. To summarize, we believe the following are key points for the Minister and officials of Service Alberta to consider:

1. AREA had a monopoly on real estate licensing education since 1996 supported by MOU's with RECA; AREA treated licensing education (i.e. the sales of courses) as a cash cow with little or no re-investment in updating and

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modernizing their course offerings; simply put, AREA was profit driven in all aspects related to delivery of real estate education

2. By 2012-13 AREA had accumulated a reserve fund of $11.6 million resulting directly from education revenues; it is my understanding that reserve amount has been reduced to $10.4 Million for 2013-14. Since 1996, AREA would announce (proudly) at every AREA AGM that membership fees had not be raised; this was mainly due to the use of education revenues by the association for non-education purposes e.g. travel, public relations, networking events, conferences, Political Action Committee etc.)
3. Over time, due to the lack of re-investment, the quality of education offered by AREA suffered and ultimately AREA was unable to meet the standards and expectations of learners and RECA (RECA Education Committee Report, February 2008).
4. RECA adopted the core education values recommended by the Education Committee in 2008. These values promote quality/work ready education for adult learners entering the four industry sectors (real estate brokers, property managers, mortgage brokers and real estate appraisers).
5. RECA's direct involvement in licensing education varies across the four industry sectors it regulates; that is, it utilizes a pragmatic approach to determine the best model for the delivery of quality education for each sector.
6. Notwithstanding the issues RECA experienced with AREA, RECA continued to work with AREA and support its efforts to offer licensing education (as agreed under a series of MOU's with AREA). A significant amount of time and effort was contributed by RECA's senior management to edit course materials and provide suggestions to improve AREA courses. Often, this support was not appreciated and/or ignored.
7. On August 23, 2010 representatives of AREA (AREA CEO, Director of Operations, and Education Manager) invited RECA to a meeting and indicated a desire to remove themselves from the delivery of licensing education
8. At the August 2010 meeting, AREA confirmed its desire to focus on professional development training for its members
9. RECA and AREA entered into a transition plan that would see RECA update existing courses and take over full responsibility in 2013.
10. After giving the matter serious consideration, due to the impact it would have on RECA, Council approved this transfer of responsibility in November 2010.
11. A joint News Release was issued by both RECA and AREA on December 13, 2010. Among other things it stated *"Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility for the development and delivery of the real estate licensing education programs. ... On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the Real Estate Act itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS®."*
12. RECA underestimated the time and effort it would take to update/revise the AREA courses. Upon reviewing the AREA courses, it was determined a complete re-write of each course was the best solution. *The Fundamentals of Real Estate* was launched in 2012 and the *Practice of Residential Real Estate* was launched in 2014.
13. RECA was working on an agreement with the Alberta School of Business (University of Alberta) to develop and deliver the *Practice of Commercial Real Estate* Course and was in the midst of developing a new *Practice of Rural Real Estate* Course (utilizing industry subject matter experts) when it received formal notice from AREA on May 6, 2015 that it would no longer offer any of its licensing courses effective May 31st. This included AREA's *Practice of Commercial Real Estate* and *Practice of Rural Real Estate*, and AREA's *Real Estate Brokers Program* which consisted of a number of courses.
14. Prior to the May 6th notice from AREA, AREA had expressed concern t was experiencing significant reductions in their projected revenues from the sales of the commercial and rural real estate courses. This drop in revenue was attributed to the announcement by RECA in February 2015 that effective June 1, 2015 it would implement a new licensing model for real estate licensees. Individuals could obtain a licence upon successful completion of the *Fundamentals of Real Estate* course and a practice course in their chosen industry sector. As most individuals begin their real estate careers in residential real estate, many individuals after the February announcement by RECA chose not to take either the commercial or rural real estate courses. Instead, they only took the *Practice of Residential Real Estate*.
15. AREA sought $600,000 in compensation from RECA for the loss of their projected revenues for the period of February to end of October 2015 (AREA's fiscal year).
16. AREA argued they had been told by RECA that the new (RECA) commercial course would be ready by the end of their last quarter i.e. October 31, 2015. Although the new licensing model had nothing to do with the launch of RECA's new commercial real estate course, AREA tied the two issues together and felt RECA should compensate them for their projected lost revenues.

17. RECA suggested an alternative solution. RECA offered to purchase the remaining AREA licensing courses and offer those courses through RECA until such time as the new courses were launched. RECAC offered AREA $200,000 for those courses. Although AREA's courses were outdated and had very little monetary value for a third party buyer, RECA felt it was fair to compensate AREA and, in doing so, reduce the financial impact on AREA of the new licensing model that took effect June 1st.
18. AREA countered by stating it would accept $500,000. RECA rejected AREA's counter-proposal on the basis the $200,000 was more than fair and suggested AREA need to take into account the significant savings due to lower expenses for the balance of its fiscal year. More importantly, RECA did not accept the argument from AREA that it should effectively guarantee their projected revenues for their 2014-15 budget year. AREA, in its response, never accepted the fact that it would also save on costs by transferring responsibility for these courses to RECA.
19. On May 6, 2015, at the same moment that AREA gave formal notice to RECA it would no longer offer licensing education courses, it became apparent to RECA that AREA had commenced a public campaign that contained misinformation and discredited RECA.
20. On May 6th, AREA made two statements that were particularly damaging to RECA's reputation and integrity. AREA stated that "RECA announced in 2009 it was assuming full responsibility for content and delivery of licensing education" and "RECA deems itself as the sole organization to develop and deliver licensing education." Both of these statements are false.
21. As indicated in the attached report, RECA has been placed in a difficult position. This email and the attached report are an effort to respond factually to the recent statements made by AREA in correspondence from AREA President Ed Jensen to RECA's Chair Chad Griffiths, an ***AREAHub*** article, and a video presentation by Ian Burns, AREA's CEO.
22. The efforts of AREA to undermine RECA by lobbying the Government of Alberta to remove section 5(b) from the *Real Estate Act*, and discredit RECA in regulatory matters such as licensing education, are purely for the self-interest of AREA and its member boards. These are not issues that individuals who seek entry into the industry, or existing licensees, have raised with RECA. Given AREA's ongoing efforts to challenge RECA's regulatory role, and the need for independence from the industry, I suggest the Minister of Service Alberta and the Government review section 6 of the *Real Estate Act*. In particular, I suggest the Minister review the current composition and appointment process whereby AREA appoints 6 industry members to sit on Council. These 6 AREA appointees represent ½ the makeup of Council. I would also suggest the ratio of industry members to public members be reviewed as well.

Please do not hesitate to give me a call if you or anyone in the Ministry has any questions.

Bob Myroniuk
Executive Director

Real Estate Council Alberta

T (403) 662-7555
TF (866) 425-7354
F (403) 228-3065

Real Estate Council Alberta
Suite 350, 4954 Richard Rd SW
Calgary, Alberta T3E 6L1

The authority for a positive real estate experience.

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Pages 719 through 734 redacted for the following reasons:
- -
Duplicate to pages 425-440

Val Taylor

From: Kelly Refah
Sent: Thursday, March 17, 2016 1:31 PM
To: Lee Chantal
Subject: FW: Draft AREA Briefing - Due to ED today
Attachments: Minister Briefing - AREA Meeting Request July 2015.doc

You can copy and paste from this briefing, if needed.

ADVICE TO THE MINISTER

Invitation and Meeting Request from Alberta Real Estate Association (AREA)

ISSUE:

- AREA has invited the Minister to an MLA reception on November 4, 2015, and has requested a meeting with the Minister.
- Topics of interest to AREA include the real estate licensing education program, the Condominium Property Act (CPA) amendments, and the Real Estate Act (REA) review.

KEY MESSAGES:

- AREA has a significant voice at RECA's Council; 6 of the 12 Council members are AREA appointments. Legislation and education issues and concerns should be raised there.
- Service Alberta's process to amend the REA will include close examination of stakeholder submissions to RECA and to the Ministry.
- I cannot confirm when the REA amendments will be introduced as the legislative agenda is in flux and Service Alberta will need to assess whether broader consultation is required.
- Service Alberta appreciates AREA's continued involvement in the condominium law modernization project, and the feedback and suggestions of its members on improving the condominium experience for buyers and owners.
- AREA will be invited to future stakeholder sessions on regulations supporting the amendments in Bill 9. The next meeting will deal with insurance matters, followed by corporation governance. Service Alberta expects to have most of the regulation work completed by late 2015.
- A project to develop the condominium tribunal is separate from the regulation project and has a longer timeline.

BACKGROUND:

- AREA represents the interests of 10 regional real estate boards across Alberta, and more than 10,000 Alberta real estate brokers and associates. It has representation on RECA's Council and advocates on its own behalf directly with government (see attached list of AREA's current advocacy issues).
- AREA members make up 90% of real estate licensees and approximately 70% of total licences that RECA issues as the regulator.

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Real Estate Education Program

- There remains to be unresolved conflict between AREA and RECA regarding RECA's take-over of real estate licensing education for real estate brokers in Alberta.
- AREA had oversight of real estate licensing education since 1996, supported by Memorandums of Understanding with RECA. Over time, RECA felt that the quality of education offered by AREA suffered and that AREA was unable to meet the standards and expectations of learners and of RECA.
- In 2008, RECA adopted core education values promoting quality, competency-based and work-ready education for adult learners entering the four industry sectors it regulates, including real estate brokers. The values were established in response to a Report produced by RECA's Education Committee (see attached excerpt from Report).
- Tension between AREA and RECA persisted over the content and quality of licensing education for real estate brokers, resulting in changes to the development and delivery of real estate licensing education. RECA and AREA have a difference of opinion on the events that gave rise to these changes:
    - From RECA's perspective, the two organizations reached a mutual agreement that RECA would take over responsibility for the real estate licensing education program, allowing AREA to shift its focus to expanding the range of professional development courses available to its members (see attached AREA/RECA announcement).
    - From AREA's perspective, RECA did not respond to AREA's requests for assistance reviewing and updating the out-dated course content, which led RECA to move forward with an aggressive plan to eliminate AREA from licensing education all together.
- On May 6, 2015, AREA notified RECA it would stop offering the two remaining licensing courses: commercial and rural real estate, on June 1, 2015.
- Prior to the May 6 notice, AREA had indicated to RECA it was experiencing reductions in their projected revenues from the sales of commercial and rural real estate courses. This drop in revenue was attributed to the announcement by RECA in February 2015 that effective June 1, 2015, it would implement a new licensing model for real estate licensees. Individuals could obtain a license upon successful completion of the Fundamentals of Real Estate Course and a practice course in their chosen industry sector. As most individuals begin their real estate careers in residential real estate, many individuals after RECA's announcement, chose not to take either the commercial or rural real estate courses, opting for the *Practice of Residential Real Estate*.
- RECA offered AREA $200,000 in compensation for the two courses and AREA countered at $500,000. RECA subsequently rejected AREA's counter-proposal on the basis that the original offer was fair and the course material was out-dated and had little monetary value for a third party buyer.

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- From RECA's perspective, the offer, if accepted, would have provided RECA with a short-term solution (AREA would continue offering the two courses until RECA developed new courses) and softened the financial impact on AREA of the implementation of the new licensing model.

REA Amendments

- The REA amendments are tentatively scheduled for Fall 2016.
- RECA has sent its recommendations for changes to the REA to Service Alberta on April 22, 2013. Stakeholder submissions, including AREA's recommendations for changes, were included in RECA's package. In total, RECA made 25 proposals for amendments to the REA.
    - AREA's submission to RECA indicated outright support for 19 proposals; qualified support for 2 proposals; and no support for 4 proposals (3 of which related to RECA's desire to have specific sections of the REA prevail over the Personal Information Protection Act, and one relating to the service of documents, however RECA withdrew this proposal).
- AREA has requested that Service Alberta engage in broader consultation on the REA, taking into consideration issues beyond the scope of RECA's consultation paper and stakeholder engagement sessions.

CPA Amendments

- Bill 9 passed in the Legislature in December 2014. The Bill is the result of extensive consultation aimed at improving consumer protection and supporting sustainable growth of Alberta's condominium industry.
- The amendments will see enhanced purchase disclosures and developer accountability; efficiencies in board governance; better access to dispute resolution; and minimum skills and standards of practice for condominium managers.
- Before the amendments in Bill 9 can be proclaimed, supporting regulations must be developed to clarify the changes and set out the operational details of the new regulatory requirements.
- AREA has been a strong advocate of the CPA amendments and participated in all consultations undertaken by Service Alberta, to date. Most recently, members of AREA attended the May 28, 2015 stakeholder meeting on new condominiums and developer obligations. At the meeting, AREA expressed support for the proposals and provided a written submission containing suggestions to clarify and streamline the rules.

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PREVIOUS MEETINGS/CORRESPONDENCE:

- Former Minister Khan met with AREA on May 4, 2015 (see AR 28118)
- Ian Burns, CEO of AREA, sent follow-up email to Colin Lloyd on May 06, 2015

RECOMMENDED OPTION/ACTION:

- It is recommended that the Minister meet with AREA representatives to discuss Alberta's real estate industry and issues of importance to AREA.

ATTACHMENTS:

1. Excerpt from RECA Education Committee Report – February 2008
2. Joint AREA/RECA News Release – December 13, 2010
3. Email from Ian Burns to Colin Lloyd

_____

Honourable Deron Bilous, Minister

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Darlene Decker

From: Lee Chantal
Sent: Thursday, March 24, 2016 11:29 AM
To: Kelly Refah
Subject: RE: RUSH AR CHANGES

Edits to RECA-AREA briefing done and saved on ARTS for your review. I realize now I didn't use track changes, but the document can be compared against the DM's comments.

Lee

From: Lee Chantal
Sent: Thursday, March 24, 2016 11:09 AM
To: Kelly Refah
Subject: RE: RUSH AR CHANGES

Change document attached.

On reading Jennifer's e-mail another time, it also refers to changes. Are we supposed to be answering questions ***and*** sending a separate document with changes? Not really clear.

Lee

From: Rob Phillips
Sent: Thursday, March 24, 2016 10:22 AM
To: Lee Chantal; Kelly Refah
Cc: Paul Santos
Subject: FW: RUSH AR CHANGES
Importance: High

From: Jennifer Cunningham
Sent: Thursday, March 24, 2016 10:13 AM
To: Rob Phillips
Cc: Darlene Decker; Robert Whittaker
Subject: RUSH AR CHANGES

Hello Rob

In the interest of time. I have scanned and attached 3 separate briefing notes from AR#29540 which have been returned with questions and requiring changes.

All changes need to be returned quickly however, BN 29540 – 1 is required ASAP/today and the first priority of these 3.

Please create a separate document to answer the questions. Do not answer them in the document.

I will also return the AR to your area for changes.

Thanks

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Executive Support with Assistant Deputy Minister's Office
Service Alberta, Consumer and Registry Services
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

Tariro Nyemba

From: Jennifer Cunningham
Sent: March-24-16 12:33 PM
To: Dan Byer
Cc: Robert Whittaker
Subject: RE: RECA/AREA briefing

I will check with the program area and get back to you.

From: Dan Byer
Sent: March-24-16 12:29 PM
To: Robert Whittaker; Jennifer Cunningham
Subject: RECA/AREA briefing

Any status update on this particular BN from the 29540 package?

Not sure how long Linda is around this afternoon and she wants to send the revisions to MO before she goes.

Thanks,
-Dan

Dan Byer
Senior Writer/Editor, MCU
Service Alberta
780-644-1723

Val Taylor

From: Rob Phillips
Sent: Thursday, March 24, 2016 12:56 PM
To: Trevor Bergen
Subject: FW: RUSH AR CHANGES
Attachments: RECA Advice to Deputy Minister re section 76 review.docx; RECA Advice to Deputy Minister re RMS.docx

FYI

Rob

From: Rob Phillips
Sent: Thursday, March 24, 2016 12:55 PM
To: Jennifer Cunningham
Cc: Robert Whittaker; Darlene Decker; Paul Santos; Kelly Refah
Subject: FW: RUSH AR CHANGES
Importance: High

Jennifer,

Kelly Refah and Lee Chantal completed work on the urgent briefing and the response is attached. Also attached is the response to the DM's questions on the RMS issue. Darlene is sending these over in ARTS.

The Condo Regulation response is forthcoming.

Rob Phillips

From: Jennifer Cunningham
Sent: Thursday, March 24, 2016 12:35 PM
To: Rob Phillips
Cc: Darlene Decker; Robert Whittaker
Subject: RE: RUSH AR CHANGES

Hi Rob

Could you please give me a status update on this?

Thanks

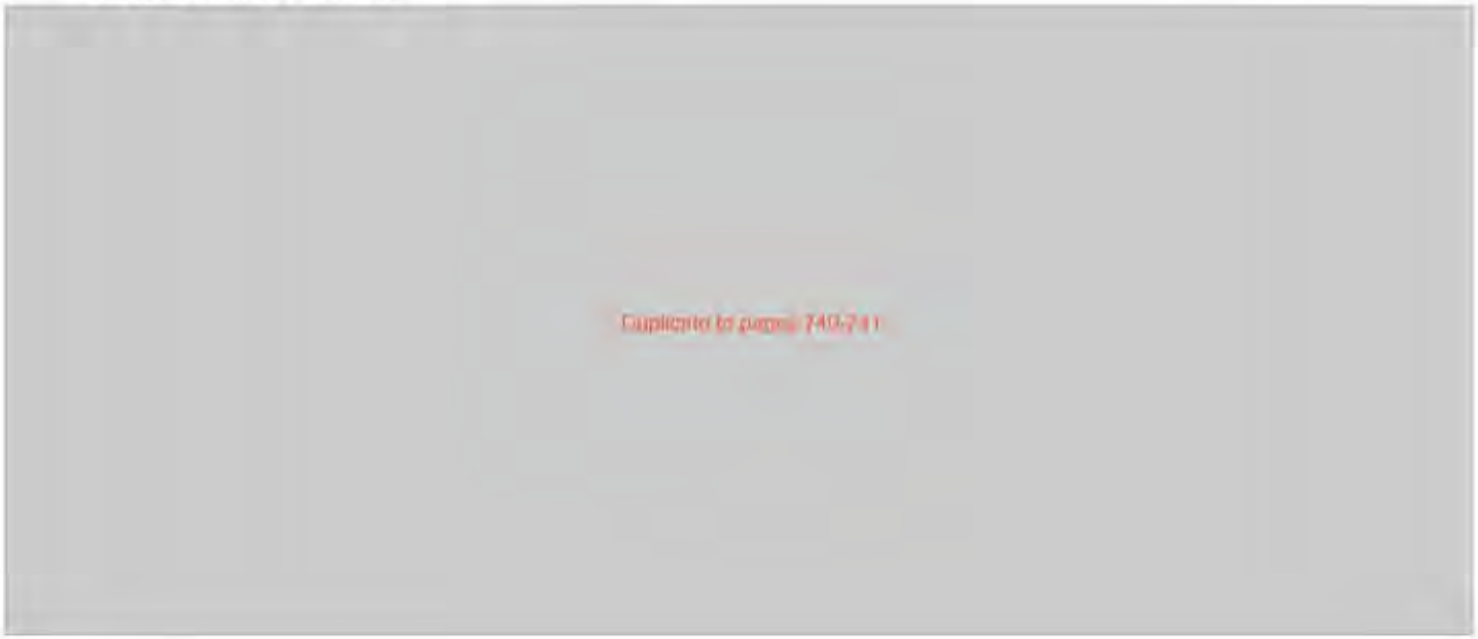
From: Kelly Refah
Sent: Thursday, March 24, 2016 12:24 PM
To: Rob Phillips
Cc: Lee Chantal; Paul Santos
Subject: RE: RUSH AR CHANGES

Rob, attached for your review are responses to the DM's questions, prepared by Lee with input from me.

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Kelly

From: Jennifer Cunningham
Sent: Thursday, March 24, 2016 10:13 AM
To: Rob Phillips
Cc: Darlene Decker; Robert Whittaker
Subject: RUSH AR CHANGES



Advice to Deputy Minister

The Real Estate Council of Alberta and the Alberta Real Estate Association

Change of recommendation to Option 3 – Conduct a review under section 76 of the Real Estate Act

- Minister to use the review powers under section 76 of the Real Estate Act to examine the conduct of RECA's Council, with particular focus on Council governance. Possible issues to consider as part of the review include:
  - Council appointment process and criteria used to screen candidates (e.g. competencies, experience)
  - Level of industry influence on Council and the impacts of this on RECA's ability to fulfill its mandate of self-regulation in the public interest.
  - Council decision-making
- The overturning of RECA's Residential Property Measurement Standards, despite prior approval by Council, raises questions about Council's ability to govern effectively and harmoniously.
- The scope of the review would be limited to the conduct of Council and not RECA's administrative arm, led by the Executive Director.

RECA's mandate under section 5 of the Real Estate Act:

- The purposes of the Council are:
  (a) to set and enforce standards of conduct for the industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry, to protect against, investigate, detect and suppress mortgage fraud as it relates to the industry and to protect consumers affected by the industry;
  (b) to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members;
  (c) to administer the Act, the regulations, the Bylaws and the Rules.

Were RECA's consultations on their education program fulsome?

- RECA is understood to have completed extensive consultation on its residential real estate course prior to launching the updated course material.
- The consultations included input from AREA, realtors, the Edmonton and Calgary Real Estate Boards, appraisers, and RECA's Real Estate Appraiser Advisory Committee.
- RECA indicated that the consultations identified a number of gaps in the course material, and information that needed to be clarified and expanded.
- RECA's council voted to approve changes to the real estate course, suggesting that industry associations represented on council were in support of the outcome.

Composition of RECA's Council

- AREA directly appoints six of the 12 members of RECA's Council.
- The AREA members of Council participate in appointing four of the other members of Council.
- As a result, AREA has a direct or indirect role in the appointment of 10 of the 12 members of Council.

Advice to Deputy Minister

Residential Property Measurement Standards

Methodology of Residential Measurement Standards

- Service Alberta staff cannot provide an opinion as to whether the standard used by RECA in the Residential Measurements Standards Guide (RMS Guide) follows a correct methodology for measurement, as staff do not have the expertise to provide this assessment.
- No feedback has been directly communicated to Service Alberta staff by industry members or by the public about the RMS Guide.
- Information provided by RECA suggests the RMS Guide is very similar to other standards used by real estate professionals, as well as educational materials for real estate in Alberta that existed prior to RECA's revisions in February 2015.

Consultation on and Development of Residential Measurement Standards

- RECA states the RMS Guide was developed in consultation with recognized experts in home measurement and appraisal, as well as feedback from the real estate profession.
- Consultation on the RMS Guide was conducted with the Alberta Real Estate Association, the Calgary Real Estate Board, and the Realtor's Association of Edmonton, as well as several real estate advisory groups and forums.
- According to RECA, initial consultations with the real estate appraisal profession were constructive, with the exception of one industry group which respondent that RECA had no jurisdiction to create standards.
- Responses received by RECA prior to implementation of the RMS Guide are reported to have been supportive, with many groups welcoming enhanced education on measurement and indicating the standards were workable and not much different from those already in use.
- While there is disagreement now between RECA and AREA over RECA's jurisdiction to develop and enforce a single set of standards, prior approval of the RMS Guide suggests that AREA representatives on Council supported RECA's process and outcomes.

Tariro Nyemba

From: Jennifer Cunningham
Sent: March-24-16 2:13 PM
To: Dan Byer
Subject: RE: RECA/AREA briefing

Sorry, a few more changes I will make right away and get back to you asap.

From: Dan Byer
Sent: March-24-16 1:13 PM
To: Jennifer Cunningham; Robert Whittaker
Subject: RE: RECA/AREA briefing

Great, thanks!

From: Jennifer Cunningham
Sent: Thursday, March 24, 2016 1:12 PM
To: Dan Byer; Robert Whittaker
Subject: RE: RECA/AREA briefing

Just received back. Printing and reviewing now.

From: Dan Byer
Sent: March-24-16 12:29 PM
To: Robert Whittaker; Jennifer Cunningham
Subject: RECA/AREA briefing

Duplicate to page 747

ADVICE TO THE MINISTER

THE REAL ESTATE COUNCIL OF ALBERTA AND THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- Direction is required from the Minister to help resolve an ongoing conflict between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA).

RECOMMENDATION:

- It is recommended the Minister approve Option 1, using the powers under section 76 of the *Real Estate Act* to review the governance of RECA's Council.
  - As part of the review, examine the decision making process of RECA's Council and ensure industry interests do not overrule RECA's mandate of protecting consumers in the real estate industry.
  - Focus the review on the governance of RECA's Council specifically, rather than a review of RECA's administrative arm, led by their Executive Director.
- Direct senior management to continue the dialogue with RECA and AREA, and encourage parties to reach common ground and work together to resolve differences.
  - Reinforce government's position that RECA has the authority to set and enforce standards of competence and conduct for its regulated professions, and the importance of this function to protect the public interest.

BACKGROUND:

- In accordance with the *Real Estate Act*, RECA is the regulatory body for real estate in Alberta. RECA's mandate under section 5 of the Act is:
  - To set and enforce standards of conduct for the real estate industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry; to protect against, investigate, detect, and suppress mortgage fraud as it relates to the industry; and to protect consumers affected by the industry.
  - To provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
  - To administer the Act and its Regulations, bylaws and rules.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups. Membership of real estate professionals in AREA is optional.

- RECA and AREA are in conflict regarding the scope of RECA's regulatory authority. AREA holds the opinion that some of RECA's current activities, even if permitted by the REA, overreach the intended role of a regulator. This is particularly the case in the areas of education and measurement standards, and is manifesting in the two organizations requesting amendments to the Act.

Real Estate Education

- Unresolved conflict exists between AREA and RECA regarding RECA's takeover of the education courses required before obtaining authorization to become a real estate broker.
- AREA previously had oversight of real estate licensing education since 1996, supported by Memorandums of Understanding with RECA.
- Tension developed between AREA and RECA over the content and quality of licensing education for real estate brokers, resulting in changes to the development and delivery of real estate licensing education. RECA and AREA have a difference of opinion on the events that gave rise to these changes:
    - From RECA's perspective, AREA unexpectedly advised RECA in 2010 they no longer wished to be involved in licensing education for strategic reasons. The two organizations reached a mutual agreement that RECA would take over responsibility for the real estate licensing education program.
    - From AREA's perspective, RECA did not respond to AREA's requests for assistance reviewing and updating the outdated course content, which led RECA to move forward with an aggressive plan to eliminate AREA from licensing education altogether.
- RECA and AREA made a joint announcement in 2010 that RECA would take over delivery of all six licensing courses for real estate professionals by the end of 2011. The transition process took longer than anticipated for a number of reasons, with RECA taking responsibility for the last two courses on June 1, 2015.
- AREA has subsequently indicated displeasure with RECA taking over education. AREA indicated in its 2015 annual report that the loss of revenue due to education being assumed by RECA has had negative impacts on AREA staffing levels, and required an increase in membership fees.

Residential Measurement Standards (RMS)

- In February 2015, after conducting industry consultations, RECA launched a new Practice of Residential Real Estate course to clarify and resolve previous content gaps in relation to property measurement.
- RECA's consultation included AREA, realtors, the Edmonton and Calgary Real Estate Boards, appraisers, and RECA's Real Estate Appraiser Advisory Committee. The consultation identified a number of gaps in the course material, and information that was vague or unclear.

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- In the fall of 2015, RECA released A Guide to Residential Property Measurement (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced standards, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- On January 20, 2016, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. Support for the motion came primarily from members appointed by AREA, with several other members of the Council opposed.
- AREA has indicated an intention to develop its own RMS standard following industry consultation, with a Guide to be implemented by fall 2016.
- This could create the perception that industry associations are using their members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest.
- For additional background on this issue, please see the corresponding briefing note on RMS.

Real Estate Act Amendments

- RECA sent recommendations for amendments to the *Real Estate Act* to Service Alberta in April 2013. Submissions from stakeholders, including AREA, were included in RECA's package. In total, RECA made 25 proposals for amendments to the Act, several of which clarified or enhanced RECA's mandate.
- AREA has requested Service Alberta engage in broader consultation on the Act, taking into consideration issues beyond the scope of RECA's consultation paper and stakeholder engagement sessions.
- AREA is seeking the repeal of section 5(b) of the *Real Estate Act*, which empowers RECA to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
- AREA argues this section, under which RECA delivers education and other services, allows RECA to engage in activities beyond what AREA believes is RECA's intended mandate (i.e., administration and enforcement of the Act).

Meetings with RECA and AREA

- In February 2016, Deputy Minister Tim Grant and Assistant Deputy Minister Colin Lloyd met separately with officials from RECA and AREA. These meetings addressed the current conflict and potential governance issues that could result.
- The next steps after these meetings include the scheduling of a joint meeting with RECA, AREA, and Service Alberta officials to reach common ground and resolve the conflict. This joint meeting is booked for April 12, 2016 and will attempt to reach a common

understanding that the real estate industry's need for responsible governance, fiduciary duties, and consumer protection is paramount.

KEY CONSIDERATIONS:

- RECA has been designated by statute as the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications their members must meet.
- The public interest in Alberta is generally served by allowing for the real estate industry to be a self-governing profession, as it is in the industry members' best interests to maintain the integrity of the self-governing body. However, part of RECA's role is to ensure the public interest prevails if there is a conflict with an industry member's self-interests.
- There is a perception that AREA is attempting to undermine RECA's position as regulator through its actions and public statements.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the industry and public confidence in the real estate profession.
- Under section 76 of the *Real Estate Act*, the Minister may review the conduct of RECA or any other matter affecting regulation of the real estate industry. Upon conclusion of that review, the Minister may direct the Council to take any action the Minister considers appropriate and, if the direction is not satisfactorily carried out, the Minister can dismiss members of Council or employees of RECA who failed to fulfill the direction. Such a review could be undertaken if a threat to public interest arose, such as further undermining of RECA's regulatory mandate by AREA appointees to the Council.

ANALYSIS:

- Option 1: Use review powers under section 76 of the *Real Estate Act* to conduct a review of the governance of RECA's Council.
  - Pros: Allows the Minister to play a direct role in clarifying RECA's mandate of consumer protection.

    A review could be undertaken quickly under existing legislation, with no amendments required.

    Both AREA and RECA have asked for amendments to the Act for some time. This option would demonstrate that government is responsive to their concerns.

    Boosts protection of the public interest by considering a higher proportion of public members on Council by amending section 6 of the *Real Estate Act*.

    Examines the amount of control exercised over Council by a single stakeholder, as AREA currently directly appoints or has significant influence in the appointment of 10 of 12 Council members.

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- Cons: May not address the underlying tension between RECA and AREA, and may be perceived as punitive action by the Government of Alberta.

  Use of a review to countermand the direction of a Council duly constituted under the *Real Estate Act* may undermine the self-regulation of the profession.

  Consumer confidence in RECA and the real estate industry may suffer long-term harm through the implication that RECA requires government intervention to conduct itself properly.

- Option 2: Launch a full review of the *Real Estate Act* with stakeholder consultation, including a review of the mandate and governance model for RECA prescribed under legislation.
  - Pros: Provides the opportunity for a thorough assessment of the situation and other improvements to the legislation following consultation with a wide range of stakeholders.

    Public consultations may reveal new or innovative solutions to resolving ongoing conflict between RECA and AREA, and will ensure Albertans are engaged in deciding changes impacting the real estate sector.
  - Cons: More time and resources would be required for a full review.

    Would not give an immediate solution to the problem or the developing tensions.
- Option 3: Proceed with a limited review of the *Real Estate Act* to address only the composition of the Council; for example, proposals to increase public representation and/or decrease industry representation.
  - Pros: Allows for the implementation of a more transparent selection process that could be more diverse and representative of the makeup of Alberta.

    Boosts protection of the public interest by considering a higher proportion of public members on Council by amending section 6 of the *Real Estate Act*.
  - Cons: May reduce the proportion of Council members with direct industry experience.

    May not resolve the underlying tension between RECA and AREA, instead merely reducing AREA's influence over RECA's governance of the real estate industry.

    Could create the perception that government is interfering with a self-regulating body.

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

Hon. Stephanie McLean, Minister

ADVICE TO THE MINISTER

THE REAL ESTATE COUNCIL OF ALBERTA AND THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

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understanding that the real estate industry's need for responsible governance, fiduciary duties, and consumer protection is paramount.

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- RECA has been designated by statute as the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications their members must meet.
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- A review of RECA's conduct and related matters affecting Alberta's real estate industry is timely, as British Columbia is in the process of conducting a similar review of its real estate regulator.
- In February 2016, the Real Estate Council of British Columbia (RECBC) established an independent Advisory Group to examine whether BC's current regulatory regime adequately protects consumers and the wider public interest from real estate licensee conduct.
- Among other issues, the Advisory Group will examine the following:
  - RECBC's governance structures
  - the administration of the rules, requirements and professional standards for licensees
  - RECBC's processes and procedures for identifying and responding to risks to consumers
  - RECBC's market intelligence, investigative, and enforcement capabilities
  - The interaction between RECBC, real estate boards, the Superintendent of Real Estate, and other bodies that administer licensee conduct requirements and otherwise oversee real estate practices in the province;
  - Ongoing professional conduct and ethics training and accountability mechanisms; and
  - Other initiatives to influence industry behavior and compliance, for example, licensee and public education

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- The Advisory Group is expected to provide an interim report to RECBC April 8, 2016, and a full report and recommendations on measures to strengthen consumer protection and Council's ability to uphold public interest by the end of May, 2016.

ANALYSIS:

- Option 1: Use review powers under section 76 of the *Real Estate Act* to conduct a review of the governance of RECA's Council.
  - Pros: Allows the Minister to play a direct role in clarifying RECA's mandate of consumer protection.

    A review could be undertaken quickly under existing legislation, with no amendments required.

    Both AREA and RECA have asked for amendments to the Act for some time. This option would demonstrate that government is responsive to their concerns.

    Boosts protection of the public interest by considering a higher proportion of public members on Council by amending section 6 of the *Real Estate Act*.

    Examines the amount of control exercised over Council by a single stakeholder, as AREA currently directly appoints or has significant influence in the appointment of 10 of 12 Council members.
  - Cons: May not address the underlying tension between RECA and AREA, and may be perceived as punitive action by the Government of Alberta.

    Use of a review to countermand the direction of a Council duly constituted under the *Real Estate Act* may undermine the self-regulation of the profession.

    Consumer confidence in RECA and the real estate industry may suffer long-term harm through the implication that RECA requires government intervention to conduct itself properly.
- Option 2: Launch a full review of the *Real Estate Act* with stakeholder consultation, including a review of the mandate and governance model for RECA prescribed under legislation.
  - Pros: Provides the opportunity for a thorough assessment of the situation and other improvements to the legislation following consultation with a wide range of stakeholders.

    Public consultations may reveal new or innovative solutions to resolving ongoing conflict between RECA and AREA, and will ensure Albertans are engaged in deciding changes impacting the real estate sector.
  - Cons: More time and resources would be required for a full review.

    Would not give an immediate solution to the problem or the developing tensions.

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- Option 3: Proceed with a limited review of the *Real Estate Act* to address only the composition of the Council; for example, proposals to increase public representation and/or decrease industry representation.
  - Pros: Allows for the implementation of a more transparent selection process that could be more diverse and representative of the makeup of Alberta.

    Boosts protection of the public interest by considering a higher proportion of public members on Council by amending section 6 of the *Real Estate Act*.
  - Cons: May reduce the proportion of Council members with direct industry experience.

    May not resolve the underlying tension between RECA and AREA, instead merely reducing AREA's influence over RECA's governance of the real estate industry.

    Could create the perception that government is interfering with a self-regulating body.

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

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-----Original Message-----
From: Colin Lloyd
Sent: March-28-16 10:58 AM
To: Tim Grant
Cc: Andrew Dore
Subject: Re: RECA

Tim,

I will check and get back to you. Am out of town today so will update in the morning.

Colin

Sent from my iPhone

> On Mar 28, 2016, at 10:35 AM, Tim Grant <tim.grant@gov.ab.ca> wrote:
>
> Colin,
>
> I am reviewing the BN (AR 29540) on RECA/AREA problems. In Option 1, under Pros, the fourth bullet suggests allowing a higher number of public members on the Council. Is there a reference in the REA that would allow the Minister to change the current allocation of seats? Further is this the intent of the review?
>
> Tim
>
> Sent from my iPad



From: Colin Lloyd
Sent: March-28-16 9:53 PM
To: Rob Phillips
Cc: Robert Whittaker
Subject: Fwd: RECA

Rob,

I am going to assume the REA does permit a higher number of public members. Could you confirm when you get in tomorrow please?

Colin

Sent from my iPad

Begin forwarded message:

> **From:** Tim Grant <tim.grant@gov.ab.ca>
> **Date:** March 28, 2016 at 10:35:33 AM MDT
> **To:** Colin Lloyd <Colin.Lloyd@gov.ab.ca>
> **Cc:** Andrew Dore <andrew.dore@gov.ab.ca>
> **Subject: RECA**



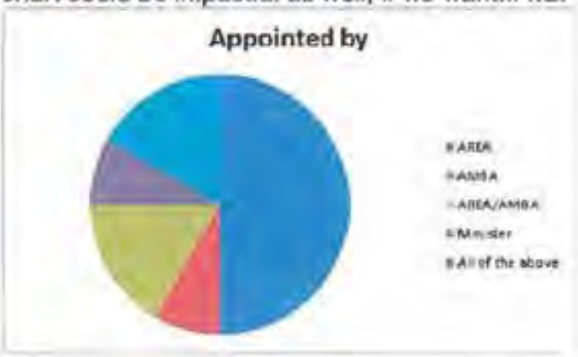
Page 763 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 761

May Chaney

From: Lee Chantal
Sent: Tuesday, March 29, 2016 11:38 AM
To: Kelly Refah
Subject: Composition of the Real Estate Council of Alberta
Attachments: Composition of the Real Estate Council of Alberta.docx

Importance: High

Adapted from the REA and bylaws. I added the table to add a nice, simple representation of the numbers. A chart could be impactful as well, if we want... I.E.



But not strictly necessary.

Lee

Composition of the Real Estate Council of Alberta

Appointments to Council

The composition of the Real Estate Council is set out by the *Real Estate Act*. The twelve members of council are appointed as follows:

- the Alberta Real Estate Association appoints 6 members, who must be real estate brokers:
  - one member who trades in industrial, commercial and investment real estate;
  - one member who trades in residential real estate;
  - one member from the Calgary Real Estate Board;
  - one member from the Edmonton Real Estate Board;
  - two members from other real estate boards in Alberta;
- the Alberta Mortgage Brokers' Association appoints one member, who must be a mortgage broker;
- The members appointed by the Alberta Mortgage Brokers' Association and the Alberta Real Estate Association jointly appoint :
  - One member from nominations from industry members who are not members of the Alberta Real Estate Association, who must be a real estate industry member;
  - One member from nominations from the public at large, who must not be a real estate industry member;
- the Minister of Service Alberta appoints one member, who must not be a real estate industry member;
- all members appointed above jointly appoint:
  - One member who is a real estate appraiser;
  - One member who is a property manager.

Member of Council	Appointed by
6 real estate brokers	Alberta Real Estate Association (AREA)
1 mortgage broker	Alberta Mortgage Broker's Association (AMBA)
1 real estate industry member	AREA and AMBA appointees
1 public member	
1 public member	Minister of Service Alberta
1 real estate appraiser	All members listed above
1 property manager	

The *Real Estate Act* sets a three-year term of office for a Council member. No person may serve more than two consecutive terms as a member of the Council.

Officers of Council

The rules for electing the Chair and Chair-Elect of Council are set out by the *Real Estate Act* Bylaws. The Chair is elected by the members of Council.

The term of office of the chair established under the bylaws is one year. The bylaws allow that a Chair may be elected for a second one-year term under special circumstances, but do not define what these special circumstances are.

May Chaney

From:	Lee Chantal
Sent:	Tuesday, March 29, 2016 12:04 PM
To:	Rob Phillips
Cc:	Kelly Refah
Subject:	Composition of the Real Estate Council
Attachments:	Composition of the Real Estate Council of Alberta.docx
Importance:	High

Rob,

Kelly asked me to prepare a document outlining the composition of RECA's Council, including the appointments and term limits. This outline is attached. I've included a chart as a visual representation of the members that are directly appointed or heavily influenced by AREA – meaning AREA or its members on Council have 60% or more of the votes in appointing that member.

Thanks,

Lee Chantal
Statute Administrator

Market and Industry Standards
Consumer Programs, Service Alberta
Government of Alberta
3rd Floor – 10155 102 Street
Edmonton AB T5J 4L4 Canada
Phone: (780) 644-7657 Fax: (780) 427-3033
E-mail: lee.chantal@gov.ab.ca

KNOWLEDGE IS THE DIFFERENCE. www.servicealberta.ca

Composition of the Real Estate Council of Alberta

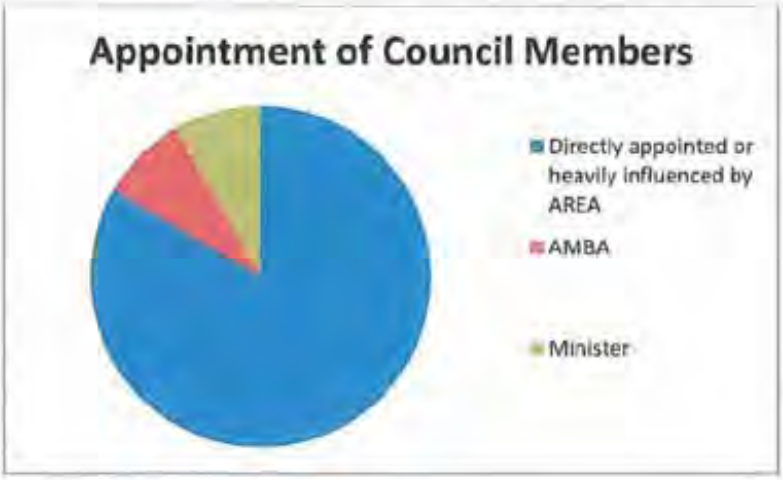
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  - one member from the Calgary Real Estate Board;
  - one member from the Edmonton Real Estate Board;
  - two members from other real estate boards in Alberta;

  the Alberta Mortgage Brokers' Association appoints one member, who must be a mortgage broker;
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  - One member from nominations from industry members who are not members of the Alberta Real Estate Association, who must be a real estate industry member;
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1 mortgage broker	Alberta Mortgage Broker's Association (AMBA)
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1 real estate appraiser	All members listed above
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The *Real Estate Act* sets a three-year term of office for a Council member. No person may serve more than two consecutive terms as a member of the Council.

Officers of Council

The rules for electing the Chair and Chair-Elect of Council are set out by the *Real Estate Act* Bylaws. The Chair is elected by the members of Council.

The term of office of the chair established under the bylaws is one year. The bylaws allow that a Chair may be elected for a second one-year term under special circumstances, but do not define what these special circumstances are.

Tariro Nyemba

From: Colin Lloyd
Sent: March-29-16 1:02 PM
To: Rob Phillips; Robert Whittaker
Cc: Paul Santos; Trevor Bergen
Subject: RE: M/DM meeting: Composition of the Real Estate Council.

Thanks. I do appreciate the effort this constant production of info requires and what it takes out of our people. Please thank Lee and Kelly for me.

From: Rob Phillips
Sent: Tuesday, March 29, 2016 12:55 PM
To: Colin Lloyd; Robert Whittaker
Cc: Paul Santos; Trevor Bergen
Subject: M/DM meeting: Composition of the Real Estate Council.
Importance: High

Colin,

During our meeting this morning you asked for information on the composition of the Real Estate Council as well as terms of the members.

The attached outline was completed by Lee Chantel. Lee has included a chart as a visual representation of the members that are directly appointed or heavily influenced by AREA – meaning AREA or its members on Council who have 60% or more of the votes in appointing that member.

Under the REA, members of Council can be appointed for two consecutive three year terms for a maximum of six years. The term of office of the Council chair is established under RECA's bylaws as one year. The bylaws allow that a Chair may be elected for a second one-year term under special circumstances, but do not define what these special circumstances are.

Rob Phillips

Val Taylor

From: Trevor Bergen
Sent: Tuesday, March 29, 2016 7:49 PM
To: Lee Chantal
Subject: FW: M/DM meeting: Composition of the Real Estate Council.
Attachments: Composition of the Real Estate Council of Alberta.docx

Importance: High

Lee,

You did a great job on this. Well written, easy to follow and the visual is excellent way to present AREA's influence. See you Thursday.
Trevor

From: Rob Phillips
Sent: Tuesday, March 29, 2016 12:55 PM
To: Colin Lloyd; Robert Whittaker
Cc: Paul Santos; Trevor Bergen
Subject: M/DM meeting: Composition of the Real Estate Council.
Importance: High

Continued to page 770

Pages 772 through 773 redacted for the following reasons:
- -
Duplicate to pages 768-769

Val Taylor

From: Rob Phillips
Sent: Wednesday, March 30, 2016 9:48 AM
To: Kelly Refah; Lee Chantal
Cc: Trevor Bergen; Darlene Decker
Subject: FW: RECA
Attachments: RECA-AREA briefing.docx

See current version below. The only changes are some slight adjustments, highlighted in yellow to the " pro bullets" under options 1 and 3.

Rob

-----Original Message-----
From: Robert Whittaker
Sent: Wednesday, March 30, 2016 9:42 AM
To: Colin Lloyd
Cc: Rob Phillips; Jennifer Cunningham
Subject: FW: RECA

Updating briefing attached for you to discuss with Tim. (has been updated in ARTS as well)

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services Service Alberta 29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780 644-4585

-----Original Message-----
From: Tim Grant
Sent: Monday, March 28, 2016 10:36 AM
To: Colin Lloyd
Cc: Andrew Dore
Subject: RECA

Duplicate to page 751

SA 2017-G-0056 - Page 774

Pages 775 through 780 redacted for the following reasons:
- -
Duplicate to pages 749-754

Val Taylor

From: Kelly Refah
Sent: Thursday, March 31, 2016 1:08 PM
To: Lee Chantal
Subject: FW: RECA
Attachments: RECA-AREA briefing.docx

FYI

-----Original Message-----
From: Robert Whittaker
Sent: Thursday, March 31, 2016 11:39 AM
To: Colin Lloyd
Cc: Rob Phillips; Jennifer Cunningham; Kelly Refah
Subject: RE: RECA

Updated briefing with information on BC's review (courtesy of Kelly).

RW

-----Original Message-----
From: Robert Whittaker
Sent: Wednesday, March 30, 2016 9:42 AM
To: Colin Lloyd <Colin.Lloyd@gov.ab.ca>
Cc: Rob Phillips <rob.phillips@gov.ab.ca>; Jennifer Cunningham <jennifer.cunningham@gov.ab.ca>
Subject: FW: RECA

Duplicate to page 774

Pages 782 through 788 redacted for the following reasons:
- -
Page 782: Duplicate to page 774
Pages 410-415: Duplicate to pages 755-760

ACTION REQUEST COVERSHEET
Service Alberta

Due Date: Mar 30, 2016
Due to MCU: Apr 1, 2016
Due to ADMO:
Extended Due Date: Apr 1, 2016

AR Number: 29596
Logged By: MO
Priority Level: High
Received Date: Mar 29, 2016

AR References: 29559
Assigned To: 05 RS-Land Titles
Subject: Letter to Amanda Nielsen, AREA regarding Land Transfer Tax Initiative
Action Requested: Draft reply for Minister
Correspondent: Amanda Nielsen
Constituency: David Shepherd, Edmonton-Centre

	Name and Phone Number		Initials and Date
KMs approved by Communications: (delete this row if not necessary)			
Approved by ADM:			
Edited by MCU:			
Approved by P&G:	Katherine Olson	780-644-1103	
Approved by DM CoS:	Linda Chupka	780-422-6174	
Approved by DM:	Tim Grant	780-415-4954	
Approved by MO:			

File Number:
Comments: Consumer Programs is returning this AR. It needs to be forwarded to Municipal Affairs to handle. Land transfer tax is a municipal issue under the MGS and City Charters Initiative. Municipal Affairs should take the lead.
MO confirms letter should come from our Minister, with cc to Minister Larivee and Ceci.
Additional Notes: Drafted by: [signature] (Marie-Louise Vieira), Date: Mar 31 2016;
Approved by: [signature] (Les Speakman), Date: March 31, 2016.

ALBERTA
SERVICE ALBERTA

Office of the Minister
MLA, Calgary-Varsity

APR – 5 2016

AR29596

Ms. Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
WestMount Corporate Campus
300, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Ms. Nielsen:

Thank you for your enquiry with respect to a land transfer tax in Alberta.

Our government is not considering any legislation with regard to implementation of a land transfer tax. Our focus will continue to be building on Alberta's traditional economic strengths, diversifying markets and products, increasing accountability, and responsible public fiscal management. If you wish to discuss this matter further, please feel free to contact my Chief of Staff, Amy Nugent, at 587-984-0447.

I would like to take this opportunity to thank the Alberta Real Estate Association for their continued engagement on issues of importance to Albertans and real estate professionals.

Sincerely,

Hon. Stephanie McLean
Minister of Service Alberta and Status of Women

cc: Hon. Joe Ceci
President of Treasury Board and Minister of Finance

Hon. Danielle Larivee
Minister of Municipal Affairs

103 Legislature Building, 10800 – 97 Avenue, Edmonton, Alberta T5K 2B6 Canada Telephone 780-422-6000 Fax 780-422-2096

Recycled paper

From: Amy Nugent
To: Dawn Friesen (SA)
Cc: Sandy Hart
Subject: Urgent letter
Date: Monday, March 21, 2016 1:28:35 PM

Hi Dawn,

Would you be able to have SA draft a letter for tmro morning from Minister McLean to AREA indicating that the GOA is not considering implementing land transfer tax.

Letter should also include general KMs from Throne Speech and thanks to AREA for their engagement and that they should feel free to be in touch with CoS Amy Nugent to discuss further.

CC to Ministers Larrivee and Cec

Thx!

Amy Nugent | Chief of Staff | Minister of Status of Women and Service Alberta | Alberta Legislative Building | Ph: s 17(1)

ADVICE TO THE MINISTER

THE REAL ESTATE COUNCIL OF ALBERTA AND THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- Direction is required from the Minister to help resolve an ongoing conflict between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA).

RECOMMENDATION:

[redacted]

BACKGROUND:

- In accordance with the *Real Estate Act*, RECA is the regulatory body for real estate in Alberta. RECA's mandate under section 5 of the Act is:
  - To set and enforce standards of conduct for the real estate industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry; to protect against, investigate, detect, and suppress mortgage fraud as it relates to the industry; and to protect consumers affected by the industry.
  - To provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
  - To administer the Act and its Regulations, bylaws and rules.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups. Membership of real estate professionals in AREA is optional.

- RECA and AREA are in conflict regarding the scope of RECA's regulatory authority. AREA holds the opinion that some of RECA's current activities, even if permitted by the REA, overreach the intended role of a regulator. This is particularly the case in the areas of education and measurement standards, and is manifesting in the two organizations requesting amendments to the Act.

Real Estate Education

- Unresolved conflict exists between AREA and RECA regarding RECA's takeover of the education courses required before obtaining authorization to become a real estate broker.
- AREA previously had oversight of real estate licensing education since 1996, supported by Memorandums of Understanding with RECA.
- Tension developed between AREA and RECA over the content and quality of licensing education for real estate brokers, resulting in changes to the development and delivery of real estate licensing education. RECA and AREA have a difference of opinion on the events that gave rise to these changes:
    - From RECA's perspective, AREA unexpectedly advised RECA in 2010 they no longer wished to be involved in licensing education for strategic reasons. The two organizations reached a mutual agreement that RECA would take over responsibility for the real estate licensing education program.
    - From AREA's perspective, RECA did not respond to AREA's requests for assistance reviewing and updating the outdated course content, which led RECA to move forward with an aggressive plan to eliminate AREA from licensing education altogether.
- RECA and AREA made a joint announcement in 2010 that RECA would take over delivery of all six licensing courses for real estate professionals by the end of 2011. The transition process took longer than anticipated for a number of reasons, with RECA taking responsibility for the last two courses on June 1, 2015.
- AREA has subsequently indicated displeasure with RECA taking over education. AREA indicated in its 2015 annual report that the loss of revenue due to education being assumed by RECA has had negative impacts on AREA staffing levels, and required an increase in membership fees.

Residential Measurement Standards (RMS)

- In February 2015, after conducting industry consultations, RECA launched a new Practice of Residential Real Estate course to clarify and resolve previous content gaps in relation to property measurement.
- RECA's consultation included AREA, realtors, the Edmonton and Calgary Real Estate Boards, appraisers, and RECA's Real Estate Appraiser Advisory Committee. The consultation identified a number of gaps in the course material, and information that was vague or unclear.

- In the fall of 2015, RECA released A Guide to Residential Property Measurement (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced standards, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- On January 20, 2016, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. Support for the motion came primarily from members appointed by AREA, with several other members of the Council opposed.
- AREA has indicated an intention to develop its own RMS standard following industry consultation, with a Guide to be implemented by fall 2016.
- This could create the perception that industry associations are using their members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest.
- For additional background on this issue, please see the corresponding briefing note on RMS.

<u>*Real Estate Act* Amendments</u>

- RECA sent recommendations for amendments to the *Real Estate Act* to Service Alberta in April 2013. Submissions from stakeholders, including AREA, were included in RECA's package. In total, RECA made 25 proposals for amendments to the Act, several of which clarified or enhanced RECA's mandate.
- AREA has requested Service Alberta engage in broader consultation on the Act, taking into consideration issues beyond the scope of RECA's consultation paper and stakeholder engagement sessions.
- AREA is seeking the repeal of section 5(b) of the *Real Estate Act*, which empowers RECA to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
- AREA argues this section, under which RECA delivers education and other services, allows RECA to engage in activities beyond what AREA believes is RECA's intended mandate (i.e., administration and enforcement of the Act).

<u>Meetings with RECA and AREA</u>

- In February 2016, Deputy Minister Tim Grant and Assistant Deputy Minister Colin Lloyd met separately with officials from RECA and AREA. These meetings addressed the current conflict and potential governance issues that could result.
- The next steps after these meetings include the scheduling of a joint meeting with RECA, AREA, and Service Alberta officials to reach common ground and resolve the conflict. This joint meeting is booked for April 12, 2016 and will attempt to reach a common

understanding that the real estate industry's need for responsible governance, fiduciary duties, and consumer protection is paramount.

KEY CONSIDERATIONS:

- RECA has been designated by statute as the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications their members must meet.
- The public interest in Alberta is generally served by allowing for the real estate industry to be a self-governing profession, as it is in the industry members' best interests to maintain the integrity of the self-governing body. However, part of RECA's role is to ensure the public interest prevails if there is a conflict with an industry member's self-interests.
- There is a perception that AREA is attempting to undermine RECA's position as regulator through its actions and public statements.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the industry and public confidence in the real estate profession.
- Under section 76 of the *Real Estate Act*, the Minister may review the conduct of RECA or any other matter affecting regulation of the real estate industry. Upon conclusion of that review, the Minister may direct the Council to take any action the Minister considers appropriate and, if the direction is not satisfactorily carried out, the Minister can dismiss members of Council or employees of RECA who failed to fulfill the direction. Such a review could be undertaken if a threat to public interest arose, such as further undermining of RECA's regulatory mandate by AREA appointees to the Council.
- A review of RECA's conduct and related matters affecting Alberta's real estate industry is timely, as British Columbia is in the process of conducting a similar review of its real estate regulator.
- In February 2016, the Real Estate Council of British Columbia (RECBC) established an independent Advisory Group to examine whether the province's current regulatory regime adequately protects consumers and the wider public interest from real estate licensee conduct.
- Among other issues, the Advisory Group will examine the following:
  - RECBC's governance structures;
  - the administration of the rules, requirements, and professional standards for licensees;
  - RECBC's processes and procedures for identifying and responding to risks to consumers;
  - RECBC's market intelligence, investigative, and enforcement capabilities;
  - the interaction between RECBC, real estate boards, the Superintendent of Real Estate, and other bodies that administer licensee conduct requirements and otherwise oversee real estate practices in the province;

SA 2017-G-0056 - Page 795

- ongoing professional conduct and ethics training and accountability mechanisms; and
- other initiatives to influence industry behavior and compliance; for example, licensee and public education.

- The Advisory Group is expected to provide an interim report to RECBC April 8, 2016, and a full report and recommendations on measures to strengthen consumer protection and the Council's ability to uphold public interest by the end of May 2016.

ANALYSIS:



[redacted]

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

Val Taylor

From: Rob Phillips
Sent: Friday, April 08, 2016 11:07 AM
To: Kelly Refah; Lee Chantal
Cc: Trevor Bergen
Subject: FW: RECA Briefing & Letter Re: Measurement Standards (AR 29540)
Attachments: RECA Briefing on RMS.docx; RECA Minister Follow-up Letter to Chair.docx

From: Rob Phillips
Sent: Friday, April 08, 2016 11:06 AM
To: Robert Whittaker
Cc: Colin Lloyd; Trevor Bergen
Subject: RECA Briefing & Letter Re: Measurement Standards (AR 29540)

Robert,

Can you please follow up with MCU on the status of the briefing and Minister's letter to RECA and why this is not moving forward.

This AR come to us as a " rush briefing note" on March 17, it was completed on March 18, returned to us on March 23 as a rush with edits from the DM, including a change in the recommended option. It was returned to your office on March 24 and sent to MCU on March 30.

This issue remains a concern for RECA and this week we received a new AR from a consumer s.17(1)

[redacted]

Rob Phillips

ADVICE TO THE MINISTER

RESIDENTIAL PROPERTY MEASUREMENT STANDARDS

PURPOSE:

- The Minister's approval is being sought to direct the Real Estate Council of Alberta (RECA) to implement and enforce standards for measurement of residential property by real estate professionals.

RECOMMENDATION:

- It is recommended that the Minister approve Option 1, and send a letter to the Chair of RECA's Council directing RECA to review, develop, and enforce revised industry-wide Residential Measurement Standards (RMS) by fall 2016, and to reinstate RECA's existing Guide to Residential Property Measurement (RMS Guide) until such revisions are complete.
    - The letter demonstrates that government is responding to recent media reports and consumer complaints regarding inaccurate property measurements, and sends a clear message that RECA has jurisdiction over the establishment of residential measurement standards, not the Alberta Real Estate Association (AREA) or any other industry group.
- If RECA does not establish residential measurement standards, it is recommended the Minister use the powers under section 76(5) of the *Real Estate Act* to direct RECA's Council to establish and enforce such standards, as a matter of public interest.

BACKGROUND:

- In accordance with the *Real Estate Act*, RECA's mandate is to promote the integrity of the industry and protect consumers by setting and enforcing standards of conduct for the real estate industry.
- RMS standards are used to determine the square footage or total living area of a home. Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property.
- Due to an increase in complaints about measurements of residential properties, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to RMS.
- In 2014, RECA undertook extensive consultation on this issue. The consultation included AREA, realtors, the Edmonton and Calgary Real Estate Boards, appraisers, and RECA's Real Estate Appraiser Advisory Committee. The consultation identified a number of gaps in the course material, and information that was vague or unclear.
- In February 2015, RECA launched a new Practice of Residential Real Estate course to clarify and resolve previous content gaps in relation to property measurement. Content related to RMS in RECA's Practice of Residential Real Estate course explains how to measure residential property in Alberta so realtors can provide competent service.

- In the fall of 2015, RECA released the RMS Guide to ensure all realtors have access to a guide on RECA's enhanced standards, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA's Real Estate Appraisal Advisory Committee voiced concern to RECA, suggesting that content should be reconsidered as they believe it is inconsistent with existing measurement practices.
- Former Minister Larivee sent a letter to RECA on January 20, 2016 expressing concerns regarding a November 29, 2015 Edmonton Journal article about misrepresentations of the size of condominiums in real estate listings. Minister Larivee urged RECA to take further steps to address the issue.
- On January 20, 2016, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's letter being read to the Council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other members of the Council opposed.
- The motion to revise the RMS Guide also stated that the refined RMS Guide would be understood as a document to help measure residential properties "amongst other standards".
- On February 2, 2016, Krista Bolton, Chair of RECA, sent a letter to the Minister advising of the January 20, 2016 motion to remove the RMS Guide.
- AREA has indicated an intention to develop its own RMS standard following industry consultation, with a Guide to be implemented by fall 2016.

KEY CONSIDERATIONS:

- RECA is seeking direction from the Minister as to whether RECA is the appropriate body to establish rules for RMS, and is requesting that the Minister communicate her expectations, with clear timelines for implementation of a new Guide.
- The Council's decision to strike down RECA's RMS Guide, a decision strongly supported by industry nominees on Council, calls into question RECA's mandate and scope of authority. This could create the perception that industry associations are using their members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest.
- Removal of the RMS Guide from RECA's website results in the inability of real estate professionals to have the guidance of the regulator in how they are to conduct themselves in dealing with the public.
- If RECA's RMS Guide is considered to be, as stated in the January 20, 2016 motion, a document "amongst other standards", this would not reduce the confusion around the acceptable standards for measuring a residential property.

- Lack of a clear standard for RMS hampers RECA's mandate to enforce standards of conduct for the real estate industry.
- Misalignment of any new standards developed by other organizations, such as AREA, and standards already being taught to licence applicants will cause confusion for industry, and compromise consistent and competent service to consumers.

ANALYSIS:

- Option 1: Confirm RECA as the appropriate organization to establish RMS, and direct RECA to reinstate and enforce the existing RMS Guide until a revised Guide is ready for distribution. A draft letter is attached for this purpose.
  - Pros: Establishes a single, clear, enforceable set of standards in Alberta's real estate industry, developed with industry input.

    Supports RECA's mandate under the *Real Estate Act* to create and enforce standards as the regulator for Alberta's real estate industry.

    Allows for changes to the existing RMS Guide to address industry concerns while ensuring standards still apply during the review process.

    Fosters consumer protection and the building of confidence in the industry through the application of consistent measurement standards.
  - Cons: Despite industry consultation, some industry associations have already raised objections to the content of RECA's current RMS Guide and may be opposed to being bound to these standards while further consultations occur.

    Establishment of a single standard for measurement has already been shown to be a matter of concern for some real estate professionals.

    Reasserting RECA's authority over the establishment of such standards may exacerbate existing disputes between RECA and some industry organizations.
- Option 2: Direct RECA to defer reinstating the RMS Guide until industry consultations are complete and a new Guide is ready for implementation.
  - Pros: Allows for a full review of the RMS Guide and consideration of industry feedback prior to the implementation and enforcement of the Guide.

    Shows government's continued support for RECA's mandate under the *Real Estate Act* to create and enforce standards.

    Provides further opportunity to foster consumer protection and the building of confidence in the industry through the application of consistent measurement standards.
  - Cons: The current lack of a single, clear standard would persist until the revised RMS Guide is completed.

Additional consultation with industry members may not allay all industry concerns, including concern over the establishment of a single enforced measurement standard.

Would not resolve tensions between RECA and some industry organizations with regard to RECA's mandate.

- Option 3: Use review powers under section 76 of the *Real Estate Act* to order RECA to implement RMS if the Council does not take this action themselves.
  - Pros: Allows the Minister to ensure standards are developed and enforced by the appropriate organization.

    Ensures a single standard of measurements is established notwithstanding the efforts of industry to prevent such standards.
  - Cons: May create new tension between the Government of Alberta and industry groups through the perception that RECA's Council is not permitted to conduct its own affairs as Council members see fit.

    Use of a review to countermand the direction of a Council duly constituted under the *Real Estate Act* may undermine the self-regulation of the profession.

    Consumer confidence in RECA and the real estate industry may suffer long-term harm through the implication that RECA requires government intervention to conduct itself properly.

ATTACHMENTS:

- Draft letter to Krista Bolton, Chair, RECA, for the Minister's signature

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

Pages 803 through 804 redacted for the following reasons:
- -
Non-Responsive



—— Original Message ——
From: Colin Lloyd
Sent: Saturday, April 09, 2016 06:46 PM
To: Rob Phillips
Cc: Robert Whittaker; Jennifer Cunningham
Subject: RECA/AREA

Rob;

As you know Tim and I were due to attend meetings with RECA and AREA on Tuesday and the RECA dinner on Tuesday evening. We backed out today because Tuesday will be too busy ahead of Wednesday's Non-Responsive

Linda Monlaws handled the technical withdrawal but I will give Bob a call Monday to explain in more detail

Robert/Jen - please set this call up.

Thanks

Colin

Sent from my iPhone

Val Taylor

From: Rob Phillips
Sent: Monday, April 11, 2016 4:21 PM
To: Robert Whittaker
Cc: Kelly Refah; Trevor Bergen
Subject: FW: M/DM meeting: Composition of the Real Estate Council.
Attachments: Composition of the Real Estate Council of Alberta.docx

Importance: High

Faxed it

From: Rob Phillips
Sent: Tuesday, March 29, 2016 12:55 PM
To: Colin Lloyd; Robert Whittaker
Cc: Paul Santos; Trevor Bergen
Subject: M/DM meeting: Composition of the Real Estate Council.
Importance: High

Duplicate in page 770

Pages 807 through 808 redacted for the following reasons:
- -
Duplicate to pages 768-769

Grace Findlay

From: Linda Chupka
Sent: Monday, April 11, 2016 9:40 AM
To: Linda Monllaws; Robert Whittaker
Cc: Dan Byer; Colin Lloyd
Subject: FW: RECA briefing this afternoon
Attachments: 2016-03-29 MDM eBinder.pdf

OK, coming clearer now. This is the one I have on my desk right now that Tim gave back to me with further questions. AR 29540. I know they asked for this in one AR. Tim has asked that they all be separated out because if we wait for them all to come up to speed it will slow the whole process down of each one.

On the Residential Property Measurement Standards advice to Minister, Tim indicated to me that AREA says consultations have not been done and the briefing says it has. Non-Responsive

Linda Chupka
Chief of Staff
Office of the Deputy Minister
Service Alberta
Phone: 780.422.6174
Mobile: s.17(1)

From: Leezann Freed-Lobchuk
Sent: Monday, April 11, 2016 8:58 AM
To: Linda Chupka
Cc: Dawn Friesen (SA)
Subject: RECA briefing this afternoon

Is the attached, from the MDM a couple weeks ago, the latest RECA note? Can you send it to me on its own, instead of as part of a binder?

Leezann Freed-Lobchuk
Ministerial Assistant| Office of the Minister
Service Alberta and Status of Women
103 Legislature Building
T: 780-422-6280

From: Linda Monllaws
Sent: Thursday, March 24, 2016 4:25 PM
To: Amy Nugent; Leezann Freed-Lobchuk; Tim Grant; Andrew Dore; Colin Lloyd; Jo-Anne Nugent
Cc: Sandy Hart; Vickie Roth
Subject: MDM eBinder - March 29, 2016

Hi all,

Attached is the eBinder for Tuesday's MDM meeting at 4:30 pm

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

Alberta Service Alberta

M/DM Meeting

Agenda

March 29, 2016
4:30 p.m. to 5:30 p.m.
Video Conference
Lougheed Room- McDougall Centre
DMs Boardroom, 29th Floor

Non Responsive

4. Real Estate Council of Alberta (RECA) and Alberta Real Estate Association (AREA) – AR29540	Tim Grant

Non Responsive

SA 2017-G-0056 - Page 811

ADVICE TO THE MINISTER

THE REAL ESTATE COUNCIL OF ALBERTA AND THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- Direction is required from the Minister to help resolve an ongoing conflict between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA).

RECOMMENDATION:

[redacted]

BACKGROUND:

- In accordance with the *Real Estate Act*, RECA is the regulatory body for real estate in Alberta. RECA's mandate under section 5 of the Act is:
  - To set and enforce standards of conduct for the real estate industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry; to protect against, investigate, detect, and suppress mortgage fraud as it relates to the industry; and to protect consumers affected by the industry.
  - To provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
  - To administer the Act and its Regulations, bylaws and rules.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups. Membership of real estate professionals in AREA is optional.

- RECA and AREA are in conflict regarding the scope of RECA's regulatory authority. AREA holds the opinion that some of RECA's current activities, even if permitted by the REA, overreach the intended role of a regulator. This is particularly the case in the areas of education and measurement standards, and is manifesting in the two organizations requesting amendments to the Act.

Real Estate Education

- Unresolved conflict exists between AREA and RECA regarding RECA's takeover of the education courses required before obtaining authorization to become a real estate broker.
- AREA previously had oversight of real estate licensing education since 1996, supported by Memorandums of Understanding with RECA.
- Tension developed between AREA and RECA over the content and quality of licensing education for real estate brokers, resulting in changes to the development and delivery of real estate licensing education. RECA and AREA have a difference of opinion on the events that gave rise to these changes:
    - From RECA's perspective, AREA unexpectedly advised RECA in 2010 they no longer wished to be involved in licensing education for strategic reasons. The two organizations reached a mutual agreement that RECA would take over responsibility for the real estate licensing education program.
    - From AREA's perspective, RECA did not respond to AREA's requests for assistance reviewing and updating the outdated course content, which led RECA to move forward with an aggressive plan to eliminate AREA from licensing education altogether.
- RECA and AREA made a joint announcement in 2010 that RECA would take over delivery of all six licensing courses for real estate professionals by the end of 2011. The transition process took longer than anticipated for a number of reasons, with RECA taking responsibility for the last two courses on June 1, 2015.
- AREA has subsequently indicated displeasure with RECA taking over education. AREA indicated in its 2015 annual report that the loss of revenue due to education being assumed by RECA has had negative impacts on AREA staffing levels, and required an increase in membership fees.

Residential Measurement Standards (RMS)

- In February 2015, after conducting industry consultations, RECA launched a new Practice of Residential Real Estate course to clarify and resolve previous content gaps in relation to property measurement.
- RECA's consultation included AREA, realtors, the Edmonton and Calgary Real Estate Boards, appraisers, and RECA's Real Estate Appraiser Advisory Committee. The consultation identified a number of gaps in the course material, and information that was vague or unclear.

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- In the fall of 2015, RECA released A Guide to Residential Property Measurement (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced standards, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- On January 20, 2016, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. Support for the motion came primarily from members appointed by AREA, with several other members of the Council opposed.
- AREA has indicated an intention to develop its own RMS standard following industry consultation, with a Guide to be implemented by fall 2016.
- This could create the perception that industry associations are using their members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest.
- For additional background on this issue, please see the corresponding briefing note on RMS.

Real Estate Act Amendments

- RECA sent recommendations for amendments to the *Real Estate Act* to Service Alberta in April 2013. Submissions from stakeholders, including AREA, were included in RECA's package. In total, RECA made 25 proposals for amendments to the Act, several of which clarified or enhanced RECA's mandate.
- AREA has requested Service Alberta engage in broader consultation on the Act, taking into consideration issues beyond the scope of RECA's consultation paper and stakeholder engagement sessions.
- AREA is seeking the repeal of section 5(b) of the *Real Estate Act*, which empowers RECA to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
- AREA argues this section, under which RECA delivers education and other services, allows RECA to engage in activities beyond what AREA believes is RECA's intended mandate (i.e., administration and enforcement of the Act).

Meetings with RECA and AREA

- In February 2016, Deputy Minister Tim Grant and Assistant Deputy Minister Colin Lloyd met separately with officials from RECA and AREA. These meetings addressed the current conflict and potential governance issues that could result.
- The next steps after these meetings include the scheduling of a joint meeting with RECA, AREA, and Service Alberta officials to reach common ground and resolve the conflict. This joint meeting is booked for April 12, 2016 and will attempt to reach a common

understanding that the real estate industry's need for responsible governance, fiduciary duties, and consumer protection is paramount.

KEY CONSIDERATIONS:

- RECA has been designated by statute as the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications their members must meet.
- The public interest in Alberta is generally served by allowing for the real estate industry to be a self-governing profession, as it is in the industry members' best interests to maintain the integrity of the self-governing body. However, part of RECA's role is to ensure the public interest prevails if there is a conflict with an industry member's self-interests.
- There is a perception that AREA is attempting to undermine RECA's position as regulator through its actions and public statements.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the industry and public confidence in the real estate profession.
- Under section 76 of the *Real Estate Act*, the Minister may review the conduct of RECA or any other matter affecting regulation of the real estate industry. Upon conclusion of that review, the Minister may direct the Council to take any action the Minister considers appropriate and, if the direction is not satisfactorily carried out, the Minister can dismiss members of Council or employees of RECA who failed to fulfill the direction. Such a review could be undertaken if a threat to public interest arose, such as further undermining of RECA's regulatory mandate by AREA appointees to the Council.

ANALYSIS:

[redacted]

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[redacted]

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

Closed

FILE COPY

ACTION REQUEST COVERSHEET
Service Alberta

Due Date:	**Apr 11, 2016**	**AR Number:**	**29690**
Due to MCU:	**Apr 11, 2016**	**Logged By:**	**Ministerial Correspondence Unit (MCU)**
Due to ADMO:		**Priority Level:**	**Normal**
Extended Due Date:	**Apr 11, 2016**	**Received Date:**	**Apr 11, 2016**

AR References: 29540, 29691, 29692, 29693
Assigned To: **04 CARS-ADMO**
Subject: **Real Estate Council of Alberta / Alberta Real Estate Association BN**
Action Requested: Briefing for Minister
Correspondent:
Constituency: ,

	Name and Phone Number		Initials and Date
Approved by ADM:			
Edited by MCU:	Dan Byer		DB
Approved by P&G:	Katherine Olson	780-644-1103	
Approved by DM CoS:	Linda Chupka	780-422-6174	
Approved by DM:	Tim Grant	780-415-4954	Apr 11, 2016
Approved by MO:			

File Number:
Comments:
Additional Notes:
* ~~Provide copy to Dan Byer once Dispatched to Mtg.~~

Pages 818 through 841 redacted for the following reasons:
- -
Pages 818-819: Duplicate of pages 809-810
Pages 820: Duplicate of page 811
Pages 821-829: Non-Responsive
Pages 830-834: Duplicate to pages 812-816
Pages 835-841: Non-Responsive

ADVICE TO THE MINISTER

THE REAL ESTATE COUNCIL OF ALBERTA AND THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- Direction is required from the Minister to help resolve an ongoing conflict between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA).

RECOMMENDATION:

[redacted]

BACKGROUND:

- In accordance with the *Real Estate Act*, RECA is the regulatory body for real estate in Alberta. RECA's mandate under section 5 of the Act is:
  - To set and enforce standards of conduct for the real estate industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry; to protect against, investigate, detect, and suppress mortgage fraud as it relates to the industry; and to protect consumers affected by the industry.
  - To provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
  - To administer the Act and its Regulations, bylaws and rules.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups. Membership of real estate professionals in AREA is optional.

- RECA and AREA are in conflict regarding the scope of RECA's regulatory authority. AREA holds the opinion that some of RECA's current activities, even if permitted by the REA, overreach the intended role of a regulator. This is particularly the case in the areas of education and measurement standards, and is manifesting in the two organizations requesting amendments to the Act.

Real Estate Education

- Unresolved conflict exists between AREA and RECA regarding RECA's takeover of the education courses required before obtaining authorization to become a real estate broker.
- AREA previously had oversight of real estate licensing education since 1996, supported by Memorandums of Understanding with RECA.
- Tension developed between AREA and RECA over the content and quality of licensing education for real estate brokers, resulting in changes to the development and delivery of real estate licensing education. RECA and AREA have a difference of opinion on the events that gave rise to these changes:
  - From RECA's perspective, AREA unexpectedly advised RECA in 2010 they no longer wished to be involved in licensing education for strategic reasons. The two organizations reached a mutual agreement that RECA would take over responsibility for the real estate licensing education program.
  - From AREA's perspective, RECA did not respond to AREA's requests for assistance reviewing and updating the outdated course content, which led RECA to move forward with an aggressive plan to eliminate AREA from licensing education altogether.
- RECA and AREA made a joint announcement in 2010 that RECA would take over delivery of all six licensing courses for real estate professionals by the end of 2011. The transition process took longer than anticipated for a number of reasons, with RECA taking responsibility for the last two courses on June 1, 2015.
- RECA is understood to have completed extensive consultation on its residential real estate course prior to launching the updated course material. The consultations included input from AREA, realtors, the Edmonton and Calgaery Real Estate Boards, appraisers, and RECA's Real Estate Appraiser Advisory Committee. The consultation identified a number of gaps in the course material, and information that was vague or unclear.
- AREA has subsequently indicated displeasure with RECA taking over education. AREA indicated in its 2015 annual report that the loss of revenue due to education being assumed by RECA has had negative impacts on AREA staffing levels, and required an increase in membership fees.

Residential Measurement Standards (RMS)

- In February 2015, after conducting extensive industry consultations, RECA launched a new Practice of Residential Real Estate course to clarify and resolve previous content gaps in relation to property measurement.

- In developing revisions to the real estate education program, on which the RMS Guide is based, RECA considered measurement standards developed by other organizations including the American National Standards Institute standard Z765-2013, Alliance of Canadian Real Estate Education standards, the Ontario New Home Warranty Program Bulletin No. 22, and the standards used by various real estate boards. RECA identified these as the only measurement standards available for review.
- In the fall of 2015, RECA released A Guide to Residential Property Measurement (RMS Guide) to ensure all realtors have access to a guide on RECA's enhanced standards, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- On January 20, 2016, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. Support for the motion came primarily from members appointed by AREA, with several other members of the Council opposed.
- AREA has indicated an intention to develop its own RMS standard following industry consultation, with a Guide to be implemented by fall 2016.
- This could create the perception that industry associations are using their members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest.
- For additional background on this issue, please see the corresponding briefing note on RMS.

<u>*Real Estate Act* Amendments</u>

- RECA sent recommendations for amendments to the *Real Estate Act* to Service Alberta in April 2013. Submissions from stakeholders, including AREA, were included in RECA's package. In total, RECA made 25 proposals for amendments to the Act, several of which clarified or enhanced RECA's mandate.
- AREA has requested Service Alberta engage in broader consultation on the Act, taking into consideration issues beyond the scope of RECA's consultation paper and stakeholder engagement sessions.
- AREA is seeking the repeal of section 5(b) of the *Real Estate Act*, which empowers RECA to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
- AREA argues this section, under which RECA delivers education and other services, allows RECA to engage in activities beyond what AREA believes is RECA's intended mandate (i.e., administration and enforcement of the Act).

Meetings with RECA and AREA

- In February 2016, Deputy Minister Tim Grant and Assistant Deputy Minister Colin Lloyd met separately with officials from RECA and AREA. These meetings addressed the current conflict and potential governance issues that could result.
- The next steps after these meetings include the scheduling of a joint meeting with RECA, AREA, and Service Alberta officials to reach common ground and resolve the conflict. This joint meeting is booked for April 12, 2016 and will attempt to reach a common understanding that the real estate industry's need for responsible governance, fiduciary duties, and consumer protection is paramount.

KEY CONSIDERATIONS:

- RECA has been designated by statute as the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications their members must meet.
- The public interest in Alberta is generally served by allowing for the real estate industry to be a self-governing profession, as it is in the industry members' best interests to maintain the integrity of the self-governing body. However, part of RECA's role is to ensure the public interest prevails if there is a conflict with an industry member's self-interests.
- There is a perception that AREA is attempting to undermine RECA's position as regulator through its actions and public statements.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the industry and public confidence in the real estate profession.
- Under section 76 of the *Real Estate Act*, the Minister may review the conduct of RECA or any other matter affecting regulation of the real estate industry. Upon conclusion of that review, the Minister may direct the Council to take any action the Minister considers appropriate and, if the direction is not satisfactorily carried out, the Minister can dismiss members of Council or employees of RECA who failed to fulfill the direction. Such a review could be undertaken if a threat to public interest arose, such as further undermining of RECA's regulatory mandate by AREA appointees to the Council.
- A review of RECA's conduct and related matters affecting Alberta's real estate industry is timely, as British Columbia is in the process of conducting a similar review of its real estate regulator.
- In February 2016, the Real Estate Council of British Columbia (RECBC) established an independent Advisory Group to examine whether the province's current regulatory regime adequately protects consumers and the wider public interest from real estate licensee conduct.
- Among other issues, the Advisory Group will examine the following:

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- RECBC's governance structures;
- the administration of the rules, requirements, and professional standards for licensees;
- RECBC's processes and procedures for identifying and responding to risks to consumers;
- RECBC's market intelligence, investigative, and enforcement capabilities;
- the interaction between RECBC, real estate boards, the Superintendent of Real Estate, and other bodies that administer licensee conduct requirements and otherwise oversee real estate practices in the province;
- ongoing professional conduct and ethics training and accountability mechanisms; and
- other initiatives to influence industry behavior and compliance; for example, licensee and public education.

- The Advisory Group is expected to provide an interim report to RECBC April 8, 2016, and a full report and recommendations on measures to strengthen consumer protection and the Council's ability to uphold public interest by the end of May 2016.

ANALYSIS:



[redacted]

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

Darlene Decker

From:	Lee Chantal
Sent:	Tuesday, April 12, 2016 11:36 AM
To:	Rob Phillips
Cc:	Kelly Refah; Trevor Bergen
Subject:	RE: RECA information
Attachments:	Composition of the Real Estate Council of Alberta.docx

Rob,

On Robert's questions:

- Over a five year period, October 2010 to September 2015, RECA took enforcement action on 16 complaints about measurements of square footage. They advise they are unable to determine the total number of complaints that were about measurements of square footage specifically.
  - These complaints relate specifically to measurements of residential properties, which is a separate matter from issues of condominium registered size discrepancies on MLS that have been noted before. We are waiting for additional information from RECA to understand how they differentiate the two types of complaints.
- We are also waiting for additional information from RECA to detail what the exact concerns of the Real Estate Appraisal Advisory Committee were, and are expecting this information by Thursday.
- RECA has a 12 member council. AREA directly appoints 6 of those members, and has substantial influence over 4 others, meaning their members have 60% or more of the votes to select those 4 others. See attachment on the Composition of RECA for more information.

Thanks,

Lee Chantal
Statute Administrator

Market and Industry Standards
Consumer Programs, Service Alberta
Government of Alberta
3rd Floor – 10155 102 Street
Edmonton AB T5J 4L4 Canada
Phone: (780) 644-7657 Fax: (780) 427-3033
E-mail: lee.chantal@gov.ab.ca

KNOWLEDGE IS THE DIFFERENCE. www.servicealberta.ca

From: Kelly Refah
Sent: Monday, April 11, 2016 3:01 PM
To: Lee Chantal
Cc: Rob Phillips; Trevor Bergen
Subject: FW: RECA information

Lee, please prepare a response to Robert's questions. I assume his first question is referring to complaints filed with RECA. We would have to request this information from RECA, though I don't know if RECA tracks complaints to this level of detail.

Kelly

From: Robert Whittaker
Sent: Monday, April 11, 2016 2:55 PM
To: Rob Phillips
Cc: Kelly Refah; Jennifer Cunningham; Dan Byer
Subject: RECA Information

AR 29691 –

- How many complaints have there been on measurements of residential properties?
- What was actually said by the Appraisal advisory committee when they suggested that the content of the standard was inconsistent with existing measurement practices?
- Remind us again of the current make-up of the council? Which appointments does AREA make, or have influence over?

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

Pages 850 through 851 redacted for the following reasons:
- -
Duplicate to pages 768-769

Val Taylor

From: Kelly Refah
Sent: Monday, April 18, 2016 2:51 PM
To: Rob Phillips
Cc: Trevor Bergen; Lee Chantal
Subject: AREA/RECA Briefing for COS
Attachments: RECA AREA Briefing for Committee of Supply.docx

Rob,

As requested, I adapted the AREA/RECA briefing note to fit the Committee of Supply template. The COS template is a lot simpler with fewer headings than the Briefing template we use for Minister's approval. I trimmed down some of the background information and revised the key messages since the old ones didn't quite work. Also, the options and recommendations from the previous briefing have been removed. Please let me know if you'd like any further edits made. Thanks.

Kelly

From: Rob Phillips
Sent: Monday, April 18, 2016 1:49 PM
To: Kelly Refah
Subject: FW: Action Request Tracking

Just found it. You want 29690

Rob

From: Rob Phillips
Sent: Wednesday, April 13, 2016 4:28 PM
To: Darlene Decker; Trevor Bergen; Lee Chantal; Kelly Refah
Subject: Action Request Tracking

You may recall in late March the Consumer and Registry Division received four rush briefing notes. All four were placed into ARTS with single AR # 29540.

As some of these briefings were returned for edits MCU has created four separate ARs, which should make tracking easier. The new numbers are;

AR 29690: Real Estate Council of Alberta / Alberta Real Estate Association BN
AR 29691: Residential Measurement Standards (RMS) BN

Non-Responsive

I have been monitoring 29691 to see if the Minister's letter to RECA on the RMS issue has been signed and sent.

Rob

ADVICE TO THE MINISTER

THE REAL ESTATE COUNCIL OF ALBERTA AND THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- To provide information regarding the ongoing conflict between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA).

KEY MESSAGES:

- This government is committed to ensuring RECA fulfills its mandate of setting and enforcing standards of conduct for the real estate industry, protecting consumers and promoting the integrity of the industry.
- The public interest is better served when RECA and AREA work harmoniously toward this common goal.
- If conflict cannot be resolved amicably, ministerial powers under the *Real Estate Act* can be used to review the governance of RECA's Council and give direction as to how matters should be dealt with.
- A review of RECA's conduct and related matters affecting Alberta's real estate industry is timely, as British Columbia is in the process of conducting a similar review of its real estate regulator.
- Service Alberta looks forward to learning the outcome of BC's review, which is expected to be released in May 2016.

BACKGROUND:

- In accordance with the *Real Estate Act*, RECA is the regulatory body for the real estate sector in Alberta. RECA's mandate under section 5 of the Act is:
  - To set and enforce standards of conduct for the real estate industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry; to protect against, investigate, detect, and suppress mortgage fraud as it relates to the industry; and to protect consumers affected by the industry.
  - To provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
  - To administer the Act and its Regulations, bylaws and rules.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups. Membership of real estate professionals in AREA is optional.

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- RECA and AREA are in conflict regarding the scope of RECA's regulatory authority. AREA holds the opinion that some of RECA's current activities, even if permitted by the REA, overreach the intended role of a regulator. This is particularly the case in the areas of education and measurement standards, and is manifesting in the two organizations requesting amendments to the Act.
- In recent months, Deputy Minister Tim Grant and Assistant Deputy Minister Colin Lloyd met with officials from RECA and AREA to address current conflict and potential governance issues. The message conveyed at the meetings was the need for responsible governance, and sound consumer protection.
- The public interest in Alberta is generally served by allowing for the real estate industry to be a self-governing profession, as it is in the industry members' best interests to maintain the integrity of the self-governing body. However, part of RECA's role is to ensure the public interest prevails if there is a conflict with an industry member's self-interests.
- There is a perception that AREA is attempting to undermine RECA's position as regulator through its actions and public statements. A recent example is AREA's January 2016 public announcement, indicating it would develop measurement standards to be used by realtors when measuring homes on behalf of consumers. This advisory was issued shortly after RECA released a comprehensive set of measurement standards for real estate professionals.
- Unresolved conflict between RECA and AREA creates ongoing challenges to RECA in fulfilling its mandate of improving Alberta's real estate industry and ensuring public trust. This can have a significant impact on the industry and public confidence in the real estate profession.
- Under section 76 of the *Real Estate Act*, the Minister may review the conduct of RECA or any other matter affecting regulation of the real estate industry. Upon conclusion of that review, the Minister may direct the Council to take any action the Minister considers appropriate and, if the direction is not satisfactorily carried out, the Minister can dismiss members of Council or employees of RECA who failed to fulfill the direction. Such a review could be undertaken if a threat to public interest arose, such as further undermining of RECA's regulatory mandate by AREA appointees to the Council.
- In February 2016, the Real Estate Council of British Columbia (RECBC) established an Independent Advisory Group to examine whether the province's current regulatory regime adequately protects consumers and the wider public interest from real estate licensee conduct.
- Among other issues, the Advisory Group will examine the following:
  - RECBC's governance structures;
  - the administration of the rules, requirements, and professional standards for licensees;
  - RECBC's processes and procedures for identifying and responding to risks to consumers;
  - RECBC's market intelligence, investigative, and enforcement capabilities;

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- the interaction between RECBC, real estate boards, the Superintendent of Real Estate, and other bodies that administer licensee conduct requirements and otherwise oversee real estate practices in the province;
- ongoing professional conduct and ethics training and accountability mechanisms; and
- other initiatives to influence industry behavior and compliance; for example, licensee and public education.

- The Advisory Group is expected to provide an interim report to RECBC April 8, 2016, and a full report and recommendations on measures to strengthen consumer protection and the Council's ability to uphold public interest by the end of May 2016.

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

Val Taylor

From: Trevor Bergen
Sent: Monday, April 18, 2016 4:01 PM
To: Rob Phillips
Cc: Kelly Refah; Lee Chantal; Jennifer Cunningham
Subject: FW: AREA/RECA Briefing for COS
Attachments: RECA AREA Briefing for Committee of Supply.docx

Importance: High

Kelly – thanks for this.

Rob, I spoke with Kelly and we made a tweak to the bullet about measurement standards to generalize the content. This is good to go to me.

Looks like Althea is away from her office right at the moment so rather than sending this forward right away (since you are in meetings until 5) I wanted to give you an opportunity to review if you have a chance but we should send this over today...thanks!
Trevor

From: Kelly Refah
Sent: Monday, April 18, 2016 2:51 PM
To: Rob Phillips
Cc: Trevor Bergen; Lee Chantal
Subject: AREA/RECA Briefing for COS

Duplicate to page 855

Pages 857 through 860 redacted for the following reasons:
- -
Page 857: Duplicate to page 852
Pages 858-860: Duplicate to pages 853-855

Tariro Nyemba

From: Jennifer Cunningham
Sent: April-26-16 9:06 AM
To: Trevor Bergen
Cc: Kelly Refah; Rob Phillips; Grace Findlay; Darlene Decker; Robert Whittaker; Brendan Guhl
Subject: RE: ARTS Notification 29805 AB Real Estate Association Leadership Conference

Yes the 27th should be fine. I will push it through this office to meet original MCU timelines. Please touch base with Cheryl in Communications as she is preparing the speaking notes and may have the information you are looking for. If not, please email me back and I will have a note sent up through MCU.

Thanks

-----Original Message-----
From: Trevor Bergen
Sent: April-25-16 4:39 PM
To: Jennifer Cunningham
Cc: Kelly Refah; Rob Phillips; Grace Findlay; Darlene Decker; Robert Whittaker; Brendan Guhl
Subject: RE: ARTS Notification 29805 AB Real Estate Association Leadership Conference

Hi Jennifer,

Sorry for the second e-mail.

Would it be possible to get a one day extension on this one? Kelly's team was able to pull a few salient issues from Service Alberta's perspective off the AREA website (condo managers, etc) so we can start drafting but we're juggling a few rushes this week and having until end of day on the 27th (or even noon on the 27th) would be helpful.
Trevor

-----Original Message-----
From: Trevor Bergen
Sent: Monday, April 25, 2016 4:12 PM
To: Jennifer Cunningham
Cc: Kelly Refah (Kelly.Refah@gov.ab.ca); Rob Phillips; Grace Findlay; Darlene Decker (Darlene.Decker@gov.ab.ca)
Subject: FW: ARTS Notification 29805 AB Real Estate Association Leadership Conference
Importance: High

Hi Jennifer,

Can you obtain a few more details on this one?

In ARTS, the only thing I can gather is that the speech is to the AB Real Estate Association Leadership Conference and that we've been asked to prepare a briefing note and speaking points.

Do you know whether there were any particular issues that the MLA Dach was looking to speak about? Thanks!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading Consumer Services SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

-----Original Message-----
From: Jennifer Cunningham
Sent: Monday, April 25, 2016 3:58 PM
To: Darlene Decker; Grace Findlay; Rob Phillips; Trevor Bergen
Subject: ARTS Notification 29805 AB Real Estate Association Leadership Conference

Action Request: 29805

Assigned To: 09 Communications, 04 CS-Consumer Programs

Action: Briefing for MLA

Due Date: Apr 28, 2016

Instructions: Please return to ADMO by end of day April 26, 2016

Organization: Service Alberta
URL: [redacted]

Val Taylor

From: Scott Seymour
Sent: Wednesday, April 27, 2016 9:22 AM
To: Brendan Guhl
Cc: Kelly Refah; Trevor Bergen; Cheryl Tkalcic
Subject: Speech for AREA event
Attachments: 2016_04_26 SN_Dach - AREA event.docx

Hey there...
Attached is my first draft of speaking notes for MLA Lorne Dach to use at the upcoming AREA event in Jasper, on behalf of the Minister. I'm hoping you can help me determine if I've covered enough ground with this speech. I think it's basically a speech to bring greetings on behalf of the GoA/Minister, so I wasn't trying to put too much detail in it. I also had the advantage of having written the speech for Minister Gray to use at this weekend's CCI North event and I borrowed heavily from it.

Here are the topics I covered:

- State of economy/challenges for realtors
- Condo Act regs
- Real Estate Act amendments

I notice that the BN didn't make mention of the REA amendments – is that still OK to cover in my speech? I also left out any mention of the Home Inspection standards, or the Land Titles stuff. Currently the speech weighs in at around five or six minutes – pretty long for "greetings." Not sure how much more I should be adding, but I welcome your input.

Can you please review and let me know what you think?

Thanks!

Scott

Alberta Government
Scott Seymour
Public Affairs Officer| Communications | Service Alberta
Telus Plaza South Tower | 10020 - 100 Street | T5J 2N1
T: 780-422-8811| C: s.17(1) scott.seymour@gov.ab.ca

Speaking Notes

Lorne Dach

MLA, Edmonton-McClung

2016 AREA Leadership Conference:
Governing for Success

May 10, 2016
Time TBD

Jasper, Alberta

Event Summary

What:	2016 AREA Leadership Conference: Governing for Success
Where:	asdf
When:	asdf
Who:	• asdf
Why:	Bring greetings on behalf of Service Alberta Minister Stephanie McLean
Key messages:	• asdf
Contacts:	Tina Faiz, Press Secretary 587-986-1505
Media follow-up	asdf

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- Good morning, everyone.
- I'm happy to be here today to bring greetings on behalf of the Government of Alberta and my colleague, the Honourable Stephanie McLean, Minister of Service Alberta.
- I'm definitely in familiar territory.
- Before I entered politics I worked for about 30 years in the real estate industry as an Associate Broker.
- It's nice to be among so many familiar faces.

Economic challenges

- I'm sure I don't need to tell you about the challenges our province is facing right now.
- Albertans are rightfully concerned about their livelihoods and their income security.
- It seems like everyone's in the same boat.

SA 2017-G-0056 - Page 866

- No industry has been spared from the realities we're facing right now. That includes the real estate industry.
- I'm sure it's become a lot more challenging to be a realtor in the last year or so.
- However, we know that, like our energy industry, our real estate industry is resilient.
- Like all Albertans, you're an optimistic and entrepreneurial people with a can-do attitude. You've long ago learned to roll with the punches and adapt to what the market brings you.
- And, quite frankly, you're in a unique position.
- Now, more than ever, Albertans want – and need - to have peace of mind whenever they buy a home.
- You're the ones who can help make that happen.

- As a government, we're doing everything we responsibly can, as quickly as possible, to promote job creation and economic diversification.

- But we rely on realtors to help promote and build our communities.

- You are a front-line contact between consumers and many of our programs, services and legislation related to building, buying, or renting a house or condominium.

- You're required to have a good working knowledge of the *Alberta Building Code, the Municipal Government Act, the Fair Trading Act, the Condominium Property Act, the Residential Tenancies Act and the Land Titles Act*, to name a few.

- You also help home buyers by providing advice, as needed, on obtaining essential services such as electricity, natural gas and other utilities.

- Buying a home is one of the biggest purchases most Albertans will make in their lifetime.

SA 2017-G-0056 - Page 868

- Our government believes that home ownership is vitally important to this province – a key barometer of our economy.

- We want our economy to be able to provide people with the kinds of jobs that allow them to purchase and own a home.

- I'll now give you some brief updates on a couple of items of interest that Service Alberta is working on.

Real Estate Act amendments

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*.

- I can tell you that amendments are tentatively scheduled for spring 2017.

- Our promise to you is that AREA will be engaged in further consultations on these amendments before they are passed.

SA 2017-G-0056 - Page 869

Condominium Property Act

- As you know, Service Alberta undertook an extensive review of the *Condominium Property Act* with the goal of modernizing it to reflect the realities of today's condo marketplace.

- The Phase One amendments are aimed at improving protection for new condo buyers, including enhanced purchase disclosure as well as remedies and safeguards for handling purchase monies.

- The amendments will also equip government with the tools necessary to investigate and enforce breaches under the legislation.

- Service Alberta wanted the public to have an opportunity to weigh in on the regulations before they are approved, so an online survey was set up last fall for stakeholders to provide feedback.

- For those of you who participated in that survey, thanks for taking the time.

SA 2017-G-0056 - Page 870

- Service Alberta continues to work hard to implement amendments to the *Condominium Property Act* and develop supporting regulations to benefit condo buyers and owners across this province.

- Minister McLean hopes to present this first phase of regulations to Cabinet later this year.

- She also wishes to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by the ministry.

Conclusion

- Once again, thank you for inviting me to come to your event today.

SA 2017-G-0056 - Page 871

- I hope you can see how the Government of Alberta is working hard to bring forth changes that benefit Albertans in the course of buying and selling real estate.
- On behalf of Minister McLean, and our government, thank you for your continued support and participation.
- I hope you enjoy the conference today.

SA 2017-G-0056 - Page 872

Val Taylor

From: Trevor Bergen
Sent: Wednesday, April 27, 2016 1:10 PM
To: Brendan Guhl
Cc: Kelly Refah
Subject: Re: Speech for AREA event

Thanks!

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA
Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Sent from mobile

On Apr 27, 2016, at 1:08 PM, Brendan Guhl <brendan.guhl@gov.ab.ca> wrote:

> Hi Trevor,
>
> Thanks for this. I'll pass along the comments on the Speaking notes to Scott Seymour, and make the required updates to the briefing.
>
> **Brendan Guhl**
> **780.643.9453**
>
> **From:** Trevor Bergen
> **Sent:** Wednesday, April 27, 2016 12:53 PM
> **To:** Brendan Guhl; Kelly Refah
> **Subject:** RE: Speech for AREA event
>
> Hi Brendan,
>
> I hadn't thought of this when I read the briefing but I suppose it's possible that the MLA may be asked a questions about the REA. Hence, no concerns about adding this to the speaking notes but I'd like to see the following change. At this stage, we can't commit to 2017 so I would only commit to consultations. Given this is in the notes, we should add a bullet or two in the briefing about REA amendments. In the briefing, we can say the department intends to "take steps to review the legislation in 2017" (not "amend" the legislation). Thanks!
> Trevor

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*.

- Should our government consider any changes to this legislation, I can commit ~~that~~

- ~~I can tell you that amendments are tentatively scheduled for spring 2017.~~

- ~~Our promise to you is~~ that AREA will be engaged in further consultations on these amendments before they are put forward~~passed~~.

From: Brendan Guhl
Sent: Wednesday, April 27, 2016 9:56 AM
To: Kelly Refah; Trevor Bergen
Subject: RE: Speech for AREA event

Hi Kelly and Trevor,

Should there be any mention of the REA amendments as part of the MLA's speech? We didn't cover this in the briefing.

Brendan Guhl
780.643.9453

From: Scott Seymour
Sent: Wednesday, April 27, 2016 9:22 AM
To: Brendan Guhl
Cc: Kelly Refah; Trevor Bergen; Cheryl Tkalcic
Subject: Speech for AREA event

Duplicate to page 10.1

Page 875 redacted for the following reason:
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Val Taylor

From: Trevor Bergen
Sent: Wednesday, April 27, 2016 4:29 PM
To: Rob Phillips
Subject: RE: PLS REVIEW: Speaking notes for AREA event

Good changes. Thanks,
Trevor

From: Rob Phillips
Sent: Wednesday, April 27, 2016 4:02 PM
To: Scott Seymour
Cc: Trevor Bergen; Kelly Refah; Lee Chantal; Brendan Guhl
Subject: FW: PLS REVIEW: Speaking notes for AREA event
Importance: High

Scott,

These look good, with one exception. I would replace the reference to the Fair Trading Act with the Real Estate Act Although new home sales are covered by the FTA most real estate transactions are not.

I have made several edits in track changes on page 5.

Rob

From: Scott Seymour
Sent: Wednesday, April 27, 2016 3:53 PM
To: Rob Phillips
Subject: PLS REVIEW: Speaking notes for AREA event

Hi Rob...
Attached are the speaking notes for MLA Dach to use at the upcoming AREA event in Jasper. This version contains input from Trevor and Brendan.
Can you please review and let us know if they're OK to be uploaded to ARTS?
Thanks!
Scott

Alberta Government
Scott Seymour
Public Affairs Officer| Communications | Service Alberta
Telus Plaza South Tower | 10020 - 100 Street | T5J 2N1
T: 780-422-8811 | C: s 17(1) | scott.seymour@gov.ab.ca

Val Taylor

From: Kelly Refah
Sent: Wednesday, April 27, 2016 5:05 PM
To: Rob Phillips; Trevor Bergen; Brendan Guhl; Lee Chantal
Subject: FW: PLS REVIEW: Speaking notes for AREA event
Attachments: 2016_04_26 SN_Dach - AREA event.docx

Importance: High

Forgot to copy the group

From: Kelly Refah
Sent: Wednesday, April 27, 2016 5:04 PM
To: Scott Seymour
Subject: FW: PLS REVIEW: Speaking notes for AREA event
Importance: High

Scott, you may want to consider deleting or revising the following point. I realize it's become a lot more challenging to be a seller in the last year or so. It sounds a little odd to me. If we keep from real estate stats that sales/prices have markedly declined in the last year, then maybe there should be a reference to declining numbers for greater context.

Kelly

From: Rob Phillips
Sent: Wednesday, April 27, 2016 4:02 PM
To: Scott Seymour
Cc: Trevor Bergen; Kelly Refah; Lee Chantal; Brendan Guhl
Subject: FW: PLS REVIEW: Speaking notes for AREA event
Importance: High

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SA 2017-G-0056 - Page 877

Page 878 redacted for the following reason:
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Duplicate to page 876

Speaking Notes

Lorne Dach

MLA, Edmonton-McClung

2016 AREA Leadership Conference:
Governing for Success

May 10, 2016
Time TBD

Jasper, Alberta

Event Summary

What:	2016 AREA Leadership Conference: Governing for Success
Where:	asdf
When:	asdf
Who:	• asdf
Why:	Bring greetings on behalf of Service Alberta Minister Stephanie McLean
Key messages:	• asdf
Contacts:	Tina Faiz, Press Secretary 587-986-1505
Media follow-up	asdf

SA 2017-G-0056 - Page 880

- Good morning, everyone.
- I'm happy to be here today to bring greetings on behalf of the Government of Alberta and my colleague, the Honourable Stephanie McLean, Minister of Service Alberta.
- I'm definitely in familiar territory.
- Before I entered politics I worked for about 30 years in the real estate industry as an Associate Broker.
- It's nice to be among so many familiar faces.

Economic challenges

- I'm sure I don't need to tell you about the challenges our province is facing right now.
- Albertans are rightfully concerned about their livelihoods and their income security.
- It seems like everyone's in the same boat.

SA 2017-G-0056 - Page 881

- No industry has been spared from the realities we're facing right now. That includes the real estate industry.
- I'm sure it's become a lot more challenging to be a realtor in the last year or so.
- However, we know that, like our energy industry, our real estate industry is resilient.
- Like all Albertans, you're an optimistic and entrepreneurial people with a can-do attitude. You've long ago learned to roll with the punches and adapt to what the market brings you.
- And, quite frankly, you're in a unique position.
- Now, more than ever, Albertans want – and need - to have peace of mind whenever they buy a home.
- You're the ones who can help make that happen.

SA 2017-G-0056 - Page 882

- As a government, we're doing everything we responsibly can, as quickly as possible, to promote job creation and economic diversification.

- But we rely on realtors to help promote and build our communities.

- You are a front-line contact between consumers and many of our programs, services and legislation related to building, buying, or renting a house or condominium.

- In addition to the Real Estate Act y~~Y~~ou're required to have a good working knowledge of the *Alberta Building Code, the Municipal Government Act, ~~the Fair Trading Act~~, the Condominium Property Act, the Residential Tenancies Act and the Land Titles Act*, to name a few.

- You also help home buyers by providing advice, as needed, the need for ~~on~~ a home inspection,or obtaining essential services such as electricity, natural gas and other utilities.

SA 2017-G-0056 - Page 883

- Buying a home is one of the biggest purchases most Albertans will make in their lifetime.

- Our government believes that home ownership is vitally important to this province – a key barometer of our economy.

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- Many of you are curious about the timing of possible amendments to the *Real Estate Act*.

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SA 2017-G-0056 - Page 884

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SA 2017-G-0056 - Page 885

- For those of you who participated in that survey, thanks for taking the time.
- Service Alberta continues to work hard to implement amendments to the *Condominium Property Act* and develop supporting regulations to benefit condo buyers and owners across this province.
- Minister McLean hopes to present this first phase of regulations to Cabinet later this year.
- She also wishes to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by the ministry.

Conclusion

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SA 2017-G-0056 - Page 886

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- I hope you enjoy the conference today.

SA 2017-G-0056 - Page 887

Val Taylor

From: Trevor Bergen
Sent: Wednesday, April 27, 2016 5:12 PM
To: Kelly Refah
Subject: RE: PLS REVIEW: Speaking notes for AREA event

Thanks Kelly!

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Kelly Refah
Sent: Wednesday, April 27, 2016 5:05 PM
To: Rob Phillips; Trevor Bergen; Brendan Guhl; Lee Chantal
Subject: FW: PLS REVIEW: Speaking notes for AREA event
Importance: High



Page 889 redacted for the following reason:
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Speaking Notes

Lorne Dach

MLA, Edmonton-McClung

2016 AREA Leadership Conference: Governing for Success

May 10, 2016
Time TBD

Jasper, Alberta

Event Summary

What:	2016 AREA Leadership Conference: Governing for Success
Where:	asdf
When:	asdf
Who:	• asdf
Why:	Bring greetings on behalf of Service Alberta Minister Stephanie McLean
Key messages:	• asdf
Contacts:	Tina Faiz, Press Secretary 587-986-1505
Media follow-up	asdf

SA 2017-G-0056 - Page 891

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SA 2017-G-0056 - Page 892

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- I'm sure it's become a lot more challenging to be a realtor in the last year or so.
- However, we know that, like our energy industry, our real estate industry is resilient.
- Like all Albertans, you're an optimistic and entrepreneurial people with a can-do attitude. You've long ago learned to roll with the punches and adapt to what the market brings you.
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SA 2017-G-0056 - Page 893

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SA 2017-G-0056 - Page 894

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SA 2017-G-0056 - Page 895

Condominium Property Act

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- The amendments will also equip government with the tools necessary to investigate and enforce breaches under the legislation.

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SA 2017-G-0056 - Page 896

- For those of you who participated in that survey, thanks for taking the time.
- Service Alberta continues to work hard to implement amendments to the *Condominium Property Act* and develop supporting regulations to benefit condo buyers and owners across this province.
- Minister McLean hopes to present this first phase of regulations to Cabinet later this year.
- She also wishes to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by the ministry.

Conclusion

- Once again, thank you for inviting me to come to your event today.

SA 2017-G-0056 - Page 897

- I hope you can see how the Government of Alberta is working hard to bring forth changes that benefit Albertans in the course of buying and selling real estate.
- On behalf of Minister McLean, and our government, thank you for your continued support and participation.
- I hope you enjoy the conference today.

SA 2017-G-0056 - Page 898

Darlene Decker

From: RECA Communications <communications@reca.ca>
Sent: Thursday, May 12, 2016 9:01 AM
To: RECA Everyone
Subject: RECA News: At-Risk Commissions Working Group – Joint Update from AREA and RECA

RECA News May 12, 2016

The complex topic of at-risk commissions has been a discussion point over the years by many in the real estate industry: brokers, associates, Boards/Associations, AREA, RECA and REIX. No matter the lens from which the topic is viewed, the common goal is betterment of the industry.

That common goal was evident at a recent meeting of representatives from all of the industry stakeholders listed above. The working group met and mapped out next steps to address the topic of at-risk commissions.

At a high level, the group will:

- Distribute an information document that provides clarity on technical information and steps that can be taken to address the issue;
- Research and map out options in regards to trust account provisions and insurance products; and
- Engage broker and associate members/licensees for critical input.

A target has been set for the end of May for the group to report back in with progress, understanding that some items will require more time for research and development. Updates will be provided to you as the work progresses.

Look to your inboxes in the coming weeks for your opportunity to contribute to the process, as it is critical that the working group understand your perspective and incorporate what we learn from you into the group's outcomes.

Any questions or comments on this topic can be sent to communications@arealhub.ca and all inquiries will reach all stakeholders participating in the working group.

Real Estate Council of Alberta
T: 1-888-425-2754
F: (403) 228-3065
communications@reca.ca
www.reca.ca

RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to communications@reca.ca

SA 2017-G-0056 - Page 900

Tariro Nyemba

From: Jennifer Cunningham on behalf of Colin Lloyd
Sent: May-12-16 3:30 PM
To: Tim Grant
Subject: Accepted: HOLD - Calgary mtg with RECA/AREA - Rescheduled from April 12

Val Taylor

From: Trevor Bergen
Sent: Monday, May 16, 2016 1:11 PM
To: Rob Phillips
Subject: RE: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Thanks Rob,

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Rob Phillips
Sent: Monday, May 16, 2016 1:00 PM
To: Trevor Bergen; Kelly Refah; Lee Chantal
Subject: FW: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Should be useful for any ARs. It many also be worth adding a line to the recent commission ARs we have done if they are still in the system and not sent out.

Rob

From: RECA [mailto:communications@reca.ca]
Sent: Thursday, May 12, 2016 9:00 AM
To: Rob Phillips
Subject: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA



Page 903 redacted for the following reason:
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Val Taylor

From: Trevor Bergen
Sent: Tuesday, May 17, 2016 10:42 AM
To: Lee Chantal
Cc: Kelly Refah
Subject: RE: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Thanks Lee.

If you send your suggested edits to Katherine Olsen and cc me and Kelly, Katherine should be able to make the tweaks without rerouting this back to us.
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Lee Chantal
Sent: Tuesday, May 17, 2016 10:40 AM
To: Trevor Bergen; Kelly Refah
Subject: RE: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Kelly/Trevor,

There is one commission AR still in the system – AR 29784, s.17(1) . It is currently sitting with MCU, where it was routed on April 22. If we want to try to add a line to the AR as suggested by Rob below, this is the only one that doesn't appear to have been sent out at this time.

Thanks,

Lee

From: Rob Phillips
Sent: Monday, May 16, 2016 1:00 PM
To: Trevor Bergen; Kelly Refah; Lee Chantal
Subject: FW: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Should be useful for any ARs. It many also be worth adding a line to the recent commission ARs we have done if they are still in the system and not sent out.

Rob

From: RECA [mailto:communications@reca.ca]
Sent: Thursday, May 12, 2016 9:00 AM

To: Rob Phillips
Subject: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Duplicate information to page 900-000

Page 906 redacted for the following reason:
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Duplicate information to page 899-900

Darlene Decker

From: communications@areahub.ca
Sent: Friday, May 20, 2016 1:54 PM
To: Brad Mitchell
Subject: Update on AREA Work on RECA RMS

On May 11, RECA published its new Residential Measurement Standard (RMS). On May 18, RECA distributed a communication entitled "Residential Measurement Standard – What it Means for You" which outlines frequently asked questions. RECA's new RMS standards are effective immediately.

Alberta's *Real Estate Act* grants RECA the authority to create provincial measurement standards, making compliance with RECA's new standards mandatory. Please familiarize yourself and adjust your practice accordingly.

AREA supports the implementation of new RMS standards, and has requested RECA allow local boards more time to implement changes contained in the new guide.

Moving forward, AREA's focus is two-fold. We have heard from our members, and are offering support to members and their regional board/associations in adjusting to the new RMS standards. Additionally, as your provincial association, we will continue to advocate for better industry engagement processes.

To keep you informed, a timeline of events is below:

- **February 2015**: RECA updates REAP to include residential measurement standard (RMS) information.
- **June 2015**: AREA sends RECA a letter expressing concern with lack of communication to industry and lack of consistent measurement standards.
- **September 2015**: RECA communicates RMS to industry; information comes from REAP released in February 2015.
- **January 2016:** RMS removed from RECA website following a RECA Council vote.

- **February 2016**: RECA distributes measurement standards industry consultation request with March 22 deadline.
- **March 17 2016:** AREA, with the support of all local boards, submits feedback on measurement standards and presents feedback to RECA in a meeting.
- **April 29, 2016:** RECA receives letter from Service Alberta Minister Stephanie McLean requesting the creation of a provincial measurement standards action plan by May 31.
- **May 11, 2016:** RECA publishes revised RMS guide, which is effective immediately.
- **May 17, 2016:** RECA asks AREA if it will be submitting further feedback on the guide.

AREA will continue to communicate new information to members as it becomes available, and will work with its sector-wide Measurement Standards committee to inform a further RMS standards submission.

Alberta Real Estate Association
Suite 300, 4954 Richard Road SW
Calgary, AB T3E 6L1
communications@areahub.ca
www.areahub.ca

Val Taylor

From: Kelly Refah
Sent: Wednesday, May 25, 2016 5:11 PM
To: Rob Phillips; Trevor Bergen; Lee Chantal
Subject: FW: RECA News: Residential Measurement Standard - What it Means for You
Attachments: Update on AREA Work on RECA RMS

FYI. It looks like AREA has backed away from prior plans to develop its own residential measurement standards. I suspect this change in direction was influenced to a large extent by our Minister's stern follow up letter to RECA's Council. While AREA publicly supports implementation of RECA's RMS (see attachment) and advised its members to comply with the new standards, Brad Mitchell suggests RECA's timelines for consultation and implementation was rushed.

Kelly

From: Brad Mitchell [mailto:bmitchell@areahub.ca]
Sent: Wednesday, May 25, 2016 4:38 PM
To: Kelly Refah
Cc: Lee Chantal
Subject: RE: RECA News: Residential Measurement Standard - What it Means for You

Good afternoon Kelly,

AREA continues to work with the industry to advise RECA on appropriate measurement standards. A copy of our communication to members is attached for you to review. We have always advocated for a single enforceable standard across the province. AREA provided an industry position on detached housing on March 17, which outlined our ask to follow ANSI, an international standard used by appraisers to evaluate detached housing.

AREA requested more time to provide our input on condominium measurements - only three weeks notice was given to industry to make a submission. We were surprised at the sudden announcement on May 11 of new standards with no notice period to advise industry members and give them time to adapt their business practices accordingly. RECA asked us to provide an additional submission on measurement standards, after the standards were already implemented.

Boards and REALTORS® need more than 24 hours notice to comply with an entirely new set of standards. AREA, its boards and its members are dissatisfied with the method and manner of implementation of the new standards from our regulator as well as the consultation process leading up to their adoption. This has lead to industry confusion and potential consumer mistrust. AREA appreciates RECA has the regulatory authority to implement standards, and we will work with our boards and members to ensure the new standard is followed.

Thank you for following up on this important file. We appreciate government interest in a clear process for industry and consumers. Please give me a call if you have any questions.

Warm regards,

From: Kelly Refah [mailto:kelly.Refah@gov.ab.ca]
Sent: May-25-16 9:21 AM
To: Brad Mitchell <bmitchell@areahub.ca>
Cc: Lee Chantal <lee.chantal@gov.ab.ca>
Subject: FW: RECA News: Residential Measurement Standard - What it Means for You

Hello Brad,

We learned that RECA's council recently passed a motion to adopt a revised RMS Guide and that RECA's standards are now in effect for licensed real estate professionals. Is AREA proceeding with developing a separate set of measurement standards or guidelines for realtors, as indicated in AREA's January 25th Advisory , or has that process ended in light of Council's decision?

Thanks,

Kelly Refah
Manager, Market & Industry Standards
Service Alberta
Tel: (780) 427-0294

From: RECA [mailto:communications@reca.ca]
Sent: Wednesday, May 18, 2016 4:37 PM
To: Kelly Refah
Subject: RECA News: Residential Measurement Standard - What it Means for You

RECA News May 18, 2016

Residential Measurement Standard – What it Means for You

The Real Estate Council of Alberta wants to ensure all real estate professionals understand what the Residential Measurement Standard (RMS) means to them, their listings, and their clients.

Here are answers to the most frequently asked questions:

1) When do the RMS standards take effect?
   a) Immediately. All real estate professionals must use the standards when measuring residential real estate.

2) Does the RMS apply to my current listings?
   a. No. The updated RMS, which RECA announced last week, does not apply to your current listings. You need to use the RMS for any new listings or re-listings.

3) How can real estate professionals get more information or assistance

with the RMS?

a. In the 2016-2017 licensing year (October 1, 2016-September 30, 2017), all real estate professionals trading in residential and rural real estate must complete a re-licensing education program (REP) course on the RMS in order to renew. In the meantime, we suggest you review the RMS principles and the *Guide to the Residential Measurement Standard in Alberta*, which RECA prepared as a resource for real estate professionals. RECA is also available to answer questions about the RMS, please email residentialmeasurement@reca.ca.

4) What information is available for consumers about the RMS?
   a. Real estate professionals are required to talk to clients about the RMS, but RECA is also communicating with consumers. RECA distributed a news release about the RMS to Alberta media outlets last week, and has a consumer tip about the RMS on its website. That consumer tip is available here. Additional consumer-focused communications about the RMS will follow.

5) What do I do if my real estate board's listing database or rules differ from the RMS?
   a. The RMS is a provincial standard that licensed real estate professionals must follow when measuring residential property, regardless of their local board's listing database. RECA is optimistic that Alberta boards will work towards bringing their listing database fields in line with the RMS. Take care not to confuse RMS area with other size representations your Board may require, which are not based on you taking physical measurements (i.e. registered condominium size).

6) How is the current RMS different from what was distributed by RECA in Fall 2015?
   a. Click here to review how the RMS has changed since Fall 2015.

As always, RECA staff are available to answer questions about the RMS by email at residentialmeasurement@reca.ca. Real estate brokers are encouraged to reach out to the real estate practice advisor, Doug Dixon, at ddixon@reca.ca.

Real Estate Council of Alberta
T: 1-888-425-2754
F: (403) 228-3065
communications@reca.ca
www.reca.ca

RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to communications@reca.ca

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Val Taylor

From: communications@areahub.ca
Sent: Friday, May 20, 2016 1:54 PM
To: Brad Mitchell
Subject: Update on AREA Work on RECA RMS

On May 11, RECA published its new Residential Measurement Standard (RMS). On May 18, RECA distributed a communication entitled "Residential Measurement Standard – What it Means for You" which outlines frequently asked questions. RECA's new RMS standards are effective immediately.

Alberta's *Real Estate Act* grants RECA the authority to create provincial measurement standards, making compliance with RECA's new standards mandatory. Please familiarize yourself and adjust your practice accordingly.

AREA supports the implementation of new RMS standards, and has requested RECA allow local boards more time to implement changes contained in the new guide.

Moving forward, AREA's focus is two-fold. We have heard from our members, and are offering support to members and their regional board/associations in adjusting to the new RMS standards. Additionally, as your provincial association, we will continue to advocate for better industry engagement processes.

To keep you informed, a timeline of events is below:

- **February 2015**: RECA updates REAP to include residential measurement standard (RMS) information.
- **June 2015**: AREA sends RECA a letter expressing concern with lack of communication to industry and lack of consistent measurement standards.
- **September 2015**: RECA communicates RMS to industry; information comes from REAP released in February 2015.
- **January 2016**: RMS removed from RECA website following a RECA Council vote.

- **February 2016:** RECA distributes measurement standards industry consultation request with March 22 deadline.
- **March 17 2016:** AREA, with the support of all local boards, submits feedback on measurement standards and presents feedback to RECA in a meeting.
- **April 29, 2016:** RECA receives letter from Service Alberta Minister Stephanie McLean requesting the creation of a provincial measurement standards action plan by May 31.
- **May 11, 2016:** RECA publishes revised RMS guide, which is effective immediately.
- **May 17, 2016:** RECA asks AREA if it will be submitting further feedback on the guide.

AREA will continue to communicate new information to members as it becomes available, and will work with its sector-wide Measurement Standards committee to inform a further RMS standards submission.

You are receiving this mail because you are a member of our Association. If you unsubscribe, you may miss out on critical information.

Alberta Real Estate Association
Suite 300, 4954 Richard Road SW
Calgary, AB T3E 6L1
communications@areahub.ca
www.areahub.ca

Tariro Nyemba

From: Jennifer Cunningham on behalf of Colin Lloyd
Sent: June-02-16 11:39 AM
To: Tim Grant
Subject: Accepted: Hold RECA/AREA Meeting



From: Colin Lloyd
Sent: June-14-16 5:59 PM
To: Tim Grant
Subject: Re: RECA Governance Question

Sounds good.

Sent from my iPhone

On Jun 14, 2016, at 5:57 PM, Tim Grant <tim.grant@gov.ab.ca> wrote:

> Look forward to it. It will have to be later in the day.
>
> Tim
>
> **From:** Colin Lloyd
> **Sent:** Tuesday, June 14, 2016 5:54 PM
> **To:** Tim Grant
> **Cc:** Robert Whittaker; Linda Chupka
> **Subject:** Re: RECA Governance Question
>
> Tim
>
> I had a lengthy discussion with Bob Myroniuk on this issue this aft. I'll update you tomorrow

Colin

Sent from my iPhone

On Jun 14, 2016, at 5:39 PM, Tim Grant <tim.grant@gov.ab.ca> wrote:

s.17(1)

s.17(1) I am sorry to hear that AREA may be acting outside the bounds of good governance practices. s.17(1) regarding the meeting on July 5th. Rest assured I will raise this issue at that time.

I will connect with you after the meeting.

Tim

s.17(1)

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Pages 918 through 919 redacted for the following reasons:
- -
Page 918: s.17(1)
Page 919: Non-Responsive

To: Colin Lloyd
Subject: FW: CREB(R)Talk: Why do you have to follow two measurement standards?



Bob

From: Bob Myroniuk
Sent: June-08-16 11:14 AM
To: Colin Lloyd <Colin.Lloyd@gov.ab.ca>
Subject: FW: CREB(R)Talk: Why do you have to follow two measurement standards?

Hi Colin,



Non-Responsive

The other reason I am bringing this to your attention is that I have been thinking about our upcoming meeting on July 5th. You folks have invited two representatives from RECA and AREA to attend which is appreciated. Although we do not have an agenda for the meeting, I understand the purpose of the meeting. I respectfully suggest you consider inviting the executive officers of the two major real estate boards in Alberta to that meeting i.e. s.17(1) of the Realtors Association of Edmonton and s.17(1) of creb®. While we have our issues with AREA, AREA is in no position to exercise control over RAE® or creb®. You can see how either or both of them can create havoc for the public and licensees.

I would be pleased to discuss this suggestion with you if you feel it has merit.

Bob Myroniuk
Executive Director

Real Estate Council Alberta

T (403) 685-7036
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F (403) 228-3065

reca.ca

Real Estate Council Alberta
Suite 350, 4954 Richard Rd SW
Calgary, Alberta T3E 6L1

The authority for a positive real estate experience.

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Pages 922 through 925 redacted for the following reasons:
- -
Non-Responsive

Val Taylor

From: Trevor Bergen
Sent: Wednesday, June 22, 2016 3:05 PM
To: Lee Chantal
Subject: FW: Non-Responsive

FYI for the board appointment piece.

From: Robert Whittaker
Sent: Wednesday, June 22, 2016 3:04 PM
To: Trevor Bergen
Subject: RE: Non-Responsive

It would be useful to have a section on the governance gaps that exist and possible solutions (ex. How many positions are appointed by, or have influence from AREA)

RW

From: Trevor Bergen
Sent: Wednesday, June 22, 2016 2:57 PM
To: Robert Whittaker
Subject: RE: Non-Responsive

Duplicate to pages 919-920

Pages 927 through 932 redacted for the following reasons:
- -
Duplicate to pages 919-925

Val Taylor

From: Jodi Morris
Sent: Monday, June 27, 2016 11:08 AM
To: Trevor Bergen
Subject: RE: Meeting Agenda for July 5 RECA Meeting

The last reps I'm aware we dealt with were:

Ian Burns, CEO
Brad Mitchell, Director Government Relations
Amanda Nielsen, Public Affairs and Stakeholder Relations Advisor
Kerri Romanetz, Government Relations Analyst

Jodi Morris
Director of Residential Tenancies/
Director of Cooperatives
Service Alberta
Market and Industry Standards
Telephone: (780) 415-2186
Fax: (780) 427-3033
Email: jodi.morris@gov.ab.ca
Website: www.servicealberta.ca

From: Trevor Bergen
Sent: Monday, June 27, 2016 10:52 AM
To: Jodi Morris
Subject: FW: Meeting Agenda for July 5 RECA Meeting

Hi Jodi,

Any idea of who our key AREA reps would be? I haven't seen the list of attendees so will be fine telling Colin this unless we know who we regularly speak with from AREA...

Thanks!
Trevor

From: Colin Lloyd
Sent: Monday, June 27, 2016 10:23 AM
To: Trevor Bergen
Cc: Robert Whittaker; Jennifer Cunningham; Lee Chantal
Subject: RE: Meeting Agenda for July 5 RECA Meeting

Documents look good, except for the fact that on the Agenda document we don't have the AREA reps included.

Colin

From: Trevor Bergen
Sent: Monday, June 27, 2016 9:34 AM
To: Colin Lloyd
Cc: Robert Whittaker; Jennifer Cunningham; Lee Chantal
Subject: Meeting Agenda for July 5 RECA Meeting

Hi Colin,

As requested, attached is a draft agenda that Tim could use for the meeting with RECA, the Edmonton Real Estate Board and Calgary Real Estate Board on July 5.

For ease of reference, I've attached the briefing note on this meeting that we had sent forward to your office via ARTS on Friday.

Jennifer, if Colin is good with the agenda it would be great if we could add this to ARTS so it's all in one package.

Thanks,
Trevor

<< File: 30172BN.docx >> << File: 30172Agenda.docx >>

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Darlene Decker

From: Trevor Bergen
Sent: Monday, June 27, 2016 11:56 AM
To: Colin Lloyd; Jennifer Cunningham
Cc: Robert Whittaker; Lee Chantal
Subject: RE: Meeting Agenda for July 5 RECA Meeting

Hi Jennifer,

Further to Colin's note below, the AREA folks we are most often in contact with are:

- Ian Burns, CEO
- Brad Mitchell, Director Government Relations
- Amanda Nielsen, Public Affairs and Stakeholder Relations Advisor
- Kerri Romanetz, Government Relations Analyst

As per our discussion, we haven't seen any information on which AREA reps will be attending the meeting but you thought you may have received this information. Could you please confirm and advise if you need anything further from us on this. Thanks again!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Colin Lloyd
Sent: Monday, June 27, 2016 10:23 AM
To: Trevor Bergen
Cc: Robert Whittaker; Jennifer Cunningham; Lee Chantal
Subject: RE: Meeting Agenda for July 5 RECA Meeting



Page 936 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 933-934

Val Taylor

From: Trevor Bergen
Sent: Monday, June 27, 2016 2:00 PM
To: Lee Chantal
Cc: Robert Whittaker; Colin Lloyd; Jennifer Cunningham
Subject: FW: Material for July 5th meeting.
Attachments: 301728N.docx; 30172Agenda.docx

Hi Lee,

When you are back in the office tomorrow, if you could please annotate the agenda using content from the briefing note that would be excellent.

Essentially, we'll need to add some of the key bullets and points from the briefing note into the agenda to help Tim guide the discussion and surface the most important points.

If we could target having this up to Colin for later tomorrow or Wednesday, that would be just fine. Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Colin Lloyd
Sent: Monday, June 27, 2016 1:11 PM
To: Linda Monlaws
Cc: Linda Chupka; Robert Whittaker; Trevor Bergen
Subject: Material for July 5th meeting.

Linda,

We have just finalized materials and a draft agenda (we will annotate the agenda for Tim) for our meeting with RECA and AREA in Calgary, July 5th. They are just coming up through ARTS.

Colin

Colin Lloyd
Assistant Deputy Minister
Service Alberta
Consumer and Registry Services
29 Floor, Telus House, ATB Place
10020 – 100 Street
Edmonton, Alberta T5J ON3 Canada

Tel 780-427-2300 Fax 780-422-0956
Cell s.17(1)
colin.lloyd@gov.ab.ca

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ADVICE TO THE DEPUTY MINISTER

MEETING WITH THE REAL ESTATE COUNCIL OF ALBERTA AND ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- The Deputy Minister will be meeting with representatives from the Real Estate Council of Alberta (RECA) and Alberta Real Estate Association (AREA).

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 6th Street SW, Calgary
Black Diamond Room

ATTENDEES: Bob Myroniuk, Executive Director, RECA
Alan Tenant, Calgary Real Estate Board
Michael Thompson, Edmonton Real Estate Board
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services
Other attendees to be determined

STAKEHOLDER STRATEGY:

- RECA is expected to raise concerns about the number of Council members with appointment terms that are expiring in October, and to seek a solution to promote the reappointment of certain Council members to ensure continuity on Council.
- As the term of the current Ministerial appointee is expiring, RECA will also likely inquire as to the appointment of a new public member.
- AREA has indicated support for the implementation of RECA's Residential Measurement Standard (RMS), but has voiced concerns that the implementation timelines for this standard are too hurried.

KEY MESSAGES:

- Service Alberta supports the continued self-regulation of the real estate industry through RECA, and believes RECA's activities are effective at promoting the interests of both the public and the real estate profession.
- The development and implementation of the RMS as a single measurement standard is essential to ensuring consistent expectations for real estate professionals in Alberta and to

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support the public interest. As the regulator, RECA is the appropriate body to bring forward this standard.

- We are pleased AREA supports the implementation of the revised RMS as a single standard for real estate professionals in Alberta, and that AREA will continue to provide RECA with feedback about the RMS.
- The continuity of membership on RECA's Council is key to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with a number of council members reaching the end of their current terms in October.
- As the current Council member appointed by the Minister is not seeking a second term, Service Alberta will be conducting a competition to select the Ministerial appointment for the Council. This process is anticipated to commence during the summer.

BACKGROUND:

Residential Measurements Standard (RMS) Update

- For background on RMS, please see AR 29691.
- Following the January 20, 2016 Council motion to remove the RMS guide from RECA's website, RECA worked with stakeholders, including the Residential Real Estate Advisory Committee and Real Estate Appraisal Advisory Committee, to make revisions to the RMS.
- On April 13, 2016, RECA's Council approved the revised RMS as the single standard for real estate professionals, creating a mandatory standard that industry members must use when measuring residential properties.
- Minister McLean sent a letter to RECA on April 29, 2016 reaffirming government's support for a single measurement standard for residential properties in Alberta, and that the establishment of this standard fell within RECA's mandate.
- On May 11, 2016, the revised RMS guide was published on RECA's website. On May 13, 2016, RECA issued a press release indicating real estate professionals must use the RMS to measure and communicate the size of residential property.
- AREA has indicated support for the new RMS standards, but has raised concerns about the implementation, as no prior notice or transition period was provided for real estate professionals to learn and comply with the new standard.
    - AREA indicates they were given the opportunity to provide input on condominium measurements specifically, however as they only had three weeks to make their submission, there was insufficient time for an effective response.
    - AREA alleges RECA has asked for an additional AREA submission on measurement standards, but that RECA requested this submission only after the RMS had already been implemented.

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- AREA had previously indicated they would create their own RMS. Based on AREA's support for a single measurement standard for the real estate industry, it appears they have suspended work on their own standard.

Calgary Real Estate Board (CREB®) and RMS

- Prior to the introduction of the RMS by RECA, CREB® had established a measurement standard which their members were required to use when posting listings to the Multiple Listing Service (MLS) database.
- Following the implementation of RMS, CREB® has advised their members they must comply with RMS but must also continue to comply with CREB®'s standard to advertise on MLS. CREB® states this means each property must be measured twice, once for each standard.
  - CREB®'s communication to members implies the RMS will result in different property measurements than CREB®'s standard, and that clients should be advised their home has not changed size regardless of the size given by RMS.
  - The communication attests members must continue to follow CREB®'s guidelines to ensure accuracy and consistent property measurement, and to maintain the value of the data in the MLS database.
- RECA indicates both the initial and revised versions of the RMS are very similar to the standard already used by CREB®, as well as other standards used by other Alberta real estate boards and internationally. RECA reviewed CREB®'s measurement standards as part of the development of the RMS.
  - According to RECA, when CREB® was consulted during the development of RMS, CREB® accused RECA of regulatory scope creep and stated RECA did not have the authority to create such standards.
- RECA is refuting the need to measure twice to get the required measurements, and has raised concern that duplicate standards will create conflict and confusion for the public and real estate professionals in Calgary.

Appointments to the Real Estate Council

- The composition of the Council governing RECA is set out under section 6 of the *Real Estate Act* (REA).
- The appointments of seven of the twelve Council members expire October 31, 2016.
  - These members comprise three appointed by AREA, the mortgage broker appointee, the Ministerial appointee, and the members appointed by the Council from the real estate appraisal and property management industries.
- Each member with an expiring appointment is currently serving their first term on Council, and may be reappointed for a second term if their appointing body so chooses.
  - Service Alberta is aware of two members who will not be seeking a second term on Council. These comprise the Ministerial appointment and one of the AREA appointees

- The Council currently comprises five female members, including the Council Chair, and seven male members.
  - Of the five council members whose terms are not expiring, three members are female and two are male.
  - Both of the members who are not seeking a second term are male.
- RECA has raised concern about the potential lack of experience that could result on council if some of the members are not reappointed.
  - Of the five council members whose terms are not expiring, four have less than a year of experience on council, having begun their terms in November 2015. As such, if none of the members with expiring terms are reappointed, only one Council member would have more than a year of experience on the Council.
- The appointment process under the REA gives AREA significant influence over the membership of RECA's council. See attachment "Composition of the Real Estate Council of Alberta" for more detail.
- The level of influence AREA holds over the selection of RECA's council creates a potential governance concern, as it could create the perception that an industry association can induce the regulator to reduce regulation and industry oversight, thereby negatively impacting the public interest.

Upcoming Ministerial Appointment

- Per section 6(1)(a) of the REA, the Minister of Service Alberta appoints one person to the Council.
- The term of the current Ministerial appointment, Tony Dhaliwal, expires October 31, 2016.
  - s.17(1)
- In order to facilitate the orientation of a new public member, RECA has requested to be informed of the Minister's appointment by the end of July or early August 2016.
- In July, the department will be forwarding a briefing package to request approval to initiate recruitment for the Ministerial appointment to RECA's council, inclusive of a competency matrix.

ATTACHMENTS:

1. AR 29691 – Briefing on Residential Property Measurement Standards
2. Composition of the Real Estate Council of Alberta

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

AGENDA

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 6th Street SW, Calgary
Black Diamond Room

ATTENDEES: Bob Myroniuk, Executive Director, RECA
Alan Tenant, Calgary Real Estate Board
Michael Thompson, Edmonton Real Estate Board
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services

AGENDA ITEMS:

1. Residential Measurements Standards (RMS) update
2. Role of Council governance and member relationships in supporting RECA's mandate to protect consumers and set industry standards
3. Upcoming Council member vacancies and appointments

Val Taylor

From: Trevor Bergen
Sent: Tuesday, June 28, 2016 11:09 AM
To: Cheryl Tkalcic
Cc: Lee Chantal; Darlene Decker; Jennifer Cunningham; Grace Findlay
Subject: AR 30172

Importance: High

HI Cheryl,

We sent AR 30172 over to your shop yesterday to review the key messages.

Can you please add the attached annotated agenda to the AR package and then forward to Colin's office once you've reviewed the KMs?

Thanks!
Trevor



Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

ANNOTATED AGENDA FOR SERVICE ALBERTA REPRESENTATIVES

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 6th Street SW, Calgary
Black Diamond Room

ATTENDEES: Bob Myroniuk, Executive Director, RECA
Alan Tenant, Calgary Real Estate Board
Michael Thompson, Edmonton Real Estate Board
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services

AGENDA ITEMS:

1. **Residential Measurements Standards (RMS) update**

Key Messages

a. The development and implementation of the RMS as a single measurement standard is essential to ensuring consistent expectations for real estate professionals in Alberta and to support the public interest. As the regulator, RECA is the appropriate body to bring forward this standard.
b. We are pleased AREA supports the implementation of the revised RMS as a single standard for real estate professionals in Alberta, and that AREA will continue to provide RECA with feedback about the RMS.

Critical Background Information

a. RECA has published a revised version of the RMS Guide as a mandatory measurement standard for measurement of residential properties by industry members. On May 13, 2016, RECA issued a press release indicating real estate professionals must use the RMS to measure and communicate the size of residential property.
b. AREA supports the new RMS standards, but raises concerns about implementation, as no prior notice or transition period was provided for real estate professionals to learn and comply with the new standard.
c. Following the implementation of RMS, CREB® advised their members they must comply both with RMS and with CREB®'s standard to advertise on MLS. CREB® states this means each property must be measured twice, once for each standard.

d. RECA refutes CREB®'s statement about measuring twice to get the required measurements, and raises concern that duplicate standards will create conflict and confusion for the public and real estate professionals in Calgary.

2. **Role of Council governance and member relationships in supporting RECA's mandate to protect consumers and set industry standards**

Key Messages

a. Service Alberta supports the continued self-regulation of the real estate industry through RECA, and believes RECA's activities are effective at promoting the interests of both the public and the real estate profession.

Critical Background Information

a. The appointment process under the REA gives AREA significant influence over the membership of RECA's council.

b. Of twelve council members, AREA has influence over ten appointments (83%), as they directly appoint six and heavily influence the appointment of four others.

c. AREA's influence over the selection of RECA's council creates a potential governance concern, as it could create the perception that an industry association can induce the regulator to reduce regulation and industry oversight, negatively impacting the public interest.

d. The AREA appointed members of council were the primary supporters of the motion that removed the original version of the RMS Guide from RECA's website.

3. **Upcoming Council member vacancies and appointments**

Key Messages

a. The continuity of membership on RECA's Council is key to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with a number of council members reaching the end of their current terms in October.

b. As the current Council member appointed by the Minister is not seeking a second term, Service Alberta will be conducting a competition to select the Ministerial appointment for the Council. This process is anticipated to commence during the summer.

Critical Background Information

a. The continuity of membership on RECA's Council is essential to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with the appointments of seven of the twelve Council members expiring October 31, 2016.

b. RECA has raised concern about the potential lack of experience that could result on council if some of the members are not reappointed.

c. If none of the members with expiring terms are reappointed, only one Council member would have more than a year of experience on the Council, as the other four remaining members all commenced their council terms in November 2015.

d. The term of the current Ministerial appointment, Tony Dhaliwal, expires October 31, 2016. s.17(1)

e. In July, the department will be forwarding a briefing package to request approval to initiate recruitment for the Ministerial appointment to RECA's council.

Val Taylor

From: Trevor Bergen
Sent: Tuesday, June 28, 2016 11:18 AM
To: Colin Lloyd
Cc: Robert Whittaker; Jennifer Cunningham; Lee Chantal
Subject: RE: Material for July 5th meeting.

Hi Colin,

We've prepared the annotated agenda and will include this in the AR package that will be coming your way shortly. Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Colin Lloyd
Sent: Monday, June 27, 2016 1:11 PM
To: Linda Monilaws
Cc: Linda Chupka; Robert Whittaker; Trevor Bergen
Subject: Material for July 5th meeting.



Darlene Decker

From: Lee Chantal
Sent: Tuesday, June 28, 2016 3:29 PM
To: Trevor Bergen
Subject: RE: Material for July 5th meeting.
Attachments: 30172Agenda.docx; 30172Agenda-Annotated.docx; 30172BN.docx

Trevor,

In case we don't get the AR back before I leave at 16:00, here are the updated documents – edits made as discussed in this e-mail string and AREA attendees added to all documents.

If we do get them back before I leave, I can add them onto ARTS.

Thanks,

Lee

From: Trevor Bergen
Sent: Tuesday, June 28, 2016 11:22 AM
To: Robert Whittaker; Lee Chantal
Cc: Jennifer Cunningham; Grace Findlay; Darlene Decker
Subject: RE: Material for July 5th meeting.

Hi Rob,

We'll add the participants to the BN, annotated agenda, and regular agenda when we get the AR package returned to us.

For the ABC review, we'll add these as a fourth item to the annotated agenda and regular agenda. Are there any KMs you'd like added to the annotated agenda for Tim? For instance, one bullet saying Phase 1 of the ABC review is now complete and RECA will be reviewed as part of Phase 2 which is commencing later this year"? Thanks!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Robert Whittaker
Sent: Tuesday, June 28, 2016 11:18 AM
To: Trevor Bergen; Lee Chantal
Cc: Colin Lloyd; Jennifer Cunningham
Subject: RE: Material for July 5th meeting.

Also need to add the ABC review as the fourth item (no additional briefing material required).
Not sure if you got the answer to this or not, but the AREA attendees will be Ian Burns and Brad Mitchell.

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Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

From: Trevor Bergen
Sent: Monday, June 27, 2016 2:00 PM
To: Lee Chantal
Cc: Robert Whittaker; Colin Lloyd; Jennifer Cunningham
Subject: FW: Material for July 5th meeting.

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Page 951 redacted for the following reason:
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AGENDA

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 6th Street SW, Calgary
Black Diamond Room

ATTENDEES: Bob Myroniuk, Executive Director, RECA
Ian Burns, CEO, Alberta Real Estate Association
Brad Mitchell, Director, Government Relations, Alberta Real Estate Association
Alan Tenant, Calgary Real Estate Board
Michael Thompson, Realtors Association of Edmonton
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services

AGENDA ITEMS:

1. **Residential Measurements Standards (RMS) update**
2. **Role of Council governance and member relationships in supporting RECA's mandate to protect consumers and set industry standards**
3. **Upcoming Council member vacancies and appointments**
4. **ABC Review**

ANNOTATED AGENDA FOR SERVICE ALBERTA REPRESENTATIVES

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 6th Street SW, Calgary
Black Diamond Room

ATTENDEES: Bob Myroniuk, Executive Director, RECA
Ian Burns, CEO, Alberta Real Estate Association
Brad Mitchell, Director, Government Relations, Alberta Real Estate Association
Alan Tenant, Calgary Real Estate Board
Michael Thompson, Realtors Association of Edmonton
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services

AGENDA ITEMS:

1. **Residential Measurements Standards (RMS) update**

Key Messages

a. The development and implementation of the RMS as a single measurement standard is essential to ensuring consistent expectations for real estate professionals in Alberta and to support the public interest. As the regulator, RECA is the appropriate body to bring forward this standard.

b. We are pleased AREA supports the implementation of the revised RMS as a single standard for real estate professionals in Alberta, and that AREA will continue to provide RECA with feedback about the RMS.

Critical Background Information

a. RECA has published a revised version of the RMS Guide as a mandatory measurement standard for measurement of residential properties by industry members. On May 13, 2016, RECA issued a press release indicating real estate professionals must use the RMS to measure and communicate the size of residential property.

b. AREA supports the new RMS standards, but raises concerns about implementation, as no prior notice or transition period was provided for real estate professionals to learn and comply with the new standard.

c. Following the implementation of RMS, CREB® advised their members they must comply both with RMS and with CREB®'s standard to advertise on MLS. CREB® states this means each property must be measured twice, once for each standard.

d. RECA refutes CREB®'s statement about measuring twice to get the required measurements, and raises concern that duplicate standards will create conflict and confusion for the public and real estate professionals in Calgary.

2. **Role of Council governance and member relationships in supporting RECA's mandate to protect consumers and set industry standards**

Key Messages

a. Service Alberta supports the continued self-regulation of the real estate industry through RECA, and believes RECA's activities are effective at promoting the interests of both the public and the real estate profession.

Critical Background Information

a. The appointment process under the REA gives AREA significant influence over the membership of RECA's council.

b. Of twelve council members, AREA has influence over ten appointments (83%), as they directly appoint six and heavily influence the appointment of four others.

c. AREA's influence over the selection of RECA's council creates a potential governance concern, as it could create the perception that an industry association can induce the regulator to reduce regulation and industry oversight, negatively impacting the public interest.

d. The AREA appointed members of council were the primary supporters of the motion that removed the original version of the RMS Guide from RECA's website.

3. **Upcoming Council member vacancies and appointments**

Key Messages

a. The continuity of membership on RECA's Council is key to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with a number of council members reaching the end of their current terms in October.

b. As the current Council member appointed by the Minister is not seeking a second term, Service Alberta will be conducting a competition to select the Ministerial appointment for the Council. This process is anticipated to commence during the summer.

Critical Background Information

a. The appointments of seven of the twelve members of RECA's Council expire October 31, 2016.

b. RECA has raised concern about the potential lack of experience that could result on council if some of the members are not reappointed.

c. If none of the members with expiring terms are reappointed, only one Council member would have more than a year of experience on the Council, as the other four remaining members all commenced their council terms in November 2015.

d. The term of the current Ministerial appointment, Tony Dhaliwal, expires October 31, 2016. s. 17(1)

e. In July, the department will be forwarding a briefing package to request approval to initiate recruitment for the Ministerial appointment to RECA's council.

4. **ABC Review**

Key Messages

a. Phase One of the ABC Review is now complete.

b. RECA will be reviewed as part of Phase Two, which is commencing later this year.

ADVICE TO THE DEPUTY MINISTER

MEETING WITH THE REAL ESTATE COUNCIL OF ALBERTA AND ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- The Deputy Minister will be meeting with representatives from the Real Estate Council of Alberta (RECA) and Alberta Real Estate Association (AREA).

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 6th Street SW, Calgary
Black Diamond Room

ATTENDEES:
Bob Myroniuk, Executive Director, RECA
Ian Burns, CEO, Alberta Real Estate Association
Brad Mitchell, Director, Government Relations, Alberta Real Estate Association
Alan Tenant, Calgary Real Estate Board
Michael Thompson, Realtors Association of Edmonton
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services
Other attendees to be determined

STAKEHOLDER STRATEGY:

- RECA is expected to raise concerns about the number of Council members with appointment terms that are expiring in October, and to seek a solution to promote the reappointment of certain Council members to ensure continuity on Council.
- As the term of the current Ministerial appointee is expiring, RECA will also likely inquire as to the appointment of a new public member.
- AREA has indicated support for the implementation of RECA's Residential Measurement Standard (RMS), but has voiced concerns that the implementation timelines for this standard are too hurried.

KEY MESSAGES:

- Service Alberta supports the continued self-regulation of the real estate industry through RECA, and believes RECA's activities are effective at promoting the interests of both the public and the real estate profession.

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- The development and implementation of the RMS as a single measurement standard is essential to ensuring consistent expectations for real estate professionals in Alberta and to support the public interest. As the regulator, RECA is the appropriate body to bring forward this standard.
- We are pleased AREA supports the implementation of the revised RMS as a single standard for real estate professionals in Alberta, and that AREA will continue to provide RECA with feedback about the RMS.
- The continuity of membership on RECA's Council is key to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with a number of council members reaching the end of their current terms in October.
- As the current Council member appointed by the Minister is not seeking a second term, Service Alberta will be conducting a competition to select the Ministerial appointment for the Council. This process is anticipated to commence during the summer.

BACKGROUND:

Residential Measurements Standard (RMS) Update

- For background on RMS, please see AR 29691.
- Following the January 20, 2016 Council motion to remove the RMS guide from RECA's website, RECA worked with stakeholders, including the Residential Real Estate Advisory Committee and Real Estate Appraisal Advisory Committee, to make revisions to the RMS.
- On April 13, 2016, RECA's Council approved the revised RMS as the single standard for real estate professionals, creating a mandatory standard that industry members must use when measuring residential properties.
- Minister McLean sent a letter to RECA on April 29, 2016 reaffirming government's support for a single measurement standard for residential properties in Alberta, and that the establishment of this standard fell within RECA's mandate.
- On May 11, 2016, the revised RMS guide was published on RECA's website. On May 13, 2016, RECA issued a press release indicating real estate professionals must use the RMS to measure and communicate the size of residential property.
- AREA has indicated support for the new RMS standards, but has raised concerns about the implementation, as no prior notice or transition period was provided for real estate professionals to learn and comply with the new standard.
    - AREA indicates they were given the opportunity to provide input on condominium measurements specifically, however as they only had three weeks to make their submission, there was insufficient time for an effective response.

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- AREA alleges RECA has asked for an additional AREA submission on measurement standards, but that RECA requested this submission only after the RMS had already been implemented.
- AREA had previously indicated they would create their own RMS. Based on AREA's support for a single measurement standard for the real estate industry, it appears they have suspended work on their own standard.

Calgary Real Estate Board (CREB®) and RMS

- Prior to the introduction of the RMS by RECA, CREB® had established a measurement standard which their members were required to use when posting listings to the Multiple Listing Service (MLS) database.
- Following the implementation of RMS, CREB® has advised their members they must comply with RMS but must also continue to comply with CREB®'s standard to advertise on MLS. CREB® states this means each property must be measured twice, once for each standard.
  - CREB®'s communication to members implies the RMS will result in different property measurements than CREB®'s standard, and that clients should be advised their home has not changed size regardless of the size given by RMS.
  - The communication attests members must continue to follow CREB®'s guidelines to ensure accuracy and consistent property measurement, and to maintain the value of the data in the MLS database.
- RECA indicates both the initial and revised versions of the RMS are very similar to the standard already used by CREB®, as well as other standards used by other Alberta real estate boards and internationally. RECA reviewed CREB®'s measurement standards as part of the development of the RMS.
  - According to RECA, when CREB® was consulted during the development of RMS, CREB® accused RECA of regulatory scope creep and stated RECA did not have the authority to create such standards.
- RECA is refuting the need to measure twice to get the required measurements, and has raised concern that duplicate standards will create conflict and confusion for the public and real estate professionals in Calgary.

Appointments to the Real Estate Council

- The composition of the Council governing RECA is set out under section 6 of the *Real Estate Act* (REA).
- The appointments of seven of the twelve Council members expire October 31, 2016.
  - These members comprise three appointed by AREA, the mortgage broker appointee, the Ministerial appointee, and the members appointed by the Council from the real estate appraisal and property management industries.

- Each member with an expiring appointment is currently serving their first term on Council, and may be reappointed for a second term if their appointing body so chooses.
  - Service Alberta is aware of two members who will not be seeking a second term on Council. These comprise the Ministerial appointment and one of the AREA appointees
- The Council currently comprises five female members, including the Council Chair, and seven male members.
  - Of the five council members whose terms are not expiring, three members are female and two are male.
  - Both of the members who are not seeking a second term are male.
- RECA has raised concern about the potential lack of experience that could result on council if some of the members are not reappointed.
  - Of the five council members whose terms are not expiring, four have less than a year of experience on council, having begun their terms in November 2015. As such, if none of the members with expiring terms are reappointed, only one Council member would have more than a year of experience on the Council.
- The appointment process under the REA gives AREA significant influence over the membership of RECA's council. See attachment "Composition of the Real Estate Council of Alberta" for more detail.
- The level of influence AREA holds over the selection of RECA's council creates a potential governance concern, as it could create the perception that an industry association can induce the regulator to reduce regulation and industry oversight, thereby negatively impacting the public interest.

Upcoming Ministerial Appointment

- Per section 6(1)(a) of the REA, the Minister of Service Alberta appoints one person to the Council.
- The term of the current Ministerial appointment, Tony Dhaliwal, expires October 31, 2016.
  - s. 17(1)
- In order to facilitate the orientation of a new public member, RECA has requested to be informed of the Minister's appointment by the end of July or early August 2016.
- In July, the department will be forwarding a briefing package to request approval to initiate recruitment for the Ministerial appointment to RECA's council, inclusive of a competency matrix.

ATTACHMENTS:

1. AR 29691 – Briefing on Residential Property Measurement Standards
2. Composition of the Real Estate Council of Alberta

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

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Val Taylor

From: Trevor Bergen
Sent: Tuesday, June 28, 2016 4:16 PM
To: Cheryl Tkalcic
Cc: Lee Chantal; Darlene Decker; Jennifer Cunningham; Grace Findlay; Robert Whittaker
Subject: RE: AR 30172

Importance: High

Hi Cheryl,

Given the timelines for this AR and to avoid sending the AR back to us, please load the attached documents in AR 30172 when you have reviewed the KMs and send directly to Colin's Office.

These versions have some slight updates requested from Robert.

Thanks to Lee for making the changes!
Trevor



Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Trevor Bergen
Sent: Tuesday, June 28, 2016 11:20 AM
To: Cheryl Tkalcic
Cc: Lee Chantal; Darlene Decker (Darlene.Decker@gov.ab.ca); Jennifer Cunningham; Grace Findlay
Subject: RE: AR 30172

Hi Cheryl,

Actually, if you could return this AR to us after you review the KMs. We've been asked to make a couple tweaks to the agenda.

Thanks,
Trevor

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Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Trevor Bergen
Sent: Tuesday, June 28, 2016 11:09 AM
To: Cheryl Tkalcic
Cc: Lee Chantal; Darlene Decker (Darlene.Decker@gov.ab.ca); Jennifer Cunningham; Grace Findlay
Subject: AR 30172
Importance: High



Pages 963 through 971 redacted for the following reasons:
- -
Page 971: Duplicate to page 952
Pages 963-967: Duplicate to pages 956-960
Pages 968-970: Duplicate to pages 953-955

Val Taylor

From: Trevor Bergen
Sent: Wednesday, June 29, 2016 11:18 AM
To: Jennifer Cunningham
Cc: Robert Whittaker; Lee Chantal; Grace Findlay; Darlene Decker
Subject: FW: AR 30172
Attachments: 30172BN.docx; 30172Agenda-Annotated.docx

Hi Jennifer,

Here you go. Thanks Lee!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Lee Chantal
Sent: Wednesday, June 29, 2016 11:14 AM
To: Trevor Bergen
Subject: RE: AR 30172

Trevor,

Updated BN and annotated agenda for your review.

Lee

From: Trevor Bergen
Sent: Wednesday, June 29, 2016 10:45 AM
To: Jennifer Cunningham; Robert Whittaker; Cheryl Tkalcic
Cc: Lee Chantal; Darlene Decker; Grace Findlay
Subject: RE: AR 30172

Thanks Jenn.

We will update the BN and annotated agenda with background on the REA review and send these forward via e-mail for the AR package...
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Jennifer Cunningham
Sent: Wednesday, June 29, 2016 10:43 AM
To: Robert Whittaker; Trevor Bergen; Cheryl Tkalcic
Cc: Lee Chantal; Darlene Decker; Grace Findlay
Subject: RE: AR 30172

Changes have been made in ARTS

From: Robert Whittaker
Sent: June-29-16 10:32 AM
To: Trevor Bergen; Cheryl Tkalcic
Cc: Lee Chantal; Darlene Decker; Jennifer Cunningham; Grace Findlay
Subject: RE: AR 30172

<< File: 30172Agenda.docx >>
Trevor. Some slight modifications to the agenda. Will need to add some info on what our estimate is for timing on the REA review.

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

From: Trevor Bergen
Sent: Tuesday, June 28, 2016 4:16 PM
To: Cheryl Tkalcic
Cc: Lee Chantal; Darlene Decker; Jennifer Cunningham; Grace Findlay; Robert Whittaker
Subject: RE: AR 30172
Importance: High

Disclosed in part (s)16,17,24(1)

Pages 974 through 975 redacted for the following reasons:
- -
Duplicate to pages 961-962

ADVICE TO THE DEPUTY MINISTER

MEETING WITH THE REAL ESTATE COUNCIL OF ALBERTA AND ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- The Deputy Minister will be meeting with representatives from the Real Estate Council of Alberta (RECA) and Alberta Real Estate Association (AREA).

MEETING DATE: July 5, 2016

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Alan Tenant, Calgary Real Estate Board
Michael Thompson, Realtors Association of Edmonton
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services
Other attendees to be determined

STAKEHOLDER STRATEGY:

- RECA is expected to raise concerns about the number of Council members with appointment terms that are expiring in October, and to seek a solution to promote the reappointment of certain Council members to ensure continuity on Council.
- As the term of the current Ministerial appointee is expiring, RECA will also likely inquire as to the appointment of a new public member.
- AREA has indicated support for the implementation of RECA's Residential Measurement Standard (RMS), but has voiced concerns that the implementation timelines for this standard are too hurried.
- Service Alberta has received media inquiries about a lack of consumer protection related to the accurate representation of residential properties. The on-the-record response is that government will advocate for accuracy and fairness in the marketplace and that we look to RECA and AREA to resolve this matter quickly.

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KEY MESSAGES:

- This government is committed to ensuring Alberta's home buyers are protected before, during and after their purchase.
- Service Alberta supports the continued self-regulation of the real estate industry through RECA, and looks to them to actively promote the interests of both the public and the real estate profession.
- The development and implementation of the RMS as a single measurement standard is essential to ensuring consistent expectations for real estate professionals in Alberta and to support the public interest. As the regulator, RECA is the appropriate body to bring forward this standard.
- We are pleased AREA supports the implementation of the revised RMS as a single standard for real estate professionals in Alberta, and that AREA will continue to provide RECA with feedback about the RMS.
- The continuity of membership on RECA's Council is key to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with a number of council members reaching the end of their current terms in October.
- As the current Council member appointed by the Minister is not seeking a second term, Service Alberta will be conducting a competition to select the Ministerial appointment for the Council. This process is anticipated to commence during the summer.

BACKGROUND:

Residential Measurements Standard (RMS) Update

- For background on RMS, please see AR 29691.
- Following the January 20, 2016 Council motion to remove the RMS guide from RECA's website, RECA worked with stakeholders, including the Residential Real Estate Advisory Committee and Real Estate Appraisal Advisory Committee, to make revisions to the RMS.
- On April 13, 2016, RECA's Council approved the revised RMS as the single standard for real estate professionals, creating a mandatory standard that industry members must use when measuring residential properties.
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  - AREA alleges RECA has asked for an additional AREA submission on measurement standards, but that RECA requested this submission only after the RMS had already been implemented.
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  - According to RECA, when CREB® was consulted during the development of RMS, CREB® accused RECA of regulatory scope creep and stated RECA did not have the authority to create such standards.
- RECA is refuting the need to measure twice to get the required measurements, and has raised concern that duplicate standards will create conflict and confusion for the public and real estate professionals in Calgary.

Appointments to the Real Estate Council

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- The composition of the Council governing RECA is set out under section 6 of the *Real Estate Act* (REA).
- The appointments of seven of the twelve Council members expire October 31, 2016.
  - These members comprise three appointed by AREA, the mortgage broker appointee, the Ministerial appointee, and the members appointed by the Council from the real estate appraisal and property management industries.
- Each member with an expiring appointment is currently serving their first term on Council, and may be reappointed for a second term if their appointing body so chooses.
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  - Of the five council members whose terms are not expiring, three members are female and two are male.
  - Both of the members who are not seeking a second term are male.
- RECA has raised concern about the potential lack of experience that could result on council if some of the members are not reappointed.
  - Of the five council members whose terms are not expiring, four have less than a year of experience on council, having begun their terms in November 2015. As such, if none of the members with expiring terms are reappointed, only one Council member would have more than a year of experience on the Council.
- The appointment process under the REA gives AREA significant influence over the membership of RECA's council. See attachment "Composition of the Real Estate Council of Alberta" for more detail.
- The level of influence AREA holds over the selection of RECA's council creates a potential governance concern, as it could create the perception that an industry association can induce the regulator to reduce regulation and industry oversight, thereby negatively impacting the public interest.

Upcoming Ministerial Appointment

- Per section 6(1)(a) of the REA, the Minister of Service Alberta appoints one person to the Council.
- The term of the current Ministerial appointment, Tony Dhaliwal, expires October 31, 2016.
  - s. 17(1)
- In order to facilitate the orientation of a new public member, RECA has requested to be informed of the Minister's appointment by the end of July or early August 2016.

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- In July, the department will be forwarding a briefing package to request approval to initiate recruitment for the Ministerial appointment to RECA's council, inclusive of a competency matrix.

Review of the Real Estate Act

- A review of the REA is required to ensure the legislation addresses emerging issues and keeps pace with changes in the real estate industry.
- RECA has provided the department with a list of recommended amendments to the REA to address issues they have identified with the existing statute, along with rationale for the amendments.
- A review will provide an opportunity to review RECA's current mandate and governance model, including the composition of the Council, to identify potential improvements to these models to further the public interest and effective self-regulation.
- The department will develop a project charter and assemble a project team in summer 2016.
- The review will include the engagement of stakeholders, including RECA and AREA, as part of the development of policy options.
- The *Real Estate Amendment Act* is currently part of the department's legislative plan for Fall 2017.

ATTACHMENTS:

1. AR 29691 – Briefing on Residential Property Measurement Standards
2. Composition of the Real Estate Council of Alberta

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

ANNOTATED AGENDA FOR SERVICE ALBERTA REPRESENTATIVES

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 6th Street SW, Calgary
Black Diamond Room

ATTENDEES: Bob Myroniuk, Executive Director, RECA
Ian Burns, CEO, Alberta Real Estate Association
Brad Mitchell, Director, Government Relations, Alberta Real Estate Association
Alan Tenant, Calgary Real Estate Board
Michael Thompson, Realtors Association of Edmonton
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services

AGENDA ITEMS:

1. **Residential Measurements Standards (RMS) update**

Key Messages

a. The development and implementation of the RMS as a single measurement standard is essential to ensuring consistent expectations for real estate professionals in Alberta and to support the public interest. As the regulator, RECA is the appropriate body to bring forward this standard.

b. We are pleased AREA supports the implementation of the revised RMS as a single standard for real estate professionals in Alberta, and that AREA will continue to provide RECA with feedback about the RMS.

Critical Background Information

a. RECA has published a revised version of the RMS Guide as a mandatory measurement standard for measurement of residential properties by industry members. On May 13, 2016, RECA issued a press release indicating real estate professionals must use the RMS to measure and communicate the size of residential property.

b. AREA supports the new RMS standards, but raises concerns about implementation, as no prior notice or transition period was provided for real estate professionals to learn and comply with the new standard.

c. Following the implementation of RMS, CREB® advised their members they must comply both with RMS and with CREB®'s standard to advertise on MLS. CREB® states this means each property must be measured twice, once for each standard.

d. RECA refutes CREB®'s statement about measuring twice to get the required measurements, and raises concern that duplicate standards will create conflict and confusion for the public and real estate professionals in Calgary.

2. **Council governance and member relationships**

Key Messages

a. Service Alberta supports the continued self-regulation of the real estate industry through RECA, and believes RECA's activities are effective at promoting the interests of both the public and the real estate profession.

Critical Background Information

a. The appointment process under the REA gives AREA significant influence over the membership of RECA's council.

b. Of twelve council members, AREA has influence over ten appointments (83%), as they directly appoint six and heavily influence the appointment of four others.

c. AREA's influence over the selection of RECA's council creates a potential governance concern, as it could create the perception that an industry association can induce the regulator to reduce regulation and industry oversight, negatively impacting the public interest.

d. The AREA appointed members of council were the primary supporters of the motion that removed the original version of the RMS Guide from RECA's website.

3. **Upcoming Council member vacancies and appointments**

Key Messages

a. The continuity of membership on RECA's Council is key to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with a number of council members reaching the end of their current terms in October.

b. As the current Council member appointed by the Minister is not seeking a second term, Service Alberta will be conducting a competition to select the Ministerial appointment for the Council. This process is anticipated to commence during the summer.

Critical Background Information

a. The appointments of seven of the twelve members of RECA's Council expire October 31, 2016.

b. RECA has raised concern about the potential lack of experience that could result on council if some of the members are not reappointed.

c. If none of the members with expiring terms are reappointed, only one Council member would have more than a year of experience on the Council, as the other four remaining members all commenced their council terms in November 2015.

d. The term of the current Ministerial appointment, Tony Dhaliwal, expires October 31, 2016. s.17(1)

e. In July, the department will be forwarding a briefing package to request approval to initiate recruitment for the Ministerial appointment to RECA's council.

4. State of ABC Review and REA review

Key Messages

a. Phase One of the ABC Review is now complete.

b. RECA will be reviewed as part of Phase Two, which is commencing later this year.

c. Service Alberta is currently planning to present amendments to the Real Estate Act to the Legislative Assembly in Fall 2017.

d. The review will include the engagement of stakeholders, including RECA and AREA, as part of the development of policy options.

Critical Background Information

a. The department will develop a project charter and assemble a project team in summer 2016.

b. A review of the REA is required to ensure the legislation addresses emerging issues and keeps pace with changes in the real estate industry.

c. RECA has provided the department with a list of recommended amendments to the REA to address issues they have identified with the existing statute, along with rationale for the amendments.

Darlene Decker

From: Lee Chantal
Sent: Wednesday, June 29, 2016 4:09 PM
To: Kelly Refah
Subject: Report on the last three weeks
Attachments:

Non-Responsive

Kelly,

s.17(1)

I wanted to pass along information on what happened while you were away to help bring you up to speed, especially considering that s.17(1)

Non-Responsive

Deputy Minister Meeting with RECA/AREA

- The Deputy Minister and our ADM will be meeting with RECA and AREA on July 5 between 13:30 and 15:30. Topics of conversation on the agenda include the RMS, upcoming vacancies on Council, and industry influence over Council. The meeting documents (agenda, BN) are available in AR 30172.

Non-Responsive

Pages 985 through 992 redacted for the following reasons:
- -
Non-Responsive

Darlene Decker

From: Colin Lloyd
Sent: Wednesday, June 29, 2016 4:49 PM
To: Trevor Bergen
Cc: Robert Whittaker; Jennifer Cunningham; Lee Chantal
Subject: RE: Material for July 5th meeting

Great job all – thanks

Colin

From: Trevor Bergen
Sent: Tuesday, June 28, 2016 11:18 AM
To: Colin Lloyd
Cc: Robert Whittaker; Jennifer Cunningham; Lee Chantal
Subject: RE: Material for July 5th meeting.



Page 994 redacted for the following reason:
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Duplicate to page 948

ACTION REQUEST COVERSHEET
Service Alberta

Due Date: Jun 29, 2016
Due to MCU: Jun 29, 2016
Due to ADMO:
Extended Due Date:

AR Number: 30172
Logged By: ADM's Office - Consumer and Registry Services
Priority Level: Normal
Received Date: Jun 21, 2016

AR References: 29691
Assigned To: 04 CARS-ADMO
Subject: RECA/AREA Meeting July 5, 2016
Action Requested: Briefing for Deputy Minister
Correspondent:
Constituency: ,

	Name and Phone Number		Initials and Date
Approved by ADM:	Colin Lloyd	780-427-2300	
Edited by MCU:	Mari Saram		June 30, 2016
Approved by MCU:	Rachel Bouska	780-644-4524	June 30/16 RB
Approved by DM CoS:	Linda Chupka	780-422-6174	LC June 30
Approved by DM:	Tim Grant	780-415-4954	June 30 2016 07-04
Approved by MO:			

File Number:
Comments: Please prepare a Briefing and any other materials required for the meeting scheduled in Calgary at McDougall Centre, 455 6th Street SW Black Diamond Room from 1:30 - 3:30 pm on July 5, 2016 .
Additional Notes:

ADVICE TO THE DEPUTY MINISTER

MEETING WITH THE REAL ESTATE COUNCIL OF ALBERTA AND ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- The Deputy Minister will be meeting with representatives from the Real Estate Council of Alberta (RECA) and Alberta Real Estate Association (AREA).

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 - 6th Street SW, Calgary
Black Diamond Room

ATTENDEES: Bob Myroniuk, Executive Director, Real Estate Council of Alberta
Kirk Bacon, Deputy Executive Director, Real Estate Council of Alberta
Ian Burns, CEO, Alberta Real Estate Association
Brad Mitchell, Director, Government Relations, Alberta Real Estate Association
Alan Tennant, Calgary Real Estate Board
Michael Thompson, Realtors Association of Edmonton
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services
Linda Chupka, Chief of Staff, Deputy Minister's Office

STAKEHOLDER STRATEGY:

- RECA is expected to raise concerns about the number of Council members with appointment terms that are expiring in October 2016, and to seek a solution to promote the reappointment of certain Council members to ensure continuity on Council.
- As the term of the current ministerial appointee is expiring, RECA will also likely inquire as to the appointment of a new public member.
- AREA has indicated support for the implementation of RECA's Residential Measurement Standard (RMS), but has voiced concerns that the implementation timelines for this standard are too short.

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- Service Alberta has received media inquiries about a lack of consumer protection related to the accurate representation of residential properties. The response on record is that government will advocate for accuracy and fairness in the marketplace and that we look to RECA and AREA to resolve this matter quickly.

KEY MESSAGES:

- This government is committed to ensuring Alberta's home buyers are protected before, during, and after their purchase.
- Service Alberta supports the continued self-regulation of the real estate industry through RECA and looks to them to actively promote the interests of both the public and the real estate profession.
- The development and implementation of the RMS as a single measurement standard is essential to ensuring consistent expectations for real estate professionals in Alberta and to support the public interest. As the regulator, RECA is the appropriate body to bring forward this standard.
- We are pleased AREA supports the implementation of the revised RMS as a single standard for real estate professionals in Alberta, and that AREA will continue to provide RECA with feedback about the RMS.
- The continuity of membership on RECA's Council is key to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with a number of Council members reaching the end of their current terms in October.
- As the current Council member appointed by the Minister is not seeking a second-term, Service Alberta will be conducting a competition to select the ministerial appointment for the Council. This process is anticipated to commence during the summer.

BACKGROUND:

Residential Measurements Standard (RMS) Update

- For background on RMS, please see AR 29691 (attached).
- Following the January 20, 2016 Council motion to remove the RMS guide from RECA's website, RECA worked with stakeholders, including the Residential Real Estate Advisory Committee and Real Estate Appraisal Advisory Committee, to make revisions to the RMS.
- On April 13, 2016, RECA's Council approved the revised RMS as the single standard for real estate professionals, creating a mandatory standard that industry members must use when measuring residential properties.
- Minister McLean sent a letter to RECA on April 29, 2016 reaffirming government's support for a single measurement standard for residential properties in Alberta, and that the establishment of this standard fell within RECA's mandate.

- On May 11, 2016, the revised RMS guide was published on RECA's website. On May 13, 2016, RECA issued a press release indicating real estate professionals must use the RMS to measure and communicate the size of residential property.
- AREA has indicated support for the new RMS standards, but has raised concerns about the implementation, as no prior notice or transition period was provided for real estate professionals to learn and comply with the new standard.
  - AREA indicates they were given the opportunity to provide input on condominium measurements specifically; however, because they only had three weeks to make their submission, there was insufficient time for an effective response.
  - AREA alleges RECA has asked for an additional AREA submission on measurement standards, but that RECA requested this submission only after the RMS had already been implemented.
  - AREA had previously indicated they would create their own RMS. Based on AREA's support for a single measurement standard for the real estate industry. It appears they have suspended work on their own standard.

Calgary Real Estate Board (CREB®) and RMS

- Prior to the introduction of the RMS by RECA, CREB had established a measurement standard which their members were required to use when posting listings to the Multiple Listing Service (MLS) database.
- Following the implementation of RMS, CREB has advised their members they must comply with RMS but must also continue to comply with CREB's standard to advertise on MLS. CREB states this means each property must be measured twice, once for each standard.
  - CREB's communication to members implies the RMS will result in different property measurements from CREB's standard, and that clients should be advised their home has not changed size regardless of the size given by RMS.
  - The communication attests members must continue to follow CREB's guidelines to ensure accurate and consistent property measurement, and to maintain the value of the data in the MLS database.
- RECA indicates both the initial and revised versions of the RMS are very similar to the standard already used by CREB, as well as other standards used by other real estate boards in Alberta and internationally. RECA reviewed CREB's measurement standards as part of the development of the RMS.
  - According to RECA, when CREB was consulted during the development of RMS, CREB accused RECA of regulatory scope creep and stated RECA did not have the authority to create such standards.
- RECA is refuting the need to measure twice to get the required measurements, and has raised concern that duplicate standards will create conflict and confusion for the public and real estate professionals in Calgary.

Appointments to the Real Estate Council

- The composition of the Council governing RECA is set out under section 6 of the *Real Estate Act* (REA).
- The appointments of seven of the 12 Council members expire October 31, 2016.
  - These members comprise three appointed by AREA, one mortgage broker appointee, one ministerial appointee, and the members appointed by the Council from the real estate appraisal and property management industries.
- Each member with an expiring appointment is currently serving their first term on Council, and may be reappointed for a second term if their appointing body so chooses.
  - Service Alberta is aware of two members who will not be seeking a second term on Council. These comprise the ministerial appointment and one of the AREA appointees.
- The Council currently comprises five female members, including the Council Chair, and seven male members.
  - Of the five Council members whose terms are not expiring, three members are female and two are male.
  - Both of the members who are not seeking a second term are male.
- RECA has raised concern about the potential lack of experience on Council if some of the members are not reappointed.
  - Of the five Council members whose terms are not expiring, four have less than a year of experience on Council, having begun their terms in November 2015. As such, if none of the members with expiring terms are reappointed, only one Council member would have more than a year of experience on the Council.
- The appointment process under the REA gives AREA significant influence over the membership of RECA's council. See attachment, Composition of the Real Estate Council of Alberta for more detail.
- The level of influence AREA holds over the selection of RECA's council creates a potential governance concern, as it could create the perception that an industry association can induce the regulator to reduce regulation and industry oversight, thereby negatively impacting the public interest.

Upcoming Ministerial Appointment

- Per section 6(1)(a) of the REA, the Minister of Service Alberta appoints one person to the Council.
- The term of the current ministerial appointment, Tony Dhaliwal, expires October 31, 2016.
  - [redacted]

- In order to facilitate the orientation of a new public member, RECA has asked to be informed of the Minister's appointment by the end of July or early August 2016.
- In July 2016, the department will be forwarding a briefing package to request approval to initiate recruitment for the ministerial appointment to RECA's Council, including a competency matrix.

Review of the Real Estate Act

- A review of the REA is required to ensure the legislation addresses emerging issues and keeps pace with changes in the real estate industry.
- RECA has provided the department with a list of recommended amendments to the REA to address issues they have identified with the existing statute, along with rationale for the amendments.
- A review will provide an opportunity to review RECA's current mandate and governance model, including the composition of the Council, to identify potential improvements to these models to further the public interest and effective self-regulation.
- The department will develop a project charter and assemble a project team in summer 2016.
- The review will include the engagement of stakeholders, including RECA and AREA, as part of the development of policy options.
- The *Real Estate Amendment Act* is currently part of the department's legislative plan for fall 2017.

ATTACHMENTS:

1. Agenda
2. Annotated Agenda
3. Composition of the Real Estate Council of Alberta
4. AR 29691 – Briefing on Residential Property Measurement Standards

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

Alberta Service Alberta

AGENDA

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 - 6th Street SW, Calgary
Black Diamond Room

ATTENDEES:
Bob Myroniuk, Executive Director, Real Estate Council of Alberta
Kirk Bacon, Deputy Executive Director, Real Estate Council of Alberta
Ian Burns, CEO, Alberta Real Estate Association
Brad Mitchell, Director, Government Relations, Alberta Real Estate Association
Alan Tennant, Calgary Real Estate Board
Michael Thompson, Realtors Association of Edmonton
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services
Linda Chupka, Chief of Staff, Deputy Minister's Office

AGENDA ITEMS:

1. **Residential Measurements Standards (RMS) update**
2. **Council governance and member relationships**
3. **Upcoming Council member vacancies and appointments**
4. **State of ABC Review and REA review**

ANNOTATED AGENDA FOR SERVICE ALBERTA REPRESENTATIVES

MEETING DATE: July 5, 2016

TIME: 1:30 to 3:30 P.M.

LOCATION: McDougall Centre, 455 6th Street SW, Calgary
Black Diamond Room

ATTENDEES: Bob Myroniuk, Executive Director, Real Estate Council of Alberta
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Brad Mitchell, Director, Government Relations, Alberta Real Estate Association
Alan Tennant, Calgary Real Estate Board
Michael Thompson, Realtors Association of Edmonton
Tim Grant, Deputy Minister
Colin Lloyd, Assistant Deputy Minister, Consumer and Registry Services
Linda Chupka, Chief of Staff, Deputy Minister's Office

AGENDA ITEMS:

1. **Residential Measurements Standards (RMS) update**

   Key Messages

   a. The development and implementation of the RMS as a single measurement standard is essential to ensuring consistent expectations for real estate professionals in Alberta and to support the public interest. As the regulator, RECA is the appropriate body to bring this standard forward.

   b. We are pleased AREA supports the implementation of the revised RMS as a single standard for real estate professionals in Alberta, and that AREA will continue to provide RECA with feedback about the RMS.

   Critical Background Information

   a. RECA has published a revised version of the RMS Guide as a mandatory measurement standard for measurement of residential properties by industry members. On May 13, 2016, RECA issued a press release indicating real estate professionals must use the RMS to measure and communicate the size of residential property.

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b. AREA supports the new RMS standards, but raises concerns about implementation, as no prior notice or transition period was provided for real estate professionals to learn and comply with the new standard.

c. Following the implementation of RMS, CREB® advised their members they must comply with both RMS and CREB® standards to advertise on MLS. CREB® states this means each property must be measured twice, once for each standard.

d. RECA refutes CREB®'s statement about measuring twice to get the required measurements, and raises concern that duplicate standards will create conflict and confusion for the public and real estate professionals in Calgary.

2. Council governance and member relationships

Key Messages

a. Service Alberta supports the continued self-regulation of the real estate industry through RECA, and believes RECA's activities are effective at promoting the interests of both the public and the real estate profession.

Critical Background Information

a. The appointment process under the REA gives AREA significant influence over the membership of RECA's council.

b. Of 12 council members, AREA has influence over 10 appointments (83 per cent), as they directly appoint six and heavily influence the appointment of four others.

c. AREA's influence over the selection of RECA's council creates a potential governance concern, as it could create the perception that an industry association can induce the regulator to reduce regulation and industry oversight, negatively impacting the public interest.

d. The AREA-appointed members of council were the primary supporters of the motion that removed the original version of the RMS Guide from RECA's website.

3. Upcoming Council member vacancies and appointments

Key Messages

a. The continuity of membership on RECA's Council is key to ensuring effective regulation and promotion of the real estate profession in Alberta, particularly with a number of council members reaching the end of their current terms in October.

b. As the current council member appointed by the Minister is not seeking a second term, Service Alberta will be conducting a competition to select the ministerial appointment for the Council. This process is anticipated to commence during the summer.

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Critical Background Information

a. The appointments of seven of the 12 members of RECA's Council expire October 31, 2016.

b. RECA has raised concern about the potential lack of experience that could result on council if some of the members are not reappointed.

c. If none of the members with expiring terms are reappointed, only one council member would have more than a year of experience on the Council, as the other four remaining members all commenced their council terms in November 2015.

d. The term of the current ministerial appointment, Tony Dhaliwal, expires October 31, 2016. s.17(1)

e. In July, the department will be forwarding a briefing package to request approval to initiate recruitment for the ministerial appointment to RECA's council.

4. State of ABC Review and REA review

Key Messages

a. Phase One of the ABC Review is now complete.

b. RECA will be reviewed as part of Phase Two, which is commencing later this year.

c. Service Alberta is currently planning to present amendments to the *Real Estate Act* (REA) to the Legislative Assembly in fall 2017.

d. The review will include the engagement of stakeholders, including RECA and AREA, as part of the development of policy options.

Critical Background Information

a. The department will develop a project charter and assemble a project team in summer 2016.

b. A review of the REA is required to ensure the legislation addresses emerging issues and keeps pace with changes in the real estate industry.

c. RECA has provided the department with a list of recommended amendments to the REA to address issues they have identified with the existing statute, along with rationale for the amendments.

Composition of the Real Estate Council of Alberta

Appointments to Council

The composition of the Real Estate Council is set out by the *Real Estate Act*. The 12 members of Council are appointed as follows:

- The Alberta Real Estate Association appoints six members, who must be real estate brokers:
  - one member who trades in industrial, commercial, and investment real estate;
  - one member who trades in residential real estate;
  - one member from the Calgary Real Estate Board;
  - one member from the Edmonton Real Estate Board; and
  - two members from other real estate boards in Alberta.
- The Alberta Mortgage Brokers' Association appoints one member, who must be a mortgage broker.
- The members appointed by the Alberta Mortgage Brokers' Association and the Alberta Real Estate Association jointly appoint :
  - one member from nominations from industry members who are not members of the Alberta Real Estate Association, who must be a real estate industry member; and
  - one member from nominations from the public at large, who must not be a real estate industry member.
- The Minister of Service Alberta appoints one member, who must not be a real estate industry member.
- All members appointed above jointly appoint:
  - one member who is a real estate appraiser; and
  - one member who is a property manager.

Member of Council	Appointed by
6 real estate brokers	Alberta Real Estate Association (AREA)
1 mortgage broker	Alberta Mortgage Broker's Association (AMBA)
1 real estate industry member	AREA and AMBA appointees
1 public member	
1 public member	Minister of Service Alberta
1 real estate appraiser	All members listed above
1 property manager	

The *Real Estate Act* sets a three-year term of office for a Council member. No person may serve more than two consecutive terms as a member of the Council.

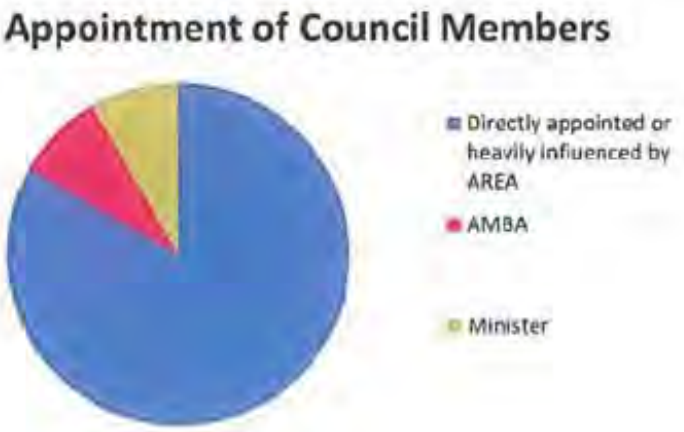
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Influence of AREA on Appointments

As implied by the composition listing above, AREA has a significant influence over the appointment of the members of RECA's Council.

- AREA directly appoints six out of twelve, or 50 per cent, of council members.
- The six direct appointments from AREA have 84 per cent of the votes for the selection of one public member and of one other industry member.
- AREA's direct appointments have 60 per cent of the votes for the selection of the real estate appraiser and property manager members of Council.

As a result, AREA directly controls or heavily influences the selection of 10 of the 12 council members, with AREA's RECA appointees holding the majority of votes towards the appointment. Only the mortgage broker appointment and ministerial appointment are not influenced by AREA.



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ADVICE TO THE MINISTER

RESIDENTIAL PROPERTY MEASUREMENT STANDARDS

PURPOSE:

- The Minister's approval is being sought to direct the Real Estate Council of Alberta (RECA) to implement and enforce standards for measurement of residential property by real estate professionals.

RECOMMENDATION:

- It is recommended that the Minister approve Option 1, and send a letter to the Chair of RECA's Council directing RECA to review, develop, and enforce revised industry-wide Residential Measurement Standards (RMS) by fall 2016, and to reinstate RECA's existing Guide to Residential Property Measurement (RMS Guide) until such revisions are complete.
    - The letter demonstrates that government is responding to recent media reports and consumer complaints regarding inaccurate property measurements, and sends a clear message that RECA has jurisdiction over the establishment of residential measurement standards, not the Alberta Real Estate Association (AREA) or any other industry group.
- If RECA does not establish residential measurement standards, it is recommended the Minister use the powers under section 76(5) of the *Real Estate Act* to direct RECA's Council to establish and enforce such standards, as a matter of public interest.

BACKGROUND:

- In accordance with the *Real Estate Act*, RECA's mandate is to promote the integrity of the industry and protect consumers by setting and enforcing standards of conduct for the real estate industry.
- RMS standards are used to determine the square footage or total living area of a home. Currently, there is no single standard in Alberta for measuring and quantifying the physical dimensions of a residential property.
- Due to an increase in complaints about measurements of residential properties, RECA revamped its pre-licensing education course material to clarify and resolve previous content gaps in relation to RMS.
- In 2014, RECA undertook extensive consultation on this issue. The consultation included AREA, realtors, the Edmonton and Calgary Real Estate Boards, appraisers, and RECA's Real Estate Appraiser Advisory Committee. The consultation identified a number of gaps in the course material, and information that was vague or unclear.
- In February 2015, RECA launched a new Practice of Residential Real Estate course to clarify and resolve previous content gaps in relation to property measurement. Content related to RMS in RECA's Practice of Residential Real Estate course explains how to measure residential property in Alberta so realtors can provide competent service.

- In developing revisions to the real estate education program, on which the RMS Guide is based, RECA considered measurement standards developed by other organizations including the American National Standards Institute standard Z765-2013, Alliance of Canadian Real Estate Education standards, the Ontario New Home Warranty Program Bulletin No. 22, and the standards used by various real estate boards. RECA identified these as the only measurement standards available for review.
- In the fall of 2015, RECA released the RMS Guide to ensure all realtors have access to a guide on RECA's enhanced standards, regardless of when they completed their pre-licensing education. RECA conducted consultations on the materials and RECA's prior Council endorsed the standard before it was made public.
- RECA's Real Estate Appraisal Advisory Committee voiced concern to RECA, suggesting that content should be reconsidered as they believe it is inconsistent with existing measurement practices.
- Former Minister Larivee sent a letter to RECA on January 20, 2016 expressing concerns regarding a November 29, 2015 Edmonton Journal article about misrepresentations of the size of condominiums in real estate listings. Minister Larivee urged RECA to take further steps to address the issue.
- On January 20, 2016, RECA's 12-member Council passed a motion, brought by the representative for real estate appraisers, to remove the RMS Guide from RECA's website until revisions could be made to address industry concerns. The motion passed despite Minister Larivee's letter being read to the Council prior to the vote. Support for the motion came primarily from members appointed by AREA, with several other members of the Council opposed.
- The motion to revise the RMS Guide also stated that the refined RMS Guide would be understood as a document to help measure residential properties "amongst other standards".
- On February 2, 2016, Krista Bolton, Chair of RECA, sent a letter to the Minister advising of the January 20, 2016 motion to remove the RMS Guide.
- AREA has indicated an intention to develop its own RMS standard following industry consultation, with a Guide to be implemented by fall 2016.

KEY CONSIDERATIONS:

- RECA is seeking direction from the Minister as to whether RECA is the appropriate body to establish rules for RMS, and is requesting that the Minister communicate her expectations, with clear timelines for implementation of a new Guide.
- The Council's decision to strike down RECA's RMS Guide, a decision strongly supported by industry nominees on Council, calls into question RECA's mandate and scope of authority. This could create the perception that industry associations are using their members on Council to influence a regulatory body to reduce regulation and industry oversight of realtors, thereby negatively impacting the public interest.

- Removal of the RMS Guide from RECA's website results in the inability of real estate professionals to have the guidance of the regulator in how they are to conduct themselves in dealing with the public.
- If RECA's RMS Guide is considered to be, as stated in the January 20, 2016 motion, a document "amongst other standards", this would not reduce the confusion around the acceptable standards for measuring a residential property.
- Lack of a clear standard for RMS hampers RECA's mandate to enforce standards of conduct for the real estate industry.
- Misalignment of any new standards developed by other organizations, such as AREA, and standards already being taught to licence applicants will cause confusion for industry, and compromise consistent and competent service to consumers.

ANALYSIS:

- Option 1: Confirm RECA as the appropriate organization to establish RMS, and direct RECA to reinstate and enforce the existing RMS Guide until a revised Guide is ready for distribution. A draft letter is attached for this purpose.
  - Pros: Establishes a single, clear, enforceable set of standards in Alberta's real estate industry, developed with industry input.

    Supports RECA's mandate under the *Real Estate Act* to create and enforce standards as the regulator for Alberta's real estate industry.

    Allows for changes to the existing RMS Guide to address industry concerns while ensuring standards still apply during the review process.

    Fosters consumer protection and the building of confidence in the industry through the application of consistent measurement standards.
  - Cons: Despite industry consultation, some industry associations have already raised objections to the content of RECA's current RMS Guide and may be opposed to being bound to these standards while further consultations occur.

    Establishment of a single standard for measurement has already been shown to be a matter of concern for some real estate professionals.

    Reasserting RECA's authority over the establishment of such standards may exacerbate existing disputes between RECA and some industry organizations.
- Option 2: Direct RECA to defer reinstating the RMS Guide until industry consultations are complete and a new Guide is ready for implementation.
  - Pros: Allows for a full review of the RMS Guide and consideration of industry feedback prior to the implementation and enforcement of the Guide.

    Shows government's continued support for RECA's mandate under the *Real Estate Act* to create and enforce standards.

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Provides further opportunity to foster consumer protection and the building of confidence in the industry through the application of consistent measurement standards.

- Cons: The current lack of a single, clear standard would persist until the revised RMS Guide is completed.

  Additional consultation with industry members may not allay all industry concerns, including concern over the establishment of a single enforced measurement standard.

  Would not resolve tensions between RECA and some industry organizations with regard to RECA's mandate.

- Option 3: Use review powers under section 76 of the *Real Estate Act* to order RECA to implement RMS if the Council does not take this action themselves.
  - Pros: Allows the Minister to ensure standards are developed and enforced by the appropriate organization.

    Ensures a single standard of measurements is established notwithstanding the efforts of industry to prevent such standards.
  - Cons: May create new tension between the Government of Alberta and industry groups through the perception that RECA's Council is not permitted to conduct its own affairs as Council members see fit.

    Use of a review to countermand the direction of a Council duly constituted under the *Real Estate Act* may undermine the self-regulation of the profession.

    Consumer confidence in RECA and the real estate industry may suffer long-term harm through the implication that RECA requires government intervention to conduct itself properly.

ATTACHMENTS:

- Draft letter to Krista Bolton, Chair, RECA, for the Minister's signature

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

Val Taylor

From: Trevor Bergen
Sent: Thursday, July 21, 2016 3:13 PM
To: Lee Chantal; Kelly Refah
Subject: RE: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Thanks Lee.

From: Lee Chantal
Sent: Thursday, July 21, 2016 2:31 PM
To: Kelly Refah; Trevor Bergen
Subject: FW: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

FYI. RECA and AREA have a working group looking at the issue of commissions when a brokerage shuts down. This is of interest, as we have had a couple of ARs on the topic. Of note:

- RECA's council has approved a motion to have the Legislative Review Committee consider an amendment to the REA Rules "to facilitate the establishment of commission trust accounts by real estate brokerages"
- A survey is being sent out to industry on the issue of at-risk commissions
- Initial inquiries are being made as to whether an insurance product to protect these commissions is viable.

One other key note - It mentions below:
"RECA will form the Legislation Review Committee in September, once it has received all names of new Council members."

This is something to bear in mind around the process to recruit an individual for the Minister to appoint to Council, regarding RECA's public statement of when they expect to get the names of new Council members.

Lee

From: RECA [mailto:communications@reca.ca]
Sent: Thursday, July 21, 2016 2:01 PM
To: Lee Chantal
Subject: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Real Estate Council Alberta

Alberta Real Estate

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A working group of industry stakeholders continues to meet and undertake work to address the topic of at-risk commissions. Previous communications from the working group with updates on action items and next steps were sent to you on May 12 and June 9, 2016. The group met again on July 18 to gain approval on some completed work and update progress on other work underway.

The working group wants to ensure you are kept informed of discussions underway, although it is important to be aware there is no certainty that the options being contemplated will all be realized.

Information Bulletin - Available Now

The group identified a need for clear information to help real estate professionals. A RECA Information Bulletin, "When Your Real Estate Brokerage Shuts Down," has been finalized which provides real estate professionals with information on licensing and client service issues in the event their brokerage shuts down suddenly or announces its intention to close. The bulletin also details RECA's role when a brokerage shuts down.

- *Please note that when the AREA Residential Purchase Contract changes this summer, this Information Bulletin will be adjusted accordingly.*

We encourage you to review the bulletin in its entirety, and familiarize yourself with the various situations and corresponding requirements.

Additional Options - Work Underway

Commission Trust Accounts – Council passed a motion at its July meeting that reads as follows:

"Council refers the working group request that "RECA explore the feasibility of amending the Real Estate Act Rules to facilitate the establishment of commission trust accounts by real estate brokerages" to Council's Legislation Review Committee for consideration."

RECA will form the Legislation Review Committee in September, once it has received all names of new Council members.

Insurance – An insurance provider is in the early stages of modelling a commission protection insurance product for Alberta. The structure of the product is not determined, nor is the viability of such a product. Further discussion will continue on details such as premiums, beneficiaries, and coverage. The working group will be looking for your input on aspects of an insurance program as an option to protect commissions in an upcoming

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survey. Be sure to participate and provide your feedback.

Survey – AREA and RECA value your input and have engaged a third-party survey provider to ensure you are heard on the topic of at-risk commissions. Look to your inbox in August for your opportunity to provide feedback to the working group.

Work on action items will continue through the summer, with the next meeting of the working group planned for September. We will continue to provide you with updates as work progresses.

Questions

Any questions or comments on this topic can be sent to communications@areahub.ca and all inquiries will reach all stakeholders participating in the working group.

Real Estate Council of Alberta
T: 1-888-425-2754
F: (403) 228-3065
communications@reca.ca
www.reca.ca

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Val Taylor

From: Kelly Refah
Sent: Friday, July 29, 2016 9:24 AM
To: Mary MacDonald
Cc: Trevor Bergen; Lee Chantal
Subject: FW: Opinion: Ending real estate self-regulation boosts transparency

For your interest, Mary. The BC government recently announced it would restructure BC's real estate regulatory framework following a report with 28 recommendations by an independent Advisory Group commissioned by the Real Estate Council of BC. As part of the restructuring, the BC government will appoint a Superintendent of Real Estate, who will take over all regulation and rule-making duties from the council. The council won't be eliminated, but its composition will be changed to ensure members come from outside the real estate industry. Currently 3 of 17 members are non-real estate industry members.

The independent review was largely driven by media reports on the practice of "shadow flipping", where realtors and investors flip a property multiple times before a sale is even complete, hiking the price along the way. Shadow flipping is made possible in hot real estate markets, such as Vancouver's, where real estate prices have been skyrocketing year after year.

We are following BC's process closely, as the Real Estate Council of Alberta is modeled closely after BC's Council. RECA was established as an independent, self-regulatory body in 1994 to oversee regulation of the real estate sector. To date, we've been pleased with RECA's work and a Field Law third party review acknowledges the same, albeit offers suggestions for regulatory improvement. More recently, however, our department caught wind of tensions between industry representatives on Council and Council administration, led by Executive Director Bob Myroniuk. The problem partly stems from the fact that the Alberta Real Estate Association (AREA), one of the stakeholder organizations that appoints members to RECA's Council, holds too much influence over RECA's activities as a regulator. AREA directly appoints six of the twelve members of the Council, and has strong influence over four other appointments. Only two council appointments are public members, one of which is appointed by our Minister. Concerns have been raised that AREA's industry interests may be at odds with RECA's mandate of protecting consumers and upholding the public interest.

http://edmontonjournal.com/opinion/columnists/opinion-ending-real-estate-self-regulation-boosts-transparency

Please let me know if you'd like more information on this, or copies of BC's Advisory Group Report or Field Law's third party review of RECA.

Kelly

From: Lee Chantal
Sent: Friday, July 29, 2016 8:15 AM
To: Kelly Refah
Cc: Trevor Bergen
Subject: FW: Opinion: Ending real estate self-regulation boosts transparency

In case this doesn't hit E-clips today, here's a Journal opinion piece about the situation with REC BC and comparison to RECA, including a mention of the Field Law third party review. It doesn't explicitly recommend we copy what BC is doing, and does mention benefits as well as drawbacks of self-regulation, but does suggest industry members, the public, and government should contemplate what is happening in BC.

Lee

From: Google Alerts [mailto:googlealerts-noreply@google.com]
Sent: Friday, July 29, 2016 8:06 AM
To: Lee Chantal
Subject: Google Alert - reca alberta

reca alberta

Daily update : July 29, 2016

NEWS

Opinion: Ending real estate self-regulation boosts transparency

Edmonton Journal

Alberta also has a very similar arrangement to B.C.; its industry is self-regulated by the Real Estate Council of **Alberta** (**RECA**). In November 2015 ...



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Send Feedback

Tariro Nyemba

From: Linda Monilaws
Sent: August-11-16 11:52 AM
To: Colin Lloyd
Cc: Robert Whittaker
Subject: FW: AREA Government Liaison Days

Hi Colin,

Tim and I had a discussion on this yesterday and Tim has asked if you could confirm agenda items.

Linda

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Tuesday, August 02, 2016 8:55 AM
To: Tim Grant; Colin Lloyd
Cc: Kerri Romanetz
Subject: AREA Government Liaison Days

Dear Tim and Colin,

I hope this note finds you well. I am writing you to invite you to AREA's upcoming Government Liaison Days which will take place in November in Edmonton at the Matrix Hotel.

On November 21, we will be welcoming our delegates (more than 75 real estate professionals from across the province) to Edmonton. As part of their welcome, we would be grateful if one of you could speak to our members at 4pm and offer an update on what Service Alberta is currently working on, some of the successes and challenges of the last year, and perhaps a bit of an overview of what the civil service does, and why it is important organizations like AREA work with civil service. Might this interest you?

In addition, we will have our MLA Reception on November 22 from 5:30-7:30pm. We would be honoured if you could both attend this to further mingle amongst our members.

Are you available to join us? Many thanks for considering, and hope to see you in November! Please do not hesitate to get in touch with any questions.

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

Alberta Real Estate Association

Join us at:

THE 2ND ANNUAL ALBERTA R

MLA Rec

The Matrix Hotel

November 22 5:30-7:30pm

RSVP: governmentrelations



SA 2017-G-0056 - Page 1017

Val Taylor

From: Trevor Bergen
Sent: Tuesday, August 16, 2016 8:51 AM
To: Kelly Refah; Lee Chantal
Cc: Mary MacDonald; Allie Hulme; Darlene Decker
Subject: FW: ARTS Notification 30432 Meeting Alberta Real Estate Association AREA

FYI, some tight timelines on this one. That said, I suspect we have a lot of content that we can cut and paste from previous briefings (particularly the one we did for the DM/ADM meeting with RECA about a month ago). Please note the agenda items in the e-mail on ARTS. Thanks, Trevor

-----Original Message-----
From: Jennifer Cunningham
Sent: Tuesday, August 16, 2016 8:43 AM
To: Alexandra Hulme; Darlene Decker; Mary MacDonald; Trevor Bergen
Subject: ARTS Notification 30432 Meeting Alberta Real Estate Association AREA

Action Request: 30432

Assigned To: 04 CS-Consumer Programs

Action: Briefing for Minister

Due Date: Aug 19, 2016

Instructions: Please return to ADMO by Aug 17, 2016.

Organization: Service Alberta
URL: s.20(1)(m), s.25(1)

Val Taylor

From: Kelly Refah
Sent: Tuesday, August 16, 2016 1:57 PM
To: Scott Seymour
Cc: Lee Chantal; Mary MacDonald; Trevor Bergen
Subject: FW: Media Request: CBC Calgary
Attachments: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA; Non-Responsive AR 29784.docx

Scott, please refer to the resources provided by Lee below and in the attachments. We believe the crux of this issue is non-payment of commissions owing to realtors by brokerages. The recent news of the impending closures of a couple real estate brokerages prompted RECA to look into this issue. RECA doesn't currently handle complaints on realtor commissions because the relationship between a brokerage and an industry member is a business arrangement. The terms of this relationship are contractual, with compensation, such as commissions, being addressed in the contract between the two parties.

However, in light of recent closures, RECA recently established a working group to explore the feasibility of developing rules that would require the establishment of commission trust accounts by real estate brokerages. The work of this group will be sent RECA's for consideration.

RECA previously requested that we forward any complaints on this topic to them, as the facts of the situation would need to be considered by RECA on a case by case basis.

Here are some possible bullets for your response:

- The Real Estate Council of Alberta (RECA) is the regulator of the province's real estate industry. RECA sets requirements for real estate industry members through the REA and the *Real Estate Act* Rules. All inquiries or complaints regarding this matter should be directed to RECA.
- In general, the relationship between a brokerage and a real estate associate is a business arrangement. Although we cannot comment on the specifics of the contractual arrangements between Discover Real Estate and its contracted realtors, generally speaking, realtors who are contracted with brokerages that go out of business can attempt to recover any money owed to them through the courts.
- We understand RECA and the Alberta Real Estate Association have formed a working group to consider whether rules should be adopted to address payment of real estate commissions when real estate brokerages go out of business. More information on the working group and its work is available from RECA or the Alberta Real Estate Association.

Kelly

From: Lee Chantal
Sent: Tuesday, August 16, 2016 1:41 PM
To: Kelly Refah; Trevor Bergen
Cc: Mary MacDonald
Subject: RE: Media Request: CBC Calgary

The ARs are 29784 and 29863. RECA did a blog posting on the matter in March 2016, which is located at www.recablog.ca/blog/2016/03/when-a-brokerage-shuts-down.html. They also published an information bulletin, last updated in July. I have attached a copy of the information bulletin to this e-mail.

RECA and AREA have put together a working group to look at this issue. I've attached an e-mail with the last information I had on this, also from July. The e-mail notes the following:

Commission Trust Accounts – Council passed a motion at its July meeting that reads as follows:

"Council refers the working group request that "RECA explore the feasibility of amending the Real Estate Act Rules to facilitate the establishment of commission trust accounts by real estate brokerages" to Council's Legislation Review Committee for consideration."

RECA will form the Legislation Review Committee in September, once it has received all names of new Council members.

Insurance – An insurance provider is in the early stages of modelling a commission protection insurance product for Alberta. The structure of the product is not determined, nor is the viability of such a product. Further discussion will continue on details such as premiums, beneficiaries, and coverage. The working group will be looking for your input on aspects of an insurance program as an option to protect commissions in an upcoming survey. Be sure to participate and provide your feedback.

Survey – AREA and RECA value your input and have engaged a third-party survey provider to ensure you are heard on the topic of at-risk commissions. Look to your inbox in August for your opportunity to provide feedback to the working group.

Some wording from the letter to response to AR 29863 which may be applicable:

Real estate brokerages in Alberta must conduct their business in accordance with the REA. Under this Regulation, the Government of Alberta has designated the Real Estate Council of Alberta (RECA) as the regulator of the province's real estate industry. RECA sets requirements for real estate industry members through the REA and the *Real Estate Act* Rules (Rules).

As the regulator, RECA's focus is on consumer protection. This focus continues when a brokerage shuts down, so that consumers can be certain the money they have paid to the brokerage is protected. The REA and the Rules set the requirements brokerages must follow, as well as defining the nature of the relationship between consumers and real estate industry members. The legislation and the Rules however, are silent about the commissions or other compensation paid by a brokerage to an industry member.

In general, the relationship between a brokerage and an industry member is a business arrangement. The terms of this relationship are contractual, with compensation, such as commissions, being addressed in the contract between the two parties. As such, a dispute over the payment of commission would be a civil matter, with the option to address the issue through the courts if it cannot be resolved directly with the brokerage.

The full letter is attached to this e-mail, as is that for AR 29784.

Lee



Pages 1021 through 1031 redacted for the following reasons:
- -
Pages 1021-1022: Non-Responsive
Pages 1023-1024: Duplicate to pages 1011-1013
Pages 1025-1031: Non-Responsive

AR29784

[redacted]

Dear [redacted]

Your MLA, Graham Sucha, forwarded your inquiry to me regarding the closure of real estate brokerages. As the Minister responsible for the *Real Estate Act*, I am pleased to respond on behalf of the Government of Alberta.

I am sorry to hear about the difficulties you have experienced due to your brokerage closing. The business of real estate brokerages in Alberta is governed by the *Real Estate Act*. Through the Act, the government has entrusted administration of the province's real estate industry to the Real Estate Council of Alberta (RECA). RECA has established the *Real Estate Act* Rules to further define the requirements for real estate industry members.

When a brokerage closes, RECA's focus is consumer protection, and to make every effort to ensure consumer funds are protected. Although the Act and the Rules set the requirements for brokerages and for the relationship between industry members and the public, they do not address the terms of compensation between a brokerage and an industry member.

The options available to an industry member when a brokerage closes depend on the nature of their association with the brokerage. If you were an employee of a brokerage, and if you have not received all the commissions you are owed, you can contact the Employment Standards Branch of Alberta Labour, which administers the Employment Standards Code. You can reach their Contact Centre at 1-877-427-3731 to make an inquiry or complaint. If your relationship with the brokerage was contractual, the terms of payment for the commission would be governed by your contract. As a result, the resolution of disputes in this type of relationship would be a civil matter that can be pursued through the courts.

If the terms governing the payment of commission to you by the brokerage would be contractual, you may want to seek legal advice on the next steps to address this matter. If you do not already have a lawyer, you can obtain the contact information for up to three lawyers practicing in this area of law by contacting the Lawyer Referral Service. The benefit of this service is that you can have up to 30 minutes consultation with each of the three lawyers for free, before deciding whether to engage their services at full fee rates. The Lawyer Referral Service can be contacted at 1-800-661-1095.

../2

You may be interested to know RECA and the Alberta Real Estate Association (AREA) have announced the formation of a working group that will look into solutions for at-risk commissions. Along with RECA and AREA, this working group includes representation from other real estate boards and associations, as well as the Real Estate Insurance Exchange. For more information on this working group, you can contact AREA by email at communications@areahub.ca.

For more information about RECA's role when a brokerage stops operating, please visit www.recablog.ca/blog/2016/03/when-a-brokerage-shuts-down.html.

Sincerely,

Hon. Stephanie McLean
Minister of Service Alberta and Status of Women

cc: Hon. Christina Gray
Minister of Labour

Graham Sucha
MLA, Calgary-Shaw

Val Taylor

From: Scott Seymour
Sent: Tuesday, August 16, 2016 3:34 PM
To: Kelly Refah
Cc: Lee Chantal; Mary MacDonald; Trevor Bergen
Subject: RE: Media Request: CBC Calgary

Hi Kelly...
Thanks for all of this. Pretty much exactly what we needed. Because we've got a couple of days to do this, we're going to put together a makeshift "media brief" for the Minister's Office to use if they decide the Minister (or press secretary) should respond. I'll send it to all of you for review tomorrow.
Thanks again!
SS

From: Kelly Refah
Sent: Tuesday, August 16, 2016 1:57 PM
To: Scott Seymour
Cc: Lee Chantal; Mary MacDonald; Trevor Bergen
Subject: FW: Media Request: CBC Calgary

Continue to page 1035-1037

Pages 1035 through 1038 redacted for the following reasons:
- -
Duplicate to pages 1019-1022

Val Taylor

From: Linda Monilaws
Sent: Wednesday, August 17, 2016 12:25 PM
To: Mary MacDonald
Cc: Linda Chupka; Robert Whittaker
Subject: RE: Meetings Next week

Great, I will have Dawn forward you all the invites.

Thank you.

Linda

From: Mary MacDonald
Sent: Wednesday, August 17, 2016 12:21 PM
To: Linda Monilaws
Cc: Linda Chupka; Robert Whittaker
Subject: RE: Meetings Next week

Hi Linda,

I will be able to attend.

Thanks,
Mary

From: Linda Monilaws
Sent: Wednesday, August 17, 2016 12:16 PM
To: Mary MacDonald
Cc: Linda Chupka; Robert Whittaker
Subject: FW: Meetings Next week
Importance: High

Hi Mary,

The MO is looking for department reps to attend the Minister's meetings on August 23 [redacted] Inspectors and August 25 with AREA. The Minister would also like dept rep attendance at the pre-brief meetings.

Please advise whether you are able to attend these meetings?

Thanks.

Linda

From: Dawn Turton
Sent: Wednesday, August 17, 2016 12:00 PM
To: Linda Monilaws
Subject: RE: Meetings Next week

Yes, at the meetings and the pre-briefs. Thanks for clarifying!

From: Linda Monilaws
Sent: Wednesday, August 17, 2016 11:59 AM
To: Dawn Turton
Subject: RE: Meetings Next week

Let me check and will get back to you shortly with attendee. Do you also want them at the Minister's meetings on August 23 and 25?

Linda

From: Dawn Turton
Sent: Wednesday, August 17, 2016 11:49 AM
To: Linda Monilaws
Subject: Meetings Next week

Hi Linda,

Next week we have two stakeholder meetings. One with Non Responsive and one with AREA on August 25 at 2pm. They are both going to be video conference like we have today. We would like a prebrief with the minister for 30 minutes prior to each of those meetings. Who from the department will be available for those meetings? I will invite them to the calendar events.

Cheers,
Dawn

Val Taylor

From: Scott Seymour
Sent: Wednesday, August 17, 2016 1:54 PM
To: Kelly Refah
Cc: Lee Chantal; Mary MacDonald; Trevor Bergen
Subject: RE: Media Request: CBC Calgary
Attachments: Media Brief - Real Estate Broker bankruptcy - Aug16-16.docx

Hi Kelly..
Here's the "media brief" on this subject. I used a lot of your materials for it, but I'm hoping you can have a quick look to make sure everything's OK.
Thanks!
Scott

From: Kelly Refah
Sent: Tuesday, August 16, 2016 1:57 PM
To: Scott Seymour
Cc: Lee Chantal; Mary MacDonald; Trevor Bergen
Subject: FW: Media Request: CBC Calgary



Pages 1042 through 1045 redacted for the following reasons:
- -
Duplicate to pages 1019-1022

Media Brief – August 17, 2016

Real Estate broker bankruptcy – Discover Real Estate

Issue Summary

Discover Real Estate, a real estate broker with offices in Calgary, Edmonton, Red Deer and Strathmore, notified it was shutting down due to financial reasons brought about by the economic downturn. CBC in Calgary has contacted Service Alberta to get information on regulations regarding real estate brokerage firms.

The reporter says more than 100 realtors are owned more than $1 million in commissions by Discover Real Estate. She's suggesting the current law doesn't seem to protect realtors and is wondering if the government is aware of this problem and plans to do anything about it.

At present, there are regulations in place to protect customers in the event a real estate brokerage declares bankruptcy. Customer monies are placed in a trust fund. No such safeguards exist for realtors contracted to real estate brokerages, however.

Earlier this year, the Real Estate Council of Alberta and the Alberta Real Estate Association have put together a woring group to examine the issue and explore the feasibility of establishing commission trust accounts.

Key Messages

- The Real Estate Council of Alberta (RECA) is the regulator of the province's real estate industry. RECA sets requirements for real estate industry members through the REA and the *Real Estate Act* Rules.
- Realtors who are contracted with brokerages that go out of business can attempt to recover any money owed to them through the courts.
- RECA and the Alberta Real Estate Association have formed a working group to consider whether rules should be adopted to address payment of real estate commissions when real estate brokerages go out of business. More information on the working group and its work is available from RECA or the Alberta Real Estate Association.

Questions and Answers

Q: What laws cover real estate brokerages in Alberta?
A: Real estate brokerages in Alberta must conduct their business in accordance with the Real Estate Act (REA). The Government of Alberta has designated the Real Estate Council of Alberta (RECA) as the regulator of the province's real estate industry, which includes realtors and real estate brokers.

Q: What happens when a real estate brokerage shuts down or goes bankrupt?
A: When a real estate brokerage is shutting down or has already shut down, RECA requires it to keep all brokerage records for a minimum of three years from original date and complete a closing audit. As the regulator, RECA's focus is on consumer protection and ensuring client's money is protected by being held in trust.

Q: What about the realtors who were under contract by the brokerage? What happens if they're owed money (i.e. commissions) by the brokerage after it goes out of business?
A: In general, the relationship between a brokerage and an industry member is a business arrangement. The terms of this relationship are contractual, with compensation, such as commissions, being addressed in the contract between the two parties. As such, a dispute over the payment of commission would be a civil matter, with the option to address the issue through the courts if it cannot be resolved directly with the brokerage. If a brokerage shuts down because of financial reasons or bankruptcy, RECA is not involved with creditor or court issues.

Q: Are there any plans to change the legislation to better protect realtors in these situations?
A: At the present time, the government is not considering any changes to the Real Estate Act or its regulations, but RECA and the Alberta Real Estate Association have formed a working group to examine the possibility of setting up new rules to address payment of real estate commissions when real estate brokerages go out of business. More information on the working group can be found on RECA's website.

Media Brief – August 17, 2016

Real Estate broker bankruptcy – Discover Real Estate

Other resources

- **Calgary Herald story from May 2016:** http://calgaryherald.com/business/local-business/discover-real-estate-closing-up-shop-founder-blames-faltering-economy?__lsa=9f62-9b7a

- RECA blog post on this subject: www.recablog.ca/blog/2016/03/when-a-brokerage-shuts-down.html

Val Taylor

From: Trevor Bergen
Sent: Wednesday, August 17, 2016 2:25 PM
To: Lee Chantal
Cc: Mary MacDonald; Kelly Refah
Subject: FW: Media Request: CBC Calgary
Attachments: Media Brief - Real Estate Broker bankruptcy - Aug16-16.docx

Hi Lee,

In Kelly's absence, I reviewed this and apart from some small edits have no additions. If you are comfortable with this, please add any further changes and return to Scott with a cc to the group. Thanks,
Trevor

From: Scott Seymour
Sent: Wednesday, August 17, 2016 1:54 PM
To: Kelly Refah
Cc: Lee Chantal; Mary MacDonald; Trevor Bergen
Subject: RE: Media Request: CBC Calgary



Pages 1049 through 1052 redacted for the following reasons:
- -
Duplicate to pages 1041-1045

Media Brief – August 17, 2016

Real Estate broker bankruptcy – Discover Real Estate

Issue Summary

Discover Real Estate, a real estate broker with offices in Calgary, Edmonton, Red Deer and Strathmore, notified it was shutting down due to financial reasons brought about by the economic downturn. CBC in Calgary has contacted Service Alberta to get information on regulations regarding real estate brokerage firms.

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A: At the present time, the government is not considering any changes to the *Real Estate Act* or its regulations, but RECA and the Alberta Real Estate Association have formed a working group to examine the possibility of setting up new rules to address payment of real estate commissions when real estate brokerages go out of business. More information on the working group can be found on RECA's website.

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Media Brief – August 17, 2016

Real Estate broker bankruptcy – Discover Real Estate

Other resources

- Calgary Herald story from May 2016: http://calgaryherald.com/business/local-business/discover-real-estate-closing-up-shop-founder-blames-faltering-economy?__lsa=9f62-9b7a
- RECA blog post on this subject: www.recablog.ca/blog/2016/03/when-a-brokerage-shuts-down.html

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Val Taylor

From: Lee Chantal
Sent: Wednesday, August 17, 2016 2:30 PM
To: Scott Seymour; Kelly Refah
Cc: Mary MacDonald; Trevor Bergen
Subject: RE: Media Request: CBC Calgary
Attachments: Media Brief - Real Estate Broker bankruptcy - Aug16-16.docx

Hi Scott,

Trevor and I took a look at the media brief in Kelly's absence. This looks good – we have a couple of small edits, but that is all. Edits are in the attached version.

Thanks,

Lee

From: Scott Seymour
Sent: Wednesday, August 17, 2016 1:54 PM
To: Kelly Refah
Cc: Lee Chantal; Mary MacDonald; Trevor Bergen
Subject: RE: Media Request: CBC Calgary

[redacted]

Pages 1056 through 1059 redacted for the following reasons:
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Duplicate to pages 1041-1045

Media Brief – August 17, 2016

Real Estate broker bankruptcy – Discover Real Estate

Issue Summary

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Media Brief – August 17, 2016

Real Estate broker bankruptcy – Discover Real Estate

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- RECA blog post on this subject: www.recablog.ca/blog/2016/03/when-a-brokerage-shuts-down.html

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Tariro Nyemba

From:	Colin Lloyd
Sent:	August-18-16 9:40 AM
To:	Robert Whittaker; Jennifer Cunningham
Subject:	Fwd: AREA Government Liaison Days
Attachments:	AREA MLA Reception.jpg

Can you look at this please. I will attend if it's open.

Sent from my iPhone

Begin forwarded message:

> **From:** Amanda Nielsen <anielsen@areahub.ca>
> **Date:** August 18, 2016 at 11:37:51 AM EDT
> **To:** "tim.grant@gov.ab.ca" <tim.grant@gov.ab.ca>, "colin.lloyd@gov.ab.ca" <colin.lloyd@gov.ab.ca>
> **Cc:** Kerri Romanetz <kromanetz@areahub.ca>
> **Subject: Re: AREA Government Liaison Days**
>
> Hi Tim and Colin,
>
> Just a quick note to follow up on the request below. Does your schedule appear to permit you to attend our conference?
>
> Many thanks!
>
> Warmly,
>
> Amanda
>
> **Amanda Nielsen**
> *Public Affairs and Stakeholder Relations Advisor*
> **Alberta Real Estate Association**
> DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca
>
> ---
>
> **From:** Amanda Nielsen
> **Sent:** Tuesday, August 2, 2016 8:55:17 AM
> **To:** tim.grant@gov.ab.ca; colin.lloyd@gov.ab.ca
> **Cc:** Kerri Romanetz
> **Subject:** AREA Government Liaison Days

[redacted]

Pages 1063 through 1064 redacted for the following reasons:
- -
Page 1063: Duplicate to page 1016
Page 1064: Duplicate to page 1017

Val Taylor

From: Cait Wills
Sent: Monday, August 22, 2016 9:15 AM
To: Kelly Refah; Cheryl Tkalcic; Scott Seymour; Lee Chantal; Trevor Bergen
Cc: Mary MacDonald; Jo-Anne Nugent
Subject: FW: Updates from At-Risk Commissions Working Group
Attachments: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA; RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA; RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

Hi,

Please see attached for the information bulletins sent out by the working group.

Thanks,

Cait

From: Natalie Scollard [mailto:nscollard@reca.ca]
Sent: August 22, 2016 9:12 AM
To: Cait Wills
Subject: Updates from At-Risk Commissions Working Group

Hi Cait,

Attached are three updates that RECA and the Alberta Real Estate Association (AREA) have jointly issued with respect to the At-Risk Commissions Working Group (the dates of the emails are in the headers of each; May 12, June 9, and July 21). Don't hesitate to let me know if you have any other questions.

Best,
Natalie Scollard
Communications Manager

Real Estate Council of Alberta

T (403) 203-7003
TF (800) 423-2754
F (403) 228-1963
reca.ca

Real Estate Council of Alberta
Suite 700, 4954 Richard Rd SW
Calgary, Alberta T3E 6L1

The authority for a positive real estate experience

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Pages 1066 through 1067 redacted for the following reasons:
- -
Duplicate to pages 1011-1013

Val Taylor

From: Natalie Scollard <nscollard@reca.ca>
Sent: Monday, August 22, 2016 9:09 AM
To: Natalie Scollard
Subject: RECA News: At-Risk Commissions Working Group - Joint Update from AREA and RECA

RECA News June 9, 2016

On May 12, 2016, AREA and RECA jointly communicated to you that a working group of industry stakeholders has been formed and has met to discuss the topic of at-risk commissions. Action items and next steps were generated at that first meeting, and the working group met again on June 6 to report their findings and establish the next stage of work.

High Level Updates:

- An information document is being finalized that provides clarity on licensing and client service issues when a brokerage abruptly shuts down or announces its intention to close. The working group will finalize the document at its next meeting, scheduled for mid-July, and will make the document available as soon as it is completed.
- Significant research into possible options continues. Among the options under consideration:
    - Insurance and bond products - quotes and product options are being prepared. It is anticipated the insurance provider will deliver product quotes by early July.
    - Commission trust accounts as a regulatory requirement – the working group has submitted the following request for consideration by Council at its July meeting:

      "The At-Risk Commissions Working Group requests RECA explore the feasibility of amending the Real Estate Act Rules to facilitate the establishment of commission trust accounts by real estate brokerages."
    - Employment contract terms between brokers and associates

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- AREA and RECA value your input and are engaging a third-party survey provider to ensure you are heard on this topic. Work is underway to capture more details on the above options so you can provide informed feedback. You can expect to receive the survey in the coming weeks.

The working group participants continue to communicate between meetings to advance the action items, and will meet again in July after the Council meeting. We will continue to provide you with updates as work progresses; we anticipate our next general update will occur at the end of July.

Any questions or comments on this topic can be sent to communications@arealtub.ca and all inquiries will reach all stakeholders participating in the working group.

Real Estate Council of Alberta
T: 1-866-425-2754
F: (403) 228-3065
communications@reca.ca
www.reca.ca

RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to communications@reca.ca

Pages 1070 through 1071 redacted for the following reasons:
- -
Duplicate to pages 899-900

ACTION REQUEST COVERSHEET
Service Alberta

COMPLETE

Due Date: Aug 23, 2016
Due to MCU: Aug 19, 2016
Due to ADMO: Aug 17, 2016
Extended Due Date:

AR Number: 30432
Logged By: MO
Priority Level: Normal
Received Date: Aug 15, 2016

AR References:
Assigned To: 04 CS-Consumer Programs
Subject: Meeting: Alberta Real Estate Association (AREA)
Action Requested: Briefing for Minister
Correspondent: Amanda Nielson
Constituency: ,

	Name and Phone Number		Initials and Date
Approved by ADM:	Colin Lloyd	780-427-2300	Notes for Colin Lloyd Aug 19, 2016
Edited by MCU:	Mari Sayers		August 15, 2016 OB
Approved by MCU:	Rachel Bouska	780-644-4524	RB Aug. 24/16
Approved by DM CoS:	Linda Chupka	780-422-6174	LC Aug. 24/16
Approved by DM:	Tim Grant	780-415-4954	[signature] Aug. 25/16
Approved by MO:			

File Number:
Comments:
Additional Notes:
* KMs approved by Comms: Cheryl Tkalcic, Acting Dir, Comms - Aug 24/16

00155-A05
Aug 17/16

ADVICE TO THE MINISTER

MEETING WITH THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- The Alberta Real Estate Association (AREA) has arranged a meeting with the Minister.

MEETING DATE: August 25, 2016

TIME: 2:00 pm

LOCATION: Carillon Room, Legislature Building

ATTENDEES: Honourable Stephanie McLean, Minister of Service Alberta
Lorne Dach, MLA, Edmonton-McClung
Greta Levy, Chief of Staff
Ian Burns, CEO, AREA
Jennifer McKenzie, Board Chair, AREA
Brad Mitchell, Managing Director of Finance, AREA
Amanda Nielsen, Public Affairs and Stakeholder Relations Advisor, AREA
Mary MacDonald, Executive Director, Consumer Services, Service Alberta

STAKEHOLDER STRATEGY:

- A meeting with AREA will help to maintain lines of communication with a key real estate industry stakeholder and inform the Minister of new and emerging trends in the real estate industry.
- AREA has indicated a desire to discuss the real estate regulatory environment.
  - AREA has previously sought amendments to the *Real Estate Act* (REA) to adjust the mandate of the Real Estate Council of Alberta, the real estate industry regulator.
- The Minister is being asked to speak at AREA's Government Liaison Days Conference on November 22, 2016. Honourable Danielle Larivee gave greetings on behalf of government at this event last year and it is recommended the Minister accept the invitation to speak to the 2016 conference.

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KEY MESSAGES:

- Service Alberta supports the continued self-regulation of the real estate industry through the Real Estate Council of Alberta (RECA).
- My department recognizes the need to review the *Real Estate Act* for potential amendments to address changes in the industry. The timing of the review will be determined once the Ministry's multi-year Legislative Plan is finalized.
- In addition to reviewing stakeholder submissions to RECA, Service Alberta's process to amend the *Real Estate Act* will include broad industry consultation with real estate professionals and consumers to ensure a balance among varied perspectives and interests.
- Service Alberta will inform stakeholders about the *Real Estate Act* review and opportunities to participate in future consultations.

BACKGROUND:

- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups.
- Not all real estate professionals belong to AREA. Membership in the organization is voluntary.
- Under the REA, RECA has been designated the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications their members must meet.
- AREA members make up 90 per cent of real estate licensees and approximately 70 per cent of total licences that RECA issues as the industry regulator.
- RECA's governing Council features considerable representation from AREA, which directly appoints six of the 12 members and has strong influence over the appointment of four other members.
- AREA also participates on RECA's Residential Real Estate Advisory Committee, one of five committees established by RECA, to provide a direct line to industry professionals and helps maintain cooperation, communication, and an exchange of information between RECA and the industry. These committees are made up of Council members, industry professionals, and consumers.
- RECA and AREA dispute the scope of RECA's regulatory authority provided under the REA. AREA holds that some of RECA's current activities, even if permitted by the REA, overreach the intended role of a regulator. This has resulted in requests by AREA to amend the REA.

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- AREA wants section 5(b) of the REA repealed. This section empowers RECA to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
- AREA argues this section, under which RECA delivers education and other services, allows RECA to engage in activities beyond what AREA believes is RECA's intended mandate, i.e., the administration and enforcement of the REA.

- Despite the dispute, AREA and RECA collaborate on certain areas of interest for the real estate industry. For example, the two organizations have formed a joint working group to review the options available to address unpaid commissions to industry associates when a brokerage ceases operations.
- In recent months, Tim Grant, Deputy Minister and Colin Lloyd, Assistant Deputy Minister, met with officials from RECA and AREA to address current conflict and potential governance issues. The message conveyed at the meetings was the need for responsible governance and sound consumer protection.

KEY CONSIDERATIONS:



CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

Dhanandjay Goboodun

From: Amanda Nielsen <anielsen@areahub.ca>
Sent: Wednesday, August 10, 2016 2:34 PM
To: Dawn Turton
Subject: Re: Meeting Request - Alberta Real Estate Association

Hi Dawn,

Thanks for the note. We would like to discuss our upcoming Government Liaison Days conference and the real estate regulatory environment.

I will confirm attendees with you next week.

Hope you are having a great week!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Dawn Turton <Dawn.Turton@gov.ab.ca>
Sent: Wednesday, August 10, 2016 1:34:23 PM
To: Amanda Nielsen
Subject: RE: Meeting Request - Alberta Real Estate Association

Hi Amanda,

Do you have a specific agenda that you would like to have discussed at this meeting? Can you confirm the rest of the attendees?

Cheers,
Dawn

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Thursday, July 28, 2016 4:07 PM
To: Brandon Jacoby; Dawn Turton
Subject: Re: Meeting Request - Alberta Real Estate Association

Awesome. Thanks Brandon and Dawn. I so appreciate both of your help in bringing this together!

Amanda

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Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_| areahub.ca

From: Brandon Jacoby <Brandon.Jacoby@assembly.ab.ca>
Sent: Thursday, July 28, 2016 3:15:15 PM
To: Dawn Turton
Cc: Amanda Nielsen
Subject: RE: Meeting Request - Alberta Real Estate Association

Yes, MLA Dach will be there.

From: Dawn Turton [mailto:Dawn.Turton@gov.ab.ca]
Sent: Thursday, July 28, 2016 12:22 PM
To: Brandon Jacoby <Brandon.Jacoby@assembly.ab.ca>
Cc: 'Amanda Nielsen' <anielsen@areahub.ca>
Subject: RE: Meeting Request - Alberta Real Estate Association

Brandon can you confirm?

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Thursday, July 28, 2016 12:21 PM
To: Dawn Turton
Cc: 'Brandon Jacoby'
Subject: Re: Meeting Request - Alberta Real Estate Association

Hi Dawn,

Absolutely. That works perfectly for us. Is MLA Dach able to join us?

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_| areahub.ca

From: Dawn Turton <Dawn.Turton@gov.ab.ca>
Sent: Thursday, July 28, 2016 12:13:46 PM
To: Amanda Nielsen
Cc: 'Brandon Jacoby'
Subject: RE: Meeting Request - Alberta Real Estate Association

Hi Amanda,

Can we hold August 25 at 2pm in Calgary at the McDougall Centre? I'll confirm a bit closer to the date.

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Cheers,
Dawn

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Thursday, July 28, 2016 11:46 AM
To: Dawn Turton
Cc: 'Brandon Jacoby'
Subject: Re: Meeting Request - Alberta Real Estate Association

Hi Dawn,

Thanks for the note! Unfortunately, my boss is on vacation that week, and he would be one of our meeting attendees.

Any chance we can do the week before or the week after? The following weeks are completely open with the exception of August 23 and 24.

I've distributed digital invitations for our November reception to all MLAs at this stage. We definitely hope Minister can attend and bring greetings. Last year, then Service Alberta Minister Larivee spoke with our group, and it was much appreciated by all.

Many thanks!

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Dawn Turton <Dawn.Turton@gov.ab.ca>
Sent: Thursday, July 28, 2016 11:42:54 AM
To: Amanda Nielsen
Cc: 'Brandon Jacoby'
Subject: RE: Meeting Request - Alberta Real Estate Association

Hi Amanda,

Thank you for your patience. Minister's Calendar has been a moving target as of late so I wasn't able to confirm. Would you be available to meet with the minister on August 17 in Calgary? I can't yet confirm for November, but I'm looking into it and will get back to you once I know.

Cheers,

Dawn Turton
Scheduling Coordinator for Hon. Stephanie McLean
Service Alberta and Status of Women
103 Legislature Building 10080 – 97 Ave NW
Edmonton, AB T5K 2B6
T: 780-422-6880

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dawn.turton@gov.ab.ca
*****Note: My Last name has changed from Friesen to Turton. Please update your contacts to have my email as dawn.turton@gov.ab.ca as dawn.m.friesen@gov.ab.ca will no longer reach me.*****

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Wednesday, July 20, 2016 1:29 PM
To: Dawn Turton
Cc: Amy Nugent
Subject: Re: Meeting Request - Alberta Real Estate Association

Hi Dawn and Amy,

I hope this note finds both of you well.

Just a quick note to follow up on this thread... Is there a chance we can meet with Minister McLean in August, and that she can speak at our conference reception on November 22 at the Matrix Hotel?

Many thanks!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_1 | areahub.ca

From: Amanda Nielsen
Sent: Wednesday, June 29, 2016 2:57:23 PM
To: Dawn Friesen (SA)
Cc: Amy Nugent; Edmonton McClung; Brandon Jacoby
Subject: Re: Meeting Request - Alberta Real Estate Association

Hi Dawn,

Just a quick note to follow up on this, and see if we can book a time to connect with Minister McLean in August. I also sent a note earlier inviting her to our GL Days in November - we'd be grateful to have her attend.

Many thanks, Dawn!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association

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DL: 780.920.5001 | Twitter: @Amanda_Nielsen_| areahub.ca

From: Amanda Nielsen
Sent: Monday, June 20, 2016 12:06:25 PM
To: Dawn Friesen (SA)
Cc: Amy Nugent; Edmonton McClung; Brandon Jacoby
Subject: Re: Meeting Request - Alberta Real Estate Association

Hi Dawn,

Thanks for the note.

Those weeks work perfectly for us. We can meet in Edmonton or Calgary - whatever is most convenient for Minister and MLA Dach.

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_| areahub.ca

From: Dawn Friesen (SA) <dawn.m.friesen@gov.ab.ca>
Sent: Monday, June 20, 2016 12:05:26 PM
To: Amanda Nielsen
Cc: Amy Nugent; Edmonton McClung; Brandon Jacoby
Subject: RE: Meeting Request - Alberta Real Estate Association

Good Afternoon Amanda,

Thanks for your request to meet with the Minister. Unfortunately the week of July 6-12 does not work for the Minister as this is during the Calgary Stampede. We would actually be looking at the week of August 8th or the week of August 15th for this meeting. Are those weeks workable for your offices?

Cheers,

Dawn M. Friesen
Scheduling Coordinator for Hon. Stephanie McLean
Service Alberta and Status of Women
103 Legislature Building 10080 – 97 Ave NW
Edmonton, AB T5K 2B6
T: 780-422-6880
dawn.m.friesen@gov.ab.ca

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From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Wednesday, June 15, 2016 9:14 PM
To: Dawn Friesen (SA)
Cc: Amy Nugent; Edmonton McClung; Brandon Jacoby
Subject: Meeting Request - Alberta Real Estate Association

Dear Dawn,

I hope this note finds you well.

I'm writing to request a meeting with Minister Stephanie McLean for the week of July 6-12 in Calgary, Alberta with the Alberta Real Estate Association (AREA).

AREA represents more than 10,000 REALTORS® across the province in Alberta. The goal of this meeting is to make introductions and discuss some ideas relating to AREA's regulatory environment. Ideally, we'd love to have MLA Lorne Dach attend as well. Mr. Dach is a former real estate industry member with tremendous expertise on this file area. I have CC'd Mr. Dach's constituency office to this email accordingly.

Is Minister McLean available for a meeting?

Many thanks!

Warmly,

Amanda
Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

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Rachel Bouska

From: Dawn Turton
Sent: Wednesday, August 24, 2016 10:02 AM
To: Rachel Bouska
Subject: RE: AR 30432 - Meeting with AREA

Hi Rachel,

This is what I've got currently.

2pm Carillon Room Legislature Building (No longer video conference or in Calgary)

Minister McLean
MLA Dach
Greta Levy
Department Representative – Mary MacDonald

- Ian Burns, our CEO for our entire organization
- Amanda Nielsen Public Affairs and Stakeohlder Relations Advisor.
- Jennifer McKenize, our board Chair and a REALTOR from Medicine Hat
- Brad Mitchell, our Managing Director of Finance

Cheers,
Dawn

From: Rachel Bouska
Sent: Wednesday, August 24, 2016 10:00 AM
To: Dawn Turton
Subject: AR 30432 - Meeting with AREA

Hi Dawn – MCU is currently reviewing the meeting BN for AR 30432 and I was wondering if you could please confirm the time/location/attendees.

Thanks!
Rachel Bouska
Manager, Coordination and Correspondence
Service Alberta
29th fl Telus House at ATB Place
10020 - 100 Street
Edmonton AB T5J 0N3
780-644-4524
www.alberta.ca

Val Taylor

From: Greta Levy
Sent: Wednesday, August 24, 2016 4:04 PM
To: Mary MacDonald
Cc: Carlynn McAneeley
Subject: RE: RECA

Hi Mary,

No, RECA – given the meetings we had last week where concerns were raised. Wondering what impact government has on RECA's board.

From: Mary MacDonald
Sent: Wednesday, August 24, 2016 4:03 PM
To: Greta Levy <Greta.Levy@gov.ab.ca>
Cc: Carlynn McAneeley <Carlynn.McAneeley@gov.ab.ca>
Subject: RE: RECA

Greta,

Not sure if you also wanted info on AREA's appointment process.

In terms of its appointment process, AREA invites members to apply to their Board/Association which then decide on three potential nominees for each appointment category. AREA interviews the identified nominees and then decides who will be appointed from their quota.

Mary

From: Greta Levy
Sent: Wednesday, August 24, 2016 2:55 PM
To: Mary MacDonald
Cc: Carlynn McAneeley
Subject: RECA

Hi Mary

Were you able to find out how exactly the RECA board appointments work?

Thanks.

Greta K. Levy
Chief of Staff
Office of the Hon. Stephanie McLean
Minister of Service Alberta
Minister of Status of Women
C s.17(1)

Val Taylor

From: Kelly Refah
Sent: Wednesday, August 24, 2016 4:35 PM
To: Mary MacDonald; Brendan Guhl
Cc: Trevor Bergen
Subject: RE: AREA

Yes, my understanding is the recruitment process would apply equally to all organizations that make appointments, not just AREA.

From: Mary MacDonald
Sent: Wednesday, August 24, 2016 4:21 PM
To: Kelly Refah; Brendan Guhl
Cc: Trevor Bergen
Subject: RE: AREA

Thanks Kelly.

Do you have a sense that is so organizations other than AREA would follow a similar process?

Mary

From: Kelly Refah
Sent: Wednesday, August 24, 2016 4:20 PM
To: Brendan Guhl; Mary MacDonald
Cc: Trevor Bergen
Subject: RE: AREA

Thanks Brendan. Mary, one of the things RECA asked us to consider when we open the Real Estate Act for review is establishing a recruitment process for association appointments to ensure best practices are followed in the recruitment and selection process for council members.

Kelly

From: Brendan Guhl
Sent: Wednesday, August 24, 2016 3:55 PM
To: Mary MacDonald
Cc: Trevor Bergen; Kelly Refah
Subject: RE: AREA

Hi Mary,

I'm not familiar with the details of the process, but I was able to find the following overview on the AREA website (http://www.areahub.ca/Advocacy/Council-Appointment-Process.aspx). I think the "Process for Selection" information is what you may be looking for.

Please let me know if this is sufficient or if you require something more detailed.

Thanks,

Brendan Guhl
780.643.9453

Process for AREA's Appointments to RECA Council

AREA appoints a total of six members to the Real Estate Council of Alberta (RECA) as follows:

- One member who trades in industrial, commercial and investment real estate;
- One member who trades in residential real estate;
- One member from nominations received from the Calgary Real Estate Board (CREB®);
- One member from nominations received from the REALTORS® Association of Edmonton (RAE); and
- Two members from nominations received from other real estate boards in Alberta.

All appointments to Council are for a three-year term, with a maximum of two consecutive terms served.

In Fall 2016, AREA will appoint three members to serve a three-year term beginning November 1, 2016 and concluding October 31, 2019: one member from CREB® nominations, one member from RAE nominations and one member from nominations received from the other Alberta real estate boards.

The Process for Selection

As is the case in 2016, when AREA is appointing members from the Boards/Associations, AREA encourages members to **send applications directly to your Board/Association**. AREA asks that applications include the following:

- Resume;
- Cover Letter outlining member's interest in sitting on Council.

Following the window for receiving applications (which for **2016 closes on June 30**), the Boards/Associations will submit a list of nominees to AREA. AREA aims to have **at least three potential nominees for each of the appointment categories.**

In years when AREA is appointing the members representing residential and commercial / industrial real estate respectively, AREA will receive the applications from interested members directly.

Once the nominations have been submitted, **AREA undertakes an interview process with the identified nominees** to determine the successful appointees. RECA is then notified of those appointments approximately 8 weeks in advance of the beginning of the appointees' respective terms.

From: Mary MacDonald
Sent: Wednesday, August 24, 2016 3:38 PM
To: Kelly Refah; Brendan Guhl
Cc: Trevor Bergen
Subject: AREA

Kelly or Brendan,

Would either of you know how AREA appoints members to RECA?

Thanks,
Mary

Mary MacDonald
Executive Director, Consumer Services
SERVICE ALBERTA

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mary.macdonald@gov.ab.ca
780.422.8177

Val Taylor

From: Greta Levy
Sent: Wednesday, August 24, 2016 4:59 PM
To: Mary MacDonald
Subject: Re: RECA

Tx

Greta K. Levy
Chief of Staff
Office of the Hon. Stephanie McLean
Minister of Service Alberta
Minister of Status of Women
C: s.17(1)

On Aug 24, 2016, at 4:16 PM, Mary MacDonald <Mary.MacDonald@gov.ab.ca> wrote:

> No worries, I was just checking to make sure I had pressed send!
>
> Section 8 of the Act says the Council shall appoint an executive director, who shall be the chief administrative officer of the Council.
>
> Mary
>
> **From:** Greta Levy
> **Sent:** Wednesday, August 24, 2016 4:07 PM
> **To:** Mary MacDonald
> **Cc:** Carlynn McAneeley
> **Subject:** RE: RECA
>
> Sorry, I should read your emails in order...
>
> How is the CEO/President (unsure what the title is) of RECA appointed? By that board?
>
> **From:** Mary MacDonald
> **Sent:** Wednesday, August 24, 2016 3:55 PM
> **To:** Greta Levy <Greta.Levy@gov.ab.ca>
> **Cc:** Carlynn McAneeley <Carlynn.McAneeley@gov.ab.ca>
> **Subject:** RE: RECA
>
> Hi Greta,
>
> The composition of the RECA is defined under section 6 of the Real Estate Act which says the Council shall have 12 members, appointed as follows:
>
> -Minister appoints 1 person
> -the Alberta Mortgage Brokers Association (AMBA) appoints 1 person who must be a mortgage broker

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-the Alberta Real Estate Association (AREA) appoints 6 people (1 from Calgary, 1 from Edmonton, 2 from real estate boards in other parts of the province, one broker trading in industrial/commercial/investment real estate, and one broker dealing in residential real estate.)
-AMBA and AREA jointly appoint 2 members
-all the members appointed above jointly appoint 2 members

AREA has a big role in constituting the board.

The term of appointment is three years.

Mary

From: Greta Levy
Sent: Wednesday, August 24, 2016 2:55 PM
To: Mary MacDonald
Cc: Carlynn McAneeley
Subject: RECA



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Val Taylor

From: Trevor Bergen
Sent: Wednesday, August 24, 2016 6:46 PM
To: Mary MacDonald
Subject: Re: CaRS Meeting

Hi Mary,

For sure. Happy to attend. Just let me know if there are particular items you'd like me to raise at the meeting. Thanks!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA
Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Sent from mobile

On Aug 24, 2016, at 6:36 PM, Mary MacDonald <Mary.MacDonald@gov.ab.ca> wrote:

> Trevor,
>
> I'm at the AREA meeting with the Minister. Are you able to attend this meeting at 1:30 on Thursday? I apologize for the late ask.
> Thanks,
> Mary
>
> ***Mary MacDonald***
> Executive Director, Consumer Services
> SERVICE ALBERTA
>
> mary.macdonald@gov.ab.ca
> 780.422.8177

Tariro Nyemba

From: Jennifer Cunningham
Sent: August-25-16 9:18 AM
To: Robert Whittaker
Subject: RE: Follow-up to our July 5th meeting

Will do.

From: Robert Whittaker
Sent: August-25-16 9:17 AM
To: Colin Lloyd
Cc: Jennifer Cunningham
Subject: Fwd: Follow-up to our July 5th meeting

As per our discussion yesterday.

Jenn, can you set up a half hour phone call between us and Ian next week. Thanks

RW

Sent from my iPhone

Begin forwarded message:

> **From:** Ian Burns <iburns@areahub.ca>
> **Date:** August 24, 2016 at 9:52:12 AM MDT
> **To:** Robert Whittaker <Robert.Whittaker@gov.ab.ca>
> **Subject: FW: Follow-up to our July 5th meeting**
>
> Robert,
>
> As mentioned on my voicemail, can you please follow-up with Colin on this email I send him?
>
> Thanks,
>
> Ian
>
> **From:** Ian Burns
> **Sent:** July-14-16 1:09 PM
> **To:** 'Colin Lloyd (colin.lloyd@gov.ab.ca)' <colin.lloyd@gov.ab.ca>
> **Subject:** Follow-up to our July 5th meeting
>
> Colin,
>
> I wanted to thank you and Tim Grant for taking the time to meet with AREA, the executive officers of our two largest boards, and senior RECA staff. Please pass along our thanks to Tim for doing such a great job of facilitating the meeting. I'm writing now to provide you with some updates (one of which is time sensitive) and also seek further clarification on some issues we ran out of time to discuss last Tuesday.

I am hoping to have a quick discussion with you about a politically sensitive situation that may come to the fore in the near future. It involves AREA's financial support of three members undergoing "professional conduct reviews" after expressing concerns, which AREA did not sanction, about RECA's launch of the RMS. We may communicate our actions, reasoning and corresponding legal opinions with our members and wanted to alert you in advance.

In follow up from the meeting last week, we thought a clear message from Tim to all attendees was, as he put it, *"The RMS train as left the station but there is still an opportunity to redecorate some cars."* We have communicated this message to our provincial board Executive officers and have begun compiling our feedback as requested. We will share the compiled feedback directly with RECA and copy Service Alberta. The provincial board executive officers and AREA are jointly motivated to improve our ability to engage with the regulator in a positive and proactive, solutions-based manner. What we wanted to seek clarity on was whether or not this direction applied more broadly to engagement with RECA.

For example, you may recall that, at Service Alberta's request, we put a hold on any engagement with RECA council following our meeting with you and Tim at the end of February. In order to fulfill our duty to members, we need to move forward with engagement. As we expressed in February, we do not feel AREA is acting out of turn to speak with members of RECA council, while RECA staff have accused us of exerting undue influence. We welcome the opportunity to re-engage with RECA on this matter and find a solution, but didn't want to step on toes if we were interpreting Tim's direction too broadly. Please advise.

As always, we welcome your input on what AREA can do to improve its communication with the department and with RECA. Please let me know when you can accommodate a quick call to discuss this first item.

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 | TF: 1.800.661.0231 | areahub.ca

Tariro Nyemba

From: Jennifer Cunningham
Sent: August-25-16 11:35 AM
To: 'iburns@areahub.ca'
Subject: RE: Follow-up to our July 5th meeting

Hello Ian,

I have been asked to arrange a phone call with you next week. Would you have any availability for a 30 min call during the afternoon of Monday Aug 29, or Wednesday Aug 31 either at 11:00 am or 3:30 pm?

If not, please advise alternate availability into the following week.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Ian Burns <iburns@areahub.ca>
Date: August 24, 2016 at 9:52:12 AM MDT
To: Robert Whittaker <Robert.Whittaker@gov.ab.ca>
Subject: FW: Follow-up to our July 5th meeting



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Page 1093 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 1090-1091

Val Taylor

Subject:	Pre-brief AREA Meeting
Location:	Room 125 Legislature Building
Start:	Thu 8/25/2016 1:30 PM
End:	Thu 8/25/2016 2:00 PM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	Stephanie McLean
Required Attendees:	Amelia Van Hoffen; Dawn Turton; Deanna Kappo; Tina Faiz; Mary MacDonald; Greta Levy
Optional Attendees:	Carlynn McAneeley

Mary MacDonald to Brief Minister
Updated Briefing Note



ADVICE TO THE MINISTER

MEETING WITH THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- The Alberta Real Estate Association (AREA) has arranged a meeting with the Minister.

MEETING DATE: August 25, 2016

TIME: 2:00 pm

LOCATION: Carillon Room, Legislature Building

ATTENDEES: Honourable Stephanie McLean, Minister of Service Alberta
Lorne Dach, MLA, Edmonton-McClung
Carlynn McAneeley, MA
Ian Burns, CEO, AREA
Jennifer McKenzie, Board Chair, AREA
Brad Mitchell, Managing Director of Finance, AREA

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Amanda Nielsen, Public Affairs and Stakeholder Relations Advisor, AREA

Mary MacDonald, Executive Director, Consumer Services, Service Alberta

STAKEHOLDER STRATEGY:

- A meeting with AREA will help to maintain lines of communication with a key real estate industry stakeholder and inform the Minister of new and emerging trends in the real estate industry.
- AREA has indicated a desire to discuss the real estate regulatory environment.
  - AREA has previously sought amendments to the *Real Estate Act* (REA) to adjust the mandate of the Real Estate Council of Alberta, the real estate industry regulator.
- The Minister is being asked to speak at AREA's Government Liaison Days Conference on November 22, 2016. Honourable Danielle Larivee gave greetings on behalf of government at this event last year and it is recommended the Minister accept the invitation to speak to the 2016 conference.

KEY MESSAGES:

- Service Alberta supports the continued self-regulation of the real estate industry through the Real Estate Council of Alberta (RECA).
- My department recognizes the need to review the *Real Estate Act* for potential amendments to address changes in the industry. The timing of the review will be determined once the Ministry's multi-year Legislative Plan is finalized.
- In addition to reviewing stakeholder submissions to RECA, Service Alberta's process to amend the *Real Estate Act* will include broad industry consultation with real estate professionals and consumers to ensure a balance among varied perspectives and interests.
- Service Alberta will inform stakeholders about the *Real Estate Act* review and opportunities to participate in future consultations.

BACKGROUND:

- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups.
- Not all real estate professionals belong to AREA. Membership in the organization is voluntary.
- Under the REA, RECA has been designated the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications their members must meet.
- AREA members make up 90 per cent of real estate licensees and approximately 70 per cent of total licences that RECA issues as the industry regulator.
- RECA's governing Council features considerable representation from AREA, which directly appoints six of the 12 members and has strong influence over the appointment of four other members.
- AREA also participates on RECA's Residential Real Estate Advisory Committee, one of five committees established by RECA, to provide a direct line to industry professionals and helps maintain cooperation, communication, and an exchange of information between RECA and the industry. These committees are made up of Council members, industry professionals, and consumers.

- RECA and AREA dispute the scope of RECA's regulatory authority provided under the REA. AREA holds that some of RECA's current activities, even if permitted by the REA, overreach the intended role of a regulator. This has resulted in requests by AREA to amend the REA.
  - AREA wants section 5(b) of the REA repealed. This section empowers RECA to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.
  - AREA argues this section, under which RECA delivers education and other services, allows RECA to engage in activities beyond what AREA believes is RECA's intended mandate, i.e., the administration and enforcement of the REA.
- Despite the dispute, AREA and RECA collaborate on certain areas of interest for the real estate industry. For example, the two organizations have formed a joint working group to review the options available to address unpaid commissions to industry associates when a brokerage ceases operations.
- In recent months, Tim Grant, Deputy Minister and Colin Lloyd, Assistant Deputy Minister, met with officials from RECA and AREA to address current conflict and potential governance issues. The message conveyed at the meetings was the need for responsible governance and sound consumer protection.

KEY CONSIDERATIONS:



CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

Pages 1097 through 1099 redacted for the following reasons:
- -
Duplicate of pages 1073-1075

Val Taylor

Subject:	MEETING: Alberta Real Estate Association
Location:	Carillon Room
Start:	Thu 8/25/2016 2:00 PM
End:	Thu 8/25/2016 2:45 PM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	Stephanie McLean
Required Attendees:	Amelia Van Hoffen; Dawn Turton; Deanna Kappo; Tina Faiz; Mary MacDonald; Greta Levy
Optional Attendees:	Carlynn McAneeley





This is a general meet and Greet with the AREA folks
AREA represents more than 10,000 REALTORS® across the province in Alberta.
AREA's goal of this meeting is to make introductions and discuss some ideas relating to AREA's regulatory environment.

They would like the minister to speak at their MLA reception on November 22. We have yet to confirm.

Attendees:
Minister McLean
MLA Dach
Greta Levy
Department Representative – Mary MacDonald

- ~~Ian Burns, our CEO for our entire organization~~ Not able to attend due to venue change
- Amanda Nielsen Public Affairs and Stakeohlder Relations Advisor.
- Jennifer McKenize, our board Chair and a REALTOR from Medicine Hat
- Brad Mitchell, our Managing Director of Finance

Briefing Note is attached above. Briefing Note is expanded in the briefing calendar event.
Original Ask email is below:

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Wednesday, June 15, 2016 9:14 PM
To: Dawn Friesen (SA)
Cc: Amy Nugent; Edmonton McClung; Brandon Jacoby
Subject: Meeting Request - Alberta Real Estate Association

Pages 1101 through 1104 redacted for the following reasons:
- -
Page 1101: Duplicate to page 1081
Pages 1102-1104: Duplicate to pages 1073-1075

Tariro Nyemba

From: Jennifer Cunningham
Sent: August-31-16 9:54 AM
To: Robert Whittaker
Subject: FW: AREA Government Liaison Days
Attachments: AREA MLA Reception.jpg

fyi

From: Linda Monilaws
Sent: August-30-16 3:37 PM
To: anielsen@areahub.ca
Cc: kromanetz@areahub.ca
Subject: AREA Government Liaison Days

Hi Amanda,

On behalf of Deputy Minister Tim Grant, he would be pleased to attend your Government Liaison Days, as well as attending your reception on November 22, 2016. We are still determining whether DM Tim Grant or ADM Colin Lloyd will speak to your members and once we confirm, I will let you know prior to event. Please forward any further details to my attention.

Thank you.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

From: Jennifer Cunningham
Sent: Friday, August 19, 2016 11:10 AM
To: anielsen@areahub.ca
Cc: kromanetz@areahub.ca; Robert Whittaker; Linda Monilaws
Subject: FW: AREA Government Liaison Days

Hello Amanda,

Colin Lloyd is available to attend on November 21 as well as the reception on November 22, 2016.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

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From: Amanda Nielsen <anielsen@areahub.ca>
Date: August 18, 2016 at 11:37:51 AM EDT
To: "tim.grant@gov.ab.ca" <tim.grant@gov.ab.ca>, "colin.lloyd@gov.ab.ca" <colin.lloyd@gov.ab.ca>
Cc: Kerri Romanetz <kromanetz@areahub.ca>
Subject: Re: AREA Government Liaison Days

Duplicate to pages 1062-1063

Pages 1107 through 1108 redacted for the following reasons:
- -
Page 1107: Duplicate to pages 1062-1063
Page 1108: Duplicate to page 1017

Tariro Nyemba

From: Jennifer Cunningham
Sent: September-09-16 11:48 AM
To: Kerri Romanetz
Subject: AREA Government Liaison Days - Speaker Bio and Pic
Attachments: Colin Lloyd bio (3).docx; ColinLloyd Pic.jpg

Hello Kerri,

My apologies for the delay. Attached is ADM Lloyd's bio and pic to include in the event program.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Linda Monilaws
Sent: August-31-16 11:25 AM
To: Kerri Romanetz
Cc: Jennifer Cunningham
Subject: RE: AREA Government Liaison Days - Speaker Bios and Pics

Hi Kerri,

Attached is DM Grant's bio and I have copied Jennifer Cunningham, Colin Lloyd's Executive Support to provide you with his bio.

Thanks.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

From: Kerri Romanetz [mailto:kromanetz@areahub.ca]
Sent: Wednesday, August 31, 2016 11:02 AM
To: Linda Monilaws
Subject: AREA Government Liaison Days - Speaker Bios and Pics

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Hi Linda,
That's great news! Would you be able to provide me with updated bios and photos for Mr. Grant and Mr. Lloyd to include in the event program?

Thank you.

Sincerely,

Kerri Romanetz
Government Relations
Alberta Real Estate Association
DL: 403.209.3625 | TF: 1.800.661.0231 | areahub.ca

From: Linda Monilaws [mailto:linda.monilaws@gov.ab.ca]
Sent: August-30-16 3:37 PM
To: Amanda Nielsen <anielsen@areahub.ca>
Cc: Kerri Romanetz <kromanetz@areahub.ca>
Subject: AREA Government Liaison Days

SA 2017-G-0056 - Page 1110

Pages 1111 through 1112 redacted for the following reasons:
- -
Duplicate to pages 1105-1107

Colin Lloyd – BIO

Colin Lloyd was born and raised in the United Kingdom. His 34 year career to date began with his work with the New Scotland Yard, London, UK. There, he held posts ranging from fraud investigator and senior homicide investigator to leading the Extradition and International Fugitive unit in partnership with Interpol. He attained the rank of senior detective inspector.

He travelled extensively with Scotland Yard assisting countries like Jamaica, Slovakia, South Africa, and Trinidad and Tobago build credible systems for safety and security. When he retired in April 2004 he was Scotland Yard's lead on Criminal Justice Assurance. Among numerous commendations and citations he holds a commendation for professionalism and leadership from the London Metropolitan Police Service for his work in the immediate aftermath of the 1999 Paddington rail disaster in London, England when 32 passengers lost their lives in a train collision.

Colin immigrated to Canada with his wife and two children in May 2004, settling in St Albert, Alberta. He was hired by the Government of Alberta that year to work as a business continuity professional with the Alberta Emergency Management Agency. He progressed through the Agency to become Managing Director in December, 2011.

As a senior official Colin has led a team responsible for ensuring coordinated, integrated and effective responses when a public safety issue threatens the functioning of government or communities. His work is focused on creating the relationships, partnerships and opportunities in the public safety system to ensure collaboration on effective strategies to deal with hazards that could affect Albertans, their property, the environment and the economy. These strategies are focused on emergency mitigation and prevention, preparedness, response and recovery.

As well as working with colleagues to strengthen the public safety system in Alberta, Colin also worked with provincial, territorial and federal senior officials responsible for emergency management. In this role, he advanced Alberta's position on public alerting, emergency mitigation, aboriginal emergency management, critical infrastructure and community based capacity building.

Colin played a senior leadership role for government in relation to the Slave Lake fire and southern Alberta flooding disaster.

Colin assumed his duties as Assistant Deputy Minister of Consumers Division April 1st, 2014, and became Registrar on March 1st, 2016 as part of the amalgamated Consumer and Registry Services Division. At Service Alberta he is pleased to lead a team of professionals focused on ensuring a fair marketplace for both buyers and sellers, as well as overseeing the vital systems that provide Albertans with essential services such as driver's licenses, vehicle registration, and land title registration. The Division also investigates consumer complaints, enforces consumer protection legislation, and licenses and register regulated businesses and charitable organizations.

Colin balances interesting and challenging work with a keen desire to reduce his golf handicap, remain upright while skiing and explore the great outdoors with his family.



From: Colin Lloyd
Sent: September-11-16 5:16 PM
To: Bob Myroniuk
Subject: Re: Appointments to the Real Estate Council of Alberta

Hello Bob,

Thanks for your note - I certainly understand your concerns. I will have Jennifer Cunningham set up a time for us to chat in the coming days (I am out of the office Monday and Tuesday at a conference).

Regards,

Colin

Sent from my iPhone

On Sep 9, 2016, at 5:19 PM, Bob Myroniuk <bmyroniuk@reca.ca> wrote:

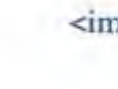


[redacted]

[redacted]

[redacted]

Bob Myroniuk
Executive Director



T (403) 685-7926
TF (888) 425-2754
F (403) 228-3065

Real Estate
Alberta,
Suite 350, 4

<image002.png> <image003.png> <image004.png> <image005.png> <image006.png>

<image007.png>

This email message and any information contained in it is confidential and is intended only for the person or entity to which it is addressed and is not to be distributed to third parties without the sender's prior consent. If you are not the intended recipient of this email do not copy, distribute or rely on any information in this communication. Any communications including attachments received in error or subsequent reply, should be deleted or destroyed.

From: Jennifer McKenzie [mailto:jmckenzie@shawbiz.ca]
Sent: September 9, 2016 12:18 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: Appointments to the Real Estate Council of Alberta

September 9, 2016

Krista Bolton
Chair, Real Estate Council of Alberta
350, 4954 Richard Road SW
Calgary, AB T3E 6L1

RE: Appointments to the Real Estate Council of Alberta

Dear Krista,

On behalf of our Board of Directors, I am pleased to confirm that AREA is appointing the following individuals to the Real Estate Council of Alberta for three-year terms beginning November 1, 2016, and concluding October 31, 2019.

- **Bobbi Dawson**, of the Grande Prairie & Area Association of REALTORS®, from nominations received from the real estate boards outside of Edmonton and Calgary;
- **Bill Kirk**, from nominations received from the Calgary Real Estate Board; and
- **Brian Klingspon**, from nominations received from the REALTORS® Association of Edmonton, returning for his second term on Council.

The contact information for these individuals is:

Bobbi Dawson	Bill Kirk	Brian Klingspon
10114 – 100 St.	104, 1117 – 1 St. SW	4107 – 99 St.
Grande Prairie, AB T8V 2L9	Calgary, AB T2R 0T9	Edmonton, AB T6E 3N4
Business Phone: 780-876-9776	Business Phone: 403-608-1990	Business Phone: 780-818-3777
Email: bobbi@gpremax.com	Email: wskirk@gmail.com	Email: brian@realtyexecutives.com

As new appointees, Bobbi and Bill have been advised that RECA will contact them to provide details of future meetings and work. We wish them the best of luck and wish Brian all the best in his second term on Council.

Regards,



Jennifer McKenzie
President
Alberta Real Estate Association

cc: AREA Board of Directors
Ian Burns, AREA CEO
Bob Myroniuk, RECA Executive Director
Alberta Board/Association Executive Officers

PDF Version





Tariro Nyemba

From: Jennifer Cunningham
Sent: September-13-16 1:03 PM
To: Linda Monilaws
Subject: RE: AREA Government Liaison Days

Ok great, thank you.

From: Linda Monilaws
Sent: September-13-16 12:25 PM
To: Jennifer Cunningham
Subject: RE: AREA Government Liaison Days

Hi Jennifer,

I will likely assign from here. Thanks.

Linda

From: Jennifer Cunningham
Sent: Tuesday, September 13, 2016 11:51 AM
To: Linda Monilaws
Subject: RE: AREA Government Liaison Days

Thanks Linda. I will wait to hear who will be speaking and if you want me to assign an AR for speaking notes to the program area or if you will assign one to Communications.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Linda Monilaws
Sent: September-13-16 11:39 AM
To: Kerri Romanetz; Amanda Nielsen
Cc: Jennifer Cunningham
Subject: RE: AREA Government Liaison Days

Thanks Kerri.

Linda

From: Kerri Romanetz [mailto:kromanetz@areahub.ca]
Sent: Tuesday, September 13, 2016 11:29 AM
To: Linda Monilaws; Amanda Nielsen
Cc: Jennifer Cunningham
Subject: RE: AREA Government Liaison Days

Hi Linda,
I've outlined the draft agenda below and will forward the finalized agenda as soon as it's available. Let me know if you have any further questions.

PROGRAM – Day 1 (November 21)

11am-6pm	Registration
1pm-1:15pm	AREA Welcome
1:15pm-2pm	Tim Grant & Colin Lloyd
2pm-2:45pm	Mark Parsons, ADM - Economics & Fiscal Policy Division, Treasury Board
2:45pm-3pm	PM Refreshment Break
3pm-4pm	Issue Training
4pm-4:15pm	Coffee Break
4:15pm-5:45pm	Issue Training (Continued)
6:00pm-7:00pm	Delegate Reception
7pm-Onward	Dinner on Own

PROGRAM – Day 2 (November 22)

8am-9am	Hot Buffet Breakfast
8:45am-9am	Opening – AREA Welcome Presentation
9am-9:30	Session 1 –Marijuana Legalization
9:30am-10:30	Session 2 – Healthy Homes/Remediation Panel
10:30-10:45am	AM Refreshment Break
10:45am-11:45am	Session 3 –Affordable Housing Panel
11:45am-1pm	Plated Lunch w/Speaker – Kathleen Monk
1pm-5:30pm	MLA Meetings & Question Period
5:30pm-7:30pm	MLA Reception

PROGRAM – Day 3 (November 23)

8am-8:45am	Hot Buffet Breakfast
9am-10am	Session 4 – Real Estate Regulation in British Columbia, Lessons Learnt and What it Means for Alberta
10am-11am	Session 5 – Future of Conservative Politics Panel
11am-11:15am	AM Refreshment Break
11:15am-12:30pm	Session 6 – Diversity in Business and Politics, Why It Matters and What's Next
12:30pm-1:45pm	Plated Lunch w/ Speaker – Demystifying Politicians: Megan Leslie
1:45pm-2pm	Closing Remarks

Sincerely,

Kerri Romanetz
Government Relations
Alberta Real Estate Association
DL: 403.209.3625 | TF: 1.800.661.0231 | areahub.ca

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From: Linda Monilaws [mailto:linda.monilaws@gov.ab.ca]
Sent: September-13-16 11:21 AM
To: Amanda Nielsen <anielsen@areahub.ca>
Cc: Kerri Romanetz <kromanetz@areahub.ca>; Jennifer Cunningham <jennifer.cunningham@gov.ab.ca>
Subject: RE: AREA Government Liaison Days

Hi Amanda,

Just following up to see if you have a draft agenda you could share with me in preparation for November 21. If not, would you be able to give me an approximate date when we might receive the agenda?

Thanks.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Tuesday, September 06, 2016 11:20 AM
To: Jennifer Cunningham
Cc: Kerri Romanetz; Linda Monilaws
Subject: Re: AREA Government Liaison Days

Oh, wonderful! Thanks Jennifer and Linda. So glad this works, and apologizes for the schedule change. :)

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Jennifer Cunningham <jennifer.cunningham@gov.ab.ca>
Sent: Tuesday, September 6, 2016 11:18:48 AM
To: Amanda Nielsen
Cc: Kerri Romanetz; Linda Monilaws
Subject: RE: AREA Government Liaison Days

Hello Amanda,

Yes this will also work for Colin

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: September-06-16 11:07 AM
To: Linda Monilaws; Jennifer Cunningham
Cc: Kerri Romanetz
Subject: Re: AREA Government Liaison Days

Hi Linda and Jennifer,

Our Government Liaison Days schedule has shifted somewhat, and we are now hoping to have Tim or Colin (or both!) speak from 1:15-2pm on November 21.

Would this new time be possible?

Many thanks!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | arealub.ca

From: Amanda Nielsen
Sent: Tuesday, August 30, 2016 5:15 PM
To: Linda Monilaws
Cc: Kerri Romanetz; Brad Mitchell
Subject: Re: AREA Government Liaison Days

Hi Linda,

Thanks for the email. I am so glad the Deputy Minister can attend our MLA Reception. We look forward to welcoming him then!

I will await your note to determine who will speak to our members on November 21. Thanks to your office for making time to connect.

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Linda Monilaws <linda.monilaws@gov.ab.ca>
Sent: Tuesday, August 30, 2016 3:37 PM
To: Amanda Nielsen
Cc: Kerri Romanetz
Subject: AREA Government Liaison Days



SA 2017-G-0056 - Page 1123

Pages 1124 through 1125 redacted for the following reasons:
- -
Duplicate to pages 1105-1107

Val Taylor

From: Trevor Bergen
Sent: Wednesday, September 28, 2016 4:28 PM
To: Lee Chantal; Kelly Refah
Subject: FW: ARTS Notification 30646 Minister Hoffman meeting request - AREA

This is an interesting one

-----Original Message-----
From: Jennifer Cunningham
Sent: Wednesday, September 28, 2016 2:03 PM
To: Alexandra Hulme; Darlene Decker; Mary MacDonald; Trevor Bergen
Subject: ARTS Notification 30646 Minister Hoffman meeting request - AREA

Action Request: 30646

Assigned To: 04 CS-Consumer Programs

Action: Briefing for Minister

Due Date: Oct 4 2016

Instructions: Please return to ADMO by Sept 30, 2016

Organization: Service Alberta
URL s.20(1)(m) s.25(1)

Val Taylor

From: Kelly Refah
Sent: Wednesday, September 28, 2016 4:54 PM
To: Lee Chantal
Subject: FW: AREA Meeting Briefing Note
Attachments: AREA Minister Meeting Briefing_October 20 2015.doc

Importance: High

Lee, you'll find a briefing request in response to a meeting request from AREA. The purpose of the meeting is to discuss AREA advocacy issues including condominium regulations and residential property measurements. AREA also invites MP Hoffman to AREA's Govt Liaison Days, which Rob mentioned in our meeting.

Attached is a previous BN I drafted that you may be able to use some content from (particularly the condo info). Between the information Joseph provided yesterday and Bob's update on RMS today, we should have enough to prepare background bullets on this issue. My account of Bob's update was that local boards now accept RECA's RMS, however, the debate continues on the methodology for measuring semi detached homes. RECA will work with industry stakeholders to clarify this piece. They are also developing an educational course on measurement practice standards that will be a mandatory component of relicensing.

Kelly

From: Kelly Refah
Sent: Wednesday, October 21, 2015 11:30 AM
To: Kelly Refah
Subject: AREA Meeting - SPIN2 & Briefing Note
Importance: High

From: Rob Phillips
Sent: Monday, October 19, 2015 8:36 AM
To: Colin Lloyd; Curtis Woollard
Cc: Ed Ryan; Robert Whittaker; Kelly Refah
Subject: RE: AREA Meeting - SPIN2 & Briefing Note
Importance: High

Curtis,

See note below that Donna provided to Kelly Refah when we were preparing this briefing.

The briefing found in AR 28748 does not mention Registry Agents.

Rob Phillips

From: Donna Lodenquai
Sent: Thursday, October 08, 2015 4:12 PM
To: Kelly Refah
Cc: Dennis Mudryk
Subject: RE: Question regarding Spin 2 System

Pages 1127-1129 Duplicate to pages 211-213

Pages 1128 through 1132 redacted for the following reasons:
- -
Pages 112-1129: Duplicate to pages 211-213
Pages 1127-1129: Duplicate to pages 211-213
Pages 1130-1132: Duplicate to pages 143-145

Tariro Nyemba

From: Deanna Kappo
Sent: September-30-16 10:17 AM
To: Robert Whittaker
Cc: Dawn Turton
Subject: RE: Meeting Request - Alberta Real Estate Association

Good Morning Robert,
Minister has accepted the invitation to AREAs event in November and will also be speaking there.
Thanks,
Deanna

From: Robert Whittaker
Sent: Thursday, September 29, 2016 4:13 PM
To: Deanna Kappo
Subject: FW: Meeting Request - Alberta Real Estate Association

Hi Deanna –

We are finishing up this briefing note for your office to send on to Minister Hoffman. Do you know if Minister McLean has accepted an invite to the AREA event? If so, we will include it in the briefing.

Thanks!

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

From: Lisa-Marie Gaucher
Sent: Wednesday, September 28, 2016 10:57 AM
To: Deanna Kappo
Cc: Scott Harris (Health); Tracy Kully
Subject: FW: Meeting Request - Alberta Real Estate Association

Good afternoon Deanna,

Can I please request a meeting recommendation for the below meeting request for Minister Hoffman in her role as Deputy Premier?

Thanks
Lisa

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Wednesday, September 28, 2016 10:48 AM
To: Health Minister
Cc: Scott Harris (Health); Lisa-Marie Gaucher
Subject: Meeting Request - Alberta Real Estate Association

Dear Deputy Premier Hoffman,

I'm writing to request a meeting with you to take place at your Legislature office on November 22 in the afternoon or November 23 in the morning. The meeting will be with a group (5-7) of REALTORS from across the province who will be in Edmonton for AREA's Government Liaison Days.

The goal of the meeting will be share some of AREA's advocacy ideas, including thoughts on affordable housing, *Condominium Act* regulations, and property measurements. The meeting could be achieved in 20 to 30 minutes. As Deputy Premier, we would love to share some of our ideas on making the province stronger.

Are you able to meet with a group of our delegates? We have also invited you to our MLA Reception the evening of November 22 at the Matrix Hotel from 5:30-7:30pm, and hope you can join us! :)

Many thanks!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Adviser
Alberta Real Estate Association
D: 780.920.5001 | Twitter: @Amanda_Nielsen_1 | areahub.ca

Darlene Decker

From: Adam Matheson
Sent: Friday, September 30, 2016 11:07 AM
To: Lee Chantal
Subject: RE: Question re: AR 30646

OK, we have confirmation that our Minister has accepted the invitation to the AREA event on Nov 22 and that she will be speaking there as well.

Thanks for your patience.

Cheers
Adam

From: Lee Chantal
Sent: Friday, September 30, 2016 10:25 AM
To: Adam Matheson <adam.matheson@gov.ab.ca>
Subject: RE: Question re: AR 30646

Hi Adam,

Sorry to be a nuisance, but I'm working on a briefing note that's due to Mary by noon today. Were you able to get any update on this question?

Thanks!

Lee

From: Adam Matheson
Sent: Thursday, September 29, 2016 3:39 PM
To: Lee Chantal
Subject: Re: Question re: AR 30646

Sorry about that, I definitely misread it. I'll look into whether minister McLean is attending.

Adam Matheson
s.17(1)
Sent from my iPhone

On Sep 29, 2016, at 3:32 PM, Lee Chantal <lee.chantal@gov.ab.ca> wrote:

> Hi Adam,
>
> Yes, I asked in my first e-mail whether we know if Minister McLean is attending the event – the question arises because there is also an invitation for Minister Hoffman, so I would like to include in the briefing whether Minister McLean is attending so that Health is aware when Minister Hoffman decides whether to accept.
>
> So the ultimate question at this point is whether our minister is attending the event.

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Thanks,

Lee

From: Adam Matheson
Sent: Thursday, September 29, 2016 2:43 PM
To: Lee Chantal
Subject: Re: Question re: AR 30646

Did you mean Minister McLean in your original email? That might explain the confusion because minister Hoffman is with Health.

Adam Matheson
[redacted]
Sent from my iPhone

On Sep 29, 2016, at 1:32 PM, Lee Chantal <lee.chantal@gov.ab.ca> wrote:

> OK, thanks, but I'm not clear on why Health would know whether our minister is attending a real estate event… can you clarify for me in case I'm missing something?
>
> **From:** Adam Matheson
> **Sent:** Thursday, September 29, 2016 1:29 PM
> **To:** Lee Chantal
> **Subject:** RE: Question re: AR 30646
>
> I sent a request to our comms team to see if they could connect with their counterparts in Health. Haven't heard back yet and will be out of the office the rest of the afternoon but if I do hear something I'll forward it on to you.
>
> **From:** Lee Chantal
> **Sent:** Thursday, September 29, 2016 10:10 AM
> **To:** Adam Matheson <adam.matheson@gov.ab.ca>
> **Subject:** Question re: AR 30646
>
> Hi Adam,
>
> In the background for AR 30646, the correspondent invites Minister Hoffman to AREA's MLA reception on November 22 at the Matrix Hotel. Do we know whether Minister McLean is attending this event, so I can reference that in the briefing?
>
> Thanks,
>
> **Lee Chantal**
> Statute Administrator
>
> Market and Industry Standards
> Consumer Programs, Service Alberta
> Government of Alberta
> 3rd Floor – 10155 102 Street
> Edmonton AB T5J 4L4 Canada
> Phone: (780) 644-7657 Fax: (780) 427-3033
> E-mail: lee.chantal@gov.ab.ca

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Val Taylor

From: Kim Li
Sent: Tuesday, October 04, 2016 4:18 PM
To: Allie Hulme; Darlene Decker; Mary MacDonald; Trevor Bergen; Kim Li
Subject: ARTS Notification 30579 AREA Government Liaison Days

Action Request: 30579

Assigned To: 04 CS Consumer Programs

Action: Take necessary action

Due Date: Oct 17, 2016

Instructions: Please draft briefing, speaking note, and greeting. Please return to ADMO on Oct 13 by noon. Thanks!

Organization: Service Alberta
URL s.20(1)(m); s.25(1)

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Val Taylor

From: Kim Li
Sent: Wednesday, October 05, 2016 8:52 AM
To: Mary MacDonald
Cc: Adam Matheson
Subject: FW: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act
Attachments: REM article.pdf; Discover real estate - CBC article.pdf; Calgary Herald article - Discover.pdf; commissions owing & Zaharko communication.pdf

Importance: High

Hi, Mary, Thought?

From: Robert Whittaker
Sent: Wednesday, October 05, 2016 8:33 AM
To: Kim Li
Cc: Adam Matheson
Subject: FW: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act
Importance: High

Can you ask Consumers please. Thanks.

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

From: Rachel Bouska
Sent: Wednesday, October 05, 2016 8:23 AM
To: Robert Whittaker
Cc: Kim Li; Adam Matheson
Subject: FW: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act
Importance: High

Good morning – Can you please review the incoming correspondence and attachments and confirm if we should be taking the lead on a response.

Thanks!
Rachel

From: Sheryl Mazankowski
Sent: Tuesday, October 04, 2016 5:04 PM
To: Rachel Bouska

Cc: Dan Byer; Mari Sasano; Sheryl Mazankowski; Ferha Dhalla
Subject: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act
Importance: High

Hello Rachel,

RE: Incoming (JSG AR 20492) from Kirby Cox

Can you confirm that Service Alberta should take the lead in responding to this incoming?

Our Legal Services division has indicated that these matters pertain to Service Alberta because they relate to the Alberta Real Estate Act, and any request for changes to this legislation falls within Service Alberta's mandate.

Thanks for reviewing – I'll wait to hear from you.

Sheryl

Sheryl Mazankowski
Manager, Ministerial Correspondence Unit
Justice and Solicitor General
780-644-1668
Room 123, Bowker Building
Edmonton, AB
T5K 2E8

From: Kirby Cox [mailto:kirby@kirbycox.com]
Sent: Monday, September 26, 2016 11:53 AM
To: Ministry of Justice
Cc: Kirby W. Cox
Subject: letter of inquiry commissions owing
Importance: High

To whom it may concern...

This email is to inform you of a serious situation that is happening in our industry that has caused numerous cases of financial & emotional hardship for realtors and their families. The government agencies that represent the real estate industry have completely passed the blame to each other claiming no responsibility & providing very little assistance or options to those of us affected.

On December 5, 2015 we were informed that Royal LePage Foothills, a brokerage under Royal Lepage Canada who I was at that time employed with for over 20 years was in financial ruins and that the commissions that had been generated and most cases collected by the brokerage were not going to be paid to the realtors. A total of 66 realtors under the brokerage were owed an approx. $1.4M. My personal loss was $289,000 plus a member of my team being owed an additional $50,000. The most devastating part is that this was money that was earned by realtors for completed sales that were in trust and then taken out of trust and deposited into a general account by the broker, Ted Zaharko. These were used for his sole benefit and according to CREA (Canadian Real Estate Association), AREA (Alberta Real Estate Association), REIX (Real Estate Insurance) & CREB (Calgary Real Estate Board) apparently that it's too bad for us that have lost money but Ted is acting within the rules of the industry. All those associations are bonding together to protect each other and provided no legal, financial or moral support during this entire ordeal. Ted Zaharko also still is an active broker in Alberta acting under a different name. The $1.4M that was generated is gone, with no proof as to where it

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went, who has it, no taxes or GST have been paid on it, everything has been swept under the rug and a complete embarrassment for an industry that I have built my whole life around.

To add to insult to injury, another broker Graham Mayne with Discover Realty, watched very closely what Ted Zaharko got away with and did exactly what Ted did and left 128 realtors with over $2M owing to his realtors in March 2016 and once again all the industry leaders & associations are saying too bad, so sad.

I have attached a few documents that might be of interest. The purpose of this letter is to form a formal complaint and I am requesting an inquiry for the government to look into the associations that we all pay greatly into and in the most important time of need can't get any support or guidance as to a solution. The policies and laws need to change in order to protect all of us so that this won't continue to happen and put hard working people in a situation where they can't get paid for the work they have already done.

Please find my contact below and I look forward to hearing from someone in short order.

Kirby Cox, REALTOR®
#1 Team for Royal LePage in Western Canada 2015.
Royal LePage Benchmark
#308, 5149 Country Hills Blvd NW
Calgary, AB T3A 5K8
Tel: 403-247-5555
Cell: 403-650-9189
www.kirbycox.com

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Former Royal LePage Foothills agent warns all commissions are at risk

News Aug 29, 2016

By Tony Palermo

Calgary-area salesperson Kirby Cox says he is determined to make sure Alberta Realtors know that their commissions are not protected and are at risk.

The former Royal LePage Foothills top-producing agent says he is out over $275,000 after long-time broker Ted Zaharko ran into financial problems and announced in December that he was closing all six of his offices.

Several sources who wish to remain anonymous told REM that, in hindsight, there were some signs months in advance that Zaharko was in financial difficulty, but Cox's records show the commissions he's owed are from a five-week period between November and December 2015.

In other words, it can all go to hell in a matter of weeks, leaving agents little time to react to minimize their losses.

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Kirby Cox

To add insult to injury, Cox says none of the big industry associations – CREA, the Real Estate Council of Alberta (RECA), nor the Alberta Real Estate Association (AREA) offered any advice or assistance.

"I didn't get any guidance, communication or calls from any of them," says Cox, adding that these associations were all quick to take in their dues over the years but were nowhere to be seen, at least proactively, when the brokerage closed.

Cox says although he feels the sting of losing over $275,000, he has other businesses and investments and will be fine. But it's not his substantial loss that is the primary force driving him right now.

"Look, I will recover from this, but a lot of people were really hurt when they lost their commission income," says Cox. "We need to create awareness. Agents need to know that their commissions are not protected – that brokers really know the Alberta Real Estate Act and what they can get away with."

Realtor Cam Sterns says he's out about $50,000 between commissions owed and taxes he was paying Zaharko to keep aside on his behalf. When combined with the downturn of Alberta's economy, he says losing that much money is "crippling."



Cam Sterns

Worse, he says, was that he was told by a director at Foothills that his commissions and tax money were "safe and secure" and being held "in trust."

"Every quarter I paid Ted Zaharko $200 for withholding about 15 per cent of my gross income to keep aside for taxes," says Sterns. "I was led to believe that my money was safe and protected."

In an email, Zaharko admitted to Sterns that "we did obviously use commission dollars to keep going" but that "we didn't take it and pay ourselves a nice large dividend".

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Sterns delivers an angry response when asked to reflect on this email exchange.

"I wasn't floating his business with my money," says Sterns. "You know, I'm still trying to recover and lick the wounds."

Shortly after moving to another Royal LePage brokerage, Sterns filed an official complaint with RECA. They responded in a letter which, he says, indicated that they had no authority to investigate the matter because it was considered a commission dispute and, therefore, wasn't regulated by RECA.

Self-regulating in the interests of consumers

RECA communications manager Natalie Scollard says while she is not privy to complaint details, generally speaking, if RECA was to receive a complaint that is strictly related to a commission dispute between a registrant and their brokerage, it would be a civil matter outside of RECA's jurisdiction.

"RECA was set up to regulate the real estate industry in the consumer's interest," says Scollard. "An employment relationship between agents and the brokerage is not our purview."

Scollard says it proactively conducts Trust Assurance and Practice Reviews of brokerages every three to five years, and in the case of new brokerages, within the first year, to make sure they're in compliance with the Alberta Real Estate Act and its rules. She says these reviews are in addition to other financial reporting requirements such as fiscal year end reports, which are also reviewed by RECA trust assurance and practice review officers.

Specific events such as bankruptcy proceedings, judgements and criminal convictions against an industry member or brokerage can also trigger auditors to examine the brokerage's records. In the case of Royal LePage Foothills, Scollard says RECA never received such notification, noting that these mandatory notifications are triggered by factual events.

"RECA only heard things about Royal LePage Foothills second-hand, mostly from industry members calling us to get information about what was going on because they heard rumours," says Scollard. "The information and advice we provided to those individuals was consistent, but we were not in any position to communicate broadly to the industry about what may or may not have been going on at a given brokerage."

That being said, when the calls from industry members started coming in about Royal LePage Foothills, Scollard says RECA trust assurance and practice review officers went in and examined the integrity of the consumer trust accounts. They did not find any issues.

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Calgary Police Service spokesperson Tanja McMorris confirmed that as of June 28, they have not received any complaints to investigate either Foothills or Ted Zaharko.

Scollard says that while auditors will examine a brokerage's general accounts as well, it does so only with an eye to helping brokers comply with the requirements of the act and its rules, and not to identify things like the timing of payments around agent commissions and employee salaries.

"We had auditors in there every step of the way," says Scollard. "But again, our focus is on the consumer protection side of things. Commissions earned on a transaction belong to the brokerage and not the individual agent. Agree or not, brokerage agreements are between the brokerage and the consumer."

As the industry regulator of Alberta's real estate professionals, RECA, which itself is self-regulated, is the only industry body that has the authority to go into a brokerage and examine its records. In a brochure, RECA says of itself, "RECA is committed to the public interest, by promoting the integrity of the industry and protecting consumers."

When asked if there appears to be a gap in legislation since, it could be argued, protecting agent commissions and ensuring salespeople are being paid is important to promoting the integrity of the industry, Scollard said no.

"It's right there in legislation that RECA is for consumer protection," says Scollard. "There are local and provincial boards (to represent) the members."

When reminded that RECA is the regulator and remains the only industry authority that can go in to a brokerage to review their records, Scollard says that as much as she is saying there isn't a gap in legislation, she's also not saying it will never change.

"RECA wasn't set up for this but let's see what's best for the industry," she says. "No one wants people to not get paid and the At-Risk Commissions Working Group is a positive step forward."

At-Risk Commissions Working Group

Only months after Royal LePage Foothills closed its offices, an even larger brokerage, Discover Real Estate, which had offices in Calgary, Edmonton, Red Deer and Strathmore, told its nearly 400 agents that they would have to find work with another brokerage. Several agents who are owed commissions have reportedly started legal proceedings in an attempt to recover their money.

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Alberta's industry leaders took note and came together to form the At-Risk Commissions Working Group to address how to better protect Realtors' commissions. The group, which has been releasing monthly updates since May, is made up of AREA, RECA, the Real Estate Insurance Exchange (REIX), the Calgary Real Estate Board (CREB) and the Realtors Association of Edmonton.

"We've had a significant portion of our membership that has been affected by a broker not paying out the commissions owed to their agents," says CREB president Cliff Stevenson in an email statement. "This has been a very difficult experience for many of our members, so we are very pleased to have some CREB members and staff as a part of a group trying to find a solution to protect agent commissions in the province of Alberta. This is a significant priority for this industry in this province and time is of the essence."

The working group is currently researching various options to help protect agents' commissions, including insurance and bond products, commission trust accounts as a regulatory requirement and employment contract terms between brokers and associates. It has also engaged a third-party survey provider to solicit input from Alberta Realtors on the issue of at-risk commissions and the survey is expected to be emailed sometime in August.



Ian Burns

AREA CEO Ian Burns believes there are "challenges" with the existing legislation and says AREA is advocating hard for changes to better protect their members.

"Agents' livelihoods depend on their commissions and they shouldn't be jeopardized in this manner," says Burns. "I think (the At-Risk Commissions Working Group members) are all in agreement though that we're working together to find a solution because we all believe something is required."

Burns, who has an insurance background, says an insurance product is a longer-term solution, but is challenging to create. As he says, balancing coverage that meets the needs of all members against the costs of the program isn't easy. The best information that can be provided to actuaries is examples of past cases, like Foothills and Discovery, to help model a plan. Still, he is optimistic a solution can be found.

Although it's not a complete solution, Burns would also like to see mandated commission trust accounts. Not only would a trust account act as a deterrent for brokers to use an agent's commission money for other expenses, but for those who do, he believes it would likely affect their ability to continue working in the profession.

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CREA spokesperson Linda Kristal declined REM's request for an interview, citing that this remains a provincial issue.

Soper: 'Huge gap' in legislation

Royal LePage CEO Phil Soper believes there is a "huge gap" in any legislation that allows Zaharko, or any other broker with outstanding significant business issues, to continue practicing.



Phil Soper

"That the regulator continues to licence someone with a significant business failure, that affected many people, without anything like a probationary period or a business case showing why they should be allowed to continue to offer services in the real estate marketplace, to me, is a huge failure," says Soper.

Still, licensing aside, Soper says he doesn't believe it is the role of the regulator to manage the actual business-to-business relationships between agents and their broker.

"Where there could be a solution on that front is for the industry itself to require, in becoming a member of a real estate board, a greater requirement for disclosure and transparency of the brokerage," says Soper.

He says there is a lot of misunderstanding about how business works when you have a commercial contract between two parties, such as between an agent and a broker, and what happens when one party doesn't live up to their end of the contract. As he says, in business, when one party doesn't honour the arrangement, the option is to stop working with them and take the matter up in civil court. And agents, he says, need to remember they are independent businesses, no different than any other business contractor.

In other professional services though, contractors aren't generally forced to work with only one client (in the case of agents, a brokerage) and are free to diversify their client-base to minimize the risk associated with having their income come from only one source. But Soper doesn't see this as a limitation.

"Agents can have multiple sales going through the brokerage," he says. "As soon as one commission doesn't go through, the agent can move on."

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Using a different analogy, he says to consider an independent I.T. contractor who works for a large client. As their only client, the I.T. contractor would be in the same position if that client folded or didn't hold up their end of the payment agreement.

"Again, the remedy would be to stop working with that client, move on and take the matter up in civil court," he says.

Soper said it was on a Thursday when his team got a hotline call about problems at Foothills. By Monday, a team was on the ground asking what was going on. Then, when it became clear the agents would have to move to another brokerage, Soper says the Royal LePage head office provided assistance to these agents, through their new Royal LePage brokerages, to help them get back on their feet.

"Most of the agents will be made whole by the better arrangements they have with their new Royal LePage brokerage by the end of two years," says Soper.

Most, but not all. Soper says that for the top producing agent at Foothills, even if he didn't have to pay any fees to Royal LePage, it would take 150 years to pay back what they are owed.

"There's no money left to pay that agent back since 99 per cent of the money went to him and not Royal LePage anyways," says Soper.

Reflecting on the situation, Soper says that while the financial issues at Foothills obviously involved mismanagement, his impression is that Zaharko didn't realize how serious a financial problem he had and that it "crept up on him very quickly." Soper says everyone needs to realize that the whole situation unfolded over a matter of weeks – he says it's a few weeks' commissions and Royal LePage fees that are outstanding – and that this wasn't a long, drawn out process.

"Remember, Zaharko didn't declare bankruptcy or go out of business," says Soper. "Royal LePage pulled out of our arrangement with him and he co-operated because he felt really bad about the situation. To his credit, he really did put his agents first to make sure they got what was there. I really don't think Ted knew the extent of his problems."

Soper says to help protect agents and consumers, Royal LePage offers free broker business advisory services, consisting of financial and operational consulting professionals, to help brokerages with their business. He says the problem though is that Royal LePage corporate can't mandate that a broker use these services, even if problems become apparent.

These consulting services, says Soper, were offered to Zaharko but were refused.

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"He could have had an end-to-end review of his operation with recommendations, and we might have been able to help," says Soper. "It's the old saying, you can lead a horse to water, but you can't make it drink."

Foothills aside, Soper throws out a caution to the real estate industry, saying that everyone needs to look at the Foothills and Discovery incidents, which both happened in Alberta, and examine why they happened in such a short time apart from each other.

"A brokerage has to be highly managed – you can get into trouble quickly since most of the fees are going back to the agent," says Soper. "I can see this happening again in the future. There's a movement to less and less revenue being retained at the brokerage level, and that's a problem."

And, it's a problem Ted Zaharko agrees with as well.

Floating a brokerage

How does a long-time broker with decades of experience – a man well-known in Alberta's real estate circles, one who held a number of advisory and senior positions with various real estate boards and associations over the years, a broker who grew his office to become the largest Royal LePage office in Western Canada – find himself at 70-years-old with nothing left?

Several former Foothills agents declined to speak to REM on the record, or at all, with some describing Zaharko as, up until this incident, "like a father" or "a valuable mentor" to them.

"I spent (a number of) years at that company and loved every second of it," said another. "Ted was a mentor to me and I had a huge amount of respect for him."

So, what happened?

"How can I make any excuses?" says Zaharko. "Listen, it's a terrible thing for everyone but the buck stops here. I ran that ship into the ground."

Zaharko says he thinks protecting agents' commissions is a good thing, but he doesn't believe mandating a commission trust account is the answer. He says given how little brokerages in western Canada keep from their agents, the reality is agent commissions are used to float the brokerage and are managed and paid out just like any other of the brokerage's business expenses.

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Dozens of Calgary realtors owed more than $1M as Discover Real Estate folds

'It's disgusting. It's theft'

By Falice Chin, CBC News Posted: Aug 21, 2016 10:38 PM MT Last Updated: Aug 22, 2016 7:09 AM MT

At least 70 real estate agents in Calgary are still owed more than $1 million in commissions on the homes they sold before Discover Real Estate went bust in May, according to documents obtained by CBC News.

The company officially closed down around the end of July, leaving many of its former realtors hanging — a trend that some industry insiders say shows a gap in real estate regulation in Alberta.

- Calgary's luxury real estate market rebounds, Sotheby's report says
- Calgary home sales and prices down again in June

"It's disgusting. It's theft," said Ibrahim Elhage, a former Discover Real Estate agent who has recently refinanced his own home to stay afloat.

He says the brokerage still owes him $122,866 in unpaid commission.

The 33-year-old had been a top realtor with the company for more than a decade.

Despite the economic downturn, Elhage said 2015 was a good year for him. But when Discover kept delaying his commission payments, he knew something was wrong.

"They've always been a little bit slower to pay commissions," Elhage recalled. "It would be two weeks, three weeks, sometimes a month. But in the last year or so it got more out of hand. It got worse because you'd stay there hoping to recover some of the money."

Elhage said he tried talking to the owner of Discover, Graham Mayne — a well-known name in the Calgary real estate industry — to no avail. Three other real estate agents contacted by the CBC News reported similar futile efforts.

Largest independent brokerage in Alberta

CBC News has also tried contacting Mayne, who founded Discover Real Estate in 1995. He initially wrote back with a short reply:

"I will phone you when I have the money to pay the agents. That will be very soon," Mayne wrote in an email dated July 16. A follow-up email has since bounced back citing invalid recipient.

At its height, Discover was the largest independent real estate brokerage in Alberta, with more than 600 agents under its wings. In the spring of 2016, Mayne sent out a notice to all of his agents, informing them about Discover's impending closure.

"It is with a heavy heart that I must advise you that you need to move your licence to another brokerage," stated an email dated May 3.

No protection for realtors

Former Discover realtor Hong Wang said she tried complaining to the Real Estate Council of Alberta (RECA) — the non-government body responsible for regulating real estate professionals and brokerages in the province — only to discover commissions are not insured or protected.

"I said, 'If the company is broke, of course realtors' money is protected. We must have insurance, we pay all kinds of people all kinds of fees,'" said Wang.

"And then I realized, what happened to our money? Is our money protected? No! I was just speechless. What do you mean no?"

- Calgary real estate market continues to cool as house sales drop for 20th month in a row
- Why Calgary's real estate prices haven't been hit as hard as the rest of the economy — yet

Under Alberta law, when a home is sold the portion that goes to the seller or outgoing homeowner must be held in a trust until the deal is complete. That money is further insured so that consumers are always protected.

Agent fees, on the other hand, can go into the brokerage's general account before agents get their cut. All realtors wishing to practise in Alberta are required by law to register with a brokerage. And brokerages typically deal with agents as independent contractors.

"When a consumer is doing a transaction with a real estate professional, they are signing a written agreement saying 'I'm hiring you to list my house or to assist me in buying a house,'" explained Natalie Scollard with RECA.

'Civil matter'

"As much as they are talking to that individual real estate professional, or that team of real estate professionals, the agreement is actually with the brokerage — the parent company if you will. When that consumer is paying the services, they are actually paying to the brokerage."

In that sense, when a brokerage fails to pay its agents, Scollard said it's really no different than a construction company failing to pay for its independently contracted roofers and framers.

"So that would be a civil matter," said Scollard, adding realtors can pursue their commissions through the small claims courts.

A worrying trend in real estate

Discover Real Estate is the second major brokerage to go bust in the Calgary region within the past year.

When Royal Lepage Foothills shut down in December, many of its agents reportedly went through a similar ordeal.

Realtor Jeff Rolheiser said word travels quickly about a brokerage in trouble, which could affect home sales.

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"If you had your house listed with Discover Real Estate through this period, there were realtors out there — and I can't quantify for you, I can't give you a percentage — but there were realtors out there that would not show listings by Discover Real Estate because they were concerned about possibly getting paid," he said.

Rolheiser said a similar solution would be to amend the Real Estate Act of Alberta — requiring brokerages to put agent fees into a trust. Some companies already do so voluntarily with great success, he added.

Another public issue is the fact that real estate commission includes five per cent GST.

Some former Discover agents said they've tried tipping the police and Canada Revenue Agency about it.

The problem has become serious enough that a group of industry insiders have now formed a "commissions-at-risk working group" to explore options for change.

- Calgary realtor says foreign buyers not affecting local market
- Calgary's real estate future: questions and answers

"The working group expects to have a survey out fairly soon to members — to licencees and real estate professionals in Alberta asking them what they want," said Scollard.

"I think we're hearing from a vocal minority who feel they have been wronged and they want this addressed. Yet I think if we're talking about making changes that are going to affect 12,000 people, we need to look at the biggest picture."

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Discover Real Estate closing up shop, founder blames faltering economy

AMANDA STEPHENSON, CALGARY HERALD
More from Amanda Stephenson, Calgary Herald
(HTTP://CALGARYHERALD.COM/AUTHOR/AMANDAMSTEPH)

Published on: May 5, 2016 | Last Updated: May 5, 2016 5:43 PM MDT



Discover Real Estate office in southeast Calgary on Thursday, May 5, 2016. *MIKE DREW / POSTMEDIA*

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The owner of Discover Real Estate is blaming the faltering economy for forcing the closure of his business, one of the largest real estate brokerages in Alberta.

Graham Mayne sent an email earlier this week to Discover's approximately 400 real estate agents, informing them the brokerage — which has offices in Calgary, Edmonton, Red Deer, and Strathmore — would be shutting down. Agents were told they will need to find other brokerages to work with.

Mayne — who started the company in 1995 — said in an interview that he is trying to find a way to pay his debts, but may end up having to file for creditor protection. He said a number of his former agents have launched lawsuits over unpaid commissions.

Jake!

"It's maybe six or seven people, who are out one or two commissions," Mayne said. "I'm still working on borrowing the money."

While at one time Discover had more than 600 agents, Mayne said the downturn in the Alberta economy and resulting drop in real estate commissions hit the brokerage hard.

"My company wasn't taking a lot of money off the realtors. It was like $100 a month, $100 a deal. So when the economy did turn down, I didn't act fast enough to increase my fees," he said.

One real estate agent, who didn't want to be named, said she is owed approximately $17,000 in unpaid commissions and has already filed a complaint against Discover Real Estate in court. She said she knows other agents who have also started legal proceedings.

"The money that comes from real estate deals pays for our bills . . . Really, what it comes down to is how we're going to pay our mortgages," she said.

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Natalie Scollard, spokeswoman for the Real Estate Council of Alberta, said most real estate agents who work with brokerages are employed under an independent contractor agreement — leaving them little recourse, other than small claims court, if a brokerage goes out of business.

However, she said there are protections in place for consumers. Any brokerage that goes out of business must advise the Real Estate Council of what it is doing with any trust funds held on behalf of clients and how it is managing unconditional purchase arrangements.

"Right now, we don't have any complaints or anything from consumers indicating there are problems with the (Discover Real Estate) trust account," she said.

Mayne said the public's money is safe and he is working right now to transfer all of his former agents' licenses out so they — and any future deals — can be assigned to other brokerages. He said he is trying to do the right thing by everyone.

"I'm not running away anywhere," Mayne said. "I'm staying here . . . and trying to continue to clean it up."

astephenson@postmedia.com (mailto:astephenson@postmedia.com)

Twitter.com/AmandaMsteph

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Val Taylor

From: Rachel Bouska
Sent: Wednesday, October 05, 2016 10:45 AM
To: Kim Li
Cc: Adam Matheson; Allie Hulme; Trevor Bergen; Mary MacDonald
Subject: RE: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act

Hi – JSG has not actioned this item on their end, so I will create the AR (or check to see if the Minister's Office would like to create it) and it will then be assigned to your division.

Thanks!
Rachel

From: Kim Li
Sent: Wednesday, October 05, 2016 10:08 AM
To: Rachel Bouska
Cc: Adam Matheson; Alexandra Hulme; Trevor Bergen; Mary MacDonald
Subject: RE: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act

Hi, Rachel,
Please see the comments below. Can you answer Mary's question? Thanks!

...Kim

From: Mary MacDonald
Sent: Wednesday, October 05, 2016 9:44 AM
To: Kim Li
Cc: Adam Matheson; Alexandra Hulme; Trevor Bergen
Subject: RE: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act

Hi Kim,

We will take care of it, but someone needs to put it into the ARTS system.
I am copying Allie and Trevor on this note so that it is routed in the appropriate fashion.

Has JSG tracked it in any way?

Thanks,

Mary

From: Kim Li
Sent: Wednesday, October 05, 2016 9:26 AM
To: Mary MacDonald
Cc: Adam Matheson
Subject: RE: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act

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Yes. Can you take care of it? Thanks a bunch, Mary! ☺

From: Mary MacDonald
Sent: Wednesday, October 05, 2016 9:13 AM
To: Kim Li
Cc: Adam Matheson
Subject: RE: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act

Kim,

These matters fall under Consumers.

Thanks,
Mary

From: Kim Li
Sent: Wednesday, October 05, 2016 8:52 AM
To: Mary MacDonald
Cc: Adam Matheson
Subject: FW: Is Service Alberta the LEAD for JSG AR 20492? RE: letter of inquiry commissions owing - Alberta Real Estate Act
Importance: High



Pages 1158 through 1159 redacted for the following reasons:
- -
Duplicate to pages 1139-1141

May Chaney

From: Kelly Refah
Sent: Thursday, October 06, 2016 5:36 PM
To: Lee Chantal
Subject: AREA Briefing - AR 30679

Lee, I left the folder for AR 30679 on your desk, as its due to Mary October 12th. I drafted the briefing recommending the Minister not meet with AREA, after discussing with Trevor and learning they already met with her on Aug 25th.

You'll note from my email to Jo-Anne Nugent the AR requires speaking notes as well as a blurb from the Minister to include in AREA's conference agenda. Please follow up with Jo-anne or Scott Seymour on Tuesday if you don't hear back to make sure these items are on track.

Thanks!!

Kelly

ACTION REQUEST COVERSHEET
Service Alberta

Due Date: Oct 6, 2016
Due to MCU: Oct 4, 2016
Due to ADMO: Sep 30, 2016
Extended Due Date:

AR Number: 30646
Logged By: MO
Priority Level: Normal
Received Date: Sep 28, 2016

AR References:
Assigned To: 04 CS-Consumer Programs
Subject: Minister Hoffman meeting request - AREA
Action Requested: Briefing for Minister
Correspondent:
Constituency:

	Name and Phone Number		Initials and Date
Approved by ADM:	Colin Lloyd	780-427-2300	
Edited by MCU:	Mari Jansma		Oct 7, 2016
Approved by MCU:	Rachel Bouska	780-644-4524	PB Oct. 11/16
Approved by DM CoS:	Linda Chupka	780-422-6174	Oct 12
Approved by DM:	Tim Grant	780-415-4954	Oct. 13, 2016
Approved by MO:			

File Number:
Comments: Minister Hoffman is looking for a meeting recommendation.
Additional Notes:

CM: No concerns 19 Oct.
MH: No concerns MH 19 Oct

Page 1162 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 1133-1134

ADVICE TO HON. SARAH HOFFMAN, DEPUTY PREMIER AND MINISTER OF HEALTH

ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- The Alberta Real Estate Association (AREA) has requested to meet with Minister Hoffman to discuss advocacy ideas.

RECOMMENDATION:

- It is recommended that the Minister decline the request for a meeting with AREA.
- The majority of issues raised in the meeting request fall within the portfolio of Service Alberta. The Minister of Service Alberta has previously met with representatives of AREA, and will be attending the MLA reception referenced in the request, ensuring government can continue to engage with this stakeholder.

BACKGROUND:

- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTOR members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups.
- AREA members make up 90 per cent of real estate licensees under the *Real Estate Act* and approximately 70 per cent of the total licences issued by the industry regulator, the Real Estate Council of Alberta (RECA).
- Not all real estate professionals belong to AREA. Membership is voluntary.

Affordable Housing

- Bill 202 - *Alberta Affordable Housing Review Committee Act* passed second reading in April 2016 and is expected to be debated further in fall 2016. The Bill will establish a committee that will develop recommendations to ensure Albertans have the benefits of safe, appropriate, and affordable housing.
- Issues to be considered by the committee include supporting affordable home ownership, as well as rent regulation, rent subsidies, security deposit limits, and mobile and manufactured homes.

Condominium Regulation Development

- Service Alberta is currently developing amendments to the Condominium Property Regulation, which are intended to support the *Condominium Property Amendment Act* passed by the Legislative Assembly in December 2014.

- The *Condominium Property Amendment Act* will be gradually phased in, along with supporting regulations that are being developed through a four-phase process.
- AREA has a strong interest in the CPA revisions and has actively participated in previous Service Alberta consultations on the legislation. AREA has welcomed the opportunity to work cooperatively with Service Alberta and other stakeholders to address condominium issues in a manner that protects the public's interests.
- Key issues of importance to AREA are:
  - timely access to condominium documents during a real estate transaction;
  - elimination or reduction of fees charged for condominium documents;
  - strong compliance and enforcement protocols to enhance consumer protection, including affordable and effective alternatives to the courts for handling disputes; and
  - enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- Policies related to these issues, including reserve funds and document administration costs, will be addressed with other governance issues in the second phase of regulatory development. A condominium dispute tribunal will be addressed in the fourth and final phase of the project.

Property Measurements

- Residential Measurement Standards (RMS) are used to determine the square footage or total living area of a home.
- Due to an increase in complaints about residential property measurements and the lack of a single measurement standard, RECA, as the industry regulator, undertook extensive consultation to develop a single RMS guideline.
- Based on this consultation, RECA updated its pre-licensing education course material in February 2015 to set expectations for RMS. This was followed in fall 2015 with the release of an RMS guide to all real estate professionals to use in residential real estate transactions.
- In May 2016, RECA released a revised RMS guide as the single standard in Alberta for real estate professionals to measure and communicate the size of residential property.
- AREA has indicated support for the new RMS standards, but has raised concerns about the implementation, as no prior notice or transition period was provided for real estate professionals to learn and comply with the new single standard.
- Despite initial concerns about the RMS, the local real estate boards have largely accepted the RMS as the single measurement standard for residential properties.
- According to RECA, the remaining outstanding issue with RMS is the methodology for measuring semi-detached homes. RECA intends to work with industry stakeholders to clarify this element.

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- RECA is developing an education course on measurement practices as a mandatory component of real estate licence renewal for the next year.

KEY CONSIDERATIONS:

- Service Alberta has responsibility for the *Real Estate Act*, the main legislation that applies to real estate professionals, as well as for the *Condominium Property Act*.
- As Minister McLean has already met with AREA on their priorities and advocacy issues, it may be beneficial for the Minister of Service Alberta to continue this dialogue.

ANALYSIS:

- Option 1: The Minister may decline the meeting request from AREA.
  - Pros: Declining the meeting would support the development of consistent messaging about contentious issues by maintaining Service Alberta as the point of contact between AREA and government. The Minister of Service Alberta will be attending AREA's MLA Reception, and can continue working with AREA and RECA to attempt a solution to ongoing conflict between the organizations.
  - Cons: The Minister would be turning down an opportunity to meet with a key real estate sector stakeholder on behalf of government.
- Option 2: The Minister may choose to meet with AREA.
  - Pros: Accepting the meeting would allow the Minister, in the role of Deputy Premier, to engage with a key stakeholder in the real estate sector and reinforce the importance of this sector to the government.
  - Cons: As the majority of issues raised fall into the portfolio of Service Alberta, Service Alberta is better positioned to address the specific concerns raised by AREA. The Minister of Service Alberta is already engaged with AREA on these matters.

MINISTER APPROVAL:

Hon. Stephanie McLean, Minister

Val Taylor

From: Trevor Bergen
Sent: Thursday, October 06, 2016 3:58 PM
To: Kelly Refah
Subject: RE: AREA Event – Minister remarks & speaking notes

Thanks Kelly,

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Kelly Refah
Sent: Thursday, October 06, 2016 3:53 PM
To: Jo-Anne Nugent
Cc: Trevor Bergen; Lee Chantal; Scott Seymour
Subject: AREA Event - Minister remarks & speaking notes

Hi Jo-Anne,

Consumers received an action request (# 30679) with three-part instructions. In preparation for the Alberta Real Estate Association's MLA reception on November 22, we are to prepare a "Welcome to the Conference" note for inclusion in AREA's conference program, Minister Speaking Notes for the MLA Reception, and a BN for possible meeting with AREA members. I'm working on the meeting briefing but we'll need your shop's help with the welcome remarks and Minister SPN. Our deadline for completing this AR is Oct 12th. Would it be possible to receive the SPN and program commentary from Comms by noon Oct 12th?

Kelly Refah
Manager, Market & Industry Standards
Service Alberta
Tel: (780) 427-0294

Val Taylor

From: Trevor Bergen
Sent: Tuesday, October 11, 2016 9:24 AM
To: Lee Chantal
Subject: RE: AREA Event - Minister remarks & speaking notes

Thanks Lee.

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Lee Chantal
Sent: Tuesday, October 11, 2016 9:18 AM
To: Scott Seymour; Trevor Bergen
Cc: Cheryl Tkalcic; Jo-Anne Nugent; Kelly Refah
Subject: RE: AREA Event - Minister remarks & speaking notes

Hi Scott,

Thanks for checking in. If you can draft the speaking notes and welcome remarks, that would be very much appreciated.

As Kelly noted in her e-mail to Jo-Anne, the AR is due to Mary tomorrow, so if we could have these items by noon tomorrow, that would be great.

Thanks Scott, and let me know if you need anything.

Thanks,

Lee

From: Scott Seymour
Sent: Tuesday, October 11, 2016 9:16 AM
To: Lee Chantal; Trevor Bergen
Cc: Cheryl Tkalcic; Jo-Anne Nugent; Kelly Foisy
Subject: RE: AREA Event - Minister remarks & speaking notes

Hi everyone...
Just a quick note to say hello and let you know that I can draft the speaking notes and welcome remarks for the Minister, but I wanted to check and see if you still needed me to do that.
Scott

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From: Kelly Refah
Sent: Thursday, October 06, 2016 3:53 PM
To: Jo-Anne Nugent
Cc: Trevor Bergen; Lee Chantal; Scott Seymour
Subject: AREA Event - Minister remarks & speaking notes

Duplicate to page 1169

Val Taylor

From: Scott Seymour
Sent: Tuesday, October 11, 2016 12:04 PM
To: Lee Chantal; Trevor Bergen
Cc: Cheryl Tkalcic
Subject: RE: AREA Event - Minister remarks & speaking notes

Hi Lee..
Thanks for all of this. Very helpful. I'll use it as a reference when I'm writing the speech and Minister's greeting.
Scott

From: Lee Chantal
Sent: Tuesday, October 11, 2016 10:02 AM
To: Scott Seymour; Trevor Bergen
Cc: Cheryl Tkalcic
Subject: RE: AREA Event - Minister remarks & speaking notes

Hi Scott,

The one that has been currently loaded onto AR 30679 is the current version of the BN that is accompanying this AR, so it would be a good reference.

If you don't have them already, you may also want to look at ARs **28747** and **29805**, as these are the two most recent speeches given to AREA by the Minister or her representative (28747 was the same event last year, while 29805 was the organization's Leadership Conference in May at which MLA Dach gave remarks on behalf of the Minister.)

The BN on AR **30432** may also be useful – I don't know if the tone and content of the BN is the best for the speech, but it is from the most recent meeting between the Minister and AREA and so gives context as to what some of the last interaction has been.

If you need other background/reference material, please let me know.

Thanks,

Lee

From: Scott Seymour
Sent: Tuesday, October 11, 2016 9:55 AM
To: Lee Chantal; Trevor Bergen
Cc: Cheryl Tkalcic
Subject: RE: AREA Event - Minister remarks & speaking notes

Hi Lee..
Can do.
Follow-up question: Is there another BN besides the one that's been uploaded to ARTS on AR 30679? Or should I use the one that's there as a reference? Please advise.
Thanks!
Scott

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From: Lee Chantal
Sent: Tuesday, October 11, 2016 9:18 AM
To: Scott Seymour; Trevor Bergen
Cc: Cheryl Tkalcic; Jo-Anne Nugent; Kelly Refah
Subject: RE: AREA Event - Minister remarks & speaking notes

Duplicate to pages 1167-1169

Val Taylor

From:	Scott Seymour
Sent:	Wednesday, October 12, 2016 12:05 PM
To:	Lee Chantal; Trevor Bergen
Cc:	Cheryl Tkalcic
Subject:	PLS REVIEW: AREA Event - Minister remarks & speaking notes
Attachments:	MIN_SpeakingNotes_AREA Govt Liason Days Conf_Nov22-16.doc

Hi Lee and Trevor…
Attached is my first draft of the Minister's Speech for the AREA event in Edmonton on Nov. 22. It's not a short speech. It times out around 9.5 or 10 minutes. Minister has been allotted that kind of time … but I'd certainly consider cutting this.

Here are the topic areas I covered … and who asked for the topics, if applicable.

- **Economic challenges, thank you to realtors for rolling with the punches** (I came up with this myself – used it from an earlier speech)
- **Progress of Bill 202: Affordable Housing Review Committee Act** (suggested topic from program area)
- **Residential Measurement Standards for property – an update** (suggested topic from program area)
- **Real Estate Act amendments** (suggested topic from AREA). Nothing much to report here, though. Probably could be eliminated.
- **Update on Condo Act** (suggested topic from program area and from AREA)

AREA also suggested we touch on these topics in the speech and I worked them, sorta/kinda, into the conclusion:
- Value of REALTORS in a self-regulated system. REALTORS are appointed to RECA to help govern RECA and make our industry strong and consumer focused
- The value of industry associations sharing ideas with government

Can you please review the speech and get back to me with any changes?

Thanks!

Scott

From: Lee Chantal
Sent: Tuesday, October 11, 2016 10:02 AM
To: Scott Seymour; Trevor Bergen
Cc: Cheryl Tkalcic
Subject: RE: AREA Event - Minister remarks & speaking notes

[redacted]

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Pages 1172 through 1173 redacted for the following reasons:
- -
Duplicate to pages 1169-1170

Speaking Notes
(check against delivery)

Hon. Stephanie McLean
Minister of Service Alberta

Alberta Real Estate Association
Government Liaison Conference – MLA reception

Matrix Hotel
10640 – 100 Avenue
Edmonton, AB.

5:30 p.m. to 7:30 p.m.
(Minister scheduled to speak around 5:45 p.m.)
Tuesday, November 22, 2016

Contact	Amanda Nielsen, Consultant, Hill and Knowlton Strategies; 780-920-5001 (cell)
Minister's Role	Speech
Theme/Subject	Greetings on behalf of Government of Alberta, update on a few topics relevant to audience.
Audience	Realtors, AREA staff;
Attire	Formal
MC/Introduction	Podium, PA system Ian Burns, CEO for AREA, will introduce the Minister.
Program	Minister is schedule to speak around 5:45 p.m. and has up to 15 minutes to speak
Media	None

INTRODUCTION

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you and bring greetings on behalf of Premier Rachel Notley and the Government of Alberta today.
- We're all in the middle of what's been a very busy fall session over at the Legislature so it's nice to be able to come over and attend your event this week in Edmonton.
- Thank you for inviting us.
- I want to go over a few things we've been working on that will be of interest to you, but before I do, I also want to thank you for the work you do.

ECONOMIC CHALLENGES

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- I'm sure I don't need to tell you about the challenges our province is facing right now.
- Albertans are rightfully concerned about being able to provide for their families.
- No industry has been spared from the realities we're facing right now.
- That includes the real estate industry.
- I'm sure it's become a lot more challenging to be a realtor in the last year or so.
- However, we know that like our energy industry, our real estate industry is resilient.
- You've long ago learned to roll with the punches and adapt to what the market brings you.
- Lately, the real estate market's brought some real adventures.

- And that's why we want to thank you for what you do.
- Now, more than ever, Albertans want – and need – to have peace of mind whenever they buy a home.
- You're the ones who can help make that happen.
- As a government, we're doing everything we responsibly can, as quickly as possible, to promote job creation and economic diversification.
- But we rely on realtors to help promote and build our communities.
- You are a front-line contact between consumers and many of our programs, services, and legislation related to building, buying, or renting a house, apartment or condominium.

- You also help home buyers by providing advice, as needed, for home inspections, or obtaining essential services such as electricity, natural gas, and other utilities.
- Our government believes that home ownership is vitally important to this province and realtors don't only help Albertans and their families find homes – you help them settle in.
- We thank you for that.
- I'll now give you some brief updates on a couple of items of interest that Service Alberta is working on.

AFFORDABLE HOUSING

- During the spring session in the Legislature, we tabled Bill 202, the *Alberta Affordable Housing Review Committee Act*.
- It passed second reading and it was on our agenda during the current legislative session.
- We're really excited about this legislation because we know that, for many Albertans, finding and securing safe, appropriate and affordable housing is a challenge.
- Bill 202 will set up a committee to seek out ways we can make it easier for those Albertans.
- Among other things, the committee will examine affordable home ownership, rent regulation, rent subsidies, and security deposit limits.

Comment [A1]: Note from Scott: This may n eed to be updated at time of delivery as it may have already been passed.

- As it works, this committee will be very mindful of maintaining the balance between an affordable supply of housing for all Albertans, and a healthy stable rental market.
- We know improving the supply of affordable housing is a complex matter requiring the co-operation of many stakeholders.
- We look forward to the passage of this bill and the committee's work going forward.

PROPERTY MEASUREMENTS

- As you know, this past spring, RECA released revised Residential Measurement Standards for determining square footage of a home's living area.
- RECA is currently working on the methodology for measuring semi-detached homes and they're committed to consulting with industry stakeholders on this.

- RECA's also working on an interactive education course on measurement practices that will be a mandatory component of real estate licence renewals for the next year.
- I know that developing these new standards and rolling them out is the product of a lot of hard work and consultation by everyone in your industry.
- We thank you for that because we know that they will ultimately benefit consumers in Alberta.

***REAL ESTATE ACT* AMENDMENTS**

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*. I can tell you that amendments are tentatively scheduled for fall 2017.

- Our promise to you is that AREA will be engaged in further consultations on these amendments before they are passed.

CONDOMINIUM PROPERTY ACT

- And last, but certainly not least …
- I know a lot of you have been waiting a long time to find out what's going on with the *Condominium Property Act* and the new amendments that the previous government passed nearly two years ago.
- There were more than 50 amendments in all – and many of those required drafting of new regulations to support.
- We divided the new regulations into four phases.
- The Phase One amendments are aimed at further protecting new condo buyers by enhancing the amount of information

disclosed at purchase, and the safeguards for handling purchase funds.

- The amendments will also provide us new tools to investigate and enforce breaches under the legislation.
- This first phase is almost ready for presentation to Cabinet and I'm confident that they'll be in force in 2017.
- Now ... all that said ... I know that there are other Condo Act amendments you're also interested in.
- In our past consultations, you've told us that it's important to have timely access to condo documents during a sale.
- You've said you want the fees charged for accessing condo documents either eliminated or reduced.
- You've asked for stronger compliance and enforcement protocols, as well as enhanced

rules to ensure condominium corporations maintain healthy reserve funds.

- I can tell you that all of those items will be addressed in Phase 2 of regulatory development.
- You've also told us there needs to be an affordable and effective alternative to the courts for handling disputes.
- Establishment of the condominium dispute tribunal will be addressed in the fourth and final phase of our regulatory development in 2018.
- By the way, Phase 3 of regulatory development covers the licensing framework for condominium managers and the Real Estate Council of Alberta is currently working them with a goal of getting them in force in 2017.

- Bottom line – we've got a lot of people working hard on getting this legislation done as quickly as possible.
- But we also want it done the right way.
- We all want to ensure condos remain a safe and affordable investment for buyers and owners.
- I want to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by my ministry.
- You have been a strong advocate for the amendments to the *Condominium Property Act* and we're very grateful for that.

CONCLUSION

- Once again, thank you for inviting me to come to your event today.

- I hope you can see how the Government of Alberta is working hard to bring forth changes that benefit Albertans in the course of buying and selling real estate.
- I also want you to know that we always want to hear from you.
- Our province is facing a lot of economic challenges right now, and we place a lot of value in the contact we regularly have with industry associations such as yours.
- I also want to encourage you to get involved in your industry, through events like these, or if your time allows, through our regulator, RECA.
- Get involved, stay involved … but no matter what, keep in touch.
- On behalf of Premier Notley, and our government, thank you for your continued support and participation.

- Thank you very much.

Val Taylor

From: Scott Seymour
Sent: Wednesday, October 12, 2016 12:10 PM
To: Trevor Bergen; Cheryl Tkalcic; Lee Chantal
Subject: PLS REVIEW: AREA Event - Minister remarks & speaking notes
Attachments: MIN_SpeakingNotes_AREA Govt Liason Days Conf_Nov22-16.doc

Hi again everyone...
Please use the attached version instead. I added more details on the Real Estate Act review.
Thanks!
Scott

From: Scott Seymour
Sent: Wednesday, October 12, 2016 12:05 PM
To: Lee Chantal; Trevor Bergen
Cc: Cheryl Tkalcic
Subject: PLS REVIEW: AREA Event - Minister remarks & speaking notes



Pages 1189 through 1190 redacted for the following reasons:
- -
Duplicate to pages 1171-1173

Speaking Notes
(check against delivery)

Hon. Stephanie McLean
Minister of Service Alberta

Alberta Real Estate Association
Government Liaison Conference – MLA reception

Matrix Hotel
10640 – 100 Avenue
Edmonton, AB.

5:30 p.m. to 7:30 p.m.
(Minister scheduled to speak around 5:45 p.m.)
Tuesday, November 22, 2016

Contact	Amanda Nielsen, Consultant, Hill and Knowlton Strategies; 780-920-5001 (cell)
Minister's Role	Speech
Theme/Subject	Greetings on behalf of Government of Alberta, update on a few topics relevant to audience.
Audience	Realtors, AREA staff;
Attire	Formal
MC/Introduction	Podium, PA system Ian Burns, CEO for AREA, will introduce the Minister.
Program	Minister is schedule to speak around 5:45 p.m. and has up to 15 minutes to speak.
Media	None

INTRODUCTION

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you and bring greetings on behalf of Premier Rachel Notley and the Government of Alberta today.
- We're all in the middle of what's been a very busy fall session over at the Legislature so it's nice to be able to come over and attend your event this week in Edmonton.
- Thank you for inviting us.
- I want to go over a few things we've been working on that will be of interest to you, but before I do, I also want to thank you for the work you do.

ECONOMIC CHALLENGES

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- I'm sure I don't need to tell you about the challenges our province is facing right now.
- Albertans are rightfully concerned about being able to provide for their families.
- No industry has been spared from the realities we're facing right now.
- That includes the real estate industry.
- I'm sure it's become a lot more challenging to be a realtor in the last year or so.
- However, we know that like our energy industry, our real estate industry is resilient.
- You've long ago learned to roll with the punches and adapt to what the market brings you.
- Lately, the real estate market's brought some real adventures.

- And that's why we want to thank you for what you do.
- Now, more than ever, Albertans want – and need – to have peace of mind whenever they buy a home.
- You're the ones who can help make that happen.
- As a government, we're doing everything we responsibly can, as quickly as possible, to promote job creation and economic diversification.
- But we rely on realtors to help promote and build our communities.
- You are a front-line contact between consumers and many of our programs, services, and legislation related to building, buying, or renting a house, apartment or condominium.

- You also help home buyers by providing advice, as needed, for home inspections, or obtaining essential services such as electricity, natural gas, and other utilities.
- Our government believes that home ownership is vitally important to this province and realtors don't only help Albertans and their families find homes – you help them settle in.
- We thank you for that.
- I'll now give you some brief updates on a couple of items of interest that Service Alberta is working on.

AFFORDABLE HOUSING

- During the spring session in the Legislature, we tabled Bill 202, the *Alberta Affordable Housing Review Committee Act.*
- It passed second reading and it was on our agenda during the current legislative session.
- We're really excited about this legislation because we know that, for many Albertans, finding and securing safe, appropriate and affordable housing is a challenge.
- Bill 202 will set up a committee to seek out ways we can make it easier for those Albertans.
- Among other things, the committee will examine affordable home ownership, rent regulation, rent subsidies, and security deposit limits.

Comment [A1]: Note from Scott: This may need to be updated at time of delivery as it may have already been passed.

- As it works, this committee will be very mindful of maintaining the balance between an affordable supply of housing for all Albertans, and a healthy stable rental market.
- We know improving the supply of affordable housing is a complex matter requiring the co-operation of many stakeholders.
- We look forward to the passage of this bill and the committee's work going forward.

PROPERTY MEASUREMENTS

- As you know, this past spring, RECA released revised Residential Measurement Standards for determining square footage of a home's living area.
- RECA is currently working on the methodology for measuring semi-detached homes and they're committed to consulting with industry stakeholders on this.

- RECA's also working on an interactive education course on measurement practices that will be a mandatory component of real estate licence renewals for the next year.
- I know that developing these new standards and rolling them out is the product of a lot of hard work and consultation by everyone in your industry.
- We thank you for that because we know that they will ultimately benefit consumers in Alberta.

REAL ESTATE ACT AMENDMENTS

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*.
- I can tell you that my department recognizes the need to review the *Real Estate Act* for

potential amendments to address changes in the industry.

- Service Alberta supports the continued self-regulation of the real estate industry through the Real Estate Council of Alberta.
- The timing of the review will be determined once the Ministry's multi-year Legislative Plan is finalized.
- Our promise to you is that AREA will be engaged in further consultations on these amendments before they are passed.

CONDOMINIUM PROPERTY ACT

- And last, but certainly not least …
- I know a lot of you have been waiting a long time to find out what's going on with the *Condominium Property Act* and the new amendments that the previous government passed nearly two years ago.

- There were more than 50 amendments in all – and many of those required drafting of new regulations to support.
- We divided the new regulations into four phases.
- The Phase One amendments are aimed at further protecting new condo buyers by enhancing the amount of information disclosed at purchase, and the safeguards for handling purchase funds.
- The amendments will also provide us new tools to investigate and enforce breaches under the legislation.
- This first phase is almost ready for presentation to Cabinet and I'm confident that they'll be in force in 2017.
- Now … all that said … I know that there are other Condo Act amendments you're also interested in.

- In our past consultations, you've told us that it's important to have timely access to condo documents during a sale.
- You've said you want the fees charged for accessing condo documents either eliminated or reduced.
- You've asked for stronger compliance and enforcement protocols, as well as enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- I can tell you that all of those items will be addressed in Phase 2 of regulatory development.
- You've also told us there needs to be an affordable and effective alternative to the courts for handling disputes.
- Establishment of the condominium dispute tribunal will be addressed in the fourth and

final phase of our regulatory development in 2018.

- By the way, Phase 3 of regulatory development covers the licensing framework for condominium managers and the Real Estate Council of Alberta is currently working them with a goal of getting them in force in 2017.
- Bottom line – we've got a lot of people working hard on getting this legislation done as quickly as possible.
- But we also want it done the right way.
- We all want to ensure condos remain a safe and affordable investment for buyers and owners.
- I want to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by my ministry.

- You have been a strong advocate for the amendments to the *Condominium Property Act* and we're very grateful for that.

CONCLUSION

- Once again, thank you for inviting me to come to your event today.
- I hope you can see how the Government of Alberta is working hard to bring forth changes that benefit Albertans in the course of buying and selling real estate.
- I also want you to know that we always want to hear from you.
- Our province is facing a lot of economic challenges right now, and we place a lot of value in the contact we regularly have with industry associations such as yours.
- I also want to encourage you to get involved in your industry, through events

like these, or if your time allows, through our regulator, RECA.

- Get involved, stay involved … but no matter what, keep in touch.
- On behalf of Premier Notley, and our government, thank you for your continued support and participation.
- Thank you very much.

Val Taylor

From: Scott Seymour
Sent: Wednesday, October 12, 2016 1:09 PM
To: Lee Chantal; Trevor Bergen
Cc: Kelly Refah; Cheryl Tkalcic
Subject: Minister's Message for AREA conference program - Nov. 22
Attachments: Minister's Message for AREA event - Nov. 22.docx

Hey there...
In addition to speaking notes for Minister, you also asked us to draft a Minister's message for publication in the AREA conference program. It's attached.
Can you please review and let us know if it's OK?
Thanks!

Scott

Hello and welcome to the Alberta Real Estate Association's Government Liaison Days Conference.

This is an event that the Government of Alberta is proud to participate in because it gives us a chance to meet with people who work hard in an important sector of our economy.

As realtors, you've heard this many times: Buying a home is one of the most important purchases a consumer can make. But it always bears repeating because finding an affordable home – through purchase or rental – is essential for everyone.

You help Albertans find homes to rent or purchase, and you often help them "settle in" by informing them about utility services, or about the importance of home inspections.

In other words, you don't just help people find homes. You help build communities. And your work doesn't go unnoticed.

On behalf of the Government of Alberta, I hope your conference is successful and enlightening. Please take time to talk to your colleagues and learn from each other.

Regards,

Hon. Stephanie McLean

Minister, Service Alberta and Status of Women

Vai Taylor

From: Trevor Bergen
Sent: Wednesday, October 12, 2016 1:52 PM
To: Lee Chantal
Subject: FW: PLS REVIEW: AREA Event - Minister remarks & speaking notes
Attachments: MIN_SpeakingNotes_AREA Govt Liason Days Conf_Nov22-16 (LC Comments).doc

Hi Lee,

Here are my comments as well. Thanks,
Trevor

From: Lee Chantal
Sent: Wednesday, October 12, 2016 1:37 PM
To: Trevor Bergen
Subject: FW: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Trevor,

My comments are attached. I'm sending this to you first rather than Scott so we don't work at cross purposes.

I also looked at the greeting for the conference program and have no concerns with it.

Lee

From: Scott Seymour
Sent: Wednesday, October 12, 2016 12:10 PM
To: Trevor Bergen; Cheryl Tkalcic; Lee Chantal
Subject: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Duplicate to pages 1189-1190

Pages 1208 through 1210 redacted for the following reasons:
- -
Duplicate to pages 1188-1190

Speaking Notes
(check against delivery)

Hon. Stephanie McLean
Minister of Service Alberta

Alberta Real Estate Association
Government Liaison Conference – MLA reception

Matrix Hotel
10640 – 100 Avenue
Edmonton, AB.

5:30 p.m. to 7:30 p.m.
(Minister scheduled to speak around 5:45 p.m.)
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Contact	Amanda Nielsen, Consultant, Hill and Knowlton Strategies, 780-920-5001 (cell)
Minister's Role	Speech
Theme/Subject	Greetings on behalf of Government of Alberta, update on a few topics relevant to audience.
Audience	Realtors, AREA staff;
Attire	Formal
MC/Introduction	Podium, PA system Ian Burns, CEO for AREA, will introduce the Minister.
Program	Minister is schedule to speak around 5:45 p.m. and has up to 15 minutes to speak
Media	None

INTRODUCTION

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you today and bring greetings on behalf of Premier Rachel Notley and the Government of Alberta ~~today~~.
- ~~We're all~~ Our government is in the middle of what's been a very busy fall session over at the Legislature so it's nice to be able to come over and attend your event this week in Edmonton.
- ~~Thank you for inviting us.~~
- I want to go over a few things we've been working on that will be of interest to you, but before I do, I also want to thank you for the work you do.

ECONOMIC CHALLENGES

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- I'm sure I don't need to tell you about the challenges our province is facing right now.
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- No industry has been spared from the realities we're facing right now.
- That includes the real estate industry.
- I'm sure it's become a lot more challenging to be a realtor in the last year or so.
- ~~However, we know that like our energy industry~~like other sectors of our economy, our real estate industry is resilient~~.~~
- ~~Y~~and you've long ago learned to roll with the punches and adapt to what the market brings you.
- ~~Lately, the real estate market's brought some real adventures.~~

Comment [A1]: I'm not sure what this is referring to

- And that's why we want to thank you for what you do.
- Now, more than ever, Albertans want – and need – to have peace of mind whenever they buy a home.
- You're the ones who can help make that happen.
- As a government, we're doing everything we responsibly can, as quickly as possible, to promote job creation and economic diversification.
- But we rely on realtors to help promote and build our communities.
- You are a front-line contact between consumers and many of our programs, services, and legislation related to building, buying, or renting a house, apartment or condominium.

- You also help home buyers by providing advice, as needed, ~~on the need for~~related to home inspections~~,~~ or obtaining essential services such as electricity, natural gas, and other utilities.

- Our government believes that one of the important contributions ~~home ownership is vitally important to this province and~~ realtors make to our Alberta is that in addition to~~don't only~~ helping Albertans and their families find homes – you help them settle in.

- We thank you for that.

- I'll now give you some brief updates on a couple of items of interest that Service Alberta is working on.

~~AFFORDABLE HOUSING~~

- ~~During the spring session in the Legislature, we tabled Bill 202, the *Alberta Affordable Housing Review Committee Act*.~~
- ~~It passed second reading and it was on our agenda during the current legislative session.~~
- ~~We're really excited about this legislation because we know that, for many Albertans, finding and securing safe, appropriate and affordable housing is a challenge.~~
- ~~Bill 202 will set up a committee to seek out ways we can make it easier for these Albertans.~~
- ~~Among other things, the committee will examine affordable home ownership, rent regulation, rent subsidies, and security deposit limits.~~

Comment [A2]: Note from Scott: This may n eed to be updated at time of delivery as it may have already been passed.

Comment [A3R2]: You may want to remove this section. We don't know what's going to happen with Bill 202 and the speech is long already

- As it works, this committee will be very mindful of maintaining the balance between an affordable supply of housing for all Albertans, and a healthy stable rental market.

- We know improving the supply of affordable housing is a complex matter requiring the co-operation of many stakeholders.

- We look forward to the passage of this bill and the committee's work going forward.

PROPERTY MEASUREMENTS

- As you know, this past spring, RECA released revised Residential Measurement Standards for determining square footage of a home's living area.

- RECA is currently working on the methodology for measuring semi-detached homes and they're committed to consulting with industry stakeholders on this.

- ~~RECA's also working on an interactive education course on measurement practices that will be a mandatory component of real estate licence renewals for the next year.~~
- ~~I know that developing these new standards and rolling them out is the product of a lot of hard work and consultation by everyone in your industry.~~
- ~~We thank you for that because we know that they will ultimately benefit consumers in Alberta.~~

Comment [A4]: The Residential Measurement Standards have been a point of contention between AREA and RECA, and AREA has argued that RECA didn't involve them sufficiently in the development process. I would suggest to take this topic out of the speech.

Comment [ASR4]: Agreed. this should be removed

***REAL ESTATE ACT* AMENDMENTS**

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*.
- I can tell you that my department recognizes the need to review the *Real Estate Act* for

potential amendments to address changes in the industry.

- Service Alberta supports the continued self-regulation of the real estate industry through the Real Estate Council of Alberta.
- The timing of the review will be determined once the Ministry's multi-year Legislative Plan is finalized.
- Our promise to you is that AREA will be engaged in further consultations on these amendments ~~before they are passed~~once we begin the review of the *Real Estate Act*.

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CONDOMINIUM PROPERTY ACT

- And last, but certainly not least …
- I know a lot of you have been waiting a long time to find out what's going on respecting the implementation of~~with~~ the *Condominium Property Amendment Act* ~~and the new~~

~~amendments~~ that were ~~the previous government~~ passed nearly two years ago.

Comment [A6]: Would it be advisable for the Minister to reference the previous government?

- There were more than 50 amendments in all – and many of those required drafting of new regulations to support.
- We divided the new regulations into four phases.
- The Phase One amendments are aimed at further protecting new condo buyers by enhancing the amount of information disclosed at purchase, and the safeguards for handling purchase funds.
- The amendments will also provide us new tools to investigate and enforce breaches under the legislation.
- This first phase is almost ready for presentation to Cabinet and I'm confident that they'll be in force in 2017.

- ~~Now … all that said …~~ I know that there are other Condo Act amendments you're also interested in.
- In our past consultations, you've told us that it's important to have timely access to condo documents during a sale.
- You've said you want the fees charged for accessing condo documents either eliminated or reduced.
- You've asked for ~~stronger compliance and enforcement protocols, as well as~~ enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- ~~I can tell you that a~~It is our intention to address all of the~~e~~se items will be addressed in Phase 2 of regulatory development.
- Phase 3 of regulatory development covers the licensing framework for condominium

Comment [A7]: Sounds apologetic and I don't think the Minister needs to have that tone

Comment [A8]: The enforcement and compliance tools are being included in Phase 1 and are all involving developers. By including a reference to these here, it gives the impression that there will be enforcement protocols for government against condominium corporations which would not be accurate.

managers and the Real Estate Council of Alberta is currently working on this structure with a goal of getting them in force in 2017.

- You've also told us there needs to be an affordable and effective alternative to the courts for handling disputes.
- Establishment of the condominium dispute tribunal will be addressed in the fourth and final phase of our regulatory development in 2018.
- ~~By the way, Phase 3 of regulatory development covers the licensing framework for condominium managers and the Real Estate Council of Alberta is currently working on them this structure with a goal of getting them in force in 2017.~~
- Bottom line – we've got a lot of people working hard on getting this legislation done as quickly as possible.

- But we also want it done the right way.
- We all want to ensure condos remain a safe and affordable investment for buyers and owners.
- I want to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by my ministry.
- You have been a strong advocate for the amendments to the *Condominium Property Act* and we're very grateful for that.

CONCLUSION

- Once again, thank you for inviting me to come to your event today.
- ~~I hope you can see how~~As you can see, ~~the Government of Alberta is~~our government is working hard to bring ~~forth~~ forward changes

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that benefit Albertans in the course of buying and selling real estate.

- I also want you to know that we always want to hear from you.
- Our province is facing a lot of economic challenges right now, and we place a lot of value in the contact we regularly have with industry associations such as yours.
- ~~I also want to encourage you to get involved in your industry, through events like these, or if your time allows, through our regulator, RECA.~~
- ~~Get involved, stay involved … but no matter what, keep in touch.~~
- On behalf of Premier Notley, and our government, thank you for your continued support and participation.
- Thank you very much.

Val Taylor

From: Trevor Bergen
Sent: Wednesday, October 12, 2016 1:56 PM
To: Scott Seymour; Lee Chantal
Cc: Kelly Refah; Cheryl Tkalcic
Subject: RE: Minister's Message for AREA conference program - Nov. 22
Attachments: Minister's Message for AREA event - Nov. 22.docx

Hi Scott,

Please see my suggestions in the attached for your consideration. Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Scott Seymour
Sent: Wednesday, October 12, 2016 1:09 PM
To: Lee Chantal; Trevor Bergen
Cc: Kelly Refah; Cheryl Tkalcic
Subject: Minister's Message for AREA conference program - Nov. 22

Duplicate to page 1205

Hello and welcome to the Alberta Real Estate Association's Government Liaison Days Conference.

This is an event that the Government of Alberta is proud to participate in because it gives us a chance to ~~meet with~~recognize the hard work that members of Alberta's real estate community play in building strong communities across our province and the ~~people who work hard in an~~ importance of a resilient real estate~~t~~ sector ~~of~~ to our economy.

As realtors, you've heard this many times: Buying a home is one of the most important purchases a consumer can make. ~~But it always bears repeating because finding an affordable home – through purchase or rental – is essential for everyone.~~ In addition to helping Albertans and their families find homes, I believe that one the important contributions realtors make to our province helping them settle in by providing advice about home inspectors or obtaining essential services like utilities.

~~You help Albertans find homes to rent or purchase, and you often help them "settle in" by informing them about utility services, or about the importance of home inspections.~~

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On behalf of the Government of Alberta, I hope your conference is successful and enlightening. Please take time to talk to your colleagues and learn from each other.

Regards,

Hon. Stephanie McLean

Minister, Service Alberta and Status of Women

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Comment [t1]: A lot of focus was on affordability. I suggest focusing on what realators do instead

Darlene Decker

From: Lee Chantal
Sent: Wednesday, October 12, 2016 1:56 PM
To: Scott Seymour; Trevor Bergen; Cheryl Tkalcic
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes
Attachments: MIN_SpeakingNotes_AREA Govt Liason Days Conf_Nov22-16 (Consumer Programs Comments).doc

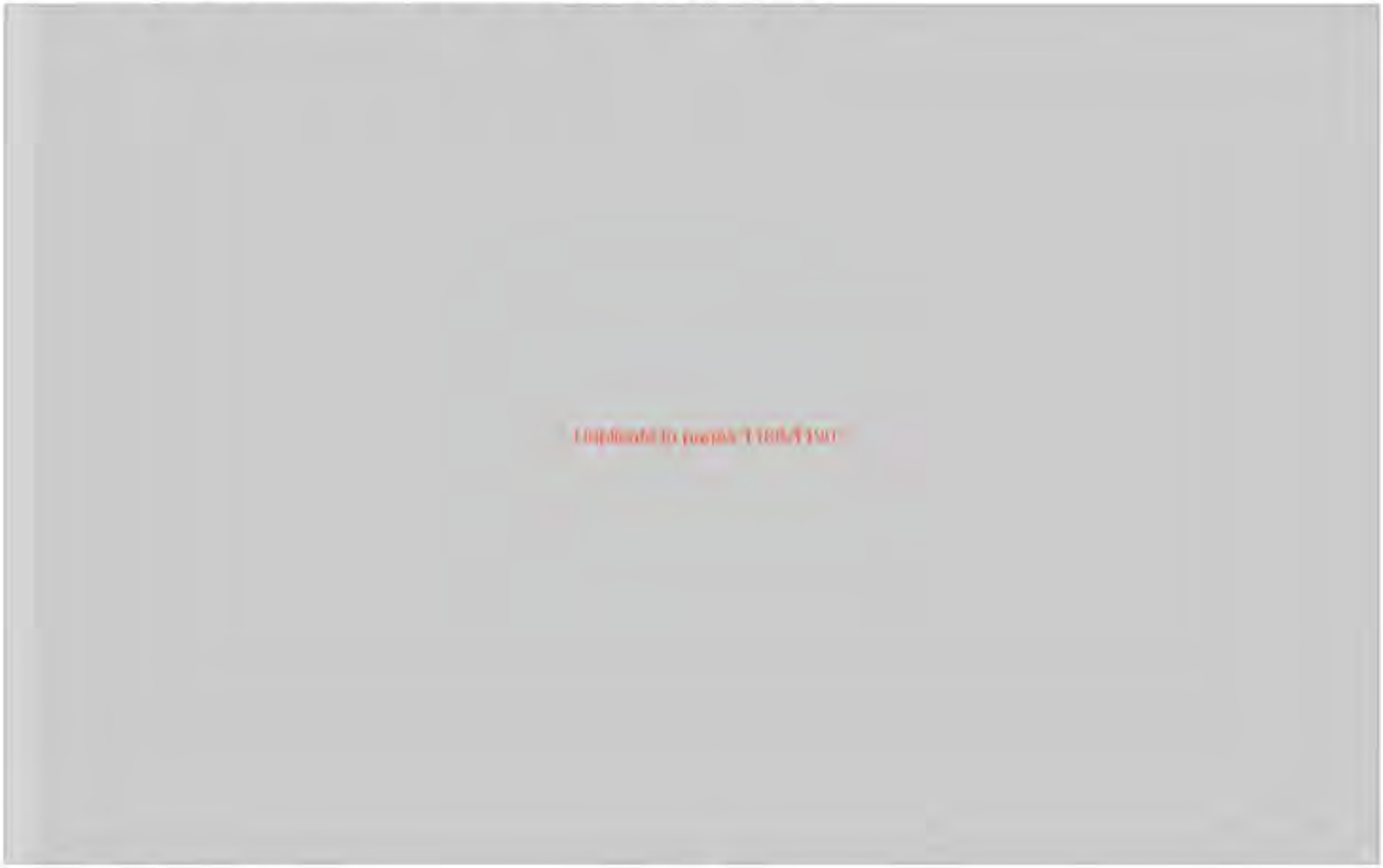
Hi Scott,

Trevor and I have reviewed the speaking notes, and our comments are included in the attachment.

Thanks,

Lee

From: Scott Seymour
Sent: Wednesday, October 12, 2016 12:10 PM
To: Trevor Bergen; Cheryl Tkalcic; Lee Chantal
Subject: PLS REVIEW: AREA Event - Minister remarks & speaking notes



Pages 1228 through 1229 redacted for the following reasons:
- -
Duplicate to pages 1188-1190

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(check against delivery)

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Minister of Service Alberta

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- ~~Y~~and you've long ago learned to roll with the punches and adapt to what the market brings you.
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Comment [A1]: [illegible]

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- Our promise to you is that AREA will be engaged in further consultations on these amendments ~~before they are passed~~once we begin the review of the *Real Estate Act*.

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~~amendments~~ that were ~~the previous government~~ passed nearly two years ago.

Comment [A5]: Is it be advisable for the Minister to reference the previous government?

- There were more than 50 amendments in all – and many of those required drafting of new regulations to support.
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- This first phase is almost ready for presentation to Cabinet and I'm confident that they'll be in force in 2017.

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- ~~Now … all that said …~~ I know that there are other Condo Act amendments you're also interested in.
- In our past consultations, you've told us that it's important to have timely access to condo documents during a sale.
- You've said you want the fees charged for accessing condo documents either eliminated or reduced.
- You've asked for ~~stronger compliance and enforcement protocols, as well as~~ enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- ~~I can tell you that a~~It is our intention to address all of th~~e~~ose items will be addressed in Phase 2 of regulatory development.
- Phase 3 of regulatory development covers the licensing framework for condominium

Comment [A6]: Sounds apologetic and I don't think the Minister needs to have that tone

Comment [A7]: The enforcement and compliance tools are being included in Phase 1 and are all involving developers. By including a reference to these here, it gives the impression that there will be enforcement protocols for government against condominium corporations, which would not be accurate

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managers and the Real Estate Council of Alberta is currently working on this structure with a goal of getting them in force in 2017.

- You've also told us there needs to be an affordable and effective alternative to the courts for handling disputes.
- Establishment of the condominium dispute tribunal will be addressed in the fourth and final phase of our regulatory development in 2018.
- ~~By the way, Phase 3 of regulatory development covers the licensing framework for condominium managers and the Real Estate Council of Alberta is currently working on them this structure with a goal of getting them in force in 2017.~~
- Bottom line – we've got a lot of people working hard on getting this legislation done as quickly as possible.

- But we also want it done the right way.
- We all want to ensure condos remain a safe and affordable investment for buyers and owners.
- I want to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by my ministry.
- You have been a strong advocate for the amendments to the *Condominium Property Act* and we're very grateful for that.

CONCLUSION

- Once again, thank you for inviting me to come to your event today.
- ~~I hope you can see how~~As you can see, ~~the Government of Alberta is~~our government is working hard to bring ~~forth~~ forward changes

that benefit Albertans in the course of buying and selling real estate.

- I also want you to know that we always want to hear from you.
- Our province is facing a lot of economic challenges right now, and we place a lot of value in the contact we regularly have with industry associations such as yours.
- ~~I also want to encourage you to get involved in your industry, through events like these, or if your time allows, through our regulator, RECA.~~
- ~~Get involved, stay involved … but no matter what, keep in touch.~~
- On behalf of Premier Notley, and our government, thank you for your continued support and participation.
- Thank you very much.

Val Taylor

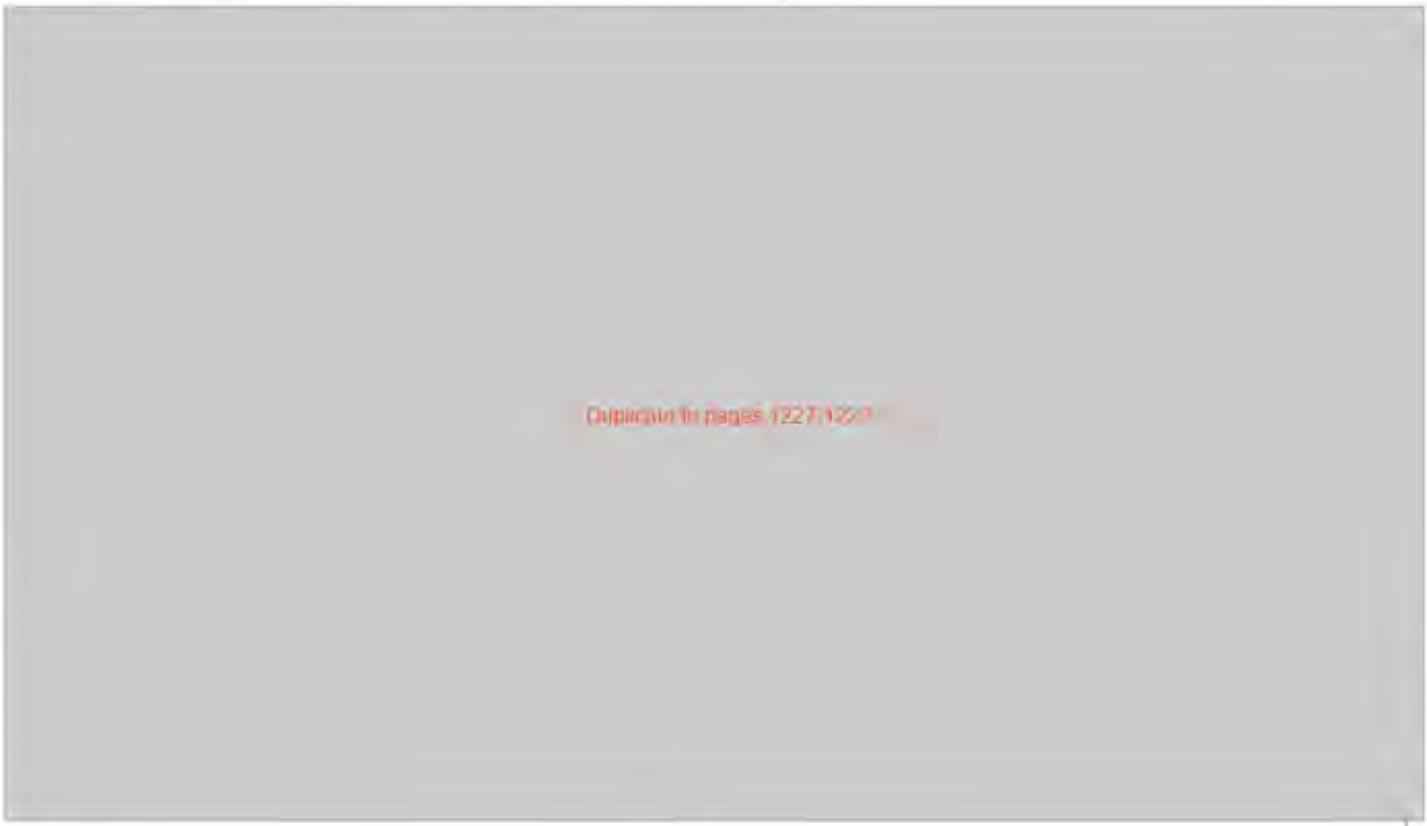
From: Trevor Bergen
Sent: Wednesday, October 12, 2016 1:57 PM
To: Lee Chantal
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Thanks Lee

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

From: Lee Chantal
Sent: Wednesday, October 12, 2016 1:56 PM
To: Scott Seymour; Trevor Bergen; Cheryl Tkalcic
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes



SA 2017-G-0056 - Page 1244

Pages 1245 through 1247 redacted for the following reasons:
- -
Duplicate to pages 1227-1229

Val Taylor

From: Trevor Bergen
Sent: Wednesday, October 12, 2016 3:27 PM
To: Lee Chantal
Cc: Allie Hulme
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

No problem Lee. Will do.

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

WE SUPPORT United Way

No one organization, or even government, can manage poverty alone. It takes an entire community.

From: Lee Chantal
Sent: Wednesday, October 12, 2016 2:59 PM
To: Trevor Bergen
Cc: Alexandra Hulme
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes
Importance: High

Trevor,

As mentioned earlier, I'm taking off right away, but we haven't heard back from Scott yet. What I've done is asked Allie to load the speaking notes on ARTS and print them off for you and Mary once they are received. Would you be able to forward her the speaking notes once Scott sends them back, so she can do this?

Thanks!

Lee

From: Trevor Bergen
Sent: Wednesday, October 12, 2016 1:57 PM
To: Lee Chantal
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Duplicate on pages 1244-1247

Pages 1249 through 1251 redacted for the following reasons:
- -
Duplicate to pages 1244-1247

Darlene Decker

From:	Scott Seymour
Sent:	Thursday, October 13, 2016 10:43 AM
To:	Lee Chantal
Cc:	Trevor Bergen; Alexandra Hulme; Cheryl Tkalcic; Kelly Refah
Subject:	RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes
Attachments:	Minister's Message for AREA event - Nov22.doc; MIN_SpeakingNotes_AREA Govt Liason Days Conf_Nov22-16.doc

Actually, given the fact that the speaking notes are currently at the ADMO (and we haven't heard from him yet)... you can probably just have them now.

From: Lee Chantal
Sent: Thursday, October 13, 2016 10:41 AM
To: Scott Seymour
Cc: Trevor Bergen; Alexandra Hulme; Cheryl Tkalcic; Kelly Refah
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Hi Scott,

Any update on the speaking notes? We need to get this to Mary so she can see the AR package before the BN goes to the ADMO, and the AR is due to the ADMO by noon.

Thanks!

Lee

From: Scott Seymour
Sent: Wednesday, October 12, 2016 3:01 PM
To: Lee Chantal
Cc: Trevor Bergen; Alexandra Hulme; Cheryl Tkalcic
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Can do. We're just sending them over to ADMO for review right now.

From: Lee Chantal
Sent: Wednesday, October 12, 2016 3:00 PM
To: Scott Seymour
Cc: Trevor Bergen; Alexandra Hulme
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Hi Scott,

Could you please include Alexandra Hulme on the e-mail back once you have finalized the speaking notes? She will be adding them onto ARTS for us.

Thanks!

Lee

From: Lee Chantal
Sent: Wednesday, October 12, 2016 1:56 PM
To: Scott Seymour; Trevor Bergen; Cheryl Tkalcic
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes



Pages 1254 through 1255 redacted for the following reasons:
- -
Duplicate to pages 1227-1229

Hello and welcome to the Alberta Real Estate Association's Government Liaison Days Conference.

The Government of Alberta is proud to participate in this event because it gives us a chance to recognize the hard work that members of Alberta's real estate community play in building strong communities across our province and the importance of a resilient real estate sector to our economy.

As realtors, you've heard this many times: Buying a home is one of the most important purchases a consumer can make. But it always bears repeating because finding an affordable home – through purchase or rental – will always be an essential part of our lives.

In addition to helping Albertans and their families find places to live, you often help them settle into their homes and communities by informing them about utility services, local bylaws or about the importance of home inspections. Your work doesn't go unnoticed.

On behalf of the Government of Alberta, I hope your conference is successful and enlightening. Please take time to network and learn from each other.

Regards,

Hon. Stephanie McLean

Minister, Service Alberta and Status of Women

Speaking Notes
(check against delivery)

Hon. Stephanie McLean
Minister of Service Alberta

Alberta Real Estate Association
Government Liaison Conference – MLA reception

Matrix Hotel
10640 – 100 Avenue
Edmonton, AB.

5:30 p.m. to 7:30 p.m.
(Minister scheduled to speak around 5:45 p.m.)
Tuesday, November 22, 2016

Contact	Amanda Nielsen, Consultant, Hill and Knowlton Strategies; 780-920-5001 (cell)
Minister's Role	Speech
Theme/Subject	Greetings on behalf of Government of Alberta, update on a few topics relevant to audience.
Audience	Realtors, AREA staff;
Attire	Formal
MC/Introduction	Podium, PA system Ian Burns, CEO for AREA, will introduce the Minister.
Program	Minister is schedule to speak around 5:45 p.m. and has up to 15 minutes to speak
Media	None

INTRODUCTION

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you today and bring greetings on behalf of Premier Rachel Notley and the Government of Alberta.
- Our government is in the middle of what's been a very busy fall session over at the Legislature so it's nice to be able to come over and attend your event this week in Edmonton.
- I want to go over a few things we've been working on that will be of interest to you, but before I do, I also want to thank you for the work you do.

ECONOMIC CHALLENGES

- I'm sure I don't need to tell you about the challenges our province is facing right now.

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- Albertans are concerned about being able to provide for their families.
- No industry has been spared from the realities we're facing right now.
- That includes the real estate industry.
- I'm sure it's become a lot more challenging to be a realtor in the last year or so.
- However, like other sectors of our economy, our real estate industry is resilient.
- You've learned long ago how to roll with the punches and adapt to what the market brings you.
- And that's why we want to thank you for what you do.
- Now, more than ever, Albertans want – and need – to have peace of mind whenever they buy a home.

- You're the ones who can help make that happen.
- As a government, we're doing everything we responsibly can, as quickly as possible, to promote job creation and economic diversification.
- But we rely on realtors to help promote and build our communities.
- You are a front-line contact between consumers and many of our programs, services, and legislation related to building, buying, or renting a house, apartment or condominium.
- You also help home buyers by providing advice, as needed, related to home inspections, local bylaws, or obtaining essential services such as electricity, natural gas, and other utilities.

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- In other words, you don't just help them find homes – you help them settle into their homes as well.
- We thank you for that.
- I'll now give you some brief updates on a couple of items of interest that Service Alberta is working on.

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AFFORDABLE HOUSING

- During the spring session in the Legislature, we tabled Bill 202, the *Alberta Affordable Housing Review Committee Act*.
- It passed second reading and it was on our agenda during the current legislative session.
- We're really excited about this legislation because we know that, for many Albertans, finding and securing safe, appropriate and affordable housing is a challenge.
- Bill 202 will set up a committee to seek out ways we can make it easier for those Albertans.
- Among other things, the committee will examine affordable home ownership, rent regulation, rent subsidies, and security deposit limits.

- As it works, this committee will be very mindful of maintaining the balance between an affordable supply of housing for all Albertans, and a healthy stable rental market.
- We know improving the supply of affordable housing is a complex matter requiring the co-operation of many stakeholders.
- We look forward to the passage of this bill and the committee's work going forward.

***REAL ESTATE ACT* AMENDMENTS**

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*.
- I can tell you that my department recognizes the need to review the *Real Estate Act* for

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potential amendments to address changes in the industry.

- Service Alberta supports the continued self-regulation of the real estate industry through the Real Estate Council of Alberta.
- The timing of the review will be determined once the Ministry's multi-year Legislative Plan is finalized.
- Our promise to you is that AREA will be engaged in further consultations on these amendments once we begin the review of the *Real Estate Act*.

CONDOMINIUM PROPERTY ACT

- And last, but certainly not least …
- I know a lot of you have been waiting a long time to find out what's going on with respect to the implementation of the *Condominium Property Amendment Act*.

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- There were more than 50 amendments in all – and many of those required drafting of new regulations to support.
- We divided the new regulations into four phases.
- The Phase One amendments are aimed at further protecting new condo buyers by enhancing the amount of information disclosed at purchase, and the safeguards for handling purchase funds.
- The amendments will also provide us new tools to investigate and enforce breaches under the legislation.
- This first phase is almost ready for presentation to Cabinet and I'm confident that they'll be in force in 2017.
- I know that there are other Condo Act amendments you're also interested in.

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- In our past consultations, you've told us that it's important to have timely access to condo documents during a sale.
- You've said you want the fees charged for accessing condo documents either eliminated or reduced.
- You've asked for enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- It is our intention to address all of these items in Phase 2 of regulatory development.
- Phase 3 of regulatory development covers the licensing framework for condominium managers.
- The Real Estate Council of Alberta is currently working on this structure with a goal of getting them in force in 2017.

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- You've also told us there needs to be an affordable and effective alternative to the courts for handling disputes.
- Establishment of the condominium dispute tribunal will be addressed in the fourth and final phase of our regulatory development in 2018.
- Bottom line – we've got a lot of people working hard on getting this legislation done as quickly as possible.
- But we also want it done the right way.
- We all want to ensure condos remain a safe and affordable investment for buyers and owners.
- I want to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by my ministry.

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- You have been a strong advocate for the amendments to the *Condominium Property Act* and we're very grateful for that.

CONCLUSION

- Once again, thank you for inviting me to come to your event today.
- As you can see, our government is working hard to bring forward changes that benefit Albertans in the course of buying and selling real estate.
- I also want you to know that we always want to hear from you.
- Our province is facing a lot of economic challenges right now, and we place a lot of value in the contact we regularly have with industry associations such as yours.

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- On behalf of Premier Notley, and our government, thank you for your continued support and participation.
- Thank you very much.

DRAFT

Darlene Decker

From: Cheryl Tkalcic
Sent: Thursday, October 13, 2016 10:44 AM
To: Scott Seymour; Lee Chantal
Cc: Trevor Bergen; Alexandra Hulme; Kelly Refah
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

I spoke with Colin this morning and he noted that he hasn't had a chance to review them yet but will as soon as his meetings are over this morning.

From: Scott Seymour
Sent: Thursday, October 13, 2016 10:43 AM
To: Lee Chantal
Cc: Trevor Bergen; Alexandra Hulme; Cheryl Tkalcic; Kelly Refah
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Duplicate to pages 1220-1250

Pages 1271 through 1274 redacted for the following reasons:
- -
Duplicate to pages 1252-1255



From: Colin Lloyd
Sent: October-13-16 12:13 PM
To: Scott Seymour
Subject: Minister's Message for AREA event - Nov22 (2)

Hello and welcome to the Alberta Real Estate Association's Government Liaison Days Conference.

The Government of Alberta is proud to participate in this event because it gives us a chance to recognize the hard work that members of Alberta's real estate community doplay in building strong communities across our province and the importance of a resilient real estate sector to our economy.

As realtors, you've heard this many times: Buying a home is one of the most important purchases a consumer can make. But it always bears repeating because finding an affordable home – through purchase or rental – will always be an essential part of our lives.

In addition to helping Albertans and their families find places to live, you often help them settle into their homes and communities by informing them about utility services, local bylaws or about the importance of home inspections. Your work doesn't go unnoticed.

On behalf of the Government of Alberta, I hope your conference is successful and enlightening. Please take time to network and learn from each other.

Regards,

Hon. Stephanie McLean

Minister, Service Alberta and Status of Women

Comment [c1]: This seems a little thin. I would like to see some data about numbers of members, volume of business, their reach into virtually every community in Alberta, and so on. I would look at AREA's website to see what they serve about themselves to enable the Minister to talk with more authority about the vital role realtors play in home making and enabling businesses to find the premises they need to be local employers and community leaders. Much more economic development potential here.

Val Taylor

From: Colin Lloyd
Sent: Thursday, October 13, 2016 9:12 PM
To: Mary MacDonald
Cc: Robert Whittaker
Subject: Re: Speaking Notes for AREA Meeting

I did the same on the one pager. It was a little thin.

Sent from my iPhone

On Oct 13, 2016, at 3:33 PM, Mary MacDonald <Mary.MacDonald@gov.ab.ca> wrote:

> Colin,
>
> Just so you know. I sent back the Minister's speaking notes provided in the AREA package as I am not prepared to sign off on it and they would take too long to fix.
>
> Mary
>
> ***Mary MacDonald***
> Executive Director, Consumer Services
> SERVICE ALBERTA
>
> mary.macdonald@gov.ab.ca
> 780.422.8177

Darlene Decker

From: Alexandra Hulme
Sent: Friday, October 14, 2016 9:16 AM
To: Scott Seymour
Cc: Trevor Bergen; Cheryl Tkalcic; Kelly Refah; Lee Chantal
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes
Attachments: Minister Speaking Notes AREA Revisions.doc

Good Morning Scott,

Based on direction from Mary MacDonald, ED of Consumer Services, please find attached the AREA event speaking notes with tracked changes. In addition to the changes suggested in this document, Mary is requesting the speaking notes be further revised and refined to ensure their quality.

Please revise the speaking notes and return by Monday October 17.

Thanks!
Allie Hulme
Project and Legislation Assistant
Consumer Services, Service Alberta
(780)-644-2919

From: Scott Seymour
Sent: Thursday, October 13, 2016 10:43 AM
To: Lee Chantal
Cc: Trevor Bergen; Alexandra Hulme; Cheryl Tkalcic; Kelly Refah
Subject: RE: PLS REVIEW: AREA Event - Minister remarks & speaking notes

Duplicate to pages 1252-1255

Pages 1279 through 1281 redacted for the following reasons:
- -
Duplicate to pages 1252-1255

Speaking Notes
(check against delivery)

Hon. Stephanie McLean
Minister of Service Alberta

Alberta Real Estate Association
Government Liaison Conference – MLA reception

Matrix Hotel
10640 – 100 Avenue
Edmonton, AB.

5:30 p.m. to 7:30 p.m.
(Minister scheduled to speak around 5:45 p.m.)
Tuesday, November 22, 2016

Contact	Amanda Nielsen, Consultant, Hill and Knowlton Strategies; 780-920-5001 (cell)
Minister's Role	Speech
Theme/Subject	Greetings on behalf of Government of Alberta, update on a few topics relevant to audience.
Audience	Realtors, AREA staff;
Attire	Formal
MC/Introduction	Podium, PA system Ian Burns, CEO for AREA, will introduce the Minister.
Program	Minister is schedule to speak around 5:45 p.m. and has up to 15 minutes to speak
Media	None

INTRODUCTION

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you today and bring greetings on behalf of Premier Rachel Notley and the Government of Alberta.
- Our government is in the middle of what's been a very busy fall session over at the Legislature so it's nice to be able to come over and attend your event this week in Edmonton.
- I want to ~~go over a few things~~talk about some of the initiatives we've been working on that will be of interest to you, but ~~before I do~~first, I ~~also~~ want to thank you for the work you do to help Albertans find homes and settle in communities.~~.~~

ECONOMIC CHALLENGES

- I'm sure I don't need to tell you about the challenges our province is facing right now.
- Albertans are concerned about being able to provide for their families. Every sector of the economy, including the real estate industry, has been affected by the collapse in oil prices.
- ~~No industry has been spared from the realities we're facing right now.~~
- ~~That includes the real estate industry.~~
- ~~I'm sure it's become a lot more challenging to be a realtor in the last year or so.~~
- However, our provinces in general, and the real estate industry in particular, ~~like other sectors of our economy, our real estate industry~~ is resilient.

- ~~You've~~ Realtors learned long ago how to roll with the punches and adapt to what the market brings you.
- ~~And that's why we want to thank you for what you do.~~
- Now, more than ever, Albertans want – and need – to have peace of mind whenever they buy a home.
- You're the ones who can help make that happen.
- As a government, we're doing everything ~~we responsibly can, as quickly as~~ possible, to promote job creation and economic diversification.
- But we rely on realtors to help promote and build our communities.
- You are a front-line contact between consumers and many of our programs, services, and legislation related to building,

buying, or renting a house, apartment or condominium.

- You also help home buyers by providing advice, as needed, related to home inspections, local bylaws, or obtaining essential services such as electricity, natural gas, and other utilities.
- In other words, you don't just help them find homes – you help them settle into their homes as well.
- We thank you for that.
- I'll now give you some brief updates on a couple of items of interest that Service Alberta is working on.

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AFFORDABLE HOUSING

- During the spring session in the Legislature, we tabled Bill 202, the *Alberta Affordable Housing Review Committee Act.*
- It passed second reading and it was on our agenda during the current legislative session.
- We're really excited about this legislation because we know that, for many Albertans, finding and securing safe, appropriate and affordable housing is a challenge.
- Bill 202 will set up a committee to seek out ways we can make it easier for those Albertans.
- Among other things, the committee will examine affordable home ownership, rent regulation, rent subsidies, and security deposit limits.

- As it works, this committee will be very mindful of maintaining the balance between an affordable supply of housing for all Albertans, and a healthy stable rental market.
- We know improving the supply of affordable housing is a complex matter requiring the co-operation of many stakeholders.
- We look forward to the passage of this bill and the committee's work going forward.

REAL ESTATE ACT AMENDMENTS

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*.
- I can tell you that my department recognizes the need to review the *Real Estate Act* for

potential amendments to address changes in the industry.

- Service Alberta supports the continued self-regulation of the real estate industry through the Real Estate Council of Alberta.
- The timing of the review will be determined once the Ministry's multi-year Legislative Plan is finalized.
- Our promise to you is that AREA will be engaged in further consultations on these amendments once we begin the review of the *Real Estate Act*.

CONDOMINIUM PROPERTY ACT

- And last, but certainly not least …
- I know a lot of you have been waiting a long time to find out what's going on with respect to the implementation of the *Condominium Property Amendment Act*.

- There were more than 50 amendments in all – and many of those required drafting of new regulations to support.
- We divided the new regulations into four phases.
- The Phase One amendments are aimed at further protecting new condo buyers by enhancing the amount of information disclosed at purchase, and the safeguards for handling purchase funds.
- The amendments will also provide us new tools to investigate and enforce breaches under the legislation.
- This first phase is almost ready for presentation to Cabinet and I'm confident that they'll be in force in 2017.
- I know that there are other Condo ~~Act~~ amendments you're also interested in.

- In our past consultations, you've told us that it's important to have timely access to condo documents during a sale and that.
- You've said you want the fees charged for accessing condo corporation documents either eliminated or reducedshould be reasonable.
- You've also asked for enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- It is our intention to address all of these and other governance issuesitems in Phase 2 of regulatory development.
- Service Alberta will consult stakeholders like AREA on these important policy issues in the next year.
- Phase 3 of regulatory development covers the licensing framework for condominium managers.

- The Real Estate Council of Alberta is currently working on this structure with a goal of getting them in force in 2017.
- You've also told us there needs to be an affordable and effective alternative to the courts for handling disputes.
- Establishment of the condominium dispute tribunal will be addressed in the fourth and final phase of our regulatory development in 2018.
- Bottom line – we've got a lot of people working hard on getting this legislation done as quickly as possible.
- But we also want it done the right way.
- We all want to ensure condos remain a safe and affordable investment for buyers and owners.
- I want to thank AREA for their commitment to the *Condominium Property Act* Review

Comment [A1]: Cannot provide this timeframe

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project over the years, and for participating in all consultations held by my ministry.

- You have been a strong advocate for the amendments to the *Condominium Property Act* and we're very grateful for that.

CONCLUSION

- Once again, thank you for inviting me to come to your event today.
- As you can see, our government is working hard to bring forward changes that benefit Albertans in the course of buying and selling real estate.
- I also want you to know that we always want to hear from you.
- Our province is facing a lot of economic challenges right now, and we place a lot of value in the contact we regularly have with industry associations such as yours.

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- On behalf of Premier Notley, and our government, thank you for your continued support and participation.
- Thank you very much.

DRAFT

ACTION REQUEST COVERSHEET
Service Alberta

Due Date: Oct 19, 2016
Due to MCU: Oct 17, 2016
Due to ADMO:
Extended Due Date:

AR Number: 30679
Logged By: MO
Priority Level: Normal
Received Date: Oct 4, 2016

AR References: 30646
Assigned To: 04 CARS-ADMO
Subject: AREA Government Liaison Days
Action Requested: Take necessary action (BN, Speaking Notes, Greetings)
Correspondent: Amanda Nielsen (Alberta Real Estate Association)
Constituency: ,

	Name and Phone Number		Initials and Date
Approved by ADM:	Colin Lloyd	780-427-2300	
Edited by MCU:	Sue Byer		Oct 26/16
Approved by MCU:	Rachel Bouska	780-644-4524	RB Oct. 27/16
Approved by DM CoS:	Linda Chupka	780-422-6174	LC Oct 27/16
Approved by DM:	Tim Grant	780-415-4954	MB Oct 25, 2016 A/DM Mark Bassett
Approved by MO:			

File Number:
Comments: Three part request from AREA, request for "Welcome to the conference" note for conference program inclusion, speaking notes for MLA Reception and BN for possible meeting with AREA members.
BN drafted by Kelly Refah, Consumer Programs. Speaking Notes and Printed Greeting drafted by Scott Seymour in Comms, and reviewed in CP.
Additional Notes:

ADVICE TO THE MINISTER

MEETING WITH THE ALBERTA REAL ESTATE ASSOCIATION

PURPOSE:

- The Alberta Real Estate Association (AREA) has requested a meeting with the Minister prior to its upcoming MLA reception on November 22, 2016, to discuss advocacy ideas.

RECOMMENDATION:

- It is recommended that the Minister decline the request for a meeting with AREA before the reception.
  - The Minister met with AREA representatives as recently as August 25, 2016 to discuss the real estate regulatory environment and other AREA priorities.
  - The Minister has accepted AREA's invitation to attend the MLA reception on November 22, 2016 and to provide welcome remarks at this event.
  - The Minister's schedule may not permit her to meet with AREA ahead of the MLA reception due to the Legislature being in session that day.

BACKGROUND:

- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta REALTOR members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups.
- AREA members make up 90 per cent of real estate licensees under the *Real Estate Act* and approximately 70 per cent of the total licences issued by the Real Estate Council of Alberta (RECA).
- Not all real estate professionals belong to AREA. Membership is voluntary.

KEY CONSIDERATIONS:

- AREA also invited the Deputy Premier, Honourable Sarah Hoffman, to the MLA reception and requested a similar meeting to discuss advocacy issues including affordable housing, condominium regulation development, and property measurement. Minister Hoffman's office has indicated that she will not be attending the reception.
- A synopsis of these topics is provided below, should the Minister wish to make mention of these topics in her address at the MLA reception.

Affordable Housing

- Bill 202, the *Alberta Affordable Housing Review Committee Act* passed second reading in April 2016 and is expected to be debated further in fall 2016.
- The Bill will establish a committee that will develop recommendations to ensure Albertans have the benefits of safe, appropriate, and affordable housing.
- Issues to be considered by the committee include supporting affordable home ownership, as well as rent regulation, rent subsidies, security deposit limits, and mobile and manufactured homes.

Condominium Regulation Development

- Service Alberta is currently developing amendments to the Condominium Property Regulation, which are intended to support the *Condominium Property Amendment Act* (CPAA) passed by the Legislative Assembly in December 2014.
- The CPAA will be gradually phased-in, along with supporting regulations that are being developed through a four-phase process.
- AREA has a strong interest in the CPAA, and has actively participated in previous Service Alberta consultations regarding this legislation.
- AREA welcomes the opportunity to work cooperatively with Service Alberta to address condominium issues in a manner that protects the public's interests.
- Key issues of importance to AREA are:
  - timely access to condominium documents during a real estate transaction;
  - elimination or reduction of fees charged for condominium documents;
  - strong compliance and enforcement protocols to enhance consumer protection, including affordable and effective alternatives to the courts for handling disputes; and
  - enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- These issues will be addressed along with other governance topics in the second phase of regulatory development, with public consultation anticipated in mid-2017. The creation of a condominium dispute tribunal will be dealt with in the fourth and final phase of the project.

Property Measurements

- Residential Measurement Standards (RMS) are used to determine the square footage of a home.
- Due to an increase in complaints about residential property measurements and the lack of industry wide measurement standards, RECA undertook extensive consultation to develop provincial RMS guidelines.

- Based on this consultation, RECA updated its pre-licensing education course material in February 2015 to set new rules for measuring residential property. This was followed in fall 2015 with the release of an RMS guide to all real estate professionals to use in residential real estate transactions.
- In May 2016, RECA released a revised RMS guide as the single standard in Alberta to for real estate professionals to measure and communicate the size of residential property.
- AREA has indicated support for the new RMS standards, but raised concern that the timeframe in which real estate professionals must learn and comply with the new standards is insufficient.
- Despite initial concerns about the RMS, the local real estate boards have largely accepted the RMS as the single measurement standard for residential properties.
- According to RECA, the remaining outstanding issue with RMS is the methodology for measuring semi-detached homes. RECA intends to work with industry stakeholders to clarify this element.
- RECA is developing an interactive education course on measurement practices that all real estate professionals must successfully complete as part of next year's licencing renewal process.

ATTACHMENTS:

1. Minister's greetings for inclusion in AREA's conference program
2. Minister's Speaking Notes

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

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Approved: _____

AR 30679

Minister's Greetings for Inclusion in the Alberta Real Estate Association's Conference Program

Hello and welcome to the Alberta Real Estate Association's (AREA's) Government Liaison Days Conference.

The Government of Alberta is proud to participate in this event because it gives us a chance to recognize the hard work of members of Alberta's real estate sector in building strong communities across our province, and the importance of a resilient real estate sector to our economy.

As REALTORS, you know that buying a home is one of the most important purchases a consumer can make, but it bears repeating because finding an affordable home will always be an essential part of Albertans' lives. In addition to helping Albertans and their families find places to live, you often help them settle into their homes and communities by informing them about utility services, local bylaws, and the importance of home inspections. Your work does not go unnoticed.

AREA assists REALTORS through advocacy, education and through a range of benefits offered to its more than 10,000 members. AREA's initiatives improve the work of REALTORS and the market in which they work.

On behalf of the Government of Alberta, I hope your conference is successful and enlightening. Please take time to network and learn from each other.

Sincerely,

Hon. Stephanie McLean
Minister of Service Alberta and Status of Women

Speaking Notes
(check against delivery)

Hon. Stephanie McLean
Minister of Service Alberta

Alberta Real Estate Association (AREA)
Government Liaison Conference – MLA reception

Matrix Hotel
10640 – 100 Avenue
Edmonton, AB.

5:30 p.m. to 7:30 p.m.
(Minister scheduled to speak around 5:45 p.m.)
Tuesday, November 22, 2016

Contact	Amanda Nielsen, Public Affairs and Stakeholder Relations Advisor, AREA; 780-920-5001 (cell)
Minister's Role	Speech
Theme/Subject	Greetings on behalf of Government of Alberta, update on a few topics relevant to audience
Audience	REALTORS, AREA staff
Attire	Formal
MC/Introduction	Podium, PA system Ian Burns, CEO for AREA, will introduce the Minister
Program	Minister is schedule to speak around 5:45 p.m. and has up to 15 minutes to speak
Media	None

INTRODUCTION

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you today, and I am pleased to bring greetings on behalf of the Government of Alberta.
- Our government is in the middle of a very busy fall session over at the Legislature so it's nice to be able to come over and attend your event this week in Edmonton.
- I want to talk about some of the initiatives we've been working on that will be of interest to you, but first, I want to thank you for the work you do to help Albertans find homes and settle in communities.

ECONOMIC CHALLENGES

- I don't need to tell you about the challenges our province is facing right now.

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- Albertans are concerned about being able to provide for their families. Every sector of the economy, including the real estate industry, has been affected by the collapse in oil prices.
- However, our province in general and the real estate industry in particular, is resilient.
- REALTORS learned long ago how to roll with the punches and adapt to what the market brings you.
- Now, more than ever, Albertans want and need peace of mind when they buy a home.
- REALTORS help make that happen.
- As a government, we are doing everything possible to promote job creation and economic diversification.
- But we rely on REALTORS to help promote and build our communities.

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- You are a front-line contact between consumers and many of our programs, services, and legislation related to building, buying, or renting a house, apartment, or condominium.
- You also help home buyers by providing advice, as needed, related to home inspections, local bylaws, or obtaining essential services such as electricity, natural gas, and other utilities.
- In other words, you don't just help them find homes, you help them settle into their homes as well.
- We thank you for that.
- I want to give you some brief updates on a couple of items of interest that Service Alberta is working on.

AFFORDABLE HOUSING

- Bill 202, the *Alberta Affordable Housing Review Committee Act* was tabled during the spring session of the Legislature.

- It passed second reading and it was on our agenda during the current legislative session.
- We are committed to this legislation because we know that, for many Albertans, finding and securing safe, appropriate, and affordable housing is a challenge.
- Bill 202 will create a mechanism to examine affordable home ownership, rent regulation, rent subsidies, and security deposit limits.
- The committee will be mindful of maintaining the balance between an affordable supply of housing for all Albertans, and a healthy, stable rental market.
- We understand that improving the supply of affordable housing is a complex matter requiring the co-operation of many stakeholders.
- We look forward to the passage of this bill and the committee's work going forward.

***REAL ESTATE ACT* AMENDMENTS**

- Many of you are curious about the timing of possible amendments to the *Real Estate Act*.
- My department recognizes the need to review the *Real Estate Act* for potential amendments to address changes in the industry.
- Service Alberta supports the continued self-regulation of the real estate industry through the Real Estate Council of Alberta.
- The timing of the review will be determined once the ministry's multi-year legislative plan is finalized.
- Our promise to you is that AREA will be engaged in further consultations on these amendments once we begin the review of the *Real Estate Act*.

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CONDOMINIUM PROPERTY ACT

- And last, but certainly not least …
- I know many of you have been waiting a long time to find out what's going on with respect to the implementation of the *Condominium Property Amendment Act*.
- There were more than 50 amendments in all – and many of those required drafting of new regulations.
- We divided the new regulations into four phases.
- The Phase One amendments are aimed at further protecting new condo buyers by enhancing the amount of information disclosed at purchase, and the safeguards for handling purchase funds.
- The amendments will also provide us new tools to investigate and enforce breaches under the legislation.

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- This first phase is almost ready for presentation to Cabinet and I'm confident that these amendments be in force in 2017.
- I know that there are other amendments you are also interested in.
- In our past consultations, you've told us that it's important to have timely access to condominium documents during a sale, and that fees charged for accessing corporation documents should be reasonable.
- You also asked for enhanced rules to ensure condominium corporations maintain healthy reserve funds.
- It is our intention to address these and other governance issues in Phase Two of regulatory development.
- Service Alberta will consult stakeholders like AREA on these important policy issues in the next year.

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- Phase Three of regulatory development covers the licensing framework for condominium managers.
- The Real Estate Council of Alberta is currently working on this structure.
- You also told us there needs to be an affordable and effective alternative to the courts for handling disputes.
- Establishment of the condominium dispute tribunal will be addressed in the fourth and final phase of our regulatory development in late 2017.
- Bottom line – we have many people working hard on getting this regulation in force as quickly as possible.
- But we also want it done the right way.
- We all want to ensure condominiums remain a safe and affordable investment for buyers and owners.

- I want to thank AREA for their commitment to the *Condominium Property Act* Review project over the years, and for participating in all consultations held by my ministry.
- You have been a strong advocate for the amendments to the *Condominium Property Act,* and we're very grateful for that.

CONCLUSION

- Once again, thank you for inviting me to come to your event today.
- As you can see, our government is working hard to bring forward changes that benefit Albertans in the course of buying and selling real estate.
- I also want you to know that we always welcome your input.
- Our province is facing a lot of economic challenges right now, and we place a lot of value in the contact we regularly have with industry associations such as yours.

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- On behalf of Premier Notley and our government, thank you for your continued support and participation.
- Thank you very much.

Dhanandjay Goboodun

From: Amanda Nielsen <anielsen@areahub.ca>
Sent: Wednesday, September 21, 2016 4:09 PM
To: Service Alberta Minister; Dawn Turton
Cc: Greta Levy; Carlynn McAneeley
Subject: Re: AREA Government Liaison Days

Hello Dawn, Greta, and Carlynn,

Just a quick note to follow up on the requests for Minister McLean below.

Can you please let us know her availability to bring greetings at our reception and meet with our members briefly?

Many thanks!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Amanda Nielsen
Sent: Monday, May 2, 2016 3:01 PM
Subject: AREA Government Liaison Days

Dear Amy and Dawn,

I hope this note finds you well.

From November 21-23, AREA will be hosting its Government Liaison Days. This involves bringing more than 100 of our members from across the province to Edmonton to meet with MLAs and develop policies.

On November 22nd, we will host our MLA Reception at the Matrix Hotel.

I'm wondering - can we get a "welcome to the conference" type of note from Minister McLean for inclusion in the AREA conference program?

Secondly, would Minister McLean be willing to speak at our MLA Reception on the 22 at Matrix Hotel? We would be grateful to have her participation!

Lastly, is Minister able to meet with our members immediately before the reception to learn about some of our advocacy ideas? Alternatively, any time on the 23 would work as well.

Many thanks to you both.

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
Phone: 780.920.5001
Email: anielsen@areahub.ca
Twitter: @Amanda_Nielsen_

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Tariro Nyemba

From: Jennifer Cunningham
Sent: October-26-16 1:06 PM
To: Linda Monilaws
Subject: RE: AREA Government Liaison Days

Thanks Linda.

From: Linda Monilaws
Sent: October-26-16 11:03 AM
To: Amanda Nielsen; Jennifer Cunningham
Cc: Kerri Romanetz
Subject: RE: AREA Government Liaison Days

Hi Amanda,

DM Grant has a conflict with attending a Cabinet meeting that day and we can't confirm his attendance until a day or two before your event. DM Grant has asked that Colin should speak at this and he will do his best to attend a portion of this.

Thanks.

Linda

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Wednesday, October 26, 2016 10:44 AM
To: Jennifer Cunningham
Cc: Kerri Romanetz; Linda Monilaws
Subject: Re: AREA Government Liaison Days

Hi Jennifer,

Thanks for the email.

Does that mean Tim can speak for 20 minutes, and Colin for 20 minutes?

Many thanks,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_1 | areahub.ca

From: Jennifer Cunningham <jennifer.cunningham@gov.ab.ca>
Sent: Wednesday, October 26, 2016 10:42:09 AM

To: Amanda Nielsen
Cc: Kerri Romanetz; Linda Monilaws
Subject: RE: AREA Government Liaison Days

Good morning,

To confirm, both Tim and Colin will still be attending however your agenda may need to be adjusted as it will only be possible for Colin to speak for approximately 20 min.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Jennifer Cunningham
Sent: September-06-16 11:19 AM
To: 'Amanda Nielsen'
Cc: Kerri Romanetz; Linda Monilaws
Subject: RE: AREA Government Liaison Days

Hello Amanda,

Yes this will also work for Colin.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: September-06-16 11:07 AM
To: Linda Monilaws; Jennifer Cunningham
Cc: Kerri Romanetz
Subject: Re: AREA Government Liaison Days

Hi Linda and Jennifer,

Our Government Liaison Days schedule has shifted somewhat, and we are now hoping to have Tim or Colin (or both!) speak from 1:15-2pm on November 21.

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Would this new time be possible?

Many thanks!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Amanda Nielsen
Sent: Tuesday, August 30, 2016 5:15 PM
To: Linda Monilaws
Cc: Kerri Romanetz; Brad Mitchell
Subject: Re: AREA Government Liaison Days

Hi Linda,

Thanks for the email. I am so glad the Deputy Minister can attend our MLA Reception. We look forward to welcoming him then!

I will await your note to determine who will speak to our members on November 21. Thanks to your office for making time to connect.

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Linda Monilaws <linda.monilaws@gov.ab.ca>
Sent: Tuesday, August 30, 2016 3:37 PM
To: Amanda Nielsen
Cc: Kerri Romanetz
Subject: AREA Government Liaison Days

Pages 1316 through 1318 redacted for the following reasons:
- -
Duplicate to pages 1105-1107

Tariro Nyemba

From: Jennifer Cunningham
Sent: October-27-16 10:38 AM
To: 'Amanda Nielsen'; Linda Monilaws
Cc: Kerri Romanetz
Subject: RE: AREA Government Liaison Days

Hello Amanda,

Yes Colin will be able to take questions after his speech however I would still plan to have an extended break as I don't think the questions will fill the remaining 25 min entirely.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: October-26-16 3:38 PM
To: Linda Monilaws; Jennifer Cunningham
Cc: Kerri Romanetz
Subject: Re: AREA Government Liaison Days

Hi Linda,

Got it - that makes much more sense!

Our complete conference program is available here: http://www.areahub.ca/Advocacy/Government-Liaison-Days-Information.aspx.

Will Colin be able to take questions after his 20 minute speech? Worst comes to worst, I suppose we can just have a longer break.

Many thanks!

Amanda

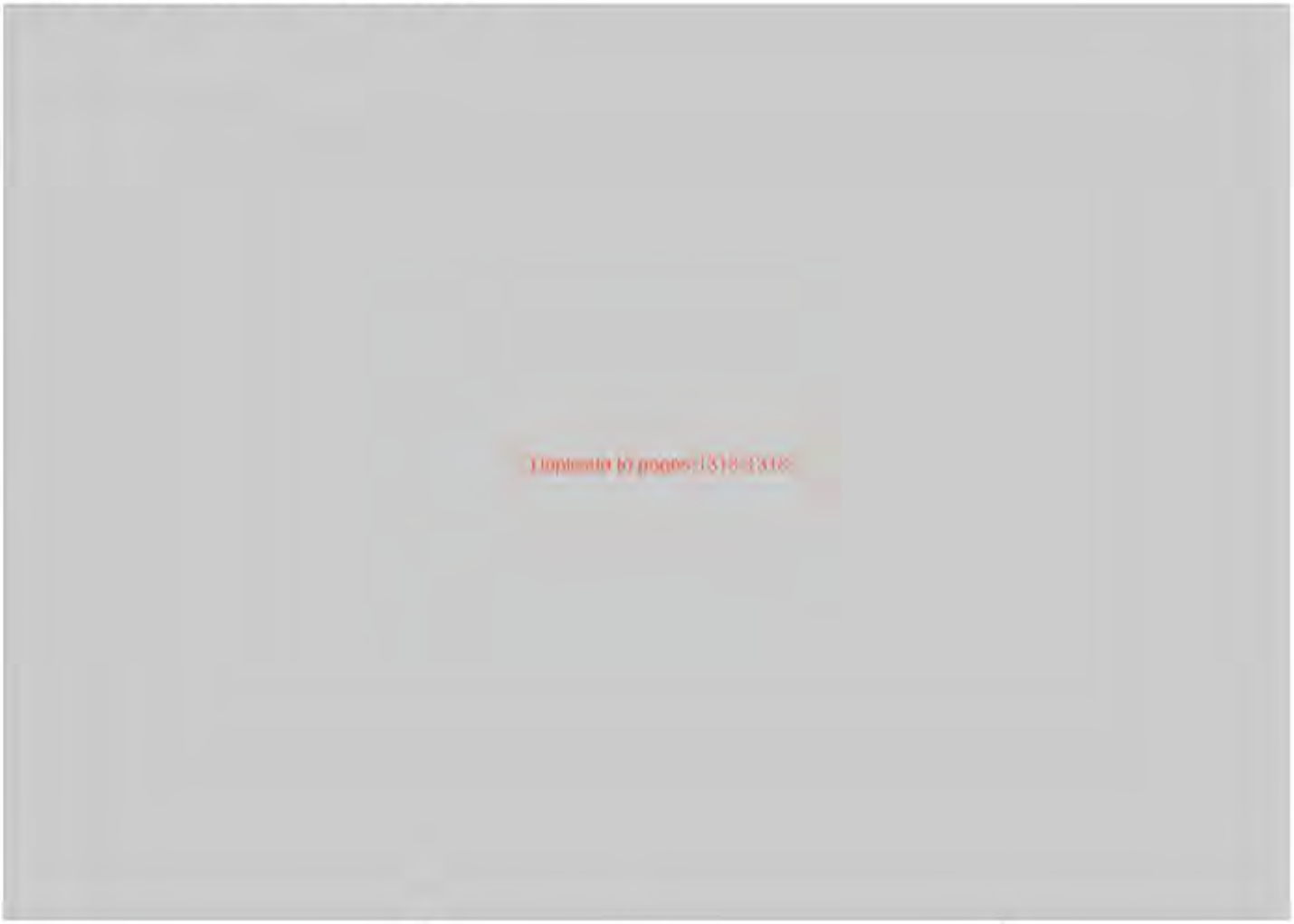
Alberta Real Estate Association Advocacy

www.areahub.ca

The Alberta Real Estate Association advocates on behalf of Alberta REALTORS® with the Government of Alberta and other real estate industry stakeholders. Alberta REALTORS® are a critical and influential voice advocating, for instance, to ensure a provincial or municipal Land Transfer Tax never becomes a reality in Alberta.

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_| areahub.ca

From: Linda Monilaws <linda.monilaws@gov.ab.ca>
Sent: Wednesday, October 26, 2016 11:03:23 AM
To: Amanda Nielsen; Jennifer Cunningham
Cc: Kerri Romanetz
Subject: RE: AREA Government Liaison Days



Pages 1321 through 1325 redacted for the following reasons:
- -
Duplicate to pages 1313-1318

Val Taylor

From: Colin Lloyd
Sent: Sunday, October 30, 2016 9:27 PM
To: Scott Seymour
Cc: Robert Whittaker; Cheryl Tkalcic; Mary MacDonald
Subject: RE: AREA speaking notes for you

Scott,

Thanks for this. I suggest a three way conversation involving Mary and her team so we strike the right topics and tone. I will have Robert coordinate.

Regards,

Colin

From: Scott Seymour
Sent: Wednesday, October 26, 2016 3:03 PM
To: Colin Lloyd <Colin.Lloyd@gov.ab.ca>
Cc: Robert Whittaker <Robert.Whittaker@gov.ab.ca>; Cheryl Tkalcic <cheryl.tkalcic@gov.ab.ca>
Subject: AREA speaking notes for you

Hi Colin...
It's my understanding that you're scheduled to speak at the AREA event in November and that you'll need speaking notes for a 20-minute speech. The AR's now up and it's been assigned to me.

We've got some time to get these together, so I've got a couple of questions for you:

- **What kind of "format" do you prefer?** Do you want actual "scripted" speaking notes, or do you prefer talking points or key messages that you can expound from?

- **What subjects to you want to cover?** Attached are the speaking notes that I put together for Minister McLean for the MLA reception on the evening of Nov. 22. In them, we thank realtors for helping Albertans find homes in a tough economy, Bill 202, future Real Estate Act amendments, and Condo Act regulatory development. It's my understanding that your speech will take place earlier in the afternoon on the same day.

Please advise on the above and we can also sit down for a couple of minutes to go over things.

Thanks!

Scott

Alberta Government

Scott Seymour
Public Affairs Officer| Communications | Service Alberta
Telus Plaza South Tower | 10020 - 100 Street | T5J 2N1
T: 780-422-8811| C: s.17(1) | scott.seymour@gov.ab.ca

Alberta Real Estate Association

Synopsis of Key AREA/RECA Communications from 2009 - Present

This package contains communications between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA). AREA is pleased to share this information in order to provide the Government of Alberta with relevant background information on the relationship between our two organizations, including a robust historical perspective. We have included correspondence dating back to 2009.

A synopsis of included communications is below. Please contact Brad Mitchell, AREA Director of Government Relations, at bmitchell@areahub.ca or at 403-771-3822 with any inquiries. We are happy to provide additional background information on any of the included material.

AREA represents the interests and concerns of 10 regional real estate Boards/Associations and more than 10,000 Alberta REALTORS®. We provide strategic leadership and advance the Alberta real estate profession through member-centric advocacy, professional development and provincial services.

Lloydminster Brokerage Forms

- In 2009, representatives from the regulatory organizations and the provincial real estate associations from both Alberta and Saskatchewan, and the REALTORS® Association of Lloydminster and District, undertook work to create one set of real estate forms that would comply with both provinces' regulatory framework. The Lloydminster and District expressed some outstanding concerns during the process.
- RECA responded with a compliance threat to involved REALTORS®, rather than addressing concerns productively.
- Resolution was ultimately achieved by industry organizations leading discussions and finding amenable solutions.
- Alberta Finance Minister Snelgrove became aware of RECA's response to this challenging situation, and sent RECA a letter of concern (included in package) regarding RECA's processes.

Real Estate Act Submissions

- RECA was designated by Service Alberta to take the lead in proposing amendments to the *Real Estate Act* in September 2012.
- AREA and its Alberta member boards were given an opportunity to share proposed changes from the industry's perspective to RECA for consideration as part of their submission to government.
- An industry work group comprised of REALTORS® from various provincial boards was formed to review and respond to RECA's consultation paper.
- The work group's report was subsequently approved by the AREA Board and provided to RECA.
- The work group identified a particular concern for Alberta REALTORS® which was not included in RECA's final submission to Service Alberta; the Purpose of Council (Clause 5).
- AREA notified five RECA Council appointees as well as senior RECA staff it would be proceeding with an independent submission containing the content not included in RECA's submission.

Alberta Real Estate Association

- AREA's independent submission to Service Alberta from 2014 outlining the work group's recommendations as well as RECA's response to the Minister of Service Alberta, Hon. Doug Griffiths, opposing AREA's submission, and implying that AREA was acting uncordial by preparing an independent submission without prior consultation is included.

AREA's Forms & Practice Committee

- In February 2014, a routine meeting invitation from AREA staff to RECA staff who have historically sat on AREA's Forms & Practice Committee meeting was sent.
- RECA responded that it would withdraw its staff participation in the AREA Forms and Practice Committee meetings as such service would fall within the purpose of council [Real Estate Act Clause 5(b)], which AREA opposed.
- RECA refused to participate until the Government made a decision to retain clause 5(b) in the *Real Estate Act*.

Licensing Education

- In 2015, AREA concluded the administration of licensing education following a lengthy transition to RECA. AREA noted it does not endorse the model for content and delivery of licensing education currently in progress in Alberta as delivered by RECA.
- RECA responded with a lengthy fact sheet titled "Setting the Record Straight" distributed to all provincial REALTORS®, accusing AREA of providing inaccurate information to members, stakeholders and the Government of Alberta regarding the transition of licensing education responsibilities.

Measurement Standards

- There has never been, nor are there currently, a set measurement standards for homes or condominiums in Alberta that would allow both consumers and industry members to easily and fairly understand and compare property sizes.
- RECA, within its launch of new residential licensing education, released content for provincial residential measurement standards.
- In June 2015, AREA communicated to RECA concern RECA had put out "measurement standards" and did not communicate to industry information regarding the standards. Further communication from RECA indicated that they were not in fact standards – RECA had no intention of enforcing them province-wide, making them instead voluntary guidelines.
- From Nov-Dec 2015, communication occurred between AREA and Service Alberta employees and AREA received what it interpreted as a request for AREA to take a leadership role on this topic. AREA started engagement processes and bringing stakeholders together.
- In Feb 2016, RECA distributed a Consultation Paper conveying the Real Estate Appraisers Advisory Committee, and advised it would perform additional consultation with stakeholders and remove the RMS information bulletin and Guide from their website.
- AREA understands RECA may have expressed concern to Service Alberta that it was somehow directing AREA appointees to the RECA Council on how to vote on measurement standards,

Alberta Real Estate Association

violating appointee fiduciary duties. AREA respects the independence of its appointees, and has not advised its appointees on how to vote.

myRECA

- This section relates to RECA's online licensing platform for real estate members.
- AREA, having received feedback from members its members throughout 2014/2015, communicated feedback to the regulator regarding experiences with the platform to ensure RECA was aware of experiences industry was having.
- Response by RECA to AREA was a communication unrelated to the topic.

CREB® Listing Addendum

- In this section, please find a 2015 industry-wide communication (all ten regional boards) from RECA regarding an issue pertaining to one local board.
- Communication is provided to demonstrate response pattern that has been coined by some as aggressive instead of engaging in a process that promotes constructive dialogue.
- This issue is still in progress. We understand CREB® is pursuing a meeting with RECA to discuss further.

RECA Strategic Plan, Governance & Self Regulation

- Communications in this section of the binder reflect AREA's requests to RECA relating to governance practices, as well as our submission to RECA regarding RECA's strategic plan where we list governance as a key priority for the regulator.
- AREA aspires for meaningful engagement and knowledge of priorities and projects RECA is working on to facilitate ongoing open dialogue on making the real estate sector work effectively for both consumers and industry members.
- Thus far, RECA has said it would consider AREA's ideas, but has not taken any steps towards addressing them that we are aware of.

RECA Appointments

- Communications in this section of the binder include communications relating to the pending term-ends of three of AREA's RECA appointees on October 31, 2016.
- RECA has communicated that they "look forward to the re-appointment" of two Council members although this decision has not yet been finalized by AREA.
- A legal opinion relating to the number of nominations AREA is entitled to request from real estate boards in accordance with the *Real Estate Act* has also been included. This opinion was sought after it was brought to AREA's attention that RECA was advising two of the large boards of their ability to essentially make direct appointments to RECA by providing AREA with only one nomination.
- The legal opinion supports the purpose of the *Act* is to give AREA the ability to make a choice from provided appointments (plural), therefore AREA believes RECA's advice to the boards is incorrect.

Alberta Real Estate Association

RECA Appointees' Resumes

- This section includes the resumes of each of the Council appointees AREA provided in 2015, highlighting AREA's commitment to ensuring a knowledgeable, qualified, diverse Council dedicated to meaningful engagement.

REAL ESTATE COUNCIL OF ALBERTA

September 3, 2009

Mr. Keith Weinbender
C/O Century 21 Lloydminster Realty
2901 50TH Avenue
Lloydminster, Saskatchewan
S9V 0N7

Dear Mr. Weinbender:

RE: Compliance with Alberta Legislation in Lloydminster

The Real Estate Council of Alberta (RECA) acknowledges receipt of your undated fax correspondence received by RECA on September 2, 2009 with respect to compliance with Alberta real estate legislation by brokerages in the Lloydminster district.

At the conclusion of the meeting on February 18, 2009 in Lloydminster with representatives from the Saskatchewan Real Estate Commission (SREC), Association of Saskatchewan Realtors®, Alberta Real Estate Association and Lloydminster and district real estate brokers, RECA and SREC representatives undertook to work together within our respective legislative frameworks to bring back a solution that would comply with both of our regulatory frameworks. In addition, one of the underlying principles in our deliberations was that there is one solution for all residential trades in Lloydminster and surrounding district.

As I stated in my email of August 20, 2009, representatives from the SREC and RECA worked together to develop forms that could be used for all residential real estate transactions by members of Realtors® Association of Lloydminster and District (Board). The two jurisdictions came to agreement on the three documents developed for use in Lloydminster which are; the Exclusive Sellers' Brokerage Agreement, Transaction Brokerage Agreement and the Agency Relationships Guide. There will be one set of forms to be used by members of the Board for all their residential transactions. Please note that the all Rules and requirements for transaction brokerage apply to all trades in real estate, there is only mandatory wording required in the forms for residential real estate.

It was reported at a recent meeting of RECA's Residential Real Estate Advisory Committee that there appeared to be compliance in the rest of Alberta with the mandatory content for residential relationship forms pursuant of the *Real Estate*

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Act Rules. In addition, RECA's auditors have reported compliance with these requirements with the exception of Lloydminster and district brokerages.

You have raised the Protocol of Understanding (Protocol) which is to promote cooperation between the governments of Saskatchewan and Alberta. The Real Estate Council of Alberta is an independent self regulatory organization and as stated in s.4 of the *Real Estate Act* of Alberta, the Real Estate Council of Alberta is not an agent of the Crown. Having said that, SREC and RECA met the spirit of the Protocol by did collaborating to find an option that can work for all of the residential transactions in the City of Lloydminster and properties in the surrounding areas. The Lloydminster issues that have already been addressed in the *Real Estate Act* cover issues that are specific to Lloydminster such as office location, record management and trust account maintenance, all of which are limited to the City of Lloydminster.

RECA is charged with the responsibility of administering the *Real Estate Act*, its' Regulations and the *Real Estate Act* Rules. RECA expects that all real estate industry members in Alberta will comply with the requirements of real estate legislation, including those industry members in the Lloydminster district.

Yours truly,

K. Bacon

Kirk Bacon
Director, Industry Standards

cc: Honourable Heather Klimchuk
Service Alberta

Honourable Lloyd Snelgrove
President Treasury Board

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RECA

Bill Briggs, President
AREA

Al Jacobson, Executive Director
SREC

Bill Madder, Executive Vice President
ASR

Lloydminster & District Brokerages

ALBERTA
TREASURY BOARD

President of the Treasury Board
MLA, Vermilion-Lloydminster

SEP 15 2008

Mr. Ralph Salomons
Chair
Real Estate Council of Alberta
Suite 350, 4954 Richard Road
Calgary, AB T3E 6L1

Dear Mr. Salomons:

I have been copied on the correspondence from your Director, Mr. Kirk Bacon, Industry Standards to Mr. Keith Weinbender of Century 21 Lloydminster Realty regarding real estate brokers in the city of Lloydminster.

As the MLA for Lloydminster, I wish to clarify if Mr. Bacon's correspondence is in fact the work of an overzealous individual or does it indeed reflect the Council's position? I find the tone of his response to Mr. Weinbender, on your behalf, absolutely shocking and an irresponsible attempt to manipulate a situation where no problem currently exists.

As Mr. Bacon states, the Real Estate Council of Alberta may indeed be charged with the responsibility of administering the *Real Estate Act*, its' regulations and rules. May I remind the Council that it is your responsibility to fairly represent the practical interests of both your members and the public at large.

I wish to confirm to the Council that the Government of Alberta has an obligation to the real estate industry to regularly review the Act in it's entirety to ensure it is workable, supports fair practice, and protects the industry and those who seek the services legislated by this act.

At this point, it is crystal clear to me that something needs to change. If your Board determines that this is an appropriate interpretation and application of the Act, then I must conclude the *Real Estate Act*, as it is written, must be revised.

.../2

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It is my intention to seek the advice of Honourable Heather Klimchuk, Minister of Service Alberta, to determine the most appropriate action.

Yours truly,

Lloyd Snelgrove

Cc: Honourable Heather Klimchuck, Minister of Service Alberta
Mr. Bill Briggs, President AREA
Mr. Dan Russell, VP AREA
Mr. Bill Fowler, Director of Industry and Government Relations AREA
Mr. Al Jacobson, Executive Director SREC
Mr. Bill Madder, Executive Vice President ASR
Mr. Kirk Bacon, Director Industry Standards
Mr. Keith Weinbender, Century 21 Lloydminster Realty
Mr. Bob Myroniuk, Executive Director RECA

Alberta Real Estate Association

January 6, 2014

Kevin Clark
Chair, Real Estate Council of Alberta
Suite 350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Kevin:

Further to the Government of Alberta's review of the *Real Estate Act* (*Act*), please find attached a copy of the Alberta Real Estate Association's submission to Service Alberta, which was forwarded to Service Alberta today.

We appreciated the opportunity to participate in the Council's consultation process concerning proposed amendments to the Act. The industry work group AREA formed to undertake this task uncovered areas of concern that were not addressed in the proposed amendments. While these areas were identified in the Industry Work Group's final report to RECA, they were not captured in RECA's submission to Service Alberta. As a result, the AREA Board submitted the attached report to government highlighting the main area of concern: Council's mandate, as outlined in 1.5 Purposes of Council in the Act.

AREA is supportive of the manner in which RECA has undertaken to deliver on its mandate, as outlined in the *Act*. Our concern is with the mandate itself, as currently articulated in the *Act*. In providing the attached submission to government, AREA hopes to support Council's focus on consumer protection, while, at the same time, bring more specificity to Council's regulatory role within industry.

We value our relationship with Council and are open to a dialogue with Council in this regard, should Council feel the desire to explore the topic of our submission further.

Best regards,

Keith Weinbender
President, Alberta Real Estate Association

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REVIEW OF ALBERTA *REAL ESTATE ACT*
SUBMISSION TO SERVICE ALBERTA

PROPOSED REAL ESTATE ACT AMENDMENT

Submitted by: Alberta Real Estate Association
January 6, 2014

Introduction

The Alberta *Real Estate Act* came into effect July 1, 1996, and was subsequently amended in 2006.

The Real Estate Council of Alberta (RECA) is responsible for administering the Real Estate Act and, in doing so, governs real estate, mortgage and real estate appraisal professionals within the province of Alberta.

The Alberta Real Estate Association (AREA), a provincial professional association with membership that includes 10 real estate boards and more than 10,000 REALTORS® in the province of Alberta, represents more than 90 percent* of real estate professionals in Alberta - a significant majority of licensees governed by RECA. The real estate professionals that RECA licenses and that are not members of AREA predominately include a number of large real estate commercial houses, a few rural real estate practitioners who don't require access to the MLS® System to do business and various individuals who obtain a license for purposes outside of transacting real estate, such as those who work within a non-real-estate-related corporate entity.

*December 2012 RECA licensee data correlated with AREA membership counts

In September of 2012, Service Alberta directed RECA to complete a review of the *Real Estate Act* and propose amendments to the Act.

RECA undertook consultations with various stakeholders to gather feedback on the regulator's proposed amendments to *the Act*, beginning with a consultation paper that RECA circulated to stakeholders in late December of 2012. The deadline for a response to the paper was February 28th, 2013. Working within an extremely tight response timeframe, AREA participated in these consultations by forming a provincial industry work group to review and respond to the amendments. This work group comprised REALTORS® from various provincial regions and AREA Board members and was supported by AREA's CEO and legal staff person. The report was subsequently approved by the AREA Board of Directors and provided to RECA to meet the response deadline. The report is attached to this submission.

Proposed Amendment to Real Estate Act

In general, the *Act* has worked well to protect consumers served by real estate sectors and AREA and its members support the positive steps taken by RECA to

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ensure that high standards of conduct within the real estate industry are maintained.

AREA appreciated being consulted on RECA's proposed amendments; however, it quickly became apparent to the Industry Work Group reviewing RECA's proposed amendments that the amendments did not capture an area of particular interest and concern to REALTORS® across the province, AREA, the regional real estate boards and other provincial industry associations. The Industry Work Group's subsequent response to RECA's proposed amendments raised the concern outlined in this report, but the concern was not included in RECA's final submission to Service Alberta.

As such and on behalf of these stakeholders, we wish to independently submit the following proposed amendment in addition to those amendments proposed by RECA. We respectfully request your consideration of this one additional amendment, which forms our top priority as it relates to the review of the *Real Estate Act*.

This report is in no way a criticism of the manner in which RECA has undertaken delivery of their mandate. Rather, we feel this report brings into focus what we perceive to be unintended consequences arising from a mandate that includes language that is broad and imprecise in nature. AREA advised RECA, in advance of this report, that a submission would be made to Service Alberta in this regard and this report was also provided to RECA at the time that it was submitted to Service Alberta.

AREA wishes to thank Service Alberta, in advance, for considering this one additional proposed amendment, contained herein, as part of the review of the Alberta *Real Estate Act (Act)*.

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Issue: Scope of Authority

1.5 PURPOSES OF COUNCIL

PROPOSED AMENDMENT: Remove 5(b) from section 5: Purposes of Council

Current *Real Estate Act* Wording	Proposed Wording	Rationale for change
5(b) to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.	Delete 5(b) in its entirety	• To reduce the risk of potential conflicts of interest • To eliminate duplication with mandates of and services provided by other existing industry bodies • To reduce confusion on the part of industry members • To reduce risk of dilution of primary purpose and the potential for scope creep

Details of Rationale

Currently, Purposes of Council in the *Real Estate Act* are outlined as follows:

> *5(a) to set and enforce standards of conduct for the industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry, to protect against, investigate, detect and suppress mortgage fraud as it relates to the industry and to protect consumers affected by the industry;*

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(b) to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members;

(c) to administer this Act as provided in this Act, the regulations, the bylaws and the rules.

While we entirely support Council's primary purpose as a regulatory body, which is to set and enforce standards of conduct as a means to protect the consumer, we do not support Council's role as outlined in 5(b) to provide services and other things to enhance and improve the industry and business of industry members for a number of reasons:

1. **Risk of conflicts of interest:** Including '*the provision of services and other things to enhance and improve the industry and business of industry members*' in Council's mandate has the potential to create conflicts of interest. For example, recognizing that Council's primary purpose is to protect the consumer, we note that a risk of conflict can arise when Council actively undertakes initiatives to 'enhance and improve the business of industry members'.

   Certainly, there are specific aspects of industry members' business that are regulated by Council and these are specifically set out in Part 2, Division 1 of *the Act*. Council's role, as it relates to these specific aspects of industry members' business is clearly articulated in 5(a), where the regulator is directed to set and enforce standards of conduct for the industry and the business of industry members.

   In addition to 5(a), however, the inclusion of 5(b) provides for a general directive in the *Act* to improve the industry and business of industry members, potentially beyond the specific aspects covered in Part 2, Division 1. In fulfilling this part of the mandate, the regulator must achieve a delicate balance between the interests of the industry member and those of the consumer, as alignment with Council's primary purpose necessitates that any improvement to the industry members' business must enhance consumer protection. Herein lies the potential for conflict: who is the regulator serving when it acts to improve the business of members: the industry member or the consumer? The easy answer is both, yet achieving both without compromising the interest of one party or the other can be challenging.

   In our view, an appropriate balance is more easily achieved when the regulator focuses on protecting the consumer and when other member-serving industry bodies focus on improving the business of industry members outside of the specific aspects outlined in Part 2, Division 1 of *the Act*.

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2. **Duplication and confusion:** Including '*the provision of services and other things to enhance and improve the industry and business of industry members*' in Council's mandate has resulted in duplication of services. Beyond the inherent inefficiencies, Council's efforts to fulfill the 5(b) portion of its mandate has created increasing confusion on the part of industry members about the regulator's role in relation to that of other industry bodies.

   In terms of '*providing services and other things to enhance and improve the industry and the business of industry members*', the lines between the mandate of the regulator and other industry bodies have blurred:

   - Who delivers optional industry professional development: the regulator or industry associations/boards?
   - Who provides practice advice to practitioners: the regulator or the associations/boards?
   - Who hosts industry networking events, the regulator or the associations/boards?
   - Who advocates on behalf of the industry: the regulator or the associations/boards?
   - Whose role is it to demonstrate the value REALTORS® bring to the real estate transaction: the regulator or associations/boards?

   Beyond the confusion that has resulted, the choice of service options, while not typically a concern, becomes an issue when the service alternative is offered by the organization that carries the "bigger stick" by virtue of its regulatory mandate. With the *Real Estate Act* providing the regulator with the power to trump all other organizations, there are no checks and balances inherent in the structure of the industry. Removal of 5(b) would reduce duplication and confusion. Further, removal of 5(b) may facilitate Council to work through and with existing industry bodies when issues or opportunities arise that fall outside the regulator's mandate, but which could ultimately further the regulator's consumer protection mandate, resulting in greater efficiencies and clarity for all.

3. **Risk of dilution of primary focus and scope creep:** Including '*the provision of services and other things to enhance and improve the industry and business of industry members*' in the regulator's mandate has the potential to shift focus and resources away from what we feel is the core purpose of the regulator, outlined in 5(a) and 5(c).

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The regulator works hard to fulfill all aspects of its mandate. This diligence, coupled with the breadth of the regulator's mandate, particularly as provided for in 5(b), has resulted in a myriad of priorities, initiatives and activities - all of which compete for time, money and resources. We note that the regulator's staff count has almost doubled within the last five years and licensing fees for real estate practitioners have increased more than 50 per cent since 2008. During this timeframe, we recognize that licensing fees were increased to include the registration fee for the regulator's mandatory relicensing course, a cost to real estate practitioners that was previously separate from the licensing fee; however, it appears that licensing fees have increased more than 30 per cent since the education costs were included in the licensing fee.

Particularly in an industry characterized by a commission structure that creates income uncertainty, rising licensing costs can be problematic. As many of the regulator's initiatives and activities duplicate services by existing industry organizations and since these initiatives have the potential to create conflicts of interest and industry confusion, we propose that focusing the regulator's mandate on consumer protection, as outlined in 5(a) and 5(c) of the *Act*, will do much towards mitigating this risk, lessen the regulator's current load, reduce associated costs to industry and ensure a strong focus on consumer protection.

In summary, we wish to put before you one very straightforward recommendation: to remove 5(b) from Section 5 Purposes of Council in *the Act*.

Removal of 5(b) would amend the scope of Council as a means to enhance focus of the governing body on those regulatory requirements that ensure consumer protection, Council's primary reason for being. At the same time, an amended scope that brings more specificity to Council's role within industry will lessen the risk of possible conflicts of interest, dilution of primary focus and the potential for scope creep. Finally, we feel our recommendation will reduce the likelihood of duplication of services with other industry entities and resulting industry confusion and cost.

As expressed in RECA's statement on self-regulation, '*as a facilitator of self-regulation, RECA will be focused on the public interest.*' In our view, removal of 5(b) from the Act will provide the appropriate legislative structure to support and align with Council's desired focus.

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We feel it important to note that elimination of 5(b) would not necessarily negate Council's continued involvement, from a regulatory perspective, in services offered by other industry entities that serve the practitioners the regulator governs. Rather, elimination of 5(b) could have the positive effect of changing the manner in which the Council contributes. We anticipate that removal of 5(b) would help foster more engagement and collaboration, on the part of the regulator, with other bodies such as industry associations. Narrowing of the regulator's scope would necessitate it to work with these bodies, which, at this juncture, occurs at Council's discretion. RECA's mandate should more directly foster and facilitate the necessity of the regulator, as the more powerful body, to work with existing industry bodies to achieve a healthy balance and effective use of resources in serving the industry.

Our proposed amendment represents a concern that is shared by the Alberta Mortgage Brokers Association, and, we believe, by other professional associations that serve the practitioners RECA governs. We propose that a roundtable, with the Minister, of industry associations that serve licensees regulated by Council would be helpful to discuss this concern as part of the *Real Estate Act* review process and thus, allowing input directly from those organizations that represent the grass roots members within these real estate industry sectors.

We look forward to an opportunity to discuss our recommendation in further detail with you at a time that is convenient for you.

Sincerely,



Keith Weinbender, President,
Alberta Real Estate Association on behalf of the AREA Board of Directors

Attachment: Appendix: Report of the Industry Work Group: Real Estate Act Review (submitted to the Real Estate Council of Alberta, February 28, 2013)

Copies to: AREA Board of Directors, AREA Appointees to Council, Senior RECA Staff, Alberta Real Estate Board Executive Officers and Presidents, REIX, industry associations for licensees regulated by RECA

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APPENDIX:



REPORT OF THE REAL ESTATE ACT REVIEW INDUSTRY WORK GROUP

Chair:	Madeline Sarafinchan
Members:	Geneva Tetrault, Edmonton REALTOR® Bill Fowler, High River REALTOR® Ed Jensen, Calgary REALTOR® and AREA Director Jennifer McKenzie, Medicine Hat REALTOR® and AREA Director Stan Mills, Lethbridge REALTOR® and AREA Director
Staff Liaison:	Dan Russell, AREA CEO Aruna Marathe, AREA Senior Analyst, Industry Relations
*** RECA Representatives:**	Kirk Bacon Jean Flanagan

(*In attendance at February 7, 2013 meeting)

The Industry Work Group reviewing possible amendments to the *Real Estate Act (Act)* met on January 15th and February 7th, 2013. At the January meeting, the work group reviewed the **Real Estate Council's Consultation Paper On Proposed Amendments (attached)**, and in February met with representatives of RECA to clarify issues arising out of the earlier meeting related to stakeholder feedback on the consultation paper.

The work group's response to each of the eleven issues identified by Council is provided below, together with a general statement in support of self-regulation, the recommendation of a joint Council/Industry submission to Service Alberta, as well as identifying several specific areas in addition to those raised in the consultation paper where amendments to the *Act* need to be considered.

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ISSUE 1 INTERPRETATION

1.1 DEFINITION OF ASSOCIATION AND APPRAISAL ORGANIZATION REA 1(1)(a)

RECOMMENDATION: Amend the reference to the Alberta Association of Appraisal Institute of Canada to "the Appraisal Institute of Canada" in the definition of "association."

- Following clarification as to intent, and confirmation that no issues had been raised by the Appraisal Institute or other stakeholders, the work group AGREED with the recommendation.

1.1 (0) "INDUSTRY MEMBER "

- Recommend term be changed to "licensee" "registrant" or some other acceptable term to avoid duplication and clarify the distinction with "member" organizations such as AREA, AMBA, Real Estate Boards, etc.

1.2 DEFINITION OF AUTHORIZATION REA 1(1)(0) Rules 5-12

RECOMMENDATION: For purposes of Part 3 conduct proceedings, authorization will be defined in the Interpretations section of the *Act* to mean a license.

- Given an explanation of the intent to provide clarity as to the type of license, the work group AGREED with the recommendation.

1.3 DEFINITION OF OFFICIAL REA 2(1)(iii), 9(1)(a), (d)(f), 77(7)(a), 77(8), 77(9)

RECOMMENDATION: Official is proposed to mean an individual who plays a role in management or establishes policies for the organization and includes but is not limited to directors, chief executive officers and chief financial officers.

- Given the explanation the reference was to "high level official or controlling mind of an organization," the work group AGREED with the recommendation.

1.4 REGULATION OF PORTABLE DWELLINGS REA (1)(1)(v)

RECOMMENDATION: Because it is unnecessary and causes confusion, the definition of portable dwelling will be removed but the regulation of real estate, including portable dwellings affixed to land, would continue.

The work group AGREED with the removal of this section from the Act.

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ISSUE 2 APPLICATION OF THE REAL ESTATE ACT

2.1 BANKS, TREASURY BRANCHES, CREDIT UNIONS, LOAN CORPORATIONS, TRUST CORPORATIONS OR INSURANCE CORPORATIONS REA 2(1)(b)

RECOMMENDATION: *The Real Estate Act* should apply to banks, treasury branches, credit unions, loan corporations, trust corporations or insurance companies when they are dealing in mortgages from other financial institutions

- With confirmation that mortgage brokers and private lenders had been consulted and were in accord, the work group **AGREED** with this recommendation.

2.2 AGENTS OF BANKS, TREASURY BRANCHES, CREDIT UNIONS, LOAN CORPORATIONS, TRUST CORPORATIONS OR INSURANCE CORPORATIONS REA 2(3)(a)

RECOMMENDATION: The application section of the *Real Estate Act* should remove the word agent to support consumer protection and a fair market place.

- The work group **AGREED** with this recommendation, provided the Mortgage Brokers Association had been consulted and concurred.

2.3 MORTGAGE INVESTMENT ENTITIES REA 2(3)c)

RECOMMENDATION: Clarify that the *Real Estate Act* does not apply to those who deal in mortgage investment entities.

- The work group **AGREED** with the recommendation.

2.4 PRIVATE LENDING

RECOMMENDATION: The *Real Estate Act* would not apply to private lending.

- It was **AGREED** the Act would not apply to private lending.

2.5 LENDING A PERSON'S OWN MONEY

RECOMMENDATION: The *Real Estate Act* would clearly outline that it does not apply to people who lend their own money secured by a mortgage.

- **AGREED** the *Act* would not apply to "individuals who lend their own money secured by a mortgage."

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ISSUE 3 COMPOSITION OF COUNCIL REA 6

3.1 APPOINTMENT OF REAL ESTATE OF ALBERTA COUNCIL MEMBERS

RECOMMENDATION: Amend the appointment process to allow the entire Council to appoint the non- AREA council members. Amend the reference to the Calgary and Edmonton boards from trade names to legal names as follows: the Calgary Real Estate Board will be amended to the "Calgary Real Estate Board Co-operative Limited" and the Edmonton Real Estate Board will be amended to the "Edmonton Real Estate Board Co-operative Listing Bureau Limited."

- AGREE with an amendment as to the current appointment process for non-AREA Council members; however, as part of a more comprehensive review of the *Act* being proposed by the work group, Council is encouraged to consider restructuring the model of self-regulation of our industry comprised of multiple sectors (e.g. residential, commercial, appraisal, property management, mortgage brokerages, etc.) Council would remain as the umbrella regulatory organization overseeing regulation of different sectors or colleges (similar to the health colleges model in Alberta).

ISSUE 4 RULE MAKING AUTHORITY: RECORD KEEPING AND BOOKS OF ACCOUNT REA 25

RECOMMENDATION: Delete the time period because it is dealt with elsewhere and may be better dealt with under the Rules.

- Following explanation of the rationale, the work group AGREED with the recommendation.

ISSUE 5 REGULATION OF BUSINESS OF AN INDUSTRY MEMBER

5.1 RECEIPT OF MONEY AND GUARANTEED SALES REA 20 Rules 63

RECOMMENDATION: Two (2) practice provisions, one relating to an industry member's receipt of money and the other to guaranteed sales agreements, currently in the *Real Estate Act* would be removed from the *Real Estate Act* and placed in the *Real Estate Act* Rules.

- Following clarification as to Council's reasons for the proposed change, it was AGREED; however, the work group recommended that since only a brokerage can offer guaranteed sales, the term "brokerage" should be used rather than "industry member."

5.2 RECOVERY OF COMMISSIONS REA 21 & REA 22

RECOMMENDATION: Remove this section from the *Real Estate Act*.

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- The work group AGREED with the recommendation that this section be removed from the Act in that Sections 21 and 22 could be consolidated.

5.3 RECORDS AND BOOKS OF ACCOUNT REA 25

RECOMMENDATION: Records would be retained for ten (10) years and electronic record keeping would be promoted. The word "Alberta" would be deleted.

- Following explanation as to why Council was proposing a 10-year retention period for records, which is in accordance with REIX requirements, the work group AGREED with the recommendations but sought clarification as to requirements for electronic storage of records.

ISSUE 6 STRENGTHENING PROVISIONS RELATED TO CONDUCT PROCEEDINGS

6.1 COMPOSITION OF HEARING PANEL REA 36 Bylaws Part 5

RECOMMENDATION: Amend the *Real Estate Act* such that hearing panels may be composed of Council members and industry members and must include a member of the public.

- The work group AGREED with the recommendation; however, there should never be more public than industry members on a hearing panel and at least one industry or council member must be from the industry sector of the licensee who is the subject of the hearing.

6.2 DISCIPLINARY EFFICIENCY (PART 3 CONDUCT PROCEEDINGS) – EDUCATION REQUIREMENTS AND SETTLEMENT (CONSENT AGREEMENT PROCESS)

RECOMMENDATION: Amend the *Real Estate Act* to permit the executive director to issue education requirements, subject to the industry member's right of appeal. Include in the legislation the settlement process (consent agreement) for misconduct issues.

- The work group AGREED with the recommendation which included educational requirements

6.3 COMPLAINANT APPEAL (PART 3) REA 40

RECOMMENDATION: Amend the *Real Estate Act* to enable the hearing panel hearing the complainant appeal to refer the complaint for investigation and decision by the executive director once the investigation is complete.

- Following explanation that this would add a third option to refer the complaint back for investigation if required, the work group AGREED with the recommendation.

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6.4 WITHDRAWAL APPLICATIONS RSA 54 Rules 11

RECOMMENDATION: Amend the *Real Estate Act* to permit the Executive Director to consider lifetime withdrawal applications for approval.

- Following confirmation that all voluntary withdrawals are "lifetime," the work group AGREED with the recommendation.

ISSUE 7 FACILITATING CLAIMS TO THE REAL ESTATE ASSURANCE FUND RSA 59 -61

RECOMMENDATION: Amend provisions related to the Real Estate Assurance Fund to ensure that consumers who have legitimate claims in the categories specified can access the fund through a simplified process to a RECA panel set out in the *Real Estate Act*.

- Given the seriousness of cases involving consumers who suffer a financial loss as a result of fraud or breach of trust with respect to a trade in real estate, the work group AGREED with the recommendation.

ISSUE 8 RECOVERY OF MONETARY AMOUNTS BY FILING RECA ORDER RSA56

RECOMMENDATION: Remove the requirement for an action in debt. Replace it with the filing of RECA administrative penalties and orders with the clerk of the Court and once filed, the decision could be enforced as a judgment.

- The work group AGREED with the recommendation.

ISSUE 9 SERVICE OF DOCUMENTS RSA 77(1)(2)(3) Ministerial Regulation Part 4

RECOMMENDATION: Add that documents may be served by electronic means and courier and that no acknowledgement of the document's receipt is required. The document is deemed served within a specified period of time unless the contrary is established.

- While acknowledging there may be consumers and industry members who wish to avoid service, it was felt the process for service should be the same as civil courts in Alberta and the work group did NOT AGREE with the recommendation.

ISSUE 10 ADMINISTRATIVE PENALTIES RSA 88 Bylaws Part 4

RECOMMENDATION: Amend the provision to reflect the practice of issuing administrative penalties for a contravention(s) and not the continuation of the contravention.

- The work group AGREED with the recommendation.

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ISSUE 11 THE PERSONAL INFORMATION PROTECTION ACT AND THE REAL ESTATE ACT

11.1 COLLECTION OF PERSONAL INFORMATION FOR ISSUING AUTHORIZATIONS

RECOMMENDATION: RECA is proposing an amendment which clarifies that a rule made with respect to authorizations prevails despite PIPA. This would allow RECA to make rules requiring the collection and retention of certain personal information as appropriate under this section.

- Despite an explanation as to the rationale for RECA rules to prevail despite privacy legislation (PIPA), the work group did **NOT AGREE** with removing the rights/obligations under privacy legislation.

11.2 PUBLICATION RSA 55

RECOMMENDATION: RECA is proposing an amendment which clarifies that in addition to the content of the current section, RECA may publish all enforcement action taken and orders made including personal information about industry members and other individuals. This would be the case despite any conflict or inconsistency between the *Real Estate Act* and PIPA.

- For the reasons given above, the work group did **NOT AGREE** with the recommendation to publish enforcement actions, despite conflict with privacy legislation. If enforcement actions are to be published, it is the recommendation of the work group that this be limited to cases of fraud or breach of trust.

11.3 NOTIFICATION OF INVESTIGATION

RECOMMENDATION: RECA is proposing that a provision be added to the *Real Estate Act* which states that the executive director is not required to notify individuals, either before or at the time of collecting their personal information, that their personal information is being collected for purposes of investigations under the *Real Estate Act* and that the provision in the *Real Estate Act* takes precedence over PIPA.

- For the reasons given above, the work group did **NOT AGREE** with the recommendation that there be no requirement for notification to individuals as to the collection of personal information, despite requirements of privacy legislation.

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RECOMMENDATIONS OF THE INDUSTRY WORK GROUP

- The industry supports self-regulation and is appreciative of the opportunity to provide input and suggestions to the Real Estate Council of Alberta (RECA).

- While every attempt was made to undertake a thorough review the *Real Estate Act* in the limited time available, it is the strong view of the work group charged with completing this task on behalf of more than 10,000 members that there was insufficient time to consider a comprehensive consultation and review of the *Act*, Rules and interpretations which would have included a meaningful dialogue with members, other stakeholders and RECA representatives. While it is understood this review was to be restricted to the *Act*, it is again the strong view of the work group that the Rules and interpretations should be considered in conjunction with any review of the *Act*.

- With an understanding that the *Act* is on the Government's 2013-2015 Legislative Agenda, it is recommended that Service Alberta be approached with a joint Council/Industry submission that amendments to the *Act* be deferred to the Spring 2015 Legislative Session target date rather than Spring 2014 as is currently proposed.

- This would allow for the establishment of a joint Council/Industry Task Force to work collaboratively over the course of the next year to undertake a comprehensive review of the entire *Real Estate Act*, including a "plain language" rewrite of sections wherever appropriate, review of sections which may be inconsistent or repetitive, as well as consideration whether there may be provisions currently missing from the *Act*, which should be incorporated in a revised version.

- The *Real Estate Act* was drafted in the 1990s and does not necessarily reflect current business practices as new and emerging business models have and will continue to be developed.

- In addition to our overriding recommendation that the period for a thorough review of the *Act* be extended, the work group wished to raise several specific areas where amendments need to be considered:

***5.1 (1) (0) "Industry member"**

- It is recommended the term be changed to "licensee," "registrant" or some other acceptable term to avoid duplication and clarify the distinction with the long standing use of the term by member organizations such as AREA, AMBA, Real Estate Boards, etc.

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***S.2 Application**

- It is recommended that "new home salespersons" be included as licensees/registrants under the *Act*.

***S.5 Purpose of Council**

- It is recommended that subsection (a) be amended by striking the following wording to properly reflect the regulatory responsibility of the Council, removing reference to the business of licensees/registrants

  (a) "to set and enforce standards of conduct for the industry ~~and the business of industry members as the Council determines necessary~~ in order to promote the integrity of the industry, to protect against, investigate, detect and supress mortgage fraud as it relates to the industry and to protect consumers affected by the industry;

- It is recommended subsection (b) be deleted in its entirety, focusing the scope and purpose of Council on regulating the industry.

  ~~(b) "to provide services and other things that in the opinion of the Council enhance and improve the industry and the business of industry members;"~~

***S.6 Composition of Council**

- As part of a comprehensive review of the *Act*, it is recommended an examination of other self-regulatory models be undertaken to ensure the structure meets the needs of consumers, as well as the industry. Given the diversity of multiple industry sectors regulated under the *Act* (i.e. residential, commercial, appraisal, property management, mortgage brokerage, etc.), Council would remain as the umbrella regulatory organization overseeing the regulation of different sectors in the industry (similar to the health colleges model in Alberta).

- While recognizing the importance of public and other industry sector representation on Council, it is recommended that the current composition be more representative of the proportionate number of members from the different industry sectors.

***S.15 Delegation of Authority**

- As part of a comprehensive review of the *Act*, it is recommended the delegation of authority to any "officer or employee of the Council or any other person" be undertaken to ensure the appropriate powers remain with the elected appointed Council members.

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We sincerely hope Council will favourably consider our recommendation to work collaboratively with industry in making this joint submission to Service Alberta and we welcome an opportunity of discussing this with you.

Yours very truly,



Madeline Sarafinchan
Chair, Real Estate Act Review Industry Work Group

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REAL ESTATE COUNCIL OF ALBERTA

January 29, 2014

The Honourable Doug Griffiths
Minister of Service Alberta
103 Legislature Building
10800-97th Avenue
Edmonton, AB, T5K 2B6

Dear Minister:

Re: Government of Alberta's Review of the Real Estate Act – Proposal to Repeal Section 5(b)

The Real Estate Council of Alberta (RECA) received a copy of the January 6, 2014 paper (Submission) provided to you by the Alberta Real Estate Association (AREA).

In light of the cordial and open communications that have been fostered between RECA and AREA over the last several years, we were very surprised to learn this proposal had been brought to you in this manner without prior consultation with RECA.

Given the implications of repealing section 5(b) of the *Real Estate Act* (Act) on RECA's ability to fulfill its regulatory mandate, RECA is pleased to provide you with the enclosed response to AREA's proposal.

Section 5(b) has been in place since November 1995 when Part 1 of the Act was proclaimed by the Government of Alberta. RECA is strongly opposed to the repeal of section 5(b) of the Act. It is an important, integral and necessary part of section 5 of the Act enabling RECA to carry out its mandate. Repealing section 5(b) would seriously undermine RECA's capacity to fulfill the purposes described in section 5 (a) and (c).

RECA does not believe a Minister's Roundtable as proposed by AREA is necessary. For the reasons provided in its response, a dialogue between RECA and interested industry associations to discuss any issues or concerns that may exist is a preferred approach. RECA will provide a detailed written response to AREA addressing the proposal to repeal of section 5(b) and the discussion questions posed in the Submission. RECA will provide your Ministry with a copy of its response to AREA.

Suite 350, 4954 Richard Road SW, Calgary, AB T3E 6L1 Telephone: (403) 228-2954 Fax: (403) 228-3065
Toll Free: 1-888-425-2754 Web site: www.reca.ca E-mail: info@reca.ca

We trust this response provides you with greater insight into the serious implications of AREA's Submission from RECA's perspective. We would be pleased to meet with you or your representatives should you wish to discuss this matter further.

Yours truly,

for, Kevin Clark
Chair, Real Estate Council of Alberta

cc Alberta Real Estate Association Board of Directors
Alberta Real Estate Board Executive Officers and Presidents
Real Estate Insurance Exchange

Kerri Romanetz

From: Kerri Romanetz
Sent: February-29-16 11:07 AM
To: Amanda Nielsen
Subject: Communication Example 2

From: Carmen Gray
Sent: March-19-14 10:44 AM
To: Dan Russell <DRussell@areahub.ca>
Subject: 2014 AREA Forms & Practice Committee

Thank you, Bob, for providing me a copy of your email to AREA's Director of Industry Relations advising that, as a result of AREA's recent submission to Government on a proposed amendment to the Act, RECA staff will no longer participate on the AREA provincial Forms and Practice Committee.

While AREA will continue to move forward with this important work, we find this decision to be most unfortunate. RECA's participation, along with other key stakeholders such as REIX and others, ensures alignment within the industry. This holds inherent value for the voting members and those they represent. I also anticipate that RECA would see benefit from the awareness and understanding that arises from hearing, first-hand, the dialogue at the table (as opposed to second-hand, through AREA staff).

'our note references that participation on the committee is inconsistent with AREA's proposed amendment that would see section 5(b) repealed. While it may certainly be open to interpretation, it is our view that RECA staff's participation in this work falls squarely under 5(a) and (c), particularly as RECA staff attendance at these meetings is largely to ensure that a primary vehicle through which our members conduct their business (the forms) remains consistent with the standards RECA sets for the industry (5a) and RECA's administration of the Act (5c).

This step is even more puzzling, given our understanding that Council has agreed to participate, along with AREA, in a process to work towards resolution of our differences, which starts with an April 3rd meeting with industry appointees to Council and AREA elected officials. It strikes us that taking the step to remove RECA staff from participating on the Forms and Practice Committee at this time would be counterproductive and a lack of good faith.

In view of the upcoming April 3rd meeting and the purpose of that meeting, I've taken the step to copy all expected attendees on this email to provide them with current information as they embark on their discussions.

As the Minister has indicated to us that a number of other department priorities come ahead of a review of the Act, it would seem negligent on both our parts to simply wait until the outcome of the review of the Act. Rather, I hope we can work together to do as the Minister asks in his letter to Kevin Clark, RECA Chair, and 'work toward a fuller understanding of one another's viewpoints'. The April 3rd meeting is a positive first step.

Regards,

From: Tammy Tkachenko
Sent: Tuesday, March 18, 2014 4:22 PM
To: 'Bob Myroniuk'
Cc: Dan Russell; Charles Stevenson; Doug Dixon
Subject: RE: 2014 AREA Forms & Practice Committee

Hello Bob.

Thank you for your email to advise that RECA staff will not be participating at this time on AREA's Forms and Practice Committee. I do appreciate your confirmation that on "matters that come before the FPC relating to a standards of practice for industry members that fall within RECA's jurisdiction, or wording of the mandated relationship forms, we would be pleased to meet with you to discuss any issues or suggestions for improvement", as such AREA will continue to contact RECA staff accordingly.

Regards,

Tammy Tkachenko
Director, Industry Relations
Alberta Real Estate Association
DL: 403.209.3627 | TF: 1.800.661.0231 | areahub.ca

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Monday, March 17, 2014 5:43 PM
To: Tammy Tkachenko
Cc: Dan Russell; Charles Stevenson; Doug Dixon
Subject: 2014 AREA Forms & Practice Committee

Tammy, thank you for your invitation of February 26, 2014 to Charles Stevenson and Doug Dixon inviting them to be members of the 2014 AREA Forms Committee. We have appreciated the opportunity to participate in AREA's Forms and Practice Committee(FPC) and believe bringing RECA's perspectives to the discussions within FPC, and the collaboration with AREA, have enhanced industry.

RECA truly appreciates the invitation to continue working with AREA's FPC; however, it is important to note the investment of time and resources in this type of service/activity by RECA is significant. It is also important to note this type of service falls squarely within the legislated purposes of RECA outlined in section 5(b) of the *Real Estate Act* (REA); that is, to provide services that " enhance and improve the industry and business of industry members". Given AREA's current efforts to repeal section 5(b) of the REA, it seems inconsistent to invite RECA to participate on AREA's FPC and, at the same time, seek legislative changes that would effectively prohibit RECA from providing these types of services to AREA, and other industry groups, in the future.

Under these circumstances, until such time as the Government of Alberta makes a decision on AREA's proposal that would support RECA's ability to provide such services, i.e. a government decision to retain section 5(b) of the *REA*, or AREA reconsiders its position on this issue, it would be inappropriate for RECA to participate on AREA's FPC. While it is unfortunate we find ourselves in this position, our desire is to have this issue resolved in a positive matter such that RECA will be able to participate in future meetings of the committee.

With respect to any matters that come before the FPC relating to a standards of practice for industry members that fall within RECA's jurisdiction, or wording of the mandated relationship forms, we would be pleased to meet with you to discuss any issues or suggestions for improvement. We wish to continue the collaboration that exists in that regard – the recent collaborations on the plain language forms and written service agreements are examples of the positive influence both RECA and AREA can have on the industry when we work toward common goals.

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In addition to resolving the jurisdictional issues related to section 5(b) of the *REA*, there is one more challenge we will need to overcome before RECA can participate in future meetings of AREA's FPC. Because of RECA's unique position on this committee, we are not in a position to sign the *Conflict of Interest and Confidentiality Policy* document included in the document package. However, we believe there are solutions to this challenge that can be worked out to the satisfaction of both AREA and RECA. We look forward to addressing this issue when we are able to return to the table.

Bob Myroniuk
Executive Director, **Real Estate Council of Alberta**
Suite 350, 4954 Richard Road SW, Calgary, AB T3E 6L1
Direct Line: 1-403-685-7926 Office: (403) 228-2854 Toll-Free: 1-888-425-2754 Fax: (403)228-3065
www.reca.ca

REAL ESTATE COUNCIL OF ALBERTA

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Kerri Romanetz

Subject: FW: AREA Announcement on Licensing Education

In 2009, RECA announced they would be assuming full responsibility for content and delivery of licensing education. Since 2010, AREA has been transitioning licensing education to the regulator as per their directive.

Today, AREA is announcing the conclusion to the licensing education transition as of May 31st, when AREA will no longer make available the content and deliver the Commercial, Rural and Broker program licensing education on behalf of RECA. AREA will continue to support those enrolled in these programs prior to May 31st through to completion. Based on recent conversations, AREA understands that RECA has opportunities underway for delivery of this education.

While the history of licensing education delivery is complex, AREA wants to ensure that provincially and nationally it is clear that AREA did not and does not endorse the model for content and delivery of licensing education currently in progress in Alberta.

Please click below for a short video message from AREA CEO Ian Burns:

The decisions made at the recent Council meeting to press forward on June 1st with the new licence model are something your AREA Board of Directors does not support. A lack of communication from RECA on when commercial content will be ready, paired with past deadlines for RECA content releases which were not met, led the Board to decide that to continue to offer AREA course content under these circumstances is not in the best interests of members.

Since 2009, AREA has maintained a desire to be a key organization in the delivery of licensing education. It is disappointing that RECA deemed themselves the sole organization to develop and deliver licensing education, a decision which is impacting the cost to be a REALTOR® in our province.

As discussed in the video message, the transition of licensing education is one example of member frustration with RECA's management of industry changes. We have heard loud and clear from members on another similar example: RECA launching an industry standard of measurement in the new residential licensing education without communicating with current industry members. As a result, we now have members entering the industry with the understanding there is a standard of measurement in place with no communication of that information to current members.

AREA will advocate to see that clearer communication and discussion occurs across the industry before these types of changes are implemented. Know that AREA will continue to be firm in our positions on issues that affect our members and always proceed with your best interests in mind, keeping you updated as progress is made.

For more information regarding this decision and the history of some of the issues discussed, please click here for a Q&A document. If you have further questions, please contact us at communications@areahub.ca or by phone at 1.800.661.0231.

Alberta Real Estate Association
Suite 300, 4954 Richard Road SW
Calgary, AB T3E 6L1
communications@areahub.ca
www.areahub.ca

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Real Estate Council Alberta

Fact Sheet – Real Estate Licensing Education in Alberta

June 9, 2015

"Setting the Record Straight"

1. Introduction

It has come to the attention of the Real Estate Council of Alberta (RECA) the Alberta Real Estate Association (AREA) has provided inaccurate information to its members, industry stakeholders, provincial/national REALTOR® associations, and the Government of Alberta about the recent transition of responsibility for real estate licensing education in Alberta from AREA to RECA.

RECA is in its 20th year of carrying out its mandate as outlined in the *Real Estate Act* of Alberta. It is a well-respected regulatory body with a provincial, national and international reputation for integrity, independence and regulatory excellence. The quality of RECA's regulatory work has been recognized by a number of organizations including the following: Government of Alberta (Service Alberta) and two international regulatory associations, the Association of Real Estate Licence Law Officials (ARELLO) and the Council on Licensure, Enforcement & Regulation (CLEAR). For example, RECA has received the following awards:

- 2014 – ARELLO Post-Licensing Course Award - Real Estate Update 2014
- 2014 – ARELLO Pre-Licensing Course Award - Fundamentals of Real Estate
- 2012 – ARELLO Communications Award - Social Media
- 2012 – CLEAR Regulatory Excellence Award - Education Services
- 2011 – ARELLO Communications Award, Best Website
- 2010 – ARELLO Communications Award, Best Newsletter
- 2010 – ARELLO Education Award, – Real Estate Update 2009-2010
- 2009 – ARELLO Investigator of the Year
- 2008 - Alberta Consumer Champion Awards - Consumer Tools
- 2008 - ARELLO Education Award, Understanding Designated Agency & Transaction Brokerage
- 2008 - ARELLO Consumer Education Award – Agency Relationships
- 2007 - ARELLO Post-Licensing Course Award - Agency Fundamentals
- 2006 - ARELLO Investigator of the Year Runner-Up
- 2003 – ARELLO Communications Award – Best Website
- 2003 – ARELLO Investigator of the Year Award
- 1999 – ARELLO Communications Award – Best Newsletter

The recent actions of AREA have damaged the reputation of RECA and placed it in a difficult position. For organizations to develop and maintain a positive and collaborative relationship requires two key elements: respect and trust. The actions and public statements of AREA have demonstrated a lack of respect toward RECA and its regulatory mandate. The misinformation regarding AREA's role in the process of transferring responsibility of licensing education from AREA to RECA is troubling. As a result, it is difficult for RECA to develop a sense of trust in any future relationship with AREA.

While there is a longer history of the real estate licensing education in Alberta, it begins for RECA in 1996. In the interest of brevity, this report focuses on the history starting in 2008.

In February 2008, RECA's Real Estate Education Committee issued its report and recommendations to Council with respect real estate licensing education in Alberta. The core values recommended by the Committee were approved by Council and are posted on www.reca.ca . This is the link to those core values: http://bit.ly/1Q3DvXj .

In the course of reviewing the state of real estate licensing education in Alberta, the Committee specifically reviewed RECA's relationship with AREA and the concerns with AREA's licensing education program at the time. The section of the Committee's report, as it related specifically to AREA, is important context for this discussion and is provided in Schedule 1.

The format of this report is to provide a factual response to recent statements made by AREA (*in italics*). These are statements made by AREA in correspondence from AREA President Ed Jensen to RECA's Chair Chad Griffiths, an ***AREAHub*** article, and a video presentation by Ian Burns, AREA's CEO.

2. The Facts

AREA Statements: "In 2009, RECA stated it was assuming full content development and delivery of licensing education." & "In 2009 RECA announced they would be assuming full responsibility for content and delivery of licensing education.

- These statements are not true. RECA never made any such statement or announcement in 2009.
- Assuming full responsibility for all licensing education is a major policy decision that would require Council approval. Since 1996, RECA has implemented multi-year strategic plans. Each year the most current of these plans is available to the public on RECA's website. A review of these plans over the past 19 years would confirm RECA's Council never made it part of its strategic plan or direction to "take over" licensing education from AREA or "assume full content development and delivery of licensing education". Simply put, RECA never contemplated this direction until this idea was initiated by AREA in August 2010 (see details below).
- In 2009, RECA's decision to enter into real estate licensing education only related to the development and delivery of a new *Fundamentals of Real Estate* Course. This course replaced AREA's Phase 2 of the *Real Estate Associates Program*. This decision was a direct result of the recommendation of RECA's Education Committee.
- RECA communicated its decision to AREA well in advance of introducing the course to the industry. This course deals with subject matter clearly within the scope of RECA's regulatory mandate, knowledge and experience, i.e. legal, legislative and regulatory issues. RECA wanted to ensure accuracy, consistency and relevancy of the information for all new licensees. It was clear AREA did not have, or was not willing to secure, the expertise or resources to develop a quality course in this area of learning. RECA, on the

other hand, had the internal expertise and was willing to secure the resources necessary to develop and deliver a quality course. It is important to note RECA delivers similar courses in the other two industry sectors regulated by RECA, i.e., mortgage brokerage (*Fundamentals of Mortgage Brokerage*) and real estate appraisal (*Real Estate Appraisal in Alberta*), as part of their licensing requirements.

- The only public announcement RECA made related to the new *Fundamentals of Real Estate* Course. That announcement was made in *RECA News* on November 13, 2012. (Refer to Schedule 2 below.)

AREA Statement: "AREA has always maintained a desire to be a key organization for the development and delivery of licensing education."

- This statement is not true. The idea or suggestion RECA assume responsibility for real estate licensing education was initiated by AREA not RECA.
- In August of 2010, AREA invited Kirk Bacon and Bob Myroniuk to a meeting at the AREA office. There was no formal agenda and no minutes taken. Dan Russell, Carmen Gray and Cathy Edge were present. At this meeting, AREA communicated its challenges and frustration in meeting the standards and requirements set by RECA with respect to the delivery of real estate licensing courses. AREA indicated in addition to AREA being frustrated they sensed RECA was also frustrated. RECA confirmed it was frustrated as well. AREA then raised the idea of RECA assuming responsibility for the delivery of all remaining licensing education courses. In addition to the frustrations mentioned, AREA representatives stated they wish to remove themselves from licensing education for strategic reasons, i.e. they were going to change direction as an organization and focus on professional development courses for their members. AREA offered to provide the administrative services of its education department throughout the transition process.
- RECA's representatives did not say yes or no to AREA's suggestion at the August 2010 meeting. RECA indicated it would give the idea consideration.
- AREA's idea that RECA consider assuming full responsibility for delivery for licensing education came as a surprise to RECA. Prior to this meeting, there was no previous indication from AREA it was considering this idea.
- From RECA's perspective, from July 1996 to August 2010, RECA worked on the assumption AREA wished to continue to offer real estate licensing education. While RECA decided to develop and deliver a new *Fundamentals of Real Estate* course, RECA assumed AREA would continue to offer the practice (or "applied" courses) for the three real estate sectors and the real estate broker's course. The AREA licensing education program included the three real estate associate's licensing courses (i.e. *Practice of Residential Real Estate, Practice of Commercial Real Estate and Practice of Rural Real Estate*) and the *Real Estate Broker's Program* (multiple courses) that form part of the overall licensing requirements for real estate brokerage industry.
- Prior to August 2010, the possibility of RECA assuming responsibility for the delivery of real estate licensing education was raised by AREA on one previous occasion. During a very n informal conversation, AREA's Executive Officer (Dan Russell) asked RECA's Executive Director (Bob Myroniuk) whether RECA would consider taking over licensing education. This was at the height of RECA's mandatory continuing education program that was generating very large revenues for AREA. Bob Myroniuk indicated it had other

priorities (regulatory) and had no desire to be in the business of delivering licensing education.

- Kirk Bacon had been responsible for delivery of licensing education in Saskatchewan at SREA, now called the Saskatchewan REALTORS® Association, and was a founding member of the Association of Canadian Real Estate Educators (ACRE). Both bob Myroniuk and Kirk Bacon understood the challenges for RECA to assume this responsibility would be significant if RECA decided to go down this path i.e. expertise, resources, administration, IT requirements etc. Council would need to approve such a major decision.
- As it turned out, the transition schedule agreed upon with AREA was unrealistic. RECA underestimated the effort, resources and time needed to revise and update the existing courses to an acceptable standard.
- On November 3, 2010, during a regular Council meeting, the desire of AREA to withdraw from licensing education was communicated to Council as well as the work RECA's administration had done to start the transition process.
- After considering the implications for RECA, Council gave RECA's administration the go ahead to continue to work with AREA to transition real estate licensing education from AREA to RECA.
- On this topic, the Council meeting minutes of November 3, 2010 are brief and state:

  > *"Impact of Phasing Out AREA Involvement in Real Estate Licensing Education*
  >
  > *In August, AREA communicated to RECA its decision to withdraw from licensing education. RECA has held several meetings with AREA to discuss the transition of responsibility to RECA. There will be a joint announcement by RECA and AREA when the transition process and timing issues have been resolved."*

- Although AREA approached RECA with the idea of removing itself from licensing education, this fact was never made public. AREA and RECA agreed any public messaging would indicate the transition of responsibility for licensing education (from AREA to RECA) was by way of mutual agreement between the two organizations.
- Accordingly, after Council approved the transition process, a joint RECA News (December 13, 2010) was sent to all industry members explaining what was going to take place, including the timing of the various courses. (The December 13, 2010 RECA News is attached to this report as Schedule 3.)
- The wording of the joint RECA-AREA news release was agreed to by both parties in advance.
- The news release stated: ***"Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility for the development and delivery of the real estate licensing education programs."*** and ***"On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the Real Estate Act itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS®."***
- Again, this joint news release did not in any way suggest or imply there was a decision by RECA (unilateral) to assume control over the content and delivery of licensing education. It is important to note the change in strategic direction for AREA, as it

related to its role in industry education, was clearly communicated to the industry in the joint News Release. This was consistent with the reasons given to Kirk Bacon and Bob Myroniuk by AREA representatives in August 2010 for removing itself from licensing education. A copy of the December 2010 joint News Release is attached.

- In 2014, when RECA received a copy of AREA's 2013 Annual report, Bob Myroniuk expressed concern to Dan Russell about the accuracy of the content in Keith Weinbender's Report (Finance Chair). The content of the report suggested AREA did not choose to get out of licensing education. Specifically, it stated: "*While the move away from delivery of licensing education was not something AREA chose (responsibility for licensing education was part of the Real Estate Council's mandate when they were formed), AREA saw it as an opportunity to shift focus to existing members – those who pay AREA member dues.*" The latter part of this paragraph is consistent with the message RECA received in August of 2010. However, the first part of the paragraph, i.e. stating the move away from delivery of licensing education was not AREA's choice, is not true. In fact, as stated above, the idea of AREA moving away from licensing education was initiated by AREA, not RECA. At a minimum, it would have been more accurate to state this was done by mutual agreement as stated in the joint News Release (December 13, 2010).

AREA Statement: "RECA did not offer AREA an RFP for course development and delivery."

- This statement is true; however, the reason is obvious. In August of 2010, AREA indicated to RECA its preference not to be involved in licensing education. It would illogical for RECA to then seek an RFP proposal from AREA.
- The last RECA-AREA MOU, in fact, referred to an RFP process. After previous renewals of the licensing education MOU with AREA, RECA decided to implement an RFP process similar to the process followed by the Real Estate Council of Ontario (RECO). The rationale for an RFP process was explained to AREA's senior management team.
- Aside from being a transparent selection process, RECA's goal was to establish clear standards and expectations for the delivery of real estate licensing education. The reason for the RFP was to address the problems RECA was encountering in its relationship with AREA Education and the quality of AREA's education program (Schedule 1). RECA was interested in a quality product that met the needs of learners, the industry and RECA. RECA was transparent with AREA on this point and, thus, it was included in the MOU so both parties were aware of what would happen in the future.
- As indicated, the reason RECA decided not to proceed with the RFP process was in direct response to AREA's decision to withdraw from licensing education. For AREA, years after the fact, to publicly complain to its members because RECA never gave it the opportunity to respond to an RFP is disingenuous.

AREA statement: It does not endorse the model for content and delivery of licensing education.

- The intent of this position statement is unclear – what is AREA referring to?
- RECA can only speculate as to what the model for "content" and "delivery" means. The following comments are based on what RECA assumes may be at issue.
- With respect to "content", AREA administration has continually supported RECA's efforts to enhance the quality, breadth and depth of course content. Course content is

developed to ensure learners acquire the competencies required to serve the public and are ready to be licensed. RECA's licensing education continues to evolve toward a "work ready" model similar to other occupations and professions.

- With respect to "delivery", if AREA's concern relates to RECA's focus on e-learning, RECA has made it clear, in its statement of core education values, that it will focus on making education available to learners "at anytime, at any place and at any pace." To achieve this goal, RECA's stated method of delivery is through e-learning.
- AREA has supported e-learning delivery but suggested classroom delivery should also be available. RECA has communicated to AREA it is not opposed to classroom delivery of any licensing education courses. The question is whether there is a sufficiently large enough market for classroom delivery. RECA has made it clear to AREA's administration on numerous occasions that AREA, or any other third party, is welcome to develop and deliver the *Fundamentals of Real Estate* or *Practice of Residential Real Estate* course via classroom delivery. RECA has stated this publicly on numerous occasions and, in particular, in meetings with the Joint Education Administrators Advisory Group. This group included AREA, creb®, REALTORS® Association of Edmonton, University of Alberta, University of Calgary and the Alberta Mortgage Brokers Association.
- On the issue of classroom delivery, AREA's administration has indicated it would not be financially feasible for AREA to develop classroom versions of RECA's licensing courses. While there are some learners who indicate a preference to take courses in a classroom setting, the real issue is the costs of developing and delivering a quality classroom experience by any education provider and setting a price that is both acceptable to the marketplace (learners) and generates profits to sustain the program. We note AREA itself has decided to offer many of its professional development courses through e-learning.
- While RECA is not opposed to classroom delivery, certain standards would need to be met (e.g. approved instructional design, lesson plans, instructors etc.). RECA's past experience with AREA classroom courses raised many concerns that needed to be addressed by AREA or any future education provider. These concerns include: failure to update course materials, inconsistency in quality of instructors, inconsistency in the learning experience, failure of the classroom experience to cover all course material, instructors providing incorrect information, instructors contradicting information provided by RECA (e.g. RECA's information bulletins, articles etc.), fear mongering with respect to RECA, being openly critical of RECA's work as a regulator, and attacking the integrity of individual RECA staff members. In fact, RECA requested two well-known and "experienced" AREA instructors be removed from the approved instructors list because of personal attacks and damaging comments made about RECA during classroom instruction.

AREA Statement: There was no clear delivery date for the new commercial course.

- This statement is true; however, RECA regularly communicated with AREA on the target launch dates. These were based on the course development process RECA was going through and best projections available to RECA.
- AREA's February 13, 2015 communication states "*AREA budgeted and staffed according to communications from RECA's senior staff, that REAP Commercial course would transition to RECA late Q4 2015*"

- As indicated, the original timelines for completion of the overall transition of real estate licensing education from AREA to RECA were ambitious.
- The *Practice of Commercial Real Estate* course outline (table of contents) was finalized by RECA in 2014 by retaining an external consultant and receiving feedback from subject matter experts. It is a significantly larger course in terms of scope and depth of material covered when compared to AREA's course.
- Due to the scope of this project, RECA made a decision to seek an education institution that was interested and capable of both development of the course content and the delivery to both university students and individuals who wished to become licensed in commercial real estate by RECA.
- RECA noted AREA was keen to continue delivering the practice courses (Commercial and Rural) if course enrollments had not decreased as a result of the new licence model announcement.

AREA Statement: "Many concerns have been expressed to AREA regarding RECA's education."

- RECA has not received any specifics from AREA regarding this statement. RECA would appreciate the courtesy of receiving the specifics of any concerns AREA may have to RECA, with an opportunity to respond, before making this public statement.
- More importantly, the AREA statement is inconsistent with RECA's learner feedback.
- Except for a lack of classroom delivery, AREA has not expressed any concerns to RECA regarding RECA's education courses. (Note: the majority of requests for classroom education come from former AREA instructors).
- RECA implements learner evaluations for all courses. The feedback has been very positive. In addition to course surveys, RECA surveys learners on a biannual basis and brokers.
- In fact, learners typically indicate concern with AREA's courses, not with RECA's courses.
- Over the years, RECA received many complaints about AREA courses but RECA has never publicly blamed AREA or been openly critical of any concerns about its courses. RECA worked internally with AREA's education team to address a variety of issues over the years. RECA's senior management team, in particular, invested a significant amount of time to assist AREA with course content.

AREA Statement: AREA requests to update the Commercial/Rural and Broker Program education were declined by RECA.

- RECA is not aware of any requests from AREA to update the *Practice of Commercial Real Estate* and the *Practice of Rural Real Estate* courses.
- AREA was obligated under the terms of the RECA-AREA Education MOU's to update all courses on a regular basis.
- An approval of a request to update any licensing education course offered by AREA was not required from RECA. However, RECA always provided support (e.g. editing course content) to AREA when they were updating course content.

- RECA was pleased with the collaboration that took place regarding the brokers program. AREA and RECA worked together in the creation of the *Interim Real Estate Brokers Program*. This joint work included AREA updating the three courses it offers as part of this program.

AREA Statement: "RECA's involvement in education is increasing the cost for REALTORS®."

- This statement is not true. The opposite is true i.e. costs have been and will continue to be lower.
- The time and cost saving to learners who can now take their education online is significant. It is well established the bricks and mortar (classroom) model of education delivery is both the most expensive and least efficient model of education delivery.
- Since RECA included the cost of re-licensing education in the annual licence renewal fee, the savings to the real estate industry are in the $millions.
- The new licence model will significantly decrease education costs for people seeking restricted licenses, particularly in the residential real estate sector where the vast majority of REALTORS® practice. Current costs will decrease from $3,675 to $2,350. The difference is greater if compared with the tuition fees charged for previously delivered classroom versions of these courses.
- The costs of the new *Practice of Commercial Real Estate Course* have yet to be determined so comparisons between the cost of licensing through AREA's program and the new licensing model are premature as it relates to commercial real estate practitioners.
- RECA anticipates the course fee for the commercial real estate course will increase due to the significant increase in scope and quality of the new program. RECA is working with an Alberta university to develop and deliver the new course. Accordingly, the fees will be set by the university in accordance with their pricing policy.

AREA statements: "Understanding the current commercial content is outdated and with no clear delivery date for new content, AREA made the decision to finalize the transition now and fully turn over all licensing education to RECA to manage, as we felt outdated content does not mesh well with the concept of a specialty licence model. It would have been more desirable to have the licensing model launch after the content is ready."

- The launch date of the new licensing model is not related to, or dependent upon, the content of the current (AREA) courses.
- From RECA's perspective, it is clear AREA's decision was purely a financial decision and had nothing to do with the content or quality of the course. AREA was willing to continue selling its course, with its current content, for as long as it took regardless of whether that content was up to date or not. This willingness was solely dependent on AREA achieving its financial target as established in its 2014-15 budget.
- AREA was willing to accept $500K or $600K or for its existing courses, including the *Practice of Commercial Real Estate* Course. This reinforced the reality that content was not the issue. The now publicly stated position that AREA is taking with respect to the *Practice of Commercial Real Estate* Course (i.e. it was all about the content and the

existing course) did not mesh with the new licensing model is disingenuous and damages AREA's integrity.

- From RECA's perspective, we were willing to work with AREA. Although the AREA course was outdated, RECA was willing to recognize the content of both the commercial and rural courses for licensing purposes knowing over time both courses would eventually be replaced with new content.

AREA statement: "RECA deems itself as the sole organization to develop and deliver licensing education."

- This statement is not true.
- RECA has been pragmatic and adopted a variety of approaches or models to licensing education. The goal of RECA is to implement programs that provide quality, competency based, work-ready education for all RECA licensees. The question is what is the best way to achieve this goal?
- There are a number of examples where RECA has utilized various development and delivery models. In some cases, RECA has partnered with an industry association or made arrangements for a third party to deliver licensing education. In some cases, it has recognized existing educational programs. These are some examples of RECA's pragmatic approach:
    - The Alberta Mortgage Brokers Association (AMBA) developed and delivers the *Practice of Mortgage Brokerage*, a recognized education program for RECA's licensing requirements.
    - The real estate appraiser education and designation programs of the Appraisal Institute of Canada (AIC), Canadian Real Estate Appraisers Association (CNAREA), and the Alberta Assessors Association (AAA) are recognized by RECA for licensing purposes.
    - The current property management licensing course was developed by BOMA Calgary and delivered by Mount Royal University. This model was in place until Mount Royal University decided for a number of reasons it no longer wished to offer the course. RECA stepped in and now offers an updated version of the original property management course.
- RECA is currently in discussions with other educational institutions regarding the development and delivery of its current and future courses e.g. *Practice of Commercial Real Estate*.
- RECA hopes to make an announcement on which educational institution will be assuming the responsibility for the development and delivery of the *Practice of Commercial Real Estate* in the near future.

AREA statement: "RECA is providing conflicting messages to stakeholders."

- RECA disagrees with this statement; i.e. to its knowledge, RECA has not provided conflicting messages to stakeholders.
- Again, RECA would appreciate the courtesy of receiving the specifics of conflicting messages, with an opportunity to respond, before making this public statement.

- AREA has not provided to RECA any examples of conflicting messages so RECA can respond in an informative manner to this concern.
- It appears AREA is simply interested in publicly attacking RECA's reputation at this point.

On the issues of communications, transparency and the impact of AREA's decision on the future

- Although it is difficult to understand the rationale, RECA accepts AREA's decision to decline its offer of $200,000 to compensate AREA for its licensing courses. This offer, if accepted, would have provided RECA with a short-term solution (i.e. continue to offer existing courses while new courses are developed) and softened the financial impact on AREA of the implementation of the new licensing model.
- Receiving AREA's formal notice on May 6, 2015 to withdraw from real estate licensing education placed RECA and the licensing education system under significant stress.
- RECA has accepted the many challenges it now faces and sees new opportunities to make significant strides toward increasing the quality of licensing education and advancing professionalism for the real estate industry in Alberta.
- In the interest of transparent communications to stakeholders, RECA assumes AREA's member boards were advised of RECA's offer to compensate AREA for its courses and work with AREA's courses until the new courses were launched.

Schedule 1

Real Estate Education Committee Report (February 23, 2008)

The following is an excerpt from the February 2008 report of RECA's Real Estate Education Committee (pages 4-5).

"AREA
In the initial years of the MOU, AREA fulfilled many of its obligations under that MOU and the arrangement appeared to work reasonably well. However, as time has passed, a variety of problems have emerged. Generally these problems have raised questions with respect to AREA's capacity to develop and deliver licensing courses. AREA has an agreement with RECA and the Alberta Mortgage Brokers Association (AMBA) to deliver the licensing course, Mortgage Associates Program, for entry into the mortgage brokerage industry. AMBA has served notice to AREA to break that agreement as a result of similar concerns to RECA.

Examples of specific areas of concern (in varying degrees of importance or seriousness) that have emerged include the following:

- inability to update course information in a timely manner (to reflect legislative or regulatory changes)
- compliance with Real Estate Authorization Recognition Agreement standards
- lack of internal expertise in the area of adult education/industry knowledge
- insufficient resources to concurrently address priorities and multiple projects
- extensive reliance on RECA for editing and revising course materials
- length of time to develop and launch the new REAP
- delay in starting work on the new Real Estate Brokers Program (REBP)
- lack of testing model for new course materials or delivery methods
- failure to provide adequate lesson plans or resources for instructors (e.g. new REAP)
- ability to attract and retain new instructors (particularly to the specialty areas)
- outdated materials, formats and graphics
- outdated distance delivery model
- quality of examinations

Based on RECA's recent experiences, it appears that AREA has failed to re-invest surplus funds (i.e. profits) from education delivery into future education programming to the extent necessary, as required by clause 47 of the MOU. This requirement was included in the MOU to ensure AREA would take the necessary steps to upgrade, develop and deliver pre-licensing programs that are current and meet the needs of the industry.

Over the past several years, it appears AREA's capacity to develop and deliver quality licensing education has deteriorated. The recent launch of the new REAP confirmed there are significant and immediate issues that need to be addressed. For example, distance delivery of the new REAP is both a major and immediate concern. In June 2007, the issue was raised with AREA. AREA confirmed it did not plan to introduce a distance delivery version of the new REAP until spring of 2008. Following discussions with RECA (and concerns from industry) AREA indicated it would make a basic version of the distance delivery program available by November 1, 2007 with a more enhanced version available in 2008. The basic on-line version of the course became available in mid-January after significant involvement and support from RECA in that project.
The 1997 MOU was a valid approach for RECA to follow regarding real estate licensing education at that time. RECA now has the benefit of 11+ years of experience under this model. In addition to this experience, the education environment has changed and AREA's capacity to respond to a changing environment in a timely manner is in question."

Schedule 2

From: Communications [mailto:communications@reca.ca]
Sent: November-13-12 3:00 PM
To: Natalie Scollard
Subject: RECA News: 13 November 2012 (Real Estate Associates Program Update)

RECA News November 13, 2012

Real Estate Associates Program Update

The Real Estate Council of Alberta (RECA) is focused on providing innovative, leading-edge career preparation and training that will result in competent professionals who provide value-added service to their clients and customers. As part of this initiative, in January 2013, RECA will begin offering a redesigned Fundamentals of Real Estate course as part of the Real Estate Associates Program (REAP). This course will replace the Phase 2 course in the current REAP. In keeping with Council's strategic vision of providing leading-edge career preparation, the Fundamentals course has been enhanced in many ways, such as:

- It has been structured in such a way so as to instill a professional mindset in learners.
- It encourages lifelong learning and continuous improvement of professional practice.
- It better describes the role of brokerages and brokers, instilling the duty to work within the brokerage structure and policies, and respecting the leadership of brokers.
- The course provides residential, commercial and property management examples to better prepare those seeking to work in something other than – or in addition to – residential real estate.
- It better describes agency, designated agency and transaction brokerage. Learners who complete this course will not be required to take the Understanding Designated Agency and Transactional Brokerage course.
- Course topics have been substantially updated and enhanced, such as the unit on condominiums.
- New topics have been introduced, such as mere postings, personal safety, property valuation, the Voluntary Brokers' Resolution Program and the associate's relationship with and responsibilities to the brokerage.

The Fundamentals of Real Estate course uses a variety of media and activities to better engage learners and to appeal to a variety of learning styles. With consistent course delivery through RECA's e-learning platform, all learners will experience the same course content. Additionally, it can be easily updated to account for legislative changes, emerging market trends and changes to the standards of practice. The

new Fundamentals of Real Estate course also meets RECA's Core Education Values, as learners will be able to:

- Self-regulate their learning, commencing the course any time they want, completing it at a speed, timing and location convenient to them.
- Assess their own learning progress through practical examples, exercises and quizzes, as well as practice exams.
- Access RECA's education Help Desk for assistance with content and IT questions.

Brokers can expect greater competency and enhanced professionalism from REAP learners who complete the new Fundamentals of Real Estate. To ensure REAP does result in competent, work-ready professionals, RECA will survey new professionals and their brokers 6 months after they complete REAP in its entirety.

RECA will soon be focusing its attention on updating the Residential, Commercial and Property Management practice courses of REAP, which are currently referred to as Phase 3. In these practice courses, RECA will focus on having learners apply and demonstrate their knowledge and competencies by executing real estate services in the context of work-related practice.

RECA continues to explore opportunities to enhance the Fundamentals of Real Estate course though other delivery modalities or supporting programs with other education providers.

The Residential, Commercial and Rural Practice courses that currently comprise Phase 3 of REAP continue to be offered by the Alberta Real Estate Association (AREA) at this time.

For more information about REAP and the other steps required to become a new real estate associate, please visit the Real Estate Council of Alberta website at www.reca.ca.

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Schedule 3

From: Communications [mailto:communications@reca.ca]
Sent: December-13-10 11:26 AM
To: RECA Everyone
Subject: RECA News: 13 December 2010 (Delivery of Licensing Education Transfers from AREA to RECA)

RECA NEWS

Additional Information

RECA Education

Online Licensing

December 13, 2010

TO: Real Estate Industry Members and Other Stakeholders

FROM: The Real Estate Council of Alberta and the Alberta Real Estate Association

RE: Delivery of Licensing Education Transfers from AREA to RECA

A multi-year Memorandum of Understanding between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) is coming to a conclusion. This agreement provides for AREA to administer, on behalf of RECA, Alberta's real estate associate and brokers licensing programs.

Background:
When the Real Estate Council of Alberta (RECA) was established in 1996, its mandate included responsibility for licensing and re-licensing education. At the time, RECA was not in a position to assume all aspects of this responsibility and looked to AREA to continue to participate in curriculum development and course registration and administration.

In 2008, RECA was able to assume responsibility for all aspects of its Re-licensing Education Program. Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility

for the development and delivery of the real estate licensing education programs.

Current Situation:
RECA's Memorandum of Understanding with AREA officially ends December 31, 2010. However, both parties have agreed to extend the agreement to allow for a staged transition, as follows:

Licensing Course	Timing of Transition to RECA
Introduction to a Career in Real Estate (Phase 1)	January, 2011
Fundamentals of Real Estate (Phase 2)	October, 2011
Introduction to a Career in Residential Real Estate (Phase 3)	May, 2012
Introduction to a Career in Commercial (Phase 3)	January, 2013
Introduction to a Career in Rural (Phase 3)	June 2013
Real Estate Office Management and Brokerage (REBP)	October, 2011

Next Steps:
The timing of the transitions reflects when RECA anticipates it will be ready to deliver new online education material for each course.

On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the *Real Estate Act* itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS®. These offerings will range from quick, direct-to-your-inbox tutorials on prevalent practice issues to an array of course offerings developed in-house or accessed through licensing agreements with REBAC and other course providers.

Both RECA and AREA recognize the importance of working together to support Alberta REALTORS®. A key aspect of this relationship is the contributions each organization makes, through input and feedback, to the plans and activities of the other organization. To this end, RECA and AREA are collaborating to identify areas of business the other organization should contribute to and when and how to best deliver this input to achieve the most value.

Both organizations look forward to enhancing their working relationship and their service to the Alberta real estate industry. For more information on RECA's education programs and its

"Core Values" go to: http://www.reca.ca/reca-education/splash/splash.htm

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June 9, 2015

Bob Myroniuk, Executive Director
Real Estate Council of Alberta
Suite 350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Bob,

The topic of the provincial standards of measurement that were released with the new Practice of Residential Real Estate program continues to be a subject broached by our members in conversation with AREA.

RECA's choice to proceed with a standard of measurement to new licensees in absence of any communication to existing licensees (AREA members) is causing issues. Currently, Brokers have asked for information on the new standard, as their new licensees are inquiring about standards they know nothing about.

AREA's ask in many forums for RECA to communicate to industry about the standard went unanswered. It is unfortunate that communication about the standard did not occur with industry members prior to RECA's launch of the Practice of Residential Real Estate. This is one example where better management by RECA on industry changes is required. AREA communicated staff to staff on multiple occasions, AREA to Council Appointees, all of which yielded no response. A summary of those communications is included below as Appendix A and here as a printable copy.

I would ask, on behalf of the AREA Board of Directors, for RECA's overall plan in regards to the provincial standard, along with the communication plan for what will be communicated and when to the industry on this topic. At the very minimum, if you do not agree that communication is necessary, we request a written response with an explanation as to the rationale behind RECA's decision on how to proceed.

I look forward to seeing the communication plan when you are able to provide it and making our Board of Directors and staff aware of the timelines associated with RECA's planned communications on this topic. Furthermore, and as committed to, we look forward to securing engagement protocols for our respective organizations to build an agreed-upon and adhered-to mechanism to discuss issues such as these.

Regards,

Ian Burns

Ian Burns
Chief Executive Officer
Alberta Real Estate Association

Copies to:

AREA Board of Directors
Alberta Board/Association Executive Officers
RECA Council

Appendix A: Summary – AREA and RECA Discussions on Standards of Measurement

Meeting with Charles, Joseph and Marg – October 3, 2014

- Draft proposal for provincial measurement standards presented
- Initial conversation surrounding necessary communications to current industry members

Meeting with Charles and Marg – December 17, 2014

- Feedback opportunity on standards
- Advised by RECA that no current plan to communicate to existing members
- Private meeting with Tammy and Charles followed
    - Indication that Charles would talk to Joseph re: communication plan

Appointee to Council meeting – November 18, 2014

- Ask of Council that clearer and longer timelines be proactively built into RECA projects, e.g. standards of measurement
- Challenge with standards of measurement is not with content but with process
    - Usage of the wording 'standard' exists within the REAP education without any communication to industry or Brokers who new licensees will work for.
    - What is the accountability mechanism in place? Are there additional implications?
- AREA asks to be made aware of the full project rollout

Appointee to Council meeting synopsis provided – March 27, 2015

- Synopsis provided to 6 Appointees to Council along with details on future meeting plans between AREA and Appointees to Council
- Synopsis includes reference to challenges and asks of Council noted above

From: Bob Myroniuk
Sent: June-10-15 8:43 AM
To: 'Ian Burns'
Subject: RE: Provincial Standards of Measurement

Thank you for your email Ian. We always appreciate receiving your questions and input on regulatory matters that are of interest to the Alberta Real Estate Association (AREA).

I am pleased to respond to you and will do so once I have gathered some additional information about your specific concerns. Before responding, I will meet with Joseph Fernandez, Marg Partridge and Charles Stevenson to review the process they followed and the outcomes of the two consultation meetings you mentioned. As you can appreciate, your summary of these two meetings is very brief and doesn't provide sufficient detail to fully understand or appreciate any potential concerns. It is important to obtain their perspective on these two meetings.

Aside from these two consultation meetings, you can appreciate I will need to receive more specific information, or an explanation from you, as to what specifically is "causing issues" and what "new standards" you are referring to. That would guide me in my discussions with staff and greatly assist me in providing you with an informed response. In particular, it would provide more clarity on the nature of the communications issues you have raised and how they might be addressed.

While I am not entirely clear on the meaning of your last sentence, I assume it relates to developing and maintaining a formal communication protocol that must be adhered to when the Real Estate Council of Alberta (RECA) and AREA have reason to communicate. As you may know, we liaise and communicate regularly with the other industry trade associations whose members are also licensed and regulated by RECA; however, these are informal arrangements that promote a positive working relationship and address specific regulatory issues as they arise. We do not have written or formal protocols with these associations as you have requested for the relationship between AREA and RECA. To assist in my understanding of what you wish to achieve and how an "engagement protocol" might work, it would be helpful if you provided a draft protocol that would meet the association's objectives. That would facilitate the start of a discussion I believe you are seeking with RECA.

I look forward to receiving the information requested and developing a better understanding of AREA's expectations for future communications.

Bob Myroniuk
Executive Director

Real Estate Council Alberta

Consultation Paper
Residential Measurement Standards

What is the Real Estate Council of Alberta (RECA)?
The Real Estate Council of Alberta (RECA) is the independent governing authority that sets, regulates, and enforces standards for real estate brokerage, mortgage brokerage, property management, and real estate appraisal professionals in Alberta.

Role of Council in standard setting
Council is responsible to set and enforce standards of conduct for the industry and the business of industry members to promote the integrity of the industry and protect consumers affected by the industry.

The *Real Estate Act* allows Council to make Rules regulating the duties and obligations of industry members when carrying on industry business. Council has made a Rule that requires industry professionals to provide competent services to their clients.

RECA uses a principles-based approach to rule making and setting standards for the industry. This means Rules will be supplemented with information resources such as the pre-licensing course materials, Information Bulletins and Guides to assist industry professionals with compliance, as required.

Property Measurement Standards
Property measurement is the process of identifying and quantifying the physical dimensions of a property. A standard is a set of transparent, uniform principles and protocols that real estate professionals must apply consistently in practice.

Principle-based standards allow real estate professionals to easily explain to clients how the industry quantifies the physical dimensions of residential properties. This discussion allows clients to give informed, lawful instructions to their real estate professional, and is essential for the real estate professional to act competently.

Applying consistent measurement standards helps real estate professionals and their clients, and real estate appraisers compare residential properties, and helps them decide on the suitability of residential properties.

The Residential Measurement Standards

The Residential Measurement Standards (RMS) provided in the Practice of Residential Real Estate course explains how to measure residential property in Alberta in order to provide competent service. Consistent with RECA's approach to the regulation of the industry, it also incorporated a principles-based approach to the measurement of residential property. The Practice of Residential Real Estate course was, for the most part, similar to the information learners received in prior years.

The RMS are an integral component of the competencies a learner obtains in order to pass the licensing exam to become licensed with RECA to practice residential real estate. The ability to apply these standards is a competency required of all licensed real estate professionals when measuring residential properties.

Why did RECA develop the Residential Measurement Standards Guide?

RECA prepared the Residential Measurement Standards Guide because of recent updates to the educational material in the Practice of Residential Real Estate, a pre-licensing course RECA launched in February 2015. The information in the Guide comes from the course and explains how to measure residential property in Alberta.

Information on property measurement has been included in pre-licencing courses since at least 1995. However, the extent of the information provided varied and long-time licensees may not have received any training on how to measure residential property when they completed their pre-licensing education. To ensure consistency of information within the industry, stakeholders suggested RECA provide the updated information to all licensees.

Further Consultation

In January 2016, Council accepted a recommendation from the Real Estate Appraisers Advisory Committee to do additional consultation with stakeholders on the Residential Measurement Standards (RMS). As a result, RECA removed the Residential Measurement Standards information bulletin and the Guide to Residential Measurement in Alberta from its website.

RECA invites key stakeholders to work together to alleviate any outstanding issues with the RMS. Council will review an amended version of the information bulletin and Guide at a future meeting.

Comments

Key stakeholders are invited to provide feedback on the RMS and the Guide to Residential Property Measurement in Alberta. All feedback provided should identify any concerns with the RMS and the Guide and offer possib

solutions. RECA asks that anyone providing feedback consider the scope of RECA as well as standard setting best practices.

Best practices for standard setting
Recognized best practices for standard setting include the following:

- the standards require a uniform and consistent methodology and protocols
- the standards must be able to accurately describe the property
- the standards should result in consistent and reliable outcomes
- the standards allow for objective comparisons

Written Submissions
Deadline for submissions: March 22, 2016.

Please provide all written feedback to:
Susan Kenyon at residentialmeasurement@reca.ca

Optional Meeting
There is also an optional meeting on March 17, 2016 for anyone who has responded in writing to supplement their written submissions with oral feedback. If you are interested in attending this meeting, please indicate this in your written response.

Alberta Real Estate Association

July 9, 2015

Bob Myroniuk, Executive Director
Real Estate Council of Alberta
350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Bob,

On behalf of the industry, I want to make you aware of some concerns about the new myRECA platform that have been brought to AREA's attention. Generally, the concerns that we have received relate to the effects of the new system on member and Associate management processes.

AREA has heard several concerns from Brokers with respect to the way in which they manage new and current Associates on myRECA. These concerns include:

- The process for registering a new agent which, as AREA understands, has moved from a simple process completed by the Broker to a process which can take well over one hour, and requires both the Broker and the agent to complete steps within the process;
- The process by which verification of licensing is completed, which has added an additional step to require the agent to print their licence, transfer to their Brokerage and then to their Board/Association, instead of the Broker simply transferring; and
- A lack of information available through the My Brokerage portal, including notifications not being received with respect to changes to an agent's status with their Brokerage, e.g. terminations, transfers and/or reinstatements.

A Broker's ability to manage these processes and the information associated with them is critical to their business. As such, it is necessary that any work required of the Broker and/or the agent be intuitive and make efficient use of their time. It is AREA's understanding that the changes to myRECA and the associated changes to Broker processes have, in fact, added time and an additional layer of complexity with the involvement of the agent.

AREA has also heard from Boards/Associations that changes to myRECA have made it difficult to locate clear, reliable information on an individual's licence status and the details associated with that licence, affecting the ability of Board staff to process membership applications. Specifically, the concerns brought to AREA's attention are:

- The choice to utilize a username instead of a licence number as an individual's primary identifier;
- Missing information for many individuals including the date their licence was issued, its expiry date, the agent's city, and the sector the individual is licensed to trade in; and
- Changes to the licence activity report (linked here), including combining all real estate, mortgage, and appraiser activity into one report, not displaying two transactions for agents

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transferring brokerages, requiring staff to access each individual record for required information, and not ordering activity alphabetically as in the past. These changes have made it time consuming for Boards/Associations to work with the report and have increased the risk of staff missing critical information.

All of this information is necessary for Boards/Associations to properly onboard a new member according to their set processes and to ensure that members are indeed licensed. These management processes are vital to the integrity of the industry, as being able to uphold and ensure that an individual is appropriately licensed is key.

In addition to these concerns, AREA also understands from the Boards/Associations that new processes have meant a delay in activations at RECA. Whereas in the past an agent was made active almost immediately after notification from the broker, it may now take 5 to 10 days for the activation to occur at RECA. Boards/Associations cannot activate a membership without validating licensing, and the new time lag, which is not clear to brokers or the agent, is generating dissatisfaction, of which the Boards/Associations are bearing the brunt, and impairing an individual's ability to start practicing in a timely manner.

These concerns provide another example of the need for better consultation by RECA on industry changes. Discussions with the groups most impacted by the changes to myRECA could have mitigated the impacts felt by the industry and illustrated here. When Brokers and Boards/Associations experience difficultres in confirming licensing information when needed, or when time-consuming processes are created for Brokers and staff, all licensees risk being impacted due to delays in accessing services like the MLS® System.

We can appreciate that there will be adjustments necessary to a system such as myRECA post-launch, as users (including licensees, Brokerages and Boards/Associations) begin to access and make use of the information available. We can also appreciate that a lack of familiarity with a system can lead to users having difficulties during their first experiences. However, where a lack of familiarity is the issue, training materials should be available to ensure, as best as possible, users are prepared to use the system as intended.

Given the issues identified by our membership of over 90% of licensees, I would ask, on behalf of the AREA Board of Directors, that communication occur from RECA to the industry with respect to the changes that can or cannot be made to the myRECA system at this time to address the current difficulties which industry members are experiencing with respect to managing their administrative processes for licensees and any challenges that may be encountered heading into the time for licence renewals.

I look forward to hearing from you and seeing the communication to industry as an industry member's licensing status is the cornerstone of RECA's role.

Alberta Real Estate Association

Regards,

Ian Burns

Ian Burns
Chief Executive Officer
Alberta Real Estate Association

Copies to:

AREA Board of Directors
Alberta Board/Association Executive Officers
RECA Council

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July 31, 2015

Bob Myroniuk, Executive Director
Real Estate Council of Alberta
350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Bob,

Thank you for your response following our letter regarding Broker and Board/Association concerns with myRECA. I understand that RECA has reached out to the Boards/Associations to solicit feedback on their experience with myRECA and the reporting functions many of them use for their own business functions.

On behalf of the industry, I would like to thank RECA for gathering our shared concerns and responding in a timely manner. AREA continues to work with the Boards/Associations and, where logical, will aggregate information and advocate for REALTORS®. In that capacity, AREA looks forward to continuing to work with RECA on matters affecting AREA members.

Regards,

Ian Burns

Ian Burns
Chief Executive Officer
Alberta Real Estate Association

Copies to:

AREA Board of Directors
Alberta Board/Association Executive Officers
RECA Council

July 10, 2015

Ian, I trust you will circulate this response to all those individuals and organizations your letter was copied to. Before responding to the specific concerns you raised in your July 9th email, there are a number of important points that need to be made.

History – How did we get Here?

In 1996, the Real Estate Council of Alberta (RECA) inherited a licensing system from the Alberta Real Estate Association (AREA) that was archaic in the truest sense of that term. It was a bulky, paper based, carbon copy in quadruplicate, inefficient system that resulted in a licensing and renewal system that took 10 months to complete, just in time to start the next renewal period. It was a labour intensive, slow, and error-prone system. Applications would arrive late, incomplete, contain errors, get misplaced within the office or "lost in the mail". Information contained with the applications/paper documents had to be inputted into a computer system (inherited) by RECA staff which added another opportunity for data errors. To say the least, it was not user friendly and, more importantly, it was not timely. It was very frustrating from the perspective of the industry members and staff assigned to carry out these tasks.

In its first year of operations, RECA decided to adopt a new approach. A decision was made to completely re-engineer the AREA system of licensing/registration. RECA decided to leverage new technology (i.e. the Internet) to

develop an online system for both licensing (first time) and license renewals. In 1997, RECA launched RECA Online as a pilot project. That year, the brokerages involved in the pilot project licensed and renewed approximately 2,000 industry professionals. The pilot project was a great success and, in 1998, RECA Online was fully implemented. RECA was the first regulator in North America to adopt an online system of licensing and registration of its members. The change to an online system was driven by a pioneering group of individuals at RECA and the developer, Systemhouse. It was driven by a desire to leverage new technologies, a supportive Council and a willingness to accept the risks associated with dependence on a relatively new technology (Internet) for our most critical business process. Once fully implemented, it was well received and appreciated by the real estate industry. RECA quickly established itself as a leader in online licensing systems.

From 1997 to 2015, RECA adopted a strategy of annually reviewing the licensing and registration process and tracking issues or suggestions for improvement. In recent years, RECA has conducted formal broker surveys each year following the completion of the renewal period to assess the user experience and to seek input on changes to improve the system. As a result, RECA has expanded and improved the functionality of RECA Online over that 18 year period.

Improving a Great System

In 2011, in its five-year strategic plan, Council made the decision to re-engineer and update RECA Online, a system that had been in use since 1997. While Council knew RECA had a great system, it was time to make it even better using current technologies and responding to suggestions for improving the user experience – both externally and internally. Since that decision, any suggestions for improvement to the user experience following each renewal period were documented and maintained in preparation for the development of the new system.

In addition to the feedback received from users (primarily brokers and their delegates), RECA places a high priority on the user experience and functionality of the new system. To provide independent third party assessment of the new system, RECA retained the services of a User Experience Expert during the development phase. Their role was to continually review, test and question any changes from a new user perspective.

During the development phase and prior to launch, RECA conducted quality assurance testing with brokers and broker delegates to ensure the new system was fully functional as planned. The largest users of the system were invited to participate and many agreed to be "testers" of the new system. Their input was invaluable as we fine-tuned the system before launch in June and we continue to work with brokers as new issues emerge.

Daily contact with brokers, industry professionals and consultation is part of the culture of RECA's organization. Any suggestion that RECA did not consult with users of the system before, during or after development of ***myRECA*** or that RECA created this new system in a vaccuum is simply false.

Information Service to Real Estate Boards

A number of years after the RECA Online system was fully functional, during our regular conversations with real estate boards, the issue of improving their access to licensing information was raised. While they could access the online public search information to determine if an individual was licensed, in order to register them as members of the local board, they wanted more information and they wanted RECA to provide that information to them. They wanted to know about transfers and terminations as well. All of this would make their work easier. Although RECA does not have jurisdiction over real estate boards, and was not obligated to provide this type of service, RECA was willing to accommodate their needs. RECA appreciates their important role within the real estate industry and the positive impact this service would have on both the individuals entering the industry and board administrators/staff working in the membership area. As a result, RECA took on a project to develop what became known as the "Weekly Licensing Report" (provided to real estate boards every Monday morning).

As an aside, the provision of the weekly licensing report to Alberta's real estate boards is an example of a service RECA provides "that in the opinion of the Council, enhance and improve the industry". Your letter reinforces the importance of this service to the industry associations. This is consistent with RECA's mandate as described in section 5(b) of the *Real Estate Act*. I raise this issue because AREA has lobbied the Government of Alberta to eliminate section 5 (b) from RECA's mandate.

RECA is a Pioneer and Leader in Online Licensing Systems

While we appreciate receiving feedback on any concerns AREA may have on various RECA services and

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programs, it was disappointing to read the first response from AREA to the new ***myRECA*** system. As a regulator, RECA has been a leader in the development and delivery of online licensing and registration services in the real estate industry in North American and globally since 1997. The benefits to the industry of the RECA Online system and RECA's approach to adopt leading technology, place control over licensing and renewals in the hands of brokers and utilize a customer focus, are extensive. The efficiencies created in the business of industry members and cost savings to the industry have been significant. It should be noted a number of regulators in Canada continue to use a paper-based system or have just recently adopted the online model. Those that have adopted the online have limited services (e.g. do not allow for new licences to be issued through the online process.)

Every new system, when first launched, reveals technical and programming glitches. RECA understands this to be the case and will work diligently to identify these issues and correct them as quickly as possible when they come to our attention. Despite the glitches, our experience with brokers, industry professionals and learners has been very positive and, with few exceptions, they are very understanding and patient as RECA addresses their issues. In other words, they have acted very professionally in their dealings with RECA. Notwithstanding the issues/problems they have encountered, the overwhelming consensus of industry professionals who have completed the on boarding process is that the new system is a great improvement over RECA Online.

AREA and all real estate professionals should be proud of the online licensing system we have in Alberta. It is an exceptional system that is the flagship of all licensing systems in North America. We encourage AREA to adopt a more positive approach and share this fact with its own stakeholders and organized real estate across Canada.

Benefits of the New System (*myRECA*)

AREA's first response to RECA concerning ***myRECA*** focuses on the technical issues and challenges we encountered during the launch. Some of those issues continue today but most have since been resolved. It appears you have relied on dated information and, in some cases misinformation, in your assessment of the new system. Before responding to those specific concerns, and to put this into context, it is important to acknowledge the benefits of the new ***myRECA*** system.

The ***myRECA*** system is a quantum leap in the technology, scope and functionality of an online licensing system. While RECA Online was a leading system for 18 years, ***myRECA*** takes its place as the flagship system with its new technology and the many added features. Although it is not an exhaustive list, the following is a list of the major benefits (in abbreviated form) to industry professionals and RECA:

- All industry professionals now have direct access to the system – under the RECA Online system, only brokers or their delegates had access
- General awareness of licensing and reporting requirements – industry professionals are more aware of their requirements, particularly in the area of notifications to RECA
- Paperless licensing and renewals – brokerages no longer have to keep paper/electronic licensing records and RECA no longer has to audit brokerage licensing records for accuracy and integrity
- Integrity of the licensing process – each new step requires compliance with the previous step (no work-arounds)
- Industry professionals create their own username, rather than have RW/MW/AW number which was rarely remembered
- Flexibility - broker and new associate can perform licensing functions in brokerage office (in-person) or remotely, in real time or over a period of time
- New system is credit card compliant
- User-driven system with greater control

o In addition to direct access, associates do need to engage broker to update their information or find out information about courses due and expiry dates

- Online notification submissions through system

o notify the Executive Director (Rule 40)

o change brokerage business address (Rule 32)

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- corporate structure change (Rule 32)

- Bulk payments (do not have to pay for one renewal at a time anymore)
- Choice of fee payment (brokerage or associate can make the payment)
- Ability to update contact information (including personal address, email, phone numbers)
- Ability to see account information, education information, licensing information and brokerage information, if applicable in one place
- Multi-licensed individuals only require one ID now to acess all licences
- Brokerage administrators can now have their own ***myRECA*** profile
- Broker delegates can have access to brokerage features without having to use brokers login information
- Can view own licence history (not official one)
- Can apply for licence history online
- Can apply for licence mobility online
- Complete AKA ("also known as") and name change requests online
- Online accounting reports
- Open, close and edit trust accounts
- Payment history records for items you have paid for

Response to Issues Raised by AREA

The following is a response to each of the issues/concerns raised in your July 9th email:

1. "The process for registering a new agent which, as AREA understands, has moved from a simple process completed by the Broker to a process which can take well over one hour, and requires both the Broker and the agent to complete steps within the process"

This statement is incorrect and likely based on misinformation. In RECA's testing phase we recorded "time-to-complete" the licensing process. A typical New Licence and Registration application takes up 15 minutes:

- Broker initiates application with new Associate (2-4mins).
- New Associate completes suitability portion of application (2-5mins)
- Broker completes Broker acknowledgement and payment of the licensing fees (4-5mins).
- Optionally the Broker can opted for the Associate to pay which would take additional (2-5mins) in the process.

Our testers (brokers/delegates) were completing the above process typically in less than 10 minutes. This new licensing process can be very efficient when both parties (Associate and Broker) are actively logged into ***myRECA*** coordinating the process together. This can be accomplished when both individuals are present in the brokers office or remotely. As brokers and delegates become more familiar with the new system, we are confident their time to activate new licensees will continue to improve.

2. "A lack of information available through the My Brokerage portal, including notifications not being received with respect to changes to an agent's status with their Brokerage, e.g. terminations, transfers and/or reinstatements."

In the early stages of the launch we experienced technical issues with Broker notifications (emails). Initially we had a global problem with emails being sent from our CRM system. We were able to resolve this issue last week. (Our Shaw cable connection shutdown our email services every time we exceeded 1000 emails per day. We are now routed via Enmax).

One of the issues we encountered on launch was that the prior (or old) broker was not being notified when an Associate transfers from one broker to another. The Associate and the new Broker were notified, but not the prior Broker. We implemented new business logic to resolve this issue.

In terms of the "My Brokerage" page. The most common feedback is to make the My People and trust accounts pages printer-friendly. We are working with our system developer to provide us cost estimates, so that we can provide Brokers an export to PDF feature for both of those pages. Brokers will appreciate that feature.

3. "The process by which verification of licensing is completed, which has added an additional step to require the agent to print their licence, transfer to their Brokerage and then to their Board/Association, instead of the Broker simply transferring"

This statement appears to be incorrect – aside from comments above, we have not added any additional or new steps related to the printing of licences (which is optional). Once an Associate has registered, they can print their licence in ***myRECA*** at any time on their "Licensing" page. However, as this comment is not well worded, we may have missed your main point. If you have another point that we can address, please clarify.

4. "The choice to utilize a username instead of a licence number as an individual's primary identifier..."

We assume you are referring to the transition away from the RW numbers, a system RECA inherited from AREA in 1996. There are four reasons why we moved away from RW#:

- **Customer orientation** - Most web applications today allow users to choose their username. It is an industry standard and is very common.
- **Security of information** - The RW# was both a username and the primary unique identifier in RECA Online. That is not best practice with protecting our industry professional information, because the username format is always the same. From an information security standpoint, the RW is "brute-force hackable" in the vernacular of our IT team.
- **Easier at renewal time** - In the past, we received numerous calls at renewal time from industry members asking "what is my RW number?" (we also had MW & AW #s for the other two licensing sectors). The extra step of contacting RECA to get their RW number at the busiest time of the year before they could begin the renewal process was frustrating for them and held up the renewal process. Having industry professionals (and Learners) choose their own username is more customer friendly (easier to remember) and will result in fewer calls.
- **Efficiencies of multi-licensing system** - Prior to the new system, for historic reasons, we had separate data basis for each of the three industry sectors (real estate brokers, mortgage brokers and real estate appraisers). The new system combined these independent databases, which increases RECA's operational and service efficiencies but is also a benefit for multi-licensed industry professionals as their licensing records have now been merged into a single record (in the data-migration effort).

5. "Missing information for many individuals including the date their licence was issued, its expiry date, the agent's city, and the sector the individual is licensed to trade in"

On December 2, 2014 the code in RECA Online (old system) that was supposed to track industry professionals licensing sectors (or areas of practice) broke and any registrations that happened after this date did not have any area of practices. We identified this issue after launch and resolved all the registrations showing no sectors by June 29th. We anticipate we may have a few more issues with the licensing sectors on a few new registrations but the bulk of this issue has been resolved.

There was an issue with the public search showing industry professional's residential city. We are reviewing our development documentation to determine why industry professional residential city address is being shown instead of their brokerage's city on the public licence search. This is an issue we have identified and will resolve.

6. "Changes to the licence activity report (linked here), including combining all real estate, mortgage, and appraiser activity into one report, not displaying two transactions for agents transferring brokerages, requiring staff to access each individual record for required information, and not ordering activity alphabetically as in the past. These changes have made it time consuming for Boards/Associations to work with the report and have increased the risk of staff missing critical information."

Because we communicate on a regular basis with real estate associations and boards across the Province, we are aware of the issues they are dealing with. Associations and boards can still access the information they require for any individual who approaches them for membership (e.g. is a person licensed and with which brokerage). With the new system, they do not have to wait for a weekly report from RECA. Instead, they can get the information in real time and, if they wish, filter back 7, 30, 60 days back in time. We appreciate the new system currently may not be

as user friendly as everyone would like it to be. We are working on these and other user issues (e.g. showing records in alphabetical order and 50 records per page). Changes to this component of the system will be communicated to the boards when they have been completed.

7. "In addition to these concerns, AREA also understands from the Boards/Associations that new processes have meant a delay in activations at RECA. Whereas in the past an agent was made active almost immediately after notification from the broker, it may now take 5 to 10 days for the activation to occur at RECA."

This information is incorrect and likely based on misinformation. There have been a few associates with small delays due to technical issues, however this is a very small margin. As indicated above the process usually does not take more than 15 minutes, if the broker and associate are actively engaged on the system. There would also be a delay in licensing if an associate had a positive response to a suitability question, however, this has always been the case due to requesting of additional documents and completing a review in most circumstances.

*"These concerns provide another example of the need for better consultation by RECA on industry changes. Discussions with the groups most impacted by the changes to **myRECA** could have mitigated the impacts felt by the industry and illustrated here. When Brokers and Boards/Associations experience difficulties in confirming licensing information when needed, or when time-consuming processes are created for Brokers and staff, all licensees risk being impacted due to delays in accessing services like the MLS® System."*

This paragraph demonstrates a complete lack of understanding on the part of AREA as to what process RECA took prior to the re-design of the new my RECA system. As indicated above, in addition to responding to broker surveys and the user feedback RECA has documented over the years (with respect to the RECA Online system), RECA embarked on an extensive process of consultation with the users most impacted by any new system (i.e. the brokers, broker delegates and administrators) during the planning and system design process. We also offered pre-launch training on the new system. For example, prior to the launch of ***myRECA*** we conducted seven training sessions in Edmonton, Calgary (3), Red Deer, Medicine Hat and Lethbridge. All brokers were invited to attend the training sessions in these respective areas of the province. Several of these included hands on training, including a separate hands on training session requested by one of Alberta's largest brokerages.

This paragraph also demonstrates a failure on AREA's part to determine what actually happened by way of consultation and training before making these comments. Simply contacting RECA to seek information or ask questions about the process we followed would have addressed these concerns.

8. "We can also appreciate that a lack of familiarity with a system can lead to users having difficulties during their first experiences. However, where a lack of familiarity is the issue, training materials should be available to ensure, as best as possible, users are prepared to use the system as intended."

This statement is based on misinformation. In fact, training materials area available. As indicated above, RECA completed broker training sessions in several of the larger centers in Alberta. With respect to training materials, we also provide over 25 ***myRECA*** tutorials for training on the various sections of the new program. Currently, the onboarding tutorial is being sent out to many industry professionals so they can onboard onto the system properly. Also included in the tutorial list is a comprehensive master tutorial of the entire system. These resources are very detailed and go through the step by step functions of most ***myRECA*** activities.

Conclusion

It is disappointing to see the approach AREA continues to take with respect to any matter related to RECA. While it is legitimate for your association to take interest in RECA's activities and provide comment, it appears your approach pays little attention to reliability of the information you receive and base your conclusions.

As I indicated above, and have indicated to you personally, if you or a board member have any questions or want information, or wish to verify/clarify anything you have heard or received about anything related to RECA, feel free to contact me or send a request. I will make sure it gets to the right person within RECA to ensure you get accurate information and a timely response.

The decision to relay second-hand information and not provide specific examples presents a challenge to RECA as we wish to provide a proper response. Notwithstanding this challenge, we have done our best to respond to your letter. I trust it sets the record straight on matters related to ***myRECA***. In the future, I suggest you contact RECA first before sending a letter such as this one. I am sure it will give you more reliable information upon which to base

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your analysis and may shorten any future correspondence.

A final thought ...

Whether a person is a true professional depends not on the fact they may call themselves a professional rather it depends entirely on their own behaviour and, in particular, how they treat their clients, colleagues and others. The same concept applies to organizations.

Bob Myroniuk
Executive Director

July 9, 2015

Bob Myroniuk, Executive Director
Real Estate Council of Alberta
350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Bob,

On behalf of the industry, I want to make you aware of some concerns about the new myRECA platform that have been brought to AREA's attention. Generally, the concerns that we have received relate to the effects of the new system on member and Associate management processes.

AREA has heard several concerns from Brokers with respect to the way in which they manage new and current Associates on myRECA. These concerns include:

- The process for registering a new agent which, as AREA understands, has moved from a simple process completed by the Broker to a process which can take well over one hour, and requires both the Broker and the agent to complete steps within the process;
- The process by which verification of licensing is completed, which has added an additional step to require the agent to print their licence, transfer to their Brokerage and then to their Board/Association, instead of the Broker simply transferring; and
- A lack of information available through the My Brokerage portal, including notifications not being received with respect to changes to an agent's status with their Brokerage, e.g. terminations, transfers and/or reinstatements.

A Broker's ability to manage these processes and the information associated with them is critical to their business. As such, it is necessary that any work required of the Broker and/or the agent be intuitive and make efficient use of their time. It is AREA's understanding that the changes to myRECA and the associated changes to Broker processes have, in fact, added time and an additional layer of complexity with the involvement of the agent.

AREA has also heard from Boards/Associations that changes to myRECA have made it difficult to locate clear, reliable information on an individual's licence status and the details associated with that licence, affecting the ability of Board staff to process membership applications. Specifically, the concerns brought to AREA's attention are:

- The choice to utilize a username instead of a licence number as an individual's primary identifier;
- Missing information for many individuals including the date their licence was issued, its expiry date, the agent's city, and the sector the individual is licensed to trade in; and
- Changes to the licence activity report (linked here), including combining all real estate,

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mortgage, and appraiser activity into one report, not displaying two transactions for agents transferring brokerages, requiring staff to access each individual record for required information, and not ordering activity alphabetically as in the past. These changes have made it time consuming for Boards/Associations to work with the report and have increased the risk of staff missing critical information.

All of this information is necessary for Boards/Associations to properly onboard a new member according to their set processes and to ensure that members are indeed licensed. These management processes are vital to the integrity of the industry, as being able to uphold and ensure that an individual is appropriately licensed is key.

In addition to these concerns, AREA also understands from the Boards/Associations that new processes have meant a delay in activations at RECA. Whereas in the past an agent was made active almost immediately after notification from the broker, it may now take 5 to 10 days for the activation to occur at RECA. Boards/Associations cannot activate a membership without validating licensing, and the new time lag, which is not clear to brokers or the agent, is generating dissatisfaction, of which the Boards/Associations are bearing the brunt, and impairing an individual's ability to start practicing in a timely manner.

These concerns provide another example of the need for better consultation by RECA on industry changes. Discussions with the groups most impacted by the changes to myRECA could have mitigated the impacts felt by the industry and illustrated here. When Brokers and Boards/Associations experience difficulties in confirming licensing information when needed, or when time-consuming processes are created for Brokers and staff, all licensees risk being impacted due to delays in accessing services like the MLS® System.

We can appreciate that there will be adjustments necessary to a system such as myRECA post-launch, as users (including licensees, Brokerages and Boards/Associations) begin to access and make use of the information available. We can also appreciate that a lack of familiarity with a system can lead to users having difficulties during their first experiences. However, where a lack of familiarity is the issue, training materials should be available to ensure, as best as possible, users are prepared to use the system as intended.

Given the issues identified by our membership of over 90% of licensees, I would ask, on behalf of the AREA Board of Directors, that communication occur from RECA to the industry with respect to the changes that can or cannot be made to the myRECA system at this time to address the current difficulties which industry members are experiencing with respect to managing their administrative processes for licensees and any challenges that may be encountered heading into the time for licence renewals.

I look forward to hearing from you and seeing the communication to industry as an industry member's licensing status is the cornerstone of RECA's role.

Regards,

Ian Burns
Chief Executive Officer
Alberta Real Estate Association

Copies to:

AREA Board of Directors
Alberta Board/Association Executive Officers
RECA Council

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Real Estate Council Alberta

RECA News

September 25, 2015

New creb® Rule & MLS® System Listing Addendum Places creb® members in Conflict with their Obligations under the *Real Estate Act* Rules

Advisory:
The addition of the new creb® *MLS® System Listing Addendum* ("New Addendum"), which takes effect October 1, creates an exclusive seller representation agreement that does not comply with the *Real Estate Act* Rules ("Rules"). The use of the new Addendum by a creb® member constitutes a breach of the *Real Estate Act* Rules.

Explanation:
When trading in real estate, real estate professionals in Alberta, including creb® members, must comply with their obligations and the standards of conduct established by the Real Estate Council of Alberta (RECA) through the *Real Estate Act* and the Rules.

Section 60.1 of the Rules establishes the mandatory content that real estate professionals must include in an *Exclusive Seller Representation Agreement* (listing contract) in Alberta. While a creb® member trading in residential real estate can use any listing contract they want, they must comply with the requirements set out in the Rules. The Rules clearly state any additional content must not directly or indirectly alter the meaning or effect of the mandatory content, and must not alter the obligations or requirements of industry members established in the *Real Estate Act* and Rules.

RECA's review of the wording in the New Addendum concludes it alters the obligations or requirements set out in the Rules. The use of this New Addendum is a breach of the *Real Estate Act* Rules. It cannot be used by creb® members.

It is the responsibility of brokers to ensure their associates and associate brokers do not use the New Addendum.

Questions and Answers

Q1: How does this New Addendum alter the obligations of real estate professionals?

A. By requiring sellers to execute the New Addendum before marketing their property on the creb® MLS® System, creb® members will breach their obligations to fulfill their agency duties to their seller clients in a timely manner. Specifically, they will be in breach of their duties of undivided loyalty and acting in their client's best interests.

In some circumstances removing a listing from "active listings" or disclosing an accepted conditional offer to a third party can disadvantage the seller. What is in the best interests of a particular seller will depend on the nature of the conditions and circumstances at the time of signing the Purchase Contract not at the time of signing the listing contract.

Q2: Does the current creb® *Conditional Sale Disclosure Instruction Form* meet RECA standards on this issue?

A: Yes, it facilitates a timely discussion between the seller and their representative. It allows the seller to provide their representative with informed and timely instruction when accepting a conditional offer.

Consumers are best served and protected when the decisions they make, and the instructions they provide to their representatives, are made after carefully considering all relevant information and the knowledge and expertise their real estate professional provides to them. Real estate professionals should give information and advice to consumers at the moment it has the most relevance to them. Through that process, consumers can provide timely and informed instruction or consent. It is at this point in a transaction that the value and expertise real estate professionals provide is most meaningful to their clients.

Q3: creb® has stated it has a legal opinion that confirms the use of the New Addendum meets the standard of informed and timely consent by the seller. Shouldn't this be sufficient to satisfy RECA that this new form meets RECA's standards?

A: RECA has not received a copy of the legal opinion referred to by creb®; however, this is not a legal issue. The issue is, what are the standards of conduct RECA requires of real estate professionals in Alberta? It is RECA's mandate under the *Real Estate Act* to establish, communicate and enforce those standards of conduct. RECA has clearly communicated those standards to creb®. While individuals may have their own opinion as to what constitutes informed and timely consent in any set of circumstances, RECA has clearly communicated how that standard will be applied in the real estate industry when providing services to consumers.

Q4: Did creb® consult with RECA prior to announcing the new Addendum?

A: No. CREB did not consult with RECA before proceeding with this change.

Q5: Was creb® aware of RECA's position on this issue?

A: Yes. As recently as August 12, 2015, RECA sent creb® a letter to communicate its position on this issue. In the past, RECA representatives have also communicated this position to the creb® Professional Standards Committee.

Q6: Is the Alberta Real Estate Association MLS® Harmonization Committee Aware of RECA's position on this issue?

A: Yes. RECA has communicated its position on this issue to this committee.

Q7: Does RECA have any other concerns?

A: Yes, RECA is concerned that creb® has ignored the information and advice RECA has provided to it on this issue.

RECA is concerned that creb® has placed its members in a no win situation. Because of its new MLS® Rule, complying with the standards of conduct established by RECA on this issue puts creb® members at risk. And yet, if creb® members use the New Addendum, they will be in breach of the Rules and could face disciplinary action. creb® should not place their members in a position where their MLS® Rules conflict with the standards of conduct established by RECA.

RECA also has concerns from a consumer perspective. If creb® members are prevented from placing listings on the MLS® System, it will significantly limit their ability to market their clients' properties and prevent them from serving their best interests.

Q8: I'm a creb® member, what should I do?

A: You should continue to use the Conditional Sale Disclosure Instruction form as it complies with the Rules. Use of the New Addendum is in breach of the Rules. It cannot be used by creb® members.

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RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to communications@reca.ca

Kerri Romanetz

From:	Ian Burns <iburns@areahub.ca>
Sent:	January-27-16 2:40 PM
To:	Kerri Romanetz
Subject:	** Informz Test ** Questions Regarding RECA Processes
Follow Up Flag:	Follow up
Flag Status:	Flagged

This is a test mailing from Informz.

November 20, 2015

Krista Bolton, Chair
Real Estate Council of Alberta
Suite 350, 4954 Richard Rd. SW
Calgary, AB T3E 6L1

Dear Krista and members of the Real Estate Council of Alberta,

I hope this note finds you well. As the representative of REALTORS® in Alberta, AREA is a significant constituent of RECA, and frequently receives inquiries from its members on RECA processes and decisions. It is AREA's belief that some changes to current RECA processes would allow for increased transparency from RECA to the industry and foster a sense of openness with industry members regarding RECA's operations.

To that end, AREA poses the following questions to RECA for consideration, with the aim being that all industry members garner an increased understanding of RECA operations, decision-making structures and processes.

1. Is RECA amenable to re-instituting Annual General Meetings? I understand RECA previously held AGMs several years ago, but that at some point, those AGMs stopped occurring. We would value RECA hosting AGMs as an opportunity for AREA members and all industry members to learn more of RECA's plans and progress, ask questions, and provide feedback. We understand past AGMs may have been poorly attended, but feel this does not negate the importance of those general meetings in fostering a sense of openness to industry members.

2. Will RECA make its agendas and meeting minutes, for both the council and its committees, available to industry members, and, ideally, the public, for the last two years and moving forward? Many other regulatory bodies, such as the Law Society, have publicly available minutes and agendas which assist both their members and the public. While AREA appreciates some decisions (such as those relating to human resources and disciplinary matters) need to be considered in camera out of respect for privacy legislation, we are of the opinion that the industry and public would benefit from increased openness and transparency in RECA governance. AREA's request is that this take place at the earliest opportunity. Enhanced transparency in RECA decision-making processes, and perhaps even finances, is an important step forward in enhancing stakeholder and public trust in RECA as a whole.

3. Finally, AREA has some concern with the current RECA Council Code of Conduct, Section 4, "Maintaining Confidentiality" states:

> *The work carried out by RECA often requires confidentiality and council members are expected to abide by strict confidentiality rules. Any and all information they receive while acting as RECA council members, from any source whatsoever, relating to the business and affairs of RECA or relating to the business and affairs of all persons with whom RECA may have dealings, and all RECA staff, legal counsel or contractors, shall be kept strictly confidential and shall not be released without first having obtained the*

prior written consent of the executive director of RECA. The foregoing provisions are to indefinitely survive the end of a person's term as a RECA council member.

Furthermore, RECA council members shall not use confidential information for their own personal gain or to benefit persons or entities outside of RECA.

Again, we appreciate some RECA decisions - such as those relating to disciplinary processes and personnel issues - need to remain confidential. However, Council includes AREA appointees to ensure the REALTOR® perspective is well-represented in regulatory decisions regarding real estate in Alberta. In order to effectively represent the REALTOR® perspective, we believe our appointees need to have the opportunity to consult with our members regarding potential future plans and ideas, and have candid, open conversations.

We believe language in the RECA Code of Conduct could, if re-worded, provide both AREA appointees and all RECA Council members an enhanced opportunity to meaningfully and effectively consult with stakeholders. To that end, is RECA open to considering amending Section 4 of the Council Code of Conduct such that Council members are only required to keep confidential in camera items such as those relating to discipline and personnel? AREA would be pleased to work with RECA in proposing draft language that would support more openness and collaboration in the real estate industry, and enhance the RECA Council's ability to fulfill its mandate.

It is AREA's understanding of the *Real Estate Act* of Alberta that RECA Council is able to make decisions with respect to all of our inquiries above.

Thank you Krista and all RECA Council members. I look forward to hearing from you with further information.

Regards,

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
P: 403.209.3600
E: iburns@areahub.ca

CC: RECA Council Members
Bob Myroniuk, Executive Director - Real Estate Council of Alberta
AREA Board of Directors

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Kerri Romanetz

From:	Ian Burns <iburns@areahub.ca>
ent:	January-27-16 2:36 PM
To:	Kerri Romanetz
Subject:	** Informz Test ** Follow-Up Re: Codes of Conduct
Follow Up Flag:	Follow up
Flag Status:	Flagged

This is a test mailing from Informz.

December 21, 2015

Krista Bolton, Chair
Real Estate Council of Alberta
Suite 350, 4954 Richard Rd. SW
Calgary, AB T3E 6L1

Dear Krista, members of the Real Estate Council of Alberta, and members of the RECA Governance Committee:

On December 4, AREA committed to sending RECA further thoughts relating to RECA's code of conduct, best practices for director confidentiality, and ideas for revised language in RECA's code of conduct. This commitment stems from our earlier letter to RECA on November 20 stating:

> *"AREA has some concern with the current RECA Council Code of Conduct. Section 4, "Maintaining Confidentiality" states:*
>
> > *The work carried out by RECA often requires confidentiality and council members are expected to abide by strict confidentiality rules. Any and all information they receive while acting as RECA council members, from any source whatsoever, relating to the business and affairs of RECA or relating to the business and affairs of all persons with whom RECA may have dealings, and all RECA staff, legal counsel or contractors, shall be kept strictly confidential and shall not be released without first having obtained the prior written consent of the executive director of RECA. The foregoing provisions are to indefinitely survive the end of a person's term as a RECA council member.*
> >
> > *Furthermore, RECA council members shall not use confidential information for their own personal gain or to benefit persons or entities outside of RECA.*
>
> *We appreciate some RECA decisions - such as those relating to disciplinary processes and personnel issues - need to remain confidential. However, Council includes AREA appointees to ensure the REALTOR® perspective is well-represented in regulatory decisions regarding real estate in Alberta. In order to effectively represent the REALTOR® perspective, we believe our appointees need to have the opportunity to consult with our members regarding potential future plans and ideas, and have candid, open conversations.*
>
> *We believe language in the RECA Code of Conduct could, if re-worded, provide both AREA appointees and all RECA Council members an enhanced opportunity to meaningfully and effectively consult with stakeholders.*
>
> *To that end, is RECA open to considering amending Section 4 of the Council Code of Conduct such that Council members are only required to keep confidential in camera items such as those relating to discipline and personnel? AREA would be pleased to work with RECA in proposing draft language that would support more openness and collaboration in the real estate industry, and enhance the RECA Council's ability to fulfill its mandate."*

In preparing to send RECA further thoughts, AREA reviewed director codes of conduct for numerous other governing bodies.

Please click here to reference those codes of conduct, which include:

- Alberta Pension Services Corporation
- Grant MacEwan University
- ATB Financial
- Alberta Capital Finance Authority
- City of Edmonton's LRT Governance Board; and
- Alberta Liquor and Gaming Commission.

It is common practice for governing boards of organizations to have confidentiality clauses in their codes of conduct restricting directors from disseminating information obtained by virtue of their position, or from profiting or otherwise benefiting themselves by making use of this information.

Article 4 of the RECA code of conduct, which contains confidentiality provisions, provides for unqualified confidentiality duties. The authority to release confidential information rests with the executive director of RECA. Both of these provisions are unusual and more onerous than necessary – codes of conduct normally allow for directors to have conversations with others in industry. For example, the LRT Governance Board Code of Conduct states:

"Members will respect the collective decisions of the Board. Should a Member publicly disagree with a decision of the Board or should a Member comment upon a matter not yet before the Board, she/he will clearly identify that they are speaking as an individual and not on behalf of the Board. A Member may not state the Board has taken a position on a matter until a matter has been voted on."

As you can see, this board is far more generous in allowing board members to communicate, consult, and discuss with the public and interested stakeholders. Given RECA's plurality of stakeholders, it is critical for RECA directors to be endowed with meaningful opportunities to consult on real estate and regulatory matters.

Even more disturbing in the RECA code of conduct is the placement of decision-making authority for disclosing confidential information with the executive director. One would expect this power would rest with the Chair, or with the Council itself by way of resolution. The RECA executive director is a subordinate of Council, and it is inappropriate for the executive director to have the authority to permit (or not) the release of information while no such authority is present for the Council itself in the code of conduct.

Above all, it is important to note codes of conduct on directors are self-imposed. These codes are approved and implemented by directors. They are not imposed by subordinate officers such as the executive director of RECA. If RECA councilors collectively decided to disclose information to the public, or make RECA operations more transparent generally, they could do so by resolution.

AREA urges the RECA Council to review the other codes of conduct and information provided, and take steps to become a more transparent, consultative organization. This includes re-visiting RECA's director Code of Conduct. Again, the sample codes from other organizations which are linked earlier in this letter support AREA's position, and offer examples of what AREA hopes for in RECA's code of conduct.

Please let me know if you have any questions. I look forward to your response.

Regards,

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
P: 403.209.3600
E: iburns@areahub.ca

Kerri Romanetz

From: Jennifer McKenzie <governmentrelations@areahub.ca>
Sent: January-27-16 2:38 PM
To: Kerri Romanetz
Subject: ** Informz Test ** RECA Strategic Plan Submission

Follow Up Flag: Follow up
Flag Status: Flagged

This is a test mailing from Informz.

January 6, 2016

TO: Krista Bolton, RECA Chair

CC: Bob Myroniuk, RECA Executive Director

Ian Burns, AREA CEO

AREA Board of Directors

RE: AREA's Submission re: RECA's Strategic Plan

Krista,

The Alberta Real Estate Association (AREA) welcomes the opportunity to participate in RECA's strategic planning process for the post-2016 period. AREA is a significant stakeholder of RECA, in both its appointments to RECA Council and its leadership on behalf of organized real estate in the province.

Our submission regarding RECA's Strategic Plan is available here.

Thank you for your time and consideration. Please feel free to get in touch either with myself or Ian Burns, AREA CEO, with any questions or concerns. AREA will continue to be a resource to RECA as it proceeds with its strategic planning process.

Warm regards,

Jennifer McKenzie
2016 President
Alberta Real Estate Association
E: governmentrelations@areahub.ca

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Alberta Real Estate Association

Alberta Real Estate Association (AREA) Submission to the Real Estate Council of Alberta re: RECA's Strategic Plan

Introduction

The Alberta Real Estate Association (AREA) welcomes the opportunity to participate in RECA's strategic planning process for the post-2016 period. AREA is a significant stakeholder of RECA, in both its appointments to RECA Council and its leadership on behalf of organized real estate in the province.

AREA represents the interests and concerns of 10 regional real estate boards and more than 10,000 Alberta REALTORS®. We provide strategic leadership and advance the Alberta real estate profession through member-centric advocacy, professional development and provincial services. AREA appoints six of the 12 members of the RECA Council.

In October 2015, RECA began the final year of its current 5-year Strategic Plan, and began a new round of strategic planning. Five questions were posed to stakeholders, and AREA has responded accordingly below. To inform our submission, AREA surveyed its members on RECA and its operations and practices using a third-party provider, Abacus Data. Abacus Data ensured the validity of our survey results by providing each member with an individualized survey link to avoid numerous responses from single individuals, and by guaranteeing the anonymity of 826 individual respondents.

As RECA proceeds with its strategic planning, AREA hopes RECA will offer stakeholders additional opportunities to comment on specific proposals and directions it is considering. General feedback, such as what we've provided below, cannot replace the important ability to share thoughts and concerns relating to specific proposed initiatives. In addition, AREA hopes the plan will be flexible enough to respond to emerging circumstances, opportunities, and new information, and will be revisited more frequently than every five years.

Questions

Are the 5 Critical Success Factors from RECA's 2011-2016 Strategic Plan still relevant?

No. RECA's 5 Critical Success Factors from its 2011-16 Strategic Plan are:

> *1. Advance professionalism of the industry by establishing a clear definition of self-regulation and working with industry professionals to take ownership for and understanding of self-regulation by supporting and promoting responsible and accountable professional behaviour.*

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2. Provide innovative, leading- edge career preparation and training resulting in highly competent and highly valued new industry professionals.

3. Promote quality standards and continuous performance improvement by establishing a professional code of conduct, delivering ongoing professional development, conducting and ensuring transparent, timely and fair practice reviews and solutions, and providing advisory services.

4. Build awareness and appreciation for RECA's self-regulatory value proposition and brand contribution.

5. Ensure RECA has the capacity to achieve its vision of excellence in self-regulation by providing the necessary resources, technology, policies and regulatory framework.

Unfortunately, none of these factors directly relate to RECA's primary responsibility: regulating the real estate sector. AREA recommends RECA re-visit its primary mandate of effectively regulating the real estate sector, and measure its success against this mandate. This includes licensing practitioners and disciplining individuals who fail to uphold defined standards.

RECA's strategic plan should focus on its role as a regulator, with an approach that recognizes the importance of positive stakeholder engagement, and is sensitive to avoiding unnecessary expansion into new regulatory areas. RECA should also consider governance as a strategic priority given the enhanced expectations of transparency held by the public, industry members, and the Government of Alberta.

What are the most significant trends, opportunities, and challenges currently facing industry professionals in your industry sector?

While the landscape of trends, opportunities, and challenges is a large topic to contemplate, it was helpful to position this question within the framework of what trends, opportunities and challenges are important for RECA within its mandate as a regulator. A few key highlights of opportunities are offered below.

Aspiring real estate professionals today want comprehensive and cost effective choices in their educational programming. They want to be prepared to transact in real estate once they obtain their license. Currently, an increasing number of brokers report newly licensed professionals are not "market-ready" due to the absence of in-person and practical training at the time of licensing education. The result is the downloading of cost to the now REALTOR® member for additional education to learn what they expected to learn in their licensing education. An additional burden of responsibility is placed on the broker when onboarding a new REALTOR®. The broker's role is to provide support to improve the level of preparedness of

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new industry members, but onboarding should not require brokers to go back to practical knowledge training that should have been covered during licensing. Our membership survey conveyed overwhelming and consistent messaging from REALTOR® members imploring RECA to incorporate practical knowledge and training before a license is granted. This includes providing both principle-based and practical learning as well as in-person and online learning. AREA hopes to see RECA's strategic plan include this as a key component.

Should this be undertaken, AREA remains open to discussions on how our two organizations can work together in the pre-licensing environment. Members have stated they want RECA to focus on enhancing the pre-licensing education and leave post-licensing education to industry organizations. Furthermore, members have conveyed having other organizations deliver education may be of benefit to ensure practical learning opportunities are delivered by REALTORS® and those with thorough "real world" experience which they can share. AREA has clear initiatives mapped out over the near term for the post-licensing education of REALTOR® members. The details of AREA's plan will be impacted by the measures undertaken by RECA to act on improving the practical preparedness of licensees at the time they obtain their license. AREA believes practical learning needs to occur in a pre-licensing environment. Knowing a person is able to transact in real estate as soon as they have a license means making it a priority to enhance levels of preparedness in a pre-licensing environment.

REALTOR® members furthermore see an opportunity for RECA to create stronger requirements to become a REALTOR®. AREA supports the position that RECA implement a more robust process in order to obtain a license. This could include measures such as:

- Increasing practical knowledge requirements for licensing,
- Making exams more difficult,
- The inclusion of an ethics course within pre-licensing requirements, and
- More robust requirements to reactivate an inactive license, such as testing to ensure the licensee is familiar with current industry standards before re-starting his or her practice.

The desired outcome is that this, along with other initiatives by AREA and other industry stakeholders, will contribute to improvement of the industry.

REALTOR® members commented that they would like to see a review of fine/suspension amounts for unethical conduct. This one act, in concert with the work of other industry stakeholders, can result in setting the bar higher for the profession.

REALTOR® members commented that a review and opportunity to incorporate a more cost effective way of handling appeals on smaller sanctions should be available and could prove beneficial for RECA to consider.

An opportunity exists to improve the working relationship between RECA and other industry stakeholders. AREA and other industry stakeholders recognize this as a priority that requires effort from all groups, and have this as a key initiative going forward. REALTOR® members cited power struggles are evident between RECA and industry, and noted this is harmful to the real estate sector overall. Further member comments and themes support RECA reviewing internal staff communication styles, approaches and overall operational structure to be more positive and collaborative with others in the sector.

A general theme of REALTOR® member feedback is that amongst the current political climate and obvious adversarial relationship between AREA and RECA, RECA should focus on improving its industry relations and limit its scope to regulation. AREA and REALTORS® want RECA to come to the table to resolve issues as they arise and make this work a key focus in this strategic plan.

What trends, opportunities, and challenges do you anticipate will emerge in the future?

Governance

The Government of Alberta is reviewing the governance of the province's agencies, boards, and commissions (ABCs) in 2016. RECA may take an interest in this process, and review best practices brought to light, with the goal of enhancing its own governance. Today, governance is increasingly a hot topic in the media and for the public. With increased expectations of transparency and good governance, RECA will likely want to re-visit its processes to ensure it is aligned with best practices.

AREA believes there is an opportunity for RECA to enhance its governance practices. This includes:

- Making its minutes, agendas, and even meetings public,
- Revising its Director Code of Conduct to allow for enhanced industry dialogue,
- Hosting Annual General Meetings,
- Engaging stakeholders for meaningful feedback on a regular basis by gathering both qualitative and quantitative data on stakeholder perspectives, and
- Providing details to the public regarding its major financial expenditures and salaries.

Enhanced transparency and openness will increase confidence in RECA from the public, industry members, and government, and allow for stakeholders to provide more meaningful input into RECA's plans moving forward. It is difficult for stakeholders to contribute to RECA's strategic planning without knowing what specific initiatives are under consideration. In AREA's membership survey on RECA, enhanced transparency and better communication from RECA were common themes in our members' hopes.

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The Real Estate Act Review

The *Real Estate Act of Alberta* is scheduled to open for consultation and amendments in 2017, and RECA will no doubt be a contributor in this process. Industry collaboration in review of the Act will result in the dialogue necessary to produce the best legislative framework possible, and AREA accordingly recommends RECA consider its submission in concert with ideas from other industry stakeholders.

A critical opportunity exists for RECA going forward, and the themes and feedback are clear. A call for transparency, improved communication styles, and altered engagement approaches with industry is needed. A review and implementation on collaboration and engagement best practices would be a useful starting point. Comments made by REALTOR® members when surveyed by AREA is that engagement and consultation by RECA feels contrived and disingenuous. The results are almost never aligned with what the majority voice is stating in this self-regulating industry. The resulting impression is REALTORS® believe RECA is going through the motions and already has its desired outcomes mapped out.

What is the one regulatory issue on which you would like the Real Estate Council of Alberta to focus on in the next three years? Why?

With a regulatory reach that is already expansive with multiple industries to regulate, RECA should focus on regulating effectively in licensing and disciplining licensees, in the interests of advancing consumer protection and confidence. REALTOR® member feedback overwhelmingly supports that direction. In the trends, opportunities and challenges questions above, some more specific examples have been outlined.

AREA members question the value of RECA initiatives unrelated to core regulatory functions, such as RECA's plans to one day own a building. AREA suggests RECA utilize its strategic planning process to evaluate legacy decisions, and consider adjustments that may support RECA re-focusing on its core regulatory mandate. AREA hopes some of RECA's expansionist initiatives will be re-visited, and perhaps reversed, in the future.

AREA recommends RECA consult with stakeholders on what regulatory practices and services should/should not look like and respond with operational plans that are in alignment with the outcomes of that consultation. RECA's strategic and major operational plans should focus exclusively on enhancing RECA's effectiveness as a regulator – other issues are out of scope. To that end, how RECA approaches its regulatory work could itself benefit from a robust external review.

Alberta Real Estate ASSOCIATION

Conclusion

AREA hopes the preliminary information as captured above is beneficial. We appreciate structuring a strategic planning project schedule is no easy task. As RECA proceeds through its work, a critical step that would aid RECA in gaining meaningful input and feedback is to engage AREA and other stakeholders on a draft plan once it is produced. Incorporating this mechanism into the process will ensure RECA can garner meaningful feedback linked to its proposed strategic plan.

Thank you for the opportunity to provide input through the questions posed. AREA continues to be available to discuss and work with RECA as a resource as you progress through your strategic planning process.

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Kerri Romanetz

From: Amanda Nielsen
Sent: March-03-16 9:17 AM
To: Kerri Romanetz
Subject: Fw: Confidentiality Provisions in AREA Code of Conduct

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From: Ian Burns
Sent: Thursday, February 4, 2016 4:28 PM
To: Brad Mitchell
Cc: Amanda Nielsen; Tammy Tkachenko
Subject: FW: Confidentiality Provisions in AREA Code of Conduct

FYI. I need to think about this one.

Ian

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: February-04-16 3:26 PM
To: Ian Burns <iburns@areahub.ca>
Subject: RE: Confidentiality Provisions in AREA Code of Conduct

Thank you for sharing this information. This completes the information you had sent earlier with respect to AREA specifically.

I think you will find there are a lot of similarities across organizations on the issue of director confidentiality within respective codes of conduct. This is because the fiduciary duties of loyalty, acting in the best interests of the corporation/association, confidentiality, etc. are identical in common law. Often there are statutory obligations to supplement common law duties. These legal obligations rest outside any code of conduct requirements.

The exceptions to those obligations of confidentiality are well defined in law and include, among other things, the ability to disclose information as approved by the board of directors. It is for that reason, that RECA and most organizations are addressing the issue of fiduciary duties within the context of a society that increasingly looks for increased openness or transparency. That is why RECA has adopted a stakeholder engagement policy; that is, to provide for meaningful, open and fair stakeholder engagement within the context of council (and staff member) fiduciary obligations of confidentiality.

As you indicated, examples of codes of conduct from other regulators are very helpful. In the case of RECA, at the top of the relevance scale, are the codes of conduct of other real estate regulators followed by regulators of other occupations and professions in Alberta and Canada. Codes of conduct of other organizations such as private companies, universities, banks or crown corps are less relevant but informative. While I appreciate receiving links to the various codes of conduct you mentioned, I would not classify the Alberta Pension Services Corp, Grant MacEwan University, ATB Financial, Alberta Capital Finance Authority and City of Edmonton LRT Governance Board as regulators. The ALCB is a regulator of alcohol distribution/consumption and gambling establishments. As such, it is very different from RECA - it does not licence and regulate an occupation or profession either.

A final point. You indicated a serious concern about the policy that requires the prior approval of the executive director to release confidential information. The reason for that is that the executive director is the individual who serves Council

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over time and, while Council members serve and leave, he or she has the obligation to apply their knowledge and expertise to provide independent advice that is consistent with his/ her fiduciary duties to the corporation. In any situation where it was unclear, legal advice might be sought as well. In any event, before answering a request I would inform and consult with the Chair so they are aware of the request and can provide some input. Chairs, on the other hand, serve for one year and may or may not have the same level of expertise or background to make those decisions independently. You may choose to disagree but that is the rationale. The fact is that I have now served Council for close to 20 years. I have never been asked to rule on the issue of confidentiality or provide prior approval to disclose RECA's confidential information to a third party.

The fact of the matter is that individuals appointed to RECA by AREA cannot disclose any information they receive in the course of serving on Council, unless authorized to do so through policy or by Council as a whole. Any council member who does this has breached their fiduciary duties and is subject to disqualification. They could be removed from Council. Aside from the issue of breaching confidentiality, any secret meetings, meetings of a subset of Council members, or individual council members, or attempts to influence any Council member by AREA or any stakeholder destroys the independence of a regulator, perceived or real, and brings the regulation of the industry into disrepute.

Prior to the current term of Council, Council members have clearly understood their confidentiality obligations and respected the overall need of the corporation to keep certain information confidential. It's never been a problem. The issue of confidentiality and the role of the executive director have never been raised by AREA in the past 20 years. These are only issues because AREA chooses to make these issues at this time.

When and how did these become issues for AREA?

Bob

P.S RECA is not a "subsidiary" of AREA ☺.

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: February-04-16 12:16 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: RE: Confidentiality Provisions in AREA Code of Conduct

Bob,

AREA sent you examples of codes of conduct from regulatory bodies. AREA has no regulatory authority so our confidentiality and code of conduct provisions are not directly comparable. That said, I am happy to share and have attached them as requested.

Please note, these documents are currently under review by our governance committee. Updates will be completed by May.

Thanks,

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 | TF: 1.800.661.0231 | areahub.ca

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: February-04-16 8:58 AM
To: Ian Burns <iburns@areahub.ca>
Subject: Confidentiality Provisions in AREA Code of Conduct

We are going through the various codes of conduct you sent us and note you did not attach AREA's confidentiality provisions to the information we received. Please forward the confidentiality provisions that apply to your directors and AREA committee members. This information is required so we can complete our research. Thank you.

Bob Myroniuk
Executive Director

Real Estate Council Alberta

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Kerri Romanetz

From:	Jennifer McKenzie <governmentrelations@areahub.ca>
Sent:	February-10-16 3:49 PM
To:	Kerri Romanetz
Subject:	Re: Meeting on January 25, 2016
Follow Up Flag:	Follow up
Flag Status:	Flagged

February 10, 2016

TO: Krista Bolton, RECA Chair

CC: RECA Council Members
AREA Board of Directors
Bob Myroniuk, RECA Executive Director
Ian Burns, AREA CEO

RE: Meeting on January 25, 2016

Good afternoon Krista,

Thank you again for lunch and for your email on February 2 (see below).

First of all, we are very pleased to hear RECA shares so many of AREA's priorities. We look forward to regular meetings with RECA Council members to discuss trends and industry issues, and I am pleased to hear you are receptive to this idea. We would be happy to work with Mr. Myroniuk to set up mutually agreeable times for RECA Council and AREA meetings to take place. We see tremendous benefit to sharing our perspectives with Council as a whole as well.

I would also like to thank you for communicating your concerns about how new appointees would impact RECA's ability to carry out its role and mandate. We share your belief the primary consideration for prospective appointees is the knowledge and industry experience they can bring to the table. We can agree that a potential impact on RECA's quasi-judicial functions should be a factor considered in our selection process. Please accept our assurances that the issues you have raised will be given their due consideration.

AREA has a robust process in place to ensure the best appointees are selected, and current appointees are welcome to apply to continue serving if they so choose. Our upcoming round of appointees will be selected from potential candidates named by our local boards in Calgary, Edmonton, and rural areas. Our final decisions will ultimately be merit based, and to that end, there is no guaranteed selection to any of our applicants, incumbents included. As I trust is evidenced by our most recent three appointees, AREA is committed to appointing qualified, diverse, and public-interest minded individuals to the Council. We will continue to do so moving forward.

We are pleased to hear RECA will be making transparency and good governance part of its upcoming Strategic Plan, and look forward to sharing feedback on RECA's proposals in that regard. As outlined in AREA's submission, REALTORS® have conveyed a desire to provide feedback on RECA's Strategic Plan once a draft has been established. AREA looks forward to learning if this opportunity will be made available to stakeholders, and would appreciate your comments on this matter.

We also share your concerns with regards to the handling of brokerage trust regulations, and would welcome an opportunity to discuss this further with RECA. In our view, this is a complex matter that will require robust, iterative dialogue with key provincial industry stakeholders in order to determine the best potential solutions. This is obviously a sensitive issue between REALTORS® and their brokerages. We agree the trajectory of the economy makes it likely that this will be a prominent industry issue in the foreseeable future. Would RECA be amendable to a roundtable discussion

on this matter with a variety of provincial industry stakeholders? It is key to leverage the knowledge of many stakeholders and to partner in jointly addressing an issue important to our industry, and both industry and consumers will benefit from co-ordinated efforts.

Finally, AREA is proud to play an important role in member education and professional advancement, and we are optimistic AREA and RECA will be able to work together constructively to discuss pre and post licensing education to the end. We will continue to offer post-licensing programming, and are optimistic RECA will be amendable to licensing our forms for inclusion within REAP. A combination of principle and practical based learning is the best way to ensure new industry members are well positioned to transact in real estate.

Thanks again for these constructive discussions, Krista. I look forward to hearing from you further as we move forward I've copied RECA Council, as well as AREA's leadership team, to this email in order to keep them in the loop.

Warmest regards,

Jennifer McKenzie
2016 President
Alberta Real Estate Association
E: governmentrelations@areahub.ca

From: krista bolton <boltonkrista@yahoo.com>
Date: Feb 2, 2016 9:30 AM
Subject: Meeting on January 25, 2016
To: Jennifer McKenzie

Dear Jennifer,

I want to thank you for taking the time to meet with me last week. Sometimes it is the more informal conversations that can lead to greater understanding. I also really appreciate the email that you sent on January 20 about the meeting that was held with 6 RECA council members and the AREA leadership on January 15, 2016. What I am most relieved about is that you understand how important it is for AREA to trust RECA council members and let them do their work without interference.

As a public member I have always believed it is inappropriate for a sub-set of council to meet with AREA with the intent of influencing RECA council members and how they may vote on any given decision. This places the individual Council members in a fiduciary conflict as well as a conflict of interest for RECA Council as a whole.

I am pleased to inform you that I have asked Bob Myroniuk to set up some proposed dates for Council and AREA Board as a whole to meet to discuss issues. I have asked Bob to contact Ian Burns to determine what topics AREA would like to discuss and will ensure those are included in the meeting agenda. We will be following our Stakeholder Engagement Policy and I have attached a copy for you as well.

As the self-regulatory professional body for real estate professionals in Alberta, RECA's Council must remain impartial and be beyond the influence of individuals, stakeholder groups or special interest groups. Given the quasi-judicial nature of RECA's mandate, it is imperative that Council Members be trusted with making the decisions that are in the best interests of public protection and enhancement of the profession. If a person believes that the judge who is hearing their case is biased one way or another, the confidence and trust in the judicial system is lost. It is this same principal that applies to RECA Council Members.

As we are bound by the Real Estate Act, we can only perform those functions that are within our mandate. It is for this reason that again I ask you to consider the implications of your authority to appoint AREA members to sit as RECA Council. RECA must be able to function as a regulatory body with good, capable, experienced and knowledgeable people. I strongly believe that if the Council members who are currently in their 3rd year on council, and came to council by way of AREA appointment, are not allowed to continue to sit for another three years this will pose a near catastrophic outcome for RECA. In addition to the negative impact this would have upon governance and decision-making at the Council table, RECA will be unable to function effectively due to the lack of experience for the Hearing and Appeal Panel

processes. These quasi-judicial processes are complex and challenging and designed to ensure the rights of industry members to fairness and due process before their professional regulatory body are protected.

As I indicated to you in our conversation last week, the privilege of self-regulation is one that is currently afforded to Real Estate Professionals in Alberta. However, if RECA is not able to fulfill its mandate due to deliberate and intentional influence by the industry association whose primary function is the advancement of the association or its members, not protection of the public, the privilege of self-regulation may be lost. I urge you and your board colleagues to use the utmost caution in how you proceed with making this decision about re-appointments. The unintended consequences of your decisions may be beyond what you expect.

On a more positive note, as I indicated to you, RECA is going to be discussing the concept of transparency as it applies to how we conduct ourselves at our Strategic Planning session. Currently RECA is a transparent regulator as compared to other regulators across Canada; however, I am confident that Council will make some good recommendations as to how we can improve on current practices.

I have also spoken to Bob Myroniuk about researching the topic of commission trust regulations as that was a topic that you identified as having some concerns and that this may fall within RECA's mandate. I am advised by Bob that research on this topic is already underway. He requested the research take place in light of the current state of the economy and the potential impact on the financial viability of real estate brokerages in Alberta. Like many regulatory issues, this is a complex issue and will need careful consideration by Council. Perhaps this could be a discussion topic for our next meeting Board to Council?

I can also assure you that RECA looks to industry associations and boards to play their part in the advancement of professionalism of industry members through post-licensing education and training programs that meet the needs of their members. We are confident that the boards and associations across all industry sectors are well equipped to provide excellent learning opportunities and on-going professional development.

Again I thank you for your time and I welcome the opportunity to meet with you again or a whole Board to Council.

Warm regards,

Trista Bolton

https://www.reca.ca/industry/about/PDF/stakeholder-engagement-policy.pdf

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Kerri Romanetz

From: Amanda Nielsen
Sent: March-03-16 9:17 AM
To: Kerri Romanetz
Subject: Fw: RECA Stakeholder Engagement Policy & Meeting with AREA
Attachments: RECA Stakeholder Engagement Policy.pdf

From: Ian Burns
Sent: Wednesday, February 17, 2016 4:29 PM
To: Amanda Nielsen
Cc: Brad Mitchell
Subject: FW: RECA Stakeholder Engagement Policy & Meeting with AREA

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: February-05-16 10:22 AM
To: Ian Burns <iburns@areahub.ca>
Subject: RECA Stakeholder Engagement Policy & Meeting with AREA

As you are aware, when RECA Chair Krista Bolton and AREA President Jennifer McKenzie met in Edmonton on January 25th, Krista indicated it was inappropriate for members of Council or a subset of Council to hold separate meetings with AREA. There was an understanding that meetings between AREA and the six individuals appointed by AREA to Council would end to ensure the independence of RECA and eliminate any conflicts of interest that might arise, real or perceived, by holding such meetings.

Following the meeting, Krista asked me to set up some proposed dates for Council and the AREA board to meet to discuss issues of common interest. In light of current priorities and commitments of RECA, it became apparent May or June would be a convenient time for this meeting.

It is a priority Krista and Chair-Elect Christine Zwozdesky attend the meeting. Given the challenges related to scheduling meetings for our respective organizations, I started the process by checking dates to see when both of them would be available. These are the dates I received:

- May 2, 3, 4, 5, and 6
- June 13, 14, 15, 16, 17, 20, 21, 22, 23 and 24

I would appreciate it if you could let me know which date is preferred by AREA.

Once we have a date set, we will let everyone know and secure a suitable meeting location in Calgary.

As Krista indicated to Jennifer, RECA will hold this meeting, and any future meetings with AREA, in accordance with its Stakeholder Engagement Policy. I have attached the policy for your convenience. In accordance with the policy, such meetings will be open, transparent and agenda driven.

Given the range of stakeholders RECA will engage with in any given year, the frequency and timing of future meetings with AREA will need to be considered. We will be making similar contact with other industry stakeholders so developing a schedule that is known well in advance will be very helpful from RECA's perspective.

In terms of the agenda, that is something we have time to prepare and will develop in consultation with your office.

I look forward to hearing from you.

Bob Myroniuk
Executive Director

Real Estate Council Alberta

T (403) 685-7926
TF (888) 425-2754
F (403) 228-3065
reca.ca

Real Estate Council Alberta,
Suite 350, 4954 Richard Rd SW
Calgary, Alberta T3E 6L1



The authority for a positive real estate experience.

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Real Estate Council Alberta

Stakeholder Engagement Policy

The Real Estate Council of Alberta (RECA) is an independent, non-government agency, responsible for governing real estate brokerage, mortgage brokerage, property management, and real estate appraisal professionals under the *Real Estate Act* of Alberta.



Background

As the governing body for industry professionals, RECA is committed to the public interest, by promoting the integrity of the industry and protecting consumers.

RECA's mandate is to protect consumers and provide services that enhance and improve the industry and the business of industry professionals. It is an independent body that is fair, transparent, and accountable, and it follows a model of regulation that reflects the evolution of professionalism within the real estate industry.

RECA builds consumer trust and confidence in the industry professional by:

- setting and enforcing standards of conduct and professional development requirements for the industry to protect the consumer
- providing services that enhance and improve the industry
- promoting the integrity of the industry
- protecting against, investigating, detecting, and suppressing mortgage fraud as it relates to the industry

What is stakeholder engagement?

RECA defines stakeholder engagement as meaningful dialogue with individuals, firms, and organizations affected by RECA's actions as it carries out its regulatory mandate.

RECA has a vast stakeholder group, with diverging interests, backgrounds, and objectives. RECA is committed to transparent engagement with all stakeholders on matters that affect the regulation of Alberta's industry professionals. This includes, but is not limited to: new legislation and standards; strategic planning priorities; and, consumer initiatives.

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Policy for stakeholder engagement

Council's decision-making process and its governance structure place a high priority on research, stakeholder engagement, and informed decision making. It is through stakeholder engagement that RECA ensures a strong industry and continued consumer protection. Stakeholder engagement is one way in which we demonstrate fairness, transparency, and accountability.

RECA, through its representatives and various communication channels, engages with industry professionals and other stakeholders. It continually scans the industry and regulatory environment to stay informed and to identify emerging issues.

RECA's primary stakeholders include:

- licensed industry professionals
- brokerages
- industry associations
  - Alberta Mortgage Brokers association (AMBA)
  - Alberta Real Estate association (AREA)
  - Alberta Association of the Appraisal Institute of Canada (AIC)
  - Alberta Assessors Association (AAA)
  - Canadian National Association of Real Estate Appraisers (CNAREA)
  - Building Owners and Managers Association of Calgary
  - Building Owners and Managers Association of Edmonton
  - Calgary Real Estate Board
  - Institute of Real Estate Management
  - Real Estate Institute of Canada
  - REALTORS® Association of Edmonton
  - other real estate boards in Alberta
- Alberta consumers
- the Minister of Service Alberta (Government of Alberta)

Council's principles of stakeholder engagement

- **Timely and consistent:**
RECA is committed to timely and ongoing stakeholder engagement activities. It will provide stakeholder engagement opportunities in advance of significant decisions that will affect its industry professionals and it will maintain ongoing and consistent engagement with stakeholders outside of specific consultation initiatives.

- **Meaningful:**
RECA will use stakeholder engagement activities that are meaningful and responsive to the needs of its stakeholders. RECA will endeavour to build consensus with affected stakeholders, however, RECA's commitment to this principle does not mean RECA will always proceed in the manner that pleases the majority of its stakeholders. Notwithstanding the results of its stakeholder engagement activities, RECA must ensure continued fulfillment of its consumer protection mandate.

- **Transparent:**
RECA's stakeholder engagement will be transparent with all stakeholders. Among other things, it will take place at the RECA office, in public forums, through accessible surveys, and open town hall-style meetings. RECA will share results from its stakeholder engagement activities with affected parties.

- **Equal:**
RECA will treat industry associations equally and engage in substantially similar ways with all. Meetings with industry associations will be transparent, agenda driven and focus on regulatory issues.

- **Effective:**
RECA's stakeholder engagement activities will be designed to maximize engagement and minimize costs. It will use both traditional and new media, as well as in-person engagement activities when appropriate to do so.

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Council's formal stakeholder engagement initiatives

- **Industry sector advisory committees:**
The primary purpose of these committees is to provide a direct line to industry professionals and to maintain cooperation, communication, and an exchange of information between RECA and the industry sector. Council may ask a committee to explore a specific issue relevant to the specific industry sector and the committee will report its findings to Council. The committees may also identify and advise Council on trends and issues affecting the industry and consumers, within the industry sector. The committees may also make recommendations to Council with respect to its responsibilities under the *Real Estate Act*. There are currently five industry sector committees. Each industry sector committee has a dedicated email address through which industry professionals can contact them and bring issues forward for discussion.

- **20/20 groups in real estate and mortgage:**
RECA hosts "20/20" groups for the real estate and mortgage brokerage sectors. The membership of these groups is younger industry professionals. Through these groups, RECA connects with industry professionals who may not be at a point in their career where they are ready to assume a role as a Council member or industry sector committee member. At 20/20 group meetings, members bring issues forward to senior RECA staff, and RECA staff provide them with an opportunity to weigh in on RECA's current activities, and future initiatives and priorities.

- **Broker forums:**
RECA hosts broker forum meetings with real estate brokers. The broker forum groups bring brokers together from across Alberta with senior RECA staff to discuss issues of concern to them and to weigh in on RECA's current activities, and future initiatives and priorities.

- **Real estate practice advisor:**
RECA's real estate practice advisor responds to real estate broker and broker delegate questions with practical, timely information, guidance and advisory services that support them in their responsibilities and duties on a "confidential and without prejudice" basis. RECA's real estate practice advisor also conducts presentations to brokerages and industry organizations on real estate brokerage practices and regulatory issues.

- **Liaison meetings with Service Alberta staff and annual meeting with Minister of Service Alberta:**
RECA maintains an ongoing relationship with Service Alberta staff and meets annually with the Minister of Service Alberta. In addition to these regular meetings, RECA communicates with the Government on its initiatives.

- **Consultation papers:**
RECA distributes consultation papers on issues that will affect its industry professionals. In recent years, this has included consultation papers on written service agreements, condominium manager licensing, specialty licensing, and strategic planning priorities. On high-profile topics, in conjunction with these consultation papers, RECA hosts town hall-style information/consultation sessions, which its stakeholders are encouraged to attend.

- **Consumer and industry professional surveys:**
RECA engages a third-party market research company to carry out surveys with industry professionals and consumers on its behalf. By hiring a third-party market research company, RECA ensures independence in the survey design and statistical accuracy in the survey results.

Council's informal stakeholder engagement initiatives

- **Social media presence:**
RECA maintains accounts on social media platforms to engage with consumers, industry professionals and other stakeholders on matters relating to Alberta's real estate industry.

- **Consumer and Information Services:**
RECA staff respond to telephone calls and emails from consumers and licensed professionals.

- **Trade show attendance:**
RECA exhibits at real estate, mortgage brokerage and real estate appraisal professional trade shows, as well as at various consumer home shows. Through these trade shows, RECA staff engage with stakeholders in an informal setting.

- **RECA email distribution list:**
RECA maintains an email database of all licensed professionals as well as related industry associations and other interested stakeholders. RECA regularly communicates with these stakeholders via email and stakeholders are encouraged to email RECA with any questions or concerns they have.

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Kerri Romanetz

Subject: FW: Request for AREA Appointments to RECA
Attachments: Letter to AREA - Request for Appointment May 3 2016.pdf; ATT00001.htm

From: Ian Burns
Sent: May-03-16 4:10 PM
To: Brad Mitchell <bmitchell@areahub.ca>; Tammy Tkachenko <ttkachenko@areahub.ca>
Subject: Fwd: Request for AREA Appointments to RECA

See attached we are being instructed to reappoint Brian and Angela.

Thanks,

Ian

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
DL: 403.209.3600 | TF: 1.800.661.0231 | areahub.ca

Begin forwarded message:

From: "Rina Hawkins" <rhawkins@reca.ca>
To: "Ian Burns" <iburns@areahub.ca>
Cc: "info@stankushner.com" <info@stankushner.com>, "Brian Klingspon" <brian@realtyexecutives.com>, "Angela Kolody " <angelakolody@royallepage.ca>, "Bob Myroniuk" <bmyroniuk@reca.ca>
Subject: Request for AREA Appointments to RECA

Good afternoon Ian,

Please see the attached letter from Bob Myroniuk. I will deliver the original over to your office.

Thanks,

Rina Hawkins
Executive Assistant

T (403) 228-2954
TF (888) 425-2754
F (403) 228-3065

reca.ca

Real Estate Council Alberta,
Suite 350, 4954 Richard Rd SW
Calgary, Alberta T3E 6L1

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Real Estate Council Alberta

May 3, 2016

Ian Burns, Chief Executive Officer
Alberta Real Estate Association
Suite 300, 4954 Richard Road SW
Calgary, Alberta
T3E 6L1

Dear Ian:

In accordance with the *Real Estate Act (REA)* of Alberta, the Alberta Real Estate Association (AREA) appoints six members to the Real Estate Council of Alberta (RECA).

Real Estate Council of Alberta
Suite 350 4954 Richard Rd SW
Calgary, Alberta T3E 6L1

E info@reca.ca
T (403) 228-2954
TF (888) 425-2754
F (403) 228-3065

The first terms of three individuals appointed by AREA, Stan Kushner, Brian Klingspon, and Angela Kolody, expire on October 31, 2016. All three individuals are eligible to be re-appointed for a second three-year term.

Stan Kushner was appointed by AREA under s. 6(1)(c)(iii) of the *REA*. It states one member shall be appointed by AREA from nominations received from the Calgary Real Estate Board.

Brian Klingspon was appointed by AREA under s. 6(1)(c)(iv) of the *REA*. It states one member shall be appointed by AREA from nominations received from the Edmonton Real Estate Board.

Angela Kolody is one of two individuals by AREA under s. 6(1)(c)(v) of the *REA*. It states two members shall be appointed by AREA from nominations received from the other real estate boards in Alberta.

In all three cases, the individuals appointed must be licensed as a real estate broker as that term is defined in the *REA*. The term "real estate broker" includes individuals who are licensed by RECA as brokers, associate brokers and associates. The individual does not have to be a member of the Real Estate Association.

On behalf of RECA, I would like to acknowledge the dedication and commitment of Stan Kushner, Brian Klingspon and Angela Kolody during their service as members of Council.

Stan Kushner has confirmed he will not be seeking a second term on Council. His dedication to the mandate of RECA, wisdom, experience and contribution in Committees and Council will be missed.

Brian Klingspon currently serves as Chair of the Hearings Committee, is Vice-chair of the Governance Committee and is a member of the Finance & Audit Committee. During his first term, Brian also served as Chair of the New Licence Model for Real Committee. Prior to his appointment to Council in 2013, Brian was appointed to RECA's Hearing Panel Roster (2006) 2006 and subsequently served on RECA's Hearings Committee (2009-13).

Angela Kolody currently serves as Chair of the Residential Real Estate Advisory Committee and the Governance Committee. During her first term, Angela has also served on the Hearings Committee (Vice-Chair), Mortgage Brokers Advisory Committee and the New Licence Model for Real Estate Committee.

As I indicated a year ago, knowledge, experience and continuity are important factors in facilitating good governance practices by any board. This is particularly important with the unique challenges of a regulatory body such as RECA.

One of the most challenging areas of responsibility for any member of Council is their quasi-judicial responsibilities. In accordance with Part 3 of the *REA*, they sit on RECA's hearing and appeal panels and make decisions that impact industry professionals and consumers. A significant amount of training and experience is required before an industry member can become a competent panel member or acquire the skills to effectively chair hearings or appeals.

Typically, industry professionals appointed to Council do not have prior experience as members of quasi-judicial tribunals. As a result, RECA makes a significant investment in training new members. In their first term, they experience a steep learning curve; however, it is essential that learning continue during their entire time on Council.

Both Brian Klingspon and Angela Kolody have indicated their desire to serve a second three-year term on Council. They have clearly demonstrated their commitment to the mandate of RECA, good governance, and their own professional development as members of a regulatory body. Their knowledge, governance experience, and developing expertise in hearings and appeals, are critical elements in maintaining continuity and RECA's position as a high performing regulator.

Given the number of changes RECA has experienced at the Council level in the past two years, continuity has never been more important. Accordingly, we look forward to the re-appointment of Brian Klingspon and Angela Kolody to Council for a second three-year term.

A copy of section 6 of the *REA* is enclosed for your reference together with a copy of *"Want to be a Member of Council? What You Should Know"*. Please note this document provides important information regarding the duties, responsibilities and typical time commitment of individuals who serve on Council and is posted on our website at www.reca.ca.

We are pleased to answer any questions and provide any information or advice requested by AREA, or any individual who wishes to gain a better understanding of RECA, to assist in the appointment process.

If you require any additional information, please do not hesitate to give me a call.

Yours truly,

Bob Myroniuk
Executive Director

cc: Stan Kushner
Brian Klingspon
Angela Kolody

Kerri Romanetz

Subject: FW: Appointments to RECA Council

From: Bob Myroniuk <bmyroniuk@reca.ca>
Date: June 20, 2016 at 5:03:48 PM MDT
To: Michael Thompson <michael.thompson@ereb.com>
Cc: Alan Tenant <alan.tennant@creb.ca>, Ian Burns <iburns@areahub.ca>
Subject: Appointments to RECA Council

For Your Information

In the interest of transparency to all and consistency, today I received the following question from Alan:

"Is there anything specific in or around the REA that sets out AREA's role (as they have defined it below) or CREB®'s ability to make a direct appointment? If there is, our Directors would appreciate knowing about it."

My answer to Alan is provided below. Since the same principle applies to RAE, for the purposes of this email, I have replaced "creb®" with "RAE" and subsection "(iii)" with "(iv)" that references the Edmonton Real Estate Board:

For RAE, the relevant section in the *Real Estate Act* is section 6(1)(c)(iv). AREA is required to appoint 6 members to Council and one of those shall be "from nominations received from the Edmonton Real Estate Board". From a legal perspective, RAE can choose to provide as many nominations to AREA as it sees fit. For example, AREA cannot require RAE to submit "*X*" number of nominations. The key is that RAE must submit 1 or more nominations – it's up to RAE to make that decision. Historically, to the best of my knowledge, RAE has always sent one nominee to AREA and that person has then been appointed to RECA.

Note: This information is provided to ensure everyone understands the relevant sections in the *Real Estate Act* and is not intended to suggest to anyone how the selection process should work.

Bob Myroniuk
Executive Director

Real Estate Council Alberta

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Our File Reference 162994

Steven A.A. Dollansky
Direct Line: (780) 482-9135
e-mail: sdollansky@mross.com

Vicki Callaghan, Assistant
Direct Line: (780) 482-9248

Fax: (780) 733-9707
PLEASE REPLY TO EDMONTON OFFICE

June 29, 2016

SENT BY E-MAIL

Alberta Real Estate Association
Westmount Corporate Campus
300, 4954 Richard Road SW
Calgary, AB T3E 6L1

Attention: Amanda Nielsen

Dear Madam:

Re: AREA's Appointments to RECA

You have requested that we review the legislative provisions that relate to AREA's ability to appoint members to the Real Estate Council of Alberta ("RECA"). We have reviewed the legislation and the relevant legal principles and concluded the following:

1. AREA is required to appoint six members as specified in section 6(1)(c) of the *Real Estate Act* (the "Act").[1] One appointment must come from "nominations received from the Calgary Real Estate Board", one from "nominations received from the Edmonton Real Estate Board", and one from "nominations received from other real estate boards in Alberta".

[1] *Real Estate Act*, RSA 2000, c R-5.

2. AREA is delegated the authority to appoint six members as outlined above. AREA is therefore granted an element of discretion to make these appointments and the courts will be slow to interfere with the manner that AREA exercises its discretion.

3. AREA is entitled to request 2 nominees from the Calgary and Edmonton Real Estate Boards and 3 from the other real estate boards. They may ask for additional nominees from the Real Estate Boards, but may be unable to compel them.

4. AREA, in exercising its discretion must only make appointments from nominees presented by the appropriate real estate board. The Act does not allow them to make appointments from nominees provided by other organizations, individual members, or groups of members.

5. When implementing a process to guide the selection of appointees from the nominations provided by the real estate boards, AREA must not abuse the discretion it has been provided by acting in bad faith, for an ulterior purpose, or based upon irrelevant considerations or inadequate materials. AREAs efforts must be designed to ensure fair and reasonable consideration of nominations with an eye to its own institutional mandate and the stated purpose of RECA.

Summary of Salient Facts

AREA is in constant communication with real estate boards across Alberta with respect to the nomination process for RECA. AREA has communicated to the real estate boards that it would prefer three nominations from each category to choose from.

On or about June 16, 2016, AREA issued an advisory email to its membership. That email advised that AREA would be appointing three members to the RECA in the fall of 2016. The appointees would be selected from nominees offered by the Calgary Real Estate Board, the Realtors Association of Edmonton, and the real estate boards outside of Edmonton and Calgary.

AREA asked that members submit a resume and cover letter outlining their interest in sitting on Council to their Board/Association not later than June 30, 2016. Real estate boards will then submit a list of nominees to AREA. AREA will then conduct an interview process to determine the successful candidates.

On or about June 20, 2016, AREA became aware of an email sent by Bob Myroniuk, RECA's Executive Director, to the Edmonton and Calgary boards which includes the following statement:

> "For RAE, the relevant section in the Real Estate Act is section 6(1)(c)(iv). AREA is required to appoint 6 members to Council and one of those shall be "from nominations received from the Edmonton Real Estate Board". From a legal perspective, RAE can choose to provide as many nominations to AREA as it sees fit. For example, AREA cannot require RAE to submit "X" number of nominations. The key is that RAE must submit 1 or more nominations – it's up to RAE to make that decision. Historically,

> to the best of my knowledge, RAE has always sent one nominee to AREA and that person has then been appointed to RECA."

AREA seeks to better understand the legislative regime and, in particular, whether they may compel more than one nominee.

Legal Analysis

The RECA exists for the following purpose:

> 5 The purposes of the Council are
>
> (a) to set and enforce standards of conduct for the industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry, to protect against, investigate, detect and suppress mortgage fraud as it relates to the industry and to protect consumers affected by the industry;
>
> (b) to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members;
>
> (c) to administer this Act as provided in this Act, the regulations, the bylaws and the rules.[2]

RECA is to be composed of 12 members. AREA is required to appoint 6 members:

> Composition of Council
>
> 6(1) The Council shall consist of 12 members appointed as follows:
>
> > (c) the Alberta Real Estate Association shall appoint 6 members as follows:
> >
> > > (i) one member who must be a real estate broker trading in industrial, commercial and investment real estate and who may or may not be active in property management;
> > >
> > > (ii) one member who must be a real estate broker trading in residential real estate;
> > >
> > > (iii) from nominations received from the Calgary Real Estate Board, one member, who must be a real estate broker;

[2] *Ibid.* at s 5.

> (iv) from nominations received from the Edmonton Real Estate Board, one member, who must be a real estate broker;
>
> (v) from nominations received from other real estate boards in Alberta, 2 members, who must be real estate brokers;[3]

The plain and ordinary meaning of the words ought to be given paramount importance when interpreting statutory provisions. In situations where ambiguity exists, courts will often attempt to determine the purpose and intent of the statutory provision in order to decipher the meaning of a given provision.

In this case, it is clear that the legislature is contemplating providing AREA with the discretion to appoint certain members to the RECA. Three of those members are to be selected from "nominations" from certain boards.

The term "nominations" is plural, meaning 2 or more nominees must be provided for each category. Therefore, Mr. Myroniuk's position is incorrect. AREA is entitled to seek two nominations from each of Edmonton and Calgary's Real Estate Boards in order to meet the requirements of the Act. AREA could compel those nominees by court application if the board's failed to provide them.

There would also be a strong argument that AREA could seek 3 nominees from the "other real estate boards in Alberta" because if they only received two, they aren't truly making the choice and the purpose of the Act is to give AREA the ability to make the choice.

In our view, a requirement for three nominees is defensible because it is consistent with the Act. The greater requirement would only be defensible so long as it is reasonable, unambiguous, and clearly communicated to allow the real estate boards sufficient time to provide them.

In the event AREA were required to defend its process, AREA would argue that the discretion for appointments was delegated to them and they are entitled to use their discretion to put in place their own rules and proceeds so long as those rules are consistent with the Act.

The very concept of discretion involves a right to choose between more than one possible course of action upon which there is room for reasonable people to hold differing opinions as to with is preferred.[4] However, discretion is not unlimited and courts hold the right to review the exercise of discretion to ensure it is proper. If discretion is abused, a court may declare the decision to be a nullity and direct that certain steps be taken to correct the error.

---

[3] *Ibid* at s 6(1).

[4] *Secretary of State for Education & Science v. Tameside Metropolitan Borough Council* (1976), [1977] AC 1014 at 1064 (Eng CA) as cited in Jones and De Villar, *Principles of Administrative Law*, 5 ed.

AREA must be cautious not to abuse the discretion that has been granted to it by the legislature.

Abuse of discretion is often tied to the legal concept of "unreasonableness". This is a phrase for which there is no litmus test. What would be important here is that AREA acts in good faith, avoids ulterior purpose or irrelevant considerations, and seeks to ensure they have a good understanding of the basis and rationale for their decision. AREA's efforts must be designed to ensure fair and reasonable consideration of nominees with an eye to its own mandate and the stated purpose of RECA.

The scope of discretion and the concept of what not "unreasonable" in the present circumstances are likely to be deemed to be wide. The issue in question is administrative in nature and the consequences of abuse are not particularly severe. While the specific facts will be central to any determination, we expect that a court would grant a considerable amount of deference to AREA in carrying out its obligations under the Act insofar as they are complying with the Act.

AREA has also inquired as to whether nominations from individual members should be considered if submitted. The effect of doing so would be to circumvent the boards themselves and, as such, this would be improper and contrary to the Act.

AREA must make their selections from nominations received from the real estate boards themselves, not the members of the real estate boards. It is clear that the statute is referring to the organizations themselves, and not their membership, for two reasons:

1. The term is capitalized and is a proper noun; and
2. The legislation does not include reference to the "membership" or "members of" the Board.

I trust this brief opinion is of some assistance. Please do not hesitate to contact us to discuss the foregoing.

Yours truly,

STEVEN A.A. DOLLANSKY
SAD/vc
\\mrdata1\edmdata\WDocs\1629930\1418709.DOCX



Robyn Moser

11173 Hidden Valley Drive, NW, Calgary, Alberta T3A 5Z6

Phone 403.281-4440 • Cellular 403.818-3907 • Email Robyn@RobynMoser.com

Passionate Entrepreneur, Focused, Driven Professional, Adaptable and Versatile Leader

Inspirational & Motivating
Leads by unleashing individual talents and creatively focusing skills together to maximize team performance.

- Leadership & Team Building
- Efficiency Improvement
- Participative Management
- Collaborative

Strategic & Visionary
REALTOR™ with a talent for developing client centric marketing plans and ensuring flawless execution to optimize property values.

- Superior Communication
- Superior Negotiator
- Strategic Business Planning
- Creative Thinker

Global Thinker with ability to analyze emerging trends and develop strategies to maximize opportunities for clients and the team.

- Community Engagement
- Perceptive & Intuitive
- Analytical Problem Solver
- Persistent & Determined

Professional Career Highlights

CIR REALTY — 2013 – Present

Alberta's largest independent real estate brokerage with over 550 REALTORS™ and staff with locations across the province. Winner of the 2013 Most Innovative Brokerage by Leading Real Estate Companies of the World

MAXWELL REALTY — 1998 – 2013

A Canadian based franchise with over 550 REALTORS™ across Western Canada. Maxwell Realty has a "Family First" focused approach to client service, with a vision of being the customer's first choice when looking for real estate services.

ROBYN MOSER & ASSOCIATES — 2005 – Present

A Calgary based small business, focused on earning loyalty based on the highest possible level of real estate service. Robyn Moser & Associates is a team of real estate agents and staff who have received numerous corporate and industry awards and accolades.

Real Estate Agent & Team Leader
As a real estate agent I'm responsible for professionally marketing client properties, while insuring the integrity of the individuals viewing the properties and protecting my clients' personal assets. I also provide mentoring and leadership to real estate agents.

- Recognized industry wide for exceptional marketing and professional customer service skills, which results in consistently achieving income levels in the top 1% of Alberta.
- Coach and mentor new agents and help them develop to become professional and respected industry members. Have mentored several agents to become top producing real estate agents.
- Hired and trained staff who jointly have developed cutting-edge marketing and office systems, which has resulted in regular acknowledgement through multiple media channels from Coast-to-Coast across Canada and into the United States.
- Engage with our community by developing and executing fun and inclusive events, including the Hidden Valley Christmas Display contest, Winter Family Fun Fest, Community Pumpkin Walk, Community Easter Egg Hunt and numerous additional community events, which gave us notoriety and clearly highlighted our passion for community spirit.
- Developed extensive strategic partnerships with local businesses, such as Good Earth Café, Empire Theaters, Chatters Hair Salon and numerous independent small business owners, which helped create profitable and productive Social Media campaigns, as well as industry leading cross promotions.
- Sponsor Calgary Concert Opera Ltd., which provides them with the resources to grow their concert company and improve their brand recognition, while supporting and keeping the arts alive in Calgary.

AWARDS & ACCOLADES

- ***CREB***, Mentorship Distinction Award 2015
- ***Sonic Breakthrough Coaching 2013***, Keynote Inspirational and Motivational Speaker
- ***Global TV, City TV, CTV*** 2013, 2011, Featured for creative Marketing Strategies
- ***Calgary Herald, Sun Newspaper Nationally 2013, 2012, 2011, 2010***, Featured for Creative Marketing Strategies
- ***CIR Realty 2015***, Director's Platinum Award
- ***CIR Realty 2014***, Chairman's Platinum Award
- ***CIR Realty 2014, 2015***, Mentorship Award
- ***CIR Realty 2013***, Gold Production Award
- ***Calgary Real Estate Board 2003 – 2010***, Million Dollar Club
- ***Maxwell Realty 2012, 2011, 2010, 2008***, Pinnacle Award for Top 1% of Sales
- ***Maxwell Realty 2009, 2007, 2006, 2005***, Chairman's Award for Top 5% of Sales
- ***Home & Garden TV, "Buy Me" Series 2007***, Featured Agent
- ***Maxwell Realty 2004, 2003***, President's Award for Top 10% of Sales
- ***Maxwell Realty 2002***, Director's Award for Top 15% of Sales

EDUCATION & ACCREDITATIONS

Calgary Real Estate Board	Real Estate Licence
Calgary Real Estate Board	Brokers Licence
National Association of Realtors (REBAC)	Accredited Buyers Representation
National Association of Realtors (REBAC)	Certified Condominium Specialist
National Association of Realtors (REBAC)	Sellers Representative Specialist
National Association of Realtors (REBAC)	Accredited Negotiator
Foundation of Administrative Justice	Principles of Administrative Justice

VOLUNTEER & COMMUNITY INVOLVEMENT

Real Estate Council of Alberta, 2015 - Present	Council Member
Calgary Real Estate Board, 2015	Mentorship Distinction Award Selection Committee
Women's Real Estate Industry Think Tank, 2015 - Present	Founding Member
Canadian Real Estate Association, 2013 - 2015	National Advertising Campaign Committee
Ranchmen's Club, 2014 - Present	Special Events Committee
Calgary Winter Club, 2014 - Present	Member Services
Alberta Real Estate Association, 2013 – 2015	Political Action Committee
Calgary Real Estate Board, 2013 – 2015	Political Action Committee
Real Estate Council of Alberta, 2013	Branding Board
Real Estate Council of Alberta, 2012 – 2015	20/20 Board
Calgary Real Estate News, 2009 – 2012	Technology & Media Services Board
Enbridge "Ride to Conquer Cancer", 2010 – 2014	$20,000+ Participant
Hidden Valley Community Association Board, 2007 – 2012	Community Events Director
Calgary Police Benevolent Society, 2000 – 2002	Founding Director

REFERENCES

Excellent references are available upon request.



Personal Bio for

Ramey Demian

Name: Ramey Demian
Owner/designated broker at RE/MAX REAL ESATAE, CCIM Institute

Summary

Respected by both his peers and his clients, Ramey Demian has established himself as a powerful force in the Residential and Commercial Real Estate industry. With over 15 years of experience in both Commercial and Residential real estate, Ramey has hundreds of closed deals under his belt. His dedication, one-on-one attention, open communication, honesty, and loyalty to Clients, has helped Ramey grow into one of the top real estate agents in Alberta. Ramey Demian is also a Real Estate broker, leading a team of professional real estate agents at his firm, RE/MAX Real Estate (Center). Furthermore, he is one of the highest accredited educators in Commercial Real Estate.

Specialties: Specialty Real Estate Sales, Luxury Homes, Income producing properties, Real Estate ownership, Real Estate Development, Relocation Needs, Short Sale, Foreclosures, Real Estate Owner, Management, Property Consulting, Educator.

Experience

Designated Broker and Operating Owner

RE/MAX REAL ESTATE

July 2014 to present, 2761 Hewes way, Edmonton NW, Alberta
Ramey is the designated broker/owner of the RE/MAX REAL ESTATE franchise working along aside top realtors in the locale market and aiming in recruiting newly agents that have a dream of achieving their goals of making it big in the Business by providing a structured guidelines and training for them.

R.D. Nathan Real Estate

May 2002 – 2014, #129, 625 Parsons Road SW, Edmonton, Alberta

Being the Broker for R.D. Nathan Real Estate is not a role taken lightly. Our real estate company is a Boutique brokerage with a strict focus on service. Our hard working agents and staff are constantly working behind the scenes to ensure on-going interactions, sales, and showings.

Background highlights includes
• One of a handful of certified and highly regarded instructors for AREA in the commercial course at The Real

Estate Training Institute (RETI) and Red Deer College (RDC)
- Instructor with Alberta Real Estate Association.
- CCIM - Highest designation for commercial real estate
- Community Volunteer / Realtor's Association of Edmonton Lead and Volunteer
- Politically involved for positive change in our community, such as the school lunch program
- Organizer and lead for charity functions

Educator
Alberta Real Estate Association
January 2008 – Present. Edmonton, Canada "Area Instructor".

One of my true passions in this industry is teaching others what I already know. For Years now, I have worked for various companies within the Alberta Real Estate Association Network teaching Real Estate students the fundamentals of success in this industry. Teaching classes in Calgary, Red Deer and Edmonton. By breaking down my technique, I am able to show students simplified steps to becoming better in the industry.
As an Instructor, I believe in always being open to communication and help where I can.

Real Estate Agent
Re/max Center
1997 – 2002 (5 years) Edmonton.

The initial jump into the real-estate market saw many challenges for Ramey Demian, as he learned first hand what is needed to be become successful in this industry. Learning through trial and error, with the lead of mentors, and with friends within the industry, Ramey was able to leave Re/Max Center as one of there top agents of the time.

Owner/Franchise Operator
S'nice International Ltd.
1984 – 2001 (17 years) Edmonton, Canada Area

Since the mid-1980, Ramey was a well-known and respected connivance goods franchise operator out of West Edmonton Mall. This little store specialized in selling select kinds of snack foods including Dole Whip ice cream. In the 1990's this store expanded to several other locations, and at the peak of operations, thirteen other stores were managed under the brand.

Ramey Demian was there from the start and saw the company through till it sold the last of its franchised stores in 2001. Its successes and eventual sale was direct result of Ramey Demian's innovated management and marketing, and a keen insight in this industry within the Edmonton market.

Contact Information

Ramey Demian
2761 Hewes Way
Edmonton, Alberta T6L 6N5
Phone: 780-462-5000
Fax: 780-463-0188
Email: ramey@rdnathan.com

STAN MILLS

BROKER/OWNER | SUN CITY REALTY LTD
1215 – 2 AVENUE S. LETHBRIDGE, AB T1J 0E4
OFFICE: 403-329-8899 CELL: 403-394-8898

OVER 36 YEARS OF EXPERIENCE SPECIALIZING IN RESIDENTIAL, COMMERCIAL & CONDOMINIUM PROPERTIES



Since obtaining his licence as a real estate associate in 1980, Stan Mills has been dedicated to advancing professionalism within the industry, as demonstrated by his longstanding work as an instructor and his volunteer efforts on local and provincial real estate boards and, most recently, on the Real Estate Council of Alberta. He has been active in the community on social housing since 2000 and currently holds positions on various housing committees in his hometown of Lethbridge.

Career Highlights & Industry Volunteerism

- 1980 – Obtained Real Estate Associate licence
- 1990 - Obtained certification to teach the RE1000 licensing course and continuing education in 1990; has taught almost every pre-licensing subject and continuing education course since
- 1995 – Established Sun City Realty Ltd.
- 1998 – Obtained Broker licence and became the Broker and sole owner of Sun City Realty Ltd.
- 1999 – Elected as a Director of the Lethbridge Real Estate Board and was the Association's President in 2003, 2008 and 2010. (Remaining on the board until 2012)
- 2012-2015 – Director of the Alberta Real Estate Association and Chair of the Provincial Forms and Practice Committee
- November 2015-Current– Appointed to the Real Estate Council of Alberta for a three-year term
  - Vice Chair of the Real Estate Appraisers Advisory Committee; and
  - Vice Chair of the Commercial Real Estate Advisory Committee

Awards/Recognition

- Awarded "REALTOR® of the Year" by the Lethbridge Real Estate Board in 1987
- Honorary Life Member of the Lethbridge and District Association of REALTORS® since 2009 for dedication and service in the real estate profession
- Selected to represent Lethbridge as one member of each of the eleven boards to create the RE1000 real estate agents course in 1986

Community Involvement

- Vice Chairman of Social Housing in Action Committee of Council (SHIA) with the City of Lethbridge
- Vice Chair of Leaders Council of SHIA
- Chairman of the Housing Committee of SHIA
- Past President and current member of the Original Lethbridge Business Breakfast Club
- President since 2010 of the Fort Whoop-up Black Powder Club, presenting traditional musket loader rifles and pistols in target competitions and demonstrations
- President of the Fairmont Landing Condominium Association
- Member of the Henderson Lake Golf Club since 1982

References

References are available upon request.

From: Patricia Tiamiyu
To: MA ECU Team
Cc: Patricia Tiamiyu
Subject: FW: Meeting Request - Alberta Real Estate Association
Date: Wednesday, November 02, 2016 10:05:36 AM
Attachments: image001.jpg
image004.jpg

Good Morning, In response to AR 87403, I have scheduled a meeting with the Minister and Alberta Real Estate Association as follows:
Date: November 22, 2016
Time: 3:30 pm for 30 minutes
Location: Room 410, Legislature Building

The meeting topics and details are in the emails below. Please AR for meeting briefing due to me: November 15. Before sending the briefing to our office, please either contact AREA or me for the names of individuals who will be attending. As always please reply to my email with the AR number. Thank you.



Patricia Tiamiyu
Scheduling Assistant for Hon. Danielle Larivee
Minister of Municipal Affairs
204 Legislature Building, 10080-97 Avenue NW
Edmonton, AB T5K 2B6
Phone: 780.427.3744

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Monday, October 31, 2016 8:44 AM
To: Patricia Tiamiyu
Subject: Re: Meeting Request - Alberta Real Estate Association

Hi Patricia,

I think we should still be able to cover everything.

The specific ideas I hope we can discuss are City Charters/city taxation powers, affordable housing ideas, and some consumer protection thoughts relating to condominiums.

I am very appreciative Minister Larivee is making herself available to connect with us, and will confirm meeting participant names within the next few weeks. Thank you so much for helping us get set up for this meeting!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Patricia Tiamiyu <Patricia.Tiamiyu@gov.ab.ca>
Sent: Friday, October 28, 2016 3:41:50 PM
To: Amanda Nielsen
Subject: RE: Meeting Request - Alberta Real Estate Association

Hello Amanda, I am glad that this date and time will work. I have this meeting scheduled from 3:30 – 4:00 pm for discussion as per your original email below. Can you provide me with the details of the additional policy ideas that you would like to share? I am bit worried that there may not be enough time? Can you also provide me with names of the individuals who will attend the meeting? Thank you.

Cheers!

☺Patricia Tiamiyu
Scheduling Coordinator for Hon. Danielle Larivee
Minister of Municipal Affairs
204 Legislature Building, 10080 – 97 Avenue NW
Edmonton, AB T5K 2B6
Phone: 780-427-3744

Boards Signature

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Friday, October 28, 2016 1:42 PM
To: Patricia Tiamiyu
Subject: Re: Meeting Request - Alberta Real Estate Association

Hi Patricia,

Thanks for the email, and apologies for the delayed response.

Yes, that time works perfectly. Is it okay if we share a variety of policy ideas in this meeting, including those not specifically related to affordable housing and city charters?

Many thanks!

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Patricia Tiamiyu <Patricia.Tiamiyu@gov.ab.ca>
Sent: Wednesday, October 26, 2016 3:12:32 PM
To: Amanda Nielsen
Subject: RE: Meeting Request - Alberta Real Estate Association

Hello Amanda, As a follow up to your email below, can we schedule this meeting for November 22 at 3:30 pm?

Cheers!

☺Patricia Tiamiyu
Scheduling Coordinator for Hon. Danielle Larivee
Minister of Municipal Affairs
204 Legislature Building, 10080 – 97 Avenue NW
Edmonton, AB T5K 2B6
Phone: 780-427-3744

Boards Signature

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Wednesday, September 28, 2016 2:43 PM
To: MA Minister
Cc: Keith Mclaughlin; Patricia Tiamiyu
Subject: Meeting Request - Alberta Real Estate Association

Dear Minister Larivee,

I'm writing to request a meeting with you to take place at your Legislature office on November

22 in the afternoon or November 23 in the morning. The meeting will be with a group (6-10) of REALTORS from across the province who will be in Edmonton for the Alberta Real Estate Association (AREA) Government Liaison Days.

The goal of the meeting will be share some of AREA's advocacy ideas, including thoughts on affordable housing, taxation, and *Condominium Act* regulations. The meeting could be achieved in 20 to 30 minutes. The *Municipal Government Act*/City Charter processes contemplate affordable housing measures, and we are keen to share some of our ideas with you. We are also eager to continue our relationship with you, originally started when you served as Minister of Service Alberta.

Are you able to meet with our delegates?

Many thanks, Minister Larivee!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | arealhub.ca

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Tariro Nyemba

Subject:	AREA speech
Location:	~MR-EDTN-Telus-S.29-107 *Video [RESTRICTED]
Start:	Fri 04/11/2016 1:00 PM
End:	Fri 04/11/2016 1:30 PM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	Colin Lloyd
Required Attendees:	Robert Whittaker; Mary MacDonald; Scott Seymour
Resources:	~MR-EDTN-Telus-S.29-107 *Video [RESTRICTED]

Tariro Nyemba

From:	Jennifer Cunningham
Sent:	November-04-16 1:15 PM
To:	Mary MacDonald; Trevor Bergen
Cc:	Alexandra Hulme
Subject:	FW: RUSH Input Request - Meeting with Alberta Real Estate Association
Attachments:	Background - Alberta Real Estate Association.pdf

Please provide your response by end of day today if possible.

From: Dan Byer
Sent: November-04-16 12:31 PM
To: Jennifer Cunningham; Adam Matheson
Cc: Mari Sasano; Rachel Bouska
Subject: FW: RUSH Input Request - Meeting with Alberta Real Estate Association

Hi there,

Do we have a ready-made BN that we might be able to re-use for this request? Looks like they are meeting briefly, with condos and affordable housing on the agenda. If they want input by Monday re-used bullets may be our best option.

-Dan

From: Shannon Wheeler
Sent: Friday, November 04, 2016 11:14 AM
To: Rachel Bouska; Dan Byer; Mari Sasano
Subject: RUSH Input Request - Meeting with Alberta Real Estate Association

Good morning,

The Minister of Municipal Affairs is meeting with representatives from the Alberta Real Estate Association. Could you please provide us with input regarding condominium consumer protection? Meeting request is attached. Input is required by November 7, 2016.

Thank you,

Shannon Wheeler
Writer
Executive Correspondence Unit
Municipal Affairs
780-422-8817

Pages 1455 through 1458 redacted for the following reasons:
- -
Duplicate to pages 1449-1452

Val Taylor

From: Trevor Bergen
Sent: Friday, November 04, 2016 1:29 PM
To: Jennifer Cunningham
Cc: Lee Chantal; Mary MacDonald; Allie Hulme
Subject: FW: RUSH Input Request - Meeting with Alberta Real Estate Association
Attachments: AR 30679 AREA Government Liaison Days BN.docx

Hi Jenn,

I know I told you 4pm but Lee works fast. Below are bullets, as well as the most recent briefing. Let us know if you need anything further.

Thanks Lee!
Trevor

From: Lee Chantal
Sent: Friday, November 04, 2016 1:26 PM
To: Trevor Bergen
Subject: RE: RUSH Input Request - Meeting with Alberta Real Estate Association

Here is the most recent briefing attached. Bullets extracted below on Affordable Housing and Condos:

[redacted]

Condominium Regulation Development

- Service Alberta is currently developing amendments to the Condominium Property Regulation, which are intended to support the *Condominium Property Amendment Act* (CPAA) passed by the Legislative Assembly in December 2014.
- The CPAA will be gradually phased-in, along with supporting regulations that are being developed through a four-phase process.
- AREA has a strong interest in the CPAA, and has actively participated in previous Service Alberta consultations regarding this legislation.
- AREA welcomes the opportunity to work cooperatively with Service Alberta to address condominium issues in a manner that protects the public's interests.
- Key issues of importance to AREA are:

- timely access to condominium documents during a real estate transaction;
- elimination or reduction of fees charged for condominium documents;
- strong compliance and enforcement protocols to enhance consumer protection, including affordable and effective alternatives to the courts for handling disputes; and
- enhanced rules to ensure condominium corporations maintain healthy reserve funds.

- These issues will be addressed along with other governance topics in the second phase of regulatory development, with public consultation anticipated in by spring 2017. The creation of a condominium dispute tribunal will be dealt with in the fourth and final phase of the project.

Lee

From: Trevor Bergen
Sent: Friday, November 04, 2016 1:17 PM
To: Lee Chantal
Subject: FW: RUSH Input Request - Meeting with Alberta Real Estate Association
Importance: High

Hi Lee,

Can you quickly pull the last briefing we did for the Minister's meeting with AREA? I suspect we can reuse that content on condos and affordable housing (if we had bullets on affordable housing...). Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Jennifer Cunningham
Sent: Friday, November 04, 2016 1:15 PM
To: Mary MacDonald; Trevor Bergen
Cc: Alexandra Hulme
Subject: FW: RUSH Input Request - Meeting with Alberta Real Estate Association

Duplicate to page 1464

SA 2017-G-0056 - Page 1460

Pages 1461 through 1464 redacted for the following reasons:
- -
Page 1461: Duplicate to page 1454
Pages 1462-1464: Duplicate to pages 1296-1298

Darlene Decker

From:	Jennifer Cunningham
Sent:	Friday, November 04, 2016 3:23 PM
To:	Trevor Bergen
Cc:	Lee Chantal; Mary MacDonald; Alexandra Hulme
Subject:	RE: RUSH Input Request - Meeting with Alberta Real Estate Association

Thanks very much! You guys are always such a great help. Have a great weekend everyone ☺

From: Trevor Bergen
Sent: November-04-16 1:29 PM
To: Jennifer Cunningham
Cc: Lee Chantal; Mary MacDonald; Alexandra Hulme
Subject: FW: RUSH Input Request - Meeting with Alberta Real Estate Association

Duplicate to pages 1459-1461

Pages 1466 through 1467 redacted for the following reasons:
- -
Duplicate to pages 1459-1461

Tariro Nyemba

From: Jennifer Cunningham
Sent: November-04-16 3:24 PM
To: Dan Byer
Cc: Adam Matheson; Mari Sasano; Rachel Bouska
Subject: FW: RUSH Input Request - Meeting with Alberta Real Estate Association
Attachments: AR 30679 AREA Government Liaison Days BN.docx

Here you go:

Below are bullets, as well as the most recent briefing. Let us know if you need anything further.

From: Lee Chantal
Sent: Friday, November 04, 2016 1:26 PM
To: Trevor Bergen
Subject: RE: RUSH Input Request - Meeting with Alberta Real Estate Association

[redacted]

SA 2017-G-0056 - Page 1468

Pages 1469 through 1473 redacted for the following reasons:
- -
Pages 1469-1470: Duplicate to pages 1459-1461
Pages 1471-1473: Duplicate to pages 1296-1298

Tariro Nyemba

From: Jennifer Cunningham
Sent: November-04-16 3:26 PM
To: Robert Whittaker
Subject: FW: RUSH Input Request - Meeting with Alberta Real Estate Association

Importance: High

FYI, this is what I sent back to MCU.

From: Jennifer Cunningham
Sent: November-04-16 3:23 PM
To: Trevor Bergen
Cc: Lee Chantal; Mary MacDonald; Alexandra Hulme
Subject: RE: RUSH Input Request - Meeting with Alberta Real Estate Association



Pages 1475 through 1476 redacted for the following reasons:
- -
Duplicate to pages 1465-1467

Tariro Nyemba

From: Jennifer Cunningham
Sent: November-04-16 3:34 PM
To: Dan Byer
Subject: RE: RUSH Input Request - Meeting with Alberta Real Estate Association

Perfect, thanks.

From: Dan Byer
Sent: November-04-16 3:32 PM
To: Jennifer Cunningham
Cc: Adam Matheson; Mari Sasano; Rachel Bouska
Subject: RE: RUSH Input Request - Meeting with Alberta Real Estate Association

Thanks Jennifer, this is just what I was thinking of.

I'll check with Rachel on Monday and hopefully we can just send the bullets over rather than create a whole new AR for this.

-Dan

From: Jennifer Cunningham
Sent: Friday, November 04, 2016 3:24 PM
To: Dan Byer
Cc: Adam Matheson; Mari Sasano; Rachel Bouska
Subject: FW: RUSH Input Request - Meeting with Alberta Real Estate Association



Pages 1478 through 1479 redacted for the following reasons:
- -
Duplicate to pages 1468-1470

Tariro Nyemba

From: Jennifer Cunningham
Sent: November-09-16 9:13 AM
To: Scott Seymour
Subject: RE: AREA speech for ADM underway

Great, thanks.

From: Scott Seymour
Sent: November-09-16 9:07 AM
To: Mary MacDonald; Robert Whittaker
Cc: Jennifer Cunningham; Cheryl Tkalcic
Subject: AREA speech for ADM underway

Hi everyone...
Just a quick note to let you know that I'm now working on the first draft of the speech for Colin to use at the AREA event (AR#30768). You should have something for review later in the day.
Scott

Alberta Government
Scott Seymour
Public Affairs Officer| Communications | Service Alberta
Telus Plaza South Tower | 10020 - 100 Street | T5J 2N1
T: 780-422-8811| C s.17(1) scott.seymour@gov.ab.ca

SA 2017-G-0056 - Page 1480

Val Taylor

From: Robert Whittaker
Sent: Wednesday, November 09, 2016 9:16 AM
To: Scott Seymour; Mary MacDonald
Cc: Jennifer Cunningham; Cheryl Tkalcic
Subject: RE: AREA speech for ADM underway

Great. Thanks Scott!

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

From: Scott Seymour
Sent: Wednesday, November 09, 2016 9:07 AM
To: Mary MacDonald; Robert Whittaker
Cc: Jennifer Cunningham; Cheryl Tkalcic
Subject: AREA speech for ADM underway

Duplicate to page 1480

Val Taylor

From: Scott Seymour
Sent: Wednesday, November 09, 2016 2:12 PM
To: Mary MacDonald; Trevor Bergen
Cc: Cheryl Tkalcic; Jo-Anne Nugent; Robert Whittaker; Kelly Refah
Subject: PLS REVIEW: ADM speaking notes for AREA event
Attachments: ADM_SpeakingNotes_AREA Govt Liason Days Conf_Nov21-16.doc

Hi everyone...
Attached is my first draft of speaking notes for Colin Lloyd to use at the AREA event in Edmonton later this month. As discussed at our meeting last week, I've tried to focus on these topics, in this order (more or less):

- Governance and RMS standards
- Current economic climate, real estate market and recent CMHC statistics
- Consumer agenda (kept this pretty high-level because it's my understanding that the Minister hasn't formally signed off on the development of the Consumer Agenda yet).
- Hat-tip to AREA and its contributions to CPA, development of regulations, etc.

By no means have I covered all of the ground that needs to be covered on each subject and I welcome your input. The speech currently clocks out at about 11 minutes, so it's short of where it needs to be (assuming 120 words/minute). Please add content or fix errors as you see fit.

Colin's asked us to have this to him by Thursday afternoon, so if you can send me back your edits, I can incorporate and move it to the ADM's office (although I guess there's actually an AR for it).

Thanks!

Scott

Alberta Government
Scott Seymour
Public Affairs Officer| Communications | Service Alberta
Telus Plaza South Tower | 10020 - 100 Street | T5J 2N1
T: 780-422-8811| C: s.17(1) | scott.seymour@gov.ab.ca

Speaking Notes
(check against delivery)

Colin Lloyd
ADM, Consumer and Registry Services

Alberta Real Estate Association
Government Liaison Conference

SA 2017-G-0056 - Page 1483

INTRODUCTION

- Hello and thank you, everyone.
- I appreciate the opportunity to speak with you at your conference today on behalf of the Ministry of Service Alberta.
- It's a bit of a unique opportunity for me, personally, as not only do I get to speak on behalf of our Deputy Minister, Tim Grant, I also get to serve as a sort of "icebreaker" for our Minister, Stephanie McLean, who's scheduled to speak at your MLA reception tomorrow.
- I hope I can live up to that!
- Seriously, I hope you're able to attend tomorrow's event to hear our Minister bring greetings on behalf of the Government of Alberta.

SA 2017-G-0056 - Page 1484

- In my last three years (COLIN – is that right?), as an ADM with Service Alberta, I've had the pleasure of meeting and working with several members of the Alberta Real Estate Association on several projects.
- I do have a few items that I'd like to talk about today and they should be familiar to you.

GOVERNANCE

- One of the topics I want to touch on is our ongoing discussion about the governance in the real estate industry.
- I know this is an important topic for AREA and its members.
- As you know, the industry has a strong regulator in the Real Estate Council of

Alberta and AREA has strong representation with RECA.

- You directly appoint six of the 12 members on RECA's governing council.
- You also participate on the Residential Real Estate Advisory Committee, which provides a direct line to industry professionals and helps maintain co-operation, communication, and an exchange of information between RECA and the industry.
- We appreciate and value the input that AREA provides to RECA.
- Our department also realizes the need to review the *Real Estate Act* for potential amendments to address changes in the industry.

- The timing of the review will be determined once the Ministry's multi-year Legislative Plan is made final.

- Until then, I can tell you that Service Alberta supports the continued self-regulation of the real estate industry through RECA.

- Much like we believe that a strongly-regulated automotive industry is in everyone's best interest, we also believe that a strongly-regulated real estate industry helps buyers, sellers and those who handle both – the realtors.

- Our ministry places the highest priority on consumer protection.

- No matter what AREA or RECA does, together or under their individual mandates – the end result should ultimately be a benefit for everyday Albertans who are looking to buy or sell their homes.

- A perfect example of this has been the development of new Residential Measurement Standards.

- As you know, there were complaints about a lack of a single measure standard used to determine the square footage or total living area of a home.

- Many of the complaints came from consumers – people who were wondering why the home they bought had been listed at one size, when in fact it was actually another.

- A couple of years ago, RECA began an extensive consultation to develop a single guideline for RMS standards.

- Based on this consultation, RECA updated its pre-licensing education course material in February 2015 to set expectations for RMS.

- This was followed in fall 2015 with the release of an RMS guide to all real estate professionals to use in residential real estate transactions.
- This past May, RECA released a revised RMS guide as the single standard in Alberta for real estate professionals to measure and communicate the size of residential property.
- AREA has supported these new standards, but we also know that you have concerns about how they've been rolled out.
- We understand those concerns, but we also know that RECA is working on an interactive education course on the new measurement practices that will be a mandatory part of your real estate licence renewals next year.

- We do appreciate your patience and support with RECA as they've worked on developing and rolling out these standards.
- They will help consumers and your industry.

ECONOMY AND CMHC NUMBERS

- Now, all that said, I don't want to under-sell or under-estimate the valuable work AREA does for the real estate industry or for its membership.
- You have around 10,000 members – roughly 90 per cent of licensed realtors in the province.
- AREA looks out for its members through professional development and advocacy, all with an eye towards ensuring that a strong

industry continues to provide strong benefits to this province.

- However, I imagine you've all faced some some challenges lately.
- Our economy is in a tough place right now and it's showing through our housing construction and sales markets.
- The Canada Mortgage and Housing Corporation's Fall report predicts that total housing starts in Alberta will fall from a little over 37,000 units last year to between 22,000 and 24,000 units this year.
- On the retail side, the CMHC is projecting sales in Alberta to end up somewhere between 48,000 and 53,000 units this year – a drop from the 56,477 sales in 2015.
- Average house prices in Alberta are also expected to drop this year from last.

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- The average residential MLS sales price is on pace to decline for a second consecutive year from $393,138 in 2015 to between $387,000 and $390,000 in 2016.
- The good news, of course CMHC is predicting stability for 2017:
  - Housing starts are expected to be in the 21,000 to 24,000 range;
  - After two years of contraction, housing resales are forecast to range from 49,000 to 54,000 units.
  - Average home prices are projected to range from $388,200 to $391,800.
- Further improvement is predicted for 2018, in all categories.
- To help protect the market, the federal government recently announced new measures that will require all mortgages are "stress-tested" to ensure borrowers can afford their loan if interest rates rise.

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- Obviously, we don't know what kind of effects this will have on the housing market yet, but it is a form of consumer protection that we'll all be watching closely.

CONSUMER AGENDA

- Our government will also be watching to ensure that the needs of consumers are protected.
- In our ministry and our line of work, the state of the economy creates unique sets of challenges whenever it skyrockets or plummets.
- That's why it's important that our legislation is adaptive for either scenario.
- Our ministry is currently looking at ways we can further refine the relationship between consumers and the Alberta economy.

- That could mean a redefinition of the relationship between consumers and businesses, but it can also mean more than that.
- It means improving the way government does business with consumers.
- As was mentioned earlier, my division is made up of both Consumers and Registry Services.
- Registries covers such services as Land Titles, Motor Vehicles and Vital Statistics and, in the year or so since we've merged it with Consumers, it's been a natural fit.
- Right now, we're examining ways we can set up a more affordable, sustainable, adaptable and secure registry services model that meets the changing needs and expectations of Albertans.

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- We also want to do the same thing with Land Titles.
- We want to improve the access that Albertans have to online services for Land Titles and make it easier to register property transactions.
- You'll hear more from our Minister on this in the coming months and I think it's news that you'll certainly welcome with interest.

AREA CONTRIBUTIONS

- I started off today talking about governance – specifically your relationship with the Real Estate Council of Alberta.
- I want to end by talking about the relationship you have with government.
- We enjoy working with you and we place a great deal of value on the input that you provide.

- As you know, we're still working on the regulations that will support the amendments we made to the Condominium Property Act.
- AREA has been an important contributor during regulatory development.
- Our program staff have continued to consult with you on ensuring the regulations meet the requirements of the Act and the stakeholders, including consumers
- We also know that you'll be ready to help if the Real Estate Act is flagged for a review and refreshing.
- All-in-all, we know that good policy is the product of good relationships and good input.
- You provide both for us.
- Once again, on behalf of Deputy Minister Tim Grant, and the staff at Service Alberta,

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thank you very much for inviting us here today.

- I hope you enjoy the rest of your conference.

Val Taylor

From: Scott Seymour
Sent: Thursday, November 10, 2016 9:12 AM
To: Mary MacDonald
Cc: Kelly Refah
Subject: RE: PLS REVIEW: ADM speaking notes for AREA event

Hi Mary...
Thanks for this. Kelly's already been in contact with me on this yesterday so I'll continue working with her.
Scott

From: Mary MacDonald
Sent: Wednesday, November 09, 2016 5:17 PM
To: Scott Seymour
Subject: RE: PLS REVIEW: ADM speaking notes for AREA event

Scott,
I've given this a quick read and see no obvious flags. I will defer to Kelly as subject matter expert.
I think it sounds like Colin and has enough meat in it to satisfy the audience. ON the measurement issue, I do know that was contentious so in particular, could you just confirm all of that with Kelly?

Thanks again Scott,

Mary

From: Scott Seymour
Sent: Wednesday, November 09, 2016 2:12 PM
To: Mary MacDonald; Trevor Bergen
Cc: Cheryl Tkalcic; Jo-Anne Nugent; Robert Whittaker; Kelly Refah
Subject: PLS REVIEW: ADM speaking notes for AREA event



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Val Taylor

From: Trevor Bergen
Sent: Thursday, November 10, 2016 9:22 AM
To: Kelly Refah
Subject: FW: PLS REVIEW: ADM speaking notes for AREA event
Attachments: ADM_SpeakingNotes_AREA Govt Liason Days Conf_Nov21-16.doc

Hi Kelly,

Mary has no concerns with these changes. All good on your end too?
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Trevor Bergen
Sent: Thursday, November 10, 2016 7:48 AM
To: Mary MacDonald; Kelly Refah
Subject: FW: PLS REVIEW: ADM speaking notes for AREA event

Hi Mary,

I've made some relatively heavy changes to Scott's draft notes. He will likely want to make further tweaks based on these comments as well.

If you or Kelly responded yesterday, I'll flip these to Scott but figured if not we could send one version with all our changes in one document to him.

Thanks,
Trevor

From: Scott Seymour
Sent: Wednesday, November 09, 2016 2:12 PM
To: Mary MacDonald; Trevor Bergen
Cc: Cheryl Tkalcic; Jo-Anne Nugent; Robert Whittaker; Kelly Refah
Subject: PLS REVIEW: ADM speaking notes for AREA event

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Page 1501 redacted for the following reason:
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Speaking Notes
(check against delivery)

Colin Lloyd
ADM, Consumer and Registry Services

Alberta Real Estate Association
Government Liaison Conference

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INTRODUCTION

- Hello and thank you, everyone.
- ~~as Assistant Deputy Minister of Consumer and Registry Services with Service Alberta over the past few years,~~ Over the past few years, in my role as Assistant Deputy Minister of Consumer and Registry Services with Service Alberta I've had the opportunity to meet and work with several members of the Alberta Real Estate Association.
- From this, I've seen first hand the dedication and passion for service that realtors in our province have when assisting Albertans buying or selling a home.
-
- For this reason, I am truly pleased ~~appreciate the opportunity~~ to be here today ~~speak with you at your conference today~~ on behalf of Service Alberta and my Deputy

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Minister Tim Grant ~~the Ministry of Service Albertamy departmentService Alberta~~.

- ~~Service Minister~~ Stephanie McLean, Minister for~~of~~ Service Alberta and the Office of the Status of Women, is scheduled to speak during your conference's MLA reception tomorrow.

- I anticipate the Minister will share some of her thoughts on Alberta's real estate sector and the important work that you and your association do.

—Ahead of the Minister's address tomorrow, I'd like to

- ~~and~~ speak with you about a few initiatives underway in Service Alberta that will likely be of interest to you.

- ~~It's a bit of a unique opportunity for me, personally, as not only do I get to speak on behalf of our Deputy Minister, Tim Grant, I also get to serve as a sort of "icebreaker" for~~

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~~our Minister, Stephanie McLean, who's scheduled to speak at your MLA reception tomorrow.~~

- ~~I hope I can live up to that!~~
- ~~Seriously, I hope you're able to attend tomorrow's event to hear our Minister bring greetings on behalf of the Government of Alberta.~~
- ~~In my last three years (COLIN – is that right?), as an ADM with Service Alberta, I've had the pleasure of meeting and working with several members of the Alberta Real Estate Association on several projects.~~
- ~~I do have a few items that I'd like to talk about today and they should be familiar to you.~~

GOVERNANCE

- First, ~~One of the topics I want to~~I'd like to briefly touch on ~~is our~~the ongoing discussions that have been occurring about ~~the~~ governance in the real estate industry.
- I know this is an important ~~topic~~ issue for AREA and its members.
- As you know, the industry has an effective ~~strong~~ regulator in the Real Estate Council of Alberta and AREA has strong representation ~~with~~ in RECA.
- You directly appoint six of the 12 members on RECA's governing council.
- You also participate on the Residential Real Estate Advisory Committee, which provides a direct line to industry professionals and helps maintain co-operation, communication, and an exchange of information between RECA and the industry.

- We appreciate and value the role~~input that~~ AREA p~~rovides t~~lays in helping~~e~~ RECA to achieve its mandate.~~.~~
- Our department also ~~realizes the need to~~ understands there is strong interest from real estate stakeholders in a review of~~ing~~ the *Real Estate Act* for potential amendments to address changes in the industry.
- The timing of the review will be determined once the Ministry's multi-year Legislative Plan is made final.
- ~~Until then, I can tell you that Service Alberta supports the continued self-regulation of the real estate industry through RECA.~~
- ~~Much like we believe that a strongly-regulated automotive industry is in everyone's best interest, we also believe that a strongly-regulated real estate industry~~

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~~helps buyers, sellers and those who handle both – the realtors.~~

SPACE STANDARDS

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- A ~~perfect~~n example of this has been the development of new Residential Measurement Standards.
- As you know, there were complaints about a lack of a single measure standard used to determine the square footage or total living area of a home.
- Many of the complaints came from consumers – people who were wondering

why the home they bought had been listed at one size, when in fact it was actually another.

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- This was followed in fall 2015 with the release of an RMS guide to all real estate professionals to use in residential real estate transactions.
- This past May, RECA released a revised RMS guide as the single standard in Alberta for real estate professionals to measure and communicate the size of residential property.

- AREA has supported these new standards, but we also know that you have concerns about how they've been rolled out.
- I understand that RECA has heard these concerns and recently announced a further round of consultation respecting the standards. ~~.~~
- ~~We understand those concerns, but we also know that RECA is working on an interactive education course on the new measurement practices that will be a mandatory part of your real estate licence renewals next year.~~
- We ~~do~~ appreciate your patience and support with RECA as they continue to~~'ve~~ work~~ed~~ on developing and ~~rolling out~~implementing these standards~~.~~
- ~~They will help~~ to support consumers and ~~your~~ industry members.

ECONOMY AND CMHC NUMBERS

- Contributing to the development of the space standards ~~Now, all that said, I don't want to under-sell or under-estimate~~ is just one example of the valuable work AREA does for the real estate industry ~~or for~~ and its membership.
- You have around 10,000 members – roughly 90 per cent of licensed realtors in the province.
- AREA ~~looks out for~~supports its members through professional development and advocacy, all with an eye towards ensuring that a strong industry continues to provide ~~strong~~ benefits to consumers and our ~~this~~ province.

- However, I imagine you've all faced some some challenges lately.
- Our economy is in a tough place right now and ~~it's showing through~~ our housing construction and sales markets demonstrate this.
- The Canada Mortgage and Housing Corporation's ~~f~~Fall 2016 report predicts that total housing starts in Alberta will fall from a little over 37,000 units last year to between 22,000 and 24,000 units this year.
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- Obviously, we don't know what kind of effects this will have on the housing market yet, but ~~it is a form of consumer protection that~~ we'll ~~all be watching~~be monitoring it closely.

CONSUMER AGENDA

- Service Alberta is mandated to ~~Our government will also be watching to~~ ensuree that ~~the needs of~~ consumers are provided adequate supports and protection ~~protected.~~when they interact in the marketplace.

- ~~In our ministry and our line of work, the state of the economy creates unique sets of challenges whenever it skyrockets or plummets.~~

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- ~~That's why it's important that our legislation is adaptive for either scenario.~~

Comment [A1]: Unclear what we are trying to add here

- ~~Our ministry is currently looking at ways we can further refine the relationship between consumers and the Alberta economy.~~
- ~~That could mean a redefinition of the relationship between consumers and businesses, but it can also mean more than that.~~

Comment [A2]: This is pretty nebulous. I'd leave it out

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AREA CONTRIBUTIONS

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- I started off today talking about governance – specifically your relationship with the Real Estate Council of Alberta.
- I want to conclude my remarks ~~end~~ by talking about the relationship you have with government.
- We ~~enjoy~~ have a strong working ~~with you~~ relationship with you and we place a great deal of value on the input that you regularly provide to us.
- As you know, we're ~~still~~ working on the regulations that will support the amendments we made to the Condominium Property Act.
- AREA has been an important contributor during regulatory development.
- ~~Our~~ Both myself and my program staff have ~~continued to~~appreciated the ability to openly engage~~consult~~ with you ~~on~~ on the core

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- We also know that you'll be similarly ready to help if the Real Estate Act is flagged for a review ~~and refreshing~~.

- ~~All-in-all, we know that good policy is the product of good relationships and good input.~~

- ~~You provide both for us.~~

- Once again, on behalf of my Deputy Minister Tim Grant, and the staff at Service Alberta, thank you very much for inviting us ~~here~~ to speak with you today.

- I hope you enjoy the rest of ~~your~~ the conference and ~~take the time~~are able to attend Minister Stephanie McLean's remarks tomorrow.

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Val Taylor

From: Trevor Bergen
Sent: Thursday, November 10, 2016 9:43 AM
To: Scott Seymour
Cc: Mary MacDonald; Cheryl Tkalcic; Jo-Anne Nugent; Robert Whittaker; Kelly Refah
Subject: FW: PLS REVIEW: ADM speaking notes for AREA event
Attachments: ADM_SpeakingNotes_AREA Govt Liason Days Conf_Nov21-16.doc

Hi Scott,

I've made tracked changes to your draft notes. The changes are pretty extensive so you will likely want to make further tweaks based on these comments as well. Thanks,
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Speaking Notes
(check against delivery)

Colin Lloyd
ADM, Consumer and Registry Services

Alberta Real Estate Association
Government Liaison Conference

INTRODUCTION

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- ~~as Assistant Deputy Minister of Consumer and Registry Services with Service Alberta over the past few years,~~ Over the past few years, in my role as Assistant Deputy Minister of Consumer and Registry Services with Service Alberta I've had the opportunity to meet and work with several members of the Alberta Real Estate Association.
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~~our Minister, Stephanie McLean, who's scheduled to speak at your MLA reception tomorrow.~~

- ~~I hope I can live up to that!~~
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- ~~I do have a few items that I'd like to talk about today and they should be familiar to you.~~

GOVERNANCE

- First, ~~One of the topics I want to~~I'd like to briefly touch on ~~is our~~the Government of Alberta's emphasis on ensuring good governance of both government bodies and delegated regulatory organizations.
- You may be aware that the Government of Alberta is moving into Phase 2 of its review into agencies, boards and commissions.
- Similarly, t~~t~~here have been ongoing discussions ~~that have been occurring~~ about ~~the~~ governance in the real estate industry.
- I know this is an important ~~topic~~ issue for AREA and its members.
- As you know, the industry has an effective ~~strong~~ regulator in the Real Estate Council of Alberta and AREA has strong representation ~~with~~ in RECA.
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SPACE STANDARDS

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- As you know, there were complaints about a lack of a single measure standard used to determine the square footage or total living area of a home.
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- To help protect the real estate market, the federal government recently announced new measures that will require all mortgages are "stress-tested" to ensure borrowers can afford their loan if interest rates rise.

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CONSUMER AGENDA

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-

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- ~~All-in-all, we know that good policy is the product of good relationships and good input.~~

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- Once again, on behalf of my Deputy Minister Tim Grant~~,~~ and the staff at Service Alberta, thank you very much for inviting us ~~here~~ to speak with you today.

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- I hope you enjoy the rest of ~~your~~ the conference and ~~take the time~~are able to attend Minister Stephanie McLean's remarks tomorrow.

SA 2017-G-0056 - Page 1537

Val Taylor

From: Trevor Bergen
Sent: Thursday, November 10, 2016 9:43 AM
To: Kelly Refah
Subject: RE: PLS REVIEW: ADM speaking notes for AREA event

Thanks Kelly. Good point – I made this change by tying it to the ABC review.
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Kelly Refah
Sent: Thursday, November 10, 2016 9:35 AM
To: Trevor Bergen
Subject: RE: PLS REVIEW: ADM speaking notes for AREA event

Hey Trevor,

The notes are much improved with your edits, but I'm a little apprehensive about the section on governance. This is a sensitive topic for AREA, so if we include mention of it then I think we need to provide a little more context and convey governments expectations for good governance, otherwise, it's unclear what our message is on this issue.

Kelly

From: Trevor Bergen
Sent: Thursday, November 10, 2016 9:22 AM
To: Kelly Refah
Subject: FW: PLS REVIEW: ADM speaking notes for AREA event

Duplicate to pages 1540-1550

Pages 1539 through 1540 redacted for the following reasons:
- -
Duplicate to pages 1500-1501

Val Taylor

From: Scott Seymour
Sent: Thursday, November 10, 2016 10:15 AM
To: Trevor Bergen
Cc: Mary MacDonald; Cheryl Tkalcic; Jo-Anne Nugent; Robert Whittaker; Kelly Refah
Subject: RE: PLS REVIEW: ADM speaking notes for AREA event

Thanks for this detailed review, Trevor! Much appreciated!

From: Trevor Bergen
Sent: Thursday, November 10, 2016 9:43 AM
To: Scott Seymour
Cc: Mary MacDonald; Cheryl Tkalcic; Jo-Anne Nugent; Robert Whittaker; Kelly Refah
Subject: FW: PLS REVIEW: ADM speaking notes for AREA event



Page 1542 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 1519

Val Taylor

From: Trevor Bergen
Sent: Monday, November 14, 2016 8:16 PM
To: Kelly Refah
Subject: RE: Phone call from AREA

Thanks for the heads up on this, Kelly,
Trevor

From: Kelly Refah
Sent: Monday, November 14, 2016 11:30 AM
To: Mary MacDonald
Cc: Trevor Bergen
Subject: Phone call from AREA

Mary,

Just a heads up - I received a call this morning from Amanda Neilson, Public Affairs and Stakeholder Relations Advisor with AREA. She called to ask some question about one of the proposals in the Phase 1 Reg. package relating to the first budget disclosure protocol, and whether Service Alberta could share a copy of the final regulation with AREA.

I verbally communicated the direction we're taking on the budget proposal but said we cannot share the final draft because it has yet to be approved by the Minister and Cabinet. She understood but indicated she's getting some pressure from Brad Mitchell (also from AREA) to obtain more details on the 'final regulations' and indicated she would be contacting you to request a copy of the regulation.

Kelly

Tariro Nyemba

From: Jennifer Cunningham
Sent: November-14-16 3:48 PM
To: Cheryl Tkalcic
Cc: Scott Seymour
Subject: RE: ARTS Notification 30768 AREA - Government Liaison Days

Thank you.

-----Original Message-----
From: Cheryl Tkalcic
Sent: November-14-16 1:52 PM
To: Adam Matheson; Jennifer Cunningham
Subject: ARTS Notification 30768 AREA - Government Liaison Days

Action Request: 30768

Assigned To: 04 CARS-ADMO

Instructions: Speaking notes as provided to ADM in email form on Nov 10

Organization: Service Alberta
URL [redacted]



From: Colin Lloyd
Sent: November-15-16 10:56 AM
To: Scott Seymour
Cc: Cheryl Tkalcic; Robert Whittaker
Subject: ADM_SpeakingNotes_AREA Govt Liason Days Conf_Nov21-16 (2)

Scott,

Thanks for this. My edits and comments.

Colin

Speaking Notes
(check against delivery)

Colin Lloyd
ADM, Consumer and Registry Services

Alberta Real Estate Association
Government Liaison Conference

SA 2017-G-0056 - Page 1546

INTRODUCTION

- Hello and thank you, everyone.
- Over the past few years, in my role as Assistant Deputy Minister of Consumer and Registry Services with Service Alberta I've had the opportunity to meet and work with several members of the Alberta Real Estate Association.
- From this, I've seen first hand the dedication and passion for service that realtors in our province have when assisting Albertans buying or selling a home.
- For this reason, I am truly pleased to be here today on behalf of Service Alberta and our Deputy Minister Tim Grant.
- Stephanie McLean, Minister for Service Alberta and the Office of the Status of Women, is scheduled to speak during your conference's MLA reception tomorrow.

SA 2017-G-0056 - Page 1547

- I anticipate the Minister will share some of her thoughts on Alberta's real estate sector and the important work that you and your association do.

- Ahead of the Minister's address tomorrow, I'd like to speak with you about a few initiatives underway in Service Alberta that will likely be of interest to you.

GOVERNANCE

- First, I'd like to briefly touch on the Government of Alberta's emphasis on ensuring good governance of both government bodies and delegated regulatory organizations.

- You may be aware that the Government of Alberta is moving into Phase 2 of its review into agencies, boards and commissions.

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- Similarly, there have been ongoing discussions about governance in the real estate industry.
- I know this is an important issue for AREA and its members.
- As you know, the industry has an effective regulator in the Real Estate Council of Alberta.
- AREA has strong representation in RECA. You directly appoint six of the 12 members on RECA's governing council.
- You also participate on the Residential Real Estate Advisory Committee, which provides a direct line to industry professionals and helps maintain co-operation, communication, and an exchange of information between RECA and the industry.

- We appreciate and value the role AREA plays in helping RECA to achieve its mandate.
- Our department also understands there is strong interest from real estate stakeholders in a review of the *Real Estate Act* for potential amendments to address changes in the industry.
- The timing of the review will be determined once the Ministry's multi-year Legislative Plan is made final.
- Until then, I can tell you that Service Alberta supports the continued self-regulation of the real estate industry through RECA.
- Much like we believe that a strongly-regulated automotive industry is in everyone's best interest, we also believe that a strongly-regulated real estate industry helps buyers, sellers and those who handle both – the realtors.

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SPACE STANDARDS

- No matter what AREA or RECA does, together or under their individual mandates – the end result should ultimately be a benefit for Albertans who are looking to buy or sell their homes.
- An example of this has been the development of new Residential Measurement Standards.
- As you know, there were complaints about a lack of a single measure standard used to determine the square footage or total living area of a home.
- Many of the complaints came from consumers – people who were wondering why the home they bought had been listed at one size, when in fact it was actually another.

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- A couple of years ago, RECA began an extensive consultation to develop a single guideline for RMS standards.
- Based on this consultation, RECA updated its pre-licensing education course material in February 2015 to set expectations for RMS.
- This was followed in fall 2015 with the release of an RMS guide to all real estate professionals to use in residential real estate transactions, as well as guidance from our Minister at the time, Danielle Larivee, to incorporate the new standards.
- This past May, RECA released a revised RMS guide as the single standard in Alberta for real estate professionals to measure and communicate the size of residential property.

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- AREA has supported these new standards, but we also know that you have concerns about how they've been rolled out.
- I understand that RECA has heard these concerns and recently announced a further round of consultation respecting the standards.
- We appreciate your patience and support with RECA as they continue to work on developing and implementing these standards to support consumers and industry members.

ECONOMY AND CMHC NUMBERS

- Contributing to the development of the space standards is just one example of the

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valuable work AREA does for the real estate industry and its membership.

- You have around 10,000 members – roughly 90 per cent of licensed realtors in the province.
- AREA supports its members through professional development and advocacy, all with an eye towards ensuring that a strong industry continues to provide benefits to consumers and our province.
- However, I imagine you've all faced some some challenges lately.
- Our economy is in a tough place right now and our housing construction and sales markets demonstrate this.
- The Canada Mortgage and Housing Corporation's fall 2016 report predicts that total housing starts in Alberta will fall from a

SA 2017-G-0056 - Page 1554

little over 37,000 units last year to between 22,000 and 24,000 units this year.

- On the retail side, the CMHC is projecting sales in Alberta to end up somewhere between 48,000 and 53,000 units this year – a drop from the 56,477 sales in 2015.
- Average house prices in Alberta are also expected to drop from last year.
- The average residential sales price is on pace to decline for a second consecutive year from $393,138 in 2015 to between $387,000 and $390,000 in 2016.
- The good news is that CMHC is predicting stability for 2017:
  - Housing starts are expected to be in the 21,000 to 24,000 range;
  - After two years of contraction, housing resales are forecasted to range from 49,000 to 54,000 units.

SA 2017-G-0056 - Page 1555

- Average home prices are projected to range from $388,200 to $391,800.

- And, further improvement is predicted for 2018 in all categories.

- To help protect the real estate market, the federal government recently announced new measures that will require all mortgages are "stress-tested" to ensure borrowers can afford their loan if interest rates rise.

- Obviously, we don't know what kind of effects this will have on the housing market yet, but we'll be watching closely.

CONSUMER AGENDA

- We're always looking at ways to ensure that consumers are protected when they interact in the marketplace.

SA 2017-G-0056 - Page 1556

- We're currently working on a new Consumer Agenda that you'll hear more about in the coming months.
- Among the ideas we're considering are:
    - Amending and rebranding the *Fair Trading Act* into the *Consumer Protection Act*;
    - Developing a Consumer Charter of Rights;
    - Establishing of an Office of the Consumer Advocate.
- As part of this Consumer Agenda, we also want to make it easier for Albertans to do business with government.
- As you heard earlier, my division is responsible for both Consumers and Registry Services.

SA 2017-G-0056 - Page 1557

- Among the departments within Registry Services are Land Titles, Motor Vehicles and Vital Statistics.
- Right now, we're looking at ways we can set up a more affordable, sustainable, adaptable and secure registry services model that meets the changing needs and expectations of Albertans.
- Included in that is an enhancement of Land Titles services.
- We want to improve the access that Albertans have to online services for Land Titles and make it easier to register real property transactions.
- The Alberta Land Titles Online or "ALTO" initiative will transform current paper processes to electronic forms submitted online under digital signature.

SA 2017-G-0056 - Page 1558

- This past October, an important milestone was reached with the first-ever electronic title transaction by a law firm enrolled as part of the ALTO pilot project.
- ALTO pilot projects will continue this spring.
- ALTA will be available to the legal and surveying professions in late 2017.
- You'll hear more from our Minister on this in the coming months.

AREA CONTRIBUTIONS

- I started off today talking about governance – specifically your relationship with the Real Estate Council of Alberta.
- I want to conclude my remarks by talking about the relationship you have with government.

- We have a strong working relationship with you and we place a great deal of value on the input that you regularly provide to us.
- As you know, we're working on the regulations that will support the amendments we made to the Condominium Property Act.
- AREA has been an important contributor during regulatory development.
- Both myself and my program staff have appreciated the ability to openly engage with you on the core policy issues addressed in the regulations .We also know that you'll be similarly ready to help if the Real Estate Act is flagged for a review.
- All-in-all, we know that good policy is the product of good relationships and good input.

SA 2017-G-0056 - Page 1560

- Once again, on behalf of my Deputy Minister Tim Grant and the staff at Service Alberta, thank you very much for inviting us to speak with you today.
- I hope you enjoy the rest of the conference and that you're able to attend Minister Stephanie McLean's remarks tomorrow.

SA 2017-G-0056 - Page 1561

Tariro Nyemba

From: Colin Lloyd
Sent: November-16-16 12:37 PM
To: Scott Seymour
Subject: ADM_SpeakingNotes_AREA Govt Liason Days Conf_Nov21-16 (2)
Attachments: ADM_SpeakingNotes_AREA Govt Liason Days Conf_Nov21-16 (2).doc

Looks good – thanks.

Speaking Notes
(check against delivery)

Colin Lloyd
ADM, Consumer and Registry Services

Alberta Real Estate Association
Government Liaison Conference

SA 2017-G-0056 - Page 1563

INTRODUCTION

- Hello and thank you, everyone.
- Over the past few years, in my role as Assistant Deputy Minister of Consumer and Registry Services with Service Alberta I've had the opportunity to meet and work with several members of the Alberta Real Estate Association.
- From this, I've seen first hand the dedication and passion for service that realtors in our province have when assisting Albertans buying or selling a home.
- For this reason, I am truly pleased to be here today on behalf of Service Alberta and our Deputy Minister Tim Grant.
- Stephanie McLean, Minister for Service Alberta and the Office of the Status of Women, is scheduled to speak during your conference's MLA reception tomorrow.

SA 2017-G-0056 - Page 1564

- I anticipate the Minister will share some of her thoughts on Alberta's real estate sector and the important work that you and your association do.

- Ahead of the Minister's address tomorrow, I'd like to speak with you about a few initiatives underway in Service Alberta that will likely be of interest to you.

GOVERNANCE

- First, I'd like to briefly touch on the Government of Alberta's emphasis on ensuring good governance of both government bodies and delegated regulatory organizations.

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SA 2017-G-0056 - Page 1565

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- I know this is an important issue for AREA and its members.
- As you know, the industry has an effective regulator in the Real Estate Council of Alberta.
- AREA has strong representation in RECA. You directly appoint six of the 12 members on RECA's governing council.
- You also participate on the Residential Real Estate Advisory Committee, which provides a direct line to industry professionals and helps maintain co-operation, communication, and an exchange of information between RECA and the industry.

SA 2017-G-0056 - Page 1566

- We appreciate and value the role AREA plays in helping RECA to achieve its mandate.
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SA 2017-G-0056 - Page 1568

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SA 2017-G-0056 - Page 1569

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SA 2017-G-0056 - Page 1570

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SA 2017-G-0056 - Page 1572

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SA 2017-G-0056 - Page 1573

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SA 2017-G-0056 - Page 1574

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SA 2017-G-0056 - Page 1575

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- You'll hear more from our Minister on this in the coming months.

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SA 2017-G-0056 - Page 1576

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- Both myself and my program staff have appreciated the ability to openly engage with you on the core policy issues addressed in the regulations .We also know that you'll be similarly ready to help if the Real Estate Act is flagged for a review.
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SA 2017-G-0056 - Page 1577

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- I hope you enjoy the rest of the conference and that you're able to attend Minister Stephanie McLean's remarks tomorrow.

SA 2017-G-0056 - Page 1578

Closed

ACTION REQUEST COVERSHEET
Service Alberta

Due Date:	**Nov 16, 2015**	**AR Number:**	**28931**
Due to MCU:	**Nov 9, 2015**	**Logged By:**	**MO**
Due to ADMO:		**Priority Level:**	**Normal**
Extended Due Date:	**Nov 16, 2015**	**Received Date:**	**Oct 30, 2015**

AR References:

Assigned To: **03 MCU**

Subject: **REDRAFT - Proposed Condominium Regulations Phase 1**

Action Requested: Draft reply for Minister

Correspondent: Brad Mitchell (Alberta Real Estate Association)

Constituency: Brian Malkinson (NDP), Calgary-Currie

	Name and Phone Number		Initials and Date
Approved by ADM:			
Edited by MCU:	Andrea Season	427-7918	A3 - Nov 19/15
Approved by MCU:	DS/b		Nov 19
Approved by P&G:	Cheryl Naundorf	780-427-6369	CN Nov. 19/15
Approved by DM CoS:	Linda Chupka	780-422-6174	LC Nov 19 with edits
Approved by DM:	Tim Grant	780-415-4954	
Approved by MO CoS:	Nathaniel Smith	780-427-3744	[signature] 23/11/15

File Number: 08050 - C31 - 03 - 01

Comments: AR drafted by Kelly Refah of Consumer Programs
Hardcopy given to Dan for review.
To Sandy for MCU approval.
AR to Cheryl N. for review
Received in DMO for review and approval.
Approved by DM's Office. Returned to MCU.
Received in MO, with CoS for review.
Returning for redraft - Per CoS - Include reference to having met with Brad at AREA MLA reception. Also thank them for their offer to support the Regs going forward and for their contributions to date. - No hard copy to follow

Additional Notes:

Cindy Chisholm

From: Service Alberta Minister
Sent: Wednesday, November 25, 2015 12:46 PM
To: 'BMitchell@areahub.ca'
Subject: Proposed Condominium Regulations Phase 1
Attachments: 28931.pdf

Dear Mr. Mitchell:

Please see email response attached.

Thank you

From: Nathaniel Smith
Sent: Friday, October 30, 2015 9:17 AM
To: 'Brad Mitchell'
Cc: Cindy Chisholm
Subject: RE: Proposed Condominium Regulations Phase 1

Brad,

Nice to see you on Tuesday in the atrium. I hope that you enjoyed the budget day craziness.

Thank you for you submitting this feedback. We will make sure that it gets sent to the appropriate program people to ensure its rolled into the overall consultation.

I also look forward to having an opportunity to meet again should the Minister and I have time in the near future on a trip to Calgary.

Thanks
Nat

From: Brad Mitchell [mailto:BMitchell@areahub.ca]
Sent: Thursday, October 29, 2015 2:53 PM
To: danielle.larivee@assembly.ab.ca
Cc: Nathaniel Smith; Cindy Chisholm
Subject: Proposed Condominium Regulations Phase 1

Dear Minister Larivee and Nathaniel,

I'm writing to share feedback with you on behalf of the Alberta Real Estate Association (AREA), and it's 10,000 members across the province, on the draft Condominium Property Amendment Act regulations. Thank you for providing stakeholders with an opportunity to share their input.

Overall, AREA is very pleased with the draft regulations. The regulations take important steps towards ensuring enhanced consumer protection through measures such as establishing standard first-budget protocol and reserve fund allocations, specifying requirements for occupancy dates, and establishing protocols for third party contracts. AREA commends and thanks you for this work.

SA 2017-G-0056 - Page 1580

We have a few additional suggestions on how the regulations might be made even stronger in order to protect Albertans and ensure the province's real estate industry works as soundly as possible.

Specifically, we recommend government:

1. Remove clauses 20.1(1)(g) and (h) in the proposed regulations. These clauses relate to the what is considered a reasonable delay in occupancy. Clause 20.1(g) could limit the bargaining power of labour. Clause 20.1(h) is particularly troublesome as it potentially allows the developer to claim a reasonable delay based on shortage of labour or materials, AREA believes that this clause is a large loophole that will not allow consumers to hold developers to promised occupancy dates. AREA considers acts of God and Government to be the only reasonable delays for possession. (this is covered in the regulations). A contractor that is employed by the developer not showing up for work, or materials that were not procured on time should not enable a developer to push a consumers possession date without recourse for the consumer.

2. Strengthen standard budget protocol by:
   a) Mandating the proposed budget be prepared by a certified accountant using International Financial Reporting Standards (IFRS), the world-recognized reporting standard.
   b) Enhancing financial protection for consumers in the event the developer goes bankrupt or the development company is shut down after the sale

3. Improve notice requirements and rescission rights for consumers, particularly in relation to Material Changes and Final Possession Dates. The regulations should be closer to legislation in Ontario and Manitoba that have tougher notice requirements for developers

4. Provides for adequate protection for Condominium Corporations in relation to 3rd party Agreements/Contracts entered by developers. Detailed in our submission, AREA is requesting clarity on some of the regulations to ensure that 3rd party utility agreements are fully disclosed to potential buyers

5. Expands the definition of "building envelope" in regards to conversions to include windows and patio/sliding doors. Windows and Doors, are an expensive portion of the buildings structure. AREA believes that condominium conversions should include windows and doors as part of the building envelope evaluation.

6. Clarifies that written Variances under the Safety Codes Act are one of the documents required to be provided to the corporation

These relatively minor changes will go a long ways towards ensuring consumers are treated fairly and protected in their condominium purchases and sales. Attached, please find a policy document outlining our rationale for these changes. Please get in touch if you have any questions or concerns. Will you consider supporting the changes we've outlined? We'd appreciate your support in this matter, including discussions with your colleagues, the Minister, and the Service Alberta department.

Many thanks!

Warmly,

Brad Mitchell
Director, Government Relations

08050-C3L-03-01
Nov 16/15

ALBERTA
SERVICE ALBERTA

Office of the Minister
MLA, Lesser Slave Lake

AR28931

Mr. Brad Mitchell
bmitchell@areahub.ca

Dear Mr. Mitchell:

Thank you for your October 29, 2015 email outlining the perspective of the Alberta Real Estate Association (AREA) with regard to the Phase One draft regulations under the *Condominium Property Act*. I appreciate you taking the time to provide your feedback.

Before the regulations are finalized, the recommendations put forward by AREA will be carefully considered by department staff, along with the nearly 300 survey responses received from stakeholders in the condominium community. Service Alberta is committed to ensuring that changes to the condominium legislation are balanced, responsive to industry trends and reflective of the input from Albertans.

I admire AREA's commitment to enhancing consumer protection in Alberta's condominium market, and look forward to working with your organization in subsequent phases of the Condominium Modernization Project. Should you wish to discuss any matters related to this initiative, please contact Kelly Refah, Manager of Market and Industry Standards, at 780-427-0294.

I enjoyed meeting you at the AREA MLA reception and appreciate your organization's support of, and valuable contributions to, the *Condominium Property Act* regulations.

Sincerely,

Larivee

Hon. Danielle Larivee
Minister of Service Alberta

204 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6 Canada Telephone 780-422-6880 Fax 780-422-2496

Printed on recycled paper

28931

Cindy Chisholm

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Cc: Cindy Chisholm
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We have a few additional suggestions on how the regulations might be made even stronger in order to protect Albertans and ensure the province's real estate industry works as soundly as possible.

Specifically, we recommend government:

1. Remove clauses 20.1(1)(g) and (h) in the proposed regulations. These clauses relate to the what is considered a reasonable delay in occupancy. Clause 20.1(g) could limit the bargaining power of labour. Clause 20.1(h) is particularly troublesome as it potentially allows the developer to claim a reasonable delay based on shortage of labour or materials, AREA believes that this clause is a large loophole that will not allow consumers to hold developers to promised occupancy dates. AREA considers acts of God and Government to be the only reasonable delays for possession. (this is covered in the regulations). A contractor that is employed by the

developer not showing up for work, or materials that were not procured on time should not enable a developer to push a consumers possession date without recourse for the consumer.

2. Strengthen standard budget protocol by:
   a) Mandating the proposed budget be prepared by a certified accountant using International Financial Reporting Standards (IFRS), the world-recognized reporting standard.
   b) Enhancing financial protection for consumers in the event the developer goes bankrupt or the development company is shut down after the sale

3. Improve notice requirements and rescission rights for consumers, particularly in relation to Material Changes and Final Possession Dates. The regulations should be closer to legislation in Ontario and Manitoba that have tougher notice requirements for developers

4. Provides for adequate protection for Condominium Corporations in relation to 3rd party Agreements/Contracts entered by developers. Detailed in our submission, AREA is requesting clarity on some of the regulations to ensure that 3rd party utility agreements are fully disclosed to potential buyers

5. Expands the definition of "building envelope" in regards to conversions to include windows and patio/sliding doors. Windows and Doors, are an expensive portion of the buildings structure. AREA believes that condominium conversions should include windows and doors as part of the building envelope evaluation.

6. Clarifies that written Variances under the Safety Codes Act are one of the documents required to be provided to the corporation

These relatively minor changes will go a long ways towards ensuring consumers are treated fairly and protected in their condominium purchases and sales. Attached, please find a policy document outlining our rationale for these changes. Please get in touch if you have any questions or concerns. Will you consider supporting the changes we've outlined? We'd appreciate your support in this matter, including discussions with your colleagues, the Minister, and the Service Alberta department.

Many thanks!

Warmly,

Brad Mitchell
Director, Government Relations

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SUBMISSION TO SERVICE ALBERTA

Proposed Condominium Property Amendment Regulations

Submitted by: Alberta Real Estate Association

October 30, 2015

Introduction – Enhanced Protection worth Celebrating

Alberta Real Estate Association

The Alberta Real Estate Association is the professional organization representing more than 10,000 working REALTORS® in the province. Collaborating and consulting with government and stakeholders at the provincial level, AREA advocates for actions which protect and support members, as well as the individuals, families, and communities they serve.

Enhanced Consumer Protection

AREA commends Service Alberta for the enhanced owner/purchaser protection provided under the draft Condominium Property Amendment Regulations. The proposed regulations represent a substantial increase in protection afforded to consumers. AREA remains committed to continued involvement and is gratified with the impact our involvement has had to date on the outcomes as published by Service Alberta.

The following amendments are considered by AREA to be significant achievements towards strengthening consumer protection in condominium ownership:

1. Establishment of Standard First-Budget Protocol and Reserve Fund Allocation

- Developers being required to prepare and provide purchasers with a proposed budget covering the 12-month period beginning the first month in which the developer expects contributions to be levied at regular intervals by the corporation.
- The reserve fund allocation set out in the proposed budget must be at least 15% of the projected total revenue of the corporation for the 12-month period (higher for conversions).
- Consequences - If the actual total expenses incurred by the corporation are more than 15% above the projected total expenses in the 12-month period beginning with the first month in which contributions are first levied on owners at regular intervals, the developer shall pay the entire difference between the actual and projected total expenses.

2. Occupancy Dates

- Requirement for developers to deliver an occupancy date statement (defining the final occupancy date) to purchasers.
- Consequences - If a unit is not ready for occupancy within 30 days after the final occupancy date, the purchaser has the right to rescind the purchase agreement at any time before the purchaser receives a revised occupancy date statement setting out a new final occupancy date.

3. Material Changes

- The provision of a definition of material change and clear direction that a purchaser may file an originating application with the court in the event a material change arises.
- Enhanced notification requirements

4. Third Party Contracts

- Developers are required to provide purchasers with a list of any fees, rents or other changes that the corporation is required to pay the developer, or a third party, for the use of any units, proposed units, common property or other real or personal property of the corporation.

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

REALTORS® Support Greater Consumer Protection for Condominium Buyers/Sellers in Alberta

It is safe to say that there is universal alignment on the fact that condominium ownership is a complex transaction that involves more due diligence than single family ownership. In consideration of Service Alberta's draft Condominium Property Amendment Regulation published October 15, 2015, AREA urges elected officials to continue to promote changes that will enhance consumer protection via the following recommendations:

Recommendations for Regulation Amendments Currently Under Review (Phase 1)

1. Strengthen standard budget protocol by:
    a) Mandating the proposed budget be prepared by a certified accountant using International Financial Reporting Standards (IFRS), the reporting standard currently used in Canada
    b) Enhancing financial protection for consumers in the event the developer goes bankrupt or the development company is shut down after the sale
2. Provide adequate notice requirements and rescission rights for consumers in relation to Material Changes
3. Limit the items considered to be legitimate causes for final occupancy delays
4. Provide adequate protection for Condominium Corporations in relation to 3rd party Agreements/Contracts entered by developers
5. Expand the definition of "building envelope" in regards to conversions to include windows and patio/sliding doors
6. Clarify that written Variances under the Safety Codes Act are one of the documents required to be provided to the corporation

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

Recommendations for Regulation Amendments Currently Under Review (Phase 1)

1. **Strengthen Standard Budget Protocol:**

   a) **Mandate Compliance with IRFS Standards:** AREA supports the creation of a standard first budget protocol for developers as per section 20.02 of the draft Regulations with the following addition:

   AREA recommends the Regulations mandate the proposed budget be prepared by a certified accountant using International Financial Reporting Standards (IFRS), the accounting standard used in Canada

   b) **Developer Bankruptcy Protection for Consumers:** Where developers are financially responsible to owners/purchasers for budget inaccuracies and delivery of insufficient notices, AREA believe the regulations should provide a means of collecting these funds in the event the developer goes bankrupt or the development company is shut down after the sale.

   The stage a developer enters into bankruptcy has significant impact on what requirements can be put in place. Consideration for the varying financial structures (project financing terms, new home warranty protection etc.) a developer will have in place is critical to ensure the financial protection is meaningful and can actually be realized. Establishing clear expectations under a key scenarios will then guide developers to structure their financing terms at the project onset to ensure compliance.

   While not an exhaustive list, some scenarios which require consideration and to prompt additional like scenarios, where legislated protection can assist are:

   - If a turnover meeting has occurred, it would be in the condo corporation's best interests to ensure they receive:
     - Condominium fees for the unsold condos the developer is obligated for.
     - First charge to access to any deposits held with the municipality as security for unfinished work as per the municipalities' policy around development and building permits

   - If a turnover meeting has not occurred, but occupancy permit has been received and some owners are residing in the building and the builder/developer is still named as the condo corporation.
   - If an occupancy permit has not been received and the construction is still in progress, the deposits

   AREA recommends that developers be required to offer condominium corporations financial protection via bonds, the requirement for the developer to hold money in trust, or by other regulated/licensing means.

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

2. **Adequate Notice Requirements and Rescission Rights Related to Material Changes**

AREA believes consumers must have a reasonable time frame to respond to notices of material changes and the purchaser must be provided the right to rescind the purchase contract in the event of a material change, as defined by the Regulations. AREA believes that the requirement for a purchaser to file an originating application with the Court as proposed in clause 20.05(2) is not sufficient.

Glimpse at Other Provinces:

Manitoba - Sellers have a duty to tell buyers about any material changes to the information in the disclosure documents. A buyer who finds out about a material change – before taking possession of the unit – can cancel the purchase. Buyers can sue if they take possession and find a material change that wasn't disclosed.

Ontario - If a material change is not disclosed or the proper notification is not provided under the legislation, the purchaser may rescind the agreement of purchase within 10 day limit (subject to 74(6) of the Act).

AREA recommends developers be required to deliver notice of any known pending material change within 10 days of the material change becoming known and include language in the notice explicitly stating that the rescission period is opened up.

The developer should be required to deliver the notice required under subsection (1) to the purchaser within 10 days after the material change occurs (if unknown in advance) and, in any event, before the day the purchaser takes possession of the unit; and

The purchaser should be given 10 days to review the impact of the material change and to rescind the purchase.

3. **Limit the Items Considered to be Legitimate Causes for Final Occupancy Delays**

AREA is pleased to see that under the proposed Regulations, if a unit is not ready for occupancy within 30 days after the final occupancy date delivered to the purchaser in the "occupancy statement date", the purchaser has the right to rescind the purchase agreement at any time before the purchaser receives a revised occupancy date statement setting out a new final occupancy date, or within 10 days after receipt of a revised occupancy date statement.

AREA is concerned however that clauses 20.1(1)(g) and (h) in the proposed Condominium Property Amendment Regulation, which related to a lack of availability of labour or materials, offer developers an easy out and ability to transfer blame with little information available for purchasers to contest or prove otherwise. 20.1(1)(h) is particularly troublesome for consumers,

as a developer could use this clause to claim delays that would be exceedingly difficult for any consumer to contest.

AREA recommends that the Regulations limit the items considered to be legitimate causes for final occupancy delays, and in particular, that clauses 20.1(1)(g) and (h) be removed from the Regulations.

4. **Third party Agreements/Contracts:**

AREA believes that developers should be required to disclose to purchasers any 3rd party agreements/contracts entered into by the developer that bind the corporation and that adequate language is required to protect purchasers in situations where the developer maintains ownership/control of utilities or recreational facilities after turnover.

AREA supports the inclusion of "a list of any fees, rents or other charges that the corporation is required to pay to the developer or a third party for the use of any units, proposed units, common property or other real or personal property of the corporation" as information required to be provided to the purchaser under 20.01(k) of the draft Regulations.

AREA is asking for clarification from Service Alberta on whether or not copies of such agreements/contracts are to be provided to purchasers as well.

Area suggests that more clarity be provided in the regulations around utility agreements signed by the developer. Purchasers need to be aware of any utility arrangements signed by the developer that obligate owners after purchase

5. **Definition of "building envelope":**

In relation to the list of mandatory items to be inspected and included in the Building Assessment Report for conversions under the *New Home Buyer Protection Act*, AREA believes windows and patio/sliding doors represent significant costs for consumers should they require replacing, and therefore should be included.

AREA recommends the definition of "building envelope" provided in the Condominium Property Act Regulations be expanded beyond the definition included in the *New Home Buyer Protection Act* to include windows and sliding doors.

6. **Providing Written Variances for Conversions:**

Under clause 38(1) the Alberta *Safety Codes Act*, "an Administrator or a safety codes officer may issue a written variance with respect to any thing, process or activity to which this Act applies if the Administrator or officer is of the opinion that the variance provides approximately equivalent or

greater safety performance with respect to persons and property as that provided for by this Act." AREA believes the issuance of such Variances should be provided by the developer or interim board to the corporation.

AREA recommends section 20.2 of the draft Condominium Property Amendment Regulation include the requirement that written variances prepared under the Safety Codes Act be provided to condominium corporations or clarify that this is the intention of 20.2(a).

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

Recommendations for Subsequent Phases of Regulation Amendments

1. Establish and mandate the use of a central repository to improve the timeliness, delivery, accuracy and completeness of condominium documents
2. Encourage affordability by eliminating fees for the provision of condominium documents
3. Apply a standard measurement protocol for developers that would clarify for purchasers the livable space of a unit
4. Establish affordable, effective alternative mechanisms to the Courts for handling disputes/remedies

1. Access to Condominium Documents at Transaction Time:

Buyers are often unaware of decisions that oblige them to special assessments or increased fees because the typical owner doesn't keep a repository of all the necessary condo documents. As a result, owners are unable to communicate the information to the buyer when they purchase a unit. While the current legislation prescribes that condo corporations must provide documents within 10 days after receiving a request, these documents are often held under the control of management companies. Currently, an owner's option is to turn to the courts for enforcement in absence of a management company's co operation, which is often an intimidating and costly process.

Manitoba and Ontario have recently undergone reviews of their provincial condominium legislation, establishing models, themes and recommendations of merit from which Albertans can gain insight.

Glimpse at Other Provinces:

> **Ontario** – Bill 106, Protecting Condominium Owners Act, passed 1st reading on May 27, 2015.
>
> Ontario's Condominium Act Review Stage Two Solutions Report (2013), promotes the use of online tools, as they can play a central role in education, access to information, transparency and accountability and community engagement. The report suggests access to some documents is a "basic right" and recommends that "clear requirements should be in put in place to ensure that corporate records are easily accessible" (p.8).
>
> **Manitoba** – New Condominium Act and Regulations came into force on February 1, 2015.
>
> Manitoba's Act (Sections 131-132) also requires corporations to keep complete and accurate records of corporation business in paper form or be able to produce them in a readable format electronically.

AREA is aligned with the conclusions and direction taken from these provinces and suggests the Alberta government take additional steps to improve access to information and documents for condominium owners, purchasers and mortgagees.

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

As condominium corporations are responsible under the Condominium Property Amendment Act (Bill 9) for providing purchasers with the required documents, a central repository would:

- Provide corporations with greater control of the documents and enhance their ability to fulfill their legislative duties.
- Improve access for owners and purchasers who rely on the documents to make informed decisions related to purchase/sale.
- Allow inaccuracies or incomplete information to be recognized and remedied in a more timely fashion
- Reduce barriers to ownership

AREA believes consumers should have access to complete information at transaction time and recommends the government facilitate and mandate the use of a central repository to improve timeliness, delivery, accuracy and completeness of condominium documents.

2. **Inconsistent Fees Charged for Condominium Documents:**

Currently in Alberta, there is no regulation or consistency in the price condo corporations/owners/buyers must pay to obtain condominium documents. It can range from tens to hundreds of dollars per document - a cost that is often unexpected and difficult to afford.

Glimpse at Other Provinces:

Manitoba – Condominium corporations may charge reasonable fees for the labour and costs involved in copying the documents.

B.C. – No fee may be charged to an owner, a tenant or a person authorized by an owner or tenant for the inspection of a record or document under section 36 of the Strata Property Act[1]. A 25 cent/per page fee may be charged for copies.

Ontario – Recommendations 71 and 72 in the Stage Two Solutions Report suggest access to some documents is a basic right and the documents should be provided free of charge. Where fees are deemed appropriate, such as for the retrieval and redaction of documents, they should be reasonable and designed to cover the costs of providing the service.

AREA recommends the Condominium Property Act Regulations prohibit the charge of additional fees for the provision of documents (with the exception of the estoppel certificate).

[1] In B.C., The maximum fee that the strata corporation may charge for an Information Certificate, including required attachments, is $35 plus the cost of photocopying, or other means of reproduction, up to 25 cents per page. The maximum fee that the strata corporation may charge for a Certificate of Payment is $15.

AREA believes the cost for producing and handling condominium documents by management companies should be included upfront in their monthly service fee, and the mechanism to ensure this is to prohibit the charge of additional fees for the provision of documents (with the exception of the estoppel certificate) in the Regulations.

Note: Barring this, AREA recommends a reasonable, regulated fee on an at-cost basis, such as 10-25 cents per page for copies of documents.

This would provide valuable information for condominium corporations when considering service proposals, put greater control in the hands of owners, provide consumers adequate opportunity to prepare closing costs, and most importantly, reduce barriers to ownership through reduction of financing issues and other delays at closing.

3. **Standard Measurement Protocol for Developers**

REALTORS® must adhere to Residential Measurement Standards[2] that require them to disclose if a condominium's size is the unit's above grade floor area or its registered size. Many choose to use its registered size as it the information is accessible on the Condominium Plan. They are also required to disclose what this measurement includes in all marketing/communications about the unit and ensure the client understands what the measurement means.

Consumers and professionals are often unsure of what the registered size on the Condominium Plan includes, creating significant grounds for conflict and liability. A frequent misunderstand arises when parking, storage and/or patios are included in the registered size and consumers find themselves with less living space than they originally believed they invested in.

AREA recommends the Regulations apply a standard measurement protocol for developers to determine the registered size of condominiums, to clarify the livable space of units for purchasers.

4. **Alternative Dispute Mechanisms to the Courts**

Going to court can be an intimidating, lengthy and costly battle for consumers. AREA believes affordable, effective, alternative mechanisms to the courts, such as tribunals, should be available to handle disputes/remedies whenever possible (including disputes, for example, regarding occupancy dates).

[2] Real Estate Council of Alberta. Residential Measurement Standards (2015)

Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

Glimpse at Other Provinces:

Ontario – Ontario's Bill 106 allows for the establishment of a new Condominium Authority Tribunal for the resolution of disputes. It was recommended in the Stage Two Solutions Report that the Tribunal's services should include:

- The provision of information and advice to condo stakeholders by telephone or in person, and via online resources and self-help tools.
- A "Quick Decision Maker" Process (QDM) – To handle "small item" disagreements, with the authority to make quick, summary decisions on access to records, charge-backs, proxies, requisitions and owner's entitlement to vote.
- A "Dispute Resolution Office" – to deal with weightier "enforcement cases" via early neutral evaluations of disputes, expert advice, help reaching settlements and guidance on next steps in resolution process.

AREA recommends the Government consider Ontario's proposed dispute resolution model as they proceed in developing the Condominium Property Act Regulations related to Alberta's own Tribunal.

The Alberta Real Estate Association appreciates the opportunity to participate in Service Alberta's Condominium Property Amendment Regulations consultation process. Thank you for considering the recommendations put forward on behalf of our 10,000 + REALTOR® members.

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Alberta Real Estate Association

Condominium Property Act Regulations – Proposed Amendments

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Speaking Notes
(check against delivery)

Colin Lloyd
ADM, Consumer and Registry Services

Alberta Real Estate Association
Government Liaison Conference

DRAFT

INTRODUCTION

- Hello and thank you, everyone.
- Over the past few years, in my role as Assistant Deputy Minister of Consumer and Registry Services with Service Alberta I've had the opportunity to meet and work with several members of the Alberta Real Estate Association.
- From this, I've seen first hand the dedication and passion for service that realtors in our province have when assisting Albertans buying or selling a home.
- For this reason, I am truly pleased to be here today on behalf of Service Alberta and our Deputy Minister Tim Grant.
- Stephanie McLean, Minister for Service Alberta and the Office of the Status of Women, is scheduled to speak during your conference's MLA reception tomorrow.

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- I anticipate the Minister will share some of her thoughts on Alberta's real estate sector and the important work that you and your association do.

- Ahead of the Minister's address tomorrow, I'd like to speak with you about a few initiatives underway in Service Alberta that will likely be of interest to you.

GOVERNANCE

- First, I'd like to briefly touch on the Government of Alberta's emphasis on ensuring good governance of both government bodies and delegated regulatory organizations.

- You may be aware that the Government of Alberta is moving into Phase 2 of its review into agencies, boards and commissions.

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- Similarly, there have been ongoing discussions about governance in the real estate industry.
- I know this is an important issue for AREA and its members.
- As you know, the industry has an effective regulator in the Real Estate Council of Alberta.
- AREA has strong representation in RECA. You directly appoint six of the 12 members on RECA's governing council.
- You also participate on the Residential Real Estate Advisory Committee, which provides a direct line to industry professionals and helps maintain co-operation, communication, and an exchange of information between RECA and the industry.

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- We appreciate and value the role AREA plays in helping RECA to achieve its mandate.
- Our department also understands there is strong interest from real estate stakeholders in a review of the *Real Estate Act* for potential amendments to address changes in the industry.
- The timing of the review will be determined once the Ministry's multi-year Legislative Plan is made final.
- Until then, I can tell you that Service Alberta supports the continued self-regulation of the real estate industry through RECA.
- Much like we believe that a strongly-regulated automotive industry is in everyone's best interest, we also believe that a strongly-regulated real estate industry helps buyers, sellers and those who handle both – the realtors.

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SPACE STANDARDS

- No matter what AREA or RECA does, together or under their individual mandates – the end result should ultimately be a benefit for Albertans who are looking to buy or sell their homes.
- An example of this has been the development of new Residential Measurement Standards.
- As you know, there were complaints about a lack of a single measure standard used to determine the square footage or total living area of a home.
- Many of the complaints came from consumers – people who were wondering why the home they bought had been listed at one size, when in fact it was actually another.

- A couple of years ago, RECA began an extensive consultation to develop a single guideline for RMS standards.
- Based on this consultation, RECA updated its pre-licensing education course material in February 2015 to set expectations for RMS.
- This was followed in fall 2015 with the release of an RMS guide to all real estate professionals to use in residential real estate transactions, as well as guidance from our Minister at the time, Danielle Larivee, to incorporate the new standards.
- This past May, RECA released a revised RMS guide as the single standard in Alberta for real estate professionals to measure and communicate the size of residential property.

- AREA has supported these new standards, but we also know that you have concerns about how they've been rolled out.
- I understand that RECA has heard these concerns and recently announced a further round of consultation respecting the standards.
- We appreciate your patience and support with RECA as they continue to work on developing and implementing these standards to support consumers and industry members.

ECONOMY AND CMHC NUMBERS

- Contributing to the development of the space standards is just one example of the

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valuable work AREA does for the real estate industry and its membership.

- You have around 10,000 members – roughly 90 per cent of licensed realtors in the province.
- AREA supports its members through professional development and advocacy, all with an eye towards ensuring that a strong industry continues to provide benefits to consumers and our province.
- However, I imagine you've all faced some some challenges lately.
- Our economy is in a tough place right now and our housing construction and sales markets demonstrate this.
- The Canada Mortgage and Housing Corporation's fall 2016 report predicts that total housing starts in Alberta will fall from a

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little over 37,000 units last year to between 22,000 and 24,000 units this year.

- On the retail side, the CMHC is projecting sales in Alberta to end up somewhere between 48,000 and 53,000 units this year – a drop from the 56,477 sales in 2015.
- Average house prices in Alberta are also expected to drop from last year.
- The average residential sales price is on pace to decline for a second consecutive year from $393,138 in 2015 to between $387,000 and $390,000 in 2016.
- The good news is that CMHC is predicting stability for 2017:
  - Housing starts are expected to be in the 21,000 to 24,000 range;
  - After two years of contraction, housing resales are forecasted to range from 49,000 to 54,000 units.

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- Average home prices are projected to range from $388,200 to $391,800.

- And, further improvement is predicted for 2018 in all categories.

- To help protect the real estate market, the federal government recently announced new measures that will require all mortgages are "stress-tested" to ensure borrowers can afford their loan if interest rates rise.

- Obviously, we don't know what kind of effects this will have on the housing market yet, but we'll be watching closely.

CONSUMER AGENDA

- We're always looking at ways to ensure that consumers are protected when they interact in the marketplace.

- We're currently working on a new Consumer Agenda that you'll hear more about in the coming months.
- Among the ideas we're considering are:
    - Amending and rebranding the *Fair Trading Act* into the *Consumer Protection Act*;
    - Developing a Consumer Charter of Rights;
    - Establishing of an Office of the Consumer Advocate.
- As part of this Consumer Agenda, we also want to make it easier for Albertans to do business with government.
- As you heard earlier, my division is responsible for both Consumers and Registry Services.

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- Among the departments within Registry Services are Land Titles, Motor Vehicles and Vital Statistics.
- Right now, we're looking at ways we can set up a more affordable, sustainable, adaptable and secure registry services model that meets the changing needs and expectations of Albertans.
- Included in that is an enhancement of Land Titles services.
- We want to improve the access that Albertans have to online services for Land Titles and make it easier to register real property transactions.
- The Alberta Land Titles Online or "ALTO" initiative will transform current paper processes to electronic forms submitted online under digital signature.

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- This past October, an important milestone was reached with the first-ever electronic title transaction by a law firm enrolled as part of the ALTO pilot project.
- ALTO pilot projects will continue this spring.
- ALTA will be available to the legal and surveying professions in late 2017.
- You'll hear more from our Minister on this in the coming months.

AREA CONTRIBUTIONS

- I started off today talking about governance – specifically your relationship with the Real Estate Council of Alberta.
- I want to conclude my remarks by talking about the relationship you have with government.

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- We have a strong working relationship with you and we place a great deal of value on the input that you regularly provide to us.
- As you know, we're working on the regulations that will support the amendments we made to the Condominium Property Act.
- AREA has been an important contributor during regulatory development.
- Both myself and my program staff have appreciated the ability to openly engage with you on the core policy issues addressed in the regulations .We also know that you'll be similarly ready to help if the Real Estate Act is flagged for a review.
- All-in-all, we know that good policy is the product of good relationships and good input.

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- Once again, on behalf of my Deputy Minister Tim Grant and the staff at Service Alberta, thank you very much for inviting us to speak with you today.
- I hope you enjoy the rest of the conference and that you're able to attend Minister Stephanie McLean's remarks tomorrow.

DRAFT

Pages 1613 through 1622 redacted for the following reasons:
- -
Pages 1613-1619: Duplicate to pages 1119-1125
Pages 1620-1622: Duplicate to pages 1062-1064

Val Taylor

From: Heather Coleman <HColeman@areahub.ca>
Sent: Thursday, November 24, 2016 2:21 PM
To: Colin Lloyd; Mary MacDonald; Kelly Refah
Subject: Invitation: Defining Professional Excellence

The Alberta Real Estate Association (AREA), with funding support from the Alberta Real Estate Foundation (AREF), has commissioned Insights West to conduct market research to better define what it means to achieve professional excellence in real estate, the results of which will be made public. As part of the research process, Insights West is conducting one-on-one telephone interviews with AREA's key stakeholders. You have been identified as a key stakeholder and we would appreciate your feedback.

This study is strictly for research purposes and your contact information will be kept strictly confidential. The telephone interview will last approximately 30 minutes, and a specific interview time will be scheduled between **Nov. 28 and Dec. 16, 2016.**

If you are interested in participating, please click on the survey URL below to provide your contact details.

If you have any questions about the research, feel free to contact me (hcoleman@areahub.com) or Jane Ha-Trapp at Insights West (janehatrapp@insightswest.com).

http://surveys.automatesurvey.com/s?p=W7598410752120&h=1160056

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Val Taylor

From: Amanda Nielsen <anielsen@areahub.ca>
Sent: Friday, December 02, 2016 2:41 PM
To: Mary MacDonald
Subject: Re: Touching Base

Credo works great. We will see you then. Thanks Mary - we look forward to it!

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Mary MacDonald <Mary.MacDonald@gov.ab.ca>
Sent: Friday, December 2, 2016 2:21:39 PM
To: Amanda Nielsen
Subject: RE: Touching Base

Thanks Amanda.
Do you want DT or close to DT?
Does the Second Cup in the Cdn Western Bank work? Credo? Someplace on 109th?

Mary

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Friday, December 02, 2016 1:57 PM
To: Mary MacDonald
Subject: Re: Touching Base

Hi Mary,

I can confirm coffee at 2pm! Where works best for you? Somewhere close to DT is ideal for us.

Many thanks,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

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From: Amanda Nielsen
Sent: Friday, December 2, 2016 1:37:41 PM
To: Mary MacDonald
Subject: Re: Touching Base

Hi Mary,

Let's plan for a 2pm coffee for now. I will confirm 100% on Monday. Our 2:30 coffee meeting person is out of office today, so I'l need to call her Monday to confirm 100%.

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Amanda Nielsen
Sent: Friday, December 2, 2016 1:32:02 PM
To: Mary MacDonald
Subject: Re: Touching Base

Let me see if I can move a 2:30 coffee back a bit. I'll be in touch soon. :)

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Mary MacDonald <Mary.MacDonald@gov.ab.ca>
Sent: Friday, December 2, 2016 1:28:44 PM
To: Amanda Nielsen
Subject: RE: Touching Base

Hi Amanda,

It is proving a bit more difficult than I thought, but could we book for coffee at 2 p.m. notwithstanding that I may have to cancel (with some notice). If that doesn't work and you just want to try another day, that would be fine too.

Thanks,
Mary

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Friday, December 02, 2016 1:11 PM
To: Mary MacDonald
Subject: Re: Touching Base

Hi Mary!

Just checking in - were you able to find a time to connect with us on December 7?

Many thanks,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_| areahub.ca

From: Amanda Nielsen
Sent: Thursday, December 1, 2016 1:29:15 PM
To: Mary MacDonald
Subject: Re: Touching Base

Hi Mary,

Of course. Thanks for trying to fit us in! I will hold off on scheduling any other meetings until I hear from you. :)

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_| areahub.ca

From: Mary MacDonald <Mary.MacDonald@gov.ab.ca>
Sent: Thursday, December 1, 2016 1:14:29 PM
To: Amanda Nielsen
Subject: Re: Touching Base

Hi Amanda,

Thanks for your note. Can I get back to you later today regarding my availability on the 7th? At the moment I have a bit of uncertainty in my schedule but would like to make it work.

Thanks,

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Mary

Sent from my iPhone

On Dec 1, 2016, at 11:33 AM, Amanda Nielsen <anielsen@areahub.ca> wrote:

> Hi Mary,
>
> I hope this note finds you well.
>
> I'm writing to see if you are available on December 7 to grab coffee or lunch with Brad Mitchell, AREA's Managing Director of Finance and Government Relations, and I. We are free any time before 2pm.
>
> We would like to meet to share some of AREA's work around condo regulations, discuss Phase Two consultations, and make introductions in a less formal environment.
>
> Is there any chance you can make some time for us?
>
> Many thanks!
>
> Warmly,
>
> Amanda
>
> **Amanda Nielsen**
> *Public Affairs and Stakeholder Relations Advisor*
> **Alberta Real Estate Association**
> DL: 780.920.5001 | Twitter: @Amanda_Nielsen_1 areahub.ca

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Val Taylor

From: Mary MacDonald
Sent: Tuesday, December 06, 2016 9:34 AM
To: Kelly Refah; Trevor Bergen
Cc: Lee Chantal
Subject: RE: Condominium Regulations - Phase One Briefing

I agree. We really don't have anything else to update them on until after the cabinet retreat.

I am having coffee with Brad Mitchell and Amanda Nielson tomorrow, so I will get a sense of what they are after.

I don't think any of the regs will come as a surprise.

Thanks,

Mary

From: Kelly Refah
Sent: Tuesday, December 06, 2016 9:04 AM
To: Trevor Bergen; Mary MacDonald
Cc: Lee Chantal
Subject: RE: Condominium Regulations - Phase One Briefing

The final Regulations should not come as a surprise to CCI or AREA. I recommend the briefing take place after the Cabinet meeting to ensure we have general support for both the implementation plan and policy direction before sharing details with external stakeholders.

Kelly

From: Trevor Bergen
Sent: Tuesday, December 06, 2016 7:49 AM
To: Mary MacDonald
Cc: Kelly Refah; Lee Chantal
Subject: RE: Condominium Regulations - Phase One Briefing

Hi Mary,

I lost sight of this one on Friday.

Was your sense from Jennifer's note that we are to brief AREA and CCI before we get the high level policy concepts approved by Cabinet? If so, Lee could arrange something for the mid-January timeframe potentially.

Kelly/Lee, correct me if I'm wrong but there shouldn't be anything in the Phase 1 regulation that will be a surprise to AREA or CCI given we presented the bulk of the contents at the CCI presentation and AREA saw the draft regulation and has been participating in the stakeholder sessions?

Thanks,
Trevor

From: Mary MacDonald
Sent: Friday, December 02, 2016 11:31 AM
To: Jennifer Cunningham; Trevor Bergen
Subject: RE: Condominium Regulations - Phase One Briefing

Thanks Jennifer.
Mary

From: Jennifer Cunningham
Sent: Friday, December 02, 2016 11:26 AM
To: Mary MacDonald; Trevor Bergen
Subject: FW: Condominium Regulations - Phase One Briefing

Good morning,

We will leave this in your capable hands.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: December-01-16 11:11 AM
To: Colin Lloyd; Robert Whittaker
Cc: Jennifer Cunningham
Subject: Condominium Regulations - Phase One Briefing

Hello Colin and Robert,

Thank you for attending AREA's Government Liaison Days last week. It was great to see you both.

I understand Brad Mitchell, our Managing Director of Finance and Government Relations, approached Colin during the event to see if AREA could have a joint briefing along with CCI Alberta North on the Phase One *Condominium Act* Regulations going to cabinet in early 2017. Both organizations are very interested in learning what is happening with the regulations, and where the department ultimately landed in its recommendations to Minister.

Can we work together to set up a time for this briefing to take place?

Many thanks - we look forward to it!

Warmly,

Amanda

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Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areshub.ca

Val Taylor

From: Kelly Refah
Sent: Wednesday, December 07, 2016 4:43 PM
To: Mary MacDonald
Cc: Trevor Bergen; Lee Chantal
Subject: Re: Meeting with AREA

Thanks for the summary, Mary.

Kelly

On Dec 7, 2016, at 4:40 PM, Mary MacDonald <Mary.MacDonald@gov.ab.ca> wrote:

> Hi everyone,
>
> I had a good coffee meeting with Brad Mitchell, Amanda Nielson and briefly met Ian Burns, this afternoon.
>
> As you will know, they are interested in the Condo Regs. I used the analogy of waiting in an airline take off queue—we are ready to go with the first phase of the Regs, but with the many legislative initiatives the Minister has, we are waiting to get on the runway.
>
> They are interested in some feedback on the first phase regs. I said we would try to arrange a meeting with the stakeholders in the first six weeks of the new year. What that will do is to anticipate the question back to us about whether we have consulted with stakeholders. It also allows us to gauge whether or not they have met the mark.
>
> Thanks,
>
> Mary
>
> ***Mary MacDonald***
> Executive Director, Consumer Services
> SERVICE ALBERTA
>
> mary.macdonald@gov.ab.ca
> 780.422.8177

Val Taylor

From: Trevor Bergen
Sent: Wednesday, December 07, 2016 5:00 PM
To: Mary MacDonald
Cc: Kelly Refah; Lee Chantal
Subject: RE: Meeting with AREA

Thanks Mary!

I'll bf arranging a meeting in my calendar for around mid-January for follow up. At that point, we'll likely have a sense of when the Cabinet retreat will be (or have gotten feedback already from it)...

Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Mary MacDonald
Sent: Wednesday, December 07, 2016 4:41 PM
To: Trevor Bergen; Kelly Refah; Lee Chantal
Subject: Meeting with AREA

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Page 1633 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 1631

Val Taylor

From: Lee Chantal
Sent: Wednesday, December 14, 2016 10:46 AM
To: Trevor Bergen; Kelly Refah
Subject: RE: Condominium Regulations - Phase One Briefing

Understood, thanks for the heads up!

Lee

From: Trevor Bergen
Sent: Wednesday, December 14, 2016 10:44 AM
To: Lee Chantal; Kelly Refah
Subject: FW: Condominium Regulations - Phase One Briefing

Hi Lee and Kelly,

In early January, Mary will be looking to arrange a meeting with CCI, AREA, CHBA and potentially other key stakeholders if advisable (not sure we really need to invite the lawyers that were at the past two joint meetings we held with these groups) for late January. Given it's been some time since we've had a formal sit down with them, Mary would like to ensure that as the Phase 1 regulations proceed through Cabinet we can demonstrate that recently we re-engaged the core stakeholders to present and discuss the latest draft regulations. We can discuss more in early January but I just wanted you both to have a heads up. I've bf'd this for early January.

Thanks!
Trevor

From: Mary MacDonald
Sent: Monday, December 12, 2016 5:31 PM
To: Trevor Bergen
Subject: FW: Condominium Regulations - Phase One Briefing

Trevor,
We'll have to set up a meeting in the new year. Remind me to fill you in on some background.
Thanks,
Mary

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Monday, December 12, 2016 1:27 PM
To: Mary MacDonald
Subject: Re: Condominium Regulations - Phase One Briefing

Perfect; thanks Mary!

As an FYI – I have sent a note to Kelly Refah in the hopes of discussing reserve fund allocation/first budget protocol in the regs. She has been an invaluable source of knowledge.

Happy Holidays!

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Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_1 | areahub.ca

From: Mary MacDonald <Mary.MacDonald@gov.ab.ca>
Sent: Monday, December 12, 2016 1:08:05 PM
To: Amanda Nielsen
Subject: RE: Condominium Regulations - Phase One Briefing

Hi Amanda,

Leave it with me.

Thanks,
Mary

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Monday, December 12, 2016 11:23 AM
To: Mary MacDonald
Subject: Fw: Condominium Regulations - Phase One Briefing

Hi Mary,

I sent this note to Colin and Llyod a few weeks ago... Rather than pestering them and following up personally, should I leave this in your hands?

Many thanks,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_1 | areahub.ca

From: Amanda Nielsen
Sent: Thursday, December 1, 2016 11:10 AM
To: colin.lloyd@gov.ab.ca; robert.whittaker@gov.ab.ca
Cc: Jennifer Cunningham
Subject: Condominium Regulations - Phase One Briefing

Duplicate to pages 1629-1630

Page 1636 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 1629-1630

Tariro Nyemba

Subject:	AREA Update
Location:	29th floor - 10020 100 Street - room 109
Start:	Tue 03/01/2017 3:30 PM
End:	Tue 03/01/2017 4:00 PM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	Colin Lloyd
Required Attendees:	iburns@areahub.ca; Robert Whittaker
Resources:	~MR-EDTN-Telus-S 29-109 *Video

Telus House at ATB Place.

Val Taylor

From: Trevor Bergen
Sent: Friday, January 06, 2017 11:04 AM
To: Lee Chantal
Cc: Kelly Refah
Subject: RE: Condominium Regulations - Phase One Briefing

That's totally fine. Thanks!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Lee Chantal
Sent: Friday, January 06, 2017 11:03 AM
To: Trevor Bergen
Cc: Kelly Refah
Subject: RE: Condominium Regulations - Phase One Briefing

Will do. I'm on CDO on Monday, so I'll make sure to start reaching out on Tuesday.

Lee

From: Trevor Bergen
Sent: Friday, January 06, 2017 10:58 AM
To: Lee Chantal
Cc: Kelly Refah
Subject: FW: Condominium Regulations - Phase One Briefing

Hi Lee,

Mary is hoping we can schedule an update meeting with CCI, AREA, and CHBA on the status of the Phase 1 regulations, following the Cabinet Retreat the last week of January.

Next week, can you canvass our contacts with those organizations for potential meeting times the first or second week of February?

Thanks!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

IKE Consumer Protection Alberta

Alberta

From: Trevor Bergen
Sent: Wednesday, December 14, 2016 10:44 AM
To: Lee Chantal; Kelly Refah
Subject: FW: Condominium Regulations - Phase One Briefing

Duplicate to page 1634-1638

Pages 1640 through 1641 redacted for the following reasons:
- -
Duplicate to pages 1634-1636

Val Taylor

From: Kelly Refah
Sent: Friday, January 06, 2017 12:26 PM
To: Lee Chantal
Subject: RE: Condominium Regulations - Phase One Briefing

Lee,

The contacts you've listed are correct. In addition to these individuals, for CCI North, I suggest including Anand Sharma and for AREA please include Brad Mitchell.

Did McDougall call for an update on the legislative project?

Kelly

From: Lee Chantal
Sent: January 6, 2017 11:23 AM
To: Kelly Refah
Subject: FW: Condominium Regulations - Phase One Briefing

Kelly,

I want to confirm the contacts you have for each of these for coordinating meetings.

CCI North: I assume the contact person would be Alan Whyte.
CCI South: John McDougall happened to call today, and advised me the best contact is the President, Andrew Fulcher
AREA: Do you suggest going through Amanda Nielson, or directly through Brad Mitchell?
CHBA: I assume TJ Keil would be the right contact.

Thanks,

Lee

From: Trevor Bergen
Sent: Friday, January 06, 2017 10:58 AM
To: Lee Chantal
Cc: Kelly Refah
Subject: FW: Condominium Regulations - Phase One Briefing

Handcuts to pages 1643-1651

Pages 1643 through 1645 redacted for the following reasons:
- -
Duplicate to pages 1638-1641

Val Taylor

From: Amanda Nielsen <anielsen@areahub.ca>
Sent: Tuesday, January 17, 2017 8:55 AM
To: Lee Chantal; Brad Mitchell
Cc: Trevor Bergen; Kelly Refah
Subject: Re: Condominium Property Regulation - Phase One Briefing

Fantastic, thanks Lee. I appreciate you coordinating this session and look forward to hearing from you.

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Lee Chantal <lee.chantal@gov.ab.ca>
Sent: Tuesday, January 17, 2017 8:18:18 AM
To: Amanda Nielsen; Brad Mitchell
Cc: Trevor Bergen; Kelly Refah
Subject: RE: Condominium Property Regulation - Phase One Briefing

Hello Amanda,

Thank you for your reply. We will be in contact early next week to confirm the date and time of the meeting.

We are anticipating the Phase One amendments to go before Cabinet in spring 2017. We will be providing more information about the current status and expected timelines at the briefing.

Thanks,

Lee Chantal
Statute Administrator

Market and Industry Standards
Consumer Programs, Service Alberta
Government of Alberta
3rd Floor – 10155 102 Street
Edmonton AB T5J 4L4 Canada
Phone: (780) 644-7657 Fax: (780) 427-3033
E-mail: lee.chantal@gov.ab.ca
www.servicealberta.ca

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Monday, January 16, 2017 11:18 PM
To: Lee Chantal; Brad Mitchell
Cc: Trevor Bergen; Kelly Refah
Subject: Re: Condominium Property Regulation - Phase One Briefing

Good evening Lee,

Thank you for the kind email. We are excited to participate in a briefing.

Our preferred date is Friday, February 3. However, we will make whatever date is offered work.

Can you please confirm if and when the Phase One regulations will go to Cabinet for their consideration and review?

Many thanks!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Lee Chantal <lee.chantal@gov.ab.ca>
Sent: Tuesday, January 10, 2017 1:46:53 PM
To: Brad Mitchell; Amanda Nielsen
Cc: Trevor Bergen; Kelly Refah
Subject: Condominium Property Regulation - Phase One Briefing

Good Afternoon Brad and Amanda,

As the recommended Phase One Regulations for the *Condominium Property Amendment Act* are moving forward for approval, Service Alberta is looking to hold a briefing to update stakeholder organizations on the status of the regulatory development project. The purpose of the briefing will be to describe the policy recommendations Service Alberta has submitted for the Phase One Regulations, as well as the next steps we are taking to develop the other phases of the regulatory amendments. We will be holding this meeting in early February in Edmonton.

We would like to invite representatives of AREA to take part in this briefing. So that we can ensure your representatives have the opportunity to participate, we wanted to reach out to you and find out what potential meeting times would work in the first two weeks of February. If you could let me know what meeting times would be available by reply to this email, it would be much appreciated. We expect to book half a day for the briefing, though it may not take that entire time.

We would appreciate your response with potential meeting times by January 16, 2017, so we can confirm the briefing date and time with the attending organizations.

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If you have any questions about this meeting, please feel free to contact me.

Regards,

Lee Chantal
Statute Administrator

Market and Industry Standards
Consumer Programs, Service Alberta
Government of Alberta
3rd Floor – 10155 102 Street
Edmonton AB T5J 4L4 Canada
Phone: (780) 644-7657 Fax: (780) 427-3033
E-mail: lee.chantal@gov.ab.ca
www.servicealberta.ca



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Val Taylor

From: Trevor Bergen
Sent: Tuesday, January 17, 2017 9:40 AM
To: Lee Chantal
Cc: Kelly Refah
Subject: Re: Condominium Regulations - Phase One Briefing

Agreed. Let's connect with Mary on Tuesday.

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA
Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Sent from mobile

On Jan 17, 2017, at 8:33 AM, Lee Chantal <lee.chantal@gov.ab.ca> wrote:

> FYI, we've heard back from everyone now. The best date is Feb 9 – CHBA, CCI North, and CCI South specifically stated availability that day, and while it's not AREA's preferred date, they said they could make any date work. Any of the other days only have two of the four stakeholders available.
>
> I recommend we suggest a meeting date of February 9 to Mary – either later morning or afternoon as CCI South and probably AREA would have people coming up from Calgary.
>
> Lee
>
> **From:** Trevor Bergen
> **Sent:** Friday, January 06, 2017 10:58 AM
> **To:** Lee Chantal
> **Cc:** Kelly Refah
> **Subject:** FW: Condominium Regulations - Phase One Briefing

Continued to page 1648

Pages 1650 through 1652 redacted for the following reasons:
- -
Duplicate to pages 1638-1641

May Chaney

From: Kelly Refah
Sent: Thursday, January 19, 2017 10:07 AM
To: anielsen@areahub.ca
Cc: Lee Chantal
Subject: Condo Document Fees

Hi Amanda,

As you're probably aware, the second phase of Service Alberta's condominium regulation development project will examine and address fees charged for corporation documents. I know this is a topic of great interest to Alberta realtors since document reviews are typically a condition of a condominium sale.

I'm hoping to enlist your help in collecting information from the real estate community regarding current prices for prescribed condo documents. Specifically, if AREA members have information respecting amounts charged by corporations or management companies for individual documents or document sets, it would be very helpful to us.

Please let me know if you can provide any assistance on this front. One caveat – we're working under a tight timeline so the information would be needed as early as possible or end of next week at the latest.

Thanks,

Kelly Refah
Manager, Market & Industry Standards
Consumer Programs, Service Alberta
Tel: (780) 427-0294

Val Taylor

From: Kelly Refah
Sent: Thursday, January 19, 2017 2:22 PM
To: Lee Chantal
Subject: FW: Emailing - Document-Request-Form.pdf
Attachments: Document-Request-Form.pdf

Lee, FYI. I just received a call from Brad Mitchell and Amanda to discuss document fees. Brad sent over the attached to confirm if this is the type of information we're seeking, which I confirmed is the case. He said he will canvas AREA members for additional fee schedules to provide us a cross-section of market rates.

Kelly

From: Brad Mitchell [mailto:bmitchell@arealtub.ca]
Sent: Thursday, January 19, 2017 2:08 PM
To: Kelly Refah
Subject: Emailing - Document-Request-Form.pdf

Document Request Form

New Concept Management Inc
Suite 101, 221 – 18 Street SE Calgary, Alberta T2E 6J5
Dir: 403.398.9528 Fax: 403.398-0751 Email: [redacted]

Please place a check mark next to the documents you wish to purchase below. **Payment is made payable to New Concept Management Inc. Via CHEQUE ONLY.** Documents will be released **upon receipt of payment**. No exceptions will be made to the.

Date Requested: _____ Possession Date: _____ Date Required: _____

Requesting Firm: _____ Contact: _____ Phone: _____

Property Name: _____ Address: _____ PC: _____

Legal No: _____ Municipal No: _____ Condo Plan No: _____ Stall No: _____ Storage No. _____

Current Owner: _____ Phone No: _____

New Owner: _____ Phone No. _____

Documents	Regular Price 1-5 Days	Reg. Mark X	Rush Price 2 Full Business Days	Rush Mark ✓		Documents	Regular Price 1-5 Days	Reg. Mark X	Rush Price 2 Full Business Days	Rush Mark ✓
Estoppel Certificate	$240.00		$300.0			Insurance Policy	$20.00		$40.00	
Bylaws	$60.00		$80.00			Reserve Fund Study	$60.00		$80.00	
Budget & Fee Schedule	$16.00		$32.00			Reserve Fund Plan	$40.00		$60.00	
Audit	$40.00		$60.00			Condo Plan	$20.00		$40.00	
Current Financial Statements	$16.00		$32.00			Engineer or Post Tension Report	$60.00		$80.00	
Management Agreement	$100.00		$160.00			Building Info Package	$40.00		$60.00	
Insurance Certificate	$16.00		$32.00			Special Ass. or Notices	$16.00		$32.00	
Insurance Appraisal	$50.00		$70.00			Board Mnts (Pls specify how many)	$16.00 (each)		$32.00 (each)	
AGM Minutes	$16.00		$32.00			Occupancy or Disclosure Letter	$16.00 (each)		$32.00	

"OFFICE USE ONLY – PLS DO NOT WRITE IN THIS SECTION "

Amount: _____ **GST** _____ **Total Cost:** _____

Cheque No: _____ By: _____ Move in/out Entered: _____ Posted to Spectra _____

Condo Fee: _____ Outstdg Fees: _____ Welcome Letter Sent: _____ PAD Removal Date: _____

Tariro Nyemba

From: Jean-Paul Sharpe
Sent: January-20-17 11:04 AM
To: Robert Whittaker
Subject: RE: Copies of RECA and AREA legal opinions.

Thanks!

Jean-Paul Sharpe
Alberta Justice & Solicitor General
Barrister and Solicitor

Legal Counsel for

- Service Alberta
- Municipal Affairs

Direct Line (780) 422-8781
Fax (780) 427-0996

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From: Robert Whittaker
Sent: Friday, January 20, 2017 10:29 AM
To: Jean-Paul Sharpe
Subject: RE: Copies of RECA and AREA legal opinions.

Attached is the Miller Thomson opinion. I can get the original Field Law review but don't have it on hand.

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

From: Jean-Paul Sharpe
Sent: Friday, January 20, 2017 9:28 AM

SA 2017-G-0056 - Page 1656

To: Robert Whittaker
Subject: Copies of RECA and AREA legal opinions.

Rob,

The DM asked Bill about his views on a legal opinion on RECA by Field LLP - and an opinion on the Field LLP opinion by a Mr. Chipura who apparently acts for the Alberta Real Estate Association. I understand that Colin had copies. Can you share them with us?

Jean-Paul Sharpe
Alberta Justice & Solicitor General
Barrister and Solicitor

Legal Counsel for

- Service Alberta
- Municipal Affairs

Direct Line (780) 422-8781
Fax (780) 427-0996

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Val Taylor

From: Trevor Bergen
Sent: Friday, January 20, 2017 12:17 PM
To: Lee Chantal
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

Thank you sir!

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Lee Chantal
Sent: Friday, January 20, 2017 12:14 PM
To: Trevor Bergen
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

On it

From: Trevor Bergen
Sent: Friday, January 20, 2017 12:11 PM
To: Lee Chantal
Subject: Fwd: RECA/AREA Meeting with Chairs and Past-Chairs

Hi Lee,

Can you help with this? Thanks!

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA
Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Sent from mobile

Begin forwarded message:

From: Jennifer Cunningham <jennifer.cunningham@gov.ab.ca>
Date: January 20, 2017 at 11:59:26 AM MST
To: Trevor Bergen <Trevor.Bergen@gov.ab.ca>
Subject: FW: RECA/AREA Meeting with Chairs and Past-Chairs

Hi Trevor,

I can only find info for Kristina, can you help?

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Linda Monilaws
Sent: January-20-17 10:50 AM
To: Robert Whittaker
Cc: Jennifer Cunningham
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

Hi Robert,

Could you or Jennifer provide email addresses for these four attendees?

Thanks.

Linda

From: Robert Whittaker
Sent: Friday, January 13, 2017 10:07 AM
To: Linda Monilaws
Cc: Jennifer Cunningham
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

Hi Linda.

The RECA names are correct. AREA operates slightly differently as they have a Board of Directors instead of a council, so D'Arcy Donald would be the President-Elect and Bob Jablonski would be the President.

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3

780-644-4585

From: Linda Monilaws
Sent: Friday, January 13, 2017 9:59 AM
To: Robert Whittaker
Cc: Jennifer Cunningham
Subject: RECA/AREA Meeting with Chairs and Past-Chairs

Hi Robert,

I am in the process of scheduling a meeting on Governance with the above and want to confirm I have the correct names and still need a past-chair for AREA.

Christine Zwozdesky –Chair, RECA
Krista Bolton, Past Chair, RECA

D'Arcy Donald – Chair, AREA
????– Past Chair, AREA

Hopefully I have these right so far. Thanks.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile [redacted]
Linda.Monilaws@gov.ab.ca

Tariro Nyemba

From: Jennifer Cunningham
Sent: January-20-17 1:07 PM
To: Trevor Bergen; Lee Chantal
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

Thank you both very much!

Have a great weekend ☺

From: Trevor Bergen
Sent: January-20-17 12:29 PM
To: Lee Chantal; Jennifer Cunningham
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

Thanks Lee!

From: Lee Chantal
Sent: Friday, January 20, 2017 12:28 PM
To: Trevor Bergen
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

Christine Zwozdesky
Altawest Real Estate Management Ltd.
Spruce Grove, Alberta T7K 3H5
C: 780-660-1212
E: czwozdesky@shaw.ca

Krista Bolton
38 Huron Drive
Leduc, Alberta T9E 4N6
P: 403-601-9241
P: 780-427-8350
E: boltonkrista@yahoo.com

(Above two are from RECA's internal Condo Manager Committee contact list.)

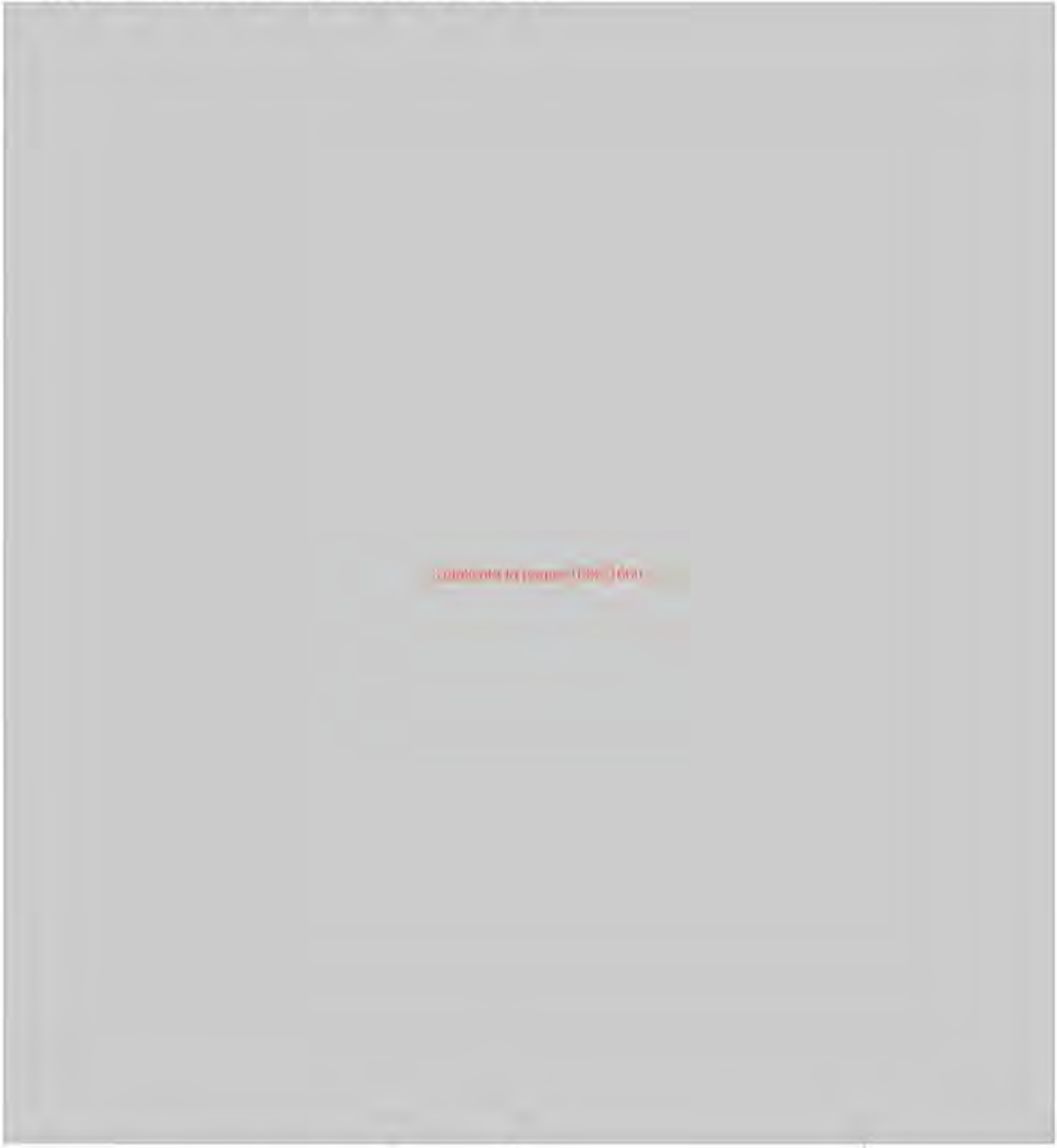
D'Arcy Donald
Associate Broker, Century 21 Grande Prairie Realty Inc.
P: 780-538-0500
E: darcy.donald@century21.ca

Bob Jablonski
P: 403-650-0092
E: bob@jablonskirealestategroup.com

(These two found online)

Lee

From: Trevor Bergen
Sent: Friday, January 20, 2017 12:11 PM
To: Lee Chantal
Subject: Fwd: RECA/AREA Meeting with Chairs and Past-Chairs



Pages 1663 through 1664 redacted for the following reasons:
- -
Duplicate to pages 1658-1660

Tariro Nyemba

From: Jennifer Cunningham
Sent: January-20-17 1:08 PM
To: Linda Monilaws
Cc: Robert Whittaker
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

Hello Linda,

Here you go:

Christine Zwozdesky
Altawest Real Estate Management Ltd.
Spruce Grove, Alberta T7K 3H5
C: 780-660-1212
E: czwozdesky@shaw.ca

Krista Bolton
38 Huron Drive
Leduc, Alberta T9E 4N6
P: 403-601-9241
P: 780-427-8350
E: boltonkrista@yahoo.com

D'Arcy Donald
Associate Broker, Century 21 Grande Prairie Realty Inc.
P: 780-538-0500
E: darcy.donald@century21.ca

Bob Jablonski
P: 403-650-0092
E: bob@jablonskirealestategroup.com

Thanks,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Linda Monilaws
Sent: January-20-17 10:50 AM
To: Robert Whittaker
Cc: Jennifer Cunningham
Subject: RE: RECA/AREA Meeting with Chairs and Past-Chairs

Continued to page 1680 (next)

Page 1666 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 1659-1660

May Chaney

From: Lee Chantal
Sent: Wednesday, January 25, 2017 11:14 AM
To: Trevor Bergen; Kelly Refah
Cc: Mary MacDonald
Subject: Condominium Stakeholder Phase 1 briefing

Good morning,

Mary has confirmed that the morning of February 9 will work to hold this briefing. This is the date that works best for our stakeholders. I will get in touch with the stakeholders (AREA, CCI North and South, CHBA, CPLEA) this afternoon and advise them of the meeting date and time.

Thanks,

Lee Chantal
Statute Administrator

Market and Industry Standards
Consumer Programs, Service Alberta
Government of Alberta
3rd Floor – 10155 102 Street
Edmonton AB T5J 4L4 Canada
Phone: (780) 644-7657 Fax: (780) 427-3033
E-mail: lee.chantal@gov.ab.ca
www.servicealberta.ca



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Val Taylor

From: Kelly Refah
Sent: Thursday, January 26, 2017 3:33 PM
To: Lee Chantal
Subject: FW: Condominium Document Fee Schedules
Attachments: Chateau Belle Vue - Insight Services Inc.pdf; CondoPapers Sierrar of Hunting Hills - Unit Management.pdf; Huntington Park Estates - Unit Management.pdf; Mount Royal Courts - Dominion Condo Management Corp.pdf; Rundlemere Green - Dominium Condo Management Corp.pdf

Lee, please confirm if the attached fee schedules retrieved from s.17(1) Condo Papers are considered confidential. Should you have any questions, please contact me.

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Saturday, January 21, 2017 2:45 PM
To: Kelly Refah
Cc: Brad Mitchell
Subject: Fw: Condominium Document Fee Schedules

Kelly,

See attached additional condo docs. Hope this is helpful!

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

From: Bill MacDougall <bill.macdougall@optimumrealty.ca>
Sent: Thursday, January 19, 2017 11:04 PM
To: Amanda Nielsen
Subject: RE: Condominium Document Fee Schedules

Hi Amanda

I went on condopapers.ca to find the following Condo Paper orders. The file name reflects the Condo name and management company. Also please note the date of some of the documents. Some of these are dated 2014 are the

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most up to date documents provided. Pretty have to make a serious evaluation of a condo when the document are three years old.

Hope this helps.

William (Bill) MacDougall
Broker/Owner

Optimum Realty Group
Phone: 403-800-8875
Fax: 403-476-5422
Cell: 403-999-8121
E-mail: bill.macdougall@optimumrealtygroup.ca
Web Site: www.calgaryhousing.ca

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From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: January 19, 2017 2:22 PM
To: bill.macdougall@shaw.ca; Bill MacDougall <bill.macdougall@optimumrealtygroup.ca>
Cc: Brad Mitchell <bmitchell@areahub.ca>
Subject: Condominium Document Fee Schedules

Bill,

Service Alberta is requesting an opportunity to confidentially take a look at some condo doc fee schedules. We know you do many condos, so thought you would be a great expert to ask.

We have sent them New Concept Management Inc., but would love to send a few more.

Any chance you have some you can share with us?

Many thanks!

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor

Alberta Real Estate Association

DL: 780.920.5001 | Twitter: @Amanda_Nielsen_ | areahub.ca

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Your Cart Contains:

Type	Name	Date	Price	
Chateau Belle Vue [7610639]				
Annual General Meeting Minutes	AGM Minutes	Jun 2015	$20.00	(remove)
Board Meeting Minutes	Board Meeting Minutes	Oct 2016	$15.00	(remove)
Board Meeting Minutes	Board Meeting Minutes	Sep 2016	$15.00	(remove)
Board Meeting Minutes	Board Meeting Minutes	Jul 2016	$15.00	(remove)
Board Meeting Minutes	Board Meeting Minutes - May 31	May 2016	$15.00	(remove)
Board Meeting Minutes	Board Meeting Minutes	May 2016	$15.00	(remove)
Board Meeting Minutes	Board Meeting Minutes	Mar 2016	$15.00	(remove)
Board Meeting Minutes	Board Meeting Minutes	Feb 2016	$15.00	(remove)
Budget	Budget 2017	Jan 2017	$20.00	(remove)
Budget	2016 Budget	Jan 2016	$20.00	(remove)
By-Laws	Bylaw Amendment	May 1995	$10.00	(remove)
By-Laws	Reg'd Bylaws	Mar 1993	$40.00	(remove)
Disclosure Statement	Fees, Unit Factor, Post Tension Struct Def, etc. 3-10 Days		$35.00	(remove)
Disclosure Statement	Claims & Judgements Letter 3-10 Days		$35.00	(remove)
Financial Statements - Audited	2015 Audit	Dec 2015	$30.00	(remove)
Financial Statements - Monthly	Balance Sheet - Nov 30/16	Nov 2016	$15.00	(remove)
Financial Statements - Monthly	Balance Sheet - Oct 31/16	Oct 2016	$15.00	(remove)
Financial Statements - Monthly	Balance Sheet - Sep 30/16	Sep 2016	$15.00	(remove)
Financial Statements - Monthly	Balance Sheet - Aug 31/16	Aug 2016	$15.00	(remove)
Financial Statements - Monthly	Balance Sheet - Jul 31/16	Jul 2016	$15.00	(remove)
Financial Statements - Monthly	Balance Sheet - Jun 30/16	Jun 2016	$15.00	(remove)
Financial Statements - Monthly	Balance Sheet - May 31/16	May 2016	$15.00	(remove)
Financial Statements - Monthly	Balance Sheet - Apr 30/16	Apr 2016	$15.00	(remove)

	Type	Name	Date	Price	
	Financial Statements - Monthly	Balance Sheet - Mar 31/16	Mar 2016	$15.00	(remove)
	Financial Statements - Monthly	Balance Sheet - Feb 29/16	Feb 2016	$15.00	(remove)
	Financial Statements - Monthly	Balance Sheet - Jan 31/16	Jan 2016	$15.00	(remove)
	Insurance	Insurance Certificate	Mar 2016	$15.00	(remove)
	Management Agreement	Management Agreement Particulars	Jan 2016	$15.00	(remove)
	Owner Occupancy Letter	Owner Occupancy Letter 3-10 Days		$20.00	(remove)
	Reserve Fund Balance	Reserve Fund Balance 3-10 Days		$20.00	(remove)
	Reserve Fund Study	Reserve Fund Study	Sep 2011	$50.00	(remove)

Your Subtotal: $600.00

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Type	Name	Date	Price	
Sierras of Country Hills [0012058]				
Annual General Meeting Minutes	EGM Minutes 2016	May 2016	$15.00	(remove)
Annual General Meeting Minutes	AGM Minutes 2015	May 2015	$15.00	(remove)
Board Meeting Minutes	Minutes October 2016	Nov 2016	$15.00	(remove)
Board Meeting Minutes	Minutes November 7, 2016	Nov 2016	$15.00	(remove)
Board Meeting Minutes	Minutes September 2016	Oct 2016	$15.00	(remove)
Board Meeting Minutes	July 2016 Minutes	Sep 2016	$15.00	(remove)
Board Meeting Minutes	June 2016 Minutes	Aug 2016	$15.00	(remove)
Board Meeting Minutes	May 2016 Minutes	Jun 2016	$15.00	(remove)
Board Meeting Minutes	Minutes April 2016	May 2016	$15.00	(remove)
Board Meeting Minutes	March 2016 Minutes	May 2016	$15.00	(remove)
Board Meeting Minutes	February 2016 Minutes	Apr 2016	$15.00	(remove)
Budget	2017 Annual Budget	Dec 2016	$15.00	(remove)
By-Laws	2012 Bylaws	Apr 2016	$30.00	(remove)
Disclosure Statement	Status, Occupancy & Contribution letter - RUSH (up to 2 business days)		$25.00	(remove)
Financial Statements - Audited	2015 Audited Financials	May 2016	$25.00	(remove)
Financial Statements - Monthly	SCH October 2016 Financials	Nov 2016	$15.00	(remove)
Financial Statements - Monthly	SCH September 2016 Financials	Oct 2016	$15.00	(remove)
Financial Statements - Monthly	SCH August 2016 Financials	Sep 2016	$15.00	(remove)
Financial Statements - Monthly	Sierras of Country Hills July 2016 Financials	Aug 2016	$15.00	(remove)
Financial Statements - Monthly	June 2016 Financials	Jul 2016	$15.00	(remove)
Financial Statements - Monthly	May 2016 Financials	Jun 2016	$15.00	(remove)
Financial Statements - Monthly	April 2016 Financials	May 2016	$15.00	(remove)
Financial Statements - Monthly	March 2016 Financials	Apr 2016	$15.00	(remove)
Financial Statements - Monthly	February 2016 Financials	Mar 2016	$15.00	(remove)
Financial Statements - Monthly	January 2016 Financials	Feb 2016	$15.00	(remove)
Insurance	Certificate to May 2, 2017	May 2016	$5.00	(remove)
Insurance	2015 Appraisal report	Apr 2015	$25.00	(remove)
Management Agreement	Management Agreement	Apr 2016	$35.00	(remove)
Owner/Tenant Information Documents	New Owner Package	May 2016	$5.00	(remove)
Reserve Fund Plan	RF Plan to 2020	Dec 2016	$15.00	(remove)
Reserve Fund Study	Reserve Fund Study 2013	Apr 2016	$60.00	(remove)
Unit Account and Fee Statements	Unit Account Statement - RUSH (2 business days)		$15.00	(remove)

Your Subtotal: $565.00

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Type	Name	Date	Price	
Huntington Park Estates [7710337]				
Annual General Meeting Minutes	2015 AGM Minutes	Nov 2016	$15.00	(remove)
Board Meeting Minutes	July 2016 Minutes	Jan 2017	$15.00	(remove)
Board Meeting Minutes	Minutes March 2016	Jul 2016	$15.00	(remove)
Board Meeting Minutes	February 2016 Minutes	Mar 2016	$15.00	(remove)
Board Meeting Minutes	Minutes October 2015	Dec 2015	$15.00	(remove)
Board Meeting Minutes	Minutes August 3 2015	Oct 2015	$15.00	(remove)
Board Meeting Minutes	Minutes April 2015	Oct 2015	$15.00	(remove)
Board Meeting Minutes	Minutes June 2015	Aug 2015	$15.00	(remove)
Board Meeting Minutes	Minutes March 2015	Apr 2015	$15.00	(remove)
Board Meeting Minutes	Minutes November 2014	Mar 2015	$15.00	(remove)
Board Meeting Minutes	Minutes September 2014	Jan 2015	$15.00	(remove)
Board Meeting Minutes	Minutes March 2014	Jan 2015	$15.00	(remove)
Board Meeting Minutes	Minutes July 2014	Jan 2015	$15.00	(remove)
Board Meeting Minutes	Minutes Jan 2014	Jan 2015	$15.00	(remove)
Board Meeting Minutes	Minutes April2014	Jan 2015	$15.00	(remove)
Budget	2017 Annual Budget	Nov 2016	$15.00	(remove)
Budget	Special Assessment October 2016	Sep 2016	$15.00	(remove)
By-Laws	HPE Bylaws	Jan 2015	$35.00	(remove)
Disclosure Statement	Status, Occupancy & Ownership Letter - Regular (5 - 10 days)		$15.00	(remove)
Financial Statements - Audited	2015 Audited Financial Report	Nov 2016	$25.00	(remove)
Financial Statements - Monthly	November 2016 Financials	Jan 2017	$15.00	(remove)
Financial Statements - Monthly	December 2016 Financials	Jan 2017	$15.00	(remove)
Financial Statements - Monthly	Huntington Park Estates Oct 2016 Financials	Nov 2016	$15.00	(remove)
Financial Statements - Monthly	Huntington Park Estates Sept 2016 Financials	Oct 2016	$15.00	(remove)
Financial Statements - Monthly	Huntington Park Estates July 2016 Financials	Aug 2016	$15.00	(remove)
Financial Statements - Monthly	Financials June 2016	Jul 2016	$15.00	(remove)
Financial Statements - Monthly	Financials May 2016	Jun 2016	$15.00	(remove)
Financial Statements - Monthly	Financials April 2016	May 2016	$15.00	(remove)
Financial Statements - Monthly	Huntington Park Estates March 2016 Financials	Apr 2016	$15.00	(remove)
Financial Statements - Monthly	Huntington Park Estates February 2016 Financials	Mar 2016	$15.00	(remove)
Financial Statements - Monthly	Huntington Park Estates January 2016 Financials	Feb 2016	$15.00	(remove)
Insurance	Full Appraisal 2016	Jul 2016	$25.00	(remove)
Insurance	Insurance Certificate to February 28 2017	Feb 2016	FREE	(remove)
Management Agreement	Management Agreement	Jan 2015	$35.00	(remove)
Reserve Fund Plan	RF Plan to 2020	Nov 2016	$15.00	(remove)
Reserve Fund Study	HPE Reserve Fund Study 2016	Jan 2016	$50.00	(remove)
Unit Account and Fee Statement	Unit Account Statement - Regular (5 - 10 days)		$5.00	(remove)

Your Subtotal: $425.00

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Type	Name	Date	Price	
Mount Royal Courts [OCP 9510833]				
Annual General Meeting Minutes	AGM Minutes April 2015	Apr 2015	$35.00	(remove)
Board Meeting Minutes	May 26th, 2016 Minutes	May 2016	$20.00	(remove)
Board Meeting Minutes	July 16, 2015 Minutes	Jul 2015	$20.00	(remove)
Board Meeting Minutes	April 16 Minutes	Apr 2015	$20.00	(remove)
Budget	2016-2017 Approved Condo Contribution Schedule	Apr 2016	$20.00	(remove)
Budget	2016-2017 Approved Budget	Apr 2016	$20.00	(remove)
By-Laws	By-Laws September 1995	Sep 1995	$55.00	(remove)
Engineering Reports	2015 Fire Inspection Certificate	Jul 2015	$25.00	(remove)
Engineering Reports	Asbestos Testing Oct	Oct 2014	$25.00	(remove)
Engineering Reports	2013 Roofing Installation Report	May 2013	$25.00	(remove)
Financial Statements - Audited	2014/2015 Review Engagement	Jun 2016	$35.00	(remove)
Financial Statements - Monthly	November 2016	Nov 2016	$20.00	(remove)
Financial Statements - Monthly	October 2016	Oct 2016	$20.00	(remove)
Financial Statements - Monthly	September 2016	Sep 2016	$20.00	(remove)
Financial Statements - Monthly	August 2016	Aug 2016	$20.00	(remove)
Financial Statements - Monthly	July 2016	Jul 2016	$20.00	(remove)
Financial Statements - Monthly	June 2016	Jun 2016	$20.00	(remove)
Financial Statements - Monthly	May 2016	May 2016	$20.00	(remove)
Financial Statements - Monthly	April 2016	Apr 2016	$20.00	(remove)
Financial Statements - Monthly	March 2016	Mar 2016	$20.00	(remove)
Financial Statements - Monthly	February 2016	Feb 2016	$20.00	(remove)
Financial Statements - Monthly	January 2016	Jan 2016	$20.00	(remove)
Insurance	2016-2017 Insurance Certificate	Oct 2016	$20.00	(remove)

Type	Name	Date	Price	
Insurance	2016 Insurance Appraisal	Oct 2016	$35.00	(remove)
Interim Info Letter	Rush 1 Business Day		$150.00	(remove)
Management Agreement	Management Agreement	Sep 2014	$55.00	(remove)
Post Tension Report	2016 Post Tension Report	Jun 2016	$25.00	(remove)
Reserve Fund Study	2016 Reserve Fund Study	Feb 2016	$55.00	(remove)

Your Subtotal: **$860.00**

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Type	Name	Date	Price	
Rundlemere Green [OCP 7911116]				
Annual General Meeting Minutes	2016 AGM Minutes	May 2016	$35.00	(remove)
Board Meeting Minutes	May 1, 2016 Board Meeting Minutes	May 2016	$20.00	(remove)
Budget	2016 Condo Contribution Schedule	Dec 2015	$20.00	(remove)
Budget	2016 Budget	Dec 2015	$20.00	(remove)
By-Laws	By-Laws	Apr 1992	$55.00	(remove)
Financial Statements - Audited	2015 Audited Financial Statments	Apr 2016	$35.00	(remove)
Financial Statements - Monthly	November 2016	Nov 2016	$20.00	(remove)
Financial Statements - Monthly	October 2016	Oct 2016	$20.00	(remove)
Financial Statements - Monthly	September 2016	Sep 2016	$20.00	(remove)
Financial Statements - Monthly	August 2016	Aug 2016	$20.00	(remove)
Financial Statements - Monthly	July 2016	Jul 2016	$20.00	(remove)
Financial Statements - Monthly	June 2016	Jun 2016	$20.00	(remove)
Financial Statements - Monthly	May 2016	May 2016	$20.00	(remove)
Financial Statements - Monthly	April 2016	Apr 2016	$20.00	(remove)
Financial Statements - Monthly	March 2016	Mar 2016	$20.00	(remove)
Financial Statements - Monthly	February 2016	Feb 2016	$20.00	(remove)
Financial Statements - Monthly	February 2016	Feb 2016	$20.00	(remove)
Financial Statements - Monthly	January 2016	Jan 2016	$20.00	(remove)
Insurance	2016-2017 Certificate	Apr 2016	$20.00	(remove)
Interim Info Letter	Rush 1 Business Day		$150.00	(remove)
Management Agreement	DCMC Management Agreeement	Apr 2015	$55.00	(remove)

Type	Name	Date	Price	
Other/Misc. Documents	Newsletter pt 2	Mar 2014	FREE	(remove)
Other/Misc. Documents	Newsletter	Mar 2014	FREE	(remove)
Other/Misc. Documents	Newsletter	Jun 2012	FREE	(remove)
Reserve Fund Study	2014 Reserve Fund Study	Nov 2014	$55.00	(remove)
Reserve Fund Study	Reserve Fund Study	Jan 2008	$55.00	(remove)

Your Subtotal: **$760.00**

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Val Taylor

From: Jean-Paul Sharpe
Sent: Thursday, January 26, 2017 4:17 PM
To: Kelly Refah
Cc: Lee Chantal
Subject: RE: Disregard my VM re: RECA
Attachments: Miller Thomson opinion of Field Law RECA ereview.pdf

Kelly,

Here is a copy that we got from Robert W. I am not aware of any limitations on circulating this opinion. However, to be safe, I would probably not circulate it to anyone outside of Service Alberta.

Jean-Paul Sharpe
Alberta Justice & Solicitor General
Barrister and Solicitor

Legal Counsel for

- Service Alberta
- Municipal Affairs

Direct Line (780) 422-8781
Fax (780) 427-0996

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From: Kelly Refah
Sent: Thursday, January 26, 2017 3:50 PM
To: Jean-Paul Sharpe
Cc: Lee Chantal
Subject: RE: Disregard my VM re: RECA

Hi JP,

We heard that AREA commissioned a third-party review of RECA by Miller Thomson LLP, but haven't seen a copy of the Report yet. You don't happen to have a copy of the Report do you?

FYI, Lee Chantal is the point person for all real estate and RECA matters.

Kelly

From: Jean-Paul Sharpe
Sent: Tuesday, January 24, 2017 4:28 PM
To: Kelly Refah
Subject: Disregard my VM re: RECA
Importance: Low

Disregard my VM re: RECA. I chatted with Trevor and he had some idea as to what the issue is about.

Jean-Paul Sharpe
Alberta Justice & Solicitor General
Barrister and Solicitor

Legal Counsel for

- Service Alberta
- Municipal Affairs

Direct Line (780) 422-8781
Fax (780) 427-0996

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December 9, 2016

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gchipeur@millerthomson.com

Private and Confidential

Delivered Via E-mail: bmitchell@areahub.ca

Alberta Real Estate Association
Westmount Corporate Campus
Suite 300, 4954 Richard Road SW
Calgary, AB T3E 6L1

Attention: Brad Mitchell

Dear Sir:

RE: FIELD LAW REGULATORY PERFORMANCE REVIEW OF RECA

I. INTRODUCTION

You have asked that we provide to you our independent opinion regarding the Field Law Regulatory Performance Review ("**Field Review**") secured by the Real Estate Council of Alberta ("**RECA**"), a corporation established under section 3 of the Real Estate Act, RSA 2000, c R-5 ("**Real Estate Act**") and published on the RECA website.

Field Law was retained by RECA to review five RECA program areas: Office of the Registrar, Professional Conduct Reviews, Administration of Hearings, Trust Assurance and Practice Reviews. The Field Review expressly stated that Field Law did not explore "RECA's Education Program in detail" (at p. 23). Furthermore, Field Law "did not review RECA's privacy policies or performance" (at p. 23).

According to Field Law, the Field Review was intended to be "a rigorous, in depth assessment by an outside body of the regulatory performance of the organization" (at p. 1).

This opinion is based upon our examination of the Field Review and our consideration of the legislation, regulations, rules and bylaws that govern RECA, including:

1. *Real Estate Act*;
2. *Real Estate Act* Regulations, AR 111/96 and AR 113/98 ("**Real Estate Regulations**");
3. *Real Estate Act* Rules ("**Rules**");
4. *Real Estate Act* Bylaws ("**Bylaws**").

We have not considered the minutes of meetings of RECA or resolutions enacted at such meetings.

II. QUESTIONS PRESENTED

You have asked that we provide to you our independent opinion on the Field Review and the response of RECA to the Field Review.

III. BRIEF ANSWERS

It is our opinion that:

1. RECA is not in compliance with the *Real Estate Act* or with the Rules and Bylaws created thereunder;
2. The Field Review properly excluded RECA's Education Program, as that is not part of the regulatory activities of RECA;
3. The Field Review did not include consultation with consumers, real estate agents, real estate lawyers, mortgage brokers, mortgage appraisers, real estate lenders or other stakeholders, with the exception of RECA employees, current and former RECA members, and Service Alberta officials who serve in the capacity of principal liaison between RECA and the Government of Alberta;
4. RECA has not implemented all of the recommendations of Field Law; and
5. Not all of the recommendations of Field Law should be implemented.

IV. SCOPE OF OPINION

Great parts of the Field Review achieve the objective set forth therein. Therefore, it would serve no purpose for us to comment on every paragraph of the Field Review. Instead, this opinion will focus on areas where we have something to add or where we disagree.

V. DISCUSSION

A. RECA and Council

Section 6(1) of the *Real Estate Act* provides that "Council shall consist of 12 members" ("**Council**"). We will utilize the term "RECA" to refer to the corporation established under section 3 of the *Real Estate Act* We will utilize the term "Council" to refer to the members identified in section 6(1) of the *Real Estate Act*. From a legal perspective, Council is RECA.

B. Delegation of Authority Under the Real Estate Act

Section 15(1) of the *Real Estate Act* allows Council to "delegate in writing" the "powers, duties and responsibilities" granted to Council under the *Real Estate Act*, with the exception of the following:

(a) "its power to make rules or by-laws," or

(b) "any power, duty or responsibility under Part 3."

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Section 15(2) of the *Real Estate Act* provides that Council "may when delegating a matter authorize the further delegation of the matter."

There are three important conditions set forth in section 15 of the *Real Estate Act*:

1. delegation by Council must be in writing;
2. subdelegation may be permitted, provided that the power to subdelegate is authorized "when delegating a matter;"
3. there are certain powers that may not be subdelegated.

C. RECA Is Not In Compliance With the *Real Estate Act*

The Field Review identified a number of circumstances under which the roles and responsibilities of the executive director ("**Executive Director**") of RECA have been sub-delegated by the Executive Director, including the following circumstances described in the Field Review:

1. "Sections 1 to 39 of the Rules regard the licensing and registration process. The Executive Director has delegated his duties and powers regarding licensing and registration to the Director of the Office of the Registrar" (at p. 19).
2. "The complaints and disciplinary process is set out in detail in Part 3 of the *Act*. The Executive Director has delegated his duties and powers regarding complaints and discipline to the Director of the Professional Standards Unit" (at p. 20).
3. "The Executive Director, or the Director of the Professional Standards Unit acting as the Executive Director's delegate, has the authority, pursuant to s. 38(1)(b) of the *Act*, to initiate an investigation without relying on the receipt of a complaint when there is a belief that the conduct of an industry professional may constitute conduct deserving of sanction" (at p. 47).
4. "The *Act* and the rules do not prescribe any required steps in the investigation of a complaint. The only requirements are that the Executive Director investigate the complaint, dispose of it by a means set out in s. 39 of the *Act*, or refuse to investigate or discontinue an investigation if the circumstances set out in the Regulations exist. The Executive Director has properly delegated this function to the Director of the Professional Standards Unit. Based on our review the RECA complaints investigation process meets the statutory requirements" (at p. 49, see also pp. 50 & 51).
5. "Upon completion of the investigation process, the Officers provide a report to the Director of the Professional Standards Unit, the Executive Director's delegate, as the Executive Director or his delegate is ultimately responsible for making the decision as to whether a complaint will be dismissed or if enforcement action will be undertaken" (at p. 59, see also p. 60).

6. "If a complaint is resolved during the Professional Conduct Review process and no hearing is held before a Hearing Panel, the decisions made on behalf of the Executive Director are communicated to the industry professional and the complainant after the decision is made as required by the *Real Estate Act*" (at p. 61).

7. "We note that letters of reprimand and administrative penalties also provide the industry professional with the particulars of the contravention which describes the evidence deemed by the Executive Director's delegate to be sufficient evidence to exercise his discretion under s. 39(1)(b)" (at p. 62).

8. "Pursuant to s. 39(1) of the Act, the Executive Director, or his delegate, may refer a complaint to a Hearing Panel if there is sufficient evidence of conduct deserving of sanction. As discussed above, the Executive Director or his delegate may also issue a letter of reprimand or impose an administrative penalty where authorized if there is sufficient evidence of conduct deserving of sanction" (at p. 64).

Pursuant to s. 15(2) of the *Real Estate Act* the subdelegation by the Executive Director in each of the eight circumstances outlined above, as described in the Field Review, is *ultra vires* the Executive Director. This is because in each of these eight situations the Council did not authorize the subdelegation under section 15(2) of the *Real Estate Act*.. While section 15(2) of the *Real Estate Act* allows certain subdelegation by the Executive Director, such subdelegation may only occur under the following conditions:

1. Council may only delegate its own powers, duties and responsibilities (section 15(1));

2. Council may not delegate its power to make rules or bylaws (section 15(1)(a));

3. Council may not delegate a power, duty or responsibility under Part 3 (sections 36 - 56) of the *Act* (section 15(1)(b));

4. When delegating a matter in writing, Council may authorize the further delegation of the matter (section 15(2));

5. Council may place any term or condition that Council considers appropriate on the delegation of a matter (section 15(3)).

From a review of the *Real Estate Act*, Rules, Bylaws, Regulations and Field Review, it appears that there is only one instance where Council has lawfully authorized the delegation of a matter to the Executive Director and the further subdelegation thereof. That authorization is found in section 17 of the Bylaws and reads as follows:

> 17 The executive director may delegate to a member of staff his duties and exercise of the powers and functions assigned to the position of executive director by the Act, the regulations, the bylaws and the rules, or as otherwise assigned by Council.

Because the authorization of subdelegation is only contained within the Bylaws, section 15(2) of the *Real Estate Act* limits the "further delegation" to matters delegated when the Bylaws were adopted on January 22, 2014. This means that only matters delegated by Council in the Bylaws may be subdelegated by the Executive Director. Section 16 of the Bylaws sets forth the duties placed upon the Executive Director by Council. It follows that the only matters that may be subdelegated by the Executive Director are those found listed in section 16 of the Bylaws.

For the preceding reasons, none of the powers of the Executive Director set forth in the Rules may be subdelegated. The Rules were adopted July 1, 2006 and there is no place in the Rules where the Executive Director is authorized to subdelegate any of the powers or duties of the Executive Director found within the Rules.

The Executive Director does not have the independent power to delegate the responsibilities of the Executive Director under the Rules. Neither does Council have the power to grant such power to subdelegate, independent of section 15(2) of the *Real Estate Act*.

In light of the inability of the Executive Director to subdelegate any power under the Rules, the actions of the Executive Director described on page 19 of the Field Review are *ultra vires*. The Executive Director may not "delegate his duties and powers regarding licensing and registration to the Director of the Office of the Registrar."

The attempt by Council in section 17 of the Bylaws to boot strap the power to authorize subdelegation by the Executive Director is *ultra vires*. Section 17 may only lawfully authorize subdelegation of powers delegated under the Bylaws.

There is no authority in section 15(2) of the *Real Estate Act*, or elsewhere, for the following statement found on page 19 of the Field Review:

> As set out in s. 15 of the Bylaws, RECA's Council has delegated the administration of the *Act*, the Bylaws, and the Rules to the Executive Director. This is permitted by s. 15 of the *Act*. Pursuant to s. 17 of the Bylaws, the Executive Director may further delegate his duties and the exercise of his powers and functions to a member of RECA's staff. This further delegation is authorized by s. 15(2) of the *Act*.

The other seven instances of subdelegation set forth in the Field Review and quoted above are *ultra vires* Council for three independent reasons:

1. All seven instances relate to Part 3 of the Real Estate Act, and Council is prohibited from delegating "any power, duty or responsibility under Part 3" (section 15(1)(b));

2. All seven instances involve the purported delegation by the Executive Director of a power expressly bestowed by the Real Estate Act upon the office of Executive Director and section 15(2) only authorizes subdelegation of Council's "powers, duties or responsibilities under" the Real Estate Act (emphasis added) (section 15(1));

3 In none of the seven instances did Council authorize the further delegation of a matter by the Executive Director "when delegating" the matter (section 15(2)).

We note at this point that the Field Review identified the failure of the Executive Director to comply with the process set forth in section 40 of the *Real Estate Act*. We agree with that analysis by Field Law (at pp. 73-75). We further believe that a court would set aside the decision of a Hearing Panel where the process identified and criticized by Field Law has been followed by the Executive Director.

D. RECA's Education Program is Not Part of its Regulatory Activities

On page 23 of the Field Review, the following statement is made by Field Law: "We have not explored and assessed all areas in which RECA is involved. For example, we have not explored RECA's Education Program in detail." This statement is made under the heading Scope of Review. We agree that RECA's Education Program was properly excluded from the Regulation Performance Review conducted by Field Law.

Education is not essential to the purposes of Council found in section 5 of the *Real Estate Act*:

Purposes of Council

5 The purposes of the Council are

(a) to set and enforce standards of conduct for the industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry, to protect against, investigate, detect and suppress mortgage fraud as it relates to the industry and to protect consumers affected by the industry;

(b) to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members;

(c) to administer this Act as provided in this Act, the regulations, the bylaws and the rules.

In fact the words "education", "training" and "instruction" are not found anywhere in the *Real Estate Act* in connection with RECA. Instead, the sole reference to "education" is found in section 64(3)(a) of the *Real Estate Act* as one of the purposes of the Alberta Real Estate Foundation ("**Foundation**"): "the education of related professionals and the public in respect of the real estate industry." The Foundation has a board of governors appointed under the Regulations and is governed separate and apart from Council.

Traditionally, professional associations focus on professional education and continuing education, while regulators focus on the standards and tests that must be met in order to qualify as a professional. See, for example, the regulation and education of the legal profession (the *Legal Profession Act*, RSA 2000 c L-8, the Law Society of Alberta: www.lawsociety.ab.ca/lawyers/cpd/cpd-general-information, and the Canadian Bar Association: www.cbapd.org/) and the medical profession (the *Health Professions Act*, RSA 2000 c H-7, the College of Physicians & Surgeons of Alberta: www.cpsa.ca/cpd/, and the Alberta Medical Association: www.albertadoctors.org/).

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RECA appears to have understood the limited role of a regulator regarding mandatory education programs because RECA has adopted a policy of waiving the requirements of pre-licensing education where such education is unnecessary (at p. 32).

E. Limited Consultation

On pages 2 and 3 of the Field Review, there is a list of stakeholders interviewed by Field Law in the course of their review. Those stakeholders included the RECA senior management team, "current and former Council members," the senior directors and managers in charge of each of the five program areas, and Service Alberta officials who serve in the capacity of principal liaison between RECA and the Government of Alberta. There are at least six other groups who would usefully contribute to a full understanding of the real estate industry who were not consulted:

1. consumers;
2. real estate agents;
3. real estate lawyers;
4. real estate appraisers;
5. mortgage brokers; and
6. banks and finance companies.

While it is possible that some of the above noted stakeholders may be represented on Council and therefore consulted in the course of the Field Review, it is our view that consultation with individuals outside of the management and governance groups is important to a full understanding of the real estate industry and its regulator.

In light of the recent mortgage fraud scandal in Alberta, consultation with these stakeholders may identify regulatory issues that are not being addressed adequately or effectively. For example, see the website of the Law Society of Alberta for a good summary of the response of the legal profession to the issue of mortgage fraud (http://www. lawsociety.ab.ca/lawyers/fraud/fraud_mortgage.aspx).

F. RECA Has Not Implemented All of the Recommendations of Field Law

On pages 27 to 30 of the Field Review, the publications and website of RECA were scrutinized. Field Law recommended that "RECA may wish to consider improving how [standards and guidance] are identified on the website" (at p. 29). In particular, the Field Review identified the fact that "the "Consumers" portal on the website has a tab described as "Legislation and Standards", but there is no subsequent link labelled as "Standards of Conduct."

We note that six months after the publication of the Field Review on April 4, 2016, there continues to be no subsequent link labelled "Standards of Conduct."

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We also note that Council directed RECA administration to immediately implement the majority of recommendations in the Field Review. See RECA News Release of April 20, 2016 (https://www.reca.ca/consumers/publications/news-releases/2016/16-04-20-field-law-review.html).

G. Not All Recommendations in the Field Review Should Be Implemented

Notwithstanding our opinion that the RECA website should be corrected, as recommended by Field Law at page 30, there are some recommendations in the Field Review that should be given further study or abandoned altogether.

a. authority to publish information concerning license terms, conditions, and limitations.

The Field Review noted, at page 43, that a "Public License Search does not provide any information with respect to any terms and conditions which may be present on an industry professional's license." The Field Review expressed the view that the section 55(1) of the *Real Estate Act* is not explicitly broad enough to cover such licensing information.

We are of the opinion that section 55(1) of the *Real Estate Act* is broad enough to cover terms, conditions and limitations on an industry professional's license. This is because those terms, conditions and limitations are imposed by the Executive Director under section 22 of the Rules and are subject to appeal under section 39(1) of the Rules, the section setting forth the process for review of a "refusal, suspension or cancellation" of a license.

In any event, even if section 55(1) of the *Real Estate Act* is not that broad, section 17(b)(iv) of the *Personal Information Protection Act*, RSA 2000, c P-6.5 empowers Council to authorize or require a publication of license terms, conditions or limitations. There is no need to seek clear statutory authority. It already exists.

b. a list of experienced defence counsel who are prepared to act on behalf of industry professionals in RECA conduct proceedings

The Field Review recommended that a list of experienced defence counsel be maintained by Council for members to reference when seeking representation in RECA conduct proceedings (at pp. 70-72).

We recommend against this approach for the following reasons:

1. it is unnecessary; as the Law Society of Alberta maintains a record of legal counsel in a position to assist in RECA conduct proceedings (see http://www.lawsociety.ab.ca/public/lawyerreferral.aspx);

2. such a list will compromise the independence of legal counsel, as there may be an impression created that legal counsel on the list are beholden to Council in order to appear on the list;



3. Council may expose itself to liability if one of the lawyers on the list is negligent in representing an individual in a RECA conduct proceeding (see Barry Temkin, "Can Negligent Referral to Another Attorney Constitute Legal Malpractice?" (2001) Touro Law Review at p. 639, and Bruce Ching, "Attorney Referral, Negligence, and Vicarious Liability" (2009) Southern Illinois University Law Journal at p. 238). The aforementioned articles explored the possibility of liability for referral of a lawyer, and there appears to be support for holding lawyers to the standard of exercising due care when recommending a foreign lawyer. While the chances of a lawsuit being filed against RECA for a negligent referral are minimal, there does not appear to be any reason to expose RECA to even this slight risk when the Law Society is prepared to share the names of lawyers with individuals requiring representation.

c. process where Hearing or Appeal Panel members do not agree with the majority decision

The Field Review recommended that where there is no unanimity amongst members of a Hearing or Appeal Panel, the Chair simply signs the decision, with no reference to any dissent (at p. 75). There are a number of reasons to take a different approach. While a consensus should be the goal, dissent must be acknowledged and recorded. The credibility of the entire process under the *Real Estate Act* is at risk if transparency is not permitted.

Due process requires that a person governed by the *Real Estate Act* know the reasons why a Hearing or Appeal Panel has made a decision under Part 3 of the Act. This includes the reasons for any dissent. There is nothing in the *Real Estate Act* to suggest that the dissent of a member of a Hearing or Appeal Panel should be suppressed.

The Supreme Court of Canada has made it clear that the rules of procedural fairness require the reasons for decision of an administrative body be recorded for the parties. Refusal to permit or publish a dissent is inconsistent with the decision of the Supreme Court of Canada in *Congrégation des témoins de Jéhovah de St.-Jérôme-Lafontaine v. Lafontaine (Village)*, [2004] 2 SCR 650 (a decision maker breaches its duty of procedural fairness when it refuses to justify its decision).

d. independent legal counsel from outside RECA to attend hearings and provide advice to panels

We agree with Field Law that independent legal counsel from an outside firm would enhance "the appearance of neutrality" of panels (at p 79). We also agree that General Counsel to RECA "does not appear truly 'independent.'"

However, we do not agree that the engagement of independent legal counsel is necessary or desirable for RECA conduct proceedings. This is because the *Real Estate Act* provides a better approach.

Section 36 of the *Real Estate Act* allows Council to appoint a lawyer to a Hearing Panel (see section 36(2)) or to an Appeal Panel (see section 36(5)). There are two advantages to this approach.

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First, the presence of an independent lawyer in the hearing who is not a decision maker, may cause concern regarding undue influence by the lawyer. The lawyer will know the law better than the panel and the panel may inappropriately defer to the lawyer. In addition, those making submissions to the panel at the hearing may be confused about whether they should make their submissions to the panel or jointly to the panel and the lawyer. Placement of the lawyer on the panel under section 36(2) or 36(5) of the *Real Estate Act* will avoid any confusion.

Second, the independent lawyer advising the panel will be paid by Council and there may be a perception that this will allow Council to call the tune. Notwithstanding that the lawyer will be independent, there will be no security of tenure.

It is our view that the presence of a lawyer on the panel will avoid the perception of undue influence by Council and will include the lawyer as participant on the decision making team. This should ensure the perception and reality of independence.

e. address increasing human rights issues

The Field Review recommends that RECA address increasing human rights issues and train staff to properly address human rights issues (at p. 100).

If this means that RECA should ensure that its own employment policies and procedures are consistent with the *Alberta Human Rights Act* RSA 2000, c A-25.5 ("**Human Rights Act**"), then that is appropriate. RECA is subject to the *Human Rights Act*.

If this means that RECA will train staff to refer all human rights issues to the Alberta Human Rights Commission established under section 15 of the *Human Rights Act*, then that is appropriate.

If this means that RECA staff will interpret, apply or take action based upon the application of the *Human Rights Act* to any person other than RECA or RECA's employees, then that is not appropriate. Compliance with the *Human Rights Act* of licensees under the *Real Estate Act* is within the jurisdiction of the Alberta Human Rights Commission. See *Condominium Corporation No. 052 0580 v Alberta (Human Rights Commission)*, 2016 ABQB 183 at paras 73 and 91-92.

VI. ECONOMIC MATTERS

On page 45 of the Field Review the following observation is recorded:

> We note there is a possibility that unlicensed practice may increase in the future given the current issues facing the Alberta economy, the housing market and the increasing unemployment rate. There is a risk that individuals will begin to take on protected acts while purposefully avoiding the costs associated with education and licensing. We would recommend that RECA continue to be vigilant and to take the appropriate action when necessary.



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The same theme is repeated on pages 102-103 of the Field Review:

> **The Impact of a Prolonged Recession in Alberta**
>
> Given that the recession in Alberta is likely to continue for 2016, RECA should consider what impact a prolonged economic downturn will have on the industry and where regulatory focus may be necessary. For example:
>
> 1. Will a prolonged economic downturn mean an increased risk in unauthorized practice as consumers feel pressure from declining home prices and seek assistance from those operating in the "grey zones"?
> 2. Will a sustained economic downturn potentially result in the failure of more brokerages?
> 3. Will it cause increased risk to trust funds?
>
> RECA should examine the impact of the last recessions on its regulatory activities and address potential areas of required focus on a proactive basis.

We strongly disagree with the concept that regulators should make guesses about the economic future and change their approach to regulation based on those guesses.

We note that there is no evidence to support the view that an economic downturn will lead to increased violations of the *Real Estate Act*. In fact, there is some circumstantial evidence that the opposite is true. Alberta experienced significant mortgage fraud during the last period of sustained real estate price inflation (see Alberta Lawyers Insurance Association, "Mortgage Fraud Total Incurred", online: The Law Society of Alberta http://www.lawsociety.ab.ca/docs/default-source/bulletins/mortgage-fraud-total-incurred.jpg).

VII. CONCLUSION

Council should take immediate action to bring the activities of the Executive Director into compliance with the Real Estate Act, Bylaws and Rules. In the short term, this will significantly increase the matters that must be determined by the Executive Director. However, this is necessary to avoid the risk of judicial review, under which the licensing and conduct review decisions pursuant to the Real Estate Act may be declared ultra vires.

Yours truly,

MILLER THOMSON LLP

Gerald D. Chipeur, Q.C.
GDC/

Tariro Nyemba

From: Jennifer Cunningham
Sent: January-26-17 4:24 PM
To: Linda Monilaws
Subject: RE: RECA and AREA Meeting with Deputy Minister Tim Grant - Re: Governance

Thanks Linda. I have put a hold in his calendar for Feb 16 for now.

From: Linda Monilaws
Sent: January-26-17 3:28 PM
To: BOB JABLONSKI; darcy.donald@century21.ca; bob@jablonskirealestategroup.com
Cc: Jennifer Cunningham
Subject: RE: RECA and AREA Meeting with Deputy Minister Tim Grant - Re: Governance

Wonderful, thank you.

Linda

From: BOB JABLONSKI [mailto:bjablonski@shaw.ca]
Sent: Thursday, January 26, 2017 3:22 PM
To: Linda Monilaws; darcy.donald@century21.ca; bob@jablonskirealestategroup.com
Cc: Jennifer Cunningham
Subject: Re: RECA and AREA Meeting with Deputy Minister Tim Grant - Re: Governance

Hi Linda,
Yes that date and time works for me. I am just waiting to hear back from Darcy, who is currently in Florida, to see if that works for him.
Cheers,
Bob

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Linda Monilaws
Sent: Thursday, January 26, 2017 2:39 PM
To: darcy.donald@century21.ca; bob@jablonskirealestategroup.com
Reply To: Linda Monilaws
Cc: Jennifer Cunningham
Subject: FW: RECA and AREA Meeting with Deputy Minister Tim Grant - Re: Governance

Good afternoon,

I am following up to see if both of you are available for February 16, 2017 from 1:30 – 3:30 pm. I would like to schedule this meeting with DM Tim Grant and ADM Colin Lloyd with all parties to discuss Governance.

Please let me know if this date and time works for you.

Thanks.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

From: Linda Monilaws
Sent: Monday, January 23, 2017 11:09 AM
To: czwozdesky@shaw.ca; boltonkrista@yahoo.com; darcy.donald@century21.ca; bob@jablonskirealestategroup.com
Cc: Jennifer Cunningham
Subject: RECA and AREA Meeting with Deputy Minister Tim Grant - Re: Governance

Good morning,

I have been asked to schedule a meeting with you to meet with Deputy Minister Tim Grant and Assistant Deputy Minister Colin Lloyd to discuss Governance. We are looking at a two hour meeting to be held in Edmonton at our offices at Service Alberta.

Dates and times are listed below that DM Grant and ADM Lloyd would be available to meet. If these dates do not coincide with your schedule, please feel free to send some dates and times that could work for you and I can see if I can reschedule anything in their calendars.

February 13, 2017 – Available anytime between 8:00 am – noon or 2:30-4:30 pm
February 16, 2017 – Available between 1:00-4:30 pm
February 17, 2017 – Available 9:00-11:00 am or 1:30-3:30 pm

I look forward to hearing back from you to shortly to schedule this meeting.

Thank you

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile s.17(1)
Linda.Monilaws@gov.ab.ca

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From: Colin Lloyd
Sent: January-26-17 8:33 PM
To: Linda Monilaws
Cc: Linda Chupka
Subject: Re: RECA and AREA Meeting with Deputy Minister Tim Grant - Re: Governance

Thanks Linda,

Please advice them it is not Tim's intent to have legal counsel there from any organization - AREA, RECA or Service Alberta. These are informal talks aimed at raising the level of discourse on good governance and strengthened relationships.

Colin

Sent from my iPhone

On Jan 26, 2017, at 7:07 PM, Linda Monilaws <linda.monilaws@gov.ab.ca> wrote:

> Colin
>
> Please advise if AREA can have their legal council attend. See request below.
>
> Thanks
>
> Linda
>
> Begin forwarded message:

From: D'Arcy Donald <darcy.donald@century21.ca>
Date: January 26, 2017 at 5:24:47 PM MST
To: <linda.monilaws@gov.ab.ca>
Subject: RE: RECA and AREA Meeting with Deputy Minister Tim Grant - Re: Governance
Reply-To: <darcy.donald@century21.ca>

TO: Linda Monilaws

CC: Jennifer Cunningham
Bob Jablonski

RE: RECA and AREA Meeting with Deputy Minister Tim Grant - RE: Governance

Good afternoon Linda,

Thank you for the invitation. We would be pleased to accept and can make ourselves available on February 16, 2017 from 1:30 - 3:30pm. In addition to Bob Jablonski and I, I would like to request that AREA be permitted to bring Gerry Chipeur, a legal expert who has been assisting AREA in better understanding the Real Estate Act.

Regards,

D'Arcy Donald
President-Elect
Alberta Real Estate Association
darcy.donald@century21.ca

Val Taylor

From: Trevor Bergen
Sent: Friday, January 27, 2017 9:35 AM
To: Lee Chantal
Subject: RE: AREA 'dossier'

I'll check with Colin...

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Lee Chantal
Sent: Friday, January 27, 2017 9:34 AM
To: Trevor Bergen
Cc: Kelly Refah
Subject: RE: AREA 'dossier'

I have a binder of documents that was provided by AREA that may be the one to which Colin refers. I don't recall exactly when it was received, but it was some time in the August-October timeframe, I believe. The binder contains examples of communications between RECA and AREA to demonstrate concerns AREA has about the relationships between the two organizations.

I can have it on your desk, or have it scanned, if you think this is what is meant.

Lee

From: Trevor Bergen
Sent: Friday, January 27, 2017 9:25 AM
To: Lee Chantal
Cc: Kelly Refah
Subject: FW: AREA 'dossier'

Does this ring any bells?
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading

Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Colin Lloyd
Sent: Friday, January 27, 2017 9:24 AM
To: Mary MacDonald; Trevor Bergen; Robert Whittaker
Cc: Jennifer Cunningham
Subject: AREA 'dossier'

Have we been given a file/dossier by AREA? If this is the case, it would have been in the late fall-December timeframe?

Colin Lloyd
Assistant Deputy Minister
Service Alberta
Consumer and Registry Services
29 Floor, Telus House, ATB Place
10020 – 100 Street
Edmonton, Alberta T5J 0N3 Canada
Tel 780-427-2300 Fax 780-422-0956
Cell s.17(1)
colin.lloyd@gov.ab.ca

WE SUPPORT United Way

NO ONE ORGANIZATION, OR EVEN GOVERNMENT, CAN MANAGE POVERTY ALONE. IT TAKES AN ENTIRE COMMUNITY.

SA 2017-G-0056 - Page 1702

Val Taylor

From: Trevor Bergen
Sent: Friday, January 27, 2017 9:45 AM
To: Lee Chantal; Mary MacDonald
Cc: Kelly Refah
Subject: RE: AREA 'dossier'

Thanks Lee. Feel free to use May or Allie for this. Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta

From: Lee Chantal
Sent: Friday, January 27, 2017 9:45 AM
To: Trevor Bergen; Mary MacDonald
Cc: Kelly Refah
Subject: RE: AREA 'dossier'

I will have it scanned and provided to you to send to Colin.

Lee

From: Colin Lloyd
Sent: Friday, January 27, 2017 9:44 AM
To: Trevor Bergen; Mary MacDonald; Robert Whittaker
Cc: Jennifer Cunningham; Lee Chantal; Kelly Refah
Subject: RE: AREA 'dossier'

Yes, perhaps this is it. Please do send along.

Colin

From: Trevor Bergen
Sent: Friday, January 27, 2017 9:38 AM
To: Colin Lloyd; Mary MacDonald; Robert Whittaker
Cc: Jennifer Cunningham; Lee Chantal; Kelly Refah
Subject: RE: AREA 'dossier'

Hi Colin,

We don't think we've seen a dossier per se but Lee recalls AREA had provided us a binder of documents sometime between maybe August to October of last year. The binder contains examples of communications between RECA and AREA to demonstrate concerns AREA has about the relationships between the two organizations.

Lee has a copy and we could have it scanned and sent to you, if you think this was what you were recalling.

Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Like Consumer Protection Alberta

Alberta

From: Colin Lloyd
Sent: Friday, January 27, 2017 9:24 AM
To: Mary MacDonald; Trevor Bergen; Robert Whittaker
Cc: Jennifer Cunningham
Subject: AREA 'dossier'



Val Taylor

From: Kelly Refah
Sent: Friday, January 27, 2017 2:30 PM
To: 'Amanda Nielsen'
Cc: Brad Mitchell; Lee Chantal
Subject: RE: Condominium Document Fee Schedules

Hi Amanda,

Thanks for tapping into your network to get us the fee schedules. We were able to find fee information for a number of other Alberta condo corporations and, together with the material you provided, we feel we have a good indication of current industry rates.

Regards,

Kelly Refah

From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Saturday, January 21, 2017 2:45 PM
To: Kelly Refah
Cc: Brad Mitchell
Subject: Fw: Condominium Document Fee Schedules

Duplicate to pages 1668-1670

Pages 1706 through 1707 redacted for the following reasons:
- -
Duplicate to pages 1668-1670

Val Taylor

From: Lee Chantal
Sent: Friday, January 27, 2017 2:37 PM
To: Amanda Nielsen
Cc: Trevor Bergen; Kelly Refah; Mary MacDonald; Brad Mitchell; Jennifer Lucas; Jennifer Lucas
Subject: RE: Condominium Property Regulation - Phase One Briefing

Hi Amanda,

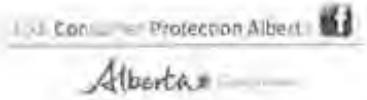
Thanks for confirming. We look forward to meeting with Brad and Jennifer on the 9th!

Thanks,

Lee

Lee Chantal
Statute Administrator

Market and Industry Standards
Consumer Programs, Service Alberta
Government of Alberta
3rd Floor – 10155 102 Street
Edmonton AB T5J 4L4 Canada
Phone: (780) 644-7657 Fax: (780) 427-3033
E-mail: lee.chantal@gov.ab.ca
www.servicealberta.ca



From: Amanda Nielsen [mailto:anielsen@areahub.ca]
Sent: Friday, January 27, 2017 1:35 PM
To: Lee Chantal
Cc: Trevor Bergen; Kelly Refah; Mary MacDonald; Brad Mitchell; Jennifer Lucas; Jennifer Lucas
Subject: Re: Condominium Property Regulation - Phase One Briefing

Thanks for the kind email, Chantal!

Brad Mitchell and Jennifer Lucas, Cc'd to this email, will attend on AREA's behalf.

Warmly,

Amanda

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor

Alberta Real Estate Association
DL: 780.920.5001 | Twitter: @Amanda_Nielsen_1 | areahub.ca

From: Lee Chantal <lee.chantal@gov.ab.ca>
Sent: Wednesday, January 25, 2017 3:55 PM
To: Lee Chantal
Cc: Trevor Bergen; Kelly Refah; Mary MacDonald
Subject: Condominium Property Regulation - Phase One Briefing

Good afternoon,

Thank you again for sending me your availability for a briefing on the status of Phase 1 of the Condominium Property Regulation.

Based on the availability of the participating organizations, the briefing has been scheduled for Thursday, February 9 between 9:30 am and 11:30 pm. The meeting will be in the Consumer Services offices on the 3rd Floor of Commerce Place, 10155 102 Street, Edmonton. At this briefing, Service Alberta staff will speak about the following:

- The current status and next steps for Phase 1
- Review of recommended draft regulation
- Upcoming Phases of amendments

Invitations for this briefing have been extended to the Alberta Real Estate Association, Canadian Condominium Institute – North Alberta and South Alberta Chapters, Canadian Home Builders Association – Alberta, and the Centre for Public Legal Education Alberta.

In order for us to ensure we have sufficient materials available for everyone, could you please confirm the number of individuals from your organization who will be attending the briefing? Due to space limitations, we are asking that each organization send no more than two to three representatives.

If you have any questions in the meantime, please feel free to contact me.

Regards,

SA 2017-G-0056 - Page 1709

Lee Chantal

Statute Administrator

Market and Industry Standards

Consumer Programs, Service Alberta

Government of Alberta

3rd Floor – 10155 102 Street

Edmonton AB T5J 4L4 Canada

Phone: (780) 644-7657 Fax: (780) 427-3033

E-mail: lee.chantal@gov.ab.ca

www.servicealberta.ca



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Val Taylor

From: Trevor Bergen
Sent: Friday, January 27, 2017 3:11 PM
To: Lee Chantal
Subject: Re: AREA 'dossier'
Attachments: image001.jpg; image002.png

Thanks Lee

Trevor Bergen
Director, Consumer Programs and Fair Trading Consumer Services SERVICE ALBERTA
Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Sent from mobile

> On Jan 27, 2017, at 3:03 PM, Lee Chantal <lee.chantal@gov.ab.ca> wrote:
>
> Colin,
>
> The scanned binder is attached. We scanned it in two parts, hence the two separate files.
>
> Thanks,
>
> Lee
>
> From: Colin Lloyd
> Sent: Friday, January 27, 2017 9:44 AM
> To: Trevor Bergen; Mary MacDonald; Robert Whittaker
> Cc: Jennifer Cunningham; Lee Chantal, Kelly Refah
> Subject: RE: AREA 'dossier'

Duplicate to pages 1703-1704

Page 1712 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 1703-1704

May Chaney

From: Lee Chantal
Sent: Monday, January 30, 2017 8:20 PM
To: Kelly Refah
Cc: Trevor Bergen
Subject: Away January 31

Hi Kelly,

s.17(1)

We have the meeting with Mary tomorrow to plan for the stakeholder meeting. I assume this will still go ahead without me, so if you or Trevor could pass along my action items assigned from this meeting, that would be great. A couple of quick notes for this:
- I have 3A booked, and I think it will fit everyone.
- I can make up a PPT if needed
- The following attendees have been provided:
AREA - Brad Mitchell, Jennifer Lucas

CCI-N - Anand Sharma, Alan Whyte, TBD
CCI-S - Andrew Fulcher, John McDougall

CHBA - T.J. Kell, Wendy Jabusch, Clay Hamdon
CPLEA - Jeff Surtees, Danielle Klemen

I hope that covers everything. I'll try to review and reply to a couple of e-mails as well that are looking for feedback, so I don't hold things up.

Thanks,

Lee

Tariro Nyemba

From: Jennifer Cunningham on behalf of Colin Lloyd
Sent: January-31-17 9:12 AM
To: Tim Grant
Subject: Accepted: AREA/RECA Governance Meeting - Confirmed

Tariro Nyemba

From: Jennifer Cunningham
Sent: January-31-17 9:15 AM
To: Linda Monilaws
Cc: Vickie Roth
Subject: RE: Briefing and Agenda for RECA/AREA Governance Meeting February 16

Hello Linda,

No I was waiting for confirmation before an AR was created. Do you want me to create one now or will you create and assign to us?

Thanks,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

From: Linda Monilaws
Sent: January-31-17 8:59 AM
To: Jennifer Cunningham
Cc: Vickie Roth
Subject: Briefing and Agenda for RECA/AREA Governance Meeting February 16

Hi Jennifer,

Before assigning an AR for this, can you confirm if you already have something in the works for this upcoming meeting?

Thanks.

Linda Monilaws
Assistant to the Deputy Minister
Service Alberta
Phone (780) 422-0573
Mobile [redacted]
Linda.Monilaws@gov.ab.ca

Val Taylor

From: Jennifer Cunningham
Sent: Tuesday, January 31, 2017 11:00 AM
To: Allie Hulme; Darlene Decker; Mary MacDonald; Trevor Bergen
Subject: ARTS Notification 31231 Briefing and Agenda for RECAAREA Governance Meeting February 16 - 130 pm to 330 ...

Action Request: 31231

Assigned To: 04 CS-Consumer Programs

Action: Briefing for Deputy Minister

Due Date: Feb 9, 2017

Instructions: Please return to ADMO by Feb 7, 2017

Organization: Service Alberta
URL: s.20(1)(m), s.25(1)

SA 2017-G-0056 - Page 1716

Alberta Government

Ministry of Service Alberta
Consumer and Registry Services
February 2, 2017
AR 31231

ADVICE TO TIM GRANT
DEPUTY MINISTER OF SERVICE ALBERTA

PURPOSE

The Deputy Minister is meeting with the Alberta Real Estate Association (AREA) and Real Estate Council of Alberta (RECA).

MEETING DETAILS

- Meeting Date: February 16, 2017
- Time: 1:30 pm
- Location: Deputy Minister's Boardroom
- Attendees: Tim Grant, Deputy Minister
  Colin Lloyd, Assistant Deputy Minister
  Christine Zwozdesky, Chair, RECA
  Krista Bolton, Past Chair, RECA
  Bob Jablonski, President, AREA
  D'Arcy Donald, President-Elect, AREA

STAKEHOLDER STRATEGY

- A meeting with AREA and RECA will allow the department to discuss RECA's governance and AREA's role in that process.
- Both RECA and AREA have recently hired third-party law firms to undertake reviews of RECA's regulatory activities. More information is noted below.
- Both organizations have sought amendments to the *Real Estate Act* (REA). AREA seeks to clarify RECA's mandate as a regulator, while RECA seeks to implement recommendations from their third-party review and to address a list of other recommended amendments provided to the department that resolve certain unclear sections of the REA.
  - Service Alberta will engage both organizations when the REA is next reviewed.

BACKGROUND

- RECA has been designated by statute as the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications their members must meet.
- RECA and AREA dispute the scope of RECA's regulatory authority. AREA holds that some of RECA's activities, even if permitted by the REA, overreach the intended role of a regulator. AREA has therefore requested amendments to the REA.
  - AREA wants section 5(b) of the REA repealed. This section empowers RECA to provide services and other things that, in the opinion of the Council, enhance and improve the industry and the business of industry members.

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  - AREA argues this section, under which RECA delivers education and other services, allows RECA to engage in activities beyond what AREA believes is RECA's intended mandate, i.e., the administration and enforcement of the REA.
- Unresolved conflict exists between AREA and RECA regarding RECA assuming responsibility for the education courses required before obtaining authorization to become a real estate broker. RECA became responsible for pre-licensing education due to concerns over the content and quality of education delivered by AREA.
  - AREA has indicated displeasure with the resulting loss of education revenues.
  - RECA has taken the position that AREA first raised the possibility of RECA assuming responsibility for education and AREA had some involvement in the transition.

Regulatory Performance Review

- In 2016, RECA released a report on a third-party regulatory review commissioned from Field LLP into RECA's regulatory performance.
  - This report found RECA is a high performance regulator that meets or exceeds almost all criteria in the reviewed program areas.
  - The report included 33 recommendations, all of which RECA accepted and 27 of which are reported as being either completed or underway.
- AREA subsequently commissioned Miller Thomson to provide a legal opinion on the review by Field LLP.
  - The opinion by Miller Thomson found that RECA is not in compliance with the REA in its operations, as certain roles assigned to the executive director under the REA were being delegated either without the proper written delegation or where the REA does not allow for delegation.
  - This opinion further noted that the list of stakeholders consulted for the Field LLP report did not include all groups with an interest in RECA's activities, as it excluded consumers and licensees, among others.
- While RECA has shared the Field LLP report with stakeholders, including AREA, it is unknown whether AREA shared the Miller Thomson opinion with RECA.

KEY CONSIDERATIONS

- Unresolved conflict between RECA and AREA creates ongoing challenges to efforts by these organizations to improve Alberta's real estate industry and ensure public trust. This can have a significant impact on the industry and public confidence in the real estate profession.
- As AREA directly appoints half of RECA's governing Council under the REA, the organization has significant influence over the operations of RECA.
- The recent end to self-regulation in the BC real estate industry has impacted public confidence in the industry and in real estate regulators in general, creating a greater need for RECA to provide strong governance for real estate professionals in Alberta.

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CONTACT Colin Lloyd, Assistant Deputy Minister
Consumer and Registry Services
780-427-2300

SA 2017-G-0056 - Page 1719

Val Taylor

From: Trevor Bergen
Sent: Monday, February 06, 2017 9:36 PM
To: Lee Chantal
Subject: Fwd: AREA 'dossier'
Attachments: AREA Binder Pt1.pdf; ATT00001.htm; AREA Binder Pt2.pdf; ATT00002.htm

Hi Lee,

Can you remind me how this "dossier" came to our team? I believe we initially received it through Colin but I can't recall. Also, did we ever respond to it in anyway? I don't believe we/the department did but wanted to confirm. Thanks, Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
E-mail: trevor.bergen@gov.ab.ca

Begin forwarded message:

> **From:** "Lee Chantal" <lee.chantal@gov.ab.ca>
> **To:** "Colin Lloyd" <Colin.Lloyd@gov.ab.ca>, "Trevor Bergen" <Trevor.Bergen@gov.ab.ca>, "Mary MacDonald" <Mary.MacDonald@gov.ab.ca>, "Robert Whittaker" <Robert.Whittaker@gov.ab.ca>
> **Cc:** "Jennifer Cunningham" <jennifer.cunningham@gov.ab.ca>, "Kelly Refah" <Kelly.Refah@gov.ab.ca>
> **Subject: RE: AREA 'dossier'**



SA 2017-G-0056 - Page 1720

Pages 1721 through 1844 redacted for the following reasons:
- -
Pages 1721-1722: Duplicate to pages 1711-1712
Pages 1723-1844: Duplicate to pages 1327-1448

Val Taylor

From: Trevor Bergen
Sent: Tuesday, February 07, 2017 8:01 AM
To: Lee Chantal
Subject: RE: AREA 'dossier'

Thanks Lee. This is my recollection as well,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Like Consumer Protection Alberta

Alberta Government

From: Lee Chantal
Sent: Tuesday, February 07, 2017 7:46 AM
To: Trevor Bergen
Subject: RE: AREA 'dossier'

I do not recall for certain, but I believe it was provided following a meeting between AREA and Service Alberta management. I don't have any specific record of receipt to confirm when it came, though.

We did not prepare it – it was given to the department by AREA.

Lee

From: Trevor Bergen
Sent: Monday, February 06, 2017 9:36 PM
To: Lee Chantal
Subject: Fwd: AREA 'dossier'

Duplicate to pages 1720-1722

Pages 1846 through 1847 redacted for the following reasons:
- -
Duplicate to pages 1720-1722

Val Taylor

From: Trevor Bergen
Sent: Tuesday, February 07, 2017 8:07 AM
To: Mary MacDonald
Subject: FW: AREA 'dossier'

Hi Mary,

I've read this "dossier" over and can give you a verbal on it this morning at our 8:45 meeting. It's about 140 pages so I wouldn't recommend dedicating much time to it. Long story short, I believe Colin received this at a meeting with AREA and forwarded it to us. The "dossier" details the concerns AREA has with RECA, with supporting documents. Thanks, Trevor

From: Colin Lloyd
Sent: Monday, February 06, 2017 4:00 PM
To: Trevor Bergen; Mary MacDonald
Cc: Robert Whittaker
Subject: RE: AREA 'dossier'

I would like to discuss your intention in relation to this material. We can do so when me meet on AMVIC this Wednesday.

From: Lee Chantal
Sent: Friday, January 27, 2017 3:04 PM
To: Colin Lloyd; Trevor Bergen; Mary MacDonald; Robert Whittaker
Cc: Jennifer Cunningham; Kelly Refah
Subject: RE: AREA 'dossier'



SA 2017-G-0056 - Page 1848

Page 1849 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to pages 1711-1712

Alberta Government

Ministry of Service Alberta
Consumer and Registry Services
February 9, 2017
AR <Action_Request_Number>

ADVICE TO HONOURABLE STEPHANIE MCLEAN
MINISTER OF SERVICE ALBERTA

PURPOSE

The Alberta Real Estate Association (AREA) has engaged in ongoing attempts to limit the regulatory capacity of the Real Estate Council of Alberta (RECA).

RECOMMENDATION

[redacted]

BACKGROUND

- For information on the conflict between AREA and RECA, please see ARs 31231, 30432, 30172, 29723, 29690. (Attachment 1)
- In mid-2016, AREA provided documents to Service Alberta advising a number of concerns AREA has with RECA, including: (Attachment 2)
  - A submission to Service Alberta from AREA regarding proposed amendments to the REA and RECA's response to this submission,
  - AREA's concern about RECA's process to enact residential measurement standards,
  - AREA submissions to RECA regarding RECA's governance and strategic plan.
- In January 2017, AREA provided Service Alberta a copy of a legal opinion obtained from Miller Thomson, stating RECA was in violation of the REA by delegating several of the Executive Director's functions without authority. (Attachment 3)

KEY CONSIDERATIONS

[redacted]

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[redacted]

ANALYSIS

[redacted]

APPROVAL

SA 2017-G-0056 - Page 1851

APPROVAL: _____ **Date:** _____
Honourable Stephanie McLean

ATTACHMENTS

1. Briefing notes from ARs 31231, 30432, 30172, 29723, 29690
2. Binder of material from the Alberta Real Estate Association
3. Miller Thomson legal opinion on RECA's Third-Party Regulatory Review
4. Composition of the Real Estate Council of Alberta
5. Letters to the Minister from ARs 28811 and 28833

CONTACT Colin Lloyd, Assistant Deputy Minister
Consumer and Registry Services
780-427-2300

SA 2017-G-0056 - Page 1852

Darlene Decker

Subject:	Remember AREA Dossier Briefing
Start:	Thu 2/9/2017 1:00 PM
End:	Thu 2/9/2017 1:10 PM
Show Time As:	Free
Recurrence:	(none)
Organizer:	Lee Chantal

Tariro Nyemba

From: Jennifer Cunningham on behalf of Colin Lloyd
Sent: February-13-17 9:51 AM
To: Tim Grant
Subject: Accepted: DM Pre Brief for upcoming meetings - AARA (Feb 15) and AREA/RECA (Feb 16)

Val Taylor

From: Trevor Bergen
Sent: Monday, February 13, 2017 3:47 PM
To: Mary MacDonald
Subject: RE: Condo Regulations

Thanks Mary.

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Consumer Protection Alberta

Alberta Government

From: Mary MacDonald
Sent: Monday, February 13, 2017 3:44 PM
To: Brad Mitchell; Trevor Bergen; Lee Chantal
Subject: RE: Condo Regulations

Brad,

Thank you very much for your note. It was our pleasure to meet with stakeholders and I appreciate your attendance and input.

We look forward to further input as we move on to Phase II.

Best regards,

Mary

From: Brad Mitchell [mailto:bmitchell@areahub.ca]
Sent: Monday, February 13, 2017 3:37 PM
To: Mary MacDonald; Trevor Bergen; Lee Chantal
Subject: Condo Regulations

Good afternoon Mary, Trevor and Lee,

Thank you for taking the time to meet with stakeholders last week. We appreciate the opportunity to preview the regulations and engage with departmental officials on matters of interest to the real estate industry. The Alberta Real Estate Association is glad to see the regulations are consumer-focused and thoughtful. I will be reviewing the information discussed with our board shortly and expect it will be well received.

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We look forward to continuing the collaborative relationship between AREA and Service Alberta in when Phase Two sessions begin.

Sincerely,

Brad Mitchell

Brad Mitchell
Managing Director Government Relations and Finance
Alberta Real Estate Association

DL: 403.771.3822 | areahub.ca

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Val Taylor

From: Trevor Bergen
Sent: Monday, February 13, 2017 4:20 PM
To: Mary MacDonald
Subject: RE: AREA on RECA

Hi Mary,

Sorry, we don't. Lee can pull something together quickly in the morning though.
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca



From: Mary MacDonald
Sent: Monday, February 13, 2017 4:08 PM
To: Trevor Bergen
Subject: AREA on RECA

Trevor,

Do we have an analysis of the Miller Thomson report on RECA?

Thanks,
Mary

Mary MacDonald
Executive Director, Consumer Services
SERVICE ALBERTA

mary.macdonald@gov.ab.ca
780.422.8177

Val Taylor

From: Mary MacDonald
Sent: Monday, February 13, 2017 5:20 PM
To: Trevor Bergen
Subject: FW: Miller Thomson Report on RECA
Attachments: Miller Thomson opinion of Field Law RECA ereview.pdf

Here you go.
MKM

From: Kelly Refah
Sent: Thursday, January 26, 2017 5:04 PM
To: Mary MacDonald; Trevor Bergen
Cc: Lee Chantal
Subject: Miller Thomson Report on RECA

Mary/Trevor,

In case you haven't seen this already, attached is a copy of Miller Thomson's Report on Field Law's third party review of RECA.

Based on the summary of findings in pages 3-6 of the Report, we'll need to take a closer look at section 15 of the REA the next time its opened for review. The section addresses the Executive Director's power to sub-delegate duties and responsibilities. The Report found only one instance where Council lawfully authorized delegation of its duties pursuant to section 17 of its Bylaws, questioning the validity of other matters sub-delegated by RECA pursuant to the REA Rules.

Kelly

From: Jean-Paul Sharpe
Sent: Thursday, January 26, 2017 4:17 PM
To: Kelly Refah
Cc: Lee Chantal
Subject: RE: Disregard my VM re: RECA

Duplicate to pages 0004-1858

Pages 1859 through 1870 redacted for the following reasons:
- -
Page 1859: Duplicate to pages 1684-1685
Pages 1860-1870: Duplicate to pages 1686-1696

Val Taylor

From: Lee Chantal
Sent: Tuesday, February 14, 2017 8:18 AM
To: Trevor Bergen
Cc: Dominic Ross; Mary MacDonald
Subject: RE: 31231

My understanding was that AREA showed up at the ADMO and provided them a copy of this. Consumer Programs received it from JP Sharpe, as far as I know, but JP received it from Robert.

I've added to the second bullet to reflect this.

From: Trevor Bergen
Sent: Tuesday, February 14, 2017 8:16 AM
To: Lee Chantal
Cc: Dominic Ross; Mary MacDonald
Subject: RE: 31231

Hi Lee,

Great work turning this around so quickly. I've made a couple subtle changes below.

Can we add one bullet about how the department received the Miller Thomson letter? Mary seemed to recall through legal services (JP perhaps)...

Thanks!
Trevor

From: Lee Chantal
Sent: Tuesday, February 14, 2017 8:09 AM
To: Trevor Bergen
Cc: Dominic Ross; Mary MacDonald
Subject: RE: 31231

Hi Trevor,

How's this? More than 5 bullets strictly speaking, but it includes some background and hits on the main points in the opinion:

- In late 2015, RECA commissioned Field Law to conduct a third-party review of RECA's regulatory operations. The final report was provided in April 2016 and rated RECA as a high performance regulator that met or exceeded almost all of the assessment criteria.
- In December 2016, AREA received an independent legal opinion from Miller Thompson on the Field Law review. AREA provided a copy of this report to the ADM of Consumer and Registry Services.
- The Miller Thomson opinion puts forward ~~indicated~~ that:
    - RECA is not in compliance with the Real Estate Act, as they have delegated several powers of the executive director without the proper legal authority. Miller Thomson contends ~~indicates~~ the executive director's powers regarding licensing has not been properly delegated in writing, and that powers respecting the complaint and disciplinary process have been delegated even though the Act explicitly prohibits the Council from delegating these powers.

- The Field Law review did not include consultation with several key stakeholders, ~~as it did not include~~ such as consumers, real estate lawyers, or lenders, and only consulted those industry members who were current and former members of RECA's Council.
- Several of the recommendations that should have been implemented in short order have not been, including adding a link to "Standards of Conduct" on RECA's consumer website.
- Not all of the recommendations in the Field Law review should be implemented, for example, the recommendation to have a list of experienced defence counsel that could be engaged by industry professionals could compromise the independence of such counsel and could expose RECA to liability if one of the lawyers on the list is negligent in their representation.

Lee

From: Trevor Bergen
Sent: Monday, February 13, 2017 4:19 PM
To: Lee Chantal
Cc: Dominic Ross; Mary MacDonald
Subject: FW: 31231

Hi Lee,

Would you be able to put together a short four or five bullet summary analysis of the Miller-Thomson conclusions that we could send forward to the ADMO in the morning?

Sorry for the rush on this. Thanks Lee,
Trevor

From: Jennifer Cunningham
Sent: Monday, February 13, 2017 3:50 PM
To: Mary MacDonald; Trevor Bergen
Subject: 31231

Hello Mary,

Regarding AR31231, please prepare a response to the following question which may need to be added to the BN prior to the pre-brief tomorrow.

What is our assessment of Miller-Thomson conclusions?

Please send the answer and if necessary, I will update the BN.

Thank you,

Jennifer Cunningham
Service Alberta Executive Administrative Assistant
Consumer and Registry Services Assistant Deputy Minister Office
29th Floor, 10020 – 100 Street
Telus House, ATB Place
Edmonton, Alberta T5J 0N3
Telephone: 780-644-8493

Val Taylor

From: Lee Chantal
Sent: Tuesday, February 14, 2017 8:45 AM
To: Mary MacDonald; Trevor Bergen
Cc: Dominic Ross
Subject: RE: 31231
Attachments: Field Law Review BN.docx

Hi Mary,

We did one through a BN back when it was first received (attached here). We haven't done one of the same brevity as I just did for the Miller Thomson one at this point.

Lee

From: Mary MacDonald
Sent: Tuesday, February 14, 2017 8:43 AM
To: Lee Chantal; Trevor Bergen
Cc: Dominic Ross
Subject: RE: 31231

Thanks Lee.

Was a synopsis of the Field Report done?

Thanks,

Mary

From: Lee Chantal
Sent: Tuesday, February 14, 2017 8:09 AM
To: Trevor Bergen
Cc: Dominic Ross; Mary MacDonald
Subject: RE: 31231



Page 1874 redacted for the following reason:
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ADVICE TO THE MINISTER

REAL ESTATE COUNCIL OF ALBERTA REGULATORY PERFORMANCE REVIEW

PURPOSE:

- Real Estate Council of Alberta (RECA) has submitted a copy of a third-party Regulatory Performance Review to the Minister for information.

RECOMMENDATION:

- It is recommended that the Minister send a letter to Krista Bolton, Chair of RECA, acknowledging receipt of the Regulatory Performance Review and congratulating RECA on the results.

BACKGROUND:

- RECA is an independent, non-government agency responsible for the licensing and regulation of Alberta's real estate industry, which includes commercial and residential realtors, mortgage brokers, property managers, and appraisers.
- RECA reviews complaints against industry members and takes disciplinary action when necessary, either through investigations or hearings. Where real estate and mortgage brokerages receive or hold trust funds, RECA conducts reviews of trust records and the operation of trust accounts.
- At the direction of the Council, a third-party regulatory review of RECA's regulatory operations was initiated by Field LLP. The third-party review focused on what was working well in the organization, what was not working well, and where RECA could improve performance.
    - Field LLP features a Professional Regulatory Group, which is devoted to providing regulatory advice to professional regulatory organizations and tribunals. This group's focus includes issues such as regulatory performance, governance, legislative and policy development, and statutory interpretation.
- Field LLP's review found that RECA is a high performance regulator which meets or exceeds almost all assessment criteria in the five program areas.

<u>Review Process</u>

- The review was conducted from November 2015 to March 2016 and focused on five program areas: Office of the Registrar, Professional Conduct Reviews, Conduct Proceedings, Administration of Hearings, and Trust Assurance and Practice Reviews.
- The assessment criteria used in the report were based on the Standards of Good Regulation published by the United Kingdom's Professional Standard's Authority, adapted for RECA's

statutory context. In addition, general principles for good regulation were reviewed, including transparency, fairness, accountability, proportionality, consistency, and agility.

- The review included interviews with current and former RECA officials as well as Service Alberta officials.
  - Consumer Services staff met with representatives from Field LLP on February 1, 2016 to share insights on RECA and potential areas for improvement.

Findings and Recommendations

- The review also found that RECA has an intense focus on ongoing performance improvements, and has made considerable improvements in the last few years. Although several controversial cases were identified, the review did not find any systemic areas of concern.
- The report contains 33 recommendations that RECA could adopt in the spirit of continuous quality improvement.
  - The majority of the recommendations relate to improvements in RECA's internal processes and the provision of information at various stages in conduct investigations and hearings.
- Five of the recommendations relate to changes in the *Real Estate Act*:
  - Broaden the publication authorization under section 55(1) of the Act to allow RECA's Executive Director to publish conditions, restrictions, and limitations that are placed on a licence.
  - Expressly authorize informal resolution processes currently used by RECA that are not listed in the legislation.
    - This includes the Voluntary Broker Resolution Process, which allows the complainant and the industry professionals an opportunity to resolve disputes on their own, without formal investigation or enforcement, should both sides agree.
  - Add direction for processes to be followed in appeals of dismissed complaints by complainants under section 40.
  - Consider whether to restrict Council members' adjudicative duties strictly to hearing appeals rather than sitting on hearing panels. This would remove tension resulting from one Council member hearing the appeal of another Council member's decision.
  - Examine the statutory objectives of RECA under section 5, the composition of Council, and whether to use an appointment or election process for Council members.
- Although the report includes a recommendation to examine RECA's mandate and the composition of the Council, the review did not specifically examine governance as part of the process. The review was strictly focused on RECA's regulatory performance.

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- The report notes a debate exists among Council members as to what RECA's mandate should be, and that the next review of the Act will give an opportunity to clarify the statutory mandate and identify the structures best suited to advance it.
- RECA's Council approved all recommendations in principle at its April 13, 2016 meeting.
- RECA shared a redacted version of the complete report with stakeholders on April 20, 2016.

ATTACHMENTS:

1. Letter from Ms. Bolton
2. Regulatory Performance Review report
3. Draft response to Ms. Bolton for the Minister's signature

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

MINISTER APPROVAL:

_____

Hon. Stephanie McLean, Minister

Val Taylor

From: Trevor Bergen
Sent: Tuesday, February 14, 2017 11:11 AM
To: Mary MacDonald; Lee Chantal
Subject: RE: 31231

Hi Mary,

I think it is fair to say that we question the analysis and conclusions of the Miller Thomson review, particularly given the issues between AREA and RECA at the moment..
Trevor

From: Mary MacDonald
Sent: Tuesday, February 14, 2017 10:58 AM
To: Trevor Bergen; Lee Chantal
Subject: FW: 31231

Fair to say that our conclusion is to question the breadth of investigation of the report given some confusions on MT's analysis of the delegation within RECA?

Thanks,
Mary

From: Jennifer Cunningham
Sent: Tuesday, February 14, 2017 10:52 AM
To: Mary MacDonald
Subject: RE: 31231

Hi Mary,

Just checking to see if you are still working on the response.

From: Mary MacDonald
Sent: February-13-17 3:54 PM
To: Jennifer Cunningham
Subject: RE: 31231

Thanks Jennifer.

Mary

From: Jennifer Cunningham
Sent: Monday, February 13, 2017 3:50 PM
To: Mary MacDonald; Trevor Bergen
Subject: 31231

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Page 1879 redacted for the following reason:
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Val Taylor

From: Jennifer Cunningham
Sent: Tuesday, February 14, 2017 11:26 AM
To: Mary MacDonald
Subject: RE: 31231

Ok thank you very much!

From: Mary MacDonald
Sent: February-14-17 11:25 AM
To: Jennifer Cunningham
Subject: RE: 31231

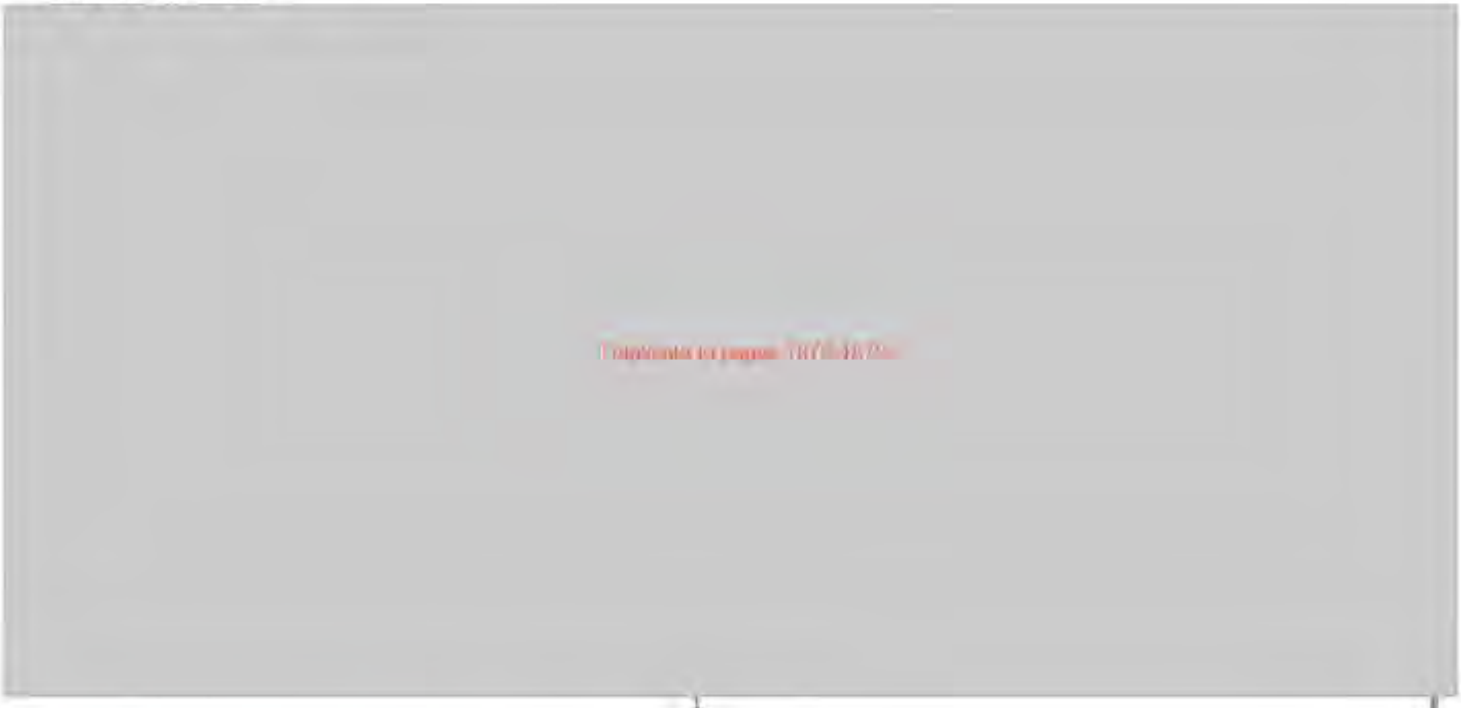
That's the key. Where's the evidence?

From: Jennifer Cunningham
Sent: Tuesday, February 14, 2017 11:23 AM
To: Mary MacDonald
Subject: RE: 31231

Ok thank you and also, Colin has the following additional questions:

RECA is not in compliance with the Real Estate Act, as they have delegated several powers of the executive director without the proper authority – is there any merit to this? - Are they (RECA) in or out of compliance?

From: Mary MacDonald
Sent: February-14-17 11:13 AM
To: Jennifer Cunningham
Subject: RE: 31231



Page 1881 redacted for the following reason:
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Duplicate to pages 1878-1879

Tariro Nyemba

Subject:	FW: DM Pre Brief for upcoming meetings - AARA (Feb 15) and AREA/RECA (Feb 16)
Location:	DMs office
Start:	Tue 14/02/2017 1:30 PM
End:	Tue 14/02/2017 2:15 PM
Show Time As:	Tentative
Recurrence:	(none)
Meeting Status:	Not yet responded
Organizer:	Tim Grant

Please attend with Colin.

-----Original Appointment-----
From: Tim Grant
Sent: February-13-17 9:48 AM
To: Tim Grant; Colin Lloyd; Linda Chupka
Cc: Linda Monilaws
Subject: DM Pre Brief for upcoming meetings - AARA (Feb 15) and AREA/RECA (Feb 16)
When: February-14-17 1:30 PM-2:15 PM (UTC-07:00) Mountain Time (US & Canada).
Where: DMs office

ACTION REQUEST COVERSHEET
Service Alberta

RUSH!

Due Date: Feb ~~15~~ 14 17, 2017
Due to MCU:
Due to ADMO:
Extended Due Date:
Optimal Signing Date:

AR Number: 31231
Logged By: DMO
Priority Level: Normal
Received Date: Jan 31, 2017

AR References:
Assigned To: 04 CARS-ADMO
Subject: Briefing and Agenda for RECA/AREA Governance Meeting February 16 - 1:30 pm to 3:30 pm
Action Requested: Briefing for Deputy Minister
Correspondent:
Constituency: ,

	Name and Phone Number		Initials and Date
Approved by ADM:	Colin Lloyd	780-427-2300	
Edited by MCU:	Mari Sasano		February 14, 2017 DS
Approved by MCU:	Rachel Bouska	780-644-4524	RB Feb 14/17
Approved by DM CoS:	Linda Chupka	780-422-6174	LC Feb 5/17
Approved by DM:	Tim Grant	780-415-4954	Feb 6, 2017
Approved by MO:			

File Number:
Comments: AR drafted by Lee Chantal, Consumer Programs
Additional Notes:

Alberta Government

Ministry of Service Alberta
Consumer and Registry Services
February 14, 2017
AR 31231

ADVICE TO TIM GRANT
DEPUTY MINISTER OF SERVICE ALBERTA

PURPOSE

To provide information for the Deputy Minister's meeting with the Alberta Real Estate Association (AREA) and the Real Estate Council of Alberta (RECA).

MEETING DETAILS

- Meeting Date: February 16, 2017
- Time: 1:30 p.m.
- Location: Deputy Minister's Boardroom
- Attendees: Tim Grant, Deputy Minister
  Linda Chupka, Chief of Staff to the Deputy Minister
  Colin Lloyd, Assistant Deputy Minister
  Bob Jablonski, President, AREA
  D'Arcy Donald, President-Elect, AREA
  Christine Zwozdesky, Chair, RECA
  Krista Bolton, Past-Chair, RECA

STAKEHOLDER STRATEGY

- A meeting with AREA and RECA will allow the department to discuss RECA's governance and AREA's role in that process.
- Both RECA and AREA have recently hired third-party law firms to review RECA's regulatory activities.
- Both organizations have sought amendments to the *Real Estate Act* (REA). AREA seeks to clarify RECA's mandate as a regulator, while RECA seeks to implement recommendations from their third-party review and to address a list of other recommended amendments provided to the department to resolve certain unclear sections of the REA.
  - Service Alberta will engage both organizations when the REA is next reviewed.

BACKGROUND

- RECA has been designated by statute as the regulator for the real estate industry in Alberta. RECA is authorized to set standards for conduct and qualifications for their members.
- RECA and AREA dispute the scope of RECA's regulatory authority. AREA holds that some of RECA's activities, even if permitted by the REA, overreach the intended role of a regulator. AREA has therefore requested amendments to the REA.
  - AREA wants section 5(b) of the REA repealed. This section empowers RECA to provide services and resources that, in the opinion of the Council, enhance and improve the industry and the business of industry members.

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  - This section allows RECA to deliver education and other services, which AREA argues are activities beyond what AREA believes is RECA's intended mandate, i.e., the administration and enforcement of the REA.
- Unresolved conflict exists between AREA and RECA regarding RECA assuming responsibility for the education courses required to become a real estate broker. RECA became responsible for pre-licensing education due to concerns over the content and quality of the education delivered by AREA.
  - AREA has indicated displeasure with the resulting loss of education revenues.
  - RECA has taken the position that AREA first raised the possibility of RECA assuming responsibility for education, and AREA had some involvement in the transition.

Regulatory Performance Review

- In 2016, RECA released a report on a third-party review by Field Law of RECA's regulatory performance.
  - This report found RECA is a high-performance regulator that meets or exceeds almost all criteria in the reviewed program areas.
  - RECA accepted all of the report's 33 recommendations, of which 27 have been reported as being either completed or underway.
  - The report can be found online at https://www.reca.ca/consumers/publications/PDF/Regulatory%20Performance%20Review%20Report.pdf.
- AREA subsequently commissioned Miller Thomson to provide a legal opinion on the review by Field Law.
  - Miller Thomson found that RECA is not in compliance with the REA in its operations, as certain roles assigned to the executive director under the REA were being delegated either without the proper written delegation or where the REA does not allow for delegation.
  - This opinion further noted that the list of stakeholders consulted for the Field Law report did not include all groups with an interest in RECA's activities, since it excluded consumers and licensees, among others.
- RECA has shared the Field Law report with stakeholders, including AREA, but it is unknown whether AREA shared the Miller Thomson opinion with RECA.

KEY CONSIDERATIONS

[redacted]

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[redacted]

CONTACT Colin Lloyd, Assistant Deputy Minister
Consumer and Registry Services
780-427-2300

Pages 1887 through 1888 redacted for the following reasons:
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From: Colin Lloyd
Sent: February-21-17 8:32 AM
To: Tim Grant; Linda Chupka
Subject: RECA-AREA draft minutes

Please see draft.

Meeting with Service Alberta, RECA and AREA - February 16, 2017

Attendees: Service Alberta: Tim Grant, Colin Lloyd and Linda Chupka

AREA: Bob Jablonski, Darcy Donald

RECA: Christine Zwozdeski and Krista Bolton

Tim Grant (TG) started the meeting with a welcome and explained that he wanted to bring both organizations together as a follow up to meetings with staff that were held in July 2016. He emphasised it is important that the minister have confidence in the regulatory body. Using AMVIC as the example he stated that if the minister does not have confidence then significant changes can occur. He indicated that the Real Estate Act (REA) governs the industry and that up to this point he is not aware of anything that has occurred to indicate the system is broken. He drew a diagram to illustrate the order of precedence from a governance point of view.

Legislature (REA)

Minister

RECA

Stakeholders

TG indicated that he is aware that there is tension (burrs under the saddle) and invited meeting participants to raise underlying issues.

AREA raised the following concerns: Seeking more transparency from the regulator (AGM, Meeting minutes, agendas), seeking timelines for a response for requested changes, the ability to engage with their appointees, poor "behaviors" by RECA, and a general lack of respect. They want to be engaged in policy development prior to roll out to industry and want to know that their feedback has been received unfettered is being properly considered. The RMS approach was used to illustrate this – AREA felt disrespected when RECA appeared to be looking for a second opinion on their submission on RMS and felt this approach both undermined them and led to an unnecessary delay as some form of perfection was sought. RECA responded they had a responsibility to hear from all of industry, not just the members AREA represents.

RECA raised concerns about challenging the reputation and undermining the authority of the regulator and its staff in a public manner. AREA requested an example. RECA: Ian Burns' Youtube video to all AREA members, which RECA felt undermined and disparaged its reputation. TG indicated importance of maintaining confidence in the regulator, used example of individuals that challenge members of judiciary and that becomes a question of public confidence in the judicial system. This is not something to be done lightly.

AREA raised concerns about RECA's ED. They are concerned that council is not getting all of the information sent from AREA. RECA responded that Council is fully informed of all AREA submissions and communications.

TG underscored the importance of providing an acknowledgment of submissions and communications received and approximate timelines for response to submissions, which RECA acknowledged. AREA indicated this would alleviate some of their concerns and demonstrate respect towards the work they do. RECA shared that there will be a discussion paper coming soon to consider stakeholder perspective on topic of openness and transparency. AREA expressed frustration on a lack of response to their request for an AGM, publishing minutes and holding meetings to which the public could be admitted. RECA indicated that some aspects of openness and transparency is complex, including how to publish information about industry member's disciplinary history in addition to other aspects of being an open and transparent regulator. RECA also indicated it was taking time to go through issues AREA has presented in the 'Blue Binder' and expected to be in a position to respond to these issues at its March 1st meeting.

AREA raised concerns about RECA's ED and behavior demonstrated in meetings and was dismayed that RECA did not step in to modify it at the December 19th meeting.

TG asked if this is a personality conflict between executive staff. AREA responded they do not think so as the issues go back more than 20 years. AREA indicated they have high confidence in their staff and staff professionalism who act on their direction.

Education:

AREA raised the concern about the education decision in the past and why it was not documented. AREA feels that RECA should provide the standard for education but not the product itself. In terms of the history of this contentious issue AREA's understanding is that the decision was made by RECA to take education back. RECA's understanding is that it was a joint decision by both organizations and referenced the joint announcement sent out to all industry members by both AREA and RECA. RECA states the evidence for this transaction is in the Blue Binder. AREA felt this issue should have gone out for RFP and they would have bid, but this did not happen. They are very surprised that no legal document apparently exists for the transfer of $2million worth of business. TG raised the question "Is this an issue that needs to be resolved?" AREA responded: "We are past that."

AREA feels the government process for stakeholder engagement particularly on the condo act changes was very effective and would like RECA to adopt a similar process. AREA does not believe that RMS consultation process was done effectively and stated that when it is easier to work with government that its own industry regulator it becomes a problem.

AREA raised concern over Commission trust accounts. AREA feels RECA should enact a solution immediately. RECA advised that this is a complex issue that is currently being considered by a shared advisory committee on which there is AREA representation.

Appointee process: RECA acknowledges AREA has the authority to appoint to RECA. TG underscores the unique responsibility of regulatory work is very challenging and the normal expectation for regulatory bodies is that if there is an opportunity to re-appoint a person to serve for a second term then they should be re-appointed. He gave the example of the AUC (Alberta Utilities Commission) and that it is common for members to serve 3 terms of 3 years as it can take up to 2 years before a member is fully competent to conduct hearings. Generally, a revolving door is not helpful to good governance. TG mentioned we are actively working with the Minister on filling vacant appointments. On the question of next round ABC reviews, he did not expect this to be extensive in relation to RECA.

RECA emphasized that the AREA appointees need to be able to operate independently. AREA should have confidence and trust in their appointees to make the best decisions regardless of whether or not AREA agrees with those decisions. This should not be a factor that AREA weighs when considering re-appointments. AREA indicated they have confidence in their appointees and their capacity to make independent decisions. RECA identified that AREA appointees must be free from influence and that they should feel supported in making independent decisions, regardless of what their appointing organization expects of them. RECA identified that historically AREA appointees were called to meetings with AREA and instructed on how they should advance certain topics at upcoming Council meetings. Both RECA and AREA accept this is not a current practice.

AREA identified that as an organization they are trying to become more relevant to their members. They support strong self-regulation but are challenging and questioning current practices and looking for ways to be pro-active rather than re-active. They are preparing for the REA to be re-opened and they are looking at the IAG report from BC and the Field Law report.

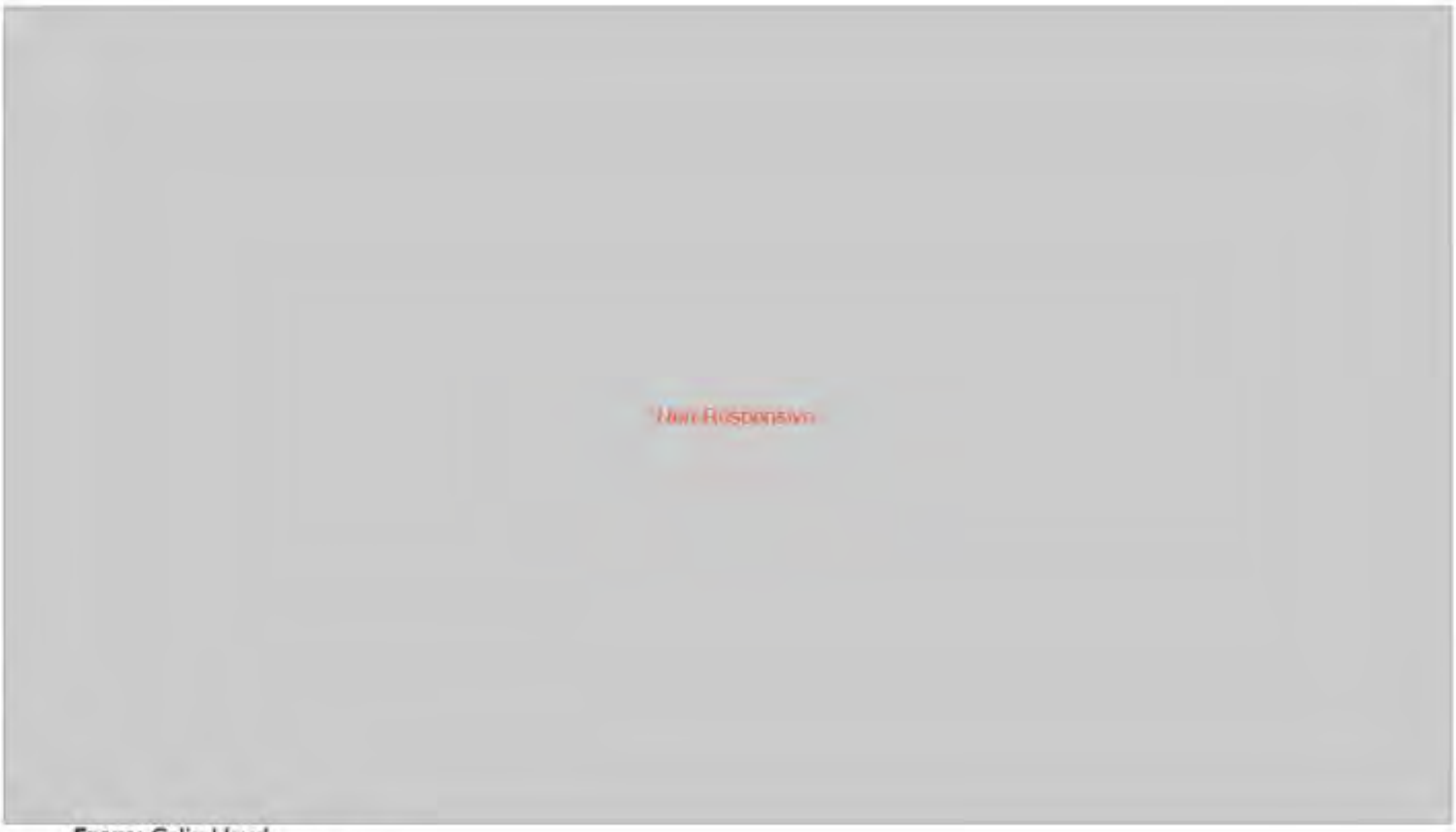
TG identified that he had seen both the Field Law report and the opinion of Gerald Chippeur. He identified that he did not necessarily agree with Chippeur's interpretation and has asked GOA internal Counsel to take a look at it as well. He further identified that he does not expect the REA to be on the legislative agenda anytime soon.

AREA raised concerns of RECA staff accountability. AREA was pleased to see recent whistleblower/stewardship policy but would also like to see staff code of conduct. AREA believes that if industry members know what to expect from regulatory staff this will help alleviate their concerns when interacting with the regulator.

Tim Grant closed the meeting with a reminder that currently the minister has confidence in the regulator and that he hopes both organizations can work together to ensure ongoing public, industry and ministerial confidence in the regulator. He indicated he hoped things would not escalate to the point of requiring Ministerial intervention similar to AMVIC. He said he had heard over the course of the meeting that support for an effective regulator is in the interests of consumers and industry. He indicated that he hoped the two organizations could have a similar meeting in one years' time and that things would be better, but it will require dialogue and leadership as well as strong direction to staff to get their issues sorted out in a timely and professional manner. RECA indicated they would welcome a

review of governance and committed to providing a response to the "Blue Binder" to Government and to AREA within about 2 weeks of their March 1st meeting.

The meeting concluded cordially with a commitment to continue to meet and discuss ways to improve the relationship.



From: Colin Lloyd
Sent: February-22-17 2:54 PM
To: Linda Chupka
Cc: Tim Grant
Subject: Re: RECA-AREA draft minutes

Perfect - thanks.

Sent from my iPhone

On Feb 22, 2017, at 2:09 PM, Linda Chupka <linda.chupka@gov.ab.ca> wrote:

> Colin, I looked at these and what I have and they look great. Just note that the spelling is Zwozdesky (not with an i).
>
> L
>
> **Linda Chupka**
> Chief of Staff
> Office of the Deputy Minister
> Service Alberta
> Phone: 780.422.6174
> Mobile: s.17(1)
>
> **From:** Colin Lloyd
> **Sent:** Tuesday, February 21, 2017 8:32 AM
> **To:** Tim Grant; Linda Chupka
> **Subject:** RECA-AREA draft minutes

Page 1895 redacted for the following reason:
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From: Colin Lloyd
Sent: February-23-17 2:08 PM
To: Linda Chupka
Cc: Robert Whittaker
Subject: RECA-AREA minutes

Linda,

I know Tim has a ton on, so could you just remind him to let me have his comments on the minutes so I can get them out the door.

Thanks.

Colin



From: Colin Lloyd
Sent: February-23-17 2:12 PM
To: Linda Chupka
Cc: Robert Whittaker
Subject: RE: RECA-AREA minutes

Understood, and thank you.

From: Linda Chupka
Sent: Thursday, February 23, 2017 2:09 PM
To: Colin Lloyd <Colin.Lloyd@gov.ab.ca>
Cc: Robert Whittaker <Robert.Whittaker@gov.ab.ca>
Subject: RE: RECA-AREA minutes

They are back with Robert as we didn't want to bother you with them at the moment.

Linda Chupka
Chief of Staff
Office of the Deputy Minister
Service Alberta
Phone: 780.422.6174
Mobile: s.17(1)

From: Colin Lloyd
Sent: Thursday, February 23, 2017 2:08 PM
To: Linda Chupka
Cc: Robert Whittaker
Subject: RECA-AREA minutes

Page 1898 redacted for the following reason:
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Tariro Nyemba

From: Jennifer Cunningham
Sent: February-23-17 3:48 PM
To: Robert Whittaker
Subject: RE: RECA-AREA draft minutes
Attachments: Meeting Minutes.docx

Here you go.

From: Robert Whittaker
Sent: February-23-17 2:26 PM
To: Jennifer Cunningham
Subject: FW: RECA-AREA draft minutes

Could you clean this up a bit into a more formal "meeting minutes" format.

Thanks.

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

From: Robert Whittaker
Sent: Thursday, February 23, 2017 2:17 PM
To: Colin Lloyd
Subject: RECA-AREA draft minutes

Caught one more thing. Chipeur only has one 'p'

Service Alberta, Alberta Real Estate Association (AREA)
And Real Estate Council of Alberta (RECA)
Meeting Minutes

February 16, 2017

Present: Service Alberta: Tim Grant, Colin Lloyd and Linda Chupka
AREA: Bob Jablonski, Darcy Donald
RECA: Christine Zwozdeski, Krista Bolton

Service Alberta

Tim Grant (TG) started the meeting with a welcome and explained that he wanted to bring both organizations together as a follow up to meetings with staff that were held in July 2016. He emphasized it is important that the minister have confidence in the regulatory body. Using Alberta Motor Vehicle Industry Council (AMVIC) as the example he stated that if the minister does not have confidence then significant changes can occur. He indicated that the Real Estate Act (REA) governs the industry and that up to this point he is not aware of anything that has occurred to indicate the system is broken. He drew a diagram to illustrate the order of precedence from a governance point of view:

- Legislature (REA)
- Minister
- RECA
- Stakeholders

TG indicated that he is aware that there is tension (burrs under the saddle) and invited meeting participants to raise underlying issues.

AREA

AREA raised the following concerns: Seeking more transparency from the regulator (AGM, Meeting minutes, agendas), seeking timelines for a response for requested changes, the ability to engage with their appointees, poor "behaviors" by RECA, and a general lack of respect. They want to be engaged in policy development prior to roll out to industry and want to know that their feedback has been received unfettered is being properly considered. The RMS approach was used to illustrate this – AREA felt disrespected when RECA appeared to be looking for a second opinion on their submission on RMS and felt this approach both undermined them and led to an unnecessary delay as some form of perfection was sought. RECA responded they had a responsibility to hear from all of industry, not just the members AREA represents.

RECA

RECA raised concerns about challenging the reputation and undermining the authority of the regulator and its staff in a public manner. AREA requested an example. RECA: Ian Burns' Youtube video to all AREA members, which RECA felt undermined and disparaged its reputation. TG indicated importance of maintaining confidence in the regulator, used example of individuals that challenge members of judiciary and that becomes a question of public confidence in the judicial system. This is not something to be done lightly.

Further Discussion

AREA raised concerns about RECA's Executive Director (ED). They are concerned that council is not getting all of the information sent from AREA. RECA responded that Council is fully informed of all AREA submissions and communications.
TG underscored the importance of providing an acknowledgment of submissions and communications received and approximate timelines for response to submissions, which RECA acknowledged. AREA indicated this would alleviate some of their concerns and demonstrate respect towards the work they do. RECA shared that there will be a discussion paper coming soon to consider stakeholder perspective on topic of openness and transparency. AREA expressed frustration on a lack of response to their request for an AGM, publishing minutes and holding meetings to which the public could be admitted. RECA indicated that some aspects of openness and transparency is complex, including how to publish information about industry member's disciplinary history in addition to other aspects of being an open and transparent regulator. RECA also indicated it was taking time to go through issues AREA has presented in the 'Blue Binder' and expected to be in a position to respond to these issues at its March 1st meeting.
AREA raised concerns about RECA's ED and behavior demonstrated in meetings and was dismayed that RECA did not step in to modify it at the December 19th meeting.
TG asked if this is a personality conflict between executive staff. AREA responded they do not think so as the issues go back more than 20 years. AREA indicated they have high confidence in their staff and staff professionalism who act on their direction.

AREA raised the concern about the education decision in the past and why it was not documented. AREA feels that RECA should provide the standard for education but not the product itself. In terms of the history of this contentious issue AREA's understanding is that the decision was made by RECA to take education back. RECA's understanding is that it was a joint decision by both organizations and referenced the joint announcement sent out to all industry members by both AREA and RECA. RECA states the evidence for this transaction is in the Blue Binder. AREA felt this issue should have gone out for RFP and they would have bid, but this did not happen. They are very surprised that no legal document apparently exists for the transfer of $2 million worth of business. TG raised the question "Is this an issue that needs to be resolved?" AREA responded: "We are past that."

AREA feels the government process for stakeholder engagement particularly on the condo act changes was very effective and would like RECA to adopt a similar process. AREA does not believe that RMS consultation process was done effectively and stated that when it is easier to work with government that its own industry regulator it becomes a problem.
AREA raised concern over Commission trust accounts. AREA feels RECA should enact a solution immediately. RECA advised that this is a complex issue that is currently being considered by a shared advisory committee on which there is AREA representation.
Appointee process: RECA acknowledges AREA has the authority to appoint to RECA. TG underscored the unique responsibility of regulatory work is very challenging and the normal expectation for regulatory bodies is that if there is an opportunity to re-appoint a person to serve for a second term then they should be re-appointed. He gave the example of the Alberta Utilities Commission (AUC) and that it is common for members to serve 3 terms of 3 years as it can take up to 2 years before a member is fully competent to conduct hearings. Generally, a revolving door is not helpful to good governance. TG mentioned we are actively working with the Minister on

filling vacant appointments. On the question of next round Agencies Boards and Commissions (ABC) reviews, he did not expect this to be extensive in relation to RECA.

RECA emphasized that the AREA appointees need to be able to operate independently. AREA should have confidence and trust in their appointees to make the best decisions regardless of whether or not AREA agrees with those decisions. This should not be a factor that AREA weighs when considering re-appointments. AREA indicated they have confidence in their appointees and their capacity to make independent decisions. RECA identified that AREA appointees must be free from influence and that they should feel supported in making independent decisions, regardless of what their appointing organization expects of them. RECA identified that historically AREA appointees were called to meetings with AREA and instructed on how they should advance certain topics at upcoming Council meetings. Both RECA and AREA accept this is not a current practice.
AREA identified that as an organization they are trying to become more relevant to their members. They support strong self-regulation but are challenging and questioning current practices and looking for ways to be pro-active rather than re-active. They are preparing for the REA to be re-opened and they are looking at the IAG report from BC and the Field Law report. TG identified that he had seen both the Field Law report and the opinion of Gerald Chipeur. He identified that he did not necessarily agree with Chipeur's interpretation and has asked Government of Alberta Internal Counsel to take a look at it as well. He further identified that he does not expect the REA to be on the legislative agenda anytime soon.
AREA raised concerns of RECA staff accountability. AREA was pleased to see recent whistleblower/stewardship policy but would also like to see staff code of conduct. AREA believes that if industry members know what to expect from regulatory staff this will help alleviate their concerns when interacting with the regulator.

Closing

TG closed the meeting with a reminder that currently the minister has confidence in the regulator and that he hopes both organizations can work together to ensure ongoing public, industry and ministerial confidence in the regulator. He said he had heard over the course of the meeting that support for an effective regulator is in the interests of consumers and industry. He indicated that he hoped the two organizations could have a similar meeting in one years' time and that things would be better, but it will require dialogue and leadership as well as strong direction to staff to get their issues sorted out in a timely and professional manner. RECA indicated they would welcome a review of governance and committed to providing a response to the "Blue Binder" to Government and to AREA within about 2 weeks of their March 1st meeting.

The meeting concluded cordially with a commitment to continue to meet and discuss ways to improve the relationship.

Tariro Nyemba

From: Bob Jablonski <president@areahub.ca>
Sent: February-24-17 1:10 PM
To: Robert Whittaker
Cc: darcy.donald@century21.ca; czwozdesky@gmail.com; boltonkrista@yahoo.com; Colin Lloyd; Tim Grant; Linda Chupka
Subject: Meeting Minutes from February 16
Attachments: RMS Consultation Paper-November 2016.pdf

Good afternoon,

Thank you for the meeting minute summary which we feel is a fair representation of the meeting. We would like to clarify a couple of points, and if possible, have the adjustments be reflected in the text.

In the paragraph on education, when we stated "We are past that.", Darcy was trying to convey that AREA is past the historical back and forth, but still has concerns with how education is being delivered. This point was referenced in other parts of the meeting minute document.

On the topic of RMS and RECA's approach, the concern was not that RECA was looking for a second opinion on AREA's submission from industry, but that RECA directly engaged AREA members and member boards and asked if they agreed with AREA's submission while not providing AREA's entire submission. (RECA RMS Consultation Paper is attached for reference.)

Please click here to view the AREA video referenced in the meeting minutes.

Thank you again for the summary and the opportunity to provide feedback on the text.

Regards,

Bob Jablonski
President
Alberta Real Estate Association

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Real Estate Council Alberta

Consultation Paper
Residential Measurement Standard

After the Real Estate Council of Alberta (RECA) concluded its consultation on the Residential Measurement Standard (RMS), the Council adopted a new RMS at its April 2016 meeting. In May 2016, RECA issued a revised Guide to the Residential Measurement Standard in Alberta. At that time Council also communicated to its stakeholders that it would consider additional RMS feedback. The Alberta Real Estate Association (AREA) has made a further RMS submission and Council would like to get your opinion on this recommendation.

The current RMS

The RMS has two measurement methodologies depending on the type of property. The Guide describes them as follows:

- for detached properties, measure the property using the exterior wall at the foundation.
- for properties with common walls, such as half-duplexes, townhouses, and apartments, measure the interior perimeter walls (paint-to-paint) at floor level.

To compare detached properties to semi-attached or attached properties, the RMS allows real estate professionals to provide an additional area representation assuming exterior measurements.

AREA's submission

AREA recommended to RECA that RECA amend the RMS so that semi-detached properties are measured from the centre line of the common wall to the exterior wall at foundation. The exact wording of AREA's recommendation is as follows:

> **"Measure all semi-detached properties, from centre line of common wall to exterior."**
>
> "In order to be consistent with detached homes and to allow for fair comparison of semi-detached properties with detached properties, AREA recommends RECA amend RMS Principle 4 to require semi-detached properties to be measured from centre line of common wall to the outside of exterior walls."
>
> "Semi-detached properties such as duplexes have more in common with detached properties (single residential homes) than attached properties such as apartments, villas and townhouses. When a consumer buys a half-duplex, they generally own half of the *entire* property rather than simply their paint-to-paint living space. As a result, semi-detached properties are more similar to detached properties than other forms of attached housing, and should be measured the same way as other detached properties. This will ensure consistency for consumers and the ability to make meaningful comparisons between properties."

AREA's definition of semi-detached assumes "semi-detached refers to an end unit and attached refers to a centre unit with more than one demising wall."

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Questions for your consideration

RECA wants your opinion as to whether or not you support the recommendation. Please consider the following six issues and questions when you provide your feedback:

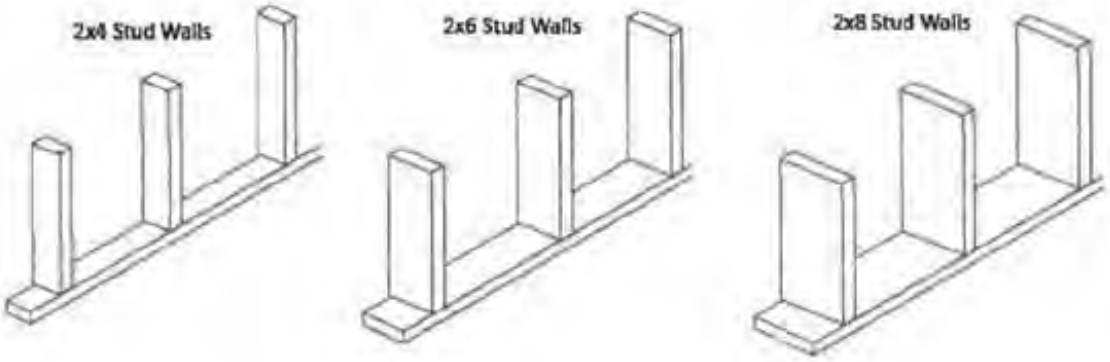
ISSUE 1: Centre line of common wall

It is possible to readily determine the centre line of the common wall in semi-detached properties where the properties are off-set or the real estate professional has verified they are identical to one another. However, determining the centre line of the common wall may be difficult where:

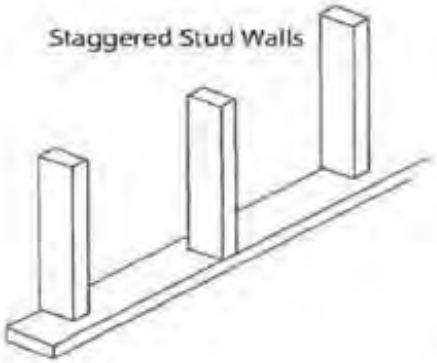
- the real estate professional is unable to verify the properties are identical
- the real estate professional has no access or permission to measure the adjoining property
- the properties are not identical in size or shape
- a property is an end unit in a row housing complex

ISSUE 2: Common wall construction varies

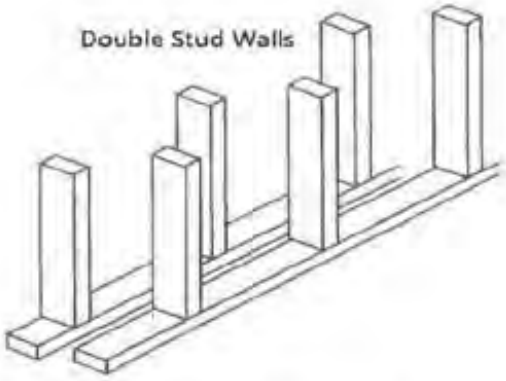
Common walls are constructed of stud walls, which can vary in thickness (2x4, 2x6, 2x8). Common walls can also be constructed with staggered studs or with double stud walls of variable thickness. Common walls may also be constructed of cinder blocks or concrete. See the following illustrations:



Staggered Stud Walls



Double Stud Walls



Cinder Block Wall Construction



Concrete Wall Construction



The type of common wall construction and wall thickness is not readily observable because they are often covered with gypsum board or other finishing material.

Question: How would a real estate professional readily determine the type of construction of a common wall?

Question: How would a real estate professional readily determine the location of the centre line in the common wall?

ISSUE 3: **Property boundary and the common wall**

The recommendation speaks to the ownership of the property. To comply with *Alberta Building Code* or the *Alberta Fire Code*, newer semi-detached properties tend to have double stud walls with air spaces between them. This means the ownership line dividing the units is located in the center of the air space.

Question: Is the recommendation appropriate for properties with double stud walls separated by an air space?

ISSUE 4: Compliance with principles of measurement
A measurement standard must comply with the principles of measurement, which means it must be possible to measure it, and the measurement must be reliable and objectively verifiable.

Question: Does the proposed measurement methodology meet the principles of measurement?

ISSUE 5: Consistency for comparison of property types
The premise of the recommendation is that it will ensure consistency for consumers, and more meaningful comparisons between properties types

Question: Does having an additional measurement methodology create greater consistency?

Question: The RMS currently allows real estate professionals to provide an additional measurement based on assumed exterior measurement for semi-detached properties in order to compare them with detached properties. Is there a problem with this comparison that requires an additional measurement methodology?

Question: The recommendation treats the end units of a row housing complex as semi-detached while all other units in the complex are treated as attached. This means properties in the same complex are measured using different methodologies. Does this approach foster more meaningful comparisons between properties in row housing complexes?

Question: Units in cluster townhouse complexes are often end units with more than one common wall. Would these properties be treated as attached or semi-detached?

ISSUE 6: Additional measurement methodologies
The RMS has two methodologies to measure detached and all types of attached properties in order to make comparisons between them. If approved, the recommendation adds a new principle to the RMS, defining semi-detached properties and a different measurement methodology for them. This means there will be three different measurement methodologies, depending whether the property is detached, semi-detached, or attached.

Question: Is introducing an additional measurement methodology appropriate?

Your Comments
RECA invites you to provide your feedback on this recommendation. Your feedback should indicate your agreement or disagreement with the recommendation. You may also offer solutions or amendments to address any difficulties or concerns.

Written Submissions

Deadline for submissions: February 13, 2017. Please provide your feedback in writing to RMS@reca.ca

Please include your name along with your feedback.

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Tariro Nyemba

[redacted]

From: Bob Jablonski <president@areahub.ca>
To: "Robert.Whittaker@gov.ab.ca" <Robert.Whittaker@gov.ab.ca>
Cc: "darcy.donald@century21.ca" <darcy.donald@century21.ca>; "czwozdesky@gmail.com" <czwozdesky@gmail.com>; "boltonkrista@yahoo.com" <boltonkrista@yahoo.com>; Colin Lloyd <colin.lloyd@gov.ab.ca>; "tim.grant@gov.ab.ca" <tim.grant@gov.ab.ca>; "linda.chupka@gov.ab.ca" <linda.chupka@gov.ab.ca>
Sent: Friday, February 24, 2017 1:09 PM
Subject: Meeting Minutes from February 16

[redacted]

SA 2017-G-0056 - Page 1909

Page 1910 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to 1903

Val Taylor

From: Trevor Bergen
Sent: Wednesday, March 01, 2017 7:58 AM
To: Lee Chantal
Cc: Mary MacDonald
Subject: FW: latest RECA and AREA letter
Attachments: s.27(2) s.16(1)

Importance: Low

Thanks Lee. I hadn't seen this.

s.16(1)

Trevor

From: Lee Chantal
Sent: Tuesday, February 28, 2017 4:24 PM
To: Trevor Bergen
Cc: Mary MacDonald
Subject: FW: latest RECA and AREA letter
Importance: Low

In case you haven't seen this – s.16(1)

Thanks,
Lee

From: Jean-Paul Sharpe
Sent: Tuesday, February 28, 2017 2:38 PM
To: Kelly Refah; Lee Chantal
Subject: latest RECA and AREA letter
Importance: Low

FYI

Jean-Paul Sharpe
Alberta Justice & Solicitor General
Barrister and Solicitor

Legal Counsel for

- Service Alberta
- Municipal Affairs

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Direct Line (780) 422-8781
Fax (780) 427-0996

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Pages 1913 through 1922 redacted for the following reasons:
- -
s.27(2), s.16(1)



From: Colin Lloyd
Sent: March-01-17 10:10 AM
To: Jean-Paul Sharpe
Cc: Bill Nugent; Linda Chupka; Tim Grant
Subject: RE: Last Week's Meeting with RECA and AREA

Thanks J-P.



Pages 1924 through 1927 redacted for the following reasons:
- -
s.27(1)

Tariro Nyemba

From: Colin Lloyd
Sent: March-01-17 12:03 PM
To: Bob Jablonski
Cc: darcy.donald@century21.ca; czwozdesky@gmail.com; boltonkrista@yahoo.com; Tim Grant; Linda Chupka; Robert Whittaker
Subject: RE: Meeting Minutes from February 16

Hello Bob,

I certainly note and thank you for your suggestions, but what the minutes are intended to convey is a summary of what was discussed. The minutes are neither verbatim nor can they be expected to reflect what a person's thought process was at the time.

Both the issues reflected in the minutes and the points you make in this email provide the basis for the ongoing dialogue necessary to continuously improve the regulatory environment for real estate in Alberta. I am looking forward to our collective participation in this effort.

My best regards,

Colin

From: Bob Jablonski [mailto:president@areahub.ca]
Sent: Friday, February 24, 2017 1:10 PM
To: Robert Whittaker
Cc: darcy.donald@century21.ca; czwozdesky@gmail.com; boltonkrista@yahoo.com; Colin Lloyd; Tim Grant; Linda Chupka
Subject: Meeting Minutes from February 16

Good afternoon,

Thank you for the meeting minute summary which we feel is a fair representation of the meeting. We would like to clarify a couple of points, and if possible, have the adjustments be reflected in the text.

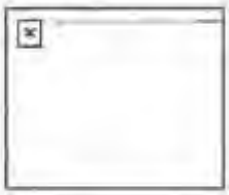
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On the topic of RMS and RECA's approach, the concern was not that RECA was looking for a second opinion on AREA's submission from industry, but that RECA directly engaged AREA members and member boards and asked if they agreed with AREA's submission while not providing AREA's entire submission. (RECA RMS Consultation Paper is attached for reference.)

Please click here to view the AREA video referenced in the meeting minutes.

Thank you again for the summary and the opportunity to provide feedback on the text.

Regards,



Bob Jablonski
President
Alberta Real Estate Association

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Tariro Nyemba

From: Jennifer Cunningham
Sent: March-06-17 11:29 AM
To: Robert Whittaker
Subject: FW: February 16, 2017 Meeting with Service Alberta - Follow-Up Information from RECA
Attachments: Consolidated Response to AREA Blue binder - Feb 2017.pdf

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: February-22-17 4:46 PM
To: Tim Grant
Cc: Colin Lloyd; Christine Zwozdesky
Subject: February 16, 2017 Meeting with Service Alberta - Follow-Up Information from RECA

Good Afternoon Tim,

I understand you and Colin Lloyd had a very good meeting in Edmonton with our Chair Christine Zwozdesky and Past-Chair Krista Bolton and representatives from the Alberta Real Estate Association (AREA) on Thursday, February 16th.

As a follow-up to the meeting, Christine Zwozdesky has asked that I provide you with RECA's response to the information package you received from AREA. The same information provided to Service Alberta was also provided to RECFA Chair Christine Zwozdesky at the RECA-AREA stakeholder meeting on December 2, 2016. We refer to the document as the "Blue Binder" referencing the colour of the binder in which the information was packaged.

We have reviewed the information contained in the AREA Blue Binder in detail. As a result, we prepared the attached report. The attached document is a consolidation of the information in the AREA Blue Binder and RECA's response to each topic/issue. It is entitled "*Response and Commentary on Information Provided to RECA Chair Christine Zwozdesky by AREA in a Blue Binder on December 2, 2016*"

For your information, this document has been provided to all members of Council and RECA's senior management team.

We believe it is important that Service Alberta officials have accurate information as it relates to these issues. If you have any questions regarding any of the information provided, please do not hesitate to contact me.

Bob Myroniuk
Executive Director

Real Estate Council Alberta

T (403) 685-7926
TF (888) 425-2754
F (403) 228-3065

reca.ca

Real Estate Council Alberta
Suite 350, 4954 Richard Rd SW
Calgary, Alberta T3E 6L1



The authority for a positive real estate experience.

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Response and Commentary on Information Provided to RECA Chair Christine Zwozdesky by AREA in a Blue Binder on December 2, 2016

January 13, 2017

To: RECA Council

For: January 25, 2017 Council Meeting

Prepared By: Bob Myroniuk, Executive Director
Kirk Bacon, Deputy Executive Director
Joseph Fernandez, Registrar
Charles Stevenson, Director Professional Standards

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1. Lloydminster Brokerage Forms

AREA Comment/RECA Response

Comment:
"In 2009, representatives from the regulatory organizations and the provincial real estate associations from both Alberta and Saskatchewan, and the REALTORS® Association of Lloydminster and District, undertook work to create one set of real estate forms that would comply with both provinces' regulatory framework. The Lloydminster and District expressed some outstanding concerns during the process."

Response:

- Notwithstanding the forms had been approved by Council (in the Rules) it came to RECA's attention Lloydminster brokerages were not in compliance.
- RECA's work in Lloydminster on the issue of forms began in September 2008.
- This demonstrates RECA was ahead of the curve in terms of working with real estate brokerages to assist in them in the implementation of designated agency, a new concept in this part of the Province.
- AREA had yet to develop their own forms at this time.

Comment:
"RECA responded with a compliance threat to involved REALTORS®, rather than addressing concerns productively."

Response:

- In February 2009, RALD confirmed the draft agreements that RECA and RALD had developed would work for them.
- The draft agreements were distributed to all parties including SREA, SREC, AREA and RALD.
- In September 2009, RALD informed RECA it was going to abandon the forms previously approved by both RECA and SREC and use the SREA forms instead.
- RECA is a regulator. Kirk Bacon's letter of September 3, 2009 was entirely appropriate as it is the role and obligation of a regulator to inform all licensees within the Province of Alberta, including those in the border city of Lloydminster, with respect to their regulatory obligations when trading in real estate in Alberta.
- Kirk Bacon's letter was professional and clearly worded to communicate the expectation of RECA on this issue.
- AREA's characterization of the September 3rd letter as a "threat" is remarkable given the actual wording of the letter. This is an example of AREA "spinning" information" to harm the good reputation of RECA.
- AREA's comment implies the letter of September 3, 2009 was RECA's only response to the concerns of RECA and RALD demonstrates a complete lack of understanding or recognition of the time and effort RECA invested at all levels to

address the issues in Lloydminster. This is an example of AREA's failure to fully inform itself or to fully describe the context in which events have taken place.

Comment:
"Resolution was ultimately achieved by industry organizations leading discussions and finding amenable solutions."

Response:
- No, that's not how resolution occurred – this is another example of AREA "spin".
- Resolution was ultimately achieved by RECA responding to the issues in Lloydminster and working with RALD in Lloydminster and in Calgary over a period of a year to find a solution that worked for RECA, SREC and RALD.
- Ultimately, the individuals that brought this matter to a conclusion were Scott Musgrave (representing RALD) and Bob Myroniuk (representing RECA).

Comment:
"Alberta Finance Minister Snelgrove became aware of RECA's response to this challenging situation, and sent RECA a letter of concern (included in package) regarding RECA's processes."

Response:
- It is clear some members in leadership positions within Lloydminster chose to leverage their political connections with then Minister Lloyd Snelgrove. Ultimately, RECA Chair Ralph Salomons met with Lloyd Snelgrove to explain RECA's perspective on the Lloydminster situation.
- Interestingly, no concerns with respect to the Lloydminster situation were raised when RECA attended its annual meeting with the Honourable Heather Klimchuk, the Minister of Service of Alberta.

Background Information

1. September 2008: RECA received a request from a Lloydminster brokerage looking for assistance to convert their brokerage to a designated agency brokerage

2. RECA worked with the brokerage and developed designated agency forms. At that time, the Alberta Real Estate Association had not developed designated agency forms for its membership.

3. Fall 2008: It came to RECA's attention that brokerages in Lloydminster may not be complying with the requirements of the 2006 version of the Rules. Communication occurred between Lloydminster brokerage and RECA with complying with the Rules.

4. January 21, 2009: Jean Flanagan received confirmation from Ross Clement, legal counsel for Lloydminster brokerage; the brokerage will comply with RECA Rules. Musgrave Agency confirmed shortly thereafter (Jan. 22). Kirk Bacon is the person assigned to dialogue with Lloydminster brokerages.

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5. January 2009: RECA agreed to work with the Saskatchewan Real Estate Commission (SREC) and REALTORS Association of Lloydminster and District (RALD) to find a solution. The Alberta and Saskatchewan Real Estate Associations were included in the process.

6. February 18, 2009: Ralph Salomons (Chair of RECA) and Kirk Bacon attended a meeting in Lloydminster to discuss the issues in conjunction with SREC and RALD.

7. February 20, 2009: RECA sent an email to Keith Weinbender with comments about the meeting including the minimum requirements of a service agreement in Alberta. Attached to the email was a draft Lloydminster Exclusive Seller Brokerage Agreement. The agreement complied with Alberta legislation.

8. February 26 & 27: Additional forms sent to Keith Weinbender.

9. Numerous discussions occurred.

10. Keith Weinbender verbally confirms he has received feedback from Lloydminster brokers that the forms will work for them.

11. March 6, 2009: Correspondence sent to SREC and SREA with the agreed to forms attached. It was cc'd to AREA, RALD, Ralph Salomons, Keith Weinbender, Ross Clement, Chris Hassall and Bill Briggs.

12. March 6, 2009: Feedback from Bill Madder at SREA on the March 6, 2009 email.

13. March 24, 2009: Al Jacobson from SREC responded to the March 6, 2009 email. Mr. Jacobson raised some concerns with the Saskatchewan legislation and the content of the forms.

14. March 27, 2009: RECA response to SREC.

15. April 2, 2009: SREC provided further clarification in response to RECA's March 27, 2009 email.

16. May 22, 2009: 3rd version of the Lloydminster Exclusive Seller Brokerage Agreement sent to SREC, SREC, AREA, RALD, and REIX.

17. June 8, 2009: Drafted Agency Relationship Guide for RALD.

18. April to July: RECA and SREC worked on different version of the forms to comply with Saskatchewan legislation. Includes a face to face meetings on June 17 and 26, 2009

19. July 3, 2009: Feedback from SREC on forms.

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20. July 17, 2009: Joint announcement from SREC and RECA on the relationship forms developed specifically for RALD.

21. July 27, 2009: Correspondence from Keith Weinbender with a number of recommendations for change.

22. August 20, 2009: RECA response to Keith's July 27, 2009 email outlining RALD's options and acceptable amendments. Amendments that are in breach of the Rules were unacceptable.

23. September 2, 2009: Response from Keith Weinbender to RECA's August 20, 2009 email. Their request was to abandon the forms agreed to by SREC and RECA and use the SREA forms that do not comply with Alberta legislation. They were going to call a meeting with elected officials to have a special set of Rules developed for Lloydminster.

24. September 3, 2009: RECA's response to RALD's correspondence outlined RECA and SREC had met what we had undertook to accomplish in the February 18, 2009 meeting. One of the key principles was there is one solution for Lloydminster, and we accomplished that. All affected parties were included throughout the process. The lack of understanding of the requirements of the Alberta Rules may have contributed to the resistance.

25. October 1, 2009: Ralph Salomons sent correspondence in response Mr. Snelgrove's letter of September 15, 2009.

26. November 23, 2009: Ralph Salomons and Richard parker meet with Honourable Heather Klimchuk and Honourable Lloyd Snelgrove.

27. September – December 2009: Discussion continued between RECA and RALD through Chair Ralph Salomons and Bob Myroniuk.

28. December 2, 2009: Meeting between RECA (Bob Myroniuk) and RALD brokers including Scott Musgrave.

29. Dec. 3, 2009: Email from Bob Myroniuk to selected RALD brokers with amended forms attached as per their discussions the day before.

30. December 9, 2009: Letter to Honourable Heather Klimchuk and Honourable Lloyd Snelgrove from Richard Parker informing the ministers of the agreement on the forms between RALD and RECA.

31. Dec. 10, 2009: Additional revisions to the seller brokerage agreement and RECA and RALD reach agreement on relationship forms.

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32. January 2010: Implementation of new forms and RECA provides training to RALD members on the new forms.

Commentary

- AREA is raising communications with respect to an issue that started over 8 years ago that was resolved by RECA to the satisfaction of RECA, SREC and RALD.
- AREA's comments and information presented is very narrow and selective. AREA fails to provide the full context of what transpired over the course of a year and more.
- No recognition is given to RECA for the significant time and effort dedicated to this issue and the successful outcome.
- Although the Protocol of Understanding (POU) between the Governments of Alberta and Saskatchewan regarding government services in Lloydminster did not apply to RECA, RECA made every effort to abide by the spirit of the POU.
- The background information above indicates a great deal of time and effort was invested by RECA into working with RALD and the Saskatchewan Real Estate Commission beginning in January of 2009 to deal with the emerging situation in Lloydminster.
- In the end, the result was a very positive outcome. RECA and RALD have maintained a positive relationship since the forms issues were settled.
- Although the events referred to in this tab occurred 8 years ago, it appears this was done as part of an effort by AREA to damage the good reputation of RECA.

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2. *Real Estate Act* Submission

AREA Comment/Response

Comment:
"RECA was designated by Service Alberta to take the lead in proposing amendments to the *Real Estate Act* in September 2012."

Response:

- Agreed. The deadline RECA was given by the Government was very short. As a result, the focus of the amendments were largely administrative in nature or changes that would improve RECA's ability to carry out its regulatory responsibilities. The amendment process was not an entire re-write of the Act.

Comment:
"AREA and its Alberta member boards were given an opportunity to share proposed changes from the industry's perspective to RECA for consideration as part of their submission to government. An industry work group comprised of REALTORS® from various provincial boards was formed to review and respond to RECA's consultation paper. The work group's report was subsequently approved by the AREA Board and provided to RECA."

Response:

- Traditionally, AREA's governance structure has been hierarchical in nature. Because of its structure and the prominence of local boards/associations, AREA has not been as closely connected to its individual REALTORS® members as may be seen in other member driven associations. As a result, AREA works more closely with its member real estate boards/associations and, in particular, their Presidents and Executive Officers. Recent comments by AREA's President indicate the association is in the process of changing this approach to become more in tune with its members.
- However, leading up to the 2012-2014 period, broad consultation directly with individual AREA members had not been utilized to achieve an "industry" consensus or position on most issues, including legislative or regulatory issues related to RECA.
- This practice was reflected in the manner in which AREA approached the amendments RECA proposed in its discussion paper. A small "industry" work group of individuals appointed by boards/AREA was used as the basis for forming an "industry position" on the repeal of section 5(b) of the Real Estate Act.
- AREA's approach was in direct contrast to the approach taken by RECA. RECA utilized a broad based approach to consultation. In addition to consulting with industry trade associations RECA provided opportunities to 14,000+ individual licensees, including REALTORS®, an opportunity to provide input by attending open town hall meetings or submitting their own written submissions directly to RECA.
- Every written submission RECA received on the proposed amendments, including submissions from individual licensees, was provided to Service Alberta.

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Comment:
"The work group identified a particular concern for Alberta REALTORS® which was not included in RECA's final submission to Service Alberta; the Purpose of Council (Clause 5)."

Response:

- This statement is incorrect. AREA's submission, in its entirety was provided to Service Alberta.
- As indicated above, there is no evidence to indicate AREA undertook a formal and informative consultation process with its 10,000 members REALTOR® members prior to determining there was a "particular concern" for Alberta REALTORS® before approaching the Minister of Service Alberta.
- This issue never appeared as a concern for licensees, including REALTORS®, or any other stakeholders who provided input to RECA during its consultation process.
- It appears AREA's position on section 5(b) arose from discussions within a small group and AREA's Board of Directors.

Comment(s):
"AREA notified five RECA Council appointees as well as senior RECA staff it would be proceeding with an independent submission containing the content not included in RECA's submission."

"AREA's independent submission to Service Alberta from 2014 outlining the work group's recommendations as well as RECA's response to the Minister of Service Alberta, Hon. Doug."

Response:

- AREA states it had conversations with AREA appointees to Council indicating AREA would be making an independent submission; staff were not privy to those conversations so they are not aware of when those discussions took place or the nature of those discussions.
- AREA and RECA staff communicated on a regular basis both formally and informally. The topic of AREA's intention to make an independent submission was raised in casual conversation with RECA's Executive Director in very general terms in either 2013 or 2014 (date unknown. The concern of "scope creep" was raised but, beyond that point, there was never any detail provided as to what that meant, what AREA's concerns might be, or how that would be addressed by AREA. Other RECA senior staff do not recall such communications and are unable to find a written record of any correspondence, meetings or discussions with AREA staff members on this specific point.
- The most important concern raised with the Minister of Service Alberta from a RECA perspective, which is not addressed in AREA's comments, was the failure of AREA to consulted with RECA on its independent submission before it was sent to the Minister.
- After its first submission received on February 28, 2013, AREA never formally contacted or made a request to consult with RECA to discuss RECA's mandate in general terms, how RECA fulfills its mandate under section 5, or RECA's position on section 5(b) specifically, prior to requesting the Minister of Service Albert repeal of 5(b).

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Background Information

1. Fall of 2012: Service Alberta informed RECA that the *Real Estate Act* (Act) was on the legislative agenda for the spring of 2014. Service Alberta is to receive RECA's amendments by early spring of 2014. The characterization of the amendments is largely administrative in nature not an entire re-write of the Act. When the government suggests you have a window for amending your legislation, you take that window.

2. December 19, 2012: Council approves a consultation paper on potential Act amendments with a closing date of February 28, 2013.

3. January & February 2013: RECA consults with stakeholders.

4. February 7, 2013: RECA administration met with AREA's industry work group for Act amendments to clarify issues.

5. February 28, 2013: This was the deadline for receipt of written submissions.

6. February 28, 2013. RECA received AREA's submission. Of the 25 or so proposed amendments in RECA's Discussion Paper, AREA agreed with 20. In addition to responding to each of the proposals, AREA's submission provided an attachment which included recommendations that came from the Industry Work Group

7. February 28, 2013: Some of additional recommendations of the Work Group included changing the purpose of RECA [deleting section 5(b)], composition of Council, the licensing of new home salespersons and a review of delegation authority [section 15]. From RECA's perspective all of these issues were not administrative in nature and would require significant broad-based consultation over an extended period.

8. It is important to note these additional recommendations were represented as those of the Work Group and there was no indication, at this time, whether these were approved by AREA.

9. March 14, 2013: Legislation Review Task Force met to consider input on Act amendments. The Task Force did not agree with AREA's request to delay the Act amendments. RECA notified AREA at an April 9. 2013 executive meeting between AREA and RECA.

10. March 15, 2013: RECA distributed a second consultation paper to receive feedback on allowing Council and Hearing Panel members to continue to sit on an active hearing through the end of their term or appointment.

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11. April 3, 2013: Jean Flanagan prepared a report for Council on "Other Issues" that arose from the Act amendment consultation. The report includes all of input received related to future issues including the issues raised by AREA's Working Group.

12. The concept for future issues is that future consideration for Act amendments will include the issues identified in 2013 in the "Other Issues" document.

13. April 10, 2013: Council approved submission of Act amendments to Service Alberta. All of the recommendations submitted by RECA to the Government had been agreed to by AREA.

14. April 24, 2013: RECA met with representatives of Service Alberta on Act amendments. RECA provided Service Alberta all input and submissions received by RECA including AREA's full submission.

15. January 6, 2014: AREA sends a request to Service Alberta to amend the Act by removing section 5(b) of the Act. AREA's original submission to RECA was also included. RECA provided that document to Service Alberta in 2013 as part of all the input RECA had received during the consultation process.

16. January 22, 2014: Jean Flanagan prepared a Briefing Note on AREA's request of Service Alberta.

17. January 29, 2014: RECA Chair Kevin Clark sent correspondence to the Minister of Service Alberta, Doug Griffiths, on behalf of Council. The correspondence outlines RECA's position on AREA's request and clarifies a number of inaccuracies.

    In the letter, Kevin Clark writes *"In light of the cordial and open communications that have been fostered between RECA and AREA over the last several years, we were very surprised to learn this proposal [to repeal s. 5(b)] had been brought to your attention in this manner without prior consultation with RECA."*

18. February 19, 2014: RECA Chair Kevin Clark sent correspondence to AREA President, Brad Kopp, in response to AREA's January 6, 2014 submission to Service Alberta. RECA can find no evidence that AREA notified RECA it was approaching Service Alberta with a submission to amend section 5(b) of the Act. RECA became aware of the Section 5(b) amendments in the February 29, 2013 correspondence from AREA.

Commentary

- AREA's decision not to consult with RECA prior to its request to the Minister of Service of Alberta was a significant failure of communication on AREA's part and demonstrated a lack of respect and courtesy toward RECA. It is ironic this example

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is included in the materials given to RECA's Chair in the Blue Binder in what appears to be an effort to discredit RECA's communications.

- The position the AREA board of directors took with respect to REA section 5(b) was adopted without any regard to the impact on RECA, industry members or consumers.
- Examples of services provided by RECA that would be discontinued without this mandate are included [Attachment 1].
- As indicated above, AREA never consulted with RECA to discuss RECA's mandate in general terms, how RECA fulfills its mandate under section 5, or RECA's position on section 5(b) specifically prior to requesting the Minister of Service Albert repeal of 5(b).
- RECA's legislated mandate is outlined in section 5 of the *Real Estate Act* (REA) in three subsections. Sections 5 (a), (b), and (c) are three of the most important sections of the REA from a legislative, legal and operational perspective. Section 5 essentially outlines RECA's "mission" or the fundamental reasons why the Alberta Legislature established RECA and sets out the Government's expectations for RECA.
- Sections 5 (a), (b), and (c) work together like a three-legged stool. The three sections stand together i.e. each section depends on the existence of the other two.
- The importance of section 5(b) specifically was clearly communicated to AREA in writing after receipt of AREA's submission to the Minister of Service Alberta.
- In contrast to the approach taken by AREA, when RECA is considering legislative changes its consultation and survey processes reflect a broad range of opinion among industry members. This approach reflects RECA's strategy of broad based consultation and is consistent with Government's expectations. With respect to any proposals for change to the REA, Service Alberta will ask RECA to demonstrate a proper consultation process has taken place along with the rationale for the changes being proposed.
- During the extensive consultation process that RECA undertook which included all industry members and stakeholders, RECA never received any input from individual industry members suggesting section 5(b) of the REA should be deleted from RECA's mandate.
- The January 10, 2017 opinion letter received from Jim Casey reinforced the importance of REA section 5(b) in order for RECA to fulfill its regulatory mandate.

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3. AREA's Forms & Practice Committee

AREA Comments/Response

Comments:
"In February 2014, a routine meeting invitation from AREA staff to RECA staff who have historically sat on AREA's Forms & Practice Committee meeting was sent."
"RECA responded that it would withdraw its staff participation in the AREA Forms and Practice Committee meetings as such service would fall within the purpose of council [Real Estate Act Clause 5(b)], which AREA opposed."
"RECA refused to participate until the Government made a decision to retain clause 5(b) in the *Real Estate Act*."

Response:

- The reasons for withdrawing RECA staff resources to AREA's Forms & Practice Committee are clearly stated in a collegial/professional manner in an email to Tammy Tkachenko dated March 14, 2014. [Attachment 1]
- The second bullet in AREA's comments is missing an important piece of information. Because the statement is half-true/incomplete it is misleading.
- Bob Myroniuk's March 14, 2014 email, 3rd paragraph, states:
  "Under these circumstances, until such time as the Government of Alberta makes a decision on AREA's proposal that would support RECA's ability to provide such services, i.e. a government decision to retain section 5(b) of the REA, or AREA reconsiders its position on this issue", it would be inappropriate for RECA to participate on AREA's FPC."
  [Note: The underlining has been added for the purpose of this report.]
- AREA failed to include or mention the message from RECA that another option would be for AREA to re-consider its position on this issue. If AREA indicated to RECA at any point it would not pursue a repeal of *Real Estate Act* section 5(b), RECA could then re-consider its decision.
- AREA also fails to mention ERCA's offer of continued support and wish to continue the collaboration with AREA. The March 14, 2014 email, 4th paragraph, states:
  "With respect to any matters that come before the FPC relating to a standards of practice for industry members that fall within RECA's jurisdiction, or wording of the mandated relationship forms, we would be pleased to meet with you to discuss any issues or suggestions for improvement. We wish to continue the collaboration that exists in that regard – the recent collaborations on the plain language forms and written service agreements are examples of the positive influence both RECA and AREA can have on the industry when we work toward common goals."
- There was a third obstacle to the continuation of RECA's participation on AREA's Forms & Practice Committee which related to the requirement of RECA's staff members to agree to AREA's *Conflict of Interest and Confidentiality Policy* document

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as a condition of participating on this committee. This was another important issue not mentioned by AREA.

Commentary

- As outlined by Charles Stevenson (RECA's Director of Professional Standards) during the October 19, 2016 Council meeting, RECA has provided assistance to AREA with form issues when requested, the most recent being providing feedback on AREA's Purchase contract.
- The three statements made by AREA on this topic demonstrate common AREA practice or strategy when providing materials to RECA. In this case, the key points from the March 14, 2014 email to AREA are not mentioned and, in one case, the information is misleading. In this instance, important and relevant information was deliberately excluded from the comments.
- The decision to discontinue participation in AREA's Forms & Practice Committee was communicated to Council via email from Bob Myroniuk on March 18, 2014 [Attachment 2].

Attachment 1

From: Bob Myroniuk
Sent: March-17-14 5:43 PM
To: Tammy Tkachenko (TTkachenko@areahub.ca)
Cc: Dan Russell; Charles Stevenson; Doug Dixon
Subject: 2014 AREA Forms & Practice Committee

Tammy, thank you for your invitation of February 26, 2014 to Charles Stevenson and Doug Dixon inviting them to be members of the 2014 AREA Forms Committee. We have appreciated the opportunity to participate in AREA's Forms and Practice Committee(FPC) and believe bringing RECA's perspectives to the discussions within FPC, and the collaboration with AREA, have enhanced industry.

RECA truly appreciates the invitation to continue working with AREA's FPC; however, it is important to note the investment of time and resources in this type of service/activity by RECA is significant. It is also important to note this type of service falls squarely within the legislated purposes of RECA outlined in section 5(b) of the *Real Estate Act* (REA); that is, to provide services that "enhance and improve the industry and business of industry members". Given AREA's current efforts to repeal section 5(b) of the REA, it seems inconsistent to invite RECA to participate on AREA's FPC and, at the same time, seek legislative changes that would effectively prohibit RECA from providing these types of services to AREA, and other industry groups, in the future.

Under these circumstances, until such time as the Government of Alberta makes a decision on AREA's proposal that would support RECA's ability to provide such services, i.e. a government decision to retain section 5(b) of the *REA*, or AREA reconsiders its position on this issue, it would be inappropriate for RECA to participate on AREA's FPC. While it is unfortunate we find ourselves in this position, our desire is to have this issue resolved in a positive matter such that RECA will be able to participate in future meetings of the committee.

With respect to any matters that come before the FPC relating to a standards of practice for industry members that fall within RECA's jurisdiction, or wording of the mandated relationship forms, we would be pleased to meet with you to discuss any issues or suggestions for improvement. We wish to continue the collaboration that exists in that regard – the recent collaborations on the plain language forms and written service agreements are examples of the positive influence both RECA and AREA can have on the industry when we work toward common goals.

In addition to resolving the jurisdictional issues related to section 5(b) of the *REA*, there is one more challenge we will need to overcome before RECA can participate in future meetings of AREA's FPC. Because of RECA's unique position on this committee, we are not in a position to sign the *Conflict of Interest and Confidentiality Policy* document included in the document package. However, we believe there are solutions to this challenge that can be worked out to the satisfaction of both AREA and RECA. We look forward to addressing this issue when we are able to return to the table.

Bob Myroniuk

Executive Director, **Real Estate Council of Alberta**

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Attachment 2

From: Bob Myroniuk
Sent: March 18, 2014 11:22 AM
To: Angela Kolody <angelakolody@royallepage.ca>; 'Bill Buterman' <Bill@axcesscapital.com>; Brian Klingspon <brian@realtyexecutives.com>; Chad Griffiths <cgriffiths@naiedmonton.com>; Christine Zwozdesky <christine.zwozdesky@ualberta.ca>; Dale Russell <dalerussell@remax.net>; Dhaliwal, Tony <tonysinghdhaliwal@gmail.com>; John Farmer <john.farmer@altusgroup.com>; Kevin Clark <kevin@kevinclark.com>; Krista Bolton <boltonkrista@yahoo.com>; Pat Kelly <patkelly@mortgagegroup.ca>; Stan Kushner <info@stankushner.com>
Subject: RECA's Future Participation on AREA's 2014 Forms & Practice Committee

For Your Information – No Action Required

After discussing the matter with Chair Kevin Clark, we thought you should be aware of my March 17th email to Tammy Tkachenko (AREA) regarding RECA's future participation on AREA's Forms and Practice Committee (FPC). My email to Tammy, and her original invitation to non-voting members of FPC, are attached for your review. While Charles Stevenson and Doug Dixon are the RECA staff members who have participated most recently on FPC, other RECA staff have participated on FPC in the past e.g. Kirk Bacon and Jean Flanagan.

It is important AREA appreciates the impact, and potentially the unintended consequences, of their decision to seek a repeal of section 5(b) of the *Real Estate Act*. Although it takes a lot of time and effort to attend FPC meetings, Charles and Doug have been willing and enthusiastic participants on this committee (or at least as enthusiastic as one can be with respect to forms ☺). We have a good working relationship with AREA at the staff level and Charles and Doug achieved a lot working with this committee in 2013. However, it was important to send the message that until we work out this issue with AREA, or we get a decision from the Government, we will hold off on future participation.

In my message I have made it clear we are supportive of future collaborations with AREA and look forward to participating again on their FPC at some point in the future.

Bob Myroniuk

Executive Director, **Real Estate Council of Alberta**

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4. Licensing Education

January 13, 2017

The information on this topic has been prepared for Council and RECA staff and is presented in 3 parts:

Part 1 - Response to AREA Blue Binder Section Entitled "Licensing Education" & Commentary

Part 2 - Commentary on the August 2015 Document Submitted in the Names of Dan Russell and Carmen Gray

Part 3 - Recent History of Real Estate Education Licensing in Alberta

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Part 1 - AREA's Blue Binder – Licensing Education

AREA Comment/RECA Response

Comment:
"In 2015, AREA concluded the administration of licensing education following a lengthy transition to RECA. AREA noted it does not endorse the model for content and delivery of licensing education currently in progress in Alberta as delivered by RECA."

Response:

- This issue was addressed directly in the document entitled "*Setting the Record Straight*". This was a new issued raised by AREA in May 2015 as the transition from AREA to RECA concluded and it was unclear as to intent. RECA asked "*what is AREA referring to?*", RECA has never received a response. As a result, RECA can only speculate as to what model for "content" and "delivery" or "licensing" AREA is referring.
- With respect to "content", AREA administration had continually supported RECA's efforts to enhance the quality, breadth and depth of course content. Utilizing subject matter experts and following well established methodologies and practices in the field of adult education, RECA's content is developed to ensure learners acquire the competencies required to serve the public and are ready to be licensed.
- With respect to "delivery", RECA can only speculate on what was intended by AREA. If AREA's concern relates to RECA's focus on e-learning, RECA has made it clear, in its statement of core education values, that it will focus on making education available to learners "at any time, at any place and at any pace." To achieve this goal, RECA's stated method of delivery is through e-learning.
- AREA has supported e-learning delivery but suggested classroom delivery should also be available. RECA has clearly and frequently communicated it is not opposed to classroom delivery of any licensing education courses. RECA has made it clear to AREA's administration on numerous occasions that AREA, or any other third party, is welcome to develop and deliver the *Fundamentals of Real Estate* or *Practice of Residential Real Estate* course via classroom delivery.
- In fact, AREA indicated to RECA it wished to provide classroom delivery of *Fundamentals of Real Estate*. As a result of AREA's request, on March 4, 2013 RECA and AREA entered into an agreement that allowed AREA to use RECA's educational materials, at no cost, to offer a classroom version of *Fundamentals of Real Estate*. AREA has not followed up on this agreement with RECA.
- While RECA is not opposed to classroom delivery, certain standards would need to be met (e.g. approved instructional design, lesson plans, instructors etc.). RECA's past experience with AREA classroom courses raised many concerns that needed to be addressed by AREA or any educational provider. These concerns include: failure to update course materials, inconsistency in quality of instructors, inconsistency in the learning experience, failure of the classroom experience to cover all course material, instructors providing incorrect information, instructors contradicting information provided by RECA (e.g. RECA's information bulletins, articles etc.), fear mongering with respect to RECA, being openly critical of RECA's work as a

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regulator, and attacking the integrity of individual RECA staff members. In fact, RECA removed two well-known and "experienced" AREA instructors from the approved instructors list because of personal attacks and damaging comments made about RECA during classroom instruction.

Comment:
"RECA responded with a lengthy fact sheet titled "Setting the Record Straight" distributed to all provincial REALTORS®, accusing AREA of providing in accurate information to members, stakeholders and the Government of Alberta regarding the transition of licensing education responsibilities."

Response:

- *Setting the Record Straight* was never distributed by RECA to all provincial REALTORS® as alleged by AREA. RECA does not have the ability to send emails to all REALTORS®.
- In fact, AREA did provide inaccurate information to all Provincial REALTORS®.
- On May 6, 2015, AREA distributed an "Advisory" to real estate boards and all and REALTORS®, and posted a YouTube Ian Burns video, which contained statements with respect to RECA and licensing education that were false or inaccurate. These communications were clearly intended to publicly discredit RECA.
- *Setting the Record Straight* was lengthy as it provided a detailed and comprehensive response to the misinformation communicated by AREA. The information in *Setting the Record Straight* was consistent with a summary of the facts previously communicated to Ian Burns, a relatively new AREA Executive Officer, in order to ensure he had accurate information so he could carry out his responsibilities within AREA.
- *Setting the Record Straight* was provided to Service Alberta when RECA learned AREA representatives had met with Service Alberta officials and had raised concerns regarding RECA and its role in licensing education. The purpose of doing so was to ensure the Ministry had accurate information on this issue.
- *Setting the Record Straight* was sent to Ian Burns (AREA) via email on June 9, 2015. The last two paragraphs stated:
    - *"It is in the interests of RECA, AREA and industry stakeholders this information be accurate. If you or anyone has a question, or wishes to provide information that challenges the accuracy of this report, we would be pleased to respond. I would appreciate receiving specifics in writing in order that RECA may respond on the record.*
    - *The misinformation published by AREA has damaged RECA's reputation and challenged its integrity. It will continue to do so unless corrected. We would appreciate receiving your advice as to what steps AREA plans to take to correct the misinformation it has published to its members and industry stakeholders."*
- RECA has never received a response to this request.

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- AREA has never provided any documentation to RECA to indicate the points raised by RECA were inaccurate.
- Bob Myroniuk sent an email to Council June 9, 2015 (10:51 am), which provided Council with a copy of the email to Ian Burns and *Setting the Record Straight*. A copy of this email is provided [Atttachment 1].
- The email to Ian Burns June 9, 2015 (10:20 am) and *Setting the Record Straight* is provided [Attachment 2].

Commentary

1. The statements in this tab are another example of AREA providing inaccurate information.
2. As indicated above, AREA has not provided any documentation to RECA to demonstrate that anything RECA stated in *Setting the Record Straight* is inaccurate and has never publicly corrected the misinformation it communicated to member boards or individual REALTORS®.
3. It has been RECA's experience that requests or questions seeking information, documentation or clarification related to statements made by AREA are often ignored.
4. Lost in the discussion is the goal of ensuring quality education for new people entering the real estate brokerage industry and those already licensed. There is no rule or requirement as how that is accomplished including who is responsible for development or delivery of any education program.
5. In the case of real estate brokerage education, RECA is accountable for ensuring quality of education and competence of licensees.
6. The fact is that AREA's real estate education programs were not meeting the needs or expectations of consumers, people who wished to become licensed as real estate professionals or the real estate brokerage industry. AREA admitted it was not able to meet the expectations of RECA.
7. Notwithstanding the issues related to AREA's education programs and the problems that were identified in the REEC report, RECA never publicly discredited AREA. RECA kept things internal. RECA staff worked diligently with AREA staff to assist AREA to improve their courses. RECA staff invested a significant amount of time and energy, typically without any public recognition by AREA.
8. Perhaps the best example of RECA's efforts to quietly support and collaborate with AREA was RECA's decision not to proceed with its 2013 RE-REP course on the subject of condominiums.

   In November 2012, Joseph Fernandez gave Cheryle Becker a heads up that RECA would be launching a Condominium real estate re-licensing course (RE-REP) in January 2013. Cheryle Becker then advised RECA that AREA was also working on a condominium course for their professional development program.

   Cheryle Becker expressed concern that if RECA launched the Condominium RE-REP course as planned, it would dry up AREA's market for its own course. After

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giving the matter some consideration, RECA agreed not to launch its Condominium RE-REP course as planned. As a result, there RECA did not have a RE-REP course in 2013.

In April 2013, RECA shared its Condominium course materials with AREA at no cost. RECA did this to assist AREA with their course development. AREA's condominium course launched in 2014. RECA never received recognition for contributing the course materials to or assisting AREA with their project.

Note: RECA did not include its condominium course in the Continuous Learning Program so as not to undermine the efforts of AREA.

9. The future of real estate licensing education will continue to evolve. For example, the process of collaborating with universities to develop content for licensing courses has already begun.

10. There are many opportunities for AREA (and other education providers) to supplement licensing education programs with relevant, current and timely professional development programs. Professional development is the stated focus of AREA and RECA is prepared to offer support in this area, as it has done in the past.

11. There is nothing to be gained by the ongoing efforts of AREA to publicly and privately discredit or undermine the efforts of RECA in the area of education or more broadly.

Attachment 1

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: June 9, 2015 10:51 AM
To: Angela Kolody; Bill Buterman; Brian Klingspon; Chad Griffiths; Christine Zwozdesky; Dale Russell; Dhaliwal, Tony; John Farmer; Kevin Clark; Krista Bolton; Pat Kelly; Stan Kushner
Cc: Natalie Scollard; Marg Partridge; Charles Stevenson; Dale Cawsey; Jean Flanagan; Joseph Fernandez; Kirk Bacon
Subject: FW: Setting the Record Straight

For your Information
Attached for your information is a report forwarded to Ian Burns for his consideration as well as the AREA Board of Directors. It is an attempt to set the record straight on a number of important issues related to real estate licensing education and RECA- AREA relations. I believe it is accurate but I am pleased to correct any aspect of this report if it can be shown it contains an error an inaccuracy. Our approach is to keep this internal with AREA at this point. At this time, there is no plan from an administration perspective to "go public" to counter the misinformation published by AREA. Perhaps strategy on that question should be discussed at the July Council meeting. As you will note, we have asked for his advice on what steps AREA plans to take to correct the misinformation. I will forward their response when I receive it.

There are a couple of reasons this report was sent to AREA today.

Next week, RECA's representatives (Chad, Krista, Kevin and myself) are scheduled to meet with AREA's board executive and their CEO. This meeting was scheduled some time ago and it will give us an opportunity to clarify with AREA their intent with their recent communications and plans for the future. I believe they conducted strategic planning in May and we may get some insight as to their vision for the future.

The other reason for providing AREA with this document is the suggestion we received yesterday when we met in Edmonton with officials of Service Alberta, including the Assistant Deputy Minister Colin Lloyd whose team in Consumer Services is responsible for the *Real Estate Act*. We learned AREA has recently met with Service Alberta officials and raised their concerns regarding RECA and its role in licensing education. Colin and his team appreciated receiving RECA's perspective. While they did not see any role for Service Alberta on this issue, they encouraged RECA to provide AREA with a formal response to the issues that have been raised by AREA. I confirmed we would send a report to AREA.

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You will note the attached report is a revised version of the one you received previously. If you have any questions or comments, please do not hesitate to let me know.

Bob Myroniuk
Executive Director

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Attachment 2

From: Bob Myroniuk
Sent: June 9, 2015 10:20 AM
To: Ian Burns <IBurns@areahub.ca>
Subject: Setting the Record Straight

As discussed, we note AREA has recently issued a series of communications that contain misinformation on a number of matters related to real estate education and, in particular, the process that led to the transition of responsibility for the development and delivery of licensing education from AREA to RECA.

As I have indicated to you, the idea or suggestion that RECA assumed the responsibility for all real estate licensing education was initiated by AREA in August 2010. Notwithstanding all the AREA communications to suggest otherwise, this was never a suggestion or decision initiated by RECA. As you were not the executive officer at the time, and the current AREA board of directors was not in place, this is a critical point. This is not a matter of opinion or perception, it is a fact. Notwithstanding the fact this idea was initiated by AREA, it was agreed the communications to the industry would indicate this transfer of responsibility was by mutual agreement between RECA and AREA. And it was by mutual agreement. The joint RECA-AREA news release of December 13, 2010 accurately reflected what was decided at the time. At the time, we were also advised the direction of AREA's education program was to shift with a greater focus placed on offering professional development courses for AREA members. You will note a statement to this effect was also included in the joint news release.

The purpose of the December 13, 2010 joint news release was to ensure consistent and accurate messaging all stakeholders moving forward. AREA's recent communications have essentially ignored and contradicted these facts and provided misinformation on a number of important points from a RECA perspective. In order to set the "record straight" for your benefit and that of your board, we have prepared the attached document which addresses the various statements made by AREA regarding RECA and the delivery of education.

It is in the interests of RECA, AREA and industry stakeholders this information be accurate. If you or anyone has a question, or wishes to provide information that challenges the accuracy of this report, we would be pleased to respond. I would appreciate receiving specifics in writing in order that RECA may respond on the record.

The misinformation published by AREA has damaged RECA's reputation and challenged its integrity. It will continue to do so unless corrected. We would appreciate receiving your advice as to what steps AREA plans to take to correct the misinformation it has published to its members and industry stakeholders.

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Thank you.

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And the Email Attachment to Ian Burns ...



Fact Sheet – Real Estate Licensing Education In Alberta

June 2, 2015

"Setting the Record Straight"

1. Introduction

It has come to the attention of the Real Estate Council of Alberta (RECA) the Alberta Real Estate Association (AREA) has provided misinformation to its members, industry stakeholders, provincial/national REALTOR® associations, and the Government of Alberta about the history and recent transition of responsibility for real estate licensing education in Alberta from AREA to RECA.

RECA is in its 20th year of carrying out its mandate as outlined in the *Real Estate Act* of Alberta. It is a well-respected regulatory body with a provincial, national and international reputation for integrity, independence and regulatory excellence. The quality of RECA's regulatory work has been recognized by a number of organizations including the Government of Alberta (Service Alberta) and two international regulatory associations, the Association of Real Estate Licence Law Officials (ARELLO) and the Council on Licensure, Enforcement & Regulation (CLEAR). For example, RECA has received the following awards:

- 2014 – ARELLO Post-Licensing Course Award - Real Estate Update 2014
- 2014 – ARELLO Pre-Licensing Course Award - Fundamentals of Real Estate
- 2012 – ARELLO Communications Award - Social Media
- 2012 – CLEAR Regulatory Excellence Award - Education Services
- 2011 – ARELLO Communications Award, Best Website
- 2010 – ARELLO Communications Award, Best Newsletter
- 2010 – ARELLO Education Award, – Real Estate Update 2009-2010
- 2009 – ARELLO Investigator of the Year
- 2008 - Alberta Consumer Champion Awards - Consumer Tools

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- 2008 - ARELLO Education Award, Understanding Designated Agency & Transaction Brokerage
- 2008 - ARELLO Consumer Education Award – Agency Relationships
- 2007 - ARELLO Post-Licensing Course Award - Agency Fundamentals
- 2006 - ARELLO Investigator of the Year Runner-Up
- 2003 – ARELLO Communications Award – Best Website
- 2003 – ARELLO Investigator of the Year Award
- 1999 – ARELLO Communications Award – Best Newsletter

The actions of AREA have seriously damaged the reputation of RECA and placed it in a difficult position. For organizations to develop and maintain a positive and collaborative relationship requires two key elements: respect and trust. The actions of AREA have demonstrated a lack of respect toward RECA and its regulatory mandate. At this time, it is difficult for RECA to develop a sense of trust in any future relationship with AREA.

While there is a longer history of the real estate licensing education in Alberta, it begins for RECA in 1996. In the interest of brevity, this report focuses on the history starting in 2008.

In February 2008, RECA's Real Estate Education Committee issued its report and recommendations to Council with respect real estate licensing education in Alberta. The core values recommended by the Committee were approved as policy by Council and are posted on www.reca.ca . This is the link to those core values: http://bit.ly/1Q3DvXj .

In the course of reviewing the state of real estate licensing education, the Committee specifically reviewed RECA's relationship with AREA and the concerns that existed at the time. The section of the Committee's report, as it related specifically to AREA, is attached to this report in Schedule 1.

The format of this report is to respond factually to recent statements made by AREA (*in italics*). These are statements made by AREA in correspondence from AREA President Ed Jensen to RECA's Chair Chad Griffiths, an ***AREAHub*** article, and a video presentation by Ian Burns, AREA's CEO.

2. The Facts

AREA Statements: "In 2009, RECA stated it was assuming full content development and delivery of licensing education." & "In 2009 RECA announced they would be assuming full responsibility for content and delivery of licensing education.

- These statements are not true.
- RECA never made any such statement or announcement in 2009.

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- In 2009, RECA's decision to enter into real estate licensing education only related to the development and delivery of a new *Fundamentals of Real Estate* Course. This course replaced AREA's Phase 2 of the *Real Estate Associates Program* and was in compliance with the recommendation of RECA's Education Committee. RECA communicated its decision to AREA well in advance of introducing the course to the industry (see next bullet). This course deals with subject matter clearly within the scope of RECA's regulatory mandate, knowledge and experience, i.e. legal, legislative and regulatory issues. RECA wanted to ensure accuracy, consistency and relevancy of the information for all new licensees. It was clear AREA did not have, or was not willing to secure, the expertise or resources to develop a quality course in this area of learning. RECA, on the other hand, had the expertise and was willing to secure the resources necessary to deliver a quality course. It is important to note RECA delivers similar courses in the other two industry sectors regulated by RECA, i.e., mortgage brokerage (*Fundamentals of Mortgage Brokerage*) and real estate appraisal (*Real Estate Appraisal in Alberta*), as part of their licensing requirements.
- The only public announcement related to the new *Fundamentals of Real Estate* Course was issued by RECA in ***RECA News*** on November 13, 2012. (Refer to Schedule 2 below.)
- Since 1996, RECA has implemented multi-year strategic plans. Each year the most current of these plans is available to the public on RECA's website. A review of these plans over the past 19 years would confirm RECA never made it part of its strategic plan or direction to "take over" licensing education from AREA or "assume full content development and delivery of licensing education". Simply put, RECA never contemplated this direction prior to the request from AREA in August 2010 (see details below).

AREA Statement: "AREA has always maintained a desire to be a key organization for the development and delivery of licensing education."

- This statement is not true.
- From July 1996 to August 2010, RECA worked on the assumption AREA wished to continue to offer real estate licensing education. While RECA decided to develop and deliver a new *Fundamentals of Real Estate* course, RECA assumed AREA would continue to offer the practice (or "applied" courses) for the three real estate sectors and the real estate broker's course. The AREA licensing education program included the three real estate associate's licensing courses (i.e. *Practice of Residential Real Estate, Practice of Commercial Real Estate and Practice of Rural Real Estate*) and the *Real Estate Broker's Program* (multiple courses) that form part of the overall licensing requirements for real estate brokerage industry.

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- Prior to August 2010, the possibility of RECA assuming responsibility for the delivery of real estate licensing education was raised by AREA on one previous occasion. During an informal conversation, AREA's Executive Officer (Dan Russell) asked RECA's Executive Director (Bob Myroniuk) whether RECA would consider taking over licensing education. This was at the height of RECA's mandatory continuing education program that was generating very large revenues for AREA. Bob Myroniuk indicated it was early in RECA's mandate, it had other priorities and preferred AREA continue with the delivery of licensing education.
- In August of 2010, AREA invited Kirk Bacon and Bob Myroniuk to a meeting at the AREA office. There was no formal agenda and no minutes taken. Dan Russell, Carmen Gray and Cathy Edge were present. At this meeting, AREA communicated its difficulties and frustration in meeting the standards and requirements set by RECA with respect to the delivery of real estate licensing courses. AREA indicated in addition to AREA being frustrated they sensed RECA was also frustrated. RECA confirmed it was frustrated as well. AREA then asked if RECA would consider assuming responsibility for the delivery of its remaining licensing education courses. In addition to the frustrations mentioned, AREA representatives stated they wish to remove themselves from licensing education for strategic reasons, i.e. they were going to change direction as an organization and focus on professional development courses for their members. AREA offered to provide the administrative services of its education department throughout the transition process.
- RECA's representatives did not say yes or no to AREA's request but indicated a response would be provide after giving their request consideration.
- AREA's request came as a surprise to RECA. There was no previous indication from AREA it was considering removing itself from licensing education.
- Kirk Bacon had been responsible for delivery of licensing education in Saskatchewan at SREA, now called the Saskatchewan REALTORS® Association, and was a founding member of the Association of Canadian Real Estate Educators (ACRE). Both bob Myroniuk and Kirk Bacon understood the challenges for RECA to assume this responsibility would be significant if RECA decided to go down this path i.e. expertise, resources, administration, IT requirements etc.
- As it turned out, the transition schedule agreed upon with AREA was unrealistic. RECA underestimated the effort, resources and time needed to revise and update the existing courses to an acceptable standard.
- On November 3, 2010, during a regular Council meeting, the decision of AREA to withdraw from licensing education was communicated to Council

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as well as the work RECA's administration had done to start the transition process.

- After sharing the decision of AREA with Council and discussing the implications for RECA, Council gave RECA's administration the go ahead to continue to work with AREA to transition real estate licensing education from AREA to RECA. Given the effort, resources and costs involved in the development and delivery of any courses, it was a major decision on the part of Council.
- On this topic, the Council meeting minutes of November 3, 2010 are brief and state:

> *"Impact of Phasing Out AREA Involvement in Real Estate Licensing Education*
>
> *In August, AREA communicated to RECA its decision to withdraw from licensing education. RECA has held several meetings with AREA to discuss the transition of responsibility to RECA. There will be a joint announcement by RECA and AREA when the transition process and timing issues have been resolved."*

- Although AREA approached RECA with the idea, AREA and RECA agreed any public messaging would indicate the transition of responsibility for licensing education (from AREA to RECA) was by way of mutual agreement between the two organizations. Accordingly, after Council approved the transition process, a joint RECA News (December 10, 2010) was sent to all industry members explaining what was going to take place, including the timing of the various courses. (The December 10, 2010 RECA News is attached to this report as Schedule 3.)
- The wording of the RECA-AREA news release was agreed to by both parties in advance. In part, the news release stated: ***"Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility for the development and delivery of the real estate licensing education programs."*** ***and*** ***"On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the Real Estate Act itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS®."***
- Again, this joint news release did not in any way suggest or imply there was a unilateral decision by RECA to assume control over the content and delivery of licensing education. As well, the change in strategic direction for AREA, as it related to its role in industry education, was clearly communicated to the industry in the News Release. This was consistent with the reasons given to Kirk Bacon and Bob Myroniuk by AREA

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representatives in August 2010 for removing itself from licensing education. A copy of the December 2010 joint News Release is attached.

- Shortly after RECA received a copy of AREA's 2013 Annual report, Bob Myroniuk contacted Dan Russell expressing concern about the accuracy of the content in the of report of Keith Weinbender (Finance Chair). The content of the report suggested AREA did not choose to get out of licensing education. Specifically, it stated: "*While the move away from delivery of licensing education was not something AREA chose (responsibility for licensing education was part of the Real Estate Council's mandate when they were formed), AREA saw it as an opportunity to shift focus to existing members – those who pay AREA member dues.*" The latter part of this paragraph is consistent with the message RECA received in August of 2010. However, the first part of the paragraph, i.e. stating the move away from delivery of licensing education was not AREA's choice, is simply false. At a minimum, it would have been more accurate to state this was done by mutual agreement as stated, and agreed to, in the joint News Release (December 2010).

AREA Statement: "RECA did not offer AREA an RFP for course development and delivery."

- This statement is true; however, the reason is obvious. In August of 2010, AREA indicated to RECA it no longer wished to be involved in licensing education. It would illogical for RECA to then seek an RFP proposal from AREA.
- The last RECA-AREA MOU, in fact, referred to an RFP process. After previous renewals of the licensing education MOU with AREA, RECA decided to implement an RFP process similar to the process followed by the Real Estate Council of Ontario (RECO). The rationale for an RFP process was explained to AREA's senior management team.
- Aside from being a transparent selection process, RECA's goal was to establish clear standards and expectations for the delivery of real estate licensing education. The reason for the RFP was to address the problems RECA was encountering in its relationship with AREA Education and the quality of AREA's education program (briefly described above). RECA was interested in a quality product that met the needs of learners, the industry and RECA. RECA was transparent with AREA on this point and, thus, it was included in the MOU so both parties were aware of what would happen in the future.
- In the case of Ontario, RECO went through an RFP process and ultimately selected the Ontario Real Estate Association (OREA). Prior to the RFP process, OREA had been the designated delivery institution for that

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province. OREA participated in the RFP and, in the end, was the successful bidder. Nothing changed from that aspect other than OREA was required to meet the new standards and expectations set out in the RFP published by RECO.

- As indicated, the reason RECA decided not to proceed with the RFP process was in direct response to AREA's decision to withdraw from licensing education. For AREA, years after the fact, to publicly complain to its members and to RECA that it was never given an opportunity to respond to an RFP is disingenuous.

AREA statement: It does not endorse the model for content and delivery of licensing education.

- This is a new complaint and is unclear as to intent – what is AREA referring to?
- RECA can only speculate as to what model for "content" and "delivery" AREA is referring.
- With respect to "content", AREA administration has continually supported RECA's efforts to enhance the quality, breadth and depth of course content. Course content is developed to ensure learners acquire the competencies required to serve the public and are ready to be licensed.
- With respect to "delivery", if AREA's concern relates to RECA's focus on *e*-learning, RECA has made it clear, in its statement of core education values, that it will focus on making education available to learners "at anytime, at any place and at any pace." To achieve this goal, RECA's stated method of delivery is through *e*-learning. AREA has supported *e*-learning delivery but suggested classroom delivery should also be available. RECA is not opposed to classroom delivery of any licensing education courses. The question is whether there is a sufficiently large enough market for classroom delivery. RECA has made it clear to AREA's administration on numerous occasions that AREA, or any other third party, is welcome to develop and deliver the *Fundamentals of Real Estate* or *Practice of Residential Real Estate* course via classroom delivery. RECA has stated this publicly on numerous occasions and, in particular, in meetings with the Joint Education Administrators Advisory Group. This group included AREA, creb®, REALTORS® Association of Edmonton, University of Alberta, University of Calgary and the Alberta Mortgage Brokers Association.
- On the issue of classroom delivery, AREA's administration has indicated it would not be financially feasible for AREA to develop classroom versions of RECA's licensing courses. While there are some learners who indicate a preference to take courses in a classroom setting, the real issue is the costs of developing and delivering a quality classroom experience by any

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education provider and setting a price that is both acceptable to the marketplace (learners) and generates profits to sustain the program. We note AREA itself has decided to offer many of its professional development courses through *e*-learning.

- While RECA is not opposed to classroom delivery, certain standards would need to be met (e.g. approved instructional design, lesson plans, instructors etc.). RECA's past experience with AREA classroom courses raised many concerns that needed to be addressed by AREA or any educational provider. These concerns include: failure to update course materials, inconsistency in quality of instructors, inconsistency in the learning experience, failure of the classroom experience to cover all course material, instructors providing incorrect information, instructors contradicting information provided by RECA (e.g. RECA's information bulletins, articles etc.), fear mongering with respect to RECA, being openly critical of RECA's work as a regulator, and attacking the integrity of individual RECA staff members. In fact, RECA removed two well-known and "experienced" AREA instructors from the approved instructors list because of personal attacks and damaging comments made about RECA during classroom instruction.

AREA Statement: There was no clear delivery date for the new commercial course.

- This statement is true; however, RECA regularly communicated with AREA on the target launch date given the process RECA was going through and best projections available to RECA.
- AREA's February 13, 2015 communication states *"AREA budgeted and staffed according to communications from RECA's senior staff, that REAP Commercial course would transition to RECA late Q4 2015"*
- As indicated, the original timelines for completion of the overall transition of real estate licensing education from AREA to RECA were ambitious.
- The *Practice of Commercial Real Estate* course outline was completed by RECA in 2014 using subject matter experts. It is a significantly larger course in terms of scope and depth of material covered when compared to AREA's course.
- RECA made a decision to seek an education institution that was interested and capable of both development of the course content and the delivery to both university students and individuals who wished to become licensed in commercial real estate by RECA
- AREA was keen to continue delivering the Practice courses (Commercial and Rural) if course enrollments had not decreased as a result of the new licence model announcement.

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AREA Statement: "Many concerns have been expressed to AREA regarding RECA's education."

- RECA has not received any specifics from AREA regarding this statement; AREA's comment is inconsistent with RECA's learner feedback.
- Except for a lack of classroom delivery, AREA has not expressed any concerns to RECA regarding RECA's education courses. (Note: the majority of requests for classroom education come from former AREA instructors).
- RECA implements learner evaluations for all courses. The feedback has been very positive.
- In addition to course surveys, RECA surveys learners on a biannual basis and brokers.
- Learners typically indicate concern with AREA's courses, not with RECA's courses.

AREA Statement: AREA requests to update the Commercial/Rural and Broker Program education were declined by RECA.

- AREA's statement is not ture. RECA is not aware of any requests from AREA to update the *Practice of Commercial Real Estate* and the *Practice of Rural Real Estate* courses.
- AREA was obligated under the terms of the RECA-AREA Education MOU's to update courses on a regular basis.
- An approval of a request to update any licensing education course offered by AREA was not required from RECA. However, RECA always provided support (e.g. editing course content) to AREA when they were updating course content.
- AREA and RECA worked together in the creation of the *Interim Real Estate Brokers Program*. This joint work included AREA updating the three courses it offers as part of this program.

AREA Statement: "RECA's involvement in education is increasing the cost for REALTORS®."

- AREA's statement is not true. The opposite is true (i.e. costs will be lower in most cases).
- The new licence model will significantly decrease education costs for people seeking restricted licenses, particularly in the residential real estate sector where the vast majority of REALTORS® practice. Costs will decrease from $3,675 to $2,350. The difference is greater if compared with the tuition fees charged for previously delivered classroom versions of these courses.

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- The costs of the new *Practice of Commercial Real Estate Course* have yet to be determined so comparisons between the cost of licensing through AREA's program and the new licensing model are premature.
- RECA anticipates the course fee for the commercial course will increase due to the significant increase in scope and quality of the new program. RECA is working with an Alberta university to develop and deliver the new course. Accordingly, the fees will be set by the university in accordance with their pricing policy.

AREA statements: "Understanding the current commercial content is outdated and with no clear delivery date for new content, AREA made the decision to finalize the transition now and fully turn over all licensing education to RECA to manage, as we felt outdated content does not mesh well with the concept of a specialty licence model. It would have been more desirable to have the licensing model launch after the content is ready."

- The launch of the new licensing model is not related to, or dependent upon, the content of the current (AREA) courses.
- From AREA's perspective, this was purely a financial decision and had nothing to do with the content or quality of the course. AREA was willing to continue selling its course, with its current content, for as long as it took regardless of whether that content was up to date or not. This willingness was solely dependent on AREA achieving its financial target as established in its 2014-15 budget. Further, if AREA was willing to accept $500K or $600K or for its existing courses, including the *Practice of Commercial Real Estate* Course, it was clear that content was not the issue. The now stated position that AREA is taking with respect to the *Practice of Commercial Real Estate* Course (i.e. it was all about the content and the existing course) did not mesh with the new licensing model is disingenuous and seriously damages AREA's integrity.
- From RECA's perspective, we were willing to work with AREA. Although the AREA course was dated, RECA was willing to recognize the content of both the commercial and rural courses for licensing purposes knowing over time both courses would eventually be replaced with new content.

AREA statement: "RECA deems itself as the sole organization to develop and deliver licensing education."

- This statement is not true.
- RECA has been pragmatic and adopted a variety of approaches or models to licensing education. The goal of RECA is to implement programs that provide quality, competency based, work-ready education for all RECA licensees.

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- There are a number of examples where RECA has utilized various development and delivery models. In some cases, RECA has partnered with an industry association or made arrangements for a third party to deliver licensing education. In some cases, it has recognized existing educational programs. These are some examples of RECA's pragmatic approach:
    - The Alberta Mortgage Brokers Association (AMBA) developed and delivers the *Practice of Mortgage Brokerage*, a recognized licensing education program for RECA's licensing requirements.
    - The real estate appraiser education and designation programs of the Appraisal Institute of Canada (AIC), Canadian Real Estate Appraisers Association (CNAREA), and the Alberta Assessors Association (AAA), are recognized by RECA for licensing purposes. AIC, in turn, partners with the UBC to deliver their program.
    - The current property management licensing course was developed by BOMA Calgary and delivered by Mount Royal University. This model was in place until Mount Royal University decided for a number of reasons it no longer wished to offer the course. RECA stepped in and now offers an updated version of the original property management course.
- RECA is currently in discussions with other educational institutions regarding the development and delivery of its current and future courses e.g. *Practice of Commercial Real Estate*.
- RECA hopes to make an announcement on which educational institution will be assuming the responsibility for the development and delivery of the *Practice of Commercial Real Estate* in the near future.

AREA statement: "RECA is providing conflicting messages to stakeholders."

- The statement is false. No examples provided.
- RECA has not provided conflicting messages to stakeholders.
- AREA has not provided to RECA any examples of conflicting messages so RECA can respond in an informative manner to this concern.
- RECA has no idea what AREA is referring to in this type of generalization. It appears AREA is simply interested in laying blame and attacking RECA's reputation at this point.

On the issues of communications, transparency and the impact of AREA's decision on the future

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- Although it is difficult to understand the rationale, RECA accepts AREA's decision to decline its offer of $200,000 to compensate AREA for its licensing courses. This offer, if accepted, would have provided RECA with a short-term solution (i.e. continue to offer existing courses while new courses are developed) and softened the financial impact on AREA of the implementation of the new licensing model.
- Receiving AREA's formal notice on May 6, 2015 to withdraw from real estate licensing education placed RECA and the licensing education system under significant stress. RECA has accepted the many challenges it now faces and sees new opportunities to make significant strides toward increasing the quality of licensing education and advancing professionalism for the real estate industry in Alberta.
- With respect to consistent and transparent communications to stakeholders, RECA assumes AREA's member boards were advised this was a unilateral decision by AREA notwithstanding RECA's offer to compensate AREA and work with AREA's courses until the new courses were launched.

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Schedule 1

Real Estate Education Committee Report (February 23, 2008)

The following is an excerpt from the February 2008 report of RECA's Real Estate Education Committee (pages 4-5). It describes the conclusions of the Committee with respect to the quality issues related to the licensing education offered through the Alberta Real Estate Association (AREA).

"**AREA**
In the initial years of the MOU, AREA fulfilled many of its obligations under that MOU and the arrangement appeared to work reasonably well. However, as time has passed, a variety of problems have emerged. Generally these problems have raised questions with respect to AREA's capacity to develop and deliver licensing courses. AREA has an agreement with RECA and the Alberta Mortgage Brokers Association (AMBA) to deliver the licensing course, Mortgage Associates Program, for entry into the mortgage brokerage industry. AMBA has served notice to AREA to break that agreement as a result of similar concerns to RECA.

Examples of specific areas of concern (in varying degrees of importance or seriousness) that have emerged include the following:

- inability to update course information in a timely manner (to reflect legislative or regulatory changes)
- compliance with Real Estate Authorization Recognition Agreement standards
- lack of internal expertise in the area of adult education/industry knowledge
- insufficient resources to concurrently address priorities and multiple projects
- extensive reliance on RECA for editing and revising course materials
- length of time to develop and launch the new REAP
- delay in starting work on the new Real Estate Brokers Program (REBP)
- lack of testing model for new course materials or delivery methods
- failure to provide adequate lesson plans or resources for instructors (e.g. new REAP)
- ability to attract and retain new instructors (particularly to the specialty areas)
- outdated materials, formats and graphics
- outdated distance delivery model
- quality of examinations

Based on RECA's recent experiences, it appears that AREA has failed to re-invest surplus funds (i.e profits) from education delivery into future education programming to the extent necessary, as required by clause 47 of the MOU. This requirement was included in the MOU to ensure AREA would take the necessary steps to upgrade, develop and deliver pre-licensing programs that are current and meet the needs of the industry.

Over the past several years, it appears AREA's capacity to develop and deliver quality licensing education has deteriorated. The recent launch of the new REAP confirmed there are significant and immediate issues that need to be addressed. For example, distance delivery of the new REAP is both a major and immediate concern. In June 2007, the issue was raised with AREA. AREA confirmed it did not plan to introduce a distance delivery version of the new REAP until spring of 2008. Following discussions with RECA (and concerns from industry) AREA indicated it would make a basic version of the distance delivery program available by November 1, 2007 with a more enhanced version available in 2008. The basic on-line version of the course became available in mid-January after significant involvement and support from RECA in that project.
The 1997 MOU was a valid approach for RECA to follow regarding real estate licensing education at that time. RECA now has the benefit of 11+ years of experience under this model. In addition to this experience, the education environment has changed and AREA's capacity to respond to a changing environment in a timely manner is in question."

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Schedule 2

From: Communications [mailto:communications@reca.ca]
Sent: November-13-12 3:00 PM
To: Natalie Scollard
Subject: RECA News: 13 November 2012 (Real Estate Associates Program Update)

RECA News November 13, 2012

Real Estate Associates Program Update

The Real Estate Council of Alberta (RECA) is focused on providing innovative, leading-edge career preparation and training that will result in competent professionals who provide value-added service to their clients and customers. As part of this initiative, in January 2013, RECA will begin offering a redesigned Fundamentals of Real Estate course as part of the Real Estate Associates Program (REAP). This course will replace the Phase 2 course in the current REAP. In keeping with Council's strategic vision of providing leading-edge career preparation, the Fundamentals course has been enhanced in many ways, such as:

- It has been structured in such a way so as to instill a professional mindset in learners.
- It encourages lifelong learning and continuous improvement of professional practice.
- It better describes the role of brokerages and brokers, instilling the duty to work within the brokerage structure and policies, and respecting the leadership of brokers.
- The course provides residential, commercial and property management examples to better prepare those seeking to work in something other than – or in addition to – residential real estate.
- It better describes agency, designated agency and transaction brokerage. Learners who complete this course will not be required to take the Understanding Designated Agency and Transactional Brokerage course.
- Course topics have been substantially updated and enhanced, such as the unit on condominiums.
- New topics have been introduced, such as mere postings, personal safety, property valuation, the Voluntary Brokers' Resolution Program and the associate's relationship with and responsibilities to the brokerage.

The Fundamentals of Real Estate course uses a variety of media and activities to better engage learners and to appeal to a variety of learning styles. With consistent course delivery through RECA's e-learning platform, all learners will experience the same course content.

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Additionally, it can be easily updated to account for legislative changes, emerging market trends and changes to the standards of practice. The new Fundamentals of Real Estate course also meets RECA's Core Education Values, as learners will be able to:

- Self-regulate their learning, commencing the course any time they want, completing it at a speed, timing and location convenient to them.
- Assess their own learning progress through practical examples, exercises and quizzes, as well as practice exams.
- Access RECA's education Help Desk for assistance with content and IT questions.

Brokers can expect greater competency and enhanced professionalism from REAP learners who complete the new Fundamentals of Real Estate. To ensure REAP does result in competent, work-ready professionals, RECA will survey new professionals and their brokers 6 months after they complete REAP in its entirety.

RECA will soon be focusing its attention on updating the Residential, Commercial and Property Management practice courses of REAP, which are currently referred to as Phase 3. In these practice courses, RECA will focus on having learners apply and demonstrate their knowledge and competencies by executing real estate services in the context of work-related practice.

RECA continues to explore opportunities to enhance the Fundamentals of Real Estate course though other delivery modalities or supporting programs with other education providers.

The Residential, Commercial and Rural Practice courses that currently comprise Phase 3 of REAP continue to be offered by the Alberta Real Estate Association (AREA) at this time.

For more information about REAP and the other steps required to become a new real estate associate, please visit the Real Estate Council of Alberta website at www.reca.ca.

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Schedule 3

From: Communications [mailto:communications@reca.ca]
Sent: December-13-10 11:26 AM
To: RECA Everyone
Subject: RECA News: 13 December 2010 (Delivery of Licensing Education Transfers from AREA to RECA)

RECA NEWS December 13, 2010

Alberta Real Estate Association

REAL ESTATE COUNCIL OF ALBERTA

Additional Information

RECA Education

Online Licensing

December 13, 2010

TO: Real Estate Industry Members and Other Stakeholders

FROM: The Real Estate Council of Alberta and the Alberta Real Estate Association

RE: Delivery of Licensing Education Transfers from AREA to RECA

A multi-year Memorandum of Understanding between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) is coming to a conclusion. This agreement provides for AREA to administer, on behalf of RECA, Alberta's real estate associate and brokers licensing programs.

Background:
When the Real Estate Council of Alberta (RECA) was established in 1996, its mandate included responsibility for licensing and re-licensing education. At the time, RECA was not in a position to assume all aspects of this responsibility

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and looked to AREA to continue to participate in curriculum development and course registration and administration.

In 2008, RECA was able to assume responsibility for all aspects of its Re-licensing Education Program. Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility for the development and delivery of the real estate licensing education programs.

Current Situation:
RECA's Memorandum of Understanding with AREA officially ends December 31, 2010. However, both parties have agreed to extend the agreement to allow for a staged transition, as follows:

Licensing Course	Timing of Transition to RECA
Introduction to a Career in Real Estate (Phase 1)	January, 2011
Fundamentals of Real Estate (Phase 2)	October, 2011
Introduction to a Career in Residential Real Estate (Phase 3)	May, 2012
Introduction to a Career in Commercial (Phase 3)	January, 2013
Introduction to a Career in Rural (Phase 3)	June 2013
Real Estate Office Management and Brokerage (REBP)	October, 2011

Next Steps:
The timing of the transitions reflects when RECA anticipates it will be ready to deliver new online education material for each course.

On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the *Real Estate Act* itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS®. These offerings will range from quick, direct-to-your-inbox tutorials on prevalent practice issues to an array of course offerings developed in-house or

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accessed through licensing agreements with REBAC and other course providers.

Both RECA and AREA recognize the importance of working together to support Alberta REALTORS®. A key aspect of this relationship is the contributions each organization makes, through input and feedback, to the plans and activities of the other organization. To this end, RECA and AREA are collaborating to identify areas of business the other organization should contribute to and when and how to best deliver this input to achieve the most value.

Both organizations look forward to enhancing their working relationship and their service to the Alberta real estate industry. For more information on RECA's education programs and its *"Core Values"* go to: http://www.reca.ca/reca-education/splash/splash.htm

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REAL ESTATE COUNCIL OF ALBERTA
Building Consumer Trust and Confidence

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Part 2: Commentary on the August 2015 Document Submitted in the Names of Dan Russell and Carmen Gray

1. The first time this document was provided to RECA was at the RECA-AREA Stakeholder meeting held in the RECA Boardroom on December 2, 2016.
2. The document is not signed by either Dan Russell or Carmen Gray. The first question a reader of this document is whether it was drafted by either party?
3. RECA has consistently stated since August 2010 that AREA asked RECA to assume responsibility for the delivery of AREA's licensing courses. The credibility of B. Myroniuk and K. Bacon on this statement has been questioned on numerous occasions, particularly over the past two years.
4. The August 2015 Russell/Gray Document confirms AREA asked RECA to assume responsibility for the delivery of AREA's licensing courses and should put this issue to rest. The August 2015 Document states: "... ***AREA opted to pass the course work to date onto RECA, rather than continue in what was seen by AREA as an unworkable situation.***"
5. As indicated above, at the time of the August 2010 meeting, RECA and AREA were operating under a two-year MOU that had not yet expired. To suggest a RECA-AREA MOU was not in place at that time is inaccurate.
6. RECA was invited to the August 2010 meeting by AREA with no agenda provided in advance or at the meeting. Russell/Gray state that the purpose of the meeting was specifically to discuss AREA's new broker course. While that may be the case, December 2, 2016 was the first time RECA was informed of the purpose of the August 2010 meeting.
7. As a general observation, it is disappointing to read a document that essentially places blame for the quality, timeliness or costs of AREA's courses on RECA. In every MOU AREA entered into with RECA, the responsibility for reviewing, evaluating and revising AREA's courses on an ongoing basis to ensure the material was current and relevant clearly rested with AREA.
8. The MOU's never referred to limitations on revisions (requested by RECA) because it was always AREA's responsibility to ensure the quality, timeliness and relevancy of AREA courses. However, it was never anticipated that RECA staff would be required to put in the time and effort it did to revise course materials prepared by AREA.
9. The number of revisions and time required to finalize courses for approval were determined largely but the quality of material that was being presented by AREA to RECA for approval.
10. It is accurate to suggest both AREA and RECA were frustrated with the working relationship that evolved over time. This was the point both parties agreed to in August 2010. It was one of the reasons for RECA pursuing an RFP process before entering any future MOU's. However, the level of detail and picture painted by the comments in the fourth paragraph were never presented by AREA at the August 2010 meeting. Much of this appears to be post-August 2010 commentary.

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11. The comments and "*issues AREA would need to take into account*" so AREA could respond to an RFP were not raised at the August 2010 meeting in the manner or detail described in the 5th paragraph. This paragraph also appears to be a post-August 2010 commentary
12. The motives for the actions of Russell/Gray in August 2010, or what they intended to be the long term outcome of their decision, are for Russell/Gray to describe.
13. It is inappropriate for Russell/Gray, or anyone at AREA, to assign "assumptions" to Bob Myroniuk, Kirk Bacon or anyone at RECA on this issue. Contrary to the assumptions ascribed to RECA by Russell/Gray, RECA made no assumptions with respect to AREA's motivations or long term goals for education. In August 2010, RECA only received two key messages:
    - AREA wanted RECA to take over responsibility for AREA's licensing courses (fact); and
    - Moving forward AREA wanted to focus on professional development (fact).
14. Russell/Gray may have made certain assumptions or may have intended a different outcome for AREA. RECA had no way of knowing what was in the minds of Russell/Gray at that time.
15. Russell/Gray raise, in several places in their document, the issue of the RFP. This was also raised in information presented to the industry by AREA in its May 6, 2015 Advisory and Ian Burns video.
16. It is a serious allegation to suggest that post-August 2010 RECA indicated or promised to AREA that after taking on the responsibility for AREA's licensing education courses that RECA would subsequently issue an RFP, at some point in the future, and did not proceed as promised. The fact is that AREA staff were fully informed this would not be the case:
17. Subsequent to the August 2010 meeting and the agreement documented in the December 2010 joint news release, RECA invited Dan Russell and his senior management team to a meeting in RECA's Hearings Room on October 11, 2011. The purpose of the meeting was to review RECA's 2011-2016 Business plan that had been approved at the July 2011 Council meeting. This was done in the spirit of transparency and openness with our colleagues at AREA. At that time, the working relationship was collegial, respectful and included a high degree of trust between both organizations.
18. At this meeting, the RECA attendees were Bob Myroniuk, Kirk Bacon and Charles Stevenson. AREA attendees were Dan Russell, Carmen Gray and Kelly Kimber.
19. RECA attendees went through the 2011-2016 RECA Business plan in detail. During the review of the business plan, the issue of the RFP was raised by AREA as there was no reference to an RFP in the document. RECA confirmed there would not be an RFP as originally planned due to the transfer of real estate licensing education that had been agreed to between AREA and RECA.
20. After the October 11, 2011 meeting, the issue of the RFP was never raised again by AREA with RECA until four years later in the May 2015 AREA Advisory and Ian Burns video.
21. In reference to the decision of AREA to "*pass the course work to date to RECA*", Russell/Gray explain AREA did this "*in the hopes that a more workable solution to future course development and delivery could arise via the RFP process*". This may

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very well have been the intention of Russell/Gray. RECA was not in a position to know what was in the minds of Russell/Gray at that time. However, several important points need to be made:

- This hope for the future referred to in the Russel/Gray Document may have been in the minds of Russell/Gray at the time; however, this statement was not made at the August 2010 meeting.
- Whether the actions of Russell/Gray reflected the intentions or hopes for the future on the part of the AREA Board of Directors in August 2010 has never been addressed.
- If this was the hope of AREA, any objective observer would conclude this would be a highly risky strategy; that is, to transfer responsibility for the AREA courses to RECA in the "hope" that at some point in the future AREA would be the successful bidder under an RFP process and RECA would then transfer back to AREA all the courses it subsequently developed, updated and was delivering.
- The suggestion or expectation that RECA would proceed with an RFP, after AREA transferred full responsibility for the real estate licensing education to RECA, and entering into a multi-year transition process, is illogical given the significant impact this decision had on RECA's operations and resources.
- Neither Bob Myroniuk, or any senior RECA staff, were ever approached by AREA about the RFP after the briefing on RECA's business plan in October 2011. For example, RECA never received inquiries from AREA as to what, when or how the RFP process would take place.

22. The Russell/Gray Document states at the start of the 2nd paragraph on page 2: *"It is possible that RECA honestly misinterpreted what AREA was proposing at the 2010."* This is the only accurate sentence in this paragraph.
23. Subsequent to the August 2010 meeting and the agreement documented in the December 2010 joint news release, RECA did not receive either verbal or written communications or participated in any meetings, that confirmed AREA's interest in future development and delivery of licensing education. Its clear message to RECA, and their membership, was that AREA's focus was on professional development.
24. **If RECA is incorrect in making this statement, copies of the written documents must be available and should be provided to RECA. RECA would be pleased to review such documentation and provide comment.**
25. The last two paragraphs of the Russell/Gray Document are truly disappointing. During the leadership of Dan Russell as AREA's Executive Officer, RECA and AREA enjoyed a positive and collegial working relationship at the executive and staff levels on all matters affecting both organizations. In spite of differences that arose from time to time between RECA and AREA, those were addressed internally in a professional manner.

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Part 3: Recent History of Real Estate Licensing Education in Alberta

January 13, 2016

Real estate licensing education is an important topic for the Real Estate Council of Alberta (RECA) particularly for current and future Council members and staff. It is also an important topic for the public and interested stakeholders. For example, AREA's Blue Binder, presented to RECA Chair Christine on December 2, 2016 included a section on "Licensing Education".

The purpose of this report is to provide a brief history of real estate licensing education from July 1 1996 to June 2015. This report focuses on the transfer of responsibility for the development and delivery of the *Real Estate Associates Program* (REAP from AREA to RECA which was initiated by AREA in August 2010.

During the December 2, 2016 RECA-AREA meeting, it was indicated there was a different interpretation of events included in the information being submitted to RECA on this issue.

For the purposes of this report, a note to the reader on terminology:

> A "fact" is an actual occurrence or a piece of information that has an objective reality (Merriam Webster). "Evidence" is information presented to prove or disprove the alleged facts in a case. To "interpret" means "to explain or tell the meaning of", or, "to make plain or understandable". In art, it can mean "to present a portrayal or performance of".

This report provides a list of facts which are documented (e.g. MOU's, Report of the Real Estate Education Committee etc.), agreed to, or undisputed by either RECA or AREA.

While RECA and AREA may have their respective interpretations of events, there are facts which are not subject to interpretation. What may have been in the mind of individuals who now describe their assumptions, intentions or motives for various decisions made in 2010 and beyond may, in fact, be true at the time. This applies to both RECA and AREA's version of events.

An objective analysis of what has transpired requires a focus on the facts agreed to or not disputed and, in particular, those that can be supported by documentation.

1. On July 1 1996, the RECA assumed full responsibility for the administration of the *Real Estate* Act from the Superintendent of Real Estate. Prior to July 1, 1996 the Superintendent of Real Estate had delegated responsibility for the development and delivery of real estate licensing education.

2. AREA has always understood and agreed that RECA had the legislative authority and option of developing and delivering licensing education for the real estate brokerage industry.

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3. In addition to the RECA-AREA education MOU's that were in place up to December 31, 2010, the most current evidence of this was documented in a RECA-AREA Protocol Agreement signed on January 6, 2011 by both RECA and AREA. In reference to RECA's mandate it stated:

   "This mandate includes responsibility and authority to determine the eligibility, educational and other requirements of a person to acquire and retain a licence to trade in real estate in Alberta. It also includes the responsibility for making rules and prescribing standards of practice for industry members and ensuring regulatory compliance. RECA has stated members will be required to participate in Re-licensing Education Program (REP) courses to renew their authorization and typically this occurs no less than every two years. The REP is developed and approved by RECA and focuses on legislation changes, legal update, and risk reduction, regulatory and emerging issues."
   [Note: This protocol agreement is provided in Attachment 1.]

4. From a historical perspective, the legislative authority of RECA as it related to licensing education, was recognized by AREA when RECA was established in 1995. AREA negotiated an office lease on the 3rd floor of Mission Square for both AREA and RECA. The leased space was adjoining without a physical separation between the two organizations.

5. The office space contained within RECA's lease included all of the space required to develop and deliver licensing education and mandatory continuing education or MCE courses (now referred to as the real estate re-licensing program or REP).

6. One of the first decisions RECA needed to make was whether it would assume responsibility for licensing education which, up to that point, was developed and delivered by AREA. The decision made by RECA during the early transition process was to leave the responsibility for real estate education with AREA. As a result, the AREA staff members associated with development and delivery of education were not transferred to RECA. However, all the AREA staff associated with licensing and auditing functions were transferred to RECA.

7. In 1996, RECA entered into a sublease arrangement with AREA whereby AREA would compensate RECA for that portion of its lease used by AREA's education department. This arrangement continued until the move to Westmount Campus in October 2006.

8. Between 1996 and 2008, RECA entered into a series of MOU's which outlined the arrangement under which RECA would recognize the AREA courses for licensing purposes.

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[Note: The RECA-AREA MOU for the period January 1, 2007 to November 30, 2008 is provided as Attachment 2]

9. The RECA-AREA education MOU's typically included the following obligations for AREA:
    - REAP and REBP would be delivered province-wide on a non-profit basis
    - The programs would be offered in such a manner as to ensure the principles of timely, equitable and accessible real estate education
    - **AREA would review, evaluate and revise its courses to ensure that the material was current and relevant**
    - AREA would ensure instructor quality standards including training, subject matter expertise, certification and ongoing evaluation of performance
    - AREA would implement policies on all matters relating to instructor conduct and ensure instructors adhere to a professional code of conduct
    - Use of surplus funds – it was agreed the intent was to produce and deliver the REAP and REBP on a user pay, not for profit basis. AREA agreed "*that any surplus funds generated in any year will either be applied to the accumulated deficit of the program to ensure they are current and meeting the needs of the industry.*"

10. From 1996 to 2009, RECA had a MCE program for real estate licensees that required they acquire 18 MCE credits over a 2-year period. RECA's MCE requirements included one mandatory course of 6 credits. The mandatory course was developed and delivered by AREA. The remaining 12 credits could be acquired by taking courses from a list of courses approved by RECA. In addition to taking the mandatory course offered through AREA, most REALTORS® took the balance of their courses from AREA's offering of MCE approved courses.

11. All real estate licensees were required to take AREA's mandatory course. In relative terms, the costs of development and delivery of the mandatory MCE course were low in comparison to the revenues being generated by AREA. As a result, the net revenues from the MCE Program were significant. In relative terms, the net revenues derived from AREA's MCE program were much greater than those derived from the development and delivery of pre-licensing education. It should be noted the RECA-AREA MOU's stated the development and delivery of the real estate licensing was to be on a not for profit basis.

12. It was during this time, in a casual conversation with D. Russell (AREA's executive officer), Bob Myroniuk was asked if RECA was interested in taking over licensing education. Given RECA's priorities and responsibilities at that time, the answer given was that RECA preferred to have AREA continue to deliver licensing education.

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13. In November 2007, Council established the Real Estate Education Committee (REEC). This was an ad hoc committee that was responsible for a review of the 2007 MOU with AREA and, more broadly, conduct a review of the real estate education licensing system in Alberta. The REEC mandate is provided [Attachment 3].

14. The report and recommendations of the REEC were provided to Council at its meeting on May 7, 2008 in Kananaskis. The REEC Report is provided [Attachment 4].

15. The recommendations of the REEC, approved by Council, included:

- RECA to assume responsibility for the Real Estate Fundamentals course (then referred to as "Phase 2" of REAP)
- RECA would issue an RFP to determine the service provider at the end of the MOU

The motion approved by Council on May 7, 2008 following the report of the REEC is attached as Schedule 5.

16. Following the report of the REEC, on January 23, 2009, RECA and AREA entered into a 2-year MOU related to licensing education that was scheduled to commence January 1, 2009 and end December 31, 2010. The 2009-2010 RECA-AREA MOU is provided [Attachment 6].

17. There was full communication with respect to RECA's intentions in the background section within the MOU document. Accordingly, in the backgrounder section, RECA confirmed it would assume responsibility for Phase 2 of REAP - *Fundamentals of Real Estate*. This course would focus on regulatory, legal matters and issues common to all the sectors regulated by RECA. The MOU also indicated RECA would conduct an RFP process for the development and delivery of the residential, commercial and agri-business courses in Phase 3 of REAP (referred to as the "practice courses"). Ultimately, *Fundamentals of Real Estate* was launched two parts – Part 1 in May 2013 and Part 2 in August 2013.

18. Given the term of the MOU was to expire on December 31, 2010, RECA planned to issue an RFP in the fall of 2010, utilizing a process similar to the one followed by the Real Estate Council of Ontario (RECO).

19. The Russel/Gray Document contains the following statement:

> *"AREA's Memorandum of Understanding (MOU) with RECA for development and delivery of licensing education expired in 2008. Renewing the MOU was not seen as an option as RECA had indicated it would replace the MOU with a Request for Proposal "RFP".*

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20. It is important to note this information is not factual. At the time of the August 2010 Meeting, the MOU that had previously expired on November 30 2008 was, in fact, replaced with a new two-year MOU that was scheduled to expire on December 31, 2010. (See item #12)

21. It is correct to indicate that prior to the decision of AREA to transfer responsibility of the remaining pre-licensing courses to RECA, the MOU that was in place at the time referenced the intention of RECA to proceed with an RFP.

22. However, that statement alone is not contextual. A new MOU or agreement would have been necessary with the service provider selected through the RFP process to deliver real estate licensing education. [Note: A commentary on the Russel/Gray Document is provided to Council in a separate document.]

23. RECA was completely transparent with AREA. The reasons for the RFP were discussed with AREA at the time the MOU was signed and outlined in the MOU backgrounder. Similar to the goals of RECO, RECA wanted to improve the quality of education being offered in the real estate licensing courses.

24. In the case of RECO, the Ontario Real Estate Association (OREA) was the sole provider of real estate licensing education when the RECO's RFP was released. OREA was the successful bidder and continues to offer licensing education under the terms of the new arrangement with RECO. Since the RFP process, RECO now develops and delivers their own mandatory continuing education courses.

25. Three points can be made with respect to the RFP that was contemplated in the MOU:
    a. It was reasonable for RECA to assume AREA would submit a proposal, similar to the decision of OREA to participate in RECO's process, when the RECA RFP was released.
    b. AREA had 15 years of experience delivering real estate education under MOUs with RECA and was familiar with the RECA standards any provider would be required to meet.
    c. However, given the experience of RECA with respect to the quality of education developed and delivered by AREA as documented in the report of the REEC, it is difficult to imagine RECA entering into a new relationship with AREA. To do so would have required a complete overhaul of AREA's education system, resources and education department leadership.

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26. On August 23, 2010, four months prior to the expiry of the 2009-2010 MOU, RECA representatives B. Myroniuk and K. Bacon were invited to a meeting at the offices of AREA (the "August 2010 Meeting"). B. Myroniuk and K. Bacon were not informed of the purpose of the meeting.

27. The meeting was held in the small meeting room adjacent to Jan's office (Dan Russell's Executive Assistant). A formal agenda was not provided. Minutes were not taken. AREA's representatives were Dan Russell, Carmen Gray and Kathy Edge.

28. At the August 2010 meeting, AREA communicated its difficulties and frustration in meeting the standards and requirements set by RECA with respect to the delivery of real estate licensing courses. AREA indicated in addition to AREA being frustrated they sensed RECA was also frustrated.

29. AREA representative Carmen Gray asked if RECA was also frustrated. B. Myroniuk and K. Bacon confirmed RECA was frustrated as well. Neither party went into a great deal of detail on this specific issue i.e. the reasons they were frustrated.

30. RECA's frustration related to the quality of the courses being offered by AREA, AREA's lack of capacity or willingness to update course materials, ensure the information was accurate and address the required real estate competencies. RECA was often required to spend hours of staff time to edit AREA course materials. RECA change requests were often lost, ignored or not incorporated in any course revisions.

31. At the August 2010 meeting, following a brief discussion on our respective frustrations, AREA then asked if RECA would consider assuming responsibility for the delivery of licensing education. AREA representatives also stated they wish to remove themselves from licensing education for what RECA understood were strategic reasons.

32. AREA indicated they were going to change direction as an organization and focus on professional development courses for their members.

33. **It is important to note, the fact that AREA asked RECA to assume responsibility for the delivery of AREA's licensing courses is not in dispute.**

    This was confirmed in the Russel/Gray Document. It states: "... *AREA opted to pass the course work to date onto RECA, rather than continue in what was seen by AREA as an unworkable situation.*" [Note: It has been suggested by AREA that RECA staff had indicated in past events stated that "AREA gave education

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back to RECA". In a basic sense, this or similar statements are an accurate description of what happened.]

34. AREA (Dan Russell) offered to provide the administrative services of its education department throughout the transition process.

35. At the time, Bob Myroniuk and Kirk Bacon did not say yes or no to AREA's request to take over responsibility for the AREA licensing education courses (REAP & REBP). RECA representatives indicated a response would be provided after giving their request consideration.

36. AREA's request came as a surprise to RECA. There was no prior indication from AREA it was considering removing itself from licensing education.

37. Kirk Bacon and Bob Myroniuk met immediately following their meeting with AREA to confirm their mutual understanding of the request from AREA.

38. Kirk Bacon had been responsible for delivery of licensing education in Saskatchewan at SREA, now called the Saskatchewan REALTORS® Association, and was a founding member of the Association of Canadian Real Estate Educators (ACRE). Both Bob Myroniuk and Kirk Bacon understood the challenges before RECA would be significant if RECA was going to go down this path i.e. administration, expertise, resources etc.

39. Kirk Bacon and Bob Myroniuk started the process of assessing whether RECA should take over licensing education from AREA. RECA's directors were informed about the request from AREA. The process of internal consultation with senior management started immediately to determine if it was feasible from an operations perspective for RECA to assume responsibility for the three practices courses in Phase 3 of REAP, and the Real Estate Broker's Program (REBP).

40. RECA underestimated the effort, resources and time needed to revise and update the existing courses to an acceptable standard. In hindsight, the transition schedule was unrealistic. This has been openly communicated to AREA (e.g. *Setting the Record Straight*).

41. November 3, 2010 was the first Council meeting following the August 2010 Meeting with AREA. During that Council meeting, the decision of AREA to withdraw from licensing education was discussed with Council. The preliminary work RECA's

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administration had done to start the transition process was discussed as well as the budget or financial implications for RECA to take on this responsibility.

42. On November 3, 2010 Council gave RECA's administration the go ahead to continue to work with AREA to transition real estate licensing education from AREA to RECA. Given the effort, resources and costs involved in the development and delivery of any courses, it was a major decision on the part of Council.

43. On this topic, the Council meeting minutes of November 3, 2010 are brief and state:

> ***"Impact of Phasing Out AREA Involvement in Real Estate Licensing Education***
> *In August, AREA communicated to RECA its decision to withdraw from licensing education. RECA has held several meetings with AREA to discuss the transition of responsibility to RECA. There will be a joint announcement by RECA and AREA when the transition process and timing issues have been resolved."*

44. As part of the subsequent communications planning with AREA, notwithstanding the request for RECA to take over licensing education was initiated by AREA, it was agreed any public messaging would indicate it was by way of mutual agreement between the two organizations.

45. Accordingly, after Council approved the transition process, RECA and AREA discussed communication of this agreement to industry members and real estate boards.

46. It was agreed RECA would issue the joint announcement via *RECA News*. The first draft of the joint RECA/AREA News release was prepared by AREA. K. Bacon provided suggested minor edits to the draft news release to Carmen Gray via email (December 1, 2010). As a result, the wording of the RECA/AREA News release was jointly drafted and agreed to in advance. The final version of the joint announcement, with both RECA and AREA logos was provided to Carmen Gray on December 7, 2010. [Note: K. Bacon emails to C. Gray are available upon request.]

47. The following statements were prepared by AREA and included the news release, as drafted by AREA:

> ***"Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility for the development and delivery of the real estate licensing education programs."***

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"On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the Real Estate Act itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS®."

48. The joint announcement (*RECA News* - December 13 2010) was sent to all industry members explaining what was going to take place, including the timing of the various courses. The December 13, 2010 joint RECA-AREA News Release is provided [Attachment 7].

49. Again, this joint news release did not in any way suggest or imply there was a unilateral decision by RECA to assume control over the content and delivery of licensing education. In fact, although the request came from AREA, it stated it was by way of mutual agreement. Which organization initiated the process was not mentioned and not deemed relevant (as it related to the joint communiqué).

50. The change in strategic direction for AREA, as it related to its role in industry education, is clearly communicated to the real estate brokerage industry in the News Release. The information included in the joint new release was consistent with the reasons Kirk Bacon and Bob Myroniuk were given by AREA representatives in August 2010 Meeting for removing AREA from licensing education. [Note: The two statements in the News Release that "*On AREA's part, the transition will allow for a shift in focus*" and "*AREA will expand the range of professional development opportunities for REALATORS®*" not only were consistent with the rationale provided to RECA at the August 2010 meeting but this was reinforced in the RECA-AREA Protocol Agreement signed by AREA on January 6, 2011, less than one month later [Attachment 1].

51. On February 15 2011, in a letter from AREA President Lyle Magnuson to RECA Chair Rob Telford, AREA provided a response to RECA's Strategic Planning Survey that was distributed to all industry members and stakeholder association. The following is an excerpt of the AREA response.

    RECA's Survey Question: **What is one thing you would like RECA to focus on in the next 3 years and why?**

    AREA Response (with writer's underlining inserted):
    *"RECA should focus on clarifying its mandate by creating a transparent and efficient investigation process, **focusing on pre-licensing and re-licensing education** and simplifying the Real Estate Act Rules and mandated forms content. This mandate is to support and advance professionalism, competency and viability of its members through the delivery of practice advice and resources, industry forms and a program*

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of continuing professional education." [Note: The AREA letter and all responses to RECA's Strategic Planning Survey Questions is available on request.]

52. On the topic of collaboration, it should be noted that RECA and AREA worked collaboratively to facilitate a smooth transition for the *Fundamentals of Real Estate* course. AREA and RECA also worked collaboratively to expedite the real estate brokers course (REBP) by providing and interim course.

53. To support the work of AREA and other provincial REALTOR® associations across Canada in the area of professional development for REALTORS®, Bob Myroniuk was the only regulator who participated as a member of the working group to form the Virtual College (subsequently REVIA) and attended meetings across Canada. As a result of RECA's participation in that organization, RECA offered two continuous learning courses for possible use.

54. On February 7, 2014, shortly after RECA received a copy of AREA's 2013 Annual report, Bob Myroniuk sent Dan Russell an email expressing concern about the content in the of Finance Report of Keith Weinbender. This email is provided [Attachment 8].

55. The content of the Financial Report suggested AREA did not choose to get out of licensing education which was not accurate. Specifically, it stated (with writer's underlining inserted):

    "<u>While the move away from delivery of licensing education was not something AREA chose</u> (responsibility for licensing education was part of the Real Estate Council's mandate when they were formed), AREA saw it as an opportunity to shift focus to existing members – those who pay AREA member dues."

    The latter part of this paragraph in the Financial Report was consistent with the message we received from AREA representatives in August 2010. The words in brackets reflect AREA's acknowledgement that RECA has always had the responsibility for licensing education.

    However, the first part of the paragraph, i.e. stating the move away from delivery of licensing education was not AREA's choice, is misleading. At a minimum, it would have been more accurate to state this was done by mutual agreement as stated in the joint News Release.

56. AREA indicated to RECA it wished to provide classroom delivery of *Fundamentals of Real Estate*. As a result of AREA's request, on March 4, 2013 RECA and AREA entered into an agreement that allowed AREA to use RECA's educational materials, at no cost, to offer a classroom version of *Fundamentals of Real Estate*. AREA has not followed up on this agreement with RECA. The RECA-AREA agreement to facilitate AREA's classroom deliver of this course is provided [Attachment 9].

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57. On May 6, 2015 AREA distributed information to its members by way of an AREA "Advisory" with respect to RECA's education program and posted a video of its executive officer. Both communication pieces included misinformation and were clearly intended to discredit RECA. The AREA Advisory is provided [Attachment 10].

58. It is important to note that AREA had chosen to raise this issue publicly. This left RECA with no choice but to respond in order to defend its reputation. As a result, a document entitled "*Setting the Record Straight*" was provided to AREA to ensure AREA's board of directors, AREA staff and real estate boards in Alberta had accurate information with respect to the transfer of responsibility for AREA's real estate licensing courses to RECA. *Setting the Record Straight* is provided [Attachment 11.]

59. *Setting the Record Straight* addressed all of the inaccurate statements that were posted by AREA on May 6 2015 or made in the Ian Burns video. AREA has never presented any documentation to RECA to indicate the points raised by RECA were inaccurate.

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Attachment 1

Alberta Real Estate Association

REAL ESTATE COUNCIL OF ALBERTA

Engagement Protocols

The Real Estate Council of Alberta & The Alberta Real Estate Association

Background:

The Real Estate Council of Alberta (RECA) is an independent, non-government agency, responsible for regulating real estate industry member professionals under the *Real Estate Act* of Alberta (Act). All persons trading in real estate in Alberta must be authorized by RECA unless they have an exemption pursuant to the Act.

The Alberta Real Estate Association (AREA) is a professional trade association representing 11 regional real estate boards and upwards of 75 percent of real estate licensees in Alberta. Licensees become members of AREA and the Canadian Real Estate Association when they join a local real estate board.

This document reflects an understanding between RECA and AREA concerning the ways in which each organization serves the real estate industry and how the two organizations will work together to enhance delivery of each organization's respective mandate.

Differing Mandates:

RECA is mandated to set and enforce standards of conduct for the industry and the business of industry members as the Council determines necessary in order to promote the integrity of the industry, to protect against, investigate, detect and suppress mortgage fraud as it relates to the industry and to protect consumers affected by the industry. Its mandate includes providing services that enhance and improve the industry and the business of industry members and administration of the Act.

This mandate includes responsibility and authority to determine the eligibility, educational and other requirements of a person to acquire and retain a licence to trade in real estate in Alberta. It also includes responsibility for making rules prescribing standards of practice for industry members and ensuring regulatory compliance. RECA has stated industry members will be required to participate in Re-licensing Education Program (REP) courses to renew their authorization and typically this occurs no less than every two years. The REP is developed and approved by RECA and focuses on legislative changes, legal update and risk reduction, regulatory and emerging issues.

Service Group: For clarity, groups of interest to RECA include industry professionals in the real estate, mortgage broker and appraisal industries. This includes those who are interested in

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and/or working to acquire a licence to trade real estate in Alberta, as well as those who already hold a licence in Alberta.

AREA's mandate is to support and advance the professionalism, competency and profitability of its members. This mandate includes delivery of practice advice and resources, real estate forms and a program of continuing education. AREA has stated that, with respect to practice advice and education, it will focus on building members' ability to consistently, accurately and professionally apply the legislative, legal and regulatory rules that govern real estate practice in Alberta. AREA's mandate does not include the educational requirements of those who have yet-to-be licenced to practice real estate in Alberta.

Service Group: For clarity, AREA's group of interest includes those who are licenced to practice real estate in Alberta and who are also members of a local real estate board, as well as the local boards themselves.

Communication and Cooperation:

While RECA and AREA have differing mandates, there are commonalities in both and they serve a common industry group. To this end, communication protocols between the two organizations could enhance the efforts of both organizations to deliver on their respective mandates with respect to this group. At the same time, protocols would minimize the risk of misaligned communications and the potential for industry member confusion that could result.

Instances for Discussion:

Situations that should trigger discussion between RECA and AREA include the following:

- Shifts in the environment in which industry members practice real estate, for example:
  - Impending or contemplated changes to the Act, Regulations or Rules
  - Changes to Council policies (e.g. restricted licensing)
  - Changes to provincial or federal regulation (e.g. Competition Bureau Agreement)
  - Changes to legal requirements affecting industry members (e.g. FINTRAC)
  - Significant changes to board rules (e.g. rules harmonization)
- Changes to documents that industry members use in their practice of real estate (e.g. Real Estate Forms)
- Upon realization that a Board rule conflicts with the Act, Regulations or Rules
- In general, changes that would affect the way in which members practice real estate.

Timing:

The timing for consultation depends upon the nature of the change:

- Ideally, if the change originates with RECA or AREA, consultation should occur as part of the planning effort, where it makes sense and, at minimum, prior to implementation.

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- If the change originates elsewhere, such as with government, consultation should occur as part of the process to assess the implications on industry and resulting change implementations

Data Sharing:

Data sharing between the two organizations can enhance the ability to achieve the respective mandates. Data sharing may include, but not be limited to, the following:

- Consumer and industry member research
- Prevalent practice issues
- Prevalent areas of consumer complaint or industry member investigation

Avenues for Discussion:

In order to ensure that discussion is productive and constructive, RECA and AREA agree that:

- Communication will start with the senior staff members of each organization

Other avenues of communication include:

- AREA's appointees to RECA's Council
  - NOTE: AREA's role with respect to the appointees is to maintain their awareness and understanding of industry issues/concerns as topics that may contribute to the proceedings of the Council
- AREA's Forms and Practice Committee, on which a RECA representative will participate
- RECA's Residential Advisory Committee, on which two of AREA's Board of Directors are appointed
  - The purpose of the committee is to obtain feedback and input from industry members, as it relates to topics of interest to those practicing residentially-focused real estate
  - NOTE: the protocol to bring issues of interest forward to the Residential Advisory Committee is through Charles Stevenson in advance of the Advisory Committee meeting
- RECA/AREA executive committee member meetings, twice annually, to discuss issue/initiatives of mutual interest
- AREA facilitated meetings (e.g. provincial leadership - upon invitation)

Conclusion:

The purpose of these protocols is to enhance each organization's ability to serve the industry. They are meant to help foster a common awareness, understanding and appreciation for the work of each organization and how the other organization can impact this work – positively or negatively. They can be amended at any time and, hopefully, will serve to help establish positive new approaches and behaviours within two organizations that have a long history with each other.

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Alberta Real Estate Association	Real Estate Council of Alberta
Dan Russell Chief Executive Officer	Bob Myroniuk Executive Director
Date: Jan. 6, 2011	Date: Jan 6, 2011

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Attachment 2

MEMORANDUM OF UNDERSTANDING

BETWEEN:

THE REAL ESTATE COUNCIL OF ALBERTA
Suite 350, 4954 Richard Road SW
Calgary, AB
T3E 6L1

("RECA")

AND

THE ALBERTA REAL ESTATE ASSOCIATION
Suite 300, 4954 Richard Road SW
Calgary, AB
T3E 6L1

("AREA")

Background

Under s. 12 of the *Real Estate Act*, RECA has the responsibility and authority to determine the eligibility requirements of a person to obtain an authorization to trade in real estate in Alberta, that is, a licence or registration. This includes establishing and administering both pre-licensing and post-licensing education requirements. These requirements are enumerated in the rules set out by RECA, pursuant to the *Real Estate Act* and came into effect on July 1, 1996 and subsequent amendments.

Currently, a person who wishes to become registered as an associate must fulfill the education requirements of Real Estate Associates' Program (REAP) and pass the respective examinations for each phase of REAP. A person who wishes to become licensed as a broker or associate broker must fulfill the education requirements of the Real Estate Brokers' Program (REBP) and pass the respective examination(s). The Executive Director is responsible for approving the course outlines, objectives, lesson plans and the examinations for both of these programs.

The Parties wish to enter into a Memorandum of Understanding (MOU) for a period of one year whereby, subject to the Rules and Policies that RECA may set from time to time, and the terms and conditions of this agreement, these two programs will continue to be delivered by AREA and recognized by RECA for licensing and registration purposes.

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In consideration of their mutual covenants, the Parties agree as follows:

General

1. The term of this MOU will be one year, commencing December 1, 2007 and ending November 30, 2008.
2. AREA may not assign this MOU to any other person.
3. AREA will produce and deliver two programs: REAP and the REBP. These two programs will be recognized by RECA as meeting the educational standards required for an associate, associate broker and broker's registration and licence.
4. These programs will be developed and delivered to be consistent with the common education standards in the Real Estate Authorization Recognition Agreement and ARELLO standards, as they apply to Alberta, and Alberta legislation.
5. These programs will be offered by AREA on a province-wide, not for profit basis. The programs will be offered in such a manner as to ensure the principles of timely, equitable and accessible real estate education are maintained. AREA may sub-contract with various institutions for course provision.
6. The Parties will work cooperatively where possible to achieve the objectives and intent of this MOU to provide quality and meaningful pre-licensing real estate education in Alberta.
7. AREA will be responsible for maintaining accurate records of those individuals enrolled in the courses and reporting to RECA on a timely basis the successful completion of each respective course by each individual electronically through the "Import routine", currently used by AREA to report on education course completion to RECA. The report will include all personal information of each individual required in the "Import routine".

Real Estate Brokers' Program (REBP)

8. The Executive Director will prescribe the compulsory and elective courses in accordance with RECA policy. The Executive Director may consult, from time to time with AREA.
9. AREA will design and develop the courses, including course outlines, course objectives and lesson plans consisting of a set of topics and the amount of time allocated to each topic.
10. The REBP will be offered through a classroom and online delivery method.
11. AREA will review, evaluate, and revise its courses to ensure that the material is current and relevant. The development of new and revised course content will take into account RECA, instructor, student, and industry feedback.
12. AREA will enforce RECA's policy for the time period to complete course requirements of the REBP and decide if an extension should be granted as a result of extenuating circumstances (i e. medical, maternity etc.) upon application from a candidate.
13. AREA will issue a Certificate of Completion to those candidates who have successfully completed all course requirements in the REBP.
14. AREA will issue a Permission to Write the respective examination(s) to candidates who have qualified for a Certificate of Completion in the REBP.

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15. AREA will issue a Permission to Re-Write the respective examination to candidates who wish to re-write and have paid the prescribed fee.
16. AREA will make arrangements with candidates in the distance delivery REBP to write course exams.

Real Estate Associates' Program

17. The Executive Director will approve the course content of REAP in accordance with RECA policy and will consult, from time to time, with AREA in carrying out this responsibility.
18. Subject to clause 19, AREA will design and develop REAP, including course outlines, course objectives and lesson plans consisting of a set of topics and the amount of time allocated to each topic.
19. AREA will not be involved in the development, delivery or administration of the property management course.
20. The REAP will be offered through a classroom and online delivery method.
21. AREA will review, evaluate, and revise the REAP to ensure course material is current and relevant. The development of new and revised course content will take into account RECA, instructor, student, and industry feedback.
22. AREA will enforce the RECA policy for the time period to complete course requirements for REAP and decide if an extension should be granted as a result of extenuating circumstances (i.e. medical, maternity etc.) upon application by a candidate.
23. AREA will issue a Certificate of Completion to candidates who successfully complete the REAP.
24. AREA will issue a Permission to Write the examinations for the respective phases to candidates who have successfully completed the REAP.
25. AREA will issue a Permission to Re-Write to candidates who wish to re-write and have paid the prescribed fee.

Instructors

26. AREA will be responsible for ensuring instructor quality standards are established and maintained, including training, subject matter expertise, certification, and ongoing evaluation of performance.
27. AREA will develop and implement policies on all matters relating to instructor conduct and ensure instructors adhere to a professional code of conduct.
28. AREA instructor policies will be provided to the Executive Director, from time to time, for information purposes.
29. The Executive Director may, from time to time, request a meeting with a representative of AREA and its instructors for the purposes of sharing information, discussing issues, discussing legislation and outlining RECA policies that are relevant to the content and delivery of the two programs.

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Equivalencies & Exemptions: Real Estate Brokers' Program and Exams

30. The Executive Director will be responsible for granting exemptions from the REBP and/or any examinations. This responsibility will be carried out in accordance with RECA Rules, Policies or any reciprocity agreements RECA may have with other jurisdictions. The Executive Director may consult with AREA in carrying out this responsibility.
31. In the event a candidate is exempted from the course requirements for broker licensing, but wishes to obtain the course materials, AREA will provide the materials in accordance with its fee schedule.

Equivalencies & Exemptions: Real Estate Associates' Program and Exams

32. The Executive Director will be responsible for granting exemptions from the REAP and/or the applicable examinations. This responsibility will be carried out in accordance with RECA Rules, Policies or any reciprocity agreements RECA may have with other jurisdictions. The Executive Director may consult with AREA in carrying out this responsibility
33. In the event a candidate is exempted from the course requirements for an associate registration, but wishes to obtain the course materials, AREA will provide the materials in accordance with their fee schedule.

Authorization Exams

34. AREA will administer and mark all applicable exams for brokers and associates and will officially notify candidates of their marks on the exam. AREA will be compensated for the production and administration of the exam through exam fees.
35. The content and format of the exams, accompanying material and passing grades must be approved by the Executive Director prior to use.
36. RECA will develop all examinations for the REBP and REAP and will provide these examinations to AREA. RECA will receive fees for these examinations in accordance with clause 45.
37. AREA will, upon request from a learner, indicate to the learner which questions they did not answer correctly and, as a result, the areas that will require further study.
38. AREA will provide to RECA standard examination tracking reports that will enable RECA to assess learner performance on all examination questions.

Marketing and Fees

39. AREA shall be responsible for all matters relating to course pricing, management fees, delivery, publicity and feedback mechanisms, as well as all public inquiries and correspondence.
40. AREA will develop a fee schedule for the educational services and programs it provides and be responsible for the collection of all fees relating to those services. A reasonable management fee, as determined by AREA, may be included in

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determining the fees to be charged. AREA will provide a copy of its fee schedule to RECA for information purposes.

41. Refunds of course fees for failure to complete REAP or the REBP will be at the discretion of AREA and the institutions delivering the program, in accordance with established policies.
42. RECA will determine the fees for exemptions, the examinations and re-writes. AREA will collect these fees on RECA's behalf. A fee breakdown indicating that the course fees are separate from the exam fee will be given to all candidates at the time of payment of fees.

Course Revenues and Expenses

43. AREA will receive on its own account all fees generated from the delivery of REAP and REBP.
44. AREA will be responsible for all costs incurred by AREA in the course of producing and delivering these two programs, including but not limited to staffing costs, accounting, leasing of premises, production expenses and any development expenses, with the exception of those items in which it is specifically stated otherwise in this MOU.
45. RECA will receive $20 (twenty dollars) for each examination in Phase 2 of the REAP and $10 (ten dollars) for each examination in Phase 3 of the REAP. In addition, RECA will receive $20 (twenty dollars) for each REBP examination. These payments are to be made by AREA to RECA bi-monthly for the examinations administered in the previous two(2) months.

Use of Surplus Funds

46. It is understood by the Parties the intent is to produce and deliver these two programs on a user pay, not for profit basis. AREA agrees that any surplus funds generated in any year will either be applied to the accumulated deficit of the program or the upgrading or development and administration of the pre-licensing programs to ensure they are current and meeting the needs of the industry.

Communication

47. Both Parties will make their best efforts to ensure that on-going communication is maintained regarding any issue, program concerns or significant changes that occur within the industry or matters arising out of the administration of this MOU.
48. AREA will, upon reasonable request, provide RECA with information and advice on policy issues related to pre-licensing education.
49. RECA will, upon reasonable request, provide AREA with information and advice that may assist AREA in the development and delivery of pre-licensing courses.
50. AREA will provide semi-annual reports to RECA with statistical information agreed to by the Parties such as enrollment and completion rates for the exams.
51. RECA will have reasonable access to student records, course evaluations by student's and examination results including individual question results.
52. RECA and AREA will each appoint an individual to be the primary contact to work on the administration of this MOU and sharing of information and advice between the Parties.

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Annual Review

53. The Executive Vice-President of AREA and the Executive Director of RECA, or their respective designates, will meet at least once a year to discuss real estate licensing education issues and the administration of this MOU. Topics covered may include:
    - review of education direction
    - trends in enrollment and completion
    - summaries of course and instructor evaluations
    - outstanding issues
    - amendments to the MOU
    - review of fee schedule
    - the proposed yearly budget
    - areas of expansion and change

Miscellaneous

54. The terms of this MOU may be amended in writing from time to time by mutual agreement of AREA and RECA.
55. The items in this MOU are general provisions for pre-licensing real estate education in the province of Alberta. AREA may make more specific internal policies to ensure efficient and effective delivery of these courses.
56. This MOU will be governed by and construed in accordance with the laws of the Province of Alberta.
57. The headings appearing in this MOU have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope of any provision of this agreement.

Real Estate Council of Alberta

Per: _____

Date: Jan 4, 2008

Alberta Real Estate Association

Per: _____

Date: 04/01/08

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Attachment 3

REAL ESTATE COUNCIL OF ALBERTA

REAL ESTATE EDUCATION COMMITTEE

TERMS OF REFERENCE

November 7, 2007

Type:

Ad hoc committee

Membership:

Five members of council appointed by the council; one of the council members will serve as chair

Quorum:

Three members of the task force, one of whom must be the task force chair

Ex Officio Members:

The Council Chair is a voting member of this committee

Resources:

RECA Resources: Director of Industry Standards, Education Coordinator

Mandate:

The mandate of the Real Estate Education Committee is to:

- Review the November 1997 memorandum of understanding with the Alberta Real Estate Association (AREA), assess RECA's experience and identify issues and concerns arising from the current system
- Identify issues related to the development and delivery of real estate licensing education
- Consider classroom delivery as compared to distance or online delivery and identify the benefits of utilizing either or both models
- Research and consider the various models of education that are available in Alberta to develop and deliver a real estate licensing education program
- Recommend a model of development and delivery of real estate licensing education that will best serve the needs of the real estate industry in Alberta
- If the expertise and/or resources of an external organization are required, recommend the key terms and conditions to be included in a contract and a process for selecting an appropriate organization
- Provide a report to Council on the findings and recommendations of the committee at the May 2008 Council strategic planning session
- Perform such other duties and tasks assigned to it by Council

Term:

The committee will commence its work when the appointments are finalized by Council. The committee's term will end October 31, 2008 or earlier if its mandate is completed and its final report has been presented to council.

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Attachment 4

REAL ESTATE COUNCIL OF ALBERTA

Real Estate Education Committee Report

Mandate

The mandate of the Real Estate Education Committee is to:

- review the November 1997 memorandum of understanding with the Alberta Real Estate Association (AREA), assess RECA's experience and identify issues and concerns arising from the current system
- identify issues related to the development and delivery of real estate licensing education
- consider classroom delivery as compared to distance or online delivery and identify the benefits of utilizing either or both models
- research and consider the various models of education that are available in Alberta to develop and deliver a real estate licensing education program
- recommend a model of development and delivery of real estate licensing education that will best serve the needs of the real estate industry in Alberta
- if the expertise and/or resources of an external organization are required, recommend the key terms and conditions to be included in a contract and a process for selecting an appropriate organization
- provide a report to Council on the findings and recommendations of the committee at the May 2008 Council strategic planning session
- perform such other duties and tasks assigned to it by Council

Background

In 1996 the Real Estate Council of Alberta (RECA) assumed responsibility for the administration of the *Real Estate Act* from the Superintendent of Real Estate. The Superintendent had previously delegated the development and delivery of real estate licensing education to the Alberta Real Estate Association (AREA).

While RECA is responsible for establishing educational standards, it chose in 1996, as a matter of policy, to leave the primary responsibility for the production and delivery of approved education courses to industry associations and education deliverers. It is important to recognize Council considered the alternatives prior to making this decision. It was not clear when RECA was created whether RECA would take over responsibility for licensing education or not.

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RECA entered into a Memorandum of Understanding (MOU) with AREA in 1996 approving it as an organization that may deliver the two licensing education programs for salespersons and brokers. That agreement was for a period of five years with an automatic renewal for another five years. That contract expired November 30, 2007. RECA and AREA entered into another one year MOU for the delivery of real estate licensing education.

In late 1999, RECA's Licensing Education Committee undertook an extensive consultation process with real estate industry members and other interested stakeholders. That committee made 23 recommendations to make changes to the licensing education standards in place at that time which were approved at the September 2002 Council meeting. The majority of those recommendations have now been implemented.

Since the Licensing Education Committee completed its work there have been significant changes and advancements in technology and delivery options for adult education and workplace learning and the general understanding of adult education principles.

The Canadian landscape for real estate education course development and delivery has also changed in recent years creating new opportunities and options for the development and delivery of real estate education. Real estate regulatory organizations are taking a more active role in licensing education across the country.

CRG & ACRE

The Canadian Real Estate Regulators Group (CRG) is the name for an informal group of administrators that meets annually from real estate regulatory organizations across Canada. These meetings initially started as a vehicle to share information and experiences in regulating the real estate industry. As the relationship grew between the respective regulatory organizations, a number of projects were undertaken to remove barriers between jurisdictions and an attempt was made to harmonize standards, practices and legislation across Canada. A number of the formal projects include common education standards, definitions, electronic transactions and agency relationships. There is a spirit of cooperation between the organizations to assist other organizations where possible.

The Alliance of Canadian Real Estate Education (ACRE) is composed of representatives from organizations that develop and deliver real estate licensing education in Canada. With two exceptions, these representatives are education directors from provincial real estate associations, such as AREA. Initially, representatives from these organizations would meet to share information and eventually course materials. A formal sharing agreement was entered into between all of these organizations across Canada.

Subsequent to this, ACRE was formally created as a vehicle for real estate educators to work cooperatively in developing education courses and other products thus raising the minimum education standards across Canada and saving the industry resources by not "reinventing the wheel" in each jurisdiction.

The federal and provincial governments signed the Agreement on Internal Trade (AIT) in 1995 and included in that agreement was Chapter 7 Labour Mobility. This section of the AIT required eliminating any requirements/barriers that restricted the movement of labour across Canada. As an example some jurisdictions had requirements that you must be a resident of the jurisdiction to be eligible to trade in real estate in that jurisdiction. Another area that required attention was the educational requirements to be eligible to be licensed in each jurisdiction. To this day there is still a great variance in real estate education requirements across Canada.

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To assist in facilitating the requirements of the Labour Mobility Chapter of the AIT, ACRE initially undertook a massive project to establish national real estate education standards for salespersons and brokers. These standards were applicable to residential real estate. Since those two skills analysis were completed, additional skills analysis have been completed for commercial real estate, property management, new home sales and mortgage brokerage as well as revisiting the initial skills analysis. The federal government gave the project and the resulting skills analysis the "Blue Seal" of approval.

ACRE approached the CRG in late 1998 to discuss the possibility of working together on the labour mobility issues relating to education. A meeting was held in January 1999 and at that meeting the CRG representatives agreed in principle that real estate regulators would adopt as their own, the common education standards developed by ACRE. The respective regulatory organizations considered those standards and agreed that the learning outcomes identified in the respective skills analysis would form the basis of curriculum development for real estate education courses. It is important to recognize that these were minimum standards and that each jurisdiction could add additional requirements to its courses.

Recognizing these standards was a major step in establishing an agreement across Canada for labour mobility in the real estate industry. In January 2001 the Real Estate Authorization Recognition Agreement (Agreement) was signed by a number of real estate regulatory organizations. The Agreement stated in part that each signatory would:

- amend the minimum content of its real estate licensing courses to meet the common education standards attached as an appendix
- recognize the education standards of the other jurisdictions
- recognize the experience of industry members from other jurisdictions where applicable
- recognize that an industry member, from another jurisdiction that previously did not meet the minimum education standards, would be considered to have met those standards if they had three years experience
- create an abridged course on those issues that were different in its jurisdiction such as legislation and require those individuals requesting reciprocity to successfully complete that course

ACRE met with representatives from real estate regulatory organizations from Alberta, British Columbia and Ontario in November of 2007 to discuss the relationship between real estate regulators and ACRE however the discussion centered on the evolving relationship between real estate regulators and provincial associations in the area of education. ACRE is reviewing its mandate as a result of the more active role of regulators in the area of education across Canada. This increased involvement was seen as a positive development. There appeared to be recognition that the landscape was changing for real estate education in Canada and it was no longer the case that provincial associations could "expect" to be the licensing/registration education provider on behalf of the regulator.

There was discussion about the copyright of education materials being in the hands of the regulator with an apparent recognition that there are valid reasons why a regulator would want copyright in courses offered as part of licensing/registration education requirements. ACRE's primary concern seemed to be that a regulator having copyright for a course would prevent the ACRE member in that province from sharing course material they had developed for a provincial regulator with other ACRE members. The sharing of education materials is one of the primary roles/benefits of membership in ACRE. It was noted that the holder of copyright has the ability to grant permission to use the materials. In addition, the concept of regulators receiving revenue from courses being delivered by associations on behalf of the regulator was seen as reasonable.

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particularly in light of the enhanced role of regulators in development/monitoring of courses

AREA

In the initial years of the MOU, AREA fulfilled many of its obligations under that MOU and the arrangement appeared to work reasonably well. However, as time has passed, a variety of problems have emerged. Generally these problems have raised questions with respect to AREA's capacity to develop and deliver licensing courses. AREA has an agreement with RECA and the Alberta Mortgage Brokers Association (AMBA) to deliver the licensing course, Mortgage Associates Program, for entry into the mortgage brokerage industry. AMBA has served notice to AREA to break that agreement as a result of similar concerns to RECA.

Examples of specific areas of concern (in varying degrees of importance or seriousness) that have emerged include the following:

- inability to update course information in a timely manner (to reflect legislative or regulatory changes)
- compliance with Real Estate Authorization Recognition Agreement standards
- lack of internal expertise in the area of adult education/industry knowledge
- insufficient resources to concurrently address priorities and multiple projects
- extensive reliance on RECA for editing and revising course materials
- length of time to develop and launch the new REAP
- delay in starting work on the new Real Estate Brokers Program (REBP)
- lack of testing model for new course materials or delivery methods
- failure to provide adequate lesson plans or resources for instructors (e.g. new REAP)
- ability to attract and retain new instructors (particularly to the specialty areas)
- outdated materials, formats and graphics
- outdated distance delivery model
- quality of examinations

Based on RECA's recent experiences, it appears that AREA has failed to re-invest surplus funds (i.e. profits) from education delivery into future education programming to the extent necessary, as required by clause 47 of the MOU. This requirement was included in the MOU to ensure AREA would take the necessary steps to upgrade, develop and deliver pre-licensing programs that are current and meet the needs of the industry.

Over the past several years, it appears AREA's capacity to develop and deliver quality licensing education has deteriorated. The recent launch of the new REAP confirmed there are significant and immediate issues that need to be addressed. For example, distance delivery of the new REAP is both a major and immediate concern. In June 2007, the issue was raised with AREA. AREA confirmed it did not plan to introduce a distance delivery version of the new REAP until spring of 2008. Following discussions with RECA (and concerns from industry) AREA indicated it would make a basic version of the distance delivery program available by November 1, 2007 with a more enhanced

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version available in 2008. The basic on-line version of the course became available in mid January after significant involvement and support from RECA in that project.

The 1997 MOU was a valid approach for RECA to follow regarding real estate licensing education at that time. RECA now has the benefit of 11+ years of experience under this model. In addition to this experience, the education environment has changed and AREA's capacity to respond to a changing environment in a timely manner is in question.

Adult Education

In recent years both adult and workplace learning have experienced exponential growth. Both are recognized as offering timely and engaging learning opportunities through Internet-enabled education. Today's students demand that the Internet be part of their educational landscape due to its ability to create flexible learning opportunities in a fast-paced and global world.

Before we consider what these developments mean to our workplaces, we need to establish a shared understanding of what the terms really mean. First, for the purposes of this review, education, training and learning are synchronous and will be used interchangeably. Second, we need to establish the difference between adult education and workplace learning.

Adult education refers to learning after the age of majority that is typically facilitated by institutions of higher learning, such as colleges, universities, and technical institutes. It is characterized by the following:

- theoretical perspective
- formal delivery system
- focus on future knowledge needs
- deferred application of that knowledge
- dependent on group (class) structure
- use of online learning

Workplace learning refers to career education that is typically facilitated by employers, professional associations, and other special interest groups. It is characterized by the following:

- practical perspective
- flexible delivery system
- focus on current knowledge needs
- current application of that knowledge
- independent of group (class) structure
- use of e-learning

It is important to focus on two terms identified above, online learning and e-learning. These terms are often considered equivalent but they are not.

Online learning includes a number of individual and collaborative internet tools crafted for the adult education environment. The extensive collaborative learning tools are the hallmark of online learning, which is characterized by organized, group orientation instruction.

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E-learning, on the other hand, includes a number of individual and collaborative tools crafted for the workplace learning environment, which is characterized by organized, individual instruction. Because individual learners are not group dependent, they are not denied or delayed in their education because they cannot attend pre-scheduled virtual classes, they do not have to wait for sufficient learners to form a virtual class, and their learning pace is not set by the slowest student in the virtual group.

Both online and e-learning include easy-to-use collaborative course tools. However, one is unique to online learning - the ***virtual classroom.*** In higher education institutions across North America, the virtual classroom is replacing its forerunner, the face-to-face classroom. There are 6 key points that you should know about the virtual classroom:

- virtual classrooms increase training and technology costs for course providers
- virtual classrooms are a synchronous experience. They reduce flexible course delivery, as students are required to be online at scheduled times
- virtual classroom attendance is difficult to determine and a major concern if course attendance is required
- student access to virtual classrooms requires a minimum level of computer specifications and internet connectivity. The student also needs prior knowledge of the learning platform otherwise you create a 'double learning loop' forcing students to learn the course content while they are learning how to access it. It is common that higher education institutions require students to take a pre-requisite course in order to become familiar with the virtual classrooms technology
- virtual classrooms require technical support and troubleshooting at a much higher level, as this tool makes technical demands on both instructors and students
- virtual classroom facilitators need to be trained in two key skills – managing the technical dashboard in the virtual classroom and mastering how to facilitate online instruction which is distinctively different from the live classroom. In the virtual classroom, the instructor has physical student cues that are evident in the face-to-face classroom. Therefore, virtual classroom instruction requires superior communication skills, subject expertise and technical proficiency. Time and funds needs to be allocated to train your subject experts in virtual communication and virtual technology.

Workplace learning is the world of the ***autodidactic learner***. It is self-paced and self-directed. Workplace learning is ***learning-on-demand*** or ***just-in-time training***.
It is used by individuals who seek to enter an industry or move up within an industry. Their educational interests are driven by their need to fill knowledge gaps and typically their need for this knowledge is immediate. E-learning often starts with building work-related knowledge, advances to skill development, and ultimately scaffolds to competency certification. The level of learner engagement generally scaffolds with the intensity of the instructional purpose and content.

E-learning is a significant part of the education landscape. In 2006, US corporations spent 11 billion dollars on e-learning in the workplace. The Conference Board of Canada study, entitled *E-Learning for the Workplace: Creating Canada's Lifelong Learners*, paints a similar picture.

Concerns have been expressed that some students may be left behind as education transitions or migrates to online and e-learning formats. The research of Dr. Michelle Jacobsen from the University of Calgary focuses on adult learners and technological readiness. In general, technology has three levels of user adaptation.

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Early adapters are those who embrace technological advances from their inception. These users are at the leading edge. They are the true change agents who often break trail for the other two types of techno-learners.

Middle adapters are next and they are the largest group. They jump into the water once the wave of early adapters has left the shore. They can see that the early adapters are surviving and even thriving, so technology must be all right. Their technical proficiencies grow steadily once they decide to take the plunge.

Late adapters are the last group. They will start to swim because it is the only option left. In the corporate world they might be losing market share to more technically advanced competitors. In education, they might not be able to take or complete their programs without participation in online or e-learning.

So what does this mean for online and e-learning? The early adapters will probably be ahead of even their online instructor. The middle adapters, who are the majority of your students, are typically steady and stable learners. It is the late adapters who may cause some concern. However, there is not much that authentic encouragement and gentle instruction cannot improve. Early adapters can be matched with late adapters for peer-assisted support. Matching the beginning techno-users with the veteran users can be a mutually beneficial arrangement.

Most students, if properly supported, can make a smooth migration to online and e-learning. The message is do not let the late adapters, who are a rapidly diminishing consideration, keep the majority of your students from enjoying and benefiting from internet-enabled education and all the rich engagements that it offers.

The greatest momentum we are experiencing today in adult and workplace learning is internet-based education. To be current, internet-based learning should be your preferred course design as administrators, developers and instructors of adult and workplace learning. It is far easier to design an internet-enabled course from the beginning than to attempt to transform a classroom course later. This is due to the step-by-step planning, matrix design, systems integration, and sophistication of learner engagements that go into an online course design. In addition, online designs undergo rigorous alpha and beta testing, and even periodic pilot testing. However, if you wish to offer live classroom instruction at some point, internet-ready courses can be easily modified to create an equivalent classroom version.

In conclusion, today's learners want 'anytime' and 'anywhere' access to adult and workplace education. The development of internet-ready courses should be the default position. In considering an internet-based education, e-learning should be chosen as the most flexible and economic model. It offers all the advantages of internet-enabled education and none of the disadvantages of the virtual classroom associated with online learning. E-learning offers anytime and anyplace access to learning. Learners today consider the access, quality and timeliness of education as key requirement.

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Workplace Learners Shifting Expectations

Section	Factors	Yesterday	Tomorrow
1.	Location	Fixed place	Any place
2.	Schedule	Fixed time	Any time
3.	Program	Standardized	Customized
4.	Learners	Low diversity	High diversity
5.	Flexibility	Structured length	Modular/Phased
6.	Pace	Group paced	Self-paced
7.	Media	Paper based	Multi-media based
8.	Focus	Instructor centered	Learner centered
9.	Facilitation	Sage on stage	Guide on side
10.	Message	Learn what	Learn why/how
11.	Method	Teach by talking	Teach by doing
12.	Goal	Information	Competency
13.	Procedure	Controlled learner	Responsible learner
14.	Perspective	Early learner	Life-long learning
15.	Transition	Unsupported	Supported

Core Values

Based on the above concepts, outlined following are core values in the delivery of a professional licensing education program. Each section of Core Values identified below directly correlates to the chart identifying the workplace learner's shifting expectations above.

Section 1 - Location

RECA education should be accessible and available from anywhere

- yesterday the classroom was a fixed location and learners had to be in the classroom to receive the education
- today learning must be accessible from anywhere, regardless of the geographic location or remoteness and anyplace access is part of the flexible delivery of e-learning

Section 2 - Schedule

RECA education should be available at anytime

- yesterday fixed time is the restrictive scheduling for face-to-face classroom
- today anytime access is part of the flexible delivery of e-learning. Learning is accessible at anytime, regardless of learner's work, family or personal schedule

Section 3 - Program

RECA education should embrace prior learning and achievement recognition (PLAR) guidelines for education equivalencies for appropriate industries

- yesterday standardized programs; everyone had to take the same curriculum
- today customized programs

Section 4 - Learners

RECA education materials and methods should be learner-appropriate

- yesterday there was low diversity with homogenous learners in a face to face classroom
- today there is high diversity with multi-generational, multi-cultural learners, international students and generation X & Y students will have e-learning

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expectations and/or experience. Internet has already been part of their learning and offers excellent translation tools if they need them

Section 5 - Flexibility
RECA education will be available on demand
RECA education will be current, accurate and designed for easy updating
RECA education should use modularity for better flexibility and use of resources
- yesterday standardized program length; everyone took the same program
- today modular learning, easy updating of modules, multiple utility of modules
- supports today's learning-on-demand and just-in-time training approach

Section 6 - Pace
RECA education should facilitate the individual's understanding
RECA education should be designed for the self-directed learner
RECA education should be designed for the self-paced learner
- yesterday classes were group paced and learning occurred on specific class schedule. All students worked to the fastest pace of the slowest learner
- today learning is self-paced to meet individual learning needs

Section 7 - Media
RECA education should facilitate the individual's understanding
RECA education materials should include a variety of learning modalities
RECA education should actively engage the learner
RECA education should be designed to include content-appropriate media
- yesterday instructional materials were passive and paper-based, such as textbooks, handouts, etc.
- today instructional materials are text, audio, visual, kinesthetic and are designed to encourage active learning and high levels of learner interactivity and engagement

Section 8 - Focus
RECA education should be student-centred
RECA education should actively engage the learner
RECA education materials should include a variety of learning modalities
RECA education should facilitate the individual's understanding
- yesterday learning was instructor-centred and instructors were the keepers of the knowledge
- today learning is student-centred with instructors setting conditions for learners to experience knowing

Section 9 - Facilitation
RECA education should facilitate the individual's understanding
RECA education should be designed for the self-directed learner
RECA education should actively engage the learner
- yesterday instruction was the focus
- today facilitation is the focus and the learner derives meaning from the material

Section 10 - Message
RECA education should actively engage the learner
RECA education should facilitate the individual's understanding
RECA education should encourage development of the individual's critical thinking skills
- yesterday instructors taught information-based courses from specific curriculum
- today learners want to know why they need to know and what is in it for me

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Section 11 - Method
RECA education should actively engage the learner
RECA education should be designed to include content-appropriate media
RECA education should encourage development of the individual's critical thinking skills
- yesterday instruction was lecture-based with very limited learned engagement
- today instruction is heavily focused on learner engagement and participation in the learning

Section 12 - Goal
RECA education should facilitate the individual's understanding
RECA education should be designed to include content-appropriate media
RECA education should encourage development of the individual's critical thinking skills
- yesterday instruction was information-based and assessment was fact-based regurgitation
- today instruction is knowledge-based and/or skill-based, depending on purpose of the instruction. Highest level is competency certification, (e.g. medical training, etc.)

Section 13 - Procedure
RECA education should promote the learner taking responsibility for his/her learning
- yesterday the learner was controlled; not in charge of his/her own learning
- today the learner is responsible for his/her learning and in meeting any assessment criteria

Section 14 - Perspective
RECA education should promote learner taking responsibility for his/her learning
RECA education should facilitate the individual's understanding
RECA education materials and methods should be learner-appropriate.
RECA education should be designed to include content-appropriate media
RECA education will be current, accurate and designed for easy updating
RECA education should encourage development of the individual's critical thinking skills
- yesterday learning required K-12 grade experience for student and higher education was an option
- today learning is a life-long experience and the student is now an ageless learner. Learning is accepted as part of life and required for career advancement or career change. Learner takes more responsibility for his/her learning, the form it takes, and the direction it takes

Section 15 – Transition
RECA education should promote learner taking responsibility for his/her learning
RECA education should include artifacts to support transfer of training
RECA education should facilitate the individual's understanding
RECA education should include relevant, practice-based exercises
RECA education should be designed to include content-appropriate media
RECA education will be current, accurate and designed for easy updating
RECA education should encourage development of the individual's critical thinking skills
- yesterday learning in the classroom was not bridged to application in the field or workplace
- today learning is focused on training transfer, assisting the knowledge and skills from the learning to be applied in the workplace

Conclusions

One of the significant considerations in the development and delivery of licensing education courses is to consider who has the appropriate expertise and resources needed in either the development or delivery of specific content within those courses. As an example, RECA is the expert on regulatory/legislative course content and as such should be the organization that develops and delivers that portion of licensing education assuming it has the appropriate resources. However this does not preclude RECA from seeking input from the appropriate industry sector.

The goal of licensing education courses is to prepare individuals for a career in real estate as an associate, associate broker or broker through self study on an e-learning platform. The course must contain sustainable curriculum that supports the concepts of protection of consumers through skilled and educated industry members and promote the professionalism of the industry. In addition, it should provide a quality education program in a timely manner without geographical restrictions for the learner.

The core curriculum for the licensing education courses shall be based on the common education standards identified in the Real Estate Authorization Recognition Agreement.

RECA shall have ownership of all intellectual property rights of all core course content and other material developed for the course. If copyright materials are used from other sources RECA must also have rights to reproduce that material.

RECA should be compensated for its expertise and participation in the development of licensing courses including examinations. In addition, any involvement by RECA in the development and delivery of licensing education courses must be self funding.

Recommendations

1. That RECA adopt the core values identified above
2. That RECA adopt the concept of e-learning as the primary delivery method
3. That RECA retain responsibility for the development and delivery of those portions of the licensing education courses that are common to all the areas of specialty practice and include those subject areas that RECA has the expertise such as Phase 2 of REAP
4. That RECA contract with an individual or firm to provide an updated version of Phase 2 in an e-learning environment
5. That RECA develop a Request for Proposal (RFP) for the development and delivery of each applicable module of Phase 3 of the REAP and REBP and determine suitable suppliers for each module of those programs.
6. At the time the modules for the existing courses are updated or amended, the courses should become more "work ready" by including more practical applications of the theory included in the courses
7. That RECA continue to be responsible for the examinations for each module of the REAP and REBP

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8. Address concerns with AREA's capacity to develop and deliver licensing education through the RFP process
9. Extend the current MOU with AREA to December 31, 2009
10. Replace the current MOU with an up-to-date contract, with each respective supplier, identifying the new relationship and other issues
11. Where applicable the recommendations/concepts contained in this report can be transferred to the licensing education requirements for mortgage brokers

Proposed REAP Delivery

Assuming Council approves the Committee's recommendations, responsibility for the development and delivery of the REAP would be as follows:

Phase 1 Introduction to a Career in Real Estate - AREA

Phase 2 Fundamentals of Real Estate - RECA

Phase 3 Residential Real Estate – Request for Proposal (RFP)

Commercial Real Estate – TBD by RFP

Property Management - RECA

Agri-business – TBD by RFP

Respectfully submitted on behalf of the Committee:

Cindy Dubray Chairperson

Committee Members:
Gary Siegle
Connie LeClair
Cheryl Shindel
Chris Anderson

Ex Officio
Pat Rudiger
Bob Myroniuk

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Attachment 5

REAL ESTATE COUNCIL OF ALBERTA

Regular Meeting of the Real Estate Council of Alberta
May 6-7, 2008 – Kananaskis, Alberta

Minutes

In Attendance:	Pat Rudiger, Chair	Bob Myroniuk
	Cindy Dubray	Kirk Bacon
	Sheldon Johnston	Gerald Saccardo
	Connie Leclair	Joseph Fernandez
	Wayne McAlister	Marg Partridge
	Richard Parker	Kerri Savage
	Ralph Salomons	
	Cheryl Schindel	
	Gary Siegle	
	Robert Telford	
Absent:	Chris Anderson	
	Les Higa	
Recorder:	Valerie Horne	

Agenda Item	*Discussion/Action/Motion*

- **Real Estate Education Committee Report and Recommendations**
  Issue: Real Estate Licensing Education Policy

Cindy Dubray reviewed the committee's mandate and report with council. Marg Partridge made a presentation on a number of topics including: adult education, workplace learning, online learning, e-learning, and core values in the delivery of a professional licensing education program. Cindy Dubray reviewed the committee's recommendations. If council approved the recommendations of the committee, the committee would provide council with a business plan setting out the issues, implementation process and the financial implications at the council meeting in August. RECA will approach AREA after the August meeting.

MOTION:

1. That RECA adopt the following core values:

Location: RECA education should be accessible and available from anywhere.
Schedule: RECA education should be available at any time.
Program: RECA education should embrace prior learning and achievement recognition (PLAR) guidelines for education equivalencies for appropriate industries.
Learners: RECA education materials and methods should be learner-appropriate.
Flexibility: RECA education will be available on demand; will be current, accurate and designed for easy updating; should use modularity for better flexibility and use of resources.
Pace: RECA education should facilitate the individual's understanding; be designed for the self-directed learner; be designed for the self-paced learner.
Media: RECA education should facilitate the individual's understanding; should include a variety of learning modalities;
actively engage the learner; be designed to include content-appropriate media.
Focus: RECA education should be student-centered; actively engage the learner; include a variety of learning modalities; facilitate the individual's understanding.
Facilitation: RECA education should facilitate the individual's understanding; be designed for the self-directed learner; actively engage the learner.
Message: RECA education should actively engage the learner; facilitate the individual's understanding; encourage development of the individual's critical thinking skills.
Method: RECA education should actively engage the learner, be designed to include content-appropriate media; encourage development of the individual's critical thinking skills.
Goal: RECA education should facilitate the individual's understanding; be designed to include content-appropriate media; encourage development of the individual's critical thinking skills.
Procedure: RECA education should promote the learner taking responsibility for his/her learning.
Perspective: RECA education should promote the learner taking responsibility for his/her learning; facilitate the individual's understanding; education materials and methods should be learner-appropriate; be designed to include content-appropriate media; be current, accurate and designed for easy updating; encourage development of the individual's critical thinking skills.
Transition: RECA education should promote the learner taking responsibility for his/her learning; include artifacts to support transfer of training; facilitate the individual's understanding; include relevant, practice-based exercises; be designed to include content-appropriate media; be current, accurate and designed for easy updating; encourage development of the individual's critical thinking skills.

2. That RECA adopt the concept of e-learning as the primary delivery method.

3. That RECA retain responsibility for the development and delivery of those portions of the licensing education courses that are common to all the areas of specialty practice and include those subject areas that RECA has the expertise such as Phase 2 of REAP.

4. That RECA contract with an individual or firm to provide an updated version of Phase 2 in an e-learning environment.

5. That RECA develop a Request for Proposal (RFP) for the development and delivery of each applicable module of Phase 3 of the REAP and REBP and determine suitable suppliers for each module of those programs.

6. That at the time the modules for the existing courses are updated or amended, the courses should become more "work ready" by including more practical applications of the theory included in the courses.

7 That RECA continue to be responsible for the examinations for each module of the REAP and REBP.

8. That RECA address concerns with AREA's capacity to develop and deliver licensing education through the RFP process.

9. That RECA extend the current MOU with AREA to December 31, 2009.

10. That RECA replace the current MOU with an up-to-date contract, with each respective supplier, identifying the new relationship and other issues.

11. That where applicable the recommendations/concepts be transferred to the licensing education requirements for mortgage brokers.

Cindy Dubray/Carried

Attachment 6

MEMORANDUM OF UNDERSTANDING

BETWEEN:

THE REAL ESTATE COUNCIL OF ALBERTA
Suite 350, 4954 Richard Road SW
Calgary, AB
T3E 6L1

("RECA")

AND

THE ALBERTA REAL ESTATE ASSOCIATION
Suite 300, 4954 Richard Road SW
Calgary, AB
T3E 6L1

("AREA")

Background

Under s. 12 of the *Real Estate Act*, RECA has the responsibility and authority to determine the eligibility requirements of a person to obtain an authorization to trade in real estate in Alberta, that is, a licence or registration. This includes establishing and administering both pre-licensing and post-licensing education requirements. These requirements are enumerated in the rules set out by RECA, pursuant to the *Real Estate Act* and came into effect on July 1, 1996 and subsequent amendments.

Currently, a person who wishes to become registered as a real estate associate must fulfill the education requirements of Real Estate Associates' Program (REAP) and pass the respective examinations for each phase of REAP. A person who wishes to become licensed as a real estate broker or associate broker must fulfill the education requirements of the Real Estate Brokers' Program (REBP) and pass the respective examination(s). The Executive Director is responsible for approving the course outlines, objectives, lesson plans and the examinations for both of these programs.

Education standards are a priority in the RECA Business Plan for 2008-2011. Within the context of its business plan, RECA has approved a plan for the development and delivery of real estate licensing education. As a result, RECA has embarked on a new direction in the area of licensing education for all industry members, including real estate industry members.

RECA will be taking a more active role to ensure licensing courses meet the core values established by RECA for the delivery of a professional licensing education

program. RECA has determined it is the appropriate organization for the development and delivery of regulatory and common education matters within the real estate sector. Where applicable, the course material of licensing education for industry members that is industry sector specific, RECA will undertake a request for proposal (RFP).

In accordance with the RECA Education Plan, the development, content and delivery of the REAP will undergo significant change. During the implementation of the plan, RECA will:

(a) review and determine the viability of Phase 1 of REAP and, if continued, will conduct an RFP process;

(b) conduct an RFP process for the development and delivery of the residential, commercial and agri-business modules in Phase 3; and,

(c) assume responsibility for Phase 2 of REAP.

In light of the objectives, projects and timelines established in the RECA Education Plan, the parties acknowledge this MOU has a two-fold purpose. It will ensure real estate licensing education continues to be delivered by AREA for a two-year period in accordance with approved standards. It will also facilitate the transition to a new model of licensing education, particularly as the new model applies to the REAP and REBP.

The Parties wish to enter into a Memorandum of Understanding (MOU) for a period of two-years whereby, subject to the Rules and Policies that RECA may set from time to time, and the terms and conditions of this agreement, these two programs will continue to be delivered by AREA and recognized by RECA for licensing and registration purposes.

In consideration of their mutual covenants, the Parties agree as follows:

General

1. The term of this MOU will be two years, commencing January 1, 2009 and ending December 31, 2010.
2. AREA will produce and deliver two programs: REAP and the REBP. These two programs will be recognized by RECA as meeting the educational standards required for a real estate associate, associate broker and broker's licence.
3. The programs will be offered in such a manner as to ensure the core values established by RECA for the delivery of a professional licensing education program are maintained.
4. These programs will be developed and delivered to be consistent with the common education standards adopted by the Canadian jurisdictions responsible for the licensing and regulation of real estate industry members in the *Real Estate Authorization Recognition Agreement* and ARELLO standards, as they apply to Alberta, and Alberta legislation.
5. These programs will be offered by AREA on a province-wide, not for profit basis. AREA may sub-contract with various institutions for course provision.

6. The Parties will work cooperatively to achieve the objectives and intent of this MOU to provide quality and meaningful pre-licensing real estate education in Alberta.
7. The Parties will work cooperatively to facilitate a smooth transition from the previous model of licensing education delivery to the new model approved in RECA's Education Plan for 2008-2011.
8. AREA will provide RECA access to REAP course content (in a compatible format) for the sole purpose of assisting RECA with the development of course material for a new Phase 2 in accordance with the Education Plan; however, it being understood and agreed that RECA shall not transfer any such information to a third party without the prior written approval of AREA.
9. AREA will be responsible for maintaining accurate records of those individuals enrolled in the courses and reporting to RECA on a timely basis the successful completion of each respective course by each individual electronically through the "import routine", currently used by AREA to report on education course completion to RECA. The report will include all personal information of each individual required in the "import routine".
10. AREA may not assign this MOU to any other person.

Real Estate Brokers' Program (REBP)

11. The Executive Director will prescribe the compulsory and elective courses in accordance with RECA policy. The Executive Director may consult, from time to time with AREA.
12. AREA will design and develop the courses, including course outlines, course objectives and lesson plans consisting of a set of topics and the amount of time allocated to each topic.
13. The REBP will be offered through a classroom and online delivery method.
14. AREA will review, evaluate, and revise its courses to ensure that the material is current and relevant. The development of new and revised course content will take into account RECA, instructor, student, and industry feedback.
15. AREA will enforce RECA's policy for the time period to complete course requirements of the REBP and decide if an extension should be granted as a result of extenuating circumstances (i e. medical, maternity etc.) upon application from a candidate.
16. AREA will issue a Certificate of Completion to those candidates who have successfully completed all course requirements in the REBP.
17. AREA will issue a Permission to Write the respective examination(s) to candidates who have qualified for a Certificate of Completion in the REBP.
18. AREA will issue a Permission to Re-Write the respective examination to candidates who wish to re-write and have paid the prescribed fee.
19. AREA will make arrangements with candidates in the distance delivery REBP to write course exams.

Real Estate Associates' Program

20. The Executive Director will approve the course content of REAP in accordance with RECA policy and will consult, from time to time, with AREA in carrying out this responsibility.
21. Subject to clause 22, AREA will design and develop REAP, including course outlines, course objectives and lesson plans consisting of a set of topics and the amount of time allocated to each topic.
22. The REAP will be offered through a classroom and online delivery method.
23. AREA will review, evaluate, and revise the REAP to ensure course material is current and relevant. The development of new and revised course content will take into account RECA, instructor, student, and industry feedback.
24. AREA will enforce the RECA policy for the time period to complete course requirements for REAP and decide if an extension should be granted as a result of extenuating circumstances (i.e. medical, maternity etc.) upon application by a candidate.
25. AREA will issue a Certificate of Completion to candidates who successfully complete the REAP.
26. AREA will issue a Permission to Write the examinations for the respective phases to candidates who have successfully completed the REAP.
27. AREA will issue a Permission to Re-Write to candidates who wish to re-write and have paid the prescribed fee.

Instructors

28. AREA will be responsible for ensuring instructor quality standards are established and maintained, including training, subject matter expertise, certification, and ongoing evaluation of performance.
29. AREA will develop and implement policies on all matters relating to instructor conduct and ensure instructors adhere to a professional code of conduct.
30. AREA instructor policies will be provided to the Executive Director, from time to time, for information purposes.
31. The Executive Director may, from time to time, request a meeting with a representative of AREA and its instructors for the purposes of sharing information, discussing issues, discussing legislation and outlining RECA policies that are relevant to the content and delivery of the two programs.

Equivalencies & Exemptions: Real Estate Brokers' Program and Exams

32. The Executive Director will be responsible for granting exemptions from the REBP and/or any examinations. This responsibility will be carried out in accordance with RECA Rules, Policies or any reciprocity agreements RECA may have with other jurisdictions. The Executive Director may consult with AREA in carrying out this responsibility.
33. In the event a candidate is exempted from the course requirements for broker licensing, but wishes to obtain the course materials, AREA will provide the materials in accordance with its fee schedule.

Equivalencies & Exemptions: Real Estate Associates' Program and Exams

34. The Executive Director will be responsible for granting exemptions from the REAP and/or the applicable examinations. This responsibility will be carried out in accordance with RECA Rules, Policies or any reciprocity agreements RECA may have with other jurisdictions. The Executive Director may consult with AREA in carrying out this responsibility
35. In the event a candidate is exempted from the course requirements for an associate registration, but wishes to obtain the course materials, AREA will provide the materials in accordance with their fee schedule.

Authorization Exams (Excluding Property Management)

36. AREA will administer and mark all applicable exams for brokers and associates and will officially notify candidates of their marks on the exam. AREA will be compensated for the production and administration of the exam through exam fees.
37. The content and format of the exams, accompanying material and passing grades must be approved by the Executive Director prior to use.
38. RECA will develop all examinations for the REBP and REAP and will provide these examinations to AREA. RECA will receive fees for these examinations in accordance with clause 48.
39. AREA will, upon request from a learner, indicate to the learner which questions they did not answer correctly and, as a result, the areas that will require further study.
40. AREA will provide to RECA standard examination tracking reports that will enable RECA to assess learner performance on all examination questions. These reports will include aggregated data on exam performance by all REAP and REBP learners as well as the performance of all individual questions on these exams using standard psychometric data.

Marketing and Fees

41. AREA shall be responsible for all matters relating to course pricing, management fees, delivery, publicity and feedback mechanisms, as well as all public inquiries and correspondence.
42. AREA will develop a fee schedule for the educational services and programs it provides and be responsible for the collection of all fees relating to those services. A reasonable management fee, as determined by AREA, may be included in determining the fees to be charged. AREA will provide a copy of its fee schedule to RECA for information purposes.
43. Refunds of course fees for failure to complete REAP or the REBP will be at the discretion of AREA and the institutions delivering the program, in accordance with established policies.

44. RECA will determine the fees for exemptions, the examinations and re-writes. AREA will collect these fees on RECA's behalf. A fee breakdown indicating that the course fees are separate from the exam fee will be given to all candidates at the time of payment of fees.

Course Revenues and Expenses

45. AREA will receive on its own account all fees generated from the delivery of REAP and REBP.
46. AREA will be responsible for all costs incurred by AREA in the course of producing and delivering these two programs, including but not limited to staffing costs, accounting, leasing of premises, production expenses and any development expenses, with the exception of those items in which it is specifically stated otherwise in this MOU.
47. RECA will receive $20 (twenty dollars) for each examination in Phase 2 of the REAP and $10 (ten dollars) for each examination in Phase 3 of the REAP. In addition, RECA will receive $20 (twenty dollars) for each REBP examination. These payments are to be made by AREA to RECA bi-monthly for the examinations administered in the previous two(2) months.

Use of Surplus Funds

48. It is understood by the Parties the intent is to produce and deliver these two programs on a user pay, not for profit basis. AREA agrees that any surplus funds generated in any year will either be applied to the accumulated deficit of the program or the upgrading or development and administration of the pre-licensing programs to ensure they are current and meeting the needs of the industry.

Communication

49. Both Parties will make their best efforts to ensure that on-going communication is maintained regarding any issue, program concerns or significant changes that occur within the industry or matters arising out of the administration of this MOU.
50. AREA will, upon reasonable request, provide RECA with information and advice on policy issues related to pre-licensing education.
51. RECA will, upon reasonable request, provide AREA with information and advice that may assist AREA in the development and delivery of pre-licensing courses.
52. AREA will provide semi-annual reports to RECA with statistical information agreed to by the Parties such as enrollment and completion rates for the exams.
53. RECA will have reasonable access to student records, course evaluations by student's and examination results including individual question results.
54. RECA and AREA will each appoint an individual to be the primary contact to work on the administration of this MOU and sharing of information and advice between the Parties.

Annual Review

55. The Executive Vice-President of AREA and the Executive Director of RECA, or their respective designates, will meet at least once a year to discuss real estate licensing education issues and the administration of this MOU. Topics covered may include:
    - review of education direction
    - trends in enrolment and completion
    - summaries of course and instructor evaluations
    - outstanding issues
    - amendments to the MOU
    - review of fee schedule
    - the proposed yearly budget
    - areas of expansion and change

Miscellaneous

56. The terms of this MOU may be amended from time to time by mutual agreement of AREA and RECA.
57. The items in this MOU are general provisions for pre-licensing real estate education in the province of Alberta. AREA may make more specific internal policies to ensure efficient and effective delivery of these courses.
58. This MOU will be governed by and construed in accordance with the laws of the Province of Alberta.
59. The headings appearing in this MOU have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope of any provision of this agreement.

Real Estate Council of Alberta

Per: _____

Date: Jan 23/09

Alberta Real Estate Association

Per: _____

Date: 23/01/09

Attachment 7

From: Communications [mailto:communications@reca.ca]
Sent: December-13-10 11:26 AM
To: RECA Everyone
Subject: RECA News: 13 December 2010 (Delivery of Licensing Education Transfers from AREA to RECA)

RECA NEWS December 13, 2010

Alberta Real Estate Association

REAL ESTATE COUNCIL OF ALBERTA

Additional Information

RECA Education

Online Licensing

December 13, 2010

TO: Real Estate Industry Members and Other Stakeholders

FROM: The Real Estate Council of Alberta and the Alberta Real Estate Association

RE: Delivery of Licensing Education Transfers from AREA to RECA

A multi-year Memorandum of Understanding between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) is coming to a conclusion. This agreement provides for AREA to administer, on behalf of RECA, Alberta's real estate associate and brokers licensing programs.

Background:

When the Real Estate Council of Alberta (RECA) was established in 1996, its mandate included responsibility for licensing and re-licensing education. At the time, RECA was not in a position to assume all aspects of this responsibility

and looked to AREA to continue to participate in curriculum development and course registration and administration.

In 2008, RECA was able to assume responsibility for all aspects of its Re-licensing Education Program. Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility for the development and delivery of the real estate licensing education programs.

Current Situation:

RECA's Memorandum of Understanding with AREA officially ends December 31, 2010. However, both parties have agreed to extend the agreement to allow for a staged transition, as follows:

Licensing Course	Timing of Transition to RECA
Introduction to a Career in Real Estate (Phase 1)	January, 2011
Fundamentals of Real Estate (Phase 2)	October, 2011
Introduction to a Career in Residential Real Estate (Phase 3)	May, 2012
Introduction to a Career in Commercial (Phase 3)	January, 2013
Introduction to a Career in Rural (Phase 3)	June 2013
Real Estate Office Management and Brokerage (REBP)	October, 2011

Next Steps:

The timing of the transitions reflects when RECA anticipates it will be ready to deliver new online education material for each course.

On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the *Real Estate Act* itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS®. These offerings will range from quick, direct-to-your-inbox tutorials on prevalent practice issues to an array of course offerings developed in-house or accessed through licensing agreements with REBAC and other course providers.

Both RECA and AREA recognize the importance of working together to support Alberta REALTORS®. A key aspect of this relationship is the contributions each organization makes, through input and feedback, to the plans and activities of the other organization. To this end, RECA and AREA are collaborating to identify areas of business the other organization should contribute to and when and how to best deliver this input to achieve the most value.

Both organizations look forward to enhancing their working relationship and their service to the Alberta real estate industry. For more information on RECA's education programs and its *"Core Values"* go to: http://www.reca.ca/reca-education/splash/splash.htm

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F. (403) 228-3065
communications@reca.ca

REAL ESTATE COUNCIL OF ALBERTA

Building Consumer Trust and Confidence

RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to communications@reca.ca

Attachment 8

Bob Myroniuk

From: Bob Myroniuk
Sent: February 7, 2014 4:20 PM
To: Dan Russell
Subject: 2013 AREA Annual Report

Dan, I have read the 2013 AREA Annual Report and have a concern regarding the following sentence on page 15: ***"While the move away from delivery of licensing education was not something AREA chose ... AREA saw it as an opportunity to shift focus to existing members ..."***. This first part of this sentence is not true. In fact, AREA did choose to move away from the development and delivery of licensing education on its own accord, specifically the Real Estate Associates Program (REAP) and the Real Estate Brokers Program (REBP). It was AREA that decided, for its own reasons. It had nothing to do with RECA's mandate. On August 23, 2010, when Kirk and I met with you, Carmen and Cathy in your office, you folks asked us if RECA would consider taking over responsibility for REAP and REBP – Carmen was the one who raised the idea. Prior to that date, RECA had never contemplated the possibility or approached AREA with this idea. As I recall, you also offered to continue to provide administrative services. It was about two weeks later we confirmed with you that RECA was prepared to take on this responsibility - we agreed it was in best interests of AREA and RECA and we then proceeded to discuss the transition process.

I am concerned this Annual Report is inaccurate and misleading. I have heard from some AREA/board members and leadership that RECA took over education as if it was something we initiated and AREA had no choice in the matter – given how this actually happened, I wonder why they might think that was the case? I am prepared to set the record straight but await your explanation.

Bob Myroniuk
Executive Director, **Real Estate Council of Alberta**
Suite 350, 4954 Richard Road SW, Calgary, AB T3E 6L1
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REAL ESTATE COUNCIL OF ALBERTA

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Attachment 9

THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (the "Agreement") dated this 4 day of March, 2013

BETWEEN:

Real Estate Council of Alberta

OF THE FIRST PART

- AND -

Alberta Real Estate Association

OF THE SECOND PART

1. **Background**:

   The Real Estate Council of Alberta (RECA) is developing content, materials, exercises, job aids and manuals for RECA's Fundamentals of Real Estate Course ("Confidential and Proprietary Information"). In connection with this activity, in order to ensure alignment of a classroom equivalent course, tutorials or other support services developed by the Alberta Real Estate Association (AREA) to support learners enrolled in the Fundamentals of Real Estate Course, RECA's Confidential and Proprietary Information may be disclosed to AREA.

2. **Purpose:**

   RECA may disclose Confidential and Proprietary Information to AREA for purposes of AREA's sole and exclusive use to develop a classroom equivalent course, tutorials or other support services for learners enrolled in the Fundamentals of Real Estate Course. The disclosure of RECA's Confidential and Proprietary information is for alignment of AREA's classroom equivalent course, tutorials or other support services with RECA's Fundamentals of Real Estate Course material, content, information and program and to ensure the accuracy, currency and completeness with RECA's Confidential and Proprietary Information.

3. **IN CONSIDERATION OF** and as a condition of RECA providing RECA's Confidential and Proprietary Information to AREA in addition to other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Agreement agree as follows:

4. **Definition:**

(1) In this agreement "Confidential and Proprietary Information" means all of RECA's education materials, information and programs of a non-public nature, tangible or intangible, including RECA's intellectual property e.g. trademarks and copyright, that is of value to RECA and that were created or acquired for the development of RECA's Fundamentals of Real Estate Course and which is communicated to AREA in respect of the Purpose.

(2) Without limiting the generality of the foregoing, Confidential and Proprietary Information includes:

(a) RECA education materials, information and programs marked with the word confidential or otherwise identified with markings, designations or other as being of a confidential nature, whether trademarked or copyrighted at the time of disclosure;
(b) All other information that would be understood by the parties, exercising reasonable business judgment, to be confidential;
(c) All materials that contain, disclose or embody in whole or in part Confidential and Proprietary Information;
(d) And the specific information being disclosed or to be disclosed as Units 1 to 13 of the Fundamentals of Real Estate Course.

(3) Confidential and Proprietary Information does not include information that:

(a) Is publicly available through no fault of AREA ;
(b) Was rightfully in AREA's possession before receiving it from RECA;
(c) Was developed independently by AREA without using any RECA Confidential and Proprietary Information, provided that this can be proven to the satisfaction of RECA;
(d) Is disclosed by AREA in accordance with a court order;
(e) Was rightfully obtained by AREA from a third party who had the right to transfer or disclose it to AREA.

5. **Use**

AREA will use the Confidential and Proprietary Information only for the purpose set out in paragraph 2.

6. **Obligations of Non-Disclosure :**

(1) Except as otherwise provided in this Agreement, AREA must not disclose the Confidential and Proprietary Information
(2) Except as otherwise provided in this Agreement, the Confidential and Proprietary Information will remain the exclusive property of RECA and will only be used by AREA for the permitted Purpose. AREA will not use the Confidential and Proprietary Information for any purpose that might be directly or indirectly detrimental to RECA.
(3) The obligations to ensure and prevent the disclosure of the Confidential and Proprietary Information imposed on AREA in this Agreement and any obligations to provide notice under this Agreement will survive the expiration or termination, as the case may be, of

this Agreement and will continue for a period of ten (10) years from the date of such expiration or termination.

(4) AREA may disclose any of the Confidential and Proprietary Information:

(a) to such of its employees or advisors that have a need to know for the permitted Purpose provided that:

(i) the employees will be participating in the development of an AREA classroom equivalent course, tutorials or other support services for learners enrolled in the Fundamentals of Real Estate Course;

(ii) the advisors will be participating in the development of an AREA classroom equivalent course, tutorials or other support services for learners enrolled in the Fundamentals of Real Estate Course and RECA is advised in writing to whom disclosure will be made;

(iii) AREA has informed employees and advisors in writing of the confidential nature of the Confidential and Proprietary Information;

(iv) the employees and advisors agree in writing to be legally bound to the same burdens of non-disclosure and non-use of the Confidential and Proprietary Information as AREA;

(v) AREA agrees to take all necessary steps to ensure that the terms of this Agreement are not violated by his employees and advisors; and

(vi) AREA agrees to be responsible for and indemnify RECA for any breach of this Agreement by its employees and advisors.

(b) to a third party where RECA has consented in writing to such disclosure; and

(c) to the extent required by law.

(5) AREA agrees to retain all Confidential and Proprietary Information at his usual place of business and to store all Confidential and Proprietary Information separate from other information and documents held in the same location. Further, the Confidential and Proprietary Information is not to be used, reproduced, transformed, or stored on a computer or device that is accessible to persons to whom disclosure may not be made, as set out in this Agreement.

(6) AREA will not copy or reproduce in any manner whatsoever the Confidential and Proprietary Information or any part thereof without the prior written consent of RECA or as expressly provided for herein, except where required for its own internal use in accordance with this Agreement.

7. Return of Confidential and Proprietary Information

(1) AREA will keep track of all Confidential and Proprietary Information provided and the location of such information. RECA may at any time request the return of all Confidential and Proprietary Information from AREA. Upon the written or verbal request of RECA, or in the event that AREA ceases to require use of the Confidential and Proprietary Information or upon the expiration or termination of this Agreement, the AREA will:

(a) return all Confidential and Proprietary Information including all originals, copies, reproductions and summaries of Confidential and Proprietary Information to RECA and will not retain any copies of this Confidential and Proprietary Information;

(b) destroy or have destroyed all memoranda, notes, reports and other works based on or derived from the AREA's review and work related to the Confidential and Proprietary Information except for the materials developed to create a classroom

equivalent course, tutorials or other support services for learners enrolled in the Fundamentals of Real Estate Course; and

(c) provide a written confirmation to RECA that Confidential and Proprietary Information has been destroyed or returned, as the case may be.

8. **Notices**

(1) In the event that AREA is required in a civil, criminal or regulatory proceeding to disclose any part of the Confidential and Proprietary Information, AREA will give to RECA prompt written notice of such request so RECA may seek an appropriate remedy or alternatively to waive AREA's compliance with the provisions of this Agreement in regards to the request.

(2) If AREA loses or makes unauthorized disclosure of any of the Confidential and Proprietary Information, AREA will immediately notify RECA and take all reasonable steps necessary to retrieve the lost or improperly disclosed Confidential and Proprietary Information.

9. **Ownership and Title**

(1) This Agreement will not be construed as creating, conveying, transferring, granting or conferring upon AREA any rights, license or authority in or to the Confidential and Proprietary Information supplied or exchanged, except the limited right to use Confidential and Proprietary Information specified herein. Furthermore and specifically, no license or conveyance of any intellectual property rights is granted or implied by this Agreement.

(2) Nothing contained in this Agreement will grant to or create in AREA, either expressly or impliedly, any right, title, interest or license in or to the intellectual or other property of RECA.

10. **Remedies**

(1) AREA agrees and acknowledges that the Confidential and Proprietary Information is of a proprietary and confidential nature and that any disclosure of the Confidential and Proprietary Information to a third party in breach of this Agreement cannot be reasonably or adequately compensated for in money damages and would cause irreparable injury to RECA. Accordingly, AREA agrees that RECA is entitled to, in addition to all other rights and remedies available to it at law or in equity, an injunction restraining AREA and any agents of AREA, from directly or indirectly committing or engaging in any act restricted by this Agreement in relation to the Confidential and Proprietary Information.

This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and assigns.

This Agreement will be effective for TEN (10) years.

This Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta and the Courts of the Province of Alberta will be the exclusive forum. AREA relating to the Confidential and Proprietary Information of this agreement; in the event of any disparity or conflict between the provision of such agreements, the provision which is more protective of

Attachment 10

From: AREA Advisory <communications@areahub.ca>
Date: May 6, 2015 at 11:59:28 AM MDT
To: <cgriffiths@naiedmonton.com>
Subject: AREA Announcement on Licensing Education
Reply-To: <communications@areahub.ca>

Alberta Real Estate Association

Advisory

In 2009, RECA announced they would be assuming full responsibility for content and delivery of licensing education. Since 2010, AREA has been transitioning licensing education to the regulator as per their directive.

Today, AREA is announcing the conclusion to the licensing education transition as of May 31st, when AREA will no longer make available the content and deliver the Commercial, Rural and Broker program licensing education on behalf of RECA. AREA will continue to support those enrolled in these programs prior to May 31st through to completion. Based on recent conversations, AREA understands that RECA has opportunities underway for delivery of this education.

While the history of licensing education delivery is complex, AREA wants to ensure that provincially and nationally it is clear that AREA did not and does not endorse the model for content and delivery of licensing education currently in progress in Alberta.

Please click below for a short video message from AREA CEO Ian Burns:



The decisions made at the recent Council meeting to press forward on June 1st with the new licence model are something your AREA Board of Directors does not support. A lack of communication from RECA on when commercial content will be ready, paired with past deadlines

for RECA content releases which were not met, led the Board to decide that to continue to offer AREA course content under these circumstances is not in the best interests of members.

Since 2009, AREA has maintained a desire to be a key organization in the delivery of licensing education. It is disappointing that RECA deemed themselves the sole organization to develop and deliver licensing education, a decision which is impacting the cost to be a REALTOR® in our province.

As discussed in the video message, the transition of licensing education is one example of member frustration with RECA's management of industry changes. We have heard loud and clear from members on another similar example: RECA launching an industry standard of measurement in the new residential licensing education without communicating with current industry members. As a result, we now have members entering the industry with the understanding there is a standard of measurement in place with no communication of that information to current members.

AREA will advocate to see that clearer communication and discussion occurs across the industry before these types of changes are implemented. Know that AREA will continue to be firm in our positions on issues that affect our members and always proceed with your best interests in mind, keeping you updated as progress is made.

For more information regarding this decision and the history of some of the issues discussed, please click here for a Q&A document. If you have further questions, please contact us at communications@areahub.ca or by phone at 1.800.661.0231.

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Attachment 11

Fact Sheet – Real Estate Licensing Education In Alberta

June 9, 2015

"Setting the Record Straight"

1. Introduction

It has come to the attention of the Real Estate Council of Alberta (RECA) the Alberta Real Estate Association (AREA) has provided inaccurate information to its members, industry stakeholders, provincial/national REALTOR® associations, and the Government of Alberta about the recent transition of responsibility for real estate licensing education in Alberta from AREA to RECA.

RECA is in its 20th year of carrying out its mandate as outlined in the *Real Estate Act* of Alberta. It is a well-respected regulatory body with a provincial, national and international reputation for integrity, independence and regulatory excellence. The quality of RECA's regulatory work has been recognized by a number of organizations including the following: Government of Alberta (Service Alberta) and two international regulatory associations, the Association of Real Estate Licence Law Officials (ARELLO) and the Council on Licensure, Enforcement & Regulation (CLEAR). For example, RECA has received the following awards:

- 2014 – ARELLO Post-Licensing Course Award - Real Estate Update 2014
- 2014 – ARELLO Pre-Licensing Course Award - Fundamentals of Real Estate
- 2012 – ARELLO Communications Award - Social Media
- 2012 – CLEAR Regulatory Excellence Award - Education Services
- 2011 – ARELLO Communications Award, Best Website
- 2010 – ARELLO Communications Award, Best Newsletter
- 2010 – ARELLO Education Award, – Real Estate Update 2009-2010
- 2009 – ARELLO Investigator of the Year
- 2008 - Alberta Consumer Champion Awards - Consumer Tools
- 2008 - ARELLO Education Award, Understanding Designated Agency & Transaction Brokerage
- 2008 - ARELLO Consumer Education Award – Agency Relationships
- 2007 - ARELLO Post-Licensing Course Award - Agency Fundamentals
- 2006 - ARELLO Investigator of the Year Runner-Up
- 2003 – ARELLO Communications Award – Best Website
- 2003 – ARELLO Investigator of the Year Award
- 1999 – ARELLO Communications Award – Best Newsletter

The recent actions of AREA have damaged the reputation of RECA and placed it in a difficult position. For organizations to develop and maintain a positive and collaborative relationship requires two key elements: respect and trust. The actions and public statements of AREA have demonstrated a lack of respect toward RECA and its regulatory mandate. The misinformation regarding AREA's role in the process of transferring responsibility of licensing education from AREA to RECA is troubling. As a result, it is difficult for RECA to develop a sense of trust in any future relationship with AREA.

While there is a longer history of the real estate licensing education in Alberta, it begins for RECA in 1996. In the interest of brevity, this report focuses on the history starting in 2008.

In February 2008, RECA's Real Estate Education Committee issued its report and recommendations to Council with respect real estate licensing education in Alberta. The core values recommended by the Committee were approved by Council and are posted on www.reca.ca . This is the link to those core values: http://bit.ly/1Q3DvXj .

In the course of reviewing the state of real estate licensing education in Alberta, the Committee specifically reviewed RECA's relationship with AREA and the concerns with AREA's licensing education program at the time. The section of the Committee's report, as it related specifically to AREA, is important context for this discussion and is provided in Schedule 1.

The format of this report is to provide a factual response to recent statements made by AREA (*in italics*). These are statements made by AREA in correspondence from AREA President Ed Jensen to RECA's Chair Chad Griffiths, an ***AREAHub*** article, and a video presentation by Ian Burns, AREA's CEO.

2. The Facts

AREA Statements: "In 2009, RECA stated it was assuming full content development and delivery of licensing education." & "In 2009 RECA announced they would be assuming full responsibility for content and delivery of licensing education.

- These statements are not true. RECA never made any such statement or announcement in 2009.
- Assuming full responsibility for all licensing education is a major policy decision that would require Council approval. Since 1996, RECA has implemented multi-year strategic plans. Each year the most current of these plans is available to the public on RECA's website. A review of these plans over the past 19 years would confirm RECA's Council never made it part of its strategic plan or direction to "take over" licensing education from AREA or "assume full content development and delivery of licensing education". Simply put, RECA never contemplated this direction until this idea was initiated by AREA in August 2010 (see details below).
- In 2009, RECA's decision to enter into real estate licensing education only related to the development and delivery of a new *Fundamentals of Real Estate* Course. This course replaced AREA's Phase 2 of the *Real Estate Associates Program*. This decision was a direct result of the recommendation of RECA's Education Committee.
- RECA communicated its decision to AREA well in advance of introducing the course to the industry. This course deals with subject matter clearly within the scope of RECA's regulatory mandate, knowledge and experience, i.e. legal, legislative and regulatory issues. RECA wanted to ensure accuracy, consistency and relevancy of the information for all new licensees. It was clear AREA did not have, or was not willing to secure, the expertise or resources to develop a quality course in this area of learning. RECA, on the

other hand, had the internal expertise and was willing to secure the resources necessary to develop and deliver a quality course. It is important to note RECA delivers similar courses in the other two industry sectors regulated by RECA, i.e., mortgage brokerage (*Fundamentals of Mortgage Brokerage*) and real estate appraisal (*Real Estate Appraisal in Alberta*), as part of their licensing requirements.

- The only public announcement RECA made related to the new *Fundamentals of Real Estate* Course. That announcement was made in ***RECA News*** on November 13, 2012. (Refer to Schedule 2 below.)

AREA Statement: "AREA has always maintained a desire to be a key organization for the development and delivery of licensing education."

- This statement is not true. The idea or suggestion RECA assume responsibility for real estate licensing education was initiated by AREA not RECA.
- In August of 2010, AREA invited Kirk Bacon and Bob Myroniuk to a meeting at the AREA office. There was no formal agenda and no minutes taken. Dan Russell, Carmen Gray and Cathy Edge were present. At this meeting, AREA communicated its challenges and frustration in meeting the standards and requirements set by RECA with respect to the delivery of real estate licensing courses. AREA indicated in addition to AREA being frustrated they sensed RECA was also frustrated. RECA confirmed it was frustrated as well. AREA then raised the idea of RECA assuming responsibility for the delivery of all remaining licensing education courses. In addition to the frustrations mentioned, AREA representatives stated they wish to remove themselves from licensing education for strategic reasons, i.e. they were going to change direction as an organization and focus on professional development courses for their members. AREA offered to provide the administrative services of its education department throughout the transition process.
- RECA's representatives did not say yes or no to AREA's suggestion at the August 2010 meeting. RECA indicated it would give the idea consideration.
- AREA's idea that RECA consider assuming full responsibility for delivery for licensing education came as a surprise to RECA. Prior to this meeting, there was no previous indication from AREA it was considering this idea.
- From RECA's perspective, from July 1996 to August 2010, RECA worked on the assumption AREA wished to continue to offer real estate licensing education. While RECA decided to develop and deliver a new *Fundamentals of Real Estate* course, RECA assumed AREA would continue to offer the practice (or "applied" courses) for the three real estate sectors and the real estate broker's course. The AREA licensing education program included the three real estate associate's licensing courses (i.e. *Practice of Residential Real Estate, Practice of Commercial Real Estate and Practice of Rural Real Estate*) and the *Real Estate Broker's Program* (multiple courses) that form part of the overall licensing requirements for real estate brokerage industry.
- Prior to August 2010, the possibility of RECA assuming responsibility for the delivery of real estate licensing education was raised by AREA on one previous occasion. During a very n informal conversation, AREA's Executive Officer (Dan Russell) asked RECA's Executive Director (Bob Myroniuk) whether RECA would consider taking over licensing education. This was at the height of RECA's mandatory continuing education program that was generating very large revenues for AREA. Bob Myroniuk indicated it had other

priorities (regulatory) and had no desire to be in the business of delivering licensing education.

- Kirk Bacon had been responsible for delivery of licensing education in Saskatchewan at SREA, now called the Saskatchewan REALTORS® Association, and was a founding member of the Association of Canadian Real Estate Educators (ACRE). Both bob Myroniuk and Kirk Bacon understood the challenges for RECA to assume this responsibility would be significant if RECA decided to go down this path i.e. expertise, resources, administration, IT requirements etc. Council would need to approve such a major decision.
- As it turned out, the transition schedule agreed upon with AREA was unrealistic. RECA underestimated the effort, resources and time needed to revise and update the existing courses to an acceptable standard.
- On November 3, 2010, during a regular Council meeting, the desire of AREA to withdraw from licensing education was communicated to Council as well as the work RECA's administration had done to start the transition process.
- After considering the implications for RECA, Council gave RECA's administration the go ahead to continue to work with AREA to transition real estate licensing education from AREA to RECA.
- On this topic, the Council meeting minutes of November 3, 2010 are brief and state:

  > *"Impact of Phasing Out AREA Involvement in Real Estate Licensing Education*
  >
  > *In August, AREA communicated to RECA its decision to withdraw from licensing education. RECA has held several meetings with AREA to discuss the transition of responsibility to RECA. There will be a joint announcement by RECA and AREA when the transition process and timing issues have been resolved."*

- Although AREA approached RECA with the idea of removing itself from licensing education, this fact was never made public. AREA and RECA agreed any public messaging would indicate the transition of responsibility for licensing education (from AREA to RECA) was by way of mutual agreement between the two organizations.
- Accordingly, after Council approved the transition process, a joint RECA News (December 13, 2010) was sent to all industry members explaining what was going to take place, including the timing of the various courses. (The December 13, 2010 RECA News is attached to this report as Schedule 3.)
- The wording of the joint RECA-AREA news release was agreed to by both parties in advance.
- The news release stated: ***"Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility for the development and delivery of the real estate licensing education programs."*** ***and*** ***"On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the Real Estate Act itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS®."***
- Again, this joint news release did not in any way suggest or imply there was a decision by RECA (unilateral) to assume control over the content and delivery of licensing education. It is important to note the change in strategic direction for AREA, as it

related to its role in industry education, was clearly communicated to the industry in the joint News Release. This was consistent with the reasons given to Kirk Bacon and Bob Myroniuk by AREA representatives in August 2010 for removing itself from licensing education. A copy of the December 2010 joint News Release is attached.

- In 2014, when RECA received a copy of AREA's 2013 Annual report, Bob Myroniuk expressed concern to Dan Russell about the accuracy of the content in Keith Weinbender's Report (Finance Chair). The content of the report suggested AREA did not choose to get out of licensing education. Specifically, it stated: "*While the move away from delivery of licensing education was not something AREA chose (responsibility for licensing education was part of the Real Estate Council's mandate when they were formed)*, *AREA saw it as an opportunity to shift focus to existing members – those who pay AREA member dues.*" The latter part of this paragraph is consistent with the message RECA received in August of 2010. However, the first part of the paragraph, i.e. stating the move away from delivery of licensing education was not AREA's choice, is not true. In fact, as stated above, the idea of AREA moving away from licensing education was initiated by AREA, not RECA. At a minimum, it would have been more accurate to state this was done by mutual agreement as stated in the joint News Release (December 13, 2010).

AREA Statement: "RECA did not offer AREA an RFP for course development and delivery."

- This statement is true; however, the reason is obvious. In August of 2010, AREA indicated to RECA its preference not to be involved in licensing education. It would illogical for RECA to then seek an RFP proposal from AREA.
- The last RECA-AREA MOU, in fact, referred to an RFP process. After previous renewals of the licensing education MOU with AREA, RECA decided to implement an RFP process similar to the process followed by the Real Estate Council of Ontario (RECO). The rationale for an RFP process was explained to AREA's senior management team.
- Aside from being a transparent selection process, RECA's goal was to establish clear standards and expectations for the delivery of real estate licensing education. The reason for the RFP was to address the problems RECA was encountering in its relationship with AREA Education and the quality of AREA's education program (Schedule 1). RECA was interested in a quality product that met the needs of learners, the industry and RECA. RECA was transparent with AREA on this point and, thus, it was included in the MOU so both parties were aware of what would happen in the future.
- As indicated, the reason RECA decided not to proceed with the RFP process was in direct response to AREA's decision to withdraw from licensing education. For AREA, years after the fact, to publicly complain to its members because RECA never gave it the opportunity to respond to an RFP is disingenuous.

AREA statement: It does not endorse the model for content and delivery of licensing education.

- The intent of this position statement is unclear – what is AREA referring to?
- RECA can only speculate as to what the model for "content" and "delivery" means. The following comments are based on what RECA assumes may be at issue.
- With respect to "content", AREA administration has continually supported RECA's efforts to enhance the quality, breadth and depth of course content. Course content is

developed to ensure learners acquire the competencies required to serve the public and are ready to be licensed. RECA's licensing education continues to evolve toward a "work ready" model similar to other occupations and professions.

- With respect to "delivery", if AREA's concern relates to RECA's focus on e-learning, RECA has made it clear, in its statement of core education values, that it will focus on making education available to learners "at anytime, at any place and at any pace." To achieve this goal, RECA's stated method of delivery is through e-learning.
- AREA has supported e-learning delivery but suggested classroom delivery should also be available. RECA has communicated to AREA it is not opposed to classroom delivery of any licensing education courses. The question is whether there is a sufficiently large enough market for classroom delivery. RECA has made it clear to AREA's administration on numerous occasions that AREA, or any other third party, is welcome to develop and deliver the *Fundamentals of Real Estate* or *Practice of Residential Real Estate* course via classroom delivery. RECA has stated this publicly on numerous occasions and, in particular, in meetings with the Joint Education Administrators Advisory Group. This group included AREA, creb®, REALTORS® Association of Edmonton, University of Alberta, University of Calgary and the Alberta Mortgage Brokers Association.
- On the issue of classroom delivery, AREA's administration has indicated it would not be financially feasible for AREA to develop classroom versions of RECA's licensing courses. While there are some learners who indicate a preference to take courses in a classroom setting, the real issue is the costs of developing and delivering a quality classroom experience by any education provider and setting a price that is both acceptable to the marketplace (learners) and generates profits to sustain the program. We note AREA itself has decided to offer many of its professional development courses through e-learning.
- While RECA is not opposed to classroom delivery, certain standards would need to be met (e.g. approved instructional design, lesson plans, instructors etc.). RECA's past experience with AREA classroom courses raised many concerns that needed to be addressed by AREA or any future education provider. These concerns include: failure to update course materials, inconsistency in quality of instructors, inconsistency in the learning experience, failure of the classroom experience to cover all course material, instructors providing incorrect information, instructors contradicting information provided by RECA (e.g. RECA's information bulletins, articles etc.), fear mongering with respect to RECA, being openly critical of RECA's work as a regulator, and attacking the integrity of individual RECA staff members. In fact, RECA requested two well-known and "experienced" AREA instructors be removed from the approved instructors list because of personal attacks and damaging comments made about RECA during classroom instruction.

AREA Statement: There was no clear delivery date for the new commercial course.

- This statement is true; however, RECA regularly communicated with AREA on the target launch dates. These were based on the course development process RECA was going through and best projections available to RECA.
- AREA's February 13, 2015 communication states "*AREA budgeted and staffed according to communications from RECA's senior staff, that REAP Commercial course would transition to RECA late Q4 2015*"

- As indicated, the original timelines for completion of the overall transition of real estate licensing education from AREA to RECA were ambitious.
- The *Practice of Commercial Real Estate* course outline (table of contents) was finalized by RECA in 2014 by retaining an external consultant and receiving feedback from subject matter experts. It is a significantly larger course in terms of scope and depth of material covered when compared to AREA's course.
- Due to the scope of this project, RECA made a decision to seek an education institution that was interested and capable of both development of the course content and the delivery to both university students and individuals who wished to become licensed in commercial real estate by RECA
- RECA noted AREA was keen to continue delivering the practice courses (Commercial and Rural) if course enrollments had not decreased as a result of the new licence model announcement.

AREA Statement: "Many concerns have been expressed to AREA regarding RECA's education."

- RECA has not received any specifics from AREA regarding this statement. RECA would appreciate the courtesy of receiving the specifics of any concerns AREA may have to RECA, with an opportunity to respond, before making this public statement.
- More importantly, the AREA statement is inconsistent with RECA's learner feedback.
- Except for a lack of classroom delivery, AREA has not expressed any concerns to RECA regarding RECA's education courses. (Note: the majority of requests for classroom education come from former AREA instructors).
- RECA implements learner evaluations for all courses. The feedback has been very positive. In addition to course surveys, RECA surveys learners on a biannual basis and brokers.
- In fact, learners typically indicate concern with AREA's courses, not with RECA's courses.
- Over the years, RECA received many complaints about AREA courses but RECA has never publicly blamed AREA or been openly critical of any concerns about its courses. RECA worked internally with AREA's education team to address a variety of issues over the years. RECA's senior management team, in particular, invested a significant amount of time to assist AREA with course content.

AREA Statement: AREA requests to update the Commercial/Rural and Broker Program education were declined by RECA.

- RECA is not aware of any requests from AREA to update the *Practice of Commercial Real Estate* and the *Practice of Rural Real Estate* courses.
- AREA was obligated under the terms of the RECA-AREA Education MOU's to update all courses on a regular basis.
- An approval of a request to update any licensing education course offered by AREA was not required from RECA. However, RECA always provided support (e.g. editing course content) to AREA when they were updating course content.

- RECA was pleased with the collaboration that took place regarding the brokers program. AREA and RECA worked together in the creation of the *Interim Real Estate Brokers Program*. This joint work included AREA updating the three courses it offers as part of this program.

AREA Statement: "RECA's involvement in education is increasing the cost for REALTORS®."

- This statement is not true. The opposite is true i.e. costs have been and will continue to be lower.
- The time and cost saving to learners who can now take their education online is significant. It is well established the bricks and mortar (classroom) model of education delivery is both the most expensive and least efficient model of education delivery.
- Since RECA included the cost of re-licensing education in the annual licence renewal fee, the savings to the real estate industry are in the $millions.
- The new licence model will significantly decrease education costs for people seeking restricted licenses, particularly in the residential real estate sector where the vast majority of REALTORS® practice. Current costs will decrease from $3,675 to $2,350. The difference is greater if compared with the tuition fees charged for previously delivered classroom versions of these courses.
- The costs of the new *Practice of Commercial Real Estate Course* have yet to be determined so comparisons between the cost of licensing through AREA's program and the new licensing model are premature as it relates to commercial real estate practitioners.
- RECA anticipates the course fee for the commercial real estate course will increase due to the significant increase in scope and quality of the new program. RECA is working with an Alberta university to develop and deliver the new course. Accordingly, the fees will be set by the university in accordance with their pricing policy.

AREA statements: "Understanding the current commercial content is outdated and with no clear delivery date for new content, AREA made the decision to finalize the transition now and fully turn over all licensing education to RECA to manage, as we felt outdated content does not mesh well with the concept of a specialty licence model. It would have been more desirable to have the licensing model launch after the content is ready."

- The launch date of the new licensing model is not related to, or dependent upon, the content of the current (AREA) courses.
- From RECA's perspective, it is clear AREA's decision was purely a financial decision and had nothing to do with the content or quality of the course. AREA was willing to continue selling its course, with its current content, for as long as it took regardless of whether that content was up to date or not. This willingness was solely dependent on AREA achieving its financial target as established in its 2014-15 budget.
- AREA was willing to accept $500K or $600K or for its existing courses, including the *Practice of Commercial Real Estate* Course. This reinforced the reality that content was not the issue. The now publicly stated position that AREA is taking with respect to the *Practice of Commercial Real Estate* Course (i.e. it was all about the content and the

existing course) did not mesh with the new licensing model is disingenuous and damages AREA's integrity.

- From RECA's perspective, we were willing to work with AREA. Although the AREA course was outdated, RECA was willing to recognize the content of both the commercial and rural courses for licensing purposes knowing over time both courses would eventually be replaced with new content.

AREA statement: "RECA deems itself as the sole organization to develop and deliver licensing education."

- This statement is not true.
- RECA has been pragmatic and adopted a variety of approaches or models to licensing education. The goal of RECA is to implement programs that provide quality, competency based, work-ready education for all RECA licensees. The question is what is the best way to achieve this goal?
- There are a number of examples where RECA has utilized various development and delivery models. In some cases, RECA has partnered with an industry association or made arrangements for a third party to deliver licensing education. In some cases, it has recognized existing educational programs. These are some examples of RECA's pragmatic approach:
    - The Alberta Mortgage Brokers Association (AMBA) developed and delivers the *Practice of Mortgage Brokerage*, a recognized education program for RECA's licensing requirements.
    - The real estate appraiser education and designation programs of the Appraisal Institute of Canada (AIC), Canadian Real Estate Appraisers Association (CNAREA), and the Alberta Assessors Association (AAA) are recognized by RECA for licensing purposes.
    - The current property management licensing course was developed by BOMA Calgary and delivered by Mount Royal University. This model was in place until Mount Royal University decided for a number of reasons it no longer wished to offer the course. RECA stepped in and now offers an updated version of the original property management course.
- RECA is currently in discussions with other educational institutions regarding the development and delivery of its current and future courses e.g. *Practice of Commercial Real Estate*.
- RECA hopes to make an announcement on which educational institution will be assuming the responsibility for the development and delivery of the *Practice of Commercial Real Estate* in the near future.

AREA statement: "RECA is providing conflicting messages to stakeholders."

- RECA disagrees with this statement; i.e. to its knowledge, RECA has not provided conflicting messages to stakeholders.
- Again, RECA would appreciate the courtesy of receiving the specifics of conflicting messages, with an opportunity to respond, before making this public statement.

- AREA has not provided to RECA any examples of conflicting messages so RECA can respond in an informative manner to this concern.
- It appears AREA is simply interested in publicly attacking RECA's reputation at this point.

On the issues of communications, transparency and the impact of AREA's decision on the future

- Although it is difficult to understand the rationale, RECA accepts AREA's decision to decline its offer of $200,000 to compensate AREA for its licensing courses. This offer, if accepted, would have provided RECA with a short-term solution (i.e. continue to offer existing courses while new courses are developed) and softened the financial impact on AREA of the implementation of the new licensing model.
- Receiving AREA's formal notice on May 6, 2015 to withdraw from real estate licensing education placed RECA and the licensing education system under significant stress.
- RECA has accepted the many challenges it now faces and sees new opportunities to make significant strides toward increasing the quality of licensing education and advancing professionalism for the real estate industry in Alberta.
- In the interest of transparent communications to stakeholders, RECA assumes AREA's member boards were advised of RECA's offer to compensate AREA for its courses and work with AREA's courses until the new courses were launched.

Schedule 1

Real Estate Education Committee Report (February 23, 2008)

The following is an excerpt from the February 2008 report of RECA's Real Estate Education Committee (pages 4-5).

"AREA
In the initial years of the MOU, AREA fulfilled many of its obligations under that MOU and the arrangement appeared to work reasonably well. However, as time has passed, a variety of problems have emerged. Generally these problems have raised questions with respect to AREA's capacity to develop and deliver licensing courses. AREA has an agreement with RECA and the Alberta Mortgage Brokers Association (AMBA) to deliver the licensing course, Mortgage Associates Program, for entry into the mortgage brokerage industry. AMBA has served notice to AREA to break that agreement as a result of similar concerns to RECA.

Examples of specific areas of concern (in varying degrees of importance or seriousness) that have emerged include the following:

- inability to update course information in a timely manner (to reflect legislative or regulatory changes)
- compliance with Real Estate Authorization Recognition Agreement standards
- lack of internal expertise in the area of adult education/industry knowledge
- insufficient resources to concurrently address priorities and multiple projects
- extensive reliance on RECA for editing and revising course materials
- length of time to develop and launch the new REAP
- delay in starting work on the new Real Estate Brokers Program (REBP)
- lack of testing model for new course materials or delivery methods
- failure to provide adequate lesson plans or resources for instructors (e.g. new REAP)
- ability to attract and retain new instructors (particularly to the specialty areas)
- outdated materials, formats and graphics
- outdated distance delivery model
- quality of examinations

Based on RECA's recent experiences, it appears that AREA has failed to re-invest surplus funds (i.e. profits) from education delivery into future education programming to the extent necessary, as required by clause 47 of the MOU. This requirement was included in the MOU to ensure AREA would take the necessary steps to upgrade, develop and deliver pre-licensing programs that are current and meet the needs of the industry.

Over the past several years, it appears AREA's capacity to develop and deliver quality licensing education has deteriorated. The recent launch of the new REAP confirmed there are significant and immediate issues that need to be addressed. For example, distance delivery of the new REAP is both a major and immediate concern. In June 2007, the issue was raised with AREA. AREA confirmed it did not plan to introduce a distance delivery version of the new REAP until spring of 2008. Following discussions with RECA (and concerns from industry) AREA indicated it would make a basic version of the distance delivery program available by November 1, 2007 with a more enhanced version available in 2008. The basic on-line version of the course became available in mid-January after significant involvement and support from RECA in that project.
The 1997 MOU was a valid approach for RECA to follow regarding real estate licensing education at that time. RECA now has the benefit of 11+ years of experience under this model. In addition to this experience, the education environment has changed and AREA's capacity to respond to a changing environment in a timely manner is in question."

Schedule 2

From: Communications [mailto:communications@reca.ca]
Sent: November-13-12 3:00 PM
To: Natalie Scollard
Subject: RECA News: 13 November 2012 (Real Estate Associates Program Update)

RECA News November 13, 2012

Real Estate Associates Program Update

The Real Estate Council of Alberta (RECA) is focused on providing innovative, leading-edge career preparation and training that will result in competent professionals who provide value-added service to their clients and customers. As part of this initiative, in January 2013, RECA will begin offering a redesigned Fundamentals of Real Estate course as part of the Real Estate Associates Program (REAP). This course will replace the Phase 2 course in the current REAP. In keeping with Council's strategic vision of providing leading-edge career preparation, the Fundamentals course has been enhanced in many ways, such as:

- It has been structured in such a way so as to instill a professional mindset in learners.
- It encourages lifelong learning and continuous improvement of professional practice.
- It better describes the role of brokerages and brokers, instilling the duty to work within the brokerage structure and policies, and respecting the leadership of brokers.
- The course provides residential, commercial and property management examples to better prepare those seeking to work in something other than – or in addition to – residential real estate.
- It better describes agency, designated agency and transaction brokerage. Learners who complete this course will not be required to take the Understanding Designated Agency and Transactional Brokerage course.
- Course topics have been substantially updated and enhanced, such as the unit on condominiums.
- New topics have been introduced, such as mere postings, personal safety, property valuation, the Voluntary Brokers' Resolution Program and the associate's relationship with and responsibilities to the brokerage.

The Fundamentals of Real Estate course uses a variety of media and activities to better engage learners and to appeal to a variety of learning styles. With consistent course delivery through RECA's e-learning platform, all learners will experience the same course content. Additionally, it can be easily updated to account for legislative changes, emerging market trends and changes to the standards of practice. The

new Fundamentals of Real Estate course also meets RECA's Core Education Values, as learners will be able to:

- Self-regulate their learning, commencing the course any time they want, completing it at a speed, timing and location convenient to them.
- Assess their own learning progress through practical examples, exercises and quizzes, as well as practice exams.
- Access RECA's education Help Desk for assistance with content and IT questions.

Brokers can expect greater competency and enhanced professionalism from REAP learners who complete the new Fundamentals of Real Estate. To ensure REAP does result in competent, work-ready professionals, RECA will survey new professionals and their brokers 6 months after they complete REAP in its entirety.

RECA will soon be focusing its attention on updating the Residential, Commercial and Property Management practice courses of REAP, which are currently referred to as Phase 3. In these practice courses, RECA will focus on having learners apply and demonstrate their knowledge and competencies by executing real estate services in the context of work-related practice.

RECA continues to explore opportunities to enhance the Fundamentals of Real Estate course though other delivery modalities or supporting programs with other education providers.

The Residential, Commercial and Rural Practice courses that currently comprise Phase 3 of REAP continue to be offered by the Alberta Real Estate Association (AREA) at this time.

For more information about REAP and the other steps required to become a new real estate associate, please visit the Real Estate Council of Alberta website at www.reca.ca.

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Schedule 3

From: Communications [mailto:communications@reca.ca]
Sent: December-13-10 11:26 AM
To: RECA Everyone
Subject: RECA News: 13 December 2010 (Delivery of Licensing Education Transfers from AREA to RECA)

RECA NEWS December 13, 2010

Alberta Real Estate Association

REAL ESTATE COUNCIL OF ALBERTA

Additional Information

RECA Education

Online Licensing

December 13, 2010

TO: Real Estate Industry Members and Other Stakeholders

FROM: The Real Estate Council of Alberta and the Alberta Real Estate Association

RE: Delivery of Licensing Education Transfers from AREA to RECA

A multi-year Memorandum of Understanding between the Real Estate Council of Alberta (RECA) and the Alberta Real Estate Association (AREA) is coming to a conclusion. This agreement provides for AREA to administer, on behalf of RECA, Alberta's real estate associate and brokers licensing programs.

Background:
When the Real Estate Council of Alberta (RECA) was established in 1996, its mandate included responsibility for licensing and re-licensing education. At the time, RECA was not in a position to assume all aspects of this responsibility and looked to AREA to continue to participate in curriculum development and course registration and administration.

In 2008, RECA was able to assume responsibility for all aspects of its Re-licensing Education Program. Now, RECA and AREA have agreed it is an appropriate time for RECA to assume responsibility

for the development and delivery of the real estate licensing education programs.

Current Situation:
RECA's Memorandum of Understanding with AREA officially ends December 31, 2010. However, both parties have agreed to extend the agreement to allow for a staged transition, as follows:

Licensing Course	Timing of Transition to RECA
Introduction to a Career in Real Estate (Phase 1)	January, 2011
Fundamentals of Real Estate (Phase 2)	October, 2011
Introduction to a Career in Residential Real Estate (Phase 3)	May, 2012
Introduction to a Career in Commercial (Phase 3)	January, 2013
Introduction to a Career in Rural (Phase 3)	June 2013
Real Estate Office Management and Brokerage (REBP)	October, 2011

Next Steps:
The timing of the transitions reflects when RECA anticipates it will be ready to deliver new online education material for each course.

On AREA's part, the transition will allow for a shift in focus. While RECA will continue to ensure REALTORS® stay current on industry rules and regulations and the *Real Estate Act* itself through relicensing education, AREA will expand the range of professional development opportunities available to REALTORS® These offerings will range from quick, direct-to-your-inbox tutorials on prevalent practice issues to an array of course offerings developed in-house or accessed through licensing agreements with REBAC and other course providers.

Both RECA and AREA recognize the importance of working together to support Alberta REALTORS®. A key aspect of this relationship is the contributions each organization makes, through input and feedback, to the plans and activities of the other organization. To this end, RECA and AREA are collaborating to identify areas of business the other organization should contribute to and when and how to best deliver this input to achieve the most value.

Both organizations look forward to enhancing their working relationship and their service to the Alberta real estate industry. For more information on RECA's education programs and its

"Core Values" go to: http://www.reca.ca/reca-education/splash/splash.htm

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5. Residential Measurement Standards

AREA Comment/RECA Response

Comment:
"There has never been, nor are there currently, a set of measurement standards for homes or condominiums in Alberta that would allow both consumers and industry members to easily and fairly understand and compare property sizes."

Response:
This statement is not correct. The existence of measurement standards predate RECA. The 1995 Reducing Risk in Your Real Estate Office re-licensing course makes reference to a standard outlined in the pre-licensing course.

The AREA pre-licensing courses since RECA become the regulator in 1996 prescribe standards for measuring home dwellings. Section 6 – Building Measurement of AREA's residential pre-licensing course launched in January 2008, is attached in Appendix 1.

RECA's Practice of Residential Real Estate course, launched in February 2015, contained a measurement standard resolving gaps in the previous course. RECA had consulted with AREA, creb® and RAE. On April 13, 2016, Council formally adopted the Residential Measurement Standard (RMS). The RMS applies to all real estate professionals in residential transactions where the seller chooses to communicate the size of the property or the property's size is a mandatory field in the listing database.

The American National Standards Institute created a standard for measuring Single-Family Residential buildings in 1996. This standard has been amended on various occasions with the last amendment taking place in 2013. While this is a voluntary standard it is the default standard followed by the Appraisal Institute of Canada and the Canadian National Association of Real Estate Appraisers.

Comment:
"RECA, within its launch of the new residential real estate licensing education, released content for provincial measurement standards."

Response:
This is correct. It also contradicts AREA's first statement.

RECA's Practice of Residential Real Estate course intended to provide prospective professionals content on how to measure residential properties just like the previous AREA pre-licensing courses. As indicated to AREA, and Council, all learners that enroll in the *Practice of Residential Real Estate*, a mandatory pre-licensing course for learner who wish to practice residential real estate, are required to learn the material contained within Unit 3, *Residential Property Styles & Measurement*. They are tested on this

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material in the licensing exam. Therefore, the this is a standard that all new licensees are expected to follow upon entry into the profession

Comment

"In June 2015, AREA communicated to RECA concerns RECA had put out "measurement standards" and did not communicate to industry information regarding the standards. Further Communication from RECA indicated that they were not in fact standards – RECA had no intention of enforcing them province-wide, making then voluntary guidelines."

Response

In June 2015, RECA had not yet communicated the changes to all industry professionals. Communication to all industry professionals was not as timely as it could have been. It took place via a September 2, 2015 RECA News titled, "Updated Residential Measurement Standards" (Appendix 2). Additionally, on November 26, 2015, a RECA News titled, "Guide to Measuring Residential Properties in Alberta is now available" was distributed to all industry professionals (Appendix 3).

RECA has always treated the practice standards stipulated in the pre-licensing courses as standards, regardless of whether the courses were created and delivered by AREA or RECA. RECA has no record of anyone at RECA communicating that the RMS was not a standard as outlined above and such communication would be inconsistent with RECA's approach. RECA may wish to ask AREA to provide specific details about the alleged communication so that RECA might better respond to it.

In accordance with RECA's mandate to set and enforce standards of practice, RECA has always intended to enforce the RMS. On November 30, 2015, Mr. Myroniuk's letter to Mr. Burns indicates the intention to enforce the RMS (Appendix 4).
RECA may wish to ask AREA to provide specific details about the alleged communication that RECA did not intend to enforce the standards so that RECA might better respond to it.

Comment

"From November to December 2015, communication occurred between AREA and Service Alberta employees and AREA received what it interpreted as a request for AREA to take a leadership role on this topic. AREA started engagement processes and bringing stakeholders together."

Response

On September 2, 2015 RECA issued a RECA News titled, "Updated Residential Measurement Standards" (Appendix 2). This was followed by a November 26, 2015 RECA News titled, "Guide to Measuring Residential Properties in Alberta is now available" which provided all industry professionals with the Guide to Measuring Residential Properties in Alberta (Appendix 3).

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RECA was not privy to the communications between AREA and Service Alberta. However, assuming such communications took place, RECA was not considered a stakeholder nor invited to participate in the engagement process described by AREA. RECA found about the engagement process when AREA issued a News Release on December 1, 2015. This news release comes on the heels of RECA's September 2, and November 26, 2015 RMS communications.

AREA's December 1, 2015 News Release contains the following:

> *"Currently in Alberta, there is no province-wide regulation or standard of measurement. Local real estate boards enforce individual sets of rules with regard to measurements posted on their MLS® Systems and hold members accountable for errors".*
>
> *"AREA will be working with local boards to look at the existing rules and agree on the implementation and enforcement of a provincial standard of measurement for residential properties, including condominiums, for the benefit of all consumers."*

The context of the AREA News Release is a November 30, 2015 Edmonton Journal article that deals with real estate professionals inputting the Condominium Unit Registered size in the wrong field of the Realtors® Association of Edmonton listing database. The Edmonton Journal story was not about the RMS.

The AREA News Release fails to mention that Service Alberta asked AREA to take a leadership role in the development of a provincial measurement standard. AREA's full News Release is included in Appendix 5. RECA responded on December 2, 2015 to AREA's News Release with a RECA News communication (Appendix 6).

For the reasons provided above, the AREA News Release statement "*Currently in Alberta, there is no province-wide regulation or standard of measurement*" is inaccurate. It also contradicts previous AREA communications from Ian Burns to RECA where he makes reference to the RECA standard. Some examples where Mr. Ian Burns refers to the measurement standards are as follows:

> "The topic of the provincial standards of measurement that were released with the new Practice of Residential Real Estate program continues to be a subject....."
> "RECA's choice to proceed with a standard of measurement to new licensees in absence of...."
> ".....for RECA's overall plan in regards to the provincial standard, along...."
> "**Re: RECA Standards of Measurement"**
> ".....within the launch of REAP was the introduction of a new RECA Provincial Standard of Measurement."
> "...introduces the RECA Residential Measurement Standard and reinforces the word 'standard' 71 times throughout the material."
> "....on September 2, 2015 portrayed RECA's Residential Measurement Standard as an update to the previous standard."

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"RECA has introduced a standard with no rules or accompanying communication to support that standard."
"This letter is not intended to address whether the content of the new RECA standard is agreeable by the Boards/Associations,..."
"...under the language of a RECA standard..."
"*AREA is asking Council* to provide the RECA standards of measurement module to all of industry,..."
"...how RECA will administer the standard is necessary."

These examples are found in Mr. Ian Burns's June 9, 2015 and October 9, 2015 emails to Mr. Bob Myroniuk (Appendices 7 and 8).

It is not known why AREA acknowledges the existence of a RECA standard (RMS) in its communication with RECA when seeking amendments, communication, or training but denies the existence of a standard when communicating with the public and its members.

On January 25, 2016, shortly after RECA removes the RMS Guide from its website, AREA sends an email to all of its members that states:

"Measurement Standards
AREA is also working on establishing measurement standards for the industry through a coordinated consultation effort with stakeholders such as the Alberta Land Surveyor's Association, REIX, the Appraisal Institute of Canada, the Canadian National Association of Real Estate Appraisers, the Building Owners and Managers Association, the Canadian Condominium Institute, the Canadian Homebuilders' Association, and the Royal Architectural Institute of Canada. AREA hopes to have draft measurement standards in place by fall 2016."

RECA became aware of this communication from real estate professionals. RECA was not included as a stakeholder in AREA's process.

AREA's December 1, 2015 News Release and January 25, 2016 communication to its members do not acknowledge RECA's standard setting role. In fact, the News Release statement "*implementation and enforcement of a provincial standard of measurement for residential properties*" and the statement to its members "*is also working on establishing measurement standards for the industry*" suggests AREA and the boards can implement and enforce a provincial standard of measurement for residential properties.

AREA's December 1, 2015 News Release and January 25, 2016 communication to its members can be viewed as a challenge to RECA's standard setting authority.

This is the first time AREA has communicated to RECA that AREA received instructions from Service Alberta to take a leadership role on this topic.

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On January 20, 2016, the Honourable Danielle Larivee, the Minister for Service Alberta in her correspondence to RECA stated:

> *"I understand from my department staff that RECA has responded to these complaints by taking enforcement action against industry members deserving of sanction, and disseminating education material clarifying the rules for accurate measurement and disclosure of residential property. However, given the magnitude of this problem, I am asking RECA to reconsider additional regulatory measure that can be taken to curb misrepresentation by industry members"* (Appendix 9).

On April 29, 2016 the Honourable Stephanie McLean, the Minister of Service Alberta in her correspondence to RECA stated:

> *"In accordance with its consumer protection mandate, I trust RECA will now move quickly to set and enforce the RMS standards as the sole set of measurement standards that apply to industry members in Alberta, including revising and updating the RMS Guide based on further industry consultation and restoring the existing Guide until revisions are made"* (Appendix 10).

The Ministers of Service Alberta both clearly see RECA responsible for residential measurement standard setting and for the enforcement of the standard. In the absence of AREA providing RECA with the communications from Service Alberta directing them to take a leadership role, the content of the Ministerial letters do not support the alleged communications between AREA and Service Alberta.

Comment

"In February 2016, RECA distributed a Consultation paper conveying the Real Estate Appraisers Advisory Committee, and advised it would perform additional consultation with stakeholders and remove the RMS Information Bulletin and Guide from the RECA website."

Response

The statement is incorrect. RECA is not aware of the source for AREA's information. RECA's consultation paper made no reference to the Real Estate Appraisers Advisory Committee. In January 2016, Council accepted a recommendation from the Real Estate Appraisers Advisory Committee to do additional consultation with stakeholders on the Residential Measurement Standards (RMS). As a result, RECA removed the Residential Measurement Standards Information Bulletin and the Guide to Residential Measurement in Alberta from its website.

RECA then consulted with and invited key stakeholders to work together to alleviate any outstanding issues with the RMS.

Comment

"AREA understands RECA may have expressed concern to Service Alberta that it was somehow directing AREA appointees to the RECA Council on how to vote on measurement standards,

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violating appointee fiduciary duties. AREA respects the independence of its appointees, and has not advised its appointees on how to vote."

Response
AREA does not provide its source for this information. RECA may wish to ask AREA to provide specific information on the alleged communications from RECA to Service Alberta to enable RECA to respond to this allegation.

Background Information

A detailed history of the RMS will be provided in a separate document.

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Appendix 1. AREA's Building Measurement – Section 6

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Learning Outcomes

At the end of this section, you will be able to:

1. Describe the importance of accurate measurement.
2. Outline measuring standards for various types of buildings.
3. Demonstrate a working knowledge of building measurement.

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Measurement of Buildings

Buyers want to get a good deal. The exact size of a property is usually not that important to them unless, after they move in, they discover that their property is not the size they expected. They will not likely complain if the property is bigger than anticipated but if it is smaller they may feel they got less than they bargained for. They may complain to real estate boards, the Real Estate Council and even sue industry members.

The most important figure in describing the size of a building is the floor area measurement, also called living area in residential measurement. Gross building area (commercial) and gross living area (residential) represent the total floor area of a multi storey building.

Floor area and living area are defined differently in various regions. Industry members who are board members should follow the guidelines of their board to ensure consistency in communication between board members and the local buyers and sellers.

Residential Considerations

Gross Living Area

This measurement represents the total above grade space for a residential building.

Total living area (or total floor area) is the square area of the floors that are situated above grade. Utility rooms, storage areas and cupboards located on these floors are included in the total living area. Total living area does not include:

- porches
- decks
- patios (whether closed in or not)
- garages
- carports
- cold rooms in basement
- finished areas below grade
- other areas above ground that are not serviced with heating and electricity

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Living area can include:

- converted garages
- indoor swimming pools
- cantilevers
- bay windows
- dormers
- attached atriums and porches with a permanent foundation (basement or crawl space beneath them)

As a general rule, if any part of a room is below grade, the entire room is considered lower or basement development. Even if a room is above grade, unless it has a foundation, it is not counted as living area. This becomes difficult when houses have exposed basements and/or walkouts.

Challenging Features

Challenges are found when deciding what parts of a building should be counted as part of the total living area. The following items will offer special challenges for industry members:

- cathedral ceilings,
- one and a half-storey sloped ceilings
- finished attic or loft space
- vaulted areas and open stairwells
- walk-out basements

For example, vaulted areas that extend to a second storey are usually not counted in the upper level measurements because there will be no actual floor space on the upper level due to the vaulted ceiling.

Condominium

The dimensions of condominium units are registered on the condominium plan. The measurements are usually taken from the inside finish of the walls, as stipulated in the Condominium Property Act, unless the condominium plan states otherwise or unless it is an older condominium.

The local real estate board will provide guidance on condominium measurement. For example a board may permit the use of the condominium plan measurements for apartment-style units. On the other hand, the board may require townhouse units and bare land condominium structures to be measured in the same way as single family homes because they usually have garages and below grade space.

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Commercial Considerations

The Association of Building Owners and Managers (BOMA) standard of measurement is the one most frequently used for office and retail measurement in the Canadian marketplace.

Gross Floor Area

Gross floor area is the total floor area of an *individual* floor based on external measurements excluding any unenclosed areas.

Gross Building Area

Gross building area is represented by the *total* gross floor area of a building based on external measurements excluding any unenclosed areas.

Gross Rentable Area (Leasable Area)

This measurement is of the part of the floor area that is designed for the occupancy and exclusive use of the tenants of commercial buildings such as a shopping centre or office building. BOMA describes this as the gross floor area, less columns or projections necessary to the building, such as elevator shafts, stairways and ventilation shafts.

Bay Depth

A bay is an area located between a row of columns and the bearing wall and is usually the smallest area into which a building floor can be partitioned. The bay depth generally refers to the distance from the bearing wall to a row of columns within a building. For example, in an office building the bay depth is the measurement from the inside wall (corporate tenant's side) of a corridor wall to the exterior wall of glass. Bay depth is an important consideration in designing the layout of an office, retail facility or industrial building.

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Real Estate Board Guidelines

This explanation of measurement has been kept as general as possible. You will learn more specifics if you join a real estate board when you become licensed. Whether or not a two-storey stairwell is included in living space, for example, is not important at this point. It only becomes important when you are attempting to accurately describe the property in a manner that will be understood by others in your market area. If you join a real estate board, you will learn the board rules regarding measurement of various styles of homes and buildings.



Simon Says: When I'm measuring a seller's property to take a listing, I never rely on the measurements on any previous listing, from the builder or anywhere else. If I make a mistake it will be an honest one and not for lack of trying. I'd rather make my own mistakes, than not exercise due diligence by relying on unverified information.



Angela's Advice: Simon gives great advice about dealing with a seller's listing. The same goes when you're working with a buyer – I always point out the measurements on the listing to my buyers and ask them if they'd like to measure the house, before they make an offer. If they don't want to do this or say they don't care about the exact size, I have them acknowledge in writing that I advised them otherwise.

Calculation of Area

Generally speaking, rectangles, triangles and trapezoids are the common shapes real estate industry members encounter in the field. Sometimes, circles are also encountered (for example, old English style corner turrets) but they are never true circles. Usually a portion of the circle is blended into the home. When a strange configuration is encountered, ask the owner if they have a surveyor's report to determine the area.

Rectangles and Squares

A rectangle is a four-sided figure whose opposite sides are equal and parallel to each other, and whose sides intersect at right angles. (A square is a rectangle whose sides are all equal.)

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Figure 1



Formula: Area = length x width or A = l x w

Example:

The rectangle above is 2.3m by 4.6m. What is the area?

A = l x w A = 2.3 x 4.6 A = 10.58m²

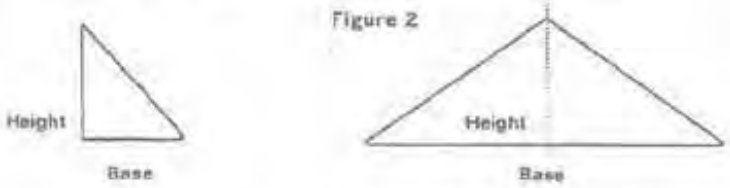
The square above is 2.3m by 2.3 m. What is the area?

A = l x w A = 2.3 x 2.3 A = 5.29m²

Triangles

A triangle is any three-sided closed figure. The formula for finding the area of a triangle remains the same for all triangles.

Figure 2



Formula: Area = ½ the base x height $A = \frac{b \times h}{2}$

Example:

Figure 3



$A = \frac{b \times h}{2}$ $A = \frac{b \times h}{2}$

$A = \frac{6.3 \times 4.8}{2}$ $A = \frac{7.2 \times 5.4}{2}$

A = 15.12 m² A = 19.44 m²

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Trapezoids

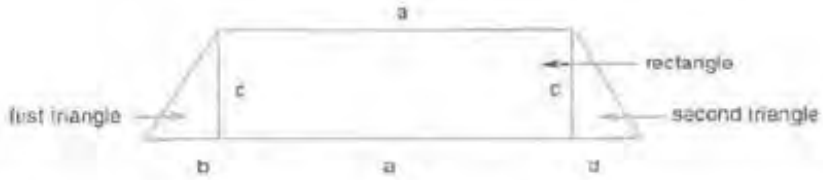
A trapezoid is a four-sided figure which has two sides parallel to each other and two sides which are not parallel to each other. Most bay windows have a trapezoidal shape (Figure 4).

Figure 4



A trapezoid can be divided into one rectangle and two triangles, as shown in Figure 5, to determine its area. The "height" is the same for all three shapes.

Figure 5

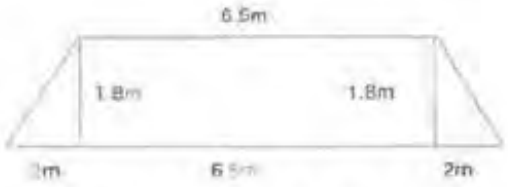


Formula: Area = area of the first triangle + area of the rectangle + area of the second triangle

$$\text{Area} = \frac{\text{base b} \times \text{height c}}{2} + \text{base a} \times \text{height c} + \frac{\text{base d} \times \text{height c}}{2}$$

Example:

Figure 6



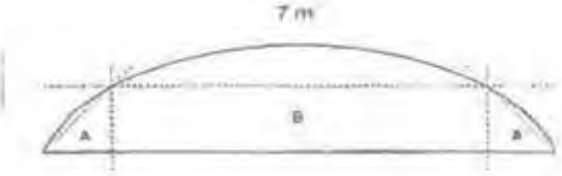
$$A = \frac{b \times c}{2} + a \times c + \frac{d \times c}{2} \qquad A = \frac{2 \times 1.8}{2} + 6.5 \times 1.8 + \frac{2 \times 1.8}{2}$$

$$A = 1.8 + 11.7 + 1.8 = 15.3 \text{ m}^2$$

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Bow Window

Figure 7



Calculate Area A using the Triangle formula (½ base x height). Calculate Area B using the Rectangle formula (length x width). Total all calculations to arrive at the approximate Bow/Bay square meterage.

Note: Additional area not included in these calculations will be minimal. You may wish to increase your calculation slightly to allow for this, however avoid overestimating. Remember, your clients will be upset if they learn the property is smaller than was reported.

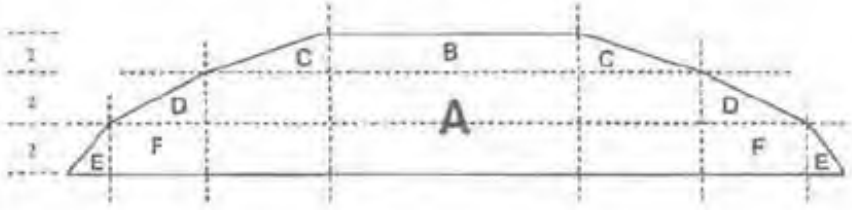
Calculate the area of triangle A = base x height = $\frac{2 \times 2.5}{2}$ = $\frac{2.5\ m^2}{2}$

Calculate the area of rectangle B = base X height = 7 x 2.5 = 17.5 m²

Total Area of Bow Window = area of A + area of B + area of A = 2.5 + 17.5 + 2.5 = 22.5 m²

Turret

Figure 8



Calculate Areas A, B and F using the Rectangle/Square formula (length x width). Calculate Areas C, D and E using the Triangle formula (½ base x height). Total all calculations to arrive at the area of the turret.

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Note: Measurement guidelines for irregular geometric configurations produce approximate square meterage.

Calculate the area of triangle C = $\frac{\text{base x height}}{2}$ = $\frac{6 \times 2}{2}$ = 6

Calculate the area of triangle D = $\frac{\text{base x height}}{2}$ = $\frac{4 \times 2}{2}$ = 4

Calculate the area of triangle E = $\frac{\text{base x height}}{2}$ = $\frac{2 \times 2}{2}$ = 2

Calculate the area of rectangle A = base x height = 24 x 4 = 96

Calculate the area of rectangle B = base x height = 12 x 2 = 24

Calculate the area of rectangle F = base x height = 4 x 2 = 8

Total Area of Turret = (A) + (B) + (C x 2) + (D x 2) + (E x 2) + (F x 2)

= 96 + 24 + 12 + 8 + 4 + 16

= 160 m²

Calculating the Area of a Dwelling

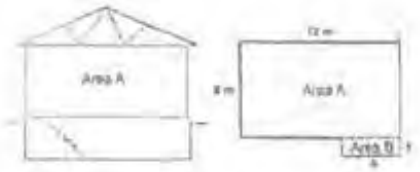
On single-family dwellings, measurements are taken outside the home so the area includes the thickness of the walls. A few exceptions to this rule exist. Split title dwellings (i.e., row houses) share a common party wall(s) and therefore only one half of the common party walls accrue to the area of each dwelling. Condominium areas are internal as the walls are owned by the condominium association.

Usually a property consists of some combination of rectangles. Industry members are advised to do a rough sketch of all exterior walls, including all juts and nuts, the measurement of each wall on the sketch. Show your calculations on the sketch as well. The sketch and your notes should be kept in the brokerage file for future reference.

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Measurement Guidelines (Residential)

Example 1 One-Storey



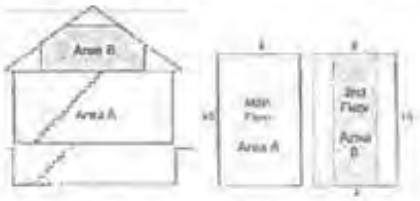
Area A – Main Floor	8 x 12	=	96 sq m
Area B – Main Floor	1 x 5	=	5 sq m
House area based on guidelines			101 sq m

Measurement Method
Measure exterior dimensions

Calculation
Length x Width of Exterior +/- Jogs

Exterior Dimensions
Show length and width of exterior dimensions and show length and width of jogs

Example 2 One and One-Half Storey



Area A – Main Floor	8 x 10	=	80 sq m
Area B – Second Floor	10 x 3	=	46 sq m
House area based on guidelines			130 sq m

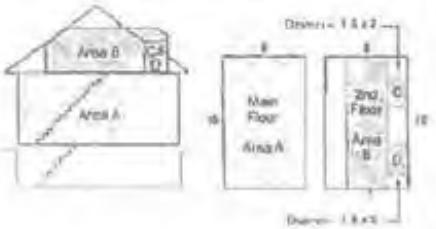
Measurement Method
Measure exterior dimensions. Except for ½ storey

Calculation
Length x Width (see Areas A & B above)

Exterior Dimensions
Show length and width of exterior dimensions and show length and width of any jogs.

Note: The length of the 2nd floor area will usually be the same as the length of the main floor but the width between vertical interior walls of the 2nd floor can only be obtained by measurement.

Example 3 One and One-Half Storey (With Dormers)



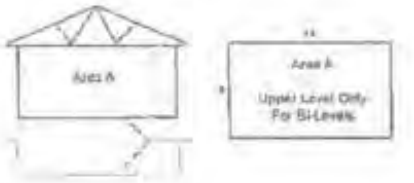
Area A – Main Floor	8 x 10	=	80 sq m
Area B – Second Floor	10 x 4	=	40 sq m
Area C & D – Second Floor	2 x (1.5 x 7)	=	21 sq m
House area based on guidelines			141 sq m

Measurement Method
Use exterior dimensions only. Except for ½ storey.

Calculation
Length x Width (see Areas A, B, C & D above)

Exterior Dimensions
Show length and width of exterior dimensions and show length and width of jogs

Example 4 Bi-Levels



Area A – Upper Level	11 x 9	=	99 sq m
House area based on guidelines			99 sq m

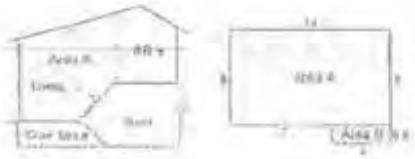
Measurement Method
Use interior dimensions only

Calculation
Length x Width of Exterior +/- jogs of One Level Only

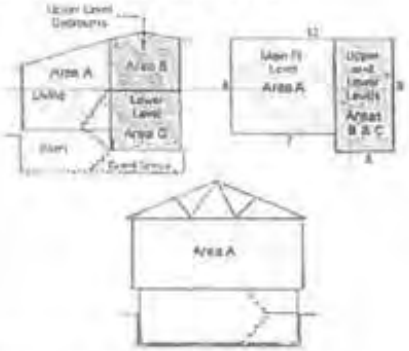
Exterior Dimensions
Show length and width of exterior dimensions and show length and width of any jogs

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Example 5 Three Level Split



Example 6 Four Level Split



Measurement Method
Use exterior dimensions

Calculation
Length x Width of Exterior For Each Level Totally Above Grade +/- Jogs

Exterior Dimensions
Show length and width of exterior dimensions and show length and width of any jogs

Example 7 Four Level Split With Built-In Garage

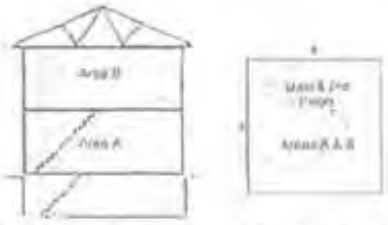


Measurement Method
Use exterior dimensions

Calculation
Length x Width of Exterior For Each Level Totally Above Grade +/- Jogs - Garage

Exterior Dimensions
Show length and width of exterior dimensions and show length and width of jogs

Example 8 Basic Two-Storey



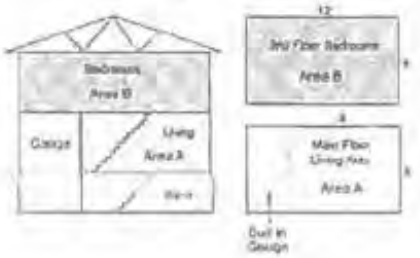
Measurement Method
Use exterior dimensions

Calculation
Length x Width of Exterior x 2 +/- Jogs

Exterior Dimensions
Show length and width of exterior dimensions and show length and width of jogs

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Example 9 Two-Storey With Built-In Garage



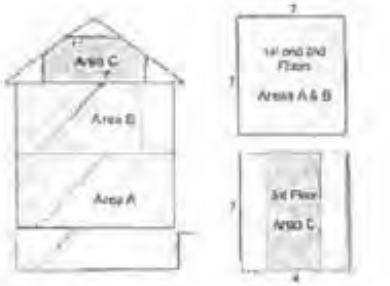
Area A – Main Floor Without Garage	8 x 9	=	72 sq m
Area B – Bedrooms	8 x 12	=	108 sq m
House area based on guidelines			180 sq m

Measurement Method
Use exterior dimensions

Calculation
Length x Width of Exterior + 2 +/- Bays + Garage

Exterior Dimensions
Show length and width of exterior dimensions and show length and width of bays

Example 10 Two and One-Half Storey



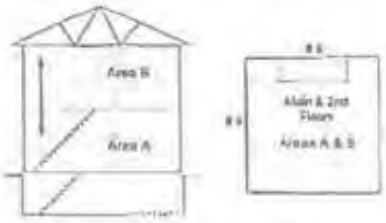
Area A & B – 1st & 2nd Floor	8 x (7 + 7)	=	98 sq m
Area C – 3rd Floor	4 x 7	=	28 sq m
House area based on guidelines			126 sq m

Measurement Method
Use exterior dimensions. Except for ½ storey

Calculation
Length x Width (see Areas A, B & C above)

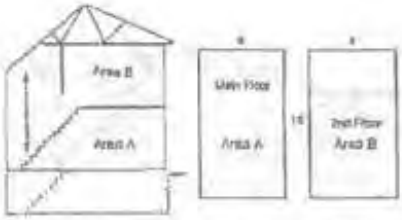
Exterior Dimensions
Show length and width of exterior dimensions, and show length and width of any jogs

Example 11 Two-Storey (Open Two-Storey Foyer/Other, From Main)



The standard to use when measuring a home with an area open the full two storeys, is to measure the exterior dimensions and double for the two storeys, minus the interior open area measurement.

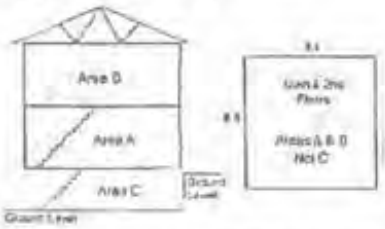
Example 12 Two-Storey With Vault/Slope



Where the two-storey walls are full height on one side the area should be measured as two floors. The area beneath the slope on the opposite side would be measured as one floor. The vaulted ceiling area should not cause a doubling of the area. Any lofts or catwalks should be measured separately and added to the living area.

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Example 13 Walkout Basement



A walkout basement occurs when a home is built on a sloped area so that the main entry is at ground level at the front of the house and the level below that (basement) opens out on the opposite side of the house at the lower ground level. The square footage of the lower basement area is not included in the living area measurement for listing purposes.

Example 14 A Frame



A frame construction with no knee walls should be measured from soffit to soffit on both main and second floors.

Caution

These residential measurement guidelines are provided for information purposes only by the Alliance for Canadian Real Estate Education. At the present time, no standard procedures have been approved throughout Canada. Practitioners should fully investigate local practices.



Olivia's Opinion: *One more thing about measurements – I ask the associates in my brokerage to submit their rough drawings and calculations for the file records. You never know when you might have to prove you measured a property and to show how you arrived at your measurements. While we try to be accurate, an honest mistake is better than no effort at all.*

Summary

The accurate measurement of properties has proven to be such a large area of liability for both sellers of property and real estate industry members, that many MLS® jurisdictions do not require their members to provide measurement information on listings.

Court cases have proven a disclaimer printed at the bottom of a listing or feature sheet is not enough to avoid a law suit. Even if no legal action takes place, industry members do not get referral or repeat business from former clients who feel they were misled about the size of the property they bought.

The best practice is to discuss the possibility of inaccurate measurements with your clients and encourage them to measure the property.

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Appendix 2. RECA's September 2, 2015 RECA News titled, "Updated Residential Measurement Standards"

Natalie Scollard

From: RECA Communications
Sent: September-02-15 10:06 AM
To: RECA Everyone
Subject: RECA News: Updated Residential Measurement Standards

RECA News September 2, 2015

Updated Residential Measurement Standards

Earlier this year, the Real Estate Council of Alberta (RECA) introduced a new Practice of Residential Real Estate course, which is part of the Real Estate Associates Program (REAP). RECA updated the residential measurement standards within the Residential Property Styles & Measurement unit to resolve previous content gaps. The updated residential measurement standards clarify the need to:

- exclude spaces with no floor such as vaults and the top of stairwells
- include above grade additions and conversions for year round use if they meet Alberta's *Minimum Housing and Health Standards*
- disclose when using other measurement standards
- use interior perimeter measurements when exterior measurements are not possible (condominiums and properties with demising walls)

The residential property measurement standards in the new course are substantially the same as the standards in the previous course, and which are currently practised by residential real estate professionals.

RECA wants to ensure all residential real estate professionals have access to the updated standards, regardless of when they completed their pre-licensing education. RECA has a new

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Information Bulletin, Residential Measurement Standards, which residential real estate professionals can use as a handy resource.

RECA's Residential Measurement Standards Information Bulletin is one of more than 100 Information Bulletins available for industry professionals.

To review the residential measurement standards Information Bulletin, click here. You're also encouraged to check out the complete list of bulletins here.

Real Estate Council of Alberta
T 1-888-425-2754
F (403) 228-3065
communications@reca.ca
www.reca.ca

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Appendix 3. RECA's November 26, 2015 RECA News titled, "Guide to Measuring Residential Properties in Alberta is now available"

Natalie Scollard

From: RECA Communications
Sent: November-26-15 1:40 PM
To: Natalie Scollard
Subject: RECA News: NEW RESOURCE AVAILABLE - Guide to Residential Property Measurement

RECA News November 26, 2015

Guide to Measuring Residential Properties in Alberta is now available

The Guide to Measuring Residential Properties in Alberta is now available on RECA's website for use by all residential real estate professionals.

The Guide explains:

- the Residential Measurement Standards
- how and when to apply them
- what to do if your client wants to use another standard of measurement

The Guide has many visual examples to help explain the standards for measuring residential properties, and how they apply to the day-to-day business of real estate professionals.

What Real Estate Professionals Need to Know

- **This Guide is not a new standard for measuring residential properties.**

  The standards in the Guide come from RECA's Practice of Residential Real Estate Course, which launched in February 2015. RECA used its launch of a new Practice of Residential Real Estate course as an opportunity to clarify and resolve previous content gaps in relation to property measurement, not to create a new standard. These standards are substantially the same as the standards in the previous

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course, and are the same standards residential real estate professionals have been practising for years.

- **Providing accurate, consistent measurements is a part of competent service**

  Residential real estate professionals need to discuss measurement standards with their clients so the client can make an informed decision about the standard of measurement they want to use. Clients may instruct their real estate professionals to use a different standard and professionals must always obey the lawful instructions of their client. If you use a different measurement standard, disclose that standard in all communications about your client's property.

- **RECA is listening and is here to help**

  Industry associations suggested RECA make the residential measurement content from the Practice of Residential Real Estate course available to all industry professionals. RECA agreed. This Guide is the result. RECA wants to ensure all residential real estate professionals have access to this information, regardless of when they completed their pre-licensing education.

An information bulletin on the Residential Measurement Standards and FAQs are also available on RECA's website.

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Appendix 4. Mr. Bob Myroniuk's November 30, 2015 letter to Mr. Ian Burns

Real Estate Council Alberta

November 30, 2015

Ian Burns
Chief Executive Officer
Alberta Real Estate Association
Suite 300 – 4954 Richard Rd SW
Calgary, Alberta T3E 6L1

Dear Ian,

Thank you for your letter dated October 9, 2015.

RECA discovered minor gaps in the information in Unit 3, Residential Property Styles and Measurement, when it began the process to review the *Practice of Residential Real Estate* course. In February 2015, RECA updated the course, including Unit 3, to include more comprehensive and complete standards for how to measure residential property in Alberta.

Following the launch of the new course, AREA, industry associations, and other stakeholders indicated to RECA that existing real estate licensees were not aware of the changes to Unit 3. In fact, some licensees did not receive any training on how to measure residential property when they completed their pre-licensing education. To ensure consistency of information within the industry, these stakeholders suggested RECA provide the updated information to all licensees. RECA listened to industry feedback and took action.

On September 1, 2015, RECA distributed a RECA News to all real estate licensees highlighting the changes made to the course materials on measuring residential property. Stakeholders suggested RECA should take an additional step and provide existing licensees with all of the information from Unit 3. On November 26th, in response, RECA distributed the *Guide to Residential Property Measurement in Alberta* (Guide) at no cost to the industry. RECA will provide Unit 3 to learners or industry members who enrolled in the REAP program between the launch of the *Fundamentals of Real Estate* and the launch of the practice of Residential Real Estate.

The Guide gives a number of key benefits:

- the industry has a comprehensive guide to which they will refer when measuring residential property

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- it will assist professionals to discuss residential measurement with their clients to make informed decisions
- the standard outlined in the Guide outlines the existing standards and fills in some gaps RECA identified
- professional, competent, and accountable service in compliance with high standards is the value proposition of licensed real estate professionals. The Guide assists industry professionals in this value proposition
- if a client instructs an industry professional to use a different standard the industry professional must disclose the standard used

In terms of compliance, RECA will continue to apply the *Real Estate Act* Rules (the Rules) as we have done from the beginning. In the event of a complaint, residential measurement standards are viewed in two ways – either competence or misrepresentation. Sections 41 and 42 of the Rules speak to these two principles. Our Professional Conduct Review Officers typically ask a series of questions around measurement. Two examples of questions are whether or not the industry professional measured the property or caused it to be measured by a third party, and whether or not the measurement was properly represented in advertising media such as the MLS® System. If there has been no breach, the investigation will be closed citing no breach or insufficient evidence. If a breach has occurred, the report to the Executive Director will summarize the evidence and contemplate the mitigating and aggravating factors as well.

RECA will continue to monitor the application of residential measurement standards and, as necessary, incorporate information in future re-licensing education programs to correct any issues.

Thank you for bringing your concerns forward.

Yours truly,

Bob Myroniuk
Executive Director

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Appendix 5. AREA's December 1, 2015 News Release

Alberta Real Estate Association

News Release

Alberta REALTORS® Committed to Work on Complex Issue of Property Measurements

Calgary AB, December 1, 2015 – The Alberta Real Estate Association (AREA) is aware of an article in the November 30th issue of the Edmonton Journal speaking to fines levied by the Real Estate Council of Alberta (RECA) for misrepresenting the size of condominiums in real estate listings, and is taking steps, along with its ten member boards, to look at the issue of residential property measurement.

"The issue of residential property measurements, including condominium, is complex," says Ian Burns, AREA's Chief Executive Officer. "As the article notes, even a registered size for a property is not standardized across the industry. Registered sizes sometimes include non-living areas like balconies and parking stalls, and in other instances do not."

Currently in Alberta, there is no province-wide regulation or standard of measurement. Local real estate boards enforce individual sets of rules with regard to measurements posted on their MLS® Systems and hold members accountable for errors.

Steps are being taken to clarify the measurement rules across the province, says Burns. "AREA will be working with local boards to look at the existing rules and agree on the implementation and enforcement of a provincial standard of measurement for residential properties, including condominiums, for the benefit of all consumers."

AREA and the ten local boards in Alberta have collaborated successfully on similar complex projects core to the real estate industry, including the development and implementation of provincial rules for both REALTOR® practice and for MLS® System listings.

-30-

For more information, please contact:

Alberta Real Estate Association
Ian Burns, Chief Executive Officer
Phone: 403.228.6845
Email: communications@arealhub.ca

The Alberta Real Estate Association (AREA) represents more than 10,000 REALTORS® and 10 real estate boards province-wide. AREA's vision is to provide world-class leadership that positively shapes the Alberta real estate profession, enhances member professionalism, and reinforces the critical value REALTORS® deliver to both buyers and sellers.

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Appendix 6. RECA's December 2, 2015 RECA News titled "Condominium Registered Size – Clarification

Natalie Scollard

From: RECA Communications
Sent: December-02-15 1:52 PM
To: Natalie Scollard
Subject: RECA News: Condominium Registered Size - Clarification

RECA News December 2, 2015

The Real Estate Council of Alberta (RECA) is taking this opportunity to clarify the distinction between the registered size of condominium units and residential measurement standards.

An Edmonton Journal article from November 29 detailed the issue of Edmonton-area real estate professionals misrepresenting the registered size of condominium units in their listings. The Alberta Real Estate Association (AREA) distributed a press release on December 1, 2015, which implied the issue in Edmonton is the result of inconsistent standards of measurement being used for condominiums.

The fact is, the condominium registered size issue in Edmonton is not related to measurement standards, it is only about the registered size of condominium units. Registered sizes are found on the condominium plan that is registered with Land Titles, typically by the condominium's developer. In most cases, the registered size of a condominium unit is not the same as its living space or measured area, and is not dependent on existing measurement standards.

The REALTORS® Association of Edmonton (RAE) has a data field in its MLS® system that requires REALTORS® to enter the size of the condominium as stated in the registered condominium plan at Land Titles for the unit in question. RECA has received information that some Edmonton REALTORS® are inserting information in the "registered size" data field that misrepresents the registered condominium size.

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Regardless of the reason for them doing so, the end result is misrepresentation of information to consumers and other users of the RAE MLS® System. Senior RECA staff have worked cooperatively with real estate brokers in Edmonton and the staff at RAE to communicate the obligations of REALTORS® on this issue, and we will continue to do so.

If AREA's goal is to work with the Boards to standardize or harmonize the data field or information related to condominium size that goes into all MLS® systems across Alberta, that is a laudable goal and RECA supports that initiative. Consistency of how data is provided across Alberta is of benefit to both consumers and other real estate professionals who wish to access this type of information.

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Appendix 7. Mr. Ian Burns's June 9, 2015 email to Mr. Bob Myroniuk

June 9, 2015

Bob Myroniuk, Executive Director
Real Estate Council of Alberta
Suite 350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Bob,

The topic of the provincial standards of measurement that were released with the new Practice of Residential Real Estate program continues to be a subject broached by our members in conversation with AREA.

RECA's choice to proceed with a standard of measurement to new licensees in absence of any communication to existing licensees (AREA members) is causing issues. Currently, Brokers have asked for information on the new standard, as their new licensees are inquiring about standards they know nothing about.

AREA's ask in many forums for RECA to communicate to industry about the standard went unanswered. It is unfortunate that communication about the standard did not occur with industry members prior to RECA's launch of the Practice of Residential Real Estate. This is one example where better management by RECA on industry changes is required. AREA communicated staff to staff on multiple occasions, AREA to Council Appointees, all of which yielded no response. A summary of those communications is included below as Appendix A and here as a printable copy.

I would ask, on behalf of the AREA Board of Directors, for RECA's overall plan in regards to the provincial standard, along with the communication plan for what will be communicated and when to the industry on this topic. At the very minimum, if you do not agree that communication is necessary, we request a written response with an explanation as to the rationale behind RECA's decision on how to proceed.

I look forward to seeing the communication plan when you are able to provide it and making our Board of Directors and staff aware of the timelines associated with RECA's planned communications on this topic. Furthermore, and as commited to, we look forward to securing engagement protocols for our respective organizations to build an agreed-upon and adhered-to mechanism to discuss issues such as these.

Regards,

Ian Burns

Ian Burns
Chief Executive Officer
Alberta Real Estate Association

Copies to:

AREA Board of Directors
Alberta Board/Association Executive Officers
RECA Council

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Appendix A: Summary – AREA and RECA Discussions on Standards of Measurement

Meeting with Charles, Joseph and Marg – October 3, 2014

- Draft proposal for provincial measurement standards presented
- Initial conversation surrounding necessary communications to current industry members

Meeting with Charles and Marg – December 17, 2014

- Feedback opportunity on standards
- Advised by RECA that no current plan to communicate to existing members
- Private meeting with Tammy and Charles followed
    - Indication that Charles would talk to Joseph re: communication plan

Appointee to Council meeting – November 18, 2014

- Ask of Council that clearer and longer timelines be proactively built into RECA projects, e.g. standards of measurement
- Challenge with standards of measurement is not with content but with process
    - Usage of the wording 'standard' exists within the REAP education without any communication to industry or Brokers who new licensees will work for.
    - What is the accountability mechanism in place? Are there additional implications?
- AREA asks to be made aware of the full project rollout

Appointee to Council meeting synopsis provided – March 27, 2015

- Synopsis provided to 6 Appointees to Council along with details on future meeting plans between AREA and Appointees to Council
- Synopsis includes reference to challenges and asks of Council noted above

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Appendix 8. Mr. Ian Burns's October 9, 2015 email to Mr. Bob Myroniuk

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: October 9, 2015 4:04 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: RECA Standards of Measurement

October 9, 2015

To: Real Estate Council of Alberta (RECA)

Re: RECA Standards of Measurement

Good afternoon,

On January 26th of this year, RECA's new Real Estate Associates Program (REAP) online course was released. Contained within the launch of REAP was the introduction of a new RECA Provincial Standard of Measurement.

The first paragraph of the new REAP course, as outlined below, introduces the RECA Residential Measurement Standard and reinforces the word 'standard' 71 times throughout the material.

> the Unit includes the more common property styles and the associated floor plans. It also presents the RECA Residential Measurement Standards and describes them in detail. The Unit also discusses imperial and metric measurement systems, linear and area measurements, and the formulas for

A recent industry communication on September 2, 2015 portrayed RECA's Residential Measurement Standard as an update to the previous standard. Understanding the previous REAP course uses the word standard 3 times, once referring to a BOMA standard, once in the learning objectives and once as captured in a caution note below, the messaging is contradictory. RECA has introduced a standard with no rules or accompanying communication to support that standard.

> **Caution**
> These residential measurement guidelines are provided for information purposes only by the Alliance for Canadian Real Estate Education. At the present time, no standard procedures have been approved throughout Canada. Practitioners should fully investigate local practices.

This letter is not intended to address whether the content of the new RECA standard is agreeable by the Boards/Associations, as AREA understands there are some elements of the content that are under discussion at the moment. The intent is to raise awareness to the roll out process for the standard and the ensuing confusion, and spur action to remedy the gaps in knowledge and provide clarity to the current industry.

Recent RECA communications, both written to the industry and verbally at a RAE event presentation, has RECA stating that this isn't a new standard. These communications contradict the written word contained in the course content. If it isn't a standard, then the word 'standard' should not be used.

Newly licensed REALTORS® are training under the language of a RECA standard and a detailed learning module within REAP. Existing industry members didn't know about the RECA standard until a recent RECA communication to industry was sent on September 2, 2015 in which a one-page briefing was provided. Click here for a copy of the communication.

AREA approached RECA asking for the ability to provide the full module to industry and send out a joint communication from AREA and RECA. The request was declined stating RECA is working on other options.

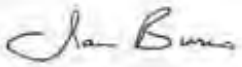
AREA is asking Council to provide the RECA standards of measurement module to all of industry, at no cost. Furthermore, with the introduction of something new, a clear communication to industry around how RECA will administer the standard is necessary.

Advance communication and information on standards should be consistent and available to the entire industry at no charge. When the regulator, by virtue of their position of authority, uses the word 'standard', it evokes industry to ask: what are the consequences if I make a mistake? How am I held accountable? And, for Boards/Associations, what are the implications to our operational policies and procedures?

Currently, the course content is clear – a RECA standard was launched. Subsequent communications denouncing that launch are furthering the confusion.

AREA looks forward to continued dialogue on this topic with RECA. Thank you in advance for your consideration and review.

Regards,



Ian Burns
Chief Executive Officer
Alberta Real Estate Association

Copies to:

AREA Board of Directors
Alberta Board/Association Executive Officers
Bob Myroniuk, RECA Executive Director

PDF Copy

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Appendix 9. Minister of Service Alberta's January 20, 2016 letter to RECA

ALBERTA
SERVICE ALBERTA
Office of the Minister
MLA, Lesser Slave Lake

AR 29223

January 20, 2016

Ms. Krista Bolton
Chair, Real Estate Council of Alberta
Suite 350, 4954 Richard Rd SW
Calgary, AB T3E 6L1

Dear Ms. Bolton:

I am writing you today in relation to recent media reports and numerous complaints to my office regarding inaccurate measurements of condominium property on real estate listings.

I view these complaints through the lens of consumer protection and am concerned Albertans are not receiving accurate information when deliberating the purchase of a home. According to a November 29, 2015 article published in the Edmonton Journal, approximately 1,100 complaints were filed in the last year with the Real Estate Council of Alberta (RECA), citing incorrect condominium measurements in MLS listings.

I understand from my department staff that RECA has responded to these complaints by taking enforcement action against industry members deserving of sanction, and disseminating education material clarifying the rules for accurate measurement and disclosure of residential property. However, given the magnitude this problem, I am asking RECA to consider additional regulatory measures that can be taken to curb misrepresentation by industry members.

I look forward to the opportunity to discuss this matter with you in person along with Executive Director Bob Myroniuk at the Legislature Building in Edmonton. In addition, I would appreciate an update on RECA's progress on establishing the regulatory model for condominium managers in Alberta in accordance with Bill 9, *Condominium Property Amendment Act*. I understand RECA recently completed a consultation in December 2015 to support this work. My scheduling assistant, Patricia Tiamiyu, will be in touch to confirm a meeting.

Thank you for your continued commitment to protecting Albertans and improving standards in the real estate industry. I look forward to meeting with you and collaborating in the best interest of Albertans and the industry.

[illegible]

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Sincerely,

Hon. Danielle Larivee
Minister of Service Alberta

cc: Bob Myroniuk, Executive Director, Real Estate Council of Alberta

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Appendix 10. Minister of Service Alberta's April 29, 2016 letter to RECA

ALBERTA
SERVICE ALBERTA

Office of the Minister
MLA, Calgary-Varsity

APR 2 9 2016

AR 29691

Ms. Krista Bolton
Chair, Real Estate Council of Alberta
Suite 350, 4954 Richard Rd SW
Calgary, AB T3E 6L1

Dear Ms. Bolton:

Thank you for your February 2, 2016 letter outlining Council's actions respecting residential measurement standards (RMS) in Alberta.

In her letter of January 20, 2016, the Honourable Danielle Larivee confirmed Service Alberta received numerous complaints regarding inaccurate measurement of condominium properties. As such, the issue of measurement of residential properties is of particular concern for our government and all Albertans. The complaints my office receives, and continuing media attention, confirm the square footage of a residential property is of primary importance to buyers when considering which properties to view and the price they are prepared to pay. From a consumer protection perspective, I am concerned Albertans are not receiving accurate information when making decisions about buying a home.

Minister Larivee recognized the educational work of the Real Estate Council of Alberta (RECA) and the enforcement action taken to date. Given the magnitude of this problem, she asked Council to consider additional regulatory measures to curb industry member misrepresentations of property size.

As you indicated, Council's decision was to remove the November 2015 Guide to Residential Property Measurement in Alberta (RMS Guide) from RECA's website, conduct industry consultations to determine how the Guide could be improved, and post a revised Guide on the website. Council also decided RECA's guide would be a document "to help real estate professionals measure residential properties amongst other standards."

While revising and updating information published by a regulator is a good policy, removal of existing guides or standards from RECA's website during a period of consultation and revisions is inappropriate. The lack of instructions or standards from the regulator during this period is detrimental to both the industry and consumers.

.../2

423 Legislature Building, 10800 - 97 Avenue, Edmonton, Alberta T5K 2B6, Canada Telephone 780-422-6080 Fax 780-422-2456

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The decision of Council that a revised RMS Guide would simply be one document among a number of other standards is of greater concern. In order to address current complaints a single, clear standard is required.

Under section 5 of the *Real Estate Act*, the Government of Alberta gave RECA authority to set and enforce standards for industry members in Alberta. Self-regulation is based on an overarching duty to protect the public and standards are essential for a regulator to ensure they meet this obligation. A regulator sets provincial standards through its education programs, rules, newsletters, and polices. It enforces those standards through its disciplinary processes.

It is the expectation of our government, as well as consumers in this province, that RECA will carry out its regulatory mandate by establishing and enforcing RMS standards for all industry members. Adherence to the standards established by RECA must be mandatory for real estate professionals. Related industry groups, including property measurement companies, should be encouraged to follow RECA's standards. This is the only way to ensure consumers will have confidence in the system of buying and selling real estate in Alberta.

In accordance with its consumer protection mandate, I trust RECA will now move quickly to set and enforce the RMS standards as the sole set of measurement standards that apply to industry members in Alberta, including revising and updating the RMS Guide based on further industry consultation and restoring the existing Guide until the revisions are made.

In order to assure my colleagues that RECA is addressing this issue in a timely manner, I would appreciate receiving your action plan by May 31, 2016 with a view towards implementation of the revised Guide, education of industry members, and communication to consumers by fall 2016.

As the new Minister, I would appreciate the opportunity to meet and discuss this and other relevant issues with RECA. My scheduler, Dawn Friesen, will be in touch with you arrange a meeting.

Sincerely,

Hon. Stephanie McLean
Minister of Service Alberta and Status of Women

cc: Jennifer McKenzie
President, Alberta Real Estate Association

Ian Burns
Chief Executive Officer, Alberta Real Estate Association

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Real Estate Council Alberta

The History of the Residential Measurement Standard (RMS)

Measurement standards for residential properties pre-date RECA. Measurement standards existed when the Alberta government was responsible for regulating the real estate industry. While RECA does not have copies of the real estate pre-licensing courses in existence prior to its inception, the 1995 Reducing Risk in Your Real Estate Office re-licensing course makes reference to a standard outlined in the pre-licensing course. Stan Mills states that he was an AREA instructor, was involved in the development of the course materials and taught the unit explaining how to measure properties.

RECA has always treated the practice standards outlined in the pre-licensing courses as standards. When conducting investigations, RECA reviews the legislation and the standards outlined in educational materials. RECA has investigated complaints alleging incorrect property sizes. RECA has disciplined real estate professionals for not following the applicable measurement standard.

After RECA assumed responsibility for the development and delivery of pre-licensing education, RECA began developing the Practice of Residential Estate course in early 2014. As part of RECA's course development, RECA reviewed the Building Measurement section of the REAP course offered by AREA (Attachment 1).

RECA identified concerns with the education materials and sought to resolve them. The concerns identified were as follows:

- the terminology used is the "total living area" or the "total floor area". However, the measurement methodologies are often based on exterior most which is not reflective of this term.
- example diagrams indicated the existence of a minimum height. However, the minimum height was not stipulated nor applied consistently across the examples.
- the materials did not clearly address how additions to the main structure should be dealt with (porches).
- as it relates to below grade space, the materials are unclear as they refer to levels (floors) and individual rooms.
- the materials refer to challenging areas such as cathedral ceilings, sloped ceilings, finished attics, loft space, vaulted areas and open stair case. However, the education materials do not provide clear instruction to the learners as to how to deal with these challenging situations.

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- the materials did not specify how stairs were to be treated. The example diagrams did not treat the measurement of stairs consistently.
- for properties with condominium ownership, while providing some direction the materials referred to local real estate board rules.
- the materials describe issues such as whether or not to measure the property, or the need to discuss with buyers the listing measurement as personal preferences.
- the course does not take advantage of simpler formulas for calculating the area of parallelograms.
- a proper formula for calculating bow windows is not provided.
- the sample calculations in various diagrams are incorrect.
- some graphics in the sample calculations do not correspond with each other.
- the course did not identify how to communicate the size of levels below grade.

RECA sought to resolve these issues by determining the practices professionals were generally following and to reflect those practices in the educational materials. To do this, RECA undertook the consultation process with the Professional Standards Unit, the Calgary Real Estate Board (creb®), the Realtors® Association of Edmonton (RAE), advisory groups to Council, the Real Estate Insurance Exchange (REIX), home measurement experts, the Appraisal Institute of Canada (AIC), and the Canadian National Association of Real Estate Appraisers (CNAREA).

Education Services met with Professional Standards Unit staff. Professional Standards Unit staff suggested the Practice of Residential Real Estate course address the following issues:

- real estate professionals were relying on previous listing information or other sources. It was recommended that course materials require real estate professionals to measure properties and not to rely on previous listing information or other sources.
- real estate professionals were confusing the condominium unit registered size fields and the field in the living area of property. It was recommended that the differences between the condominium unit registered size and the property size be explained.
- the Professional Standards Unit could not enforce property size misrepresentations when the cause of a misrepresentation related to a "challenging area" or an area of the pre-licensing courses where there was ambiguity. Ambiguities needed to be resolved.

RECA consulted with AREA, the Calgary Real Estate Board (creb®), and the Realtors® Association of Edmonton (RAE). RECA advised RAE as early as July 30, 2014, and creb® on August 5, 2014, of the proposed course revision. RECA provided AREA, creb® and RAE various drafts of RMS and asked them to provide feedback. RECA met with AREA, creb®, and RAE representatives on October 3, 2014 and December 17, 2014. Much of their feedback was incorporated in the content of the Practice of Residential Real Estate course.

While providing feedback, AREA and creb® stated RECA did not have authority to set standards for real estate professionals. At the same time, they stated if RECA set standards the standards needed to apply to home builders. AREA and creb® accused RECA of regulatory scope creep by embarking on this process.

RECA also communicated with various real estate advisory groups and forums to Council. The groups consulted were as follows:

- Residential Real Estate Advisory Committee
- Edmonton Real Estate Brokers
- Edmonton Real Estate 20/20 Forum
- Calgary Real Estate Brokers
- Calgary Real Estate 20/20 Forum

These groups welcomed the enhanced education and stated these standards were not much different from the standards the real estate boards were currently using. Many of these committees or groups contain individuals appointed by AREA and real estate professionals sitting on AREA's board of directors.

REIX was also consulted. REIX stated they would prefer if RECA would prohibit real estate professionals from taking measurements and would recommend that the seller measures the property or that a professional measurement company be employed to do so.

RECA sought the advice of Mr. David Holmes who is the principal of Measure Masters and is recognized as an expert in the measurement of residential and commercial properties. At the time, Measure Masters was the largest property measurement company in Western Canada. Mr. Holmes advised RECA of the problems or difficulties with the standards and guidelines being used in Alberta.

Because this issue had the potential to impact real estate appraisers, as they rely on the measurements taken by real estate professionals, RECA also consulted with AIC and CNAREA between September 2014 and December 2014. AIC provided considerable constructive feedback while CNAREA responded to RECA by saying RECA was exceeding its mandate.

RECA advised the Real Estate Appraisers' Advisory Committee (REAAC) on November 26, 2014 and discussed the Practice of Residential Real Estate course upgrade. The following is the applicable portion of REAAC's November 26, 2014 minutes:

> "What regulatory issues are currently impacting the real estate appraisal industry in Alberta?
> The Committee discussed measurement standards. The Committee suggested there would be value in having a common standard. There is a need to clarify/define "grade". Joseph indicated plans are in place to

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address measurement standards through the Practice of Residential Real Estate course and RECA had been consulting with AIC and CNAREA."

Though this consultation, RECA was able to identify additional issues such as:

- most boards had the equivalent of residential measurement standards
- many professionals were not measuring properties. Some relied on old listing information, others relied on the size reported on the municipality's tax roll, while others relied on property measurement services, but they did not know what standards used by those services.
- the enforcement process followed by boards varied. Some were not enforcing their standards, while others were very actively enforcing their standards (i.e. creb® takes a very rigorous approach to ensure the Condominium Unit Registered size is correct).
- real estate appraisers assumed data was reliable and were not aware the data was unreliable in boards where real estate professionals were relying on others for the property size (i.e. tax roll information).
- REIX was reporting a significant number of lawsuits associated with incorrect measurements, although few claims resulted in pay-outs.

The Practice of Residential Real Estate course launched on January 26, 2015. The Practice of Residential Real Estate course contained a Unit with various sessions on Residential Measurement (Attachment 2).

RECA communicated to AREA, creb®, and RAE that as the differences were not significant, a re-licensing course was not required. RECA would create an information bulletin to communicate to existing industry professionals shortly after the practice course was launched (as there is a time lag between the time a course is launched and when learners enrol and then become licensed). A sample communication from Mr. Joseph Fernandez to Ms. Margherita Gosselin, RAE's MLS® Services Department Manager, is in Attachment 3.

On May 6, 2015, AREA issued an Advisory communication to all of its members, announcing AREA had given notice to RECA that AREA would no longer be delivering pre-licensing education past May 30, 2015 (Attachment 4). The communication also included a comment about the RMS. It stated:

> *"We have heard loud and clear from members on another similar example: RECA launching an industry standard of measurement in the new residential licensing education without communicating with current industry members. As a result, we now have members entering the industry with the understanding there is a standard of measurement in place with no communication of that information to current members."*

On June 9, 2015, Mr. Ian Burns emailed Mr. Bob Myroniuk stating:

- real estate professionals are inquiring about standards they know nothing about

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- RECA has not responded to AREA's request for communication to the profession
- for RECA's overall plan in regards to the provincial standard, along with the communication plan
- if RECA deems communication is not necessary then an explanation for the reasons for this decision

The email attaches a brief summary of discussions between AREA, RAE, creb®, and RECA from October to December 2014 (Attachment 5).

On June 10, 2015, Mr. Bob Myroniuk responds to Mr. Ian Burns stating he was going to consult with staff and respond to Mr. Burns. He also asked Mr. Burns to provide more information (Attachment 6).

On July 13, 2015, Mr. Bob Myroniuk follows up with Mr. Ian Burns's asking whether or not he has had a chance to provide the information requested in the June 10th email (Attachment 7).

On July 15, 2015, RECA's Executive Director provided to Council a comparison of RMS to creb®'s Measurement Guidelines for Residential Real Estate and to RAE's Guidelines for Measuring Real Estate. The applicable portion of the July 15, 2015 Council Meeting minutes is as follows:

> For Your Information
> Bob Myroniuk highlighted a number of documents included in the "For Your Information" section of the agenda.
> *ACTION*: RECA will share Tab 25, Comparison of Residential Measurement Standards to AREA, the boards, and appraisers.

July 28, 2015, RECA's Executive Director shares with AREA, all real estate boards, and all other consultation stakeholders a comparison of the creb®, RAE, and the American National Standards Institute (ANSI) standards (Attachment 8).

On August 4, 2015, Mr. Ian Burns sends an email dated on July 29, 2015 to Mr. Bob Myroniuk (Attachment 9) stating:

- communication to existing professionals has not taken place. Brokers are seeking information as their new licensees are approaching them about the measurement standard.
- expectations for Mr. Myroniuk to communicate with AREA and industry after Mr. Myroniuk consults with RECA staff.

On August 19, 2015, RAE communicates with RECA and states real estate professionals lost access to the City of Edmonton's tax roll information and that their members had not been measuring properties. Given this information, RAE requested RECA education information for RAE to post on their intranet. RECA provides RAE

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with materials adapted from the Practice of Residential Real Estate course (Attachment 10).

On August 31, 2015, Mr. Ian Burns sends an email to Mr. Bob Myroniuk (Attachment 11) stating:

- AREA, RAE, and creb® applauded the RECA team for the overall content of the measurement module within REAP.
- AREA continues to request for RECA to communicate the measurement standard to the industry.

On September 2, 2015, RECA publishes the RECA News with the RMS and posts the Residential Measurement Standards information bulletin on RECA's website (Attachment 12).

On September 2, 2015, RECA provides all of the property measurement services operating in Alberta the Residential Measurement Standards information bulletin.

On September 10, 2015, RAE states that as many of their members were not measuring properties, their members need a measurement refresher. RAE requests more detailed measurement information. RECA commits to prepare a guide and to consult with RAE to ensure it meets the needs of RAE professionals. RECA also intends to use the guide to provide additional information regarding the communication of the condominium unit registered size in the hopes of reducing the entering of incorrect information in the Condominium Registered Size field of RAE's listing database. RAE allows RECA to use the Agent Detail view of their database in the creation of supplementary materials.

On October 2, 2015, RECA provides RAE with a draft copy of a draft RMS Guide for RAE's feedback.

On October 9, 2015, Mr. Ian Burns, on behalf of AREA, emails Mr. Bob Myroniuk of RECA (Attachment 13). The key issues of the email are as follows:

- RECA has introduced a standard with no Rules or accompanying communication to support the standard.
- It intends to raise awareness to the roll out process for the standard and spur action to remedy the gaps in knowledge and clarity to the current industry.
- RECA is saying that this isn't a new standard and if it isn't a standard the term "standards" should not be used.
- AREA asked RECA to send the full course module to industry, but that RECA is working on other options.
- AREA is asking Council to provide the RECA standards of measurement module to all of industry, at no cost.
- a RECA standard was launched and subsequent communication denouncing that launch are furthering the confusion.

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On October 9, 2015, RAE provides feedback on the proposed RMS Guide. RECA incorporates their feedback and also clarifies issues RAE felt were unclear in the Residential Measurement Standards information bulletin. RECA also gets approval from RAE to include a sample of RAE's listing data base entry for condominiums to demonstrate the proper treatment of the Condominium Unit Registered Size and property area in the listing database.

On October 21, 2015, RECA receives a letter form AIC Alberta outlining concerns with the RMS (Attachment 14).

On November 19, 2015, RECA staff meets with AIC Alberta directors to discuss their concerns. RECA staff also responds in writing immediately after the meeting (Attachment 15).

On November 26, 2015, RECA publishes a RECA News introduces the Guide to Residential Measurement in Alberta (RMS Guide) and makes clarification changes to the Residential Measurement Standards information bulletin (Attachments 16 and 17).

On November 27, 2015, RECA provides the post-February 2015 Residential Styles and Measurement Unit from RECA's Practice of Residential Real Estate course to students who enrolled in RECA's Fundamentals of Real Estate course prior to February 2015, at no cost (Attachment 18).

November 30, 2015, Mr. Bob Myroniuk responds to AREA's October 9, 2015 request for re-licensing education (Attachment 19). The response makes reference to RECA having provided all real estate professionals with:

- a RECA News published on September 1, 2015 (it was published on September 2, 2015)
- the RMS Guide on November 26, 2015. It also describes how the RMS Guide is more beneficial to existing industry professionals than the course unit
- Unit 3 from RECA's Practice of Residential Real Estate course.

The communication also describes the enforcement approach.

On December 1, 2015, Mr. Ian Burns, on behalf of AREA, sends a News Release to all its members (Attachment 20). The salient points of the communication are as follows:

- *"Currently in Alberta, there is no province-wide regulation or standard of measurement. Local real estate boards enforce individual sets of rules with regard to measurements posted on their MLS® Systems and hold members accountable for errors. Steps are being taken to clarify the measurement rules across the province," says Burns.*
- *"Steps are being taken to clarify the measurement rules across the province, says Burns. "AREA will be working with local boards to look at the existing rules and*

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agree on the implementation and enforcement of a provincial standard of measurement for residential properties, including condominiums, for the benefit of all consumers."

On December 2, 2015, AIC Alberta sends a letter to RECA outlining their concerns with the RMS Guide (Attachment 21).

On December 2, 2015, Mr. Bob Myroniuk communicates with Mr. Ian Burns in response to AREA's News Release (Attachment 22). The relevant portions of the email are:

- the article in the Edmonton Journal (http://bit.ly/1PoqQxN), were related to misrepresentation of information by REALTORS® and were not related to the standards of measurement to be used for condominiums as implied in the AREA News Release;
- RECA and RAE have been working collaboratively to resolve the issue. The RMS Guide intended to help resolve this issue
- RECA would support AREA's initiative if AREA intends standardize condominium data fields across listing databases in Alberta

On December 2, 2015, RECA publishes a RECA News to residential real estate professionals (Attachment 23). The relevant sections of the email are as follows:

- "An Edmonton Journal article from November 29, 2015 detailed the issue of Edmonton-area real estate professionals misrepresenting the registered size of condominium units in their listings. The Alberta Real Estate Association (AREA) distributed a press release on December 1, 2015, which implied the issue in Edmonton is the result of inconsistent standards of measurement being used for condominiums."
- "The fact is, the condominium registered size issue in Edmonton is not related to measurement standards; it is only about the registered size of condominium units. Registered sizes are found on the condominium plan that is registered with Land Titles, typically by the condominium's developer."
- "If AREA's goal is to work with the Boards to standardize or harmonize the data field or information related to condominium size that goes into all MLS® systems across Alberta, that is a laudable goal and RECA supports that initiative. Consistency of how data is provided across Alberta is of benefit to both consumers and other real estate professionals who wish to access this type of information."

On December 16, 2015, Real Estate Magazine (REM) publishes an article entitled "Alberta Real Estate Association to look into property measurement issues" (Attachment 24).

On January 7, 2016, the Real Estate Appraisers' Advisory Committee (REAAC) discusses the RMS Guide. The meeting minutes as it relates to the RMS Guide is as follows:

3. RECA Residential Real Estate Measurement Standards for Residential Real Estate Industry Members
    - Guide to Residential Property Measurements in Alberta
        - There was inadequate consultation with real estate appraisers before these were finalized and published
        - Information in the Guide is not accurate with respect to background and how certain properties or parts of properties are measured
        - There needs to be consistent measurement standards throughout Alberta and internationally
        - The comments from Dena Knopp from AIC Alberta need to be considered
        - The standard as presented in the guide has issues that RECA needs to address
        - RECA RMS should be optional not mandatory
        - The committee should review the Guide content and make recommendations for change

    - Residential Measurement Standards (RMS) Briefing Note from Joseph Fernandez
        - Joseph Fernandez provided a summary of his briefing note to the committee
        - Comments from the committee included
            - should be a "guideline" and not a "standard"
            - the Guide needs to be reviewed in depth rather than in a short conference call
            - more work is required at the committee level
            - the committee would like administration to complete an in-depth analysis of the comments from Dena Knopp from AIC Alberta
            - a broader industry review may be necessary to ensure alignment with current practices/standards
            - the publication of this RMS Guide is premature
            - the committee does not believe the RMS should be a mandatory standard
            - whether or not the RMS would apply to real estate appraisers in Alberta could depend on the final RMS content and consultation outcomes with real estate appraisers; it is too early to comment.

The REAAC intends to recommend to Council at its January, 2016 meeting

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- RECA is to remove the Guide to Residential Property Measurement in Alberta from RECA's website - greater industry consultation and review is required on the Guide to Residential Property Measurement in Alberta
- RECA RMS are to be a guideline only and are not to be a mandatory standard

Jean Flanagan is asked to prepare a briefing note for John Farmer to present to Council at the January 20, 2016 meeting with respect to the above recommendations.

On January 20, 2016, the Minister of Service Alberta corresponds with RECA's Chair (Attachment 25). The relevant sections of the correspondence are as follows:

- "I am writing you today in relation to recent media reports and numerous complaints to my office regarding inaccurate measurements of condominium property on real estate listings."
- "I view these complaints through the lens of consumer protection and am concerned Albertans are not receiving accurate information when deliberating the purchase of a home."
- "...RECA has responded to these complaints by taking enforcement action against industry members deserving of sanction, and disseminating education material clarifying the rules for accurate measurement and disclosure of residential property. However, given the magnitude this problem, I am asking RECA to consider additional regulatory measures that can be taken to curb misrepresentation by industry members."

At the January 20, 2016 Council meeting, Council discusses REAAC's recommendation. The applicable section of the Meeting Minutes is as follows:

Real Estate Appraisers Advisory Committee

John Farmer provided a report on the activities of the Real Estate Appraisers Committee. The Committee met on January 7, 201 and discussed the subject of Residential Measurement Standards.

MOTION: Council directs RECA to remove the November 2015 "Guide to residential property measurement in Alberta" from the RECA website until such time as revisions can be made to address industry concerns with regard to inconsistencies in the guide to existing industry norms. And further that once refined, the "Guide to residential property measurement in Alberta" is understood to be a document to help real estate professionals' measure residential properties amongst other standards.

John Farmer / Carried

Bob Myroniuk referred to a letter dated January 20, 2016 from Service Alberta Minister Hon. Danielle Larivee to Chair Krista Bolton asking that RECA consider additional regulatory measures to curb misrepresentation

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by industry members regarding accurate measurement of residential property.

On January 25, 2016, AREA publishes an Advisory to all of its members (Attachment 26) that includes:

> *Measurement Standards*
> *"AREA is also working on establishing measurement standards for the industry through a coordinated consultation effort with stakeholders such as the Alberta Land Surveyor's Association, REIX, the Appraisal Institute of Canada, the Canadian National Association of Real Estate Appraisers, the Building Owners and Managers Association, the Canadian Condominium Institute, the Canadian Homebuilders' Association, and the Royal Architectural Institute of Canada. AREA hopes to have draft measurement standards in place by fall 2016."*

On February 8, 2016, RECA publishes the Regulator Newsletter. It contains the following:

> "Residential Measurement Standards Guide Removed
> At its January meeting, Council accepted a recommendation from the Real Estate Appraisers Advisory Committee to do additional consultation with stakeholders on the Residential Measurement Standards (RMS). As a result, RECA removed the Residential Measurement Standards information bulletin and the Guide to Residential Measurement in Alberta from its website. RECA will contact key stakeholders and work together to alleviate any outstanding issues with the RMS. Council will review an amended version of the information bulletin and Guide at a future meeting."

On Feb 22, 2016, Mr. Bob Myroniuk invites AREA, all of the real estate boards, the Alberta Mortgage Brokers Association (AMBA), the Alberta Land Surveyors' Association (ALSA), AIC, CNAREA, and all measurement companies to participate in the consultation process (Attachment 27). The consultation deadline is March 22, 2016. The stakeholders were also provided the opportunity to meet in person with RECA staff on March 17, 2016.

On March 17, 2016, AREA provides a submission to RECA (Attachment 28). The submission indicates attached and semi-detached properties pose greater liability and recommends further consultation regarding how to measure these properties.

Once the information was received RECA provided all feedback received and consulted with the Real Estate Appraisers' Advisory Committee (REAAC) and with the Residential Real Estate Advisory Committee (RREAC) on March 31, and April 1, 2016 respectively.

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On March 31, 2016, REAAC reviews the consultation feedback and provides recommendations to Council (Attachment 29).

On April 1, 2016, RREAC reviews the consultation feedback and provides recommendations to Council (Attachment 30).

On April 13, 2016, Council reviewed the consultation results and recommendations by REAAC and RREAC. Council discussed each RMS principle and proposed motion individually. Council's decisions were as follows:

Residential Measurement Standard #1

MOTION: Council approves RMS Principle #1 as follows:
"Real estate professionals must use the RMS."
The Guide must make it clear:

- *real estate professionals may engage persons to calculate the area of a property for them*
- *If engaging a property measurement company, real estate professionals must ensure the person is able to measure the property competently according to the RMS. Real estate professionals should also ensure the person has E&O insurance*
  real estate professionals are responsible for all property measurement representations
- *real estate professionals may discuss with the seller who will bear the cost for measuring the property in accordance with the RMS*

Stan Kushner / Carried

Residential Measurement Standard #2

MOTION: Council approves RMS Principle #2 as follows:
"Identify if the measurement system is metric or imperial and apply it consistently."
The Guide should state:

- *when using Imperial measurement units, the property must be measured to the nearest inch and the final area must be reported to the nearest whole square foot*
- *when using Metric measurement units, the property must be measured to the nearest 0.01 meter and the final area must be reported to the nearest 0.1 square meter*

Robyn Moser / Carried

Residential Measurement Standard #3

MOTION: Council approves RMS Principle #3 as follows:
"Measure the outside surface of the exterior walls at floor level to calculate the above grade floor area".
The Guide should state something along the lines of "Circumstances can exist when direct measurement of the exterior surface at floor level is not possible given that the nature of the terrain, structure, or other obstacles. Building

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dimensions developed through some means other than direct measurement can be susceptible to inaccuracy. Calculations developed under such circumstances must include a declaration describing how the exterior surface of the property was extrapolated."

Stan Mills / Carried

Residential Measurement Standard #4

John Farmer requested that there be a definition of grade in the Guide with respect to this principle. Joseph Fernandez agreed and stated there is already a definition.

MOTION: Council approves RMS Principle #4 as follows:

"Include levels that are entirely above grade; exclude levels if any portion of the level is below grade. Below grade levels may be measured, but must not be included in the above grade area calculation"

The Guide to allow below grade measurements to be communicated separately from the RMS area provided that:

- *the communication clearly indicates the measurement relates to below grade levels*
- *how the measurement was calculated (exterior or interior measurements)*
- *utility or mechanical areas need not be excluded*
- *if any representation is made as to whether the space is finished or unfinished, the representation must not be misleading*
- *if the below grade space does not meet the 7 feet minimum height requirement, the disclosure must include a statement that the below grade space does not meet the 7 feet minimum height requirement*
- *real estate professionals must disclose if the basement area is smaller than the main footprint of the residence (i.e. half basement)*

Ramey Demian / Carried

Residential Measurement Standard #5

MOTION: Council approves RMS Principle #5 as follows:

"Include all additions to the main structure and conversions of above grade space within the structure if they are weather proof and suitable for year-round use"

The Guide is to clarify what is suitable for year round use. The clarification must state:

- *the structure must be a permanent structure and have a foundation or footings*
- *heating must be supplied by the property's heating system or have its own permanent heating system capable of heating the space to 22 degrees Celsius throughout the year. Care must be taken to explain this, given it may not be possible to ascertain this requirement other than during winter months*

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- *It must have a permanent electrical service connected to the residence's electrical service*
- *temporary mobile space heaters or extension cords are not suitable sources of heat or electricity*
- *multiple examples must be provided of additions that meet and do not meet this criteria*

Angela Kolody / Carried

Residential Measurement Standard #6

MOTION: Council approves RMS Principle #6 as follows:
Include extensions from the main structure that have a minimum floor-to ceiling height of 5 feet or 1.5 meters, such as cantilevers, bay and bow windows, and dormers. The Guide to needs to be clearer the five-foot minimum height is to commence at floor level and there must be a floor level.

A new principle to precede Principle 6 be created that together with the Guide would describe the following:

- *the minimum ceiling height is to be 7 feet*
- *if the ceiling is sloped, the ceiling height up to 5 feet is included in the RMS provided there is a ceiling height of 7 feet somewhere in the room*

Brian Klingspon / Carried

Residential Measurement Standard #7

MOTION: Council approves RMS Principle #7 as follows:
"Exclude open areas that have no floor, such as vaulted areas.
The Guide should be consistent with ANSI. The principles associated with stairs are as follows:

- *stairs are counted in the above grade level they lead to*
- *stairs are to be counted in the above grade level they lead to even if a part or all of the stairs is below grade*
- *the portion of the stair opening that is larger than the area of the stair treads and landings must be deducted from the floor level*

Ramey Demian / Carried

Residential Measurement Standard #8

MOTION: Council approves RMS Principle #8 as follows:
For properties with common walls such as duplexes, townhouses and apartments measure the interior perimeter walls (paint-to-paint) but allow for an additional measurement that takes into consideration wall thickness assumptions (except for apartment style)

Bonnie Clarke / Carried

If stakeholders indicate to RECA there are clearly identified reasons to review these standards, RECA will consider a review.

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Using other standards/following client lawful instructions

MOTION: The Guide must be clear that real estate professionals must use the RMS. When sellers instructions are lawful, sellers may ask for additional size representation.

Stan Mills / Carried

Should the RMS be a standard or a guideline?

MOTION: Council approves maintaining the RMS as a standard.

Gary Sieglé / Carried

Structures not connected to the main structure of the residence

MOTION: The Guide should state:

Measurements of structures not connected to the main structure of the residence may be communicated separately from the RMS area provided that:

- *the communication clearly indicates the measurement relates to a structure not connected to the main structure of the residence*
- *how the measurement was calculated, exterior or interior measurements*
- *if any representation is made as to whether the space is finished or unfinished, or its suitability for year round use, the representation must not be misleading*

John Farmer / Carried

Education for Real Estate Professionals

MOTION: Council adopt the recommendation that the amended RMS be the subject of a re-licensing course for the fiscal year 2016-2017. The budget to update the Practice of Residential Real Estate Course and to develop a re-licensing course budget is $125,000.

Christine Zwozdesky / Carried

MOTION: Council refers to REAAC whether to make the RMS into a relicensing education course for real estate appraisers.

Gary Siegle / Carried

Measurement enforcement

MOTION: RECA's educational material and information bulletins will explain how RECA will enforce the RMS and the potential implications from a civil liability perspective. The education material is to contain case studies.

Ramey Demian / Carried

Council asked Administration to prepare a draft information bulletin and the educational material for the July 2016 Council meeting.

Public dissemination

MOTION: Council undertake an information campaign. RECA can also create consumer materials that explain the standard from a consumer perspective.

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RECA can also make materials available to real estate professionals to facilitate discussions with their clients.
Angela Kolody / Carried

On April 29, 2016, the Minister of Service Alberta writes RECA's Chair (Attachment 31). The Minister states it was inappropriate for the RMS Guide to be removed while consultation was taking place. The Minister states Council must create a mandatory standard for all real estate professionals. The Minister requires RECA to address this issue in a timely manner requiring an action plan by May 31, 2016 towards full implementation by the fall of 2016.

On May 9, 2016, RECA's Chair provides all RECA Council Members a draft RMS Guide for feedback and on May 11, 2016 the RMS Guide is finalized. All applicable website pages are also updated.

On May 11, 2016, RECA's Chair communicates with all the stakeholders informing them of Council's decisions and includes a copy of the RMS Guide as a reference (Attachment 32). The communication includes the statement:

> "Council will continue to consider additional feedback from stakeholders that would improve the Residential Measurement Standard and related documents."

On May 12, 2016, RECA's Chair corresponds with the Minister of Service Alberta providing the Minister with the new RMS and a plan for its roll out and implementation (Attachment 33).

On May 13, 2016, RECA issues a News Release (includes all industry professionals) describing the RMS adopted by Council in their April 13, 2016 Meeting (Attachment 34). It also provides links to the RMS Guide, and the Principles of Residential Measurement Standard document.

On May 13, 2016, creb® publishes an article on creb® talk (Attachment 35) about the RMS. creb® states they are going to be getting further input from the AREA measurement standards group, a collection of representatives from Alberta boards who came together to align measurement standards across the province. creb® also stated "CREB®'s measurement guidelines continue to be the standard for listings on our MLS® System."

On May 17, 2016, RMS consumer content is created and posted on RECA's website (Attachment 36).

On May 18, 2016, RECA publishes a RECA News (Attachment 37). It is a question and Answer publication describing when the RMS comes into effect, how to get more information, makes reference to the consumer materials real estate professionals can

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use to discuss the RMS with their clients, and makes reference to a document that compares the new RMS with the old RMS.

Between May 17, 2016 and June 16, 2016, Mr. Joseph Fernandez communicates with Mr. Ian Burns and Mr. Brad Mitchell (Attachment 38). Mr. Joseph Fernandez requests AREA to facilitate a discussion between AREA, the real estate boards and RECA to discuss the possibility of having a consistent approach to the posting of the RMS in all real estate board databases. Joseph Fernandez also offers to make a presentation to AREA's measurement standards group to assist them with their proposed submission to Council in respect to attached properties. It concludes with Mr. Brad Mitchell stating "I see how a similar display could benefit consumers and create efficiencies, so I think this is a conversation worth having....but one that should be had within industry, not RECA."

On May 18, 2016, Council is provided with speaking notes (Attachment 39).

On June 21, 2016, RECA publishes a RECA Blog. The Blog explains the value of the RMS, provides a brief summary, answers the most commonly raised concerns (Attachment 40).

On June 27, 2016, Mr. Brad Mitchell emails RECA Council members Mr. Bob Myroniuk and Mr. Joseph Fernandez (Attachment 41). The key parts of the email are:

- AREA formed a task force to provide additional feedback on the RMS. The goal of the task force was to assist government in its desire to have a single standard for industry professional to be voluntarily accepted by related industry groups and seek input for a subsequent submission to RECA regarding attached properties.
- AREA plans to submit their feedback regarding the new RMS by August 2, 2016 at the latest.
- AREA is concerned with the tight implementation timelines and hopes there would be an enforcement grace period.
- Joseph Fernandez requested an opportunity to meet with the boards with the goal of standardizing how information is displayed across the province. The meeting is of concern boards own their systems and as long as member comply with the RMS it is a board decision. The RMS may change and create costs.

On July 5, 2016, Mr. Tim Grant, Deputy Minister convened a meeting between, Service Alberta, RAE, creb® and RECA (Attachment 42). As it relates to the RMS, Mr. Grant stated:

- he understands the Minister's letter may have caused RECA to move quicker than it was necessary.
- the RMS is here to stay.
- it can be fine-tuned.
- all parties need to work together.
- if things are not done right, Government will make them right.

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At the July 13, 2016 Council Meeting, Mr. Joseph Fernandez provides Council with an update. The relevant portion of the July 13, 2016 Council Meeting Minutes is as follows:

> **Residential Measurement Standards Update**
> Joseph Fernandez provided an update on the Residential Measurement Standards (RMS) roll out, including communications, responding to RMS questions or concerns, and industry feedback. Council asked for clarification of RMS #3. The wording of RMS #3 was read out. Council decided that there is no need to change the wording of RMS #3.
>
> Following discussion, RECA will change the wording in the example image of RMS #3 to read "Example: measure the outside surface of the exterior walls at the foundation." RECA will remove the words "not the foundation".
>
> Council discussed the need to confirm with stakeholder's their understanding of RMS #3 to ensure that any changes are clearly communicated.
> *MOTION: When AREA provides their submission of RMS concerns, Council will hold a special Council meeting to address this.*
> *Robyn Moser / Defeated*
>
> Charles Stevenson presented the Enforcement of the Residential Measurement Standard (RMS) information bulletin for Council's review. Council was comfortable with the information bulletin and RECA will provide the information bulletin to the Communications department for distribution to the industry.

On July 26, 2016, RECA publishes a RECA News announcing the development of the Enforcement of the Residential Measurement Standard information bulletin with the revised Residential Measurement Standard information bulletin. (Attachment 43)

On August 15, 2016, RECA publishes the Regulator Newsletter containing the following:

> RECA and the Alberta Real Estate Association will work together to address any outstanding issues with the Residential Measurement Standard (RMS), circulated to real estate professionals in May. Council also approved one point of clarification with respect to RMS Principle 3. Principle 3 now reads: For detached properties, measure the property using the exterior wall at the foundation. To review the RMS in its entirety, check out the Guide to the Residential Measurement Standard in Alberta.

August 25, 2016, RECA publishes a RECA Blog. The RECA Blog acknowledges there are going to be exceptional circumstances and provides advice for real estate professionals on how to deal with those situations. It also makes reference to the publications on this issue (Attachment 44).

On August 26, 2016, AREA makes a subsequent RMS submission (Attachment 45). The highlights of the submission as it relates to the RMS are as follows:

- measure all semi-detached properties, from the center line of common wall to exterior.
- industry training and consumer information need to be part of the implementation plan.
- the RMS should apply industry-wide across the entire provincial housing spectrum.
- RECA should convene a special meeting of Council to review their submission.

On September 12, 2016, RECA creates the Consumer Guide to the RMS and includes a consumer article on its website "Top 6 things to Know about Property Measurement" (Attachment 46).

At the October 19, 2016 Council meeting, AREA's August 26, 2016 subsequent submission was discussed.

> **AREA Subsequent Submission re RMS**
> RECA received a submission from AREA in late August on their review of the RMS. It contains feedback for Council's consideration.
>
> *MOTION: Council approves Recommendation #1 of AREA's August 2016 submission to RECA on the RMS to measure all semi-detached properties, from centre line of common wall to exterior*
>
> *Stan Mills / Withdrawn*
>
> Following discussion, Council directed administration to review and consult on Recommendation #1 of AREA's submission to RECA on the RMS.
>
> *MOTION: Council requests administration send out the AREA submission on the RMS to all the stakeholders for their input and response within 90 days from the day of notification. Administration will report to Council once the consultation is complete.*
>
> *Brian Klingspon / Carried*

On November 8, 2016, RECA publishes a RECA News consulting on AREA's proposed amendment. The deadline to provide feedback is February 13, 2017 (Attachment 47). The consultation process is currently under way.

On December 05, 2016, RECA creates a Frequently Asked Questions document. RECA tweets the posting of this document (Attachment 48).

6. myRECA

AREA Comment(s):
"This section relates to RECA's online licensing platform for real estate members."
"AREA, having received feedback from members its members throughout 2014/2015, communicated feedback to the regulator regarding experiences with the platform to ensure RECA was aware of experiences industry was having."
"Response by RECA to AREA was a communication unrelated to the topic."

RECA Response:

- In light of the detailed and comprehensive response provided by Bob Myroniuk to Ian Burns in his July 10th email, the AREA comment "*Response by RECA to AREA was a communication unrelated to the topic*" is bizarre. While additional information was provided (for reasons outlined below), **all** the issues contained within the July 9th email from Ian Burns were addressed in great detail.
- As indicated in the email to Ian Burns, it was disappointing to see how this issue was raised by AREA. The July 9th email was sent without any prior discussion with RECA to confirm whether any of the information in the email was correct or, if it was correct, whether RECA was aware of the issue or how RECA was addressing the issue.
- Bob Myroniuk has consistently indicated to Ian Burns that should he or any AREA staff have information or concerns about any matter related to RECA they should contact RECA. The purpose of this approach is to ensure AREA has the most accurate and up to date information. This was reinforced in the July 10th email sent by Bob Myroniuk.
- Due to the lack of any effort on the part of AREA to contact RECA, prior to sending the letter, to address the information they had received from some members, or seek answers to any concerns, the July 9th letter reflected a lack of understanding on AREA's part and contained inaccurate information.
- Notwithstanding the misinformation contained in this email, RECA staff made a significant investment in time and effort to provide a fulsome and accurate response to every issue raised by Ian Burns with a one-day turnaround. It is difficult to imagine how RECA could have provided a response to AREA that was more timely and informative.
- The July 9th email from Ian Burn had wide distribution – it was copied to the AREA Board of Directors, Alberta real estate boards/association executive officers, and all Council members. It was another example of AREA widely distributing misinformation about a matter related to RECA. This was harmful to the good reputation of RECA, particularly as it applied to myRECA.
- It should be noted that in July 2015, Ian Burns had been in his position for less than 1 year. Therefore, in addition to responding to the "concerns" raised by Ian Burns in his email, Ian was provided with a significant amount of additional information to

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inform him, his staff and real estate boards/associations with respect to myRECA. This included providing a history leading up to the launch of myRECA, what RECA was doing to improve an already great system (as outlined in RECA's business plan), and the many benefits of the new system.

- The July 9th email was sent shortly after the AREA Advisory and Ian Burns video on the issue of licensing education. Those communications contained numerous pieces of misinformation. RECA went through extra efforts to compile a report entitled "Setting the Record Straight". Again, this was necessary in order to correct the misinformation communicated by AREA.
- The reality is that myRECA has been a tremendous success story for RECA and a positive experience for all sectors regulated by RECA. To send a letter based on what is claimed to be "on behalf of the industry" without any due diligence to confirm if any of the information received by AREA was accurate, or had already been addressed, or how it was already being addressed reflects poorly on AREA, particularly its leadership. It was unprofessional.
- RECA appreciates the thank you received from Ian Burns on July 31, 2015. However, AREA's effort to raise the issue then and now is another example of AREA's approach find something negative or "pick a fight" about any issue connected to RECA.

Background Information:

The correspondence exchanged between Ian Burns and Bob Myroniuk is provided [Attachment 1]:

- Email: Ian Burns to Bob Myroniuk - July 9, 2015 @ 3:33 pm Subject: Broker & Board/Association Concerns Regarding my RECA
- Email: Bob Myroniuk to Ian Burns - July 10, 2016 @ 3:34 pm
- Email: Ian Burns to Bob Myroniuk – July 31, 2015 @ 1:43 pm

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Attachment 1

From: Ian Burns [mailto:iburns@areahub.ca]
Sent: July 31, 2015 1:43 PM
To: Bob Myroniuk <bmyroniuk@reca.ca>
Subject: RE: Broker & Board/Association Concerns Regarding myRECA

July 31, 2015

Bob Myroniuk, Executive Director
Real Estate Council of Alberta
350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Bob,

Thank you for your response following our letter regarding Broker and Board/Association concerns with myRECA. I understand that RECA has reached out to the Boards/Associations to solicit feedback on their experience with myRECA and the reporting functions many of them use for their own business functions.

On behalf of the industry, I would like to thank RECA for gathering our shared concerns and responding in a timely manner. AREA continues to work with the Boards/Associations and, where logical, will aggregate information and advocate for REALTORS®. In that capacity, AREA looks forward to continuing to work with RECA on matters affecting AREA members.

Regards,

Ian Burns

Ian Burns
Chief Executive Officer
Alberta Real Estate Association

Copies to:

AREA Board of Directors
Alberta Board/Association Executive Officers
RECA Council

July 10, 2015

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Ian, I trust you will circulate this response to all those individuals and organizations your letter was copied to. Before responding to the specific concerns you raised in your July 9th email, there are a number of important points that need to be made.

History – How did we get Here?

In 1996, the Real Estate Council of Alberta (RECA) inherited a licensing system from the Alberta Real Estate Association (AREA) that was archaic in the truest sense of that term. It was a bulky, paper based, carbon copy in quadruplicate, inefficient system that resulted in a licensing and renewal system that took 10 months to complete, just in time to start the next renewal period. It was a labour intensive, slow, and error-prone system. Applications would arrive late, incomplete, contain errors, get misplaced within the office or "lost in the mail". Information contained with the applications/paper documents had to be inputted into a computer system (inherited) by RECA staff which added another opportunity for data errors. To say the least, it was not user friendly and, more importantly, it was not timely. It was very frustrating from the perspective of the industry members and staff assigned to carry out these tasks.

In its first year of operations, RECA decided to adopt a new approach. A decision was made to completely re-engineer the AREA system of licensing/registration. RECA decided to leverage new technology (i.e. the Internet) to develop an online system for both licensing (first time) and license renewals. In 1997, RECA launched RECA Online as a pilot project. That year, the brokerages involved in the pilot project licensed and renewed approximately 2,000 industry professionals. The pilot project was a great success and, in 1998, RECA Online was fully implemented. RECA was the first regulator in North America to adopt an online system of licensing and registration of its members. The change to an online system was driven by a pioneering group of individuals at RECA and the developer, Systemhouse. It was driven by a desire to leverage new technologies, a supportive Council and a willingness to accept the risks associated with dependence on a relatively new technology (Internet) for our most critical business process. Once fully implemented, it was well received and appreciated by the real estate industry. RECA quickly established itself as a leader in online licensing systems.

From 1997 to 2015, RECA adopted a strategy of annually reviewing the licensing and registration process and tracking issues or suggestions for improvement. In recent years, RECA has conducted formal broker surveys each year following the completion of the renewal period to assess the user experience and to seek input on changes to improve the system. As a result, RECA has expanded and improved the functionality of RECA Online over that 18 year period.

Improving a Great System

In 2011, in its five-year strategic plan, Council made the decision to re-engineer and update RECA Online, a system that had been in use since 1997. While Council knew RECA had a great system, it was time to make it even better using current technologies and responding to suggestions for improving the user experience – both externally and internally. Since that decision, any suggestions for improvement to the user experience following each renewal period were documented and maintained in preparation for the development of the new system.

In addition to the feedback received from users (primarily brokers and their delegates), RECA places a high priority on the user experience and functionality of the new system. To provide independent third party assessment of the new system, RECA retained the services of a User Experience Expert during the development phase. Their role was to continually review, test and question any changes from a new user perspective.

During the development phase and prior to launch, RECA conducted quality assurance testing with brokers and broker delegates to ensure the new system was fully functional as planned. The largest users of the system were invited to participate and many agreed to be "testers" of the new system. Their

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input was invaluable as we fine-tuned the system before launch in June and we continue to work with brokers as new issues emerge.

Daily contact with brokers, industry professionals and consultation is part of the culture of RECA's organization. Any suggestion that RECA did not consult with users of the system before, during or after development of ***myRECA*** or that RECA created this new system in a vaccuum is simply false.

Information Service to Real Estate Boards

A number of years after the RECA Online system was fully functional, during our regular conversations with real estate boards, the issue of improving their access to licensing information was raised. While they could access the online public search information to determine if an individual was licensed, in order to register them as members of the local board, they wanted more information and they wanted RECA to provide that information to them. They wanted to know about transfers and terminations as well. All of this would make their work easier. Although RECA does not have jurisdiction over real estate boards, and was not obligated to provide this type of service, RECA was willing to accommodate their needs. RECA appreciates their important role within the real estate industry and the positive impact this service would have on both the individuals entering the industry and board administrators/staff working in the membership area. As a result, RECA took on a project to develop what became known as the "Weekly Licensing Report" (provided to real estate boards every Monday morning).

As an aside, the provision of the weekly licensing report to Alberta's real estate boards is an example of a service RECA provides "that in the opinion of the Council, enhance and improve the industry". Your letter reinforces the importance of this service to the industry associations. This is consistent with RECA's mandate as described in section 5(b) of the *Real Estate Act*. I raise this issue because AREA has lobbied the Government of Alberta to eliminate section 5 (b) from RECA's mandate.

RECA is a Pioneer and Leader in Online Licensing Systems

While we appreciate receiving feedback on any concerns AREA may have on various RECA services and programs, it was disappointing to read the first response from AREA to the new ***myRECA*** system. As a regulator, RECA has been a leader in the development and delivery of online licensing and registration services in the real estate industry in North American and globally since 1997. The benefits to the industry of the RECA Online system and RECA's approach to adopt leading technology, place control over licensing and renewals in the hands of brokers and utilize a customer focus, are extensive. The efficiencies created in the business of industry members and cost savings to the industry have been significant. It should be noted a number of regulators in Canada continue to use a paper-based system or have just recently adopted the online model. Those that have adopted the online have limited services (e.g. do not allow for new licences to be issued through the online process.)

Every new system, when first launched, reveals technical and programming glitches. RECA understands this to be the case and will work diligently to identify these issues and correct them as quickly as possible when they come to our attention. Despite the glitches, our experience with brokers, industry professionals and learners has been very positive and, with few exceptions, they are very understanding and patient as RECA addresses their issues. In other words, they have acted very professionally in their dealings with RECA. Notwithstanding the issues/problems they have encountered, the overwhelming consensus of industry professionals who have completed the on boarding process is that the new system is a great improvement over RECA Online.

AREA and all real estate professionals should be proud of the online licensing system we have in Alberta. It is an exceptional system that is the flagship of all licensing systems in North America. We encourage AREA to adopt a more positive approach and share this fact with its own stakeholders and organized real estate across Canada.

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Benefits of the New System (*myRECA*)

AREA's first response to RECA concerning ***myRECA*** focuses on the technical issues and challenges we encountered during the launch. Some of those issues continue today but most have since been resolved. It appears you have relied on dated information and, in some cases misinformation, in your assessment of the new system. Before responding to those specific concerns, and to put this into context, it is important to acknowledge the benefits of the new ***myRECA*** system.

The ***myRECA*** system is a quantum leap in the technology, scope and functionality of an online licensing system. While RECA Online was a leading system for 18 years, ***myRECA*** takes its place as the flagship system with its new technology and the many added features. Although it is not an exhaustive list, the following is a list of the major benefits (in abbreviated form) to industry professionals and RECA:

- All industry professionals now have direct access to the system – under the RECA Online system, only brokers or their delegates had access
- General awareness of licensing and reporting requirements – industry professionals are more aware of their requirements, particularly in the area of notifications to RECA
- Paperless licensing and renewals – brokerages no longer have to keep paper/electronic licensing records and RECA no longer has to audit brokerage licensing records for accuracy and integrity
- Integrity of the licensing process – each new step requires compliance with the previous step (no work-arounds)
- Industry professionals create their own username, rather than have RW/MW/AW number which was rarely remembered
- Flexibility - broker and new associate can perform licensing functions in brokerage office (in-person) or remotely, in real time or over a period of time
- New system is credit card compliant
- User-driven system with greater control

o In addition to direct access, associates do need to engage broker to update their information or find out information about courses due and expiry dates

- Online notification submissions through system

o notify the Executive Director (Rule 40)

o change brokerage business address (Rule 32)

o corporate structure change (Rule 32)

- Bulk payments (do not have to pay for one renewal at a time anymore)
- Choice of fee payment (brokerage or associate can make the payment)
- Ability to update contact information (including personal address, email, phone numbers)
- Ability to see account information, education information, licensing information and brokerage information, if applicable in one place
- Multi-licensed individuals only require one ID now to acess all licences
- Brokerage administrators can now have their own ***myRECA*** profile
- Broker delegates can have access to brokerage features without having to use brokers login information
- Can view own licence history (not official one)
- Can apply for licence history online
- Can apply for licence mobility online

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- Complete AKA ("also known as") and name change requests online
- Online accounting reports
- Open, close and edit trust accounts
- Payment history records for items you have paid for

Response to Issues Raised by AREA

The following is a response to each of the issues/concerns raised in your July 9th email:

1. "The process for registering a new agent which, as AREA understands, has moved from a simple process completed by the Broker to a process which can take well over one hour, and requires both the Broker and the agent to complete steps within the process"

This statement is incorrect and likely based on misinformation. In RECA's testing phase we recorded "time-to-complete" the licensing process. A typical New Licence and Registration application takes up 15 minutes:

- Broker initiates application with new Associate (2-4mins).
- New Associate completes suitability portion of application (2-5mins)
- Broker completes Broker acknowledgement and payment of the licensing fees (4-5mins)
- Optionally the Broker can opted for the Associate to pay which would take additional (2-5mins) in the process.

Our testers (brokers/delegates) were completing the above process typically in less than 10 minutes. This new licensing process can be very efficient when both parties (Associate and Broker) are actively logged into ***myRECA*** coordinating the process together. This can be accomplished when both individuals are present in the brokers office or remotely. As brokers and delegates become more familiar with the new system, we are confident their time to activate new licensees will continue to improve.

2. "A lack of information available through the My Brokerage portal, including notifications not being received with respect to changes to an agent's status with their Brokerage, e.g. terminations, transfers and/or reinstatements."

In the early stages of the launch we experienced technical issues with Broker notifications (emails). Initially we had a global problem with emails being sent from our CRM system. We were able to resolve this issue last week. (Our Shaw cable connection shutdown our email services every time we exceeded 1000 emails per day. We are now routed via Enmax).

One of the issues we encountered on launch was that the prior (or old) broker was not being notified when an Associate transfers from one broker to another. The Associate and the new Broker were notified, but not the prior Broker. We implemented new business logic to resolve this issue.

In terms of the "My Brokerage" page. The most common feedback is to make the My People and trust accounts pages printer-friendly. We are working with our system developer to provide us cost estimates, so that we can provide Brokers an export to PDF feature for both of those pages. Brokers will appreciate that feature.

3. "The process by which verification of licensing is completed, which has added an additional step to require the agent to print their licence, transfer to their Brokerage and then to their Board/Association, instead of the Broker simply transferring"

This statement appears to be incorrect – aside from comments above, we have not added any additional or new steps related to the printing of licences (which is optional). Once an Associate has registered, they

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can print their licence in ***myRECA*** at any time on their "Licensing" page. However, as this comment is not well worded, we may have missed your main point. If you have another point that we can address, please clarify.

4. "The choice to utilize a username instead of a licence number as an individual's primary identifier..."

We assume you are referring to the transition away from the RW numbers, a system RECA inherited from AREA in 1996. There are four reasons why we moved away from RW#.

- **Customer orientation** - Most web applications today allow users to choose their username. It is an industry standard and is very common.
- **Security of information** - The RW# was both a username and the primary unique identifier in RECA Online. That is not best practice with protecting our industry professional information, because the username format is always the same. From an information security standpoint, the RW is "brute-force hackable" in the vernacular of our IT team.
- **Easier at renewal time** - In the past, we received numerous calls at renewal time from industry members asking "what is my RW number?" (we also had MW & AW #s for the other two licensing sectors). The extra step of contacting RECA to get their RW number at the busiest time of the year before they could begin the renewal process was frustrating for them and held up the renewal process. Having industry professionals (and Learners) choose their own username is more customer friendly (easier to remember) and will result in fewer calls.
- **Efficiencies of multi-licensing system** - Prior to the new system, for historic reasons, we had separate data basis for each of the three industry sectors (real estate brokers, mortgage brokers and real estate appraisers). The new system combined these independent databases, which increases RECA's operational and service efficiencies but is also a benefit for multi-licensed industry professionals as their licensing records have now been merged into a single record (in the data-migration effort).

5. "Missing information for many individuals including the date their licence was issued, its expiry date, the agent's city, and the sector the individual is licensed to trade in"

On December 2, 2014 the code in RECA Online (old system) that was supposed to track industry professionals licensing sectors (or areas of practice) broke and any registrations that happened after this date did not have any area of practices. We identified this issue after launch and resolved all the registrations showing no sectors by June 29th. We anticipate we may have a few more issues with the licensing sectors on a few new registrations but the bulk of this issue has been resolved.

There was an issue with the public search showing industry professional's residential city. We are reviewing our development documentation to determine why industry professional residential city address is being shown instead of their brokerage's city on the public licence search. This is an issue we have identified and will resolve.

6. "Changes to the licence activity report (linked here), including combining all real estate, mortgage, and appraiser activity into one report, not displaying two transactions for agents transferring brokerages, requiring staff to access each individual record for required information, and not ordering activity alphabetically as in the past. These changes have made it time consuming for Boards/Associations to work with the report and have increased the risk of staff missing critical information."

Because we communicate on a regular basis with real estate associations and boards across the Province, we are aware of the issues they are dealing with. Associations and boards can still access the information they require for any individual who approaches them for membership (e.g. is a person licensed and with which brokerage). With the new system, they do not have to wait for a weekly report from RECA. Instead, they can get the information in real time and, if they wish, filter back 7, 30, 60 days back in time. We appreciate the new system currently may not be as user friendly as everyone would like

it to be. We are working on these and other user issues (e.g. showing records in alphabetical order and 50 records per page). Changes to this component of the system will be communicated to the boards when they have been completed.

7. "In addition to these concerns, AREA also understands from the Boards/Associations that new processes have meant a delay in activations at RECA. Whereas in the past an agent was made active almost immediately after notification from the broker, it may now take 5 to 10 days for the activation to occur at RECA."

This information is incorrect and likely based on misinformation. There have been a few associates with small delays due to technical issues, however this is a very small margin. As indicated above the process usually does not take more than 15 minutes, if the broker and associate are actively engaged on the system. There would also be a delay in licensing if an associate had a positive response to a suitability question, however, this has always been the case due to requesting of additional documents and completing a review in most circumstances.

*"These concerns provide another example of the need for better consultation by RECA on industry changes. Discussions with the groups most impacted by the changes to **myRECA** could have mitigated the impacts felt by the industry and illustrated here. When Brokers and Boards/Associations experience difficulties in confirming licensing information when needed, or when time-consuming processes are created for Brokers and staff, all licensees risk being impacted due to delays in accessing services like the MLS® System."*

This paragraph demonstrates a complete lack of understanding on the part of AREA as to what process RECA took prior to the re-design of the new my RECA system. As indicated above, in addition to responding to broker surveys and the user feedback RECA has documented over the years (with respect to the RECA Online system), RECA embarked on an extensive process of consultation with the users most impacted by any new system (i.e. the brokers, broker delegates and administrators) during the planning and system design process. We also offered pre-launch training on the new system. For example, prior to the launch of ***myRECA*** we conducted seven training sessions in Edmonton, Calgary (3), Red Deer, Medicine Hat and Lethbridge. All brokers were invited to attend the training sessions in these respective areas of the province. Several of these included hands on training. Including a separate hands on training session requested by one of Alberta's largest brokerages.

This paragraph also demonstrates a failure on AREA's part to determine what actually happened by way of consultation and training before making these comments. Simply contacting RECA to seek information or ask questions about the process we followed would have addressed these concerns.

8. "We can also appreciate that a lack of familiarity with a system can lead to users having difficulties during their first experiences. However, where a lack of familiarity is the issue, training materials should be available to ensure, as best as possible, users are prepared to use the system as intended."

This statement is based on misinformation. In fact, training materials area available. As indicated above, RECA completed broker training sessions in several of the larger centers in Alberta. With respect to training materials, we also provide over 25 ***myRECA*** tutorials for training on the various sections of the new program. Currently, the onboarding tutorial is being sent out to many industry professionals so they can onboard onto the system properly. Also included in the tutorial list is a comprehensive master tutorial of the entire system. These resources are very detailed and go through the step by step functions of most ***myRECA*** activities.

Conclusion

It is disappointing to see the approach AREA continues to take with respect to any matter related to RECA. While it is legitimate for your association to take interest in RECA's activities and provide

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comment, it appears your approach pays little attention to reliability of the information you receive and base your conclusions.

As I indicated above, and have indicated to you personally, if you or a board member have any questions or want information, or wish to verify/clarify anything you have heard or received about anything related to RECA, feel free to contact me or send a request. I will make sure it gets to the right person within RECA to ensure you get accurate information and a timely response.

The decision to relay second-hand information and not provide specific examples presents a challenge to RECA as we wish to provide a proper response. Notwithstanding this challenge, we have done our best to respond to your letter. I trust it sets the record straight on matters related to ***myRECA***. In the future, I suggest you contact RECA first before sending a letter such as this one. I am sure it will give you more reliable information upon which to base your analysis and may shorten any future correspondence.

A final thought ...

Whether a person is a true professional depends not on the fact they may call themselves a professional rather it depends entirely on their own behaviour and, in particular, how they treat their clients, colleagues and others. The same concept applies to organizations.

Bob Myroniuk
Executive Director

July 9, 2015

Bob Myroniuk, Executive Director
Real Estate Council of Alberta
350, 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Bob,

On behalf of the industry, I want to make you aware of some concerns about the new myRECA platform that have been brought to AREA's attention. Generally, the concerns that we have received relate to the effects of the new system on member and Associate management processes.

AREA has heard several concerns from Brokers with respect to the way in which they manage new and current Associates on myRECA. These concerns include:

- The process for registering a new agent which, as AREA understands, has moved from a simple process completed by the Broker to a process which can take well over one hour, and requires both the Broker and the agent to complete steps within the process;
- The process by which verification of licensing is completed, which has added an additional step to require the agent to print their licence, transfer to their Brokerage and then to their Board/Association, instead of the Broker simply transferring; and

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- A lack of information available through the My Brokerage portal, including notifications not being received with respect to changes to an agent's status with their Brokerage, e.g. terminations, transfers and/or reinstatements.

A Broker's ability to manage these processes and the information associated with them is critical to their business. As such, it is necessary that any work required of the Broker and/or the agent be intuitive and make efficient use of their time. It is AREA's understanding that the changes to myRECA and the associated changes to Broker processes have, in fact, added time and an additional layer of complexity with the involvement of the agent.

AREA has also heard from Boards/Associations that changes to myRECA have made it difficult to locate clear, reliable information on an individual's licence status and the details associated with that licence, affecting the ability of Board staff to process membership applications. Specifically, the concerns brought to AREA's attention are:

- The choice to utilize a username instead of a licence number as an individual's primary identifier;
- Missing information for many individuals including the date their licence was issued, its expiry date, the agent's city, and the sector the individual is licensed to trade in; and
- Changes to the licence activity report (linked here), including combining all real estate, mortgage, and appraiser activity into one report, not displaying two transactions for agents transferring brokerages, requiring staff to access each individual record for required information, and not ordering activity alphabetically as in the past. These changes have made it time consuming for Boards/Associations to work with the report and have increased the risk of staff missing critical information.

All of this information is necessary for Boards/Associations to properly onboard a new member according to their set processes and to ensure that members are indeed licensed. These management processes are vital to the integrity of the industry, as being able to uphold and ensure that an individual is appropriately licensed is key.

In addition to these concerns, AREA also understands from the Boards/Associations that new processes have meant a delay in activations at RECA. Whereas in the past an agent was made active almost immediately after notification from the broker, it may now take 5 to 10 days for the activation to occur at RECA. Boards/Associations cannot activate a membership without validating licensing, and the new time lag, which is not clear to brokers or the agent, is generating dissatisfaction, of which the Boards/Associations are bearing the brunt, and impairing an individual's ability to start practicing in a timely manner.

These concerns provide another example of the need for better consultation by RECA on industry changes. Discussions with the groups most impacted by the changes to myRECA could have mitigated the impacts felt by the industry and illustrated here. When Brokers and Boards/Associations experience difficulties in confirming licensing information when needed, or when time-consuming processes are created for Brokers and staff, all licensees risk being impacted due to delays in accessing services like the MLS® System.

We can appreciate that there will be adjustments necessary to a system such as myRECA post-launch, as users (including licensees, Brokerages and Boards/Associations) begin to access and make use of the information available. We can also appreciate that a lack of familiarity with a system can lead to users having difficulties during their first experiences.

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However, where a lack of familiarity is the issue, training materials should be available to ensure, as best as possible, users are prepared to use the system as intended.

Given the issues identified by our membership of over 90% of licensees, I would ask, on behalf of the AREA Board of Directors, that communication occur from RECA to the industry with respect to the changes that can or cannot be made to the myRECA system at this time to address the current difficulties which industry members are experiencing with respect to managing their administrative processes for licensees and any challenges that may be encountered heading into the time for licence renewals.

I look forward to hearing from you and seeing the communication to industry as an industry member's licensing status is the cornerstone of RECA's role.

Regards,

Ian Burns
Chief Executive Officer
Alberta Real Estate Association

Copies to:

AREA Board of Directors
Alberta Board/Association Executive Officers
RECA Council

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7. creb® Listing Addendum

AREA Comment/RECA Response:

Comment:
"In this section, please find a 2015 industry-wide communication (all ten regional boards) from RECA regarding an issue pertaining to one local board."

Response:

- Coming from AREA, this statement is surprising. It displays a lack of understanding of the role of RECA as a provincial regulator and, in particular, a lack of knowledge regarding their own members i.e. brokerages and REALTORS® in Alberta.
- AREA should be aware there are brokerages and REALTORS® who hold memberships in multiple real estate boards and associations. For example, RECA is aware, there is one brokerage in Calgary that holds membership in both Calgary and Lethbridge.
- In some cases, not all brokerages and REALTORS® in the same region belong to the same board. For example, in the Canmore region, they maintain membership in either the Calgary board or the West Central board.
- AREA should be aware RECA is a provincial regulator and, as such, has a responsibility to communicate provincially on regulatory issues of relevance, or of interest, to licensed real estate industry professionals.
- RECA News was distributed to all real estate industry members for a number of reasons:
    - RECA does not know which industry professionals are members of which REALTOR® boards or associations.
    - It was important to ensure communication with all members of creb® no matter where they carry on business in the Province.
    - RECA is not privy to the MLS® Rules of all real estate boards/associations; RECA does not know if the issues arising from the creb® MLS® Rules were in place in other real estate boards/associations or were being contemplated by these organizations.
    - While the communication related to the situation in creb®, in broader terms, the issue in question relates to standards of practice and, therefore, is an important regulatory issue. This issue is of interest to all real estate professionals in Alberta who practice residential real estate.

Comment:
"Communication is provided to demonstrate response pattern that has been coined by some as aggressive instead of engaging in a process that promotes constructive dialogue."

Response:

- To suggest a single RECA News, without understanding or providing context, constitutes a "response pattern" is absurd.

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- In this particular situation, as demonstrated in the Background Information, RECA provided willing and enthusiastic assistance to creb® over a number of years. To even suggest RECA did not "*engage in a process that promotes constructive dialogue*" is equally absurd.
- This is another example of AREA making statements without having or providing all the facts. If AREA has all the facts, it appears they are choosing to ignore the facts.
- This is also another example of AREA looking only at one organization, i.e. RECA, for something negative to "spin" to harm RECA's good reputation.

Comment:
"This issue is still in progress. We understand CREB® is pursuing a meeting with RECA to discuss further."

Response:
- RECA is unaware of any attempt by the Calgary board to pursue further dialogue on this issue.

Background Information & Commentary

The document provided is a RECA News bulletin dated September 25, 2015. This bulletin was distributed via email to all Alberta real estate licensees that afternoon. [attachment A]

1. RECA first learned of the Calgary board's intent to implement mandatory member use of a new listing addendum from a member of the Calgary board who said in their email to RECA, "*Just got this yesterday. Seems to be a step backward. Allen Tenant at one time told me they didn't want to expose their members to the liability incurred by not being able to fulfill their agency obligations should they receive instructions to not report a sale as conditional.*" This email was received Monday, September 21, 2015 at 4:46 PM. [email and attached mandatory listing addendum; attachment B]

2. RECA, since inception, has objected to any real estate board rules that impose decisions on consumers. Consumers should make decisions based on their interests and not the interests of the real estate professionals involved. These decisions may or may not contribute to an orderly market as defined by the real estate boards.

3. RECA has consistently reinforced, and provided information to real estate professionals, their agency obligations to their clients.

4. There are five areas of primary concern. The requirement by real estate boards for a seller to disclose the existence of an accepted conditional offer is one of them.

5. In December 2011, the real estate board rules in Calgary were amended. Specifically, section 18.02 was amended to read:

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"Straight sales and confirmations shall be reported to the Board office by the Listing Brokerage. All Conditional Sales will be reported at the time of acceptance of a conditional offer sale except where the seller has given written instruction not to report the conditional sale until conditions are waived in writing."

6. Many conversations on this subject occurred between creb® and RECA prior and subsequent to the December 2011 amendment. Primary contacts on board rules at creb® were Don Dickson and Gemma Beierback, Manager, Member Practice, after Don's departure. Our relationship has always been collegial and constructive.

7. The new rule was quite controversial among a number of very vocal members. RECA is told the new rule was a consistent topic in the members-only discussion groups and on the board of directors meeting agenda.

8. The creb® board began to contemplate the use of a Conditional Sale Disclosure Instruction Form sometime in early 2013. The board thought a new mandatory form might assist members explain disclosure options to clients upon acceptance of conditional offers. The creb® board and RECA continued to discuss the rule, the application of the rule, and the proposed new mandatory form.

9. On Friday, May 31, 2013 at 11:16 AM, Charles Stevenson received an email from Gemma Beierback requesting his attendance at a meeting on June 14, 2013. Charles responded in the affirmative at 11:24 AM. The purpose of the meeting was, "We are having a professional standards meeting to discuss the ongoing pending sale reporting situation and would like RECA to provide the official RECA position and explore solutions." Charles learned later that creb® legal counsel would also attend. [email exchange between Gemma and Charles; attachment C].

10. During the meeting, Charles was asked to outline RECA's position on mandatory disclosure of accepted offers following which the lawyer for the real estate board was asked to comment. Legal counsel for the board stated quite emphatically the committee could make only one recommendation to the board of directors – that was, to stay the course. Anything else would put the membership at risk of sanction. We have been advised he repeated this advice at a subsequent meeting of the board of directors.

11. Constructive dialogue continued as the creb® board began to finalize the new mandatory form. [July 31, 2013 email exchange between Gemma and Charles; attachment D]

12. New mandatory form was completed August 1, 2013. Gemma sent a copy to Charles and to Alan Tennant asking for final input on the form and on the communications messages. [August 1, 2013 email exchange; attachment E]

13. The same week, Charles Stevenson was asked to appear in a video presentation to assist with creb®'s communication strategy. RECA asked for and received

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permission to link to the video through RECA Blog so as to have the information available to all Alberta real estate professionals. [see August 8, 2013 RECA Blog which links video, Disclosure of Conditional Sales; attachment F]

14. Calgary board sent out the Pending Sale Status communication August 8, 2013. [Pending Sale Status communication; attachment G]

15. Dialogue continued well after the launch. [email from Charles to Gemma August 14, 2013; attachment H]

16. Calgary board rules were amended again in January 2014. Charles Stevenson consulted several times with Don Dickson. The new rules, section 20, then read:
    "Straight sales and confirmations shall be reported to CREB® by the Listing Brokerage. At the time of acceptance all conditional sales must be reported as directed by the seller on the CREB® Conditional Sale Disclosure Instruction Form."

17. September 16, 2014, Kevin Clark, RECA Chair, received a letter from Ron Stanners regarding, "non-reporting of conditional (pending) sales." [letter to Kevin from Ron dated September 14, 2014; attachment I]

18. During the regular quarterly meeting of Council, October 15, 2014, Kevin discussed a multi-faceted approach to respond to Ron's letter including various consultation and research initiatives. Subsequent to the Council meeting, Kevin advised Ron what Council intended to do in response to the concerns raised. Kevin had also received a letter of support from then CREB® President, Bill Kirk, to whom Kevin also sent a response. [letter to Bill Kirk, October 21, 2014; attachment J]

19. Kevin and Charles provided a report to Council at the regular quarterly meeting, July 15, 2015. A response to Ron Stanners was signed and sent August 11, 2015. [letter from Kevin to Ron August 11, 2015; attachment K]. Copies of the August 11th letter were sent to Bill Kirk, President of creb®, and Alan Tenant.

20. RECA never received a response from creb® to the August 11, 2015 letter, nor was it advised what steps, if any, creb® intended to take on this issue.

21. The next time RECA heard anything about disclosure of accepted conditional offers was September 21, 2015 as discussed in the opening paragraph of this report. On Tuesday, September 22, 2015, Bob Myroniuk spoke with Alan Tennant about the change. Bob and Alan were both in attendance at the Edmonton board trade show. Bob asked Alan to delay the implementation until we could discuss it further. Alan refused. The message was the creb® board was not prepared to re-consider the matter. [email exchange between Alan and Bob September 25, 2015; attachment L]

22. Senior staff and executive of each organization met October 13, 2015 to share ideas and approaches to the issue and to discuss future relations between the

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organizations. Krista Bolton, Chair; Kevin Clark, Past Chair; and Bob Myroniuk, Executive Director attended from RECA while Corinne Lyall, President; Cliff Stevenson, President Elect; and Alan Tennant, CEO attended from the Calgary board. [letter from President Lyall to Chair Bolton dated October 15, 2015; attachment M and letter from Chair Bolton to President Lyall dated December 7, 2015; attachment N].

23. The RECA-creb® meeting in October 2015 was very positive and both parties showed a willingness to listen, understand, and consider the positions of each organization on this specific issue. Perhaps if this meeting, or a continued dialogue between RECA and creb®, had occurred prior to the decision of the creb® board, in September this matter could have been resolved in a more collaborative manner.

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Attachment A

CREB® Listing Addendum

RECA News September 25, 2015

New creb® Rule & MLS® System Listing Addendum Places creb® members in Conflict with their Obligations under the *Real Estate Act* Rules

Advisory:
The addition of the new creb® *MLS® System Listing Addendum* ("New Addendum"), which takes effect October 1, creates an exclusive seller representation agreement that does not comply with the *Real Estate Act* Rules ("Rules"). The use of the new Addendum by a creb® member constitutes a breach of the *Real Estate Act* Rules.

Explanation:
When trading in real estate, real estate professionals in Alberta, including creb® members, must comply with their obligations and the standards of conduct established by the Real Estate Council of Alberta (RECA) through the *Real Estate Act* and the Rules.

Section 60.1 of the Rules establishes the mandatory content that real estate professionals must include in an *Exclusive Seller Representation Agreement* (listing contract) in Alberta. While a creb® member trading in residential real estate can use any listing contract they want, they must comply with the requirements set out in the Rules. The Rules clearly state any additional content must not directly or indirectly alter the meaning or effect of the mandatory content, and must not alter the obligations or requirements of industry members established in the *Real Estate Act* and Rules.

RECA's review of the wording in the New Addendum concludes it alters the obligations or requirements set out in the Rules. The use of this New Addendum is a breach of the *Real Estate Act* Rules. It cannot be used by creb® members.

It is the responsibility of brokers to ensure their associates and associate brokers do not use the New Addendum.

Questions and Answers

Q1: How does this New Addendum alter the obligations of real estate professionals?

A. By requiring sellers to execute the New Addendum before marketing their property on the creb® MLS® System, creb® members will breach their obligations to fulfill their agency duties to their seller clients in a timely manner. Specifically, they will be in breach of their duties of undivided loyalty and acting in their client's best interests.

In some circumstances removing a listing from "active listings" or disclosing an accepted conditional offer to a third party can disadvantage the seller. What is in the best interests of a particular seller will depend on the nature of the conditions and circumstances at the time of signing the Purchase Contract not at the time of signing the listing contract.

Q2: Does the current creb® *Conditional Sale Disclosure Instruction Form* meet RECA standards on this issue?

A: Yes, it facilitates a timely discussion between the seller and their representative. It allows the seller to provide their representative with informed and timely instruction when accepting a conditional offer.

Consumers are best served and protected when the decisions they make, and the instructions they provide to their representatives, are made after carefully considering all relevant information and the knowledge and expertise their real estate professional provides to them. Real estate professionals should give information and advice to consumers at the moment it has the most relevance to them. Through that process, consumers can provide timely and informed instruction or consent. It is at this point in a transaction that the value and expertise real estate professionals provide is most meaningful to their clients.

Q3: creb® has stated it has a legal opinion that confirms the use of the New Addendum meets the standard of informed and timely consent by the seller. Shouldn't this be sufficient to satisfy RECA that this new form meets RECA's standards?

A: RECA has not received a copy of the legal opinion referred to by creb®; however, this is not a legal issue. The issue is, what are the standards of conduct RECA requires of real estate professionals in Alberta? It is RECA's mandate under the *Real Estate Act* to establish, communicate and enforce those standards of conduct. RECA has clearly communicated those standards to creb®. While individuals may have their own opinion as to what constitutes informed and timely consent in any set of circumstances, RECA has clearly communicated how that standard will be applied in the real estate industry when providing services to consumers.

Q4: Did creb® consult with RECA prior to announcing the new Addendum?

A: No. CREB did not consult with RECA before proceeding with this change.

Q5: Was creb® aware of RECA's position on this issue?

A: Yes. As recently as August 12, 2015, RECA sent creb® a letter to communicate its position on this issue. In the past, RECA representatives have also communicated this position to the creb® Professional Standards Committee.

Q6: Is the Alberta Real Estate Association MLS® Harmonization Committee Aware of RECA's position on this issue?

A: Yes. RECA has communicated its position on this issue to this committee.

Q7: Does RECA have any other concerns?

A: Yes, RECA is concerned that creb® has ignored the information and advice RECA has provided to it on this issue.

RECA is concerned that creb® has placed its members in a no win situation. Because of its new MLS® Rule, complying with the standards of conduct established by RECA on this issue puts creb® members at risk. And yet, if creb® members use the New Addendum, they will be in breach of the Rules and could face disciplinary action. creb® should not place their members in a position where their MLS® Rules conflict with the standards of conduct established by RECA.

RECA also has concerns from a consumer perspective. If creb® members are prevented from placing listings on the MLS® System, it will significantly limit their ability to market their clients' properties and prevent them from serving their best interests.

Q8: I'm a creb® member, what should I do?

A: You should continue to use the Conditional Sale Disclosure Instruction form as it complies with the Rules. Use of the New Addendum is in breach of the Rules. It cannot be used by creb® members.

Real Estate Council of Alberta
T: 1-888-425-2754
F: (403) 228-3065
communications@reca.ca
www.reca.ca

RECA news is a free service distributed to the e-mail addresses provided by RECA industry members and other interested parties. Your feedback on RECA news and other publications is always welcome and can be sent to communications@reca.ca

Attachment B

Charles Stevenson

From: [redacted]
Sent: Monday, September 21, 2015 4:46 PM
To: Charles Stevenson
Subject: Mandatory Lisitng Addendom.pdf
Attachments: Mandatory Lisitng Addendom.pdf; ATT00001.htm

Just got this yesterday . Seems to be a step backward. Allen Tenant at one time told me they didn't want to expose their members to the liability incurred by not being able to fulfill their agency obligation should they receive instructions to not report a sale as conditional. As always appreciate your comments.

creb®
serving calgary and area REALTORS®

MLS® SYSTEM LISTING ADDENDUM

NOT FOR USE UNTIL OCT. 1, 2015

This Addendum is attached to and forms part of:

☐ Exclusive Seller Representation Agreement #: _____

or

☐ Contract for Posting without Representation #: _____

MLS® System Requirements:

The seller(s) acknowledge(s) and agree(s) to the following requirements of an acceptable MLS® System Listing with CREB®.

- List price will be posted on the MLS® System and must be the same as all other advertised list prices
- Minimum listing duration of 60 days
- The listed property must be available for showing within 24 hours of a request being made to view the property, except where tenant occupied; tenants' rights shall apply or where physical access is prohibited by Government authority or the courts
- Where the property has secondary accommodation any such disclosure must confirm whether it is legal (has all required municipal and safety documentation) or illegal
- Property status reporting:
  - When a conditional offer is accepted on a property the seller's representative must report that status (within 2 business days) to the MLS® System/CREB® as either U (Under Contract) or P (Pending).
  - Where a property is sold subject to the sale of another property (clause sale) this will be disclosed in the private remarks and the property will remain A (Active).
  - When a property is unconditionally sold the sale price and other relevant information must be reported to the MLS® System/CREB® (within 2 business days).

The seller is advised they should review the MLS® System listing information thoroughly for accuracy and completeness.

Signed and dated at: _____

_____ _____
Seller Authorized to sign on behalf of the brokerage

_____
Seller

Attachment C

Charles Stevenson

From: Charles Stevenson
Sent: Monday, June 3, 2013 11:24 AM
To: Gemma Beierback
Subject: RE: June 14th at 9:00 am

Tough as nails ... just like his mom :-)

Ciao,

Charles Stevenson
Director, Professional Standards
Real Estate Council of Alberta (RECA)
Suite 350, 4954 Richard Road SW, Calgary, AB T3E 6L1
Office: 403-228-2954 Toll-Free: 1 (888) 425-2754 Fax: 403-228-3065 www.reca.ca

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-----Original Message-----
From: Gemma Beierback [mailto:Gemma.Beierback@creb.ca]
Sent: June-03-13 11:21 AM
To: Charles Stevenson
Subject: RE: June 14th at 9:00 am

No he went straight back to his hard food crazy dog :)

Gemma Beierback
Manager
Member Outreach, External Relations & Business Practices CREB

Phone: 403.781.1364
Fax: 403.269.7677
Email: gemma.beierback@creb.ca

300 Manning Road NE, Calgary, AB T2E 8K4

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-----Original Message-----
From: Charles Stevenson [mailto:cstevenson@reca.ca]
Sent: June-03-13 11:03 AM
To: Gemma Belerback
Subject: RE: June 14th at 9:00 am

Soft food only for a while? Will he be OK to chew harder food / stuff when he's fully healed?

Charles Stevenson
Director, Professional Standards
Real Estate Council of Alberta (RECA)
Suite 350, 4954 Richard Road SW, Calgary, AB T3E 6L1
Office: 403-228-2954 Toll-Free: 1 (888) 425-2754 Fax: 403-228-3065 www.reca.ca

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-----Original Message-----
From: Gemma Belerback [mailto:Gemma.Belerback@creb.ca]
Sent: June-03-13 11:02 AM
To: Charles Stevenson
Subject: RE: June 14th at 9:00 am

14 teeth gone...

Gemma Belerback
Manager
Member Outreach, External Relations & Business Practices CREB

Phone: 403.781.1364
Fax: 403.269.7677
Email: gemma.belerback@creb.ca

300 Manning Road NE, Calgary, AB T2E 8K4

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-----Original Message-----
From: Charles Stevenson [mailto:cstevenson@reca.ca]
Sent: June-03-13 10:44 AM
To: Gemma Beierback
Subject: RE: June 14th at 9:00 am

Glad to hear puppy is doing better - you said they were taking out a lot (if not most?) of his teeth?

I appreciate your attempt to get me in and out of the meeting surgically. Thanks for that. If it's not in the cards, that's cool, I'll attend the whole event.

Ciao,

Charles Stevenson
Director, Professional Standards
Real Estate Council of Alberta (RECA)
Suite 350, 4954 Richard Road SW, Calgary, AB T3E 6L1
Office: 403-228-2954 Toll-Free: 1 (888) 425-2754 Fax: 403-228-3065 www.reca.ca

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-----Original Message-----
From: Gemma Beierback [mailto:Gemma.Beierback@creb.ca]
Sent: June-03-13 10:38 AM
To: Charles Stevenson
Subject: RE: June 14th at 9:00 am

My puppy is doing much better - costly but healthy. I am asking the chair of the PS steering committee to give me a time for you to attend. I'll let you know for sure.
G

Gemma Beierback
Manager
Member Outreach, External Relations & Business Practices CREB

Phone: 403.781.1364
Fax: 403.269.7677
Email: gemma.beierback@creb.ca

300 Manning Road NE, Calgary, AB T2E 8K4

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-----Original Message-----
From: Charles Stevenson [mailto:cstevenson@reca.ca]
Sent: May-31-13 3:30 PM
To: Gemma Beierback
Subject: Re: June 14th at 9:00 am

The meeting invite says 9 to 12. Do you want me to come at 11? BTW - how's your puppy?

---- Original Message ----
From: Gemma Beierback [mailto:Gemma.Beierback@creb.ca]
Sent: Friday, May 31, 2013 03:06 PM
To: Charles Stevenson
Subject: Re: June 14th at 9:00 am

You probably only need an hour in the eye of the storm... We'll lunch at a pub :)

Sent from my mobile device!

On 2013-05-31, at 2:16 PM, "Charles Stevenson" <cstevenson@reca.ca<mailto:cstevenson@reca.ca>> wrote:

Sounds like a pretty amazing way to spend a Friday. Three hours in the eye of the storm then lunch with Gemma. Will lunch include adult beverages?

From: Gemma Beierback [mailto:Gemma.Beierback@creb.ca]
Sent: Friday, May 31, 2013 01:39 PM
To: Charles Stevenson
Subject: RE: June 14th at 9:00 am

We are having a professional standards meeting to discuss the ongoing pending sale reporting situation and would like RECA to provide the official RECA position and explore solutions... I'll buy you lunch afterwards :) G

Gemma Beierback
Manager, Member Outreach, External Relations & Business Practices
Phone: 403.781.1364 | gemma.beierback@creb.ca<mailto:Gemma.Beierback@creb.ca>

<image001.jpg><http://twitter.com/crebnow> <image002.jpg><http://www.facebook.com/CREBNow>
<image003.jpg><http://www.crebnow.com/>

<image004.png><http://www.creb.com/>

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From: Charles Stevenson [mailto:cstevenson@reca.ca]
Sent: May-31-13 11:24 AM
To: Gemma Beierback
Subject: Re: June 14th at 9:00 am

Short answer is yes. My day is reasonably flexible. What do you have in mind? Charles.

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From: Gemma Beierback [mailto:Gemma.Beierback@creb.ca]
Sent: Friday, May 31, 2013 11:16 AM
To: Charles Stevenson
Subject: June 14th at 9:00 am

Any chance I could tentatively book you for a meeting here at CREB(r)?
Gemma

Gemma Beierback
Manager , Member Outreach, External Relations & Business Practices
Phone: 403.781.1364 | gemma.beierback@creb.ca<mailto:Gemma.Beierback@creb.ca>

<image001.jpg><http://twitter.com/crebnow> <image002.jpg><http://www.facebook.com/CREBNow>
<image003.jpg><http://www.crebnow.com/>

<image004.png><http://www.creb.com/>

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Attachment D

Charles Stevenson

From: Charles Stevenson
Sent: Wednesday, July 31, 2013 3:44 PM
To: Gemma Belerback
Subject: RE: New - Conditional Sale Disclosure Form - Working Copy

I think it does, Gemma ... I was pretty certain that's where creb® was heading and, as I said in my prior response, this could be interpreted as an amendment to the original instruction based on changed circumstances and, as you said, timely, informed consent.

Ciao,

Charles Stevenson

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From: Gemma Belerback [mailto:Gemma.Belerback@creb.ca]
Sent: July-31-13 3:24 PM
To: Charles Stevenson
Subject: RE: New - Conditional Sale Disclosure Form - Working Copy

We are allowing the seller to provide timely instruction that says – hey I want a break put me up as pending and let's not have showings etc.. If they want to continue to market and have showings they can choose the other options... Li is basically P with marketing and showings- Does that work for you?

Gemma Belerback
Manager , Member Practice & Advocacy
Phone: 403.781.1364 | gemma.belerback@creb.ca

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From: Charles Stevenson [mailto:cstevenson@reca.ca]
Sent: July-31-13 3:22 PM
To: Gemma Belerback
Subject: RE: New - Conditional Sale Disclosure Form - Working Copy

Just one concern, Gemma ... Under the P-Pending option, the fourth bullet states, "Brokerage will **not** actively market the property for sale and showings will **not** be permitted"

This may be contradictory to the Seller Brokerage Agreement (171_Oct2012_AREA®) that, in clause 17.1(c) states, "The Seller agrees that: the Brokerage will not be obligated to seek additional offers to purchase while the Property is subject to an **unconditional** purchase contract;". [emphasis added]

That said, creb® may be interpreting a signed *Conditional Sale Disclosure Instruction* signed by the Seller and the Brokerage as an amendment to the original Seller Brokerage Agreement???

My only comment for what it may be worth.

Ciao,

Charles Stevenson

Director, Professional Standards
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From: Gemma Belerback [mailto:Gemma.Belerback@creb.ca]
Sent: July-31-13 3:05 PM
To: Charles Stevenson
Subject: New - Conditional Sale Disclosure Form - Working Copy

Can you have a look at this with your RECA eyes – it is essentially the same form we discussed...

Attachment E

Charles Stevenson

From: Charles Stevenson
Sent: Thursday, August 1, 2013 3:45 PM
To: Gemma Belerback; Cassandra McAuley
Cc: Alan Tennant,
Subject: RE: Revised disclosure article

To begin .... I don't need, RECA doesn't need any credit. Just saying ☺

I think the document looks great. Question around whether or not there may be a "mandatory" education component? Clause by clause, option by option. Again, just thinking out loud. I'm an enthusiastic and willing participant.

Ciao,

Charles Stevenson

Director, Professional Standards
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From: Gemma Belerback [mailto:Gemma.Belerback@creb.ca]
Sent: August-01-13 10:19 AM
To: Cassandra McAuley; Charles Stevenson
Cc: Alan Tennant,
Subject: Revised disclosure article
Importance: High

Here is the revised version for you to run... Alan & Charles can you confirm with Cassandra that we are good ☺
PS can you add to the byline that this was written in consultation with Charles (or some similarly appropriate credit ☺)
The truth and nothing but the truth...
There is a responsibility among members to answer any questions that they are asked truthfully. That seems obvious but can be complicated when the instructions of your client seem to counter indicate the legal obligation to be truthful. How do you balance all these responsibilities?

- When a seller instructs you not to disclose something consider whether that instruction is lawful

- Not disclosing a material latent defect is not lawful (Rules s.41(j) Industry members must: refuse to provide further services to or on behalf of a client who instructs him to withhold a disclosure required by the Act, Regulations, Rules, Bylaws, or any other laws;)
- Not disclosing the existing of an offer on the property is lawful, the critical element here is not disclosing – that doesn't mean lie or deceive, just don't confirm or deny the existence of an accepted conditional offer – Buyers will make their decisions based on the non-disclosure.)
- Some disclosures leave associates feeling confused about their obligations, for example the disclosure of a violent event, the pre-existence of a former drug operation (remediated). There is nothing confusing. In Alberta at this time, there is a requirement for Sellers to disclose material latent defects only. There is no requirement to disclose stigma **[see RECA Information Bulletin, Stigmatized Properties]** or remediated defects including the examples given. If there is uncertainty about whether or not a particular defect must be disclosed, encourage the Seller to seek legal advice and follow the clients' instructions. Do not make disclosure decisions for clients. Do not disclose anything without client instruction except material latent defects known to the industry member.

- Discuss with your seller the potential outcomes, risks and implications of the decision to disclose or not disclose including arguing whether or not the defect is latent or patent in front of a judge.
- Explain to your client the absolute necessity for you to be truthful
  - This means if you are asked a question regarding an item that your client has lawfully instructed you not to disclose you can NOT lie.
  - You can lawfully and truthfully answer that your client has instructed you not to answer the question. If that is the truth then that is a truthful answer.

REALTORS(r) are held to a high standard by the public and by each other; working honestly, cooperatively and within the law is critical to maintaining a high professional standard.

Gemma Belerback
Manager, Member Practice & Advocacy
Phone: 403.781.1364 | gemma.belerback@creb.ca

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Our mission: CREB® is the essential real estate resource for members

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Pending Sale Status

by CREB on August 08, 2013

When your board of directors met on Wednesday, Aug. 7, they ratified a recommendation of the Business Practices task force to stay with the current rule on the reporting of pending sales.

That is, we must continue with the current practice of leaving the decision to report the conditional sale of a property up to the lawful instruction of the seller. In view of comments from RECA, it is clear that this rule is necessary to protect the interests of our members.

Your board of directors cannot, and will not, make a decision that will put members at risk of prosecution. We received a very clear signal from RECA that mandatory reporting was potentially putting our members at risk of sanction.

To read more about RECA's position, please read this blog posted after CREB® implemented the new rule: http://www.recablog.ca/blog/2012/01/conditional-sales-obey-thy-client.html

To watch a video of Charles Stevenson from RECA explaining why the rule must remain, click here.

An important change is the creation of a new form that will require sellers to make a choice on whether their property status is A, P or U. Here is the official form, which takes effect immediately. A copy can also be found on the forms section of CREBLink. The revised Rule 19.00 reads as:

19.00 REPORTING OF SALES

Straight sales and confirmations shall be reported to CREB® by the Listing Brokerage. ***At the time of acceptance all conditional sales must be reported as directed by the seller on the CREB® Conditional Sale Disclosure Instruction Form.*** *The final selling price of all MLS® sales must be reported to CREB®. If the Listing Brokerage fails to report the final selling price to CREB®, the Buyer's Brokerage Representative shall report the final selling price. The Listing Brokerage may then be charged under Section 19.00 (1) for failing to report the sale information.*

(1) The Member shall ensure that their sales have been accurately reported. Failure to do so will result in a warning letter for the first offence and a $250.00 fine for the second offence. Any further offences will result in a disciplinary Hearing against any Member who does not report the sale/conditional sale to CREB® within two (2) business days.

(2) The Listing Brokerage Representative shall receive a true copy of the Purchase Contract from the Buyer's Brokerage Representative immediately after its execution. If the Purchase Contract contains a condition, the Listing Brokerage Representative shall notify CREB® of the date on which the final condition(s) are to be removed.

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(3) The above Rules apply to an expired Listing sold under the original Contract under the "hold over" clause as per the Listing Contract.

To read all CRRB® rules click here.

It is important for members to remember they have a responsibility to answer any questions they are asked truthfully. That may seem obvious, but can be complicated when the instructions of your client seem to counter indicate the legal obligation to be truthful. Below are some tips to help balance these responsibilities:

When a seller instructs you not to disclose a status change, consider whether that instruction is lawful

Not disclosing the existence of an offer on a property is lawful, the critical element here is not disclosing – that doesn't mean lying or deceiving, it means not confirming or denying the existence of an accepted conditional offer.

Discuss with your seller the potential outcomes, risks and implications of the decision to disclose or not disclose.

Explain to your client the absolute necessity for you to be truthful. This means that if you are asked a question regarding an item that your client has lawfully instructed you not to disclose you must NOT lie. You can however lawfully and truthfully answer that your client has instructed you not to answer the question. If that is the truth, then it is a truthful answer.

REALTORS® are held to a high standard by the public and by each other. Working honestly, cooperatively and within the law is critical to maintaining a high professional standard.

{ 0 comments... add one now }

Leave a Comment

Submit

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Attachment H

Charles Stevenson

From: Charles Stevenson
Sent: Wednesday, August 14, 2013 12:02 PM
To: Gemma Beierback (Gemma.Beierback@creb.ca)
Subject: Disclosure of Accepted Offers

Morning, Gemma ... Quick note for the educational component of the roll out of the new disclosure document. You likely have already thought of this but, talking with an industry professional this morning, one of the key elements is, once an offer has been accepted, one of the things a Seller's Representative must do immediately, is notify who/whomever is booking appointments and advise them how to respond to inquiries from Buyer's Representatives. Call-To-View seems to be the preeminent third party showings management provider but I know there are others. They must know how to respond to inquiries as soon as possible.

Just thinking out loud ☺

Trust all is well with you. I understand the conversation continues behinds creb®'s password protected portal. There's nothing of any consequence in the public domain. Let me know if you need/want me to weigh in on any of the objections or criticism.

Ciao,

Charles Stevenson

Director, Professional Standards
Real Estate Council of Alberta (RECA)
Suite 350, 4954 Richard Road SW, Calgary, AB T3E 6L1
Office: 403-228-2954 Toll-Free: 1 (888) 425-2754 Fax: 403-228-3065
www.reca.ca

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Attachment I

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Real Estate Council of Alberta
Suite 350, 4954 Richard Rd SW
Calgary, Alberta
T3E 6L1

September 14th 2014

Atten: Kevin Clark, Chair

Re: RECA's interpretation of legal instruction regarding the non-reporting of conditional (pending) sales.

Dear Kevin

My understanding is that RECA takes the position that a seller can instruct their representative to not report the sale of their property as conditional (pending) on the MLS or any other system and that, is a legal instruction.

When questioned by an industry member or member of the public, the representative cannot lie, but may inform the individual that they have been instructed by their client not to indicate whether or not it is conditionally sold.

When I review the Real Estate Act under rule: 42(a), it states that:

Industry members must not:

"Make representations or carry on conduct that is reckless or intentional and that misleads or deceives any person or is likely to do so"

The non- reporting of conditional sales is not only intended to deceive the buying public, but also the industry members representing them. Further the deception is intentional and in my opinion is absolutely contrary to the intent of rule 42 (a).

There is no doubt that the intent of licensees accepting this instruction as legal are intentionally attempting to deceive the buying public and their representatives.

Further to the above, rule 42 (g) states that:

Industry members must not:

"engage in conduct that undermines public confidence in the industry, harms the integrity of the industry, or brings the industry into disrepute. "

Clearly, this conduct seriously undermines public confidence, harms members of the industry, and casts our licensees and the industry with a broad brush of disrespect and a lack of confidence. I can relate many instances where associates in my office have been told by their buyers that they do not intend to work

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with them anymore as a result of writing offers on properties that were conditionally sold and the seller's representative had conveniently failed to respond to the question about pending offers.

We are inundated with the wisdom to disclose, disclose, disclose and for good reason. We have an obligation to disclose everything we know about a property to a potential buyer or their representative that may influence their decision to write an offer or purchase a property.

It is abundantly clear that a buyer has the right to know before writing an offer whether or not the property is under contract and to fail to notify the buyer in advance, in my opinion, is not only an intentional deception but a breach of rule 42 (a) and (g).

If the current interpretation of non-reporting of conditional sales is not a breach of rule 42 (a) and (g), then it would seem that brokers and associates can choose at random where they should or should not apply the rules.

In addition, we have a professional obligation to treat the public with fairness and honesty whether they are our client or not.

We have missed a basic premise of our industry with the current interpretation and, I believe, it is not a legal instruction as it is contrary to 42 (a) and (g)

I respectfully request that the Real Estate Council of Alberta review my comments and the rules under the act and consider creating a new interpretation that protects the public, the industry , and brings respect and professionalism back to our industry.

Thank you for anticipated response.

Respectfully

R. Stannett

Ron Stannett

Associate Broker/Owner

MaxWell Southstar Realty

c/c

Calgary Real Estate Board of directors, many brokers.

Attachment J

Real Estate Council Alberta

October 21, 2014

Bill Kirk
President – Calgary Real Estate Board

Re: Your letter to me of September 19th, 2014 regarding your support for Ron Stanner's letter: 'RECA's interpretation of legal instructions regarding the non-reporting of conditional (pending) sales'.

Dear Bill,

Mr. Stanner's letter was presented to Council at the first available meeting on October 15th. They have agreed to give it appropriate consideration and will pursue normal channels of research before making any changes. This due diligence will include but not be limited to the following:

- Assignment to the Residential Advisory Committee who are connected to the residential licensees across Alberta.
- Review the rationale for the current practice standard
- Research how other Boards within our jurisdiction are dealing with this Provincial practice standard.
- Research how other regulators address this issue.
- Communicate with the Canadian Real Estate Association for clarity of the national conversation of these disclosures
- Seek legal counsel to understand the implications of the changes you are proposing.

Having concluded our findings and reported back to Council we will notify all licensees of the outcome.

Sincerely,

Kevin Clark
Real Estate Council of Alberta - Chair
403-606-0110
kevin@kevinclark.com

Attachment K

Real Estate Council Alberta

MaxWell South Star Realty
20 – 8180 Macleod Trail South
Calgary, Alberta, T2H 2B8

Attention: Ron Stanners
Associate Broker / Owner

August 11, 2015

Re: Reporting Accepted Conditional Offers

Dear Ron,

My sincere apologies for taking so long to respond to your letter dated September 14, 2014 and to follow up my letter dated October 21, 2014.

To confirm, your letter was introduced at the next quarterly meeting of Council on October 15, 2014. Council discussed your concerns, agreed to undertake a review, and report back to you on the findings. The review included the following activities:

- Assignment to the Residential Real Estate Advisory Committee who are connected to the residential licensees across Alberta.
- Review the rationale for the current practice standard
- Research how other Boards within our jurisdiction are dealing with this Provincial practice standard.
- Research how other regulators address this issue.
- Communicate with the Canadian Real Estate Association for clarity of the national conversation of these disclosures
- Seek legal counsel to understand the implications of the changes you are proposing.

Lastly, your letter indicates copies were sent to "Calgary Real Estate Board of directors, many brokers". May I respectfully request you send a copy of this response to each of those unnamed recipients?

Summary Report of Research and Findings:

Undivided Loyalty – The Overarching Agency Obligation
When an industry professional enters into an agency representation relationship with a consumer, they agree to promote and protect the interests of the principal and place those interests above everything except the law. To fulfill this obligation, in part, industry professionals provide advice to their clients, discuss different decisions the client must make, provide various options for the client to consider, and provide information about the implications of the different choices. The client decides which option best serves their interests and the industry professional carries out the client's instructions. The fiduciary obligation of undivided loyalty is entrenched in common law and codified in the Rules made pursuant to section 12 of the *Real Estate Act*.

RECA observes some real estate board rules impose choices on consumers. Consumers are unable to make their own timely and informed decisions about certain matters. The unintended consequence is the industry professional is unable to fulfill this fiduciary duty and, in fact, the decisions imposed by board rules are not always in the best interest of the client. The requirement to disclose the existence of accepted conditional offers is one example.

Residential Real Estate Advisory Committee (RREAC)
The RREAC met on Tuesday, January 20, 2015. The committee consists of residential practitioners from across the province. They discussed at length their experiences and perspectives on mandatory disclosure of accepted conditional offers. Generally, the committee members understood the fiduciary obligation of undivided loyalty in agency relationships and agreed clients must be given the opportunity to make their own decisions. They put forth a suggestion that Council consider additional education around providing advice, options, implications of choices, and following client instructions once the client decides what is in their best interest.

In addition to the RREAC, this issue was discussed at four other meetings of industry professionals. Twice each year, the Executive Director meets with broker groups in Calgary and Edmonton. These groups consist of real estate brokers and delegates from south of and north of Red Deer, respectively. Combined, more than 40% of all Alberta real estate licensees are registered with the brokerages represented by these brokers and delegates. As well, the Executive Director meets with younger real estate practitioners twice each year. Our 20/20 Forums in Calgary and Edmonton consist of real estate professionals generally between the ages of 20 and 40 years. The conversation about mandatory disclosure of accepted conditional offers with these groups was similar to the RREAC meeting.

Alberta Real Estate Boards
Currently, each of the ten real estate boards in Alberta have their own practice rules. There is a move afoot to harmonize practice rules among all Alberta boards.

This initiative is being facilitated by AREA. We believe the harmonized rules should be ratified this autumn. Having seen draft proposed wording, RECA is pleased to see reporting of accepted conditional offers will be subject to client instruction.

As the rules stand today, The REALTORS® Association of Edmonton removed the obligation to report accepted conditional offers long ago. creb® amended their rules in similar fashion roughly three years ago. The remaining boards continue to have a requirement to disclose the existence of accepted conditional offers. Some have a fairly rigid enforcement policy while others are less rigorous.

Other Canadian Jurisdictions
RECA's administration undertook a survey of other real estate regulators to determine how other common law jurisdictions deal with disclosure of accepted conditional offers. Other Canadian regulators are unanimous in sharing RECA's perspective that industry professionals must seek and obey client instruction regarding disclosure of accepted conditional offers. The enabling legislation in each jurisdiction varies greatly in articulating agency obligations yet the regulators are aligned on the application of undivided loyalty when trading in real estate.

Real Estate Boards in Other Jurisdictions
RECA's administration undertook a survey of four large real estate boards in other jurisdictions. In Victoria, Vancouver, Toronto, and Montreal, the real estate boards require disclosure of accepted conditional offers within two business days similar to many of Alberta's boards.

Conditional Sale Disclosure Instruction (creb® document – April 2014)
The use of this form is mandatory for creb® members representing sellers using the MLS® System. The proper use of this document makes it extremely simple for clients to understand their options and for industry professionals to fulfill their fiduciary obligation. It provides a great deal of detail and removes any doubt about the implications of the choices available to sellers. Frankly, it's one of the best board-created forms RECA has encountered.

Other Issues Raised in Your Letter
Before closing, I will briefly comment on three other issues raised in your letter.

First, you commented about the interpretation of sections 42(a) and 42(g) of the Rules made pursuant to the *Real Estate Act*. These two rules speak to representations and the integrity of the industry respectively. When a seller representative tells a buyer representative their seller instructed them to "not answer that question", that is neither a misrepresentation nor is it misleading. When that question is posed and a buyer representative relays that response to their buyer client it does not undermine public confidence. On the other hand, when a seller representative answers dishonestly or a buyer representative neglects to ask the question or improperly

relays the response or lack thereof, that contravenes the rules and may be conduct deserving of sanction. It's the practice that harms reputation, not the rules.

Second, you wrote, "We are inundated with the wisdom to disclose, disclose, disclose and for good reason. We have an obligation to disclose everything we know about a property to a potential buyer or their representative that may influence their decision to write an offer or purchase a property." Seller representatives must disclose material latent defects known to them. Beyond that, disclosure of anything else requires consent from the seller. This includes patent defects and stigma among other things. Buyer representatives must take reasonable steps to discover relevant facts pertaining to any property for which the buyer is considering making an offer and disclose to the buyer all relevant facts affecting a property or transaction. RECA would never characterize disclosure obligations as "disclose, disclose, disclose".

Third, you spoke of a professional obligation to treat the public with fairness and honesty. While honesty is a professional obligation, fairness is not. In fact, when industry professionals promote and protect the best interests of their clients, the other party often perceives a lack of fairness. We do see fairness referred to in the REALTOR® Code in Article 3. And yet, Interpretation 3.9 states, ""Dealing fairly" means acting honestly and professionally. The obligation to deal fairly does not in any way reduce a REALTOR®'s obligation to fulfill his or her fiduciary duties to a Client and follow the Client's lawful instructions." RECA is in complete alignment with that interpretation.

Conclusion:

The aforementioned report was made to Council at its most recent meeting and upheld as the standard to which the Real Estate Council would interpret their Rules and Regulations on this topic.

In closing, once again, thank you for bringing this matter to Council's attention. We appreciate the opportunity to discuss these issues and provide clarity around RECA's mandate and administration of the *Real Estate Act*.

Sincerely

Kevin Clark
Past Chair, Real Estate Council of Alberta

cc – Bill Kirk (2014 President of the Calgary Real Estate Board)
cc – Alan Tennant (Current Chief Executive Officer of creb® and copied on numerous emails to me)

Attachment L

From: Bob Myroniuk
Sent: September 25, 2015 5:58 PM
To: Alan Tennant, <Alan.Tennant@creb.ca>
Subject: Re: RECA News: Important Advisory to creb® Members

The message from you that there was no chance of the board reconsidering or delaying it's decision put RECA in a very difficult spot. As the industry regulator RECA had no alternative but to communicate its position before October 1st. I should have given you a heads up but things happened quickly today, it was an oversight and I aplogize for that misstep on my part. I guess we now both share that common feeling of being caught off guard. A letter to creb will be sent to you early next week. With respect to our meeting, as of about 1 hour ago, I learned there is a strong likelihood I will need to be in Edmonton next Friday. I will know for sure Monday morning and let you know. I would still like to have that meeting. In addition to discussing this issue I want to elevate the discussion to the larger issue of RECA /creb relations andt our respective roles. It's time to settle that issue for the benefit of our respective organizations, creb industry members and consumers.

Sent from my Samsung device over Bell's LTE network.
-------- Original message --------
From: "Alan Tennant,"
Date: 09-25-2015 4:55 PM (GMT-07:00)
To: Bob Myroniuk
Subject: FW: RECA News: Important Advisory to creb® Members

So, I take it we aren't meeting next Friday? ☺

Have a nice weekend.

Alan Tennant, FRI (E), CAE
Chief Executive Officer,
Phone: 403.781.1359 | Cell: 403.461.2987 | alan.tennant@creb.ca



Attachment M

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October 15, 2015

Krista Bolton
RECA Chair-Elect
Suite 350 4954 Richard Road S.W.
CALGARY, Alberta
T3E 6L1

Dear Krista:

We appreciated your extra effort in flying down to join us for our meeting on Tuesday. I was very pleased to report to our Board of Directors the breadth and passionate depth of our conversation. We were very encoursged by how intently you listened and questioned our concerns and we were particularly invigorated by the sense that the leadership of RECA is as committed to change and improvement as we are.

On Tuesday we were asked, "what do we want to see from RECA going forward"? We communicated to you that our discussion at our Board of Directors meeting on Wednesday would articulate our position. Thus, we provide the following for RECA's consideration:

- To acknowledge that CREB® (and the other local Alberta real estate Boards) play an important role in managing the business rules around many aspects of the real estate transaction;
- To understand that this acknowledgment is based on the shared understanding that a real estate board must require their members to operate in compliance with the Real Estate Act;
- To appreciate that mandate creep is a real concern within the Alberta real estate community and to further understand our appreciation that RECA is not alone in grappling with this issue. Other regulatory bodies have also worked to overcome the single agency mind-set to establish a more current governance model;
- To realize that REALTORS® provide valuable input and feedback on which theoretical concepts work well in the marketplace and those that are counter-intuitive to the consumer or the real estate transaction process;
- To be reminded that REALTORS® welcome change, especially in any area that will benefit their clients, but have high expectations for effective transition management including communications to consumers;
- To coordinate with AREA to establish a cooperative framework that jointly manages overlap in regulation and market practice;
- To institute regular, professionally moderated, consumer focus groups on topics impacting consumers directly, starting with reporting of pending sales, and then reporting the feedback openly to industry stakeholders;

... page 2

2015 Board of Directors
President: Corinne Lyall | President-Elect: Cliff Stevenson, ASR®, CCS | Vice-President: David P. Brown | Immediate Past-President: Bill Kirk
Directors – Jon Dick | Tom Westcott, ASR®, CIPS | Guy Mitchell | Doug Koop | Ian Jones
Treasurer – Wendy Morrow
Chief Executive Officer – Allen Tennant, FRI (E), CAE
300 Manning Road NE, Calgary, AB T2E 8K4 T 403.263.0535 F 403.218.3565 creb.com

- To facilitate bi-annual meetings of the industry stakeholder representative group (AREA, CREB®, RAE and two other Alberta real estate boards) to develop and follow an engagement protocol;
- To always be assured that as a member-centric and consumer-sensitive organization, CREB® is dedicated to being a productive partner in a three-way partnership with AREA and RECA to ensure the Alberta real estate environment is a safe and well-regulated place deserving of consumer confidence.

As we said in our meeting on October 13, we see AREA as being a key player going forward and thus we will be sharing this message with the leadership of AREA as well. Please feel free to share this letter with members of Council. We look forward to taking the next steps in this journey.

Sincerely,



Corinne Lyall
President

CL/dl
cc. Mr. B. Myroniuk, RECA Executive Director
Mr. K. Clark, RECA Past Chair
Mr. C. Stevenson, CREB® President-Elect
Mr. A. Tennant, CREB® CEO

creb®

Attachment N

Real Estate Council Alberta

December 7, 2015

Corinne Lyall
President
Calgary Real Estate Board
300 Manning Road NE
Calgary, Alberta
T2E 8K4

Dear Corinne,

Real Estate Council of Alberta
Suite 350, 4954 Richard Road SW
Calgary, Alberta T3E 6L1

E [illegible]
T (403) 228-2954
TF (866) 425-2154
F (403) 228-3065

Thank you for your letter dated October 15, 2015. In this response we hope to convey that we are always open to discuss ongoing concerns and challenges that impact the industry and the public across Alberta.

With respect to the specific issue of disclosure of accepted offers subject to conditions, we had a good dialogue during our meeting on October 13th. Although creb® does not agree with RECA's approach to this practice issue, we gained a better understanding of your position.

Council's policy direction has been to adopt Rules that establish standards of conduct (e.g. obligations in sole agency) using a principles-based approach. The intent is to minimize use of detailed or prescriptive statements of practice. If there is a lack of clarity or confusion within the creb® members on these standards, we appreciate the feedback you provide and any suggestions for improving both understanding and compliance.

Both organizations, RECA and creb®, are mutually interested in industry success and protection of the public. However, as we move forward, it is important we acknowledge our differing roles within the industry.

- RECA is the standard setting, governing body for the real estate brokerage, property management brokerage, mortgage brokerage, and real estate appraisal industries in Alberta.

- RECA administers the *Real Estate Act* (Act), *Real Estate Act* Rules (Rules), Bylaws, and Regulations. As stated in the Act, RECA sets and enforces standards of conduct and business practice for all real estate industry professionals in Alberta.

- creb® is a private, voluntary membership association, established under Alberta's cooperative legislation. creb® operates the MLS® System, provides additional member services, and advances the commercial interests of its members.

- creb® establishes and enforces rules (Association Rules) that govern member use of the MLS® System and professional interaction between and among members.

Although our respective roles clearly differ, we believe our goals are complimentary.

We appreciate you have acknowledged creb® members are required to operate in compliance with the Act. It is also important to recognize the rules of membership in creb®, and business rules for operation of the creb® MLS® System, should not directly (or indirectly) interfere or conflict with the regulatory obligations of a creb® member under the Act, other statutory requirements or common law requirements, when they provide services to buyers and sellers.

We acknowledge creb® sets the business rules for the operation of its MLS® System. As a general principle, it has been RECA's position that neither RECA, nor any MLS® System provider, has the mandate to regulate the conduct of sellers and buyers in their real estate transactions. Accordingly, we wish to seek clarification and further explore with you the statement that one of creb®'s roles is "managing the business rules around many aspects of the real estate transaction".

We continue to be confused with the notion of "mandate creep". RECA's mandate is in section 5 of the *Real Estate Act*. For your reference, I have enclosed a document entitled *"Real Estate Council of Alberta Council Mandate, Governance & Oversight"*. This document outlines what RECA does to achieve each component of its mandate. With this in mind, it would help us better understand your concern about mandate creep by providing specific examples.

RECA remains committed to engaging consumers through surveys and focus groups. We appreciate your suggestion of consulting with consumers on specific issues of interest to creb®. The recent RECA project to conduct consumer focus groups has concluded. These consumer focus groups were designed to provide Council with consumer input as we prepare for RECA's 2016 strategic planning process. We welcome the opportunity to explore opportunities in the future to work jointly with creb® on consumer focus groups and other interested organizations on topics and issues of mutual interest.

Toward the end of our meeting we discussed the possibility of future meetings with creb®, AREA and other real estate boards. Subsequent to our meeting, Council adopted a Stakeholder Engagement Policy. A copy of RECA's policy was provided to you in a separate letter.

RECA places a high priority on research, stakeholder engagement, and informed decision-making. We agree further dialogue needs to take place. Our next step will be to explore how RECA should facilitate future meetings within the context of its Stakeholder Engagement Policy and communicate that process to creb®, AREA and other Alberta real estate boards.

In closing, thank you for meeting with us on Tuesday, October 13, 2015. We look forward to continuing the dialogue in a positive and productive manner.

Sincerely,

KBolton

Krista Bolton
Chair
Real Estate Council of Alberta

8. RECA Strategic Plan, Governance & Self-Regulation

AREA Comment(s):
"Communications in this section of the binder reflect AREA's requests to RECA relating to governance practices, as well as our submission to RECA regarding RECA's strategic plan where we list governance as a key priority for the regulator."
"AREA aspires for meaningful engagement and knowledge of priorities and projects RECA is working on to facilitate ongoing open dialogue on making the real estate sector work effectively for both consumers and industry members."
"Thus far, RECA has said it would consider AREA's ideas, but has not taken any steps towards addressing them that we are aware of."

Response (Strategic Plan):

- RECA undertook a very extensive information gathering and consultation process for six months prior to its strategic planning meeting. This consultation included written submissions, 18 formal face-to-face meetings with industry members (e.g. town halls), on-line surveys, and focus groups with consumers. RECA conducted and gathered consumer, regulatory, and industry scans across the country (see attached schedule).
- RECA also undertook a consumer survey (2014) and focus groups (2015) and an industry survey (2015).
- There were consistent themes in the feedback.
- One of the key areas evaluated with industry members is whether Council's Critical Success Factors for the past five years are still relevant today. The clear response was "yes" with some modifications.
- AREA indicates in its RECA Strategic Plan feedback submission that none of the 2011-2016 Critical Success Factors are relevant. This is a remarkable position to take as an association. More importantly, that position was not in accord with the feedback from industry members (including AREA members) and other stakeholders.

Response (Governance):

- RECA is doing what it said it would do i.e. consider the ideas presented by AREA, including the most recent email from AREA President Bob Jablonski dated January 10, 2017. However, the process takes time.
- The information AREA provided was considered and included in the research undertaken by RECA staff in two papers presented to the Governance Committee – RECA's Council Member Code of Conduct and a Discussion Paper on Openness and Transparency. Both of these reports were reviewed by Governance Committee and are currently before Council.
- Once Council has approved a revised Code of Conduct, AREA will be provided a copy. Once Council has approved the Discussion Paper on Openness and Transparency, and the process of consultation is undertaken, AREA will see how their suggestions related to openness and transparency have been addressed by Council.

- AREA identified governance as a key priority in its response to RECA's strategic planning. The following comments are presented in response to this concern:
  - Council received and considered the advice of AREA regarding governance provided in its strategic plan submission when it developed its 2016-2020 strategic and business planning documents.
  - In fact, Council has maintained a focus on governance for some time. Council's Governance Committee is very proactive and evolving. Recent initiatives include:
    - new orientation programs for new Council members
    - extensive governance training for Council members and senior staff
    - stakeholder engagement policy and implementation plan
    - stakeholder engagement reporting
    - Council Code of Conduct
    - confidentiality for boards
    - Electronic Communication Policy for Council
    - Stewardship Reporting Policy
    - defining openness and transparency
    - identifying openness and transparency opportunities
    - review the terms of reference of committees
    - strategic planning research and establishment of plans
    - Council self-evaluation process
    - executive director succession plan
  - Prior to embarking on its strategic planning processes, Council identified transparency and openness as an important issue. Since adopting its 2011-2016 Strategic Plan, Council is flexible in adding new Business Plan issues that furthers RECA achieving its mandate. Initiatives in this area since 2014 include:
    - survey of regulatory organizations for definition of openness and transparency and specific initiatives
    - Field Law review of RECA's processes and identify areas to enhance transparency and openness in RECA's processes
    - Identify legislative change requests to government to allow for enhanced transparency
    - development of an internal discussion paper and define openness and transparency
    - identify opportunities to enhance openness and transparency
- In Council's 2020 Strategic Plan Critical Success Factor #3 it states: "**Government, stakeholder associations, and industry colleagues will understand RECA promotes positive relations and is the open, transparent, responsive governing body for real estate professionals in Alberta**". CSF #3 includes projects to define openness and transparency and to develop and implement an openness and transparency policy.
- CSF #4 states "Maximize RECA's capacity to achieve its 2020 Vision by establishing an appropriate regulatory framework of policies and procedures, a prudent financial plan, and develop both internal and external human resources". CSF #4 includes a

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project to develop a RECA Statement on Openness and Transparency and implement the principles.

Commentary

- AREA aspires for an open dialogue with RECA. RECA is open to dialogue with AREA. RECA established an engagement protocol to ensure that its engagement with stakeholders is open and transparent and that there is no perception of closed door or private meetings. It is more crucial than ever before that regulatory organizations maintain independence, and the perception of independence and are seen to be at arms-length with the industries they regulate. This does not mean trade associations like AREA cannot meet with RECA representatives, it means it must take place through transparent processes.
- RECA attempted since early 2016 to meet with AREA but there was no response to meet until December 2016. Council received the written invitations via emails to AREA leading up to the December 2, 2016 stakeholder meeting.
- AREA states "it aspires for meaningful engagement and knowledge of priorities and projects RECA is working on ..." It should be noted RECA does not report to AREA. AREA does not drive RECA's agenda. The fact of the matter is that AREA is not entitled to know or be involved in all of RECA's priorities or all of the projects RECA is working on at any point in time. However, what RECA has stated very clearly is that it will engage with and consult with industry members, the public and stakeholders, such as AREA, on regulatory issues that affect industry members.

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9. RECA Appointments

AREA Comments/RECA Response

Comments:
"Communications in this section of the binder include communications relating to the pending term-ends of three of AREA's RECA appointees on October 31, 2016."
"RECA has communicated that they "look forward to the re-appointment" of two Council members although this decision has not yet been finalized by AREA."

Response:

- In the letter of May 3, 2016 from Bob Myroniuk to Ian Burns, it was appropriate to recognize the dedication and commitment of the two individuals appointed by AREA in 2013 and completing their first term on Council.
- Both were very capable members of Council and, with three-years of experience, would be most qualified to serve on Council relative to an individual who had no prior experience on a regulatory body similar to RECA.
- It was also appropriate to confirm both individuals had indicated a desire to be re-appointed to a second three-year term.
- A similar letter was sent to Ian Burns, AREA's CEO the previous year on May 19, 2015. On the issue of continuity and re-appointments it stated:
  " Knowledge, experience and continuity are important factors in facilitating good governance practices by any board. This is particularly the case with the unique challenges of a multi-faceted regulatory body such as RECA. With respect to Chad Griffiths and Dale Russell, we look forward to their re-appointment to a second three-year term"
  [The May 19, 2015 is available upon request.]
- One of the important elements of any successful board is the element of continuity. While change in board membership over time is necessary to ensure a healthy board, it can be very disruptive and damaging to the ability of a board to carry out its mandate if there are too many changes in a short period of time. A large loss of knowledge and experience, also referred to as "the brain trust" in a short period of time is counterproductive.
- In the case of a regulator like RECA, massive turnover on the board can seriously impact board governance but it also impacts the "brain trust" and expertise in the area of hearings and appeals.
- Therefore, considering what was in the best interests of RECA at the time, it was appropriate to indicate to AREA the importance of experience and continuity on Council from a governance point of view in order to support the capacity of Council and hearing panels to carry out their work. It was for this reason, Bob Myroniuk indicated RECA looked forward to the re-appointment of these two capable individuals.
- In light of the addition of four new Council members on November 1, 2015, three of whom were AREA appointees, the May 3, 2016 letter paid special attention to this issue.

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- Ultimately, the decision to appoint or re-appoint an individual to Council is within the discretion of AREA and the nominating real estate boards. It was entirely within AREA's discretion to consider, accept or ignore the comments provided in the letter of May 3rd.
- The May 3rd letter recognized the possibility of AREA not re-appointing either or both of these two individuals. A copy of a RECA document (*Want to be a Member of Council? What You Should Know*) intended for individuals who are interested in serving on Council was enclosed along with the letter. This has been standard practice since this document was published by RECA.
- Although it is within the discretion of AREA and the nominating real estate boards to appoint individuals, the information provided in the May 3rd letter are consistent with the message received from Service Alberta Deputy Minister Tim Grant on July 5, 2016. His message to the executive officers of AREA, creb® and RAE was that this was a serious responsibility. He indicated appointing organizations, when deciding who they are going to appoint to a board, like RECA, should take into account the governance and expertise requirements for that particular board at that point in time.
- The day after the meeting with Deputy Minister Tim Grant, Bob Myroniuk provided a skills matrix to AREA, creb® and RAE which had been used by RECA for its own selection/appointment processes.
- At this point, there is no indication the current AREA leadership is open to any dialogue or collaboration with RECA to discuss the governance requirements of Council as they carry out their responsibility of appointment.
- This is in contrast to the meeting held by RECA on March 7, 2012 with AREA, creb® and RAE. This meeting took place immediately following the symposium in 2012 for the specific purpose of discussing the appointment process. At that time there was an understanding, moving forward, that there would be more cooperation between AREA and the nominating boards and RECA on this process. AREA would seek to determine RECA's requirements and Council members who sat on RECA would make themselves available to assist interested individuals or AREA in the process. There was also a discussion about the issue of diversity and recognition of the importance of diversity moving forward.

Comment:

"A legal opinion relating to the number of nominations AREA is entitled to request from real estate boards in accordance with the *Real Estate Act* has also been included. This opinion was sought after it was brought to AREA's attention that RECA was advising two of the large boards of their ability to essentially make direct appointments to RECA by providing AREA with only one nomination."

"The legal opinion supports the purpose of the *Act* is to give AREA the ability to make a choice from provided appointments (plural), therefore AREA believes RECA's advice to the boards is incorrect."

Response:

- The interpretation of section 5 communicated by Bob Myroniuk to creb® and RAE is correct.

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- The starting point for interpreting legislation in Alberta is the Interpretation Act of Alberta.
- Courts have stated the presumption is set out in the Interpretation Act [Section 26(3)]: "*...words in the singular include the plural and words in the plural include the singular*". This legal presumption applies unless a contrary intention is derived from the context of the legislation.
- Having experience in the area of drafting legislation in past positions within the Provincial Government, this concept was the basis for Bob Myroniuk's interpretation provided to the two real estate boards.
- The legal opinion provided by AREA on this issue is incomplete as it does not consider the provisions and implications of the Interpretation Act nor does it identify or consider the related case law.

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Pages 2158 through 2159 redacted for the following reasons:
- -
s.27(2), s.16(1)

Val Taylor

From: Trevor Bergen
Sent: Wednesday, March 22, 2017 7:54 AM
To: Lorena Munteanu; Darren Thomas; Scott Hood; Lee Chantal; Dominic Ross; Allie Hulme
Cc: Mary MacDonald; Paul Santos
Subject: FW: Committee of Supply Briefing Material - Due March 28 @ 3 pm

Hi there,

As per the below, we'll need to make some updates to our Committee of Supply briefing notes.

In the below table, I've tagged a lead for each briefing and summarized the changes we'll need to make based on the e-mail. In honesty, for most of these we can easily reuse briefing content which we've developed already (such as updates for Non-Responsive and RECA/AREA).

Non-Responsive

Lead	Briefing number	Briefing	Action
Non-Responsive			
Dominic	17	RECA/AREA	Update
Non-Responsive			

If you can target to have these to me for a first review by noon on Friday, that'd be great. Thanks!
Trevor

From: Mary MacDonald
Sent: Tuesday, March 21, 2017 5:36 PM

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To: Trevor Bergen <Trevor.Bergen@gov.ab.ca>
Subject: FW: Committee of Supply Briefing Material - Due March 28 @ 3 pm

Trevor,

Please see the note from Althea.

Could you have these notes updated by Monday? I've asked the other areas to forward to Robert by Monday at 4:30 so he can send on to Althea in one batch.

Thanks,

Mary

From: Althea Hutchinson
Sent: Tuesday, March 21, 2017 4:34 PM
To: Colin Lloyd; Robert Whittaker; Mary MacDonald
Cc: Balraj Sangha; Loretta Corazza; Osman Aden-Osman; Marvin Chuck
Subject: Committee of Supply Briefing Material - Due March 28 @ 3 pm

Hi,
In keeping with last year's process, the COS Binder will have a section dedicated to initiatives underway and/or topical issues.

Tim has asked for the following briefings from your area:

Consumers and Registries Services		Action / Comments
Non-Responsive		
17	The Real Estate Council of Alberta and the Alberta Real Estate Association	Update as required
Non-Responsive		

Attached are the briefings from last year's Committee of Supply binder for your reference. The updated/new briefings are due back at 3 pm on March 28th.

Keep in mind – the briefings should not contain new announcements and should not divulge cabinet/caucus discussions.

Thanks,
Althea.

Non-Responsive

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Non-Responsive



Non-Responsive

Page 2164 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Non-Responsive

TITLE

KEY MESSAGES:

- Key Message
    - Sub-bullet

BACKGROUND:

- Background
    - Sub-bullet

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

Pages 2166 through 2178 redacted for the following reasons:
- -
Non-Responsive

THE REAL ESTATE COUNCIL OF ALBERTA (RECA) AND THE ALBERTA REAL ESTATE ASSOCIATION (AREA)

KEY MESSAGES:

- The public interest is better served when RECA and AREA work harmoniously toward this common goal.
- I am in discussions with my department and will meet with RECA and AREA to determine if there is more we can do to support Albertans and the industry in this area.
- This government is committed to ensuring RECA fulfills its mandate of setting and enforcing standards of conduct for the real estate industry, protecting consumers, and promoting the integrity of the industry.



- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups. Membership of real estate professionals in AREA is optional.
- In recent months, Deputy Minister Tim Grant and Assistant Deputy Minister Colin Lloyd have met with officials from RECA and AREA. The message conveyed at the meetings was the need for responsible governance, and sound consumer protection.

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

Pages 2181 through 2186 redacted for the following reasons:
- -
Non-Responsive

Darlene Decker

From:	Lee Chantal
Sent:	Friday, March 24, 2017 9:18 AM
To:	Dominic Ross
Subject:	RECA-AREA BN and DM letter

I've finished the draft BN on RECA's response to AREA's binder and the DM's response to RECA's chair about this. They are saved to the subfolder in the MIS folder for Branch Generated ARs.

Please let me know if you want RECA's response to review or if we are to return it to the ADMO or DMO, otherwise I'll hold on to it in my office.

Thanks,

Lee Chantal
Statute Administrator

Market and Industry Standards
Consumer Programs, Service Alberta
Government of Alberta
3rd Floor – 10155 102 Street
Edmonton AB T5J 4L4 Canada
Phone: (780) 644-7657 Fax: (780) 427-3033
E-mail: lee.chantal@gov.ab.ca
www.servicealberta.ca

[redacted]

From: Trevor Bergen
Sent: Friday, March 24, 2017 12:15 PM
To: Mary MacDonald (Mary.MacDonald@gov.ab.ca) <Mary.MacDonald@gov.ab.ca>
Cc: Darren Thomas (darren.thomas@gov.ab.ca) <darren.thomas@gov.ab.ca>; Scott Hood (scott.hood@gov.ab.ca) <scott.hood@gov.ab.ca>; Lorena Munteanu <lorena.munteanu@gov.ab.ca>; Lee Chantal (lee.chantal@gov.ab.ca) <lee.chantal@gov.ab.ca>; Dominic Ross <Dominic.Ross@gov.ab.ca>; Alexandra Hulme (Alexandra.Hulme@gov.ab.ca) <Alexandra.Hulme@gov.ab.ca>
Subject: FW: Committee of Supply Briefing Material - Due March 28 @ 3 pm

Hi Mary,

Attached are our updated notes, as per Althea's request.

Please note we have updated all as per the direction from Althea's table [redacted]

Please let me know if you'd like changes before you send to Robert.

Also, many thanks to the team cc'd for their assistance.
Trevor

[redacted]

From: Mary MacDonald
Sent: Tuesday, March 21, 2017 5:36 PM
To: Trevor Bergen <Trevor.Bergen@gov.ab.ca>
Subject: FW: Committee of Supply Briefing Material - Due March 28 @ 3 pm



Pages 2190 through 2194 redacted for the following reasons:
- -
Page 2190: Duplicate to pages 2161-2164
Pages 2191-2194: Non-Responsive

THE REAL ESTATE COUNCIL OF ALBERTA (RECA) AND THE ALBERTA REAL ESTATE ASSOCIATION (AREA)

KEY MESSAGES:

- Our government values a strong real estate industry which supports both a vibrant real estate industry and the public interest.
- The public interest is better served when RECA and AREA work harmoniously toward this common goal.
- This government is committed to ensuring RECA fulfills its mandate of setting and enforcing standards of conduct for the real estate industry, protecting consumers, and promoting the integrity of the industry.
- ***ONLY IF ASKED about BC review:*** Service Alberta has compared the situation in British Columbia with that in Alberta. At this time, we do not feel the need to follow BC's lead in reimplementing a Superintendent of Real Estate. However, we will continue to monitor the market and the governance of Alberta's real estate industry in case such actions should become necessary in the future.

BACKGROUND:

- In accordance with the *Real Estate Act*, RECA is the regulatory body for the real estate sector in Alberta. RECA's mandate under section 5 of the Act is to:
  - set and enforce standards of conduct for the real estate industry and the business of industry members as the Council determines necessary to protect consumers and promote the integrity of the industry;
  - provide services that enhance and improve the industry and the business of industry members; and
  - administer the Act and its Regulations, bylaws, and rules.
- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtor members and 10 regional real estate boards across the province. AREA's core function is to provide professional development for its members, as well as member-centric advocacy on real estate matters to all levels of government and other industry groups. Membership of real estate professionals in AREA is optional.
- The *Real Estate Act* sets out the composition of RECA's board of directors and their means of appointment. The board consists of 12 members appointed as follows and is majority industry appointed:

  Public
  - The Minister shall appoint one member, who must not be an industry member.

  Industry
  - The Alberta Mortgage Brokers' Association shall appoint one member.

- AREA shall appoint 6 members.
- 4 members shall be appointed by the industry members including:
  - 1 industry member not from AREA
  - 1 public member not from industry
  - 1 real estate appraiser
  - 1 property manager

- AREA provided Service Alberta with a submission in late 2016 alleging a number of concerns about RECA. This included issues with the processes to enact residential measurement standards and with RECA's governance and strategic plan.
- RECA has provided Service Alberta a response to the submission, attesting that AREA's information was not accurate did not provide the full context of the situation.
- In 2016, RECA obtained a third party review of their regulatory functions from Field Law. This review showed RECA to be a high functioning regulatory organization.
- In recent months, Deputy Minister Tim Grant and Assistant Deputy Minister Colin Lloyd have met with officials from RECA and AREA. The message conveyed at the meetings was the need for responsible governance and sound consumer protection.
- RECA is currently conducting a survey with stakeholders, including Service Alberta, on certain initiatives intended to promote openness and transparency in RECA's processes. Service Alberta will be providing a response to RECA's survey.

CONTACT:

- Colin Lloyd – Assistant Deputy Minister, Consumer and Registry Services – 780-427-2300

Pages 2197 through 2204 redacted for the following reasons:
- -
Non-Responsive

Val Taylor

From: Trevor Bergen
Sent: Tuesday, March 28, 2017 1:07 PM
To: Lee Chantal
Cc: Dominic Ross
Subject: RE: AREA Information Binder

Good enough. Thanks!

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

Like Consumer Protection Alberta

Alberta

From: Lee Chantal
Sent: Tuesday, March 28, 2017 1:02 PM
To: Trevor Bergen <Trevor.Bergen@gov.ab.ca>
Cc: Dominic Ross <Dominic.Ross@gov.ab.ca>
Subject: RE: AREA Information Binder

Hi Trevor,

We didn't log the receipt date – it didn't come directly to our area and so wasn't stamped. Best I can say is late 2016. I feel it was earlier than December 2, but can't say anything more than that.

Lee

From: Trevor Bergen
Sent: Tuesday, March 28, 2017 12:13 PM
To: Lee Chantal
Cc: Dominic Ross
Subject: FW: AREA Information Binder

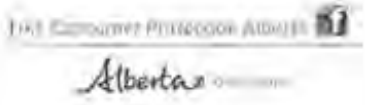
Hi Lee,

Do you know when we received the AREA Dossier? Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading

Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca



From: Colin Lloyd
Sent: Tuesday, March 28, 2017 11:56 AM
To: Bob Myroniuk <bmyroniuk@reca.ca>; Trevor Bergen <Trevor.Bergen@gov.ab.ca>
Subject: RE: AREA Information Binder

Bob,

I will ask Trevor to respond as it went to his area.

Regards,

Colin

From: Bob Myroniuk [mailto:bmyroniuk@reca.ca]
Sent: Wednesday, March 22, 2017 1:35 PM
To: Colin Lloyd
Subject: AREA Information Binder

Colin, our Chair has asked me to prepare a report. In order to create an accurate timeline of events, she has asked me to confirm the date Service Alberta received AREA's Information Binder. For your information, RECA received AREA's "Blue Binder" on December 2, 2016. We assume Service Alberta and RECA received the same information.

The synopsis we received from AREA indicated the binder had been provided to Service Alberta but no date was provided. Your assistance would be appreciated.

Thank you.

Bob

P.S. Is there a convenient time that you can chat later today or tomorrow?

Sent from my Bell Samsung device over Canada's largest network.

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Val Taylor

From: Trevor Bergen
Sent: Tuesday, March 28, 2017 1:07 PM
To: Colin Lloyd; 'Bob Myroniuk'
Subject: RE: AREA Information Binder

Hi Colin and Bob,

I've checked our records and unfortunately the package was not date stamped. That said, I believe this came to us in late November 2016. I hope this helps. Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

LIKE Consumer Protection Alberta

Alberta Government

From: Colin Lloyd
Sent: Tuesday, March 28, 2017 11:56 AM
To: Bob Myroniuk <bmyroniuk@reca.ca>; Trevor Bergen <Trevor.Bergen@gov.ab.ca>
Subject: RE: AREA Information Binder

Duplicate to page 2206

Page 2208 redacted for the following reason:
- - - - - - - - - - - - - - - - - - - -
Duplicate to page 2206

Val Taylor

From: Trevor Bergen
Sent: Thursday, March 30, 2017 7:23 AM
To: Dominic Ross
Cc: Lee Chantal; Frank Buckreus; Marty Schwartz
Subject: AREA/RECA Briefing

Hi Dominic,

On my desk, there is a red folder for the AREA/RECA briefing. There are a few minor edits that I noted on the pages but overall looks good. I had wanted to review the two coiled binders from RECA and brought them home last night and read them over. I'm comfortable if the AR goes forward now with the minor changes I've noted on the pages, and will return the coiled binders to Lee tomorrow.

Thanks!
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

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-----Original Message-----
From: Colin Lloyd
Sent: April-05-17 8:12 AM
To: Amanda Nielsen
Subject: RE: AREA 70th Anniversary Celebration

Hello Amanda,

Thank you very much for the invitation, and I wish I had responded sooner. Unfortunately, I am unable to attend. Please accept my good wishes for which I am sure will be a great evening of celebration.

Regards,

Colin

-----Original Message-----
From: Amanda Nielsen [mailto:amanda.nielsen@albertarealtor.ca]
Sent: Monday, April 03, 2017 7:18 PM
To: Colin Lloyd
Subject: AREA 70th Anniversary Celebration

Good evening Colin,

I'm writing to follow up to see if you can attend AREA's 70th Anniversary Celebration.

Details below.

Date: Saturday, April 22, 2017
Time: 7:30pm - 1:00am
Location: Downtown Calgary
Formal cocktail attire, 1940s style encouraged.

We would love to have you join us!

Please let me know if you can make it.

Warmly,

Amanda

AMANDA NIELSEN
Public Affairs and Stakeholder Relations Advisor Alberta Real Estate Association
+780.920.5001/ albertarealtor.ca

ACTION REQUEST COVERSHEET
Service Alberta

Due Date: Apr 5, 2017
Due to MCU:
Due to ADMO:
Extended Due Date:
Optimal Signing Date:

AR Number: 31533
Logged By: Consumer Programs
Priority Level: Normal
Received Date: Mar 28, 2017

AR References:
Assigned To: 04 CARS-ADMO
Subject: Service Alberta Response to RECA on AREA Tensions
Action Requested: Briefing for Deputy Minister
Correspondent:
Constituency: ,

	Name and Phone Number		Initials and Date
Approved by ADM:	Colin Lloyd	780-427-2300	
Edited by MCU:	Dan Byer		Apr 17/17
Approved by MCU:	Rachel Bouska	780-644-4524	
Approved by DM CoS:	Linda Chupka	780-422-6174	LC Apr. 19/17 Apr. 24
Approved by DM:	Tim Grant	780-415-4954	Apr 24, 2017
Approved by MO:			

File Number:
Comments:
Additional Notes:

Alberta Government

Ministry of Service Alberta
Consumer and Registry Services
April 10, 2017
AR 31533

ADVICE TO TIM GRANT
DEPUTY MINISTER OF SERVICE ALBERTA

PURPOSE

Service Alberta received a package of information from the Real Estate Council of Alberta (RECA) responding to allegations made by the Alberta Real Estate Association (AREA) on issues such as regulation and governance.

RECOMMENDATION

- It is advised that the Deputy Minister respond to RECA with the attached letter (see attachment).

BACKGROUND

- In late 2016, AREA submitted documents to Service Alberta detailing a number of concerns with RECA, which included:
  - RECA's handling of brokerages in Lloydminster during the creation of harmonized forms with the Saskatchewan Real Estate Commission;
  - RECA's alleged failure to provide all of AREA's submission to Service Alberta during consultation on proposed amendments to the *Real Estate Act* (REA);
  - allegations that RECA provided inaccurate information to stakeholders about the transition of licensing education from AREA to RECA;
  - AREA's concern about RECA's process to enact residential measurement standards,
  - alleged aggressive communication sent from RECA to all industry members regarding an issue pertaining to one local board; and
  - AREA's submissions to RECA regarding RECA's governance and strategic plan.
- On March 15, 2017, RECA provided a response to Service Alberta addressing each of the concerns in AREA's submission.
  - RECA's response documented how the previous information provided by AREA omitted key actions and included factual inaccuracies.
  - RECA further stressed that many of the instances that AREA complained about were in fact the legal responsibility of the regulator as per the REA.

KEY CONSIDERATIONS

- The department has assessed AREA's submissions and concluded that AREA's actions and characterizations of RECA indicate repeated attempts by AREA to challenge RECA's role as regulator of the industry, thereby undermining consumer protection. For instance, AREA's submissions when critically examined reveal:
  - AREA's proposed REA amendments include removing the ability for RECA to provide services and other things that improve the industry and business of industry members.

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  - AREA's initial response to RECA's implementation of residential measurement standards was highly combative, despite RECA's mandate to create such standards.
  - AREA and RECA jointly announced in December 2010 that they agreed delivery of licensing education would be transitioned to RECA. Prior to the announcement, AREA had indicated it was having challenges delivering the licensing education program.
    - AREA now attests that RECA unilaterally stated they would take full control of licensing education without consent.
  - RECA has won numerous awards from regulatory associations, including awards in 2015-16 for its Practice of Rural Real Estate course.
    - AREA states they do not support the model for content and delivery of licensing education used by RECA.
- RECA's submission is well supported by documented evidence that puts discussions between the two organizations in context given AREA's various allegations.
- The perception of AREA working to reduce RECA's mandate can have a significant impact on the real estate industry and public trust.
  - Failures of public trust in British Columbia's regulator resulted in government ending self-regulation and retaking the regulatory role from the Real Estate Council of British Columbia.

ATTACHMENT

- Draft Response to RECA

CONTACT Colin Lloyd, Assistant Deputy Minister
Consumer and Registry Services
780-427-2300

SA 2017-G-0056 - Page 2214

April 24, 2017

Ms. Christine Zwozdesky
Chair, Real Estate Council of Alberta
Suite 350, 4954 Richard Road SW
Calgary, Alberta T3E 6L1

Dear Ms. Zwozdesky:

Thank you for your letter and for taking the time to meet on February 16, 2017. I appreciate receiving the Real Estate Council of Alberta's (RECA) response to the information provided by the Alberta Real Estate Association (AREA).

Service Alberta supports RECA's work to promote the public interest in the real estate industry; a strong and effective regulator is as important for industry as it is for consumers. The work RECA has undertaken during the last fiscal year, including the introduction of the Guide to the Residential Measurement Standard and undertaking the Regulatory Performance Review from Field Law, underscore a commitment to continuous improvement and best practices. In parallel, I encourage RECA to demonstrate the senior leadership required to strengthen the relationship between RECA and AREA. A more constructive and effective relationship is essential to maintaining confidence in self-governance of Alberta's real estate sector. I further encourage RECA to continue with its current emphasis on engaging stakeholders and facilitating transparency and openness in its procedures and communications.

I look forward to an opportunity to continue the dialogue on these important issues in the near future. Staff from my office will be in touch shortly to make the arrangements.

Sincerely,

Tim Grant
Deputy Minister

AR 31533

Alberta

Deputy Minister
29th Floor, ATB Place South
10020 - 100 Street
Edmonton, Alberta T5J 0N3
Canada
Telephone 780-427-1990

April 24, 2017

Ms. Christine Zwozdesky
Chair, Real Estate Council of Alberta
Suite 350, 4954 Richard Road SW
Calgary, Alberta T3E 6L1

Dear Ms. Zwozdesky: Christine

Thank you for your letter and for taking the time to meet on February 16, 2017. I appreciate receiving the Real Estate Council of Alberta's (RECA) response to the information provided by the Alberta Real Estate Association (AREA).

Service Alberta supports RECA's work to promote the public interest in the real estate industry; a strong and effective regulator is as important for industry as it is for consumers. The work RECA has undertaken during the last fiscal year, including the introduction of the Guide to the Residential Measurement Standard and undertaking the Regulatory Performance Review from Field Law, underscore a commitment to continuous improvement and best practices. In parallel, I encourage RECA to demonstrate the senior leadership required to strengthen the relationship between RECA and AREA. A more constructive and effective relationship is essential to maintaining confidence in self-governance of Alberta's real estate sector. I further encourage RECA to continue with its current emphasis on engaging stakeholders and facilitating transparency and openness in its procedures and communications.

I look forward to an opportunity to continue the dialogue on these important issues in the near future. Staff from my office will be in touch shortly to make the arrangements.

Sincerely,

Tim

Tim Grant
Deputy Minister

AR 31533

Tariro Nyemba

From: Jennifer Cunningham on behalf of Colin Lloyd
Sent: April-20-17 1:11 PM
To: Tim Grant
Subject: Accepted: Service Alberta Response to RECA on AREA Tensions (AR31533)

Tariro Nyemba

From: Jennifer Cunningham
Sent: April-28-17 10:10 AM
To: Robert Whittaker
Subject: RE: Action letter to Ian Burns (Ab real Estate Association)

Created as 31715.

From: Robert Whittaker
Sent: April-27-17 10:18 AM
To: Jennifer Cunningham
Cc: Mary MacDonald; Trevor Bergen
Subject: Action letter to Ian Burns (Ab real Estate Association)

Jenn,

Please action a response letter from Tim to Ian Burns.

Letter should be similar to the letter sent to Christine Zwozdesky from RECA.
- Thank them for the information they provided (blue binder)
- Appreciate continued dialogue as demonstrated by the meetings that have occurred between AREA and Service Alberta.
- We support the work that RECA is undertaking to promote the integrity of the industry and to protect consumers
- Independent regulation (this can be phrased better) of the Real Estate industry is working in Alberta.

Tim is looking for this letter to go out sometime next week.

Thanks.

Robert Whittaker
Executive Advisor
Assistant Deputy Minister, Consumer and Registry Services
Service Alberta
29th fl ATB Place South
10020 – 100 Street
Edmonton, AB T5J 0N3
780-644-4585

Val Taylor

From: Darlene Decker
Sent: Tuesday, May 02, 2017 3:01 PM
To: Lee Chantal
Subject: FW: Alberta Real Estate Licencing History PRE 1996 [InteractionID:c3317357-5c94-4dbd-b5cc-51fe519e7771]
Attachments: image003.jpg; image004.jpg

Importance: High

Follow Up Flag: Follow up
Flag Status: Flagged

Please respond directly to professionaldevelopment@areahub.ca and bcc the outcome to the following:

Bev Haugh; Dan Grewal; Trevor Bergen; Dominic Ross; and Darlene Decker

Thank you.

From: Consumer Services
Sent: Tuesday, May 02, 2017 11:54 AM
To: Darlene Decker
Subject: Fw: Alberta Real Estate Licencing History PRE 1996 [InteractionID:c3317357-5c94-4dbd-b5cc-51fe519e7771]

Please respond directly to client.

----- Original Message -----
From: "professionaldevelopment@areahub.ca"<professionaldevelopment@areahub.ca>
To: Service Alberta <Service.Alberta@gov.ab.ca>
Sent: Tue, 2 May 2017 09:22:12 -0600
Subject: Alberta Real Estate Licencing History PRE 1996 [InteractionID:ff2635d1-8f19-400e-b284-d7a537b84f30]

Hello.

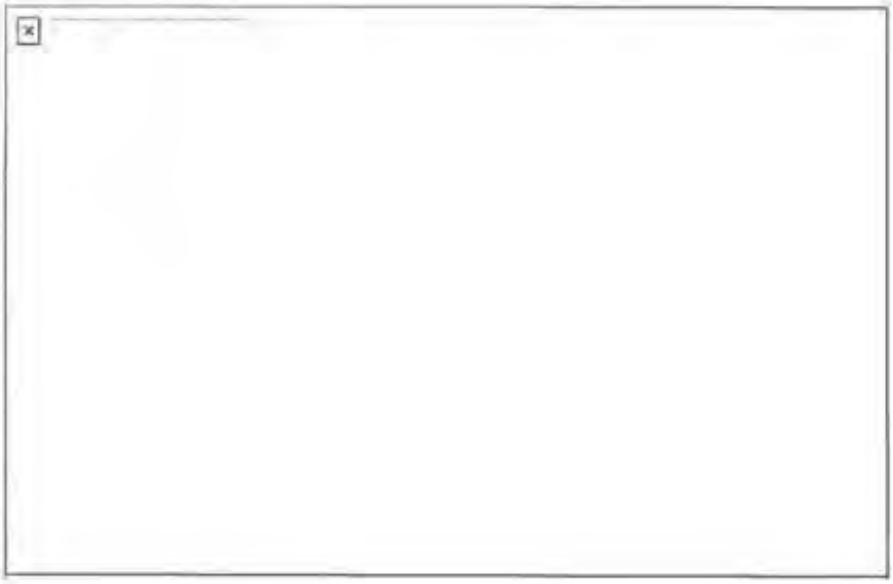
I am inquiring how to find a REALTOR's licencing history PRE July 1996. Below is what I have found so far but no luck. I hope you can give me some contacts or websites so I can help AREA's members look up their licencing history as RECA cannot help pre 1996 as well. Thank you

"On July 1, 1996 the Alberta Government proclaimed the Real Estate Act. The industry became totally self-regulated with the creation of the Real Estate Council of Alberta (**RECA**) under the new Real Estate Act. Prior to that the Government was responsible for licencing which was simply an exam people wrote. AREA was not involved."

(So bottom line, AREA nor RECA would have any record. Perhaps in some dark government archive?)

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For example I have Myles Blewett who became licenced circa December 31, 1989 who is asking for his original licencing history. See below for RECA's history which starts at 1997.



Regards,

TRICIA PATTERSON

Senior Registration and Customer Service Representative

Alberta Real Estate Association



SA 2017-G-0056 - Page 2220

Have you heard about AREA Wireless? $50/month with unlimited calling and texting in Canada and virtually unlimited data. Visit www.areahub.ca for more information. For AREA members and their families only.

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Val Taylor

From: Lee Chantal
Sent: Thursday, May 04, 2017 1:09 PM
To: Trevor Bergen; Mary MacDonald
Subject: RE: RECA

Hi Trevor/Mary,

I'm available and will come by, thanks for the invite.

Lee

From: Trevor Bergen
Sent: Thursday, May 04, 2017 11:16 AM
To: Mary MacDonald; Lee Chantal
Subject: RE: RECA

Thanks!

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

<< OLE Object: Picture (Device Independent Bitmap) >>

From: Mary MacDonald
Sent: Thursday, May 04, 2017 11:16 AM
To: Trevor Bergen <Trevor.Bergen@gov.ab.ca>; Lee Chantal <lee.chantal@gov.ab.ca>
Subject: RE: RECA

Sorry guys, it is actually the folks from AREA. Good to have you both there if it works.
Thanks,
Mary

From: Trevor Bergen
Sent: Thursday, May 04, 2017 11:07 AM
To: Lee Chantal
Cc: Mary MacDonald
Subject: RECA

Hi Lee,

Mary is having coffee with some RECA folks today at 1:30 and asked that we join her if available. If you make it in this afternoon, please swing by her office about 1:20 to 1:25 and we'll walk over together. Thanks,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading
Consumer Services
SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

<< OLE Object: Picture (Device Independent Bitmap) >>

May Chaney

Subject:	AREA meeting
Start:	Thu 5/4/2017 1:20 PM
End:	Thu 5/4/2017 2:10 PM
Recurrence:	(none)
Organizer:	Lee Chantal

Val Taylor

From: professionaldevelopment@areahub.ca
Sent: Friday, May 05, 2017 10:32 AM
To: Lee Chantal
Subject: RE: Alberta Real Estate Licencing History PRE 1996 [InteractionID:c3317357-5c94-4dbd-b5cc-51fe519e7771]

Thank you SO much Lee! This really helps me and the members. Have a great weekend!

Regards,

TRICIA PATTERSON
Professional Development Coordinator
Alberta Real Estate Association
[illegible]

AREA

Have you heard about AREA Wireless? $50/month with unlimited calling and texting in Canada and virtually unlimited data. Visit www.areahub.ca for more information. For AREA members and their families only.

From: Lee Chantal [mailto:lee.chantal@gov.ab.ca]
Sent: Friday, May 05, 2017 9:13 AM
To: professionaldevelopment@areahub.ca
Cc: Bev Haugh <Bev.Haugh@gov.ab.ca>; Dan Grewal <Dan.Grewal@gov.ab.ca>; Trevor Bergen <Trevor.Bergen@gov.ab.ca>; Dominic Ross <Dominic.Ross@gov.ab.ca>; Darlene Decker <Darlene.Decker@gov.ab.ca>
Subject: RE: Alberta Real Estate Licencing History PRE 1996 [InteractionID:c3317357-5c94-4dbd-b5cc-51fe519e7771]

Dear Tricia,

Thank you for your request about real estate licensing history prior to the establishment of the Real Estate Council of Alberta.

The Government of Alberta retains information about previous real estate licences on record. If an individual who held a real estate licence prior to 1996 is seeking a record of their licensing history, they can make a request under the *Freedom of Information and Protection of Privacy Act* (FOIP). Through this request, they would be able to receive a copy of the requested licensing history that is kept on record.

For more information on submitting a FOIP request, the individual can visit the FOIP website at www.foip.alberta.ca. If the individual has questions about submitting a FOIP request for their real estate licence records, they can contact Service Alberta's FOIP Coordinator, Joanne Gardiner, as follows:

Phone: (780) 422-7326
Fax: (780) 427-1120

Email: SAFOIP@gov.ab.ca

I hope this information is helpful to you.

Regards,

Lee Chantal
Statute Administrator
Condominium Property Act and Real Estate Act

Market and Industry Standards
Consumer Programs, Service Alberta
Government of Alberta
3rd Floor – 10155 102 Street
Edmonton AB T5J 4L4 Canada
Phone: (780) 644-7657 Fax: (780) 427-3033
E-mail: lee.chantal@gov.ab.ca
www.servicealberta.ca

Alberta

----- Original Message -----
From: "professionaldevelopment@areahub.ca"<professionaldevelopment@areahub.ca>
To: Service Alberta <Service.Alberta@gov.ab.ca>
Sent: Tue, 2 May 2017 09:22:12 -0600
Subject: Alberta Real Estate Licencing History PRE 1996 [InteractionID:ff2635d1-8f19-400e-b284-d7a537b84f30]

Duplicate to pages 2219-2221

Pages 2227 through 2228 redacted for the following reasons:
- -
Duplicate to pages 2219-2221

Tariro Nyemba

From: Mary MacDonald
Sent: May-08-17 10:34 AM
To: Trevor Bergen
Cc: Robert Whittaker
Subject: Re: Deputy Minister Tim Grant?

Thanks Trevor.
Mary

Sent from my iPhone

On May 8, 2017, at 10:21 AM, Trevor Bergen <Trevor.Bergen@gov.ab.ca> wrote:

> FYI
>
> Trevor Bergen
> Director, Consumer Programs and Fair Trading
> Consumer Services
> SERVICE ALBERTA
>
> Sent from mobile
>
> Begin forwarded message:
>
> > **From:** Trevor Bergen <Trevor.Bergen@gov.ab.ca>
> > **Date:** May 8, 2017 at 10:21:19 AM MDT
> > **To:** Amanda Nielsen <amanda.nielsen@albertarealtor.ca>
> > **Subject: Re: Deputy Minister Tim Grant?**
> >
> > Good morning Amanda,
> >
> > Thanks for your note. Tim Grant is moving to the University of Alberta School of Business and his last day with Service Alberta was on Friday. There haven't been any announcements on the new Deputy Minister or when the appointment will be as of yet. We can touch base again later this week and I'll let you know if there has been a new appointment made by then. Thanks Amanda,
> > Trevor
> >
> > Trevor Bergen
> > Director, Consumer Programs and Fair Trading
> > Consumer Services
> > SERVICE ALBERTA
> >
> > Sent from mobile

On May 8, 2017, at 9:12 AM, Amanda Nielsen <amanda.nielsen@albertarealtor.ca> wrote:

Good morning Trevor,

I'm hearing that Tim Grant is no longer DM of Service Alberta. Is this correct? Any sense of who the new DM will be, and when he or she will be appointed?

Any information you can provide would be much appreciated.

Many thanks!

Amanda

AMANDA NIELSEN
Public Affairs and Stakeholder Relations Advisor
Alberta Real Estate Association
+780.920.5001/ albertarealtor.ca

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Val Taylor

From: Trevor Bergen
Sent: Wednesday, May 10, 2017 8:39 PM
To: Amanda Nielsen
Subject: RE: Deputy Minister Tim Grant?

Enjoy the rest of your week,
Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading Consumer Services SERVICE ALBERTA
Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

-----Original Message-----
From: Amanda Nielsen [mailto:amanda.nielsen@albertarealtor.ca]
Sent: Wednesday, May 10, 2017 8:10 PM
To: Trevor Bergen <Trevor.Bergen@gov.ab.ca>
Subject: Re: Deputy Minister Tim Grant?

Oh, perfect! I know him from way back when he was Deputy Minister of Advanced Ed, and I was a silly student politician. haha

Thanks for letting me know, Trevor. Appreciate it!

Amanda

AMANDA NIELSEN
Public Affairs and Stakeholder Relations Advisor Alberta Real Estate Association
t 780.920.5001/ albertarealtor.ca

From: Trevor Bergen <Trevor.Bergen@gov.ab.ca>
Sent: Wednesday, May 10, 2017 12:12:30 PM
To: Amanda Nielsen
Subject: RE: Deputy Minister Tim Grant?

Hi Amanda,

I wanted to let you know that David Morhart is our new incoming DM. He was the DM of Community and Social Services and started with us yesterday. Thanks, Trevor

Trevor Bergen

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Director, Consumer Programs and Fair Trading Consumer Services SERVICE ALBERTA

Phone: (780) 644-8560
trevor.bergen@gov.ab.ca

-----Original Message-----
From: Trevor Bergen
Sent: Monday, May 08, 2017 10:47 AM
To: Amanda Nielsen <amanda.nielsen@albertarealtor.ca>
Subject: Re: Deputy Minister Tim Grant?

Hi Amanda,

It was good to chat on Thursday and feel free to touch base later this week. Talk to you then, Trevor

Trevor Bergen
Director, Consumer Programs and Fair Trading Consumer Services SERVICE ALBERTA

Sent from mobile

> On May 8, 2017, at 10:31 AM, Amanda Nielsen <amanda.nielsen@albertarealtor.ca> wrote:
>
> Thanks Trevor; this is super helpful. If we can touch base later and
> check in as to whether there is a new DM, I'd be grateful. Glad you
> and the team are still in place! We really appreciated the meeting and
> candid discussion. Many thanks. :)
>
> Amanda
>
> AMANDA NIELSEN
> Public Affairs and Stakeholder Relations Advisor Alberta Real Estate
> Association
> +780.920.5001/ albertarealtor.ca
>
>
> _____
> From: Trevor Bergen <Trevor.Bergen@gov.ab.ca>
> Sent: Monday, May 8, 2017 10:21:19 AM
> To: Amanda Nielsen
> Subject: Re: Deputy Minister Tim Grant?

Duplicate to pages 2229-2230

SA 2017-G-0056 - Page 2232

Page 2233 redacted for the following reason:
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Duplicate to pages 2229-2230

Alberta Service Alberta

Office of the Deputy Minister
29th flr, ATB Place, South Tower
10020 – 100 Street
Edmonton, Alberta T5J 0N3
Canada
www.servicealberta.ca

May 16, 2017

AR 31715

Mr. Ian Burns
Chief Executive Officer
Alberta Real Estate Association
Suite 300 – 4954 Richard Road SW
Calgary, AB T3E 6L1

Dear Mr. Burns:

Thank you for providing Service Alberta information about the Alberta Real Estate Association's (AREA) concerns about the Real Estate Council of Alberta (RECA). I was recently appointed the Deputy Minister of Service Alberta and I appreciate the dialogue that has already taken place in meetings between AREA and Service Alberta.

Service Alberta supports the work that RECA is undertaking to promote the integrity of the real estate industry and protect the public interest. A strong and effective regulator is as important for industry as it is for consumers, and RECA is demonstrating a commitment to continuous improvement and best practices. I also encourage AREA to continue to be a strong advocate for its members, and to work to strengthen its relationship with RECA. A more constructive and effective relationship is essential for maintaining confidence in Alberta's real estate sector, and to reinforce to Albertans that self-regulation is working.

I look forward to an opportunity to continue the discussion on these important issues in the near future.

Sincerely,

David Morhart
Deputy Minister

Alberta Government

Ministry of Service Alberta
Consumer and Registry Services
May 18, 2017
AR 31784

ADVICE TO DAVID MORHART
DEPUTY MINISTER OF SERVICE ALBERTA

PURPOSE

The Alberta Real Estate Association (AREA) has requested a meeting with the Deputy Minister.

RECOMMENDATION

- It is recommended that the Deputy Minister decline the request to meet at this time and send the attached email.

BACKGROUND

- AREA is a not-for-profit organization representing the interests of more than 10,000 Alberta realtors and 10 regional real estate boards across the province.
  - AREA's core function is to provide professional development for its members, and to advocate on behalf of its members on real estate matters to all levels of government and other industry groups.
  - Not all real estate agents belong to AREA, as membership in the organization is voluntary.
- The Real Estate Council of Alberta (RECA) regulates the provincial real estate industry as mandated under the *Real Estate Act* (REA).
  - AREA members make up 90 per cent of real estate licensees and approximately 70 per cent of total licences that RECA issues.
- RECA and AREA are engaged in an ongoing dispute regarding the scope of RECA's regulatory authority.
  - AREA asserts that some of RECA's activities, even if permitted by the REA, overreach the intended role of a regulator.
  - RECA maintains that their activities are those of a prudent regulatory body.
- In recent months, the former Deputy Minister and Assistant Deputy Minister Colin Lloyd met with officials from RECA and AREA to address the current conflict and potential governance issues. The message conveyed at the meetings was the need for responsible governance and sound consumer protection.

KEY CONSIDERATIONS

- Service Alberta's relationships with RECA and AREA as well as knowledge of the dynamic between these organizations are essential in supporting the self-governing nature of Alberta's real estate industry.
- The public interest in Alberta has been historically served by allowing the real estate industry to self-govern because it is in the industry members' best interests to maintain the integrity of the real estate profession.

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  - However, part of RECA's role is to ensure the public interest prevails when there is a conflict with an industry member's own private interests.
- Unresolved conflict between RECA and AREA creates ongoing challenges to improve Alberta's real estate industry and ensure public trust. There is a risk that the conflict can adversely impact the overall market and public confidence in the real estate profession.
  - A perception that AREA is working to reduce RECA's mandate can have a significant impact on the real estate industry and public trust.
  - Failures of public trust in British Columbia's regulator resulted in the government ending self-regulation and retaking the regulatory role from the Real Estate Council of British Columbia.

ANALYSIS

- By deferring a meeting with AREA at this time, the Deputy Minister will have the opportunity to become more familiar with the stakeholders in Alberta's real estate industry and the dynamic between AREA and RECA before making any decision on how to proceed.

ATTACHMENT

- Response from the Deputy Minister to AREA

CONTACT Colin Lloyd, Assistant Deputy Minister
Consumer and Registry Services
780-427-2300

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Alberta Service Alberta

Approved: _____
AR 31784

EMAIL RESPONSE FOR THE DEPUTY MINISTER

To be emailed to: Mr. Brad Mitchell
Director, Government Relations and Finance
Alberta Real Estate Association
governmentrelations@albertarealtor.ca

Subject: **Request for Meeting with the Deputy Minister**

Dear Mr. Mitchell:

Thank you for your email and for congratulating me on my new role as Deputy Minister of Service Alberta. I look forward to working with important stakeholders such as the Alberta Real Estate Association (AREA) to support broader Government of Alberta priorities.

I understand that AREA and its members are a key part of the success of Alberta's real estate industry. AREA's members play an important role in the lives of Albertans by assisting them with the largest investment decision of their lives.

I look forward to a strong and constructive relationship between Service Alberta and AREA. Similarly, I encourage AREA to continue working towards a positive relationship with the Real Estate Council of Alberta in order to maintain confidence in Alberta's real estate sector and self-regulatory system.

As I am still getting oriented to my new role, unfortunately my schedule does not allow for a meeting at this time. However, I look forward to future opportunities to discuss how we can ensure Alberta's real estate sector continues to grow while protecting the public interest.

Thank you again for writing.

Sincerely,

David Morhart
Deputy Minister
Service Alberta

Jessica Odegard

From:	Rachel Bouska
Sent:	May-10-17 9:06 AM
To:	Melissa Pereira
Subject:	FW: Please AR: Congratulations on your new role
Follow Up Flag:	Follow up
Flag Status:	Flagged

Hi Melissa – Can you please AR for a BN Recommendation to Meet and a response letter from the DM. Also, please add a comment that if the recommendation is to meet a department representative will need to attend the meeting and the ADM's scheduling assistant can contact Jackie to confirm the details.

Also, please check with Dan if the new templates have been uploaded so the response docs are correct before routing the AR.

Thanks!
Rachel

From: Jackie Wasnea-Esopenko
Sent: Wednesday, May 10, 2017 8:23 AM
To: Rachel Bouska
Cc: Izabel Dias
Subject: Please AR: Congratulations on your new role

Good morning Rachel, Izabel and I look forward to meeting you later today.

Can you please action this, bn for DM with a recommendation if he should meet with them, who from the dept will join him and a draft letter from the DM to Mr. Mitchell if recommended they meet they can contact me, Jackie Wasnea-Esopenko, Scheduling Assistant at 780-415-8388.

Thank you.

Jackie Wasnea-Esopenko
Office of the Deputy Minister
Service Alberta
780-415-8388

From: David Morhart
Sent: Tuesday, May 09, 2017 9:08 PM
To: Linda Cornelius; Jackie Wasnea-Esopenko
Subject: Fwd: Congratulations on your new role

AR please

Begin forwarded message:

> **From:** AREA Government Relations <communications@albertarealtor.ca>
> **Dated :** May 9, 2017 at 12:16:02 PM MDT

SA 2017-G-0056 - Page 2238

To: <david.morhart@gov.ab.ca>
Subject: Congratulations on your new role

Good morning David,

Please accept this note of congratulations on your appointment as Service Alberta Deputy Minister on behalf of the Alberta Real Estate Association (AREA). AREA represents the interests of ten regional real estate boards and more than 10,000 Alberta REALTORS®. We provide strategic leadership to advance the Alberta real estate profession through member-centric advocacy, professional development and member services.

We look forward to working with you in your new role, and would welcome an opportunity to touch base over a meeting to make introductions and share ideas once you are settled in.

Congratulations on your appointment once again!

Warm regards,

Amanda Nielsen
Public Affairs and Stakeholder Relations Advisor

and

Brad Mitchell
Director, Government Relations and Finance

Alberta Real Estate Association
E: governmentrelations@albertarealtor.ca



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This email was sent by Alberta Real Estate Association using Constant Contact.
This email was sent to david.morhart@gov.ab.ca by AREA Government Relations.
Your email address will never be rented, sold or given away. We protect your personal information like it is our own.
Unsubscribe

Constant Contact
1421 N.Mullan Rd Suite A
Spokane Valley
WA, 99206

Dhanandjay Goboodun

From: David Morhart
Sent: Tuesday, May 23, 2017 2:31 PM
To: governmentrelations@albertarealtor.ca; communications@albertarealtor.ca
Subject: Reply: Congratulations on your new role

Thank you for your email and for congratulating me on my new role as Deputy Minister of Service Alberta. I look forward to working with important stakeholders such as the Alberta Real Estate Association (AREA) to support broader Government of Alberta priorities.

I understand that AREA and its members are a key part of the success of Alberta's real estate industry. AREA's members play an important role in the lives of Albertans by assisting them with the largest investment decision of their lives.

I look forward to a strong and constructive relationship between Service Alberta and AREA. Similarly, I encourage AREA to continue working towards a positive relationship with the Real Estate Council of Alberta in order to maintain confidence in Alberta's real estate sector and self-regulatory system.

As I am still getting oriented to my new role, unfortunately my schedule does not allow for a meeting at this time. However, I look forward to future opportunities to discuss how we can ensure Alberta's real estate sector continues to grow while protecting the public interest.

Thank you again for writing.

David Morhart
Deputy Minister
Service Alberta

From: AREA Government Relations <communications@albertarealtor.ca>
Dated : May 9, 2017 at 12:16:02 PM MDT
To: <david.morhart@gov.ab.ca>
Subject: Congratulations on your new role



Page 2242 redacted for the following reason:
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