



Alberta Real Estate Association

At-Risk Commissions Survey Results*

*Survey results have been compiled for ease of viewing.

Background and Methodology

In the fall of 2016, AREA's At-Risk Commissions Working Group (ARC) contracted insightrix Research Inc. (insightrix) to conduct a study among its members.

Objectives of the research were primarily to gather Broker / Associate Broker, and Associate perceptions on commissions on a variety of factors including:

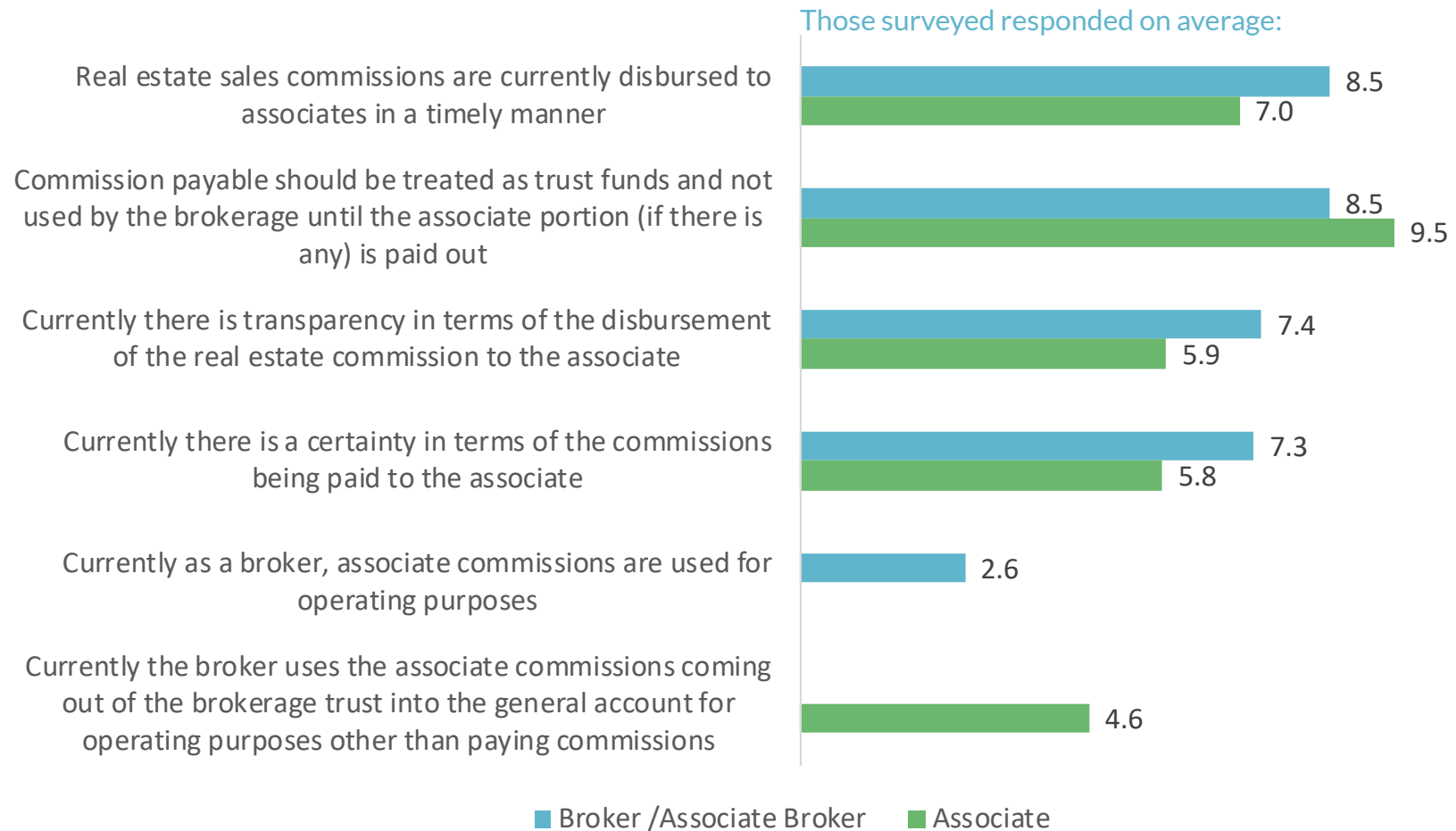
- timeliness of commissions paid and frequency of delays experienced
- views on regulations regarding commission payout
- interest in commission insurance
- knowledge of where terms and conditions are / can be found
- commission systems of payment used

To meet these objectives, a member study was conducted between November 22 and December 11, 2016. In total, 801 AREA members completed the survey (327 associated and 180 brokers) for a response rate of 7.7%.

Included are the compiled survey results.

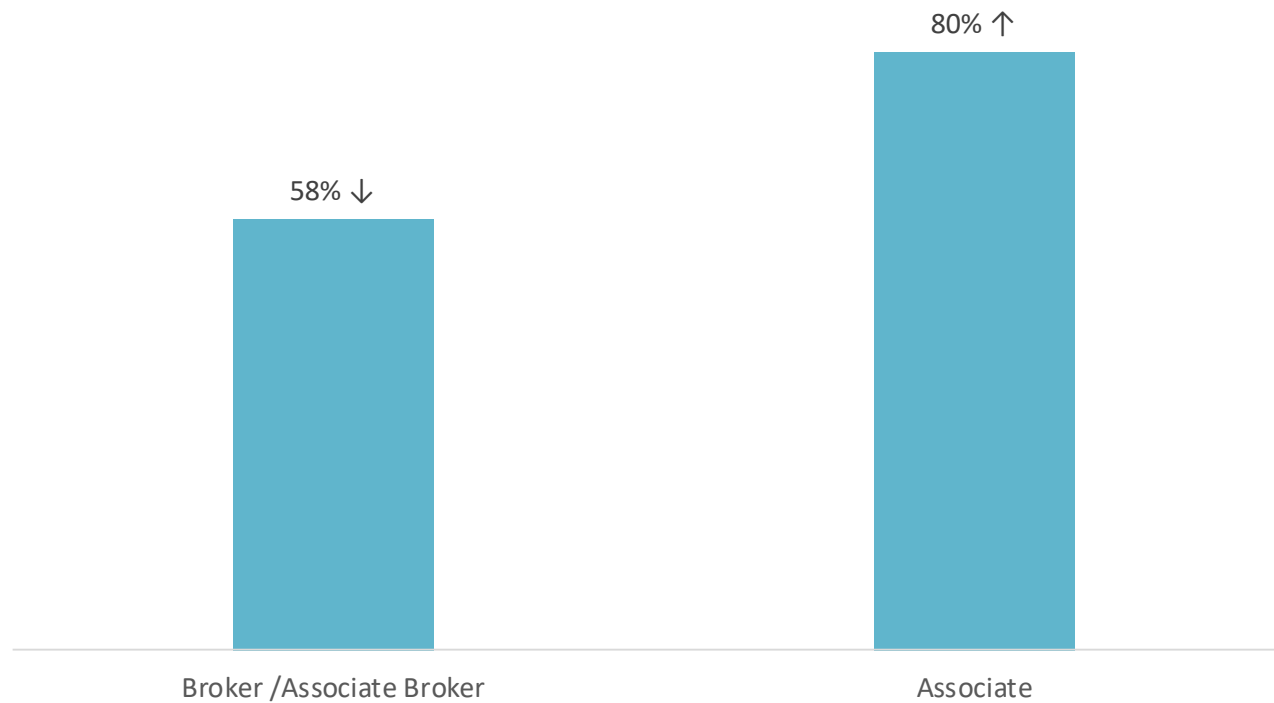
Agreement with Statements

10 point scale where 1 means Completely Disagree and 10 means Completely Agree



Ensuring Associates Receive Commissions

% who say actions need to be taken



Agreement with Statements

10 point scale where 1 means Not Effective and 10 means Very Effective

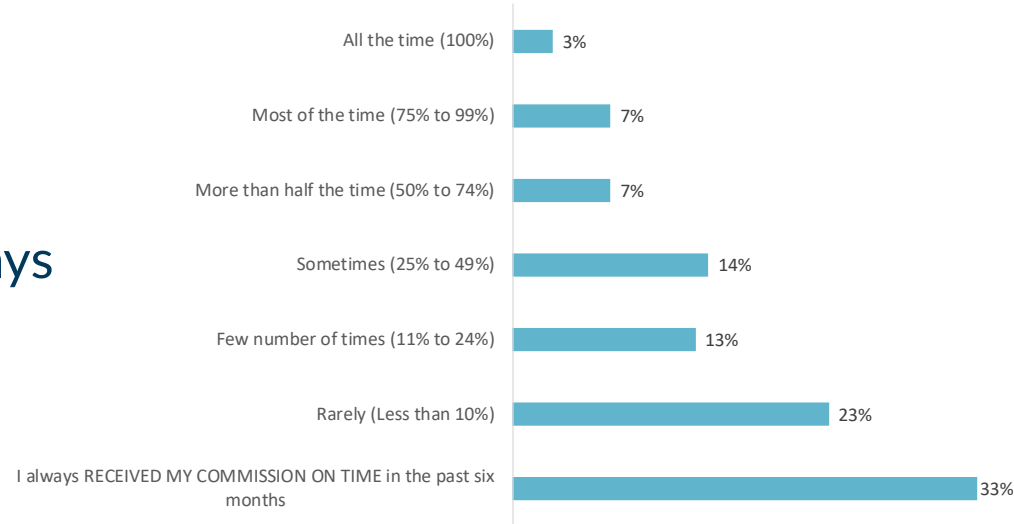


Other Suggestions to Improve the Commission Disbursement Process

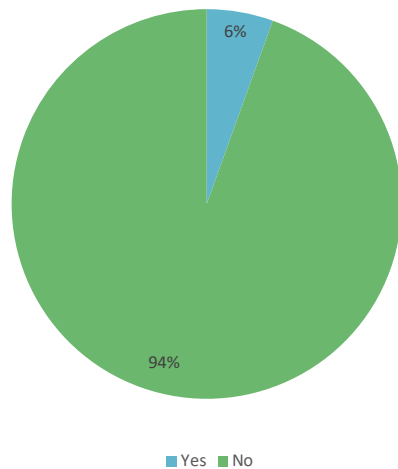
Improve the Commissions Disbursement Process	Broker /Associate Broker	Associate
Base (n)	180	627
Commission held in separate/trust account (not usable for operations)	35%	37%
Need more standard procedure/legislation for payouts	26%	18%
Penalize unethical brokers (i.e., that don't pay)	13%	9%
Do not want to incur unnecessary costs (i.e., insurance fees, account fees)	12%	9%
Need transparency (from broker)/signed agreements	11%	11%
Associates' due diligence working with brokerages	11%	3%
General satisfaction/not an issue	7%	5%
Perform broker audits (by RECA/AREA/CREB)	7%	6%
Commission payouts within specific timeframe	6%	9%
Purchase insurance for commissions (in case of closure/bankruptcy)	6%	7%
Direct payment of commission from lawyer	1%	3%
Other	7%	7%
Don't know/no comment/nothing	16%	26%

Receiving Payments As Indicated by Associates

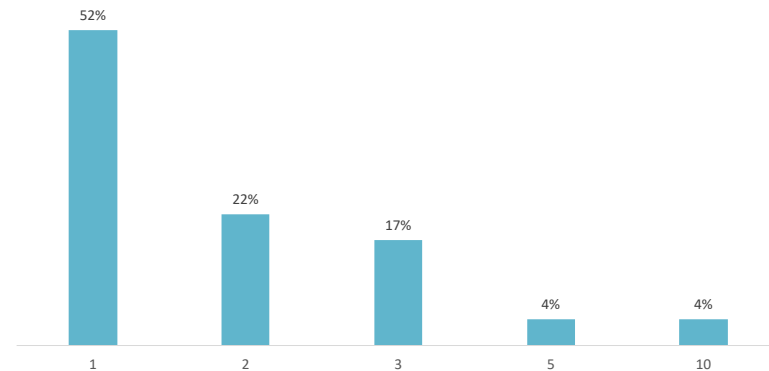
Delays



Non-payment situations in past six months



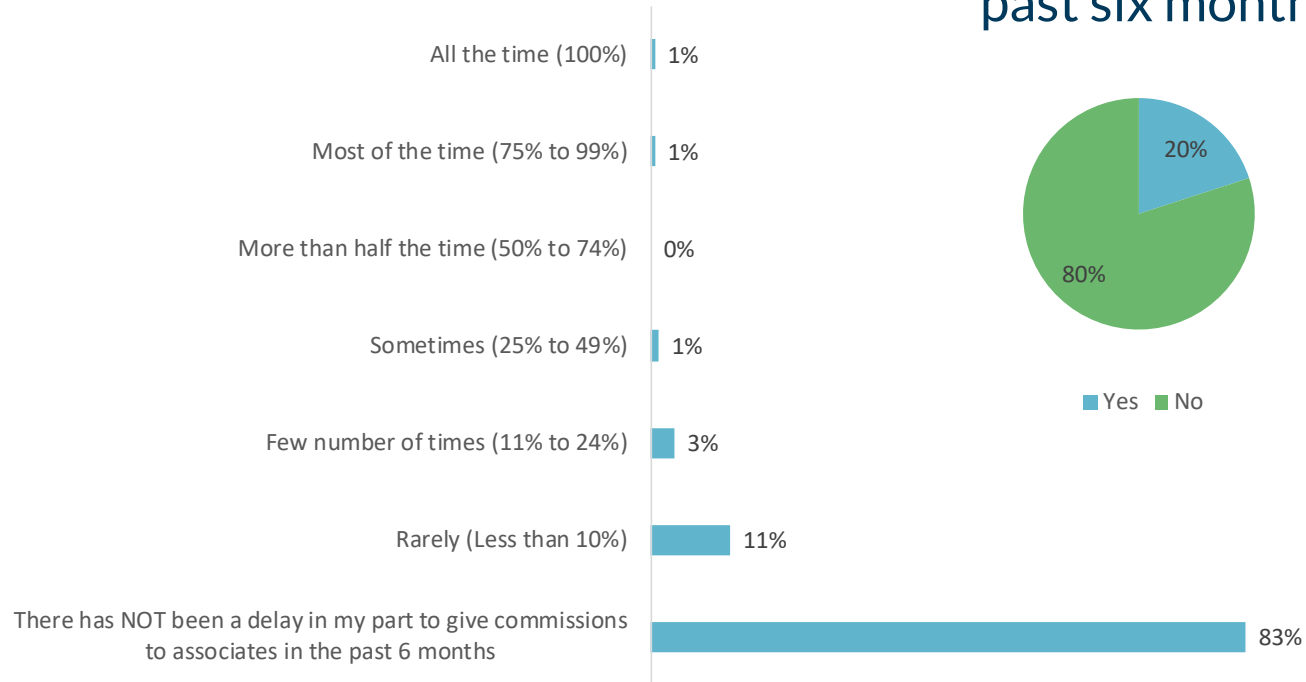
Of those experiencing non-payments, how many total non-payment commissions



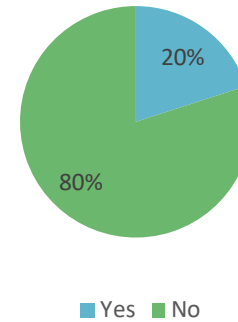
Delays in Payment

As Indicated by Brokers

Delays



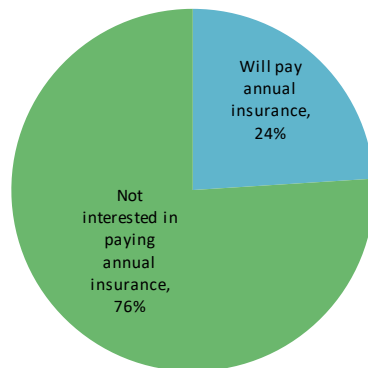
Non-payment in past six months



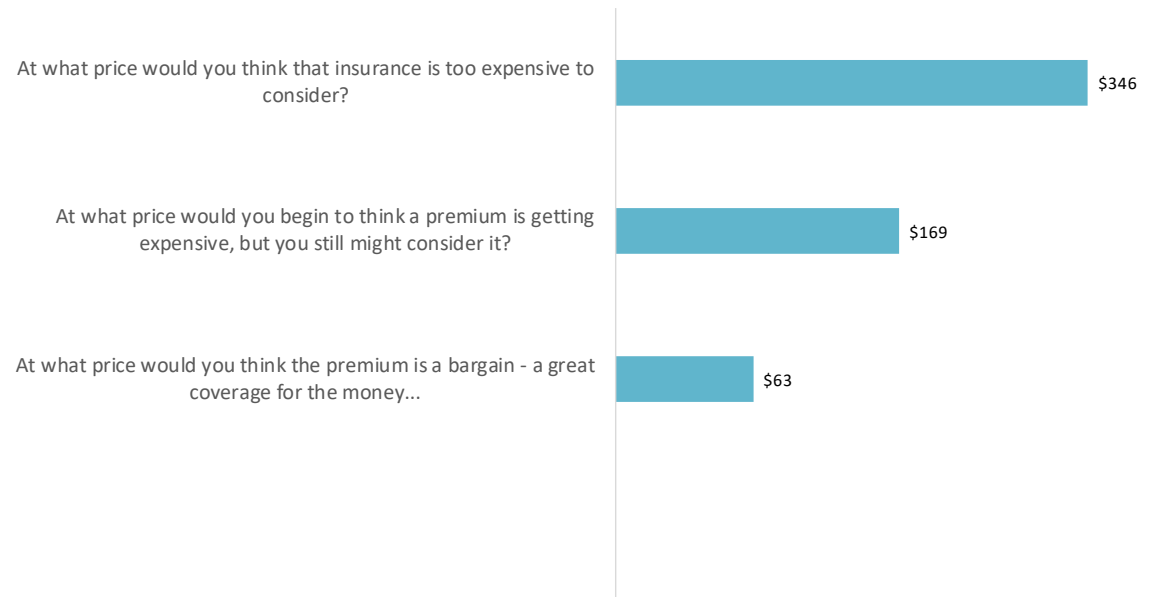
Commission Insurance

Price perception averages (Associates)

Interest in paying annual premiums

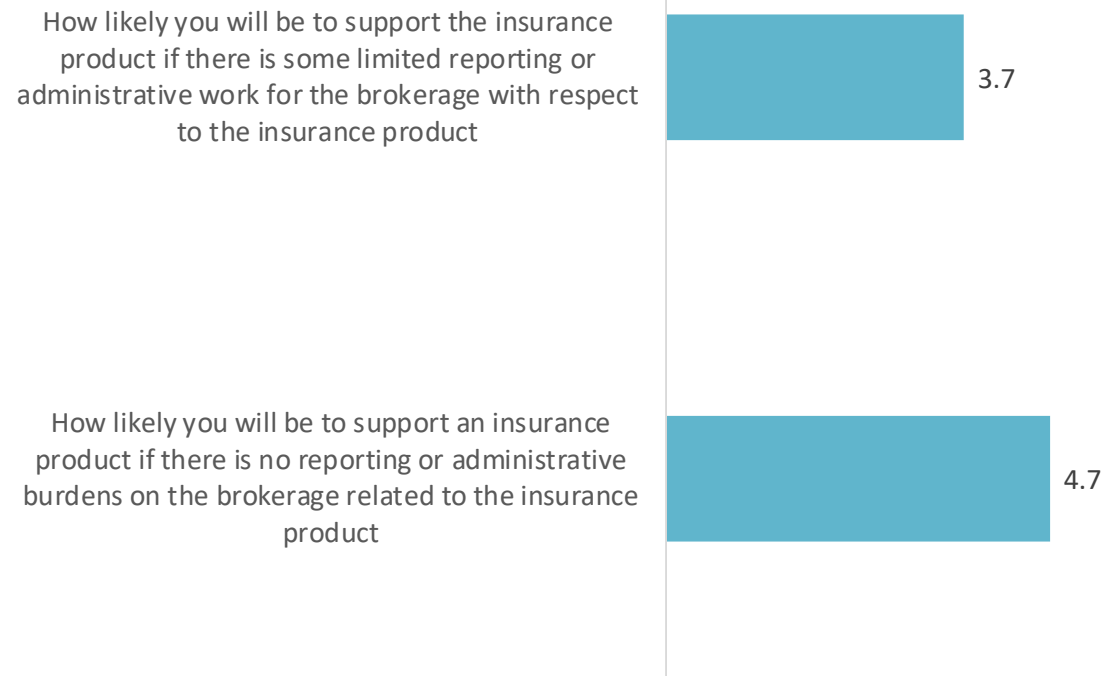


If you are to buy insurance and pay an annual premium...



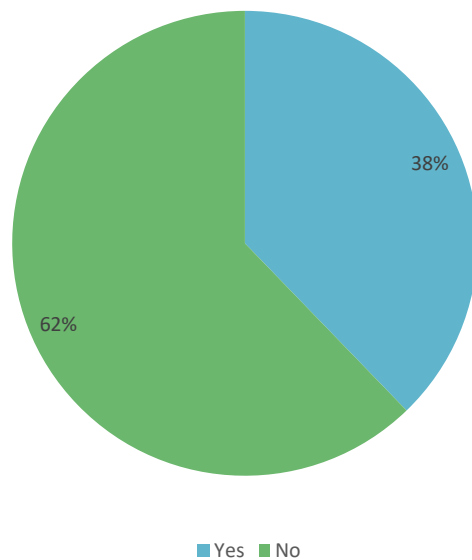
Agreement Regarding Insurance Products

As Indicated by Brokers 10 point scale where 1 means Not Likely and 10 means Very Likely



Likelihood of Opening an Optional Brokerage Commission Trust Account

Likelihood



Reasons to oppose

