



**Saskatchewan Real Estate Commission**

# Annual Report

**2018-2019**





# The Commission

The Saskatchewan Real Estate Commission (Commission), is an independent, non-governmental agency, responsible for the regulation of the real estate industry in Saskatchewan. It is established by, and derives its authority from, *The Real Estate Act*, and undertakes the day-to-day administration of all aspects of real estate legislation.

In conjunction with the Financial and Consumer Affairs Authority (FCAA), the Commission co-regulates the real estate industry. The Superintendent of Real Estate is responsible for the Commission in Saskatchewan.

## Mission

To protect the public interest by ensuring that registrants act within a professional framework that promotes ethical conduct and integrity and strengthens consumer trust and confidence.

## Mandate

The Commission is responsible for the regulation of the real estate industry to ensure protection of the public.

## Vision

To have earned consumer confidence and be recognized as a highly professional, self-regulating organization that is effective and efficient in establishing and maintaining high standards of practice in the real estate profession.

## Elected Members

Carla Browne (IC&I)	07/01/17 – 06/30/19
Doreen Heinbigner	07/01/18 – 06/30/21
Clifford (Cliff) Iverson	05/01/18 – 06/30/20
Vernon (Vern) McClelland	07/01/15 – 06/30/21
Alan (Al) Myers	09/25/14 – 06/30/19
Lori Patrick	07/01/17 – 06/30/20
Wayne Zuk	05/01/18 – 06/30/20

## Appointed Members

David Chow	06/22/11 – 09/13/18
Paul Jaspar	06/22/11 – 09/13/18
Anne Parker	05/17/17 – 05/16/20
William (Bill) Preston	09/14/18 – 09/13/21
Dean Staff	09/14/18 – 09/13/21
Robert (Bob) Volk	05/17/17 – 05/16/20



# Message from the Chair

It has been a busy year for both the Saskatchewan Real Estate Commission and its staff with several important initiatives underway.

We launched a new registration and continuing education program, partnering with the University of British Columbia's Sauder School of Business, Real Estate Division.

The Commission is working closely with the FCAA on the development of new regulations that will provide us more flexibility in how we do our job on behalf of the Minister.

One of the Commission's core goals has been to do more extensive consultation with stakeholders before enacting changes. In particular, we want to have healthy and open communication with brokers in a sincere effort to understand the issues they face on a daily basis. Surveys have their place and have certainly provided us with timely, candid feedback, but the best information exchange comes with face to face discussion on issues important to both parties.

Recently the Commission, with full support of the FCAA, implemented an independent practice advisor position, providing a resource brokers can turn to in confidence. The results to date have been very encouraging and will provide direction to the Commission on emerging concerns or trends on the front line of the industry.

All of this activity is intended to refine the Commission's education, legal, and compliance services in an effort to provide meaningful and timely support to registrants.

We sincerely appreciate the open lines of communication with the Association of Saskatchewan REALTORS® (ASR) and look forward to working with the new provincial Association (the Saskatchewan REALTORS® Association, or SRA), when it emerges in 2020.

It has been a privilege to lead this very talented group of sincere and hardworking volunteers and staff as it works to protect the interests of the public while considering the needs of the industry and its members.

Respectfully submitted,

*Vern McClelland*  
*Commission Chair*

# Registration

The Registrar of the Commission is responsible for the licensing of industry professionals and for maintaining a databank of secured information on those registered to trade in real estate pursuant to *The Real Estate Act*.

## Registration activities during 2018/19:

19 brokerages opened, 11 closed

1 branch office opened, 3 closed

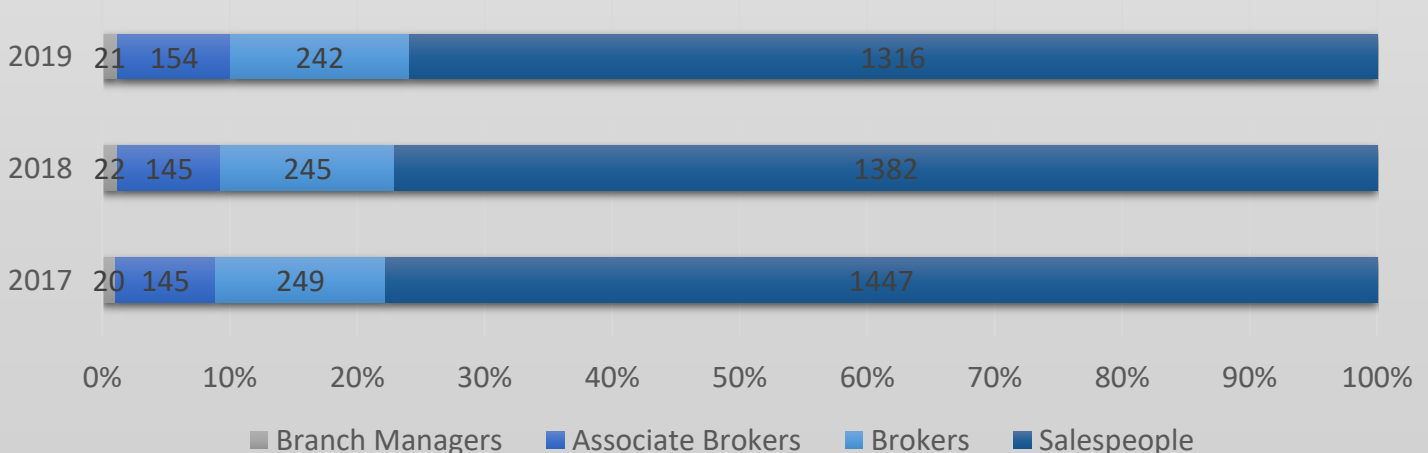
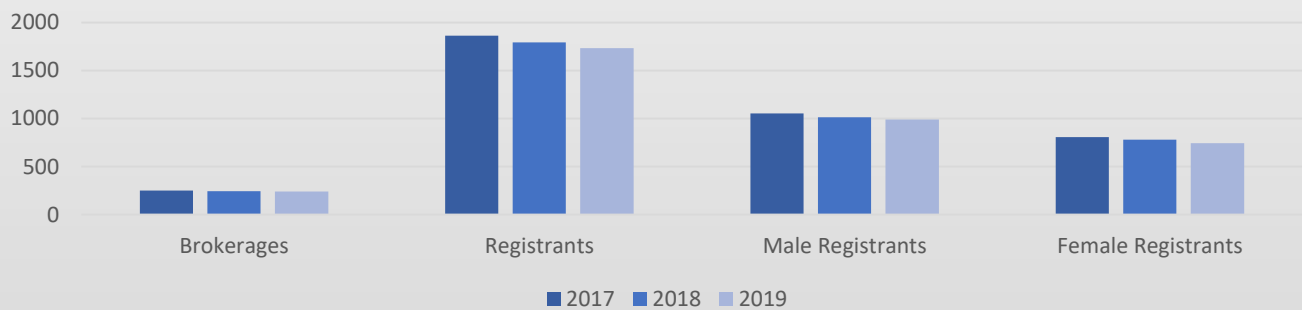
186 new registrants, 181 re-instated, 344 terminated, 70 transfers, 1 suspension

22 new professional corporation permits, 220 renewed, 12 not renewed

252 brokerages submitted 2018 Annual Financial Reports

1,112 real estate trust and property management trust and operating accounts representing \$758M in trust, 23,993 real estate transactions, and 3,552 property management clients

## REGISTRATION STATISTICS

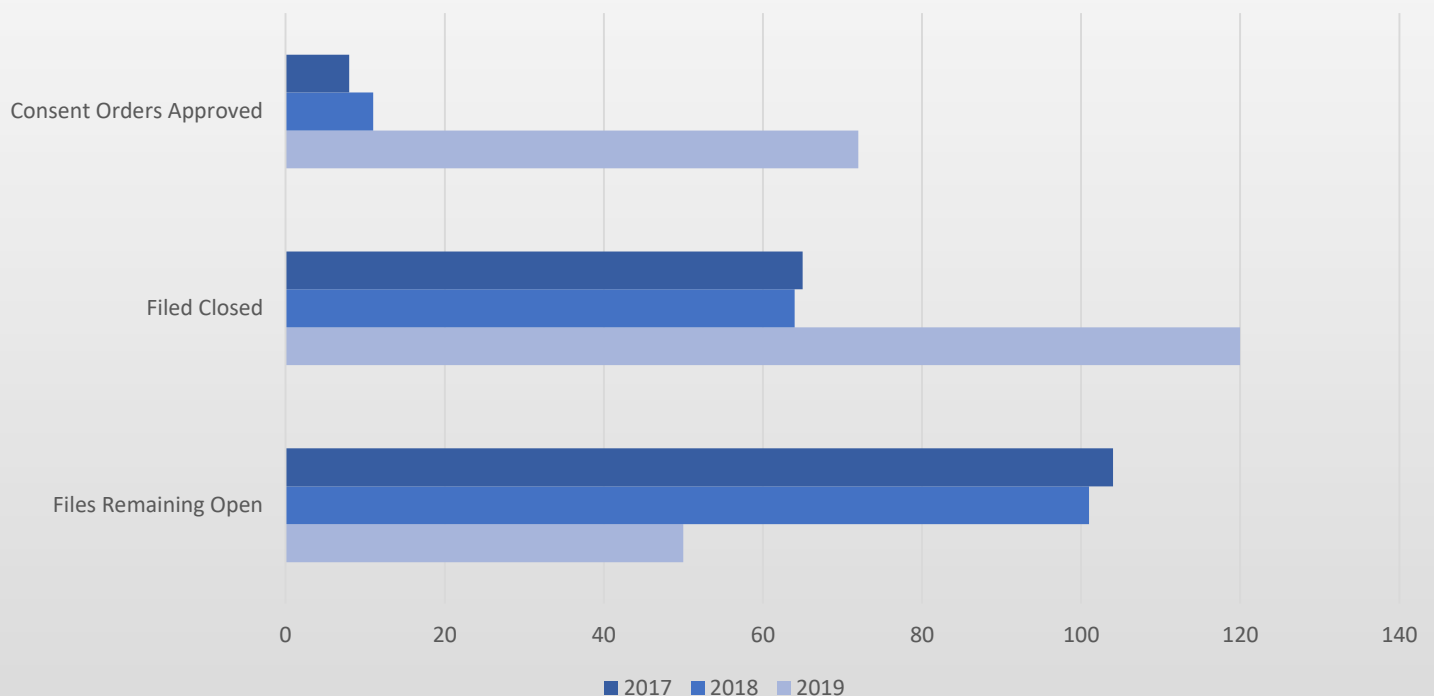


# Compliance

The Compliance Department is responsible for all legal and compliance functions of the Commission, which includes working with the public, external agencies, and registrants to ensure compliance with *The Real Estate Act*, its *Regulations*, and the Commission's Bylaws.

The department is made up of the Legal & Compliance Manager, a Compliance Officer, a Legal Assistant and, during the summer months, a law student. This year, the Commission is fortunate to have last summer's law student become this summer's articling student, who is working with the Department until December 2019.

## COMPLIANCE REPORT



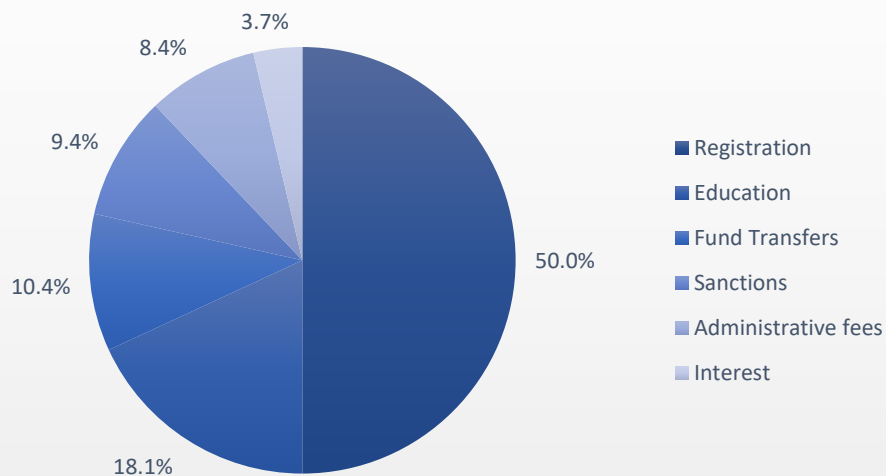
### Information for the Public

New hearing decisions continue to be posted to CanLII.org, <https://www.canlii.org/en/sk/skrec/>, where they will remain indefinitely. SREC has complete coverage on CanLII from 1998.

A “Commission Discipline Process” flow chart is provided to all complainants and registrants when the decision to take disciplinary action against a registrant is made.

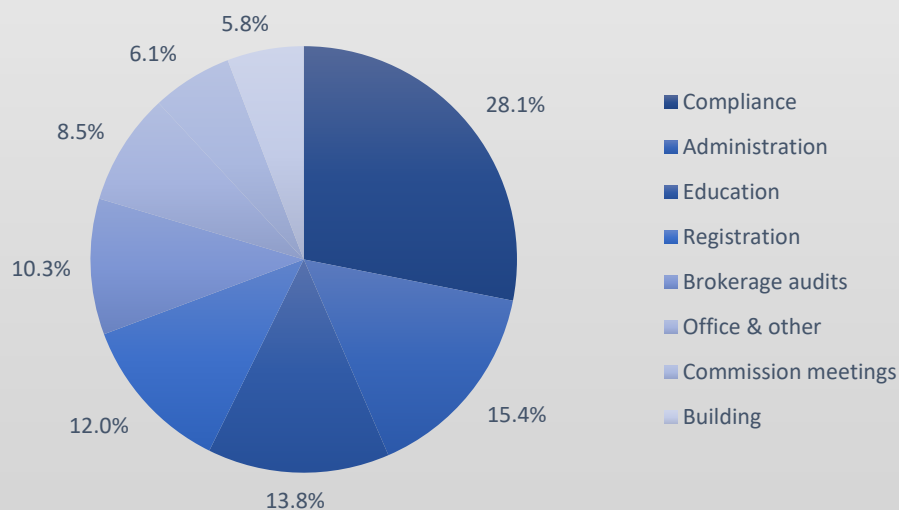
# Financial Information

## REVENUE



**Total Revenues \$1,632,016**

## EXPENDITURES



**Total Expenditures \$1,196,912**

Data is for the fiscal year ending June 30, 2019. A complete audited financial report is available on our website, <http://www.srec.ca/pdf/SRECAudited2019Financials.pdf>

# Commission Committees

Section 9 of *The Real Estate Act* allows for the establishment of committees as the Commission deems necessary, including a mandatory Selection Committee in charge of the selection process for Commission members.

Committees are made up of members of the Commission, Commission staff and other registrants as required. The Commission Chairperson and Executive Director/Registrar are ex-officio members of all committees.

The Commission may also establish ad-hoc committees or task forces to address specific issues, usually within a specified time frame. Once the work of such a committee is complete or there is no further need of it, the committee is disbanded.

## Brokerage Audit Committee

*Chair: Wayne Zuk*

*Members: Doreen Heinbigner, Paul Jaspar (2018), Dean Staff (2019)*

*Staff Support: Legal & Compliance Manager*

**Mandate:** To ensure the audit of brokerage trust accounts are completed at minimum every five years, that new brokerages are audited within 18 months of registration, that the audit serves as an educational tool to brokers and to review audits for concerns, compliance, timing and procedures in order to achieve increasing compliance gains for the industry as well as the broker.

## Education Committee

*Chair: Lori Patrick*

*Members: Cliff Iverson, Al Myers*

*Staff Support: Education & Communications Coordinator*

**Mandate:** To research, identify and make recommendations on issues having to do with the development and delivery of real estate registration education and continuing professional development.

## Hearing Committee

*Chairs: Jeff Reimer, Randy Touet, David Chow (2018)*

*Members: Carla Browne, Doreen Heinbigner, Dave Hepburn, Cliff Iverson, Paul Jaspar, Phillip Mack, Jeff Markewich, Vern McClelland, Al Myers, Anne Parker, Lori Patrick, Bill Preston, Dean Staff, Bob Volk, Wayne White, Wayne Zuk*

**Mandate:** To consider complaints requiring disciplinary action.

## Investigation Committee

*Members: Brad Gilbert, Anne Odishaw, Bill Pain, Jason Rumpel, Bernie Weinbender, Marlene Williamson*

*Staff Support: Legal & Compliance Manager*

**Mandate:** To review and/or investigate complaints brought to the Commission and make recommendations on changes to *The Act, Regulations, Bylaws and/or Policies*.

## Legislative Committee

*Chair: Carla Browne*

*Members: David Chow (2018), Cliff Iverson (2019), Bill Preston (2019), Bob Volk,*

*Staff Support: Executive Director/Registrar, Legal & Compliance Manager*

**Mandate:** To review and make recommendations to the Commission on changes to the *Act, Regulations, Bylaws and/or policies*, and to aid in developing new legislation as necessary.

## Management Committee

*Chair: Vern McClelland*

*Member: Anne Parker*

*Staff Support: Executive Director/Registrar*

**Mandate:** To monitor the financial stewardship of the Commission, develop the annual budget, act as liaison with the provincial association and to perform management-level decision-making as needed.

# Brokerage Audit

## Introduction

The Commission outsources brokerage audits through Cogent Chartered Professional Accountants (Cogent), which continues to be a positive step to aid in public protection. It has proven to be cost effective and sustainable while meeting the objectives of having all brokerages audited within a five-year period, and all new brokerages being audited within the first year of operations. The Commission completes an average of 50 brokerage audits per year.

The Commission staff and an outside contractor carry out a compliance audit of the transaction files and documents obtained by Cogent from each brokerage. The Compliance audits did not reveal any irregularities that resulted in harm to the public, however, the information gathered is valuable in determining the direction of our mandated continuing education, and the articles to be published by the Commission in its newsletter, *The Register*.

In addition to the financial audits completed by Cogent, brokerages are required to file an Annual Financial Report (AFR) by March 15<sup>th</sup> of each year as per Commission Bylaw 606. Commission staff review all reports as filed and follow-up on any issues identified in the AFR.

As per Bylaw 407, brokerages who fail to submit their reports by the filing deadline are charged a \$1,500 late filing fee and have restricted access to online transactions for the brokerage until the report is filed and the fee has been paid.

## Initiatives

- Ongoing review of the brokerage audit process.
- Ongoing review of the annual financial reporting requirements for brokerages.
- Development and delivery of surveys relating to brokerage audits and annual financial reporting.
- Ongoing review of audit and reporting results.

The Commission and the Brokerage Audit Committee would like to thank our Chair, Committee members and staff for their tireless work on the audit process.



# Education

## Introduction

The 2018-19 registration year was quite fulfilling for the Education Committee. The Commission's new education provider, the University of British Columbia's Sauder School of Business, Real Estate Division completed work on revising the Commission's mandatory education program, which successfully launched in early January 2019.

It is the Commission's policy to perform annual reviews of all mandatory education courses. This practice continues with the help of UBC Sauder. The Commission built student surveys into our mandatory courses and regularly reviews input from students at all stages of their education. The Commission carefully considers all feedback and uses it to inform program structure, content and delivery.

The Commission's annual continuing professional development (CPD) consists of three course options from which registrants may choose. This allows individuals to select the learning opportunities that best meet their professional and developmental needs. More options may be added in the future, depending on the challenges registrants face to remain current in this rapidly evolving global economy.

All courses are offered in an online format, so registrants can complete their annual CPD requirement at their convenience. The goal each year is to provide registrants with timely updates on industry-based topics and skills.

## Initiatives

- Ongoing review of the delivery of the Commission's mandatory education program.
- Annual updates to the Commission's CPD program.
- Annual course review and revision to enhance education programming.
- Ongoing review of industry feedback.

The Commission and the Education Committee would like to thank the staff and UBC Sauder for their work in putting this new education program together.

# Legislative

## Introduction

The Saskatchewan Real Estate Commission was created July 1, 1988, through the enactment of provincial legislation. The mandate of the Legislative Committee is to make recommendations to the Commission on changes to *The Real Estate Act*, its *Regulations*, the Commission's Bylaws and Policies consistent with the mission, vision and values enumerated by the Commission.

## Proposed Legislation Changes

As in previous years, the Legislative Committee continues to work towards amendments to the provincial legislation. Bill 144, *The Real Estate Amendment Act, 2018*, was introduced on November 7, 2018, and received its second reading before the end of that month. The Bill was considered by members of the government and opposition and returned to the Legislative Assembly for its third and final reading in the Spring of 2019.

The changes will come into force once the *Act* is proclaimed, following development of the *Regulations*.

A copy of the bill is available here: <http://docs.legassembly.sk.ca/legdocs/Bills/28L3S/Bill28-144.pdf>

## Initiatives

- There are no outstanding bylaw amendment requests with the FCAA as of the end of this fiscal year.
- In addition to the forthcoming changes to the *Act*, the Commission put forward draft Bylaws for consideration.
- Ongoing review of possible Bylaw changes as issues are identified.
- Review of possible legislative changes to confirm receipt of offers, residential measurement standard, and property management issues.
- Ongoing review of Compliance process.

The Commission and Legislative Committee would like to thank past Chairperson, Carla Browne for her time and efforts in leading the Committee, and the staff for supporting the ongoing work.

# IBTA Projects & REAF Report

## IBTA Projects

The Saskatchewan Real Estate Commission established, as one of its mandates, the improvement in professionalism and education of all registrants. In accomplishing this long-term objective, the Commission developed projects that fell within the parameters of Section 72 of *The Real Estate Act* allowing the utilization of interest accumulated through interest bearing trust accounts (IBTAs), or accounts held in trust by brokerages on behalf of a client's real estate transactions.

### Audit of Trust Accounts

In order to satisfy its mandate, the Commission continues the brokerage audit process. Partially outsourced, the two-step process adds a higher level of efficiency to the project.

The first step of the process is to perform an audit of the brokerage's financial records. This initial audit function is outsourced to an accounting firm. A full report to the Commission is made together with electronic copies of randomly selected samples of real estate transaction documents.

The second step of the process involves the Commission's Compliance department conducting an in-depth review and analysis of the completed real estate documents provided. The Compliance department in turn presents a report of its findings and results to the broker. A covering letter to the brokerage is prepared, which includes a copy of the audit reports noting any necessary corrective action or any recommendations for future practices.

The request for funding the Audit of Trust Accounts project, pursuant to sections 72(a) and (d) of *The Real Estate Act*, was \$60,000 for the fiscal year.

### Practice Advisor

Creating a practice advisor service allows the Commission to provide brokers with guidance and advice on a number of practice issues. The advisor provides confidential consultation and advice to registrants on a without prejudice basis; conversations cannot be used against the registrant in any further proceedings.

This service has been implemented in other jurisdictions with great success. It is provided at no cost to the brokerages, with the intention that there will be greater use by brokers when they can access advice without drawing the attention of the Commission's compliance department.

The request for funding the Practice Advisor project, pursuant to sections 72(a) and (b) of *The Real Estate Act*, is \$40,000 for the fiscal year.

# IBTA & REAF, continued

## Stakeholder Engagement: Research & Surveys

The Commission has identified stakeholder engagement as a priority in its strategic plan. Research and surveys into the practice areas (farm, commercial, property management, and residential), performed on an annual basis will help the Commission become proactive in addressing issues of importance to the industry and all stakeholders.

Currently, and as a national concern, jurisdictions are seen as reactive, obtaining information through the formal complaint process as the most common means of discovering industry issues and trends. By the time a complaint is raised, the issue at hand may have already affected the public.

By seeking out feedback from stakeholders, the Commission is looking to identify issues and trends prior to the public being harmed, thereby better addressing its mandate of public protection. The Commission looks to address a different area of practice each year. The annual cycle will include in-person interviews to identify issues, followed by the creation of stakeholder surveys and feedback analysis by Commission Committees. Committees will make recommendations to the Commission to address problem areas.

This project provides the ability for the Commission staff members to perpetually conduct research and provide timely continuing education needs to registrants on new and emerging issues.

The request for funding for Stakeholder Engagement, pursuant to sections 72(a) and (b) of *The Real Estate Act*, was \$15,000 for the fiscal year.

## REAF Report

Pursuant to Part V of *The Real Estate Act*, the Commission is responsible for the administration of the Real Estate Assurance Fund (REAF).

The REAF was established to provide financial protection to consumers where they have suffered a loss as a result of a deficiency in the money held in trust by a brokerage in connection with a trade in real estate. The REAF is funded by the investment of the money in the REAF account. The funds in the account are gathered based on a levy per registrant at his/her time of initial application for registration with the Commission, and upon renewal each year for each registrant.

The Commission may make payment to a consumer from the REAF for a claim that is, in the opinion of the Commission, claim. If a claim against a brokerage is disputed by the brokerage, the claimant must obtain a judgment against the brokerage.

The maximum claim under the REAF is \$25,000. The maximum of the aggregate of claims for one brokerage is \$50,000. Where the aggregate of all valid claims against one brokerage exceeds \$50,000, the claims are paid on a pro-rata basis. A claimant has two years from the date of the deposit with the brokerage to make a claim with the Commission.

There were no claims made against the fund over the 2018-2019 fiscal year.



# Commission Contact Information

## Staff

Aaron Tetu	Executive Director/Registrar	<a href="mailto:atetu@srec.ca">atetu@srec.ca</a>
Gail Armstrong	Registration & Office Administrator	<a href="mailto:garmstrong@srec.ca">garmstrong@srec.ca</a>
Bill Craik	Legal & Compliance Manager	<a href="mailto:bcraik@srec.ca">bcraik@srec.ca</a>
Nina Criddle	Compliance Officer	<a href="mailto:ncriddle@srec.ca">ncriddle@srec.ca</a>
Darla Hufsmith	Controller	<a href="mailto:dhufsmith@srec.ca">dhufsmith@srec.ca</a>
Laura Mychan	Legal Assistant	<a href="mailto:lmychan@srec.ca">lmychan@srec.ca</a>
Susan McCrae	Education & Communications Coordinator	<a href="mailto:smccrae@srec.ca">smccrae@srec.ca</a>
Jason Weiler	Systems Administrator	<a href="mailto:jweiler@srec.ca">jweiler@srec.ca</a>
Bernie Weinbender	Practice Advisor	<a href="mailto:practiceadvisor@srec.ca">practiceadvisor@srec.ca</a>

## Location

237 Robin Crescent  
Saskatoon SK S7L 6M8

## Office Hours

Monday to Friday 8:30-12:00 & 1:00-4:30  
Closed weekends and statutory holidays

## Contact Information

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