



Saskatchewan Real Estate Commission

2019-2020

Annual General Meeting

Electronic copies of the Annual Report can be viewed and downloaded from the Commission's website homepage

www.srec.ca



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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

Cameron (Cam) Bristow	07/01/19 – 06/30/22
Tara Faris-Peters	07/01/19 – 04/08/20
Doreen Heinbigner	07/01/18 – 01/02/20
Clifford (Cliff) Iverson	05/04/18 – 06/30/23
Vernon (Vern) McClelland	07/01/15 – 06/30/21
Lori Patrick	07/01/17 – 06/30/23
Wayne Zuk	05/04/18 – 06/30/22

Appointed Members

Anne Parker	05/17/17 – 05/16/23
William (Bill) Preston	09/14/18 – 09/13/21
Dean Staff	09/14/18 – 09/13/21
Robert (Bob) Volk	05/17/17 – 05/16/23



Message from the Chair

It has been another busy year for the Saskatchewan Real Estate Commission with several important changes.

The Honourable Don Morgan, Q.C., Minister of Justice introduced amendments to The Real Estate Act giving the industry both more scope and accountability. The Commission embraces its' regulatory oversight role and is currently working with officials from the Financial and Consumer Affairs Authority in developing reporting mechanisms that can be used to measure achievement or gaps on an ongoing basis.

This in turn has prompted an internal review of our governance policy, committee terms of reference, and work plans. All Board members are involved, and it promises to set the stage for a stronger organization as we go forward.

The pandemic initially created a great deal of uncertainty within the industry. Real estate was named as an essential service by the Premier and we were pleased most registrants were able to maintain quality service to the public, albeit by using new technology such as live open houses and electronic signatures on documents.

The Commission moved into new offices late this spring, and we commend our staff for effecting a smooth transition despite the complications of doing so during a pandemic quarantine.

We are in the second year of a partnership with the University of British Columbia's Sauder School of Business, Real Estate Division. We have appreciated the feedback from student applicants and brokers, who are their potential employers. Improvements have been made, and will continue to be made, to ensure there is a balance between the delivery of appropriate content and the time needed to be spent on achieving an initial license to practice.

Education does not stop with the granting of a license. Our hope is to support continuing professional development for registrants whether provided by us or others.

We congratulate the leadership of the Saskatchewan Realtors Association for successfully completing the merger of the three former associations and look forward to increased dialogue on mutual issues in the months ahead.

This will be my last report to you as chairperson. I am completing a second three-year term as an elected director and have sincerely enjoyed being a part of the Commission. We have a talented and dedicated group of volunteers and staff working hard 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 Statistics:

	2018/19	2019/20
Brokerages Opened	19	19
Brokerages Closed	11	17
Branch Office Opened	1	1
Branch Office Closed	3	2
New Registrants	186	151
Registrants Terminated	344	259
Registrants Re-instated	181	108
Registrants Transferred	70	73
New Professional Corporations	22	19
Prof. Corp.'s Renewed	220	228
Prof. Corp.'s Not Renewed	12	24
Trust Accounts in Operation	1,112	1,088
Dollars Held in Trust	758M	543M
Real Estate Transactions	23,993	17,894
Property Management Clients	3,552	3,468
Salespeople	1,316	1,281
Brokers	242	239
Associate Brokers	154	172
Branch Managers	21	23
Total Registrants	1,733	1,715

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, and a Legal Assistant. Also, a law student completing their articles worked with the Commission until December 2019.

More Information:

The Commission, as part of its mandate, is charged with investigating all complaints and handling discipline through a hearing process set out in *The Real Estate Act*. Consistent with the Commission's regulatory mandate, the complaint process is intended to deal with the actions and conduct of real estate registrants (brokerages, brokers, branch managers, associate brokers and salespeople), to ensure the public interest is served and protected.

The Importance of Making a Complaint:

Reporting your complaints and concerns helps the Commission to protect the public, and allows us to improve education and practice guidelines for registrants. The complaint and investigation process, as well as how to submit a complaint, is set out on the Commission's website:

<http://www.srec.ca/coninfoinv.asp>

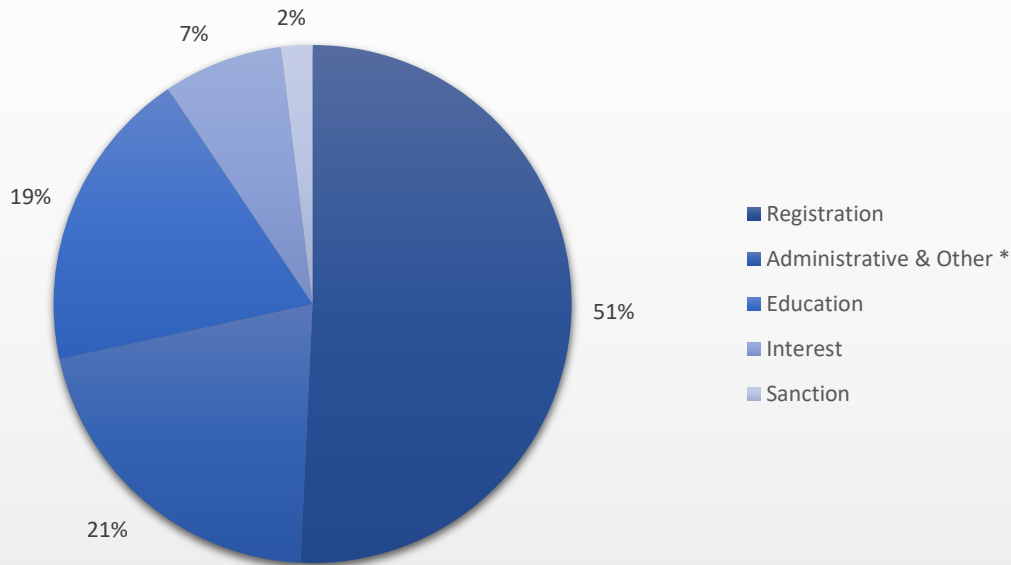
New hearing decisions are posted to CanLII.org, <https://www.canlii.org/en/sk/skrec/>, where they will remain indefinitely. SREC has complete coverage on CanLII from 1998.

Compliance Statistics:

	2018/19	2019/20
New Complaint Files Opened	67	62
Complaint Files Closed	123	71
Ongoing Complaint Files	50	41
Consent Orders Approved	72	11
Total Sanctions Ordered	\$152,750	\$31,000
Suspensions Ordered	1	1

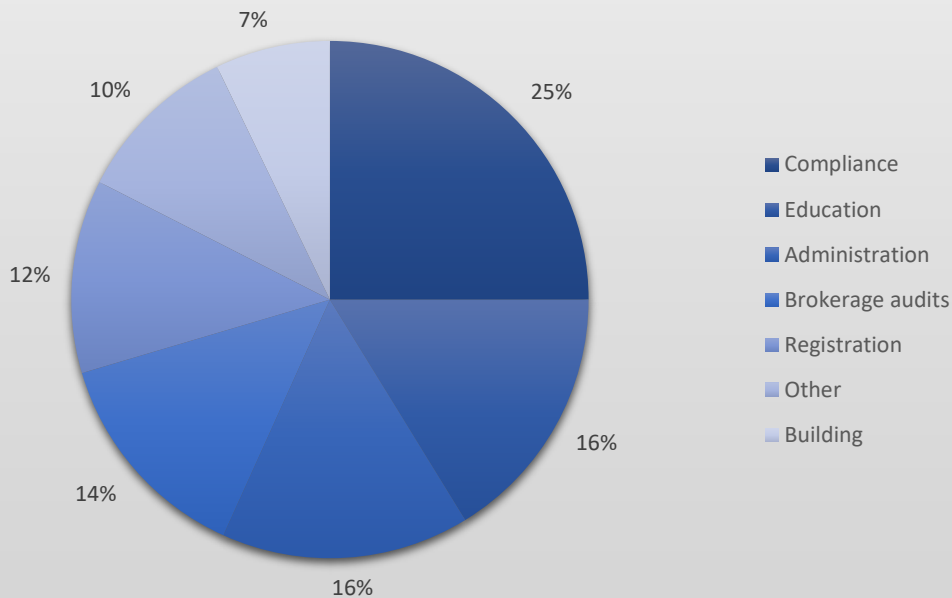
Financial Information

Revenue



Total revenue of \$1,580,394, includes gain on sale of building (*) \$262,768.

Expenditures



Total expenditures \$1,286,603.

Excess of revenue over expenses of \$293,791.

Data is for the fiscal year ending June 30, 2020. A complete audited financial report is available on our website:

<http://www.srec.ca/pdf/SRECAudited2020Financials.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.

Governance Review:

During the fiscal year the Commission engaged a consultant to review its internal governance and operations. As part of this review, the Commission's Committees and the terms of reference for each will be amended. The following Committees will remain in place until the review is completed.

Brokerage Audit Committee:

Chair: Wayne Zuk

Members: Doreen Heinbigner, Dean Staff

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.

Initiatives: The ongoing review of the brokerage audit process, the annual financial reporting requirements for brokerages and the review of audit results and timing.

Education Committee:

Chair: Lori Patrick

Members: Tara Faris-Peters, Cliff Iverson

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.

Initiatives: The ongoing review of education services offered through the University of British Columbia's Sauder School of Business, and review of industry feedback.

Committees continued...

Hearing Committee:

Hearing Committee Chairs: David Chow, Jeff Reimer, Randy Touet,

Members: Cam Bristow, Carla Browne, Tara Faris-Peters, Doreen Heinbigner, Dave Hepburn, Cliff Iverson, Paul Jaspar, Jeff Markewich, Vern McClelland, Al Myers, Anne Parker, Lori Patrick, Bill Preston, Dean Staff, Bob Volk, Wayne Zuk

Mandate: To consider complaints requiring disciplinary action.

Investigation Committee:

Members: Brad Gilbert, Al Myers, Anne Odishaw, Bill Pain, Jason Rumpel, Marlene Williamson

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

Legislative Committee:

Chair: Bill Preston

Members: Cam Bristow, Bob Volk

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.

Initiatives: Oversight of the Commission's involvement in the proposed changes to *The Real Estate Act* and its *Regulations*, which came into effect on May 20, 2020. Ongoing review and recommendations for changes to the Commission's Bylaws.

Management Committee:

Chair: Vern McClelland

Member: Anne Parker

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.

Initiatives: To coordinate and assist the consultant engaged to review the Commission's governance and develop new policy for Commission operations.

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. The IBTA projects are the same as they were in 2018-2019.

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, 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, a valid 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 2019-2020 fiscal year.

Commission Contact Information

Staff

Aaron Tetu	Executive Director/Registrar	atetu@srec.ca
Gail Armstrong	Registration & Office Administrator	garmstrong@srec.ca
Bill Craik	Legal & Compliance Manager	bcraik@srec.ca
Nina Criddle	Compliance Officer	ncriddle@srec.ca
Darla Hufsmith	Controller	dhufsmith@srec.ca
Jason Weiler	Systems Administrator	jweiler@srec.ca
Bernie Weinbender	Practice Advisor	practiceadvisor@srec.ca

Location

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Office Hours

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

Contact Information

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