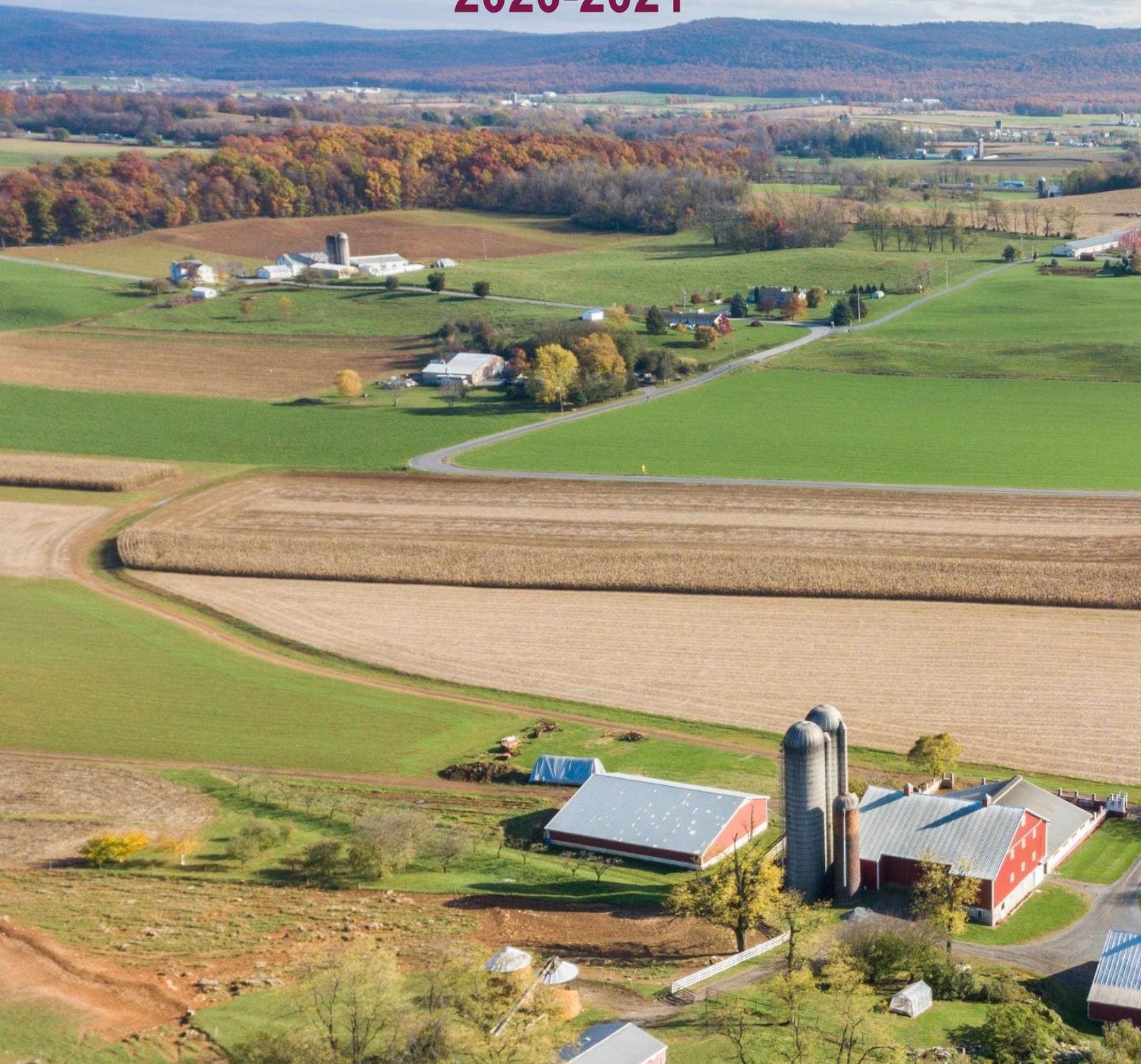




Saskatchewan Real Estate Commission

Annual Report

2020-2021



The Commission

The Saskatchewan Real Estate Commission (the “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 |
| Clifford (Cliff) Iverson | 05/04/18 – 06/30/23 |
| Alberta Mak | 11/09/20 – 06/30/21 |
| Al Myers | 09/01/20 – 09/01/23 |
| 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 – 06/09/21 |
| Dean Staff | 09/14/18 – 09/13/21 |
| Robert (Bob) Volk | 05/17/17 – 05/16/23 |



Message from the Chair

To say the least this past year was a challenging one globally for all organizations.

Saskatchewan people, of course, handled it pragmatically, striving to keep the economy strong and maintaining as best we could activities of daily activity, while coping with the demands of a pandemic.

Surprisingly, organized real estate was unusually busy. Families sought housing which could accommodate increased work and education commitments from home. There was a distinct trend in larger centers with younger adults moving from downtown apartment style condos to suburban detached housing. And of course, with internet access increasingly available in some of the more established lake communities, a renewed desire to invest in recreational properties while maintaining connection with the workplace.

An increased volume in transactions also meant more requests for service were made to the Commission staff to investigate potential breaches of the regulations governing registrant and brokerage practice.

In line with the amended *Act*, sanctions have been stiffened and will continue to be reviewed for effectiveness as a mechanism to deter improper behavior by registrants as well as to improve protection of the public.

We have also indicated our desire to work closely with the Saskatchewan Realtors Association on developing education programs designed to assist registrants and brokers in achieving best practice.

The Commission and I commend Aaron Tetu and his team for providing uninterrupted service to our stakeholders even while they themselves were adapting to a blend of remote and in-office workplace environments.

As for the Commission itself, we finalized our refreshed governance structure, placing more emphasis on accountability, both within the organization, and to the Financial and Consumer Affairs Authority. Every committee now has a detailed work plan on which it reports quarterly to the Board. More time is being spent on policy discussion with the collective result of providing a significant improvement in meeting our regulatory oversight responsibilities assigned to us by the Minister of Justice.

For me personally, this report is the culmination of six years of serving on the Commission, the last three as Chairperson. It has been a distinct privilege to work with such a talented group of volunteer directors and Commission staff.

Vern McClelland
Commission Chair

Registration

The Registrar of the Commission is responsible for the registration 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:

| | 2019/2020 | 2020/2021 |
|-------------------------------|-----------|-----------|
| Brokerages Opened | 19 | 17 |
| Brokerages Closed | 17 | 8 |
| Branch Office Opened | 1 | 0 |
| Branch Office Closed | 2 | 4 |
| New Registrants | 151 | 150 |
| Registrants Terminated | 259 | 165 |
| Registrants Re-instated | 108 | 85 |
| Registrants Transferred | 73 | 54 |
| | | |
| New Professional Corporations | 19 | 29 |
| Prof. Corp.'s Renewed | 228 | 222 |
| Prof. Corp.'s Not Renewed | 24 | 5 |
| | | |
| Dollars Held in Trust | 543M | 534M |
| Real Estate Transactions | 17,894 | 22,379 |
| Property Management Clients | 3,468 | 3,961 |
| | | |
| Salespeople | 1,281 | 1,320 |
| Brokers | 239 | 247 |
| Associate Brokers | 172 | 169 |
| Branch Managers | 23 | 19 |
| Total Registrants | 1,715 | 1,758 |



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.

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.

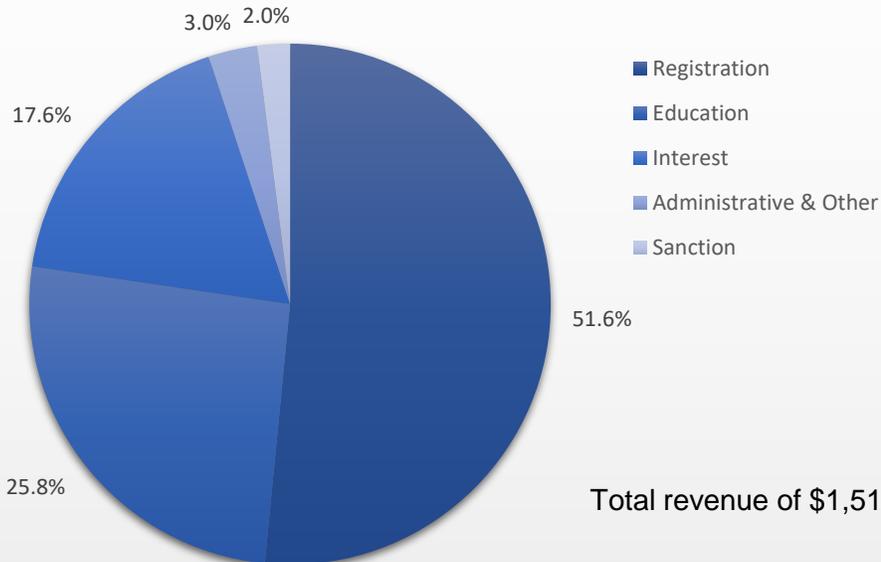
Compliance Statistics:

| | 2019/2020 | 2020/2021 |
|----------------------------|-----------|-----------|
| New Complaint Files Opened | 62 | 89 |
| Complaint Files Closed | 71 | 80 |
| Ongoing Complaint Files | 41 | 48 |
| Consent Orders Approved | 11 | 14 |
| Total Sanctions Ordered | \$31,000 | \$24,000 |
| Suspensions Ordered | 1 | 1 |



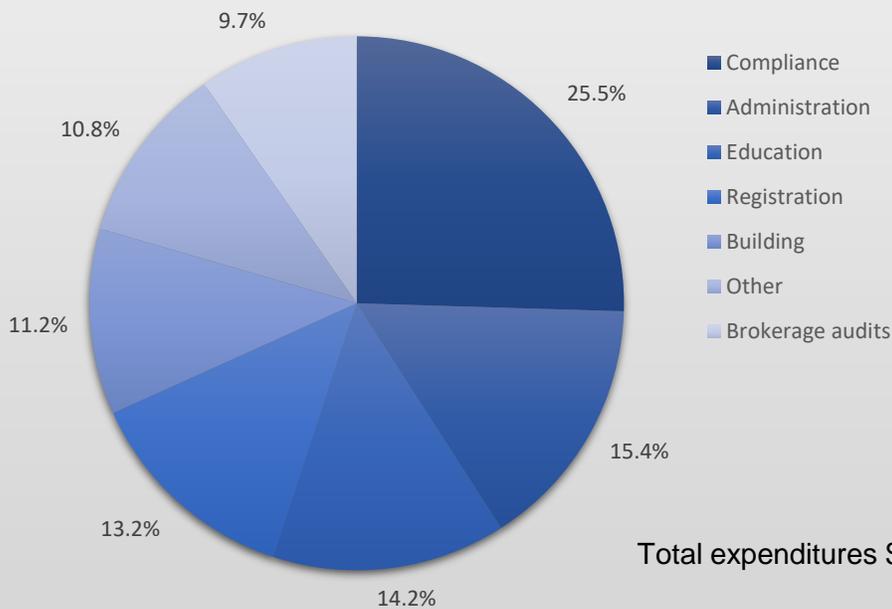
Financial Information

Revenue



Total revenue of \$1,516,807

Expenditures



Total expenditures \$1,046,242

The excess of revenue over expenditures in the current fiscal year created a surplus of \$470,565. This surplus is a result of unprecedented increases in our investments, education revenue that surpassed pre-pandemic results, and decreased expenditures due to the pandemic.

Data is for the fiscal year ending June 30, 2021. A complete audited financial report, is available at <http://www.srec.ca/pdf/SRECAudited2021Financials.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.

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 their terms of reference were amended. The following are the new Commission Committees:

Audit Finance and Risk Committee:

Chair: Dean Staff

Members: Al Myers, Wayne Zuk

Purpose: The Audit, Finance and Risk Committee is a standing committee established by the Commission and is responsible for performing the duties set out in this Terms of Reference to enable the Commission to fulfill its responsibilities to provide oversight to:

- The reliability of the accounting principles and practices
- Ensure a risk management program is implemented and reviewed annually
- Effective and reliable IT systems and cybersecurity

Compliance Committee:

Chair: Dean Staff

Members: Al Myers, Wayne Zuk

Purpose: The Compliance Committee is a standing committee established by the Commission and is responsible for performing the duties set out in this Terms of Reference to enable the Commission to fulfill its responsibilities to ensure brokerages and registrants comply with the regulations set out in the Bylaws and in *The Real Estate Act*, its Regulations, and the Commission Bylaws.

Committees continued...

Education Committee:

Chair: Lori Patrick

Members: Cliff Iverson, Alberta Mak

Purpose: The Education Committee is a standing committee established by the Commission and is responsible for performing the duties set out in this Terms of Reference to enable the Commission to fulfill its responsibilities to regulate, develop and set standards for the real estate registration education as stated in the Bylaws and *The Real Estate Act*.

Governance Committee:

Chair: Anne Parker

Members: Cam Bristow, Cliff Iverson

Purpose: The Governance Committee is a standing committee established by the Commission and is responsible for performing the duties set out in this Terms of Reference to enable the Commission to fulfill its responsibilities to:

- Sustain a high-performing, strategy-focused Board
- Ensure Commission and Committee effectiveness
- Effectively report to the FCAA as outlined in the SRO Oversight Policy
- Revise Bylaws and recommending changes to legislation
- Develop and implement a succession plan for the positions of Chair and Vice- Chair

Human Resources and Compensation Committee:

Chair: Cam Bristow

Members: Bill Preston, Robert Volk

Purpose: The Human Resources and Compensation Committee is a standing committee established by the Commission and is responsible for performing the duties set out in this Terms of Reference to enable the Commission to fulfill its responsibilities by providing oversight and policy direction on all Human Resource issues as it pertains to the Commission.

- Monitor and oversee executive succession and development practices;
- Complete the selection and performance evaluation of the Executive Director/Registrar;
- Recommend the total compensation package for the Registrar/Executive Director to the Commission for approval;
- Oversee and approve effective human resources policies; and,
- Ensure appropriate management and staff retention practices are in place for the Commission.

Committees continued...

Investigation Committee:

Members: Brad Gilbert, 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.

Hearing Committee:

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

Members: Cam Bristow, Doreen Heinbigner, Dave Hepburn, Cliff Iverson, Paul Jaspar, Alberta Mak, 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.

IBTA Projects & REAF Report

IBTA Projects

The 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 2019-2020:

- Inspection of Trust Accounts
- Practice Advisor
- Stakeholder Engagement

IBTA & REAF continued...

Inspection of Trust Accounts

In order to satisfy its mandate, the Commission continues the brokerage inspection 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 inspection of the brokerage's financial records. This initial 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 reports noting any necessary corrective action or any recommendations for future practices.

The request for funding the Inspection 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.*

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.

IBTA & REAF continued...

Currently, obtaining information through the formal complaint process is 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.*

* These amounts were budgeted for IBTA projects but were funded from the Commission's general account in 2020-2021.

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 an annual levy to each registrant, as well as revenue from the investment of the REAF account.

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 2020-2021 fiscal year.

Commission Contact Information

Staff

| | | |
|-------------------|-------------------------------------|--|
| 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 |
| Aaron Tetu | Executive Director/Registrar | atetu@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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