



Saskatchewan Real Estate Commission

2021 - 2022

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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2021-2022



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 – 06/30/25
Tim Hammond	07/01/21 – 06/30/24
Clifford (Cliff) Iverson	05/04/18 – 06/30/23
Alberta Mak	11/09/20 – 06/30/24
Al Myers	09/01/20 – 09/01/23
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
Dean Staff	09/14/18 – 09/13/21
Robert (Bob) Volk	05/17/17 – 05/16/23



Message from the Chair

As I reflect on the past year, I am reminded how the Saskatchewan Real Estate Commission has progressively moved forward in a number of areas. As you likely know, education is a huge file that we deal with, whether it be the CPD or the pre-registration courses, both offered by UBC Sauder. They have been receptive to a number of our suggestions and continue to improve the delivery of our required education. We certainly welcome feedback from registrants, and I can assure you that these comments do not fall on deaf ears. One of the main items we have been dealing with now for awhile is the revamping and streamlining of pre-registration courses. Stay tuned as we look at a myriad of changes in this regard.

On the governance front, the Commission continues to fine tune our path forward as we try to become more agile in all areas of our organization. Each of our five committees, as they meet, reviews their work plan, and suggests changes for improvement to what is a living document. We fully understand that communication is a huge part of what is required from us and with staff additions, stakeholders will be hearing from us more consistently.

In terms of compliance, we now have the ability to increase sanctions upon registrants if they are found to be offside. After much discussion regarding these increased sanctions, I'd like to make two points. Along with staff, we are trying to educate brokers and registrants in terms of complying with *The Real Estate Act* before we have to go the route of sanctions. Unfortunately, if needed, the implementation of higher sanctions will occur organically with the increased brokerage fees that go along with increased real estate values.

Keeping in mind our different mandates, we meet semi-annually with SRA to discuss areas of common interest. From a personal standpoint, I welcome this feedback and the robust discussions that we sometimes have. I will certainly go more in-depth with my comments at the upcoming AGM.

In closing I would like to recognize a number of people:

With great sadness we lost one of our Commission Members this past year. Al Myers of Colliers McClocklin Real Estate Corp. passed away earlier this year. Al has been a member of the Commission for a number of years, and he is certainly missed.

I would like to thank Wayne Zuk whose term ended, and I would like to welcome Kayla McQueen who has joined us at the "table".

Also, I would like to recognize Aaron Tetu and the staff, Jan Seibel from FCAA, and the Commission Members who contribute to the Commission and to the betterment of the real estate community.

Cliff Iverson
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:

	2020/2021	2021/2022
Brokerages Opened	17	12
Brokerages Closed	8	15
Branch Office Opened	0	10
Branch Office Closed	4	6
New Registrants	150	195
Registrants Terminated	165	255
Registrants Re-instated	85	86
Registrants Transferred	54	56
New Professional Corporations	29	52
Prof. Corp.'s Renewed	222	247
Prof. Corp.'s Not Renewed	5	13
Dollars Held in Trust	534M	635M
Real Estate Transactions	22,379	29,818
Property Management Clients	3,961	4,008
Salespeople	1,320	1,329
Brokers	247	235
Associate Brokers	169	171
Branch Managers	19	25
Total Registrants	1,758	1,760



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 Administrative Assistants.

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:

	2020/2021	2021/2022
New Complaint Files Opened	89	70
Complaint Files Closed	80	83
Ongoing Complaint Files	48	32
Consent Orders Approved	14	9
Total Sanctions Ordered	\$24,000	\$31,750
Suspensions Ordered	1	0



Financial Information

For the Year Ended June 30, 2022

	<u>2021</u>	<u>2022</u>
Revenue		
Registration	\$781,935	\$827,120
Education	390,825	418,825
Administrative & Other	45,922	164,959
Sanction	30,750	24,250
Interest and Investments	267,375	(239,244)
	<u>\$1,516,807</u>	<u>\$1,195,910</u>
Expenditures		
Compliance	\$266,544	\$283,774
Administration	161,520	180,475
Registration	137,974	167,683
Education	148,091	155,835
Brokerage audits	101,213	147,993
Building	117,642	138,028
Other	113,256	112,044
	<u>\$1,046,242</u>	<u>\$1,185,832</u>
Excess of revenue over expenditures	<u>\$470,565</u>	<u>\$10,078</u>

A complete audited financial report is available at:

<http://www.srec.ca/pdf/SRECAudited2022Financials.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.

The following are the 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 its 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 its 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: Tim Hammond, 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 its 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 its 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: Tim Hammond, Cliff Iverson, 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 its 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, Mack MacDonald, Vern McClelland, 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, Tim Hammond, Cliff Iverson, Alberta Mak, Al Myers, Anne Parker, Lori Patrick, 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 2020-2021:

- 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. Correspondence 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.

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 2021-2022 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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