

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.



THE REGISTER

SUMMER 2023



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Important Dates and Deadlines

Annual General Meeting:
October 2023, date to be determined.

Professional Corporations Permit Renewals:
Begin October 15, 2023
Deadline: December 31, 2023

Annual Financial Returns for 2023:
Begin January 3, 2024
Deadline: March 15, 2024

Continuing Professional Development (CPD) 2023-2024
Begins early January 2024
Deadline: May 31, 2024

The Commission Office will be closed :

Monday, Sept 4 - Labour Day
Monday, Oct 2 - National Day for Truth and Reconciliation
Monday, Oct 9 - Thanksgiving Day
Monday, Nov 13 - Remembrance Day
Friday, Dec 22 at noon - Jan 2
Holiday Season

Regular Office Hours

Monday to Friday
8:30am - 12:00pm
1:00pm - 4:30pm

Closed Saturday, Sunday and Statutory Holidays

THE ROLE OF LAWYERS IN REAL ESTATE TRANSACTIONS

While buyers and sellers are not required to engage lawyers to represent them in real estate transactions, lawyers perform important functions in these transactions that can significantly improve the clients' experience and prevent issues from arising down the road.

The buyer and seller can decide to engage the same lawyer to represent both parties in a real estate transaction. This could save the parties some money in closing costs, as the lawyer may agree to reduce their fees on each side of the transaction, but there is a certain degree of risk in doing so. If a dispute arises between the buyer and seller in the course of the transaction, the lawyer they initially engaged to represent both sides will no longer be able to represent either party going forward.

Clients can expect to pay their lawyer a fee and the cost of any disbursements made by the lawyer on their behalf. The fee could be a flat rate for the transaction or an hourly fee. Disbursements could include the cost of searches, printing, and the fees the lawyer pays to Information Services Corporation ("ISC") on the client's behalf (e.g., registration of a new mortgage or a new title).

The lawyer representing the buyer or seller will conduct searches to confirm that the property taxes are in good standing and the details of the title. Title searches confirm who legally owns the property and any interests that may be registered on title, such as mortgages, easements, or liens.

Lawyers representing buyers will prepare mortgage documents for signature and assist buyer clients in signing the ISC documents necessary to transfer title to the buyer on possession. If the property in question is a condominium, the buyer's lawyer can also review the contents of the Estoppel Certificate to ensure there is nothing disclosed in the documents that may be a deal-breaker for the buyer (e.g., a deficient reserve fund, restrictive pet policy, etc.). Condominium buyers should confirm with their lawyer whether they will be reviewing the Estoppel Certificate. The buyer's lawyer will also oversee the transfer of the purchase price from the buyer and the lender to the seller's lawyer.

Lawyers representing sellers will prepare the ISC documents necessary to transfer title to the buyer on possession and ensure that interests are removed from title as directed in the contract of purchase and sale (e.g., the seller's mortgage, liens, etc.). The seller's lawyer will distribute the proceeds of the sale to pay out the existing mortgage and any other items owing by the seller (e.g., liens, property tax) and pay any commission that may be owed to a real estate brokerage involved in the transaction.

The lawyers involved in a real estate transaction carry out a range of tasks, many of which take time and rely on processing by third parties (i.e., ISC, lenders). In order to avoid delays at possession, the file should be forwarded to the lawyer's office as soon as possible. Transaction files are not typically delivered to the lawyer's office until conditions are removed, so setting a very short window between the removal of conditions and possession can result in delays. Law offices and banks are typically closed on weekends and holidays, so buyers and sellers are advised to set possession on a business day.

A buyer or seller does not have to wait until conditions are removed to contact the lawyer representing them in a transaction. If there is uncertainty about a term or condition set out in the contract of purchase and sale, how to properly draft a particular clause, or how to deal with an issue that has arisen early on in the transaction, the parties or the registrants representing them can contact the lawyer for advice.

The Commission has published Information Bulletins on a variety of topics:

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

PROFESSIONAL CORPORATIONS PERMIT RENEWALS

Section 8 of *The Professional Corporations Act* sets out how the Commission is able to register and issue permits to individuals who have a Professional Corporation (PC). The Commission ensures all permits issued to PCs are in good standing and comply with *The Business Corporations Act*; *The Professional Corporations Act*; and the Commission Bylaws.

Understanding the Process

A PC registered with Information Services Corporation (ISC) must file an annual return with ISC to remain in good standing. Registrants can then apply to the Commission for a permit. Permits are valid January 1 to December 31 and must be renewed annually (renewals open in mid October each year).

To be eligible to renew your Permit, the Commission must receive an updated Corporate/Entity Profile Report showing the annual return has been filed and the PC is in good standing with ISC. We recommend forwarding the updated Profile Report to the Commission after you file your return with ISC.

How to Renew Your PC Permit

For Salespeople, Associate Brokers and Branch Managers, login in to the Commission's Online Registration System **on (or after) October 15th**, and simply click the 'Renew Permit' link under the "Professional Corporation Permit Information" heading and follow along to renew the permit. For Brokers, the process is the same, however the 'Renew Permit' option will be in their 'Action' drop-down box.

If the 'Renew Permit' link is not available, an updated Corporate/Entity Profile Report showing the annual return has been filed with ISC will need to be provided to the Commission. Once received, the 'Renew Permit' link will be available and the renewal can be completed as outlined above.

The fee to renew is \$200 payable online using VISA or MasterCard. Once paid you can print your new Permit and receipt.

IMPORTANT DEADLINE - The Commission office will be closed from **noon** December 22, 2023, re-opening January 2, 2024. In order to allow processing time, your Corporate Profile Report **must be submitted on or before December 19, 2023.**

LATE FEE NOTICE: If you fail to renew on time, a late fee of \$100 will be added to the renewal fee. If you do not renew and your permit expires, you will have to reapply for a new permit at a cost of \$500.

If you have questions about the PC Permit renewal process please contact us:

306.374.5233 or email info@srec.ca

DID YOU KNOW...

- **Brokerages must prepare a trust liability listing for each trust account on a monthly basis, even if the account has a \$0 balance at the end of the month.**

Pursuant to Bylaw 614, the trust liability listing must include:

- a. the names of the parties to the transaction;
- b. the trust account number and the name of the financial institution
- c. the address relating to the transaction; and
- d. the amount of funds being held in trust for each transaction.

- **Section 66 of The Real Estate Act was amended in May of 2020 to change the way commission can be calculated.**

Under the amended legislation, commissions can be made up of a lump sum and a percentage of the sale price of a property. The only calculation that is not permitted is a commission based on the difference between the listing price of a property and the sale price.

- **Registrants can complete offers on behalf of undisclosed buyers, but the offer must still comply with the requirements set out in s. 58 of The Real Estate Act.**

The Commission has stated:

“Notwithstanding the requirements of Section 58(1)(b)(ii), to clearly show the name and address of the buyer on an offer to purchase prior to execution by the buyer, the Saskatchewan Real Estate Commission will permit the practice of using unnamed or undisclosed buyers on offers to purchase.”

Section 58 requires that the offer include a name and address for the buyer, but this requirement can be met by including the name and address of a lawyer who is representing the buyer in the transaction and who has agreed to accept service of documents on the buyer's behalf. Alternatively, a buyer could appoint a power of attorney who is authorized to sign documents on the buyer's behalf and the offer could include the name and address of the appointee.

Registrants should not obtain powers of attorney on behalf of their clients, for the reasons discussed in this information bulletin: http://www.srec.ca/pdf/IB_PowerAttorney.pdf

REIX

Regulation 18.1(2) states:

Every registrant shall maintain errors and omissions insurance in the minimum amount of \$1,000,000, with respect to a claim, by participating as a subscriber in the Real Estate Insurance Exchange in accordance with the terms and conditions of the Real Estate Exchange Agreement.

The Real Estate Insurance Exchange (REIX) is a non-profit organization that provides mandatory, cost-effective errors and omissions insurance to real estate industry professionals in Alberta and Saskatchewan. Errors & Omissions Insurance premiums are paid by all Saskatchewan brokerages and registrants as part of your annual registration fees.

Check out the **PUBLICATIONS** tab on the Commission's website. In a joint effort to provide regular communication to all registrants, REIX is providing their newsletters and informational Blogs to the Commission to post.

REIX Phone: 1.877.462.7349



ARTIFICIAL INTELLIGENCE AND REAL ESTATE

Artificial Intelligence (“AI”) is a rapidly developing technology with broad applications in many industries, including organized real estate. At its most basic, AI allows computer systems to perform tasks that have traditionally required human intelligence to complete.

The current state of AI technology has many possible applications in the real estate context and it is quite likely that more will arise as the technology continues to develop. Currently, registrants may be using AI systems to generate written descriptions of properties, track and report on market data, and virtually stage listed properties. Registrants interested in utilizing AI technology in their real estate practice should consider the available technology in light of their professional obligations and proceed accordingly.

First and foremost, registrants should keep in mind that information obtained from AI systems is not always accurate. The quality of an AI system’s output depends heavily on the quality of the data that is input in the first place. Additionally, AI systems can produce confident responses that are not supported by the reference data (“hallucinations”). As the registrant relying on the AI-generated content remains responsible for the accuracy of that content, registrants should be aware of the source of the data the AI system is referencing and the overall limitations of the technology.

Publicly accessible AI systems may also raise privacy concerns. Once information is fed into an AI system, that information may be retained and accessible to other users of the system. Registrants should inform themselves about how their chosen AI system is using the information they provide and be mindful of the relative sensitivity of the data they choose to share.

Virtual staging of a listed property could result in an advertisement that violates the prohibition against a registrant undertaking or authorizing an advertisement that is false, inaccurate, or reasonably capable of misleading the recipient or intended recipient set out in Bylaw 726. Marketing a property effectively means making sure that buyers see its full potential, but there is a line between staging a property in a manner that best showcases its features and using AI software to enhance or retouch pictures of a property in a manner that eliminates evidence of damage and other defects or that misrepresents the property.

INVESTIGATION SUMMARIES

FOR REGISTRANTS: In order to maintain the professionalism of the industry, it's important for you to keep up-to-date on practice issues and disciplinary histories so you can continue to competently serve clients and customers.

FOR STAKEHOLDERS AND CONSUMERS: Everyone has the right to be aware of who has been disciplined in the real estate industry. It is important information to know, especially if you are looking to hire the services of a registrant (agent).

Full decisions can be found through our [website](#) (posted for three years) or on [CanLII](#) (posted indefinitely).

QUESTIONS - Contact the Commission’s Legal & Compliance Department:

compliance@srec.ca

306.374.5233

EDUCATION

The Commission's mandatory education provider, the University of British Columbia's Sauder School of Business, Real Estate Division ([UBC Sauder](#)), provides all pre-registration courses as well as continuing professional development (CPD) courses. For education related questions, concerns or technical support contact UBC Sauder directly:

saskinfo@realestate.sauder.ubc.ca

1.888.776.7733



CPD will be available in January 2024. If you plan to renew your registration for the next fiscal year (July 1, 2024 – June 30, 2025), it is mandatory to complete one of the course options by May 31, 2024.

QUESTIONS OR CONCERNS

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Micheal Hurman, Saskatoon, appointed
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Alberta Mak, Battleford, elected
Kayla McQueen, Saskatoon, elected
Anne Parker, Regina, appointed
Lori Patrick, Regina, elected
Dean Staff, Saskatoon, appointed
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