



THE REGISTER

SREC Newsletter

August 2016

Executive Director/Registrar's Message

Aaron Tetu, Executive Director/Registrar, SREC

One year ago the Commission introduced a new look to *The Register* and noted a focus on compliance and professionalism. We quoted the Commission's mission statement:

"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."

We also quoted Benjamin Franklin:

"It takes many good deeds to build a good reputation, and only one bad one to lose it."

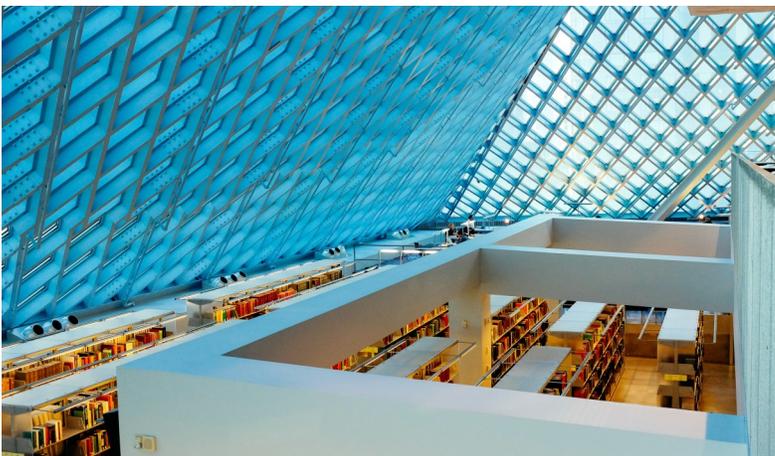
This edition also discusses responsibility and professionalism as a reminder to registrants of their obligations. Your actions are not just a representation of you, but rather, they represent your peers and colleagues, your brokerage and the real estate industry as a whole.

Please take the time to do what is right.

It seems simple enough, but many of the complaints brought to the Commission are the result of rushed, sloppy, or short-cut decisions made by registrants. Those decisions are generally made by registrants who knew the right thing to do, but chose not to because of haste, greed, or the easy way of doing something instead of the right way. These types of decisions do not reflect well on the real estate industry and are usually contrary to the public interest.

It happens regularly where quick possession dates, deadlines, or family obligations can constrain your time. In such situations, ask yourself: If I don't have time to do this right the first time, what makes me think I will have time to do it all over again?" Short-cuts can easily result in more lost time, or worse yet, sanctions and fines that outweigh any potential gain.

Keeping your professional responsibilities in mind will serve you well in guiding the daily decisions you make as a registrant. We hope that the information contained in the edition of *The Register* will be of interest and assistance. Please do not hesitate to contact the Commission office with any questions or concerns that you might have.



Education is not the learning of facts, but the training of the mind to think. Albert Einstein

In This Issue...

- Registrar's Message p.1
- Commission Disciplinary Action p.2-4
- Showing a Property Responsibly p.5
- Using the Notice to Remove Conditions p.6
- Professionalism p.7
- Commission Information p.8

Commission Disciplinary Action

Complete Commission hearing decisions can be found on our website through the links provided with each summary.

The Commission is also proud to promote our presence on CanLII, [here](#) (full coverage from 2014).

Lily Stewart (salesperson), formerly Adam Niesner Realty (1991) Ltd.

Date of Decision: July 5, 2016

Violation: Ms. Stewart was charged with professional misconduct contrary to section 58(1)(a) of the *Real Estate Act* by failing to put an offer to purchase in writing.

Details: Ms. Stewart represented the Buyers in a transaction to purchase a property that was for sale privately in Ituna, Saskatchewan. Ms. Stewart had taken her clients to Ituna to view another property when they noticed the “For Sale by Owner” sign on the Sellers’ Property. The Buyers were interested in seeing the Property, so Ms. Stewart called the Seller and left a message to arrange a showing.

During the showing, one of the clients indicated to Ms. Stewart that she was interested in making an offer to purchase the Property, pending the completion of a satisfactory building inspection. The clients told Ms. Stewart that they would not be able to make a formal offer until after they returned from Toronto. Ms. Stewart discussed this fact with the Seller.

Ms. Stewart was uncertain how to represent clients in the purchase of a property that was privately listed, so she advised the Seller that the Property would have to be listed with her brokerage in order for her clients to write a formal offer. She did not ask her broker or associate broker for advice on how to represent a buyer who wishes to purchase privately listed property. The Seller verbally agreed to list the property with Ms. Stewart’s brokerage and agreed to pay 6% commission. Ms. Stewart advised the Seller that she would bring him a written offer after the Property was listed with her brokerage and her clients returned from Toronto. This verbal offer was never put in writing.

The Seller later declined to list the Property with Ms. Stewart’s brokerage, and demanded an offer for the Property by the end of the day. Ms. Stewart told the Seller that her clients had already left for Toronto and could not make an offer until they returned. The Seller again insisted on receiving an offer immediately. Ms. Stewart again informed the Seller that her clients would not be able to make an offer until a later date. Ms. Stewart’s clients never made an offer for the Property.

Disposition: The Hearing Committee agreed with the consent order filed by the parties, found Ms. Stewart guilty of the charge, and ordered that she receive an order of reprimand and a \$1,000.00 fine.

The entire written decision of the Saskatchewan Real Estate Commission in the Matter of Lily Stewart dated July 5, 2016 can be viewed on the Commission’s website at <http://www.srec.ca/pdf/2012-60.pdf> .

Justin Morrison (salesperson), Coldwell Banker Rescom Realty (formerly Sutton Group – Norland Realty)

Date of Decision: June 22, 2016

Violation: Mr. Morrison was charged with professional misconduct contrary to section 39(1)(c) of *The Real Estate Act* in that he breached section 58(1)(a) of the *Act* by signing two offers to purchase on behalf of his clients “as per agent” and by witnessing his clients’ signatures on a counter offer and an offer to purchase, even though these documents were not signed in his presence.

Details: At the time of the transaction, the buyers lived in Regina. Mr. Morrison assisted them in their search for a home in Saskatoon.

Mr. Morrison took the Buyers’ son to view the Property in Saskatoon. Mr. Morrison then had a Residential Contract of Purchase and Sale written according to the Buyer’s instructions. He signed the document on behalf of the Buyers “As per Agent”. The initial offer was \$375,000 and was made subject to conditions. Mr. Morrison wrote a second offer to purchase the Property on behalf of the buyers, setting out a purchase price of \$380,000 and subject to the same conditions. He again signed the second offer on behalf of the Buyers “As per Agent”.

The Seller provided a Counter Offer to the second offer, which was signed by the buyers. Although Mr. Morrison was not present when the buyers signed the Counter Offer, he signed as witness to the Buyers’ signature. The buyers also signed the second offer, as required by the Counter Offer. Mr. Morrison again signed as witness although he was not present when the Buyers signed.

The Buyers then met with Mr. Morrison to view the property. They decided not to complete the purchase.

Disposition: The Hearing Committee agreed with the consent order filed by the parties, found Mr. Morrison guilty of the charge and ordered that he receive an order of reprimand and a \$2000.00 fine.

The entire written decision of the Saskatchewan Real Estate Commission in the Matter of Justin Morrison dated June 22, 2016 can be viewed on the Commission’s website at www.srec.ca/pdf/2013-14.pdf.

Important Note

Questions? Contact the Commission’s Legal & Compliance department at compliance@srec.ca, or call 306-374-5233.



Commission Disciplinary Action

Diane Rusnak (salesperson), Re/Max Blue Chip Realty (formerly Royal LePage Premier Realty)

Date of Decision: June 22, 2016

Violation: Ms. Rusnak was charged with and admitted to four counts of professional misconduct contrary to section 39(1)(c) of the Real Estate Act in that she breached Commission Bylaws 701, 702, 714, and 726. Ms. Rusnak breached these bylaws by: making a statement that contained an untrue statement of a material fact; failing to protect and promote the interests of her client and failing to deal fairly with all other parties to the transaction; failing to take reasonable steps that a prudent registrant would take to discover pertinent facts about the property to avoid error, misrepresentation, or concealment of pertinent facts; and making an advertisement to the public which was false, inaccurate, reasonably capable of misleading its recipient, and harmful to the best interests of the public.

Details: Ms. Rusnak represented the Sellers in the transaction. Ms. Rusnak consulted the Rate Payer Profile provided by the Saskatchewan Assessment Management Agency (SAMA), which listed the size of the property as 672 square feet. Ms. Rusnak stated that she used the information from the SAMA Profile to complete the MLS Data Input form. The MLS Data Input Form and the listing advertisement Ms. Rusnak prepared stated the approximate size of the Property as 868 square feet.

The Property was sold to the Buyers in 2008. Three years later, the Buyers approached another registrant to list the Property for sale. At this time, the other registrant consulted the SAMA Profile for the Property provided by the Saskatchewan Assessment Management Agency and informed the Buyers that the property was smaller than the approximate size contained in the 2008 listing. The other registrant then measured the property and confirmed that it was 676 square feet, rather than 868 square feet.

Disposition: The Hearing Committee agreed with the consent order and found Ms. Rusnak guilty of all counts. They ordered that:

- With respect to the breach of bylaw 701, Ms. Rusnak received a letter of reprimand and a \$2000 fine.
- With respect to the breach of bylaw 702, Ms. Rusnak received a letter of reprimand and a \$1000 fine.
- With respect to the breach of bylaw 714, Ms. Rusnak received a letter of reprimand and a \$1500 fine.
- With respect to the breach of bylaw 726, Ms. Rusnak received a letter of reprimand and a \$2000 fine.

The entire written decision of the Saskatchewan Real Estate Commission in the Matter of Diane Rusnak dated June 22, 2016 can be viewed on the Commission's website at <http://www.srec.ca/pdf/2011-14.pdf>.

Professionalism:

It's not the job you do, it's how you do the job.

Showing a Property Responsibly

Picture this: you are with your clients, who are looking to purchase a house. You take them to see a property that they are interested in. At the end of the showing, they notice another property down the street with a “For Sale” sign on the lawn, and ask you if they can see that property today as well. What do you do?

Recently, the Commission has been made aware of two issues regarding the showing of properties. Sellers have complained about:

- (1) registrants showing properties without making an appointment, and**
- (2) registrants neglecting to secure properties after a showing.**

This article is a reminder of the responsible way to show a property to ensure that sellers and their properties are treated with respect, and that you are fulfilling your professional responsibilities as a registrant and agent.

While lockboxes make frequent showings more convenient for registrants representing both sellers and buyers, they can be problematic if registrants do not respect the instructions that are set out by the sellers’ representatives in the listings.

If a listing states that potential buyers must make an appointment to view the property, registrants who use the lockbox to show the property without making an appointment may be in breach of Bylaw 702. In [Hearing Committee decision #2014-18](#), the Committee stated that: “Just because a seller lists his property for sale does not mean that he has waived his expectation of privacy or his right to grant or refuse access to his property.”

The second complaint of sellers, that registrants who have shown their property have failed to secure the property before leaving, is also concerning. The Commission is aware of instances where a registrant neglected to arm the security system before leaving the property, and also where a registrant has failed to lock the door to the property. The Commission reminds all registrants that **properties *must* be secured upon leaving**. Failure to properly secure a property after a showing may also be a breach of Bylaw 702.

In summary, to protect yourself from liability for breach of your professional responsibilities:

- (1) make sure to follow the seller’s instructions and make appointments to view properties when required, and**
- (2) always lock the door and return the key to the lockbox on your way out.**

Using the *Notice to Remove Conditions* Form Correctly

The *Notice to Remove Conditions on Residential Contract of Purchase and Sale* is a mandatory form that is to be used by a buyer or seller to remove a condition that he or she has placed on the sale of a property. Recently, the Commission has become aware of *Notice to Remove Conditions* forms that:

- (1) make the removal of conditions subject to an additional condition, or
- (2) include an additional term to be incorporated into the contract of purchase and sale.

These uses of the form are inappropriate.

The Commission reminds all registrants that *Notice to Remove Conditions* forms must be unequivocal. **They cannot be made subject to additional qualifications.** In Hearing Committee decision #2009-02, the Hearing Committee noted that conditions in a trade in real estate must be clear and verifiable. Improper use of the *Notice to Remove Conditions* form can jeopardize the clarity regarding which conditions are in place and which have been removed.

What NOT to do:

For instance, imagine that your client has signed a contract of purchase and sale which includes a condition of a satisfactory home inspection. The home inspection is completed, and reveals that several items require repair. In this case, it is **not** appropriate for the *Notice to Remove Conditions* form to state that, “the home inspection condition is removed pending the buyer and seller negotiating and agreeing to a holdback of a portion of the purchase price”.

In the same scenario mentioned above, imagine that the home inspection is completed, and reveals that the water heater needs to be replaced. It is **not** appropriate for the *Notice to Remove Conditions* form to state that, “the conditions are removed”, and then go on to state that, “the seller will replace the water heater prior to the buyer taking possession of the property”.

What to do:

An *Amendment to Contract of Purchase and Sale* form must be used whenever your client wants to add additional terms or conditions to the contract. In the scenarios above, the *Amendment to Contract of Purchase and Sale* form would be used to add a new term to the *Contract of Purchase and Sale* to hold back a portion of the purchase price, or to add the term of a new water heater installed prior to possession. **The *Notice to Remove Conditions* form can only be used to remove conditions, and never to add new conditions and terms to a *Contract of Purchase and Sale*.**

Professionalism

The following is from the Real Estate Institute of Canada's, Professional Standards Handbook:

V. THE IMPORTANCE OF ETHICS AND PROFESSIONAL STANDARDS

One of the most basic defining features of professionals is that they act in such a way that personal gain is never placed above the good of the public.

In the simplest terms, ethics is nothing more than proper behaviour. High ethical standards, however, demand that individuals look beyond self or corporate interest to the interests of others and the society as a whole, not just the avoidance of harm. Integrity, prudence, competence and cooperation are the cornerstones, with full disclosure (of personal interests and limitations on competence) as the most important way in which Members have undertaken to ensure a "level playing field" with informed participants.

Ethics are crucial to a healthy, productive society. They rest on the concept of a shared interest—that we all have a stake and a collective responsibility in establishing a fair and equitable social system. Whenever a position is favoured without regard for the ramifications on society, or self-interest in business overshadows the needs and rights of others, the social contract is violated.

Professional standards, morals and ethics are all linked, though each has its own meaning and application, and all apply to how you conduct yourself as a professional.

The real estate profession includes ethical and statutory standards. A registrant cannot avoid or work around these standards. Rather, a registrant must act responsibly and be accountable in committing yourself, your colleagues, your clients and the public to full compliance of these standards. It is expected that you will execute your decisions and actions as a professional.

Dates to Remember

July 1—
Registration year begins

December 31—
Professional Corporation permit renewal deadline

March 15—
Annual Brokerage Financial Reports submission deadline

May 31—
CPD completion deadline

June 30—
License renewal deadline

Please note that the Commission *office will be closed* for the statutory holidays on **Monday, September 5th** and **Monday, October 10th**.

Office Hours:

Monday-Friday, 8:30am-noon, 1pm-4:30pm
Closed weekends and holidays.

The annual CPD deadline has come and gone for another registration year, and the next one is already approaching!

There are now 3 course options open for all registrants to complete their mandatory annual CPD requirement:

- Industry Updates***
- Commercial—Business Brokerage Practices***
- Leadership & Broker Management***

SREC and ASR will continue to keep you informed about the upcoming 2016/17 CPD.

Contact Us

Saskatchewan Real Estate Commission

237 Robin Crescent
 Saskatoon, SK S7L 6M8

Phone: 1.306.374.5233
 Toll Free: 1.877.700.5233
 Fax: 1.306.373.2295

Website www.srec.ca



[@SREC_comm](https://twitter.com/SREC_comm)

Commission Staff

Aaron Tetu, Executive Director/Registrar
(atetu@srec.ca), ext. 7

Gail Armstrong, Registration/Office Administrator
(garmstrong@srec.ca, info@srec.ca), ext. 1

Reché McKeague, Legal & Compliance Manager
(rmckeague@srec.ca, compliance@srec.ca), ext. 4

Nina Criddle, Compliance Officer
(ncriddle@srec.ca), ext. 3

Laura Mychan, Legal & Office Assistant
(lmychan@srec.ca), ext. 2

Susan McCrae, Education & Communications Coordinator
(smccrae@srec.ca), ext. 6

Jason Weiler, Systems Administrator
(jweiler@srec.ca), ext. 8

Commission Members

Trevor Koot, Chair, Swift Current

Paul Jaspar, Vice Chair, Saskatoon

David Chow, Moose Jaw

Mike Duggleby, Regina

Dave Hepburn, Saskatoon

Murray Lang, Regina

Jeff Markewich, Moose Jaw

Vern McClelland, Lloydminster

Al Myers, Saskatoon

Tim Ward, Saskatoon

Bernie Weinbender, Regina