

Real Estate Council of British Columbia

2019/20 – 2021/22 SERVICE PLAN

February 2019



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Council Chair Accountability Statement



The 2019/20 – 2021/22 Real Estate Council of British Columbia Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. I am accountable for the contents of the plan, including what has been included in the plan and how it has been reported. I am responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of January 7, 2019 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, the Real Estate Council of British Columbia's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of the Real Estate Council of British Columbia's operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink that reads "Elain Duvall". The signature is written in a cursive, flowing style.

Elain Duvall
Council Chair

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Strategic Direction and Alignment with Government Priorities

The Real Estate Council of British Columbia (RECBC) is a regulatory agency established by the provincial government in 1958. Our mandate is to protect the public interest by enforcing the licensing and licensee conduct requirements of the *Real Estate Services Act*. RECBC is responsible for licensing individuals and brokerages engaged in real estate sales, rental and strata property management. RECBC also enforces entry qualifications, investigates complaints against licensees and imposes disciplinary sanctions under the Act. RECBC does not receive taxpayer funding: our operations are funded through licensing assessment fees.

Our mission is to protect the public interest by promoting and enforcing professional standards to raise the competency and conduct of real estate licensees in British Columbia. In collaboration with the Office of the Superintendent of Real Estate (OSRE), RECBC works to achieve the shared goal of a fair, transparent and consistent regulatory system for real estate services in British Columbia.

In September 2018, the Ministry of Finance published the *Real Estate Regulatory Structure Review Report* proposing consolidation of responsibility for the regulation of the real estate sector in B.C. We are committed to working with staff from the Ministry of Finance, OSRE and the Financial Institutions Commission (FICOM) to support this work. The goals, strategies, performance measures and targets contained in this service plan will guide our work until the government concludes its work addressing the recommendations in the *Real Estate Regulatory Structure Review Report*.

We have set out a three-year plan with strategies, performance measures and targets, aligned with the objectives in the [B.C. Government's Mandate Letter](#), to fulfill our mission on behalf of B.C. consumers and achieve our vision: *Public trust in ethical and competent real estate professionals*.

RECBC supports Government's commitment to reconciliation with Indigenous Peoples. We will incorporate the United Nations Declaration of the Rights of Indigenous Peoples and the Calls to Action of the Truth and Reconciliation Commission within the context of our work to protect the public interest through the regulation of real estate professionals. We will work to ensure that RECBC's operations align with government's climate plan to achieve legislated carbon reduction targets. And we look forward to working with government to ensure that appointed Council members represent the diversity of British Columbia.

This service plan identifies three key goals that reflect successfully delivering on our vision and mission: fostering a culture of service excellence; providing consumers and licensees with the information to participate effectively in real estate transactions; and ensuring RECBC is a trusted authority in real estate regulation. As we implement our strategies to accomplish these goals, we will continue to carry out the organizational transformation initiated in 2016 to become a proactive consumer protection agency, investing in new technology to increase our efficiency and improve our services to real estate consumers and licensees.

In parallel with preparing to transition to a new regulatory environment we will work to deliver on these three goals: to effectively and efficiently identify and mitigate risks to real estate consumers; raise awareness among members of the public about real estate issues and the role of RECBC; and increase professionalism in the real estate industry. By achieving these goals, we will help ensure that

B.C. consumers can participate with confidence in real estate transactions, knowing they are working with competent and ethical real estate professionals.

The Real Estate Council of British Columbia is aligned with the Government’s key priorities:

Government Priorities	Real Estate Council of BC Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Work with the Office of the Superintendent of Real Estate to improve market conduct and to identify measures that RECBC can action to achieve Government’s commitment to improve housing affordability. (Strategy, Objective 3.3).
Delivering the services people count on	<ul style="list-style-type: none"> • RECBC fosters a culture of service excellence. (Goal 1). • RECBC is a trusted regulatory authority. (Goal 3).
A strong, sustainable economy	<ul style="list-style-type: none"> • Consumers and licensees have the information and resources they need to participate effectively in real estate transactions. (Goal 2).

Operating Environment

Real estate transactions are a significant economic driver in British Columbia. From year to year, many factors may affect the real estate market, the practices and regulation of licensed real estate professionals, and the protection of real estate consumers.

In our external operating environment, one of the most significant challenges that RECBC continues to experience is the rise in complaint volumes which have doubled since 2015. The leveling of sales in the province’s real estate markets over the past year may now be slowing the increase in new complaints, and may also affect the numbers of new entrants into the profession.

In 2018, a decision by federal Supreme Court of Canada upheld the position of the Competition Bureau that consumers deserve greater access to real estate data in Canada. In the years ahead, RECBC will be monitoring for effects of this decision, and of other innovations that may disrupt traditional real estate business practices, affecting the numbers of new entrants and the retention of experienced practitioners in the industry.

The [Real Estate Regulatory Structure Review](#), prepared for the Minister of Finance and published in September 2018, recommended that a single regulator be responsible for the real estate sector in B.C. We are committed to working with the government while continuing to deliver robust consumer protection.

A range of factors influence RECBC’s internal operating environment. Favourable factors that may positively impact performance results in 2019/20 include significant investments in building leadership capacity across RECBC’s business areas in 2018/19, along with the introduction of a total compensation and performance review framework. Further work to support employee engagement, recruitment and retention will be particularly critical in the coming year considering workload

pressures due to sustained high volumes of complaints and the complexity of investigations and disciplinary proceedings.

In 2018/19, RECBC conducted a review at the request of the Superintendent of Real Estate of the introduction of new consumer protection rules for real estate licensees, including monitoring, surveying and reporting on the impacts to consumers and any unintended consequences. The review report is expected to provide a basis for ongoing work by RECBC to uphold standards of consumer protection.

RECBC is working to make significant changes to its control of regulatory education, including transitioning administration from the BC Real Estate Association (BCREA) to RECBC. These changes will impact our staffing and resourcing.

We have recently completed a review of RECBC's technology infrastructure, and recommended updates are underway to improve security and efficiency. Further investments in data management and information technology will be undertaken to manage business risks, and to maintain and improve service delivery levels. RECBC recognizes the fast pace of technological change and the need to adapt business-critical systems to provide effective and efficient services. Responding to the threats and opportunities of technological change will require ongoing innovation, collaboration, and systems thinking. We will continue to focus on expanding our ability to provide online services to consumers and licensees.

Performance Plan

This performance plan describes RECBC's goals, objectives and performance measures for 2019/20 to 2021/2022. The goals are similar to those in the 2018/19 – 2019/20 Service Plan with updates to better reflect strategic priorities, alignment with Government's objectives as outlined in the Mandate Letter and the organization's performance. These changes will be integrated into organizational strategy and performance measures will continue to evolve.

In developing this performance plan, RECBC evaluated results of its ongoing monitoring of the operating environment, and considered direction from Government and its strategic priorities. RECBC regularly engages on both strategic and operational levels with the Ministry of Finance and the Office of the Superintendent of Real Estate.

Goal 1: RECBC fosters a culture of service excellence

This goal aligns with the Government priority to deliver the services that people count on.

Objective 1.1: Enhance the efficiency and timeliness of compliance and licensing processes

To ensure that RECBC can effectively manage the increasing number and complexity of complaints and investigations in a timely manner, and reduce its accumulated inventory of cases, we are committed to developing processes that enable the organization to respond effectively to a changing environment. In 2018/19 RECBC implemented new measures to streamline investigative processes, increase the transparency of our disciplinary processes, and introduce alternatives to resolve complaints in advance of a hearing. We will continue to focus on implementing measures to resolve legal cases more efficiently, streamlining administrative and licensing processes, automating internal document management, prioritizing and expediting critical investigations, and implementing practices to facilitate and encourage flexibility and problem-solving. RECBC has made significant strides in modernizing licensing processes, and we will continue to streamline and enhance these services.

Key Strategies:

- Implement a new case management system for legal and compliance to improve productivity and reporting.
- Further develop alternative measures of disciplinary action to promote timely resolution of certain cases and free up resources for more complex cases.
- Develop a dedicated client service support team to provide one-stop access to information for consumers and real estate licensees.
- Continue to transition licensing processes online and eliminate paper applications.

Performance Measure(s)	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.1a Average number of calendar days to complete a complaint investigation ¹	310 Baseline	298	5% decrease	Maintain or decrease	Maintain or decrease
1.1b Percentage of complete applications for new individual licences processed within three weeks ²	N/A	89% Baseline	Maintain or increase	Maintain or increase	Maintain or increase
1.1c Reduction in 2018/19 inventory of compliance files ³	N/A	Baseline 700	650	400	Maintain or reduce

1. Data Source: RECBC complaints tracking system (note that 2017/18 is a 9-month fiscal period)
2. Data Source: RECBC licensing tracking system (note that 2017/18 is a 9-month fiscal period)
3. Data Source: RECBC compliance department files (note that 2017/18 is a 9-month fiscal period)

Linking Performance Measures to Objectives:

- 1.1a RECBC demonstrates its ability to respond to reported conduct issues in a timely manner, while continuing to ensure administrative fairness, through the average length of time required to complete complaint investigations.
- 1.1b In addition to providing services to the public, RECBC has an obligation to provide licensing services to suitable and qualified applicants in a timely manner. The processing of new licence applications is a key indicator of licensing service standards and efficiency.
- 1.1c As a result of the increase in the volume of complaints over the past three years, RECBC has a significant inventory of active investigation files as of January 2019. By developing new processes and investing in technology, RECBC plans to reduce this inventory substantially over the next two years.

Discussion:

- 1.1a As RECBC continues to streamline and automate processes, we will update this performance measure to improve service standards. Targets for future years may be adjusted accordingly.
- 1.1b This measure was introduced in RECBC's first service plan in 2018, and was not previously tracked, so there is no data to report for 2017/18.
- 1.1c This measure is based on the inventory of complaints as of January 2019. Targets may be adjusted annually to reflect changes to the future volume of complaints, which are beyond RECBC's control.

Objective 1.2: RECBC employees are engaged and motivated

Engaged and motivated employees contribute to higher levels of organizational success. To create a workplace that enhances employee satisfaction and commitment, RECBC will continue to build a strong culture of service excellence in which all employees are invested in and accountable for implementing our strategic priorities and receive the support to increase their skills, expand their knowledge and develop their careers. RECBC experienced significant employee turnover in the past two years and more than 30% of current employees have been hired in the past 24 months. By focusing on human resources practices to promote collaboration and employee engagement we will build organizational capacity to achieve service excellence.

Key Strategies:

- Enable and promote a workplace culture where all employees support RECBC’s values.
- Implement a performance management program.
- Develop and implement employee training policies and career development paths.
- Provide a competitive total compensation policy and program that includes rewards, recognition and provides opportunities for ongoing learning and development.

Performance Measure

RECBC will demonstrate its success at implementing the strategies described above to build a culture of service excellence and an engaged and motivated workforce through an annual, internally conducted employee survey. The first survey to establish a baseline against which to measure increases in engagement levels will be conducted in the first quarter of 2019 and reported out on in the 2019/20 Annual Service Plan Report (or 2020/21 Service Plan). Targeted increases for successive years will be developed and updated in subsequent service plans.

Linking Performance Measures to Objectives:

- 1.2 Employee engagement will be measured through an employee engagement survey that tracks employee perceptions on motivation, work satisfaction, alignment with organizational goals, and skills development.

Goal 2: Consumers and licensees have the information and resources they need to participate effectively in real estate transactions

This goal aligns with the Government priority of a strong, sustainable economy.

Objective 2.1: Increase the availability of consumer resources to support informed real estate decisions

To ensure that real estate consumers are well informed and feel empowered to make the decisions that are most appropriate for them, they need access to independent, relevant, accessible information that helps them to understand the process of a real estate transaction, and the risks and issues that may be encountered. RECBC is investing in delivering information online, through our website and social media channels, and offline, through direct engagement campaigns to help consumers build the skills and knowledge they need to make sound real estate decisions.

Key Strategies:

- Launch and promote a new consumer-focused website and online resources.
- Deliver targeted campaigns to inform and educate consumers, including a focus on high-risk or vulnerable consumers.

Performance Measure

RECBC will use a consumer survey conducted by a third-party market research firm every two years, to gauge consumers' self-reported levels of knowledge and confidence. The first survey to establish a baseline against which to measure increases will be conducted in the first quarter of 2019 and reported out on in the 2019/20 Annual Service Plan Report (or 2020/21 Service Plan). Results of the first survey will establish a baseline from which to project targeted increases for the coming years.

Linking Performance Measures to Objectives:

- 2.1 Surveying every second year allows for sufficient time to analyze results and implement measures to improve future survey responses.

Objective 2.2: Increase the standard of education and resources provided to real estate licensees

RECBC will increase public confidence in the real estate industry by raising educational standards, promoting best practices and fostering a culture of strong ethics. In August 2018, RECBC released a white paper outlining the results from an external review of its regulatory education, detailing achievements to date in raising standards and highlighting plans for new initiatives to increase education standards. RECBC will continue to focus on planned enhancements to regulatory education to promote increased professionalism among real estate licensees and to strengthen consumer protection.

Key Strategies:

- Develop and implement a transition plan to increase RECBC's oversight, control and direct involvement in content development and instruction of regulatory education, including Applied Practice, Legal Update, and other mandatory courses.
- Engage industry stakeholders through the RECBC Education Advisory Group to explore implementing a more formal apprenticeship model to enhance regulatory education.
- Develop updated competency profiles to support the review of the educational and assessment components of pre-licensing and continuing education.
- Undertake a comprehensive review and update of RECBC's key resources for licensees and managing brokers, the *Professional Standards Manual* and *Brokerage Standards Manual*.
- Engage and support managing brokers as industry change agents.

Performance Measures

RECBC will measure the effectiveness of strategies to enhance regulatory education and raise standards of resources for licensees through annual surveys of managing brokers. Managing brokers have attained a higher level of licensing, must be experienced practitioners, and are responsible for oversight of all licensees at a real estate brokerage. They are thus well positioned to assess the competency of licensees under their supervision. The first survey to establish a baseline indicator of agreement by managing brokers of the degree to which regulatory education prepares real estate licensees for competent practice was conducted in 2018 and will be reported out on in the 2019/20 Annual Service Plan Report (or 2020/21 Service Plan). Results of the first survey will establish a

baseline from which to project targeted increases for the coming years. These targets will be included in future service plans, and reviewed and adjusted as required.

Linking Performance Measures to Objectives:

2.2 Under the *Real Estate Services Act*, managing brokers supervise licensees and are accountable for brokerage operations. Annual surveys of managing brokers will measure the effectiveness of changes to the delivery and content of licensing education.

Goal 3: RECBC is a Trusted Regulatory Authority

This goal aligns with the Government priority to deliver the services people count on.

Objective 3.1: Raise awareness of RECBC’s mandate and strengthen relationships with stakeholders

Through engagement and collaboration with our co-regulator, the Superintendent of Real Estate, as well as industry stakeholders, government, and key consumer groups, we will build support and recognition of our role as a consumer-focused regulator of licensed real estate professionals, and a source of accurate, impartial real estate information. An initial survey of recent real estate consumers has established that RECBC is widely recognized and we intend to build upon these results to strengthen awareness of our services and resources and our mandate in regulating B.C.’s real estate industry.

Key Strategies:

- Create and implement a public relations strategy.
- Strengthen relationships with key stakeholders and government partners.
- Enhance transparency in decision-making and governance.

Performance Measure(s)	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.1 Percentage of recent real estate consumers who are aware of RECBC’s mandate	65%	N/A	5% increase	N/A	Maintain or increase

Data Source: consumer survey conducted every two years by a market research firm.

Linking Performance Measures to Objectives:

3.1 This performance measure is tracked through a survey of recent real estate consumers conducted by a third-party market research firm every two years. RECBC will measure success by seeing an increase in the percentage of recent real estate consumers who are aware of RECBC’s role as the regulator of licensed real estate professionals. Surveying consumers every second year allows for sufficient time to analyze results and implement measures to improve future survey responses.

Objective 3.2: RECBC will work with OSRE and other partners to address market conduct and consumer risks

RECBC takes an evidence-based approach to identify and understand the causes of emerging risks in the B.C. real estate market. We work with OSRE, other regulatory agencies, government partners, and industry stakeholders to address these issues, educate licensees about how to avoid conduct that may result in risks to consumers, and raise consumer awareness of risks and how they can be avoided or reduced.

Key Strategies:

- Take an evidence-based approach to identifying and responding to emerging risks.
- Work with staff from OSRE and the Ministry of Finance on policy initiatives to review the role of managing brokers in real estate regulation and the ethical conduct and standards of licensees.
- Cooperate with other agencies to identify and mitigate consumer risks.
- Develop and implement consumer and licensee awareness campaigns about emerging risks.

Performance Measure(s)	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.2 Number of people who access RECBC Advisory Notices online	4,676 Baseline	5% increase	5% increase	Maintain or increase	Maintain or increase

Data Source: RECBC website analytics (note that 2017/18 is a 9-month fiscal period)

Linking Performance Measures to Objectives:

3.2 RECBC will measure success by demonstrating annual increases in the number of visits to Advisory Notices made available on our website alerting consumers and licensees to emerging risks and providing guidance on ways to prevent or reduce the likelihood of harm.

Discussion:

RECBC will launch consumer and licensee-focused awareness campaigns that, it is anticipated, will result in increased reach of advisory notices over 2018/19 and 2019/20. The need for further potential campaigns will be assessed subsequently, and targets may be adjusted accordingly.

Objective 3.3: Implement measures to strengthen enforcement of conduct requirements for real estate licensees and increase consumer protection

RECBC is committed to developing and implementing measures to strengthen enforcement and increase consumer protection. We will continue to work collaboratively with OSRE to improve market conduct, identify measures to improve housing affordability, and to support the implementation of any measures that will require changes to the rules governing the conduct of real estate licensees.

Key Strategies:

- Enhance RECBC's brokerage audits (office records and inspection program) to provide more education for managing brokers on best practices for brokerage policy and records management.
- Develop a public report card summarizing the results of the brokerage audits, providing important feedback to managing brokers and improving consumers' ability to make informed real estate decisions.
- Develop new tools and resources for managing brokers to communicate records management and brokerage policy best practices.
- Work with OSRE to improve market conduct and to identify measures that RECBC can action to achieve Government's commitment to improve housing affordability. This strategy aligns with Government's priority to make life more affordable.

Performance Measure(s)

RECBC will measure the effectiveness of planned initiatives to increase compliance by brokerages by tracking the number of audits that do not result in administrative penalties or disciplinary proceedings against the brokerage. RECBC will establish a baseline of audits not resulting in penalties or discipline proceedings in 2019/20, from which to project targeted increases for the coming years. These targets will be included in future service plans, and reviewed and adjusted as required.

Rules came into effect in late 2017 that currently enable RECBC to apply administrative penalties for a limited range of infractions. RECBC will be reviewing its office and records inspection program in 2019/20 which may influence the way administrative penalties and discipline are assessed. Changes to administrative penalties are also expected which may impact the baseline to be established in 2019/20.

Linking Performance Measures to Objectives:

Through RECBC's Office and Records Inspection Program, a representative sample of B.C.'s real estate brokerages are audited annually based on a risk matrix to ensure they are operating in accordance with the *Real Estate Services Act*, Regulation and Rules. All brokerages are required to submit annual accountants' reports and brokerage activity reports that are reviewed by RECBC to assess risk and inform audit planning. This performance measure will track the percentage of brokerages that do not have significant deficiencies noted in audit results.

Financial Plan

The Real Estate Council of BC does not receive taxpayer funding. Key activities described in this Service Plan will be primarily funded through licensing assessment fees gathered from the more than 26,000 individuals and brokerages we license and regulate. A small portion of our revenue is derived from enforcement sanctions, and required under the *Real Estate Services Act* to be directed to the internally-restricted Education Fund. RECBC's budget includes fees collected and remitted on behalf of the Superintendent of Real Estate, the Real Estate Errors and Omissions Insurance Corporation, and the Real Estate Compensation Fund Corporation. RECBC expenditures are divided between investigative functions (compliance department and a portion of audit and legal expenses) and other administrative costs (education, communications, legal, audit and professional advisory services).

Summary Financial Outlook

(\$000)	2018/19 Forecast	2019/20 Budget	2020/21 Budget	2021/22 Budget
Total Revenue				
By Major Sources				
Licence Fees*	992	1,176	1,176	1,176
Assessment Fees	9,132	10,115	10,115	10,115
Course Fees	967	869	869	869
Other Int and Investment Income (net)**	(169)	(213)	(213)	(213)
Total Revenue	10,922	11,947	11,947	11,947
Total Expenses				
By Program Area or Function				
Operational & Administration	8,372	9,843	9,843	9,843
Investigative	907	1,086	1,086	1,086
Other	746	1,018	1,018	1,018
Total Expenses	10,025	11,947	11,947	11,947
Excess of Revenue over Expenses/Annual Surplus (Deficit)	897	0	0	0
Total Liabilities/Debt (even if zero)	700	700	700	700
Accumulated Surplus - (RECBC)	8,799	8,799	8,799	8799
Accumulated Surplus - (REEOIC)	24,095	24,095	24,095	24,095
Capital Expenditures	1,083	375	200	200

* Licence fees are collected for a 24-month licensing cycle based on individual renewal dates.

** Interest and investment income is net of credit card and bank charges.

Key Forecast Assumptions, Risks and Sensitivities

Our key revenue assumptions are as follows for comparative year 2019/20:

- Budget is based on a conservative estimate that annual licence renewals may decline up to 10% as a result of market fluctuations, as well as recent changes to rules and education standards.
- No change anticipated to licensing fee and assessment rates in 2019/20. Licensing fee and assessment rates are reviewed annually as part of budget planning.
- Course fee revenue is \$0.9M and includes mandatory regulatory education courses approved by RECBC and administered through the BC Real Estate Association (BCREA). Net new course revenue for 2018/19 and 2019/20 are based on the introduction of a new mandatory course in June 2018 administered by the University of British Columbia. All trading services and rental property management licensees must complete this new course within their 2-year licensing cycle.
- Administrative responsibility for regulatory education course development and delivery is expected to transition from BCREA to RECBC by December 2019. Courses will be administered on a cost-recovery basis.

Our key expense assumptions are as follows for comparative year 2019/20:

- \$1.3M increased staffing costs as anticipated to support additional full-time employees (FTE) for compliance, audit and operations functions and increased employee benefit costs.
- \$0.1M increased legal expenses as a result of growing numbers of cases proceeding to hearing and rising legal costs per case.
- \$0.2M in increased operating expenses due to investments in technology modernization and new information management systems. Annual IT expenses have historically been \$0.24M.
- RECBC has renewed the lease for its current premises until 2034, with additional space totaling 17,389 sqft at an average cost of \$31.25/sqft over a 15-year commitment.
- No changes anticipated in liabilities.
- No change anticipated to investment in controlled entities: Real Estate Compensation Fund Corporation (assets in trust) or Real Estate Errors and Omissions Insurance Corporation (government business enterprise).
- Other interest and investment income is net of credit card expenses.
- Capital assets are amortized straight line for computer hardware and software additions and office furniture and equipment over four and five years respectively.

Risks include:

- RECBC revenue is uncertain as trends in new licence applications and renewals of existing licences are impacted by market fluctuations and the unpredictability of enforcement sanctions.
- Proposed balanced budgets for fiscal years 2020 and 2021 are subject to change based on licensee assessment and renewal fees. Deficits may erode RECBC's unrestricted surplus or may be offset by future increases to licensee assessment fees. RECBC's revenue strategy will be reviewed annually and licensees will be provided with advance notice of any proposed increases.

- Costs associated with the implementation of a technology modernization remain preliminary. RECBC is finalizing scope of work to confirm project plan in 2019/20.

Management's Perspective on the Financial Outlook

RECBC prepares an annual budget for approval by the Council, monthly budget variance reporting to management and requests Council approval of significant expense variances.

Compensation and occupancy costs account for about 74% of the organization's expenses for 2019/20. We are increasing staff capacity to align with operational demands and shifting strategic priorities as we plan for a potential transition to a single regulator. To accommodate the increased staff and improve space efficiencies, RECBC has secured a 15-year lease expanding our current premises in downtown Vancouver until 2034. RECBC is not a capital intensive organization and has no capital projects valued at more than \$50M.

RECBC is enhancing its use of technology to improve the efficiency and effectiveness of its services, and will increase the use of data analytics to predict trends and identify potential consumer risks. Technology expenditures are projected to increase over the next three years as licensing process are modernized, case management systems are improved, and hardware and infrastructure are upgraded. Our revenue strategy and any future changes to assessment fees will be reviewed annually based on changing strategic priorities, operating expenditures and licence renewal trends.

RECBC appoints the majority of the board members to the Real Estate Compensation Fund Corporation (RECFC). RECFC provides protection for members of the public who have entrusted real estate licensees with money that was misappropriated or wrongfully converted, intentionally not paid over or accounted for, or obtained by fraud. The funds administered by RECFC under the *Real Estate Services Act* (RESA) meet the definition of a trust under administration and are not included in RECBC's financial statements.¹

The Real Estate Errors and Omissions Insurance Corporation (REEOIC) is a government business enterprise (GBE) controlled by RECBC. REEOIC is a special act corporation incorporated under the RESA. REEOIC pools the insurance premiums paid by real estate licensees in a fund that is used to pay the costs of defending and indemnifying licensees against professional liability claims.

¹ As determined by RECBC auditors Grant Thornton LLP in 2017.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

Information about RECBC's Corporate Governance can be found at:

<https://www.recbc.ca/about/governance.html>.

This includes links to information regarding:

- Council members
- RECBC committees and advisory groups
- Executive Team

Organizational Overview

Information about RECBC's operating environment can be found at:

<https://www.recbc.ca/about/overview.html>.

This includes links to information about:

- RECBC's mandate
- Core business areas
- Organizational goals

The *Real Estate Services Act*, the enabling statute for RECBC, is available here:

<https://www.recbc.ca/licensee/legislation.html>.

Public Reviews of Real Estate Regulation

[Real Estate Regulatory Structure Review](#), September 2018

[Report of the Independent Advisory Group on Conduct and Practices in the Real Estate Industry in British Columbia](#), June 2016

Related Organizations

Information about the Real Estate Compensation Fund Corporation can be found at:

<https://www.recbc.ca/about/ar.html>

Information about the Real Estate Errors and Omissions Corporation can be found at:

<https://www.reeoic.com/>

Information about the Office of the Superintendent of Real Estate can be found at:

<https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/central-government-agencies/office-of-the-superintendent-of-real-estate>