

Reports from RECO's 2010 Annual General Meeting



Thursday, June 17, 2010
The Old Mill Inn, 21 Old Mill Road, Toronto, ON
Start time 10:00 a.m. - Guildhall Rooms A & B

Please refer to AGM video for complete remarks.

Report of the Chair – Board of Directors Glenda Brindle

First, let me tell you that it has been a great honor to serve as Chair of the Board of Directors for RECO. I began my career in real estate more than 20 years ago. In fact, I can recall my first year on the job was about the same time Canada introduced the Loonie and Rick Hanson completed his Man in Motion tour.

I remember lunches where you might actually talk to the person across the table from you as opposed to chatting with someone else on your blackberry.

In a relatively short time, we have seen massive changes to technology, market conditions and legislation – all of which has impacted on the real estate industry.

But what hasn't changed is the absolute need for home buyers and sellers to have confidence in their brokers and salespersons. Real estate is still a business that relies extensively on word of mouth and reputation.

I have always believed that a regulated profession is critical to helping to preserve public confidence in any industry. Once I joined RECO's Board of Directors, I developed an even deeper appreciation for the value of a regulated industry.

During my term as Chair, I have also recognized that there's still a challenge ahead of us to ensure all registrants understand what RECO can do and what it cannot.

For example, we are often asked to lobby government or make changes to REBBA 2002 and its regulations.

During these times, we have to remind registrants that RECO administers the Act but does not have the authority to change it.

Our role is also very different from the Ontario Real Estate Association or local boards. RECO's mission is to regulate the trading of real estate in the public interest. We administer the REBBA 2002 on behalf of the government of Ontario. Our responsibilities include both education and enforcement of the Act.

Board members and RECO staff participate in outreach efforts to help registrants better understand RECO's mandate.

We also provide updates on new RECO initiatives and industry issues at various meetings held by boards, associations, OREA and others throughout Ontario.

One of the issues that has been of great interest to registrants is advertising. I can tell you the Board has just approved new resources to address advertising contraventions. This decision came after the Legislative and Regulations Committee reviewed options for addressing registrant advertising. Registrar Allan Johnston will be discussing some of the recommendations and the progress made to date.

Another important responsibility of the Board involves RECO's Insurance Program. The requirement that all registrants participate in RECO's Insurance Program is extremely important. It provides valuable protection to both those who trade in real estate as well as home buyers and sellers.

I am pleased to say that through RECO's insurance broker, Alternative Risk Services, insurance coverage has been renewed with Lloyd's for the policy period from Sept. 1, 2010 to Sept. 1, 2011.

The total cost of insurance, including taxes and expenses for the term will be \$335. This coverage includes Error and Omissions, Consumer Deposit Insurance and Commission Protection Insurance. The premium increase is due to the increase in claims in all areas.

At last year's AGM, some registrants inquired about the occurrence limit for the Commission Protection and Consumer Deposit coverage.

In response to recent claims experience and to reflect the current state of the real estate profession, the Commission Protection and Consumer Deposit aggregate per occurrence limit has been increased for each coverage from \$500,000 to one million.

Another important development that has occurred during the last year is the completion of the Ministry of Consumer Service's Delegated Administrative Authority Review. DAAs – such as RECO – are stand alone, financially self-sustaining not-for profit corporations that have been given the authority through legislation to carry out critical functions that promote public safety and consumer protection.

Last year, the Ministry released the findings of a review of the DAA model. The independent review concluded that the DAA model has served Ontario well. It also confirmed that RECO is a well-managed organization.

We also received feedback this year from the industry. Last fall I e-mailed registrants personally to invite them to participate in the 2009 Registrant Satisfaction Survey. I was delighted that we had the highest response ever – more than 9,000 responses. The survey was conducted by an independent firm to ensure confidentiality. The responses were generally positive and indicated a high level of satisfaction with RECO's services and performance. More

details about the results of the survey are in this year's Annual Report which is available here today and will be posted on our website.

Once again, I want to express my appreciation for having the privilege to serve as Chair of RECO's Board of Directors.

I would also like to thank the members of the Board of Directors.

I've appreciated their enthusiasm and dedication and the contributions they make of their time not only at board meetings but during committee work and outreach activities.

You have played a key role in helping to guide and set goals and objectives for RECO.

Finally, I must thank RECO's management, employees and in particular – President/CEO Mr. Tom Wright for his professionalism and commitment.

And with that said, I'd now like to invite Tom to present his report on the operational activities of RECO for the fiscal year 2009-2010.