RECO

Administrator's Final Report

Submitted to the Honourable Stephen Crawford
Minister of Public and Business Service Delivery and Procurement

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Real Estate Council of Ontario

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Message from the Administrator

On November 28, 2025, I was appointed Administrator for the Real Estate Council of Ontario (RECO) with a clear mandate: to support those financially impacted by the iPro Realty matter; ensure RECO is equipped to effectively regulate the real estate services sector and fulfill its consumer protection mandate; implement systemic change within the organization and help restore public trust and confidence; and begin implementing changes to RECO's governance, organizational structures, culture and operations that address relevant recommendations from the Dentons audit report.

My appointment was always intended to be time limited. The objective was not to complete every aspect of RECO's transformation during my appointment, but to respond to the matters that led to my appointment, establish the conditions for meaningful and sustained change, and position RECO to continue that work under strong and accountable Board governance.

In March 2026, I submitted an Implementation Plan to the Minister of Public and Business Service Delivery and Procurement (the Minister) that established a coordinated transformation agenda to deliver against the Terms of Reference of my appointment. My Initial Report, submitted to the Minister on June 24, 2026, documented the considerable progress achieved and made clear that RECO's transformation would extend beyond my appointment.

Since then, RECO has continued to strengthen regulatory oversight and accountability, establish a clearer direction for consumer protection, renew its leadership and organizational capacity, and advance significant governance reform.

On August 31, 2026, I recommended to the Minister that RECO's governance authority transition to the new Board of Directors and that my appointment as Administrator conclude. After considering my assessment of RECO's readiness to transition to board governance, the Minister agreed with my recommendation. The progress achieved under my leadership demonstrates that the objectives of my appointment have been met and that RECO is well positioned for its next phase. My appointment will conclude today, September 8, 2026, with governance authority transitioning to the Board effective September 9, 2026.

Building on my Initial Report, this Final Report provides the concluding account of progress against the four objectives established by the Minister in the Terms of Reference and the transformation agenda set out in my March 2026 Implementation Plan. It is supported by the Administrator's Report Card, included as an appendix, which provides a summary of progress and key results across the four objectives. The report also identifies the areas of continued focus as RECO continues to make progress on its transformation under Board governance.

Objective #1

Work with the insurer and related parties promptly to support those financially impacted by the iPro Realty matter.

Responding to the impacts of the iPro Realty matter was an immediate priority of my appointment. RECO worked with its insurer and other parties to support those financially impacted. One hundred per cent of eligible commission protection claims have been made available, and almost 100 per cent of eligible claims involving closed transactions have been paid out. I want to reiterate that consumer deposits were protected, with claims paid under the Consumer Deposit insurance policy. Recovery and accountability efforts are ongoing with other provincial authorities now involved.

Remedying the situation extended beyond the immediate claims response. The iPro matter and subsequent Dentons audit report identified institutional issues requiring broader and sustained change. RECO has strengthened the institutional framework supporting the Registrar's statutory role, with clearer governance and oversight, decision-making authorities, accountability, escalation and reporting responsibilities.

The lessons arising from the iPro matter and the Dentons audit report are also being embedded into RECO's broader regulatory modernization and operating model, including reforms to strengthen financial viability, trust account and brokerage oversight. As noted, recovery and accountability efforts, together with remaining implementation of the Dentons recommendations, will continue beyond my appointment.

Objective #2

Oversee and maintain RECO's operations to ensure that RECO is equipped to effectively regulate real estate salespersons, brokers, and brokerages and is fulfilling its consumer protection mandate.

Strengthening RECO's Capacity and Sustainability

In spring 2026, RECO completed a comprehensive financial diagnostic and baseline cost assessment, establishing a clearer understanding of the cost of delivering its mandate. RECO is currently consulting on proposed fee changes to return registration, processing, and transfer fee rates to 2022 levels, adjusted by 2.1 per cent for inflation. The consultation closes on September 11, 2026.

The proposed reversal of the 2023 fee reduction is an important near-term step toward strengthening the organization's cost recovery approach and financial position, while longer-term financial sustainability work is proposed to continue under Board oversight, consistent with RECO's commitment to fully embedding cost recovery principles.

Internally, RECO has renewed its executive leadership capacity and realigned the organization to support clearer accountability and delivery of its consumer protection and transformation priorities. RECO is also developing a refreshed enterprise risk management framework to increase transparency, improve risk identification and mitigation strategies to support a new 2027-2030 Strategic Plan.

Public Awareness and Stakeholder Engagement

Research conducted by Ipsos established important baselines for consumer awareness and registrant sentiment. Among registrants surveyed, 89 per cent said RECO's transformation and organizational changes are helping RECO evolve to better support the needs of today's real estate services sector, while 88 per cent said RECO acts in the best interests of consumers.

This research is supporting the development of a new public awareness campaign targeted to launch this fall to promote RECO's consumer protection mandate and strengthen public understanding of RECO's role as Ontario's real estate services regulator.

A Stakeholder Engagement Strategy has been implemented, with three themed Collaboration Summits with industry stakeholders, roundtables and targeted consultations helping to inform substantive work in areas including financial oversight, education, professional standards and consumer protection. As part of this new strategy, recruitment is also underway for a renewed Industry Advisory Council to be established by January 1, 2027, providing an ongoing forum for sector perspectives to inform RECO's regulatory priorities and key initiatives.

Objective #3

Implement measures to bring about systemic change within RECO and to restore public trust and confidence in RECO and the real estate services sector.

A More Proactive Approach to Consumer Protection

A central focus of my mandate has been moving RECO toward a more proactive, risk-based and data-informed approach to consumer protection. Under my leadership, RECO launched A Roadmap to Enhanced Consumer Protection at the third Collaboration Summit on August 17, 2026. This roadmap establishes the framework for proactive consumer protection, focused on identifying risks earlier, strengthening professional standards and improving consumer outcomes. The roadmap has been publicly released and implementation is underway.

Regulatory governance has also been strengthened, with clearer Registrar reporting and greater emphasis on transparency, consistency and accountability in regulatory decision-making and responses to non-compliance.

Enabling Regulatory Modernization

Following completion of RECO's enterprise technology and process assessment, a three-year Digital and Technology Modernization Roadmap is being developed in alignment with the Roadmap to Enhanced Consumer Protection and is targeted to be released later this year. It will provide the technology, data and process foundation required to support a more modern, proactive and data-informed regulatory organization.

Work to modernize RECO's approach to education and professional standards has advanced, informed by sector engagement and a review of the current model. A modernized Education Strategy is being developed as a key enabler of the Roadmap to Enhanced Consumer Protection and is targeted to be released later this year, with a focus on education, competency and professional standards that support stronger consumer protection.

Taken together, this work represents an evolution from a series of individual transformation initiatives toward a more integrated regulatory model. Sustaining confidence will depend on RECO continuing to demonstrate through its actions, transparency and regulatory outcomes that it is an effective regulator acting in the public interest.

Objective #4

Begin to implement effective changes to RECO's governance and organizational structures, culture, and operational policies to achieve outcomes that address the relevant recommendations from the Dentons audit report and any other priorities.

Significant changes have been made to RECO's governance, organizational capacity and operating environment during my appointment. Progress in addressing the issues and recommendations identified through the Dentons audit report has contributed to clearer regulatory authorities and accountabilities, stronger escalation and reporting, enhanced financial and trust account oversight, renewed governance and organizational structures, and a more proactive approach to consumer protection.

Remaining Dentons audit report-related implementation will continue beyond my appointment, with the majority of deliverables targeted for completion by year-end.

The principles underlying the recommendations are increasingly being embedded into RECO's regulatory modernization and operating model.

Strengthening Financial and Trust Account Oversight

Beginning October 1, 2026, Ontario brokerages will be required to submit an Annual Financial Filing to RECO. This new requirement, announced in June 2026, will provide greater visibility into brokerage financial health and support a more proactive, risk-based approach to oversight, allowing RECO to identify potential risks earlier and direct regulatory attention and resources where they are most needed. This initiative is being introduced under RECO's existing authority.

Under my leadership, RECO has also provided advice to the ministry on potential legislative and regulatory reforms to improve brokerage accountability and oversight, enhance trust account oversight and financial accountability, and strengthen RECO's compliance and enforcement tools. The ministry is currently consulting on these proposals and inviting the public's feedback until September 18, 2026.

RECO recognizes that any proposed changes to TRESA remain subject to government consideration and decision-making. RECO continues to recommend clarifying the requirements and protections for both consumer and commission trust accounts be a priority, as it would help address critical gaps, strengthen accountability, and reduce the risk of consumer harm and a recurrence of circumstances such as those associated with iPro.

RECO has also initiated a review of its insurance protection framework as part of the longer-term modernization of financial oversight and consumer protection. The review will explore the appropriate role for RECO in the future delivery of insurance protection, with a focus on ensuring continued protection of consumer deposits.

People, Culture and Organizational Capacity

RECO's organizational structure and executive leadership have been renewed to support clearer accountability, stronger collaboration and delivery of its regulatory and transformation priorities. Following completion of an organizational culture assessment, a People & Culture Strategy has been developed and rolled out, alongside enhanced approaches to organizational goal setting and performance management and accountability.

Strategic Direction and Enterprise Planning

Development of RECO's proposed 2027–2030 Strategic Plan is well advanced and will be submitted to the Board of Directors for their review. The proposed 2027 Business Plan and Budget, Corporate Scorecard and refreshed enterprise risk management framework are being developed in alignment with the strategy, providing the new Board with an integrated framework to inform priority setting, resource allocation, risk oversight and organizational performance management.

Renewed Governance

A new skills-based governance framework has been established. On April 29, 2026, the Minister issued Orders to RECO to implement systemic change within the organization. The Orders support the transition of RECO's governance from an administrator to a re-established, five-member Board of Directors. This marks the first phase of a two-phase process to return RECO to stable board-led governance.

At RECO's Annual General Meeting on June 25, 2026, three directors were elected. Together with two Ministerial appointments, including the Chair, the new Board will hold office and begin assuming governance authority on September 9, 2026.

RECO's membership model has also changed, with the Board serving as the Members of the Corporation, further strengthening the independence and accountability of RECO's governance framework.

Recent efforts have focused on preparing the Board to assume its responsibilities. My Governance Transition Plan has been completed, and a structured Board orientation program is underway, supported by a first-year governance workplan and planning for the transition to a full nine-member Board at a later date.

Together, these changes establish the governance structure and capacity necessary for an orderly transition from Administrator-led governance to Board oversight.

Transition to Board Governance

The Minister's Order and Terms of Reference for my appointment as Administrator contemplated that my appointment would be a time-limited measure, with a transition back to Board governance. With the governance framework, leadership and organizational foundations now in place, RECO is well positioned to continue its transformation under Board oversight. Governance authority will transition to the Board effective September 9, 2026.

The Board assumes responsibility at an important point in RECO's transformation. An important early responsibility for the new Board will be the appointment of a Chief Executive Officer to lead RECO through the next phase. The Board will also assume stewardship of RECO's longer-term strategic direction and oversee the plans, resources, risks and performance required to sustain the progress achieved during my appointment.

As I noted in my Initial Report, RECO's transformation is multi-year. The next phase will require sustained execution, measurement and oversight, building on the foundation, governance and leadership now in place.

Under the Board's oversight, I recommend that RECO continue implementing the Roadmap to Enhanced Consumer Protection and advancing the regulatory, digital, education and financial reforms that support it. I also recommend that RECO's work continue to embed organizational and cultural change, strengthen enterprise planning and risk management, and complete the next stages of governance renewal.

The focus now shifts from establishing the foundations for change to embedding those changes and demonstrating their impact through sustained implementation, measurement and oversight.

Conclusion

Over the course of my mandate, RECO responded to the immediate impact of the iPro Realty matter while undertaking broader institutional change. Regulatory oversight and accountability have been strengthened, a clearer consumer protection direction established, organizational leadership and capacity renewed, and governance significantly reformed.

The key objectives of my appointment have been met. The transition to Board governance represents not the end of RECO's transformation, but its next phase.

I want to thank RECO's employees for their commitment during a period of significant change; the consumers, registrants and sector organizations that have engaged with the organization and contributed their perspectives; and the Minister, his office and Ministry officials for their engagement and support throughout my appointment.

I am confident that the foundation established during my mandate positions RECO to continue evolving as a modern, effective and trusted regulator focused on protecting Ontario consumers.

Appendix: Administrator's Report Card – Delivery Against Key Objectives in the Terms of Reference Established by the Minister

MINISTER'S OBJECTIVE & IMPLEMENTATION WORK	KEY EVIDENCE OF DELIVERY
1. Support those financially impacted by iPro Realty Implementation Plan Work: • iPro Realty Insurance Claim Response • Recovery and Accountability Actions • Annual Financial Filings	• **Claims response:** 100% of eligible commission protection claims made available; almost 100% of eligible claims involving closed transactions paid out. • **Consumer protection:** Consumer deposit claims protected; recovery pathways and civil proceedings pursued. • **System learning:** Lessons from the iPro matter translated into stronger financial, trust account and brokerage oversight changes and introduction of Annual Financial Filings
2. Ensure RECO is equipped to effectively regulate the sector and fulfil its consumer protection mandate Implementation Plan Work: • Financial Sustainability Strategy • Public Awareness Campaign • Stakeholder Engagement Strategy	• **Financial sustainability:** Cost recovery baseline established; proposed fee reversal changes advanced with consultation underway, and longer-term financial sustainability work proposed to continue under Board oversight. • **Stakeholder engagement:** Strategy implemented, with three Collaboration Summits, stakeholder roundtables and engagement on the Annual Financial Filings program. Recruitment is underway for an enhanced Industry Advisory Council to provide an ongoing forum for sector perspectives. • **Public awareness:** Ipsos research established consumer awareness and registrant sentiment baselines, informing a public awareness campaign targeted to launch this fall.

MINISTER'S OBJECTIVE & IMPLEMENTATION WORK	KEY EVIDENCE OF DELIVERY
3. Implement systemic change and restore public trust and confidence Implementation Plan Work: • Regulatory Modernization • Digital and Technology Modernization • Education Reform Strategy	• **Consumer protection direction:** Roadmap to Enhanced Consumer Protection developed, publicly shared and implementation underway. • **Regulatory modernization:** Regulatory governance strengthened, with clearer Registrar reporting and principles of transparency, consistency and accountability embedded in how regulatory decisions are made and non-compliance is addressed. • **Digital modernization:** Enterprise technology and process assessment completed; three-year Digital and Technology Modernization Roadmap being developed in alignment with the Roadmap to Enhanced Consumer Protection and targeted to be released later this year. • **Education reform:** Modernized Education Strategy being developed as a key enabler of the Roadmap to Enhanced Consumer Protection, with a focus on competency and professional standards that support stronger consumer protection.

MINISTER'S OBJECTIVE & IMPLEMENTATION WORK	KEY EVIDENCE OF DELIVERY
4. Begin implementing changes to governance, organizational structures, culture, and operational policies, including priority recommendations from the Dentons audit report Implementation Plan Work: • Enhanced Sector Financial Oversight • Strategic Plan 2027–2030 • Culture Renewal • Renewed Governance Approach • Organizational Capacity & Oversight	• **Response to Dentons audit report:** Significant progress was made in addressing the issues and recommendations identified through the Dentons audit report; remaining implementation continues, with the majority of deliverables targeted for completion by year-end. • **Enhanced trust account oversight:** Annual Financial Filing implementation advancing to strengthen financial transparency and earlier identification of trust account risk. • **Strengthening oversight of the real estate services sector:** Provided advice to the ministry on potential legislative and regulatory reforms to TRESA to improve brokerage accountability and oversight, enhance trust account oversight and financial accountability, and strengthen RECO's compliance and enforcement tools. The ministry's consultation is underway. • **Governance renewal:** Skills-based model established; 2026 AGM delivered, By-Law amendments and articles of amendment approved, three directors elected, Chair appointed by the Minister, and Governance Transition Plan completed. The new Board to hold office on September 9, 2026. • **Financial oversight:** Annual Financial Filings introduced effective October 1, 2026; insurance protection framework review initiated. • **People & culture:** Culture baseline established; People & Culture Strategy developed and rolled out; Pay-for-Performance foundations and enhanced performance management introduced. • **Organizational capacity:** Organization restructured with renewed executive leadership, clearer accountabilities, and stronger collaboration across the organization. • **Strategic direction & risk:** Proposed 2027–2030 Strategic Plan developed; Proposed 2027 Business Plan & Budget, Corporate Scorecard and refreshed Enterprise Risk Management framework positioned to align under the new Board.

MINISTER'S OBJECTIVE & IMPLEMENTATION WORK	KEY EVIDENCE OF DELIVERY
Reporting & transition deliverables • Implementation Plan • Governance Transition Plan • Initial Report • Final Report	• **Implementation Plan:** Submitted on March 30, 2026, translating the objectives established by the Minister into a coordinated transformation agenda. • **Initial Report:** Submitted on June 24, 2026, documenting progress against the mandate and implementation commitments. • **Governance Transition Plan:** Completed; subsequent planning confirms RECO's readiness to return to Board governance and supports an orderly transfer of authority. • **Final Report:** Submitted on September 8, 2026, providing the concluding account of progress against the Administrator's mandate and identifying areas of continued focus under Board governance.