



# **Pan-Canadian Competency Profile for Real Estate Brokers**

**who manage a residential and/or commercial  
real estate brokerage**

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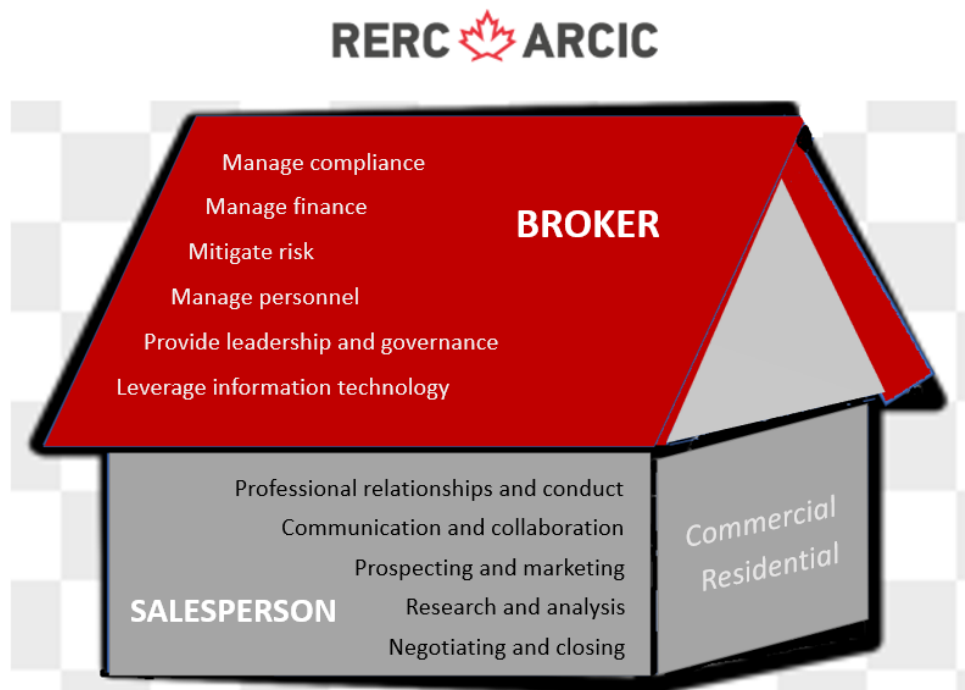
# INTRODUCTION

Members of Real Estate Regulators of Canada (RERC) have come together to develop Real Estate Competencies for Salespersons and Brokers.

Jurisdictions in Canada use different terminology for these two roles, but in these profiles:

- We use the term “Salesperson” to describe the role of any person who is licensed to conduct real estate transactions on behalf of clients. Other terms include: Representative, Associate, Agent, Realtor, Courtier.
- We use the term “Broker” to describe the role of any person who is licensed as responsible for managing a real estate brokerage, as well as for overseeing the activities of the Salesperson. Other terms used include: Managing Broker, Authorized Official, Broker of Record, Executive Officer, Manager, Branch Manager, Dirigeant d’agence.

Both competency profiles will allow regulators, educators, individual practitioners, employers, and other stakeholders to work together: sharing terminology and definitions, expectations and goals, learning objectives, qualifications, development opportunities or training. The profiles provide succinct descriptions for real estate clients, customers, and the general public.



*Figure 1. Mock-up of relationship between Broker and Salesperson*

Figure 1 illustrates the framework which has been developed for the pan-Canadian profiles. It displays the typical relationship between the Broker and the Salesperson, along with the various work settings and competencies that apply to them.

***This profile describes the competencies for Brokers,  
who manage a residential and/or commercial  
real estate brokerage.***

The Broker competencies have been divided into six main areas, as illustrated in Figure 2. **In typical practice, a Broker will also demonstrate proficiency in the requirements contained within the Salesperson profile.** Brokers attend to these competencies within their day-to-day work, either directly or through oversight of Salespersons.



*Figure 2. Broker competency areas*

The **development** of the Pan-Canadian Real Estate Broker Competencies is the result of contributions from many sources and levels of consultation to ensure that the profile accurately captures the necessary competencies of Brokers in Canada. The competencies reflect current trends in the profession and society, are informed by professional expertise, and meet the needs of a broad group of stakeholders.

In particular, the **sources and levels of consultation** include the following:

1. A pan-Canadian working group composed of 13 salespersons and brokers.
2. A Steering Committee made up of representatives from the regulatory bodies.
3. Provincial stakeholder consultations.
4. A pan-Canadian survey, which solicited input from salespersons and brokers across the country.
5. A project consulting team from CamProf Inc that has expertise in competency profile development.

For more information, contact [Real Estate Regulators of Canada](#).

## HOW TO READ THE BROKER COMPETENCIES

The competency profile contains the following elements:

- Each **competency area** (1.1 to 6.8) is defined using a short statement describing what a real estate Broker must be able to perform to be considered competent when entering the Broker role. The verb used provides guidance as to the required level of performance.
- The **performance criteria** (shown below the competency statement) describe in detail the behaviours required for full proficiency at entry to the Broker role (for assessment, all performance criteria must be met).
- The **clarification** section in the back of the profile provides explanations, definitions, or additional information on the range of context for the performance criteria. Words or phrases that are clarified are underlined. Where terms appear more than once in the profile, the clarification specifies the performance indicator's number.
- A **scale of proficiency** clarifies to learners, educators, regulators, and assessors exactly what is expected of the Broker. Proficiency may evolve over time and when applied to different circumstances and contexts. For each competency, this document indicates the minimum level of proficiency that someone must achieve to become licensed, according to the scale in Figure 3. The level of proficiency is listed under each competency area.
- Associated **knowledge** for this competency profile will be dealt with as needed in each jurisdiction as part of the implementation process.

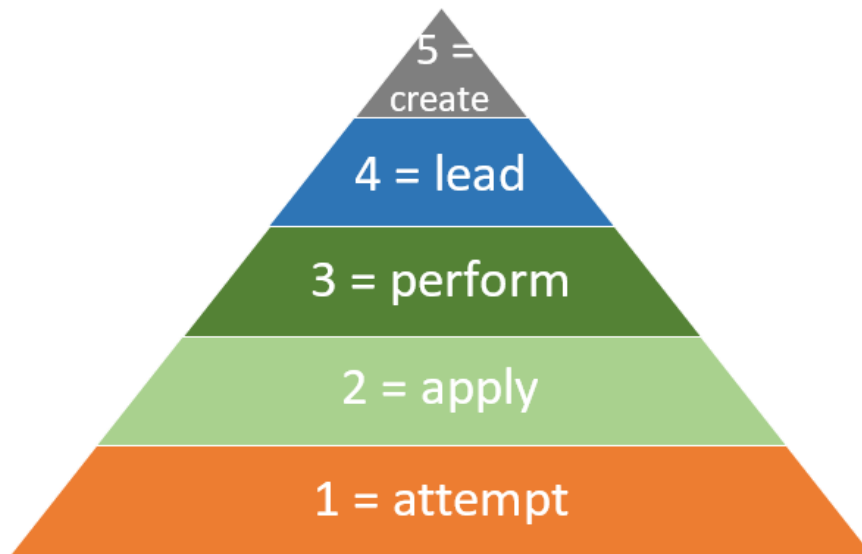


Figure 3. Scale of Proficiency for Brokers

Whereby:

Level	Label	Definition
1	Attempt	Begin to demonstrate what you have learned; try, experiment, test
2	Apply	Follow instructions and demonstrate them in real situations; put into practice, implement, employ, use
3	Perform independently	Work skillfully and accurately with minimum effort; carry out autonomously, achieve, do
4	Lead	Use understanding, practice, and reflection to support others; mentor, pilot, support, train, show
5	Create	Develop new approaches or procedures to address unusual situations; design, innovate, imagine, invent, fine-tune

# COMPETENCY PROFILE FOR REAL ESTATE BROKER

The **Broker** is expected to take responsibility for the actions taken within and on behalf of the brokerage. This includes managing the various aspects of the business and ensuring compliance with all regulatory and legislative standards.

A competent Broker is able to:

## 1. MANAGE COMPLIANCE

The Broker plans, organizes, controls, and leads activities that ensure compliance with laws and accepted standards. These activities can include audits, security procedures and controls, developing and implementing policies and procedures.

PERFORMANCE CRITERIA	
1.1	<u>Conduct</u> business in accordance with legislative obligations and standards of practice.
1.2	Instruct personnel regarding public protection requirements.
1.3	Protect client information through safeguards, policies, and procedures.
1.4	Oversee advertising and promotion in accordance with <u>regulatory requirements</u> .
1.5	Ensure salespersons have fulfilled brokerage, disclosure, and regulatory obligations for transactions.
1.6	Verify that transactions are legally binding.
1.7	Fulfill anti-money laundering, FINTRAC, and client identification requirements.
1.8	Report circumstance or potential claim under regulatory insurance program.
1.9	Conduct inspections, investigations, and other standards enforcement procedures.
1.10	Maintain document and records management systems.
1.11	Fulfill brokerage <u>obligations</u> for records management and retention.

## 2. MANAGE FINANCE

The Broker remains aware of the brokerage’s cash flow and financial stability. The broker keeps the business running smoothly through budgeting, accounting, forecasting, and adjusting plans.

PERFORMANCE CRITERIA	
2.1	Oversee setup and operation of accounting systems and structure.
2.2	<u>Analyze</u> financial statements.
2.3	Review the brokerage's financial performance.
2.4	<u>Monitor</u> trade processing and trust accounts.
2.5	<u>Manage</u> funds held in trust in accordance with trust terms and legislative requirements.
2.6	Provide financial or trust account reporting in accordance with legislative requirements.
2.7	Implement internal accounting controls.
2.8	Manage budget, compensation, and incentive plans.
2.9	Resolve compensation <u>disputes</u> fairly.

## 3. MITIGATE RISK

The Broker identifies, evaluates, and prioritizes risks, then coordinates resources to minimize, monitor, and control the probability or impact of unfortunate events. Risk mitigation strategies may also lead to opportunities.

PERFORMANCE CRITERIA	
3.1	<u>Maintain</u> a risk management <u>policy</u> .
3.2	Maintain insurance coverage.
3.3	Implement guidelines for fraud prevention.
3.4	Create systems for <u>review</u> of all transactions.
3.5	Implement general personal safety policies.
3.6	Manage high-risk activities and common problem areas.
3.7	Prevent misrepresentation, negligence, and tort liability.
3.8	Manage risk prevention training.



## 4. MANAGE PERSONNEL

The Broker plans, organizes, compensates, and supports individuals for the purpose of contributing to the brokerages' goals.

PERFORMANCE CRITERIA	
4.1	Define roles, responsibilities, and employment status within the brokerage.
4.2	<u>Recruit personnel</u> , as needed.
4.3	Comply with <u>regulatory requirements</u> related to human resources.
4.4	Comply with applicable <u>workplace legislation</u> .
4.5	Establish <u>communication systems</u> .
4.6	Provide orientation, <u>training</u> , and <u>mentorship</u> .
4.7	Assist personnel with goal setting and development.
4.8	Take remedial and/or disciplinary action when required.
4.9	Maintain equitable personnel policies and procedures.
4.10	Implement retention plans and tools.
4.11	Engage in <u>succession planning</u> .
4.12	Promote engagement and satisfaction.

## 5. PROVIDE LEADERSHIP AND GOVERNANCE

The Broker provides guidance and direction for the brokerage, and designs or adopts structures and processes that ensure accountability.

PERFORMANCE CRITERIA	
5.1	Evaluate own potential for entrepreneurialism.
5.2	Construct a <u>business plan</u> .
5.3	Secure financing for the brokerage.
5.4	Register the brokerage according to <u>ownership type</u> and regulatory requirements.
5.5	Develop operational plans, policies, and procedures.
5.6	Keep policies and procedures accessible and up to date.
5.7	Establish sustainability plans.
5.8	Monitor the business environment to address potential challenges and opportunities for growth.
5.9	<u>Lead</u> the brokerage through vision, communication, and engagement.
5.10	<u>Market</u> the brokerage and its services.

## 6. LEVERAGE INFORMATION TECHNOLOGY (IT)

The Broker maximizes the value of information technology within the brokerage. This includes assessing a situation from an IT perspective and the impact of technology when creating solutions, including how it can increase the brokerage's success.

PERFORMANCE CRITERIA	
6.1	Maintain a brokerage IT infrastructure that is secure, properly licensed, and up to date.
6.2	Maintain brokerage IT policy.
6.3	Provide training in use of information and communication technology to personnel.
6.4	Monitor use of social media pertaining to the brokerage.
6.5	Maintain an accurate website.
6.6	Use data analytics to inform <u>evaluations, strategies, and decisions</u> .
6.7	Collaborate with IT specialist, as needed.
6.8	Stay <u>up to date</u> with relevant changes to technology.

## CLARIFICATIONS

Terms	Clarifications
<b>analyze</b>	calculate the Capital Cost Allowance (CCA) for brokerage assets, forecast and track financial performance, review taxation
<b>business plan</b>	e.g., feasibility study, financial projections, goals
<b>communication systems</b>	e.g., internal/external information flow, messaging and appointment procedures
<b>conduct</b>	includes implementing a robust oversight system that works as intended and is continually updated
<b>disputes</b>	e.g., associated with referral fees, ownership of clients, client solicitation among salespersons
<b>evaluations, strategies, and decisions</b>	e.g., understand causes of events, competitive advantage, make decisions on customer trends, advertising needs, new initiatives
<b>lead</b>	includes promoting a positive and ethical culture
<b>maintain</b>	includes regularly reviewing the policy, including as a result of specific events
<b>manage</b>	receive, hold, disburse
<b>market</b>	e.g., establish marketing, public relations, advertising, and promotional plans; evaluate efforts
<b>mentorship</b>	to ensure both professional and personal development, accountability, and compliance. This is particularly important for new licensees.
<b>monitor</b>	in accordance with provincial legislation, FINTRAC, insurance program
<b>obligations</b>	includes instructing salespersons and staff
<b>ownership type</b>	e.g., sole proprietorship, partnership, corporation
<b>personnel</b>	e.g., manager, alternate broker, salespersons, administrative, conveyance, accounting, marketing staff
<b>policy</b>	to support the achievement of corporate objectives, protect licensees, staff, and assets, promote licensee compliance, and ensure financial sustainability
<b>recruit</b>	attract, select, sign agreements; recruit based on knowledge, skills, and attitudes
<b>regulatory requirements (1.4)</b>	e.g., through advertising guidelines, registrant identification, claims/promises, use of social media, compliance with Competition Act, DNCL rules rules/telemarketing, PIPEDA, CASL
<b>regulatory requirements (4.3)</b>	e.g., registration and renewal, terminations and transfers, team requirements
<b>review</b>	for quality and illegal activity
<b>succession planning</b>	a strategy for identifying and developing future leaders, thereby ensuring the seamless movement of talent within the brokerage
<b>training</b>	e.g., train administrative personnel to monitor trade processing and trust accounts, remuneration, advertising/legislative compliance; insist on ethical business dealings and transparency
<b>up to date</b>	includes anticipating possible future uses of technology
<b>workplace legislation</b>	e.g., employment standards, human rights code, accessibility acts, occupational health, and safety act