



# Administrator's Initial Report

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

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## About RECO

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As Ontario's regulator of more than 110,000 real estate agents and brokerages, RECO administers and enforces the law that regulates trading in real estate in Ontario.

As an Administrative Authority (AA) under the Ministry of Public and Business Service Delivery and Procurement, RECO protects consumers by helping them understand their rights and responsibilities in real estate transactions, enabling them to make informed decisions with confidence, while overseeing the registration of real estate agents and brokerages across Ontario and enforcing the applicable law.

With the authority to investigate complaints, inspect brokerages, and enforce standards, RECO can impose fines and revoke registrations when necessary. RECO also sets and maintains educational requirements for real estate agents, providing them with the necessary skills and knowledge to serve the public effectively. In addition, RECO arranges for and administers insurance (professional liability, deposit protection, and commission protection).

## Administrator Role and Background

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On November 28, 2025, I was appointed as Administrator by the Minister of Public and Business Service Delivery and Procurement (the Minister) to assume control of RECO and responsibility for its activities. In this role, I was tasked with restoring public trust and confidence in the organization and the real estate services sector. This action was taken pursuant to the Minister's authority under section 5.1 of the *Safety and Consumer Statutes Administration Act, 1996* (the SCSAA) and noted in the [Minister's Order](#).

The Administrator appointment stems from concerns raised in RECO's handling of the iPro Realty Ltd. matter in 2025. The issue involved financial irregularities and a reported trust account shortage of approximately \$10.5 million at iPro Realty Ltd., one of Ontario's largest real estate brokerages. Questions were subsequently raised regarding RECO's actions and decision-making in this matter.

In response, RECO's former Board requested an independent third-party audit into the handling of the iPro matter, which was undertaken by Dentons Canada LLP (Dentons). The audit identified significant issues with RECO's practices, processes and procedures and serious concerns about the organizational culture within RECO. The Dentons audit report provided recommendations for RECO to prevent similar issues from occurring in the future.

The Dentons audit report also raised broader questions regarding RECO's governance structure, operational effectiveness, and ability to identify and respond to risks within the real estate

services sector. The Administrator's mandate is both to address historic issues and implement systemic changes, and to position RECO as a modern, risk-based regulator capable of effectively regulating the real estate services sector and fulfilling its consumer protection mandate. My appointment as Administrator is a time-limited measure.

## Minister's Order and Terms of Reference

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The Administrator is required to perform duties and carry out activities in accordance with the Terms of Reference established by the Minister, which set out the following objectives:

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

The [March 2026 Implementation Plan](#) established RECO's transformation roadmap and identified the major initiatives, deliverables, and milestones required to fulfill the Terms of Reference established by the Minister. This report provides an update on progress against that plan and outlines the implementation status of those initiatives to date. I am also responsible for delivering a final written report to the Minister no later than December 31, 2026. The final report will be made public.

The appointment of an Administrator supports systemic change within RECO and underscores the importance of maintaining strong governance and accountability in the organization. It also reflects the Ministry of Public and Business Service Delivery and Procurement's (the Ministry) commitment to protecting consumers and strengthening regulatory oversight in Ontario's real estate services sector.

## **Eight Transformation Initiatives**

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In January 2026, RECO announced eight major transformation initiatives alongside a renewed corporate structure and executive leadership team, to drive meaningful organizational change and rebuild public confidence in the regulator.

These initiatives were developed in response to the recommendations identified in the Dentons audit report and the objectives established in the Administrator's Terms of Reference.

The eight major transformation initiatives form the backbone of the implementation plan provided to the Minister in March and are the main drivers of the organization's 2026 Business Plan. This document will report on the progress made on each of the following initiatives, which together support fulfilling the objectives set out in the Terms of Reference:

- Financial sustainability strategy
- Public awareness campaign
- Stakeholder engagement strategy
- Digital and technology modernization
- Regulatory modernization plan
- New strategic plan for 2027–2030
- Culture renewal plan
- Renewed governance approach

### **Additional Prioritized Actions**

In addition to the eight major transformation initiatives, this report also contains the progress made on additional key actions prioritized in the plan:

- Education reform
- Enhanced sector financial oversight
- Strengthening RECO's operations

## Objective #1

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

#### iPro Realty Insurance Claim Progress

RECO is pleased to report significant action to advance the resolution of the iPro matter, including supporting claims processing, pursuing recovery and accountability efforts, and strengthening financial oversight of Ontario's real estate services sector.

RECO's response has focused on four key areas:

- **Support for claims payments:** Supporting eligible consumers and real estate agents in receiving payments for claims as quickly as possible
- **Recovery and accountability:** Advancing actions related to the tracing and recovery of trust funds and the misuse of trust accounts.
- **Strengthening Financial Oversight:** Implementing new financial reporting measures by requiring all brokerages to attest to and submit an annual financial filing to RECO
- **Public confidence:** Demonstrating that RECO is better positioned to identify, escalate, and respond to serious regulatory risks.

As directed by the Minister in January 2026, RECO has made sure affected agents with eligible insurance claims are paid in full according to the policy, and can report that as of May 25, 2026, payments have been made available for approximately 94 per cent of eligible claims involving closed real estate transactions. Meanwhile, the insurer continues to work directly with agents to finalize the remaining claims.

Further, following a May 2026 court order obtained by the insurer, former registrants involved in iPro transactions who filed claims related to pre-construction deals are now able to contact builders directly to receive commission previously owed through iPro. This is positive news for affected agents, as it will streamline their ability to be paid their commission upon closing.

While the insurer continues to process remaining claims and payments, RECO is also pursuing civil proceedings to recover trust account shortfalls believed to have resulted from the misuse of funds by iPro's principals.

I also want to reiterate that no consumers were negatively impacted by the iPro matter, as consumer deposit claims were swiftly paid under the Consumer Deposit insurance policy.

The iPro matter has also informed broader systemic changes, including new financial filing requirements that will take effect in fall 2026. These measures will introduce more proactive oversight of brokerages, and allow RECO to identify risk and intervene earlier. By implementing annual financial filings, RECO will not only reinforce accountability across the sector, but better help target resources where they are most needed.

RECO has also advanced work to strengthen governance, clarify regulatory escalation protocols, improve oversight of trust account activity, and support more consistent handling of high-risk matters. These changes are intended to strengthen consumer protection and public confidence by helping ensure that a future matter of this nature would be identified earlier, escalated faster, and managed more effectively.

### Implementation Milestones

- **Completed Dec 2025:** 50% pro-rated eligible commission claim payments become available.
- **Completed Dec 2025:** Insurance release forms simplified to reflect registrant feedback.
- **Completed Jan 2026:** 100% payments for all eligible iPro commission protection claims become available, facilitated by RECO's insurance program stability fund (while recovery efforts continue through civil proceedings).
- **March 2026:** Payments made available for nearly 80 per cent of claims where commission is owed on closed real estate transactions.
- **May 2026:** Payments made available for approximately 94 per cent of claims where commission is owed on closed real estate transactions.
- **May 2026:** Court order allows claimants with pre-construction deals to contact builders directly to receive commissions previously payable to iPro.
- **Ongoing:** RECO is pursuing multiple recovery pathways related to the iPro matter, including civil proceedings to recover trust account shortfalls that RECO believes resulted from the misuse of trust account funds by iPro's principals.

## Objective #2

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**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**

### Financial Sustainability Strategy

RECO is advancing a financial sustainability strategy to ensure it can effectively regulate Ontario's real estate services sector and fulfill its consumer protection mandate over the long term. This includes establishing an evidence-based cost-recovery framework aligned with RECO's statutory responsibilities.

In spring 2026, RECO completed a comprehensive financial diagnostic and baseline cost assessment to establish the full cost of delivering its mandate. This analysis examined the current fee structure, operating cost base, compliance and inspection activities, registrant trends, reserve position, and projected funding pressures associated with sustaining and modernizing RECO's operations.

RECO also recognizes the importance of strengthening its consumer protection awareness role through clearer public education, targeted outreach, and more accessible information for consumers navigating Ontario's real estate market. In today's environment, building and sustaining this capability requires dedicated investment in communications, digital tools, content development, and stakeholder engagement. These costs were not fully contemplated in RECO's existing financial strategy and represent an additional pressure that must be considered as the organization advances toward a more sustainable funding model aligned with its public interest mandate.

The findings indicate that RECO is not currently operating on a full cost-recovery basis. Current fee levels are not sufficient to sustainably fund the organization's legislated mandate, operational requirements, and modernization needs over the long term. Preliminary modelling indicates that the existing funding structure places too much reliance on certain registrant fees and does not adequately reflect the full cost of regulating the sector, particularly Ontario's brokerages, currently spanning more than 3,500.

Findings suggest exploring a rebalance RECO's financial model so that brokerages play a more appropriate role in supporting the regulatory system. Brokerages are central actors in the real estate services marketplace and benefit directly from a strong, credible, and well-resourced regulator.

Multi-year financial models and scenario analysis are nearing completion to test the sustainability of current fees and evaluate alternative cost-recovery approaches. RECO is

pursuing a phased approach to begin closing the gap between current revenues and the actual cost of delivering its mandate. RECO's objective is to establish a financial strategy grounded in cost-recovery principles, long-term sustainability, and responsible stewardship of registrant-funded resources. This work will be advanced carefully, ensuring any potential fee changes are fair, proportionate, and transparent, while allowing RECO to carry out its mandate.

Successful implementation will require continued alignment with applicable legislative and accountability frameworks, including the *Trust in Real Estate Services Act, 2002* (TRESA), SCSAA, and the Administrative Agreement between RECO and the Minister. Clear communication with the Ministry, registrants, and other sector stakeholders will be essential as RECO advances this work and continues to strengthen its ability to deliver its consumer protection mandate.

### 2026 Implementation Milestones

- Q1 to Q2 2026 – Complete financial diagnostic and baseline cost-recovery analysis – **Complete. This includes a comprehensive review of RECO's fee structure, operating cost base, reserve position, registrant trends, and projected funding requirements**
- Q2 2026 – Develop multi-year financial models and scenario analyses – **Complete. This work was used to assess the sustainability of current fees and evaluate phased cost-recovery options, including potential fee reset scenarios**
- Q3 to Q4 2026 – Finalize financial sustainability strategy, including fee-setting and reserve principles
- Q4 2026 – Develop implementation roadmap and governance oversight mechanisms

### Public Awareness Campaign

During the reporting period, RECO completed significant foundational work to support the development of a public awareness campaign and brand strategy, including consumer, registrant, and stakeholder research. This initiative is intended to promote and build confidence in RECO's consumer protection mandate and improve awareness of consumer rights and regulatory safeguards within the real estate services sector.

RECO has completed new research to better understand how consumers, registrants, and sector stakeholders perceive the regulator and its role. This has included a formal brand audit, a review of existing public opinion and market research, a new brand awareness survey, and the launch of updated consumer and registrant research in 2026. The findings are also helping to inform broader discussions regarding RECO's future brand positioning and organizational identity.

The campaign is expected to launch in Fall 2026 and will support RECO's broader objective of building trust, increasing transparency, and ensuring consumers better understand where to turn for information, guidance, and protection.

### 2026 Implementation Milestones

- Q1 to Q2 2026 – Research and develop identity and messaging framework – **Complete. This includes brand audit findings, consumer and registrant perception research, stakeholder focus group insights, and core message testing**
- Q2-Q3 2026 – Finalize campaign strategy, communications plan, and materials – **In progress. Work to date has included identifying target audiences, key messages, creative direction, channel approach, implementation timelines, and performance measures**
- Q4 2026 – Launch public awareness campaign across priority channels and monitor engagement and awareness metrics to inform future outreach

### Stakeholder Engagement Strategy

RECO's refreshed stakeholder engagement strategy is well underway, with a focus on strengthening understanding of RECO's role as Ontario's real estate services regulator, fostering meaningful collaboration, and ensuring stakeholder perspectives help inform regulatory modernization efforts.

RECO also completed stakeholder perception research to better understand stakeholder priorities, expectations, and confidence in the regulator. These findings are helping establish a baseline to inform future engagement activities and measure progress over time.

During the reporting period, RECO expanded its engagement activities across the sector through stakeholder meetings, speaking engagements, industry events, targeted communications, and the launch of its Collaboration Summit series. These efforts are helping establish a more structured and evidence-based approach to stakeholder engagement while supporting RECO's broader transformation agenda.

Strategic and intentional engagement with the sector is already producing tangible outcomes. RECO's recent announcement regarding annual financial filing requirements reflects this approach in action and was informed, in part, by feedback received through RECO's [first Collaboration Summit](#) in January 2026, which focused on financial oversight and consumer protection.

Building on this momentum, RECO hosted its [second Collaboration Summit](#) on April 9, 2026, focused on advancing excellence in real estate education and professional standards. The Summit brought together more than 100 leaders from across the sector, including brokerages, real estate boards, industry associations, education providers, policy organizations, and regulators. Feedback from the event is informing the next phase of RECO's education modernization work.

As part of its broader stakeholder engagement strategy, RECO is also re-establishing its Industry Advisory Council (IAC), in accordance with the Minister's Order issued on April 29, 2026, to represent the perspectives of registrants, provide ongoing input and advice on emerging industry issues, regulatory priorities, and opportunities for modernization. The renewed IAC will serve as an important forum for structured dialogue between RECO and sector stakeholders, helping to ensure diverse perspectives are considered as regulatory initiatives are developed and implemented.

Additional Collaboration Summits are planned throughout 2026. RECO's third summit, scheduled for August in Ottawa, will focus on annual financial filings, while a fourth summit is planned for Fall 2026 in Northern Ontario. RECO will also continue advancing other elements of its stakeholder engagement strategy, including enhanced stakeholder communications, renewed advisory engagement, and the establishment of stakeholder sentiment baselines to help inform future priorities and measure progress.

Together, these initiatives will support a more collaborative, transparent, and evidence-based approach to regulation while maintaining RECO's focus on consumer protection and the public interest.

## 2026 Implementation Milestones

- Q1 2026 – Complete stakeholder mapping and baseline sentiment assessment – **Complete. This includes identification of key sector partners, consumer protection priorities, emerging issues, and stakeholder expectations for more structured and meaningful engagement**
- Q2 2026 – Finalize and begin implementation of stakeholder engagement strategy – **Complete. This extends beyond Collaboration Summit execution to include sector feedback, strategic communications, stakeholder-driven regulatory priorities, and sentiment baseline measurement.**
- Q2 to Q4 2026 – Conduct targeted engagement sessions and Collaboration Summits on key regulatory topics - **In progress. Two Collaboration Summits have been completed, with additional summits planned for August and Fall 2026.**

## Objective #3

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

#### **Digital and Technology Modernization**

As Administrator, my goal is for RECO to be the most modern, technologically advanced real estate services regulator in the country- one that uses better data and stronger systems to work smarter and more effectively.

This means moving away from outdated platforms, fragmented systems, manual processes, and operational workarounds that limit efficiency, visibility, and timely decision-making. Modern regulation requires modern infrastructure. RECO needs technology that supports risk-based oversight, better information sharing, stronger case management, improved analytics, and a more seamless experience for consumers, registrants, brokerages, and staff.

A comprehensive current-state technology assessment has now been completed across RECO's core regulatory functions. This work has identified key system gaps, process pain points, data limitations, and opportunities to modernize how RECO manages regulatory activity. The assessment will inform a three-year transformation roadmap, including requirements for a modernized Case Management System and supporting platforms aligned with RECO's regulatory mandate, governance obligations, and operational needs.

This digital transformation is foundational to RECO's future. A stronger technology environment will enable more proactive oversight, better use of regulatory intelligence, faster and more coordinated decision-making, and improved tracking of risks, trends, and outcomes across the real estate services sector.

Ultimately, this initiative is about helping RECO work smarter, move faster, and regulate with greater precision, while strengthening consumer protection and public confidence in Ontario's real estate services sector.

## 2026 Implementation Milestones

- Q1 to Q2 2026 – Complete current-state technology and process assessment – **Complete. This includes review of existing systems, data quality, manual workflows, operational pain points, case management needs, and modernization opportunities**
- Q2 to Q3 2026 – Develop and publish a three-year Digital Transformation Roadmap - **In progress. Expected to cover priority technology investments, modernized case management requirements, data and analytics capabilities, sequencing of implementation activities, governance considerations, and anticipated operational benefits**
- Q3 to Q4 2026 – Finalize platform requirements and implementation planning
- Q4 2026 – Establish digital governance and reporting mechanisms

## Regulatory Modernization Plan

RECO has completed a comprehensive assessment of its regulatory framework and operating model to support my mandate as Administrator. These reforms will directly shape how RECO oversees Ontario's real estate services sector, protects consumers, holds registrants accountable, and responds to emerging risks in the marketplace.

RECO is taking a disciplined and thoughtful approach. The regulatory assessment identified priority reform opportunities within RECO, current challenges, gaps in existing tools and authorities, and future-state design principles. This work is also helping clarify how reforms can be sequenced in a way that is practical, evidence-based, and aligned with RECO's mandate.

To support transparency and accountability, RECO has also developed a regulatory modernization scorecard. The scorecard provides a structured way to organize reform priorities, track implementation progress, monitor key milestones, and assess outcomes over time. It will help ensure that regulatory modernization is not treated as a series of isolated initiatives, but as a coordinated program of change with clear deliverables.

A new regulatory operating model has been developed, and implementation has begun to strengthen RECO's oversight and regulatory effectiveness. This includes updated organizational structures, clearer roles and responsibilities, improved escalation pathways, and more disciplined reporting governance. In practice, this includes regular updates to me as Administrator on regulatory actions, emerging risks, priority files, and key enforcement outcomes. The model directly responds to systemic issues identified in the Dentons audit report, including the need to develop better internal policies around decision-making and improve transparency and accountability. The model will ensure stronger visibility of regulatory priorities, risks, decisions, and outcomes.

Regulatory activity in 2026 has increased significantly compared to the previous three years, reflecting a more active, risk-based, and enforcement-oriented approach to oversight. This has included increased attention to priority compliance matters, more disciplined escalation of serious files, and stronger alignment between investigations, enforcement decisions, and sector-risk oversight. This demonstrates that the new operating model is not simply structural. It is translating into a more assertive and visible regulatory presence, with greater focus on timely action and consumer protection.

Work will continue to define the tools, measures and governance processes required to pursue priority reforms. This includes continuous strengthening of how RECO identifies risk, applies regulatory interventions, monitors sector conduct, and reports on progress transparently.

### 2026 Implementation Milestones

- Q2 2026 – Conduct current-state regulatory assessment and future-state design principles – **Complete. This includes identification of priority reform opportunities, regulatory gaps, operational challenges, and future-state capabilities, and responds to recommendations captured in the Dentons audit report**
- Q2 2026 – Develop a Regulatory Modernization Scorecard outlining performance metrics and accountability commitments – **Complete. Key deliverables, implementation milestones, future Board reporting expectations, risk-based regulatory measures, and progress indicators to track modernization outcomes have also been identified**
- Q3 to Q4 2026 – Pilot and implement priority reforms, including risk-based compliance and enhanced oversight models- **In progress**
- Q4 2026 – Begin organization-wide embedding of modernized regulatory workflows and decision frameworks

### Education Reform

Education is critical to protecting consumers and strengthening confidence in real estate professionals, and should function as a proactive regulatory tool, reducing misconduct before issues arise. A modern regulatory system depends not only on enforcement, but on ensuring registrants possess the necessary competencies, judgment, and ethical grounding.

In May 2026, RECO released its report from the [RECO Collaboration Summit: Advancing Excellence in Real Estate Education & Professional Standards](#). The Summit brought together over 100 leaders from across the real estate services sector, including regulators, brokerages, boards, associations and education providers.

Findings from the Summit showed a clear consensus across the real estate services sector that there is a need to strengthen competency among real estate professionals. In addition, a consistent message heard from participants was that the current education model is not keeping pace with the realities of practice, and meaningful reform is required.

The insights gathered through the Summit will directly inform the next phase of RECO's education modernization work. Moving forward, RECO will:

- Continue to engage stakeholders across the sector
- Translate insights into clear priorities and actions
- Advance a more modern, risk-responsive education framework
- Develop a renewed education strategy

The new strategy will include a curriculum that evolves based on complaint trends, emerging risks, industry changes, and an increasingly complex market. A renewed education strategy and future-state education framework will be developed by Fall 2026.

## Objective #4

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**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**

### Annual brokerage financial filings

In June 2026, RECO announced new measures to strengthen oversight of funds held and managed by real estate brokerages. Effective October 2026, RECO will require Ontario brokerages to submit annual financial filings. This initiative is being introduced under RECO's existing authority.

By taking a more proactive approach to oversight, RECO is ensuring that consumer and registrant funds held in trust are protected. Annual financial filings will support a more data-driven approach to regulation, allowing attention and resources to be focused where they are needed most. This process will provide valuable information to make RECO's audits and inspections more strategic, risk-based, and efficient.

Annual financial filings will require key information about the brokerage's finances, including, but not limited to:

- Financial statements and balance sheets
- A report on trust monies, containing trust balances, liabilities, assets, and information related to unclaimed trust monies
- Financial institution account information
- Trade information
- Compliance attestations

As of October 1, 2026, brokerages will have 30 calendar days to submit their first annual filing for their last fiscal year. Moving forward, annual filings will be due within 90 calendar days of a brokerage's fiscal year-end.

In addition, RECO will be implementing monthly trust reconciliation reporting in 2027 to strengthen oversight of brokerage trust accounts, improve early detection of financial irregularities, and provide more timely visibility into risks related to funds held in trust. This initiative is also being introduced under RECO's existing authority.

The introduction of annual financial filing is intended to better align Ontario with regulatory best practices in other jurisdictions.

RECO will continue to work closely with brokerages and sector stakeholders as it develops and introduces these new requirements along with resources, including how-to videos, tip sheets, webinars, FAQs, and other practical guidance materials to support awareness, readiness, and consistent implementation across the sector.

### **Trust Account Oversight**

In addition to the proactive trust account oversight that will be occurring through annual financial filings, and future monthly trust reconciliations, RECO aims to strengthen protections for all funds held in trust.

RECO's has provided feedback and recommendations to the Ministry to strengthen safeguards for consumer and registrant funds. These recommendations include exploring:

- Requirements for brokerages to develop and maintain policies to support compliance
- Clearer rules for trust monies and related obligations for commission trust monies or accounts
- Expanded enforcement tools to address the misuse or mismanagement of funds and other forms of non-compliance

RECO will continue to work with the Ministry and the real estate services sector to create meaningful improvements to trust account oversight.

### **Insurance Reform and Consumer Protection**

RECO's professional liability insurance program is a critical safeguard that protects consumers and supports market stability in circumstances such as brokerage failure or insolvency. That means it needs to evolve to reflect the realities of today's real estate services sector.

Research is currently being conducted by RECO, including consultation with real estate errors and omissions (E&O) insurance programs across Canada, to inform potential future policy proposals. Another important source of data will be the recently announced annual financial filings, which will provide invaluable insight into the state and insurance needs of Ontario's brokerages. This information will help assess risk, coverage gaps and potential cost structures.

Areas that are being explored include:

- Modernizing coverage structures to align with evolving brokerage business models and transaction volumes
- Introducing differentiated approaches that recognize varying brokerage size, complexity, and risk profiles

- Examining sustainable cost-sharing mechanisms
- Exploring options for independent commission-related coverage

Any proposed changes to the insurance program would require careful analysis, sector consultation, and alignment with broader financial oversight reforms. The goal is to ensure RECO's insurance program remains financially sustainable, responsive to emerging risks, and capable of providing meaningful protection for consumers and registrants. As this work advances, RECO will continue to assess policy options that balance stronger protection, fairness, affordability, and long-term market confidence.

### **New Strategic Plan for 2027–2030**

Work is well underway on the development of RECO's 2027–2030 Strategic Plan. During the reporting period, RECO completed stakeholder engagement activities, environmental scanning, strategic planning workshops, and development of an initial strategic framework to guide the next phase of organizational transformation.

The Strategic Plan will provide the long-term framework for sustaining and advancing the reforms initiated during the Administrator's mandate. It will establish RECO's future priorities, define measurable outcomes, and ensure that governance renewal, regulatory modernization, financial sustainability, and consumer protection improvements continue beyond the transition back to Board oversight.

Consumer and registrant research is also underway to ensure the plan reflects public expectations, sector perspectives, and emerging marketplace trends. The Strategic Plan will establish RECO's long-term direction and priorities and guide the next phase of regulatory modernization and organizational transformation.

Work is now focused on refining priorities, performance measures, and implementation planning. This strategic plan would then be submitted to RECO's new Board of Directors.

## 2026 Implementation Milestones

- Q1 2026 – Conduct environmental scan and stakeholder engagement design – **Complete. This includes a review of sector trends, regulatory risks, consumer expectations, stakeholder priorities, Auditor General 2022 performance audit findings, Dentons audit report recommendations, and emerging issues shaping RECO's future direction**
- Q2 2026 – Develop draft strategic framework, including priorities and performance indicators - **In progress**
- Q3 2026 – Finalize three-year strategic plan for approval and develop a supporting implementation roadmap
- Q4 2026 – Prepare for integration of strategic priorities into 2027 planning and reporting cycles

## Culture Renewal Plan

Through its culture renewal plan, RECO is building a stronger, more integrated, and higher-performing organization that is better positioned to deliver on its consumer protection mandate and respond to the expectations of government, stakeholders, registrants, and the public.

This work is focused on breaking down silos, strengthening accountability, clarifying decision-making, and improving collaboration across the organization. A third-party culture assessment has been completed, providing important insight into current organizational strengths, pain points, and opportunities for improvement. Findings show a strong commitment to RECO's consumer protection mandate and confidence in the organization's future direction, while also identifying opportunities to strengthen organizational alignment, communication, collaboration, and consistency across the organization.

Organizational structure assessments and resource planning are also underway to ensure RECO has the right capabilities, capacity, leadership alignment, and talent needed to support its evolving mandate.

The culture renewal plan and new people strategy will support a more disciplined and outcomes-focused organization by advancing:

- Performance management processes focused on measurable outcomes, clear expectations, and stronger accountability for results
- Clearer roles and responsibilities across teams to reduce duplication, improve coordination, and support faster decision-making

- Leadership and professional development initiatives to strengthen management capability, change leadership, and staff engagement
- Improved workforce and resource planning to ensure capacity is aligned to priority regulatory and modernization initiatives
- Stronger internal collaboration and information sharing across departments to support more coordinated regulatory delivery

Together, these actions will help RECO build a more connected, accountable, and resilient organization with the culture, structure, and capability needed to deliver meaningful and lasting change.

### 2026 Implementation Milestones

- Q1 2026 – Complete organizational culture assessment and gap analysis - **Complete**
- Q2 2026 – Develop culture renewal roadmap and enhanced performance management measures – **In progress**
- Q3 2026 – Begin implementation of priority culture, leadership, and performance initiatives
- Q4 2026 – Establish monitoring tools to track cultural and performance improvements

### Renewed Governance Approach

Significant progress has been made toward implementing RECO's governance renewal initiative and restoring Board oversight.

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 an interim, five-member board of directors. This marks the first phase of a two-phase process to return RECO to stable board-led governance. A second phase will occur at a later date to transition from the interim five-member board to a nine-member board of directors.

The Orders set out the following:

- A new interim five-member board will begin to hold office no later than December 1, 2026
- New eligibility requirements for elected Directors, including that elected Directors cannot be registrants under TRESA or hold specified positions within the real estate services sector

- New recruitment and nomination rules apply for elected board members, including a public, skills-based recruitment process supported by an independent third party. Elected members are subject to a one-year restriction on applying for registration under the Trust in Real Estate Services Act after their term ends.
- An industry advisory council is required to be established by January 1, 2027, to represent the perspectives of registrants and provide input to RECO.

Changes to board size, composition, term, and processes for nominating and electing board members support the re-establishment of a board of directors, as required under the Terms of Reference for my appointment.

As part of this transition, RECO conducted an independent, skills-based public recruitment process to identify three candidates for election to the interim Board of Directors at the 2026 Annual General Meeting. The Minister's Orders provide for an interim Board consisting of three elected directors and two Minister-appointed directors.

RECO is also advancing changes to its membership model to help support a clearer separation between governance oversight and the individuals and businesses it regulates. Under this model, only members of the Board of Directors hold membership and voting rights within the corporation.

This membership structure aligns RECO more closely with a governance model commonly used by other administrative authorities in Ontario, where the Board of Directors serves as the corporation's membership body.

Together, these reforms are intended to strengthen governance, enhance public confidence, and ensure RECO's Board possesses the skills, expertise, and independence necessary to support effective consumer protection.

## **Organizational Capacity and Oversight**

In January 2026, RECO announced a new organizational structure to support RECO's transformational agenda and deliver on its ambitious goals, as well as a new executive team to drive systemic change. These executives bring extensive experience in regulatory oversight, governance, and public sector leadership.

RECO's organizational structure includes five key areas of accountability:

- Strategy and Corporate Affairs
- Regulatory Modernization
- People and Culture

- Data, Technology and Analytics
- Finance and Risk

Since then, RECO has restructured the regulatory function and reintegrated the former client services team to improve regulatory effectiveness, strengthen accountability, reduce silos, and better align people and functions to the organization's core mandate. This recently delivered restructuring provides clearer areas of accountability, with stronger reporting lines and improved governance.

RECO's renewed structure is intended to support better coordination across departments, clearer decision-making, stronger Board reporting, and more effective delivery of priority regulatory reforms.

At the same time, RECO is assessing future workforce and resource needs to ensure the organization has the right capabilities to deliver on its evolving mandate. This includes identifying where new skills, specialized expertise, and additional capacity are required to support regulatory modernization, digital transformation, financial sustainability, stakeholder engagement, and strengthened consumer protection.

## Next Steps

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Significant progress has been made in advancing RECO's mandate and laying the foundation for long-term systemic change. The work completed to date reflects a clear shift toward a more modern and consumer-focused regulator.

Key foundational initiatives are now in place or well underway, including governance renewal, regulatory modernization, organizational restructuring, financial sustainability planning, stakeholder engagement, culture renewal, digital transformation, strengthened brokerage financial oversight, and development of the 2027–2030 Strategic Plan.

Together, these initiatives are building the conditions for RECO to better protect consumers, strengthen confidence in Ontario's real estate services sector, and ensure the organization is equipped to deliver effectively on its mandate.

As this work moves forward, the Administrator will continue to take a disciplined, transparent, and outcomes-focused approach. Continued alignment with the Minister's Order, Terms of Reference, legislative framework, Administrative Agreement, and Board governance expectations will be essential.

The progress made to date is meaningful, but the transformation is not complete. The next stage will require sustained execution, strong governance, clear communication, and continued collaboration with government, stakeholders, registrants, brokerages, and staff.

The months ahead will be particularly important as the Administrator advances implementation of key modernization initiatives and continues the transition toward a reconstituted Interim Board of Directors. The focus will be on ensuring that reforms are embedded into the organization everyday operations so that progress achieved during the Administrator's mandate is sustained over the long term.

Consistent with the deliverables and reporting requirements in the Terms of Reference, I will deliver a final written report no later than December 31, 2026, which will be made public.

The objective remains clear: to build the RECO Ontarians deserve for the future. A trusted regulator that protects consumers and strengthens confidence in Ontario's real estate services sector.

## Appendix

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### Implementation Roadmap – Eight Transformational Initiatives

As of June 24, 2026. Deliverables reflect current implementation planning and will be refined as work progresses.

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#### Financial Sustainability Strategy

Establish a cost-recovery-based financial strategy that ensures long-term sustainability while investing in RECO's core regulatory foundation.

- Q1–Q2: Complete financial diagnostic and baseline cost-recovery analysis - **Complete**
  - Q2: Develop multi-year financial models and scenario analyses - **Complete**
  - Q3–Q4: Finalize financial sustainability strategy (fee-setting, reserves)
  - Q4: Develop implementation roadmap and governance oversight mechanisms
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#### Public Awareness Campaign

Strengthen public understanding of RECO's role as Ontario's real estate services regulator and its role in protecting consumers and the industry.

- Q1–Q2: Research and develop identity and messaging framework - **Complete**
  - Q2–Q3: Finalize campaign strategy, communications plan, and materials – **In progress**
  - Q4: Launch public awareness campaign across priority channels and monitor engagement and awareness metrics to inform future outreach
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#### Stakeholder Engagement Strategy

Reconnect with consumers/professional sector to drive better ideas and outcomes on key issues like trust accounts, financial filings, insurance reform, and education.

- Q1: Complete stakeholder mapping and baseline sentiment assessment - **Complete**
  - Q2: Finalize and begin implementation of strategy – **Complete**
  - Q2: Measure stakeholder sentiment baseline – **Complete** (moved up to Q2 from Q4)
  - Q2–Q4: Conduct engagement sessions and Collaboration Summits - **In progress**
- 

#### Digital and Technology Modernization

Replace outdated systems with a disciplined, outcomes-driven technology roadmap that streamlines operations and better supports the sector.

- Q1–Q2: Complete current-state technology and process assessment - **Complete**
- Q2–Q3: Develop and publish Digital Transformation Roadmap - **In progress**
- Q3–Q4: Finalize platform requirements and implementation planning
- Q4: Establish digital governance and reporting mechanisms

### Regulatory Modernization Plan

Modernize enforcement and oversight by strengthening processes and leveraging innovation and technology to be an effective regulator and protect consumers.

- Q2: Complete regulatory assessment and future-state design principles - **Complete**
  - Q2: Develop Regulatory Modernization Scorecard - **Complete**
  - Q3–Q4: Pilot and implement priority reforms (risk-based compliance, oversight)- **In progress**
  - Q4: Begin embedding modernized workflows and decision frameworks
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### New Strategic Plan for 2027–2030

Develop a clear, measurable strategic plan that sets direction, priorities, and accountability for RECO's next phase of delivery.

- Q1: Complete environmental scan and engagement design- **Complete**
  - Q2: Develop draft strategic framework and priorities - **Complete**
  - Q3: Finalize strategic plan for approval and implementation roadmap
  - Q4: Prepare for integration into 2027 planning and reporting
- 

### Culture Renewal Plan

Build a high-performing organization by breaking down silos, strengthening accountability, and implementing a modern performance management system focused on results.

- Q1: Complete culture assessment and gap analysis - **Complete**
  - Q2: Develop culture renewal roadmap and performance measures – **In progress**
  - Q3: Begin implementation of priority initiatives
  - Q4: Establish monitoring tools for culture and performance
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### Renewed Governance Approach

Enhance RECO's governance structure to support stronger oversight, clearer accountability, and greater transparency.

- Q1: Initiate governance review and modernization work - **Complete, with transition plan announced and under implementation**
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