

September 4, 2020

The Hon. Lisa Thompson  
Minister of Government and Consumer Services  
56 Wellesley St. W.  
Toronto, Ontario M7A 1C1

**RE: Phase 1 Regulations (Incorporation and Advertising Terms) – *Trust in Real Estate Services Act, 2020***

Dear Minister:

On behalf of the 57,000 member community of the Toronto Regional Real Estate Board (TRREB), thank you for this opportunity to provide input on regulations to the *Trust in Real Estate Services Act, 2020* (TRESA 2020), specifically with regard to incorporation and advertising terms. It has been a pleasure to work closely with the government on the development of TRESA 2020 and the regulations in the past, and now again during the current consultations.

I would first like to thank the government and the Ministry of Government and Consumer Services for the important work on TRESA 2020, and the associated regulations. The changes being implemented are important for REALTORS®, their clients, and the economy.

In general, TRREB supports the draft regulations as proposed. With that said, our detailed comments and suggestions are provided below.

**Incorporation**

TRREB fully supports moving ahead with implementing regulations to allow Personal Real Estate Corporations (PREC)s for REALTORS®. As we have noted numerous times in the past, this is an important step to treat REALTORS® fairly and to allow them to run their operations as efficiently as possible. Our comments on the implementation details proposed in the draft regulations are as follows:

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## Definitional Criteria

- Full support for single registrant model.
- The key guiding principle should be to keep it as simple as possible.
- TRREB supports allowing family members to hold non-voting shares and to be exempt from registration requirements, as proposed; however, clarification may be needed to provide guidance on situations where a spouse is also a registrant.
- Consideration may have to be given to how multi-registrant models are handled. Brokerage arrangements such as “teams” and “sub brokerages” may raise questions that require clarification (i.e. individual “team” members able to incorporate separately).

## Exemption Criteria/Remuneration Rules/Notification Requirements

- TRREB supports the proposed exemption criteria, remuneration rules, and notification requirements.

## Costs/Benefits

- TRREB estimates that PRECs would make financial sense for between 5 to 10% of TRREB Members, who would likely need an income of at least \$200,000 after expenses.
- The main benefits are tax deferral, incentive to save, excellent vehicle for retirement savings, faster repayment of debts, and capital gains exemption in certain circumstances on sale or death.
- Costs and compliance issues to consider include professional fees, financial statements, and annual corporate minutes and returns.

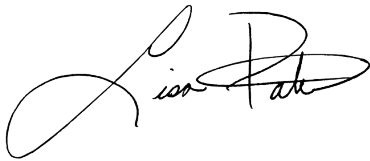
## **Advertising**

With regard to the proposed changes to the rules regarding use of advertising terms, TRREB Members are generally supportive of considering additional terms for use in advertising. We support that the regulations would expressly not prevent registrants who are members in good standing of the Canadian Real Estate Association from using the trademark "REALTOR®," either by itself or followed immediately by the term "broker" or the term "salesperson," as appropriate.

Attention should be paid to the use of the term “agent,” as it is important to understand that the brokerage is the “agent”; however, we are confident that the Province will address or manage this issue adequately.

Thank you once again for this opportunity to provide our views. We look forward to additional opportunities to work together as these and other TRESA 2020 regulations are developed.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Patel". The signature is fluid and cursive, with the first name "Lisa" written in a larger, more prominent script than the last name "Patel".

Lisa Patel  
President

cc: Michele Sanborn, Assistant Deputy Minister, Ministry of Government and Consumer Services

REBBA/TRESA Regulatory Consultation, Policy, Planning and Oversight  
Division, Ministry of Government and Consumer Services