

Annual General Meeting (AGM) Agenda Package

Tuesday, April 16, 2024



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of the Canadian Real Estate Association (CREA) will be held as an in-person meeting on Tuesday, April 16, 2024, beginning at 8:30 a.m. EST, for the purpose of:

1. Receiving and considering the Financial Statements of the association for the year ended December 31, 2023 and the Auditors Report thereon;
2. Appointing Auditors for the ensuing year;
3. Considering, and if thought fit, approving the motions regarding By-Law amendments;
4. Election of Directors-at-Large;
5. Transacting such other business as may properly be brought before the meeting.

Given at Ottawa, Ontario on this 15th day of March, 2024.

BY ORDER OF THE BOARD



Janice Myers
Chief Executive Officer

NOTE: An Open Forum to answer questions and hear comments will be held beginning at 8:30 a.m. EST. CREA's Annual General Meeting will begin immediately following the Open Forum.



CREA Open Forum & Annual General Meeting

Date: Tuesday, April 16, 2024

Place: In-person Meeting: Ottawa, Ontario

CREA Open Forum

- ◆ Welcome Address
- ◆ Greetings: NAR President

The following topics will be presented and discussed:

1. Amendments to By-Laws
2. Social Purpose Statement
3. REALTOR.ca

Award Presentations:

- ◆ Canadian REALTORS Care® Award 2024 Proudly Presented by REALTOR.ca
- ◆ AEN Award

CREA Annual General Meeting

- 1) Call to Order
- 2) Approval of the Agenda
- 3) Approval of the Minutes of the CREA Special General Meeting held October 18, 20237
- 4) Video on 2023 Successes
- 5) Report of the Chair & Chief Executive Officer
- 6) Financial Report and Audited Statements9
- 7) Appointment of Auditors for 2024
- 8) Amendments to By-Laws 35
- 9) Elections37
- 10) Recognition of Outgoing Directors
- 11) Installation of 2024 Board of Directors
- 12) Address from New Chair
- 13) Adjournment of CREA AGM

Standing Rules for General Meetings of the Members

General

1. Where not otherwise provided for in these Standing Rules or CREA's By-Laws or Rules, procedural issues at all CREA meetings shall be determined in accordance with the latest edition of Robert's Rules of Order.
2. Any Standing Rule shall be subject to adoption, amendment, suspension or termination by a majority vote, provided that proper notice of the proposed change to the Standing Rules is given in the call to the meeting.

Motions

3. All motions dealing with the routine adoption, approval or acceptance of documents such as reports, minutes, agendas, as well as any motion intended to place an agenda item on the floor for discussion and vote, may be made by the Chair or his or her designate.
4. Other motions may be made and seconded only by voting delegates.
5. All motions made by voting delegates shall first be written out on the form provided and handed to the designated CREA representative. The motion will then be moved and seconded by the Voting Delegates before it is considered and voted on.

Recognizing Members to Speak

6. Voting delegates may speak once recognized by the Chair. Other members who wish to speak must first obtain the permission of the Chair and then be recognized.
7. Where two or more persons wish to speak at the same time, the Chair will decide the order in which the speakers will be recognized.
8. Once recognized by the Chair, the person must state their name and the name of the board or association they represent or of which they are a member.
9. The Chair will recognize as many persons as time permits, with consideration to the extent possible for spokespersons on both sides of the issue.



Rules of Debate

- 10.** No person may speak to a motion more than twice, and may not speak a second time until everyone who is entitled and wishes to speak to the motion has spoken. The mover of the motion has the right to speak first and last on the motion.
- 11.** Speakers may speak for no more than three minutes on a motion.
- 12.** Unless asking for information or clarification, speakers should always begin by indicating clearly whether they are speaking for or against the motion.
- 13.** All speakers must direct their remarks through the Chair. It is improper to speak directly to another person during debate.
- 14.** Courtesy and respect must be accorded to all persons. Speakers shall avoid attacking other persons and shall avoid personal remarks. Similarly, everyone shall allow speakers to make their points without interruption.
- 15.** A speaker's remarks must be relevant to the motion before the assembly.
- 16.** If at any time the Chair rises to state a point of order or otherwise speak, the person speaking must take his/her seat until the Chair has been heard.

Voting

- 17.** Only voting delegates may vote.
- 18.** Unless otherwise specified in the Standing Rules or in CREA's By-Laws or Rules, a motion passes when a majority of the votes cast are in favor of the motion. A majority is defined as more than half.
- 19.** At the discretion of the Chair, a vote may be conducted by a show of hands, an electronic voting mechanism, or by secret ballot.
- 20.** The voting delegates, by majority vote, may call for a vote by secret ballot. The Voting Delegates must then use the ballot forms provided or such other method as may be determined by the meeting Chair.



REALTOR.ca Taxable Entity

Since fall 2023, CREA, through the work of the REALTOR.ca Task Force, has been deliberating on a governance structure for a REALTOR.ca subsidiary (“REALTOR.ca Inc.”). Please note that governance is only one aspect related to REALTOR.ca Inc. - work continues on a long-term financial analysis for REALTOR.ca Inc. (revenues, costs, ten-year model, etc.; and an operating model (transition plan, shared services, new model, etc.). We intend to provide additional information on these important areas, as well as ample time for consultation in the coming weeks and months.

A draft governance structure has been prepared centered around five inter-related governance documents:

1. [Draft Amendments to CREA’s Articles of Incorporation](#);
2. [Draft Shareholder Declaration](#);
3. [Draft REALTOR.ca Inc. by-laws](#);
4. [Draft REALTOR.ca Inc. Articles of Incorporation](#); and
5. [Draft CREA REALTOR.ca Inc. policy](#).

Each governance document is intended to serve a specific purpose:

- Amendments to CREA’s Articles of Incorporation are intended to safeguard key guiding principles endorsed at the October 2023 SGM as further changes require a 2/3 majority of boards and associations. These guiding principles are:
 1. REALTORS® will be the only owners of the new company (REALTOR.ca Inc.) via their membership with CREA;
 2. All new company (REALTOR.ca Inc.) net revenue be reinvested in REALTOR.ca Inc. to continue to grow its service and benefits to members and consumers;
 3. The new company (REALTOR.ca Inc.) will have its own skills-based board made up of diverse, experienced, and independent directors.
- The Shareholder Declaration is the key document that will define the nature of the business relationship between CREA and its subsidiary. It takes precedence over REALTOR.ca Inc.’s own By-Laws and Articles of Incorporation. Among other things, the Declaration provides for, after an initial transition period, an independent REALTOR.ca Inc. board of directors and nominating process. The Declaration also sets out important general operational principles for the subsidiary, such as bringing value to REALTOR® members. The Declaration also reduces risk by limiting REALTOR.ca Inc.’s ability to make decisions on key issues that could change the nature of the relationship without CREA’s approval.
- The REALTOR.ca Inc. Articles of Incorporation and By-Laws are required by law and/or for the subsidiary’s orderly operation. In some places they repeat what is contained in the Shareholder Declaration. In other places they add technical detail, for example around REALTOR.ca Inc.’s officers, committees, and the running of REALTOR.ca Inc. director and member meetings.
- The REALTOR.ca Inc. policy describes the scope of CREA’s authority to remove REALTOR.ca Inc. directors, which is a power set out in the Shareholder Declaration. As that power is intended to be used in emergency situations only, it is subject to safeguards in the CREA’s REALTOR.ca Inc. Policy, which limit when and how that power will be used.

Collectively, the governance structure is intended to safeguard the guiding principles that members endorsed at the October 2023 SGM while providing REALTOR.ca Inc. with sufficient flexibility for its long-term success.

We encourage boards and associations to review all the documents, which are available for download on [CREA's Member Portal](#). As you review these documents, you may want to consider the following questions:

- 1.** Having an independent, diverse, and experienced REALTOR.ca Inc. board of directors was a key principle supported by members in October 2023. Do you think the proposed REALTOR.ca Inc. board of director structure and nominating process provides for sufficient independence or, alternatively, too much independence?
- 2.** Do you feel the proposed structure provides sufficient protections for the guiding principles around investment and ownership that members supported at the October 2023 SGM? If not, what would you change?
- 3.** Do you feel that the restrictions on how REALTOR.ca Inc., as a technology company, may conduct its business strike the right balance in providing it with enough flexibility? Or is it too strict? Do you have any suggestions? Some advantages with these restrictions are that they: (i) provide further safeguards for the guiding principles; and (ii) further reduce the risk that REALTOR.ca Inc. will operate in a way that poses a risk to itself or to CREA. A disadvantage is that they reduce REALTOR.ca Inc.'s ability to operate in a timely manner as it sees fit.

CREA welcomes your feedback on these questions, or any other aspects related to REALTOR.ca Inc. Written feedback may be submitted to CREA through support@CREA.ca. Although no vote is taking place at the April 2024 AGM, members will have a further opportunity to ask questions and obtain clarification at the Open Forum. All feedback will be considered by CREA, and the REALTOR.ca Task Force as they move forward.

Item 3 - Minutes of the CREA Special General Meeting held October 18, 2023

Call to Order	The Chair called the meeting to order at 11:10 am ET, following the conclusion of the Open Forum. A quorum was declared in accordance with CREA's By-Laws. The 2023 CREA Board of Directors was introduced, and Past-Presidents/ Chairs were recognized.
Meeting Procedures	<p>The Chair noted that the Standing Rules for Assembly meetings had been distributed as part of the agenda package.</p> <p>Atul Kapur, Parliamentarian, and Andrew Newman and Erin Butler, Audit Partners at KPMG and CREA's scrutineers, were introduced.</p>
Approval of The Agenda	The Chair called for changes to the agenda. No changes were proposed.
Motion 6 -2023(2)	<p>It was duly moved and seconded that the agenda be approved, as presented.</p>
	<u>CARRIED</u>
Approval of the Minutes	The Chair called for corrections to the Minutes of the Annual General Meeting held on April 18, 2023.
Motion 7 -2023(2)	<p>It was duly moved and seconded that the Minutes of the Annual General Meeting held in Ottawa on April 18, 2023 be approved, as circulated.</p>
	<u>CARRIED</u>
REALTOR.ca	<p>The Chair provided a summary on the endorsement exercise that took place during the Open Forum:</p> <ul style="list-style-type: none"> • Question 1: To what extent do you support the REALTOR.ca Task Force proposal that REALTORS® will be the only owners of the new company (REALTOR.ca) via their membership with CREA? <p>90% strongly support. 1% somewhat support. 0% somewhat oppose. 9% strongly oppose.</p>

- **Question #2:** To what extent do you support the REALTOR.ca Task Force proposal that all new company (REALTOR.ca) net revenue be reinvested in REALTOR.ca to continue to grow its service and benefits to members and consumers?

76% strongly support.
14% somewhat support.
0% somewhat oppose.
10% strongly oppose.

- **Question #3:** To what extent do you support the REALTOR.ca Task Force proposal that the new company (REALTOR.ca) will have its own skills-based board made up of diverse, experienced, and independent directors?

74% strongly support.
15% somewhat support.
1% somewhat oppose.
10% strongly oppose.

- **Question #4:** To what extent do you support CREA's Board of Directors moving forward with the creation of a business plan and other considerations in support of a final vote on the future of REALTOR.ca at the 2024 CREA AGM?

75% strongly support.
11% somewhat support.
1% somewhat oppose.
13% strongly oppose.

The Chair highlighted the strong support, and thanked the attendees for sharing and participating in the conversation and providing questions during the open forum that will be taken back to the REALTOR.ca Task Force for review and consideration.

The CEO of CREA thanked Task Force members and staff for the tremendous amount of work that has been done to date, and CREA's Board of Directors for their support through this initiative.

The CEO thanked everyone in the room for their support during his role as the CEO of CREA.

Adjournment

The meeting was declared adjourned at 11:28 am ET.

Item 6 - Financial Report and Audited Statements

The Canadian Real Estate Association Management's Discussion and Analysis

December 31, 2023

The following discussion and analysis of financial condition, results of operations as of December 31, 2023, of the Canadian Real Estate Association (CREA) should be read in conjunction with the audited financial statements for the fiscal year ended December 31, 2023.

Overview

CREA's major milestones and achievements are outlined in the 2023 CREA Annual Report which will be available in April.

Selected Annual Information – Consolidated

	2023 Actual Dec. 31	2022 Actual Dec. 31	2021 Actual Dec. 31
Membership	164,598	160,064	151,088
Membership Fee	\$310	\$310	\$310
	(\$000's)	(\$000's)	(\$000's)
Membership Revenue	48,623.6	48,120.0	44,315.6
New Member Initiation Fee	2,863.5	3,418.8	3,539.4
Total Revenue	55,811.9	54,366.3	50,350.1
Total Expenses	(63,345.3)	(53,902.9)	(46,481.0)
Net Revenue	(7,533.4)	463.4	3,869.1
Fund Balances	36,263.2	43,796.6	43,333.2

The 2023 membership increased by 2.8% over 2022 while the 2022 membership increased by 5.9% over 2021.

Review of Operations

MEMBERSHIP	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter		Budget
Membership - 2023	160,586	163,188	164,453	164,598		159,000
Membership - 2022	153,744	157,109	158,810	160,064		150,000
Membership - 2021	140,331	144,058	147,556	151,088		133,000
Membership - 2020	133,476	133,121	134,769	136,605		135,000
Membership - 2019	130,107	131,388	132,238	133,242		128,000
Membership - 2018	126,180	127,954	128,646	129,752		123,000
Membership - 2017	122,158	122,712	124,041	125,316		117,500
					Total	Budget
New Members - 2023	3,765	6,041	4,320	3,634	17,760	10,000
New Members - 2022	5,386	5,759	4,806	4,399	20,350	10,000
New Members - 2021	6,378	6,034	6,101	5,398	23,911	8,100
New Members - 2020	3,183	2,139	3,707	4,942	13,971	8,100
New Members - 2019	5,214*	3,916	3,573	3,054	15,757	8,100
New Members - 2018	3,330	3,872	3,371	3,281	13,854	8,100
New Members - 2017	3,096	3,041	2,772	3,040	11,949	8,100
*Includes 2,405 reinstatements so new members are 2,809.						
Terminations - 2023	5,231	3,864	3,137	3,883	16,115	0
Terminations - 2022	2,918	2,651	3,268	3,990	12,827	0
Terminations - 2021	2,311	1,884	2,509	2,133	8,837	0
Terminations - 2020	3,265	2,724	2,162	3,337	11,488	0
Terminations - 2019	3,272	2,977	3,208	2,345	11,802	0
Terminations - 2018	2,734	2,659	2,883	2,463	10,739	0
Terminations - 2017	2,215	2,236	2,336	1,870	8,657	0

Please note: new members in the chart above also include reinstatements, those members who have reinstated their membership in CREA within 24 months of leaving their membership.

The fiscal year 2023 shows lower new members than in 2022, by 12.7% (over 2021 which was 14.9%), while at the same time the number of members leaving the profession has increased by 25.6% over 2022 (over 2021 which was 45.1%).

Expenses

The chart below outlines the actual expenses compared to budget and the previous year.

	Budget 2023	Actual Dec. 31, 2023	Actual Dec. 31, 2022
Legal	386,750	228,006	619,228
Advocacy			
Government Relations	1,909,400	1,924,904	1,580,813
Strategic Impact	705,000	391,060	327,940
MLS® Statistics	312,754	416,919	234,592
Reputation			
Communications	2,293,000	1,670,569	1,654,272
Marketing	1,840,500	1,830,429	1,412,494
Learning and Development	490,000	350,994	389,770
National Ad Campaign	9,830,126	9,780,384	7,540,497
REALTOR.ca			
IT Products and Services	16,546,150	16,681,278	13,327,101
Committees/Task Force	1,171,102	1,435,622	957,296
Representation	1,099,391	1,044,755	906,990

Legal

The actual 2023 expenses are below actual 2022 expenses as the Project Reset expenses were moved to the Legal Defence Fund in 2023.

Advocacy

Government Relations

The 2023 actual expenses are higher than 2022 due to the success of CREA PAC Days and the linkage with the Special General Meeting, which increased attendance and increased work on issue research.

Strategic Impact

The 2023 expenses include a consultant to determine CREA's social purpose statement. REALTORS Care® Week was replaced with a volunteer training event for approximately 40 board/association staff and the Environmental Social and Governance committee members to attend. This was to build capacity for 2024.

MLS® Statistics

The 2023 expenses were higher than 2022 due to the maintenance costs associated with the MLS® Home Price Index (HPI) as more boards and associations were added to the MLS® HPI and the enhancement to the MLS® seasonal adjustment.

Reputation

Communications

The expenses remained relatively flat in 2023 over 2022 except for video content and REALTOR® engagement, which increased as more was undertaken in person.

Marketing

Marketing expenses increased in 2023 with more in-person tradeshow and more marketing campaigns with SEM, SEO and social media.

Learning and Development

On the revenue side, overall revenue increased from the National Leadership Program (NLP) and Certified Real Estate Brokerage Manager (CRB) courses which also increased expenses as more courses were held. The Green Designation work was taken in-house in 2023, thus decreasing expenses from 2022.

National Ad Campaign

The 2023 expenses are well over 2022 expenses as a new campaign was produced in February 2023, whereas there was no ad produced in 2022 due to the timing of the move to the new production company, No Fixed Address Inc. The 2021 ad was continued into 2022.

REALTOR® and Consumer Technology

Technology Products & Services

The revenue from REALTOR.ca DDF® remained constant with 2022 at \$1.2 million. Expenses increased by \$500,000 by moving resources to handle increased data requests from the Technology Fund. The 2023 expenses for CREA WEBForms® remained the same as 2022 with the contract with Lone Wolf Technologies continuing. Development for the REALTOR® Action Network (RAN) and CREA Global increased slightly. Plus, development of REALTOR.ca increased by almost \$2.5 million over 2022.

International

The 2023 expenses increased over 2022 to expand services and continued work on the website.

Committees/Task Forces

Each of the Committees and Task Forces held one in-person meeting and the rest virtual, except for Federal Affairs, which held two in-person meetings for a meeting in conjunction with CREA PAC Days. The Annual General Meeting took place as a hybrid meeting. There were two items added in 2023 – the CEO selection and the Special General Meeting which increased expenses over 2022.

Representation

The 2023 expenses increased over 2022 with more in-person professional development.

Salaries & Benefits

	2023 Actual Dec. 31	2022 Actual Dec. 31	2021 Actual Dec. 31
	(\$000's)	(\$000's)	(\$000's)
Total Salaries/Benefits	18,851.1	16,942.8	15,531.5
Percent of Expenses	29.7%	31.4%	33.3%

The expense also includes benefits, recruitment fees, membership dues and salary survey expenses. The staff complement in 2023 increased by six positions by bringing contractors on as full-time employees. A full benchmarking exercise was undertaken in 2023 year, including a pay equity analysis.

200 Catherine Street

CREA currently leases more than 50%, or 30,053 sq. ft. of the total 52,241 sq. ft. leasable space, including half of the lower level of the building.

Coldwell Banker Rhodes & Company took occupancy of half of the second floor on February 1, 2023. The Occulists recently signed for 1,824 sq. ft. on the second floor to take occupancy on June 1, 2024. Therefore, most of the second floor has been leased. We're currently under negotiations with Dress For Success to move them from the lower level to the ground floor. Their lease comes up for renewal on December 31, 2024.

Liquidity and Capital Resources – Actual 2023

The Contingency Reserve Fund is currently maintained at four months operating expense or \$9 million. This Fund will be accessed if required due to loss of membership.

The Legal Defence Fund has a balance of \$1.7 million as it was depleted during 2023 relating to defending various claims. An appropriation from the Operating Fund was recently approved by the Finance Committee and will be taken to the Board of Directors at their next meeting in May.

The Building Capital Reserve Fund has a balance of \$900,000 to provide for tenant turnover and leasehold inducements. An appropriation to the Building Reserve Fund was made to cover the tenant improvements and landscaping that took place during 2023.

The Technology Fund was fully depleted in 2023 to continue to fund innovation related to REALTOR.ca and research related to blockchain. The funds were allocated as follows:

- ◆ **\$200,000** – sharing Member “events” (committee participation, designations, code infractions, etc.) via blockchain.
- ◆ **Innovation.** This included adding the MLS® HPI estimator tool to the REALTOR.ca Member App and on the consumer side. Resources to accelerate existing projects, notably persistent property pages (i.e. the goal of having a page for every address in Canada) were included.
- ◆ The expenses related to the REALTOR.ca Task Force were also allocated to this fund.

The Learning and Development Fund has a balance of \$55,000 to continue work on the CREA Learning Hub and the Learning Management System.

Financial Statements of

THE CANADIAN REAL ESTATE ASSOCIATION

Year ended December 31, 2023

THE CANADIAN REAL ESTATE ASSOCIATION

Financial Statements

Year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Canadian Real Estate Association

Opinion

We have audited the financial statements of The Canadian Real Estate Association (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at end of December 31, 2023, and its results of operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

March 5, 2024

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 1,534,638	\$ 5,098,225
Accounts receivable	1,130,067	1,170,061
Membership dues receivable (note 11(b))	2,800,202	3,604,617
Prepaid expenses	620,577	1,589,586
	<u>6,085,484</u>	<u>11,462,489</u>
Investments (note 3)	20,337,867	24,221,770
Tangible capital and intangible assets (note 4)	11,968,143	11,888,724
	<u>\$ 38,391,494</u>	<u>\$ 47,572,983</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 2,093,693	\$ 3,412,439
Deferred revenue	34,602	363,931
	<u>2,128,295</u>	<u>3,776,370</u>
Fund balances:		
Operating Fund	12,034,610	18,079,150
Restricted Funds (note 6(b))	12,260,446	13,828,739
Capital Asset Fund	11,968,143	11,888,724
	<u>36,263,199</u>	<u>43,796,613</u>
Commitments (note 7)		
Contingencies (note 8)		
	<u>\$ 38,391,494</u>	<u>\$ 47,572,983</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

Director

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	Operating Fund	Restricted Funds (note 6(b))	Total 2023	Total 2022
Revenues:				
Membership dues	\$ 51,487,082	\$ –	\$ 51,487,082	\$ 51,538,816
Technology	1,488,958	–	1,488,958	1,437,563
Conferences	482,165	–	482,165	341,711
Building Reserve Fund (schedule)	–	596,832	596,832	565,480
Other	480,757	–	480,757	320,810
Investment	1,276,097	–	1,276,097	161,920
	<u>55,215,059</u>	<u>596,832</u>	<u>55,811,891</u>	<u>54,366,300</u>
Expenses:				
Services to members	33,835,281	–	33,835,281	27,531,380
Governance and representation	2,480,378	–	2,480,378	1,863,110
Operating	3,547,858	–	3,547,858	2,910,409
Salaries and benefits	18,651,069	–	18,651,069	16,852,782
Legal Defence Support Program Fund	–	626,136	626,136	448,512
Building Reserve Fund (schedule)	–	914,398	914,398	853,903
Technology Fund	–	1,781,821	1,781,821	1,678,983
Learning & Development Fund	–	42,770	42,770	–
	<u>58,514,586</u>	<u>3,365,125</u>	<u>61,879,711</u>	<u>52,139,079</u>
Excess of revenues over expenses (expenses over revenues) before amortization of tangible capital and intangible assets				
	(3,299,527)	(2,768,293)	(6,067,820)	2,227,221
Amortization of tangible capital and intangible assets				
	(1,307,812)	(157,782)	(1,465,594)	(1,763,799)
Excess of revenues over expenses (expenses over revenues)				
	\$ (4,607,339)	\$ (2,926,075)	\$ (7,533,414)	\$ 463,422

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Changes in Fund Balances

Year ended December 31, 2023, with comparative information for 2022

	Operating Fund	Restricted Funds (note 6(b))	Capital Asset Fund	2023 Total	2022 Total
Fund balances, beginning of year	\$ 18,079,150	\$ 13,828,739	\$ 11,888,724	\$ 43,796,613	\$ 43,333,191
Excess of revenues over expenses (expenses over revenue)	(4,607,339)	(2,926,075)	–	(7,533,414)	463,422
Transfer from Operating Fund	(1,200,000)	1,200,000	–	–	–
Net change in Capital Asset Fund:					
Tangible capital and intangible asset additions	(1,545,013)	–	1,545,013	–	–
Amortization of tangible capital and intangible assets	1,307,812	157,782	(1,465,594)	–	–
	(237,201)	157,782	79,419	–	–
Fund balances, end of year	\$ 12,034,610	\$ 12,260,446	\$ 11,968,143	\$ 36,263,199	\$ 43,796,613

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ (7,533,414)	\$ 463,422
Items not involving cash:		
Amortization of tangible capital and intangible assets	1,465,594	1,763,799
Unrealized (gain) loss on investments	(212,091)	180,034
Change in non-cash operating working capital (note 12)	165,343	(2,333,108)
	<u>(6,114,568)</u>	<u>74,147</u>
Investing activities:		
Additions to investments	(11,276,097)	(10,980,886)
Tangible capital and intangible assets additions	(1,545,013)	(1,033,215)
	<u>(12,821,110)</u>	<u>(12,014,101)</u>
Financing activities:		
Withdrawals from investments	15,372,091	15,639,931
	<u>(3,563,587)</u>	<u>3,699,977</u>
Increase (decrease) in cash		
	(3,563,587)	3,699,977
Cash, beginning of year	5,098,225	1,398,248
Cash, end of year	<u>\$ 1,534,638</u>	<u>\$ 5,098,225</u>

See accompanying notes to financial statements.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2023

1. Operations:

The Canadian Real Estate Association (the “Association”) was incorporated without share capital on November 1, 1954 under the Canada Corporations Act. Effective December 11, 2013, the Association continued their articles of incorporation from the Canada Corporations Act to the Canada Not-for-profit Corporations Act. The Association is a not-for-profit organization and as such is not subject to income tax under paragraph 149(1)(l) of the Income Tax Act (Canada).

The Association works on behalf of its REALTOR® members and the public. To do so, it:

- Represents the interest of its members to the federal government and its agencies on existing or proposed legislation that would affect those members, and/or impact homeownership;
- Assists REALTOR® members to better serve their clients by providing quality technology products including REALTOR.ca, WEBforms® and DDF®;
- Enhances member professionalism and ethics by providing national standards, including establishment of symbols of quality associated with using the Association brands and trademarks. Protects and promotes the two primary national Association trademarks, MLS® and REALTOR®;
- Produces accurate, up-to-date information and analysis on economic issues.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting and include the following significant accounting policies:

(a) Basis of presentation:

The Association follows the deferral method of accounting for contributions for not-for-profit organizations, and uses fund accounting.

These financial statements reflect the operations of the Canadian Real Estate Association. The financial statements do not include the revenues, expenses, assets and liabilities of the Association’s related entities: Realtor Canada Inc. and its Member Boards and Provincial Associations. These organizations are disclosed in note 11.

(b) Fund accounting:

The Operating Fund reports the revenues, expenses, assets, liabilities and fund balances of the Association’s general operations and services to members.

The Capital Asset Fund reports the Association’s investment in tangible capital and intangible assets.

Restricted Funds are described in note 6(b).

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(c) Revenue recognition:

Revenues from membership dues and technology assessments are based on membership information provided by the individual Boards enrolled in the Association. Dues received in advance of the year to which they apply are deferred and recognized as revenue in the appropriate future year. Revenues from membership initiation dues are recognized on a cash basis.

Sponsorship, building, legal defense support, and other revenues are recognized in the period to which they relate.

(d) Expenses:

The Association presents its expenses by function with the exception of salaries and benefits, and amortization of tangible capital and intangible assets, which are presented separately.

Expenses are recognized in the year incurred and are recorded in the function to which they are directly related.

The Association does not allocate expenses between functions after initial recognition.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Sales and purchases of investments are recorded on the trade date. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight line method.

Financial assets are assessed for indicators of impairment on an annual basis at the end of the fiscal year. Where an indicator of impairment is present, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(f) Tangible capital and intangible assets:

Tangible capital and intangible assets are stated at cost. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

Amortization is provided on the straight-line basis or declining balance method using the following annual rates:

Asset	Rate
Tangible capital assets:	
Building (straight-line)	25 years
Office equipment	10-20%
Computer equipment	30%
Building improvements (straight-line)	15 years
Office improvements (straight-line)	15 years
Intangible assets:	
Computer software	30%

The MLS® domain name is not amortized as it has an indefinite life.

(g) Defined contribution pension plan:

The Association recognizes an expense in the Operating Fund for the contribution required to be made by the Association to the defined contribution pension plan based on employee services rendered in the year.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management's estimates include the recognition of membership revenue for the fourth quarter. Actual results could differ from these estimates. Estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Investments:

(a) Investment balances:

Investments consist of the following:

December 31, 2023	Cost	Carrying value
Cash	\$ 1,402,833	\$ 1,402,833
Guaranteed investment certificates	14,608,977	15,172,358
Corporate bond fund	1,148,203	1,076,236
Equities	2,268,095	2,686,440
	<u>\$ 19,428,108</u>	<u>\$ 20,337,867</u>

December 31, 2022	Cost	Carrying value
Cash	\$ 310,273	\$ 310,273
Guaranteed investment certificates	20,107,773	20,542,343
Corporate bond fund	1,148,408	1,076,629
Equities	1,957,648	2,292,525
	<u>\$ 23,524,102</u>	<u>\$ 24,221,770</u>

Carrying value for guaranteed investment certificates includes original cost and accrued interest. Carrying value represents fair value for the corporate bond fund and equities. Investments are held by the Association to fund the Operating Fund, Contingency Reserve Fund, Legal Defense Support Program Fund, Building Capital Reserve Fund, the MLS® Domain Fund and Learning and Development Fund.

Investments are managed by investment managers in accordance with an investment policy approved by the Board of Directors.

(b) Effective interest rates and maturities of investments:

The Association's effective interest rate and maturity date ranges are as follows:

December 31, 2023	Interest rate	Maturity dates
Guaranteed investment certificates	0.80% to 5.49%	March 2024 to January 2027

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Investments (continued):

(b) Effective interest rates and maturities of investments (continued):

December 31, 2022	Interest rate	Maturity dates
Guaranteed investment certificates	0.32% to 4.30%	March 2023 to January 2027

4. Tangible capital and intangible assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Tangible capital assets:				
Land	\$ 2,593,000	\$ –	\$ 2,593,000	\$ 2,593,000
Building	7,372,127	5,160,488	2,211,639	2,506,523
Office equipment	1,472,520	1,054,642	417,878	489,956
Computer equipment	1,250,683	1,096,180	154,503	–
Building improvements	1,377,212	1,256,585	120,627	278,409
Office improvements	6,377,096	2,941,983	3,435,113	2,981,799
Intangible assets:				
Computer software	4,673,426	3,580,863	1,092,563	1,096,217
MLS® Domain Name	1,942,820	–	1,942,820	1,942,820
	\$ 27,058,884	\$ 15,090,741	\$ 11,968,143	\$ 11,888,724

Cost and accumulated amortization are presented net of fully amortized disposals of \$423,134 (2022 - \$6,309,369). Cost and accumulated amortization of tangible capital and intangible assets at December 31, 2022 amounted to \$25,937,005 and \$14,048,281, respectively.

5. Accounts payable and accrued liabilities:

At year end, the Association had no amounts payable for government remittances, such as harmonized sales tax and payroll taxes.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Fund balances:

(a) Capital management:

The Association considers its capital to consist of its fund balances. The Association's overall objective with regards to its fund balances is to fund tangible capital and intangible assets, future projects and ongoing operations. The Association manages its net assets by establishing restricted funds and appropriating amounts to the restricted funds for anticipated future projects, contingencies and other capital requirements. These allocations are disclosed in note 6(b).

The Association is not subject to externally imposed capital requirements and its overall strategy with respect to net assets remains unchanged from the year ended December 31, 2022.

(b) Restricted funds:

Restricted funds consist of the following.

Fund	Fund balance, beginning of year	Excess of expenses over revenue	Transfer from (to) Operating Fund	Transfer from Capital Asset Fund	Fund balance, end of year
Contingency Reserve Fund	\$ 9,090,447	\$ -	\$ -	\$ -	\$ 9,090,447
Legal Defense Support Program Fund	1,698,187	(626,136)	700,000	-	1,772,051
Building Reserve Fund	107,093	(475,348)	500,000	157,782	289,527
Building Capital Reserve Fund	1,400,000	-	(500,000)	-	900,000
MLS® Domain Fund	200,000	-	-	-	200,000
Technology Fund	1,232,353	(1,781,821)	500,000	-	(49,468)
Learning and Development Fund	100,659	(42,770)	-	-	57,889
	\$ 13,828,739	\$ (2,926,075)	\$ 1,200,000	\$ 157,782	\$ 12,260,446

(i) Contingency Reserve Fund:

This fund was established by the Board of Directors to improve the Association's financial position. The Association's objective is to maintain a balance equivalent to four months of core operating expenses, approximately \$9 million, in the contingency reserve fund.

(ii) Legal Defense Support Program Fund:

The Legal Defense Support Program Fund was established by the Board of Directors to support boards and associations which find themselves facing litigation as a result of their adherence to, or enforcement of, national policies of the Canadian Real Estate Association. The Association's objective is to maintain a balance of approximately \$2 million in the Legal Defense Support Program Fund.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Fund balances (continued):

(b) Restricted funds (continued):

(iii) Building Reserve Fund:

This fund was established by the Board of Directors to reflect the accumulated surplus from the operation of the building.

(iv) Building Capital Reserve Fund:

This fund was established by the Board of Directors to cover any unanticipated costs related to tenant turnover such as leasehold improvements and free rent. The Association's objective is to maintain a minimum reserve of \$1.5 million for future unanticipated tenant costs.

(v) MLS® Domain Fund:

This fund was established by the Board of Directors to provide funds for potential upcoming and ongoing costs related to the application for the .mls and .realtor domain names.

(vi) Technology Fund:

This fund was established by the Board of Directors to provide research and development for products such as REALTOR.ca, WEBforms®, Innovation lab and business intelligence.

(vii) Learning and Development Fund:

This fund was established by the Board of Directors for the expansion of the current Learning Management System and capacity/resources on the Learning and Development team to support Board of Directors course deliverables, Products and Technology member courses, broker courses and Legal/Compliance courses that are undergoing significant changes. This fund is also required to upkeep and manage growing Learning Hub usage by boards, associations and members.

7. Commitments:

The Association is committed to the rental of office equipment and web-site maintenance costs. The minimum annual payments are \$14,229 in 2023.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Contingencies:

The Association is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of management, an estimate of the potential liability from these claims cannot be made, but any liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the Association. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

9. Pension plan:

The Association is the sponsor and administrator of the Pension Plan for the Canadian Real Estate Association (the "Plan"), which is registered under the Pension Benefits Act (Ontario). The Plan is a defined contribution plan covering all the employees of the Association who meet eligibility requirements as specified in the Plan Agreement, and elect to join the Plan. The Association matches a percentage of gross earnings for all members of the Plan based on the employees' years of experience at the Association. In the year, the Association contributed \$852,658 (2022 - \$750,424) to the Plan, which is recorded in salaries and benefits expense.

10. Financial risks:

The Association is subject to the following risks from its financial instruments.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as Canadian real estate boards, governments and public companies.

The Association assesses, on a continuous basis, accounts and membership dues receivables and provides for any amounts that are not collectible in an allowance for doubtful accounts. At year end, there were no amounts allowed for in accounts and membership dues receivable.

(b) Liquidity risk:

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association expects to meet these obligations as they come due by generating sufficient cash flow from its members. The Association mitigates its liquidity risk through its restricted funds as disclosed in note 6. The Association believes that it is not exposed to significant liquidity risk arising from its financial instruments.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Financial risks (continued):

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association believes that it is not exposed to significant foreign currency as it carries approximately \$300,000 in US dollar cash and investments.

(ii) Interest rate and other price risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to interest rate and other price risk with respect to its investments as disclosed in note 3.

These risks have increased in 2023 due to market fluctuations in interest rates and market prices. Management believes that its financial risks are appropriately mitigated and do not pose significant risk to the Association's operations. There have been no significant changes in the policies, procedures and methods used to manage these risks in the year.

11. Related party transactions:

The Association is related to Realtor Canada Inc. and its Member Boards and Provincial Associations:

(a) Realtor Canada Inc.:

The Association is related to Realtor Canada Inc. by virtue of its 50% ownership of the shares in Realtor Canada Inc., which is a for-profit entity. The objective of Realtor Canada Inc. is to hold the trademark registration for the term REALTOR® in Canada. Realtor Canada Inc. has no assets or liabilities and had no financial transactions during the year.

THE CANADIAN REAL ESTATE ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

11. Related party transactions (continued):

(b) Member Boards and Provincial Associations:

The Association is related to its member real estate boards and provincial associations by virtue of its governance structure. The Association and the member boards and provincial associations provide services to their members in an integrated manner.

The Association collects membership dues from individual members through the member boards. National fees are collected by the member boards and then forwarded to the Association. All other transactions between the Association and the member boards and provincial associations occur in the normal course of operations for the Association.

12. Change in non-cash operating working capital:

	2023	2022
Accounts receivable	\$ 39,994	\$ (435,545)
Membership dues receivable	804,415	(376,451)
Prepaid expenses	969,009	(1,371,068)
Accounts payable and accrued liabilities	(1,318,746)	(195,379)
Deferred revenue	(329,329)	45,335
	<u>\$ 165,343</u>	<u>\$ (2,333,108)</u>

13. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

THE CANADIAN REAL ESTATE ASSOCIATION

Schedule of Revenues and Expenditures - Building Reserve Fund

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Rental revenues	\$ 270,390	\$ 231,349
Operating recoveries from tenants	217,856	202,367
Other revenue	108,586	131,764
	<u>596,832</u>	<u>565,480</u>
Expenses:		
Operating:		
Repairs and maintenance	335,309	267,486
Property taxes	274,025	261,397
Utilities	125,656	142,175
Management fee	104,429	101,064
Insurance	29,274	56,800
Professional fees	26,725	6,039
General and administrative	9,880	1,681
Miscellaneous	9,100	17,261
	<u>914,398</u>	<u>853,903</u>
Deficiency of expenses over revenues	<u>\$ (317,566)</u>	<u>\$ (288,423)</u>

The Association capitalized \$Nil (2022 - \$Nil) of the capital expenditures on the 200 Catherine Street building.

Item 8 - Amendments to By-Laws

Amendments to By-Laws

CREA is proposing that changes be made to two areas in CREA's by-laws:

1. Director qualifications
2. When CREA's Board of Directors may determine that regional director elections may be held virtually

CURRENT LANGUAGE	PROPOSED LANGUAGE	RATIONALE
ARTICLE 8 - ELECTION OF DIRECTORS-AT-LARGE AND REGIONAL DIRECTORS	ARTICLE 8 - ELECTION OF DIRECTORS-AT-LARGE AND REGIONAL DIRECTORS	
<p>8.1: Qualifications of Directors</p> <p>Individuals wishing to be elected either as a Director-at-Large or a Regional Director must:</p> <p>8.1.1: Be a REALTOR® member;</p> <p>8.1.2: Have been a REALTOR® member for at least five (5) years;</p> <p>8.1.3: Have a minimum of three (3) years' experience within the last ten (10) years sitting on a board of directors of a Canadian Not-For Profit corporation or a public body;</p> <p>8.1.4: Otherwise not be disqualified by the Act;</p> <p>8.1.5: In the case of a Regional Director, be licensed in that Region;</p> <p>8.1.6: If elected, must have completed leadership courses as set out in CREA policy within one year of being elected; and</p> <p>8.1.7: Complete the candidacy documents in the form provided by CREA.</p>	<p>8.1: Qualifications of Directors</p> <p>Individuals wishing to be elected either as a Director-at-Large or a Regional Director must:</p> <p>8.1.1: Be a REALTOR® member;</p> <p>8.1.2: Have been a REALTOR® member for at least three (3) five (5) years;</p> <p>8.1.3: Have a minimum of three (3) years' experience within the last ten (10) years sitting on a board of directors of a Canadian Not-For Profit corporation or a public body or sitting on a CREA, Board or Association committee;</p> <p>8.1.4: Otherwise not be disqualified by the Act;</p> <p>8.1.5: In the case of a Regional Director, be licensed in that Region;</p> <p>8.1.6: If elected, must have completed leadership courses as set out in CREA policy within one year of being elected; and</p> <p>8.1.7: Complete the candidacy documents in the form provided by CREA.</p>	<p>The changes are being made to reduce two potential barriers within CREA's director qualifications that may inhibit CREA's efforts to increase diversity on its Board of Directors: (a) reducing the number of years a candidate must be a REALTOR® member from five to three; and (b) and expanding the experience requirement to recognize sitting on a CREA, Board or Association committee.</p> <p>While the intention of existing qualification requirements is to establish a minimum level of industry and director experience for candidates, they may present a barrier to a large group of REALTORS® and do not consider other skills and attributes a candidate may have that could benefit CREA's Board.</p>

CURRENT LANGUAGE	PROPOSED LANGUAGE	RATIONALE
<p>8.5: Place of Regional Director Election</p> <p>The Regional Director election may be held in the Region if a majority of the candidates running for Regional Director in that particular Region advise CREA’s Chief Executive Officer in writing of their preference no later than sixty (60) days preceding the Annual Meeting. Otherwise, the election will be scheduled by CREA on a date preceding the Annual Meeting in the city scheduled for that meeting. The Board of Directors may, in special circumstances, determine that the Regional Director election shall be held entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.</p>	<p>8.5: Place of Regional Director Election</p> <p>The Regional Director election may be held in the Region if a majority of the candidates running for Regional Director in that particular Region advise CREA’s Chief Executive Officer in writing of their preference no later than sixty (60) days preceding the Annual Meeting. Otherwise, the election will be scheduled by CREA on a date preceding the Annual Meeting in the city scheduled for that meeting. The Board of Directors may, in special circumstances, determine that the Regional Director election shall be held entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.</p>	<p>Provides greater flexibility to the CREA Board of Directors to hold virtual regional elections. It would no longer be a requirement that there be “special circumstances” in order to hold regional elections virtually.</p> <p>This change has no impact on when CREA’s Board of Directors may call a virtual meeting for CREA’s annual general meeting. Annual general meetings must still be held in-person except where there are “special circumstances”.</p>

Item 9 - Elections

CREA Board of Directors candidates standing for election

Director-at-large (3 positions, each for a 2-year term)

In alphabetical order, the candidates are:



Jarnail Bhandal



**Gurcharan (Garry)
Bhaura**



Daniel Dagenais



Darin Germyn



Jacob Huang



Mark McLean



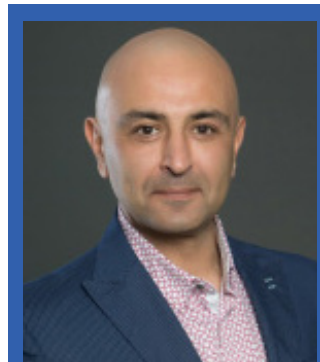
Phil Moore



**Ololade (Lola)
Oduwole**



Tim Otitaju



Sunny Sharma



Janice Stromar



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