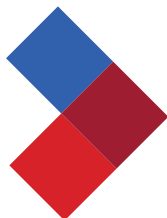


It was a year of steady progress on many different fronts here at CREA. We hope you find this report a useful overview of what we've done and where we're going.

WELCOME TO YOUR
2015 ANNUAL REPORT

CREA
THE CANADIAN REAL
ESTATE ASSOCIATION





ADVOCACY

CREA's major lobbying planks were represented in both Liberal and Conservative platforms for the 2015 federal election, a huge validation of our long-standing and consistent approach to federal affairs.

ELECTION CAMPAIGN WAS GOOD FOR CREA

Two of the three main parties in the recent Canadian general election endorsed major parts of CREA's long-standing efforts to improve the Home Buyer's Plan, an incredibly popular program that helps first-time buyers finance their down payment by letting them borrow up to \$25,000 from their RRSPs and repay the money back over 15 years.

More than 1,500,000 Canadians have taken advantage of the HBP since 2000. This past year alone, the HBP generated more than \$2.7 billion in spin-off spending and created more than 20,000 jobs.

The Conservative Party said it would increase the maximum withdrawal amount from \$25,000 to \$35,000, essentially endorsing CREA's request that the withdrawal limit be increased and thereafter indexed to inflation. Meanwhile, the Liberal Party said it would commit to allowing homebuyers to access their RRSPs a second time when faced with a life-changing event such as a marital separation, a move for employment purposes, or a move to accommodate a family member.

This achievement is compelling evidence that CREA's slow, steady approach to lobbying, including PAC Days and the efforts of the member-driven Federal Affairs Committee, works. We are confident that the Liberals, who won the election, will implement what they said they would. We will certainly continue to press the issue, and even encourage them to also implement the increase to the withdrawal limit.

A key point here is that CREA is careful to align its lobbying objectives with government policy, and we work hard to demonstrate that what we ask for results in modest foregone tax revenues offset by the higher economic activity they prompt.

GOVERNMENT CHANGE MEANS NEW CHALLENGES FOR FEDERAL AFFAIRS

Effective government relations is made up of a number of facets. Strategically, we must choose which issues to bring forward, research their impact, and decide how to present them. More tactically, we need to decide when to engage government and who is best positioned to make the case for change.

Even so, we can get all of that right and, no matter how worthy our cause, still not effect meaningful change if we don't do the "relations" part of government relations well.

Political campaigns and elections are fun and exciting for those of us who work in government relations because they are a huge opportunity to get our message across. Success consists of seeing our lobbying objectives become campaign promises. But every campaign ends with a vote, and in 2015, that vote resulted in a new government. That translates into a lot of work on the "relations" front. A new Prime Minister, new Ministers, new MPs and new staff across the board means a lot of new people to get to know and with whom we must build trust before we can introduce our industry's issues and concerns. In many ways, then, the 2015 election means 2016 will be back to the basics from a lobbying perspective at CREA.

FINTRAC SET FOR RENEWED EXAMINATIONS

The current rollout of FINTRAC (Financial Transactions and Reports Analysis Centre of Canada) regulations that REALTORS® are integrating into their business practices had its origins in an audit in 2008 by the international body that reviews how well individual countries are living up to their commitments to combat money laundering and terrorist financing. That body, the Financial Action Task Force, is again auditing Canada, and CREA and several real estate brokers met with the auditors in November to discuss how Canada can comply with its international treaty obligations without placing undue regulatory burdens on REALTORS®.

CREA TACKLES FINTRAC WITH LOBBYING, EDUCATION

FINTRAC continues to be a major preoccupation of CREA's federal affairs efforts. This past year saw CREA work with REALTORS® across Canada to map out typical residential and commercial real-estate transactions in Canada so that government and regulators can better understand exactly what the process is. In this way, the rules that are put in place will better reflect the usual operating procedures of buying and selling real estate.

For example, since the beginning of January, REALTORS® have been required to conduct enhanced due diligence on customers who do two or more transactions with them within five years. The simple, everyday occurrence of selling one house and buying another, something that families do all the time with the same REALTOR®, triggers this threshold and imposes a significantly greater regulatory burden on the REALTOR®. CREA is working hard to get regulators to understand this reality and to adjust the regulations accordingly.

EDUCATING BOTH REALTORS® AND CONSUMERS

A big part of CREA's advocacy efforts are aimed at giving both REALTORS® and consumers tools they need to succeed.

In the case of REALTORS®, CREA develops courses or partners with local real estate boards and associations in the development of courses that help REALTORS® better understand and comply with FINTRAC, Canada's Anti-Spam Law (CASL) and other regulatory requirements.

For consumers, CREA works with government agencies and others to develop consumer education materials. One big one, a collaboration with the Financial Consumer Agency of Canada, is the Homebuyer's Road Map. This past year saw editions published in Chinese, Punjabi and Tagalog, representing Canada's most commonly spoken minority languages. Other publications help inform consumers about the risks of radon gas, or marijuana grow operations and synthetic drug labs that may have operated in a house.

REALTOR® ACTION NETWORK

It's cutting edge. It's online. It's easy to use. It's the REALTOR® Action Network, or RAN.

Lobbying government can be complicated and confusing, to say nothing about slow and frustrating. In a town with more than 6,000 lobbyists competing for the attention of Ministers, MPs and Senators, it's hard, and becoming harder all the time, to have our one voice be effectively heard. Fortunately, at CREA, we have a couple of aces up our sleeve.

Our first ace is you, the REALTOR® member on the street. Canada has more than 113,000 REALTORS® who work in virtually every city, town and village across the country. Our second ace is RAN, which gives REALTORS® a direct voice with the federal government.

But to make it all work, both aces must be played together, and we can't do that if our members don't join the Network. Less than one-tenth of REALTORS® in Canada have joined RAN, compared with the more than one-third who are members of the equivalent grassroots lobbying organization of the National Association of REALTORS® in the United States.

REALTORS® working together have been remarkably successful at lobbying the federal government for meaningful legislative initiatives that quantifiably improve their business opportunities and practices.

For example, many Canadians have used the Home Buyers Plan (HBP) to withdraw money from their RRSPs to buy their first home. REALTORS® lobbied for that program. The withdrawal amount was increased in 2009, due to REALTOR® lobbying. And in the 2015 election, the Liberal Party promised to extend the circumstances in which the program could be used, again due to REALTOR® lobbying.

Initially, federal anti-spam legislation made it illegal for REALTORS® to follow up a lead via email or text message. Imagine the impact for a moment if you were not allowed to do so. It took four years, but REALTOR® lobbying persuaded the government to make a regulatory change allowing REALTORS® to electronically follow up leads.

The CREA Board, Federal Affairs Committee and staff spend significant amounts of time on the FINTRAC file. More changes are coming in the new year. Our more than 113,000 members can make a lot of noise. Join RAN, and help yourself be heard loud and clear.



TECHNOLOGY

REALTOR.ca, now incorporating commercial listings, confirms position as the most popular real estate website in Canada. And a powerful tool for REALTORS®.

CREA DEVELOPS APPLE WATCH APP

CREA developed one of the first apps to be available on the Apple Watch, and participated in the launch of the product. The app lets people use their Apple Watch to view nearby properties and receive a variety of alerts.

ICX.CA AMALGAMATED INTO REALTOR.CA

CREA's long-standing site for commercial real estate, ICX.ca, was amalgamated this past year into REALTOR.ca, the most popular real estate site in Canada. Commercial listings are now on an equal footing with residential listings, with the site presenting prominent navigation tabs right at the top that lets people switch from one to the other.

REALTOR.ca, widely seen as the place to start a real estate search, had always been the single largest source of referrals for ICX.ca, with 40 percent of its traffic coming from the residential site.

The amalgamation means that any new feature created for either residential or commercial listings can now be implemented on the other side far more quickly and cost-effectively. Similarly, all the platform advantages of REALTOR.ca – analytics, responsive availability on mobile devices, and so on – are now equally available to commercial REALTORS®.

Feedback from commercial REALTORS® has been extremely positive. One wholly intended consequence is the expectation that the amalgamation will spur greater participation in the commercial market by REALTORS® who also do residential. Only about three percent of REALTORS® are exclusively commercial; about 30 percent work at both.

KEYWORD SEARCH IMPLEMENTED IN REALTOR.CA

Consumers searching for properties to buy on REALTOR.ca, the country's most popular real estate website, can now search for particular amenities that interest them, such as an in-law suite or a finished basement. Not only does this added feature give consumers a greater ability to focus in on the amenities they desire the most, it also gives REALTORS® powerful insight into exactly which amenities are the most popular in individual markets across Canada. CREA publishes quarterly reports on the most popular search words in each major markets and whether they trend up or down. REALTORS® can harness the power of these analytics by ensuring that their listings highlight the amenities consumers are searching for the most.

CREA held a commercial real estate annual conference in 2015

An annual conference focused exclusively on commercial real estate was organised by CREA in September. The conference, which was open to all CREA members, included a full day of professional development for REALTORS® who are not exclusively commercial to better understand the unique terminology and instruments, such as commercial leases, that are used in that sector.

REALTOR LINK® BRINGS COHESIVE NEW PLATFORM TO LOCAL BOARDS AND ASSOCIATIONS

REALTOR Link®, the intranet website shared by local real estate Boards and Associations, was ported this past year to a powerful new Adobe platform that brings a consistent look and feel to the site for each Board and Association across Canada. Individual Boards determine for themselves what kind of content – educational material, business information, local meeting notices and the like – they want to publish on their area on REALTOR Link®. Visitors to the site, however, experience a consistent browsing experience, making it far easier to access that information.

The platform is fully bilingual and is being used by 70 Boards and Associations, and we anticipate that the majority of the Québec boards will also embrace it. The new platform was rolled out in 2015 with extensive training for both Board staff who have to populate it with content and for the REALTORS® who will be using it. Follow-up survey research measured an 82 percent satisfaction rate.

REALTOR.CA STATS

- April is always the busiest month of the year. April 2015 saw more than 11 million sessions.
- 12 months ending October 31, 2015:

	Sessions	Users
REALTOR.ca	149,463,432	59,869,774
m.REALTOR.ca	25,041,176	11,602,140
Mobile Apps	73,206,065	7,702,965
Total	247,710,673	79,174,879

- Mobile accounts for 58 percent of all sessions. Desktop predominates during the working day with mobile taking over in the evening and on weekends.
- REALTOR.ca enjoys a 99.9 percent uptime record, with the tiny 0.1 percent downtime due to scheduled maintenance.
- Consumer login implemented in the Fall allows consumers to save search preferences, view the same searches on desktop or mobile, and receive alerts when a new listing of interest to them is posted.

- Regular reports are mining the massive amounts of data generated by these millions and millions of visits to produce insights into consumer behaviour on the site. Google Analytics Premium in the backend provides much more comprehensive data. CREA also uses post-session surveys to further delve into consumer motivation and site usage and satisfaction.

WEBFORMS® STATS

- 65,000 users representing two-thirds of all REALTORS® eligible to use electronic forms.
- Eleven million forms generated in a year.
- Use growing by eight percent per year.
- Electronic signatures on purchase and sale agreements became legal in Ontario in July, adding that province to the others where the entire transaction can be conducted in an electronic, paperless fashion.
- 6,000 members in Ontario alone accessed training webinars on WEBForms®.

DDF® STATS

- Just over 30 percent of all listings on REALTOR.ca are now cross-listed on other sites using the DDF®.
- REALTORS® have 15 other sites on which they can choose to post their listings.



ECONOMICS

MLS® Home Price Index expands to more markets, giving REALTORS® exclusive insight into market trends to share with their home buyers and sellers.

MLS® HOME PRICE INDEX EXPANDS TO MORE MARKETS

The MLS® Home Price Index is unequalled in Canada in its ability to help REALTORS® educate both sellers and buyers about specific housing-market trends on an individual neighbourhood-by-neighbourhood basis. CREA started working on the MLS® HPI several years ago and it has been a significant undertaking. We are very pleased to see more and more local Boards and Associations adopt it and bring its powerful marketplace data, exclusively available to REALTORS®, to their members.



CEO'S REPORT

Every year in this document, we report back to you, our REALTOR® members, on what your national association has been doing over the past year and what those efforts have accomplished. Past reports have shared with you major consultation and strategic planning exercises intended to examine the ever-changing face of our industry in Canada and lay the groundwork so that you as REALTORS® can continue to thrive and succeed.

This past year, 2015, was less about such large-scale exercises and far more about executing on the plans and strategies we developed in previous years. It was a year of quiet but steady progress on a wide variety of fronts.

TWO SIGNIFICANT LEGAL CASES

On the legal front, CREA continues to work hard to ensure that the information our members gather about their clients' listings and that they share with each other and with consumers is properly safeguarded. We saw progress in 2015 in two significant areas. The Competition Tribunal upheld our challenge of a Competition Bureau interpretation of The 2010 Consent Agreement and reaffirmed the member-to-member nature of the Multiple Listing Service® and the data it feeds to REALTOR.ca. And similarly in a long-running case with respect to the display of sensitive listing information on Virtual Office Websites (VOWs) involving the Toronto Real Estate Board, in which CREA was an intervener, we await the decision of the Competition Tribunal which recently concluded its rehearing of the case.

CREA OPEN HOUSES IMPROVE MEMBER ENGAGEMENT

Even though CREA has a myriad of communications vehicles – like this Annual Report – through which it interacts with members, the face-to-face nature of our Open Houses continues to deliver some of the best engagement. Our President, Pauline Auger, has more to say about this in her report but I was impressed, as I attended these Open Houses, with the level of dialogue and input from members and the renewed appreciation for what members receive for their annual \$310 CREA dues.

REALTOR.CA DELIVERS POWERFUL CONSUMER INSIGHT

REALTOR.ca is by far the most visited real estate site in Canada. Its whole purpose is to connect consumers with REALTORS®, and every year it generates more and better leads for our members. The millions of potential home buyers and sellers who visit the site every month generate a wealth of highly valuable data. This past year, we made improvements to the site and added powerful analytical tools that allow us to extract incredible insight into how consumers behave in the Canadian housing market. We have started sharing those insights with our REALTOR® members through regular insight reports.

ENTIRE REAL ESTATE TRANSACTION CAN NOW BE COMPLETED ELECTRONICALLY

The age of truly paperless transactions is fully upon us in organized real estate in Canada. CREA's electronic WEBForms® has long been one of the most popular products that we offer our members. With it, REALTORS® can pull verified listing details directly from Board and Association MLS® Systems to create polished and professional paperwork to present to clients. Now, with Ontario expanding the use of electronic signatures to include the purchase and sale agreement, an additional 65,000 REALTORS® can conclude the entire real estate transaction in an entirely paperless format.

INTERNATIONAL BUSINESS GROWS FOR REALTORS® IN CANADA

We know from the research conducted at CREA that one-third of our member REALTORS® have been involved in some sort of international transaction, whether that's on behalf of a client leaving or entering the country. It's an attractive option for REALTORS® who want to increase the scope of their practices, and we're seeing significant uptake of the training programs we have developed in partnership with local Boards and Associations that better prepare members to take advantage of the opportunities represented by international real estate transactions.



PRESIDENT'S REPORT

Relationships are the most important thing that REALTORS® have. In our day-to-day business, it's the relationships we have with our clients, the relationships we have with our colleagues, and the relationships we have in our community. That's what real estate really is – a community of relationships.

Over the past few years, CREA's elected and professional leadership has made a point of working hard to re-establish that there is a strong relationship between the association and its members, that we are a community, and that it's important for us to touch base on a meaningful level.

In addition to all the communications, advocacy and education initiatives that CREA operates, our regular Open Houses, of which we held 20 across Canada in 2015, are perhaps the best way for us to stay relevant in the minds of our members, and for their concerns and issues to remain relevant in our planning and decision making.

As I attended all these Open Houses and met both with REALTORS® and with the directors of local Boards and Associations, I was struck by how easy it was to provide new perspective to members, to listen to their concerns, and to address misperceptions about how CREA operates.

It's kind of natural that this would happen. We have incredible REALTORS® all across this country. And between working hard every day to earn a living and to give back to their communities, they don't always have the time to understand how CREA operates or what it offers. So when they come to an Open House, they're learning things that they don't know because they're busy doing their jobs

Two consistent subjects that I heard about again and again were the approach we've been taking with our national consumer advertising campaign and REALTOR.ca.

On the national campaign front, it's easy for everyone to have an opinion about any particular advertisement – it's all really just a matter of personal taste, and not everyone's personal taste runs to the humorous sort of approach we've been taking in our advertising. But when I get the chance to share our research results with people who come out to the Open Houses, research that shows our national campaign is effective, it really helps them understand why we've taken the approach we have.

Who knew when we launched REALTOR.ca nearly 20 years ago that it would attract millions of visitors each year? The internet means that more property information is available to consumers than ever before. So the world has changed immensely and today, it's not about the data, it's about the ability to interpret the data and about REALTORS® becoming the trusted advisors who help their clients properly understand the data.

Finally, I'd be remiss if I didn't give a tip of my hat to the incredible professional staff we have here at CREA. Yes, it is a volunteer-led organization and we have some of the most committed volunteers heading up local, provincial and national boards and associations across the country. But we also have incredible staff working hard every day to support those volunteers, and our Open Houses gives our membership the chance to meet some of those staff.

*"When REALTORS® come to a CREA Open House,
they're learning things that they don't know because they're busy doing their jobs."*