



PURPOSEFUL



Purposeful: *adjective:*
having or showing
determination or resolve



Respect: in how Governors and staff interact with each other, with stakeholders, and with applicants.



Accountability and transparency: through effective communication of the Foundation's purpose, processes and funding to ensure the transparency of grants, projects, and outcomes.



Collaboration: by actively seeking partnerships on projects that will advance the Foundation's purpose around industry, community, and provincial issues.



Innovation and continuous learning: by encouraging and investing in creative and original initiatives.



Sustainability: by considering economic, environment, and community benefits for future generations.



JIM SAUNDERS

Chair

2019 was a reflective year for the Foundation's Board and staff. We asked ourselves a lot of frank questions: Are we achieving our legislative purpose? How can we be more effective in investing in initiatives to strengthen communities across the province? How is the Foundation demonstrating that we are more than a funder, but that we also learn, connect, and influence? What kind of legacy do we want to build?

We also came up with a lot of answers. Over the summer, the Foundation's Board and staff met in Olds to discuss these big questions and reflect on our purpose. We examined the values of the Foundation and how we demonstrate them in our actions and processes. These conversations resulted in the Board replacing our mission and vision statements with a new and clear purpose statement: The Alberta Real Estate Foundation invests in real estate policy, research, practices, and education that strengthen Alberta's communities.

Further, we discussed what we mean when we use the terms "real estate" and "real estate industry". Referencing the Real Estate Council of Alberta and the REALTORS® Code, we came to understand that: "All real estate assets involve land. Real estate is real property. This includes the natural resources, minerals, water, growth, and any improvements of real property. The real estate industry is the buying, selling, leasing, development, management, and stewardship of real property. Real estate professionals and Albertans may be involved in any of the above activities."

These productive conversations and our subsequent clarifications will help guide the Foundation into our thirtieth year and beyond.

I would also like to congratulate the Real Estate Council of Alberta for receiving the 2019 ARELLO® Education Award for their course educating real estate professionals about radon in homes. We are proud to support real estate education and help fund the work of Evict Radon.

The end of the fiscal year also marked the end of my tenure as Chair of the Board of Governors. It has been a wonderful two years and I am proud of the accomplishments the Foundation has made. I end my time as Chair on a high note, with the Board committed to a clear purpose, refreshed values, and increased budget for the community investment program. Providing funding to worthy organisations across the province is an especially crucial endeavour during the economic change Alberta is experiencing.

I have truly appreciated the opportunity to serve Albertans and my industry and I look forward to working productively with the Board of Governors and new Board Chair over the next year in the role of Past Chair.

Jim Saunders
Chair



CHERYL DE PAOLI

Executive Director

In March, Adam Legge, the Calgary-based author of *Making Remarkable*, presented to our Board and he spoke of the Golden Circle theory. The theory suggests organisations have three circles: the outer circle represents *what* an organisation does; the middle one represents *how* it operates; and finally the inner circle represents *why* an organisation does what it does. Its purpose.

Over the course of the year, the Foundation Board and staff spent much time reflecting on the impact we want to have across Alberta. We discussed and refined a clear and compelling purpose: to invest in real estate policy, research, practices, and education that strengthen Alberta's communities. This purpose, supported by our real estate definition and values, is the Foundation's North Star and the lens through which we make our decisions.

In 2019, the Foundation invested \$1,510,000 via 22 grants and 18 smaller sponsorships across the province. In this last fiscal year, we granted the second-highest amount of funding since we began in 1991 (the highest year was 2007 when the real estate market was exceptionally strong). 2019 also saw a 6 per cent increase in our community investment program over the year before.

The year began with support for several of our longstanding partners. We funded the Centre for Public Legal Education Alberta's Residential Tenancies Legal Information Program; the Energy Futures Lab roadshows that are helping communities explore energy transition; and the Alberta Emerald Foundation which connects the province's environmental leaders and shares powerful stories of good works that inspire others.

The Foundation also supported unique and timely projects including research on the second-hand housing market; research into the shift away from personally-owned modes of transportation and the potential implication on the real estate market; and we supported a communication strategy for a way-finding app for pedestrians to navigate outdoor and indoor spaces.

We also made an exciting \$1 million investment in Area One Farms to support its work with Canadian farmers to expand their operations, adopt practices that help raise their effectiveness and efficiency, and increase land productivity and overall profitability.

This year's Annual Report will feature several stories on projects we funded this year and share the work we have begun with stakeholders to modernize our model, imagine better workflows, and improve consumer protection.

Alberta is experiencing challenging times. We need to be purposeful and effective in supporting Alberta's communities. As we head into our next fiscal year, we look to live our purpose by broadening our reach to impact even more communities. That's why the Foundation's Board has committed to increasing our community investment program to \$2 million and increased the budget for our sponsorship program, which lets us offer funding in a nimble and timely manner.

We are determined to make an impact during these times. We are determined to be purposeful.

Cheryl De Paoli
Executive Director

GOVERNORS

The Foundation's Board of Governors meets three times a year. The seven members of the Board—two from the Alberta Real Estate Association (AREA), two from the Real Estate Council of Alberta (RECA), and three from the community—lend their knowledge and expertise to guide the Foundation and oversee its strategic direction. The Board acts as stewards of the Foundation's purpose, reflects its values, and represents the well-being of both the industry and community through the community investment program.



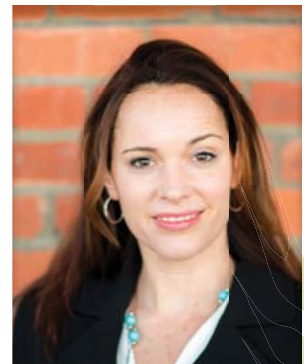
Jim Saunders – Lethbridge
Alberta Real Estate Association
Chair



Tyran Ault – Calgary
Public Appointment



Scott Bollinger – Calgary
Real Estate Council of Alberta



Krista Bolton – Leduc
Real Estate Council of Alberta



Doug Leighton – Calgary
Public Appointment



Janice Resch – Red Deer
Alberta Real Estate Association



Tash Taylor – St. Albert
Public Appointment
Chair Elect



THE NEXT STEP: EXAMINING THE REAL ESTATE FOUNDATION REVENUE MODEL & MODERNISATION

The Alberta Real Estate Foundation (AREF) is approaching its 30th anniversary which is an opportune time to ponder our past and look ahead to our future. As we reflect on our many successes over the last three decades, we are also exploring how to modernise our model to ensure the Foundation is well positioned in the changing world of payments, interest rates, and community investment.

The Foundation was created in 1991 by provincial legislation, the Real Estate Act, to enhance the real estate industry and benefit the people of Alberta. *The funding model works like this: When a home buyer deposits money in trust through a real estate broker, the interest earned on the deposit is accumulated and forwarded to AREF to invest in the province. AREF has invested more than \$21 million towards 620 projects in the areas of community innovation, education and research, housing, industry leadership, and land stewardship.*

When the Foundation started collecting funds 30 years ago, interest rates were high. Recently, they have been historically low. Real estate professionals have also seen dramatic changes in banking, payment verification, and compliance procedures for money laundering. In addition, the 2008 banking crisis resulted in new international banking regulations that change how financial institutions regard short term deposits.

A number of research papers written for our Foundation and the Real Estate Foundation of BC (REFBC)—which follows the same model—have detailed the challenges. These include lower interest rates and higher banking fees compressing Foundation revenue; stakeholders expecting more efficient transactions; and short-term commercial deposits becoming less attractive to financial institutions.

It's time to revisit the way we do business.

We are investing \$100,000 in a year-long comprehensive process to modernise the Foundation model and ensure we can keep innovating and serving Alberta communities for decades to come. This project, in partnership with REFBC and Platform Calgary, will provide the Foundation the opportunity to work with stakeholders to create better workflows and better consumer protection.

A new Real Estate Technology Lab held in Calgary and Vancouver will bring together a number of different stakeholders to generate thought leadership, foster new thinking, as well as identify and help adopt solutions. The lab will convene AREF, REFBC, the Real Estate Council of Alberta, legislative bodies (Service Alberta and BC's Superintendent of Real Estate), real estate professionals, brokerages, lawyers, financial institutions, start-ups with relevant technologies, and others. Together these stakeholders will explore industry challenges, identify best practices, and accelerate relevant technologies.

The lab will tackle pressing challenges such as the need to automate workflows for residential property purchases and support the long term vision to advance and improve the real estate industries in the two provinces.

AREF and REFBC are taking a leadership role in modernising our funding models. This will lead to a better form of consumer protection, increase revenue for our Foundations, and strengthen the real estate industry's reputation by positioning both Alberta and British Columbia as innovative real estate ecosystems.

www.aref.ab.ca



AGROFORESTRY & WOODLOT EXTENSION SOCIETY

Enhancing Rural Property Values through Extension/Education

There are millions of hectares of privately owned forested areas in Alberta. This project is creating a variety of marketing materials, including postcards and fact sheets, that are designed to increase awareness among rural landowners about the services provided by Agroforestry & Woodlot Extension Society—AWES—and help them make “the most of their forest.”

The non-profit organization consists of people from government, industry, and non-profit sectors who all “share the common goal of encouraging sustainable forest management on private lands.” *AWES helps rural landowners across the province make the most of any forest they may have on their property.*

As well as being pleasing to the eye, healthy trees can serve a number of very important purposes on a piece of property—from acting as shelterbelt or windbreak to protect land, wildlife, and buildings against wind and erosion, to helping to maintain the health of riparian areas where land meets water to even encouraging native pollinators.

AWES holds a number of educational workshops and other events over the course of a year and is also available for a landowner to hire as a consultant to provide a number of services. After a site and individual tree health assessment, AWES can help a landowner with planting trees, rejuvenating or creating a shelterbelt, or restoring a riparian area.

In one-on-one meetings with landowners, AWES educates rural landowners about their forested lands and helps them improve how they manage their forested lands, thus helping landowners increase the property value of their land.

The \$30,000 in funding from AREF is helping AWES promote its valuable services to landowners. And concurrently, the project is helping people working in the real estate industry better understand and promote the fact that well managed forest on rural parcels of land can lead to increased property values for the current and any subsequent owners.

www.awes.ca

CAPITAL REGION HOUSING

RentSmart Alberta: Increasing Housing Stability in Alberta

People renting a place to live want a safe, suitable, and affordable home. Landlords want their tenants to pay the rent on time and take good care of the property. But knowing how to be a good tenant or a good landlord doesn't always come naturally.

That is where Capital Region Housing (CRH) and RentSmart come in. *CRH is the provincial provider of RentSmart, a tenancy education program that offers support and coaching to help tenants have successful relationships with landlords.* Better relationships between tenants and landlords, in turn, help decrease homelessness and increase housing stability. In a survey of RentSmart participants, 97 per cent of those who replied reported that the course “provided them with the knowledge they needed to be a good tenant.”

CRH received \$49,000 in funding from AREF to increase awareness, and acceptance of RentSmart across Alberta with outreach and landlord engagement as well as traveling to a number of different communities in the province.

RentSmart Basics is a three-hour engaging and interactive session that includes a manual. When a person successfully finishes the session, they receive a letter of completion to use as a reference with a landlord. The RentSmart Certificate covers six modules over 12 hours in a classroom. People learn tenant rights and responsibilities, how to budget to make sure they can cover their rent, and how to communicate with landlords, neighbours, and roommates. Upon successful completion, participants get a certificate they can show landlords.

CRH is the largest provider of social and near market housing in the Edmonton area. CRH manages over 4,500 social housing rental units and over 600 near market housing rental units, and leads community initiatives that promote housing stability and foster healthy tenancies. Since 1970, the CRH mission has been to provide safe and affordable housing that meets community needs.

www.crhc.ca



FEDERATION OF CALGARY COMMUNITIES

The Guide to the Planning Process: Next Generation Planning

The City of Calgary likes to engage residents and get them involved in its planning process. To that end, the City ensures every single community association in Calgary is given the relevant development applications and is asked for feedback but to be able to take part and provide that feedback, community associations need the right tools, education, and support to navigate the city's "complex planning system."

That's why the Federation of Calgary Communities (FCC) developed "A Community Guide to the Planning Process" in 2008 with funding from AREF. Every year since the FCC has tweaked the document to keep it up to date but the time has come to rewrite it. FCC says: "it requires a complete overhaul because of the changes to statutory plans and processes being made by The City of Calgary."

With \$50,000 in funding from AREF, FCC is developing "The Guide to the Planning Process: Next Generation Planning". The new guide will provide the reader with a basic understanding of planning's policy context and legal framework; a clarification of the roles, rights and responsibilities of the many stakeholders involved in the process; include helpful information about reviewing planning applications; a description of the steps of the planning process; advice about running a planning committee operation; and a list of resources for more information. The Guide is also of value to the real estate industry because the City is looking at changing the land use designations and the land use bylaw.

The new guide, which was prepared with the cooperation of the City, will empower citizens and community volunteers by ensuring they have the right information and support to be involved in the City's planning process. It also helps promote good working relationships among communities, applicants, City staff, and all the other players involved in the planning process.

www.calgarycommunities.com

A GROWING ISSUE AND TWO PROJECTS TO HELP:

PEMBINA INSTITUTE

Landowners Guide to Oil and Gas Phase III



On average there are two oil and gas wells per square kilometre across the province and in 2018, this included 90,000 inactive wells, 77,000 abandoned wells, and 4,680 orphaned wells. While the province has strict rules for dealing with wells, an increasing number of oil and gas

companies falling into bankruptcy are resulting in more abandoned wells. The number of inactive wells is projected to double by 2030.

With \$40,000 in funding from AREF, the Pembina Institute is publishing the "Landowners Guide to Oil and Gas Phase III" as a resource for real estate professionals, their clients who are looking to buy rural property, or those who already own land with abandoned, orphaned and/or inactive wells.

The primer for rural landowners focuses on wells, but much of the content applies to other oil and gas infrastructure on rural property, including pipelines and control sheds.

www.pembina.org

UNIVERSITY OF CALGARY, THE SCHOOL OF PUBLIC POLICY

Managing End of Life of Oil and Gas Wells

The School of Public Policy at the University of Calgary is continuing its research into this growing problem of orphaned and abandoned oil and gas wells. *With \$60,000 in funding from AREF, scholars are advancing research into effective and equitable policy approaches that can address public and private challenges from the wells.*

Over the course of two years they will produce research that includes a briefing paper exploring the implications of the Supreme Court of Canada's Redwater decision. That decision ruled that bankrupt companies must still clean up inactive wells and overturned the lower court decisions that prioritized paying creditors before cleaning up inactive wells. The researchers will also produce a summary of decisions made by the Alberta Surface Rights Board into landowner compensation, in particular when a company goes bankrupt.

The papers will give policy makers much-needed unbiased information to take into consideration when they create policy to balance the needs of all the different stakeholders.

www.policyschool.ca

WHERE DOES THE MONEY GO?

Since our inception in 1991, we have invested over \$21.4 million to over 620 projects related to real estate policy, research, practices, and education that strengthen Alberta's communities. We help fund a diverse range of initiatives, including supporting education and research around land use and water related issues, enhancing industry and homeowner knowledge on affordable and healthy homes, as well as education around landlord and tenant rights and housing law in Alberta.

621

Total Grants Funded
Since 1991



COMMUNITY
INNOVATION



EDUCATION +
RESEARCH



HOUSING

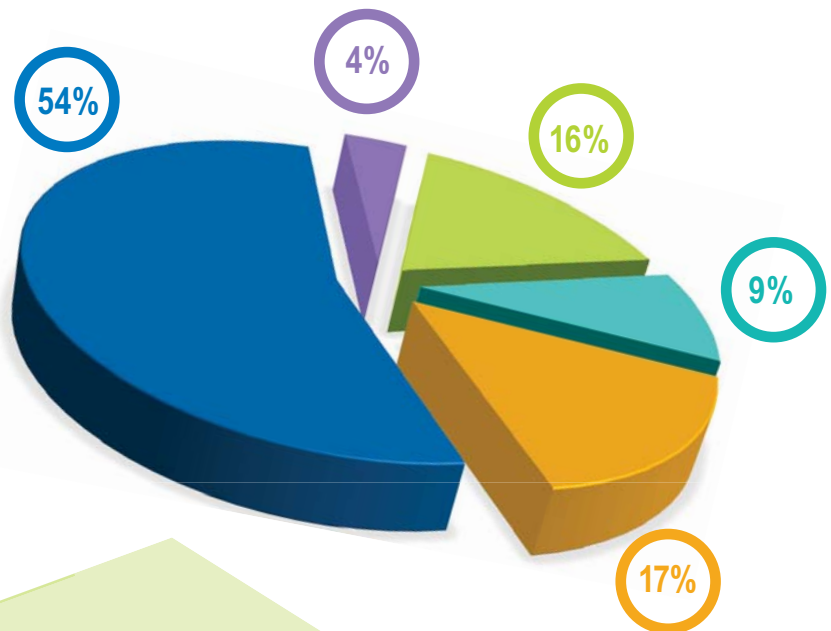


LAND
STEWARDSHIP
+ ENVIRONMENT

CUMULATIVE GRANTS 1991-2019

Since 1991 the Foundation has granted

	COMMUNITY INNOVATION	\$815,000
	EDUCATION & RESEARCH	\$11,706,089
	HOUSING	\$3,550,840
	INDUSTRY LEADERSHIP	\$1,968,087
	LAND STEWARDSHIP & ENVIRONMENT	\$3,448,248
Total Grants		\$21,488,264



COMMUNITY INVESTMENT 2019

Total Projects Funded: 22	
COMMUNITY INNOVATION	\$355,000
EDUCATION & RESEARCH	\$781,000
HOUSING	\$109,000
LAND STEWARDSHIP & ENVIRONMENT	\$265,000
Total	\$1,510,000



24%



52%



7%



18%



AGROFORESTRY & WOODLOT EXTENSION SOCIETY

Enhancing Rural Property Values through Extension/Education

www.awes.ca

PROVINCE WIDE , ALBERTA

\$30,000



CANADA WEST FOUNDATION

The new Clean Fuel Standard - what will it mean for Alberta's building industry?

www.cwf.ca

ALBERTA WIDE, ALBERTA

\$30,000



ALBERTA EMERALD FOUNDATION

Provincial Environmental Recognition Program

www.emeraldfoundation.ca

PROVINCE WIDE, ALBERTA

\$105,000



CAPITAL REGION HOUSING

Increasing Successful Tenancies: RentSmart in Alberta

www.crhc.ca

PROVINCE WIDE, ALBERTA

\$49,000



ALBERTA REAL ESTATE FOUNDATION

The Next Step: Examining the Real Estate Foundation Revenue Model & Modernization

www.aref.ab.ca

PROVINCE WIDE, ALBERTA

\$100,000



FEDERATION OF CALGARY COMMUNITIES

The Guide to the Planning Process: Next Generation Planning

www.calgarycommunities.com

CALGARY, ALBERTA

\$50,000



ALBERTA REAL ESTATE FOUNDATION

Small Grant and Sponsorships 2019-2020

www.aref.ab.ca

PROVINCE WIDE, ALBERTA

\$100,000



HABITAT FOR HUMANITY EDMONTON SOCIETY

Cold Lake Build

www.hfh.org

COLD LAKE, ALBERTA

\$30,000



ALTERNATIVE LAND USE SERVICES (ALUS) CANADA

Collaborating with our rural municipal partners in Alberta to enhance the value and resiliency of the ALUS model

www.alus.ca

PROVINCE WIDE, ALBERTA

\$100,000



JACK LONG FOUNDATION

Market / Non-Profit Partnerships for Affordable Age-In-Place Housing

www.jacklongfoundation.com

CALGARY, ALBERTA

\$30,000



BRICOLAGE CALGARY

Pedesting App Communications Strategy

www.pedesting.com

CALGARY, ALBERTA

\$30,000



LEGAL RESOURCE CENTRE OF ALBERTA LTD. (CENTRE FOR PUBLIC LEGAL EDUCATION ALBERTA)

Residential Tenancies Legal Information Program

www.cplea.ca

CENTRAL, ALBERTA

\$245,000



OLDS COLLEGE

Remediation of Water from Livestock Feeding Operations, Farmlands, and Residential Areas Using Native Wetland Plants and Associated Technology

www.oldscollege.ca

RURAL, ALBERTA

\$75,000



UNIVERSITY OF CALGARY, HASKAYNE SCHOOL OF BUSINESS

Anchor Institutions: Diversifying economic growth engines for Calgary's urban revitalization of High Radon Exposure to Protect Canadian Health

www.haskayne.ucalgary.ca

CALGARY, ALBERTA

\$66,000



PEMBINA INSTITUTE

Landowners Guide to Oil and Gas Phase III

www.pembina.org

PROVINCE WIDE, ALBERTA

\$40,000



UNIVERSITY OF CALGARY, SCHOOL OF ARCHITECTURE, PLANNING AND LANDSCAPE

Calgary Project 2.0

www.sapl.ucalgary.ca

CALGARY, ALBERTA

\$35,000



RED DEER RIVER WATERSHED ALLIANCE

Using Science and Storytelling to Spur Watershed Action

www.rdrwa.ca

RURAL, ALBERTA

30,000



UNIVERSITY OF CALGARY, THE SCHOOL OF PUBLIC POLICY

AirBnb and the Secondhand Economy

www.policschool.ca

PROVINCE WIDE, ALBERTA

\$60,000



THE NATURAL STEP CANADA (ENERGY FUTURES LAB IS A PROJECT THEREOF)

Energy Futures Roadshow

www.energyfutureslab.com

PROVINCE WIDE, ALBERTA

\$125,000



UNIVERSITY OF CALGARY, THE SCHOOL OF PUBLIC POLICY

Managing End of Life of Oil and Gas Wells

www.policschool.ca

PROVINCE WIDE, ALBERTA

\$60,000



UNIVERSITY OF CALGARY, CANADIAN ENERGY SYSTEMS ANALYSIS RESEARCH (CESAR)

Mobility-as-a-Service and Parking in Alberta and Canada:
Implications for the Real Estate Industry

www.cesarnet.ca

PROVINCE WIDE, ALBERTA

\$60,000



UNIVERSITY OF CALGARY, CUMMING SCHOOL OF MEDICINE

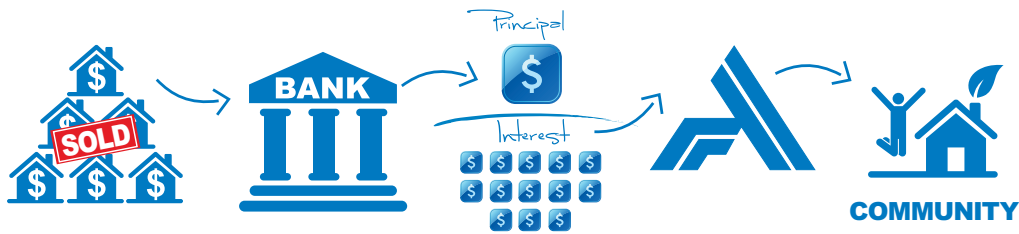
Perceptions of neighbourhood walkability, bike-ability, livability, health, and vibrancy among residential real estate professionals, home buyers, and developers.

www.cumming.ucalgary.ca

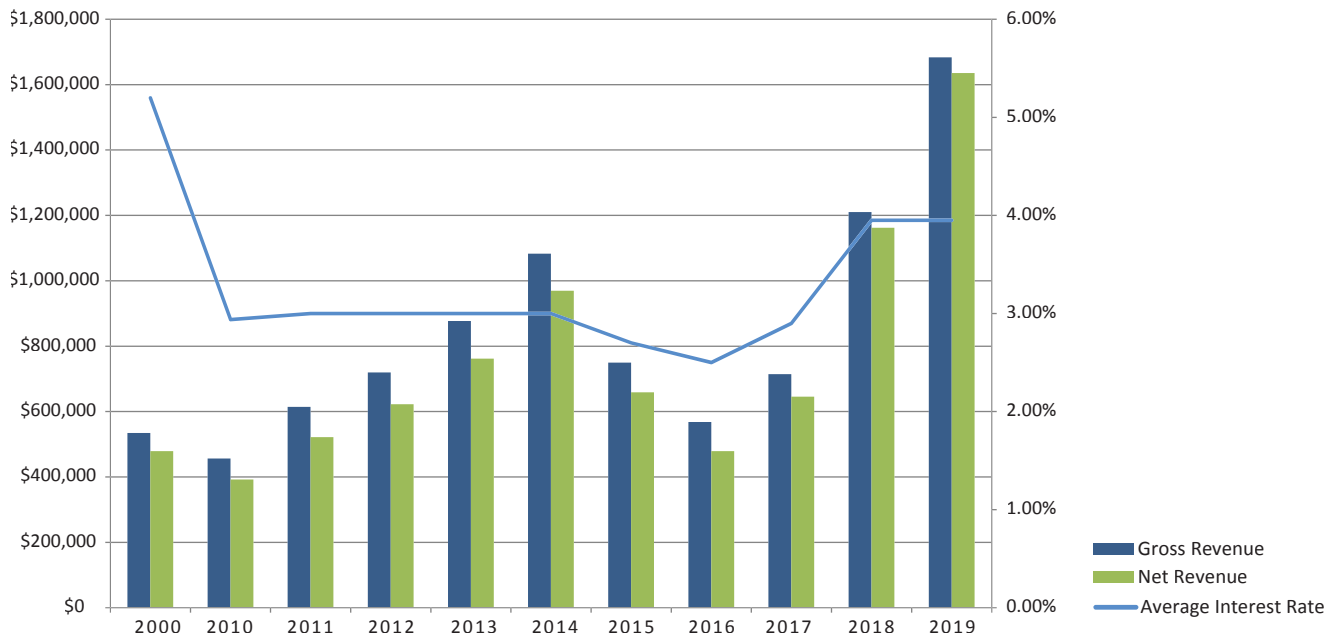
CALGARY, ALBERTA

\$60,000

OUR REVENUE MODEL



The Foundation's revenue is generated by real estate transactions across the province. Under the Alberta Real Estate Act, whenever a home buyer deposits money in trust through a real estate broker, the interest earned on the deposit is accumulated and forwarded to the Foundation for reinvestment in Alberta's communities.



The Foundation collected \$1,682,900 from unclaimed deposits and trust interest from which \$47,922 was deducted as bank service charges. The net total was \$1,634,978. The average prime rate remained stable at 3.95%.



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www.aref.ab.ca