



MAKING A DIFFERENCE. FOR THE INDUSTRY. FOR ALBERTA.

The Alberta Real Estate Foundation supports real estate related initiatives that enhance the Industry and benefit the people of Alberta. Set up in 1991 under the Alberta Real Estate Act, the foundation has awarded over 8.4 million in grants to approximately 315 projects across Alberta.

2006 Annual Report

MESSAGE FROM LORNE CLARK— CHAIR, BOARD OF GOVERNORS



This past year, the real estate industry was frequently in the headlines as Alberta experienced unprecedented growth - all of which impacted our industry and the public perception of our industry. Often, what is neglected is the benevolence and goodwill that the Alberta real estate industry generates through our daily business transactions and the people that make up this industry.

Revenue for the Foundation increased significantly in 2006 from the public money deposited in real estate brokers' pooled trust accounts. The collective sum of these interest payments are invested into educational initiatives and projects enabling the real estate industry to move forward and contribute positively to our communities. Last year, the Foundation awarded 27 new grants totaling \$811,190.

The grants awarded in 2006 reflect the needs of the real estate industry, with the majority of funding purposefully invested in industry and consumer education. This is in keeping with the Foundation's vision of building an *agile, adept* and *respected* real industry that values its role in enhancing the quality of life in communities across Alberta. Notable highlights from the 2006 grant program include:

- Directly supporting affordable housing initiatives in Bonnyville, Coronation, Lethbridge and Westlock.
- Continuing to fund industry education through the Alberta Mortgage Brokers Association.
- Making our first grant in the important area of water research at the University of Lethbridge.

- Funding the Alberta Housing Coalition conference and its provincial taskforce efforts to champion the issue of housing affordability in Alberta.
- Providing a grant to cover the costs of translating consumer protection information into several language through the Real Estate Council of Alberta (RECA).

In 2006, the Foundation undertook a series of stakeholder consultations to identify recommendations for effective granting. An important part of our accountability and transparency as an organization is learning and benefiting from the insight of real estate professionals. Several important ideas surfaced; ones we will incorporate into our 2007 activities.

Finally, I wish to express my gratitude and best wishes to departing Board member, Kevan Ladner, who proudly served for three years. The Board of Governors appreciates Kevan's tireless efforts and thoughtful contributions to truly make a difference, for the industry and Albertans. On behalf of the Board of Governors, I welcome Les Phillips and Allan Dredge, both of Edmonton, to our Board in 2007.

In 2007, the Foundation will celebrate its 15th anniversary. Our Board of Governors is continually evolving and evaluating our grant program in order to serve the real estate industry and benefit the communities of Alberta. I invite you to visit our new website, www.eref.ab.ca, and offer your feedback.

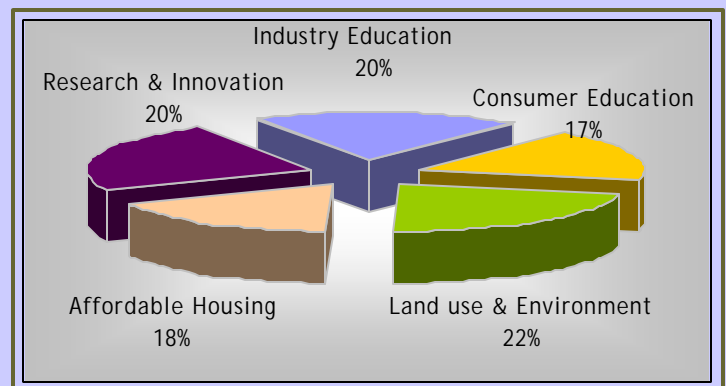
Sincerest Regards,

Lorne Clark

2006 GRANT PROGRAM FUNDING DETAILS

Total Grants: 27
Total Awarded: \$811,190

Industry Education	\$158,540
Consumer Education	\$140,900
Land Use & Environment	\$178,250
Affordable Housing	\$145,000
Research & Innovation	\$188,500
TOTAL	\$811,190



FOUNDATION INITIATIVES

FUNDING FOR REAL ESTATE BOARD INITIATIVES — A recent cooperative effort involving the Edmonton Real Estate Board (EREB), the Alberta Real Estate Foundation (AREF), the Alberta Real Estate Association (AREA), and private sponsors creates a new initiative to help immigrant women and their families get on the road to home ownership. Changing Together, www.changingtogether.com, A Centre for Immigrant Women in Edmonton, received some unique tools thanks to the collaboration: free tool kits and manuals about building and owning a home in Edmonton. The *How to Buy a Home* manual was printed and distributed to women at the centre thanks to funds offered by the Foundation, from its 2006 Real Estate Board Sponsorships, to cover a portion of the printing costs.

STAKEHOLDER CONSULTATIONS — In 2006, the Foundation's Board of Governors focused on learning from industry and community members through a series of stakeholder consultations. The consultations determined the relevance and effectiveness of the current Foundation areas of interest and identified recommendations for future grantmaking. The information offered in the sessions is of importance and value to the Board who will be implementing the findings throughout 2007.

FOUNDATION HONOURED FOR ITS SUPPORT OF AFFORDABLE HOUSING — The Alberta Housing Coalition (AHC) presented the first "Slate Shingle Award" to recognize the Foundation's "outstanding leadership and contributions to communities throughout Alberta in support of affordable housing." The AHC is a broad-based organization focused on promoting the need for affordable housing across the province. The conference, *Building Communities: Housing Options for All Albertans*, attracted 166 delegates from 35 municipalities, the federal and provincial governments and non-profit agencies. The conference celebrated housing successes across Alberta the last five years, particularly those achieved in partnership with government and non-profit groups. The Foundation was also cited for playing a critical role in funding gaps, allowing communities to get government funding and private funding for housing developments.

BIANNUAL REAL ESTATE INDUSTRY RESEARCH — Time management and organization topped the list of the most pressing issues facing industry members in Alberta, according to the latest Environics Survey. The telephone survey of 401 Alberta licensees was conducted on behalf of the Alberta Real Estate Foundation in February and March 2006. The survey was also designed to explore other information, including familiarity with industry organizations, attitudes towards professional development and a willingness to explore mentoring relationships. By conducting this survey biannually, over time trends become evident and provide insight into agent and broker specific issues that could impact grantmaking, regulatory decisions and industry strategies.

SMALL GRANTS FOR LAND USE AND ENVIRONMENT PUBLICATIONS — This year, the Foundation offered small grants, under \$5000, to both the Miistakis Institute (www.rockies.ca) and Sustainable Calgary (www.sustainablecalgary.org) to produce information for industry and consumers.

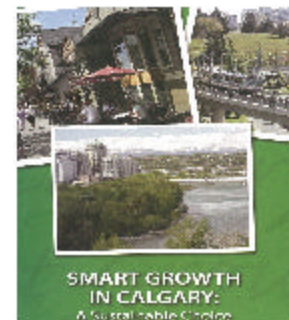
TRANSLATING CONSUMER PROTECTION INFORMATION IN 4 LANGUAGES — The Foundation approved a Real Estate Council of Alberta (RECA) project to translate consumer protection information into 4 languages. The project was proposed as RECA's complaint investigation experience suggested that consumers not proficient in English are at a disadvantage in real estate and mortgage transactions. The four languages that were identified for the translation were French, Punjabi, Chinese and Spanish. The 2001 census indicated these as the most popularly spoken languages in Alberta, after English.

FOUNDATION RECEIVES PREMIER'S AWARD OF EXCELLENCE — A long-standing partnership between the University of Alberta Legal Studies Program and the Foundation, was awarded the Premier's Award of Excellence in October 2006. The *Residential Tenancies Act Legislative Review Project* was recognized for its development of dispute resolution and code of practice for landlords and tenants. Information can be found at: www.landlordtenant.org.



Toolkits for immigrant women put together by the Edmonton Real Estate Board included AREA's *How to Buy a Home* manual.

The Foundation received the Alberta Housing Coalition's first "Slate Shingle Award" for outstanding leadership and contributions to communities throughout Alberta in support of



The Foundation provided a \$5000 grant to Sustainable Calgary to assist with production of the Smart Growth in Calgary report.



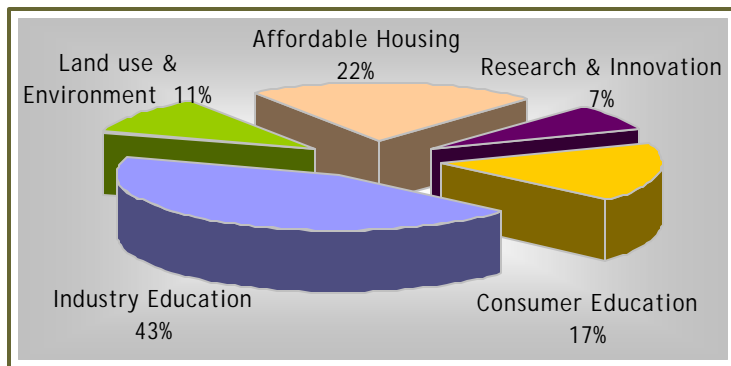
GRANTS FOR 2006

Organization	Project	Area & Amount
Alberta Condominium Management Association	Condominium Managers Licensing Committee Initiative	Industry Education \$25,000
Alberta Mortgage Brokers Association (2 grants) www.amba.ca	Mortgage Agents Program Expansion & Reciprocal Insurance Exchange Feasibility Study	Industry Education \$70,540
Alberta Housing Coalition www.albertahousingcoalition.ca	Alberta Housing Coalition Conference 2006 & Alberta Housing Coalition Provincial Taskforce	Affordable Housing \$15,000
Alberta Real Estate Association www.abrea.ab.ca	Operating Grant for 2006 Professional Development Initiatives	Industry Education \$75,000
Alberta Real Estate Foundation (5 grants) www.aref.ab.ca	Industry Stakeholder Consultation, Industry Research, Real Estate Board Sponsorships, and Other Sponsorships	Research & Innovation \$155,500
Alberta Recreation and Parks Association www.recreationforlife.org	Healthy Parks, Healthy People, Healthy Communities Research Project	Land use & Environment \$50,000
The Ben Calf Robe Society www.bcrsociety.ab.ca	Ben Calf Robe Society Youth Shelter/Training Centre Straw Bale Initiative	Affordable Housing \$10,000
Biosphere Institute of the Bow Valley www.biosphereinstitute.org	The Bow Valley Sustainability Fund	Land use & Environment \$13,000
Bonnyville Affordable Housing Association www.bonnyville.ab.ca	The Bonnyville Affordable Homes Project	Affordable Housing \$50,000
Building Owners and Managers Association Calgary (BOMA) www.boma.ca	Building Operator Development Course	Industry Education \$18,000
Calgary Scope Society www.calgscope.org	Feasibility Study to Explore Solutions for Hard to House Persons with Disabilities	Affordable Housing \$ 5,000
Coronation and District Seniors Housing Society www.town.coronation.ab.ca	Seniors Housing Needs Assessment and Implementation	Affordable Housing \$15,000
Miistakis Institute www.rockies.ca	Dissemination of Community Services Report	Consumer Education \$4250
Palliser Economic Partnership	Growing in South East Alberta: A Symposium Supporting the Rural Development Strategy	Research & Innovation \$5000
Real Estate Council of Alberta www.reca.ca	Translation of Consumer Protection Information	Consumer Education \$44,000
Sustainable Calgary www.sustainablecalgary.ca	Smart Growth Backgrounder & Citizens Agenda	Consumer Education \$36,000
Town of Westlock www.town.westlock.ab.ca	Westlock Affordable Housing Project	Affordable Housing \$50,000
Urban Development Institute of Calgary www.udicalgary.com	Corporate Planning Applications Group Review	Industry Education \$25,000
University of Alberta -Legal Studies Program www3.extension.ualberta.ca/lsp/ (2 grants)	LawNow Special Issue & Residential Tenancies Legal Information	Consumer Education \$94,900
University of Lethbridge www.uleth.ca	Collaborative Watershed Management Research Initiative	Land Use & Environment \$50,000

FOUNDATION FUNDING 1991-2006

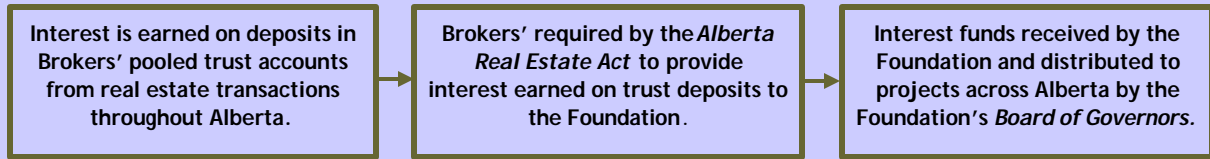
Total Grants: 315
Total Awarded: Over 8.4 Million

Industry Education	\$3,588,541
Consumer Education	\$1,476,108
Land Use & Environment	\$918,494
Affordable Housing	\$1,860,995
Research & Other	\$637,087
TOTAL (1991-2006)	\$8,481,225



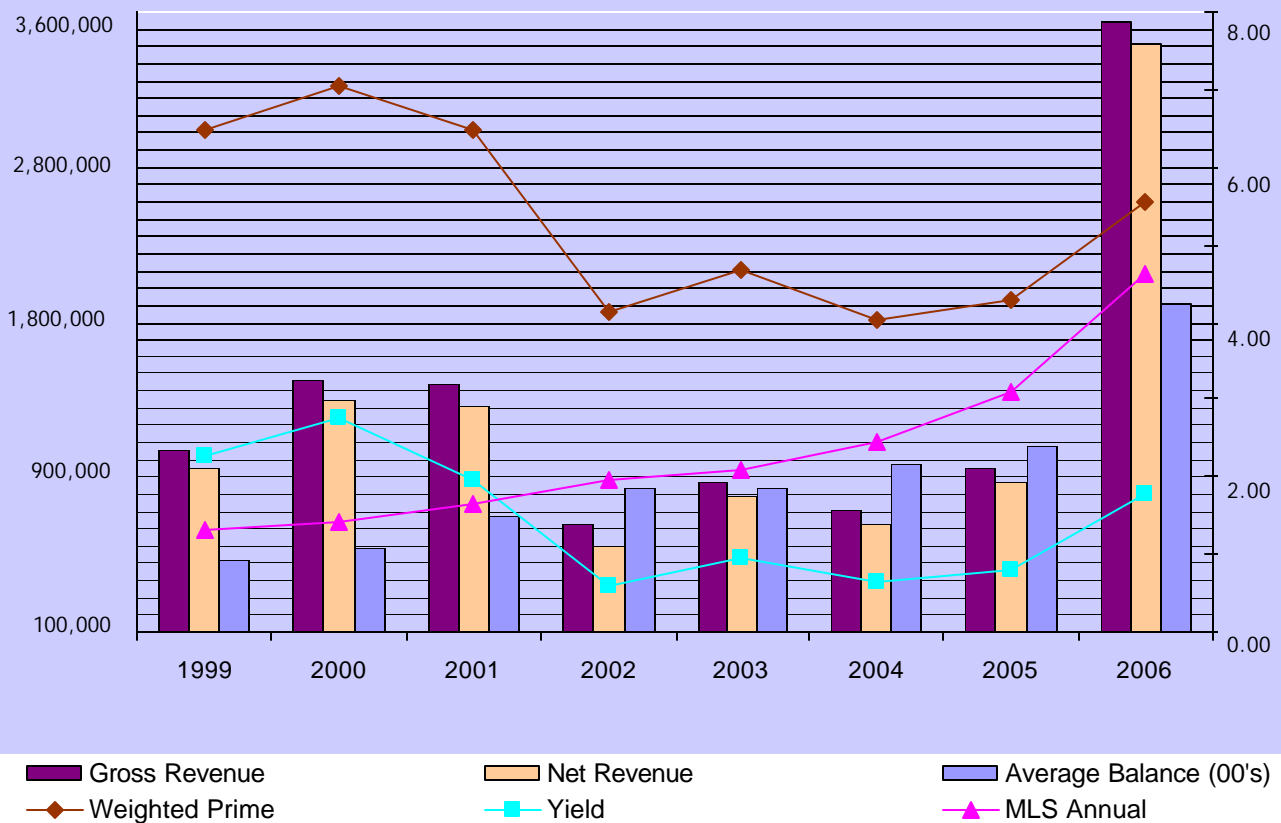
FOUNDATION REVENUES

Revenue from the Foundation is accumulated from interest earned on public money deposited in real estate Brokers' pooled trust accounts.



Revenues in 2006 increased substantially. The revenue increase is due to the increase in market activity for both the residential and commercial real estate sectors and efforts on behalf of the Foundation to improve our compensation arrangements with financial institutions. In 2006, the Foundation received \$3,418,667 in interest from money deposited in Brokers' pooled trust accounts. From this amount, \$127,938 was deducted at source to cover bank charges for the Broker trust accounts. While the Act does not specifically allow for such charges, the Foundation Board has chosen not to dispute these. A total of 3.6% percent of the revenue generated from trust accounts in 2006 was used to cover bank charges.

ALBERTA REAL ESTATE FOUNDATION REVENUE ANALYSIS



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