

September 3, 2025

The Honourable Stephen Crawford
Minister of Public and Business Service Delivery and Procurement
College Park, 5th Floor, 777 Bay Street
Toronto, ON M7A 2J3

Re: Oversight of the Real Estate Council of Ontario and the iPro Realty Ltd. Investigation

Dear Minister:

We are writing today on behalf of Ontario's nine largest REALTOR® associations regarding the ongoing investigation of iPro Realty Ltd. by the Real Estate Council of Ontario (RECO). Together, our associations represent over 95 per cent of the nearly 100,000 REALTORS®, who comprise most of the 110,000 real estate salespeople and brokers registered in the Province of Ontario.

The revelations surrounding iPro Realty, their mishandling of trust account funds, and the absence of administrative, professional, or criminal charges are deeply troubling. Trust accounts are the foundation of consumer protection in Ontario's real estate system, and misusing trust funds is a profound violation of the Trust in Real Estate Services Act (TRESA) and the Code of Ethics. A key update in the new TRESA legislation was to provide the regulator with stronger enforcement abilities, and all available options should be utilized in this case to address what, by all accounts, is egregious behaviour. Public authorities, including RECO, must deal with such misconduct decisively and transparently.

The protection of consumer deposits is the bedrock of public confidence in Ontario's real estate market. Consumers entrusting their life savings to brokerages must know that those funds are safeguarded, monitored, and insulated from misuse. When breaches of trust concerning trust funds occur, they must be met with swift and severe enforcement.

RECO Oversight and Accountability

We support your public commitment, as outlined in your August 29th, 2025, letter to RECO, that the Government of Ontario will determine whether additional oversight or remediation is required should the findings of the audit into RECO's handling of the iPro Realty matter prove unsatisfactory. We also welcome your clear indication that the Government is prepared to assume control of the real estate regulator if it cannot fulfill its core mandate of protecting the

public interest. This strong message of accountability is critical to restoring consumer confidence in Ontario's real estate system and underscores the seriousness with which your Ministry is addressing this matter.

Given the grave breaches of public trust, our associations support an independent audit of the investigation and an independent organizational review. It has become clear that the iPro Realty matter is not an isolated incident. Notably, over the last number of years, real estate in Ontario has witnessed several high-profile and disappointing public examples of unethical behaviour that should have been met with swift and severe enforcement.

Ontario's real estate regulator has a duty to uphold the highest standards of accountability, integrity, and consumer protection. That requires a clear, decisive response when registrants breach trust, and full transparency so that consumers and registrants alike can have confidence that misconduct is dispatched swiftly. Further, as registrants fund the mandatory insurance program administered by RECO, they deserve transparency into a claim of this magnitude.

A Disturbing Pattern

The iPro Realty case is not an isolated incident. It follows other examples of [brokers](#) who have negotiated with the regulator to keep their real estate registration and avoid harsher penalties despite egregious, unethical behaviour. It follows two separate CBC Marketplace investigations exposing misconduct and weak enforcement in Ontario's real estate market. Finally, it follows the Auditor General of Ontario's 2022 Value-for-Money Audit, which was unambiguous in its conclusion that RECO was "not always effective and timely" when it comes to ensuring real estate professionals comply with TRESA and its regulations and its predecessor, the Real Estate and Business Brokers Act (REBBA). The August 2024 update from the Auditor General found that RECO has made little to no progress on Recommendation #21, which called on the regulator to improve its effectiveness in identifying consumer risks, improve data collection and update its brokerage inspection process. These actions could have helped identify problems at iPro Realty before May 2025.

The fact that iPro's owners were allowed to terminate their licences voluntarily, and according to RECO, will not be referred for charges under the Provincial Offences Act, is gravely concerning to the real estate community and the public alike. We acknowledge reports that RECO notified the Peel Region Police Fraud Bureau of its ongoing investigation and that it will support any investigation.

The Case for Independent Oversight

A regulator safeguarding the public interest must continuously adapt to evolving market conditions, emerging risks, and new consumer protection challenges.

Oversight by an Ombudsperson directly addresses this risk. The presence of an independent and impartial oversight body for RECO will ensure that systemic complaints are analyzed through the lens of fairness, transparency, and effectiveness at arm's length from RECO.

When an Ombudsperson identifies delay, inconsistency, or lack of enforcement patterns, the regulator must confront these deficiencies and adopt corrective measures. This external scrutiny fosters a culture of continuous improvement because the regulator knows that failures to act, or reform, will not be obscured from regular public scrutiny. Unlike internal review processes, which can suffer from institutional defensiveness, Ombudsperson investigations provide unbiased assessments that illuminate root causes rather than surface-level symptoms. In a fast-paced modern economy like Ontario, real estate consumers and registrants should not wait decades for another Auditor General report to drive reform and improvements at RECO.

Other provinces have recognized the importance of impartial oversight. The Real Estate Council of British Columbia falls within the jurisdiction of the provincial Ombudsperson, as does Québec's Organisme d'autoréglementation du courtage immobilier (OACIQ). Even the Financial Services Regulatory Authority of Ontario is subject to Ombudsman oversight.

Additional Reforms

In addition to Ombudsman oversight, our associations welcome the opportunity to collaborate with you and your government on advancing further reforms to RECO that will ensure it is more accountable, transparent and effective as Ontario's real estate regulator. Potential reforms could include strengthening rules governing brokerage trust accounts, enhancing RECO's consumer deposit and commission insurance programs, reviewing the effectiveness of the registration program, and providing the regulator with additional tools to raise and enforce professional standards.

We appreciate your commitment to strengthening public confidence in Ontario's real estate market, and we look forward to working with you and your officials in the months ahead.

Respectfully submitted,



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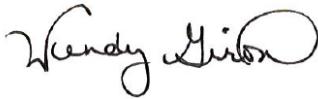
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