# INFORMATION TECHNOLOGY SYSTEMS ONTARIO

# Advertising Guidelines

Your complete guide to real estate advertising in Ontario

As an Ontario REALTOR®, it can be overwhelming to keep track of all the regulations and policies applicable to advertising your services and your listings. Here is an easy-to-use checklist to help you stay compliant with requirements from ITSO, RECO, and CREA.

# Brokerages and REALTOR® Identification

### **RECO Requirements**

All advertising by a registrant must include:

- The name of the registrant as registered with RECO
- The registrant's title (i.e., salesperson, broker, broker of record, etc.)
- The name of the brokerage that employs the broker or salesperson

The REBBA Code of Ethics requires advertisements to clearly and prominently set out this information. This same requirement will be found in the General Regulation once TRESA is in full force and effect.

### Article 13 of the REALTOR® Code: Advertising - Content/Accuracy

All advertising and promotion of properties shall accurately reflect property and other details *and prominently display the name of the brokerage and any additional information required by provincial regulation.* 

13.1 REALTORS® shall not advertise or permit any person employed by them or otherwise affiliated with them to advertise real estate services or property without disclosing the name of the REALTOR®'s brokerage in a readily apparent fashion. If disclosing the name of the REALTOR®'s brokerage is impractical because of the nature of the display (e.g. text message, tweet, etc.) then no such disclosure is required, provided there is a link to a display that includes all of the required disclosures.

13.2 The Internet website of a REALTOR® is an advertising vehicle. In the event of a multiple page website, every page is an advertising vehicle. All properties displayed and all representations made on a website must comply with the REALTOR® Code as well as applicable provincial, federal and any other requirements regarding advertising.

#### Checklist

- Are you prominently displaying the brokerage name?
- Is the name of the broker/salesperson shown as registered with RECO?
- Have you added a permitted title after the broker or salesperson's name?
- If you are using the REALTOR® trademark is it in the correct form and accompanied by a trademark statement?
- Have you checked with your brokerage or franchise for any additional guidelines?

#### **Article 27 of the REALTOR® Code: CREA Trademarks**

A REALTOR® shall only use the trademarks of The Canadian Real Estate Association in accordance with CREA's rules, regulations and policies.

This Article of the REALTOR® Code means all uses of the REALTOR® trademark must comply with CREA's Trademark Policy.

One of the permitted designations that RECO allows registrants to use is "REALTOR®". However, CREA's Trademark Policy requires all uses of REALTOR® to be in the correct form and context. This means it must be used to refer to a person who is a member of CREA and it must be displayed in all capital letters followed by the registered trademark symbol. A trademark statement must be included where possible. One acceptable statement is:

"REALTOR®. A member of the Canadian Real Estate Association and more".

See CREA's <u>Trademark Manual</u> for more information.

Pro Tip: Make sure to check all your advertising vehicles to ensure the required information is displayed including your website, email signature line, and all social media pages (e.g., Facebook, Instagram, LinkedIn, etc.). A lot of REALTORS® put their brokerage name on their Facebook profile page and forget to update it when they change brokerages.

#### **Professional Standards Cases**

ITSO's PSC Committee has seen several incidents where REALTORS® failed to include their brokerage name in advertisements. In incident 2022-49 the Respondent was required to pay a \$500 fine, fix all advertising within a specified timeframe, and was required to complete the CREA REALTOR® Code training course. In incident 2022-55 the Respondent breached Article 13 for failing to disclose their brokerage name and Article 27 of the REALTOR® Code for misusing CREA's trademarks. That Respondent corrected their advertising prior to entering into a Consent Agreement and was required to pay a fine of \$750.

# **Advertising Claims**

### **Article 15 of the REALTOR® Code: Advertising Claims**

Claims or offerings in advertising must be accurate, clear and understandable.

15.1 Advertising of Compensation shall include the details of services provided and whether any additional charges may apply. If the services to be provided for the advertised compensation do not include listing on a Board's MLS® System, a statement to that effect must be included.

15.2 Representations of performance (e.g. "#1," "top-selling," etc.) must include the geographical area referred to, the relevant time-frame (e.g. January-June 2004) and the source or basis on which the claim is based (e.g. based on the number of sales on the MLS® system of the relevant Board for the specified time period).

- 15.3 Advertising of programs, initiatives or guarantees (e.g. "Buy a house with 0% down", "If I don't sell your house, I will buy it from you," ) must clearly set out all significant details of how the program works, including, but not limited to, exceptions and time frames.
- 15.4 Significant conditions, restrictions, limitations and additional charges shall be fully and prominently displayed in the body of the advertisement near the claim or offering in easily readable form and shall comply with all applicable laws.
- 15.5 A condition, restriction, limitation or additional charge shall be considered "significant" if it would likely affect a consumer's decision to retain the REALTOR®/brokerage.

## **Checklist**

- ☐ If you are making a performance claim, do you have the source of the claim, the geographical region, and the timeframe near the claim?
- If offering an incentive, have you disclosed all significant conditions?
- Is it clear whether it is the brokerage or the registrant making a promise or offering an incentive?
- ☐ Is your disclaimer for a performance claim or a promise/ incentive clear and understandable?

## **RECO Requirements**

References to award(s)/claim(s) must specify the applicable date and/or the basis for the statement. Any promises or incentives made in an advertisement must make it clear whether the advertising claims bind the brokerage or only the individual salesperson/ broker. The limiting conditions for such a promise or incentive must clear and specific.

RECO's <u>Guide to Advertising</u> states that in general, registrants should assume that all statements in an advertisement will be taken at face value and interpreted based on their plain meaning (consistent with the "reasonable bystander" test used in legal cases). If the registrant's intent is to imply something else, or is aware that the statement could be interpreted in different ways, it would be better to spell out the intended meaning in plain language, or to provide some form of disclaimer within the advertisement. Failure to do so could result in the statement being deemed misleading, deceptive or inaccurate.

#### **Professional Standards Cases**

ITSO's PSC Committee has dealt with a few incidents where the advertisement in question was a performance claim. In Incident 2022-03 a team of REALTORS® were advertising they were the #1 team in a manner that was found to be misleading as the disclaimer accompanying the advertisement was not clear and understandable and therefore a breach of Article 15 of the REALTOR® Code. The team was reprimanded and required to correct all advertising to ensure it complied with Article 15 of the REALTOR® Code.

Incident 2022-10 was similar to 2022-03 but the Respondent was a brokerage making a performance claim with an unclear disclaimer. That brokerage was also issued a reprimand and required to correct all their advertising as a result of breaching Article 15, which meant they had to redo several billboards throughout the province.

# Checklist

- Are you prominently displaying the brokerage name?
- ☐ Has the source of your team advertising claim been disclosed?
- Is the disclaimer about an advertising claim clear and understandable?
- Have you received permission from CREA to use the term REALTOR® in a team name?

# **Team Advertising**

#### Articles 13, 15, and 27 of the REALTOR® Code

See the previous sections of this document for the details of these REALTOR® Code articles.

Article 15 of the REALTOR® Code provides that if you are making a comparative claim or a representation of performance, whether as an individual or as a team, you must identify the geographical area referred to, the relevant time-frame (e.g. January-June 2023) and the source or basis on which the claim is based (e.g. based on the number of sales on ITSO's MLS® System for the relevant association for the specified time period).

REALTORS® or teams often claim to be #1 in a certain geographical area. If you're going to make a claim like this, then consider if the method of determining how the #1 rank is clearly explained. For example, does this claim involve listing or selling-side statistics and does it refer to number of transactions or sales volume?

Also keep in mind that CREA's trademark policy requires teams to enter into a license agreement with CREA if they wish to use REALTOR® as a part of their team name. Make sure to contact CREA if using the REALTOR® trademark is part of your plan.

## **RECO Requirements**

When advertising as a team, it is vital to ensure that your advertising contains the name of your brokerage as well as your team name. Identifying only the team name in social media and other forms of advertising is a common mistake, and can lead to professional standard proceedings with ITSO as well as with RECO.

REBBA provides that Registrants shall not make false, misleading or deceptive statements in any advertisement. RECO's guidance is that all advertising claims must be accurate, verifiable, and truthful to readers of the advertisement.

If an honour or award is mentioned, be sure to include the source, date, or other information necessary to avoid misleading the audience or otherwise making the claim appear inaccurate. When advertising a team award, RECO suggests that the advertisement is clear that the award was based on the team's performance (as opposed to your individual performance). You may also want to identify the number of people on the team.

# **Coming Soon Advertising**

# Article 15 of the REALTOR® Code: Advertising Claims

Article 15 requires claims or offerings in advertising to be accurate, clear and understandable. To comply with this Article of the REALTOR® Code a REALTOR® must specify where the listing will be coming to (i.e., Coming Soon to the ITSO MLS® System, Coming Soon to REALTOR.ca, Coming Soon office exclusive, etc.).

#### **Article 27 of the REALTOR® Code: CREA Trademarks**

Article 27 requires REALTORS® to use the MLS® mark in accordance with CREA's policies. The MLS® mark can only be used if the listing will be placed on an MLS® System – it cannot be used on exclusive listings. If using the MLS® mark then it cannot be used as a noun (i.e., coming soon to the MLS®). The policy also prohibits words from being added to the MLS® logo (i.e., coming soon to \textsuperscript{\textsupers

**Unacceptable**:

Acceptable:

Coming Soon to the MLS®

Coming Soon to ITSO's MLS® System Coming Soon to REALTOR.ca

CREA provides additional information <u>here</u> regarding use of the MLS® trademark in Coming Soon advertising.

# **RECO Requirements**

RECO requires that all advertising be genuinely accurate and truthful, otherwise, it could be considered false, misleading or deceptive. In the context of Coming Soon advertising, this means that the advertisement must specify where the property will be listed, and there must be a written contract or written permission by the seller for the advertising. Keep in mind that advertising a property for someone who has not signed a listing agreement comes with risks. Additional guidance from RECO can be found here.

#### MLS® Rules

ITSO's MLS® Rules currently require that all Coming Soon properties be added to ITSO's MLS® System within five business days of public marketing:

4.05 Within five (5) business days of marketing a property as "Coming soon" in association with the MLS® Marks or REALTOR.ca, the Listing Brokerage must list the property on the MLS® System as set out in Article 2. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites and/or social media, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public.

#### Checklist

- Does your ad say where the listing will be posted?
- Does the Coming Soon ad use CREA's trademarks correctly?
- Do you have the written permission of the seller to advertise the property as Coming Soon?
- □ Are you going to post the listing to the MLS® System within the required timeframe if advertised as Coming Soon to REALTOR.ca?

Pro tip: Article 30 of the REALTOR® Code will be coming into force January 1, 2024, which requires all properties advertised publicly to be listed on the MLS® System for cooperation within 3 days. Stayed tuned for changes to MLS® Rule 4.05 "coming soon".

#### **Professional Standards Cases**

In incident 2021-33 the Respondent received a reprimand for breaching Article 15 of the REALTOR® Code as a result of advertising a property as "coming soon" for at least one week without stating where the listing would eventually be found. In both incident 2022-17 and incident 2023-07 the Respondents were required to pay a fine of \$250 for breaching Rule 4.05 as a result of advertising properties as coming soon to REALTOR.ca for more than five business days without being listed on the ITSO MLS® System.

Incident 2022-54 was a bit different as the Respondent was a broker of record that advertised a property as coming soon for more than five business days without listing the property on the MLS® System and the coming soon sign misused the MLS® mark. The Respondent was required to pay a fine of \$1,500, complete the Introduction to the MLS® Rules, Policies, and REALTOR® Code Training course, and the CREA Trademark Course for the breach of Rule 4.05, Article 17 of the REALTOR® Code (non-compliance with association rules), and Article 27 of the REALTOR® Code.

#### Checklist

- Do you have permission from the seller?
- ☐ Is the listing information accurate?
- Is your sign accurate (i.e., status, MLS® mark)?
- Do the Images accurately reflect the current state of the property?

# **Advertising Properties for Sale**

# **Article 13 of the REALTOR® Code - Advertising Accuracy**

All advertising and promotion of properties shall accurately reflect property and other details and prominently display the name of the brokerage and any additional information required by provincial regulation.

#### **Article 27 of the REALTOR® Code: CREA Trademarks**

REALTORS® must use the MLS® mark in accordance with CREA's policies. The MLS® mark can *only* be used with MLS® listings so make sure that logo is not on your For Sale sign or in any other marketing materials if the listing is an exclusive.

### **RECO Requirement**

Registrants must have written permission from the seller for advertising the real estate identified in the advertisement. (Note: OREA listing agreements contain these permissions.)

#### MLS® Rules

Rule 2.06(b) is the accuracy rule, which requires Listing Brokerages to take responsibility for the accuracy of the information in all MLS® listings. Rule 2.16 also provides that Images may be digitally altered, including digital staging, provided the Images are not modified or altered in a manner that results in the Images inaccurately portraying the property.

#### **Professional Standards Case**

In incident 2022-64 a REALTOR® was found in breach of Article 13 of the REALTOR® Code as a result of incorrectly leaving a listing status as active, which resulted in the property being advertised on REALTOR.ca, when the property was not available for showings or the registration of offers.

# **Advertising Sold Properties**

### **RECO Requirements**

The REBBA Code of Ethics currently states that registrants cannot include anything in advertisements that would identify specific real estate unless the owner has consented in writing. It further provides that registrants must not include anything in an advertisement that could reasonably be used to determine any of the contents of an agreement to convey an interest in real estate unless the parties to the agreement have consented in writing. Keep in mind that these sections of the REBBA Code of Ethics will be found in the General Regulation when TRESA comes into effect.

RECO has provided guidance to simply explain what these requirements mean when it comes to advertising sold prices.

Pro tip: OREA Form 170 -Consent to Advertise is an easy-to-use form that collects required seller and buyer consents in one document. If a property is going to be advertised as sold prior to closing:

- Only the seller needs to consent if the fact that a property has sold will be advertised without any price details
- The buyer and seller need to consent if the sale price or % above asking is to be advertised

If a property is going to be advertised as sold after closing:

- Only the buyer needs to consent if the fact that a property has sold will be advertised without any price details
- The buyer and seller need to consent if the sale price or % above asking is to be advertised

Remember that a registrant must communicate through the appropriate brokerage to seek consent from sellers and buyers. This means REALTORS® should be communicating through the buyer or seller's representative in order to obtain these consents for advertising sold properties.

#### Checklist

- Did you copy the Images or Remarks?
- Did you get a license agreement from the copyright owner?

# **Copyright Permissions**

#### **Article 28 of the REALTOR® Code – Intellectual Property**

REALTORS® shall respect the intellectual property and other ownership rights of other REALTORS®, boards, Provincial/Territorial associations and CREA.

28.1 REALTORS® shall only access and use the websites and other databases of boards, associations, CREA and other REALTORS® in accordance with the policies for use established by the owner of the site.

28.2 REALTORS® should not infringe the copyright or other ownership interest of another REALTOR® in his/her Listing.

#### MLS® Rules

Rule 10.16(a) provides that REALTORS® are not authorized to use any Images or other copyrighted content in an MLS® Listing to create a new MLS® Listing for the same property unless authorized in writing by the original Listing Brokerage and/or the author of the copyrighted content who has all necessary rights to grant such a license.

This means that if you are advertising a property with listing content that you did not create, you need to ensure that you have the appropriate copyright permissions. If you copied listing remarks from a previous listing keep in mind that these are protected by copyright. Whether you are using the remarks in full or in part, you must have written permission from the copyright owner. Most agreements between brokerages and REALTORS® provide that the brokerage owns all listing content so check with the listing REALTOR® and the broker owner. It is important to get permissions in writing in case there are future compliance disputes.

If your seller provides Images then make sure you get an assignment of all intellectual property rights from the seller. If you are using Images from a prior listing then the original Listing Brokerage might own the copyright over those Images, but the photographer might also have rights to those Images. Listing Brokerages should have a contract with their photographer that assigns the intellectual property rights to the Listing Brokerage. If the photographer does not have a standard contract that assigns you the right to use the Images for advertising, ITSO has created one that you can use. Ask your local association for more details.

If you come across a situation where the photographer owns the copyright over the Images, then a REALTOR® could get a license from the photographer to use those Images in a new listing in compliance with the MLS® Rules.

Screenshots of maps from GeoWarehouse or Google Maps are not permitted under the terms of use of those services. If you would like to use GeoWarehouse maps, you can purchase the full marketing rights to aerial imagery with parcel overlay in the GeoWarehouse Store.

Check with your local association as well – there may be mapping services offered by your local municipality that allow for commercial use of maps of the listed property.

#### **Professional Standard Cases**

In Incident 2022-20 a Respondent was required to pay a \$250 fine for breaching Rule 10.16(a) by using Images from an MLS® listing in a new listing without the consent of the original Listing Brokerage. Article 28 was not involved because the photographer owned the copyright in the Images.

Incident 2023-04 was a little different because the Respondent used the description from a previous listing without the original Listing Brokerage's consent. That Respondent was required to pay a fine of \$250 and complete two courses: the Introduction to the MLS® Rules, Policies and REALTOR® Code training course and the CREA REALTOR® Code course for breaching Rule 10.16(a), Article 17 of the REALTOR® Code (non-compliance with association rules), and Article 28 of the REALTOR® Code.

In Incident 2022-21 a REALTOR® used GeoWarehouse to obtain addresses to send flyers to the residents in a condo building. The flyers in that case breached several other MLS® Rules and REALTOR® Code Articles including Article 28 for breaching the terms of use of GeoWarehouse.

#### Checklist

- ☐ Has the Broker of Record agreed to supervise the website?
- □ Has your brokerage opted in to DDF® and/or IDX?
- ☐ Is the name of the Listing Brokerage and Listing REALTOR® displayed with all listing content?
- Is your website displaying valid contact information for all inquiries?
- Does your website indicate the source of the MLS® listing content?
- Does your website have the required copyright and trademark statements?

# **Advertising Other Brokerage's Listings**

## Article 14 of the REALTOR® Code - Advertising Listings of Others

REALTORS® may only advertise a property if such advertising has not been restricted at the request of the seller and is in accordance with provincial and federal regulations.

14.1 Listing brokerages may permit the advertising of their properties by other brokerages when authorized in writing by the seller to do so.

14.2 Virtual Office Websites (VOWs), Internet Data Exchange Websites (IDXs) and any other similar sites or technologies which display properties of other REALTORS® shall be subject to all applicable laws, and be operated in accordance with the rules established by the appropriate real estate board(s) for such sites.

Basically this Article of the Code means that a REALTOR® can only advertise listings belonging to others with the consent of the seller and consent from the Listing Brokerage. Listing Brokerages provide consent to advertise their listings when they opt-in to pools of listing content, like opting into IDX through the MLS® System or the National Shared Pool in CREA's Data Distribution Facility (DDF®).

#### MLS® Rules

MLS® Rule 9.01 requires REALTORS® to comply with CREA's DDF® Rules when participating in DDF®.

The rest of Article 9 sets out requirements for operating websites that display listings that belong to other brokerages. Rule 9.05 sets out the main obligations for IDX websites including:

- The Supervising Brokerage is responsible operation of the website
- The website must display contact information of the website operator to receive inquiries from consumers and to respond to accuracy inquiries from Listing Brokerages
- The website operator must monitor and prevent scraping
- The website must be updated at least daily with all old content being removed
- All listing content on the website must include the Listing Brokerage name and listing REALTOR® name
- The listing content cannot be modified but can be augmented with additional data
- The website must identify the MLS® System as source of the listing content
- The website must display a copyright statement
- The website must link to their privacy policy

Please see the full text of Article 9 for more information.

#### **CREA's DDF®**

The National Shared Pool of CREA's DDF® is very similar to IDX except it contains listings from brokerages all across the country instead of only from one MLS® System.

The DDF® Rules are similar to IDX rules with a few additional requirements:

- A login is not required but consumers must agree to terms of use before accessing the DDF® content from the National Shared Pool
- Listings must contain a "Powered by REALTOR.ca" logo that links directly to the listing on REALTOR.ca
- The website must contain the MLS® and REALTOR® trademark statements on each page

**Pro tip #1:** Did you know a Virtual Office Website (VOW) is not an advertising vehicle? VOWs are considered brokerage offices, which is why they require a log-in to form a lawful brokerage-client relationship and are subject to different rules.

**Pro tip #2:** REALTORS® can combine an IDX feed, DDF® feed, and a VOW feed on a single website. There are several authorized technology providers that have entered into contracts with CREA and MLS® System providers who know how to do this and how to comply with all the various rules and requirements.

#### **RECO Requirements**

When sharing photos and videos of other brokerage's listings on social media, consent is required. Some REALTORS® engage in the practice of sharing footage of home showings, even when the listing belongs to another REALTOR®, to generate content for their own social media network. Permission from the seller is required. Remember, registrants are required to communicate through the seller's representative to get this consent.

If consent has been given to share another brokerage's listing, any post featuring that listing must give credit and share the name of the originating Listing Brokerage. REALTORS® must not present a listing that does not belong to them as their own on social media as this could be misleading.

Additional information can be found in RECO's Social Media Guide.

#### **Additional Resources**

This document is intended for information purposes only and is not a substitute for legal advice or counsel.

REALTORS® should review all applicable legislation, including municipal signage bylaws, and rules in relation to their advertising. Please also speak with your brokerage management to obtain a copy of your brokerage advertising guidance.

**REALTOR®** Code

**Article 15 Booklet** 

**RECO Advertising Guidelines** 

ITSO MLS® Rules

CREA's Trademark Manual and Trademark Policy

CREA's DDF® Rules