

# OREGON REAL ESTATE AGENCY

BUDGET PRESENTATION  
Joint Committee on Ways and Means  
Subcommittee on Transportation & Economic Development  
February 9, 2023



STEVE STRODE,  
REAL ESTATE COMMISSIONER

# AUTHORITY

The Oregon Real Estate Agency licenses and regulates real estate professionals operating in the state.

Jurisdiction includes:

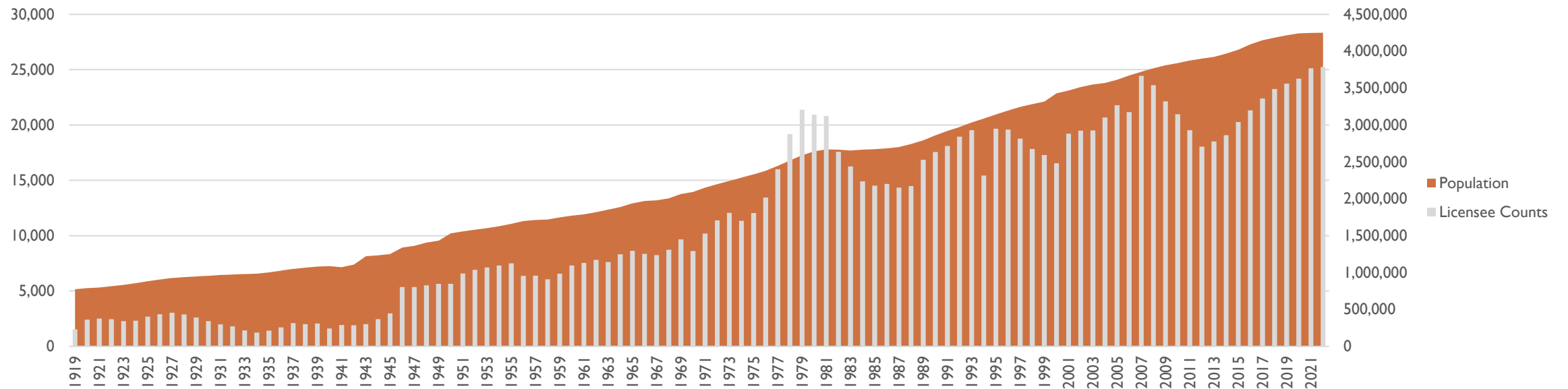
- Real Estate
- Property Management
- Escrow
- Condominiums
- Timeshares
- Membership Campgrounds
- Telemarketing Organizations

Professional real activity volume accounts for more than 20% of Oregon's Gross Domestic Product.

# HISTORICAL CONTEXT

- Real estate licensing established in 1919
- 1950s: Fair Housing Laws
- 1960-70s: Expanded Jurisdiction
- 1980-90s: Agency Reorganization, Appraisers Separated
- 2000-10s: Great Recession, Economic Recovery
- 2020s: Remote Work, Rising Prices – New Licensee Peak

1:200 - Licensee to Population



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# OREGON REAL ESTATE AGENCY

## MISSION STATEMENT

To provide quality protection for *Oregon consumers* of real estate, escrow, and land development services, *balanced with a professional environment* conducive to a healthy real estate market atmosphere.

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# OREGON REAL ESTATE AGENCY

## VALUES

- Equity
- Respect
- Transparency
- Adaptability & Innovation
- Stewardship & Customer Service
- Accountability

## GOALS

Improve Customer Service &  
Streamline User Experience

Increase Consumer  
Protection Impact

Enhance Diversity, Equity &  
Inclusion Efforts

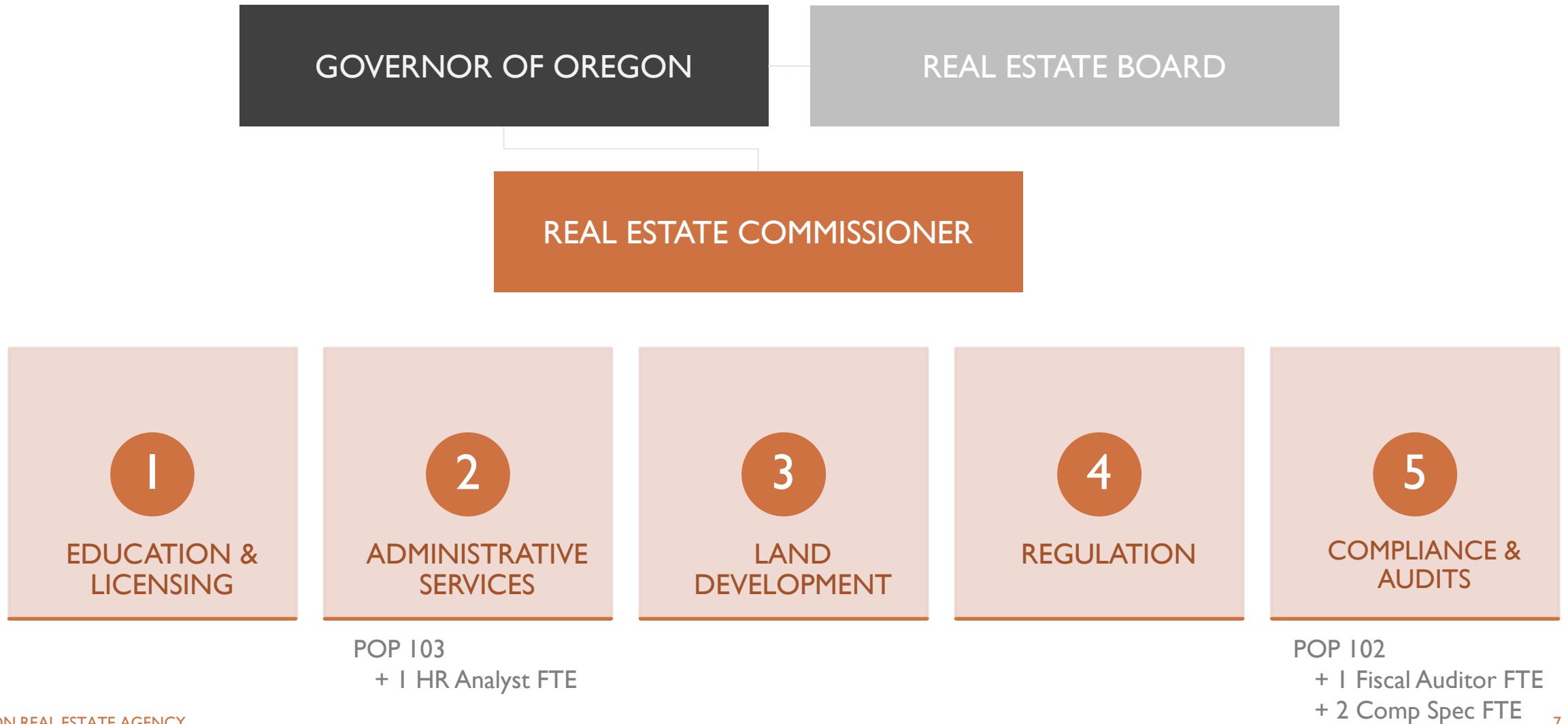
## INVESTMENTS

POP 101: Upgrade Licensing &  
Regulatory System

POP 102: Fiscal Auditor &  
Compliance Specialists

POP 103: HR Consultant Advisor  
DEI/AA Specialist

# SUMMARY OF PROGRAMS



## REAL ESTATE BOARD

- Appointed by the Governor
  - Chair – **Jose Gonzalez**, Tu Casa Real Estate-Principal Broker, **Salem**
  - Vice-Chair – **Susan Glen**, Partner, Dunn Carney-Public Member, **Portland**
  - Member – **Alex MacLean**, Commercial Realty Advisors NW-Broker, **Portland**
  - Member – **Lawnae Hunter**, Hunter Properties-Principal Broker, **Bend**
  - Member – **LaTasha Beal**, Keller Williams Sunset Corridor-Principal Broker, **Hillsboro**
  - Member – **Michael Warren**, Crook County Properties LLC-Principal, **Prineville**
  - Member – **Pat Ihnat**, Fidelity National Title-Public Member, **Portland**
  - Member – **Kim Hedding**, Golden Realty-Principal Broker, **Eugene**
  - Member – **Marie Due**, RE/MAX Integrity-Principal Broker, **Florence**

Advises  
Commissioner and  
Governor's office

Approves  
Experience Waiver  
Requests

Approves  
Continuing  
Education Providers  
Qualifications

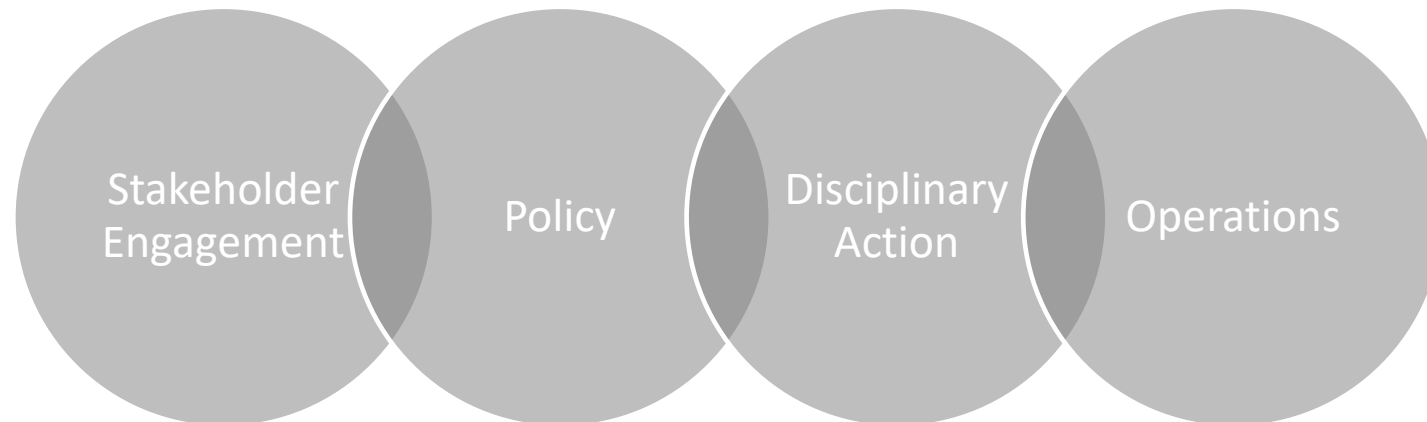
Reviews  
Proposed  
Rulemaking

Approves  
Law and Rule  
Required Course



## REAL ESTATE COMMISSIONER

- Agency Executive Leadership
  - Commissioner – **Steve Strobe**
  - Deputy Commissioner – **Anna Higley**



# PROGRAM AREAS

## Education & Licensing

## Administrative Services

## Land Development

## Regulation

## Compliance & Audits

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### *DIVISION MISSION STATEMENT*

- *The Education & Licensing Division offers solution-based support to Oregon consumers, educators and real estate professionals, evaluates candidates for licensure, and facilitates compliance activities.*
  - *Manager, Madeline Alvarado*

# PROGRAM AREAS

Education & Licensing

Administrative Services

2

Land Development

Regulation

Compliance & Audits

## *DIVISION MISSION STATEMENT*

- *The Administrative Services Division provides quality business services to the Agency and the public in a data-driven, people-centric manner.*
  - *Manager, Mesheal Heyman*

# PROGRAM AREAS

Education & Licensing

Administrative Services

Land Development

3

Regulation

Compliance & Audits

## *DIVISION MISSION STATEMENT*

- *The Land Development Division performs regulatory review and approval of condominium, timeshare, membership campground and subdivision projects created in Oregon or marketed to Oregonians.*
  - *Manager, Michael Hanifin*

# PROGRAM AREAS

Education & Licensing

Administrative Services

Land Development

Regulation

4

Compliance & Audits

## *DIVISION MISSION STATEMENT*

- The Regulation Division conducts fact-based, unbiased investigations and, if warranted, proposes disciplinary action through the administrative process.
  - *Manager, Elli Kataura*

# PROGRAM AREAS

Education & Licensing

Administrative Services

Land Development

Regulation

Compliance & Audits

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## *DIVISION MISSION STATEMENT*

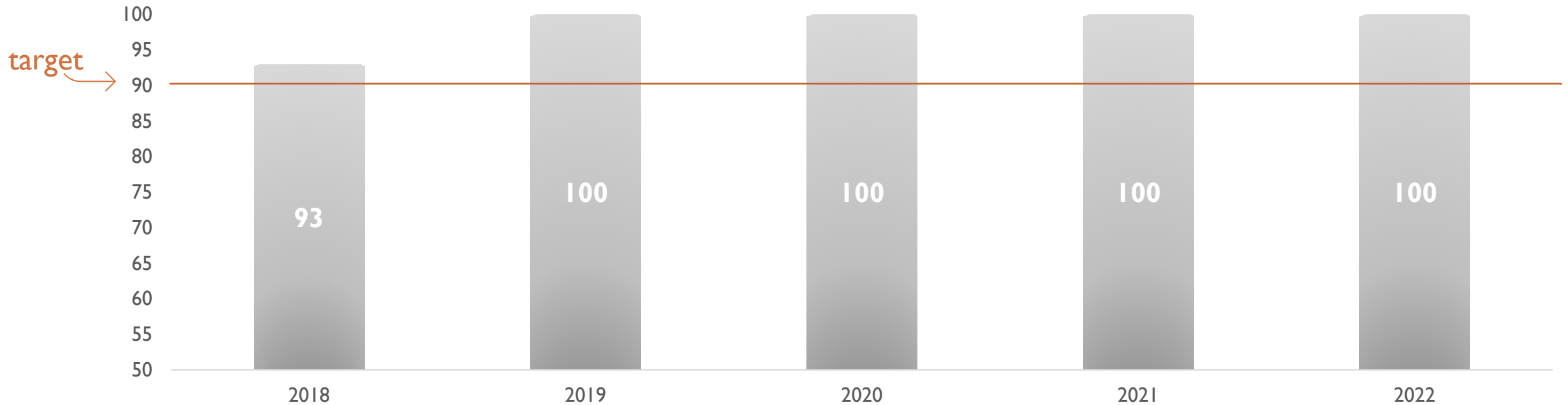
- The Compliance & Audits Division ensures that licensees meet their fiduciary and administrative responsibilities through review of financial and administrative records.
  - *Division Lead, Liz Hayes*

# KEY PERFORMANCE MEASURE #1 COMPLIANCE REACHED IN 45 DAYS



% of licensees that  
corrects compliance  
issue within 45 days

100%

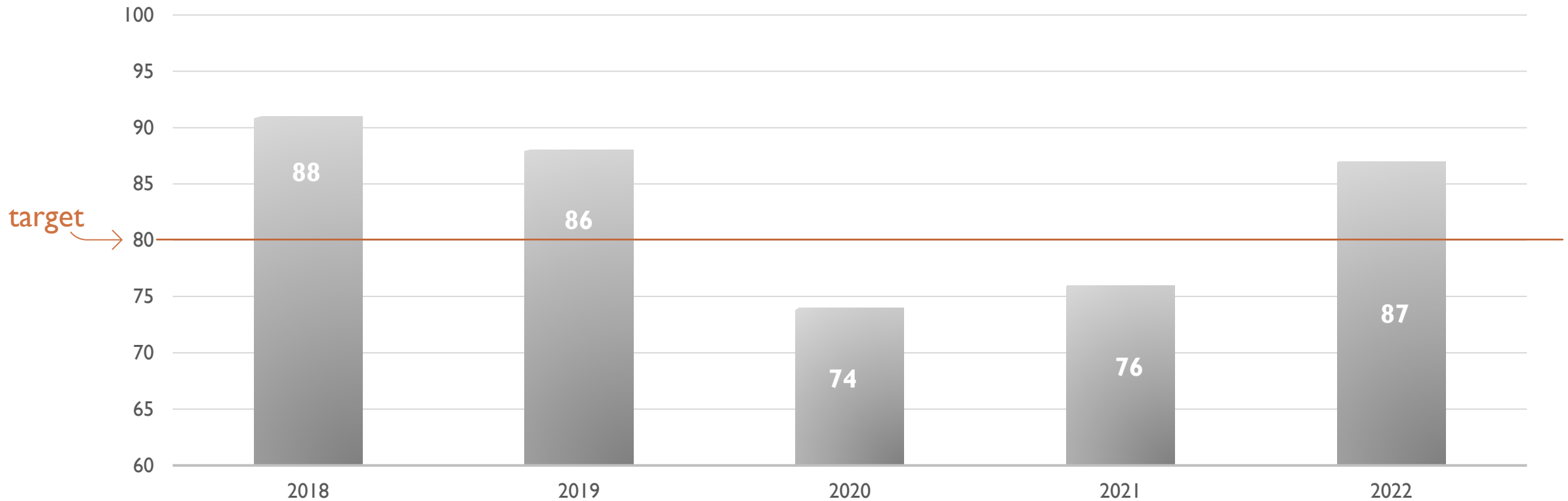


# KEY PERFORMANCE MEASURE #2 INVESTIGATIONS COMPLETED IN 150 DAYS



% of cases closed  
within 150 days  
of receipt

87%



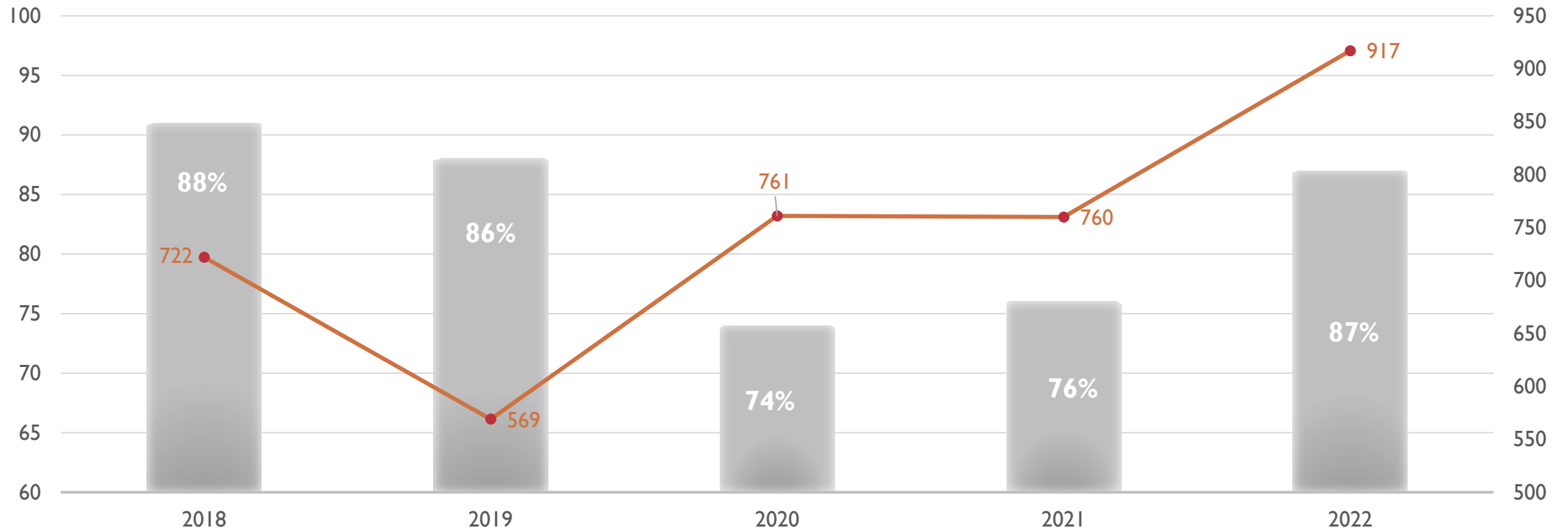


# KEY PERFORMANCE MEASURE #2 INVESTIGATIONS COMPLETED IN 150 DAYS

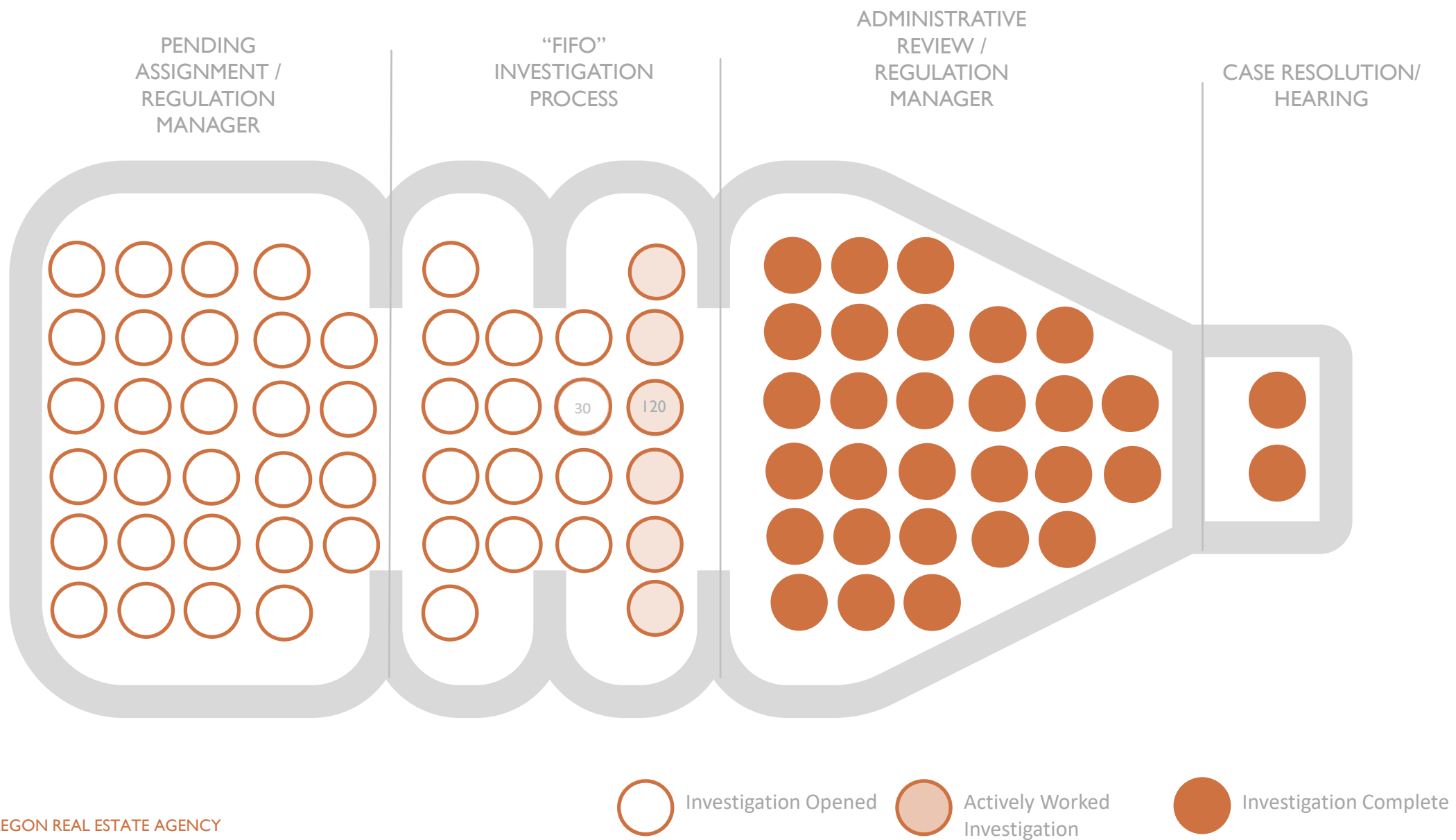


% of cases closed  
within 150 days  
of receipt

87%

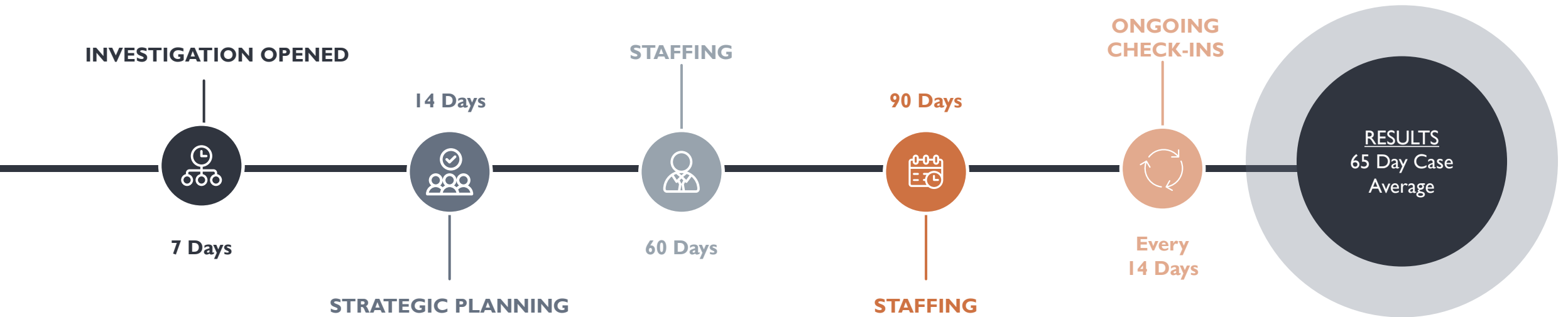


— # of cases closed  
█ % of Investigations closed within 150 days of receipt of complaint



# INVESTIGATION MANAGEMENT

## ACCOUNTABILITY MODEL

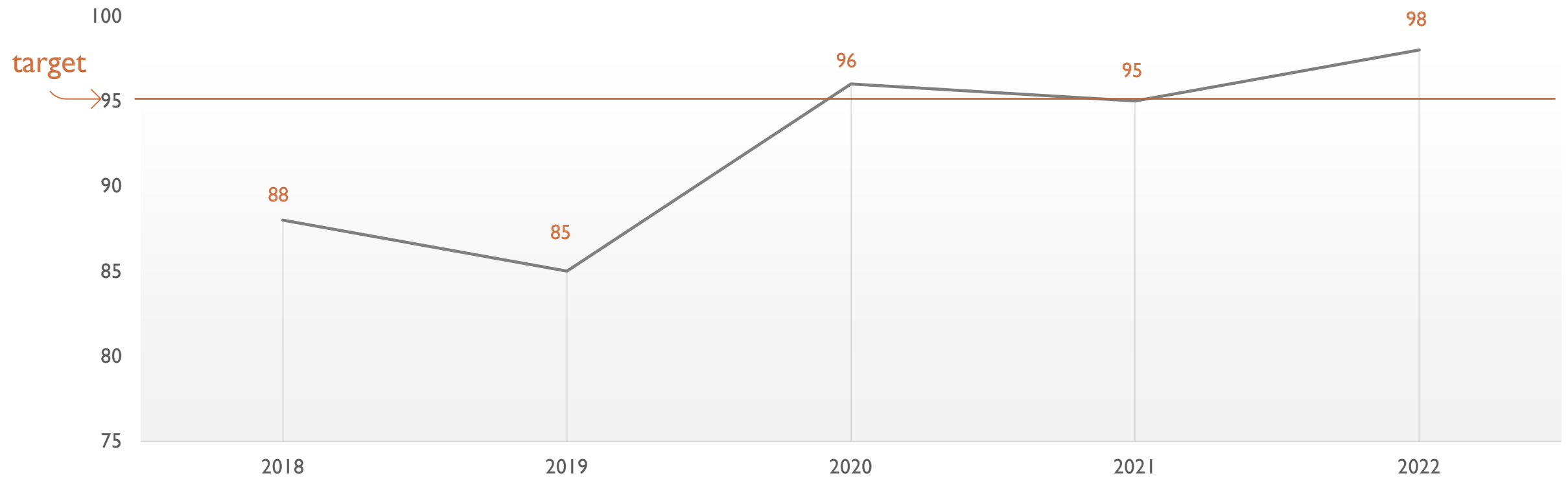


# KEY PERFORMANCE MEASURE #3 - CONTESTED CASES RESOLVED OUTSIDE OF HEARING



% of contested cases settled

98%

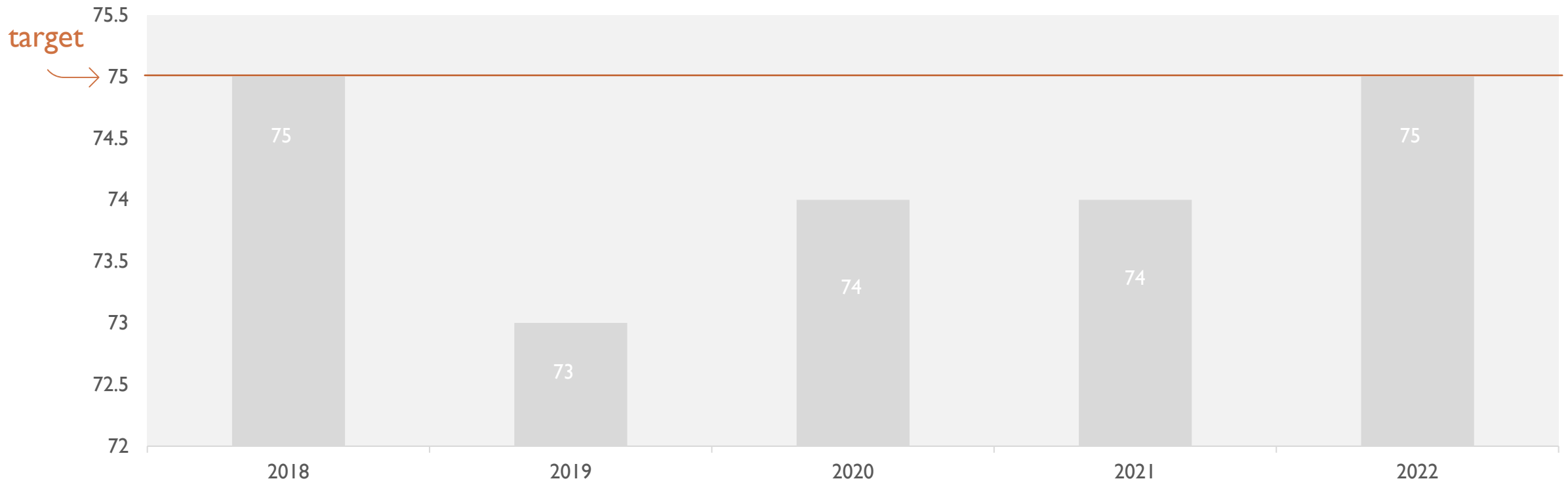


# KEY PERFORMANCE MEASURE #4 EXAM TAKERS RANKING GOOD/EXCELLENT



Exam As Effective  
Screen

75%

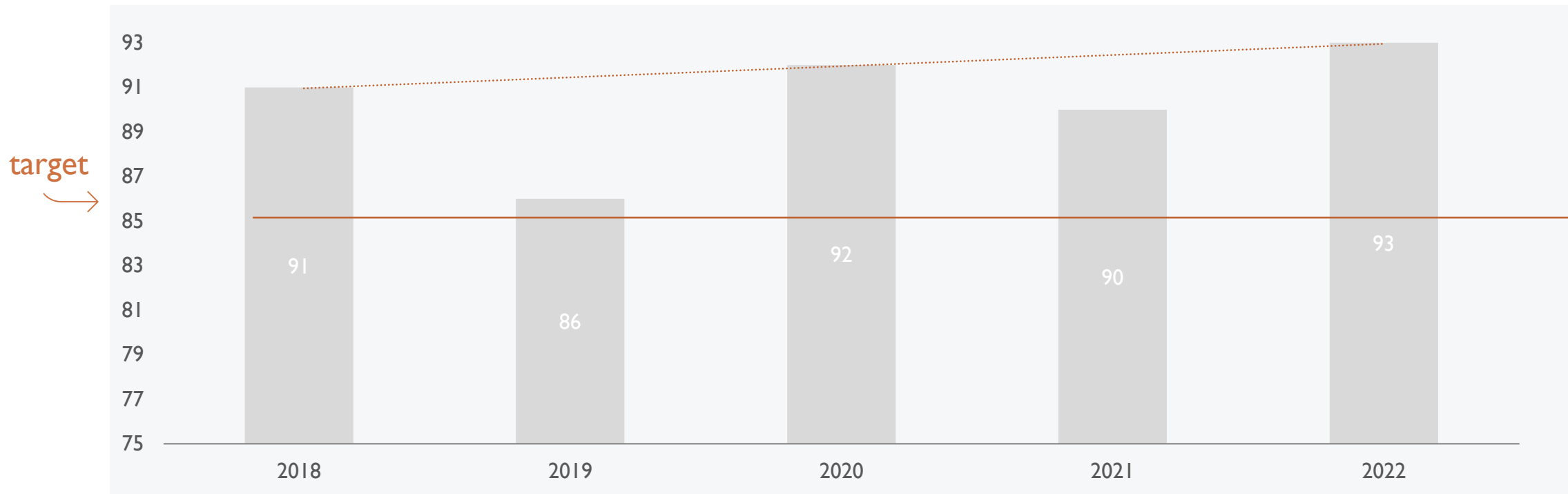


# KEY PERFORMANCE MEASURE #5 CUSTOMER SERVICE

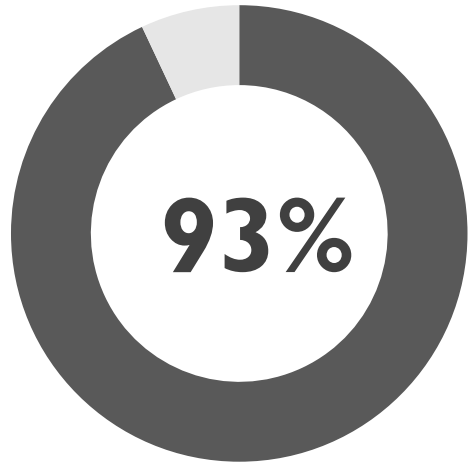


Cumulative  
Performance

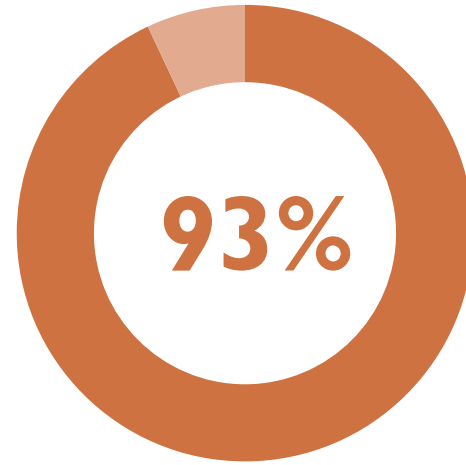
93%



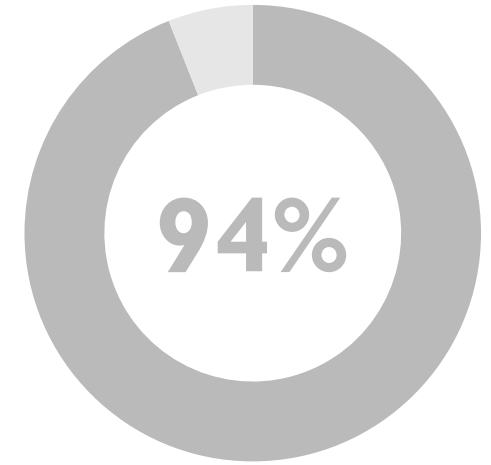
OVERALL



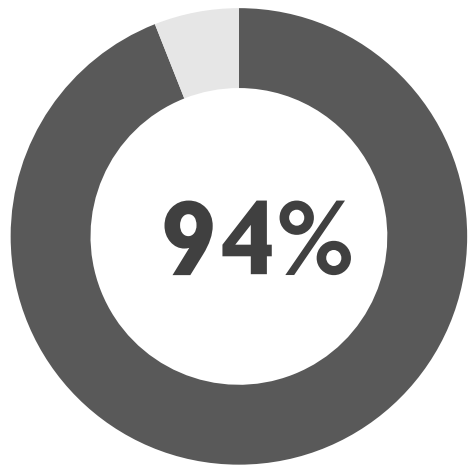
AVAILABILITY OF INFORMATION



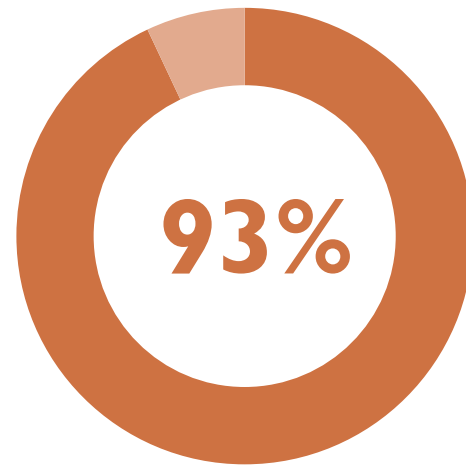
TIMELINESS



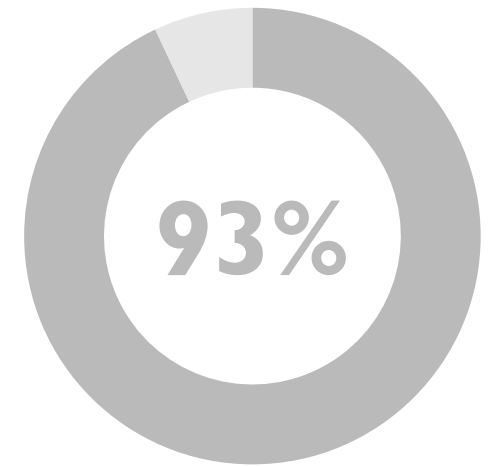
ACCURACY



EXPERTISE



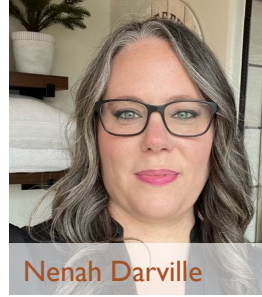
HELPFULNESS





Madeline Alvarado

Madeline helped with my questions quickly. She was wonderful.



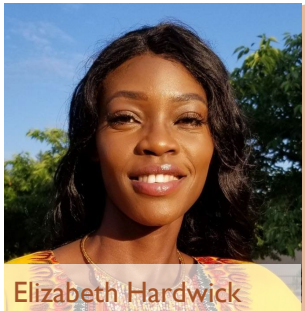
Nenah Darville

Nenah was extremely helpful and supportive! I will definitely be requesting her in the future!



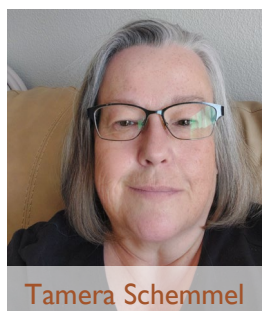
Jenifer Wetherbee

Jenifer helped me today and was super fast, knowledgeable and very professional. I was impressed!



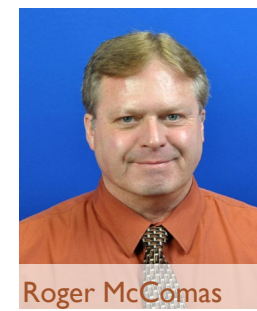
Elizabeth Hardwick

Elizabeth is very professional and knowledgeable. She was patient and understanding. She is a keeper.



Tamera Schemmel

Excellent customer service experience, with Tamera Schemmel!!



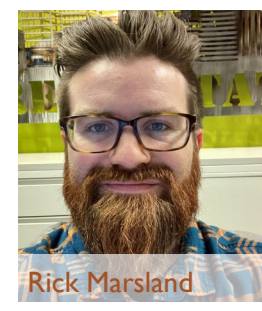
Roger McComas

Roger did an exceptional job. I appreciate the Agency more than ever after working with him.



Kaely Salem

Kaely was extremely helpful!



Rick Marsland

Rick knew his business! He was very nice and resolved the issue promptly.



Katie Nash

Katie was awesome, super helpful even at 4:59 pm.



# PROGRESS MADE & PLANS FOR 2023-2025

## Commissioner's Office

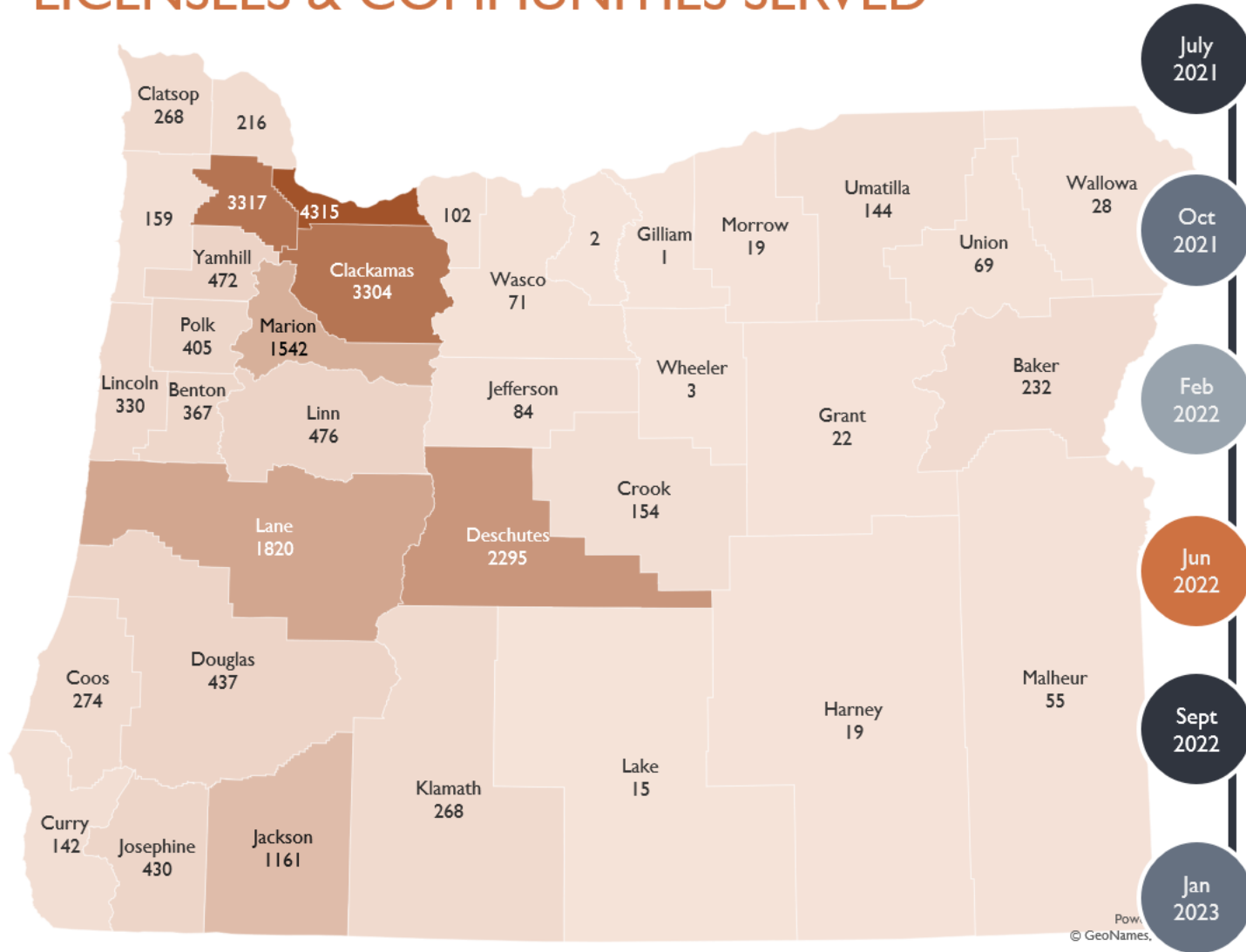
- Invited to PSI Examination Development Committee as Subject Matter Expert
  - Invited to NAR Survey Group – Fair Housing Complaint Process as Subject Matter Expert
  - Appointed to ARELLO Board of Directors, Fair Housing, Membership & Timeshare Committees
- 
- Complete Succession Planning
  - Implement an Upgraded Licensing & Regulatory Product-Improve User Experience – POP 101
  - Expand Stakeholder Engagement



## KEY PARTNERS

- Oregon State Legislature
- Real Estate Board
- National Association of Realtors (NAR)
- Oregon Realtors
- National Association of Real Estate Brokers (NAREB)/Oregon Realist NAREB Chapter
- Asian Real Estate Association of America – Portland Chapter
- Real Estate Educators
- Local Real Estate Associations
- Multiple Listings Services
- Association of Real Estate Licensed Law Officials
- Council on Licensure, Enforcement & Regulation

# LICENSEES & COMMUNITIES SERVED



- July 2021
  - Oregon Realtors Diversity Committee
  - Mid Columbia Association of Realtors
- Oct 2021
  - Springfield Board of Realtors
  - Oregon Realtors Fall Governance, Business Issues Key Committee
  - Portland Metropolitan Assoc. of Realtors Risk Management Committee
- Feb 2022
  - Coldwell Bank Bain/First American Title Company
  - Eugene Realtors Principal Broker Forum
  - Central Oregon Association of Realtors BOD Installation
  - Portland Metropolitan Association of Realtors BOD Installation
- Jun 2022
  - Coldwell Banker
  - MORE Realty
  - Oregon Realtors Spring Governance, Business Issues Key Committee
  - National Association of Real Estate Brokers(Realtists)
  - Oregon Realtors Diversity Committee
- Sept 2022
  - Oregon Realtors
  - Central Oregon Association of Realtors
  - National Association of Hispanic Real Estate Professionals
  - Oregon Realtors Fall Governance, Business Issues Key Committee
  - Central Oregon Association of Realtors
  - Eugene Association of Realtors
  - Oregon Association of County Engineers and Surveyors
  - Springfield Association of Realtors
- Jan 2023
  - Deschutes Title

# PROGRESS MADE & PLANS FOR 2023-2025

## Education & Licensing

- Developed new Law & Rule Required Course content in response to HB 2703, including Fair Housing material and competency requirements
  - Earned National Association of Real Estate Licensed Law Officials 2022 Fair Housing Award
- 
- Prioritize Spanish language future staffing for customer support
  - Plan Spanish language educational events – NAHREP



# PROGRESS MADE & PLANS FOR 2023-2025

## Administrative Services

- Drafted internal operating procedures outline & plan
  - Developed new hire checklists
  - Implemented cybersecurity updates from the 2021 EIS Assessment
- 
- Finalize agency-wide policies & procedures manual
  - Onboard HR Consultant Advisor-DEI/AA Specialist – POP 103
  - Facilitate ongoing DEI/AA efforts
    - Culture of inclusion
    - Attract diverse candidate pool
    - Expand recruitment process
    - Partner with industry groups in DEI strategic planning

# PROGRESS MADE & PLANS FOR 2023-2025

## Land Development

- HB 2534 Condominium Associations – Removal of discriminatory language in governing documents.
    - Communications
    - 13 filings
  - Lead records project
- 
- Finalize policies & procedures
  - Facilitate rule writing efforts for new legislation

# PROGRESS MADE & PLANS FOR 2023-2025

## Regulation

- Efficiencies in work processing, clarity on scope
    - Training Plans
    - Process Uniformity
- 
- Regulatory Framework
    - The Regulation Division conducts fact-based, unbiased investigations and, if warranted, proposes disciplinary action through the administrative process.

# PROGRESS MADE & PLANS FOR 2023-2025

## Compliance & Audits

- Established new agency division - Staff
  - Improved existing performance on CTA Reviews
- 
- Recruit additional positions - POP 103
    - Two Compliance Specialist I
    - One Fiscal Auditor 2
  - Expand compliance reviews
  - Analyze and plan escrow auditing
  - Evaluate clients' trust account risk & opportunity

	2018	2019	2020	2021	2022
Total Closed	429	324	175	25	237

	2023	2024	2025
Projected Closed	350	500	600





# \$ 10,489,291

Projected Revenue  
**Other Funds**  
2021-2023



### Biennium

2017-19  
2019-21  
2021-23

### ▲ in Revenue

+ 41.97%  
+ 3.91%  
+ 8.99%



# \$ 6,552,475

## Cash Reserves

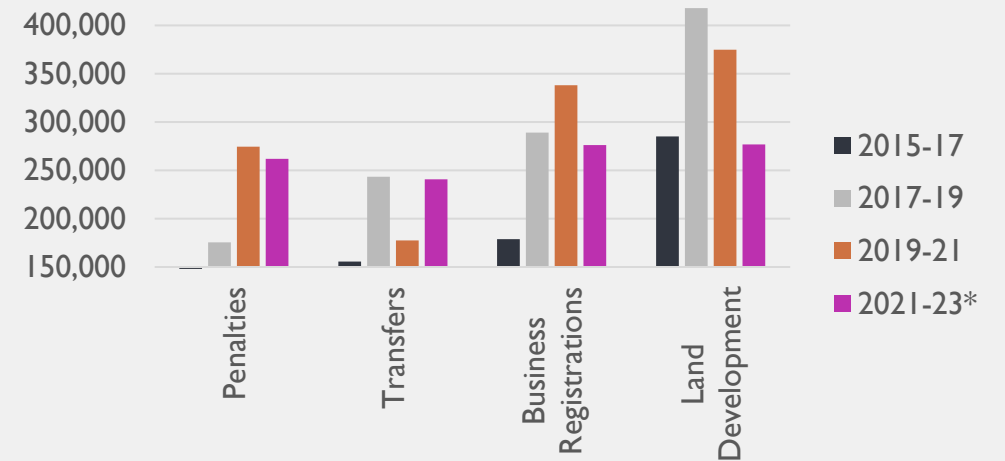
## PRIMARY REVENUE DRIVERS

Percentage of total revenue  
derived from **license renewals**

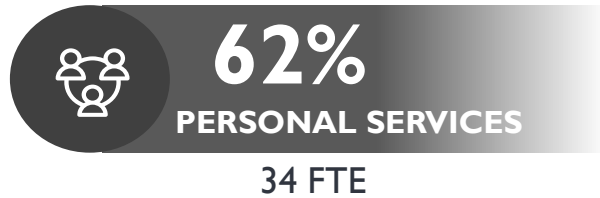
# 63%

Percentage of total revenue  
derived from **new applications**

# 25%



# GOVERNOR'S BUDGET

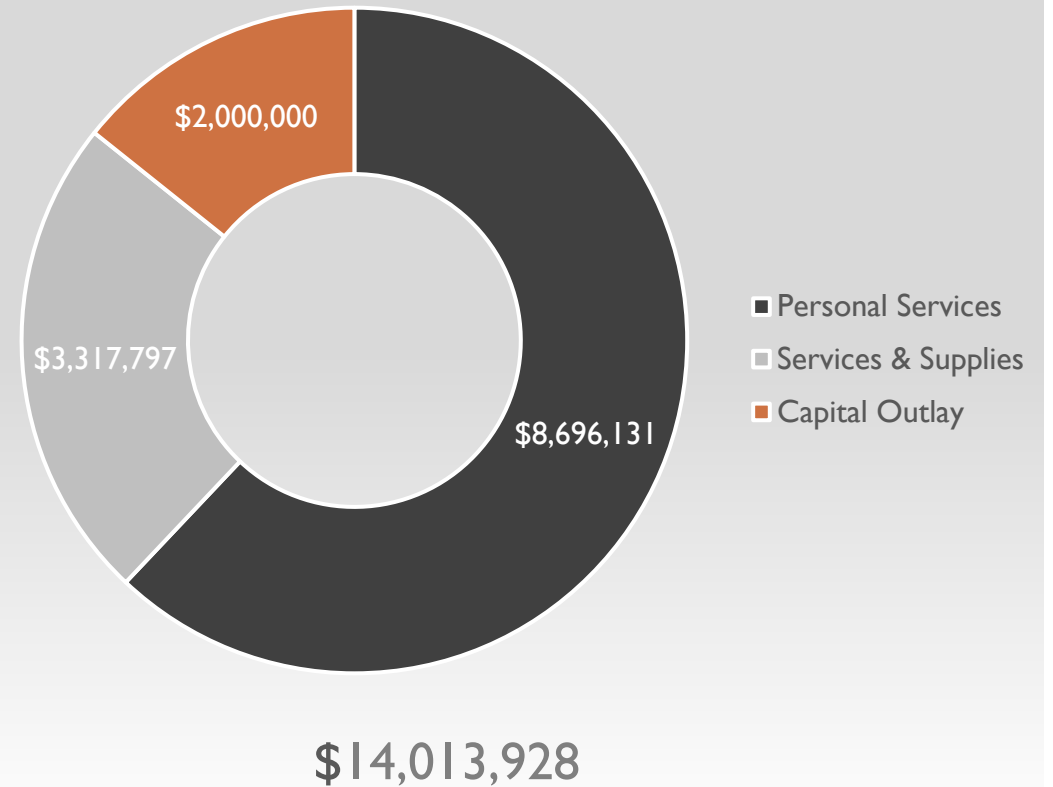


Lowest historical spend –  
continual cost reduction

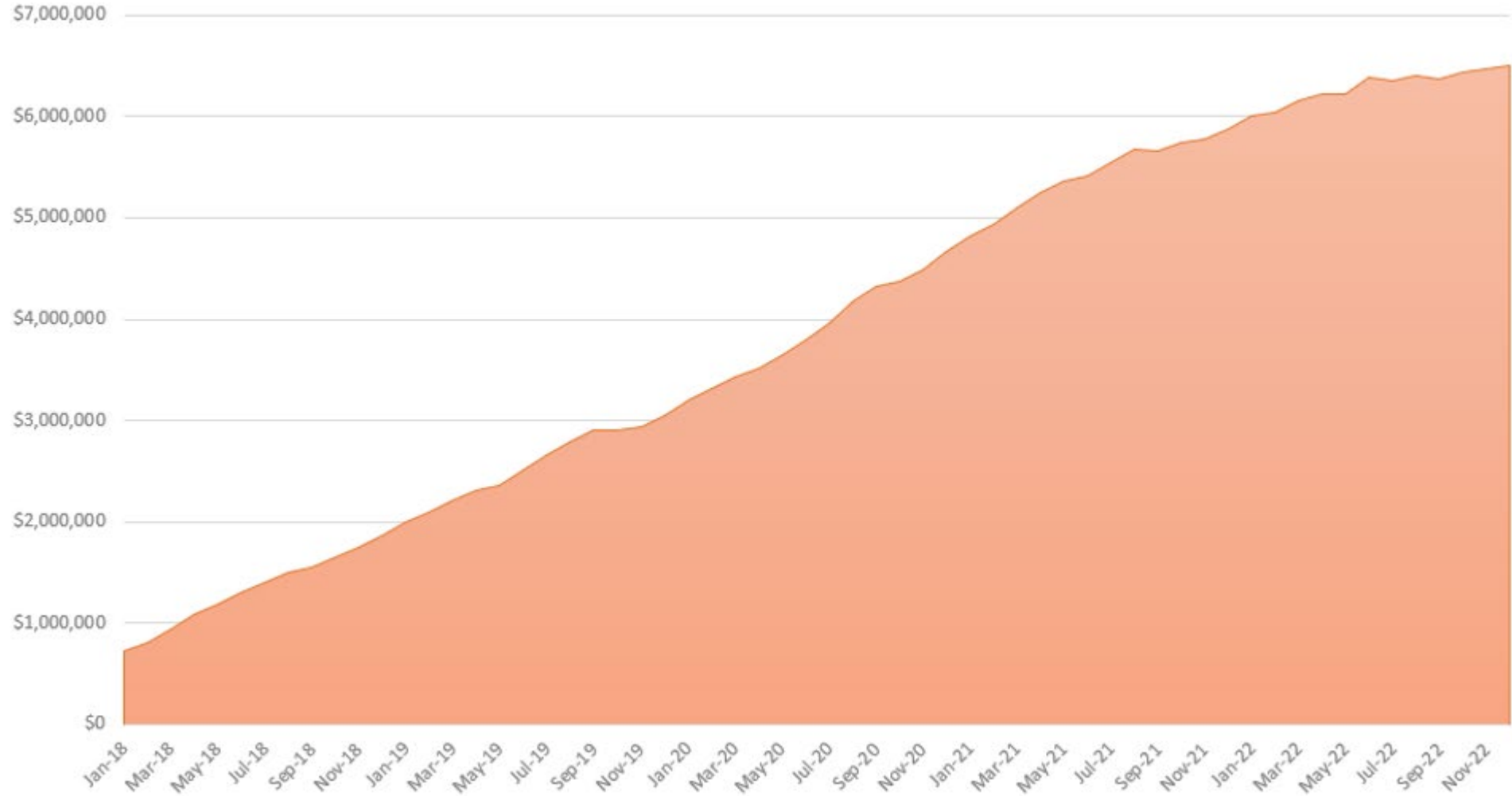


Capital Outlay – System Upgrade

## 2023-2025 – Other Funds



Cash Reserves  
January 2018 - December 2022



THANK YOU

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