

CT-2011-003

COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

IN THE MATTER OF an application by the Commissioner of Competition pursuant to section 79 of the *Competition Act*;

AND IN THE MATTER OF certain rules, policies and agreements relating to the residential multiple listing service of the Toronto Real Estate Board.

BETWEEN:

COMPETITION TRIBUNAL TRIBUNAL DE LA CONCURRENCE RECEIVED / REÇU CT-2011-003 May 15, 2015 Jos LaRose for / pour REGISTRAR / REGISTRARIAIRE	
OTTAWA, ONT	# 314

THE COMMISSIONER OF COMPETITION

Applicant

AND

THE TORONTO REAL ESTATE BOARD

Respondent

AND

THE CANADIAN REAL ESTATE ASSOCIATION and
REALTYSELLERS REAL ESTATE INC.

Intervenors

**UPDATED WITNESS STATEMENT OF TUNG-CHEE CHAN
- TRADEWORLD REALTY INC. -**

I, TUNG-CHEE CHAN, of the Town of Richmond Hill, Ontario, state as follows:

- I am the sole owner of Tradeworld Realty Inc. ("TW") and have been since 1985. Tradeworld Realty Inc. ("TW") is a brokerage that trades in real estate under its own banner. I am the broker of record of TW.
- I have been a member of The Toronto Real Estate Board ("TREB") since 1974 when I first became a real estate salesperson in the Greater Toronto Area ("GTA").

3. TW serves all of the GTA with its 4 5 offices. Two offices are located in Markham, one is in Thornhill, and the fourth is located on Dundas Street West, ~~at Kennedy and Sixteenth Avenue and West Harbor City~~ in the City of Toronto.
4. TW has approximately 211 228 salespersons acting on its behalf. All are independent contractors and some have with desks at our offices and are remunerated in relation to the commissions paid on transactions completed by them involving the purchase and sale of residential and commercial properties. An incentive plan is in place such that in any year a salesperson can earn from seventy to ninety per cent of such commissions depending on the volume of commissions attributable to the transactions completed by them.
5. In addition to salespersons TW employs three managers, office staff and instructors. The managers and instructors are tasked with teaching salespersons about privacy, the provisions of the *Real Estate and Business Brokers Act, 2002* and its Regulations as well as the Rules and Policies of TREB. Classes are held with groups of 5 or more salespersons and often on a one-to-one basis.
6. There is no standard commission percentage for sales of residential properties in the GTA. It varies from 1% to 5% in my experience with cooperating commission averaging 2% to 2.5% although I have seen cooperating commission offers at 0.5%. Among TW's customers and clients negotiation of commissions is a given.
7. Even though some of the persons who approach TW are very computer literate, they rely on our salespersons whether they be buyers or sellers. They are not interested in the cooperating brokers commission as offered on the Multiple Listing Service provided by

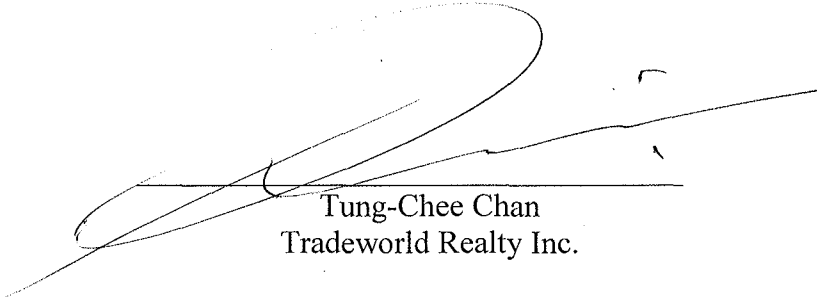
TREB as they expect to bargain with the salesperson. While they may be shown listings from the MLS system by the salesperson, they are not usually provided with copies of such listings. They invariably are concerned that information involving any transaction entered into by them be kept private.

8. Competition in the real estate industry in the GTA has for some time now been tough and keen **and is even tougher in 2015**. Even among TW offices there is substantial competition. I attribute TW's success in the GTA to its marketing initiatives, referrals and to the high caliber of its salespersons.

9. **At the initial hearing, at the request of the Tribunal, I provided reports detailing the commission of TW as listing broker and co-operating broker for the months of June 2009, July 2009, March 2010, June 2010 and August 2011. These reports were marked as an exhibit at the hearing (Exhibit No. CR-60) and for ease of reference are attached to my witness statement as Exhibits A, B, C, D and E, respectively.**

10. **Attached to my witness statement are updated commission reports for June 2013, June 2014, July 2014, August 2014 and March 2015. These reports are attached to my witness statement and marked as Exhibits F, G, H, J and K, respectively.**

SIGNED this 15th day of May, 2015



Tung-Chee Chan
Tradeworld Realty Inc.

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- and -

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UPDATED WITNESS STATEMENT
OF TUNG-CHEE CHAN, TRADEWORLD REALTY INC.

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Toronto, Ontario M5H 2V1

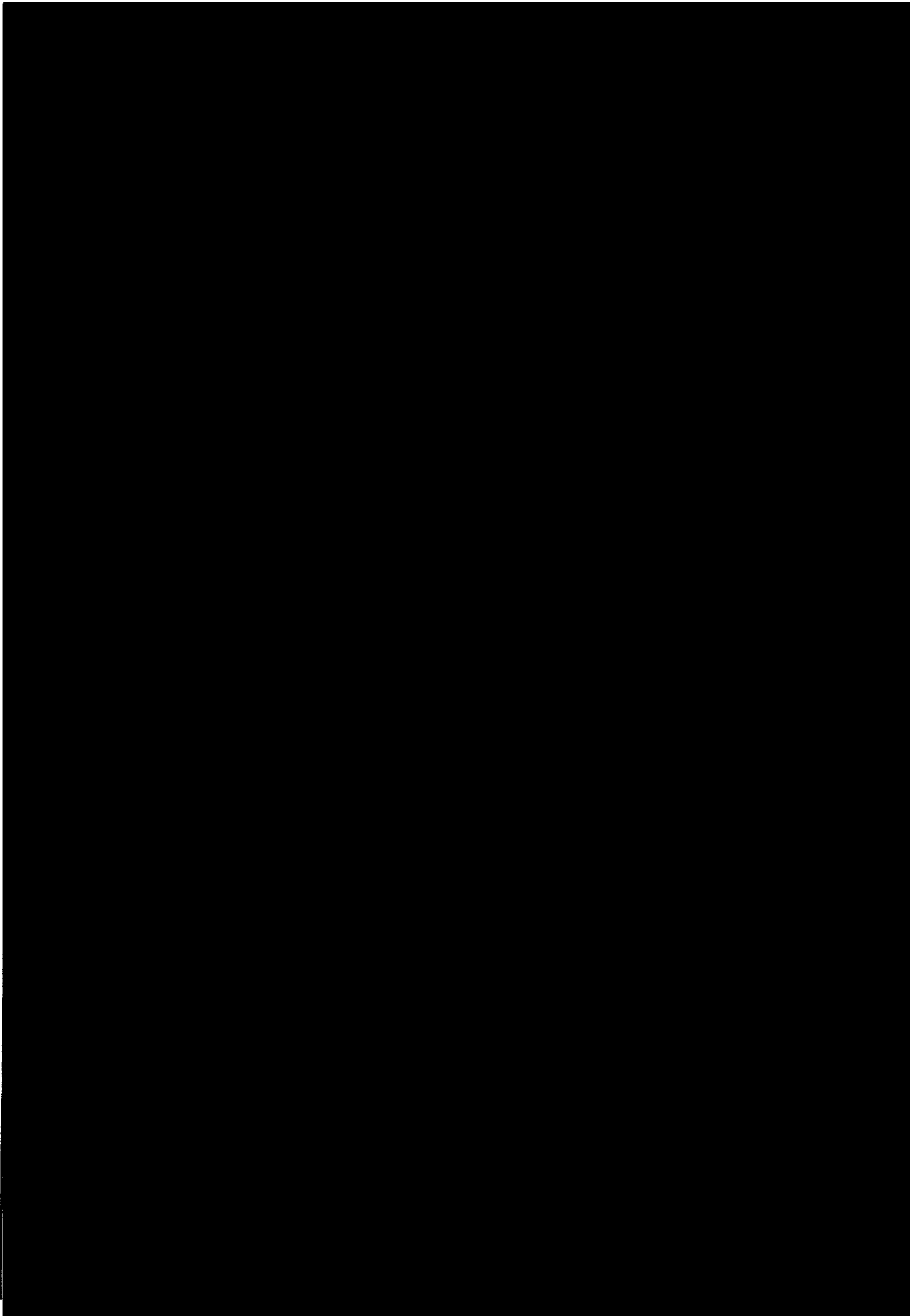
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Counsel for The Toronto Real Estate Board

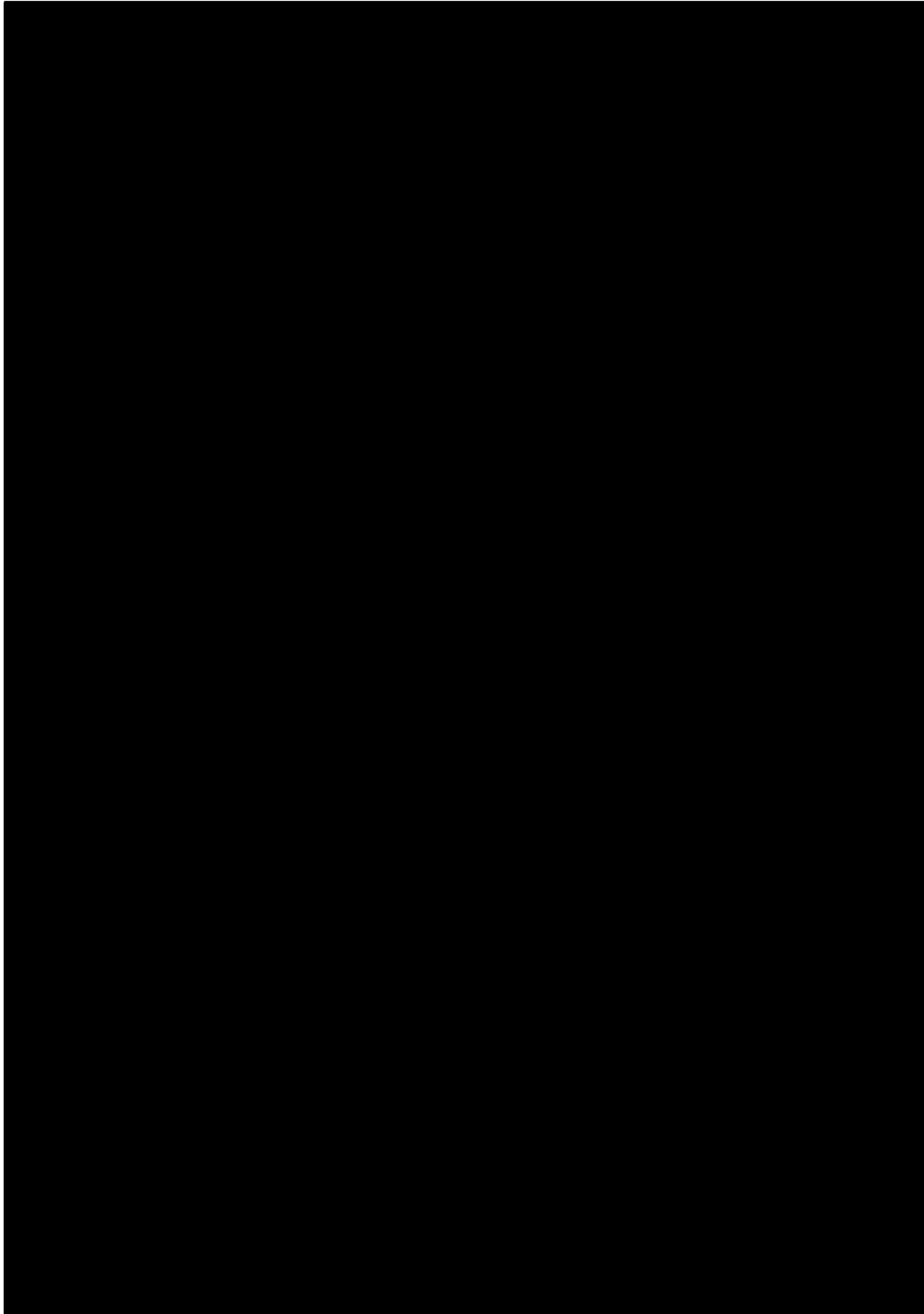
EXHIBIT

A

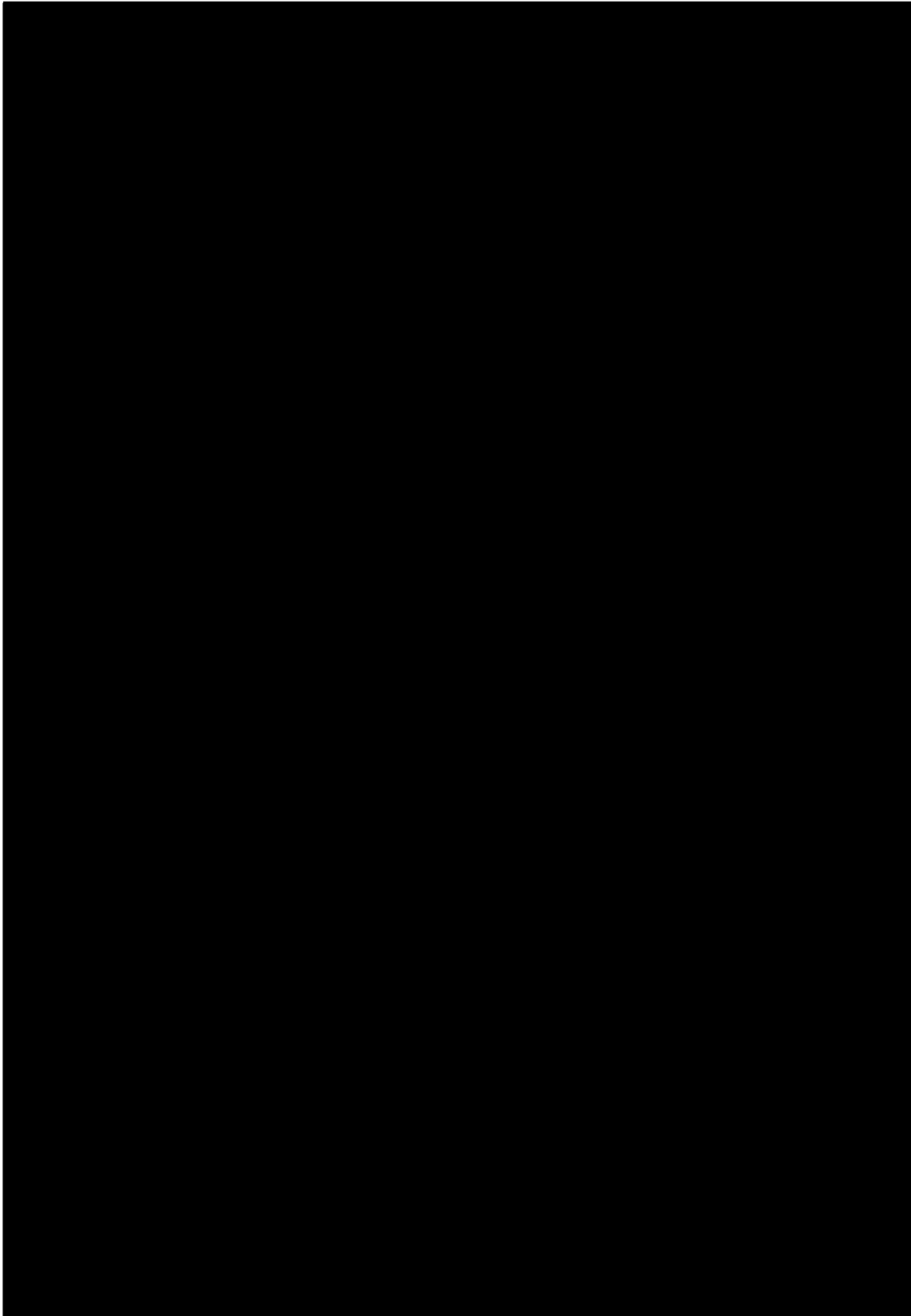
JUNE, 2009



JUNE, 2009



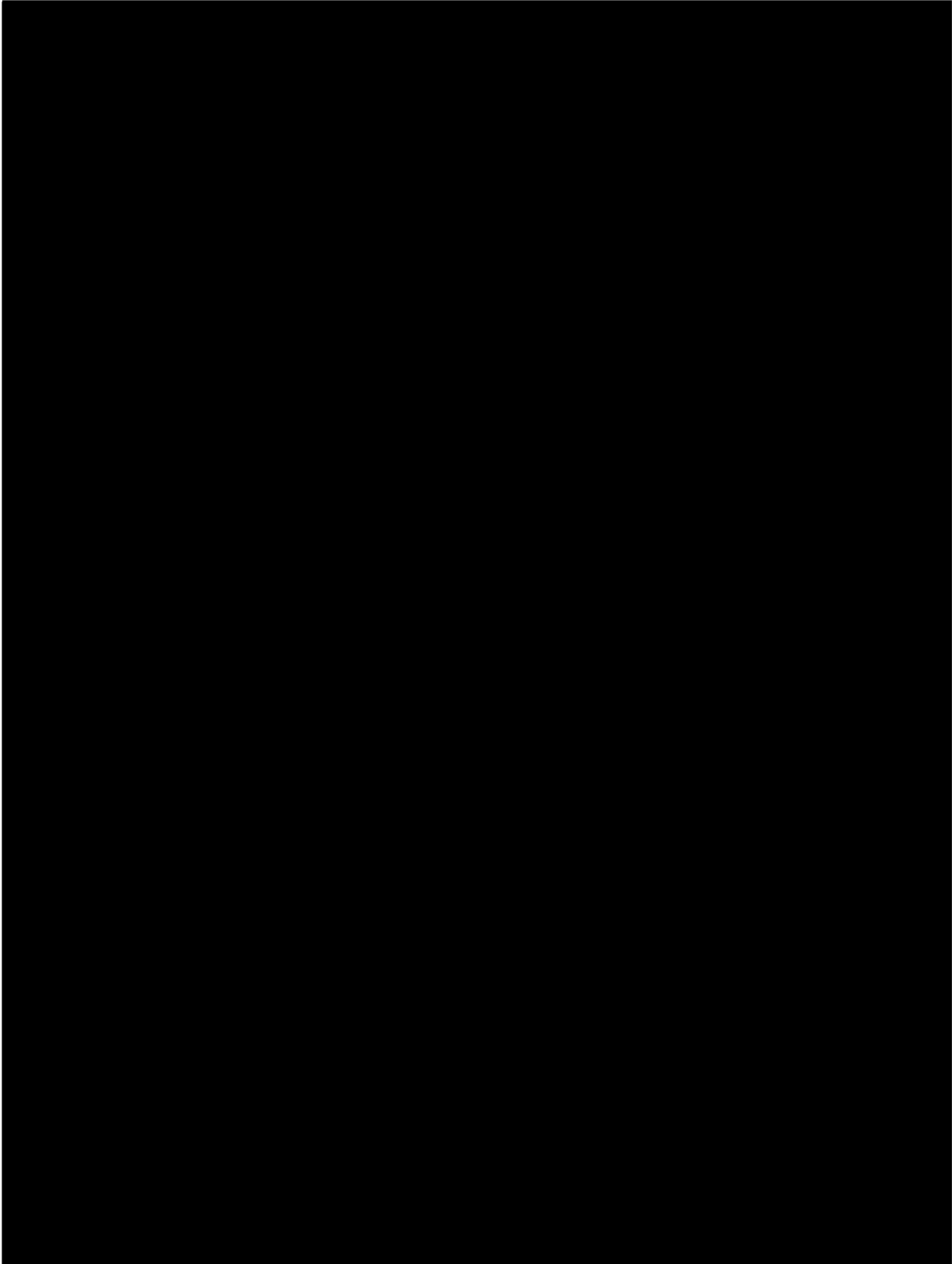
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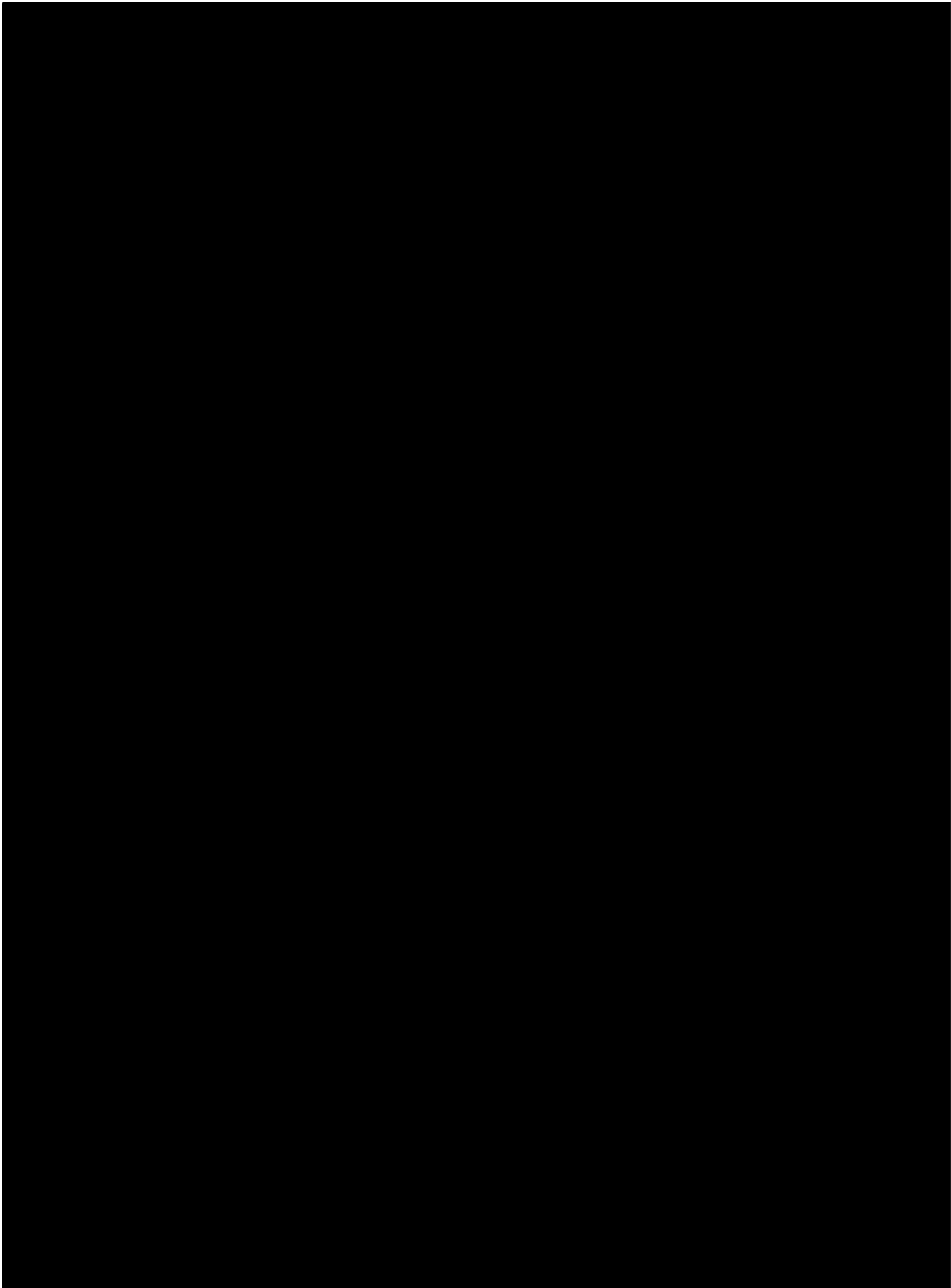
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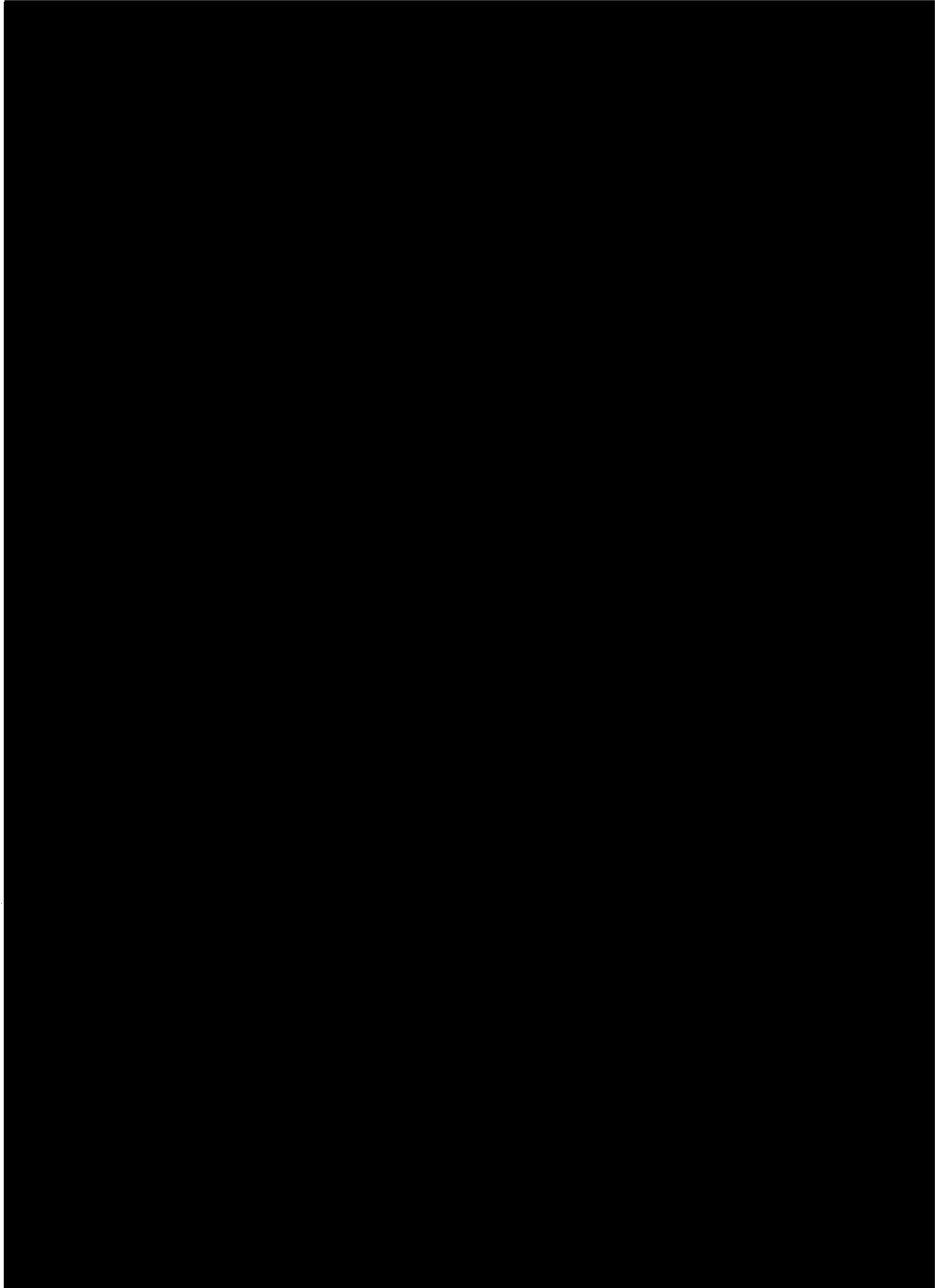
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July, 2009



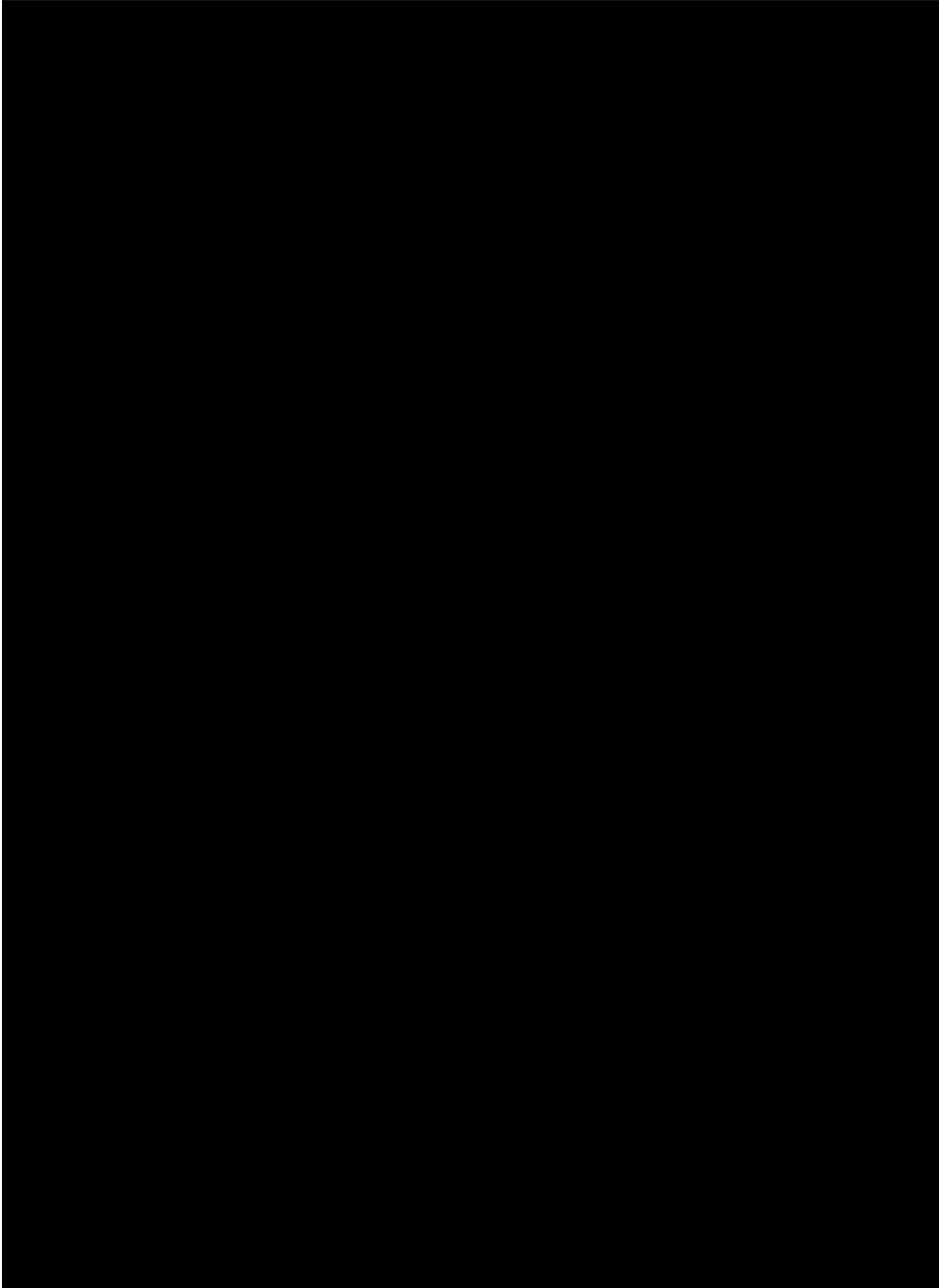
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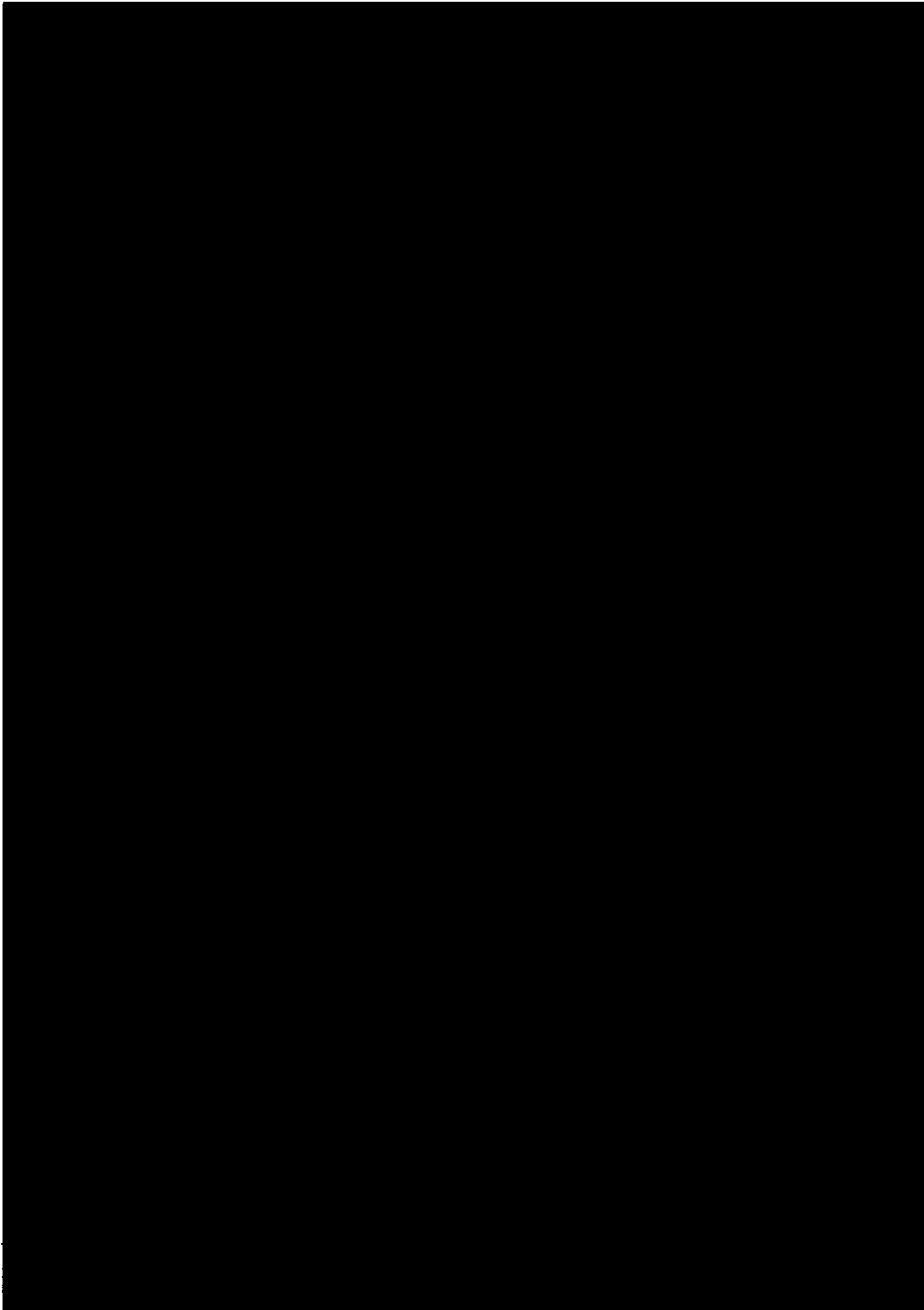
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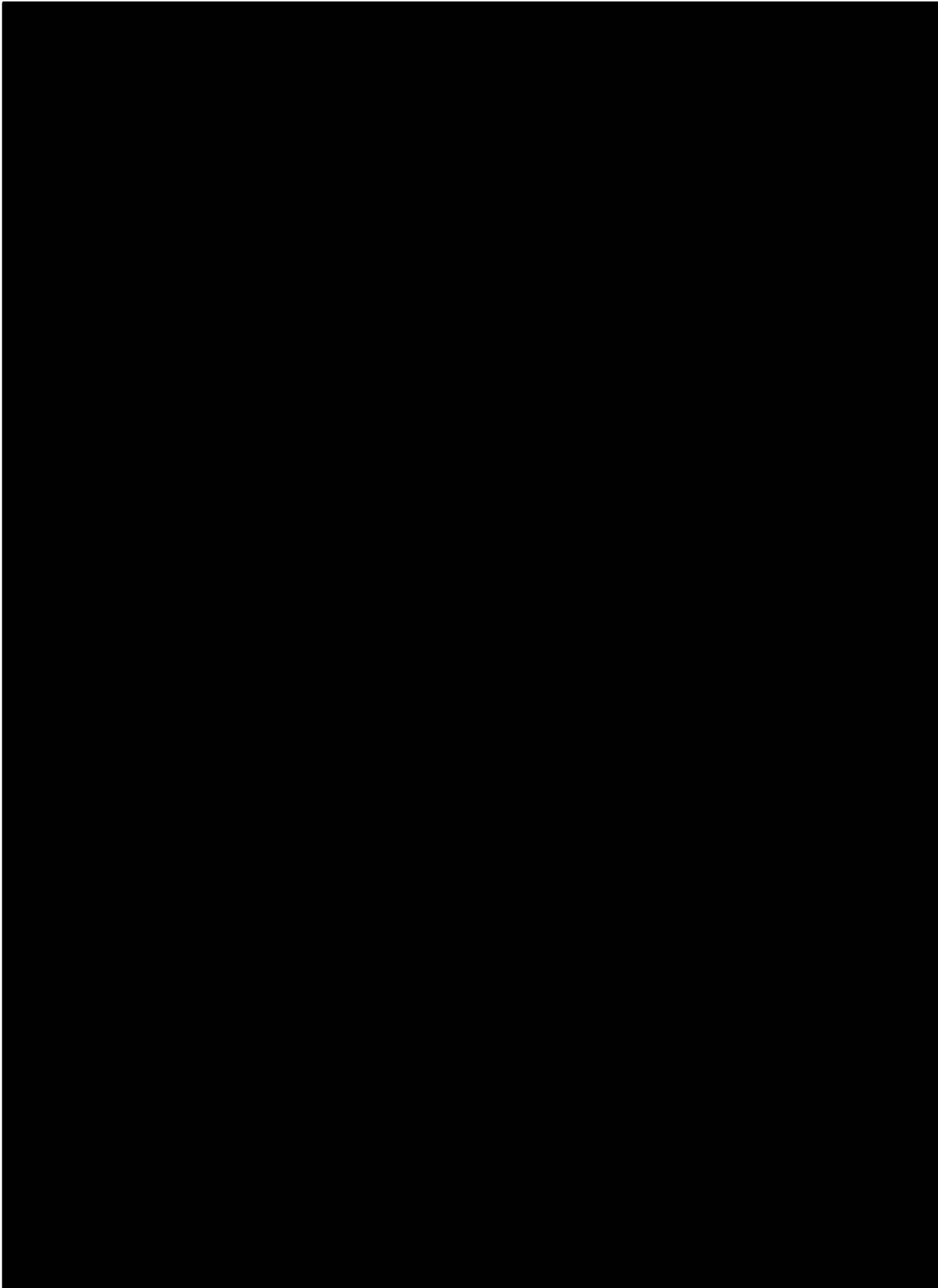
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MARCH 2010



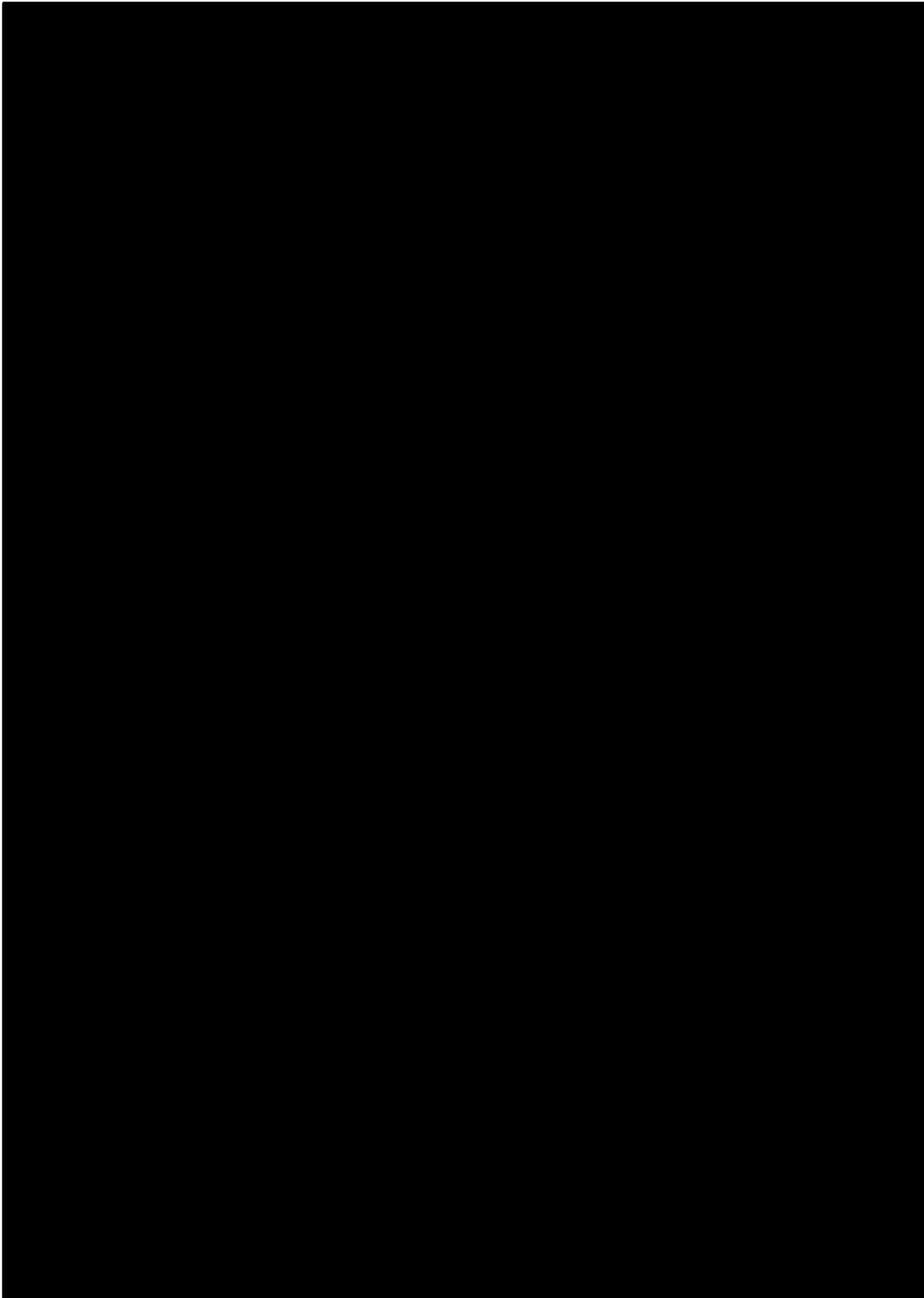
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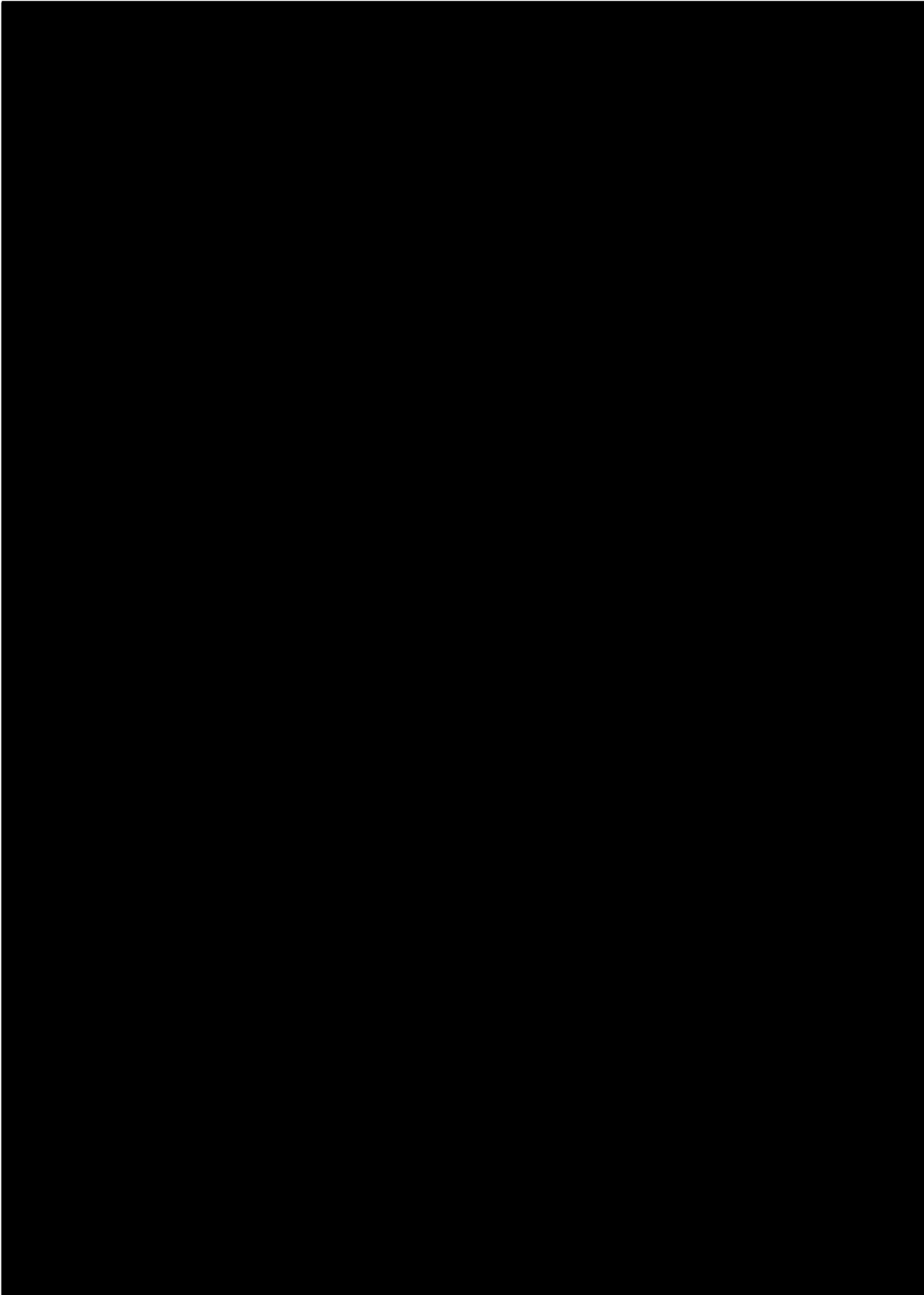
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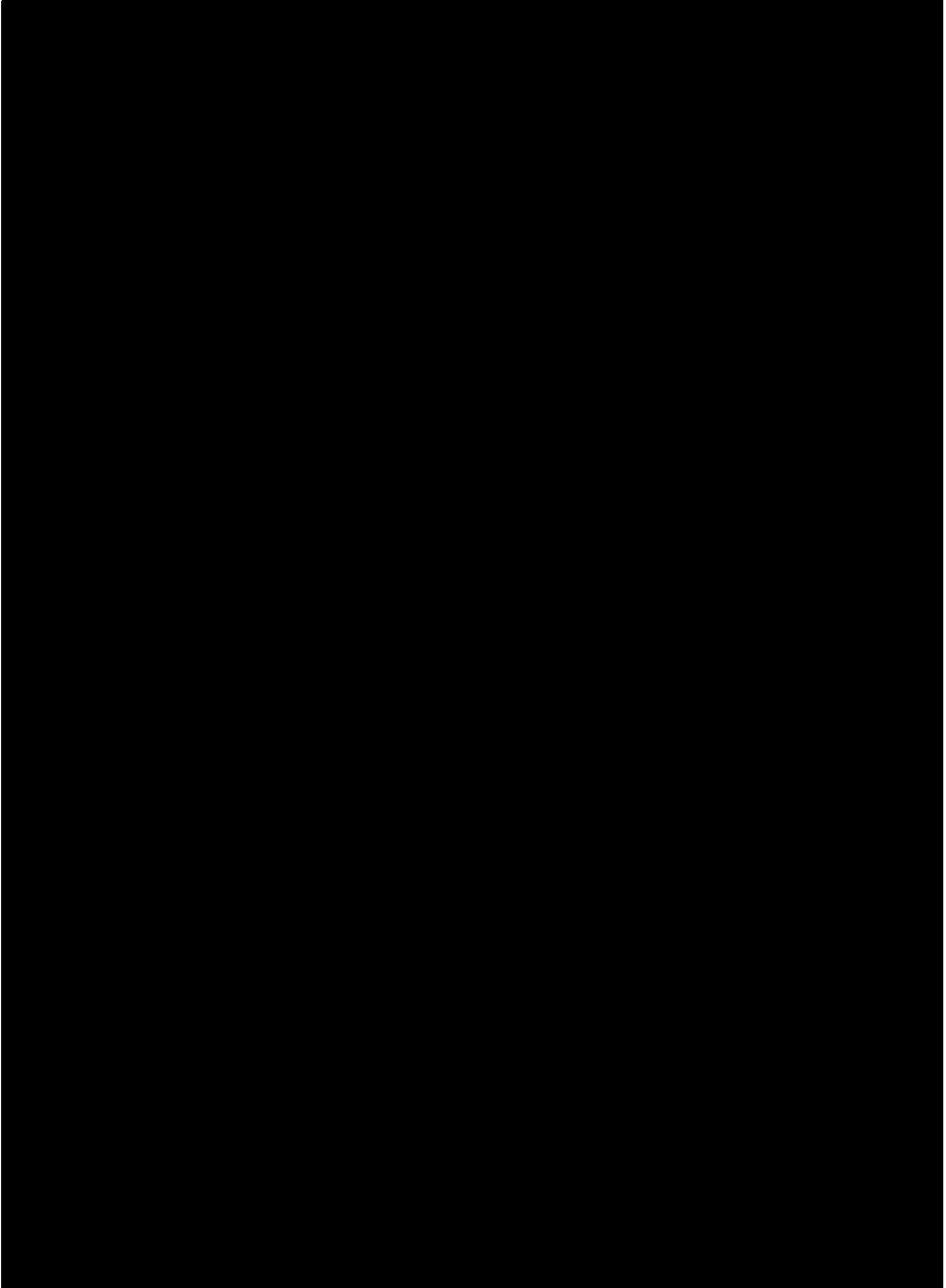


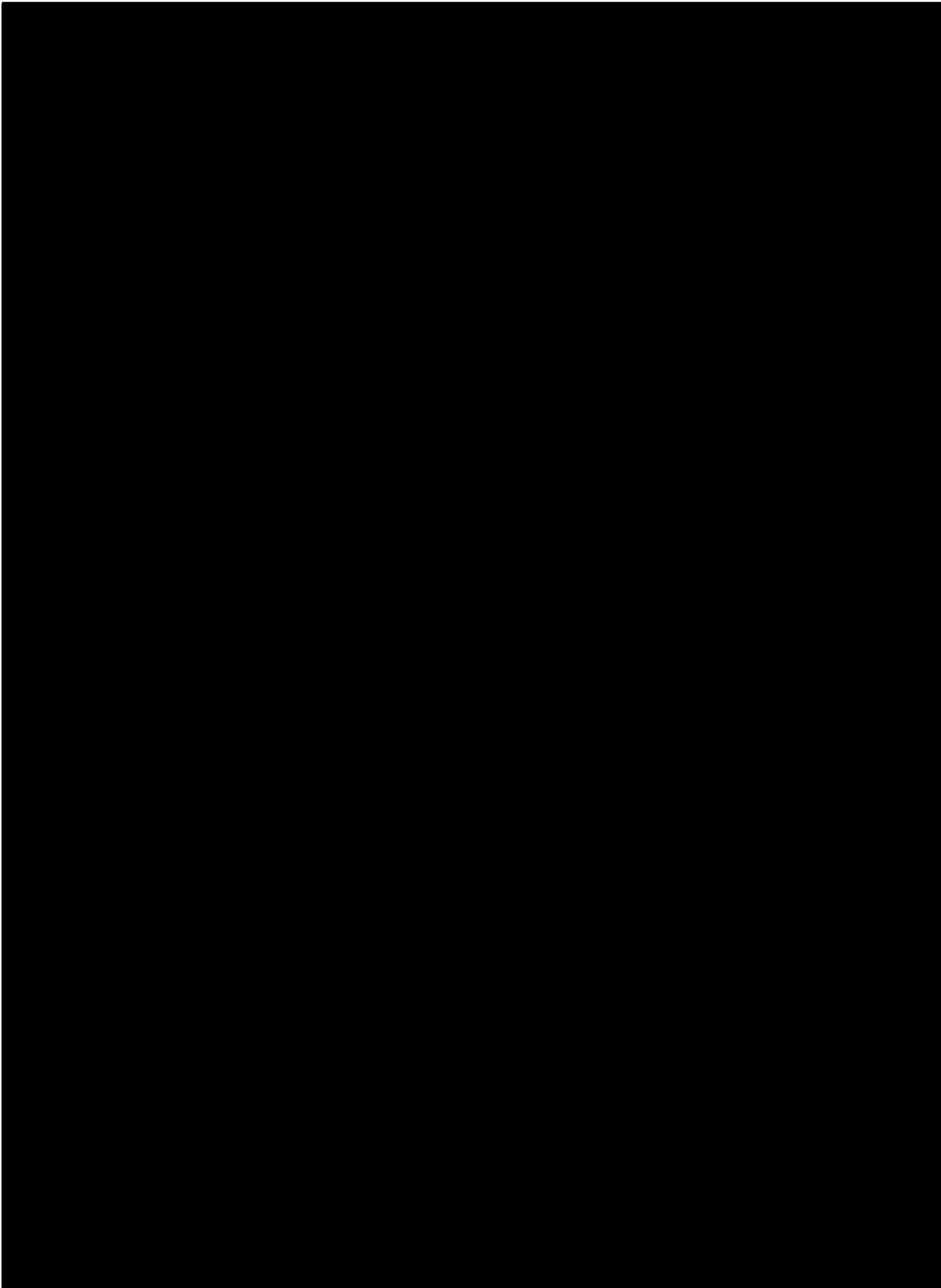
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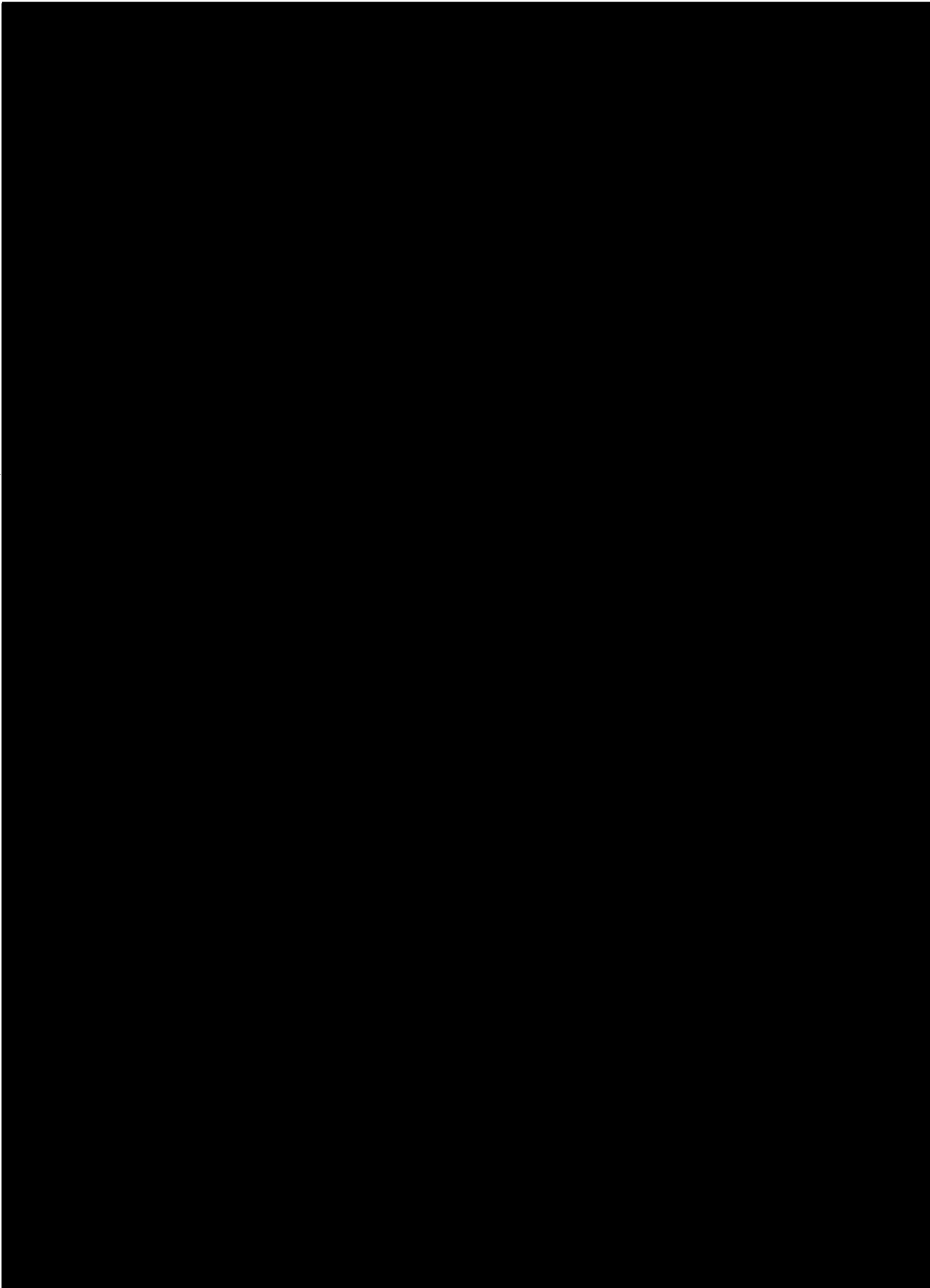
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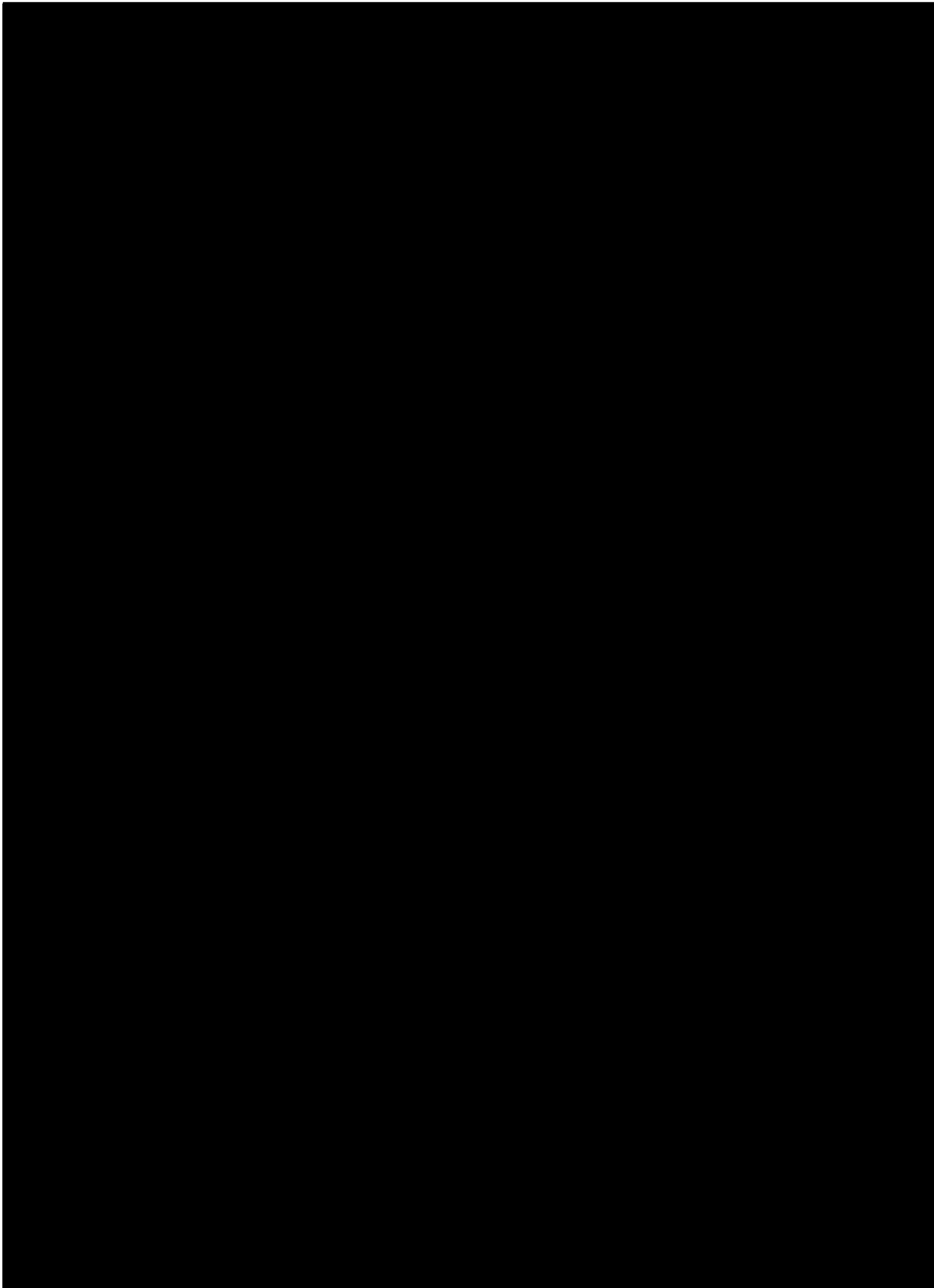




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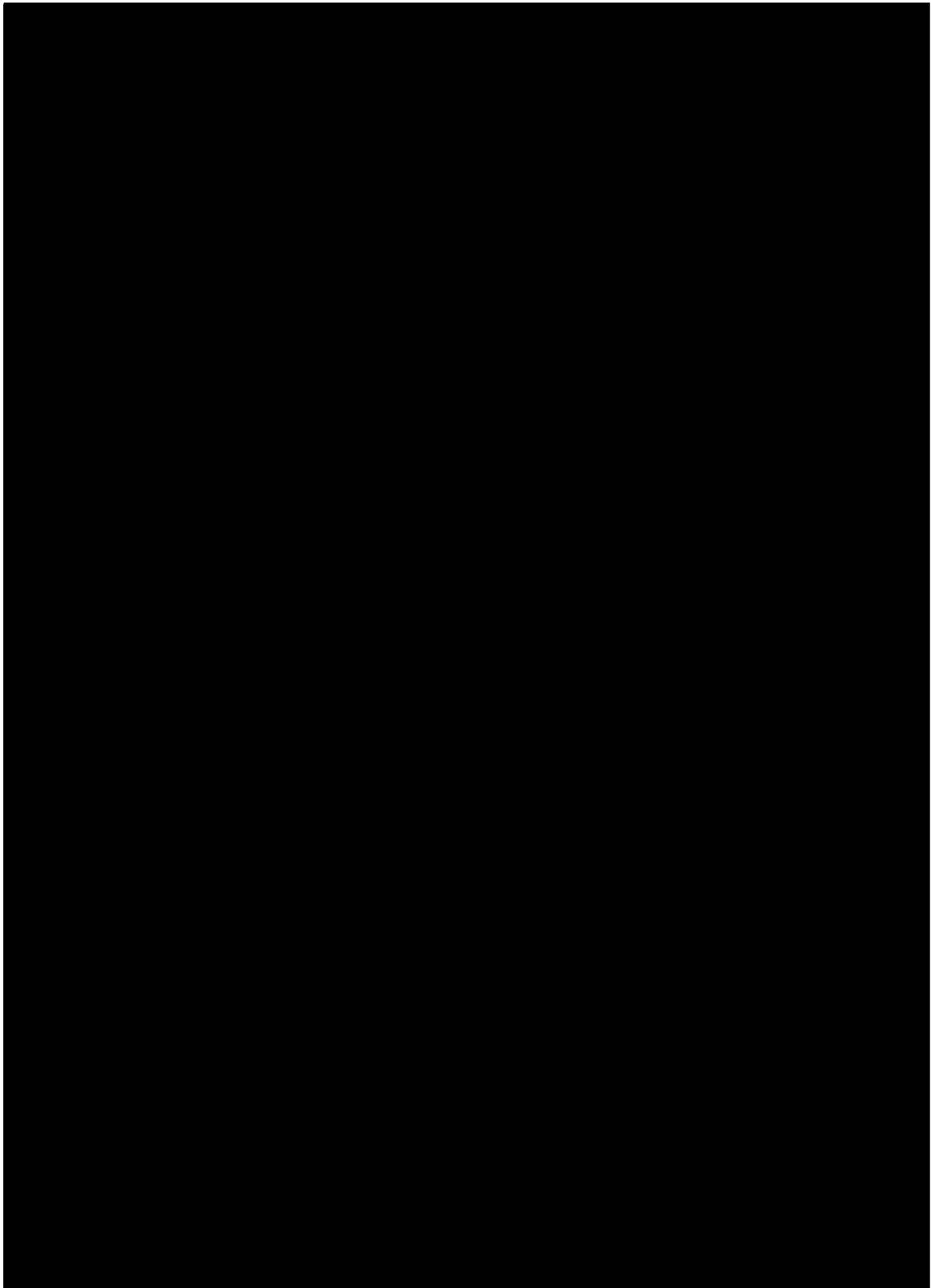
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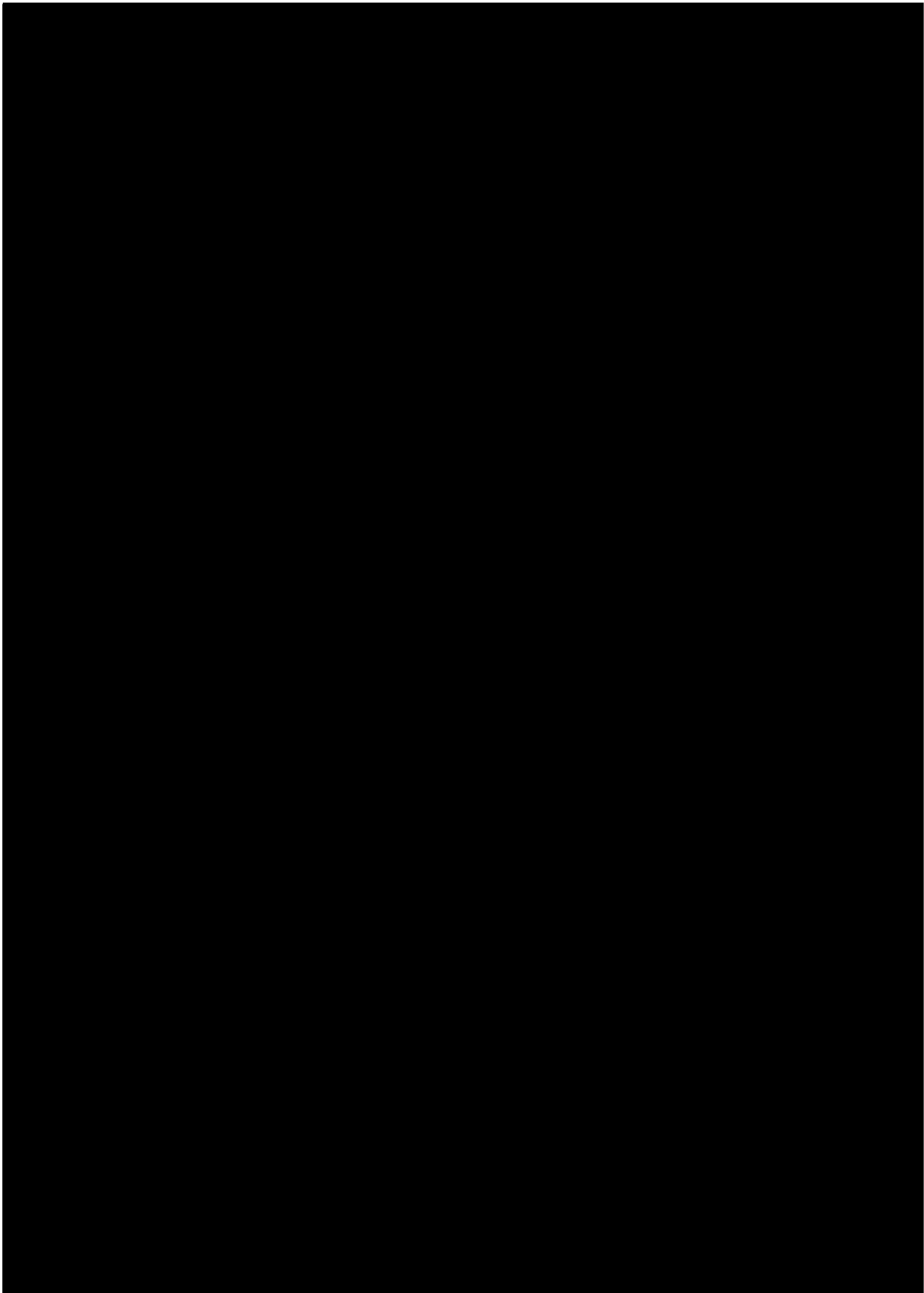




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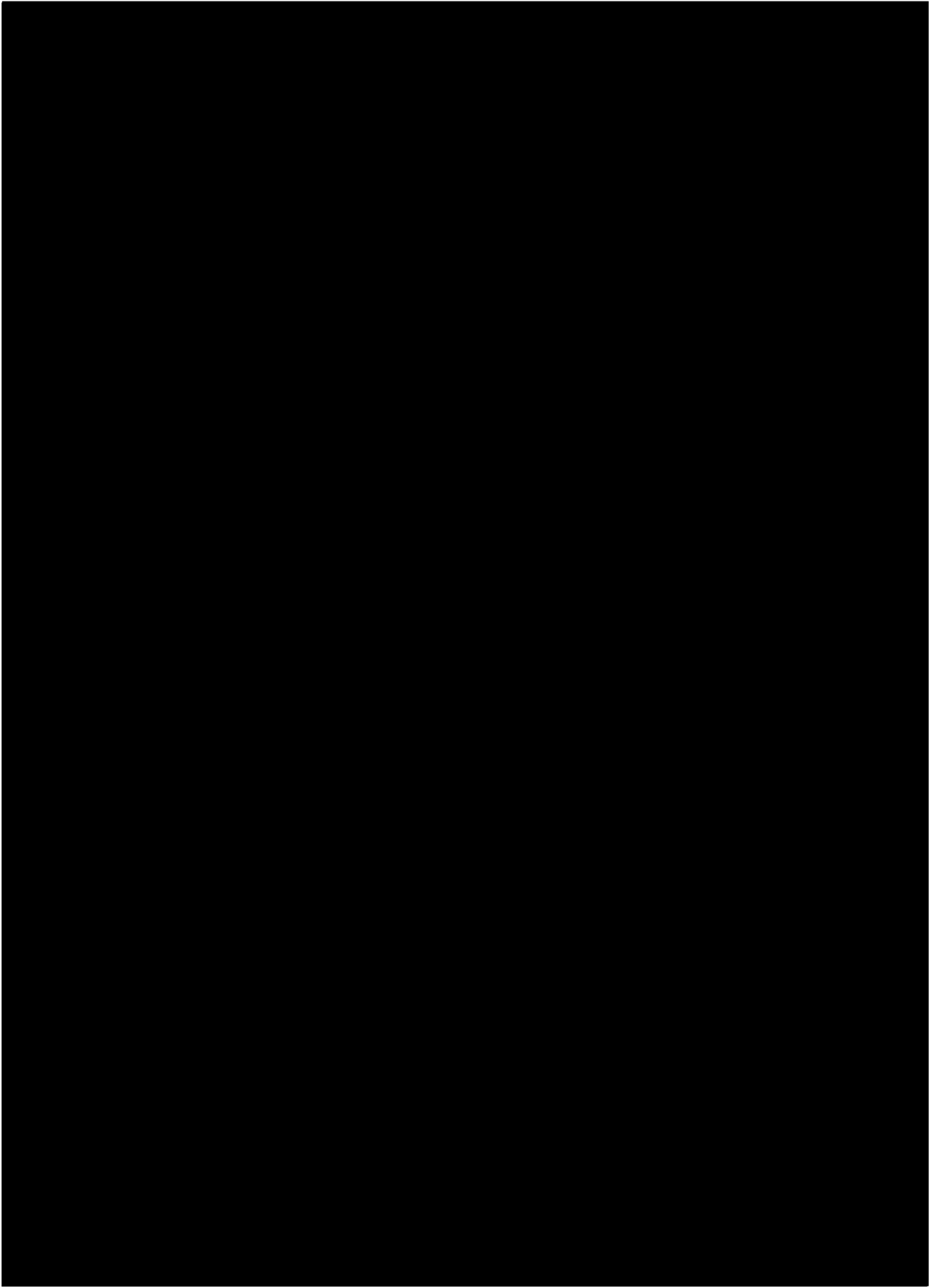
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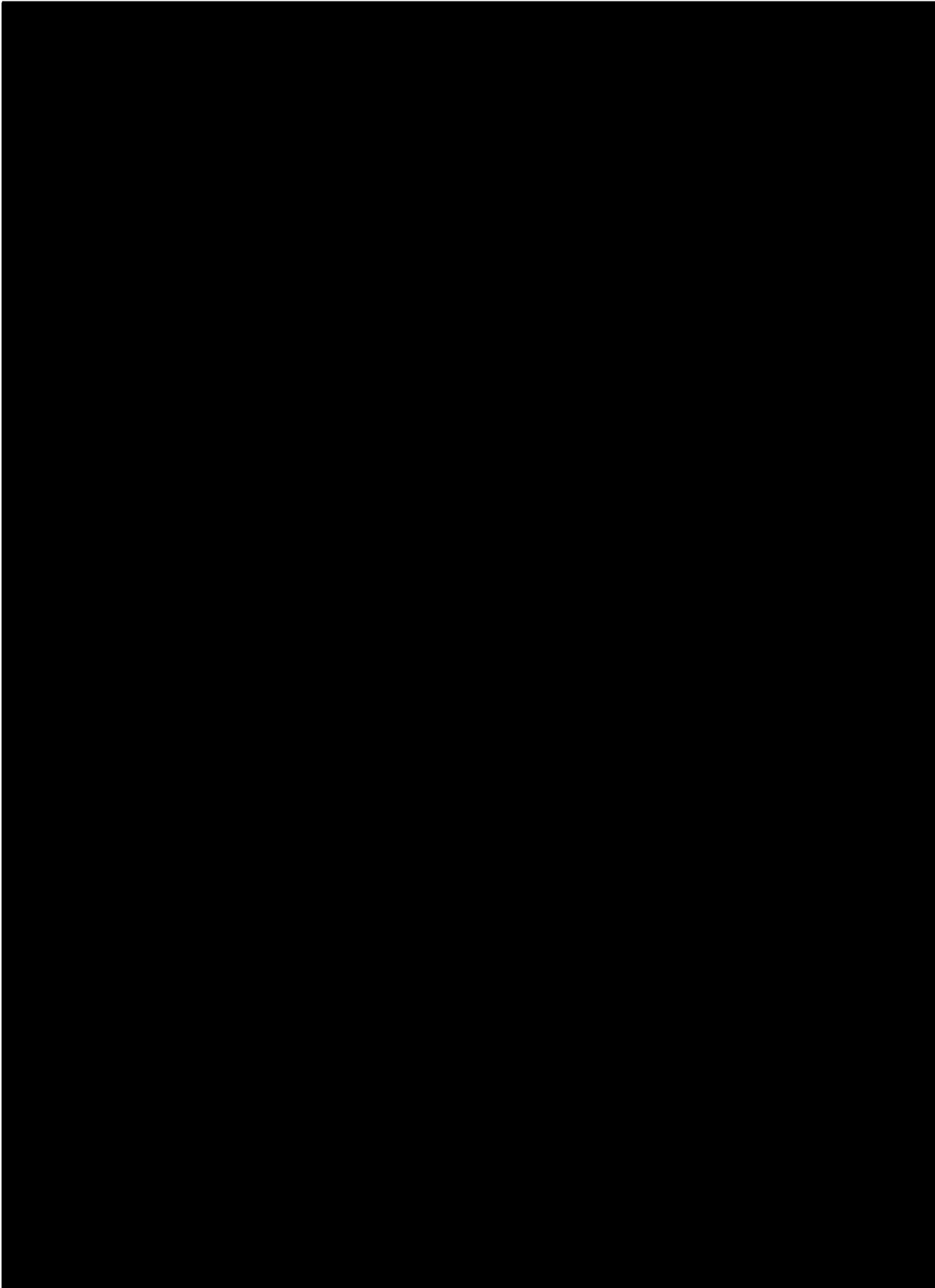




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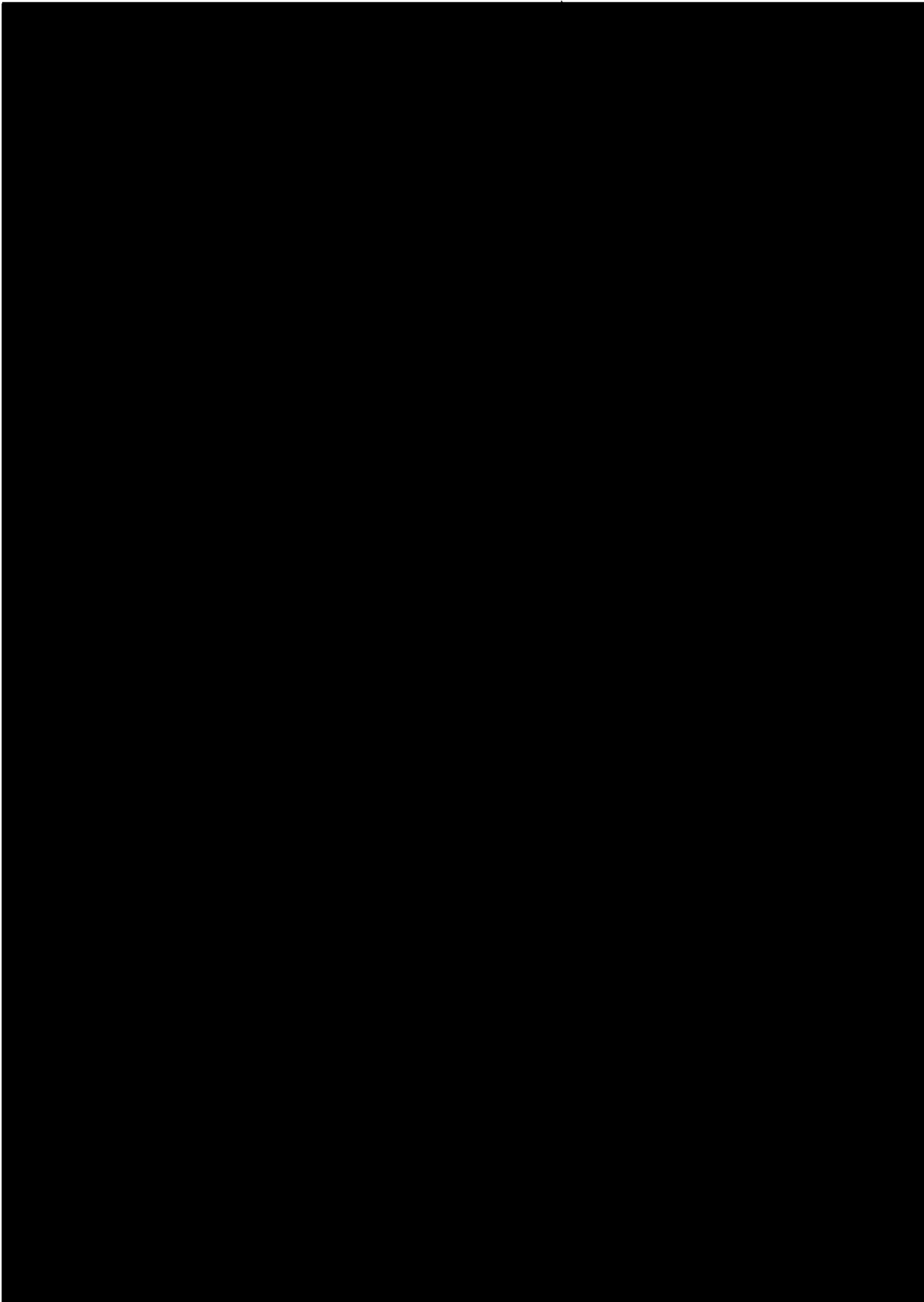
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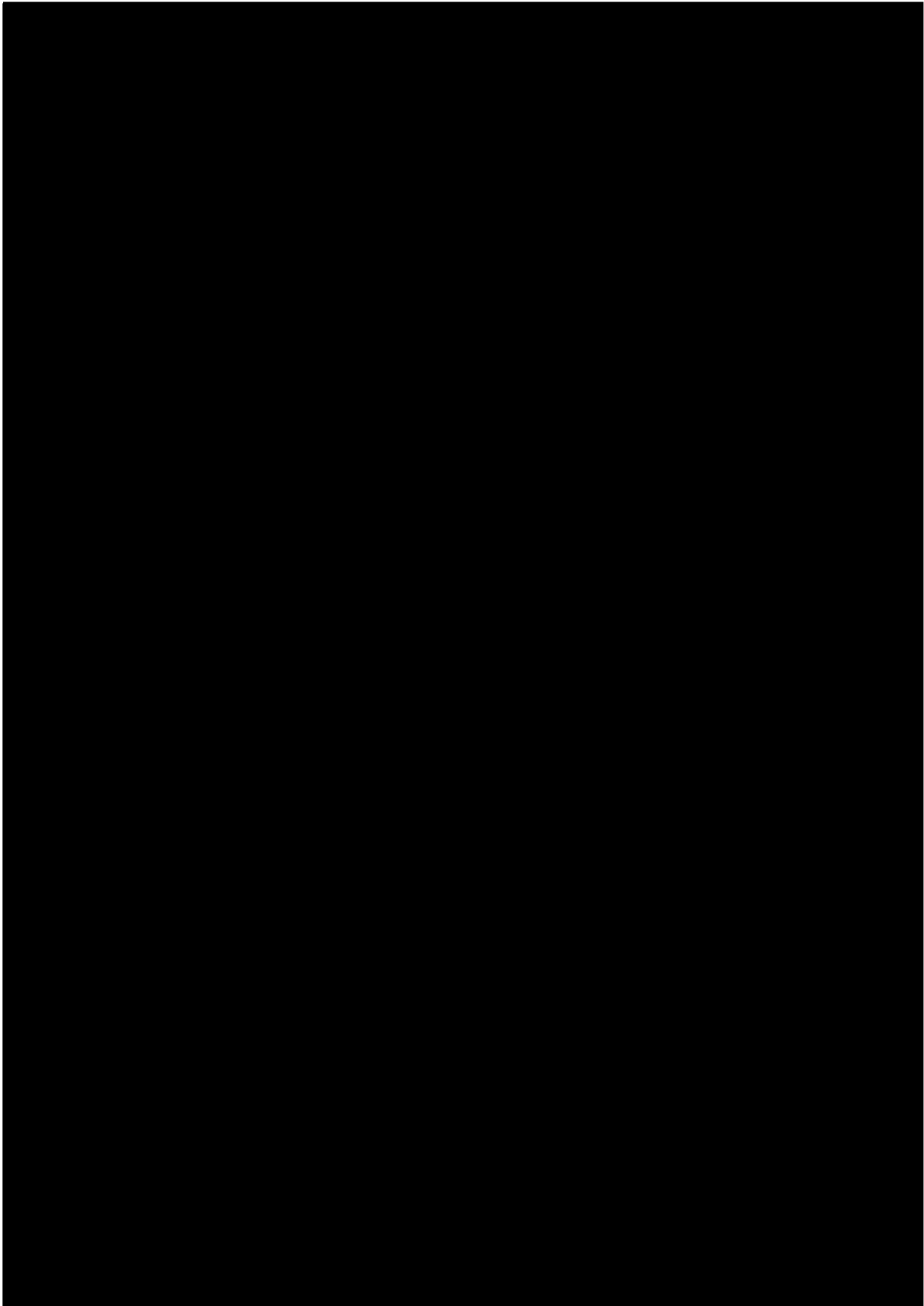




EXHIBIT

J





EXHIBIT

K

