

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 August 23, 2012 Jos LaRose for / pour REGISTRAR / REGISTRAIRE	
OTTAWA, ONT	# 201

THE COMMISSIONER OF COMPETITION

Applicant

AND

THE TORONTO REAL ESTATE BOARD

Respondent

AND

**THE CANADIAN REAL ESTATE ASSOCIATION and
REALTYSELLERS REAL ESTATE INC.**

Intervenors

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

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

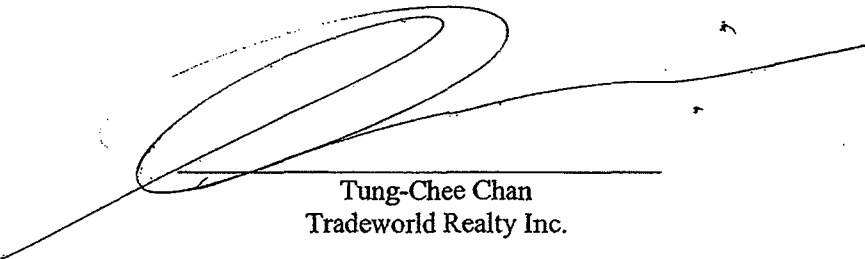
- I am the sole owner of Tradeworld Realty Inc. ("TW") and have been since 1985. Tradeworld Realty Inc. ("TW") is a brokerage that trades in real estate under its own banner. I am the broker of record of TW.
- I have been a member of The Toronto Real Estate Board ("TREB") since 1974 when I first became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

3. TW serves all of the GTA with 5 offices located in Markham, Thornhill, and on Dundas Street West, at Kennedy and Sixteenth Avenue and West Harbor City in the City of Toronto.
4. TW has approximately 228 salespersons acting on its behalf. All are independent contractors 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 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. 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 calibre of its salespersons.

SIGNED this 27th day of July, 2012



Tung-Chee Chan
Tradeworld Realty Inc.

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THE COMMISSIONER OF COMPETITION Applicant - and - THE TORONTO REAL ESTATE BOARD Respondent - and - THE CANADIAN REAL ESTATE ASSOCIATION and REALTYSELLERS REAL ESTATE INC. Intervenors
WITNESS STATEMENT OF TUNG-CHEE CHAN, TRADEWORLD REALTY INC.
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