

OREGON REAL ESTATE AGENCY

BUDGET PRESENTATION
Joint Committee on Ways and Means
Subcommittee on Transportation & Economic Development
JANUARY 30, 2025



STEVE STRODE,
REAL ESTATE COMMISSIONER

AUTHORITY

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

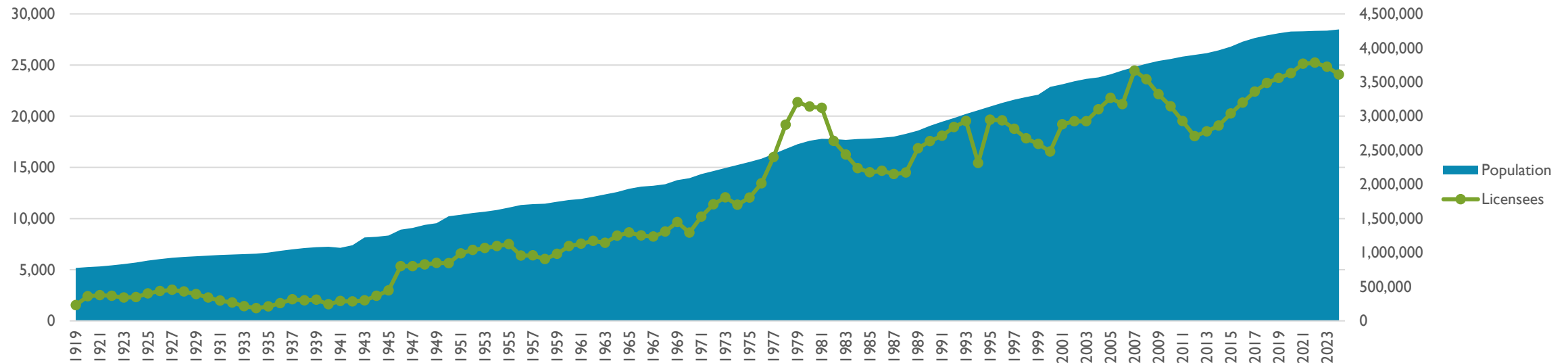
Jurisdiction includes:

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

HISTORICAL CONTEXT

- 1919: Agency Established
- 1920-30s: Great Depression
- 1940s: Federal Housing Administration & Fannie Mae Formed; GI Bill Introduced
- 1950-60s: Oregon Fair Housing Laws & Federal Civil Rights Act
- 1960-70s: Expanded Jurisdiction
- 1980-90s: Savings & Loan Crisis, Property Manager License Instituted, Agency Reorganization, Appraisers Separated
- 2000-10s: Great Recession, Economic Recovery
- 2020s: Remote Work, Rising Prices – New Licensee Peak

1:200 - Licensee to Population



OREGON REAL ESTATE AGENCY

MISSION STATEMENT

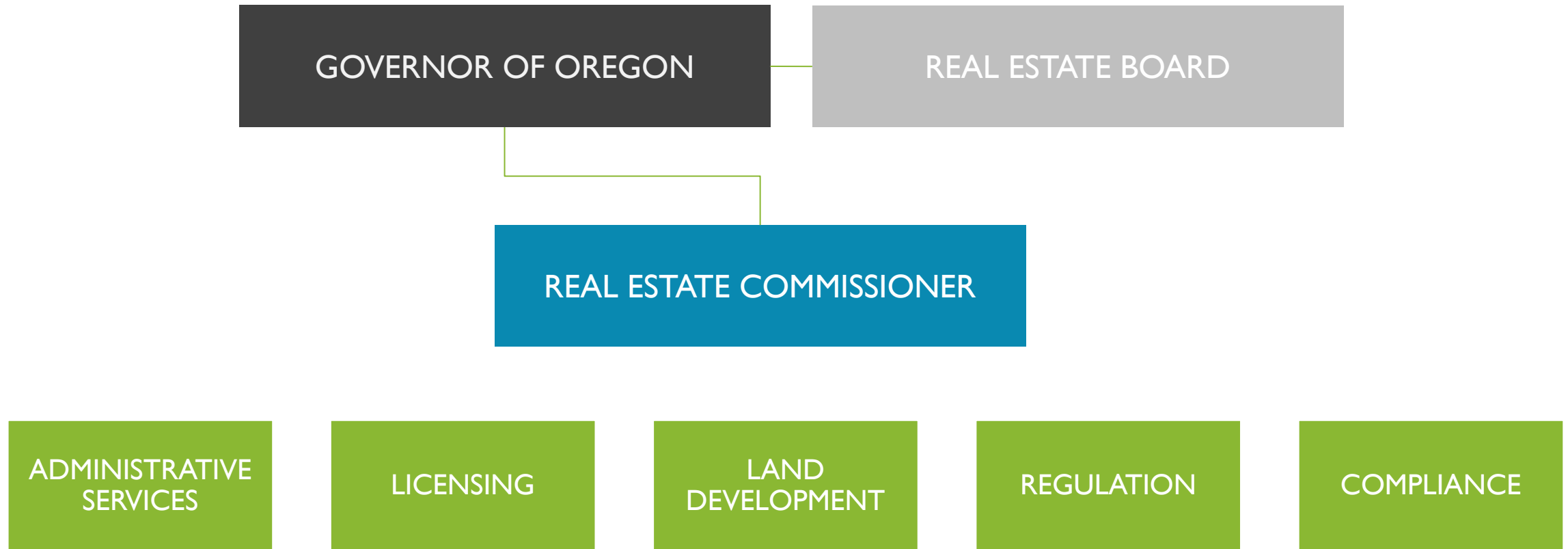
To provide quality protection for *Oregon consumers* of real estate, escrow, and land development services, *balanced with a professional environment* conducive to a healthy real estate market atmosphere.

OREGON REAL ESTATE AGENCY

VALUES

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

SUMMARY OF PROGRAMS



REAL ESTATE BOARD

- **Appointed by the Governor**



REAL ESTATE BOARD



Michael Warren, Principal Broker
2025 Board Chair
Crook County Properties
Prineville



Jessenia Juarez, Public Member
2025 Vice-Chair
Portland Housing Center
Portland



LaTasha Beal, Principal Broker
2024 Board Chair
Keller Williams Sunset Corridor
Tigard



Jose Gonzalez, Principal Broker
2023 Board Chair
Tu Casa Corp
Salem



Tom Tapia, Principal Broker-CCIM
Fratzke Commercial Real Estate Advisors
Bend



Debra Neal, Principal Broker
Windermere Realty Trust
Portland



James Komro, Public Member
Two Rivers Mortgage
Milwaukie



Stacy Ellingson, Principal Broker
Fisher Nicholson Realty, LLC
Klamath Falls



Dawn Duerksen, Property Manager
Duerksen & Associates, Inc.
Corvallis


REAL ESTATE COMMISSIONER

Stakeholder Engagement




A dark green vertical bar with a white icon of three stylized human figures at the top, representing stakeholder engagement.

Policy




A teal vertical bar with a white icon of a document with arrows pointing left and right, representing policy.

Disciplinary Action



A teal vertical bar with a white icon of a document with an 'X' mark, representing disciplinary action.

Operations



A teal vertical bar with a white icon of a circular process with three nodes and arrows, representing operations.

PROGRAM AREAS

Licensing

1

Administrative Services

Land Development

Regulation

Compliance

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 the compliant intake process.*
 - *Manager, Nenah Darville*

PROGRAM AREAS

Licensing

Administrative Services

2

Land Development

Regulation

Compliance

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, Reba Dunnington*

PROGRAM AREAS

Licensing

Administrative Services

Land Development

3

Regulation

Compliance

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

Licensing

Administrative Services

Land Development

Regulation

4

Compliance

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

Licensing

Administrative Services

Land Development

Regulation

Compliance

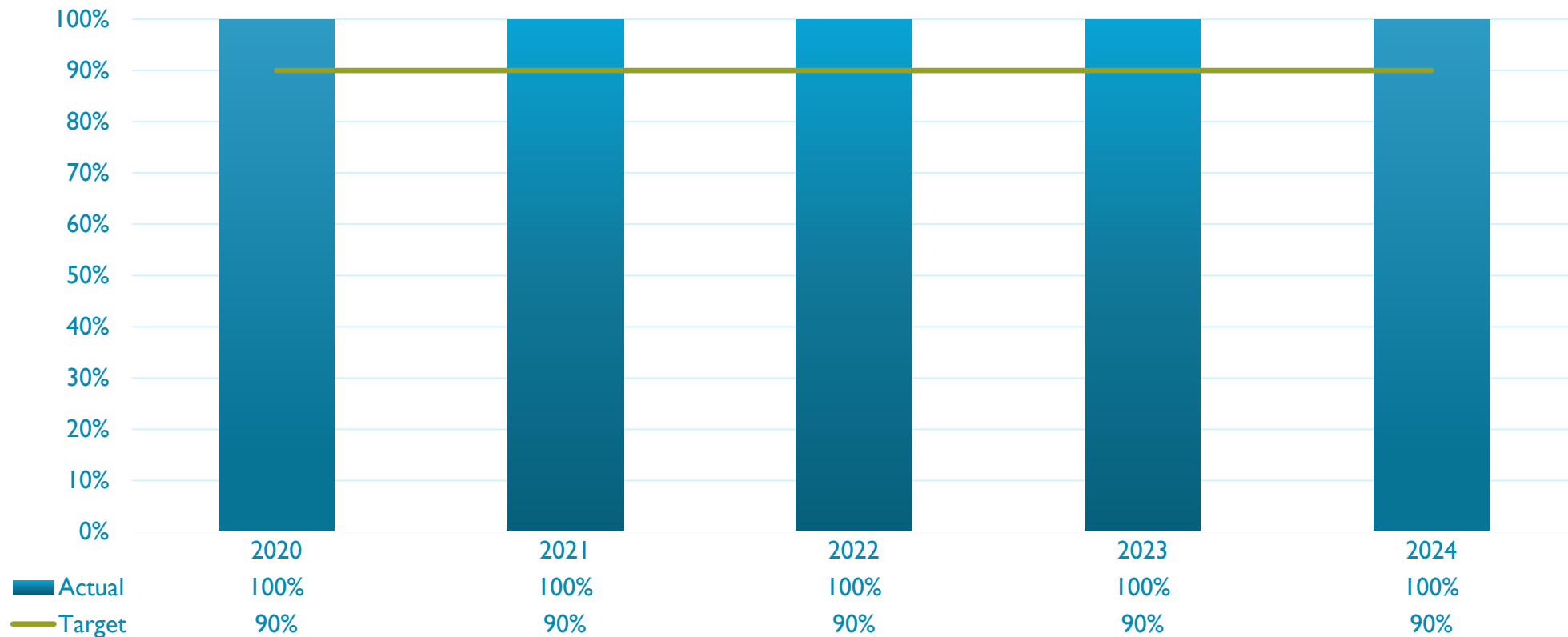
5

DIVISION MISSION STATEMENT

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

KEY PERFORMANCE MEASURE #1 COMPLIANCE REACHED IN 45 DAYS

 % of licensees that corrects compliance issue within 45 days **100%**

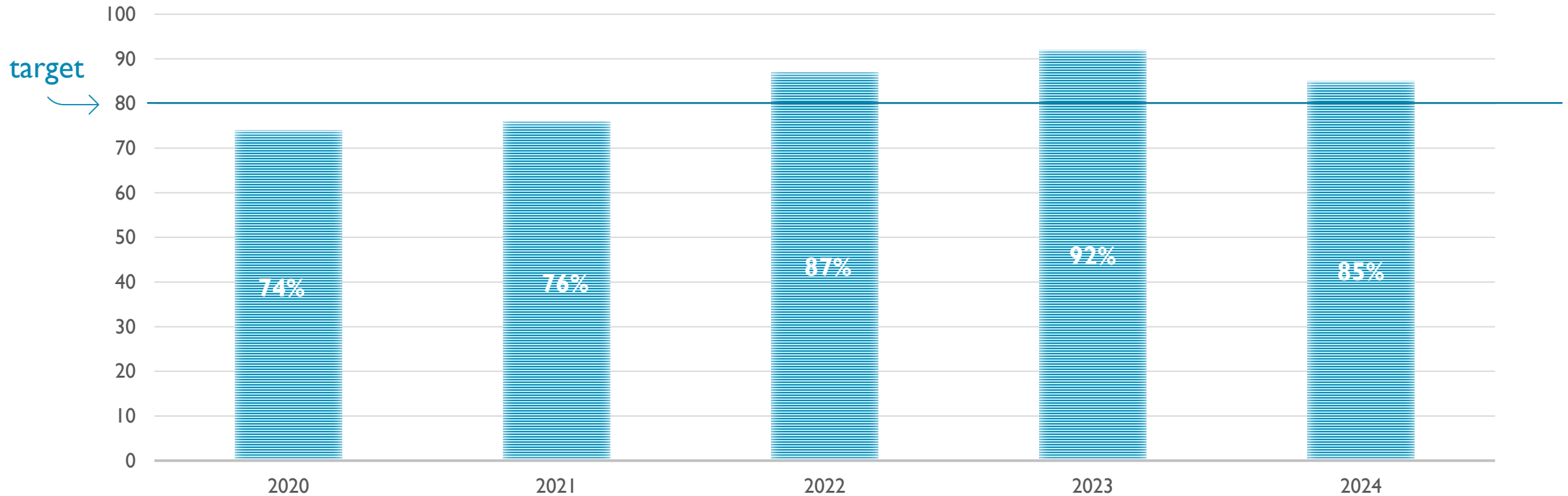


KEY PERFORMANCE MEASURE #2 INVESTIGATIONS COMPLETED IN 150 DAYS



% of cases closed
within 150 days
of receipt

85%



INVESTIGATION



Average Days to
complete investigation

122 Days

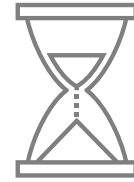
ADMINISTRATIVE REVIEW



Average Days to
complete an admin review

14 Days

HEARING PROCESS



Average Days to
complete when case goes
to hearing

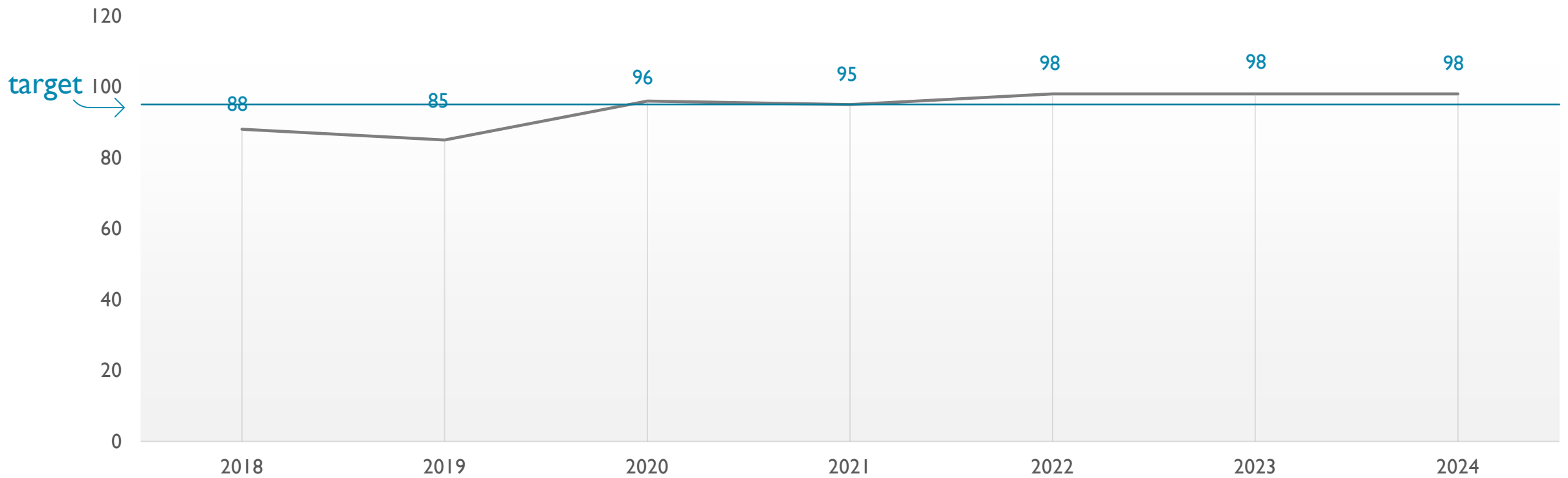
379 Days

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



% of contested cases settled

98%



KEY PERFORMANCE MEASURE #3 – VERBIAGE CLARIFICATION

From:

- *Percent of **contested** case actions that are resolved through informal settlement resolution and prior to a formal hearing before the Office of Administrative Hearings.*

To:

- *Percent of **contested** case actions that are resolved through informal settlement resolution and prior to a formal hearing before the Office of Administrative Hearings.*

'Thank you very much for the communication and the time you spent in education and answering questions. I always appreciate learning. You made the process informative and easy. I think it could have been intimidating-- I don't like being "in trouble!" I very much appreciate your candor and professionalism.'

'I will review this letter carefully, go over everything with my team, and make all the appropriate changes to approve my processes and ensure I am meeting all of my requirements.'

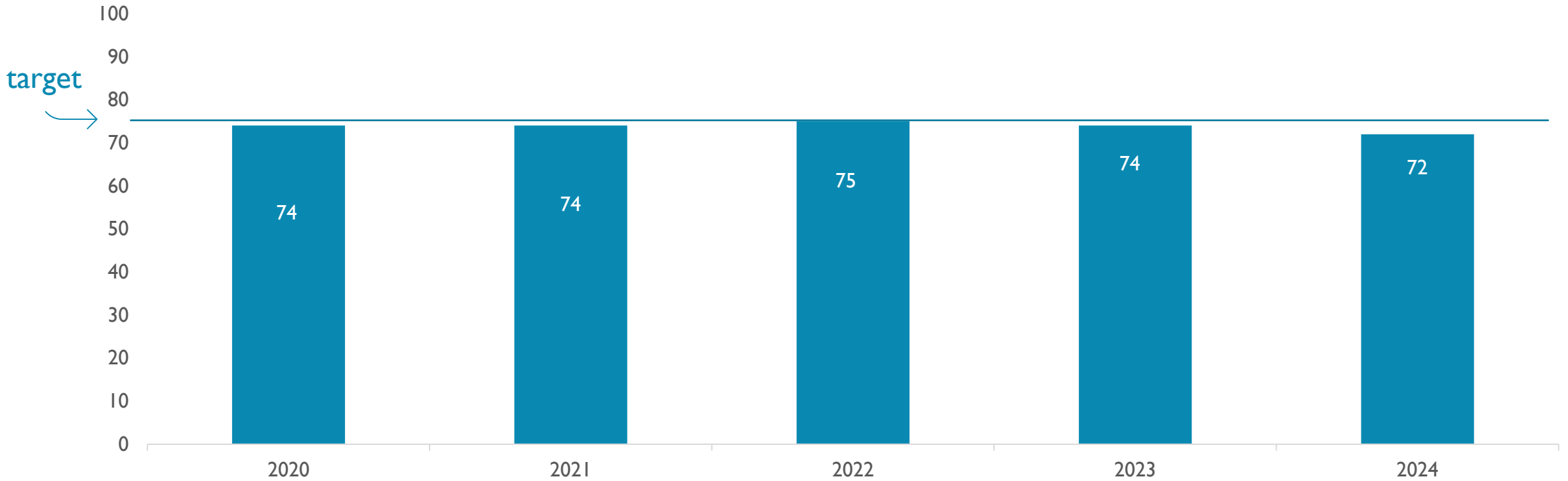
I appreciate the professionalism of your team through this process and welcome the help to improve my processes.'

KEY PERFORMANCE MEASURE #4 EXAM TAKERS RANKING GOOD/EXCELLENT



Exam As Effective
Screen

72%

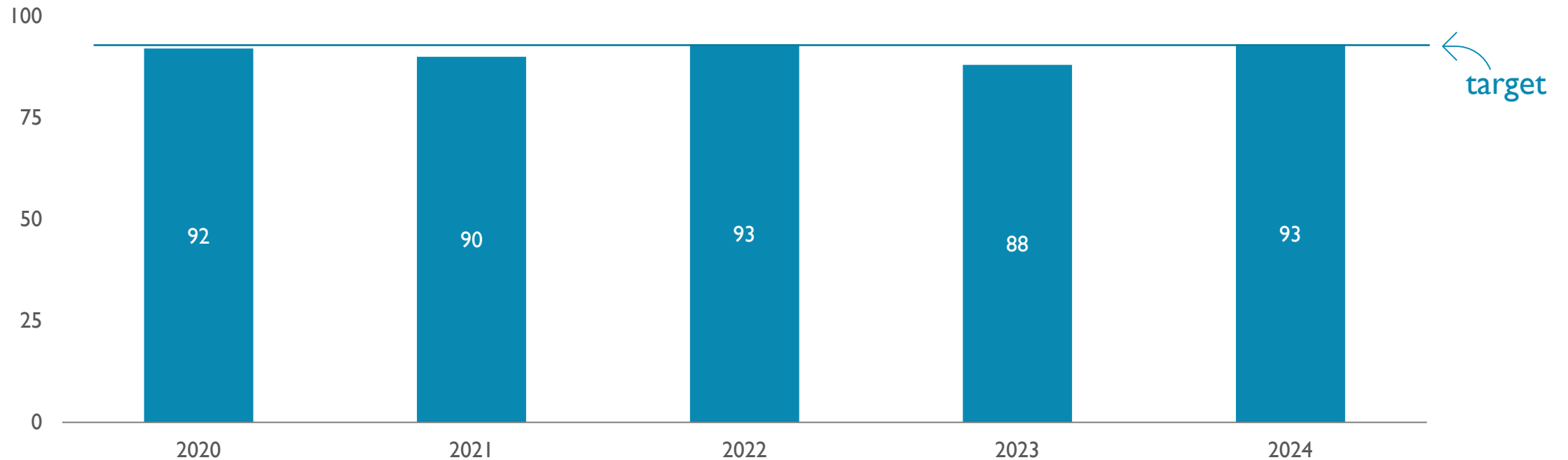


KEY PERFORMANCE MEASURE #5 CUSTOMER SERVICE

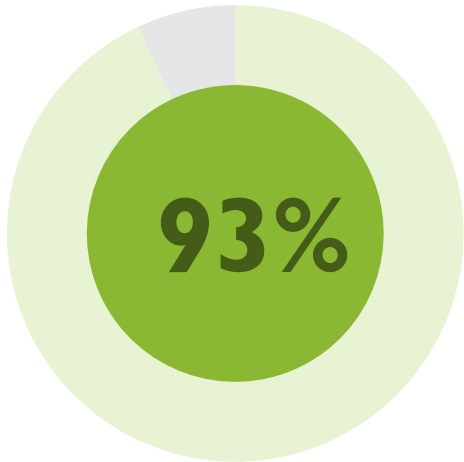


Cumulative
Performance

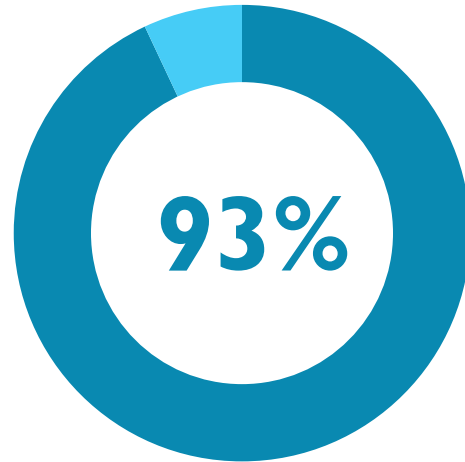
93%



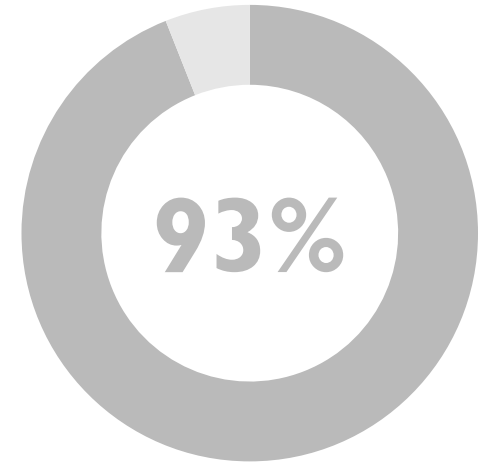
OVERALL



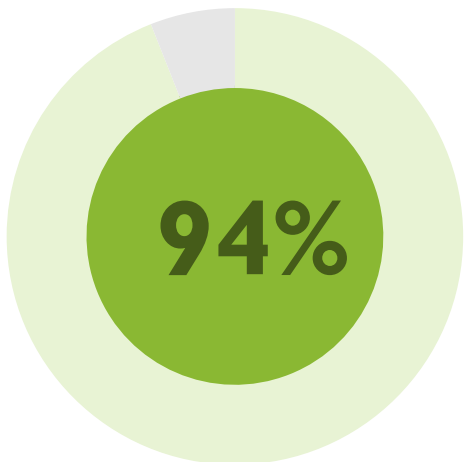
AVAILABILITY OF INFORMATION



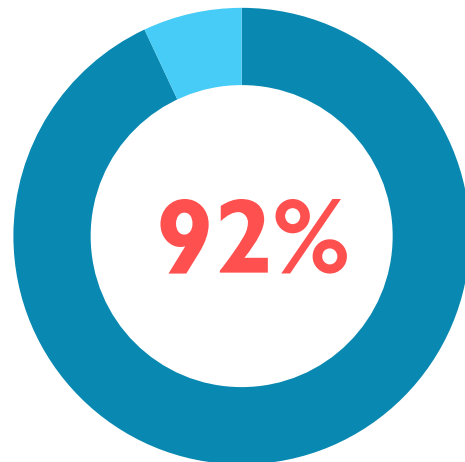
TIMELINESS



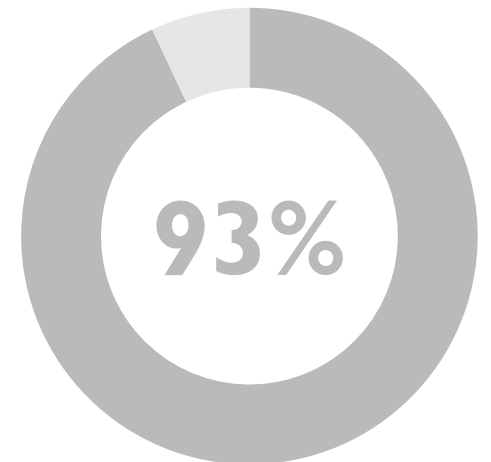
ACCURACY



EXPERTISE



HELPFULNESS



'Nenah cares about us and does extra to make our process smooth and quick.'

'Nenah Darville is the most efficient and professional Specialist I have ever talked to.'

'Cory was fantastic to work with, extremely helpful and very professional.'

'Cory was careful to cover all bases and offered his services if I hit any snag in executing his directives.'

'Kaely helped me and she represented the Agency exceptionally well. I appreciated Kaely's patience and clear answers to my questions.'

'Kaely is excellent!'

'Off the Charts for Elizabeth'

'Elizabeth Rocks, She Deserves a Raise!!!'

'Tammy was so friendly and wonderful to speak with!'

'I was so pleased with Tami's efforts to not just get to things, but actually do them while we were on the phone together. Very impressive and very helpful.'

'Marcy for Governor!'

'I messed up, Katie saved me!!!'

GOALS

Improve Customer Service & Streamline User Experience

Increase Consumer Protection Impact

Enhance Diversity, Equity & Inclusion Efforts

INVESTMENTS

Upgrade Licensing & Regulatory System

Fiscal Auditor & Compliance Specialists

Human Resources Position

PROGRESS MADE & PLANS FOR 2025-2027

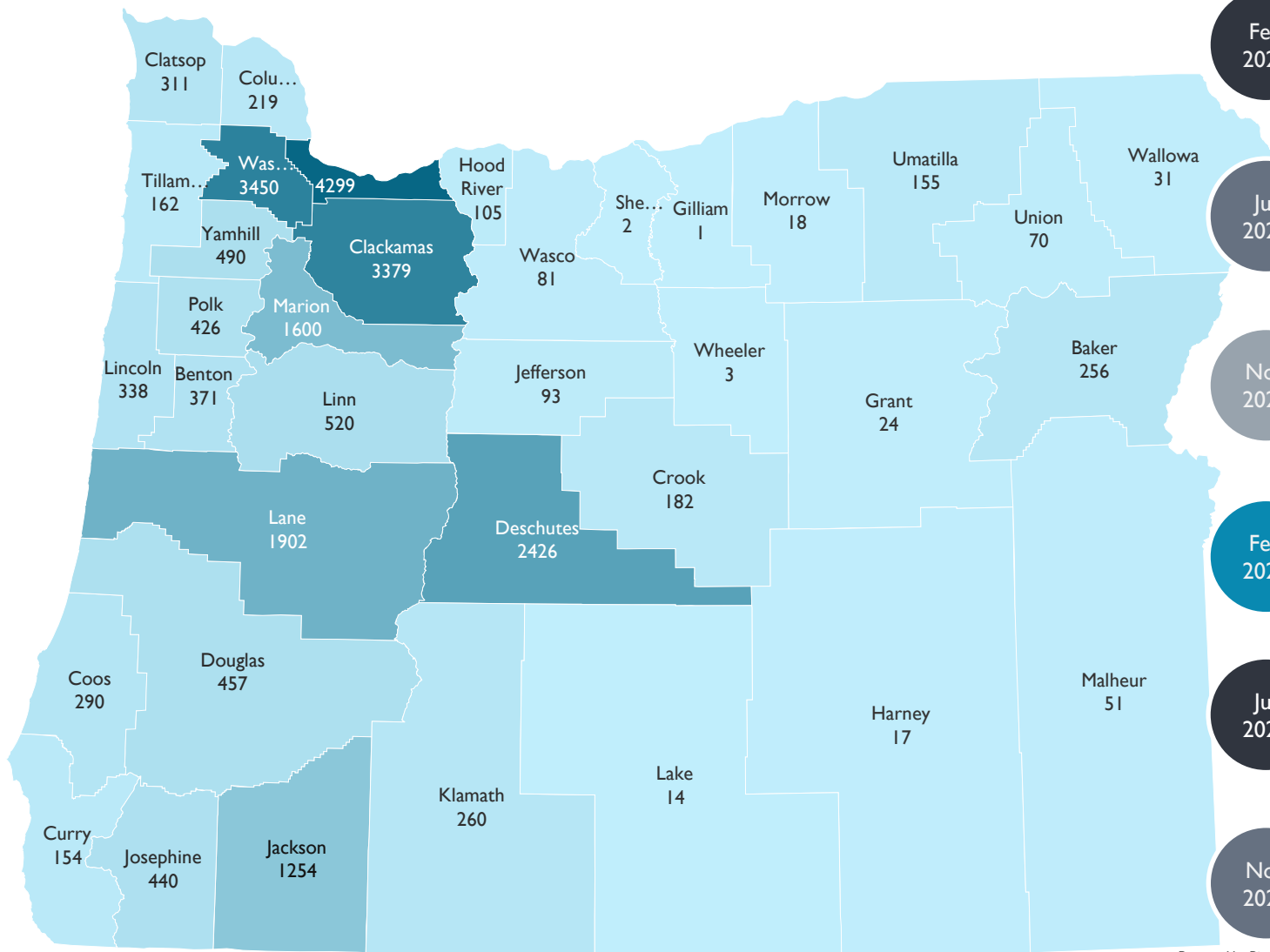
Commissioner's Office

- Appointed to ARELLO Law & Regulation Committee
 - Met all Governor's Office Statewide Initiatives
 - Succession Planning & Execution in 2023 & 2024
 - Continuity of Operations Planning in 2023 & 2024
 - DEI & Affirmative Actions Planning & Execution in 2023 & 2024
 - GALLUP Engagement Survey – *84th percentile*
-
- Deploy New IT System
 - Negotiate Lease for Right-Sized Office Space
 - Evaluation of Property Management License & Reporting Requirements to Enhance Consumer Protection
 - Conduct RFP for Exam Services
 - Continue Progress in Stakeholder Engagement Work

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



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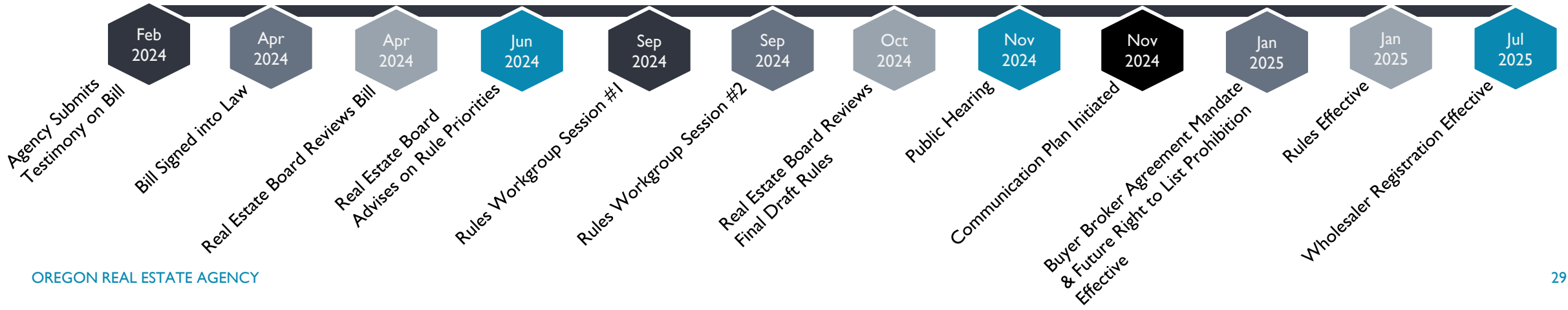


- Oregon Realtors
- Mid Columbia Association of Realtors
- Springfield Board of Realtors
- Oregon Realtors Fall Governance, Business Issues Key Committee
- Salem Rental Housing Association
- Ticor Title
- OREA Board Meeting - Salem
- Yamhill County Association of Realtors
- Oregon Realtor Conference, Business Issues Committee - Salem
- OREA Board Meeting - Bend
- Cascades East Realtors- Bend
- Ticor Title
- Klamath County Association of Realtors – Klamath Falls
- Oregon Realtors, Principal Broker Academy – Salem
- Rogue Valley Association of Realtors – Medford
- Cascades East Realtors – Bend
- National Association of Realtors - Portland
- Fair Housing Summit
- OREA Board Meeting – Salem
- Oregon Realtors Conference, Business Issues Committee - Salem
- Oregon Realtors Spring Governance, Business Issues Key Committee
- National Association of Real Estate Brokers(Realists)
- Oregon Realtors Diversity Committee
- Fratzke Commercial – Bend
- OREA Board Meeting – Gleneden Beach
- Willamette Valley Association of Realtors – Woodburn
- Housing & Economic Summit - Salem
- Oregon Rental Housing Association
- Oregon Realtors Conference, Business Issues Committee – Eugene
- East Metro Association of Realtors – Gresham
- Portland Metropolitan Assoc. of Realtors Risk Management Committee
- Deschutes Title Central Oregon
- Windermere Country Roads – Prineville
- Professional Land Surveyors of Oregon
- Oregon Realtors



HB 4058

Establishes a Wholesaler Registrant Category
Mandates Buyer Service Agreements
Prohibits Future Right to List Contracts



PROGRESS MADE & PLANS FOR 2025-2027

Licensing

- Onboarded new division manager and three new staff members
 - Streamlined training and quality assurance processes in complaint intake
 - Returned customer service KPMs to target after a dip in 2023
-
- Champion launch of licensing replacement system & support users through the change process.

PROGRESS MADE & PLANS FOR 2025-2027

Administrative Services

- Onboarded HR & Business Manager
 - Implemented OregonBuys
 - Streamlined New Hire Onboarding with Enhanced Engagement
 - Implemented Agencywide IT Issues Customer Service Email, Tracking Service Issues & Response Times
-
- Finalize agency-wide policies & procedures manual

PROGRESS MADE & PLANS FOR 2025-2027

Land Development

- Facilitated rule writing process for HB 4058
 - Conducted rule reference clean up project
 - Worked with Oregon Secretary of State to Update Agency Retention Policies
-
- Finalize policies & procedures
 - Initiate legal internship program
 - Facilitate rule writing efforts for new legislation

PROGRESS MADE & PLANS FOR 2025-2027

Regulation

- Efficiencies in work processing, clarity on scope
 - Training Plans
 - Process Uniformity
 - Succession Plan Execution
 - ARELLO Investigator Training
-
- Regulatory Framework
 - Establish a framework and associated tools to measure and evaluate investigations and outcomes for consistency.

PROGRESS MADE & PLANS FOR 2025-2027

Compliance

- Recruited for all position investments from 2023-2025 budget.
 - Two Compliance Specialist I
 - One Fiscal Auditor 2
- Improved existing performance on CTA Reviews
- Analyzing & Planning Escrow Audits

- Expand compliance review program
- Initiate escrow auditing
- Evaluate clients' trust account risk & opportunity

	2020	2021	2022	2023	2024
Total Closed	175	25	237	397	400

	2025	2026	2027
Projected Closed	500	500	600

2025 - 2027

BUDGET
DETAILS

OREGON REAL ESTATE AGENCY



\$ 11,064,014

Projected Revenue
Other Funds
2023-2025



Biennium

2019-21
2021-23
2023-25

▲ in Revenue

+ 3.91%
+ 8.99%
- 1.90%



15 Months

Ending Balance*

* \$6,139,357

PRIMARY REVENUE DRIVERS

Percentage of total revenue derived from
license renewals

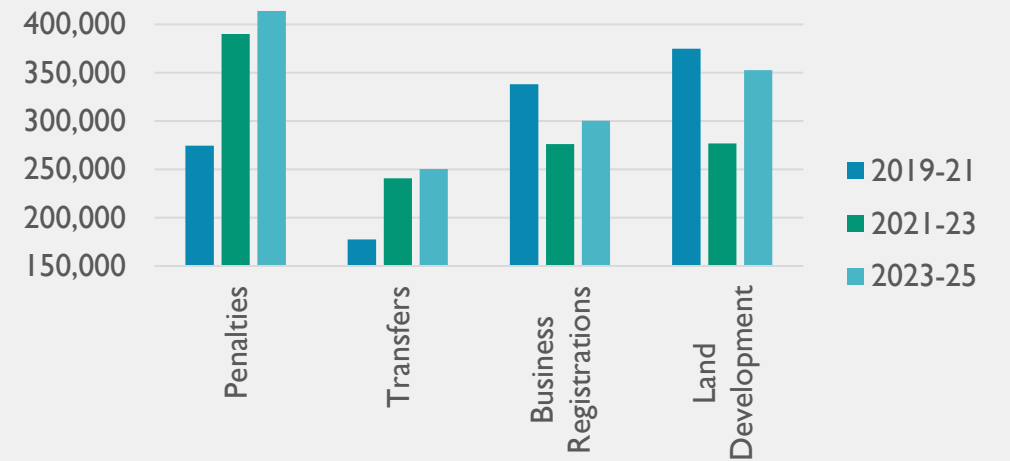
71%

Percentage of total revenue derived from
new applications

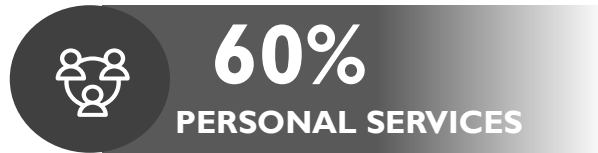
19%

Percentage of total revenue derived from
Land Development, Penalties,
Transfers, Business Registrations

10%



GOVERNOR'S BUDGET

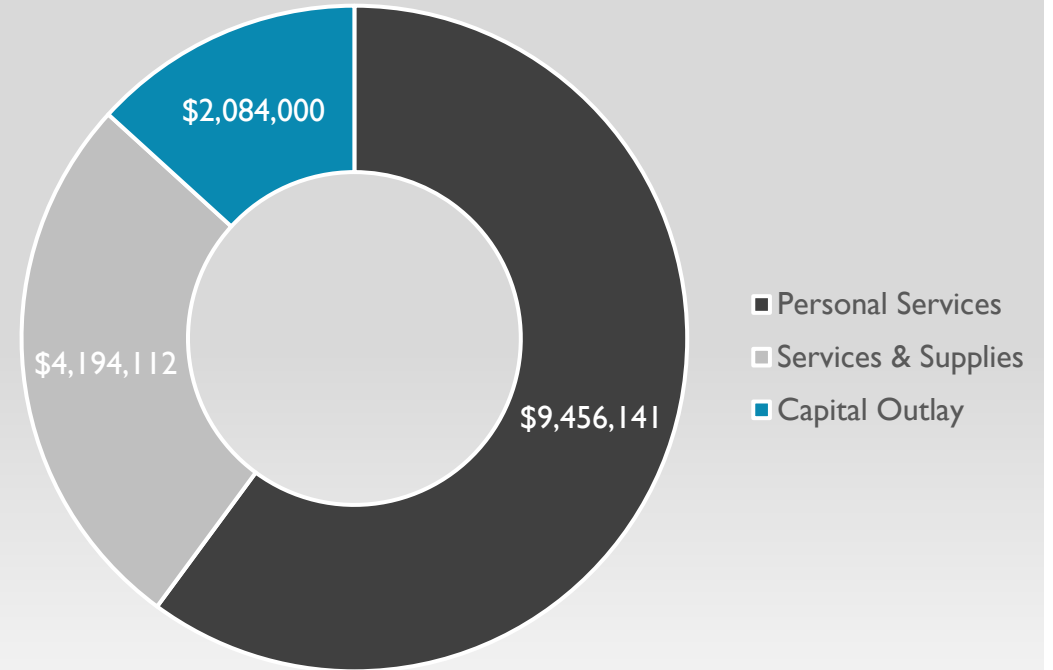


32 FTE



Capital Outlay – System Upgrade

2025-2027 – Other Funds



\$15,734,253

**Pkg 10 & 70 – Vacancy Factor &
(665,211) Revenue Shortfalls**

**Pkg 90 – Analyst Adjustments
207,976**

**Pkg 100 – Wholesaler
Registration – Fee Establishment**

THANK YOU

oregon.gov/rea
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