



2021  
ANNUAL COMPANY MEETING



**BRIDGEMARQ**  
REAL ESTATE SERVICES



# SPENCER ENRIGHT

Director and Chairman of the Board of Directors

# PROPOSED NOMINEES

## *Election to the Board of Directors*

Colum Bastable, FCA (Irl), LL.D

Lorraine Bell, CPA, CA

Gail Kilgour, ICD.D



# SPENCER ENRIGHT

Director and Chairman of the Board of Directors

## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information and other “forward-looking statements”. Words such as “achieves”, “are”, “bouncing”, “buy”, “climb”, “come”, “consider”, “continue”, “contributing”, “converting”, “deliver”, “demand”, “drivers”, “expecting”, “growth”, “has”, “have”, “increasing”, “lead”, “leverage”, “make”, “mitigates”, “outstrips”, “provides”, “recruit”, “remains”, “represents”, “retain”, “security”, “standard”, “to”, “train”, “typically”, “will” and other expressions that are predictions of or could indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those indicated in the forward-looking statements include: the duration and effects of the COVID-19 pandemic, including the impact of COVID-19 on the economy and the Company’s business, the impact of government or other regulatory initiatives to address the impact of the spread of COVID-19 on the Canadian economy, including the impact on real estate markets, changes in the supply or demand of houses for sale in Canada or in any particular region within Canada, changes in the selling price for houses in Canada or any particular region within Canada, changes in the Company’s cash flow as a result of COVID-19, changes in the Company’s strategy with respect to and/or ability to pay dividends, changes in the productivity of the Company’s REALTORS® or the commissions they charge their customers, changes in government policy, laws or regulations which could reasonably affect the housing markets in Canada, consumer response to any changes in the housing markets in Canada or any changes in government policy, laws or regulations, changes in general economic conditions (including interest rates, consumer confidence and other general economic factors or indicators), changes in global and regional economic growth, the demand for and prices of natural resources on local and international markets, the level of residential real estate transactions, competition from other real estate brokers or from discount and/or Internet-based real estate alternatives, the closing of existing real estate brokerage offices as a result of COVID-19 or otherwise, other developments in the residential real estate brokerage industry or the Company that reduce the number of REALTORS® in the Company’s Network or royalty revenue from the Company’s Network, our ability to maintain brand equity through the use of trademarks, the methods used by shareholders or analysts to evaluate the value of the Company and its publicly traded securities, changes in tax laws or regulations, and other risks detailed in the Company’s annual information form, which is filed with securities commissions and posted on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking information is based on various material factors or assumptions, which are based on information currently available to management. Material factors or assumptions that were applied in drawing conclusions or making estimates set out in the forward-looking statements include, but are not limited to: anticipated economic conditions, anticipated impact of government policies, anticipated financial performance, anticipated market conditions, business prospects, the successful execution of the Company’s business strategies and recent regulatory developments, including as the foregoing relate to COVID-19. The factors underlying current expectations are dynamic and subject to change. Although the forward-looking statements contained in this press release are based upon what management believes are reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



# PHILIP SOPER

President and Chief Executive Officer

# QUESTIONS

Please use messaging tab.



**Bridgemaq has grown by 9,500 agents since inception**







# OUR BRANDS



- Leader in Canadian real estate since 1913
- ~18,000 agents in more than 600 locations nationwide



- Leading luxury real estate boutique firms selling distinctive homes in southern Ontario and Quebec's Laurentian Mountains region
- ~225 real estate professionals



- Quebec-based real estate services brand synonymous with innovation and consumer protection
- ~900 agents in more than 50 locations



# OPERATING RESULTS OVERVIEW

For the year ended December 31, 2020 and quarter ended March 31, 2021

# Company Growth

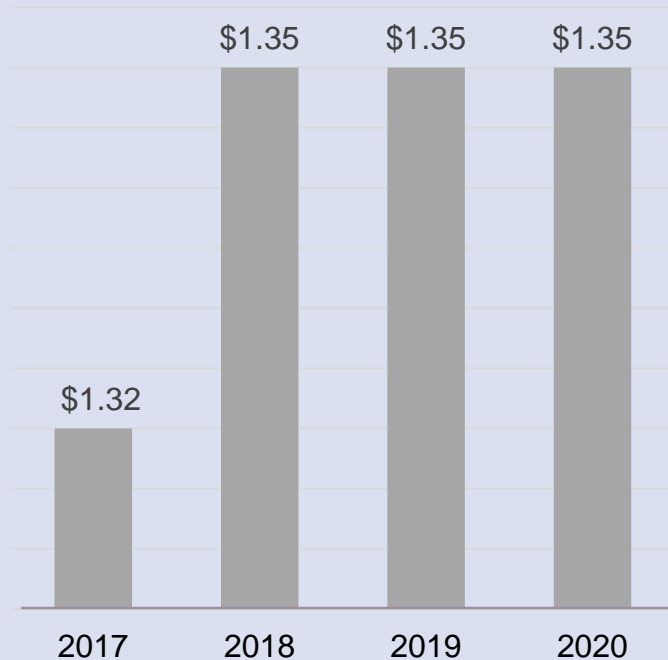
**19,316**  
**REALTORS®\***

\*as at March 31, 2021

Bridgemarq REALTORS® have a **16%**  
higher average transactional dollar volume  
compared the average Canadian REALTORS®.

The Company's  
revenue in Q1 2021  
increased  
**18%**  
compared to Q1 2020.

## Dividends Paid Per Restricted Voting Share



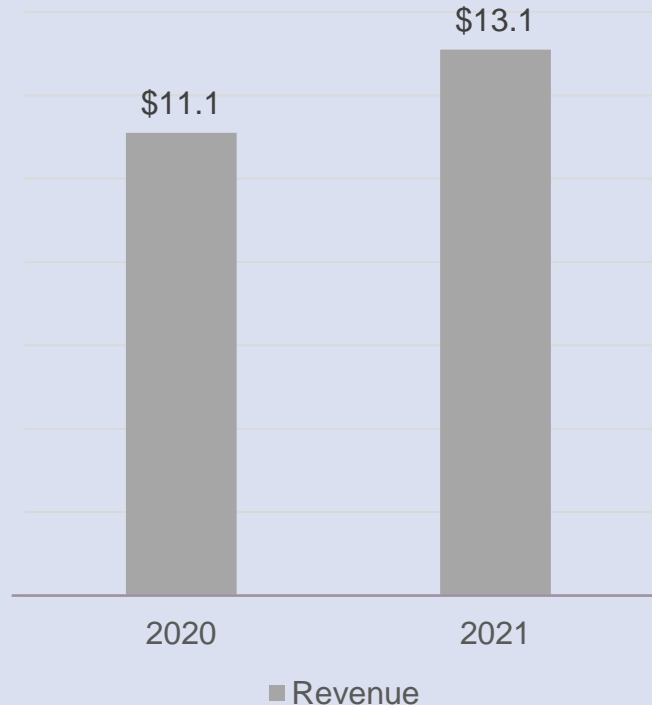
# Healthy Dividend

- The Company has historically paid out a substantial portion of its Distributable Cash Flow to shareholders in the form of dividends.
- In 2020, the Company paid dividends totaling \$12.8 million (or \$1.35 per share) to holders of restricted voting shares.

# First Quarter 2021

## Q1 2021 Revenue

\$ millions, for the three months ended March 31



- 18% increase in revenue during the quarter compared to the first quarter of 2020.
- The increase is attributed to strong housing markets and an increase in the number of REALTORS®.

# First Quarter 2021

Q1 2021 Net Earnings (Loss)  
\$ millions, for the three months ended March 31



- Net loss for the quarter is largely attributed to a loss of \$5.4 million on the fair value of the Exchangeable Units issued by the Company driven by an increase in the Company's share price from \$14.80 at the start of the quarter to \$16.41 at March 31, 2021.

*A rise in share price also increases the fair value of Exchangeable Units. Accounting principles state that earnings be adjusted downward to reflect this.*



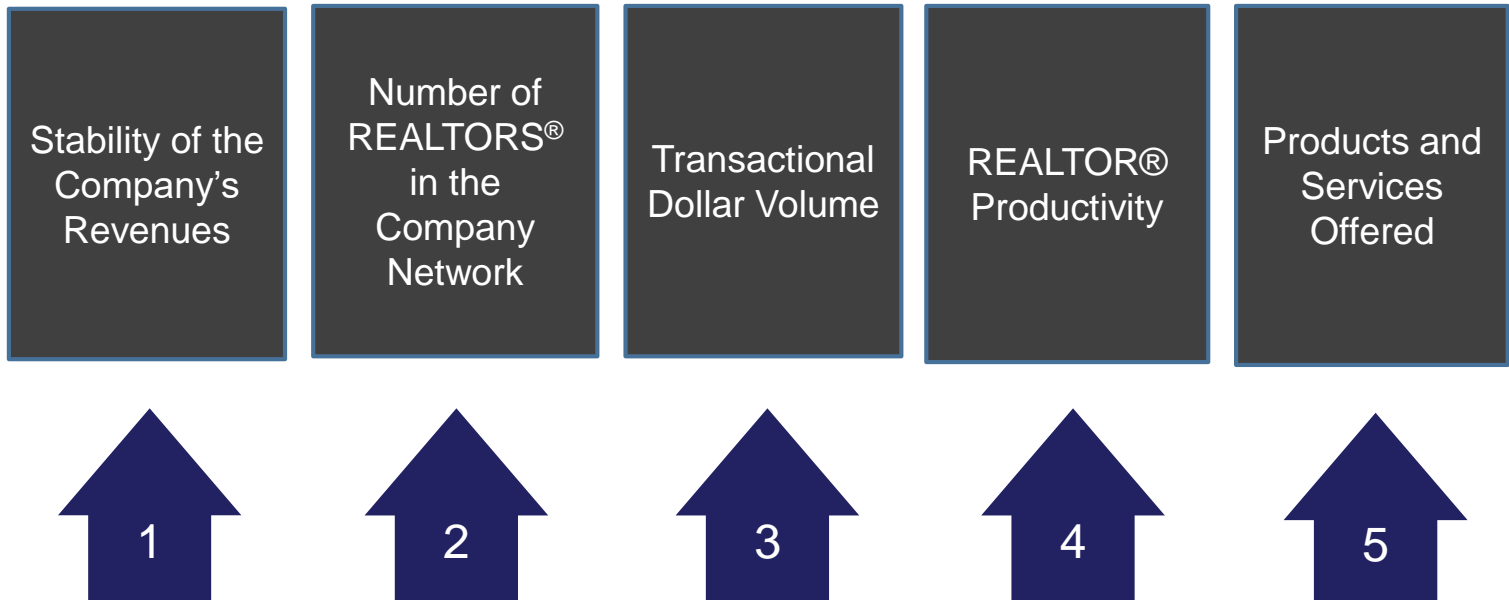
# KEY BUSINESS DRIVERS

For the year ended December 31, 2020 and quarter ended March 31, 2021

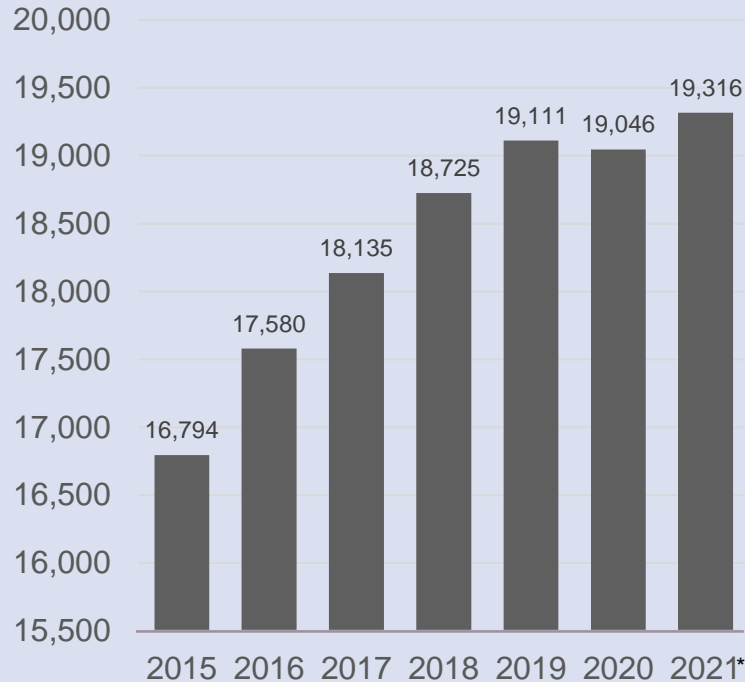


# Key Business Drivers

*Time-tested strategy, contributing to growth and stability*



## Company Growth Number of REALTOR®

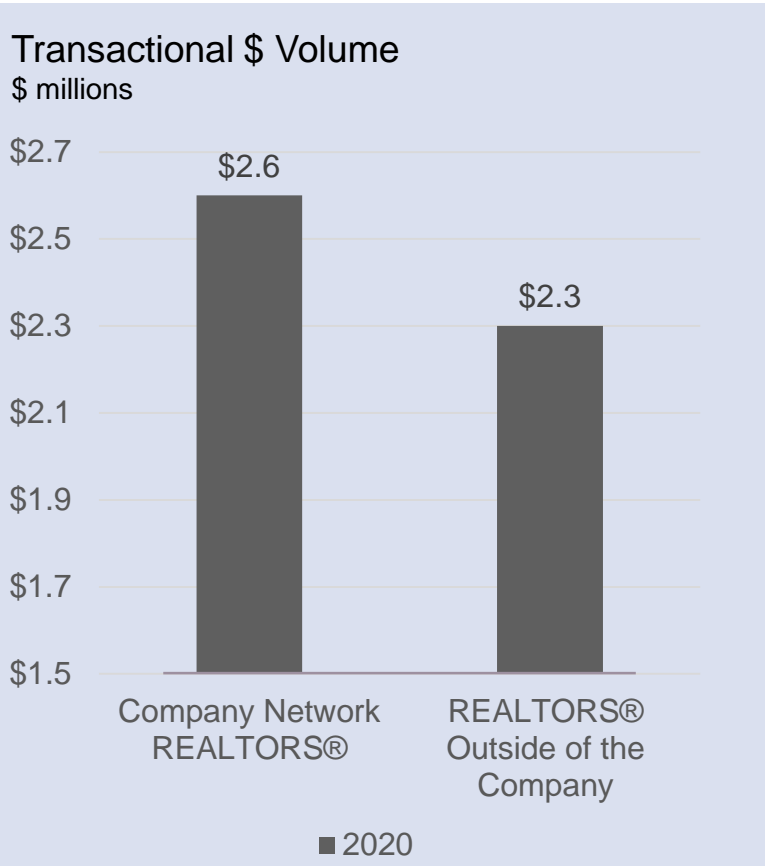


\*As at March 31, 2021

## Strong Network Growth

Since inception, the Company has had a compound annual agent growth of 5%

- On March 31, 2021, the Company network consisted of 19,316 REALTORS® operating through 287 franchise agreements at 663 locations.
- The Company represents an approximate 16% share of the Canadian residential real estate market based on 2020 transactional dollar volume.

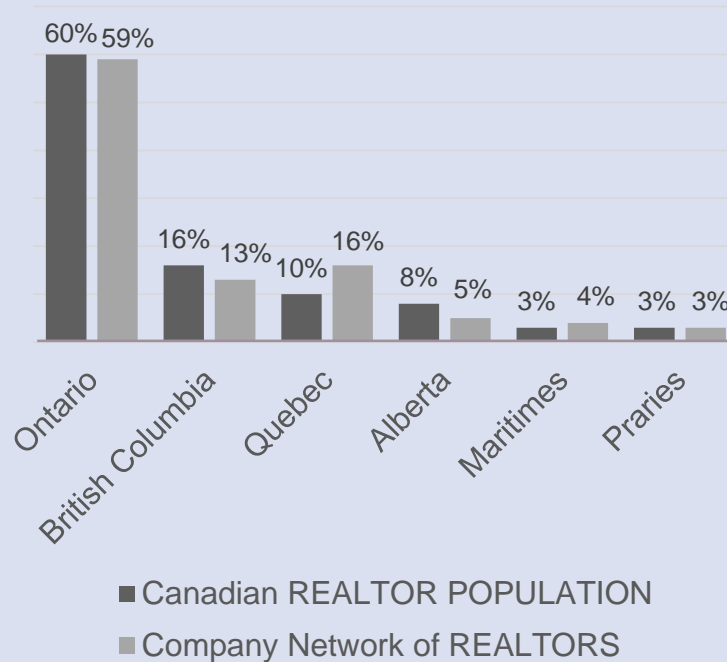


# Superior Productivity

Home to some of Canada's most productive real estate professionals

*The average Company REALTOR® generated **\$300,000** more in home sales than the average Canadian REALTOR®.*

## REALTOR® Distribution As at March 31, 2021

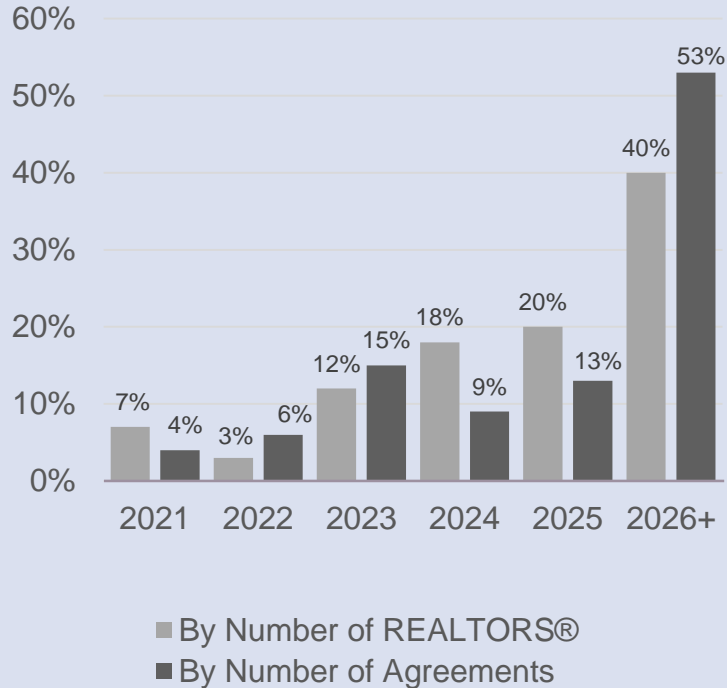


## National Coverage in markets large & small

- Very strong presence in Canada's two largest markets, Ontario & Quebec
- With 663 locations, the Company's network provides real estate services from coast-to-coast

*Canada is a market of markets.  
Geographic diversity mitigates  
risk.*

## % of Franchise Agreements Up For Renewal as at March 31, 2021



## Balanced, Lower Risk Contract Portfolio

The Company historically achieves a 98% contract renewal rate

- Year-to-date, 7 Franchise Agreements, representing 142 REALTORS® in the Company Network, extended their term or renewed during the quarter.
- Royal LePage Franchise Agreements, which represent 95% of the Company's REALTORS®, are 10-20 year terms with a standard renewal term of 10 years.

# Company Growth Opportunities

## Royalty Growth is achieved through:

- Increasing the number of REALTORS® through recruitment
- Converting competitor brokerages to a Company brand
- Increasing REALTOR® productivity
- New or expanded products and services
- Increasing the adoption of products and services.

*In a sales-services industry, momentum is contagious.  
Leading agents choose a winner.*

# 2021 Focus:

- Digital brokerage transformation
- Guide the Company through pandemic related business challenges
- Convert competing brokerages and agents to the Company's brands
- Capitalize on the growing number of real estate teams through the development of specialized team training, tools and services
- Business development focus on growing ethnic real estate markets
- Leverage Royal LePage Commercial during the economic recovery

A woman with red hair is looking down at a tablet device. The background is a blurred city street at night with bokeh lights. A dark grey horizontal bar is overlaid across the middle of the image, containing the text.

# TECHNOLOGY DRIVEN INNOVATION



# rlpSPHERE is here!

Royal LePage has completed the national rollout of its new cloud-based, AI-driven digital ecosystem



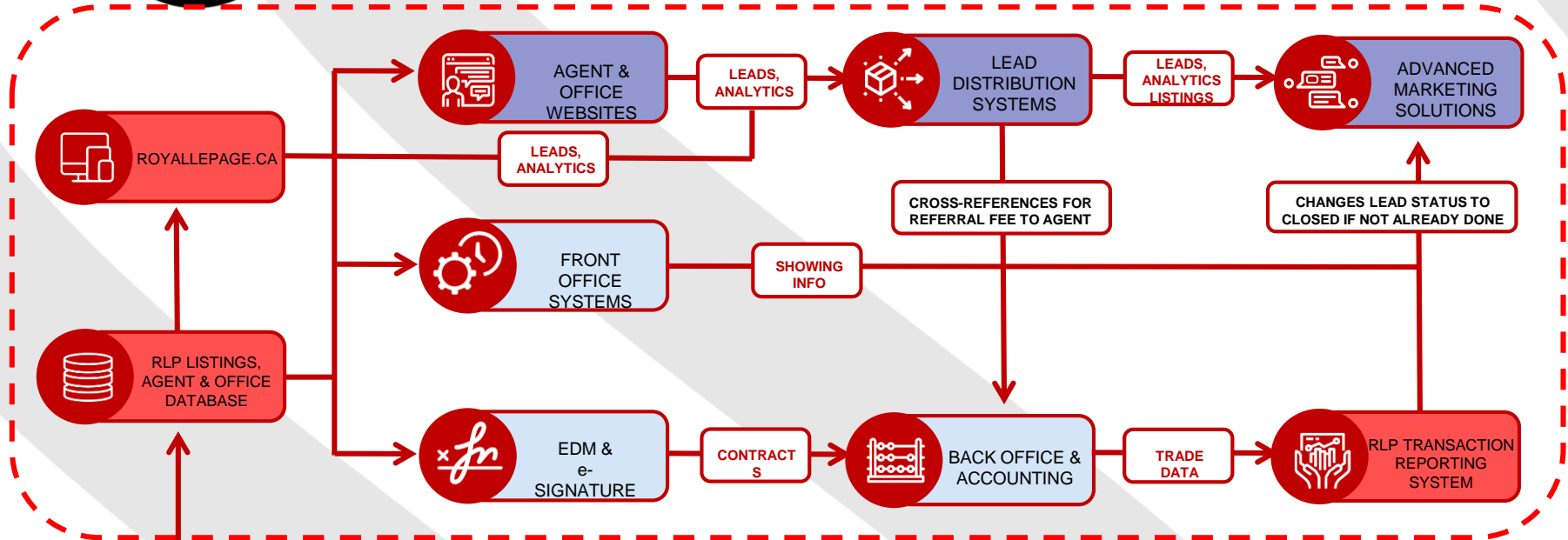
- Digital First
- Lead Generation Focus
- Comprehensive Capabilities
- AI and Smart Technologies





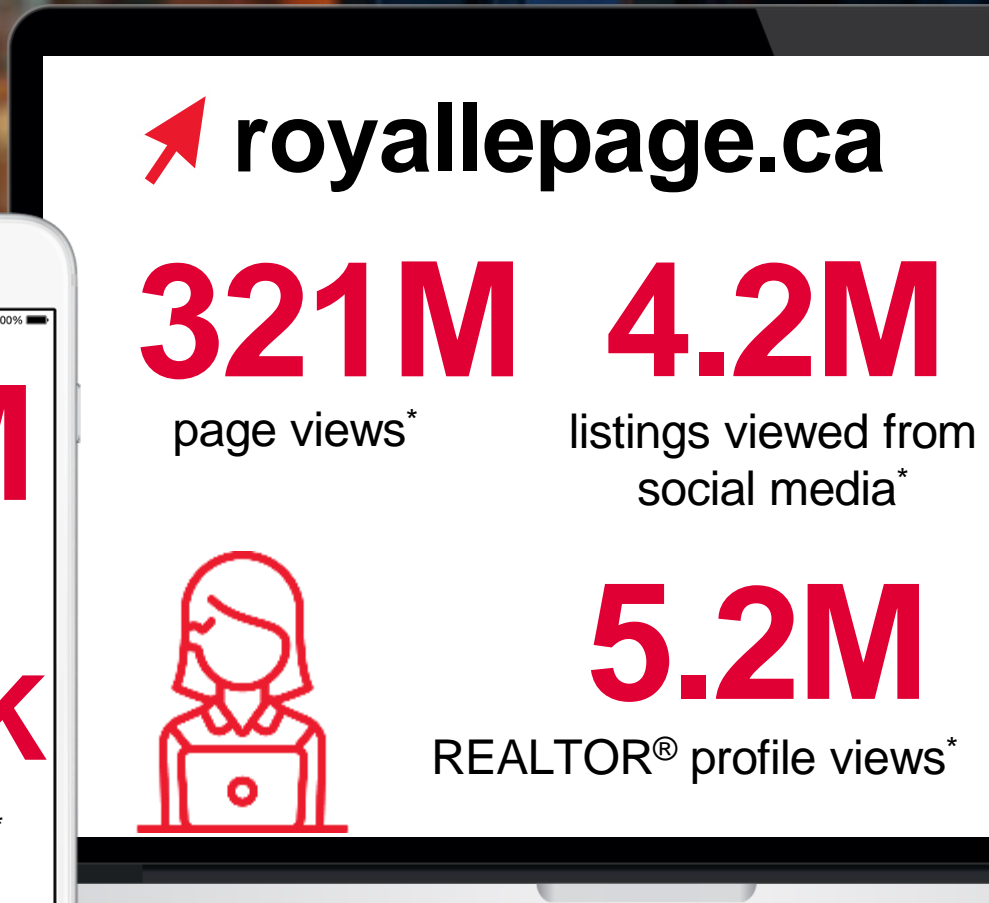
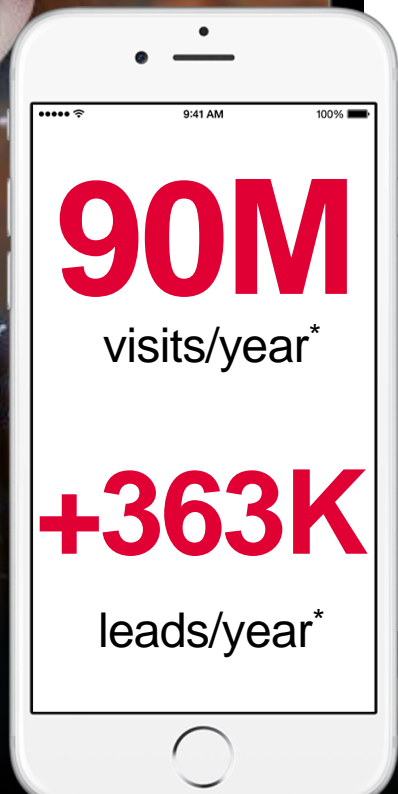
# A COMPREHENSIVE PLATFORM TO RUN YOUR ENTIRE BUSINESS

ROYAL LEPAGE



-  3<sup>RD</sup> PARTY CANADIANIZATION
-  BROKER SELECTED/OWNED
-  BUILD
-  API BUILD

# GENERATING INCREDIBLE AWARENESS & LEADS



\* ComScore March 2021; Visits and pageviews: April 2020 to March 2021 ComScore; Leads: Smart Leads April 2020 to March 2021; Listing views from Social Media: Google Analytics April 2020 to March 2021; REALTOR® Profile Views: Google Analytics April 2020 to March 2021

# MARKETING & COMMUNICATIONS

The Voice of Canadian Real Estate

**Media Impressions  
Nationwide\***

**#1**



## Media Relations

- ◇ House Price Survey
- ◇ Peak Millennial Release
- ◇ Boomer Report Survey



Canadian Public  
Relations Society  
Toronto Society

## Media Relations

- ◇ House Price Survey
- ◇ Newcomer Survey
- ◇ Peak Millennial Release
- ◇ Boomer Report Survey



20,034  
Likes



598,618  
Views



14,155  
Followers



16,853  
Followers



20,009  
Followers

\*Total print and online media impressions in 2020 compared to other real estate services brands

# ROYAL LEPAGE

Lead Generation  
(Q1 2021/Q1 2020)

**+108%**

SmartLeads  
volume

**+101%**

Revenue





# REAL ESTATE MARKET OUTLOOK



First, let's talk about...

CANADA



# #1 BEST COUNTRY GLOBALLY

Ranking 1<sup>st</sup> Overall and in  
Quality of Life and Social  
Purpose sub-rankings

2021 Best Countries Rankings by U.S.  
News and World Report





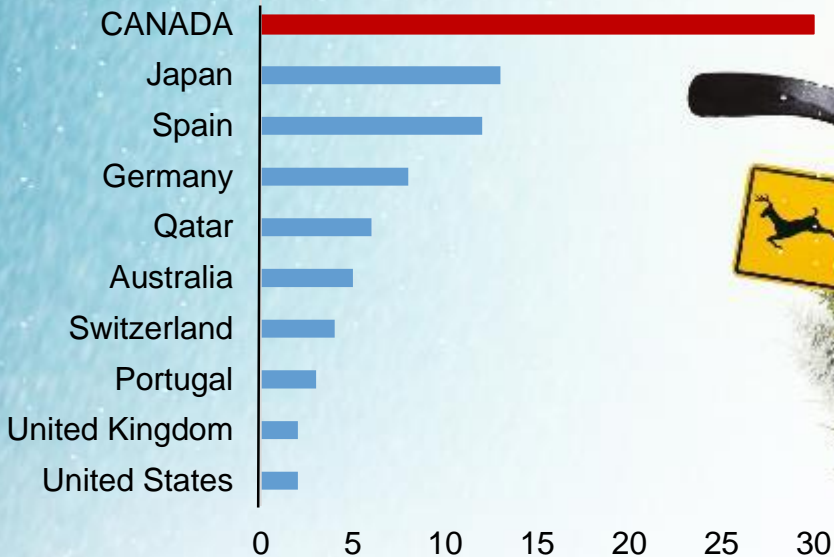
# #1 BEST NATION BRAND

For its people, governance,  
immigration and investment

2020 Anholt-Ipsos Nation  
Brands Index (NBI)

# WHERE THE WORLD WANTS TO WORK: CANADA RANKS #1

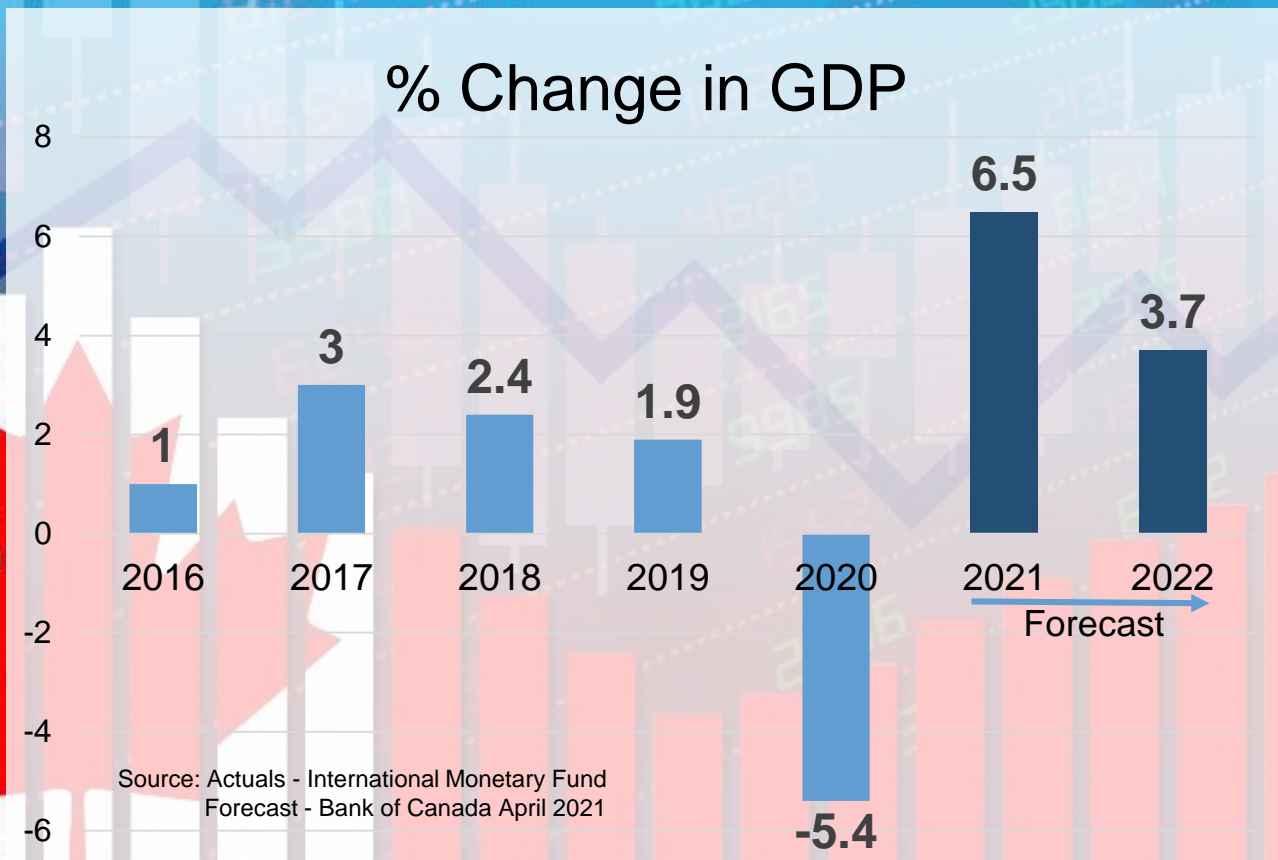
TOP 10 MOST POPULAR COUNTRIES FOR MOVING ABROAD  
(and the number of countries whose citizens want to move there the most)



Remitly, October 2020



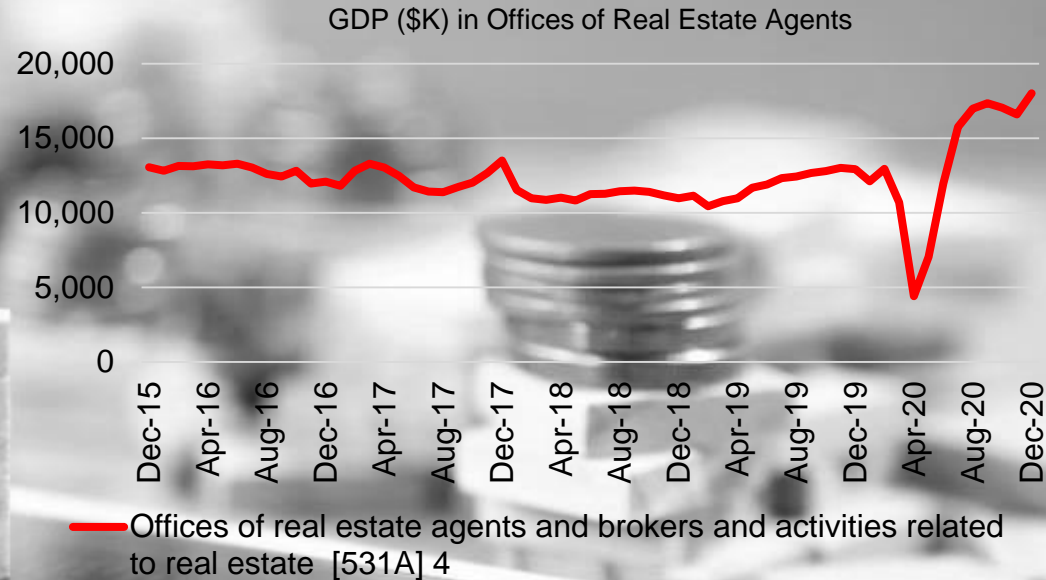
# CANADA'S ECONOMY IS BOUNCING BACK



# Canada's GDP up 2.3% in Q4 2020

## REAL ESTATE +39% IN Q4

GDP



# Home Sales Climb 5.2% in March MoM to set new record

Actual sales activity  
76.2% YoY gain in March

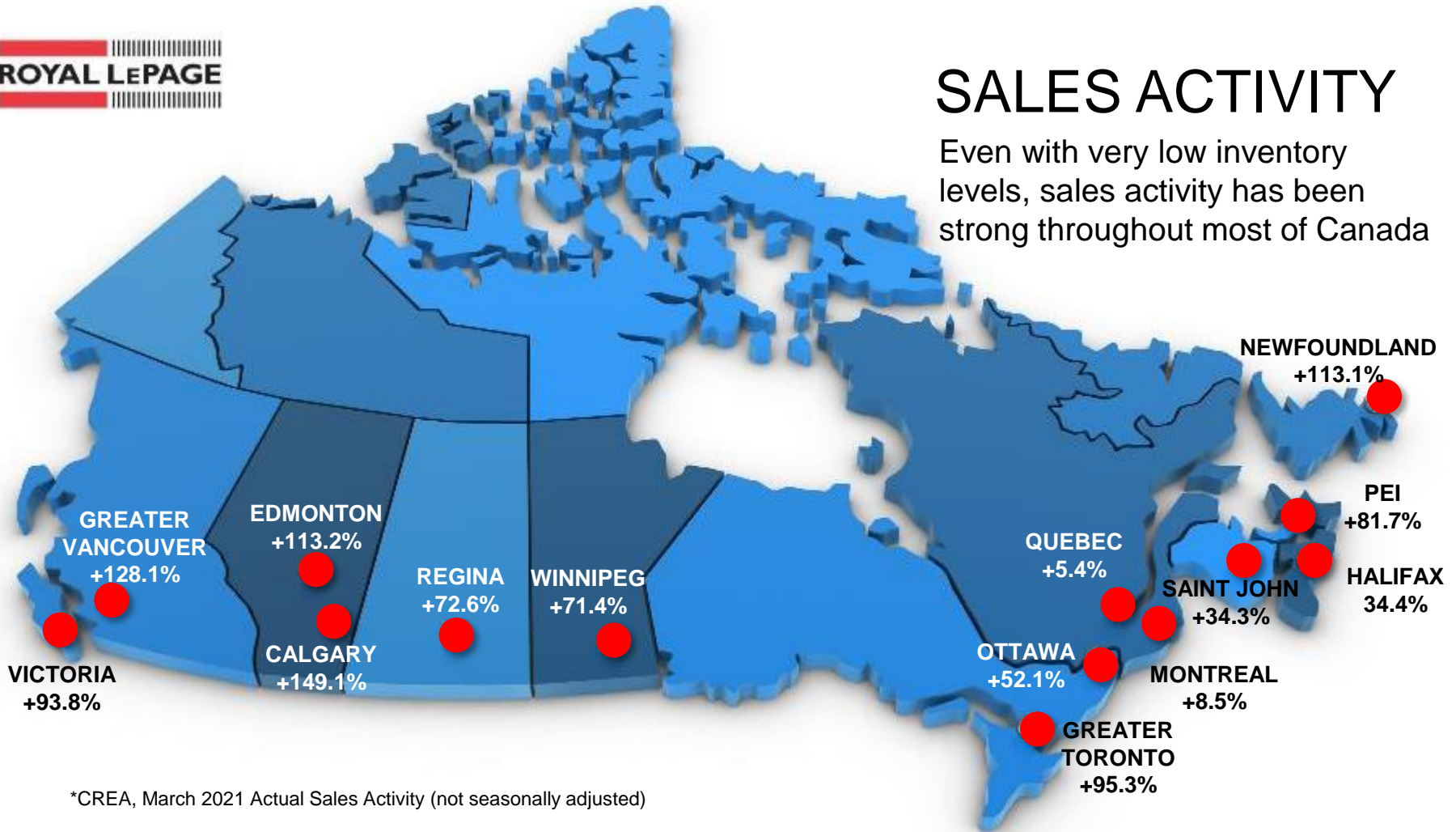
## CANADIAN SALES ACTIVITY\*



\*CREA, Seasonally adjusted)

# SALES ACTIVITY

Even with very low inventory levels, sales activity has been strong throughout most of Canada

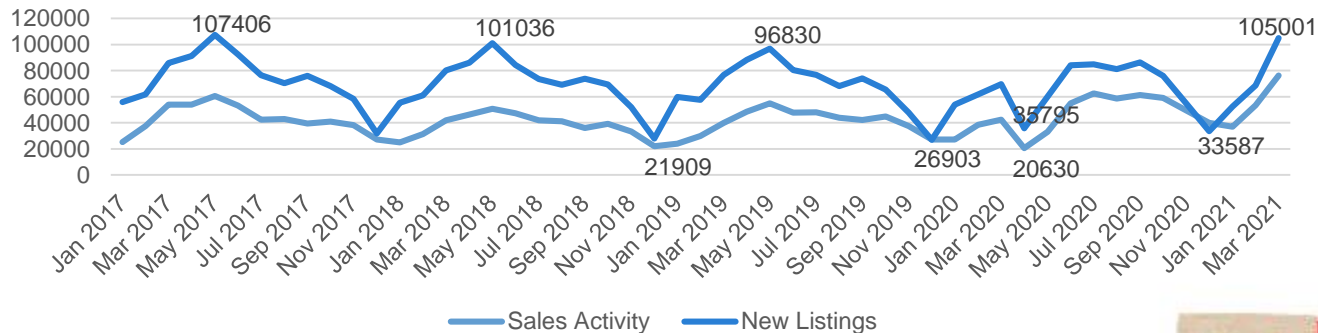


\*CREA, March 2021 Actual Sales Activity (not seasonally adjusted)

# REBOUND IN SUPPLY OUTPACED GAIN IN SALES IN MARCH

Finally moving in the right direction although sales-to-new listings ratio remains historically very high at 80.5%

CREA: New Listings and Sales Activity Trend



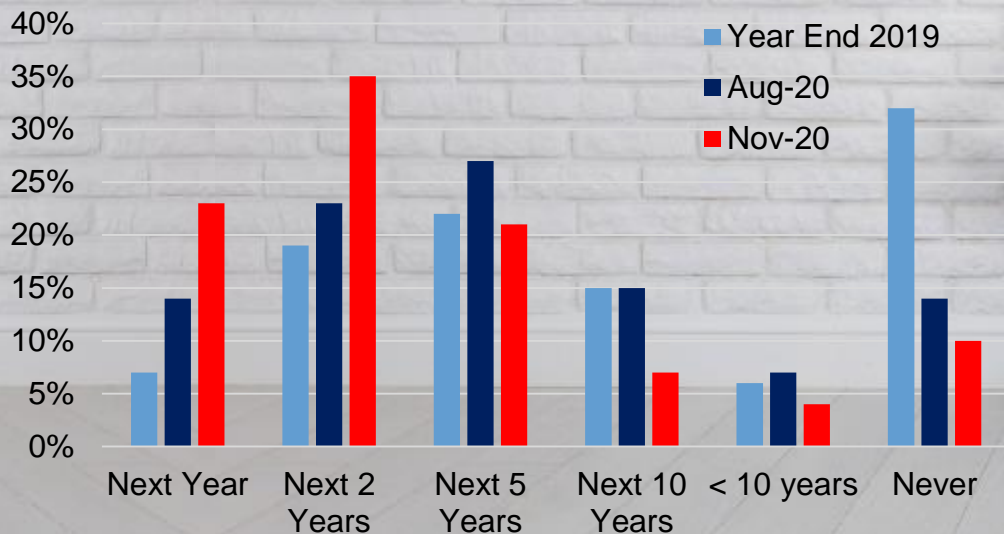
\*CREA (not seasonally adjusted)



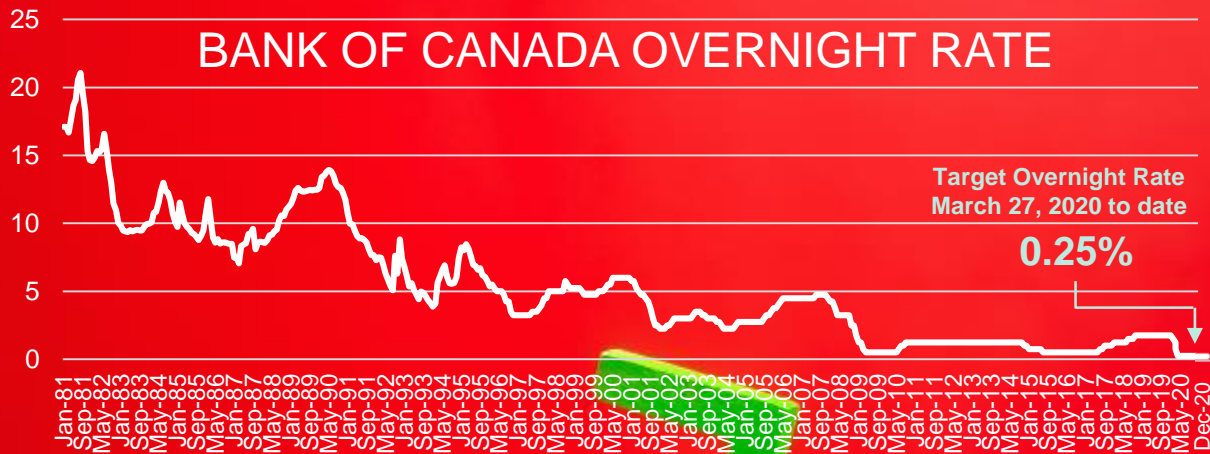
# CANADIANS CONTINUE TO DESIRE HOMEOWNERSHIP

The number of Canadians expecting to buy a home within the next year or two has significantly increased since the beginning of the year.

## Non-Homeowners Expectations of Buying a Home







**HISTORICALLY  
LOW RATES  
aid affordability**



# CANADIANS ARE COVID SUPER SAVERS

Canadians typically save just 2-3% of their disposable income, that jumped to **28.2%** in Q2 2020, and still remains significantly above the norm.

Canadian Household Savings Rate  
(seasonally adjusted)



# CANADIANS ARE COVID SUPER SAVERS

## and Savings are being Pumped into Housing

**1/5 of Royal LePage survey respondents** say they have worked with clients who have put off a planned major financial commitment during the pandemic and **used the savings** to **purchase a home**.

Royal LePage Advisor Survey  
September 2020



# Canadian Homeowner Net Worth Growth Significantly Outstrips Increase in Renter Net Worth in 2020 YOY

The boom in home prices has meant that homeowners have seen their non-financial asset holdings – primarily concentrated in real estate – rise by roughly \$66,000 per household, while renters have added less than \$5,000 per household.

Total Net Worth  
Growth 2020  
YOY

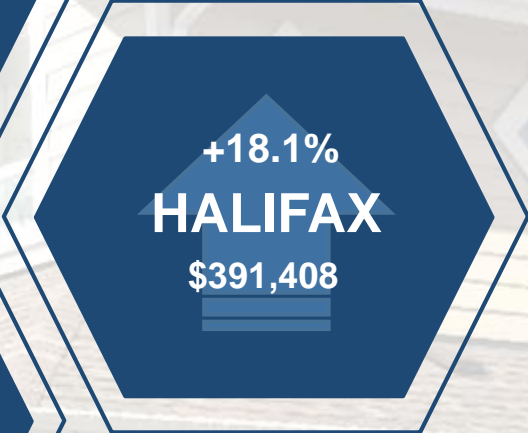
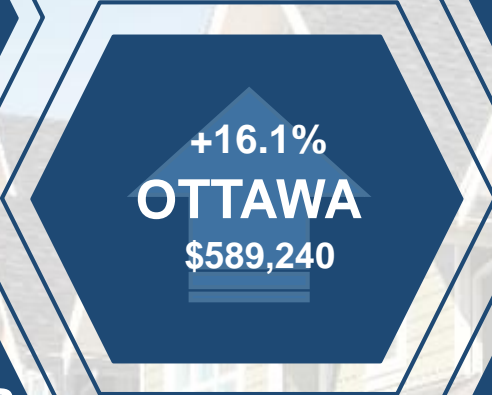
**RENTERS:**  
**+\$90B**

**HOMEOWNERS:**  
**+ \$1 TRILLION**



# PANDEMIC-SHIFT: NATIONAL MEDIAN HOME PRICE UP 14.1% YoY IN Q1

Royal LePage Q1 2021  
House Price Survey



# Through 2020

## **HOUSING WAS MORE AFFORDABLE**

### **THAN AT ANY TIME DURING THE PREVIOUS FIVE YEARS**

The affordability index, which measures the mortgage cost of a median-priced home relative to median family income, dropped below its pre-pandemic level.



Sources: Bank of Canada, Moody's Analytics

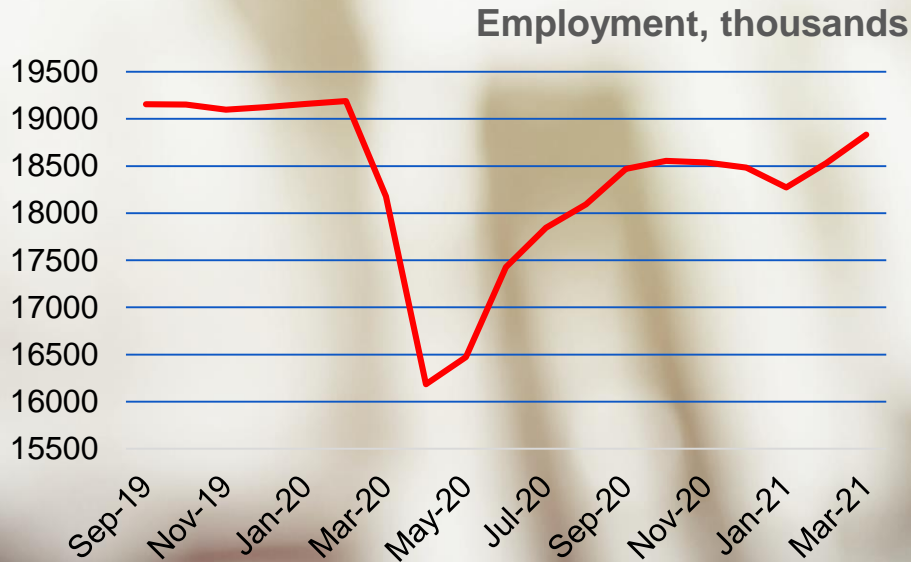
But ...  
what about:

- Unemployment?
- Mortgage deferrals  
expiring?



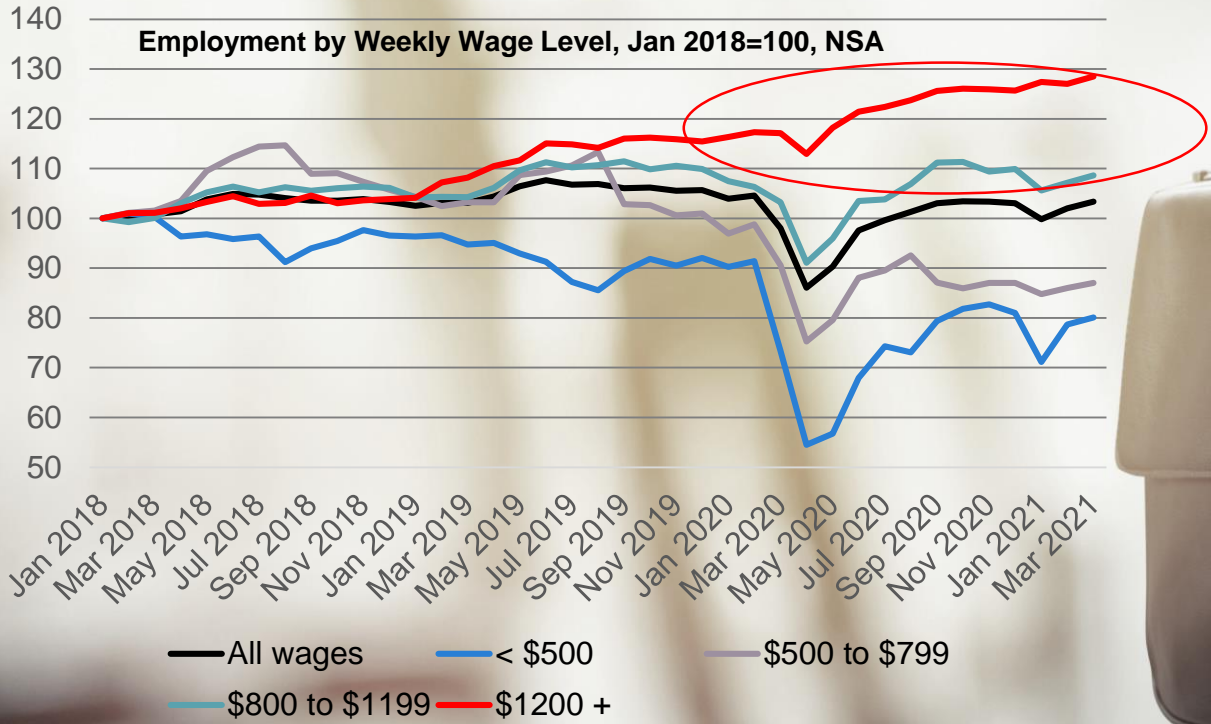
# Employment Surges in March By 303,000 Up 1.6% MoM

**Gain in full-time employment (+175,000)  
bodes well for housing industry**





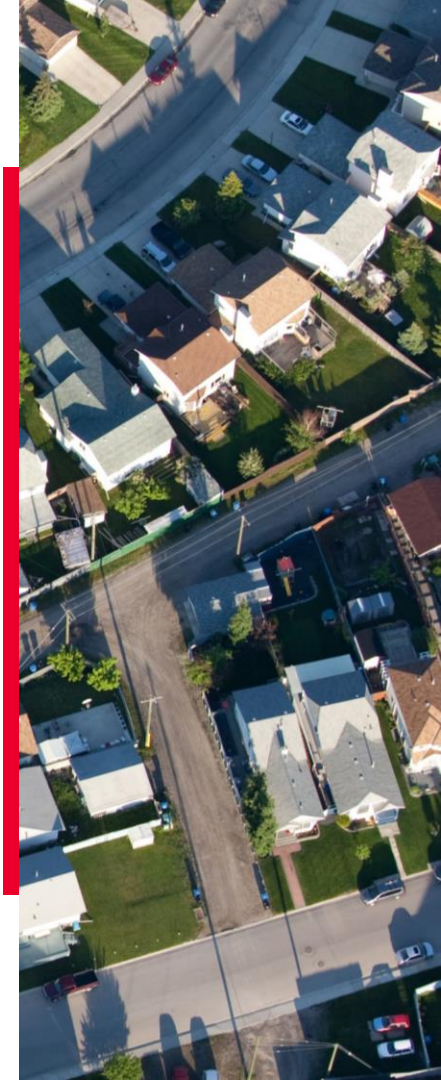
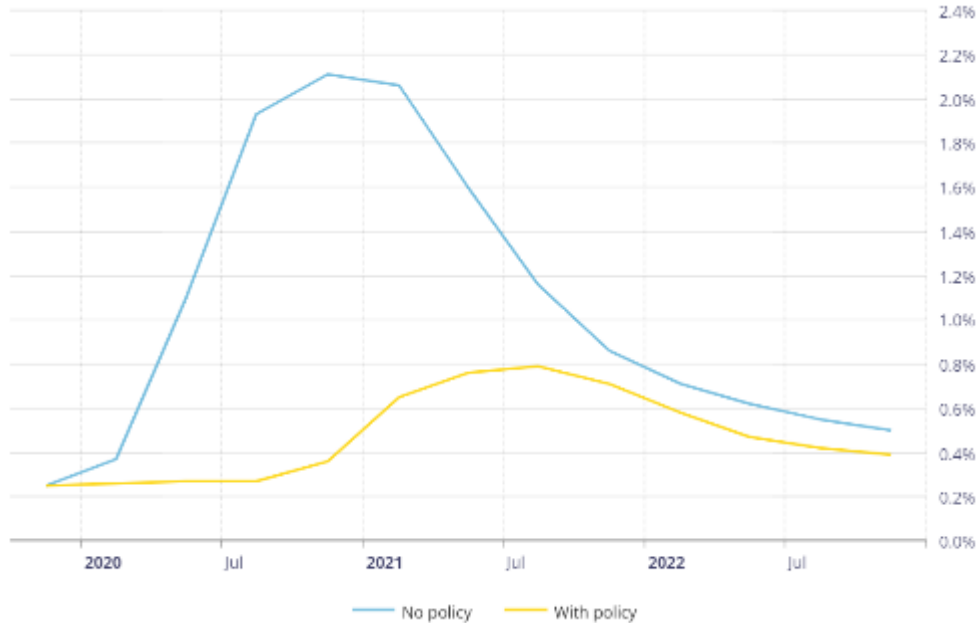
# PRIME HOMEOWNERSHIP DEMOGRAPHIC, HIGHER WAGE EARNERS' INCOMES HARDLY HIT BY THE PANDEMIC



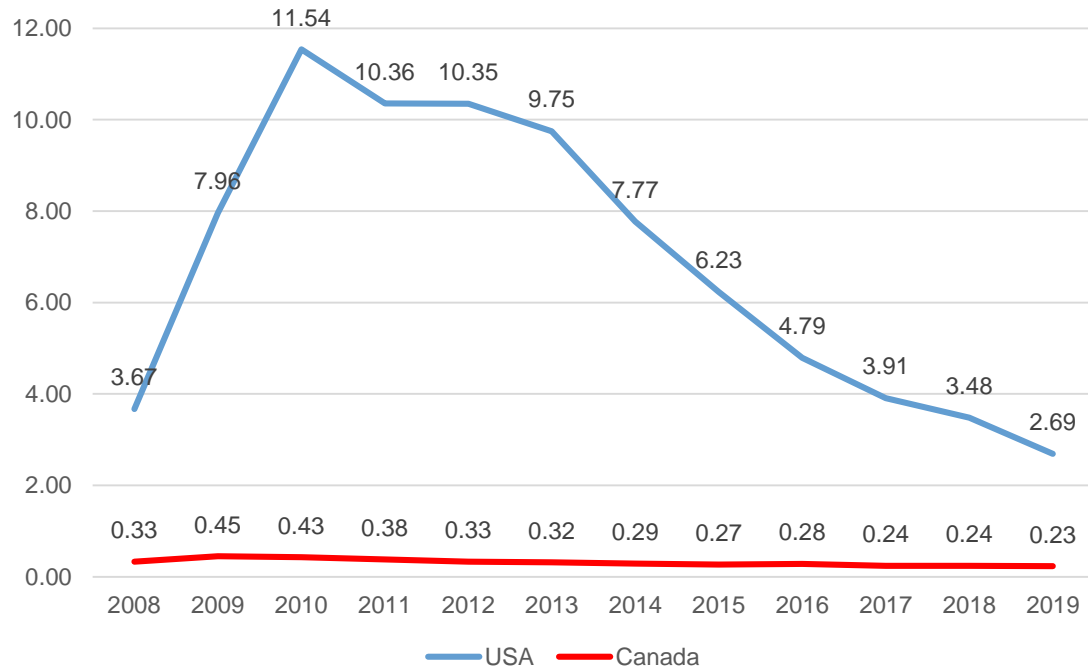
Source: Statistics Canada Table: 14-10-0109-01 (formerly CANSIM 282-0200)

# 795,000 Canadians Deferred Mortgage Payments

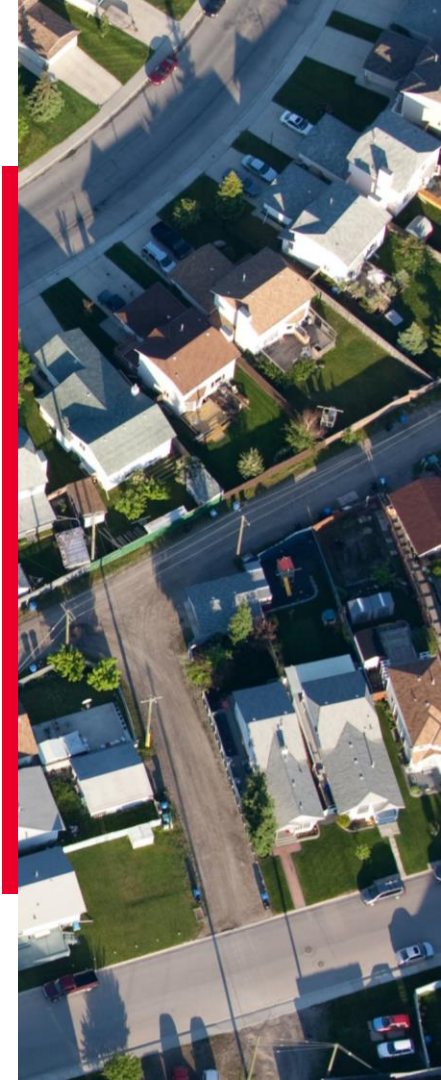
Bank of Canada modelling shows policy actions and payment deferrals are anticipated to significantly reduce defaults



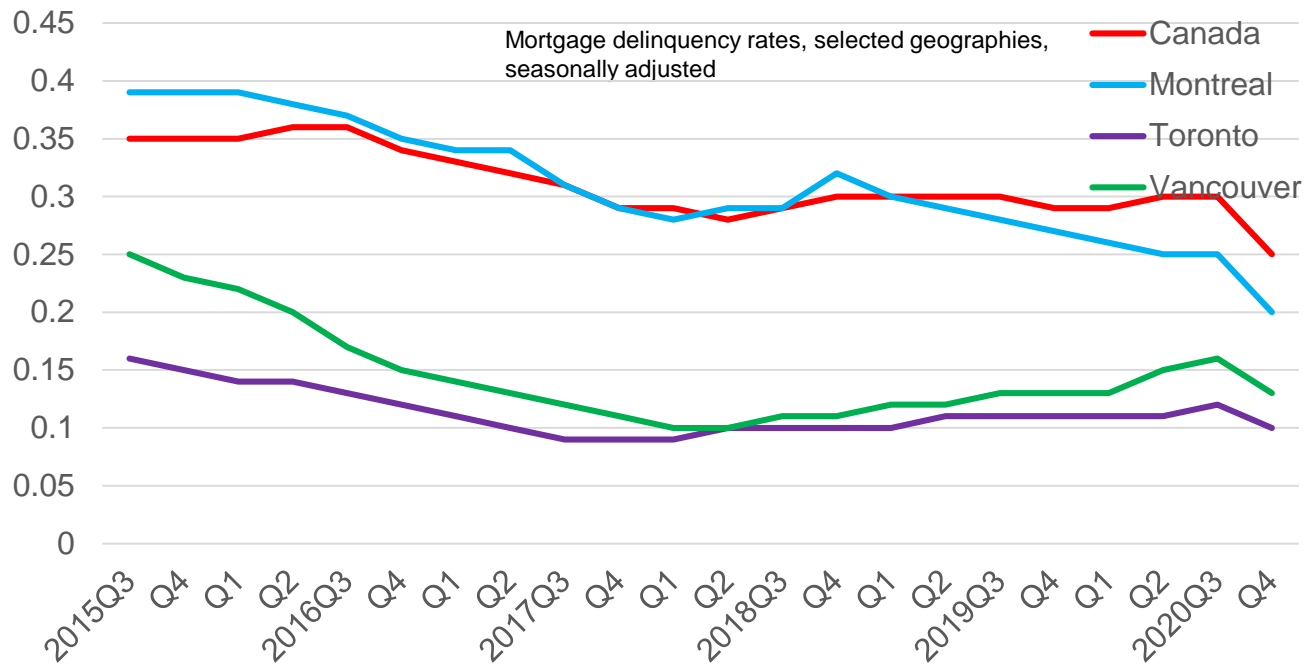
# CANADIAN MORTGAGE DEFAULT IS HISTORICALLY **VERY LOW**



Source: Federal Reserve Economic Data. Canadian Bankers Association.




# CANADA'S MORTGAGE DELINQUENCY RATE **DECLINES** TO **0.25%** IN Q4



Source: Equifax and CMHC Calculations



A wide-angle photograph of a city skyline, likely Toronto, viewed from across a body of water. The CN Tower is the most prominent feature on the left. The skyline is composed of numerous high-rise buildings, many with glass facades reflecting the overcast sky. In the foreground, there are some trees and a few boats on the water. The text "What about condos? Investors?" is overlaid on the right side of the image in a dark blue, serif font.

What about  
condos?  
Investors?

New Homes And Condos / Homes

# Condo market 'will come back with a fury'

Linda White • Special to Postmedia Network  
 Mar 01, 2021 • March 1, 2021 • 4 minute read • [Join the conversation](#)



This Richmond Street East condo, listed by Hadden Homes for \$599,000, is steps from St. Lawrence Market, Ryerson University and the Distillery District. SUPPLIED

### Soaring house prices could push buyers back to condo market

It's no secret Toronto's condominium market has suffered amid the pandemic. Listings flooded the market and rents dropped as city dwellers fled the downtown in search of single-family houses with ample space to work and learn.



NATIONAL POST

VANCOUVER SUN

No thought of warning the public at height of cliff crisis

DUNCAN KEITH SEEKS TO MEND HIS IMAGE IN P...

MUAH!

IN DEPLOYING DOWN THE NEW...  
 DOWN FOR TV AND MORE MARKET...  
 IN THE WORLD-BESTELLS FOR THE P...

T'VE DONE MORE IN 47 S...  
 THAN YOU DID IN 47 Y...



Trump, Biden exchange insults in fiery debate

Return address led authorities to Quebec

Public health leaders facing...  
 from his current

Scrapping Site C dam would cost \$7.3 billion

TIMES C...

Car...  
 cra

TIMES C...

INSIDE: TV S...



Scrapping Site C dam would cost \$7.3 billion

The Provin...



Local hockey hero turns his back on his hometown after altercation on downtown street

Gateway pipeline decision...

The Pro...

THE C...

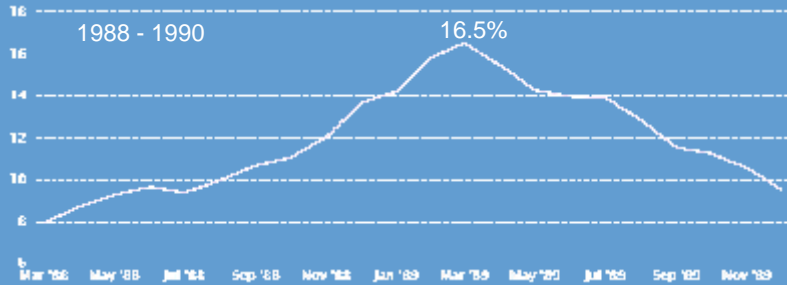


A 'SHADOW N...

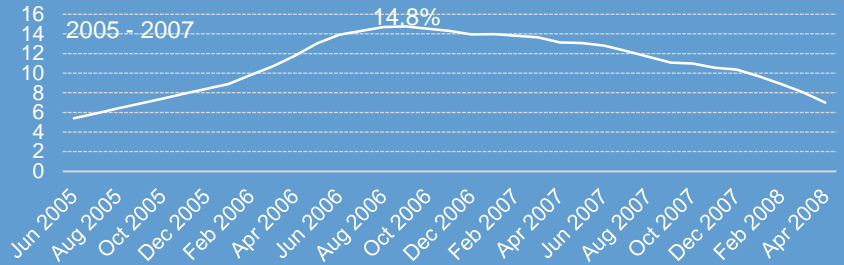


Liberal...  
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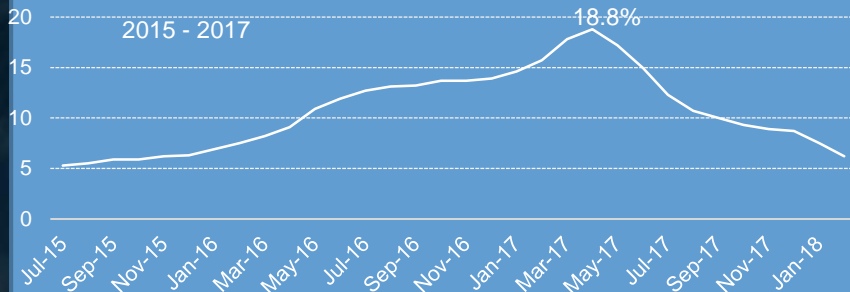
# CANADIAN REAL ESTATE MARKET CYCLES



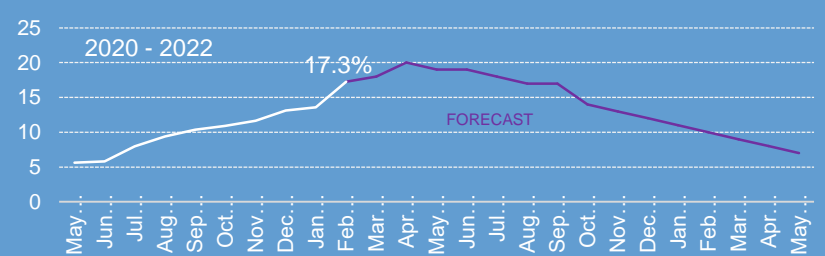
House Prices YOY: Monthly: Canada SOURCE: CEICDATA.COM; CEIC Data



CREA Benchmark Aggregate House Price YOY (Actual - Not Seasonally Adjusted)



CREA Benchmark Aggregate House Price YOY (Actual - Not Seasonally Adjusted)



CREA Benchmark Aggregate House Price YOY (Actual - Not Seasonally Adjusted)



**THE YOUNG**



**THE OLD(er)**



**THE NEW**

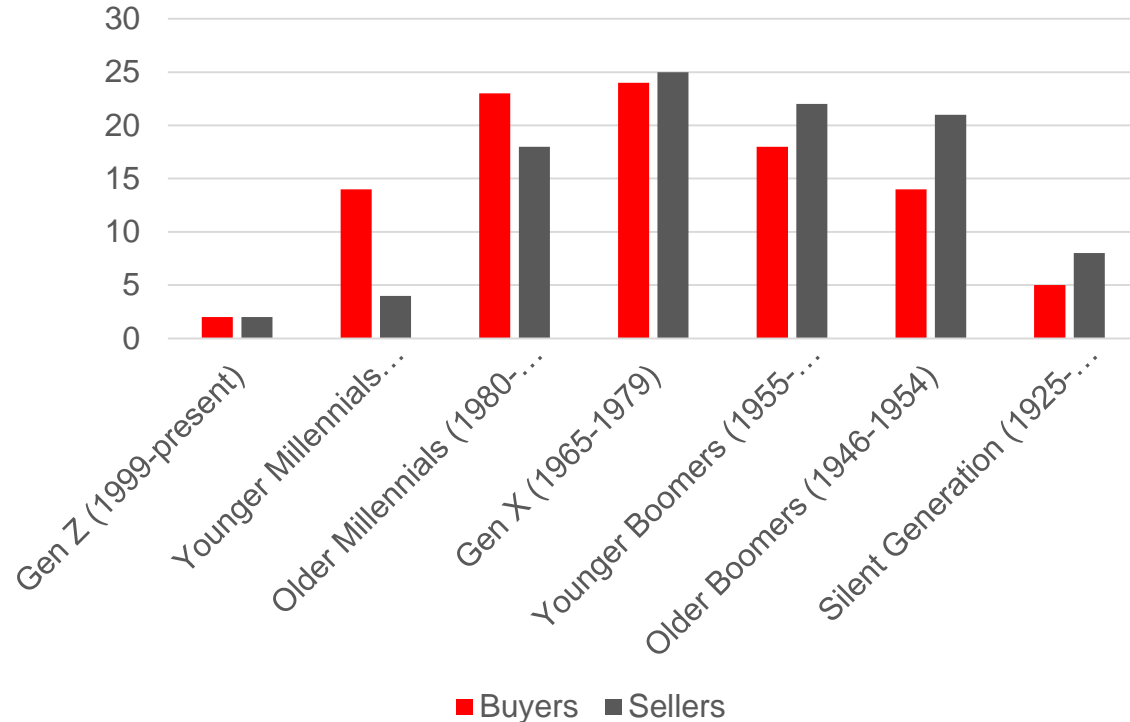
# The Three Waves of Pandemic-Driven Real Estate Demand





# SHARE OF BUYERS & SELLERS BY GENERATION

Younger Millennials (22 to 30 years) and Older Millennials (31 to 40 years) continue to make up the largest share of home buyers at 37%.  
Baby Boomers make up the largest share of sellers at 43%.





**THREE WAVES OF  
PANDEMIC-DRIVEN REAL  
ESTATE DEMAND**

**THE YOUNG**

THE OLD(er)

THE NEW





**MILLENNIALS ARE THE  
LARGEST POPULATION  
COHORT IN CANADIAN AND  
NORTH AMERICAN HISTORY:  
OVER 10M PEOPLE**

Millennials have:

- 30% higher after-tax household incomes
- higher assets and net, but also carry more debt+

Royal LePage 2021  
Younger Millennials  
Survey



**92%** say owning a home is a good financial investment



**48%** of Canadians aged 25 to 35 own their own home. 1/4 of these homeowners since the onset of the pandemic.



**68%** of non-homeowners in this age group intend to purchase a home within the next 5 years





**THREE WAVES OF  
PANDEMIC-DRIVEN REAL  
ESTATE DEMAND**

THE YOUNG

**THE OLD(er)**

THE NEW





More than  
**5,000,000**

Canadians are set to turn  
65 within this decade



**64.5**

average age of  
retirement in  
Canada (2020)



Statistics Canada

## COVID-19's IMPACT

**1 in 3**

believe they will  
have to retire  
later than  
planned

**1 in 10**

are considering  
earlier retirement

Edward Jones



**1.4M** expected to purchase a home in the next 5 years



**32%** looking to buy in the next five years most likely to purchase a condo



**52%** say their next home will be the same size or larger



Source: Royal LePage Boomer Survey 2018



# THREE WAVES OF PANDEMIC-DRIVEN REAL ESTATE DEMAND

THE YOUNG

THE OLD(er)

**THE NEW**

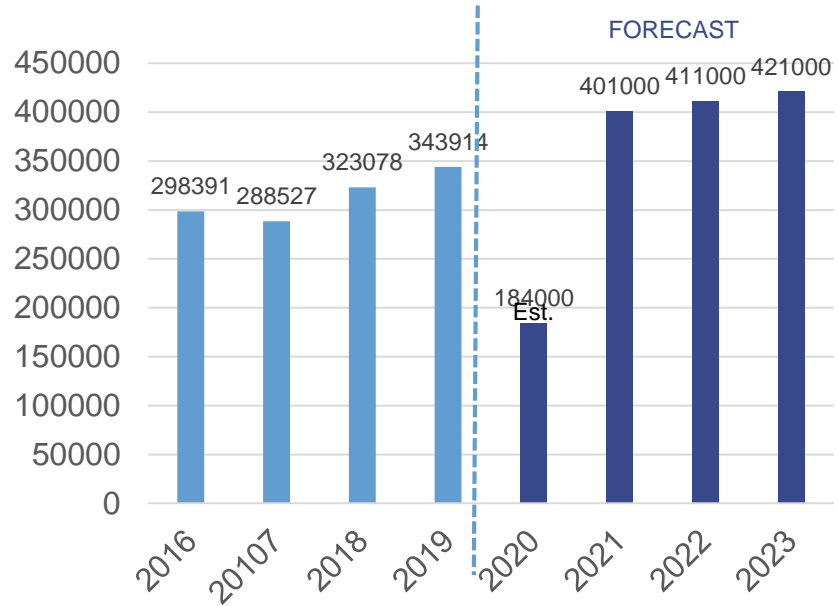






# FEDERAL GOVERNMENT REAFFIRMS COMMITMENT TO IMMIGRATION

Plans To Welcome Over 1.2 Million New Permanent Residents Between 2021 and 2023



Royal LePage 2019  
Newcomer Survey



620,000 newcomers will purchase a property over  
the next 5 years: **that's 1 in 5 home sales**



**75%**

come with savings  
that allow them to  
purchase a home

**55%** buy property within  
3 years after coming  
to Canada



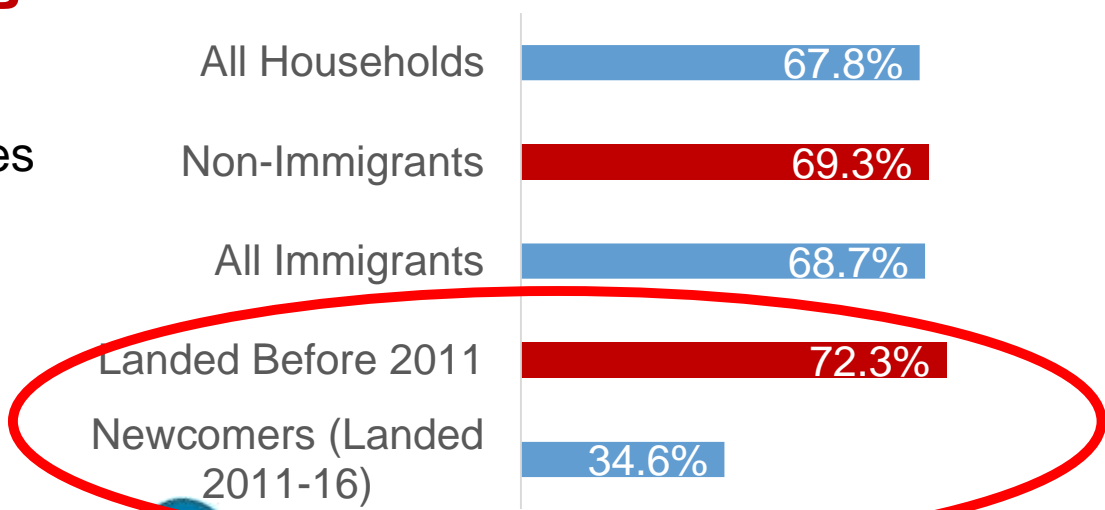
**75%**

do not consider the  
U.S. prior to  
arriving in Canada

# IMMIGRANTS TO CANADA VALUE HOMEOWNERSHIP

Immigrants and Non-Immigrants  
have similar homeownership rates

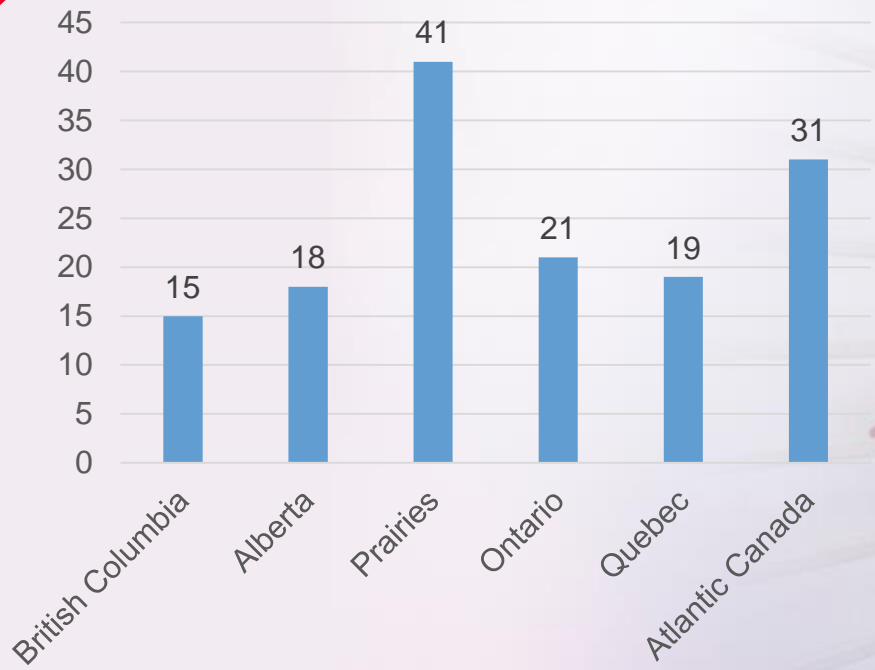
## CANADIAN HOMEOWNERSHIP RATES by immigration status, %



Note: Totals exclude non-permanent residents.  
SOURCES: CANADA HOUSING AND MORTGAGE CORPORATION; STATISTICS CANADA, 2016 CENSUS;  
THE CONFERENCE BOARD OF CANADA



Newcomer Unit Sales as a % of  
Total Regional Unit Sales



Source: Royal LePage Newcomer Survey, CREA, CMHC

# Canada Welcomed Back International Students

A graduation cap with an orange tassel is placed on a stack of books. In the background, a world map is visible, showing North America in focus. The scene is lit with soft, natural light, creating a warm and academic atmosphere.

Canada the world's **third-leading** destination of international students

Last year **828,356** international students contributed **\$21B** to the Canadian economy – greater than exports of auto parts, lumber or aircrafts

A photograph of a woman with her hair in a bun holding a young child. The image is overlaid with a dark grey semi-transparent banner containing the text 'COMMUNITY LEADERS'.

# COMMUNITY LEADERS



## Royal LePage and Johnston & Daniel

The Foundation has raised \$33 million since inception. The Foundation is the largest public foundation in Canada dedicated exclusively to supporting shelters for women and children.



## Via Capitale

Via Capitale has dedicated significant time and effort into raising over \$100,000 for food banks across the province of Quebec through La Grande Guignolée.



## BRES Charitable Foundation\*

A long history of matching employee donations to the United Way, which is an incorporated not-for-profit charity focused on improving the long-term health of the community.

\*Brookfield Real Estate Services Charitable Foundation



The Association of Fundraising Professionals' 2018 Philanthropy Award for Outstanding Corporation



**RAISED**  
**\$33M+**  
since 1998



**HELPING**  
**50,000**  
women and children each year





# BRIDGEMARQ REAL ESTATE SERVICES

## *A COMPELLING INVESTMENT*

- Strong track record of attractive annual dividends
- Financial stability and liquidity support
- A strong network of REALTORS® that have been supported with technology and financial resources to safely provide services during the COVID 19 pandemic
- Secured by industry leading long-term franchise agreements
- Iconic brands
- Proven, successful growth strategy

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