

**Bridgemarq Real Estate Services Inc.**

**Annual General Meeting of shareholders Conference Call**

May 11, 2023 — 10:00 a.m. E.T.

Length: 52 minutes

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## **CORPORATE PARTICIPANTS**

### **Spencer Enright**

*Bridgemarq Real Estate Services Inc. — Chairman*

### **Glen McMillan**

*Bridgemarq Real Estate Services Inc. — Chief Financial Officer*

### **Phil Soper**

*Bridgemarq Real Estate Services Inc. — President & Chief Executive Officer*

## PRESENTATION

### Operator

Good morning, ladies and gentlemen and welcome to the Bridgemarq Real Estate Services Inc. annual General meeting of shareholders Conference Call. At this time, all lines are in listen-only mode. Following the presentation, we will conduct a question-and-answer session. If at any time during this call you require immediate assistance, please press star zero for the operator. This call is being recorded on Thursday, May 11, 2023.

I would now like to turn the conference over to Spencer Enright, Chairman of the Corporation. Please go ahead.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you and good morning, ladies and gentlemen. It is now 10:00 a.m. and time to start the annual meeting of Bridgemarq Real Estate Services Inc. My name is Spenser Enright and, as Chairman of the Corporation, I will be chairing the meeting today. We are holding our annual meeting of shareholders virtually today. We have found that these virtual online meetings run much the same as the in-person meetings we have run in the past. Before we begin with the formal business portion of the meeting, I will provide some comments on voting and asking questions at the meeting.

In making the decision to hold the meeting virtually, we have ensured that shareholder rights are protected. As such, this meeting offers shareholders the same as in-person meeting. I welcome all guests who are not registered shareholders or holding proxies for registered shareholders. As a reminder, as with

an in-person meeting, only registered shareholders and duly appointed proxyholders are able to vote or ask questions during the formal portion of the meeting. Guests will be permitted to ask questions during the management presentation after the meeting. We will conduct the votes on the matters before us by a poll. On a poll, every shareholder entitled to vote has one vote for each share entitled to be voted on the matter and held by that shareholder. Voting during this meeting can only be done through our virtual voting platform on the webcast.

Our polls are now open for all matters to be voted on at this meeting and you should see your voting options appear on the left side of the screen. Voting can be completed at any time from now until the end of the formal business of the meeting. Thank you to those who have already voted. Votes collected by the poll will reflect selections at the time the poll closes. If you have already voted in advance of the meeting, you do not need to do anything as your vote has already been recorded; however, if you wish to change your vote or if you have not yet voted, we encourage you to vote now.

Shareholders and guests can submit questions at any time during the meeting. There will be opportunities for registered shareholders and duly appointed proxyholders to ask questions specific to each resolution. If you have a question, click on the messaging tab at the top of the page. Please read the instructions before submitting your question. In particular, we ask that you identify whether your question relates to a motion being considered as part of the formal business of the meeting or whether it is of a more general nature. We will address all questions that directly relate to a particular motion at the appropriate time of the meeting. We will respond to general questions following the formal business of the meeting, during the management presentation, time permitting. Once you have finished typing out your question, click the arrow beside where you typed your question. The secretary will receive the

questions and, at the appropriate time, we'll read them out in order for everyone to be aware of the question being addressed.

And with that, I would like to call the meeting to order. Again, I remind you that the polls are open for all matters to be voted on at this meeting.

I will now ask TSX Trust Company through its representative to act as scrutineer to report on the restricted voting shareholders present online and the number of restricted voting shares represented by proxy at this meeting, to compute the votes on any polls taken or ballots cast at this meeting or any adjournment, and in each case to report to me as chair.

With me today is Phil Soper, the Corporation's President and Chief Executive. Also with us today is Glen McMillan, Chief Financial Officer of the Corporation, who is to act as secretary of today's meeting. Mr. Soper and McMillan have joined me in our offices for this meeting. First, I will deal with the formal business of the meeting as outlined in the management proxy circular you received in April. Mr. Soper will then make a presentation on the Corporation's financial and operating performance. And finally, we will be happy to answer your questions.

In order to expedite the formal part of the meeting, I have asked certain individuals to nominate and second various resolutions. Although this procedure will assist in the handling of the formal matters, it is not intended to discourage anyone from participating in reference to any resolution after it has been proposed and seconded. Any proposed amendments or objections to a motion will need to be submitted as questions using the messaging tab at the top of the web page. All proposed amendments or objections submitted by shareholders or duly appointed proxyholders who are entitled to vote at the meeting will

be addressed during the meeting, provided that they are submitted before the polls are closed. As I previously mentioned, questions which do not specifically relate to the formal matters being addressed at the meeting will be considered during the presentation of management at the conclusion of the meeting, time permitting.

I have been advised by the secretary that he has received the declaration from TSX Trust Company dated April 17, 2023 that the notice and access calling this meeting and the accompanying management information circular, form of proxy, and audited financial statements for the year ended December 31, 2022 and related auditor's report were mailed to shareholders of record at the close of business on April 6, 2023; therefore, we will dispense with the reading of the notice of the meeting.

I have received the scrutineer's preliminary report on attendance and I confirm that we have the required quorum for the meeting. A copy of the scrutineer's final report on attendance will be filed with the records of the meeting and posted on SEDAR. I now declare the meeting to be properly constituted for the transaction of the business for which it has been called.

The minutes of the annual meeting of shareholders held on May 12, 2022 were reviewed by the Board of Directors of the Corporation at its quarterly meeting on August 8, 2020. Such minutes were found to be in order and were approved by the Board at that meeting and have been included in the minute books of the Corporation. I trust that everyone has had an opportunity to read the materials that were provided prior to the meeting, including the annual report, which includes the letter to shareholders, the management's discussion and analysis for the year ended December 31, 2022, and the audited financial statements for the Corporation, including the auditor's report thereon. Copies of these materials were

made available to all shareholders and are available on SEDAR or on the Corporation's website at [www.bridgemarq.com](http://www.bridgemarq.com). Should anyone have any questions relating to the materials or questions of a more general nature, we will be pleased to respond to them during management's presentation at the conclusion of the meeting. The Chief Financial Officer has tabled the consolidated financial statements of the Corporation for the year ended December 31, 2022, together with the auditor's report, and such financial statements will form part of the record of this meeting.

The next item of business is the appointment of auditors and the authorization to fix their remuneration. It is the intention of the persons named in the management proxy sent to all shareholders to vote in favour of a resolution reappointing Deloitte LLP as external auditor of the Corporation until the next annual meeting and authorizing the Board of Directors to fix the remuneration to be paid to the auditors. As such, in the management information circular, the Audit Committee of your Board of Directors, has recommended to shareholders that Deloitte LLP be reappointed as the Corporation's external auditor. Will someone please move a resolution for the appointment of auditors?

**Glen McMillan** — Chief Financial Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, I move that Deloitte LLP be reappointed auditors of the Corporation to hold office until the next annual meeting and that the directors be authorized to fix the remuneration.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you, Glen. May I have a seconder?

**Phil Soper** — President & Chief Executive Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, I second the motion.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you, Phil.

Adoption of this motion requires the favourable vote of a majority of the votes cast at the meeting by the shareholders. Management has received proxies representing approximately 16.5% of the Corporation's restricted voting shares. In addition, management has received a proxy for the special voting share, which is entitled to 3,327,667 votes. These proxies represent approximately 38.2% of the total votes eligible to be cast at this meeting and direct me to vote 99.6% of the eligible votes in favour of the resolution. I will now ask the secretary to please advise if any questions specific to this motion were submitted or if there are any objections or amendments to this motion. We will wait for a brief period of time to allow for the broadcast delay and to allow eligible shareholders to submit their questions related to this motion.

Thank you. As there have been no questions or comments submitted related to this motion, we will now proceed with the vote. If you have not already recorded your vote, please record it now, remembering that if you have already voted in advance of the meeting and do not wish to change your vote, no further action is required. We will wait for a brief moment to allow you to record your vote.

The next item of business is the election of directors. The Corporation's Board is comprised of six persons. Brookfield Business Partners, through its subsidiary, Brookfield BBP Canada Holdings LP, is entitled to designate up to two-fifths of the members of the board and has chosen to designate myself,



Spencer Enright, and Mr. Joe Freedman as their representatives to the Board of Directors. With the designation of two directors by Brookfield Business Partners, there are four directors to be elected at this meeting, who will hold office until the earlier of the end of the next annual meeting or until their successors are elected or appointed.

The proposed nominees for election of directors are Colum Bastable, Lorraine Bell, Jitanjli Datt, and Gail Kilgour. Mr. Bastable, Ms. Bell, Ms. Datt, and Ms. Kilgour are standing for re-election and have served on the Board of Directors of Corporation since they were elected at last year's shareholders meeting. All of these director nominees are present virtually on this call today. Additional information on the proposed director nominees is set out in our management information circular, which was sent to all shareholders. I now declare the meeting open for nominations.

**Phil Soper** — President & Chief Executive Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, I nominate for election as directors of the Corporation the four nominees named in the Corporation's management information circular relating to the annual meeting of shareholders dated March 27, 2023.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you, Phil. May I have a seconder?

**Glen McMillan** — Chief Financial Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, I second the motion.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you, Glen.

I will now ask the secretary to please advise if any questions specific to this motion were submitted or if there were any additional director nominees to be proposed at this time. We will wait for a brief period of time to allow for the broadcast delay and to allow eligible shareholders to submit their questions related to this motion.

**Glen McMillan** — Chief Financial Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, there have been no questions specific to this motion or any additional director nominees proposed at this time.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you, ladies and gentlemen. I now declare the nominations closed. If you have not already recorded your vote, please record it now, remembering that if you have already voted in advance of the meeting and do not wish to change your vote, no further action is required. We will wait for a brief moment to allow you to record your vote.

Voting for all resolutions brought before the meeting is now closed. Now that the voting is closed, I can declare the results of the votes. On the basis of the voting completed prior to the meeting, the proxies

received by management and the results of voting received online during this meeting, the motion to reappoint Deloitte LLP as auditors of the Corporation is carried.

As to the election of directors, as there are four directors to be elected and the same number of nominees, I now declare that those nominated have been duly elected as directors of the Corporation until the next annual meeting or until their successors are elected or appointed.

Ladies and gentlemen, that brings us to the conclusion of the formal agenda of the meeting and, as such, may I please call for a motion to terminate the meeting?

**Glen McMillan** — Chief Financial Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, I move that the meeting be terminated.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you, Glen. May I have a seconder?

**Phil Soper** — President & Chief Executive Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, I second the motion.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you, Phil.

I will now ask the secretary to please advise if admitted or if there are any objections or amendments to this motion. We will wait for a brief period of time to allow for the broadcast delay and to allow eligible shareholders to submit their questions related to this motion.

**Glen McMillan** — Chief Financial Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, there have been no questions specific to this motion nor any objections or amendments submitted.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you. As there have been no questions or comments submitted related to this motion, I declare the motion carried and this meeting to be concluded.

I will now turn the webcast over to Mr. Phil Soper, President and Chief Executive Officer of the Corporation, who will provide a strategic update on the Corporation and present the Corporation's 2022 and first quarter 2023 financial results. After Phil's presentation, we will be happy to answer any questions that may have been submitted. Again, if you wish to ask a question, you can access the messaging tab on your screen.

Before Phil starts, I should caution that, in talking about our strategic initiatives and our financial and operating performance and in answering any of your questions, we may make forward-looking statements. These statements are subject to known and unknown risks and future results may differ materially from those implied or imputed from those forward-looking statements. For further information

on known risk factors, I would encourage you to review the risk factors section in our annual information form, which is posted on the Corporation's website and on SEDAR.

**Phil Soper** — President & Chief Executive Officer, Bridgemarq Real Estate Services Inc.

Thank you, Mr. Chairman. It is my pleasure to provide an update on the Corporation.

It has been a tumultuous few years. The pandemic brought the real estate industry grinding to a halt, after which the hyper focus on one's living arrangement brought unheard of numbers of transactions through the industry, and then we went into a market correction in 2022. Through it all, our shareholders and the Board of Directors have stood by us and the Company has remained remarkably steady and growing through this period. So, thanks to the Board of Directors for their advice and counsel and for all of you for your trust.

What I am going to take you through today is highlights on the Corporation, the overall real estate brokerage industry itself, and then dive into some of our strategic initiatives. To begin with, a summary of the items that drive our business strategy. First and foremost, we have been seen as a strong income investment since inception, so we do deliver a purposeful dividend income. And I'm just going to pause for a second while we sort out the slide presentation. Secondly, we are a service provider to thousands and thousands of real estate agents across the country. We do this through the use of innovative technology and business services. As the industry's largest firm, we leverage our size and scale to the benefit of our industry participants, our partners, our front-line agents, our brokers, and franchisees. We need the talent of the industry's premium practitioners, so we recruit and train them and have programs

in place to retain them throughout their careers. And finally, we operate the business through long-term franchise agreements, which provides that stability of income that we have for a long time talked about.

All right, let me just briefly go through our brands. We operate multiple brands. Our premium brand and the largest portion of the Company is the Royal LePage brand. Dates back to 1913, 110 years old this year, it is Canada's oldest real estate continuing national real estate company and as part of this portfolio definitely the largest Canadian-based real estate company. We run two luxury boutiques, one in Ontario, one in Quebec, Johnston & Daniel and Tremblant immobilier, which provide specific skills for agents that sell distinctive properties at high value. And we have a very specific Quebec-based business Via Capitale, which is very strong particularly in areas outside of the city of Montreal across the province of Quebec.

Let me provide a brief overview of our operating results. Overall in 2022, we participated in 28%. One in three transactions approximately, in Canada, had a Bridgemark realtor on one or both sides of the table. That was delivered through 20,700 realtors from coast to coast. And it's interesting to note, and I'll talk about this later in the presentation, that Bridgemark realtors, on average, sold \$1,600,000 more of real estate compared to the industry average last year. And during an industry correction, this is very important to allow people to skate through a down market.

I wanted to make a brief mention to Royal LePage Commercial, a very important commercial brokerage brand in Canada and, of the major commercial houses that operate nationally, the fastest growing. We grew by 60% in 2022 and, by practitioner, count are the largest dedicated commercial practice in the country.

Turning to our financial results, in 2022 we again paid a healthy dividend of \$1.35 per share and continue to pay a healthy dividend throughout the life of the Corporation. In the first quarter, compared to the first quarter of 2023, there was a dip in revenue year over year, but we have to remember that we were comparing ourselves to the absolute peak of the pandemic excess when we broke all records for price and volume, the number of homes trading hands in this country, so the comparisons look a little bleak in comparison. If you look back to 2020 and pre-pandemic times, it's more of a return to normal. So overall, the business dipped on transaction count and rose because of the growth in the underlying agent count during 2021 and 2020.

All right, let me turn to the key business drivers, what makes this Corporation tick. There are five that we've called out. We can boil our business down to these elements. First is the number of realtors in the company network. They are the engine of our growth. They drive not only franchise fees but the transactions and the client satisfaction that we've come to expect from our premium brands. Secondly, and I talked about this at the outset, is the stability of our revenues. With long-term contracts, the ability to lock in and create a recurring revenue stream has been one of the more attractive elements of Bridgemarq to shareholders for years. Thirdly, and this is where we saw a sharp rise in 2021 and a dip during the market correction of 2022, is transactional dollar volume. Although it is less of an element in our overall revenue structure, the business does benefit from an expanding Canadian real estate market and, when the market contracts, we do see the results of that. Fourthly is realtor productivity. Again, on a previous slide I talked about how our realtors sell more real estate than the industry overall. And when our realtors are more productive, that drives additional revenue into the Corporation. And finally, we have ancillary products and services. These are things like CRM-driven leads, lead generation revenue and

mortgage services revenue that are added to the Company's overall revenue and diversified the way that we move the business forward.

If you look at the business, we've been on a continuous growth path. If you compare the business back to 2017, we've grown by more than 14%, and this is a considerable feat considering the size of the business and our market share. We are a very large and mature company, so to continue to grow steadily over time is one of the things that management is most proud of.

Productivity. I've touched on this a couple of times. You look at the earnings of our agents compared to the industry overall and you see that our agents simply sell more real estate. Now the obvious benefit of this is that this produces more revenue, which finds its way into the Corporation and ultimately to stakeholders. But there are secondary benefits as well, particularly those that show up during a down market, a market correction like 2022. When the industry dips, less productive agents are often forced to literally find a different career. People with higher levels of productivity can weather the storm. Because remember, in the real estate industry across North America, our frontline practitioners are independent contractors. 100% of the income they earn is the revenue they drive through their practices. So they need a large book of business to be able to get through those lean years. Lucky, in the Canadian real estate over the last quarter of a century, and we'll talk about the look ahead, there are a few of these downturns, but they do happen and Bridgemarq realtors are better equipped to weather them.

Overall, we follow GDP roughly in Canada. As the nation's largest firm and having been serving Canadians for over a century, we are embedded in communities, small and large, farming communities, huge cities, downtown cores. We are serving our clients everywhere. We are slightly overrepresented in



certain jurisdictions and slightly underrepresented in other jurisdictions. For example, in Quebec, where we have Tremblant Immobilier, Via Capitale, and Royal LePage, we have an overrepresentation. And in Alberta we have a slightly underrepresentation. Just mild, but slightly. I'm pleased to say some of our strongest growth in 2022, and as I look ahead to 2023, is actually in the west in Alberta and British Columbia.

The other thing that mitigates risk in our industry is the structure of our agreements. The traditional real estate franchise agreement is a five-year agreement. Our agreements, and we're able to do this because of the very, very high level of renewal on our contracts, people tend to get into our businesses as owners and stay for life. And because of that, we're able to sign our leaders, our regional leaders, our franchisees across the Company, up to ten-year agreements. And you can see from this graph that the expiration date of those agreements is spread out over time, which simply reduces the risk that someone should either leave the industry altogether or decide to take another path, which rarely happens in our business.

So let's turn to growth opportunities themselves. Royalty growth, our top line growth, is driven through the number of realtors, which we talked about, by converting competitive brokerage, whether they're an independent or someone who wishes to upgrade the services and the brands they trade in and they are moving from another, say, American brand to the leading Canadian brands, or by driving realtor productivity through better use of technologies or training, and those technologies themselves can open brand-new doors for revenue such as introducing Canada's first national AVM or automated valuation method, a new introduction service that we introduced that I'll be talking about later in the presentation and, finally, by driving higher levels of adoption of our products and services. So, when you have a network

as large as ours, it's one thing to develop a better mousetrap. You then have to get people to use it. And that is half the battle and it's something I'd like to say we're very good at.

2023. Here are items of focus for this year, the year we find ourselves in. First of all, digital brokerage transformation, including expanding the use of cloud-based, AI-driven software services, which we first introduced in 2020 and we've continued to evolve and expand. So our network uses these for decision support. The national business uses it for client service. We use it for marketing, lead generation. It's helping our frontline practitioners be better at the jobs they do and it's helping our clients, our consumer clients, get the answers they need quicker and more accurately and in a more enjoyable fashion.

Again, converting competing brokerages and individual agents to one of the Company's brands by showing them the light, showing them the better professional lives they can have within our firm versus how they're practicing real estate brokerage today.

We have an evolving and growing focus on servicing real estate teams. So, in North American real estate, traditionally we have practiced on three levels: a national firm, a national brand, call it a franchisor, then local brokerage offices or franchisees, and then frontline practitioners. The business is evolving into a four-level structure with individual agents, real estate teams, brokerage offices, and the national firm. And that real estate team, which is essentially a brokerage within a brokerage, is a high level of growth. It's beyond the scope of this particular call to get into all the details but, in short, we are taking our years of expertise in helping real estate brokerage companies grow through better use of local technology, human resources, financial systems, taking that kind of learning and applying it to the small business, which may have as few as two or three people in it or it may have, say, up to 30 people in a real estate

team. They are businesses within the business and we've found that they are thirsty for this kind of knowledge and we're able to attract teams from other corporations as a result.

And finally, we are, as the nation's largest real estate firm, we take that responsibility seriously and we advocate for policies that addresses Canada's critical housing supply shortage with policymakers at the municipal, provincial, and federal level.

All right, let's talk more specifically about the Bridgemarq difference, and I'm going to start with some in-depth market research. So this is brand new, literally just weeks old. We went to market before the Bank of Canada ended its aggressive interest rate rising campaign that lasted a full year, so this was February of this year, and we asked Canadians if they were in the market for changing their housing situation, and 24% of them said they were, yet 63% of them had postponed their plans due to the rising interest rate environment. We then asked whether or not an end to that environment, or if the Bank of Canada ended their campaign of raising interest rates, would that change your plan? And this is focused on that 63% who had postponed their plans. And 26% said yes, when I see them keeping interest rates flat, we'll be back in market. And then we said, okay, for the rest of you, if the bank kept interest rates flat again, so a second or more times, would that encourage you to get back in the market, and a further 36% of people said, yes, that would encourage us to get back into the real estate market. So in summary, six out of ten sideline homebuyers have or plan to return to the real estate market and we are seeing this in spades this spring where demand levels are very high.

Canada's millennials, which are the largest demographic, have aged into our largest, our prime buying category, and 57% of millennials already own their home. 60% of millennials who do not currently

own their home believe that they will someday. And of those, 52% say they would have to relocate in order to achieve this. So there's some interesting information that is part of this. First of all, the newest group, the people in their 20s, 30s, and 40s, who are our largest buying cohort, are as interested in owning their homes as their parents were, the baby boomers, which is the generation that had the highest homeownership rate in Canadian history.

The other reality that comes from this research is that our most expensive cities are causing people to relocate. And we see this. We see people relocating from the Golden Horseshoe of Southern Ontario into Atlantic Canada, into the Prairies, particularly Alberta. And this is not a bad thing for anywhere in Canada. In Southern Ontario it takes a little bit of the steam out of overheated markets, because most new Canadians land in Southern Ontario, and for these other markets, these secondary markets, the post-pandemic, work-from-home, virtual careers movement has [inaudible] where the cost of living, particularly the cost of housing, is lower. And for Bridgemarq, this is a wonderful thing, because of course we're not any one particular geography-centric. We serve Canadians in all geographies, which attracts brokerages, franchisees, and agents who understand the power of a national referral network.

Let's turn to the real estate market itself. So, if you look at Q1 over Q1, so this is 2023 over 2022, you can see the impact of this market correction, where transactional volume over, remember, over the absolute peak of the pandemic, had fallen by some 40%. So that's the number of transactions. But prices also fell, 16% in Toronto, 7% in Vancouver, 7% in Montreal. And unit sales, 43% in Toronto, 47% in Vancouver, 32% in Montreal, almost 40% nationally, as I mentioned. So it was a significant market correction.

Excuse me, sorry, we're just having an issue with the charts. Okay. Perfect. All right, so this, now we turn ourselves to the outlook overall in 2023. We have upgraded our outlook for the 2023 home price by a significant amount over what we believed the market would show when we first put our 2023 forecast in place at the end of 2022. So at that time, we believed the market would recover. Remember, we'd just seen double-digit drops in both volume and in home prices. And so we had forecast that we would basically recover to flat to minus 1% in price by the end of 2023. Based on a number of factors, predominantly the steep rise in demand, we've adjusted our forecast to say that prices will be up by 4.5% year over year 2023 over 2022. And you can see it. It varies considerably by major city, but the GTA itself we see rising 7.5%, for example, over prices at the end of 2023. So the rise in demand is significant. And this is driven, as we showed in the research, by the Bank of Canada holding interest rates in that neutral range. So we saw the steepest rise in interest rates from virtually zero during that one-year period and we're now in a holding pattern. We've had two periods where the Bank of Canada has kept interest rates flat.

From an employment standpoint, as we look across the country at employment, it has been quite remarkable, and this has certainly helped the recovery of the real estate industry, because while people were pushed to the side with the, I showed you the research recently that said the majority of Canadians were uncomfortable trading while interest rates were rising rapidly and they felt that once they have stopped rising rapidly that it was okay to get back into the market, well backing that is the fact that we have, in economic terms, full employment in this country. For the fifth consecutive month at 5% unemployment, 95% of people working full time. And of course, when people work full time, they're able to get a mortgage, they're able to afford a home.

The other part of the financial equation is Canadians are saving at a much higher rate than they traditionally have. The traditional savings rate is at about 2% and Canadian savings rates are currently standing at 6%, so about three times normal, and that of course means that they can afford a down payment. So we have existing Canadians who are able to get back in the market driving demand.

The next piece of the puzzle are new Canadians, so the wave of immigration. These people have to be housed. Now it's critical that we pursue this immigration because the rate of people retiring from the market, call it baby boomers moving into retirement, is quite a bit higher than the rate of young people moving into their working years. So we need to plug that gap, as do advanced economies all over the world, with immigration. And Canada is a leader in attracting economic immigrants who come to the country and they have skills or they have capital and, interestingly, at the seven-year mark, new Canadians have a higher level of homeownership than people who were born in Canada.

All right. Let's switch gears and talk about the tools and technologies that we use to drive our business. The biggest news in technology in Canadian real estate in many years, probably since our Royal LePage business introduced the very first website to Canada, the very first real estate portal back in 1995, that's royallepage.ca, was the introduction of rlpSPHERE, which is a cloud-based, AI-driven, end-to-end digital architecture. It's a platform for managing real estate. We introduced this in 2020 and it has made a huge difference in the way our realtors practice.

Essentially, what it allows people to do is to use a customized CRM to manage their relationship with prospects and existing clients. So if you look at this chart, you'll see 2020, 2021, 2022, contacts, calls even, oh, we're just going to bounce back for a second here. And you'll see in the calls, texts, and emails

line in particular, that first blue circle, that we have moved from 2.3 million to 11 million to 22 million as our sales force across the country and so adopted this. And this is despite the fact that the market was down by 40%. There was 40 fewer contacts. People are using the auto drive, AI-driven models to reach out to their clients at the appropriate time. And even though the market was down 40%, you can see a very similar level of formal leads driven into them 112,000 versus 119,000 in 2021.

On royallepage.ca, this is Canada's, and has been since 1995, the most visited, the most popular real estate company website, 127 million views last year, 37%, the second largest real estate company website, driving approximately 260,000 leads into our agents across the country, which is one of the most powerful tools that we have.

I mentioned at the outset, a new feature of royallepage.ca. We call it QuickQuote. It is an automated valuation method, a way for consumers, Canadian consumers, to understand what the value of a home is before it goes on sale. So, traditionally, real estate websites like reilator.ca, or our royallepage.ca, are a place where buyers go to find homes for sale. It's a place you go to shop homes. We call it buyer aggregation. What we intended to do for the AVM is to aggregate sellers, to bring people who have not yet listed their home to the website to give them advice and counsel before they were ready to talk to a real estate agent, and then we take these leads and they're put through our Smart Leads program into our frontline practitioners. So it allows people to get an estimate on the value of their personal home, their neighbour's home, any property in Canada.

All right. To wrap things up, I did want to talk on our ESG, our environmental, social, and governance initiatives. The Company has a number of initiatives that are focused on aligning with our core

values we published, which you can find on [bridgemarq.com](http://bridgemarq.com), a comprehensive ESG report which covers all the various elements of our corporate philanthropic efforts, our efforts on the environmental front, and how we properly govern the business. If you look here, you can see some of the initiatives that we have taken under each of the E, S, and G highlights that have allowed us to move the industry forward and aligned our business and all our stakeholders with being an appropriate corporate citizen. And the most important of which, and which we're extremely proud of is our charitable foundation, the Royal LePage Shelter Foundation. It is the largest foundation, largest public foundation in Canada focused on eradicating violence in our communities and supporting the women and children who fall victim to it. It is our 25<sup>th</sup> anniversary of the foundation this year. We've raised some \$41 million since inception. And even in a down market in 2022, we were able to raise \$3.25 million for women's shelters across Canada and many policy programs to help eradicate violence in the future.

So, to sum up, Bridgemarq Real Estate Services, we feel, is a compelling investment, has a strong track record of producing attractive annual dividends, produces financial stability and liquidity, a strong network of the industry's premium realtors that has continued to grow even through market downturns, secured by industry-leading, long-term franchise agreements, we operate two markets through iconic brands, and all of this together is a proven successful growth strategy.

So with that, I'll wrap things up and we'll be pleased to take your questions.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.



Thanks very much, Phil.

I'd like to now open the proceedings to questions or comments concerning the Corporation or its operations. Again, if you would like to ask a question, please do so using the messaging tab.

Glen, do we have any questions from shareholders or guests at this time?

**Glen McMillan** — Chief Financial Officer, Bridgemarq Real Estate Services Inc.

Mr. Chairman, there are no questions from shareholders or guests.

**Spencer Enright** — Chairman, Bridgemarq Real Estate Services Inc.

Thank you, Glen.

Well, ladies and gentlemen, on behalf of my colleagues, I would like to thank everyone for their support and participation here today. We hope that you and your families stay healthy and safe.