FINAL TRANSCRIPT

Bridgemarq Real Estate Services

Annual Meeting

Event Date/Time: May 7, 2019 — 10:00 a.m. E.T.

Length: 60 minutes

CORPORATE PARTICIPANTS

Spencer Enright
Bridgemarq Real Estate Services — Chairman

Phil Soper
Bridgemarq Real Estate Services — President and Chief Executive Officer

CONFERENCE CALL PARTICIPANTS

Glen McMillan
Bridgemarq Real Estate Services — Chief Financial Officer

Lorraine Bell
Bridgemarq Real Estate Services — Director

Gail Kilgour
Bridgemarq Real Estate Services — Director

Paul Zappala
Bridgemarq Real Estate Services — Legal and General Counsel

Alicia Omand
Bridgemarq Real Estate Services — Marketing Director

PRESENTATION

Spencer Enright — Chairman, Bridgemarq Real Estate Services

Well, good morning, everybody. It's now 10:00 a.m. and time to start the Annual Meeting of Brookfield Real Estate Services Inc. My name is Spencer Enright, and as Chairman of the corporation, I will be chairing the meeting today.

And I would like to call the meeting to order.

I will now ask AST Trust Company, through its representative, to act as scrutineer, to report on the restricted voting shareholders present in person, and the number of restricted voting shares represented in person or 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 Chairman.

I would like to introduce Phil Soper, the corporation's President and Chief Executive. Also with us today is Glen McMillan, Chief Financial Officer and Secretary of the corporation, who is to act today as secretary of today's meeting.

First, I will deal with the formal business in the meeting as outlined in the Management Proxy Circular you received in April. Phil Soper will then make a presentation on the corporation's performance, and finally, we'll be happy to answer any questions you may have.

In order to expedite the formal part of the meeting, I've 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 speaking in reference to any resolution after it has been proposed and seconded.

If you wish to speak, you are requested to give your name, state whether or not you are a shareholder or a proxy holder, and if not, in what capacity you are here.

I have been advised by the secretary that he has received the declaration from AST Trust Company, dated April 5, 2019, that the notice and access calling this meeting and the accompanying Management Information Circular, form of proxy, and 2018 Annual Report, including the corporation's audited financial statements for the year ended December 31, 2018, and related auditor's report, were mailed to shareholders of record at the close of business on April 5, 2019. And as such, we will dispense with the reading of the Notice of Meeting.

I have received the scrutineer's preliminary report on attendance, and I can confirm that we have the required quorum for the meeting. A copy of the scrutineers' final report on attendance will be filed with the records of the meeting.

I now declare the meeting to be properly constituted for the transaction of the business for which it has been called.

In connection with the business to be dealt with today, unless a shareholder or proxy holder demands a ballot, all voting will be conducted by a show of hands.

The minutes of the Annual Meeting of Shareholders held on May 8, 2018, were reviewed by the Board of Directors of the corporation at its quarterly meeting on August 9, 2018. 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 the opportunity to read the 2018 Annual Report. Copies of this report were made available to all shareholders and are available to everyone present at this meeting. Should anyone have any questions related to the Annual Report or questions of a more general nature, we will be pleased to respond to them following the formal presentation.

I will now ask the Chief Financial Officer to table the Annual Report, including the consolidated financial statements of the corporation for the year ended December 31, 2018, together with the auditor's report. Thank you, Glen.

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 stated 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?

Lorraine

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

Spencer Enright

Thank you, Lorraine.

Would someone please second the motion?

Simon Dean

Mr. Chairman, I second the motion.

Spencer Enright

Thank you, Simon. 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 2.4 million of the corporation's restricted voting shares. In addition, management has received a proxy for the special voting share, which is entitled to 3.3 million votes. These proxies represent approximately 44.76 percent of the total votes eligible to be cast at this meeting, and direct me to vote over 99 percent of these eligible votes in favour of the resolution.

All those in favour of the motion? Contrary, if anyone?

And the motion is carried. I declare Deloitte LLP to be reappointed auditors of the corporation.

The next item of business is the election of directors.

The board is saddened by the passing of the Hon. J. Trevor Eyton earlier this year. Mr. Eyton was a director of the corporation from May 2014 until he passed. We were honoured—I was honoured to have worked with Mr. Eyton, who brought incredible depth of experience and wisdom to the board.

The corporation's board is comprised of five persons. Brookfield Business Partners, through its subsidiary, Brookfield BBP Canada Holdings LP, is entitled to designate two-fifths of the members of the board and has chosen to designate myself and Mr. Joe Freedman as their representatives to the Board of Directors. Mr. Freedman joined the board on March 12, 2019, and was appointed by Brookfield to fill the vacancy created by Mr. Eyton's passing.

Mr. Freedman is Senior Vice Chairman, Private Equity at Brookfield Asset Management. Mr. Freedman joined Brookfield in 2002 and has held a number of positions, including general counsel and head of mergers and acquisitions, transaction execution, fund formation, and fund operations. We are thankful to be able to benefit from Mr. Freedman's vast business experience. Welcome.

With the designation of two directors by Brookfield Business Partners, there are three 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.

Mr. Simon Dean has notified the corporation that he is not seeking reelection and will be retiring from the board, effective as of the conclusion of this 2019 Annual and Special Meeting. The board would like to thank Mr. Dean for his valuable contributions and wishes him the best in his future endeavours.

The proposed nominees for election as directors are Colum Bastable, Lorraine Bell, and Gail Kilgour.

Ms. Bell and Ms. Kilgour were elected at our last annual meeting in May 2018 and are standing for reelection today. Ms. Bell and Ms. Kilgour have been directors since the corporation was first established as an income trust in 2003, and we are delighted to be able to continue to benefit from their deep knowledge of the corporation and its operations.

Mr. Bastable is seeking election to the Board of Directors for the first time. He has over 40 years of experience in the real estate services industry. From 1976 to 2005, Mr. Bastable held a number of senior leadership positions within Royal LePage, including Vice President in Finance, Executive Vice President of Commercial Operations and, ultimately, President and Chief Executive Officer. From 2005 until recently, he held the role of Chairman of Cushman & Wakefield Canada. Mr. Bastable is a Fellow of the Institute of Chartered Accountants in Ireland.

Additional information on all of 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 and Chief Executive Officer, Bridgemarq Real Estate Services

Mr. Chairman, I nominate for election as directors the shareholders the three nominees named in the corporation's Management Information Circular relating to the Annual and Special Meeting of Shareholders, dated March 25, 2019.

Spencer Enright

Thank you, Phil.

Would someone please second the motion?

Paul Zappala

Mr. Chairman, I second the nomination.

Spencer Enright

Thank you, Paul.

Are there any further nominations? Thank you, ladies and gentlemen.

I now declare the nominations closed. As there are three 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.

The final scheduled item of business is the proposal to change the legal name of the corporation to Bridgemarq Real Estate Services Inc. A copy of the name change resolution was included in your meeting materials.

Approval of the name change resolution will ensure that the legal name of the corporation is consistent with its branding and how it operates on a day-to-day basis. The corporation has been operating as Bridgemarq Real Estate Services since the start of this year, which has allowed it to differentiate itself to investors, while continuing to benefit from the close affiliation with Brookfield Business Partners.

Changing the legal name of the corporation requires the approval of shareholders by way of a special resolution, which must be passed by at least two-thirds of the votes cast by the shareholders, in person or by proxy, at today's meeting.

If this resolution is approved, it is the intention of the board to effect the name change as soon as practical after this meeting. The approval by the shareholders is subject to receipt of all regulatory approvals, including the approval of the TSX, and will be effected through the filing of Articles of Amendment under the provisions of the Ontario Business Corporations Act.

The Board of Directors believes that it is in the best interests of the corporation to approve the name change resolution and, accordingly, recommends that all shareholders vote in favour of this resolution.

It is the intention of the persons named in the Management Proxy sent to all shareholders to vote in favour of this resolution and change the name of the corporation to Bridgemarq Real Estate Services Inc.

Will someone please move a resolution to change the name of the corporation to Bridgemarq Real Estate Services Inc.?

Gail Kilgour

Mr. Chairman, I move that the corporation change its legal name to Bridgemarq Real Estate Services Inc., and that the name change resolution, as detailed in the corporation's Management Information Circular related to the annual and special meeting of shareholders dated March 25, 2019, be approved as it is proposed therein.

Spencer Enright

Thank you, Gail.

Would someone please second the motion?

Lorraine Bell

Mr. Chairman, I second the motion.

Spencer Enright

Thank you, Lorraine.

Adoption of this motion requires the favourable vote of at least two-thirds of the votes cast at this meeting by shareholders. Management has received proxies representing approximately 2.4 million of the corporation's restricted voting shares. In addition, management has received a proxy for the special voting share which is entitled to 3.3 million votes. These proxies represent approximately 44.76 percent of the total votes eligible to be cast at this meeting and direct me to vote over 98 percent of these eligible votes in favour of the name-change resolution.

All those in favour of the motion? Contrary, if any?

Good. The motion is carried.

I declare that the name change resolution, as detailed in the corporation's Management Information Circular relating to the Annual and Special Meeting of Shareholders, dated March 25, 2019, is hereby approved.

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

Glen McMillan — Chief Financial Officer, Bridgemarq Real Estate Services

Mr. Chairman, I move the meeting be terminated.

Spencer Enright

Thank you, Glen.

Would someone please second the motion?

Alicia Omand — Marketing Director, Bridgemarq Real Estate Services

Mr. Chairman, I second the motion.

Spencer Enright

Thank you, Alisha.

All those in favour?

And that's carried. Thank you. I declare the meeting terminated.

Before proceeding with the management presentation, I should caution that in responding to questions and in talking about our new initiatives and our financial and operating performance, 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 Factor section in our Annual Information Form, which is posted on the corporation's website and on SEDAR.

We will now proceed with a presentation by Phil Soper on the corporation's 2018 and first quarter 2019 performance and a real estate market update, after which we will be pleased to entertain any questions.

Phil?

Phil Soper

Thank you, Mr. Chairman. Thank you very much.

At the outset, I would call your attention to this e-mail address info at bridgemarq.com. This is broadcasting over the web. We will have it online where many of our shareholders review the material afterwards, but in terms of live questions, if you were to write to infobridgemarq.com, myself and Glen would be pleased to answer your questions.

Right at the outset, I wanted to thank the Board of Directors for the guidance they have provided over the past year. And particularly Simon Dean, who has offered much sage advice and wisdom over the years, and was never afraid to challenge the status quo, even if management recommended it. So, and I notice, Simon, you're sitting all by yourself in the room. Was that on purpose? Or no?

Simon Dean — Director, Bridgemarq Real Estate Services

(unintelligible)

Phil Soper

Anyway, we're very, very grateful for all you've done for the Company. And welcome, Joe and Colum, very much look forward to working with you.

Wanted to thank those in my management team who are here today. 2018 represented the third significant market correction that we have gone through since the Company incorporated in its present state, and as you'll see in the presentation today, we did just fine. So the construct of the firm, which is designed to do well in markets hot and cold, I think proved itself once more.

And finally, a lot of work goes into the creating of the material that goes into our annual report and the annual general meeting. I wanted to thank those people in finance, investor relations, and marketing for all the work you put into this event, the presentation, and the materials that we published online. So thank you very much.

So let me get right into it. As Spencer suggested at the beginning, we've rebranded. This is our third rebranding in the 16 years. We began as the Royal LePage Real Estate Services Fund, or the Franchise Services Fund, an income trust back in the day. We rebranded Brookfield Real Estate Services when we became a multi-brand provider of real estate services. And most recently, I decided to clarify the fact that we were an independent company, independent from Brookfield, although Brookfield's relationship with business has not changed. So Bridgemarq it is, a new era.

Our business strategy. First of all, over the last five years, we've produced an annualized return, compound return of 11.5 percent. And there's been some topsy-turvy times in the market during that time, so we're very proud of that.

We are an income-focused investment. And from inception this large, successful companies, if you step back, the Company itself dates back 106 years. So it's not just the largest, it's the oldest national real estate in Canada, company in Canada, and it is a steady provider of income to owners.

We maintain stability through long-term franchise agreements with predominantly fixed fees. I'll cover that later. We leverage the economies of scale as the industry's largest firm for the benefit of Canadian consumers, and our very large network and, of course, all the stakeholders in the firm. We recruit, train, and retrain premium practitioners. There are advantages to premium practitioners, which I'll touch on in the presentation.

As a Brookfield company, you can be assured that we maintain an appropriate capital structure, and we do lead the industry with innovative, effective technology. And a big part of my presentation today will focus on the digital transformation of real estate brokerage services and how we intend to leverage that for the benefit of all.

Final point on this slide. Since inception 16 years ago, we've added 9,500 REALTORS. That number alone would make us the largest real estate company in Canada.

Our brands. We operate under the grand old Royal LePage brand, started at A.E. LePage in 1913. We have a luxury focus through our Johnston & Daniel business with locations in several places in luxury real estate markets in Ontario, and we've invested specifically in Quebec, and it has really paid dividends for us. It was a bit of a contrary investment, putting the focus we did in Quebec, and I'll speak to that later in the presentation, how we've been rewarded with the loyalty of Quebec real estate consumers.

Let me go over our results for year ended 2018 and the first quarter of this year.

So the Company grew from the end of 2017 to now, by about 66 percent, to 19,231 REALTORS, crossing that magic 19,000 mark. And in Quebec, over the period of time from the end of 2018, so last year plus the first few weeks of this year, we've grown by 32 percent. So it's really quite something, and I'll get into that in a little more detail later in the presentation.

We are focused as an income-based investment and, as such, a healthy proportion of our free cash is dividended out to owners. You can see the dividend has grown over time.

Paradoxically, when our share price goes up, our income goes down. This is because in IFRS, and international financial regulatory rules, when exchangeable units such as that Brookfield holds rise in value, they're taken as a charge on our financial statement. So if you look at this little chart that finance put together for me—thank you very much—bit of a topsy-turvy year in global equity markets. As our share price rises, our income falls. As our share price falls in the correction in 2018, income rises, and as the business does better, income falls again. So there are better measurements of our financial performance but we, of course, comply to all financial accounting regulations.

Revenue. It was a difficult year in 2018, so that impacted us a small amount. The biggest impact to revenue was the expiry of the onetime premium fees. So there was a contract that was put in place way back at inception that lasted 15 years, and it was, call it, a start-up investment in a series of real estate companies. And when that 15-year contract ran out, premium fees ran out. What we have done, as I'll show you, is we've replaced those fees, for the most part, with ancillary revenues, other revenue sources plus the underlying growth of the Company.

We also launched a new management services agreement. For 15 years, the board at Brookfield negotiated this agreement, and I'm very pleased that it's settled, and we have a 10-year management services agreement in place with Brookfield as the manager of this fund. So I'm just going to go over quickly some of the old and new features of the MSA.

In the past, the Company acquired agreements from the manager once a year. For those who have been shareholders for some time, this was known as the vend-in process. It happened at the beginning of the year. So the manager went out to market, acquired contracts—incubated them was the term we used—essentially ensured that the firm was steady, and then once a year would sell those contracts to the Company.

Under the new MSA, after the experience we have under our belt, it was deemed that this was no longer necessary and that the Company could enter into these new agreements immediately. The benefit of that, of course, is that the revenue associated with these new firms accrues to the Company immediately upon conversion to one of our brands.

Under the old MSA, the manager did operate a number of businesses outside of the core royalties business of Bridgemarq. And in 2018, those businesses have revenue of $3.6 million. As part of the negotiations, these businesses—the revenue from these businesses were rolled into the firm. So the ancillary revenue from those businesses now forms part of the revenue of Bridgemarq.

Under the old MSA, the Company paid market value for new agreements. The 2018 agreements, the ones that were accrued in 2018, which would have been vended in on January 1, 2019, were transferred to the Company at no cost. Under the old MSA, the Company paid market value every year for new agreements, and now the Company will pay a flat fee of $10.1 million per year. Under the old agreement, the Company paid a variable fee of 20 percent of cash flow, and it's now 23.5 percent.

It looks very complicated. Let me just say there was a lot of math behind this. And in the end, if you were to take the results of 2018, the Company could have comfortably paid the dividend. And that—therein lies the magic behind this. It smooths out the revenue, and it's more in keeping with the nature of our firm, which produces very smooth revenue, but because of the vend-in process it was very lumpy and costs would spike upon acquisition and then drop down. And this is a much more even approach.

If you look at the previous royalty fee composition, approximately 80 percent, 79 percent of our revenue is fixed in nature. So it's not subject to the rise and fall of real estate home prices or volumes. So you get a situation like 2018, where volumes in our two largest markets, Ontario and British Columbia, fall, if 80 percent of our revenue is protected from that fall.

We had the premium fees, that onetime 15-year contract I talk about, which was pure variable, and there are variable fees in our royalty structure. If you look at a pro forma, if we were to take the new agreement and put it on 2018 results, you'll see it's very, very similar: 79, 21, and new revenue represents just slightly more. This number was 7 percent with premium fees; new revenue would have represented 8 percent of 2018 results.

All right. Let me get into what drives the business and how we have been successful over time and intend to be successful in the future.

Stability of revenues, which I've spoken to. The number of REALTORS in the Company. So we continue to focus on recruiting and retention and acquisition strategies. Although we're a very large firm, there are 125,000 registrants in the industry, and we represent 19,200. So we've got lots of room to grow.

The Company's growth opportunities, including the new business services that we acquired from Brookfield as part of the new MSA and the transactional volume. So this is where the actual industry, when it's expanding rapidly, although it's a relatively small part of the business, we do—as in any balanced portfolio, we do have a high-growth and riskier element to our makeup. It's just quite small.

If you look at our network growth as of the end of March, we were at 19,000, a 15 percent increase over the last three years. And on January 3rd, so the beginning of the year, it was 495 REALTORS that were transferred into the corporation from Brookfield. Those would have been vended in. In fact, they were transferred at no cost, and they represent revenue of approximately—forecast to be about $1 million. Nine hundred thousand dollars on an annualized basis.

If you look at productivity. I mentioned at the outset we look to attract the best and brightest in the industry, and our company's REALTORS do in fact generate about $500,000 more in home sales than the industry average. You can see that here, 2.2 versus 1.7. This is important not just for that small slice of variable revenue that they contribute, but also because in industry downturns, the stronger realtors tend to be the sticky realtors. They have the ones—they are the ones who can weather difficult transitions in the industry and continue to succeed.

Geographic dispersed salesforce or regional diversity is one of our big strengths. We are the oldest, the largest, and over the last decade or so, the fastest-growing national real estate company in Canada, and we have managed to fit into every nook and cranny in the country. This provides a lot of regional diversity because Canada really is a market of markets. Independent parts of the country represent very different economic drivers. Local regulations, such as what we've seen in British Columbia, can impact the real estate market in one region of the country.

You look at the black bars on the left, that represents the proportion that a province has of the national real estate population, and the right-hand bar is what the Company has. So we're bang-on in terms of Ontario by far the largest real estate market in Canada. And if you go across the country, we're slightly underrepresented in British Columbia and Alberta and slightly overrepresented in Quebec.

So Quebec, because we run two businesses. And Via Capitale, the Royal LePage business, has done very well nationally and in Quebec. Via Capitale is a very francophone business. It reaches into markets that like to deal with French service providers. It's headquartered in a suburb of Montreal. It grew up in Montreal. It's about a 30-year-old business. And it's the largest Quebec-focused real estate brokerage in the province.

So if you look at the major international brands, companies like Coldwell Banker, which is one of the largest America real estate companies in the world, they don't even operate in the Province of Quebec: language challenges, regulatory differences. You have to invest, and you have to be there for the long term. You have to have a team on the ground. You have to operate out of Quebec to win the hearts and minds and pocketbooks of Quebec consumers. We've done that; we've invested over the long term, and it's really paying dividends. I'll talk to the markets themselves in just a minute.

We've also, because we have predominantly long-term contracts; almost all our contracts are 10 years or longer. And if you look at their expiry date, they spread over a very long period of time. And if you think about it, if we were evenly 10-year contracts right across the business, we'd have about 10 percent of our contracts expiring every year. And if you see the numbers, they're relatively small. These are by number of REALTORS and number of agreements.

We tend to find ways to renew the agreements well before expiry. If a company wants to expand, we renew their agreement for another 10-year period. A company wants to merge, we renew their agreement. If a company wants to make material changes in ownership, we renew their agreement. So we use lots of ways to ensure that we have steady, long-term commitments to the brand. And the real … but the real strength of this brand and the reason, we have 99 percent contract renewal, is because people wouldn't consider working in the real estate industry anywhere else, other than with the brand that they've grown up with. Our brand, particularly the Royal LePage brand.

All right. Growth opportunities. Our growth is, of course, by driving the number of REALTORS; converting competitive brokerages to one of our brands; increasing the productivity of our REALTORS, in other words, tools and services and training that help them sell more; expanding the range of services, and particularly our new businesses; and increasing the adoption of our products and services.

In 2019, our number one focus is a transformation of the business into an end-to-end digital platform. So many parts of our business today are—well, all parts are driven by information technology, but we've reached the age where from end to end, from digital signature through to conveyancing, transfer of funds, and the ongoing contact with that consumer when they become a past client, where now technology is now available that we believe we can integrate everything onto an end-to-end platform. It's a very exciting time for real estate technology, and we believe it'll pay huge dividends in the future.

Of course, with acquisition, we've always been the major consolidator in the country; capitalize on the growing number of real estate teams is another element of that. So more and more real estate agents are, in fact, working for a team leader. If you're in the community, and you see like the Dean team, Simon may be the leader of that team and his name is on the signs, but he could have another realtor working for him or maybe 3, 5, 10. We have up to 30-person teams. And we were an early adopter of team-based services, and we see this as a specialized area in which we can grow.

Market development. A focus on ethnic communities is very important to us. Two recent brokerages where I cut ribbons recently; one was in the Sikh community in Toronto, which opened a brokerage right downtown in Toronto in an office tower on Lake Ontario, but predominantly Sikh REALTORS. And our fastest-growing mid-size brokerage was opened up in East Toronto, in the Scarborough area, a Sri Lankan focus brokerage. So most of the agents—I think there's about 100 people in that business now are of Sri Lankan decent. More and more specialty, serving both new Canadians and existing communities by ethnic diversity is important for us to succeed. And that is happening right across the country.

And finally, the Royal LePage Commercial brand. So Royal LePage Commercial is a storied brand that's been around for many, many years, but it's been operated by the manager independent of the firm until the beginning of this year.

If you look at Royal LePage Commercial by number of practitioners—and mind you, these are much smaller businesses by practitioner count than the residential side of the equation. But if you look at the largest commercial firms in the country, Royal LePage Commercial, with specialized commercial agents, is the third largest. And if you look at growth, it's been the fastest growing commercial brand. Slightly different value proposition than other businesses, but the intent is the same: helping companies with their businesses, with their commercial leasing needs, and all sorts of specialty brokerage and advisory services, from industrial, to investment focused, and right across Canada.

All right. Technology-driven innovation. We have the number one real estate company website in Canada with royallepage.ca. It attracts, at this time of year, somewhere between 3 million and 4 million unique visitors every single month. And it produces hundreds of thousands of leads that focus back to our realtor partners. So it's an incredibly powerful tool for Canadian consumers to understand what's going on in their real estate lives.

Part of the reason it is so popular is the innovation that goes on under the covers. This seemingly simple service that we introduced last year, called school search, has been wildly popular, and it was a lot more difficult to do than it looks on the surface.

Essentially, what happens is, if you are a homeowner—or a homebuyer and you're looking to get your kids into a specific school, you go onto royallepage.ca and in the search bar, you click school search. You then enter the name of the school, and it pulls it up from a list of all the schools in the country. And it will only show you those properties that your child is qualified to go to. So it draws a polygon only showing the properties which that school is qualified for. It's quite a simple concept that has been wildly popular.

You could also flip it on its head, and you could say, I want to live in a neighbourhood. I want to live in Leeside in Toronto, and it will bring up a list of schools that your child will qualify to go to if they live in Leeside. So it's quite a simple but powerful tool. And we've been doing this piece by piece, adding functionality that no one else has.

One of the ones I'm very excited about, because it leverages the fact that we are the largest real estate company in the country and we have a lot of data, plus the fact that our sister Brookfield company, RPS, is in the evaluation, appraisal, and data analytics real estate business. We pull that together, and we've introduced home price Heatmaps on royallepage.ca and valuation tools, or estimates of value.

So the first one, Heatmaps, quite interesting. You essentially pull up a map of where you're looking, and the map colours different shades. The darker the shade, the higher the price has risen in real terms over the last 12 weeks. So it's very real-time data, and it's constantly shifting and changing as prices change. This is very useful for our REALTORS because they can go to a consumer and say, you're listing in an area where—that's relative to the overall trading area, home prices have been riding (sic) [rising] rapidly.

We can take—we can get more aggressive with the asking price on your home. And they get comfortable with that.

Or conversely, if they're in a lightly shaded area, you can say, listen, this is not the time to get aggressive with your pricing because your home could languish on the marketplace. This particular area has been a slow appreciating area for some time. So let's be more conservative in terms of the price that we bring your product to market for.

You can take that farther, and for people who are just curious or potentially thinking about buying homes, we introduced What's My Home Worth, which allows you to actually estimate what the home value is.

And I've just got a brief little video.

[video presentation]

Phil Soper

So valuation tools are—and this is the kind of advertising we'll do to make people aware of these kind of tools.

And the other kind of awareness we do is through our marketing and our media campaigns. We generated 2.7 billion consumer impressions, media impressions, in 2018, more than 1 billion more than our closest competitors, primarily through investment in research and studies into the Canadian real estate market. So we study prices and trends in property types, be they condos or detached or townhouses.

We also study slice and dice on the kinds of buyers: female buyers, young female buyers, Millennials versus Baby Boomers, all these different areas. We focus on recreational property; not just recreational property. Some are recreational property, winter recreational property. All of it is whacked up by the media and it drives awareness, which drives people to places like royallepage.ca, where we house all those reports and we produce all these tools.

We also get a lot of recognition. These are brand-new awards. So congratulations to the public relations team here. The OVATION Awards, we won in media relations for our house price survey, peak Millennial survey, and Boomer report last year. And the Canadian Public Relations Society won for many of the different things. Two different agencies recognized the excellence here.

You look at our strength and our lead through social channels, it’s also very, very strong. So our Facebook likes and views on YouTube, and our followers in Instagram, Twitter, and LinkedIn lead the industry in Canada in every channel, every social channel.

So that’s all the external stuff, all the things we do through royallepage.ca, all the messages we push out to market through our reports and studies and things. We also provide a tool kit for our REALTORS to work. Brand-new tool kit that was announced in the second half of 2018 is an enhanced rlpNetwork.

So again, I have a brief little video that will explain that to you.

[video presentation]

Phil Soper

So pretty cool stuff. Of course, you’ve got to convince 19,000 REALTORS to change their evil ways. I’m just kidding. To get onboard and learn and develop, so our training services are a key part of whatever we do. And that really focuses our new leads management system which has been in place about a year now.

Essentially, what we do is we manage—we call it SmartLeads—and we manage consumer queries. So as millions of people who visit royallepage.ca, we provide information, we provide data, we provide tools. But whenever—at the instant that they want more, they want more than a machine that software can provide, we funnel them through to a real estate agent. That real estate agent is required to respond quickly, or we'll move the lead somewhere else.

So this is a big, big step for us when, basically, there is an entitlement, the consumer client comes first, and the need to service them is paramount. So we take a consumer-focused approach, and we're training our REALTORS and we're getting them onboard with fast response time, which is super critical in the online world.

We're also investing in future technologies. Just two slides on future technologies: blockchain and artificial intelligence.

Glen and his finance team are supporting research at Ryerson University into blockchain, and we see it, in the future, as providing safer transactions, due diligence through transparency down the whole chain, lower cost by reducing intermediaries and middlemen in the transaction, eventually leading to smart contracts, contracts that don't let people make the kind of mistakes that are made today that reduce cycle time, cause error, potentially even litigation and risk for our REALTORS, leading to higher profitability for everyone involved in the business from end to end. So we believe blockchain has a big future as an architectural design construct in real estate.

If you look at artificial intelligence, we essentially are investing in smart software. As machines get more integrated, as data that they can draw upon becomes more available from our firm and outside, we're able to provide the software with more and more tools to make better decisions.

One of the pilots that you may have heard about, because it's been advertised, literally just launched within the last week here in Toronto, is an OJO pilot, OJO Home, which we are working with RBC Ventures. So essentially, OJO is an artificial intelligence tool, piece of software, that people sign up for on the web, but they deal with with text messaging. So OJO becomes like Alexa or Siri—Alexa on the Google platform, Siri on the Apple platform—that responds to natural language questions.

Like for example, if you find a listing with a kitchen you like, you can say to OJO, OJO, I like this kitchen. Can you find me homes that have kitchens that are similar? And it'll comb through our database of tens of millions of pictures and through machine learning, produce kitchens in the right price range and geography that are like that. You want to commute a certain direction, we have a partnership with Google—we're a Google Enterprise partner—and we use real-time Google Maps data to feed commute times as people are looking at their searches.

You look at how much—say you're looking at this, it is very much aimed at first-time homebuyers and young people. They say, how much is this really going to cost me on a monthly basis? Obviously, there are—we've had mortgage calculators and this sort of thing for some time; now they can text back and forth and get natural language returns on how this works. And of course, it's available 24/7.

The key here is as soon as there is an opening—because nobody in real estate, I don't care if you're in the United States or here—nobody is making any money today without consummating the deal between human beings.

So if you look at the American listings and advertising firm, Zillow, who many of you might have heard of, virtually all their revenue comes from advertising from real estate agents. So we know that we have to kick this out to a mortgage rep and a real estate rep in order to feed an RBC mortgage or to get a Royal LePage REALTOR to conclude that sale.

So they've got exit points into specially trained teams on the OJO pilot. So it's a pilot. It may go nowhere, but we have already learned a tonne through this process. And it gives you just a little bit of a window into where advanced technologies, digitization, and things like blockchain and artificial intelligence can the business.

All right. A little bit—we can't talk about the Company endlessly without talking about the real estate market itself. If you look at Canada overall, it continues to outperform. And part of the reason it's become such a desirable place for the best and brightest from around the world to relocate, to become new Canadians.

Now we were again, four years in a row, rated the best country globally by the Wharton business school and U.S. News & World Report study on the world's best countries. If you look at livable cities, so this is the Economic Intelligence Unit of the autonomous media publication out of the UK. Out of all the cities, big cities in the world, Calgary has 3 in the top 10. And they look at everything around the circle: security, environment, transportation, affordability.

Vancouver's been as high as number two in the world. Slipped a little bit. Why? Affordability. Prices have skyrocketed. It's a lovely place to live. And as prices have stagnated in Calgary, it's moved up the list to the point where it's number four now. You can get a Royal LePage benchmarked two-storey home, you can get one here—or one Calgary home for the same—sorry, let me go the other way. You can buy two homes in Calgary for the price of one in Toronto and three for the price of one in Vancouver. So a third the price of Vancouver and half the price of Toronto.

If you look at prices nationally, in the first quarter over last year we've got sales volume—let's start with sales volume. Virtually flat in Toronto and Ontario. So Ontario was in volume—this is not price—volume's basically flat. Quebec's been very strong, so volumes were up in Quebec, and they were down in Vancouver and Calgary.

Now let's move to price. If you look at—so these are average prices. I'm going to give you two views of price: our Royal LePage benchmarked pricing through the house price index and just straight average pricing. In straight average pricing, the housing mix, the disappearance in volumes on the high end, so fewer … many fewer very expensive home scenarios like West Vancouver and Vancouver were selling, so average prices look like they're way down, 7 percent. The same in Calgary; those more expensive homes are down.

If you now look at the Royal LePage House Price Composite, which takes into consideration the mix change, you'll see that the prices are more moderate. So that Vancouver price that was down 7 percent, if you just take all the homes, if you now balance it for the homes that are selling, it's down only 2 percent. So the values have been relatively protected.

Toronto's up a little bit more because condominiums have been rising rapidly. Montreal's the strongest market in the country; Calgary about the same as Vancouver, down a little bit; and Ottawa is actually doing very well. So Eastern Ontario's quite strong.

So why is demand for housing so strong in Canada? Three things: immigration, Millennials, and Boomers. A slide on each.

First one on immigration. As I mentioned, the best and brightest are increasingly attracted to Canada. We're now the fastest-growing advanced nation on earth in terms of population. And of course, heads, and household formation, drives the demand for housing.

If you look at Millennials, we have studied this group now for, say, seven years as we've seen this demographic roll through society. There are more Millennials than there were Baby Boomers. It's the largest cohort of people in Canadian and American history.

So Millennials. Good news is, 87 percent of them believe in homeownership. You wouldn't get that kind of number—and we were talking about this yesterday at our board meeting—in automobiles for example. Fewer Millennials are interested in owning automobiles, in chainsaws. What guy didn't want a chainsaw in his garage? Not anymore; you'll just rent it. But houses, they still want to own houses.

We believe the reason is really simple. Real property represents one of the few things you can spend money on, other than, say, an RSP that actually appreciates in value over time. If you look at all the other things you spend money on, they depreciate, whereas homes have traditionally, over the long term, appreciated by just north of 5 percent in Canada, over 60, 70 years.

If you look at their buying intent, almost 70 percent intend to buy a home over the next five years. That's almost bang-on the Canadian homeownership rate. And this is interesting. Sixty-one percent are saying they would relocate to own a home. So this is driving interest in what we call—we're calling the exurbs.

So the exurbs, we've got the urban living, the suburban living, and the exurbs are those communities that are outside reasonable commute distance, where businesses relocate to the people, rather than the people travelling to the business, because they're clustered there.

A perfect example in Ontario would be Cambridge-Kitchener-Waterloo, where we're seeing prices rising at considerably higher than in the urban and suburban areas of the GTA, as people relocate there for quality of life, affordability. And businesses are now relocating there because the skills are there. They don't need the railway and the rivers and the lakes for transportation; they need the minds. And of course everybody's connected electronically through systems, so it matters less and less where you're located. So in our secondary cities in North America, we're seeing prices rising faster than our suburban areas right now, the creation of these suburbs, and it's this kind of number here.

On Boomers. Boomers have been a surprisingly quiet group of homebuyers over the last decade. They just haven't been trading at the extent that we thought they would. And really, the answer lies in the kids. They're staying at home much, much longer than previous generations. In Vancouver, our studies showed that of 35-year-olds, 24 percent are still living at home. So it's quite a marked difference from previous generations.

But the kids are finally leaving—they're finally leaving. And 1.4 million additional Baby Boomers are finding the way into the market over the next five years, according to our research. They're most likely to buy a condo, but look at this number: 52 percent intend to buy a property that is the same size or larger.

So if you've seen some of the statistics on house sizes in Canada, it's one of the things you may be surprised at, is detached homes and townhouses continue to grow in size, even as people retire. So they have the disposable income, and they've decided, yes, maybe I wanted to move into a lower maintenance-style living, but they're not downsizing like we thought they would 25 years ago, the prediction, which is why our suburbs aren't being decimated, and why we're seeing luxury condominium developments in places not just like Toronto, but like Saskatoon, and Red Deer, and Lethbridge. So smaller communities as Baby Boomers move into large-size properties. Quite fascinating. And, of course, all this training goes back to our real estate agents, so they understand and know how to focus their marketing efforts and their educational efforts.

We are, as I wrap up here, we are community leaders through our brands. We're very proud of the work we've done through the Royal LePage Shelter Foundation, something that Simon Dean founded. Thank you very much, Simon. It's raised over $30 million, the largest charity in Canada focused on eradicating domestic violence in Canadian society and supporting the women and children that fall victim to it.

And in each of our businesses, including overall, the brand's charitable foundation, which our chairman of Bridgemarq and I sit on the board of that, give back to like education and the United Way and such. So wide berth of charitable giving, through the Royal LePage Shelter Foundation.

We were very pleased. We became the very first real estate company in history to win the Outstanding Corporation Award from the Institute of Fundraising professionals. So very proud of that and very proud of the great work that's done by our network from coast to coast.

All right. It is a compelling investment. Attractive annual dividend, supported by a track record of reliable cash flow; recurring fixed revenue provide insulation from market fluctuations; industry-leading long-term franchise agreements; iconic brands; robust acquisition pipeline; and a proven, successful growth strategy.

With that and, Sarah Louise, we can open up the line if there is anything online. And I'll turn things over to the audience here, if you have any questions.

Okay. With that, then, I will say thank you all for your attendance. I'll be around for a few minutes. I know management will. If you have any questions, please come forward and ask us.

Thank you very much.