

Bridgemarq Real Estate Services Inc.

Annual Meeting

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Length: 51 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 and Chief Executive Officer

PRESENTATION

Spencer Enright — Chairman, Bridgemarq Real Estate Services Inc.

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 Spencer Enright, and as Chairman of the Corporation, I will be chairing the meeting today.

This year, in light of concerns regarding the COVID-19 pandemic, Bridgemarq is holding its annual meeting of Shareholders virtually in order to protect our employees, shareholders, directors, and other stakeholders.

Before we begin with the formal business portion of the meeting, I will provide some comments on voting and asking questions at today's meeting.

In making the decision to move to a virtual meeting, we've ensured that shareholder rights are protected. As such, this meeting offers shareholders the same opportunities to participate as an 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 proxy holders 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 matters before us by a poll. On the poll, every shareholder entitled to vote on the matter has one vote in respect of 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. The polls are now open, 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 of you who have already voted. Votes collected by the polls will reflect selections at the time the poll closes. If you have already voted in advance of the meeting and do not wish to change your vote, then you do not need to do anything. For those of you who 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 proxy holders to ask questions specific to each resolution.

If you have a question, please 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 questions that directly relate to a particular motion at the appropriate time in the meeting, and we will respond to general questions following the formal business, during the management presentation.

Once you have finished typing out your question, click the arrow beside where you typed your question. The secretary will receive the question and, at the appropriate time, will read them out in order for everyone to be aware of the question being addressed. Please note that due to time constraints, we may not be able to address all questions today.

And with that, 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 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 and any adjournment and in each case to report to me as Chairman.

Together with me today is Mr. Phil Soper, the Corporation's President and Chief Executive. Also with us today is Mr. Glen McMillan, Chief Financial Officer and Secretary of the Corporation, who is to act as secretary of today's meeting. Misters Soper and McMillan have joined me in our offices for this meeting, and I can assure you we have taken appropriate measures to conduct the meeting with all appropriate safety procedures in place.

First, I will deal with the formal business of the meeting as outlined in the Management Proxy Circular you received in July. 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 exist in the handling of 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 proxy holders who are entitled to vote at the meeting will be addressed during the meeting, provided that they are submitted during the period when the polls are open.

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.

I've been advised by the secretary that he has received the declaration from AST Trust Company dated July 20, 2020, that the notice of act and access calling this meeting and the accompanying Management Information Circular, form of proxy, and the audited financial statements for the year ended December 31, 2019, and related auditor's report were mailed to shareholders of record at the close of business on July 6, 2020. 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 7, 2019, were reviewed by the Board of Directors of the Corporation at its quarterly meeting on August 8, 2019. Such minutes were found to be in order and were approved by the board at that meeting and have been included in the minute book for the Corporation.

I trust that everyone has had an opportunity to read the materials that were provided prior to the meeting, including the letter to shareholders, the Management's Discussion & Analysis for the year ended December 31, 2019, 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.

Should anyone have any questions related to these materials or questions of a more general nature, we'll be pleased to respond to them during management's presentation after the conclusion of the meeting.

The Chief Financial Officer has tabled the consolidated financial statements for the Corporation for the year ended December 31, 2019, 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 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?

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 their remuneration.

Spencer Enright

Thank you, Glen. May I have a seconder?

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

Mr. Chairman, I second the motion.

Spencer Enright

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 18 percent of the Corporation's restricted voting share. In addition, management has received a proxy for

the special voting share, which is entitled to 3,327,667 votes. These proxies represent approximately 39 percent of the total eligible votes to be cast at this meeting and direct me to vote over 99 percent of the eligible votes in favour of the resolution.

I will now ask the secretary to please advise if there are 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.

Glen McMillan

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

Spencer Enright

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 five 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 and Mr. Joe Freedman as their representatives to the Board of Directors.

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 and/or appointed.

The proposed nominees for election as directors are Mr. Colum Bastable, Ms. Lorraine Bell, and Ms. Gail Kilgour. Mr. Bastable, Ms. Bell, and Ms. Kilgour all served on the Board of Directors of the Corporation this past year and are present virtually on this call today. Additionally, 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

Mr. Chairman, I nominate for election as directors by the shareholders the three nominees named in the Corporation's Management Information Circular relating to the annual meeting of shareholders dated June 26, 2020.

Spencer Enright

Thank you, Phil. May I have a seconder?

Glen McMillan

Mr. Chairman, I second the nominations.

Spencer Enright

Thank you, Glen. I will now ask the secretary to please advise if any questions specific to this motion were submitted, or if there are any additional director nominees to be proposed at this time. We'll 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

Mr. Chairman, there have been no questions specific to this motion, nor any additional director nominees proposed at this time.

Spencer Enright

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.

The 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 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.

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

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

Spencer Enright

Thank you, Glen. May I have a seconder?

Phil Soper

Mr. Chairman, I second that motion.

Spencer Enright

Thank you, Phil.

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.

Glen McMillan

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

Spencer Enright

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, our President and Chief Executive Officer, who will provide a strategic update on the Corporation and present the Corporation's 2019 and second quarter 2020 financial results. After Phil's presentation, we will be happy to answer any questions that 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

Thank you, Mr. Chairman, and welcome, everybody, to our annual general meeting.

I'd like to begin by thanking the Board of Directors and my senior management team for their guidance during these unprecedented times. We took some unusual measures to protect our business during these times, that were viewed very positively by our very large national network. I'll go into them during the presentation, but it's worth noting right at the outset that it took some thinking outside of the box, and we're very pleased with the results.

As I go through the presentation, you may have questions. Please use the Messaging tab on your screen to log the questions and Glen, Spencer, or I will be pleased to address them later in the call.

Let me turn to our business strategy. Five key tenets drive our business strategy. We want to provide you with an income-producing investment through dividends to shareholders. We want to maintain stability through long-term franchise agreements, leverage the economies of scale as the industry's largest firm, and recruit, train, and retain premium practitioners. Finally, we want to lead the industry with innovative, effective technology business services.

We are the country's largest real estate brokerage firm, and we are driven by three long-term iconic brands in Canada:

Firstly, Royal LePage, a leader in Canadian real estate since 1913 with over 18,000 agents in some 620 locations nationwide.

Our luxury boutique that operates in Ontario, Johnston & Daniel. It itself is over 60 years old and has some 250 real estate professionals focused on some of the most valuable real property in Canada.

And finally, one of the only Quebec-founded and operated real estate businesses in the country, Via Capitale, with some 1,000 agents spread throughout the province of Quebec.

Let me turn to our operating results for the year ended December 31st—or 2019. And I'll also provide an update on our second quarter results at the end.

The Company's distributable cash flow is a key measurement of our success—increased by 19.1 percent in the year 2019, compared to the previous year. A key reason behind that is that Bridgemarq REALTORS have 17 percent higher average transactional dollar volume compared to Canadian realtors overall.

The Company pays a healthy dividend, and it has paid it since inception. As you can see, in the years 2017, in '18, the dividend rose and in 2019, remained steady at \$1.35 per share.

Turning to the second quarter 2020, we did see a decrease in revenue from \$11.8 million in 2019, to \$11.4 million in 2020, primarily due to the broad-based economic and real estate weakness driven by Canada's efforts to combat the pandemic.

There was also a net loss in the second quarter of 2020. For shareholders and followers of the Corporation, you will realize that when our share price rises, we must make an adjustment based on the fair value of the exchangeable units issued by the Corporation, which drives our reported net income down. And our share price did rise during the quarter. For more detail on that, please see our MDA.

Let me turn now to our key business drivers, and I will focus on four.

Firstly, the stability of the Company's revenues. As the oldest and largest real estate brokerage firm in the country, we have long provided a reliable revenue stream for the stakeholders in the Company.

Secondly, the number of REALTORS in the Company Network, which have grown steadily over time.

Finally, the final two items, the Company's growth opportunities and, of course, transactional volumes from real estate sales fees themselves.

Over time, the Company has grown at a compound annual growth rate of 5 percent, which is greater than the real estate industry overall. You'll see that on June 30, 2020, there was a drop in the number of REALTORS. Across Canada, real estate schools were unable to open up. They had to shut down and testing, in particular, driven by provincial regulators, was unable to go ahead.

We just recently were able to start testing for new REALTORS again in, for example, Ontario and Quebec, our two largest provinces. And due to social distancing measures and other safety measures in the schools, there is quite a backlog of new REALTORS. I'm happy to say, though, that the demand for education and training for new entrants into the industry is quite strong.

On average, our company REALTORS generate some \$300,000 in greater home sales over the average Canadian realtor. This provides several benefits. In market downturns, REALTORS with higher productivity tend to be more immune to the forces that would drive them out of the industry. This is an industry where our frontline practitioners are independent businesspeople and, just like small businesspeople everywhere, they need revenue to continue to operate their business. I'll talk about that more when we get to the Company's response to the pandemic specifically.

Also, our REALTORS are geographically dispersed across Canada. Canada, with its size and diversity is, in fact, a market of markets, and it is very, very common to see strength in one region for a season or for a number of years, where there is weakness in another region. By being national and by

following, call it GDP, or following the overall number of REALTORS that we have in Canada, we have diversification. And that diversification has done us very well over the years.

In terms of our portfolio itself, we have had a historical very high renewal rate on our long-term contracts. So the vast majority of our contracts are 10 years in length. When people commit to being a Bridgemarq franchisee, they're essentially committing to being part of the Company and the brand they join for their careers.

And you can see that in our renewal rate, which has traditionally been at about 99 percent. We do have some retirements and some small number of businesses that are unable to continue, but most of our businesses are long-term, continuing entities. And when the owner of the business reaches the end of their career, we work with that owner to find a new buyer for the business.

In terms of the Company's growth opportunities, we are in a sales services industry. We provide tools and training and brand and encouragement and excitement to thousands and thousands of salespeople. Momentum is contagious in a sales service industry, and leading agents choose a winner. I'm very happy to say that over the years, the Company has been the premium choice of premium agents in this country. How do we do this?

Well, we drive growth in the Company Network through structured I'd call it scientifically proven ways to recruit the best and brightest into the Company. We do it by converting competitive brokerages when their contracts expire to the Company's brands; typically a move up where the owner of that brand, having operated under a different banner, says now's the time I'd like to take my company to a new level. Would you consider having me join your firm?

We drive growth through increasing the productivity of our REALTORS. Even though the majority of our revenues are driven by fixed fees that are fixed in nature, we do have a substantial portion of our

revenue that is linked directly to the productivity of our REALTORS. So if our REALTORS sell more, the Company's revenues grow.

We also work to extend the range of products and services that support our franchisees and their REALTORS, and some of those products and services come with fees. So if we introduce new fee-bearing products and services, or increase the adoption of our company's products and services, that can drive the Company's top line.

For 2020, our focus is to continue to guide to coming through COVID-19 with the business challenges that we have seen so far and that we know we will have to deal with throughout and beyond the pandemic. Digital brokerage transformation has been critical with the implementation of integrated, advanced technologies.

We're going to continue to focus on converting competing brokerages and their agents to the Company's brands to give them a better platform to get the most out of their careers; to capitalize on the growing number of real estate teams where a senior realtor leads a team of more junior realtors. This requires specialized team training, tools, and services, and we have and intend to continue to lead the market in this area.

We have in recent years had a special focus on the rapidly growing ethnic real estate markets. In many of our largest cities, we have REALTORS that focus on selling to people from their own ethnic background. And we have continued to grow local businesses, management that recruit people that reflect the demographics of the client set in that trading area, and we continue to focus on this important growth opportunity.

Finally, moving beyond residential real estate, we intend to continue to leverage Royal LePage, the Royal LePage commercial brand, to attract qualified brokerage practitioners offering multi-residential, office leasing, industrial farm, investment-focused, and other business-related property services.

Let me turn now to the Pandemic Fee Relief Plan offered by the Company early in the crisis that Canada faced. When the board met back at the end of the first quarter, there was a lot of unknown. Very dark time for the Canadian economy and the world economy, in fact, and it was unknown the true extent of the pandemic on the economy and, specifically, on our real estate brokerage Network.

As I mentioned earlier in the call, these are entrepreneurs. They have only the revenue that they generate through their sales activities in the field. And when the government issued mandated stay-at-home guidelines across the country, we felt it would effectively shut down the real estate industry. And of course, at that time, we had no idea how long that mandated shutdown would occur.

Now the governments across the country did say that essential housing services had to go on like other essential services, so we knew that we had to ask some of our people to continue to offer services in the marketplace. And I'm just so proud of our team. Even in the darkest days, in the most hard-hit regions of the country, some one-third of normal transactions continued to be worked through our business from a completely virtual salesforce, conducting showings virtually, home viewings, open houses virtually, and doing all the real estate conveyancing, contracting, everything done from a remote business.

We had to reengineer the Company on a very short-term basis, and we had to find a way to offer financial support for our Network because we knew that companies that stood behind their agents during these darkest days would be the ones that emerged the strongest.

Thus was born the Pandemic Fee Relief Plan out of an important Board of Directors meeting at the end of the first quarter in which we said, in a nutshell, if an agent was not making any money for that

time period, they would not pay any fees. Later, when the market recovered, they would pay us back, essentially. But this was intended to help them through these dark times.

Now the plan did allow flexibility by region. And if you stood back and you look at the way the pandemic rolled through Canada, it was very, very different in a lightly hit area like Winnipeg compared to a hard-hit area like Montreal. And our local management had the ability to adjust the plan to local market needs.

If you look at some of the things that were driven during the COVID-19 crisis, you can see there was a long list of things that had to be done to both keep consumers safe, to keep our employees, our frontline agents, our administrators in the field, our management safe, yet continue to offer those essential brokerage services. I'll let you read this chart to get a feel for the large variety of services we offered.

And of course, we continued to offer them in our commercial brokerage sector as well. The brokerage is the third largest in Canada by agent count. And the commercial sector, which has been hard-hit by the economic impact of the pandemic, received all the same benefits that we offered our residential practitioners across the country.

Let me turn now to technology-driven innovation and rlpSPHERE. RlpSPHERE was conceived some 18 months ago, where we knew we had to move the operating platform for our business to a new level. It was designed and built for Canadian real estate. It is the first end-to-end, integrated digital platform that is cloud-based and artificial intelligence or AI-driven. It is really a game-changer in real estate.

I'll just show you this picture to give you a feel for how it pulls together outside industry resources, such as feeds from the web, royallepage.ca, our other web properties, realtor.ca, the industry's

service providing listings to our businesses, and then takes them and offers them nationally to our local brokerage offices and pushes them out to agents themselves.

It was built for Canadian realtors, but it uses some of the best-of-breed technologies that are found in the real estate world. So it was an effort in custom application development and broad-based systems integration. And it started to roll out during the pandemic.

Of course, we hadn't planned for a pandemic when we conceived of rlpSPHERE, but it turned out to be incredibly fortuitous timing because it is intended to allow a real estate professional to have the maximum amount of productivity, no matter where they are, on what device. They don't have to be chained to a desk in an office with rlpSPHERE. They're able to be productive anywhere. And of course, this mobile, digital, end-to-end, integrated operating platform was perfect for continuing to operate during a highly unusual time for our business.

Turning to our website, very pleased with the performance of royallepage.ca. We continued to put a distance between ourselves and other real estate company websites. It is the leading real estate company website in Canada. At the beginning of the year, it was the leading website, and it has just grown by leaps and bounds. It dipped in March, and by the end of April—in terms of the millions of users who visit the site—but by the end of April, it was breaking records. And it's continued to break records in terms of providing usable tools for Canadians who are looking to buy or sell real estate.

And the reason why is important tools and technologies, such as valuation technology. What's my home worth? Where people can go online and get a feeling for what their home is worth before they ever talk to one of our REALTORS. They can get information on schools. They can search for homes based on commute time, walk time, bicycling to work. They can look for recreational property based on commuting off rush hour, on rush hour, from their home address, from the work address. The breadth of

tools and services available on our famous portal—which, by the way, was the very first real estate website in Canada, way back in 1995, and it continues to be the favourite real estate company website today.

Of course, all of these tools, rlpSPHERE, our websites, wouldn't be useful if we didn't get the message out to Canadian consumers and, as such, we continue to operate a communications, public relations, government relations program that ensures that Canadians, Canadian real estate consumers, are kept up to speed with what's happening in the industry overall, and how Bridgemarq REALTORS can help them achieve their dream of home ownership.

And for our REALTORS themselves, it all comes down to what we call leads. How can we take the millions of people who visit our properties to get information about real property, to get information about how they can acquire a home, or sell the home they have, or relocate, and turn that enquiry—that educational process we begin online, into actual leads that we hand over to one of our REALTORS, who then turns it into business for themselves, for our brokerages, and for Bridgemarq overall? And we do this in a way that's much, much more efficient than the industry overall, and you can see our successful close rates here, compared to the industry—many times higher.

Let me turn now to the industry overall, and I'm going to start at a high level with Canada. Canada, during the pandemic, is a star that has shone very brightly, but it goes that the—the desirability of Canada as a place to live and to own real estate goes back many, many years, of course. For some five years in a row, the Wharton Business School US News & World Report has ranked Canada as number one in the world for quality of life. And in 2019, the country of Canada ranked number two overall as the best country globally.

If you look at another source—and this is the economic and intelligence units of the Economist magazine research infrastructure out of the UK—we had a record three cities in the top 10 globally in

terms of most livable cities, with Calgary, Vancouver, and Toronto coming in at number five, six, or seven. Just by comparison, there were no American cities in the top 20. So when relocators from around the globe are looking for places to live, Canada increasingly particularly in a Western Hemisphere perspective, comes out as a leading candidate of a place to relocate.

So now let me turn to our national sales volumes and indicators. As you can see in the second quarter, overall, volumes were down. And this was driven by the mandated shutdown of businesses in general, the economy broadly, and the real estate sector specifically. But sales volumes bounced back quickly in the second quarter, and you can see that we're starting to see things flatten or rise across the country.

When you talk about home prices, they too changed to the positive in the second quarter. You can see our major markets were all up. And in results just released this week from these cities, these cities are rising even more rapidly.

The challenge we have in Canada is one that we brought into this pandemic and that hasn't been helped in any way or form by the pandemic itself, and that is the demand for housing. The demand to put a roof over the head of Canadians far exceeds our ability to provide a home for them to purchase. In our big cities in the major markets across the country, we had a housing shortage and we continue to have a housing shortage. And this is going to continue to put upward pressure on home prices.

Why is the demand for housing so high in Canada? Well, we have three important drivers: immigration, Millennials, and Baby Boomers. Let me go through them quickly.

On immigration, we did important research in 2018 and '19 on the impact of immigrants in Canada. We looked specifically at immigrants who had been in the country for a decade or less and we labelled those newcomers. And you can see from these statistics that they form a really important part of

the Canadian real estate market, which is why we focus on ethnic markets on helping new Canadians find home ownership.

Now you might ... your mind might go to, gosh, immigration has been ground to a halt. Won't this directly impact the real estate industry and Bridgemarq? Well, only 15 percent, 1–5, of new Canadians purchase their first home. The vast majority of people rent. They get to know Canada. They get to know where they want to live, and then you can see 55 percent of them purchase a home within the first three years of living here. And in fact, that number grows to the point where it's in the low 70s, and newcomers to Canada—recent immigrants, if you want to call them that—actually have a higher home ownership percentage overall than people born in Canada; a very important demographic.

But the direct impact of a shutdown in immigration during the pandemic won't be felt for several years by the real estate industry because most of those people were looking to rent versus buy in the early stages. Now you might say, well, that's going to impact the investor market, people who invest in condominiums, which is the favoured form of a first accommodation for newcomers to Canada, and even the short-term rental market—call it the Airbnb market—and that's absolutely true.

But let me turn now to Millennials. We have seen a leap forward in the number of new first-time homebuyers from the Millennial group during this pandemic. And so those investors who have decided, say they were focused on the Airbnb market and they want to de-risk, sell some property or get out of property ownership, we have a lineup of first-time buyers who are looking to buy those properties, which is why you're seeing home prices and home sales volumes rise rapidly.

In the month of July, for example, in the Toronto area, we saw year-over-year—so July 2019 versus July 2020—sales volumes rise by 28.5 percent. So why are Millennials buying at the rate they are buying? Well, first of all, it's a belief in home ownership. Eighty-seven percent believe that home

ownership is a good investment and 69 percent hope to own their own home within the first five years. Interesting, 61 percent would actually uproot and leave the town, the city, the region of a big city they live in just to own a home. It's that important to them.

Finally, let me touch on Baby Boomers. Our research into Baby Boomers show that they are finally relocating as the kids who stayed at home at a much greater rate than previous generations of children—they stayed longer and at a greater rate in our big cities—they are finally leaving home. And we are looking at some 5,000 Baby Boomers retiring a week and they are looking to relocate.

A lot of them are also looking to relocate from those traditional legacy neighborhoods in our big cities where they no longer have the regular commute to work and the kids have left home, so they're looking at suburban, or what Royal LePage refers to as ex-urban, cities, communities outside of normal commuting distance of our big cities, but within a special trip in, say, within two hours of our big cities. And interesting, our research has found that Baby Boomers are not necessarily downsizing. Fifty-two percent have said that their next property will be the same size or actually larger.

To finish the presentation, let me just reflect on the importance of community and corporate social responsibility.

Across our brands, we realize that we have to give back to the communities that provide our agents and with the Company overall with the excellent livings that they have provided for so long. So at Johnston & Daniel, Via Capitale, the Bridgemarq Real Estate Charitable Foundation, we provide support for our communities through a number of venues.

And our largest charitable initiative, the Royal LePage Shelter Foundation, has made a dramatic difference in the lives of thousands, thousands of Canadians, raising some \$33 million over the last 20 years and supporting hundreds of shelters, allowing women and children fleeing domestic violence a safe

place to rebuild their lives, and investing in fundamental education and programs designed to eliminate violence from our communities. So we're very proud of the work of our agents and our management and people from coast to coast in supporting the foundation and the great work it does.

In summary, we believe that Bridgemarq remains a compelling investment with a strong track record of annual dividends; financial stability and liquidity to maintain dividends; a strong network of REALTORS secured by an industry-leading, long-term franchise agreement; iconic brands; and proven successful growth strategy built on innovative technology.

With that, I will turn things over and have a look at if we have had any questions come up online, and the management team here would be happy to provide answers.

Q&A

Spencer Enright

Well, thank you, Phil. I will 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 you have any questions at this time?

Glen McMillan

No questions at this time, Mr. Chairman

Spencer Enright

Well, thank you, Glen. 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 loved ones stay healthy and safe during these very challenging times.

At this time, we will conclude the webcast call. Thank you again.

Operator

That concludes today's annual general meeting. You may now disconnect.