

# RE/MAX®



## THE MARKET

Canada's resale housing market will set new records in 2006 after setting the fifth consecutive annual record in 2005 at 483,250 units. Activity is then projected to ease somewhat in 2007. Rising interest rates have done little to

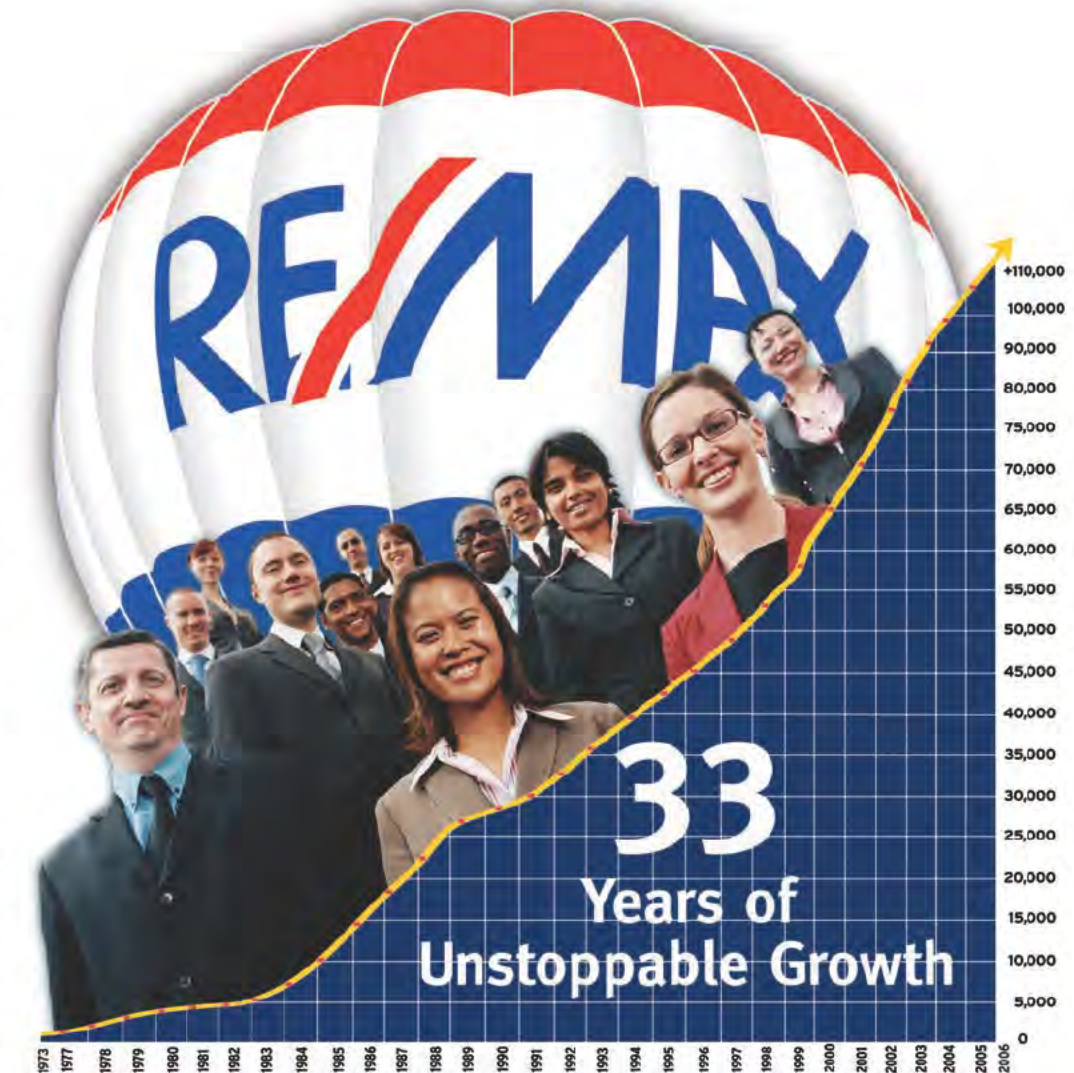
cool resale housing transactions this year.

The Realtor® population has followed the same boom, with 83,000 Realtors® in Canada. RE/MAX, with three independently owned regions in Canada, has 20 percent of the Realtor® population generating a 35 percent market share. With more than twice the market share of the nearest competitor, RE/MAX is number one in the vast majority of markets across Canada with a combined sales volume of over \$82 billion.

## ACHIEVEMENTS

RE/MAX has grown every month since its inception over 30 years ago. RE/MAX became the number one residential real estate network in Canada in 1987 only seven years after they started. RE/MAX is a leading industry force in the United States and many other regions around the world. The most significant growth for RE/MAX in recent years has occurred outside the United States, with expansion into Europe, Africa, Asia, Australia, the Caribbean, Central America, Mexico, New Zealand and South America. RE/MAX takes proven techniques and adapts them to local markets, thereby developing a series of tools that real estate professionals find invaluable.

The first 10 years consisted of steady incremental growth; RE/MAX began to exhibit signs that a powerful momentum was forming. In 1983, the network had just less than 5,000 agents. Ten



years later, RE/MAX had seven times that number with 35,000 agents, making it one of the largest real estate networks in the world. By 1998, RE/MAX had more than 50,000 agents and began to open offices in a few overseas countries. During the next five year interval, RE/MAX reached just under 90,000 agents with offices in 45 countries. In 2006, that number soared to 114,000 agents in more than 60 countries with over 16,000 agents across Canada.

As the system has grown, so has agent productivity.

## HISTORY

RE/MAX is the result of the determination of founders Dave and Gail Liniger. Back in 1973 in Denver, Colorado, Dave and Gail set out to create a real estate company that only attracted the top professionals in the business. As salespeople themselves, the Linigers knew that the traditional real estate

business model needed to be reinvented in the interests of the agents. There was an enduring brand idea in the concept of attracting only the salespeople who were truly Above the Crowd!® Traditional real estate companies were full of non-producing part-time agents who only paid fees when they sold something. These agents drew down both the morale and the resources in an office. Dave Liniger revolutionized the commission model so that top people would share their expenses and keep their commissions. The industry scoffed at him and tried to run him out of the business.

As the RE/MAX balloon took flight, so did the journey of the most successful real estate brand on the planet. Today, RE/MAX consists of a higher concentration of top people than any other real estate company. Although RE/MAX averages more designations and experience than agents from other companies, the strength of our brand is productivity and professionalism. A RE/MAX agent is three times more productive than the average agent.

Dave Liniger adopted the philosophy that "One log makes a lousy fire." RE/MAX now has offices in more than 60 countries. As people move from

**Buyers choose...**

**57.0%**

**RE/MAX 1<sup>st</sup>!**

Of the 17.5 million Canadian adult internet users, 85% of those looking for a home use the internet. RE/MAX is their #1 choice on the web.\*

\* Based on most popular real estate brand from 1999-2005. Source: National Real Estate Survey, October 2005.

Each office is independently owned and operated.

**Anything less is second best!**

remax.ca



city to city and country to country around the world, they look for the RE/MAX balloon. RE/MAX agents refer customers to each other around the world and tap into the network to help a client get the service they need wherever they need it.

### THE PRODUCT

As a franchise organization, RE/MAX provides its brokers and agents with the industry's leading tools to grow their respective businesses. RE/MAX provides its franchisees with world-class marketing and events, technology, educational training and coaching and franchise support programs.

RE/MAX agents provide exemplary customer service and the combined experience of all of their real estate transactions. With every change in the market comes the need to modify the selling and negotiating strategy. RE/MAX franchise owners typically have a high volume of transactions in their offices. This provides the capital to support leading-edge office systems and support staff to facilitate a smooth and accurate transaction for the consumer.

### RECENT DEVELOPMENTS

RE/MAX has launched an integrated educational program for agents at all different stages of their careers. The key difference in the RE/MAX educational program is the high level of agent mentoring available in the local offices. New agents are invited to "RE/MAX and You," an overview of the benefits within RE/MAX. SUCCEED is a customized in-office mentoring program for new agents and agents who want to refresh certain key skills. Top Producer panels are an opportunity for agents to share best practices with peers. RE/MAX also offers an exclusive in-office mentoring program on client relationships and lead management authored by Brian Buffini & Company. And for more in-depth personal coaching for all levels of experience RE/MAX has a preferred relationship with John Ferber and an ongoing relationship with Richard Robbins and Brian Buffini.

RE/MAX has also launched a comprehensive new Web-marketing strategy. As the industry has resisted to responding to consumers' expectations on the Web, RE/MAX has launched a three-part initiative.

The first part involves offering better-quality information to buyers on the Web in a format that they enjoy using. Property searches on remax.ca now show complete property addresses and descriptions, additional photos, features and taxes, and they can be plotted or found using Google Earth. Consumers can zoom around and see neighbourhood amenities, density and proximity to parks, schools and a host of other areas of interest.

The second part involves leading-edge response technology. Today's Web consumers expect lightning-fast response times from agents who are not often in front of a computer. RE/MAX tracks all Web inquiries and automatically responds to every inquiry while simultaneously copying the



agent. RE/MAX offers a state-of-the-art call centre for consumers who want to obtain more information immediately. RE/MAX has also implemented a follow-up lead response system for the agent and office to track the progress of business generated from the Web.

For the third part of this initiative, RE/MAX has developed a leading-edge search marketing program with Google. Without search marketing, the RE/MAX brand attracts the most consumer traffic in the industry. RE/MAX is sponsoring specific local key word searches to generate additional traffic.

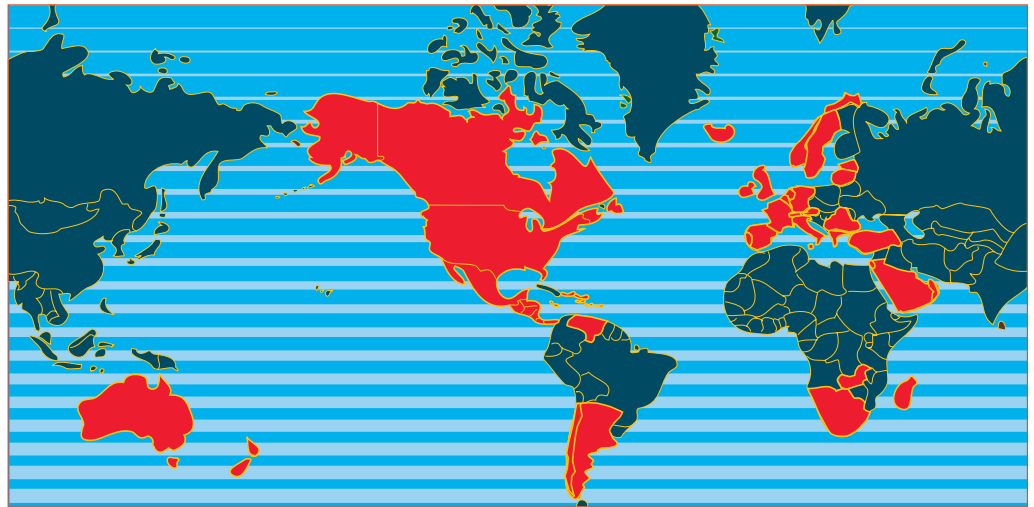
### PROMOTION

RE/MAX deploys a unique combination of advertising and promotional programs to enhance its dominant brand-name awareness and to attract buyers to the inventory it has to sell. In



addition to traditional consumer advertising — television, radio, print and outdoor — RE/MAX has developed a dominant consumer-event strategy and a dominant Web strategy. RE/MAX has also developed the highest level of journalistic integrity and as a consequence generates positive real estate editorial in the major media. RE/MAX is also a leader in community-cause marketing, raising considerable donations for children's hospitals and breast cancer care and research.

RE/MAX in Canada dominates paid media share of voice with 68 percent, with the nearest competitor at 27 percent. RE/MAX dominates the positive public relations share of voice with 64 percent and its nearest competitor 30 percent. RE/MAX was chosen by consumers to be "#1 on



**RE/MAX** Around the World.

the Web" versus other real estate companies and was also chosen by consumers to be the "Best Firm to List With" by a margin of 3:1.

RE/MAX is the first to deploy a comprehensive consumer-event strategy in high profile home shows. As presenting sponsor of the Metro, Fall, Ottawa and National Home Shows, RE/MAX educates consumers on which renovations add to the resale value of their properties and how to prioritize their renovations. When selling, RE/MAX will maximize the resale value of your property.

RE/MAX advertising differentiates RE/MAX agents as having the selling experience to get the results consumers want. RE/MAX agents understand the features and renovations that drive the value of a property; they understand how comparable properties stack up and the current market conditions that affect buying and selling.

### BRAND VALUES

RE/MAX seeks to add professionalism to the real estate experience regardless of location or type of real estate transaction. The RE/MAX business model ensures that only fully committed, full-time professionals belong to RE/MAX. Having the most productive agents in the industry delivers the consumer benefit of getting the results they need. RE/MAX is an exemplary community citizen and ensures charitable donations are raised and returned to the markets they operate in. RE/MAX is not a publicly traded company. It has been built on and is the result of sweat equity.

### THINGS YOU DIDN'T KNOW ABOUT RE/MAX

- RE/MAX became number one in Canada just seven years after it started.
- RE/MAX opened the doors to women wanting to forge a career in real estate.
- RE/MAX generates a higher annual dollar volume in sales than Wal-Mart.
- RE/MAX has the largest balloon fleet in the world.