

# Brookfield Real Estate Services Inc. Announces Assignment of Franchise Agreements and Ancillary Revenue Streams, and Rebrand to Bridgemarq Real Estate Services

(TORONTO, ON) January 3, 2019 – Brookfield Real Estate Services Inc. (the “Company”) (TSX: BRE) announced today that it has approved the assignment of certain franchise agreements and ancillary revenue streams from Brookfield Real Estate Services Manager Limited (“the Manager”). The Company is also pleased to announce that it has commenced doing business as Bridgemarq Real Estate Services, effective immediately.

## Assignment of Franchise Agreements and Ancillary Revenue Streams

As announced on November 7, 2018, the Manager has completed the assignment of certain franchise agreements, as well as a number of contracts associated with ancillary revenue streams, to the Company at the cost of \$1. The franchise agreements transferred represent annualized royalty fee revenues of approximately \$0.9 million from 489 REALTORS®<sup>1</sup> across Canada operating under the Royal LePage and Via Capitale brands. Under the terms of the recently amended Management Services Agreement (“MSA”), the Company, through its operating subsidiaries, will directly enter into new franchise agreements with franchisees as of January 1, 2019, allowing the Company to earn revenue from these agreements from their inception.

The contracts associated with ancillary revenue streams will be for the benefit of the Company effective January 1, 2019. These ancillary revenues include mortgage referral fee revenues, commercial franchise fees and lead management support services. In 2017, the Manager earned approximately \$3.3 million from these ancillary revenues, net of direct costs.

“We are excited about the growth opportunities provided under the amended management services agreement,” said Phil Soper, president and chief executive officer, Bridgemarq Real Estate Services. “This new revenue stream is a material gain for the Company today, and it opens the door to important new business opportunities in market segments adjacent to core brokerage operations. Further, the elimination of the once-a-year, external vend-in process in favour of immediate and direct acquisition of franchise agreements by the Company greatly simplifies our business model, which we believe will be welcomed by potential and existing shareholders.”

## Rebrand to Bridgemarq Real Estate Services

Effective today, the Company has commenced operating as Bridgemarq Real Estate Services (bridgemarq.com). The rebranding of the Company is designed to clarify the Company’s unique position in the market to investors. There are no operational or organizational changes to the Company. The stock symbol (TSX:BRE) will remain the same. The Manager has also rebranded as Bridgemarq Real Estate Services Manager Limited and remains a wholly owned subsidiary of Brookfield Business Partners L.P. (“Brookfield Business Partners”). Brookfield Business Partners continues to indirectly own securities representing approximately 28% of the voting rights of the Company.

“We are pleased to introduce our new brand in recognition of the unique position and role we hold in the market,” said Spencer Enright, Chair of the Board of the Company. “Within the residential real estate services sector, no other organization combines the strength of leading brands such as Royal LePage, Johnston & Daniel and Via Capitale with attractive investment metrics such as long term, stable cash flows, consistent shareholder distributions and a compelling history of leadership for over 100 years in Canada.”

### **About Bridgemarq Real Estate Services**

Bridgemarq Real Estate Services is a leading provider of services to residential real estate brokers and a network of over 18,000 REALTORS®<sup>1</sup>. We operate in Canada under the Royal LePage, Via Capitale and Johnston & Daniel brands. Bridgemarq Real Estate Services is the registered trade name of Brookfield Real Estate Services Inc. For more information, go to [bridgemarq.com](http://bridgemarq.com).

Bridgemarq Real Estate Services is an affiliate of Brookfield Business Partners, a business services and industrials company focused on owning and operating high-quality businesses that benefit from barriers to entry and/or low production costs. Brookfield Business Partners is listed on the New York and Toronto stock exchanges. Further information is available at [bbu.brookfield.com](http://bbu.brookfield.com).

### **For more information, please contact:**

Sarah Louise Gardiner  
Director of Investor Relations  
Bridgemarq Real Estate Services  
[info@bridgemarq.com](mailto:info@bridgemarq.com)  
Tel: 416-510-5783

<sup>1</sup>REALTORS® is a trademark identifying real estate licensees in Canada who are members of the Canadian Real Estate Association.