



Corporate profile and business facts

... OVERVIEW OF RE/ MAX in the UK

One of the world's fastest-growing estate agency franchising organisations opened its first operation in the UK in 1999. Having already revolutionised the estate agency industry throughout the world **RE/ MAX** has boldly challenged the local market and is rapidly becoming a significant industry player with over 200 offices in the UK and Ireland offering estate agency clients a new, more professional way of doing business. The success of the ever-expanding **RE/ MAX** network can be traced back three decades to the innovative concept of the organisation's founder Dave Liniger.

... the history

Upset with the bad name that poorly trained novices and casual part-timers were giving the estate agency profession, Dave Liniger in 1973 started an estate agency company in Denver that would limit itself to hiring only full-time, experienced professionals. He wanted a company where homebuyers and sellers could walk into any office in any market, confident they would receive the same level of professional service that a transaction of such magnitude demands.

... the business model

To achieve this aim Dave Liniger together with his wife Gail changed the conventional commission-split system to a 100% commission package, adding traditional estate agency services to increase the value of the affiliation. In exchange for paying a management fee and contributing to office expenses, agents would now receive maximum commissions while benefiting from a wide variety of support programmes and services. The Linigers named their concept **RE/ MAX**, an acronym for "real estate maximums".

... the most productive Agents

That basic concept enabled **RE/ MAX** to grow into the most productive organisation the industry has seen. Traditionally in the US, office owners required agents to pay the office half their earnings to cover operating expenses. The traditional structure was a great deal for beginners, part-timers and marginal producers. They could go months without selling a house



and not make a contribution to the business. For these agents, the thought of facing a monthly bill for office expenses was terrifying. Only the most experienced, competent and successful agents saw benefits to the **RE/ MAX** system.

RE/ MAX agents on average have more experience and sell more properties than other agents in the industry. **RE/ MAX** offices are set-up so that agents would equally share expenses of the operation. Until today this means that each agent has to be skilled enough to generate the income needed to pay a set fee every month.

... success breeds success

RE/ MAX is more than a maximum commission concept. When joining **RE/ MAX** agents see their income increase not only because of the maximum commission structure, but also because they generate more business.

Every feature and benefit connected to the **RE/ MAX** affiliation exists to increase agent productivity. At the same time, agents aren't forced to participate in head-office-designed strategies for increasing corporate returns. **RE/ MAX** Associates have maximum control of their business, without the stress of running their own stand-alone operation.

And interestingly enough, once true professionals start working together in the same office, their skills improve even more. It is a classic case of improving your golf game by playing with better golfers.

The **RE/ MAX** approach had a profound impact on the industry, and today there are many imitators. But none has yet been able to match the level of professionalism held by **RE/ MAX** agents. Indeed, both consumers and others in the industry continue to perceive **RE/ MAX** as the ultimate organisation with which top estate agency professionals affiliate. **RE/ MAX** agents have on average 12 years of experience. They also surpass their peers in professional designations - a sign of advanced education in estate agency sales and marketing.

... continuous growth

The concept that seemed so logical and powerful to Dave Liniger, was extremely threatening to the industry status quo. Concerted efforts were made to impede the company's growth. At the close of 1973, there were just 21 agents and eight offices. However the company has grown every month, year on year, since its inception.



By 1976 there were 100 agents and by 1977, with 480 agents in the system, **RE/ MAX** gained No. 1 market share in its headquarters' city of Denver. That same year, the company expanded into Canada.

In 1978, **RE/ MAX** added its 100th office and 1,000th agent - and the hot air balloon became the company's official corporate logo. By 1980, the organisation had 3,000 agents. By 1986, **RE/ MAX** reached 1,000 offices and 10,000 agents. By 1987, there was just one larger estate agency group in the United States. In 1988, **RE/ MAX** became the largest estate agency company in Canada and there were 20,000 **RE/ MAX** agents across North America.

In 1990, **RE/ MAX** agents closed 636,366 transactions, representing \$63.96 billion in sales. The following year, **RE/ MAX** expanded into the Caribbean where today it's the region's largest estate agency operation. In 1992 **RE/ MAX** expanded into Mexico.

... **RE/MAX Europe**

RE/ MAX Europe was incorporated in 1994 for the purpose of selling regional franchise rights within Europe. **RE/ MAX** Europe represents the biggest expansion ever for the **RE/ MAX** system. The territory covered by **RE/ MAX** Europe represents 35 countries and a population of approximately 360,000,000. To date **RE/ MAX** Europe has entered into exclusive regional franchise agreements with individual master owners and directors for regions in the countries of Austria, Belgium, Czech Republic, Croatia, Denmark, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Serbia & Montenegro, Slovenia, Spain, Sweden, Switzerland, Turkey and the UK (where the territory is currently divided among 6 master franchises: London, Midlands, North England, Scotland, South England and Wales. These regions are independently owned and operated by regional master sub-franchises).

As of September 2007, there are over 1,500 franchises within **RE/ MAX** Europe and nearly 10,000 Sales Associates. The future growth of **RE/ MAX** Europe will be tremendous as more regions join the system and start to sell franchises.



... continuous global expansion

In 1995, **RE/ MAX** expanded into South Africa and Israel and in 1996 expansion continued with offices opening in Central America and Australia - and by year end **RE/ MAX** had offices in 20 countries and spanned five continents.

In 2000 the network had a presence in 35 countries with 3,993 opened franchises in six continents. 2000 was the third consecutive year when previous all-time growth records were surpassed.

In 2003 **RE/ MAX** launched operations in New Zealand, Botswana, Malta, Chile and Denmark shattering all previous growth records with an increase of 11.9% in franchise sales. By year end 4,730 offices were opened and operating in 47 countries around the world, celebrating 30 years of continuous growth.

2004 saw further expansion in Argentina, Croatia, Bahrain, Lebanon and U.A.E. In 2005 master franchises for the Czech Republic, France, Bulgaria and the Baltic Republics were sold. In 2006 Poland, Romania, Serbia & Montenegro and Slovenia were added to the network.

Today, the **RE/ MAX** network counts over 120,000 agents, working in more than 7,000 offices in 67 countries around the world.

... at the forefront of technology

RE/ MAX was the first estate agency organisation with its own Web site and still the only one with its own satellite TV network. The company believes strongly in the importance of technology and has developed a number of sophisticated technological tools to support its Associates and provide best service to its customers. Within North America, sales associates use multiple listing systems, database marketing techniques, and personal productivity tools to improve sales and reduce costs.

In Europe **RE/ MAX** Intranet site enable **RE/ MAX** agents to share listing information, ideas, referrals, strategies and marketing, therefore revolutionizing the way properties are bought and sold in European territories. A listing and contact management software enable agents to reach over 500 millions customers in 21 languages.



... education and training

RE/ MAX encourages Sales Associates and Office Owners to refresh their skills and update their knowledge - to be in tune with their customers changing needs. Education and training is key as only the most qualified Sales Associates are capable of delivering the level of service that **RE/ MAX** customers have come to expect.

The **RE/ MAX** Satellite Network (RSN) was launched in 1994, broadcasting continuing education programming six hours a day to RE/MAX offices across North America. No other estate agency company operates an equivalent system of advanced training. The RSN is now being rolled out worldwide.

The **RE/ MAX** sales associate also benefits from a full range of training activities which includes: online services, CD-ROM courses, video courses, regional, national and international conventions and conferences – as well as training on demand for Brokers and Associates delivered by other Brokers or professional trainers.

... a worldwide referral network

An international, national and local network that spans over 67 countries and engages more than 120,000 associates world-wide provides an excellent referral system for generating more business. Sales Associates sending leads directly to other Sales Associates earn extra income for themselves. With the **RE/ MAX** Web Roster - which is updated on-line daily - it's easy to find an ideal recipient and automatically generate and send referral forms.

... leading the field in estate agency ethics

Much press has been given over recently to licensing and regulation of estate agencies. The Consumer Association, the Office of Fair Trading and the National Association of Estate Agents are all lobbying government for regulation and licensing of the estate agency industry. RE/MAX already leads the field in fulfilling the Which? Move It campaign recommendations.

RE/ MAX UK has a stringent training and examination process for all sales associates to ensure that their actions comply with the Estate Agency Act and the Property Mis-descriptions Act. Continuing Professional Development is actively encouraged within the **RE/ MAX** network, and sales associates are expected to complete 42 hours of CPD per annum under their contract.



... hot air balloons

A company image seven stories tall, the majestic red, white and blue **RE/ MAX** balloon is now recognised the world over. From the balloon image on For Sale boards to the hot air balloons that drift silently over charity and promotional events, it is one of the most widespread and famous images in global business marketing.

RE/ MAX began its relationship with hot air ballooning in 1978, when the fledgling company sought out a marketing image, which would make it stand out above the crowd. With over 100 hot air balloons **RE/ MAX** now owns the largest hot air balloons fleet in the world.

... community involvement

While individual **RE/ MAX** offices and regions have distinguished themselves in various community projects and charities, the official charity of the **RE/ MAX** organisation is the Children's Miracle Network (CMN). **RE/ MAX** Sales Associates have raised millions of dollars for CMN hospitals worldwide.

RE/ MAX International is the first major sponsor of The Wildlife Experience, a conservation and community centre promoting understanding of the natural world and its conservation through arts and education.

... sport sponsorships

RE/ MAX leads the field in sports sponsorship at both national and local level, being the first estate agency company to support the FIS World Ski Cup. It also sponsors selected UEFA matches across Europe,

RE/ MAX is also active in golf sponsorships and since 1995 is the title sponsor of the **RE/ MAX** World Long Drive Championship which is regarded as one of the premier grass-roots golf event in the world.