



ACT NOW: 1 Real Estate Stock That Could Double in Value

Description

Bridgemark Real Estate Services ([TSX:BRE](#)) is headquartered in Toronto, Canada and provides services to residential real estate brokers and realtors in Canada. It offers information, tools, and services that assist the company's customers in the delivery of [real estate sales services](#). The company was incorporated in 2003 and was formerly known as Brookfield Real Estate Services.

Bridgemark generates cash flow from franchise fees and other services derived from a national network of real estate brokers and realtors. Brokers and realtors in Canada provides services while operating under the Royal LePage, Via Capitale and Johnston & Daniel brand names. The company's franchise network controls a 17% share of the Canadian residential resale real estate market based on transactional dollar volume.

The Royal LePage brand is geographically diverse as realtors operate throughout Canada. While the Johnston & Daniel brand operates as a division of Royal LePage in central Ontario, it's positioned to [expand geographically](#). The Via Capitale brand operates substantially in the province of Quebec.

The company generates both fixed franchise fees and variable franchise fees. Variable franchise fees are primarily driven by the total transactional dollar volume from the sales commissions of realtors, while fixed franchise fees are based on the number of realtors in the franchise network. The franchise systems are designed to allow franchisees and realtors to focus on customers, business development and spend less time on administrative activities, thereby increasing overall productivity and profitability.

Bridgemark also earns revenue from ancillary services provided to realtors including referrals to financial institutions and lead generation for brokers and realtors. Services provided to brokers and realtors are intended to assist them with the profitable, efficient and effective delivery of real estate sales services.

Through a portfolio of highly regarded real estate franchise brands, Bridgemark caters to the diverse service requirements of regional real estate professionals across Canada. The company's revenue is driven primarily by franchise fees derived from long-term franchise agreements. These franchise fees are weighted toward fees that are fixed in nature, which moderates the impact of cyclical variations in

Canadian residential real estate.

Bridgemarq has no employees and the underlying costs of the company are comprised primarily of management fees paid, public company operating costs and carrying costs associated with the company's debt.

Key drivers that impact the company's financial and operating performance include the number of realtors in the franchise network, transactional dollar volumes, the manner in which the company's contracted revenue streams are structured and the company's success in attracting realtors and brokers to the company's brands. The company's performance is impacted by the general economic activity, Canadian housing market, and government and regulatory activity.

The company seeks to grow earnings and cash flows by increasing the number of realtors in the franchise network. It does this by attracting and retaining brokers and realtors through the provision of high quality, fee-for-service offerings. The provision of these services is intended to increase the productivity and profitability of brokers and realtors and encourage brokers and realtors to enter into franchise agreements with Bridgemarq.

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