

CT-2011-003

COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

IN THE MATTER OF an application by the Commissioner of Competition pursuant to section 79 of the *Competition Act*;

AND IN THE MATTER OF certain rules, policies and agreements relating to the residential multiple listing service of the Toronto Real Estate Board.

B E T W E E N :

COMPETITION TRIBUNAL
TRIBUNAL DE LA CONCURRENCE

RECEIVED / REÇU
CT-2011-003
August 23, 2012

Jos LaRose for / pour
REGISTRAR / REGISTRAIRE

OTTAWA, ONT

200

COMMISSIONER OF COMPETITION**Applicant****AND****THE TORONTO REAL ESTATE BOARD****Respondent****AND**

**THE CANADIAN REAL ESTATE ASSOCIATION and
REALTYSELLERS REAL ESTATE INC.**

Intervenors

WITNESS STATEMENT OF EVAN SAGE

SAGE REAL ESTATE

I, Evan Sage, of the City of Toronto, Province of Ontario, state as follows:

1. I am a Vice President and Sales Representative at Sage Real Estate.

2. I have been in the real estate industry for the past 7 years. I began my career as a Sales Representative at Royal LePage Real Estate Services Ltd. Central Branch and then was a Sales Representative at the Johnston & Daniel Division of Royal LePage Real Estate Services Ltd.
3. I am a member of TREB, and am a member of TREB's VOW Task Force.

Sage Real Estate Business Model

4. Sage Real Estate was founded in 2010 by myself, my father Larry, and my brother Brad. We currently have approximately 80 real estate agents.
5. We are an innovative brokerage that is ahead of the curve in incorporating technology into the delivery of real estate services. We have been called "the most philosophically and technologically advanced brokerage in the city of Toronto."
6. Today's consumer is web focused, and consumes media through the internet. 87% of Buyers use the web during their home search. Consumers expect a better online experience when searching for a home, and our brokerage uses new technology to deliver just that.
7. Homes listed for sale by Sage Real Estate enjoy a property-focused integrated marketing campaign to ensure maximum exposure by leveraging both traditional and digital tactics. Because 87% of buyers use the web during their home search we focus an incredible amount of time and effort making sure our listings get maximum exposure online. Every home listed by Sage Real Estate has its own website hosted on its own domain name i.e. www.218CottinghamSt.com. On this website we are able to provide comprehensive information about the home as well as the neighbourhood where the home is located. The website features a detailed description of the property, professionally taken photographs, a

YouTube Video, contact information for the sales representative, a map of the area, and information about the neighbourhood. When buyers purchase a home they are not just buying 4 walls and a roof they are buying into the lifestyle that home in that location provides. And that is what we want to convey through our marketing efforts and particularly on the individual listing websites. The home's website is also optimized for the most relevant keywords related to the home to help it show up high in Google search results.

8. Sage Real Estate provides the home seller with analytic reports showing how people are engaging with their home's individual listing website. These reports deliver statistical information about the results of our marketing strategies. These reports will identify exactly how many people came to visit the site, where they came from and how engaged they became with the site. This allows Sage to focus their marketing efforts on what works and where the potential buyers actually come from.
9. Sage Real Estate also promotes its listings through Facebook, YouTube, LinkedIn, , Pinterest, SlideShare, Postcards, Feature sheets, Lawn signs, Google Pay Per Click, Kijiji, Craigslist, QR Codes, our brokerage website, Zoocasa, Realtor.ca, RealtyStock, and e-mail.
10. Our integrated marketing approach gets results for our clients. Our analysis shows that houses listed by Sage Real Estate are on average on the market for 11 fewer days as compared to the TREB average days on market, and when you compare the percentage of asking price Sage get its clients 4% more as compared to the TREB average.

VOW data feed

11. We currently are not subscribed to TREB's VOW feed. We are waiting to see how the market reacts to the VOW option, and particular whether there is customer demand for

VOWs. Our understanding is that VOW's were a moot point in the US and we are careful about what we invest our time and money in. It is something that we may consider if we feel it would be valuable to our consumers.

Access to MLS data

12. Sage Real Estate salespersons, myself included, establish a relationship with a potential client before we provide someone with listing information from the TREB MLS, or provide them with Comparative Market Analyses for properties. To protect the privacy of our clients anonymous people cannot just walk off the street and obtain MLS data from our salespeople.
13. We think that in order to access any information on a VOW the consumer should enter a legitimate email address and name.
14. We think that the individual seller should be able to decide if they want their information made available through the VOW feed or not. This could be permitted in the listing paperwork, or not.
15. We think that if the consumer grants informed permission to use the information, then everything should be accessed, including listings that are sold, pending sold (however they would have to be removed if the deal doesn't close), withdrawn, expired, terminated, suspended and the cooperating brokers offer of commission.

Commissions

16. Sage Real Estate is a traditional full service Real Estate Brokerage and our salespeople have complete discretion to negotiate their commission rates with clients on an individual basis.

17. In my experience, the amount of commission is something that is negotiated between the salesperson and the client. Commission is not a flat rate.
18. In my experience, the amount of commission to the listing salesperson varies widely.
19. In my experience, the amount of commission to the cooperating salesperson also varies widely.
20. The cooperating salesperson's commission is almost always paid out of the commission received by the listing salesperson. However, the cooperating salesperson's commission is addressed in the buyer representation agreement. If the cooperating salesperson does not get paid the full amount as agreed in the buyer representation agreement from the listing salesperson, then the buyer is responsible for any deficiency. This clause is always contained in a buyer representation agreement, and the amount of commission is subject to negotiation between the buyer and the salesperson.

SIGNED THIS, this 27th day of July, 2012.



EVAN SAGE
VICE PRESIDENT AND SALESPERSON
SAGE REAL ESTATE

CT-2011-003

COMPETITION TRIBUNAL**THE COMMISSIONER OF COMPETITION****Applicant**

- and -

THE TORONTO REAL ESTATE BOARD**Respondent**

- and -

**THE CANADIAN REAL ESTATE ASSOCIATION AND
REALTYSELMERS REAL ESTATE INC.****Intervenors****WITNESS STATEMENT OF EVAN SAGE
SAGE REAL ESTATE****AFFLECK GREENE McMURTRY LLP**

365 Bay Street, Suite 200

Toronto, Ontario M5H 2V1

Donald S. Affleck, Q.C. LSUC#: 10420B**David N. Vaillancourt** LSUC#: 56969I**Fiona Campbell** LSUC#: 60383V

Tel: (416) 360-2800

Fax: (416) 360-5960

Counsel for The Toronto Real Estate Board