

Disrupting the Real Estate Industry with Robert Price

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By listening to Dri's podcasts, you will learn the strategies that successful investors use to become financially independent.

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Biography:

On this week's episode, I am joined by Robert Price, Founder and CEO of Bode Canada, an online real estate brokerage that is really disrupting the industry as it makes selling real estate simple, transparent and more economical. Robert is a former executive at Axia FibreNet working with them in the telecommunications space for over 11 years before they sold to Bell, and he also comes from an entrepreneurial family, with his father being the former CEO of Husky before starting Axia.

In our conversation today, Robert discusses Bode Canada's role as a disruptor in the real estate industry and its goal to empower their customers. He also shares a great deal of information about Bode, including its current status and finances, plans for expansion, biggest challenges as a startup, and its original and potential future funding. Robert goes on to offer his perspective on companies such as Zillow entering the Canadian market, the low points in his journey with Bode and what he would have done differently, and how he explains Bode to real estate agents and brokers. Our interview draws to a close with Robert sharing the ways in which he invests and protects his money, and his definition of financial independence. In an industry that has experienced very little change over the years, Robert and Bode Canada present a fresh alternative, and he shares the details of this novel approach with listeners here today.

Highlights:

- There has been very little innovation in the real estate domain and the real estate industry over the past decades
- Bode Canada introduces change to the industry by empowering consumers with the right data and tools to help them with buying or selling real estate

- So far, Bode has done about 100 transactions
- The Bode team is made up of 15 full-time staff and a base of about 10 gig workers
- They currently have about 125 listings and \$80 million of property value in their marketplace
- They plan to expand across Canada and then to the US as well
- Robert started Bode with with a full team, a full leadership team, a full board
- Bode's funding is a combination of the board members and the management team investing their own capital
- Robert sees Zillow and companies like it more as partners than competitors
- Bode plans to break-even by the end of the year and turn a small profit by the end of Q4, but its main goal is to really build their customer satisfaction and referral base
- Some of the lows for Robert and Bode is really having an unlimited number of ideas, but not being able to pursue them all immediately
- Robert's view is that very good agents will actually make more money with Bode involved because they'll be spending less time on the administration side and more time doing the important high value work that a customer is asking them to do
- The majority of Robert's holdings are in an index fund
- His definition of financial independence includes having enough balance that he still keeps close relationships with his family and friends, and that he is able to travel, be fit, and give back in the community

Quotes:

"Our whole experience in the purchasing realm is really quite different than what it is in the real estate domain."

"I think a lot of the stress has come from lack of control and lack of transparency. And when you unlock that, as we have, that really changes people's perspective on the whole topic and they shift from intimidated to empowered and confident."

"That's been interesting in terms of how comprehensively interested the market has been in us."

"Leading first-world countries that are similar to ours that already have no buy-side at all, showing that buyers can feel confident buying themselves if they're empowered."

"As we expand, we'll certainly be evaluating the professional money and significant capital to make sure that we can continue to be the bold and the first participant in the market."

"We want to make sure it has maximum exposure to draw on the most number of high quality buyers. And the result of that approach has been a 300% higher viewing rate than your typical agent."

"Our biggest challenge, more than profitability and more than anything, is having more and more really happy customers at scale that builds that word of mouth."

“I think it would be true for most tech companies is managing the expectations of your business leaders and marketing leaders that really want to continue to bring these big differentiators, but having to be practical about what's actually possible and keeping everybody's expectations properly dealt with in that respect.”

“Our model will create a more evolved and more interesting role for the agent in the future.”

“I have a number of investments in other small startup businesses, where I invest in people that I know and trust and have been successful, have a track record of success in the past.”

“My number one principle is invest in myself where I have some control over the outcome.”

“I think the passion for what you do and how you go about your business is the first thing. And then if you're successful in doing that, the money will come with it.”

Links:

<https://www.bode.ca/>

Richard Dri: Welcome, Robert, to the Richard Dri Wealth Navigator Podcast, and thank you so much for participating today.

Robert Price: Good morning, Richard. Thank you. Yeah, absolutely great to be here.

Richard Dri: I've been looking forward to this discussion for a while now. We've tried to put each other on our calendars, but unfortunately, our other jobs keep us very, very busy. Now, Robert, you built an online real estate disruptor, I can't call it anything else, called Bode Canada, and it allows buyers and sellers to handle the entire home buying or home selling transaction without the need of a realtor, which really is mind boggling because we haven't done it that way in years or ever maybe. Now, why do you think the real estate industry needs a company like Bode Canada, a disruptor? Do you not think it's efficient? What's your view on that?

Bode Canada's role as a disruptor in the real estate industry (4:19)

Robert Price: Yeah, I think there's just been very little innovation in the real estate domain and the real estate industry over the past decades. The application of technology has been slower in real estate than any other significant industry. And most of the investment to date has been in supporting agents and creating a more efficient process for them. So that's been, if you think of 3D showings, you think of some online contracts and some various tools that they've been able to use to make their life a little bit easier. That's where most of the investment has gone. And what we did was say, from a modern experience that we're used to in the rest of our lives, whether it be travel or hospitality or banking or purchasing online, big tickets online like cars or

furniture, that our whole experience in the purchasing realm is really quite different than what it is in the real estate domain.

So if you look at travel, for example, I don't know if you use a travel agent, but I've never used one in my life and I'm a millennial and I'm in my mid-thirties, but that's a good, in my mind, a good parallel to what's happening in the real estate industry, where more or less all the options that exist out there are similar, it's become commoditized and you end up with no choice. So you end up having to go with an agent, even if you believe empowered with the right data and tools, you go alone, whether it's buying or selling. And that's the sweet spot that we see, and that's why we brought our business to the market.

Richard Dri: Now, Robert. you mentioned travel as a parallel to the real estate industry. And I see that, because you're right, I don't use a real estate, sorry, I don't use a travel agent any longer. I did when I was younger, but there were no other choices. But when I buy up a vacation to Florida or Miami, that might be a couple thousand dollars worth of expenses. And I think I can handle that, but when it comes to a house and I'm in the GTA that I'm in Toronto and the average prices in Toronto are over a million dollars and obviously, some more and maybe a few, a little less, but not many. I don't really feel comfortable in going to the market with a million dollar property that I've saved for whatever five, 10, 20 years. I don't know what to do. And I feel a little bit intimidated. And that's why I'm drawn to a realtor. I know deep down that I can handle it, but I feel like I'm intimidated because of the value of the real estate that I'm selling. How do you handle that concern for potential customers?

Shifting customers from being intimidated to empowered and confident (6:56)

Robert Price: Yeah, I think there's a couple aspects to that. So one is the industry has been telling you for basically all of our lives that this is very difficult, this is very complicated, so don't go alone because you could really screw it up. That's been the conversation that's happening at the industry level. And we actually just don't believe that. We believe that if you provide the right data, so sold prices, community information, comparable information, so that you're armed with really understanding your value and you know how to price, in your case, if you're selling a million dollar place in Toronto. And then we provide you with the marketing capacity to connect both with realtors and with self-represented buyers, which is what our marketing channels do. Then you can be fully successful doing that yourself. And so far, we've almost done 100 transactions, where that's the case in Alberta, and people really like at the end of the day.

The big stress factor for most people is just not understanding what's going on when a realtor is representing you because they're filtering information and there's back and forth between two agents and not really understanding the process, not really understanding the legalities. And so I think a lot of the stress has come from lack of control and lack of transparency. And when you unlock that, as we have, that really changes people's perspective on the whole topic and they shift from intimidated to empowered and confident.

And the other aspect on top of that is, if you're selling a million dollar home in Toronto and 5% as a typical commission, that's \$50,000 of commission. And whereas in our case, it's free to list. If you don't sell it, there's no cost to you. And there's 1%, if you do sell. So \$40,000 of savings. And that's a big number in its own right. That's a nice new BMW or that's a college education or that's the upgrade to the house, the next house that you buy, the new kitchen or the new patio. But even more than that, if you take the typical 20 to 30% equity, let's say 20% of that million dollars, that's \$200,000. And 40,000 of 200,000, that's creeping up on 25% of your equity in commission fees.

So, that is the other big aspect of it is, it's become very inefficient, coming back to your first question, it's become incredibly expensive and incredibly inefficient and stressful to transact the way that the industry is doing it. And we're setting out to take that head on by applying a modern experience. And maybe just my last point there, we're not trying to be everything to everybody. There are certain people that will look at this and say, "Oh, that's interesting, but I don't, I would still rather go with an agent." And that's okay. We believe that there's a significant portion of the market that really values this, especially when you consider the millennial segment, which is now 40% of the transaction market is, grew up with technology, grew up transacting and buying things online and doing peer-to-peer deals. So it's second nature for almost half the market now.

Richard Dri: I bought and sold a few properties in my career so far, and that it's a sticking point for me, the amount of money that is paid to a realtor compared to the value that they provide, often it's great, it matches, but I have had experiences where the value versus the amount that I've paid are not appropriate. In other words, the value did not equal the fee that I paid. So I commend you on that objective to try to make those two things in line that we should be paying for the services that we provide, but it should equal the value. So if the value is worth \$100, we should pay \$100 and not \$10,000. And that's the same in my business as well.

Robert Price: And maybe just on that point, I think that's where the big pain point comes from. If you take Canadian real estate values over the last 30 years, the real estate property values, and in particular Toronto and Vancouver, the hotter markets, have gone up over 300%, but that 5% commission rate, four to 5% across Canada, hasn't changed. And then on top of that, now people are doing more of the work already themselves, even before Bode, they're searching properties, they're running their own filters, they're figuring out pricing. So people are doing more and paying agents more and agents are doing less all at the same time. And we haven't set out to say that we have a vendetta against agents, we're setting, our whole position is to create that optionality so that people actually have choice and a little bit of competition in a market that just hasn't had it.

Richard Dri: Now, what does Bode look like today? How many people work there? Who's your typical client?

Bode's current status (12:01)

Robert Price: We're growing, so we're hiring a number of people here in the first three months of 2021, but currently, the team is 15 full-time staff, and we have a significant base of called gig workers, individual specialists that support us as well. And there's probably 10 more of those. Currently, we have about 80 million of property value in our marketplace. And that's a combination, it's been interesting to really see how wide this has been accepted from us having been in the market for over a year, you have everything from a \$3 million estate home all the way down to a \$100,000 condo downtown. So that's been interesting in terms of how comprehensively interested the market has been in us.

The other aspect of our business is we have a significant number of large builders, so new home builders, 20 plus now in Alberta, that list a lot of their properties with us. Of course, they're faced with the same challenge that many selling consumers have, which is how do I get directly to the buyer? Because in the new home, the value of having that extra advice on the buy side from an agent is materially less, even for people that want to have an agent, you're buying a brand new home, it comes with a warranty, you're talking to an expert in terms of what they're selling, so how much additional value is there. So that's been a significant pain point on the builder front. So to date, a combination of consumers and builders across Alberta, we are live across entire Province of Alberta. So you can list anywhere with us.

Richard Dri: So, Robert, when you say you have \$80 million of property value, are you referring to the number of properties that are listed through Bode Canada at the moment?

Robert Price: Yes. Exactly.

Richard Dri: Okay, great. And how many properties would that be, approximately?

Robert Price: 125.

Richard Dri: So you have 125 listings.

Robert Price: Correct.

Richard Dri: Cool.

Robert Price: I think I mentioned briefly, we've done almost a 100 transactions to date, yeah.

Richard Dri: Great. So who would be the typical client that would use an online real estate company like Bode?

Robert Price: We set out assuming that the millennial segment would really be an early adopter of this and they have been, but we've been surprised to see that there's many people in their 50s and 60s that have transacted many homes before, that just know how to do it and they feel comfortable and they've adopted technology in the rest of their lives as the rest of the world has, and they really have valued it as well. So it's been, from an age perspective, wider than we'd expect. I think the people that there's the DIYers in terms of people that would take on their own

renovations and sell their own car and negotiate on Kijiji. There's certainly a segment that really likes horse-trading and negotiating and wheeling and dealing, so to speak, in their lives. That segment really makes sense.

And then you have the really early adopters who just really love innovation. And when a company brings something truly transformational to the market, being part of it, because there are the guy or gal in their friend group that says, "I want to try this. And then I want to tell all my friends, because they're going to look to me always as the expert on the latest and greatest or the newest way to do things." So it's quite a blend of those segments. And it's been very positive to date in terms of those conversations.

Richard Dri: Now, you mentioned that you were at the moment covering the Province of Alberta, are there plans to expand East to Ontario and Quebec?

Bode's expansion plans (15:44)

Robert Price: Yeah. We do plan to expand across Canada ultimately, and then to the US as well. If you take the American market, it struggles with similar things that we have going on in Canada. In fact, their commissions are even higher there, six to 7% is more the norm, although their property values are slightly less, but the efficiency of their transaction market, albeit a 10 times the size of the market, is more or less the same as ours and a similar number of agents per capita as well. So very, very similar dynamics between Canada and the US.

And the other, maybe just, an add on point on that is we really do trail the leading countries, if you take Australia, you take Denmark, New Zealand, a number of countries in Scandinavia in terms of, they don't have buy-side agents at all. So their regulations have fostered a market that, by allowing the data to be available and the tools to just be available as opposed to held back, which we struggle with in Canada, buyers just have the information that they need and they go out shopping and they buy homes and they have 95% of transactions are done by a buyer. And then you just have one agent on the sell side. And that ultimately cuts the commissions in half, cuts our 5% down to two and a half or 2%, which is significant money and creates a much more efficient marketplace. So we are also taking that into consideration in this business, that leading first-world countries that are similar to ours that already have no buy-side at all, showing that buyers can feel confident buying themselves if they're empowered.

Richard Dri: Yeah. Speaking of empowerment, one of my pet peeves is the fact that if I want to know what a house sold for, it's not available in under the, well, in Toronto, we call it the Toronto Real Estate Board. And I think it might be the same out West, but it's covered by REALTOR.ca, if I'm not mistaken. And so that is put together by our real estate boards. It might apply also to Alberta. But anyway, if I want to know what the homes on my street sold for, that information's not available. Now, there are other companies that provide it, but the one offered and officially offered by the Toronto Real Estate Board doesn't give that information.

And to me, it's like, if you came to me and wanted to buy an individual stock or a mutual fund or an ETF, it would be like me not telling you what the history of that particular investment was over the last three months, six months, 12 months. How can you buy product ABC if you have no idea what the history is? And it forces you to hire someone to give you that information, when in any other industry, that information is totally transparent and can be figured out by a kid in their bedroom.

Robert Price: Exactly.

Richard Dri: It's crazy. Okay. Now, in addition to what you're doing, obviously, you're creating a brand new company, it's a startup, and I'm sure there are challenges. Maybe we could talk about that. What do you see, Robert, as some of the biggest challenges that are facing your company today as a startup?

Robert Price: Maybe just a quick comment under your last comment and then I'll jump on to that one.

Couldn't have said it better myself. If you take as a big part of our thesis in terms of our belief in building this business is, 70% of Canadians have more than 60% of their equity tied up in their home. So it is their most significant, on average, it is our biggest asset, our biggest investment, and to not be able to understand what's going on with that asset is, to me, crazy. It's absolutely crazy to your point as well. And so we like to think of, how do you actually get access to that information today? You get access to it on your property tax bill. So that happens annually. You could call up an agent, as you said, and hire them and have them send you sold data, comparables on a one-off basis.

So that's been a big hurdle, and to me, a big reason why Canada has been slower than the rest of the world in terms of having a more efficient, more empowered real estate marketplace. So that, to me, that's a big challenge that we have in our, you properly described it, so in Canada, there's CREA, that's the Canadian Real Estate Association, that's the umbrella over all the provinces and each individual province has a number of boards. So TREB is the biggest board in Canada that you mentioned. In Alberta, there's 10. In the country, there's over 100 boards and they're each allowed to decide whether or not they share that sold data. And right now, about eight of the over 100, so less than 10% are exposing that sold information. And that's part of the equation.

The other part of the equation is actually making that information really easy to find and really easy to use so that on a regular basis, monthly, if you're thinking of your biggest asset compared to your stock portfolio, as you said, I don't know about you, but I'm looking at my investment every two weeks. I'm not waiting a year for a tax bill or some summary report. It gives you that regular view and regular management of that asset and compare it to what's going on in the marketplace because you might be sitting in a hugely advantageous spot and not know it or conversely in a negative spot and need to make sure that you understand what's going on. So long-winded answer, you can tell I'm passionate all of that whole topic.

The biggest challenges facing Bode as a startup (21:48)

Robert Price: And just moving into your question about advice on starting businesses. In our world, there's many different ways to succeed in terms of building a business from scratch. So I won't sit here and say, I've got the right formula, I think you have to have the right combination for the situation. What we saw in Bode, whereas most companies start with one or two people and they work for free on a six to 12 month basis until they build, call it your MVP, your initial piece of software, test the market a little bit and dip your toe in the pool and eventually add people and eventually add a board and start investing more money. That would be more than typical in the tech domain.

In my case, I did the complete opposite of that. I started with a full team, a full leadership team, full board. And just because we saw this opportunity was so significant and the window is right now to bring this kind of innovation to the market. And that way, we got to the market in six months, we were able to launch fully with our initial version of our website and our online service in six months, which most companies I think would take more like two years. So we're proud of that, though, we knew we had a lot of work to do in terms of making the website better, and a year later, it's now, in our opinion, it's awesome.

But that allowed us to fully focus on executing as opposed to me hiring board members and advisors and filling out my executive team as we're figuring this out on the fly. I said, "Let's have the team in place, let's make sure they're invested." And all of our founders and executives are all owners in our business. So they feel that excitement and that purpose behind the business. And then let's get to market as fast as possible and let's build this amazing experience is totally focused on the customer. And so that's what we did.

Richard Dri: Robert, I like that approach. I guess my question is how do you fund that type of a startup with a full team and a board and get to the market in six months? Did you already raise capital before you started? Or did you fund this on your own?

Bode's original and potential future funding (24:05)

Robert Price: We funded it on our own. So it's a combination of the board members and the management team all have invested capital, our own capital. So we started that way and then we've had a couple more rounds where we've added strategic advisors that can help us open doors in the business and help us grow the business as well as other individual accredited investors, very select few, that mostly are CEOs and have started their own companies. And so they really understand. You've got to be careful and selective in terms of which investors you invite in an early business, because there's so many moving pieces and you can end up with too many opinions and too many cooks in the kitchen and distracting away from actually just executing and moving forward with your plans. So it is a very tight-knit ownership group. And today, 90 plus percent of our ownership is the original management and board.

Richard Dri: Now, do you foresee going back to that group or maybe bringing in a venture capitalist if you're planning to expand across Canada? Do you think you'll need that approach or take that approach?

Robert Price: Yeah. So part of my job, of course, is making sure that we've got a number of different options that we can choose at any point in time, warmed up so that we're ready, we can be agile without respect. So yeah, I've had many conversations with professional money, small boutique venture firms, all the way up to significant big league, some of the biggest guys in Canada and the US and they've expressed interest and in fact would have invested in this last round had we gone down that path. We ultimately decided that our existing shareholders were so excited about the progress we were making that they wanted to continue to invest more.

And so that made sense for us at the time, but yes, as we expand, we'll certainly be evaluating the professional money and significant capital to make sure that we can continue to be the bold and the first participant in the market, because we know, of course, there's competition and other people can try to copy what we're doing. We're the first two-sided marketplace that we know of anywhere globally, not only just Canada. So we, once we really show this traction and we have shown this initial traction, it is about speed and being first given other people try to copy what we do.

Richard Dri: Yeah. Speaking of copying, and we've had this discussion when we first met, in the US, and I think they're coming to Canada now, you've got big companies like Zillow, for example, that are everywhere, in the US, I would imagine hundreds of thousands of listings. Would you consider them a competition if they were to get bigger in the Canadian market? Would they affect your particular business model?

Robert's perspective on Zillow and similar companies entering the Canadian market (27:04)

Robert Price: We'd see them more as a partner than a competitor. In fact, they are present in Canada already and we do partner with them already. So we put our listings, any of our Bode listings on Zillow as well, because we don't have, if you take the buy-side, sorry, the sell-side of our market, our job is to give it a maximum online exposure because that's where 90 plus percent of the market conducts their search. So we go on our own website, of course, the Bode marketplace. We go on REALTOR.ca where the majority of the market is currently, we go on Zillow and we go to 30 plus other syndicated sites, the likes of Kijiji and Facebook Marketplace. We want to make sure it has maximum exposure to draw on the most number of high quality buyers. And the result of that approach has been a 300% higher viewing rate than your typical agent that simply just puts it on REALTOR.ca and wants to continue to keep the REALTOR.ca lock on the market, so to speak.

So a company like Kijiji, their business model is to sell eyeballs and leads. And they sell eyeballs through advertisements, of course, and then they sell to agents leads for people that are inquiring about properties, selling or buying properties. And they haven't actually made any

money in any other way in their business today. And then their whole position coming to Canada started from Americans saying, I want to look at properties in Canada and using REALTOR.ca here, and saying, this website doesn't work for me, we really want Zillow in Canada. So they expanded on that basis. So to date, they haven't made a significant investment in Canada in terms of their overall team and overall resources, they're more focused on extending the American market up here, but even as they expand, we have a model that works with theirs more as a partnership.

Richard Dri: Now, Robert, you mentioned you have about \$80 million of properties, which is about 125 listings at the moment. And I'm just doing the math. If you were to sell all 125 at a 1% fee, that net is about or gross is about \$800,000 of revenue. Are you cashflow even at the moment? What is your break-even level?

Bode's current finances (29:27)

Robert Price: Yeah, so we're moving towards, we're adding listings, of course, we're adding listings and selling on a regular basis. So that \$80 million number is moving up and down depending on the month, but with our plans that we have this year, which are more aggressive investments in marketing and awareness, we would break-even by the end of the year and turn a small profit by the end of Q4. It's not necessarily our goal. Our goal is to really build our customer satisfaction and referral base. When customers are really happy, they talk about you. When customers are really unhappy, they also talk about you. Anywhere in the middle is not interesting enough for people to tell their friends and family.

So we're really, every day, we're striving hard for that awesome customer experience that turns into a referral, that turns into word of mouth and ultimate awareness, because we know, the conversations where we're actually having we're dealing with customers directly, they've been ecstatic, they've been very happy. So our biggest challenge, more than profitability and more than anything, is having more and more really happy customers at scale that builds that word of mouth. So that's very much what we're focused on, we'll continue to focus on in the company, but it's even more critical here in the short term that we build that groundswell, that grassroots effect. So that's where the vast majority of our focus is right now.

Richard Dri: Now, Robert, in a startup and as a disruptor in the real estate industry, there must have been some very high highs and some very, very low lows. What would you say was a low point for your journey so far with Bode and the company itself and the investors?

The low points in Robert's journey with Bode and what he would have done differently (31:19)

Robert Price: The life of an entrepreneur, you have an unbelievable roller coaster ride and some days are awesome, you have five or six great things happen all in a row and then the next day you're saying, "Holy smokes, what are we doing? We've got to deal with these challenges." So I think the key thing is to just stay steady throughout, don't get too high, don't get too low.

Some of the lows, I guess you could say is, is really having, in my team's case, we have an unlimited number of ideas. We have brilliant people that are really excited about the business and have so many, there's just so many different ways to innovate this space because it just really hasn't changed for decades. So that's the excitement that drives the business.

Then you have to deal with the realities and the challenges of how fast you can actually do that, and are you put into this cycle where you're only focused on new features? Or are you focused on really solidifying the experience that you already have? And I think that's been a big challenge in this company. I think it would be true for most tech companies is managing the expectations of your business leaders and marketing leaders that really want to continue to bring these big differentiators, but having to be practical about what's actually possible and keeping everybody's expectations properly dealt with in that respect, because I'd love to have a 100 engineers, but we have six. And so you can only move at the speed that that makes sense. At some point, we might have 100 engineers, there's a practical thinking in terms of how we're investing our money from a growth perspective versus continuing to add new functionality and tech to our business. So that's a constant strategic focus of ours and an important balance that will shift over time as the business grows.

Richard Dri: Now, Robert, is there anything you would have done differently? I know the company is still very young, but looking back, is there something you would've done differently if you could start over again?

Robert Price: Ah, good question. Many, many things.

Richard Dri: Right. I know how you feel.

Robert Price: But it is one of those things where I don't look back, you can look back hindsight and say, "I would have done that different." But I don't think that I have any significant mistakes given the information that I had at the time. One example might be getting into an office a little bit faster than we did. For the first year of the company, we were running the company out of my house, my living room and kitchen table for team meetings most of the time though it was distributed. So we have a full distributed model, no office at all, checks and taxes and everything sent to my place. And then we moved into a shared office space right as COVID hit. And so we ended up, we've been in and out of that office, depending on what's going on with our restricted life. But I probably would have done that earlier in hindsight, because I think when you have a really good team and we have a lot of chemistry, we have family involved, we have very good friends.

So it's more than just a business to us, there are also important relationships there and you actually really feed off each other from an energy perspective when you're in the same room, the quick-hitting conversations, the ability to make fast decisions and seeing how hard everybody's working, elevates your level as well. So I think there's a big energizing and positive effect of working together. And that doesn't need to be, I'm not saying five days a week, 15 hours a day in the office, but even two to three days a week is a significant change from basically being a

completely distributed model. So that's one thing that I would have done earlier, I'd have many more examples.

Richard Dri: Yeah. As an entrepreneur, you're right, it's a roller coaster, there are a lot of ups and a lot of downs, but given what you just said about creating that office environment earlier, I think that's very good advice. And I could see that now with COVID, my own team is distributed, a couple in the office, a couple at home, and it's just not the same. And I'm reading about the same thing with hockey players, or example, they feed off the audience and the cheering and the booing, I guess, too. And now, they're playing to a completely empty arena. It is not the same for them. You would think, "Oh, not a big difference, you play your game." No, you feed on each other, you work harder, you're more competitive.

So you're right. That is one thing COVID has taught us, I think is, I guess, some work can be done from home, maybe a lot of it can, time will tell, but that chemistry that you talked about, that's missing from home. And maybe it's one day a week, two days a week, I don't know yet, we'll have to figure that out, but it cannot be excluded or forgotten. Now, let me give you another question here. If I was a real estate agent or a broker today, me, what would you tell me? Given your, obviously, where you're coming from and your opinions, what would you say to me?

Robert's explanation of Bode to real estate agents/brokers (36:49)

Robert Price: To us, I've had many of these conversations and I'd tell them, there's 300 other realtors that we have already on our site. So we have many accounts with agents, and I would tell them this is a competitive alternative to a market segment that doesn't value your services. So there is a significant market segment that values their services, even if they find them expensive and inefficient, they still would prefer that versus going alone. So we're here with this option that focuses on the customer, and it's not about taking the agent out. It's about empowering the customer to choose what they need in order to be successful.

That's a big part of our whole long-term model is we're not saying don't hire an agent, we're saying you can do this yourself and everything's now been designed and automated and put online at your convenience to do that, but if you need extra advice, if you want the long-term, you want support on some of the more strategic fronts like negotiating, like, "How do I stage my home?" like, "I would like a local realtor to help me look at my pricing to give me more confidence", that's what I see in a conversation with an agent. That's the conversation I'm having, saying, I don't see your role disappearing. I see your role evolving to be more intellectual, more strategic, and with our tool set, we tend to automate a lot of what's frustrating to you as an agent in terms of the phone calls they go back and forth, the scheduling, the paperwork, driving people around to showings, all the traditional ways and logistics that an administration that happens in the old way, we can take care of that, already have, in fact, with our model.

And then you can, on an à la carte basis, compete and win customers that can buy individual services from you. So that's really the way that I see the market evolving. And the conversations we've had with agents have actually been quite positive. We've had some agents say, "Okay, well, I knew this was going to come eventually, how long do you give me? How many more years until I'm completely out of work?" All the way to other agents that are saying, "You guys can't do this. This is against the rules." And, of course, we can and we're fully regulated. And we point them to the fact that we are. So there's a big part of the industry or part of the industry that just has never had to compete. And so they take it personally and it's very challenging for them.

And then there's the other side of the industry that says, "This is awesome. How do I, the world changes, I've got to change and evolve in order to continue to compete and win. So I want to learn from these guys and see where they're going." And are encouraged to see that we are ultimately going to empower and already are empowering them going into the future. For example, right now, we designed a buyer agent process so that an agent can make an offer on our site to one of our listings, representing a buyer. So that actually makes their life easier because that's all online. It's not paperwork and DocuSign and emails and texts and everything that goes with it. It's all organized and put together in a direct way with our seller.

So a long-winded answer, but it is the way that we see the world going is our model will create a more evolved and more interesting role for the agent in the future. And for the very good agents, they'll actually make more money in our view, because they'll be spending less time on the administration side and more time doing the important high value work that a customer is asking them to do. Like, "I'll pay you \$500 or I'll pay you \$1000 to deal with my negotiation, I'll pay you \$250 to swing by my house and make sure it's staged properly." Breaking that one big, heavy service as it exists today, turning it on its side and cutting it up into the high value components for choice. And that is ultimately going to evolve into our pro marketplace. There's another aspect of our site, where we have professionals that are just there for our buyers and sellers to select at their choice.

Richard Dri: That's a very good answer. I think it would probably scare a few real estate agents today when you say, well, I'll pay you \$1000 to negotiate the sale of my house when they could have made 40 or 50,000 to negotiate this sale of your house.

Robert Price: Well, the average agent does two to three deals a year. And that comes back to, if we're talking, let's say it's a \$1000, but that's all you're doing. You can do two or three deals a day with just that. So it's turning them loose on being highly available with a high value, high volume potential service, as opposed to basically hoping you do two to three deals a year, which makes you 30 to 40,000, a lot of them are part-time, a lot of them are doing off the side of their desk, but it's creating that higher volume opportunity, but certainly, to your point, change is scary. We know that. So we have scared some people through this process as well, but that's part of the deal when you bring an innovative option to the market.

Richard Dri: Okay. So let's pivot a little bit, Robert, and I would imagine that most of your money goes right back into Bode, but do you invest anywhere else other than within your company?

How Robert invests and protects his money (42:43)

Robert Price: Yes. So I invested in an index fund my normal holdings. In fact, the majority of my holdings are in an index fund. And similar to Bode, it's a construct where I've got a relationship with a business in town that basically says, "We don't know how to invest your money better than you do. This index fund has outperformed, just choosing your standard public equities over the last 10 to 20 years. So we're not here to tell you what to do. We're here to provide you the information about how to invest." And I really liked that model because it allows me to be fully confident in what I can do.

And then I have a number of investments in other small startup businesses, where I invest in people that I know and trust and have been successful, have a track record of success in the past. I also just like supporting innovation. I love seeing, and particularly in Alberta right now, as you would know, we've got a very energy-reliant economy, and that's going, if anything, flat and going down over time. So for this province to really grow and really diversify, we need way more success on the tech realm and to become globally competitive in that space. So I support that because it makes good financial sense to get in early, as well as supporting the province and diversification of the province.

But yes, overall, my number one principle is invest in myself where I have some control over the outcome. Of course, nobody has full control over any outcomes, but I have more control when I'm running the business over its success. That's where my Bode-less money has gone historically. And that's where it's going today with Bode.

Richard Dri: As a business owner, entrepreneur, do you have vehicles or do you use vehicles such as an RRSP or a tax-free savings account or individual pension plans? Do you use any of those tax-sheltered or tax-deferred accounts?

Robert Price: I've been told to, but, I see the benefit of it, but I actually just have been more over on these other styles of investments. And to date, that's been successful for me. So I haven't, I'm not to say that it doesn't make sense to do it, but I guess, just in competition with my time and thinking through, I put a lot of effort, of course, into Bode and into supporting these other companies. I'm an advisor to a number of them as well. I see those to be the big opportunities to really create more growth in wealth. So that's where my energy goes, as opposed to trying to really figure out the nuances of each of those benefits.

Richard Dri: Now, do you protect against disability, premature death? Now, you said you're young guys, so the life insurance may not be the most urgent, but from a point of view of protecting your income from a disability, are you looking at that? Are you looking at disability insurance, critical illness, or even potentially life insurance?

Robert Price: I do have life insurance. That was part of a prerequisite for a loan that I had early in my career, and I just said, I'll keep that going, because, obviously, you never know

what's going to happen. So that, I do have life insurance. I've kept that up since my early 20s. I'm probably not the norm in that respect, but that is my one big protection.

Richard Dri: Okay. So as we wrap up, Robert, we talked about financial independence and we're working at our own companies, we're putting money aside or we're reinvesting in other companies, and ultimately, we want to create financial independence for ourselves and our families, but when I talk about that, the theme that keeps coming up is just the word itself or the words, what does financial independence mean? And in fact, it means different things to different people. So while you're building Bode and trying to change this industry that we're facing, the real estate industry, and basically, the buying and selling, how do you define financial independence?

Robert's definition of financial independence (46:58)

Robert Price: That's a good question. I think the way you described that is accurate, you have to have the appropriate risk tolerance, of which is a very personal thing. So how do you make bets? How do you think of? Maybe more broadly, to me, money is not a driver of happiness. When you get above a certain threshold, you get to a point where you can comfortably pay your bills, you can comfortably pay your mortgage and you can live the lifestyle that you want that makes you happy. That is threshold that money gets you to in terms of happiness. And then above that, it's more like a game, it's more like a sport in the way that I look at it, it's competing and doing what you can to make smart investments and make the world a better place at the same time and trust your gut. At the end of the day, what your gut tells you is what's going to make sense to you. And nobody else can tell you what your gut says. So you have to have that very honest conversation with yourself and make decisions on that basis. At least that's my philosophy.

Richard Dri: That's a very interesting point that you made, that there's a certain point of money, at which point you're the happiest. And then beyond that, you find that more money requires more effort or requires you to give up something, and it's a diminishing return. So you get more money, but the happiness may continue to increase but increases at a decreasing rate. And there have been many American studies at different universities that actually have quantified that number. Now, the number may not be accurate or it may not be applicable to every individual, but that number is about \$75,000. Anything above that, you might be a little bit happier, but you are not getting as happier as you did from zero to 75,000.

And that struck me as very, very powerful to me because of the fact that, maybe ever since I was a kid, I wanted to accumulate money and I felt the more money, the happier I got, but as you do accumulate money, you realize that, gosh, there's a trade-off. There is a time, there's experiences that you give up in order to accumulate more money. And if you could mathematically plot that, you'll see, according to the studies, and I guess, from an emotional standpoint, I can agree with the studies that you're actually giving up more than you're receiving. And at that point, you have to ask yourself, what's more important? Is it more important to continue to accumulate money?

Or is it more important perhaps to be more charitable, to be a better father, to be a better husband or a spouse? All of those things are questions that you have to ask yourself.

Robert Price: Absolutely. And I, maybe just to build on that point, I think that's where it comes back to me with Bode is the passion of how you can truly impact and truly make a better or elevate an industry if you're going to spend your time, of course, the financial upside is great, but that's not what drives me. I think the passion for what you do and how you go about your business is the first thing. And then if you're successful in doing that, the money will come with it. Once you're above that 75,000 threshold, as you mentioned, that's about the number I had in my mind as well, then it's just about having that impact from a business perspective.

And then in my life, in my view, having enough balance that I'm still keeping close relationships with my family, close relationships with my friends, I'm able to travel, I'm able to be fit, I'm able to give back in the community. The combination of that is a way bigger happiness factor or happiness contribution than simply making more and more money because making more and more money is never enough. That's your diminishing return point. You're always chasing that next amount of money, and it's endless, if that's your only priority in life. And I think that's not going to lead to the most happiness in the end.

Richard Dri: Okay. Robert, thank you very much for spending almost an hour with us. I've learned so much from the point of view of how to disrupt an industry that, as you say, hasn't changed for decades. And I can't wait, personally, to implement that type of approach here in the Ontario market. So I wish you the very best professionally and also personally and good luck with that Bode Canada, and hopefully, we'll see it in Ontario soon.

Robert Price: Yeah. Thank you, Richard. It was a lot of fun. And I've enjoyed our conversations in the past and this one as well, so love to keep it going in the future.