

The logo for Edina Realty, featuring the company name in white text on a red rectangular background.

www.edinarealty.com

Edina Realty Historical Perspective

In 1955, Emma L. Rovick, a suburban housewife with a goal of making enough money to buy a piano for her daughter, borrowed \$2,000 to buy a struggling real estate company. She inherited three sales associates and managed to sell \$2 million in real estate in her first year of ownership. Since then, Edina Realty has grown to become the Midwest's largest real estate company, with annual sales of more than \$10 billion in 2004 and 2005 and nearly 80 offices located in Minnesota, North Dakota and Wisconsin. The company celebrated its 50th anniversary in 2005.

Edina Realty's first office at 5010 France Ave. S. was small and included only three sales associates. However, through Rovick's effective leadership, business acumen and guiding principles of honesty, integrity and commitment, the company began to make itself known throughout the Twin Cities area. During the next 15 years, Edina Realty opened five branch offices and increased its sales force to more than 100.

The company continued to expand and, by 1975, annual sales had increased by 500 percent. Over the next decade, Edina Realty set growth records through a bold series of acquisitions and the development of new offices. Acquiring seven offices and more than 100 associates from Award Realty helped Edina Realty expand in 1981, while the 1984 acquisition of Real Estate Masters and Keller Corporation of St. Paul contributed three more offices to the fold.

In 1983, Edina Realty started down the road of one stop shopping by adding the mortgage company, Edina Financial Services, which later changed its name to Edina Realty Mortgage. The same year, Edina Realty ventured across the border to open its 19th sales office in Hudson, Wisc. A few years later, in 1985, it acquired the 11-office Eberhardt Residential Group, with nearly 300 associates, as well as several Twin Cities' Century 21 and Realty World franchises.

In 1985, Edina Realty was the first Midwestern real estate company to reach \$1 billion in sales volume in one year – a feat the organization achieved just eight months into the year.

Another benchmark for the progressive company came in 1986, as Edina Realty became the first real estate company in Minnesota history to reach more than \$2 billion in annual sales. Company ownership remained in the Rovick family, with the firm operating under the guidance of Emma Rovick's sons, Roger as president, and David as executive vice president. The company added to its one-stop-shopping services by acquiring Equity Title, now known as Edina Realty Title.

In 1988, Edina Realty, which by then had established itself as the fourth-largest real estate firm in the United States, had grown to 30 offices with a total of 1,500 sales associates. The company was purchased by Metropolitan Financial Corporation (MFC), which enabled MFC to purchase 100 percent of Edina Realty's stock. Under terms of the agreement, Edina Realty retained its name, corporate identity and management and operated as an independent subsidiary of MFC.

Continued Expansions Fuel Growth

As the company entered the 1990s, growth accelerated and the familiar Edina Realty sign began to appear more often throughout Minnesota, North Dakota and Wisconsin. Duluth's Lil Stocke Realty, K&K Realty of Rochester, Edstrom and Associates, Winona, Realty World Broadway, Alexandria and Rust Realty of Fargo were among the well-established firms that chose to affiliate with Edina Realty.

In 1992, Ron Peltier became president and, under his direction, the company earned an enviable reputation as a leader in the real estate industry through acquisitions and the introduction of many new innovative products and services. Edina Realty was the first real estate company in Minnesota to own both a mortgage and title company, first to have a computer service for sales associates, first to offer a Guaranteed Sales Program for sellers, first and only company to operate a state-of-the-art, hands-on computer training center and first to provide "Hotline", a 24-hour, interactive phone system, as a service to its customers.

In 1995, as part of the sale of Metropolitan Financial Corporation, Edina Realty became part of the First Bank Systems family. Later that year, senior management participated in a buyout of

the company. As part of the buyout, the mortgage operation became part of a joint venture with AmerUs Mortgage. The AmerUs Group increased its ownership in Edina Realty to a majority share in 1996 by purchasing the shares of three of the owners.

Two notable milestones in 1996:

1. The company created the Edina Realty Foundation to raise money for homeless-related non-profit organizations through employee and sales associate contributions and fundraisers; and
2. Edina Realty launched its first Web site which, over the course of just a few years, would change the way consumers searched for properties.

Late 1990s Bring Record Successes

In the record-breaking year of 1998, real estate sales volume reached \$5.2 billion in the midst of much change. Edina Realty realigned itself with a new partnership in nearly every facet of the business. The title company partnered with Chicago Title and the mortgage company entered into a joint venture with Norwest Mortgage (now Wells Fargo Home Mortgage). In addition, Edina Realty Relocation was established and has grown to a full-service relocation company. Most importantly, the company was purchased by MidAmerican Energy Holdings Company. Also in 1998, the company started its annual Community Service Day, in which employees and sales associates dedicate the day to working on charitable volunteer projects in their communities.

In the late 1990s, executives under Ron Peltier's leadership formed HomeServices.com, Inc., the firm that is now HomeServices of America, Inc., and Edina Realty's parent company. HomeServices ventured beyond the Midwest by acquiring leading regional brokerages across the country, allowing the companies to continue to operate under their well-known and respected local brand names. HomeServices quickly became the second-largest full-service independent residential real estate brokerage firm in the United States, based on closed transaction sides.

Edina Realty continued to add to its one-stop shopping menu of products in 1999 by offering clients Home Warranties and Homeowner's Insurance through HMS Warranty and Edina Realty Insurance. The Edina Realty Foundation also celebrated a milestone, raising and giving more

than \$1 million to homeless and related organizations within Minnesota, North Dakota and Wisconsin.

Broker reciprocity was introduced in 1999 and proved to be a huge success and a great advantage for consumers allowing all broker's listings to be listed on Web sites. Over the course of the next several years, Edina Realty continued to enhance its Web site and one-stop shopping convenience by adding product and service offerings designed to enhance the customer's overall home buying, selling and ownership experience. And, Edina Realty Mortgage launched an online mortgage application which met the needs of Internet savvy customers.

The sales associates of Al Thorpe Realtors in Northfield, Turnbull Bedker Realty in Faribault, Borden Realtors in Coon Rapids and RE/MAX Realty Plus in Austin all joined Edina Realty in 2000. Through key acquisitions throughout the 1990s, Edina Realty grew from 32 offices and 1,800 sales associates in 1990 to 75 offices and 2,300 sales associates in 2000. In addition, the Edina Realty Foundation teamed with Verizon Wireless and Infinity Promotions Group to sponsor a cell phone drive for battered women. More than 6,000 phones were donated at 22 Edina Realty offices throughout Minnesota.

In 2001, Edina Realty made more additions to its Web site, including Edina Realty Recommends™, a Web directory of home-related product and service providers, and ShowingTime™, a Web-based service that captures a buyer's name and preferred appointment time by inviting them to request a private showing of a property while still online. Edina Realty was the first in this market to offer this service to its customers.

The following year, Edina Realty became the first residential real estate company to offer customers online storage and access to home transaction documents via HomeDocs™. Edina Realty was also the first real estate company in its market to provide agents with mobile access to MLS data through their wireless device through a new program called Mobile Agent. This new technology allowed agents to retrieve listing data anywhere, at anytime, through a wireless device. For its efforts, Edina Realty was recognized by industry peers and nominated nationally for Inman's Innovator Award.

Also in 2002, Edina Realty led the market in home sale numbers with \$7.9 billion in sales volume and 36,675 transactions and the Edina Realty Foundation celebrated its five year anniversary with \$1.6 million and 525 grants to date.

Key Milestones, Recognition for Community Giving

Edina Realty continued to lead the market in home sale numbers in 2003 with \$9.1 billion in sales volume and 39,241 transactions and received special recognition from Minnesota FoodShare for raising more than \$10,268 and 9,200 pounds of food as a first-year participant.

In 2004, Edina Realty made numerous additions to its Web site, including a national home search with access to MLS systems in many areas of the country; “Home Connections,” which allows consumers to easily arrange for the connection and disconnection of utility and other home-related services; “Compare Properties,” which allows a side-by-side comparison of listings; and “Radius Search,” which allows consumers to search homes by area rather than city or county, were also added to enhance the home search. And, an exclusive new feature to keep sellers updated on the status of their property listing, “Sell My Home,” was also added to the site.

For the third year in a row Edina Realty participated in the Minnesota FoodShare campaign and was recognized as the fifth largest contributor raising 9,500 pounds of food and more than \$10,000. Through recruiting efforts and the opening of new satellite offices, Edina Realty had more than 3,200 sales associates at more than 85 locations.

Edina Realty was presented in 2004 with Human Services Inc.’s Outstanding Community Organization of the Year Award for its work through the Edina Realty Foundation, Community Service Day and various volunteer projects in Washington County. The same year, the Edina Realty Foundation joined Bob Fisher’s Sleep Out event, in which nearly 100 REALTORS[®], employees, friends and family members collected donations and slept outside in the cold to raise more than \$18,000 to benefit the homeless.

Edina Realty opened new offices to better meet the needs of customers in growing locations such as downtown Minneapolis, Blaine and Mille Lacs. In 2005, Edina Realty acquired the real estate brokerage business of Fahey Sales Agency Inc. Three offices, located in Belle Plaine, New Prague and Hutchinson, and their 30 sales associates, all joined Edina Realty.

In 2005, Edina Realty also partnered with Hope for the City to collect non-perishables, toiletries and more for Hurricane Katrina relief efforts; additionally, some sales offices acted as collection sites. Edina Realty employees and agents received recognition for their humanitarian efforts and helped fill 93 semi trucks.

Foundation Celebrates 10th Anniversary, Technology Innovation Recognized

To accommodate significant growth, in January of 2006 Edina Realty appointed Barb Jandric, a 23-year veteran of Edina Realty, to be general manager overseeing nearly 80 sales offices and 3,400 REALTORS® throughout Minnesota, North Dakota and western Wisconsin. The company increased the training budget for their agents and put strategies into place to reach out to emerging markets.

The Edina Realty Foundation celebrated its 10-year anniversary, raising nearly \$4.3 million for homeless-related causes, and awarding more than 1,500 grants since its inception in 1996 to organizations throughout the region.

In the first six months of 2006, Edina Realty nearly doubled its downtown residential market share from 20 percent in 2005 to 37 percent in 2006. Since opening its downtown office in March 2005, Edina Realty gained market share representing new condo and townhome developments working with the company's new construction experts, the Builder Resource Group. This division evaluates floor plans, amenities and the project as a whole, assists with pricing and ultimately, markets and sells properties to the public.

Continuing its trend of firsts, in July Edina Realty was the first real estate firm in its market to display open houses - both Edina Realty's and those of other brokers - entered into the Regional Multiple Listing Service (RMLS) Open House Directory on its Web site, www.edinarealty.com. The online open house directory allows consumers to print out a customized list of homes they would like to visit, along with detailed information about properties, a map and directions to the homes. They can search for open houses by date and time, or they can conduct an advanced search based on the property type, location and more. The information is updated in real-time by the listings agents.

Another testament to its technology, Edina Realty was named a finalist for the Tekne Awards, which recognize Minnesota companies for technology innovation and leadership. In recognition of its leading Web site and online tools for its REALTORS®, Edina Realty was named a finalist in the category, “Technology User-Established Company”. Edina Realty developed an exclusive online solution called the Professional Services Kit (ProKIT), which acts as a digital administrative assistant and transaction management tool for REALTORS®.

Late in 2006, Edina Realty was first to display sold data on properties listed in the RMLS®. Sold data displayed on www.edinarealty.com includes the date of sale, address, and sold price among other features; it includes two years of transaction history, downloaded and refreshed daily. In addition, www.edinarealty.com began including aerial and bird’s eye views of property listings, made possible by connecting to MSN Virtual Earth. Every month, www.edinarealty.com attracts about 1.5 million visits or roughly 375,000 unique visitors; about 90,000 people have registered online to receive additional real estate related information.

Community Giving Recognized, Fifth Year Leading

Edina Realty joined the rank of 300 companies throughout the state to be named as a 2006 Minnesota Keystone award recipient for giving two percent of its pre-tax net earnings to address community needs. The Minnesota Keystone program was launched by the Minneapolis Regional Chamber of Commerce in 1976 to recognize companies that are enhancing the quality of life in the state of Minnesota through corporate philanthropy.

In 2006 Edina Realty handled more than 31,100 transactions and \$8.3 billion in sales volume, holding firmly onto its position as the number one real estate broker in Minnesota, North Dakota and Western Wisconsin. With 25 percent market share, Edina Realty led the market in the number of listings (nearly 30,000) and closed sales. Additionally, Edina Realty added approximately 700 new and experienced agents in 2006; several agents joined when Platinum Realty in Becker, Minn. and Moore Realty in Crosslake, Minn. merged into Edina Realty.

Changing Ad Strategy in 2007, Special Recognition

Beginning in 2007, Edina Realty discontinued its open house directory in the Sunday editions of the *StarTribune* and *Pioneer Press*, and instead began running display ads to drive traffic to its Web site, where consumers can find all open houses entered into the Regional Multiple Listing

Service (RMLS) Open House Directory. Edina Realty also began advertising on digital billboards - new to the Twin Cities market.

In March, Edina Realty was voted "favorite women-friendly realty services" by the readers of *Minnesota Women's Press*, a biweekly newspaper for women, in their 10th annual survey to seek out the best-of-the-best for women in the Twin Cities. The company also partnered with Cyberhomes™ to offer free home estimates for consumers to determine the potential market value of their home. This tool was in addition to the sold data Edina Realty began providing on www.edinarealty.com in late 2006.

In May, Edina Realty expanded its property listings to include the Superior Area Association of REALTORS® MLS® listings. Approximately 1,900 listings from Ashland, Bayfield, Burnett, Douglas, Sawyer and Washburn counties were added to the Edina Realty Web site, which altogether lists more than 100,000 properties - about 70 percent more than most other competitors. The company also enhanced the new construction area of www.edinarealty.com allowing homebuyers to search all new construction listings and access articles about the types of buildings available, trends in new construction and how a REALTOR® can help them through the new construction process from start to finish. It also provides detailed information about new construction developments represented by Edina Realty.

About Edina Realty

Edina Realty, a subsidiary of HomeServices of America, is one of the nation's largest real estate companies with more than 60 real estate offices throughout Minnesota, North Dakota and western Wisconsin and nearly 2,450 REALTORS®. Edina Realty's family of companies includes Edina Realty, Edina Realty Title, and Edina Realty Mortgage. Edina Realty handled more than 28,000 transactions and \$5.8 billion in sales volume in 2009. For more information, visit www.edinarealty.com.

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