

Brookfield Residential

A LAND DEVELOPMENT AND HOMEBUILDING COMPANY
Active in Ten North American Markets



KBW Investor Event
October 3, 2012

Notice to Recipients

This presentation contains forward-looking information within the meaning of Canadian provincial securities laws and “other forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Certain statements in this presentation are not historical facts, including information concerning possible or assumed future results of operations of the company, intrinsic value, favorable long-term fundamentals, future lot availability, the company’s goals and business strategy, land development value creation and the ability to participate in opportunities, and those statements preceded by, followed by, or that include the words “believe,” “planned,” “anticipate,” “should,” “goals,” “expected,” “potential,” “estimate,” “targeted,” “scheduled,” or similar expressions, constitute “forward-looking statements”. Undue reliance should not be placed on forward looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results to differ materially from the anticipated future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements include, but are not limited to: changes in general economic, real estate and other conditions; mortgage rate changes; availability of suitable undeveloped land at acceptable prices; adverse legislation or regulation; ability to obtain necessary permits and approvals for the development of our land; availability of labour or material or increases in their costs; ability to develop and market our master-planned communities successfully; confidence levels of consumers; ability to raise capital on favourable terms; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage and ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; and additional risks and uncertainties referred to in our filings with the securities regulators in Canada and the United States, many of which are beyond our control. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

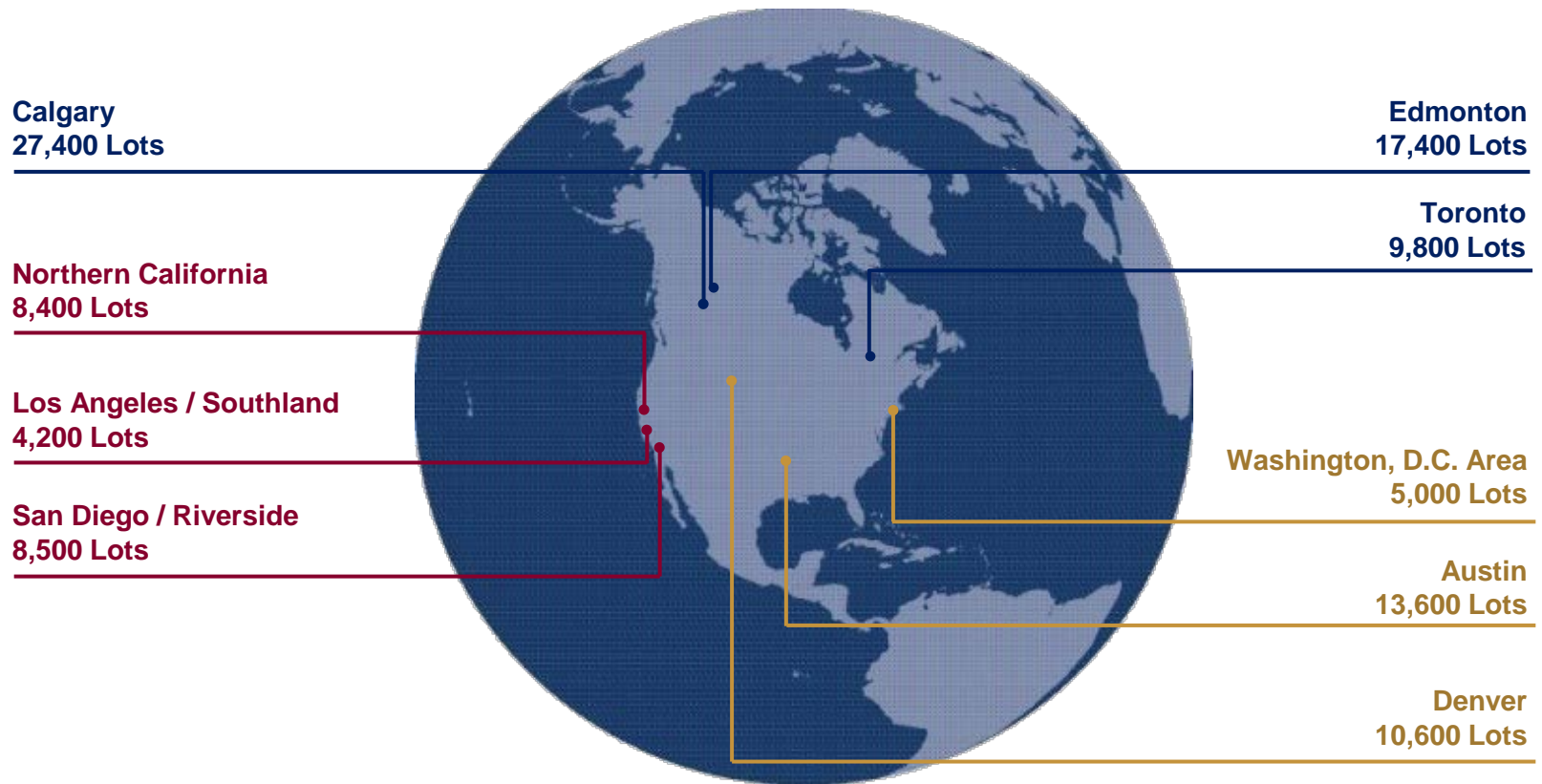
Unless otherwise noted, all references to “\$” or “Dollars” are to U.S. Dollars.

Brookfield Residential Overview

Brookfield Residential (BRP) was launched as a new North American public company on March 31, 2011 by way of a merger between Brookfield Office Properties' residential land and housing division (BPO Residential) and Brookfield Homes Corporation

- 6th largest North American residential platform by land and housing assets
- Over 100,000 lots controlled*
- Approximately \$2.7B in assets
- 3 active operating segments:
 - Canada** (3 markets)
 - California** (4 markets)
 - Central and Eastern U.S.** (3 markets)
- Land developer in all 10 markets & homebuilder in 8 of these markets

Market Diversity: over 100,000* lots in dynamic regions



* Does not include 207 acres of multi-family, commercial and industrial parcels under development

Brookfield Residential Operating Philosophy

Market Strategy

- Invest in markets with resilient economies
- Purchase land in growth corridors where master-planned opportunities exist
- Develop homebuilding strategies that are appropriate for each market
- We use the advantage of land ownership to develop longer term building programs

Proactive Asset Management

- Seek additional opportunities within current markets through changes in land use
- Establish and maintain relationships with strong homebuilders in each market
- Finance raw land with equity and utilize debt for lot servicing / homebuilding

Local Management

- Decentralized operating structure with strong local management teams
- Strong local relationships with government, landowners, builders, etc.

Brookfield Residential Advantage

- Active in 10 key markets with historically strong population growth
- Ability to bring lots to market quickly and not rely on third party providers in the U.S
- Well positioned to provide lots in markets where supplies are tightening in Canada and where we have existing entitlements
- Ability to acquire parcels at low points in the economic cycle and participate in larger transactions to take advantage of distressed opportunities
- Continuity of our management team is key to building relationships with the local municipalities, government agencies, environmental groups, land owners, etc.

Long-Term Fundamentals are Favorable

- Constrained capital in the homebuilding industry and the impact of environmental restrictions in obtaining entitlements and development permits will result in a shortage of available developed lots and may further constrain lot supply
- Owning developed or entitled lots in strategic market areas places BRP in a strong position when U.S. markets rebound
- Continue to leverage management's experience on creating value through the entitlement and development process

Risks

- Perception of 'housing bubble' in Canada
- Timing of U.S. housing recovery
- Availability of credit for homebuyers
- Reduced availability and sources of financing for the industry

Selected Financial Information – June 30, 2012

	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<i>June 30</i>		<i>June 30</i>	
<i>(units)</i>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Single Family Lots Closed – normalized	463	489	737	723
Single Family Lots Closed – non-recurring	-	270	-	605
Acre Sales (Multi-family, industrial and commercial parcels) – normalized	22	2	23	2
Acre Sales (Multi-family, industrial and commercial parcels) – non-recurring	-	6	-	10
Acre Sales (Raw and partially finished parcels) – normalized	438	41	438	41
Homes Closed	355	240	606	460
<i>(US\$ millions)</i>				
Land Income – normalized	\$ 51	\$ 28	\$ 74	\$ 45
Land Income – non-recurring	-	15	-	41
Housing Income	22	12	38	24
Selling, general & administrative expenses	(29)	(19)	(56)	(46)
Other Income	-	1	2	2
Interest Expense	(10)	(11)	(20)	(14)
Income Before Income Taxes	34	26	38	52
Net loss attributable to non-controlling interests and other interests in consolidated subsidiaries	1	-	-	1
Taxes	(13)	(7)	(16)	(91)
Net Income / (Loss) Attributable to Brookfield Residential	\$ 22	\$ 19	\$ 22	(\$ 38)
Basic Earnings Per Share	\$ 0.22	\$ 0.19	\$ 0.22	(\$ 0.37)
Diluted Earnings Per Share	\$ 0.22	\$ 0.19	\$ 0.22	(\$ 0.37)
Income Before Income Taxes	\$ 34	\$ 26	\$ 38	\$ 52
Non-recurring Land Income	-	(15)	-	(41)
Transaction Debt Interest Expense	-	-	9	-
Comparable Income Before Taxes	\$ 34	\$ 11	\$ 47	\$ 11

Why Invest in Brookfield Residential?

- Unique business model provides platform for growth and increasing profitability as U.S. housing market recovers
- Solid cash flows and performance from Canadian operations especially in Alberta along with good optionality and upside from a U.S. housing recovery
- Strong leadership team with a track record of past success
- Industry leader, displaying ingenuity, expertise and financial prudence

Brookfield

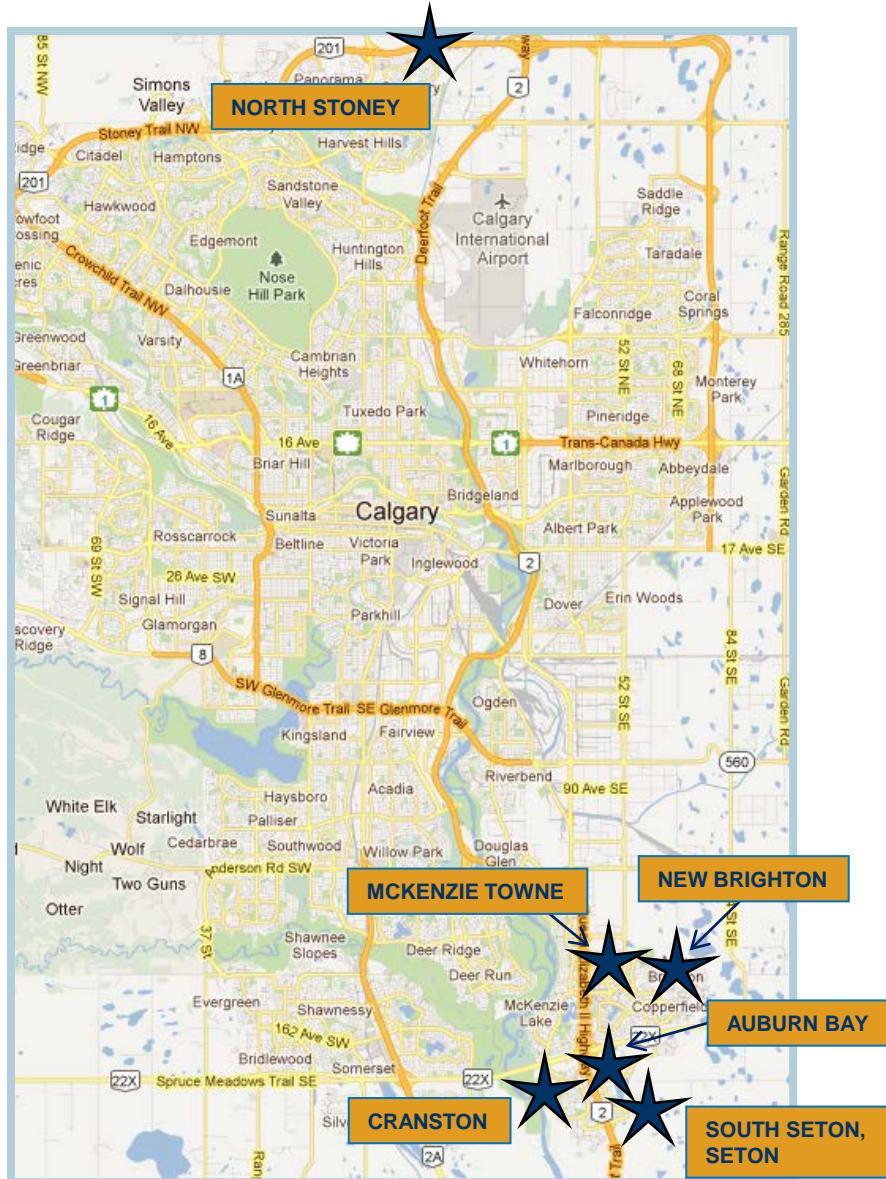
Residential

Market Areas and Projects



Note: Multi-family, Industrial and Commercial parcels under development have been disclosed using acres
Single family units and land held for development remain classified as lots and lot equivalents

Market Areas and Projects — Calgary, Alberta



Number of Lots: 27,393
 Entitled: 7,233
 Unentitled: 20,160
Acres: 115

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
North Stoney	12,926	-	12,926	-
McKenzie Towne	148	148	-	-
New Brighton	551	551	-	40
Auburn Bay	2,304	2,304	-	-
Cranston	2,824	2,824	-	3
South Seton	4,579	-	4,579	-
Seton	1,180	1,180	-	58
Other	2,881	226	2,655	14



Cranston



Seton

Market Areas and Projects — Edmonton, Alberta



Number of Lots: 17,421
Entitled: 10,409
Unentitled: 7,012
Acres: 75

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Lake Summerside	1,395	1,395	-	8
Parkland	138	138	-	-
Gateway Industrial	134	134	-	46
Chappelle Gardens	2,948	2,948	-	13
Orchards	3,014	3,014	-	-
Ellerslie	7,012	-	7,012	-
West Edmonton	707	707	-	-
Other	2,073	2,073	-	8

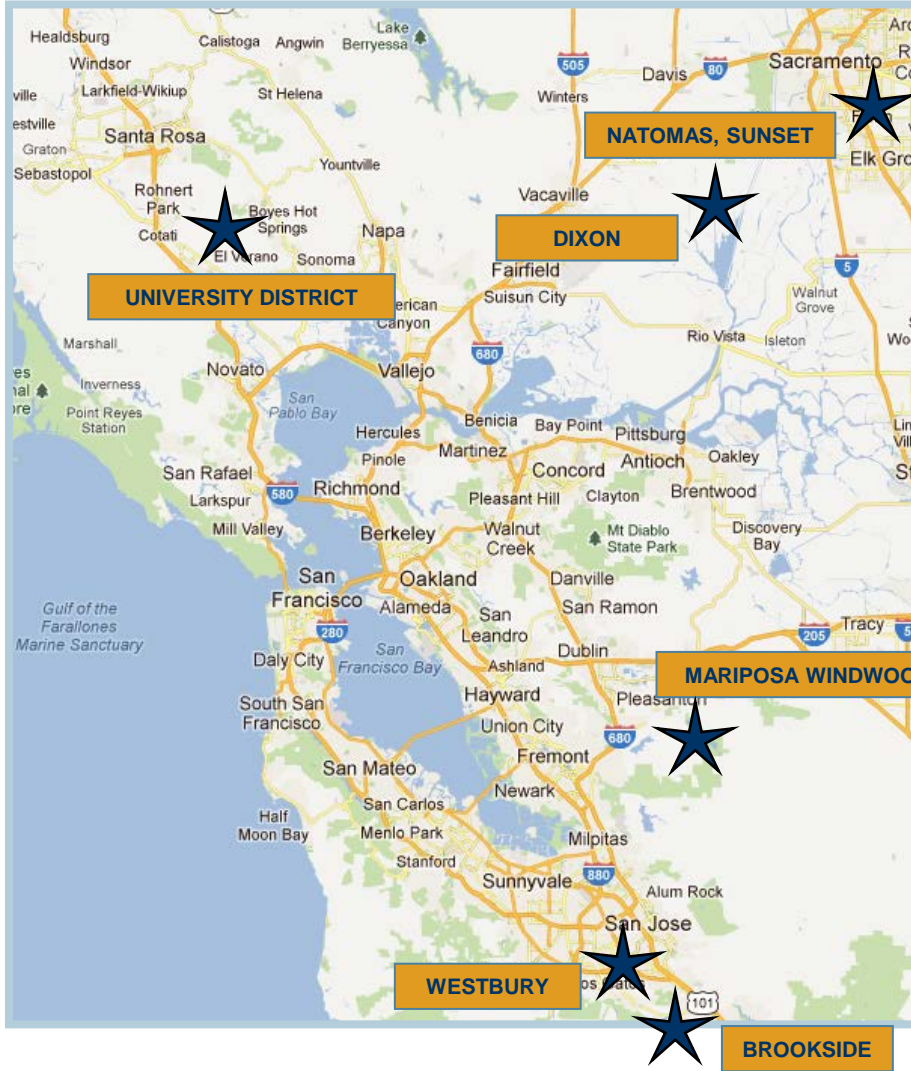


Chappelle Gardens, Axio



Lake Summerside

Market Areas and Projects — Northern California



Number of Lots: 8,443
Entitled: 2,293
Unentitled: 6,150

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Brookside	89	89	-
Dixon	900	450	450
Mariposa Windwood	134	134	-
Westbury	86	86	-
Natomas, Sunset	5,700	-	5,700
University District	1,454	1,454	-
Other	80	80	-



Windwood, Jordan Ranch



Brookside

Market Areas and Projects — Los Angeles/Southland



Number of Lots: 4,219
 Entitled: 1,879
 Unentitled: 2,340

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Colony Park	63	63	-
Edenglen	260	260	-
Lake Forest	78	-	78
New Model Colony	2,679	463	2,216
Ontario Festival	183	183	-
Rosedale	211	211	-
Other	745	699	46

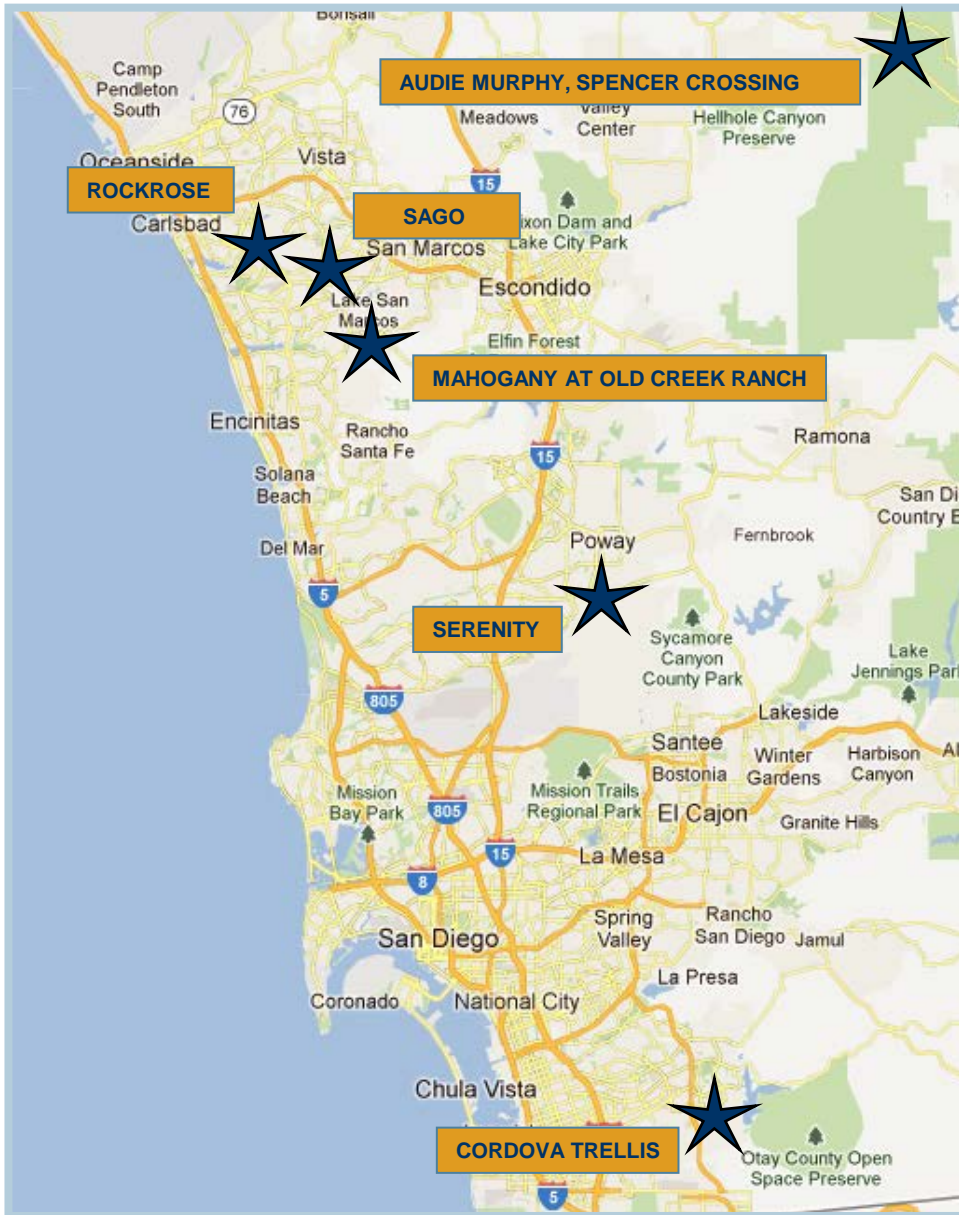


Rosedale, Azusa



Compass Park, New Model Colony

Market Areas and Projects — San Diego/Riverside



Number of Lots: 8,490
 Entitled: 5,690
 Unentitled: 2,800

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Audie Murphy, Spencer's Crossing	3,527	3,527	-
Cordova Trellis	88	88	-
Mahogany At Old Creek Ranch	12	12	-
Rockrose	48	48	-
Sago	52	52	-
Serenity	8	8	-
Other	4,755	1,955	2,800

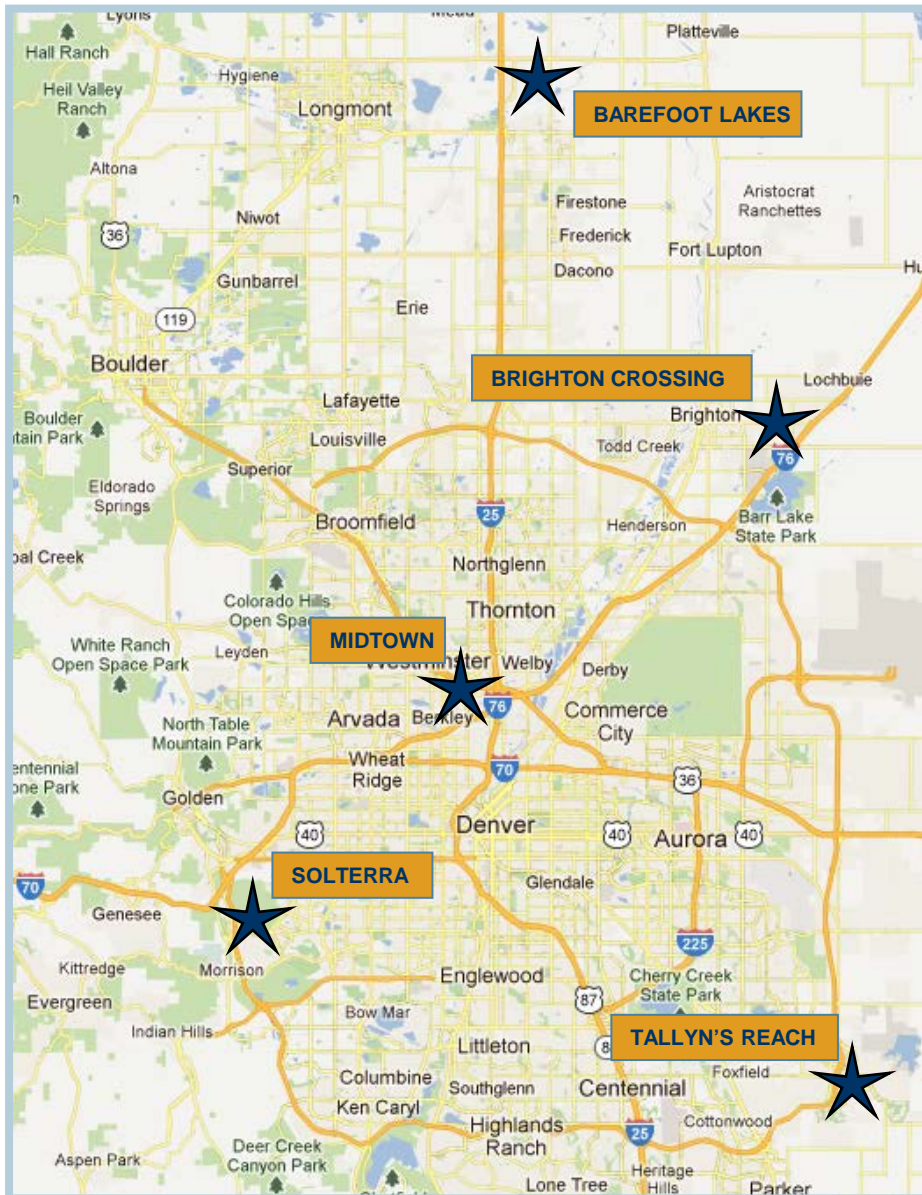


Mahogany at Old Creek



Serenity

Market Areas and Projects — Denver, Colorado



Number of Lots: 10,535
Entitled: 10,535
Unentitled: -
Acres: 10

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Barefoot Lakes	4,053	4,053	-	-
Brighton Crossing	2,499	2,499	-	10
Midtown	582	582	-	-
Solterra	805	805	-	-
Tallyn's Reach	232	232	-	-
Other	2,364	2,364	-	-

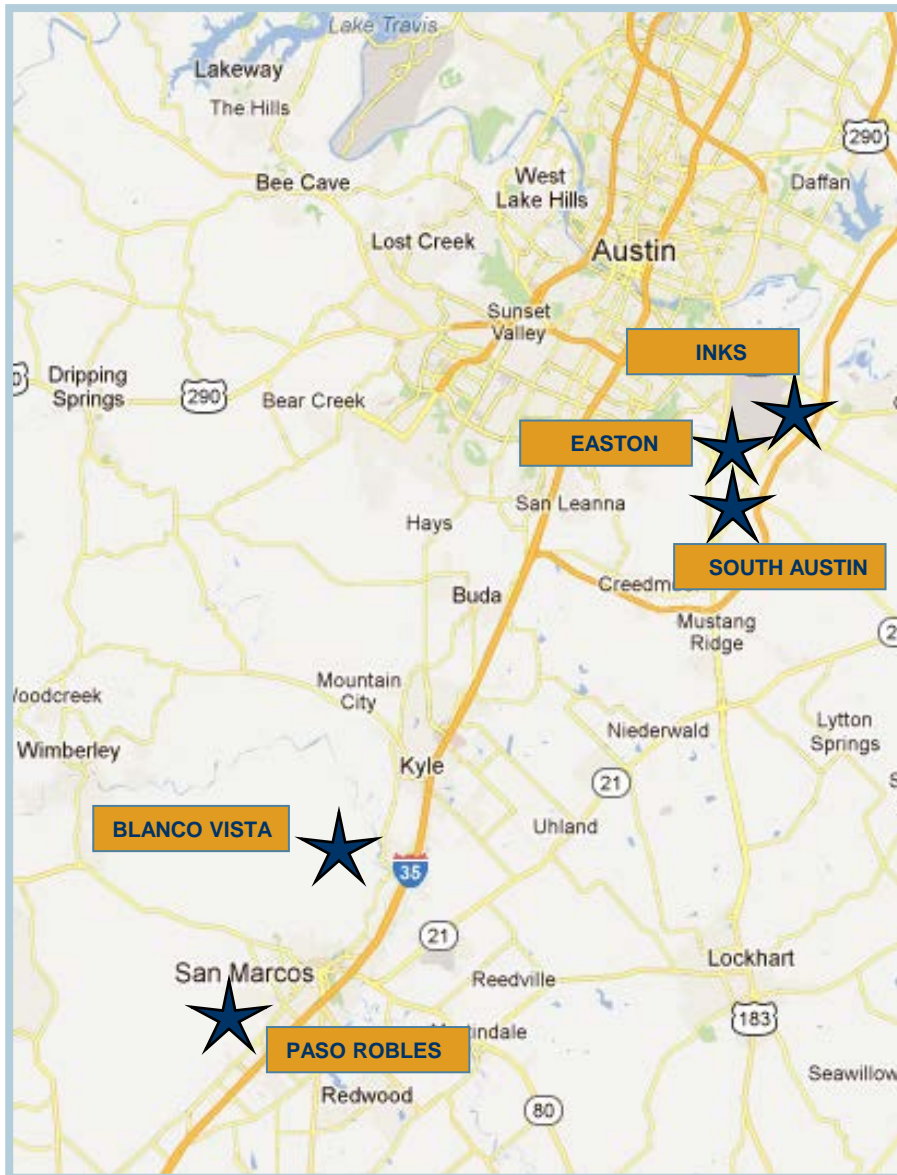


Brighton Crossing



Solterra

Market Areas and Projects — Austin, Texas



Number of Lots: 13,622
 Entitled: 5,364
 Unentitled: 8,258

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Blanco Vista	1,696	1,696	-
Easton, Inks, South Austin	8,258	-	8,258
Paso Robles	3,668	3,668	-



Blanco Vista



Blanco Vista

Market Areas and Projects — Washington, D.C. Area



Number of Lots: 4,968
Entitled: 4,721
Unentitled: 247

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Snowden Bridge	1,138	1,138	-
Woodstream	362	362	-
Preserve Goose Creek	250	250	-
Heritage Shores	1,482	1,482	-
Swan Point	765	765	-
Waterford Manor	32	32	-
Avendale	295	295	-
Little River Preserve	58	58	-
Brookside, Saranac	48	48	-
Other	538	291	247



Woodstream



Goose Creek

Market Areas and Projects — Greater Toronto Area



Number of Lots: 9,751
Entitled: 980
Unentitled: 8,771
Acres: 7

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Bradford	155	155	-	-
Brantford	133	133	-	2
Caledon East	102	102	-	1
Peterborough	7,768	-	7,768	-
Niagara-On-The-Lake	133	89	44	1
Other	1,460	501	959	3

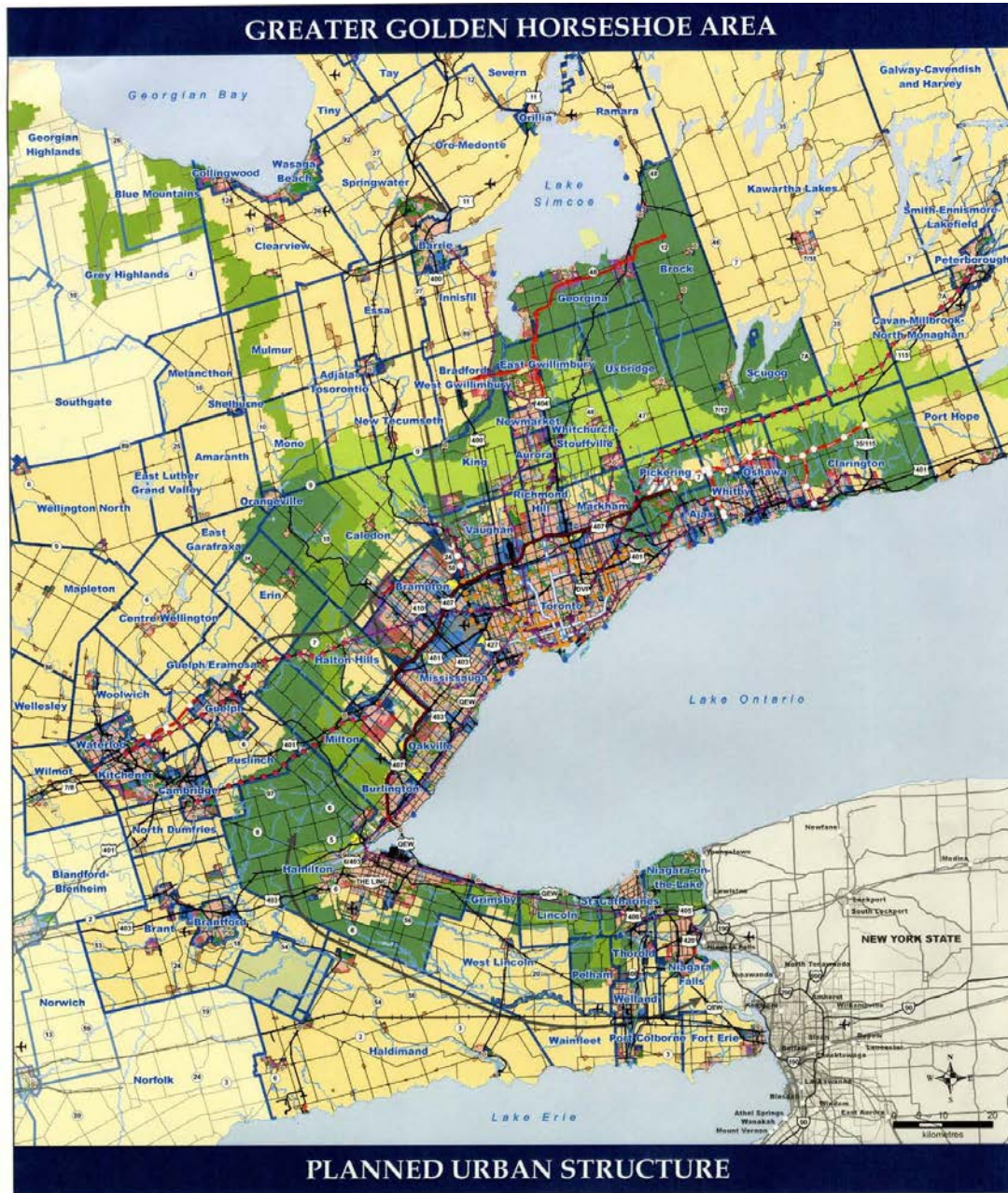


Bradford, Grand Central



Niagara-on-the-Lake, The Villages

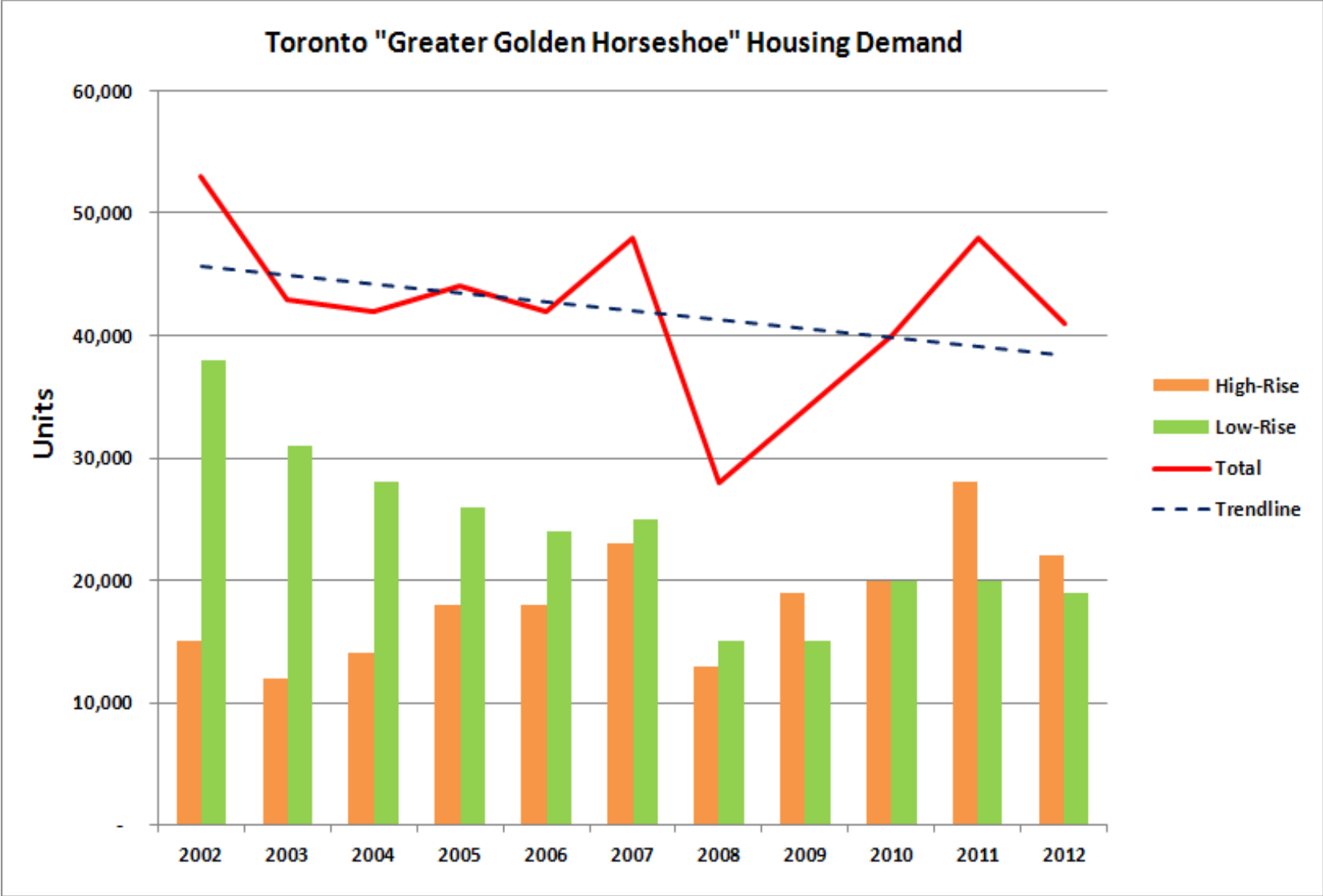
GREATER GOLDEN HORSESHOE AREA



Ontario – Key Market Statistics

- 8 million people live within “Greater Golden Horseshoe”
- Growth of 110,000 per year (Stats Canada census 2006-2011)
- Strong draw of foreign investment
- New Home Market
 - 2011 >>> 46,000 units (27,000 high-rise, 19,000 low-rise)
 - FCST 2012 >>> 40,000 units (21,000 high-rise, 19,000 low-rise)

Toronto Housing Market



Toronto Housing Market

Market dynamics

- Very tight land supply
 1. Vastly under-funded / under-planned infrastructure
 2. Greenbelt and Oak Ridges Moraine
 3. Top-down planning controls (“Places to Grow”)

- Tightly held land ownership groups

- Strong foreign investment

- Quest for intensification

Toronto Housing Market

Economic drivers

Past Manufacturing (automotive), head office, government

Present High-tech, head office, services, more government, less manufacturing, and more small business

Average annual job creation >>> 40,000 - 60,000

Toronto Housing Market

Opportunities

Strong immigration

Economic hub

Structural supply-side controls

Dynamic market

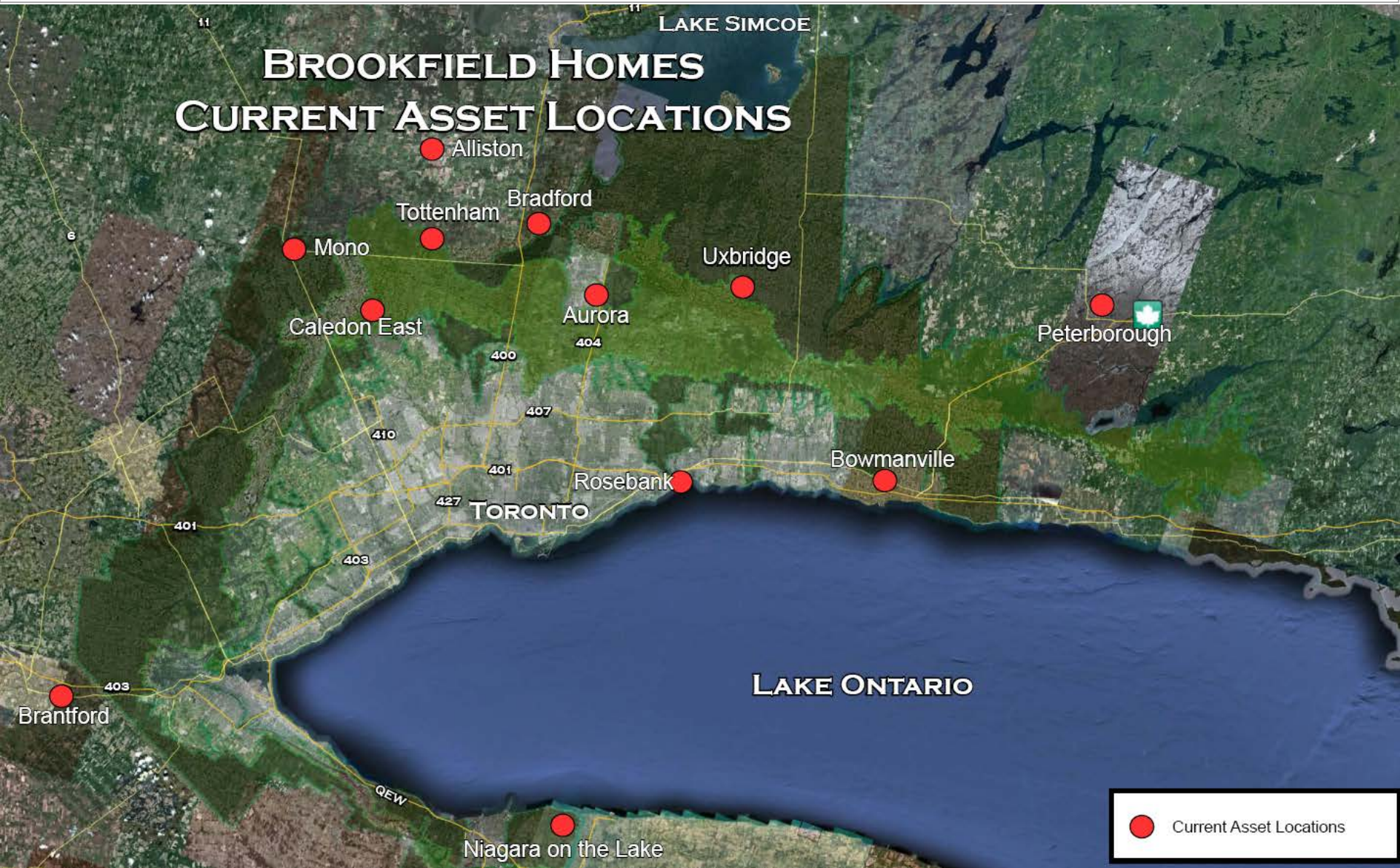
Family-owned competitors, succession planning

Low interest rates

Brookfield Homes (Ontario) – Introduction

- High quality community builder / developer
- 400-600 closings per year, targeting mid-market
- Inventory sourced 50% internally / 50% externally
- Housing and longer term land
- Flexible on built-form

BROOKFIELD HOMES CURRENT ASSET LOCATIONS



Brookfield Homes (Ontario) – Strengths

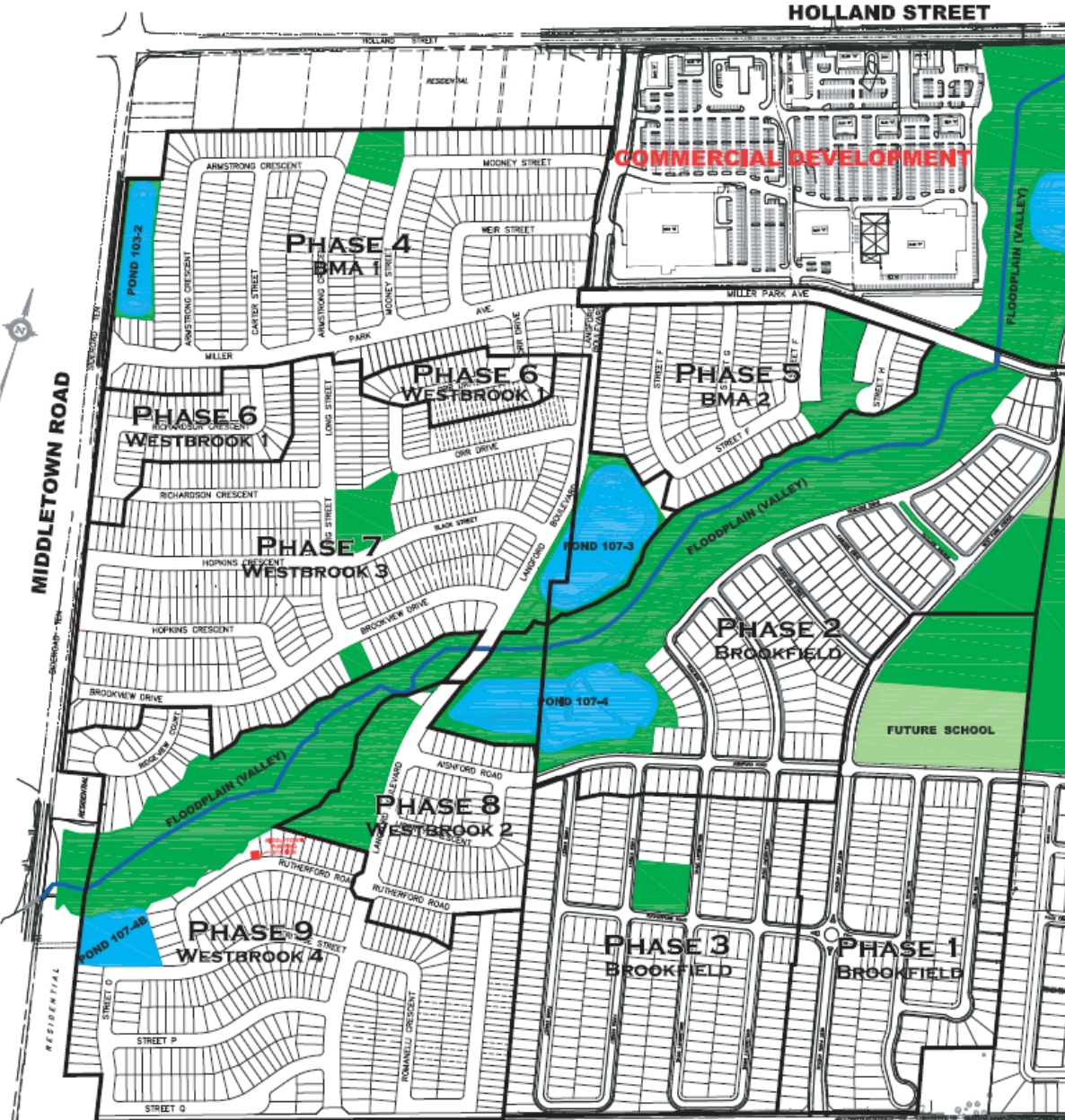
Competitive Advantage:

- 55 year building franchise / reputation
- Strong corporate parent / Brookfield brand
- Professional / transparent
- Creative deal structures
- Unique mix of corporate and entrepreneurial

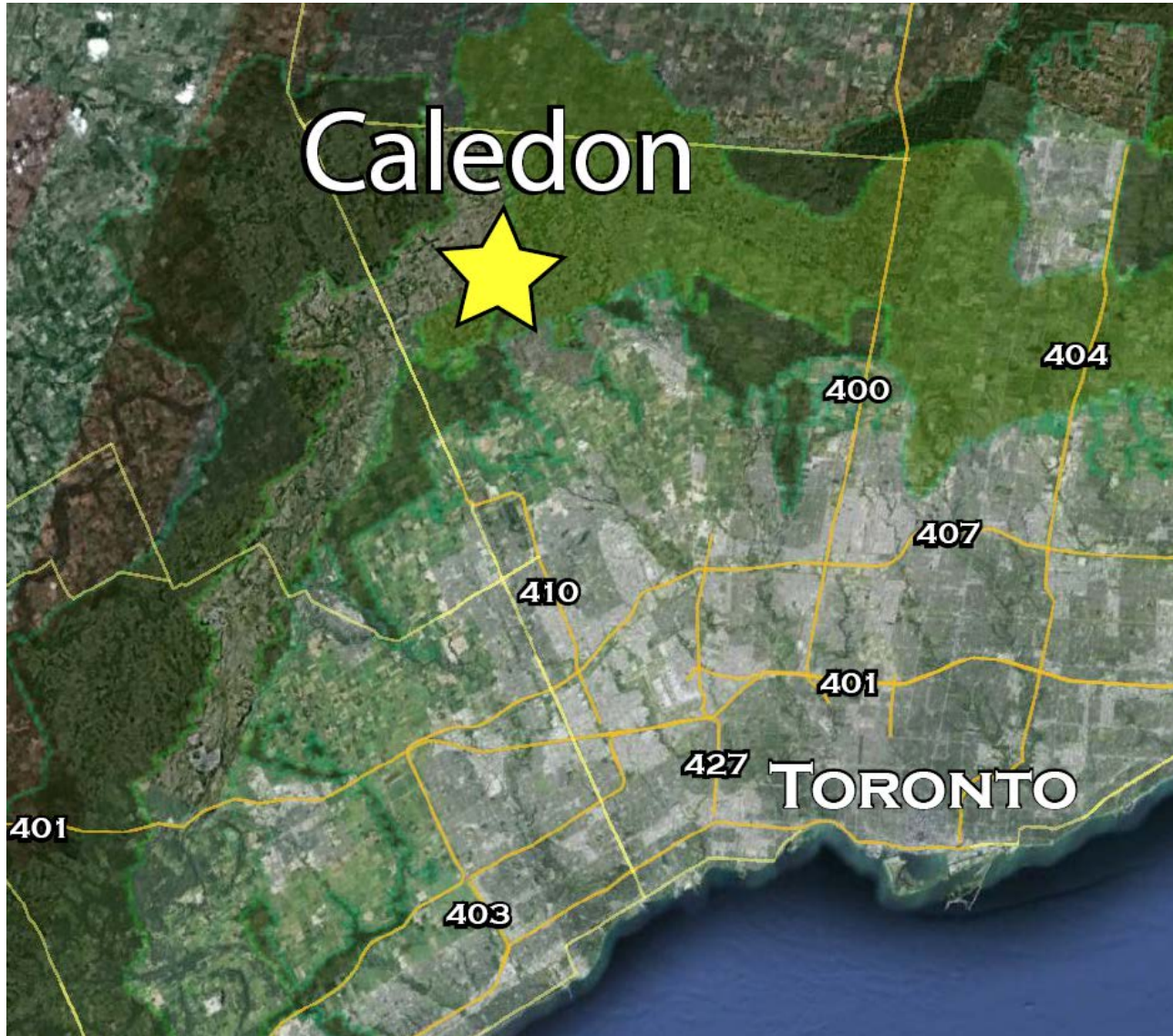
Asset Introduction – Bradford “Grand Central”



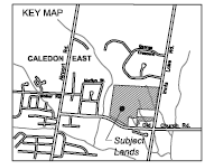
Bradford



Asset Introduction - Caledon East “Pathways”



Caledon



- I. The plan of subdivision is not registered
- II. That construction of the houses covered commences until after registration and the passing of building permits (including model forms)
- III. That notwithstanding the expectations of the vendors and purchasers of houses, it is possible that substantial delays could occur with respect to the registration of the plan of subdivision and the passing of building permits, which may affect the ability of the vendors to perform their obligations under the plan of subdivision in accordance with the time schedule for any agreements of purchase and sale and
- IV. That purchasers are advised to consult their lawyer concerning any aspects of the Agreement of Purchase and Sale before signing it.
- V. That all lots are serviced with Hydro One.
- VI. For further information on proposed and existing land use, please visit the Town Planning and Development Department, between 9:30 am and 4:30 pm, telephone 905-884-2372.

Land Use Legend

- High Detached Residential
- Linked Residential
- Future Townhouse Residential
- Future Lowrise Townhouse Residential
- High Capacity Commercial / Industrial
- Primary & Secondary Schools
- Parks
- Storm Water Management Facility
- Open Space
- Subdivision Boundary
- Phase Boundary
- Easement
- Walkway

UMBs

- Streetlight Pole
- Hydro One Transformer
- Hydrant
- Rear Lot Catch Basin
- Canada Post Mail Boxes
- TV Precast
- Mail Room
- Soil Sampling Box
- Delivery Lockers
- Storage Lockers
- Parking Residors
- Hoop by Wall
- Proposed 1.5m - 1.5m High Chain Link Fence
- Existing Chain Link Fence
- Proposed 1.5m High Decorative Fence
- Proposed 1.5m High Quality Wood Privacy Fence

The information on this sales office plan applies to Phase 1 only. Phase 2 of this development will require a revised sales office plan to be approved by the Town of Caledon.

Planning & Development Consultant
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 Phone: 905-709-2332
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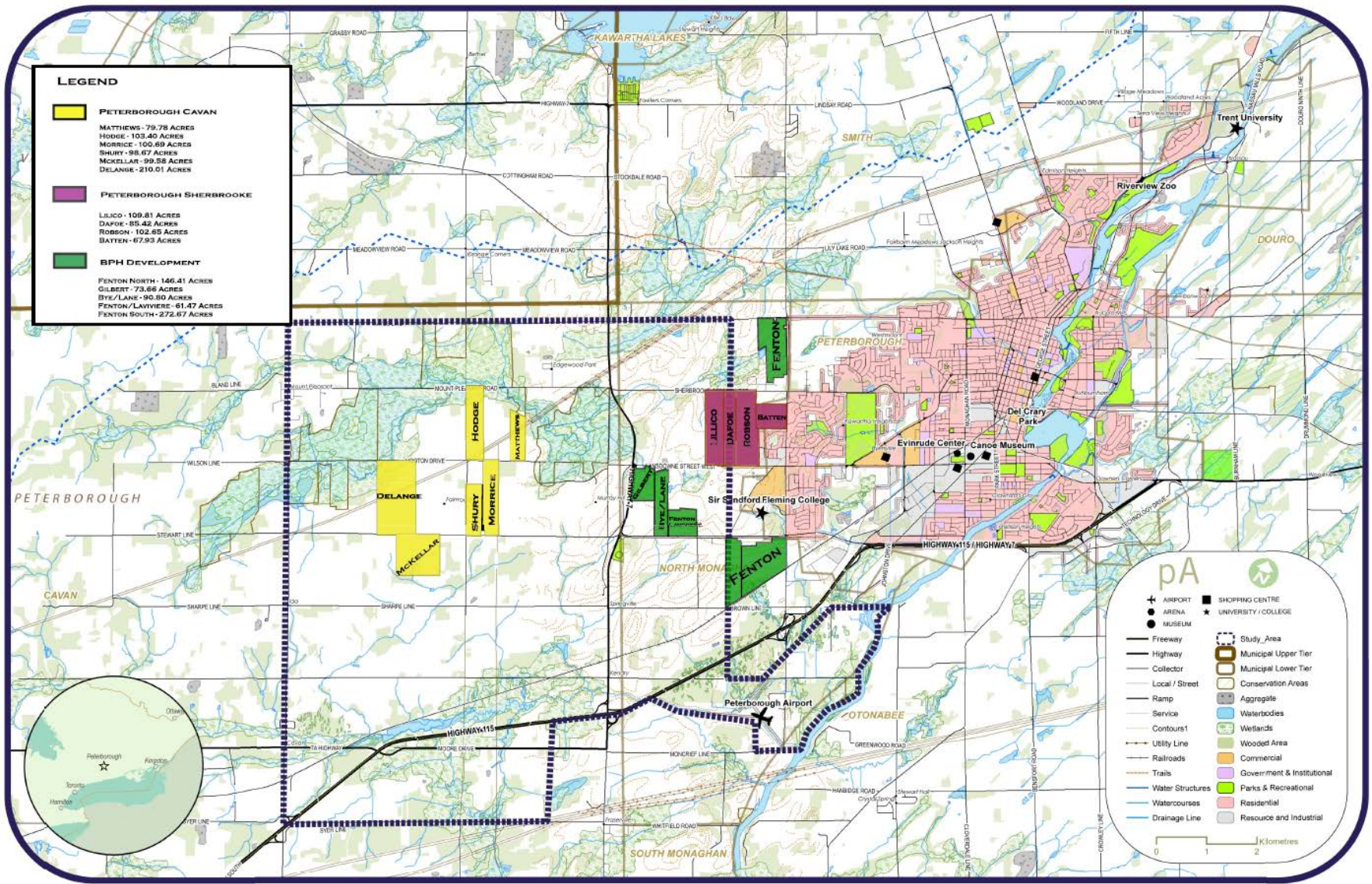
Asset Introduction – Aurora “The Arbors”



Aurora



Asset Introduction - Peterborough



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