

**Brookfield Residential**

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



**JMP Securities Financial Services & Real Estate Conference**  
**September 13, 2012**

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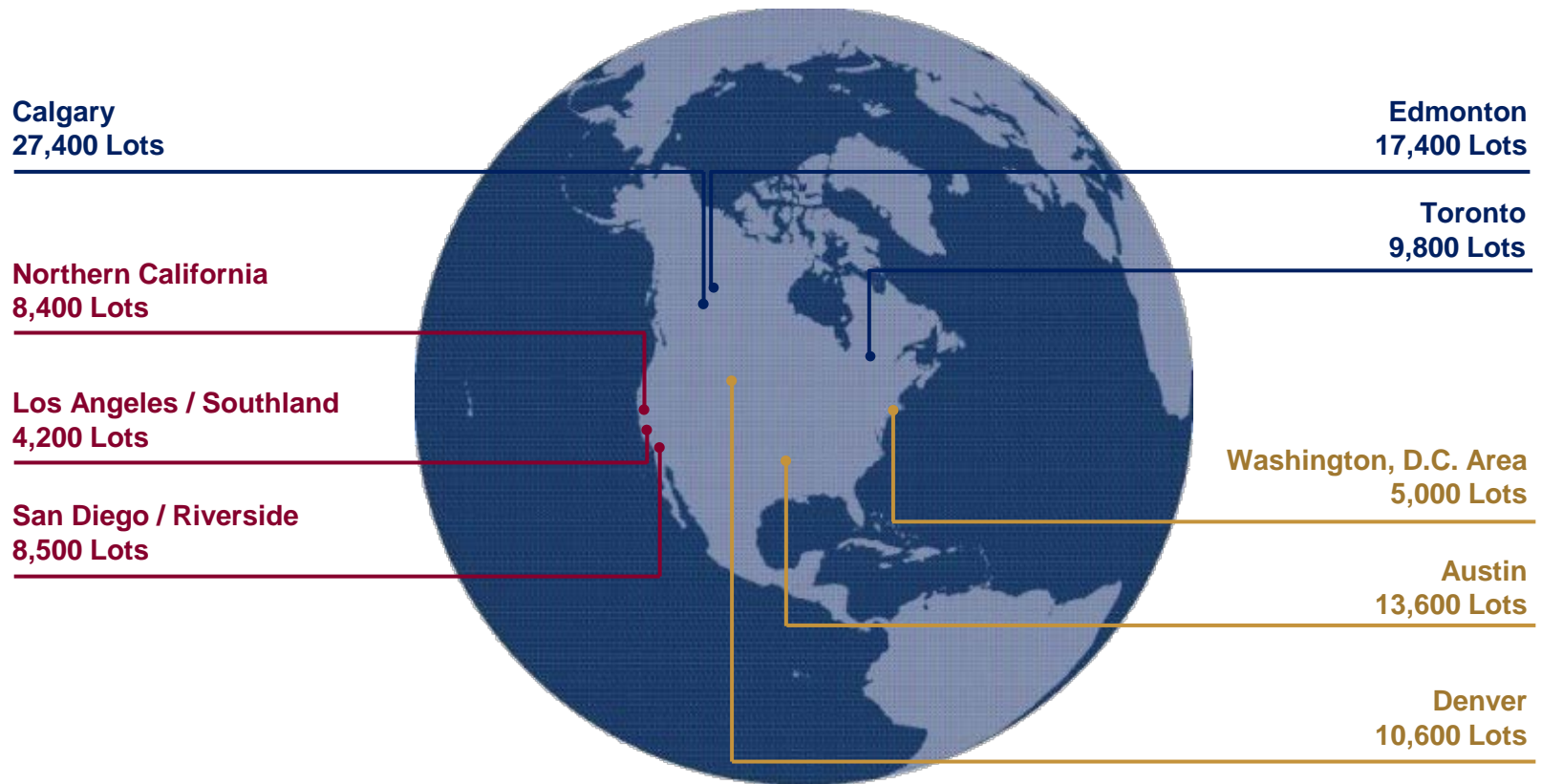
Unless otherwise noted, all references to “\$” or “Dollars” are to U.S. Dollars.

# 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

- 6<sup>th</sup> 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

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# **Brookfield**

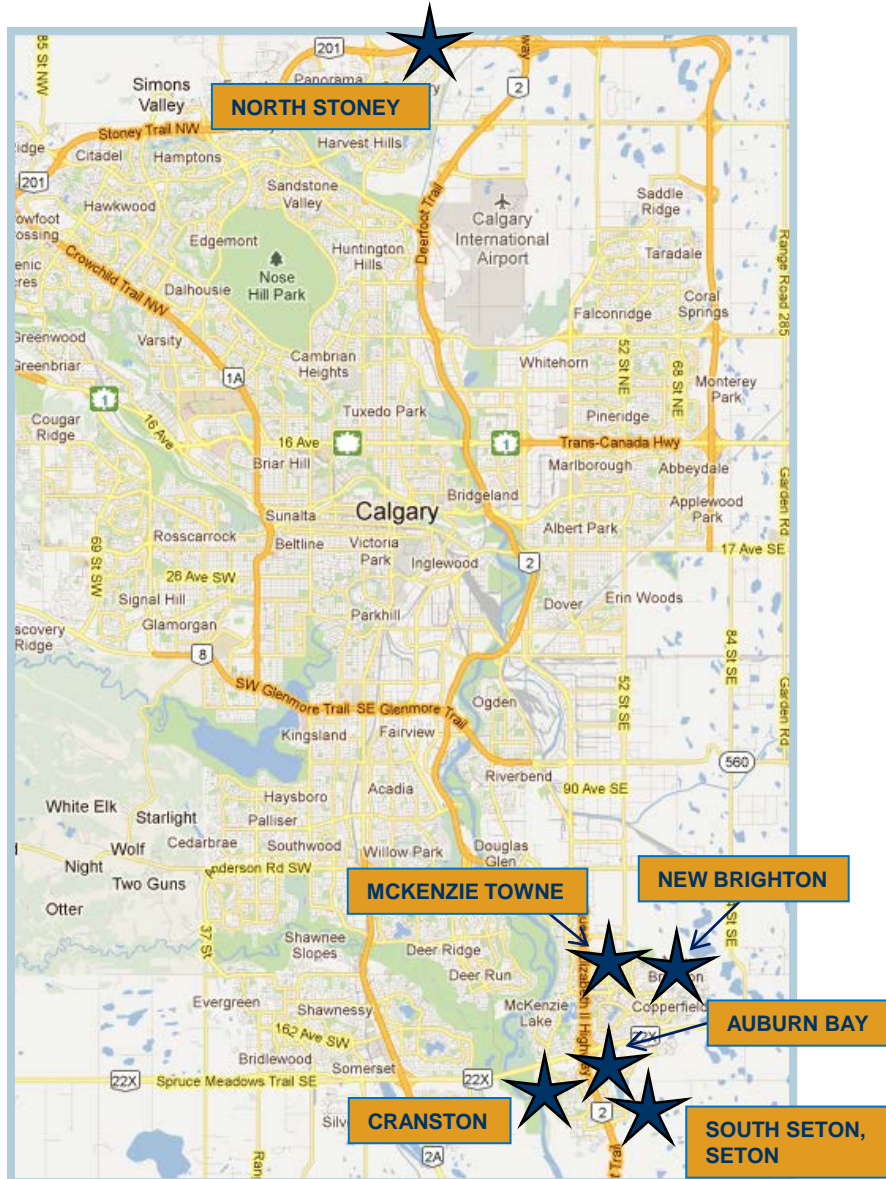
## **Residential**

## 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 — 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



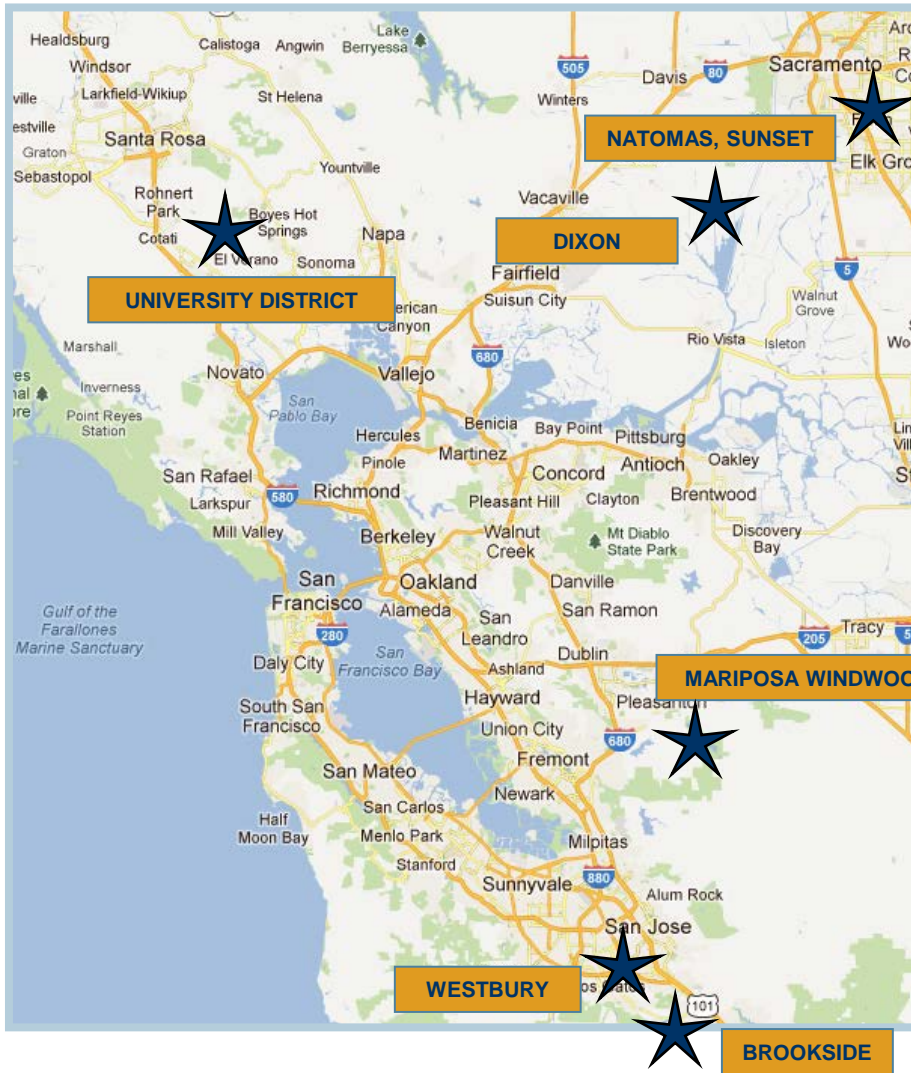
Bradford, Grand Central



Niagara-on-the-Lake, The Villages



# 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

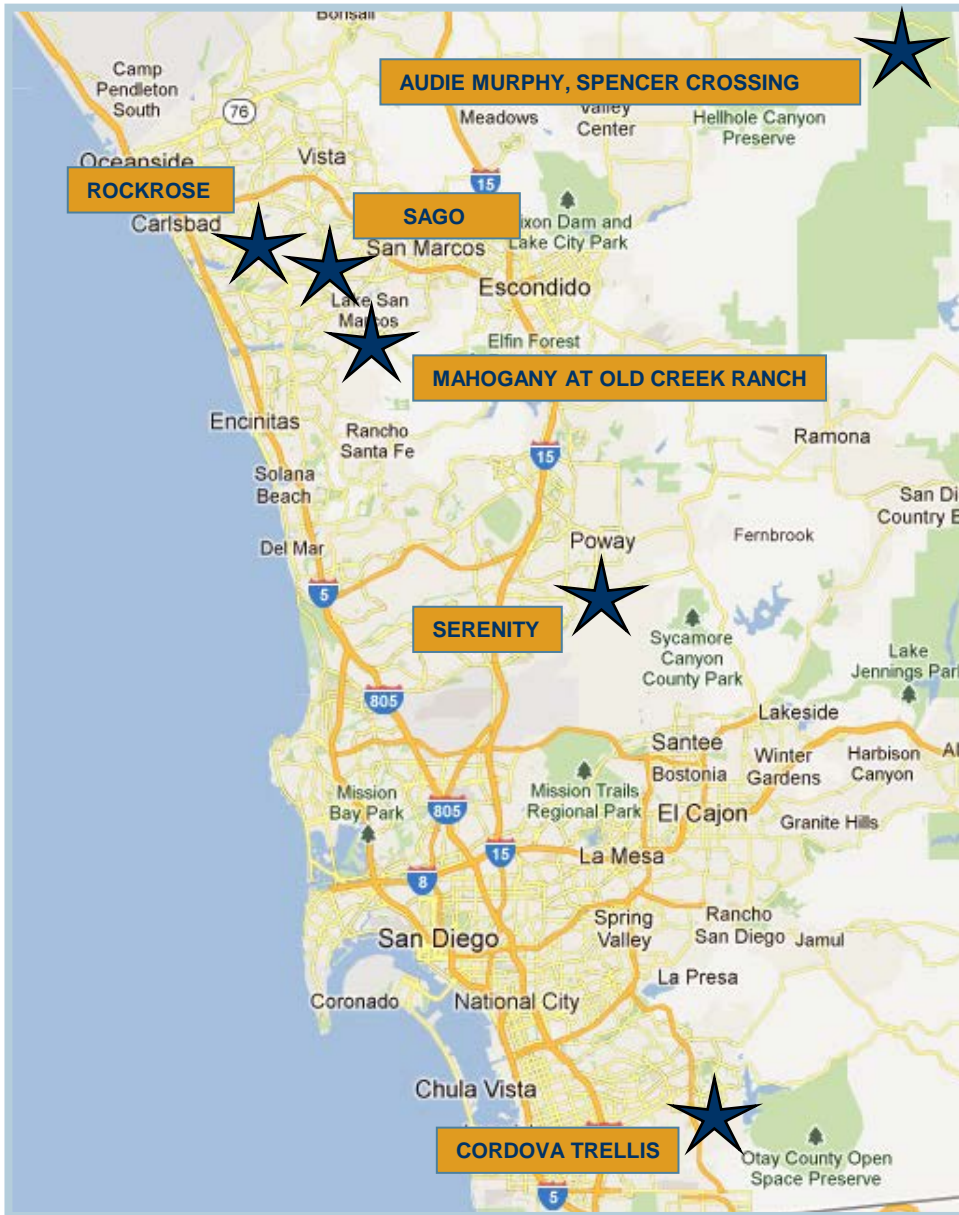


Rosedale, Azusa



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



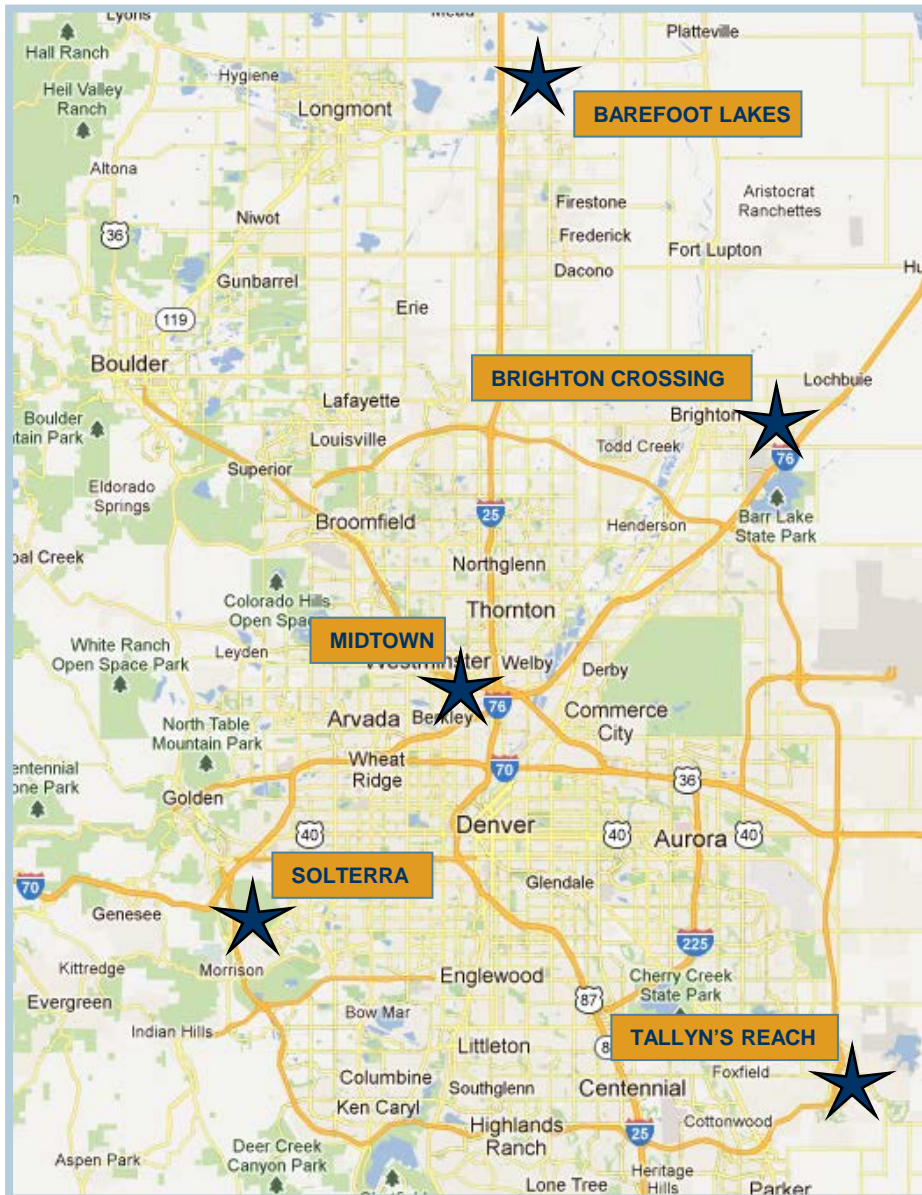
Mahogany at Old Creek



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	-	-

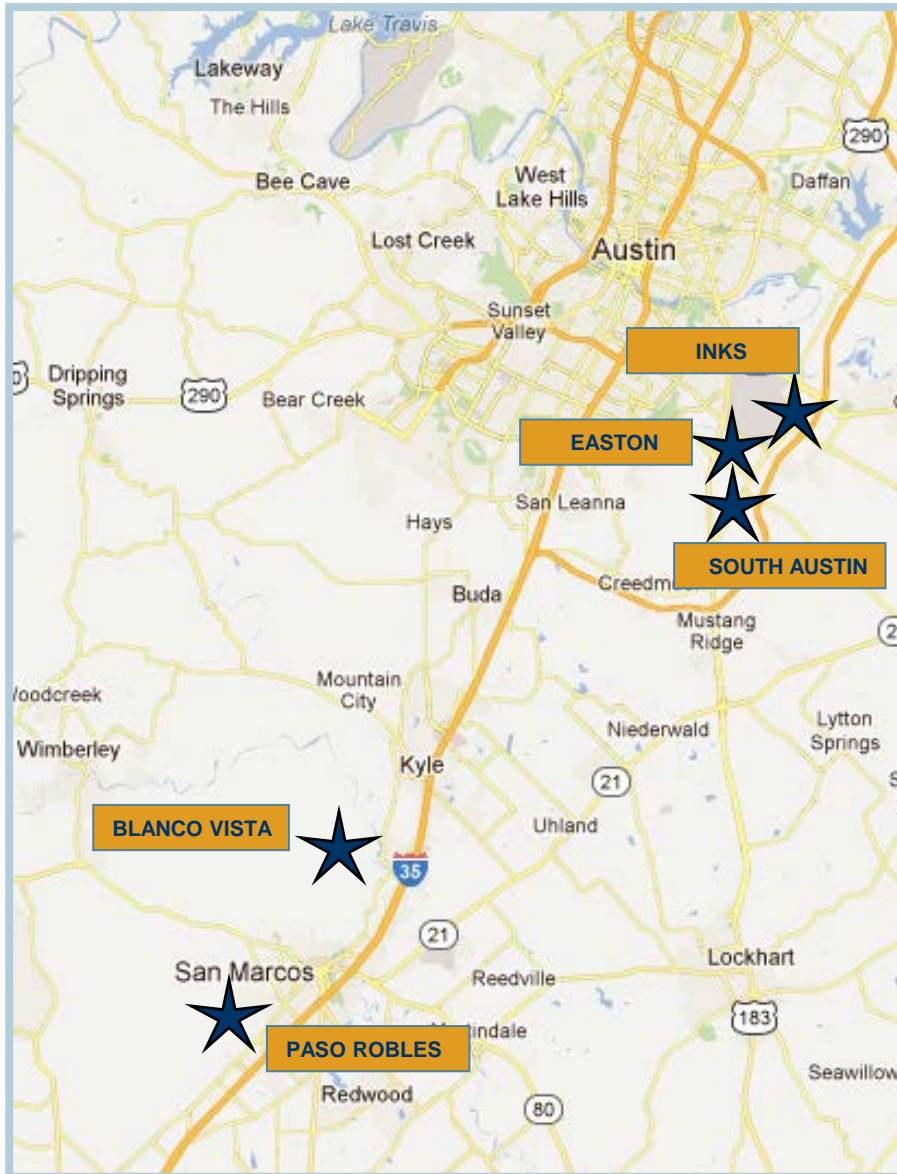


Brighton Crossing



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**

# **Brookfield**

## **Residential**