# *ANNUAL MEETING OF SHAREHOLDERS*
# *MAY 2, 2013*

*CAPTURING VALUE BY DEVELOPING*
*LAND AND BUILDING HOMES IN*
*PREMIER NORTH AMERICAN MARKETS*

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Residential

# FORWARD LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of applicable Canadian securities laws and United States federal securities laws. The words "may," "believe," "will," "anticipate," "expect," "planned," "estimate," "project," "future," and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Such statements reflect management's current beliefs and are based on information currently available to management. The forward-looking statements in this presentation include, among others, statements with respect to the current business environment and outlook, including statements regarding economic and market conditions; possible or assumed future results; ability to create shareholder value and pursue homebuilding or land investments; business goals, strategy and growth plans; strategies and capabilities for shareholder value creation; effect of challenging conditions on us, including general economic conditions; factors affecting our competitive position within the homebuilding industry; lot, acre, commercial and industrial parcels, and home closings and sales; anticipated new communities and the number of communities in active selling phases; and sufficiency of our access to capital resources. 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 forth in the forward-looking statements include, but are not limited to changes in general economic, real estate and other conditions; changes in interest rates; mortgage rate and availability changes; availability of suitable undeveloped land and lots at acceptable prices and having sufficient liquidity to acquire all such properties; adverse legislation or regulation, including changes to tax laws; ability to obtain necessary permits and approvals for the development of our land; availability of labour or materials or increases in their costs; ability to develop and market our master-planned communities successfully; laws and regulations related to property development and to the environment that could lead to additional costs and delays, including laws and regulations that may limit municipality growth in the areas in which we operate; ability to obtain regulatory approvals; confidence levels of consumers; ability to raise capital on favourable terms; our debt and leverage; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage; ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; ability to retain our executive officers; relationships with our affiliates; the seasonal nature of our business and its impact on operating results; operational risks including, but not limited to home warranty claims, liabilities resulting from our role as a general contractor, workers' compensation claims and other health and safety liabilities, and civil enforcement of liabilities and judgments against our assets; changes to foreign currency exchange rates; and additional risks and uncertainties, many of which are beyond our control, referred to in this presentation and our other public filings with the applicable Canadian regulatory authorities and the United States Securities and Exchange Commission. Except as required by law, we undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in subsequent reports should be consulted.

Unless otherwise noted, all references to "$" or "Dollars" are to U.S. Dollars.



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# *COMPANY OVERVIEW*



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## COMPANY OVERVIEW

### 5th LARGEST NORTH AMERICAN RESIDENTIAL PLATFORM - LAND & HOUSING ASSETS

- Over $2.8 billion in assets
- Uniquely positioned as a land developer with homebuilding operations and a mature portfolio of land assets in Canada and the U.S.

### LARGE AND WELL LOCATED LAND SUPPLY

- Over 100,000 lots controlled in markets with supply constraints or barriers to entry
- Land developer and homebuilder with lots in 11 markets:

  Canada: *Calgary, Edmonton, Greater Toronto Area*

  U.S.: *Austin, Denver, Phoenix, Los Angeles/Southland, Sacramento, San Diego/Riverside, San Francisco Bay Area, Washington D.C.*

### OPERATING EXPERTISE

- Deep management team with an average of 20 years experience positioned in local markets to focus on creating value in the entitlement, development and building process
- Capital flexibility to pursue large acquisition opportunities and participate in strategic ventures including infill projects, mixed use developments and infrastructure projects



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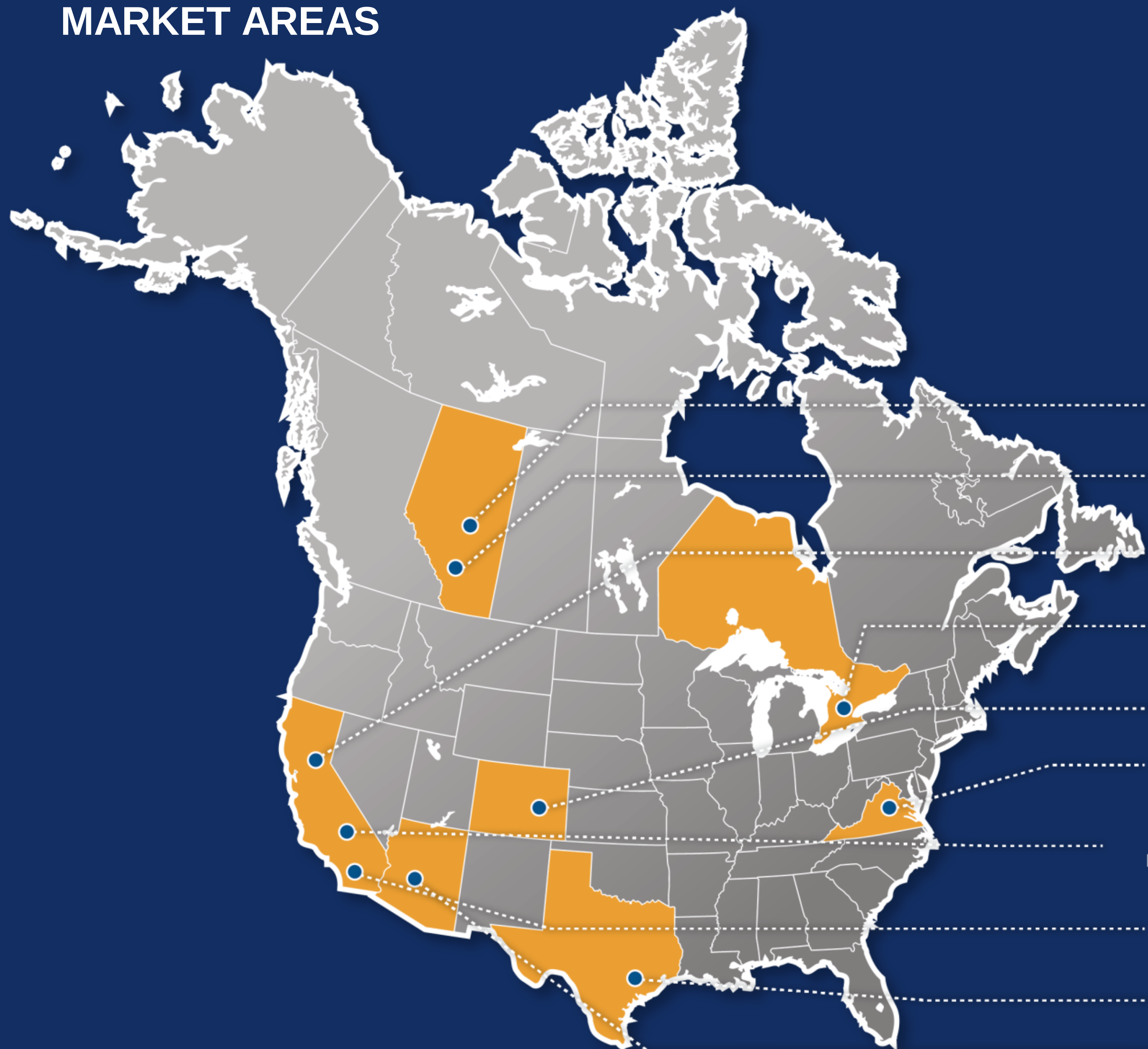
# MARKET AREAS



**Total Single Family Lots**
as at March 31, 2013

| | | |
|---|---|---|
| 17,339 | EDMONTON | 16% |
| 27,615 | CALGARY | 26% |
| 8,949 | NORTH CALIFORNIA | 9% |
| 10,024 | TORONTO | 10% |
| 10,334 | DENVER | 10% |
| 4,654 | WASHINGTON DC AREA | 4% |
| 4,654 | LOS ANGELES/SOUTHLAND | 4% |
| 8,362 | SAN DIEGO/RIVERSIDE | 8% |
| 13,573 | AUSTIN | 13% |
| | PHOENIX | |

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# *2012 ACHIEVEMENTS*

## 2012 HIGHLIGHTS

- Exceeded guidance targets as income before income taxes increased to $129 million compared to recurring income before income taxes of $81 million in 2011. Net income increased to $93 million from $7 million in 2011

Solidified our capital base:

- Capital plan execution in the 4th quarter included $600 million, 8 year unsecured notes at 6.5% and common share offering of $233 million

- Market capitalization of over $2.6 billion and available liquidity of $650 million including undrawn credit lines and cash on hand

- Pre-merger, the debt to capitalization ratio was 57%; after the recapitalization the ratio dropped to 43% with a more robust public float



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## 2012 HIGHLIGHTS

Acquisitions and investments:

- Total acquisitions in 2012 totalled $504 million consisting of $136 million in Canada, $16 million in Central and Eastern U.S. and $352 million in California
- Acquisitions in California included Playa Capital Company LLC for $258 million during the fourth quarter
- Entered a joint venture with CalSTRS to develop a 370 acre parcel of land in the north-west quadrant of Calgary
- Denver homebuilding operation started in the 4th quarter



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# *2013 OUTLOOK*

## 1st QUARTER RESULTS

- Net income attributable to shareholders of $4 million or $0.04 per share
- Strong revenue growth of 29% over the first quarter of 2012
- Completed $117 million of land acquisitions with 54% of the acquisitions in Canada and 46% in the U.S. specifically in the Bay Area of California and Washington D.C.
- 36% increase in backlog units and 43% increase in backlog value over the first quarter of 2012
- Subsequent to quarter end, we expanded operations into Phoenix, Arizona through a joint venture in the community of Eastmark



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## 2013 OUTLOOK

Our outlook for the year remains positive and we anticipate that income before income taxes for 2013 will be measurably higher than in 2012. We offer the following limited operational guidance for 2013:

- Canadian operations are projected to close approximately 1,400 single family lots, 100 acres of multi-family, commercial and industrial parcels as well as 1,300 homes
- U.S. operations are expected to close approximately 800 single family lots, 30 acres of multi-family, commercial and industrial parcels and 900 homes, which include our share of unconsolidated entities
- Expect to open 16 new communities in 2013, with most of the financial impact of these openings to be reflected in 2014 and beyond
- Expect to end 2013 with approximately 44 communities in active selling phases

We anticipate that our Canadian operations will continue to be a strong contributor to our results and that we will see continued improvement in the U.S. as the market recovers



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# BROOKFIELD RESIDENTIAL ADVANTAGE

- Exposure to the more stable Canadian housing market with leadership positions in Ontario and Alberta as well as the ability to leverage off rising home prices in well positioned markets in the United States

- Sizable land position in select markets places us in the enviable position of not having to replenish inventory each year at ever-increasing prices

- Potential to optimize returns on our assets by selling finished lots into a supply constrained environment and have found that a 10% increase in house price can translate into a 20% to 30% increase in underlying finished lot value

- Primarily a land developer with a homebuilding operation that works in harmony with the overall development process. Typically build on 15-20% of our own land, selling the remaining lots and parcels to third party builders

Based on our current land holdings, prospective land acquisitions and recent price increases, we are optimistic about increasing profitability continuing in 2014 and beyond. By 2015, we hope to see results in the U.S. approach profitability levels currently seen in Canada, assuming ongoing market recovery



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*Q&A*

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