

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

Corporate Profile  
May 2013

**Brookfield**  
Residential

# NOTICE TO RECIPIENT

This corporate profile 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 corporate profile 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; the stability of home prices; effect of challenging conditions on us, including general economic conditions; factors affecting our competitive position within the homebuilding industry; the visibility of our future cash flow; 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 corporate profile 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.

# *COMPANY OVERVIEW*

## COMPANY OVERVIEW

### BROOKFIELD RESIDENTIAL LAUNCHED MARCH 31, 2011 MERGER BETWEEN BROOKFIELD OFFICE PROPERTIES' RESIDENTIAL DIVISION AND BROOKFIELD HOMES CORPORATION

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- Leading North American land developer and homebuilder with more than 50 years of operating experience
- Entitles and develops land to create master-planned communities and sells lots to third-party builders and builds homes via the homebuilding division of the Company
- Capital flexibility to pursue large acquisition opportunities and participate in select, strategic real estate ventures including: infill projects, mixed use developments, infrastructure projects and joint ventures
- Operating expertise with adept management teams positioned in local markets

## IN SUMMARY

### 5<sup>th</sup> LARGEST NORTH AMERICAN RESIDENTIAL PLATFORM BY LAND AND HOUSING ASSETS

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- Uniquely positioned as a land developer with homebuilding operations and a mature portfolio of land assets in Canada and the U.S.
- Over \$2.8 billion in assets
- Top-tier gross margins and ample liquidity to opportunistically pursue homebuilding or land investments

### LARGE AND WELL LOCATED LAND & HOUSING SUPPLY

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

### OPERATING EXPERTISE

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- Owning developed or entitled lots in a geographically diverse portfolio provides the benefit of strong Canadian markets, while positioning the company for a continued recovery in the U.S.
- Unique geographic balance with diversified operations in three active operating segments and 11 major markets:
  - *Canada - Calgary, Edmonton, Greater Toronto Area*
  - *Central and Eastern U.S. - Austin, Denver, Phoenix, Washington D.C.*
  - *California - San Francisco Bay Area, Los Angeles/Southland, San Diego/Riverside*

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## as at March 31, 2013



# KEY DIFFERENTIATORS

## BALANCE BETWEEN LAND DEVELOPMENT AND HOMEBUILDING

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- Diversified operations with both land and home development
- Value created at each stage of land entitlement and development
- Ability to bring lots to market quickly and not rely on third party providers
- Top-tier gross margins promotes strong profitability and cash flow flexibility to pursue homebuilding or land investment

## LARGE AND WELL LOCATED LAND SUPPLY

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- Well-positioned in Canada to provide lots in markets where supplies are tightening
- Ability to participate in transactions to purchase assets and take advantage of improving market conditions
- Owning developed or entitled lots in strategic market areas places the company in a strong position

## UNIQUE GEOGRAPHIC POSITION

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- Benefits of strong and profitable Canadian markets while positioning for a recovery in future growth markets in the U.S.
- Located in dynamic and resilient markets with historically strong housing demand, barriers to entry, strong population and employment growth and positive long-term demographics

## OPERATING EXPERTISE

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- Deep management team with more than 20 years average experience and in-depth local industry knowledge
- Local management involved in value creation through the entitlement, development and building process
- High customer satisfaction acknowledged through satisfaction surveys, industry awards and peer recognition

# *OUR PROCESS*



# BUSINESS MODEL



## OUR PROCESS

### STEP 1. LAND ACQUISITION: **Land Held for Development**

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- Land developer in all of our markets
- Acquisition of raw land ideally during the low point of the cycle or when investment opportunities arise

### STEP 2 & 3. ENTITLEMENT PROCESS & DEVELOP LAND: **Land Under Development**

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- Obtaining entitlements can be a difficult and lengthy process involving many studies and public engagement, taking years to complete but once entitlements are achieved, the developer installs infrastructure and either fully services the lots and sells them to homebuilders (Canada/U.S.) or simply grades the lots (U.S.) and sell to third-party homebuilders
- Entitlement is the process of taking raw land to the finished lot stage by obtaining regulatory legal approval for the right to develop land for a particular use. The process varies by jurisdiction but essentially follows a similar sequence:
  - *General Plan: designates land use (residential, commercial, office, etc.) and school sites and significant roads*
  - *Area Structure / Community / Specific Plan: more detailed look at sequence of development, population density, transportation routes, public utilities, other items the jurisdiction would like to have studied*
  - *Land Use / Zoning / Tentative Map Plan: designates what is allowed on a specific piece of land and once zoning is in place, no other use of the land will be allowed unless it is re-zoned*
  - *Construction / Engineering Approvals: detailed drawings outline the location and size of sewers, water and storm pipes, size and location of roads and storm water ponds*
  - *Final Map / Legal Survey Plan: prepared by a land surveyor so that an individual titled lot is created*
- All underlying costs attributable to phase of development including costs of the underlying land, consulting costs and backbone infrastructure of major roads, parks and sewers and other associated costs are transferred from Land Held for Development to Land Under Development when on-site servicing commences

## OUR PROCESS - CONTINUED

### STEP 4. CONSUMER DELIVERABLES: **Housing Inventory**

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- In markets where we have significant land holdings, homebuilding may be carried out on a portion of its land (typically 15% to 20%) and the balance of lots are sold to and built on by third-party builders. Having a homebuilding operation allows us the opportunity to monetize our land and provides us with market knowledge through direct contact with the homebuyers
- We are a homebuilder in eight markets (Calgary, Denver, Edmonton, Greater Toronto Area, San Francisco/Bay Area, Los Angeles/Southland, San Diego/Riverside, Washington D.C.). Housing Inventory is defined as completed housing or in the process of being constructed
- Included in Housing Inventory is associated land as well as construction costs and cost to complete is defined as the costs required to bring partially finished homes to a completed stage

# LAND ENTITLEMENT AND DEVELOPMENT

## *Examples of Land Development Stages in Alberta*

- Value is created at each stage of land entitlement and development
  - Lots are entitled in markets that have barriers to entry (entitlement includes municipal approval of a master-planned community)
  - Development plans are prepared with final engineering, and includes completion of grading, sewers, utilities, parks, roads and sidewalks
- The following are generic examples of the metrics we have experienced in the past in Alberta.  
(Results will vary project by project depending on parcel size, location and other market variables):

<b>TWO YEAR HOLD PERIOD</b>	<b>ACTIVITY</b>	<b>DOLLARS PER FRONT FOOT</b>	<b>DOLLARS PER ACRE</b>	<b>DOLLARS PER LOT</b>
0	Purchase Land	(1,545)	(340,000)	(49,455)
1	-	-	-	-
2	Entitle Land	(40)	(8,800)	(1,280)
3	Develop Land	(1,800)	(396,000)	(57,600)
4	Sell Lots	4,800	1,056,000	153,600
	Margin \$	1,415	311,200	45,265
	Margin %	29%	29%	29%

<b>SEVEN YEAR HOLD PERIOD</b>	<b>ACTIVITY</b>	<b>DOLLARS PER FRONT FOOT</b>	<b>DOLLARS PER ACRE</b>	<b>DOLLARS PER LOT</b>
0	Purchase Land	(591)	(130,000)	(18,909)
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	-	(10)	(2,200)	(320)
5	-	(10)	(2,200)	(320)
6	-	(10)	(2,200)	(320)
7	Entitle Land	(10)	(2,200)	(320)
8	Develop Land	(1,800)	(396,000)	(57,600)
9	Sell Lots	4,800	1,056,000	153,600
	Margin \$	2,369	521,200	75,811
	Margin %	49%	49%	49%

# *INVENTORY PROFILE*

# LAND & HOUSING INVENTORY

SINGLE FAMILY HOUSING & LAND UNDER AND HELD FOR DEVELOPMENT <sup>(1)</sup>									MULTI-FAMILY, INDUSTRIAL, & COMMERCIAL PARCELS UNDER DEVELOPMENT	
(lots and lot equivalents)	LAND & HOUSING		UNCONSOLIDATED ENTITIES		TOTAL LOTS		STATUS OF LOTS 31-MAR-13		TOTAL ACRES	
	OWNED	OPTIONS	OWNED	OPTIONS	31-MAR-13	31-DEC-12	ENTITLED	UNENTITLED	31-MAR-13	31-DEC-12
Calgary	25,256	-	2,359	-	27,615	27,792	6,160	21,455	70	73
Edmonton	17,339	-	-	-	17,339	17,083	10,327	7,012	62	63
Toronto	10,024	-	-	-	10,024	9,592	1,013	9,011	10	3
<b>Canada</b>	<b>52,619</b>	<b>-</b>	<b>2,359</b>	<b>-</b>	<b>54,978</b>	<b>54,467</b>	<b>17,500</b>	<b>37,478</b>	<b>142</b>	<b>139</b>
Northern California	3,999	4,950	-	-	8,949	8,411	2,232	6,717	-	-
Southland/Los Angeles	1,418	-	1,320	1,916	4,654	4,682	2,040	2,614	-	-
San Diego/Riverside	8,361	-	1	-	8,362	7,941	5,562	2,800	-	-
Other	194	-	50	-	244	245	244	-	-	-
<b>California</b>	<b>13,972</b>	<b>4,950</b>	<b>1,371</b>	<b>1,916</b>	<b>22,209</b>	<b>21,279</b>	<b>10,078</b>	<b>12,131</b>	<b>-</b>	<b>-</b>
Denver	10,334	-	-	-	10,334	10,349	10,334	-	10	10
Austin	13,573	-	-	-	13,573	13,551	5,276	8,297	-	-
Washington D.C. Area	2,582	1,066	1,006	-	4,654	4,713	4,620	34	18	18
<b>Central and Eastern U.S.</b>	<b>26,489</b>	<b>1,066</b>	<b>1,006</b>	<b>-</b>	<b>28,561</b>	<b>28,613</b>	<b>20,230</b>	<b>8,331</b>	<b>28</b>	<b>28</b>
<b>Total March 31, 2013</b>	<b>93,080</b>	<b>6,016</b>	<b>4,736</b>	<b>1,916</b>	<b>105,748</b>		<b>47,808</b>	<b>57,940</b>	<b>170</b>	<b>167</b>
Entitled lots March 31, 2013	45,063	1,066	1,216	463	47,808					
Unentitled lots March 31, 2013	48,017	4,950	3,520	1,453	57,940					
<b>Total March 31, 2013</b>	<b>93,080</b>	<b>6,016</b>	<b>4,736</b>	<b>1,916</b>	<b>105,748</b>					
Total December 31, 2012	91,673	6,016	4,754	1,916		104,359				

<sup>(1)</sup> Land held for development will include some multi-family, industrial & commercial parcels once entitled

(millions, except units)	LAND & UNCONSOLIDATED		TOTAL 31-MAR-13		TOTAL 31-DEC-12	
	HOUSING	ENTITIES	UNITS	\$	UNITS	\$
Land Held For Development (lots and lot equivalents)	1,418	134	91,224	1,552	89,855	1,492
Land Under Development - Single Family (lots)	544	10	5,509	554	5,785	573
Optioned (lots)	72	34	7,932	106	7,932	102
Housing Inventory (lots)	194	6	973	200	677	164
Model Homes (lots)	36	1	110	37	110	32
Unconsolidated Entity Debt	-	(23)	-	(23)	-	(29)
<b>Sub total</b>	<b>2,264</b>	<b>162</b>	<b>105,748</b>	<b>2,426</b>	<b>104,359</b>	<b>2,334</b>
Multi Family, Commercial & Industrial Parcels (acres)	88	-	170	88	167	72
<b>Total</b>	<b>2,352</b>	<b>162</b>		<b>2,514</b>		<b>2,406</b>

## HOUSING INVENTORY

Our Housing Inventory at March 31, 2013 consisted of the following:

<b>CITY</b>	<b>MODEL HOMES UNITS</b>	<b>HOUSING INVENTORY UNITS</b>
Calgary	32	302
Edmonton	17	223
Toronto	10	156
Northern California	17	91
Los Angeles/Southland	10	84
San Diego/Riverside	15	48
Denver	3	3
Washington D.C. Area	6	63
Other	-	3
<b>Total</b>	<b>110</b>	<b>973</b>
Book Value - Brookfield Residential	\$36 million	\$194 million
Book Value – Unconsolidated Entities	\$1 million	\$6 million

- Housing Inventory is defined as completed housing or in the process of being constructed
- Included in Housing Inventory is associated land as well as construction costs
- As at March 31, 2013, the cost to complete for Housing Inventory was approximately \$132 million. Cost to complete is defined as the cost required to bring partially finished homes to a completed stage

## LAND UNDER DEVELOPMENT

Our Land Under Development Inventory at March 31, 2013 consisted of the following:

CITY	SINGLE FAMILY LOTS	MULTI-FAMILY, INDUSTRIAL & COMMERCIAL PARCEL ACRES
Calgary	645	70
Edmonton	788	62
Toronto	346	10
Northern California	220	-
Los Angeles/Southland	930	-
San Diego/Riverside	958	-
Austin	140	-
Denver	899	10
Washington D.C. Area	558	18
Other	25	-
<b>Total</b>	<b>5,509</b>	<b>170</b>
Book Value - Brookfield Residential	\$544 million	\$88 million
Book Value – Unconsolidated Entities	\$10 million	-

- We develop land for our own communities and then sell lots to other homebuilders and third parties. In our own and others' communities, we may also design, construct and market single and multi-family homes
- Once development of a phase begins, the associated costs with that phase are transferred from Land Held for Development to Land Under Development, which includes all underlying costs that are attributable to the phase of saleable lots, including costs of underlying land, consulting costs and backbone infrastructure of major roads, parks and sewers
- As at March 31, 2013, the cost to complete for single family and multi-family Land Under Development was approximately \$182 million and \$22 million, respectively. Cost to complete is defined as the costs required to bring partially finished lots and parcels to a completed stage
- In markets where the Company has significant land holdings, homebuilding is carried out on a portion of the land in specific market segments and the balance of the lots are sold to and built on by third-party builders



## LAND HELD FOR DEVELOPMENT

Our Land Held for Development Inventory at March 31, 2013 consisted of the following:

<b>CITY</b>	<b>ACRES</b>	<b>LOT UNIT EQUIVALENTS*</b>
Calgary	3,805	26,636
Edmonton	2,329	16,311
Toronto	1,562	9,513
Northern California	748	3,671
Los Angeles/Southland	495	1,714
San Diego/Riverside	4,021	7,341
Austin	3,357	13,433
Denver	2,152	9,429
Washington D.C. Area	984	2,960
Other	22	216
<b>Total</b>	<b>19,475</b>	<b>91,224</b>
Book Value - Brookfield Residential	\$1.418 billion	
Book Value – Unconsolidated Entities	\$111 billion	

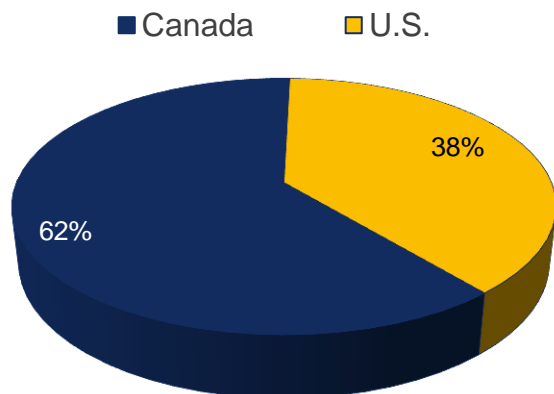
\* Lot unit equivalents for most regions have been calculated using an assumed conversion rate of 4 to 7 units per acre. Final plan may change through the entitlement process.

## LAND HELD FOR DEVELOPMENT

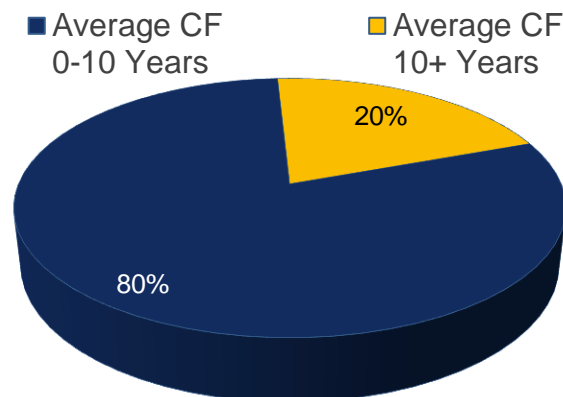
Our projections for cash flow from our Land Held for Development and Optioned Land totals over \$5 billion with an average life of 10 years. Cash flows are based on current projections taking into account many variables and assumptions and as a result are subject to change.

The projected undiscounted cash flow for land held for development and optioned lands split out by country and average life is as follows:

PROJECT CASH FLOWS SPLIT



TERM OF CASH FLOW



## OPTIONED LAND

Our inventory of optioned land at March 31, 2013 consisted of the following:

CITY	LAND AND HOUSING	UNCONSOLIDATED ENTITIES
Northern California	4,950	-
Los Angeles/Southland	-	1,916
Washington D.C. Area	1,066	-
Total	6,016	1,916
Book Value	\$72 million	\$34 million

- In the ordinary course of business, and where market conditions permit, we may use land and lot option contracts as well as unconsolidated entities to acquire control of land to mitigate the risk of not obtaining entitlements
- Option contracts for the purchase of land permit us to control the land for an extended period of time until options expire; this reduces our financial risk associated with these land holdings

# *FINANCIAL PROFILE*

# SELECTED FINANCIAL INFORMATION

## THREE MONTHS ENDED MARCH 31

(Millions, except per unit activity and per share amounts)

2013

2012

### RESULTS FROM OPERATIONS

Total revenue	\$	171	\$	132
Land revenue		52		44
Housing revenue		119		88
Gross margin - total (\$)		51		39
Gross margin - total (%)		30%		29%
Income before income taxes		7		4
Income tax expense		(3)		(4)
Net income attributable to Brookfield Residential		4		1
Basic income per share	\$	0.04	\$	0.01
Diluted income per share	\$	0.04	\$	0.01

### OPERATING DATA

Lot closings for Brookfield Residential (single family units)		354		274
Lot closings for unconsolidated entities (single family units)		16		-
Acres closings for Brookfield Residential (multi-family, industrial and commercial parcels)		-		1
Average land selling price for Brookfield Residential (single family units)	\$	146,000	\$	160,000
Average land selling price for unconsolidated entities (single family units)	\$	239,000	\$	-
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial parcels)	\$	-	\$	150,000
Home closings for Brookfield Residential (units)		294		251
Home closings for unconsolidated entities (units)		2		10
Average home selling price for Brookfield Residential (per unit)	\$	406,000	\$	351,000
Average home selling price for unconsolidated entities (per unit)	\$	922,000	\$	325,000
Net new orders for Brookfield Residential (units)		657		474
Net new orders for unconsolidated entities (units)		18		18
Backlog for Brookfield Residential (units at end of period)		1,180		868
Backlog for unconsolidated entities (units at end of period)		33		22
Backlog value for Brookfield Residential	\$	519	\$	364
Backlog value for unconsolidated entities	\$	16	\$	10

# QUARTERLY FINANCIAL INFORMATION

	2013		2012			2011		
(millions, except per unit activity and per share amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Lots closings - normalized (single family lots)	354	1,019	386	463	274	733	413	489
Lots closings - non-recurring (single family lots)	-	-	-	-	-	201	237	270
Acre sales - normalized (multi-family, industrial and commercial parcels)	-	79	2	22	1	25	7	2
Acre sales - non-recurring (multi-family, industrial and commercial parcels)	-	-	-	-	-	3	6	6
Acre sales (raw and partially finished parcels)	-	1	-	438	-	-	-	41
Home closings	294	725	477	355	251	528	307	240
Revenue	\$ 171.0	\$ 715.1	\$ 244.9	\$ 248.3	\$ 132.1	\$ 364.5	\$ 227.9	\$ 235.5
Direct cost of sales	(119.9)	(603.3)	(175.9)	(175.1)	(93.4)	(276.7)	(157.8)	(180.7)
Gross Margin	51.1	111.8	69.0	73.2	38.7	87.8	70.1	54.8
Selling, general and administrative expense	(36.3)	(40.7)	(32.2)	(29.4)	(26.1)	(28.7)	(26.7)	(19.2)
Interest expense	(10.5)	(10.4)	(10.6)	(10.3)	(10.2)	(11.6)	(11.3)	(10.9)
Other income / (expense)	2.7	4.4	(0.9)	0.8	1.5	1.5	(3.1)	1.5
<b>Income before income taxes</b>	7.0	65.1	25.3	34.3	3.9	49.0	29.0	26.2
Income tax expense	(2.6)	(8.8)	(10.8)	(12.8)	(3.7)	(24.0)	(10.3)	(7.4)
<b>Net income</b>	4.4	56.3	14.5	21.5	0.2	25.0	18.7	18.8
Net (income) / loss attributable to non-controlling interest and other interests in consolidated subsidiaries	(0.1)	(0.4)	0.4	0.3	0.4	0.8	0.5	0.4
<b>Net income attributable to Brookfield Residential</b>	\$ 4.3	\$ 55.9	\$ 14.9	\$ 21.8	\$ 0.6	\$ 25.8	\$ 19.2	\$ 19.2
Foreign currency translation	(19.1)	(4.2)	6.2	(3.0)	3.1	1.5	(4.0)	0.3
<b>Comprehensive (loss) / income attributable to Brookfield Residential</b>	\$ (14.8)	\$ 51.7	\$ 21.1	\$ 18.8	\$ 3.7	\$ 27.3	\$ 15.2	\$ 19.5
<b>Earnings per common share attributable to Brookfield Residential</b>								
Basic	\$ 0.04	\$ 0.52	\$ 0.15	\$ 0.22	\$ 0.01	\$ 0.25	\$ 0.19	\$ 0.19
Diluted	\$ 0.04	\$ 0.52	\$ 0.15	\$ 0.22	\$ 0.01	\$ 0.25	\$ 0.19	\$ 0.19
<b>Weighted average common shares outstanding (in thousands)</b>								
Basic	116,316	107,160	99,819	99,812	99,606	99,343	99,343	101,187
Diluted	117,269	107,759	100,335	100,200	99,945	99,611	99,410	101,356
<b>Non-Recurring</b>								
Land revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36.0	\$ 43.0	\$ 49.0
Direct cost of sales (\$)	-	-	-	-	-	(44.0)	(26.0)	(34.0)
Gross margin (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8.0)	\$ 17.0	\$ 15.0
Gross margin (%)	-	-	-	-	-	-	40%	31%

## CONDENSED CONSOLIDATED BALANCE SHEETS

	MARCH 31	DEC 31	SEPT 30	JUNE 30	MARCH 31
(thousands)	2013	2012	2012	2012	2012
<b>ASSETS</b>					
Land and housing inventory	\$ 2,351,835	\$ 2,250,256	\$ 2,327,819	\$ 2,212,184	\$ 2,194,447
Investments in unconsolidated entities	162,425	155,352	155,544	153,654	150,746
Commercial properties	15,013	15,363	-	-	-
Receivables and other assets	306,753	320,248	306,495	328,891	303,921
Restricted cash	12,140	13,596	8,511	8,600	8,578
Cash and cash equivalents	30,270	49,826	10,373	7,801	12,667
Deferred income tax assets	6,604	10,552	-	-	-
	\$ 2,885,040	\$ 2,815,193	\$ 2,808,742	\$ 2,711,130	\$ 2,670,359
<b>LIABILITIES</b>					
Project specific and other financings	\$ 602,559	\$ 459,329	\$ 972,380	\$ 932,724	\$ 928,993
Notes payable	601,145	590,845	488,016	472,128	481,248
Total financings	1,203,704	1,050,174	1,460,396	1,404,852	1,410,241
Accounts payable and other liabilities	353,243	425,179	262,928	243,357	216,259
Deferred income tax liabilities	-	-	22,912	22,619	24,948
Total liabilities	1,556,947	1,475,353	1,746,236	1,670,828	1,651,448
Other interests in consolidated subsidiaries	33,515	32,445	31,047	31,801	31,235
<b>EQUITY</b>	1,294,578	1,307,395	1,031,459	1,008,501	987,676
	\$ 2,885,040	\$ 2,815,193	\$ 2,808,742	\$ 2,711,130	\$ 2,670,359
Net Debt to Total Capitalization	47%	43%	58%	57%	58%

# CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED MARCH 31	
(thousands, except per share amounts)	2013	2012
<b>REVENUE</b>		
Land	\$ 51,713	\$ 43,995
Housing	119,309	88,154
	171,022	132,149
<b>DIRECT COSTS OF SALES</b>		
Land	(23,239)	(19,999)
Housing	(96,704)	(73,361)
	51,079	38,789
Selling, general and administrative expense	(36,252)	(26,092)
Equity in earnings from unconsolidated entities	1,794	1,623
Depreciation	(999)	(774)
Interest expense	(10,506)	(10,153)
Other income	1,852	516
	6,968	3,909
Current income tax recovery / (expense)	60	(6,291)
Deferred income tax (expense) / recovery	(2,632)	2,597
<b>NET INCOME</b>	4,396	215
Net (income) / loss attributable to noncontrolling interest and other interests in consolidated subsidiaries	(120)	400
<b>NET INCOME ATTRIBUTABLE TO BROOKFIELD RESIDENTIAL</b>	\$ 4,276	\$ 615
<b>OTHER COMPREHENSIVE INCOME</b>		
Unrealized foreign exchange gain / (loss) on:		
Translation of the net investment in Canadian subsidiaries	(19,186)	14,573
Translation on the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	-	(11,472)
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO BROOKFIELD RESIDENTIAL</b>	\$ (14,910)	\$ 3,716
<b>EARNINGS PER COMMON SHARE ATTRIBUTABLE TO BROOKFIELD RESIDENTIAL</b>		
Basic	\$ 0.04	\$ 0.01
Diluted	\$ 0.04	\$ 0.01
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (in thousands)</b>		
Basic	116,316	99,606
Diluted	117,269	99,945



## SELECTED OPERATING INFORMATION – LAND

	THREE MONTHS ENDED MARCH 31			
	2013		2012	
	UNITS	\$	UNITS	\$
<i>(millions, except per unit activity)</i>				
<b>LOT CLOSINGS (SINGLE FAMILY LOTS)</b>				
Canada	302	\$ 48	243	\$ 41
California	-	-	-	-
Central and Eastern U.S.	52	4	31	3
Subtotal	354	52	274	44
Unconsolidated Entities	16	4	-	-
Total	370	\$ 56	274	\$ 44
<b>ACRE SALES (MULTI-FAMILY, INDUSTRIAL AND COMMERCIAL PARCELS)</b>				
Canada	-	\$ -	1	\$ -
California	-	-	-	-
Central and Eastern U.S.	-	-	-	-
Subtotal	-	-	1	-
Unconsolidated Entities	-	-	-	-
Total	-	\$ -	1	\$ -
<b>ACRE SALES (RAW AND PARTIALLY FINISHED PARCELS)</b>				
Canada	-	\$ -	-	\$ -
California	-	-	-	-
Central and Eastern U.S.	-	-	-	-
Subtotal	-	-	-	-
Unconsolidated Entities	-	-	-	-
Total	-	\$ -	-	\$ -

## SELECTED OPERATING INFORMATION – LAND (CONTINUED)

(in units, except average selling price and active land communities)	THREE MONTHS ENDED MARCH 31	
	2013	2012
<b>AVERAGE LAND SELLING PRICE (SINGLE FAMILY LOTS)</b>		
Canada	\$ 157,000	\$ 169,000
California	-	-
Central and Eastern U.S.	80,000	84,000
	146,000	160,000
Unconsolidated Entities	239,000	-
Average selling price	\$ 150,000	\$ 160,000
<b>AVERAGE PER ACRE SELLING PRICE (MULTI-FAMILY, INDUSTRIAL AND COMMERCIAL PARCELS)</b>		
Canada	\$ -	\$ 150,000
California	-	-
Central and Eastern U.S.	-	-
	-	150,000
Unconsolidated Entities	-	-
Average selling price	\$ -	\$ 150,000
<b>AVERAGE PER ACRE SELLING PRICE (RAW AND PARTIALLY FINISHED PARCELS)</b>		
Canada	\$ -	\$ -
California	-	-
Central and Eastern U.S.	-	-
	-	-
Unconsolidated Entities	-	-
Average selling price	\$ -	\$ -
<b>ACTIVE LAND COMMUNITIES</b>		
Canada	11	11
California	2	1
Central and Eastern U.S.	7	10
	20	22
Unconsolidated Entities	1	1
Total	21	23

## SELECTED OPERATING INFORMATION – HOUSING

	THREE MONTHS ENDED MARCH 31			
	2013		2012	
	UNITS	\$	UNITS	\$
<i>(in millions, except per unit activity and average selling price)</i>				
<b>HOME CLOSINGS</b>				
Canada	181	\$ 58	187	\$ 62
California	71	42	30	13
Central and Eastern U.S.	42	19	34	13
	294	119	251	88
Unconsolidated Entities	2	1	10	3
Total	296	\$ 120	261	\$ 91

	THREE MONTHS ENDED MARCH 31			
	2013		2012	
<b>AVERAGE HOME SELLING PRICE</b>				
Canada	\$	323,000	\$	335,000
California		598,000		416,000
Central and Eastern U.S.		440,000		383,000
		406,000		351,000
Unconsolidated Entities		922,000		325,000
Average selling price	\$	408,000	\$	343,000

<b>NET NEW HOME ORDERS (UNITS)</b>		
Canada	380	335
California	171	55
Central and Eastern U.S.	106	84
	657	474
Unconsolidated Entities	18	18
Total	675	492

## SELECTED OPERATING INFORMATION – HOUSING (CONTINUED)

*(in millions, except active housing communities and per unit activity)*

**FOR THE PERIOD ENDED MARCH 31**

<b>ACTIVE HOUSING COMMUNITIES</b>	<b>2013</b>	<b>2012</b>
Canada	16	14
California	9	9
Central and Eastern U.S.	10	8
	35	31
Unconsolidated Entities	2	3
Total	37	34

### **BACKLOG AT END OF PERIOD**

**FOR THE PERIOD ENDED MARCH 31**

	<b>2013</b>		<b>2012</b>	
Canada	818	\$ 318	702	\$ 274
California	218	127	49	27
Central and Eastern U.S.	144	74	117	63
	1,180	519	868	364
Unconsolidated Entities	33	16	22	10
Total	1,213	\$ 535	890	\$ 374

## SELECTED OPERATING INFORMATION – GROSS MARGIN

	THREE MONTHS ENDED MARCH 31			
	2013		2012	
	\$	%	\$	%
<i>(millions, except percentages)</i>				
<b>LAND GROSS MARGIN</b>				
Canada	\$ 29	60%	\$ 25	61%
California	-	-	-	-
Central and Eastern U.S.	(1)	-25%	(1)	-33%
Total	\$ 28	54%	\$ 24	55%
<b>HOUSING GROSS MARGIN</b>				
Canada	\$ 12	21%	\$ 12	19%
California	8	19%	1	8%
Central and Eastern U.S.	3	16%	2	15%
Total	\$ 23	19%	\$ 15	17%
<b>TOTAL GROSS MARGIN</b>				
Canada	\$ 41	39%	\$ 37	36%
California	8	19%	1	8%
Central and Eastern U.S.	2	9%	1	6%
Total	\$ 51	30%	\$ 39	29%

# HISTORICAL PROFORMA FINANCIAL INFORMATION

## **BROOKFIELD RESIDENTIAL PROPERTIES**

(\$ millions, except unit activity)

	YEAR ENDED DECEMBER 31							
	2012	2011*	2010	2009	2008	2007	2006	2005
Housing Closings (units)	1,808	1,295	1,600	1,221	1,185	1,598	1,697	2,138
Land Sales (lots)	2,142	2,912	2,017	1,213	1,806	2,722	2,882	3,001
Land Sales (acres)	543	94	68	412	332	85	63	44
Revenue								
Land	\$ 622	\$ 524	\$ 355	\$ 263	\$ 389	\$ 420	\$ 318	\$ 284
Housing	718	484	599	491	638	837	957	1,251
Total Revenues	1,340	1,008	954	754	1,027	1,257	1,275	1,535
Direct cost of sales	(1,048)	(740)	(687)	(604)	(739)	(913)	(909)	(1,059)
Impairment of land inventory	-	-	-	(41)	(118)	(88)	(10)	-
Gross margin	292	268	267	109	170	256	356	476
Selling, general and administrative	(128)	(101)	(99)	(79)	(106)	(106)	(83)	(107)
Equity in earnings of unconsolidated entities	10	4	-	3	4	15	61	66
Impairment of unconsolidated entities	-	-	-	(13)	(38)	(15)	-	-
Other income / (expense)	(45)	(41)	21	16	(10)	4	18	26
<b>Income before income taxes</b>	<b>\$ 129</b>	<b>\$ 130</b>	<b>\$ 189</b>	<b>\$ 36</b>	<b>\$ 20</b>	<b>\$ 154</b>	<b>\$ 352</b>	<b>\$ 461</b>

\* Prior to January 1, 2011, the Company's business practice in Alberta was to not transfer title on its lots sold to the homebuilder who built the home and ultimately sold the home to the consumer, but to wait and transfer title of the lot to the ultimate homebuyer at the time of the home closing. As a result of the change in business practice, 2011 revenue was higher when compared to previous and future periods. In 2011, there were non-recurring revenues and direct costs of sales due to the change in business practice. Single-family lots of 1,043 and Multi-family acres of 19 were non-recurring. This equates to \$189 million of revenues, \$140 million of direct costs of sales and \$49 million of gross margin.

# HISTORICAL PROFORMA FINANCIAL INFORMATION

## **BPO RESIDENTIAL**

***(\$ millions, except unit activity)***

	YEAR ENDED DECEMBER 31				
	2009	2008	2007	2006	2005
Housing Closings (units)	522	440	773	538	556
Land Sales (lots)	1,213	1,806	2,722	2,882	3,001
Land Sales (acres)	412	332	85	63	44
Revenue					
Land	\$ 227	\$ 355	\$ 378	\$ 230	\$ 144
Housing	151	223	296	173	177
Total Revenues	378	578	674	403	321
Direct cost of sales	(250)	(323)	(432)	(292)	(244)
Impairment of land inventory	(17)	(3)	-	-	-
Gross margin	111	252	242	111	77
Selling, general and administrative	(27)	(37)	(37)	(24)	(17)
Equity in earnings of unconsolidated entities	2	1	2	3	1
Impairment of unconsolidated entities	-	-	-	-	-
Other income / (expense)	3	8	10	9	9
<b>Income before income taxes</b>	<b>\$ 89</b>	<b>\$ 224</b>	<b>\$ 217</b>	<b>\$ 99</b>	<b>\$ 70</b>

## **BROOKFIELD HOMES CORPORATION**

Housing Closings (units)	699	745	825	1,159	1,582
Land Sales (lots)	-	-	-	-	-
Land Sales (acres)	-	-	-	-	-
Revenue					
Land	\$ 36	\$ 34	\$ 42	\$ 88	\$ 140
Housing	340	415	541	784	1,074
Total Revenues	376	449	583	872	1,214
Direct cost of sales	(354)	(416)	(481)	(617)	(815)
Impairment of land inventory	(24)	(115)	(88)	(10)	-
Gross margin	(2)	(82)	14	245	399
Selling, general and administrative	(52)	(69)	(69)	(59)	(90)
Equity in earnings of unconsolidated entities	1	3	13	58	65
Impairment of unconsolidated entities	(13)	(38)	(15)	-	-
Other income / (expense)	13	(18)	(6)	9	17
<b>Income / (Loss) before income taxes</b>	<b>\$ (53)</b>	<b>\$ (204)</b>	<b>\$ (63)</b>	<b>\$ 253</b>	<b>\$ 391</b>

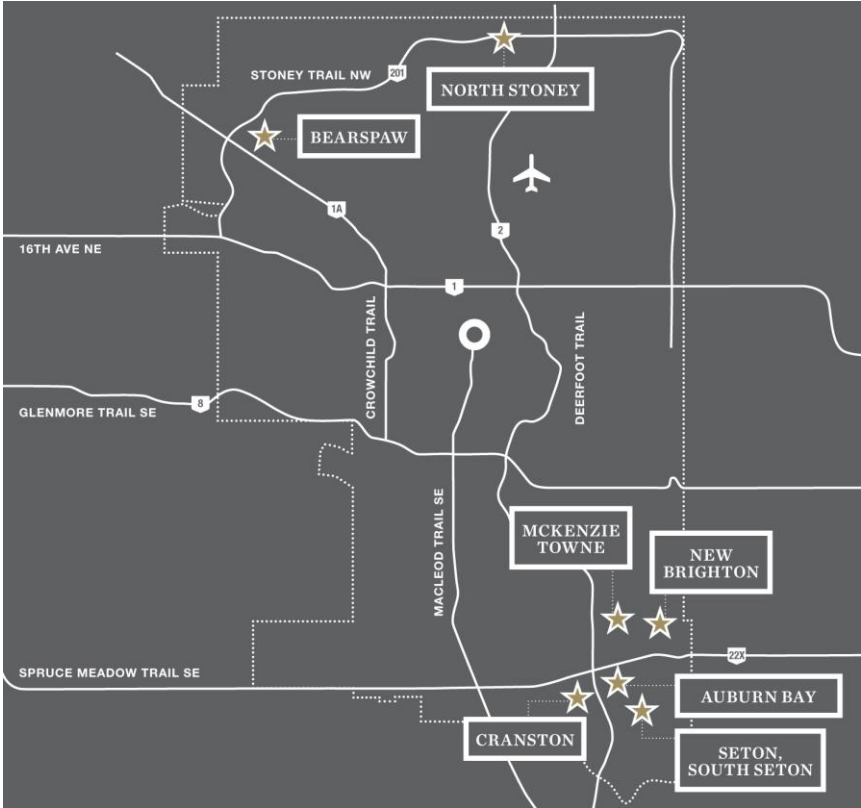
# *OUR MARKETS*



# CALGARY, ALBERTA

**27,615 LOTS**  
 70 ACRES (MULTI-FAMILY,  
 INDUSTRIAL AND  
 COMMERCIAL PARCELS)

- 6,160 entitled
- 21,455 unentitled



PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Auburn Bay	1,837	1,837	–	–
Bearspaw	1,295	–	1,295	–
Cranston	2,473	2,473	–	–
McKenzie Towne	92	92	–	–
New Brighton	311	311	–	1
North Stoney	12,926	–	12,926	–
Seton	1,180	1,180	–	56
South Seton	4,579	–	4,579	–
Other	2,922	267	2,655	13

# EDMONTON, ALBERTA

**17,339 LOTS**  
62 ACRES (MULTI-FAMILY,  
INDUSTRIAL AND  
COMMERCIAL PARCELS)

- 10,327 entitled
- 7,012 unentitled



PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Chappelle Gardens	2,860	2,860	–	10
Edgemont	707	707	–	–
Ellerslie	7,012	–	7,012	–
Gateway Industrial	134	134	–	34
Lake Summerside	1,292	1,292	–	4
Orchards	2,826	2,826	–	5
Paisley	1,120	1,120	–	–
Parkland	112	112	–	–
Other	1,276	1,276	–	9

# GREATER TORONTO AREA, ONTARIO

**10,024 LOTS**  
10 ACRES (MULTI-FAMILY,  
INDUSTRIAL AND  
COMMERCIAL PARCELS)

- 1,013 entitled
- 9,011 unentitled



PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Bradford	85	85	–	–
Brantford	60	60	–	1
Caledon East	126	126	–	8
Niagara-On-The-Lake	107	61	46	1
Peterborough	7,768	–	7,768	–
Other	1,878	681	1,197	–

# NORTHERN CALIFORNIA

8,949 LOTS

- 2,232 entitled
- 6,717 unentitled

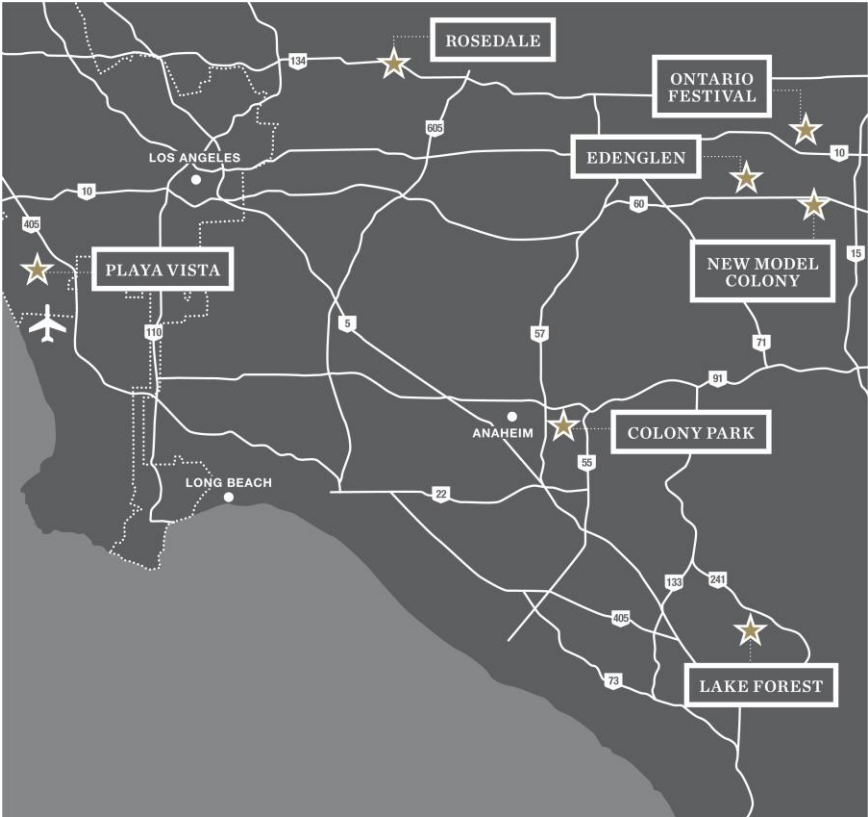


PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Brookside	89	89	–
Dixon	900	450	450
Emerson Ranch	567	–	567
Mariposa Windwood	101	101	–
Westbury	58	58	–
Natomas. Sunset	5,700	–	5,700
University District	1,454	1,454	–
Other	80	80	–

# LOS ANGELES/SOUTHLAND, CALIFORNIA

4,654 LOTS

- 2,040 entitled
- 2,614 unentitled



PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Colony Park	36	36	–
Edenglen	231	231	–
Lake Forest	78	–	78
New Model Colony	2,753	537	2,216
Ontario Festival	54	54	–
Playa Vista	505	505	–
Rosedale	159	159	–
Other	838	518	320

# SAN DIEGO/RIVERSIDE, CALIFORNIA

8,362 LOTS

- 5,562 entitled
- 2,800 unentitled



PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Audie Murphy, Spencer's Crossing	3,022	3,022	—
Haven	48	48	—
Rockrose	16	16	—
Sago	16	16	—
Other	5,260	2,460	2,800

# DENVER, COLORADO

**10,334 LOTS**  
10 ACRES (MULTI-FAMILY,  
INDUSTRIAL AND COMMERCIAL  
PARCELS)

- 10,334 entitled



PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Barefoot Lakes	4,053	4,053	–	–
Brighton Crossing	2,499	2,499	–	10
Midtown	562	562	–	–
Solterra	641	641	–	–
Tallyn's Reach	217	217	–	–
Other	2,362	2,362	–	–

# AUSTIN, TEXAS

13,573 LOTS

- 
- 5,276 entitled
  - 8,297 unentitled



PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Addison	786	–	786
Blanco Vista	1,608	1,608	–
Easton North	5,298	–	5,298
Easton South	2,213	–	2,213
Paso Robles	3,668	3,668	–



# WASHINGTON, D.C. AREA

**4,654 LOTS**  
**18 ACRES (MULTI-FAMILY,  
 INDUSTRIAL AND  
 COMMERCIAL PARCELS)**

- 4,620 entitled
- 34 unentitled



PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Avendale	295	295	—	—
Brookside, Saranac	37	37	—	—
Heritage Shores	1,454	1,454	—	—
Little River Preserve	12	12	—	—
Goose Creek Preserve	232	232	—	—
Snowden Bridge	1,084	1,084	—	—
Swan Point	765	765	—	—
Waterford Manor	32	32	—	—
Woodstream	205	205	—	—
Other	538	504	34	18

# BROOKFIELD RESIDENTIAL – BY THE NUMBERS

## ANNOUNCEMENT OF RESULTS

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2013 quarterly results are expected to be announced as noted below:

*Second Quarter: August 2013*

*Third Quarter: November 2013*

*Fourth Quarter: February 2014*

Brookfield Residential's press releases, unaudited interim reports and audited annual report are filed on EDGAR and SEDAR and can also be found on the Company's website at: [www.brookfieldrp.com](http://www.brookfieldrp.com). Hard copies of the interim and annual reports can be obtained free of charge upon request

## UPCOMING CONFERENCES

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- Wells Fargo Securities Industrial & Construction Conference – May 9, 2013 in New York
- JMP Growth Conference – May 13, 2013 in San Francisco
- JP Morgan Homebuilding & Building Products Conference – May 21, 2013 in New York

# BROOKFIELD RESIDENTIAL – SHARE INFORMATION

BROOKFIELD RESIDENTIAL TRADING STATISTICS - NEW YORK STOCK EXCHANGE					
	FOR THE THREE MONTHS ENDED				
Source: NYSE	31-MAR-13	31-DEC-12	30-SEP-12	30-JUN-12	31-MAR-12
<b>Share Price</b>					
High	\$ 24.48	\$ 18.90	\$ 15.39	\$ 11.95	\$ 11.72
Low	\$ 18.03	\$ 14.02	\$ 10.60	\$ 10.10	\$ 7.99
Close	\$ 24.34	\$ 17.94	\$ 13.98	\$ 10.90	\$ 10.58
<b>Total Volume</b>	12,742,927	15,726,478	6,863,100	6,776,400	6,505,354
BROOKFIELD RESIDENTIAL TRADING STATISTICS - TORONTO STOCK EXCHANGE					
	FOR THE THREE MONTHS ENDED				
Source: TSX	31-MAR-13	31-DEC-12	30-SEP-12	30-JUN-12	31-MAR-12
<b>Share Price</b>					
High	\$ 24.93	\$ 19.04	\$ 14.84	\$ 11.69	\$ 11.66
Low	\$ 17.75	\$ 14.14	\$ 10.85	\$ 10.30	\$ 7.98
Close	\$ 24.73	\$ 17.69	\$ 13.81	\$ 11.00	\$ 10.67
<b>Total Volume</b>	1,406,462	1,358,298	988,000	365,556	528,957
COMMON SHARES ISSUED					
	AS AT				
	31-MAR-13	31-DEC-12	30-SEP-12	30-JUN-12	31-MAR-12
Common shares issued	118,374,703	118,279,534	101,839,540	101,813,683	101,811,659
Unexercised options	4,369,127	3,284,187	3,299,485	3,814,485	3,814,485
Total common shares issued	122,743,830	121,563,721	105,139,025	105,628,168	105,626,144
CONVERTIBLE PREFERRED SHARES ISSUED AND OUTSTANDING					
	AS AT				
	31-MAR-13	31-DEC-12	30-SEP-12	30-JUN-12	31-MAR-12
Convertible preferred shares outstanding	65,246	65,286	65,286	69,261	70,002
Common share equivalent at a conversion rate of 2.731787607	178,238	178,347	178,347	189,206	191,231

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