



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

AUGUST | 2014

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 in the U.S. and Canadian housing markets, such as the continued stability of the Canadian housing market, improvements to underlying fundamentals in our U.S. markets, and a more healthy and balanced growth rate in homes prices and the impact thereof on absorptions and affordability levels, possible or assumed future results, including higher margins, and the profitability of our U.S. operations as compared to our Canadian operations and the timing thereof; ability to create shareholder value and pursue homebuilding or land investments, including the timing of projects; business goals, strategy and growth plans; strategies and capabilities for shareholder value creation; the impact 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; economic and demographic fundamentals in our markets; 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 Properties Inc. is a leading North American land developer and homebuilder with operations in 11 major markets. We entitle and develop land to create master-planned communities and build and sell lots to third-party builders, as well as to our own homebuilding division. We also participate in select strategic real estate opportunities, including infill projects, mixed-use developments, infrastructure projects and joint ventures.

- 5th largest North American residential platform by land and housing assets with strong and unique geographical diversification in three active operating segments and 11 major markets including:

Canada - Calgary, Edmonton, Greater Toronto Area

California - Greater Los Angeles Area, Sacramento, San Diego, San Francisco Bay Area

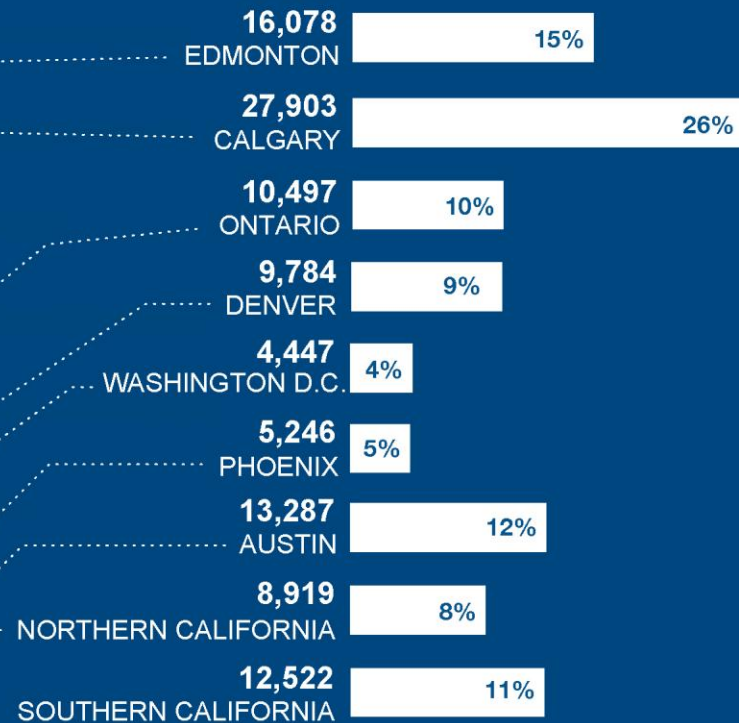
Central and Eastern U.S. - Austin, Denver, Phoenix, Washington D.C. Area

- Owning developed or entitled lots in a geographically diverse portfolio provides the benefit of a stable Canadian market, while positioning the Company for a continued housing recovery in the U.S.
- Our disciplined land entitlement process, synergistic operations and capital flexibility allow us to pursue homebuilding or land investments.

WHERE WE BUILD



Total Single Family Lots as at June 30, 2014



WELL POSITIONED IN GROWTH MARKETS WITH POSITIVE FUNDAMENTALS

U.S.

- Underlying fundamentals in our U.S. markets continue to strengthen despite a moderation in the rate of house price increases
- Going forward, we expect to see a more healthy and balanced growth rate in home prices that should support absorptions and affordability in the longer term
- By 2015, we hope to see results in the U.S. approach profitability levels currently seen in Canada, assuming ongoing market recovery

CANADA

- Alberta and Ontario continue to perform at levels consistent with previous years
- Anticipate the Canadian market will remain stable over the coming year
 - Our operations should benefit from our strong market share within the energy-focused Alberta market
 - Strong population growth and green belt limitation in Greater Toronto Area continue to support strong demand for new home sales
- “Soft landing” that many discuss refers to decline in the high-rise business in Toronto and Vancouver, where Brookfield Residential does not participate
- We encounter some variability in our Canadian operations results through the translation process and movement in relative currency rates over comparative periods

RECENT HIGHLIGHTS

2014 YTD HIGHLIGHTS

Results for the six months ended June 30, 2014 were very good as we continued to bring new communities to market while capitalizing on stronger lot and home prices

- \$84 million of income before income taxes
- Net income of \$67 million, or \$0.57 per diluted share
- Completed \$120 million of strategic land acquisitions:
 - Canada - \$32 million
 - California - \$73 million
 - Central & Eastern U.S. - \$15 million
- Repurchased for cancellation approximately 540,000 of our Common Shares at an average price of \$20.11 under our normal course issuer bid
- Completed the sale of the Phase 1 retail project in our Seton mixed-use development in Calgary, generating a pre-tax gain of \$32 million

2013 FULL YEAR HIGHLIGHTS

Results for 2013 were strong and improved over the same period last year

- \$172 million of income before income taxes
- Net income of \$142 million, or \$1.21 per diluted share
- Issued \$500 million unsecured senior notes due 2022 with an interest rate of 6.125% per annum
- Closed a new U.S. revolving credit facility in the amount of \$250 million with six major financial institutions
- Completed \$358 million of strategic land acquisitions:
 - Canada - \$176 million
 - California - \$128 million
 - Central & Eastern U.S. - \$54 million

OUR PROCESS

BUSINESS MODEL

LAND ACQUISITION

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

ENTITLEMENT PROCESS

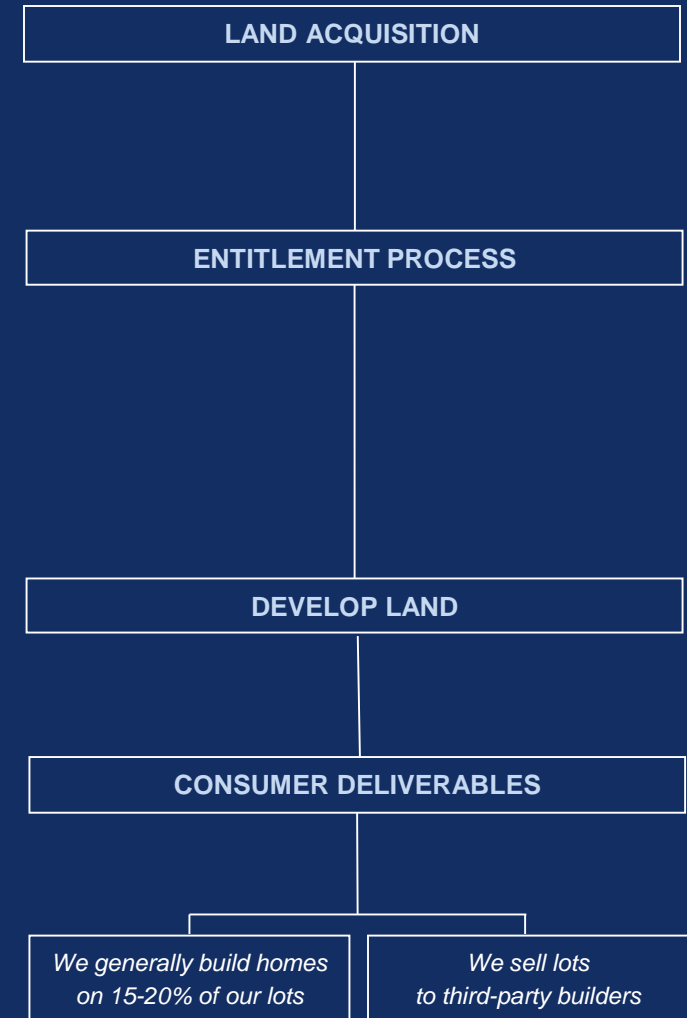
- Obtain approvals necessary to develop land for specific purposes. This process typically includes:
 - General Plan
 - Land Use Plan
 - Tentative Map
 - Legal Survey Plan
 - Area Structure Plan
 - Zoning
 - Construction Approvals
 - Final Map

DEVELOP LAND

- Install utilities, construct roads, sidewalks, parks etc.
- Create fully serviced lots (Canada and U.S.) and “graded” lots (U.S. only)

CONSUMER DELIVERABLES

- We will build homes on a portion of our land
- The balance of lots are sold to and built on by third-party builders



OUR PROCESS

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

- Land developer in all of our markets
- Acquisition of raw land ideally during the low point of the cycle or when investment opportunities arise
- Strategic land study conducted to review growth patterns in the market in order to determine where future acquisitions should take place

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

- 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 sells them 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.), 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 each 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**

- In markets where we have significant land holdings, homebuilding may be carried out on a portion of our 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 to understand customer desires and product choices
- We are a homebuilder in eight markets (Calgary, Edmonton, Greater Toronto Area, San Francisco Bay Area, Greater Los Angeles Area, San Diego, Denver, Washington D.C. Area). 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. 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 whereby 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. Note that results will vary project by project depending on parcel size, location and other market variables:

TWO YEAR HOLD PERIOD	ACTIVITY	DOLLARS PER FRONT FOOT	DOLLARS PER ACRE	DOLLARS PER LOT
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%

SEVEN YEAR HOLD PERIOD	ACTIVITY	DOLLARS PER FRONT FOOT	DOLLARS PER ACRE	DOLLARS PER LOT
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

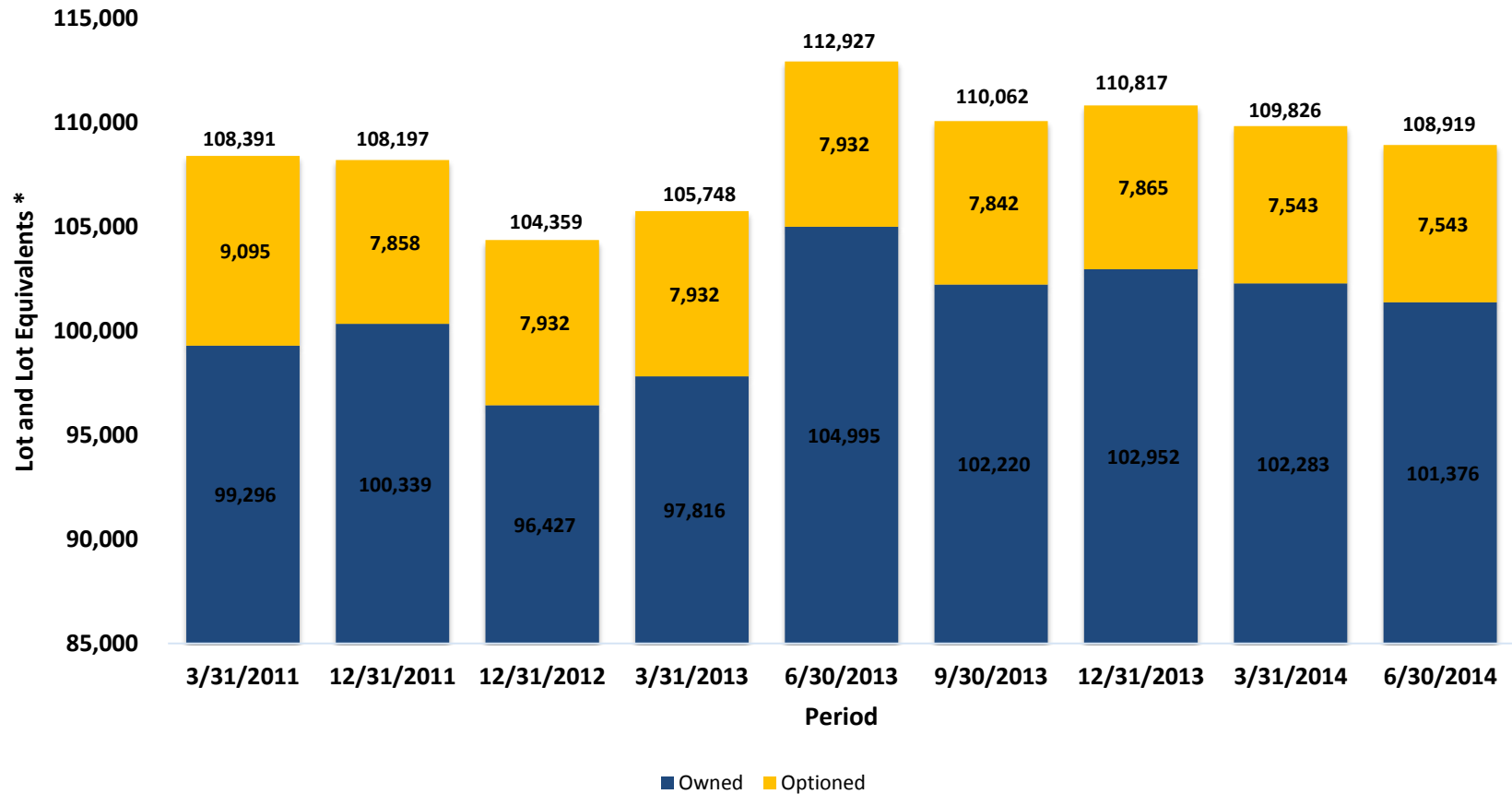
LAND & HOUSING INVENTORY

	Single Family Housing & Land Under and Held for Development ⁽¹⁾								Multi-Family, Industrial & Commercial Parcels Under Development	
	Land & Housing		Unconsolidated Entities		Total Lots		Status of Lots 30-Jun-14		Total Acres	
	Owned	Options	Owned	Options	30-Jun-14	31-Dec-13	Entitled	Unentitled	30-Jun-14	31-Dec-13
Calgary	25,544	-	2,359	-	27,903	28,228	4,674	23,229	62	70
Edmonton	16,078	-	-	-	16,078	16,720	9,066	7,012	58	53
Ontario	10,497	-	-	-	10,497	10,403	1,927	8,570	3	7
Canada	52,119	-	2,359	-	54,478	55,351	15,667	38,811	123	130
Northern California	3,969	4,950	-	-	8,919	8,887	2,769	6,150	-	-
Southern California	9,378	-	1,617	1,527	12,522	12,573	6,821	5,701	-	-
Other	194	-	42	-	236	239	236	-	-	-
California	13,541	4,950	1,659	1,527	21,677	21,699	9,826	11,851	-	-
Denver	9,784	-	-	-	9,784	9,904	9,784	-	10	10
Austin	13,287	-	-	-	13,287	13,458	5,776	7,511	-	-
Phoenix	690	-	4,556	-	5,246	6,007	4,960	286	103	105
Washington D.C. Area	2,474	1,066	907	-	4,447	4,398	4,410	37	18	18
Central and Eastern U.S.	26,235	1,066	5,463	-	32,764	33,767	24,930	7,834	131	133
Total	91,895	6,016	9,481	1,527	108,919	110,817	50,423	58,496	254	263
Entitled lots	43,516	1,066	5,841	-	50,423					
Unentitled lots	48,379	4,950	3,640	1,527	58,496					
Total June 30, 2014	91,895	6,016	9,481	1,527	108,919					
Total December 31, 2013	93,024	6,016	9,928	1,849		110,817				

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

<i>(millions, except per unit activity)</i>	Land & Unconsolidated Housing		Total 30-Jun-14		Total 31-Dec-13	
		Entities	Units	\$	Units	\$
Land Held For Development (lots)	1,400	212	92,348	1,612	95,800	1,653
Land Under Development - Single Family (lots)	595	46	7,419	641	6,251	598
Optioned (lots)	75	34	7,543	109	7,865	108
Housing inventory (units)	343	12	1,478	355	790	222
Model homes (units)	52	2	131	54	111	38
Unconsolidated entity debt	-	(82)	-	(82)	-	(90)
Sub total	2,465	224	108,919	2,689	110,817	2,529
Multi Family, Commercial & Industrial Parcels (acres)	59	7	254	66	263	76
Total	2,524	231		2,755		2,605

LAND & HOUSING INVENTORY



* Includes Single Family Housing & Land Under and Held for Development

HOUSING INVENTORY

Our Housing Inventory at June 30, 2014 consisted of the following:

	MODEL HOMES UNITS	HOUSING INVENTORY UNITS
Calgary	28	296
Edmonton	25	380
Ontario	13	326
Northern California	13	96
Southern California	36	263
Denver	5	46
Washington D.C. Area	11	60
Other	-	11
Total	131	1,478
Book Value - Brookfield Residential	\$52 million	\$343 million
Book Value - Unconsolidated Entities	\$2 million	\$9 million

Housing Inventory is defined as completed housing or in the process of being constructed and included in Housing Inventory is associated land as well as construction costs.

As at June 30, 2014, the cost to complete for Housing Inventory was approximately \$185 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 June 30, 2014 consisted of the following:

	SINGLE FAMILY LOTS	MULTI-FAMILY, INDUSTRIAL & COMMERCIAL PARCEL ACRES
Calgary	647	62
Edmonton	1,469	58
Ontario	428	3
Northern California	339	-
Southern California	2,231	-
Austin	281	-
Denver	813	10
Phoenix	693	103
Washington D.C. Area	505	18
Other	13	-
Total	7,419	254
Book Value - Brookfield Residential	\$595 million	\$59 million
Book Value - Unconsolidated Entities	\$25 million	\$7 million

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 June 30, 2014, the cost to complete for single family and multi-family Land Under Development was approximately \$272 million and \$12 million, respectively. Cost to complete is defined as the costs required to bring partially finished lots and parcels to a completed stage.

LAND HELD FOR DEVELOPMENT

Our Land Held for Development Inventory at June 30, 2014 consisted of the following:

	ACRES	LOT UNIT EQUIVALENTS*
Calgary	3,847	26,932
Edmonton	2,029	14,204
Ontario	1,619	9,730
Northern California	730	3,521
Southern California	4,331	8,465
Austin	3,251	13,006
Denver	2,230	8,920
Phoenix	1,180	4,553
Washington D.C. Area	928	2,805
Other	22	212
Total	20,167	92,348
Book Value - Brookfield Residential	\$1,400 million	
Book Value - Unconsolidated Entities	\$154 million	

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

OPTIONED LAND

Our inventory of optioned land at June 30, 2014 consisted of the following:

	LAND AND HOUSING	UNCONSOLIDATED ENTITIES
Northern California	4,950	-
Southern California	-	1,527
Washington D.C. Area	1,066	-
Total	6,016	1,527
Book Value	\$75 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.

LAND HELD FOR DEVELOPMENT AND OPTIONED LAND

Our projections for cash flow from our Land Held for Development and Optioned Land totals approximately \$5.5 billion. These cash flow projections represent the net cash flow through the development and monetization processes.

Cash flows were based on the calendar year 2014 Business Plan projections taking into account many variables and assumptions and as a result are subject to change. Cash flows are not updated quarterly. Cash flows from joint ventures are shown at Brookfield Residential's proportionate share. Inflation has not been built into the Canadian or U.S. cash flow projections. In certain longer term land assets, a return to stabilized market conditions had previously been assumed with these assumptions now being met.

This number will fluctuate with the composition of the Company's inventory as land moves into development or is monetized through sale or joint venture structures.

The Canadian cash flow projections comprise approximately 60% of the total future cash flows. The Canadian cash flow projections increased approximately 5% on a year over year basis. Over 70% of the future cash flows in Canada are projected within the next 10 years; with approximately 30% in the next 5 years.

The U.S. cash flow projections comprise approximately 40% of the total future cash flows. U.S. cash flow projections increased approximately 15% on a year over year basis. In addition, we are advancing development at a number of projects with approximately 85% of future U.S. cash flows projected within the next 10 years; with approximately 45% in the next 5 years.

FINANCIAL PROFILE

SELECTED FINANCIAL INFORMATION

(millions, except percentages and per share amounts)	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2014	2013	2014	2013
RESULTS FROM OPERATIONS				
Total revenue	\$ 321	\$ 298	\$ 529	\$ 469
Land revenue	81	105	125	157
Housing revenue	240	193	404	312
Gross margin (\$)	98	77	157	128
Gross margin (%)	31%	26%	30%	27%
Income before income taxes	49	30	84	37
Income tax expense	(6)	(5)	(14)	(8)
Net income attributable to Brookfield Residential	42	24	67	29
Basic income per share	\$ 0.36	\$ 0.21	\$ 0.57	\$ 0.24
Diluted income per share	\$ 0.36	\$ 0.21	\$ 0.57	\$ 0.24

SELECTED FINANCIAL INFORMATION (CONTINUED)

(millions, except unit activity and average selling price)	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2014	2013	2014	2013
OPERATING DATA				
Lot closings for Brookfield Residential (single family units)	515	408	839	762
Lot closings for unconsolidated entities (single family units)	82	-	204	16
Acre closings for Brookfield Residential (multi-family, industrial and commercial)	6	6	10	6
Acre closings for unconsolidated entities (multi-family, industrial and commercial)	-	-	2	-
Acre closings for Brookfield Residential (raw and partially finished)	1	216	3	216
Average lot selling price for Brookfield Residential (single family units)	\$ 144,000	\$ 148,000	\$ 138,000	\$ 147,000
Average lot selling price for unconsolidated entities (single family units)	\$ 138,000	\$ -	\$ 90,000	\$ 239,000
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial)	\$ 1,082,000	\$ 815,000	\$ 986,000	\$ 815,000
Average per acre selling price for unconsolidated entities (multi-family, industrial and commercial)	\$ -	\$ -	\$ 188,000	\$ -
Average per acre selling price for Brookfield Residential (raw and partially finished)	\$ 367,000	\$ 181,000	\$ 263,000	\$ 181,000
Home closings for Brookfield Residential (units)	435	460	781	754
Home closings for unconsolidated entities (units)	21	20	25	21
Average home selling price for Brookfield Residential (per unit)	\$ 552,000	\$ 420,000	\$ 517,000	\$ 414,000
Average home selling price for unconsolidated entities (per unit)	\$ 487,000	\$ 478,000	\$ 501,000	\$ 509,000
Net new home orders for Brookfield Residential (units)	642	659	1,297	1,316
Net new home orders for unconsolidated entities (units)	37	6	66	24
Backlog for Brookfield Residential (units at end of period)	1,418	1,378	1,418	1,378
Backlog for unconsolidated entities (units at end of period)	54	20	54	20
Backlog value for Brookfield Residential	\$ 742	\$ 609	\$ 742	\$ 609
Backlog value for unconsolidated entities	\$ 21	\$ 10	\$ 21	\$ 10

QUARTERLY FINANCIAL INFORMATION

	2014		2013				2012	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>(millions, except per unit activity and per share amounts)</i>								
Lots closings (single family units)	515	324	1,177	463	408	354	1,019	386
Acre closings (multi-family, industrial and commercial)	6	4	8	13	6	-	79	2
Acre closings (raw and partially finished)	1	2	2	1	216	-	1	-
Home closings (units)	435	346	856	606	460	294	725	477
Revenue	\$ 321	\$ 208	\$ 555	\$ 333	\$ 298	\$ 171	\$ 715	\$ 245
Direct cost of sales	(223)	(149)	(407)	(234)	(221)	(120)	(603)	(176)
Gross margin	98	59	148	99	77	51	112	69
Gain on commercial assets held for sale	-	33	-	-	-	-	-	-
Selling, general and administrative expense	(44)	(45)	(52)	(42)	(40)	(36)	(41)	(32)
Interest expense	(15)	(16)	(15)	(15)	(11)	(11)	(10)	(11)
Other income / (expense)	10	4	9	2	4	3	4	(1)
Income before taxes	49	35	90	44	30	7	65	25
Income tax expense	(6)	(8)	(7)	(8)	(5)	(3)	(9)	(11)
Net income	43	27	83	36	25	4	56	14
Net (income) / loss attributable to non-controlling interest and other interests in consolidated subsidiaries	(1)	(2)	(4)	(1)	(1)	-	-	1
Net income attributable to Brookfield Residential	\$ 42	\$ 25	\$ 79	\$ 35	\$ 24	\$ 4	\$ 56	\$ 15
Foreign currency translation	28	(29)	(23)	14	(23)	(19)	(4)	6
Comprehensive income / (loss)	\$ 70	\$ (4)	\$ 56	\$ 49	\$ 1	\$ (15)	\$ 52	\$ 21
Earnings per common share attributable to Brookfield Residential								
Basic	\$ 0.36	\$ 0.21	\$ 0.67	\$ 0.30	\$ 0.21	\$ 0.04	\$ 0.52	\$ 0.15
Diluted	\$ 0.36	\$ 0.21	\$ 0.67	\$ 0.29	\$ 0.21	\$ 0.04	\$ 0.52	\$ 0.15
Weighted average common shares outstanding (in thousands)								
Basic	116,863	117,031	117,026	116,856	116,455	116,316	107,160	99,819
Diluted	118,277	118,273	118,009	117,784	117,556	117,269	107,759	100,335

CONDENSED CONSOLIDATED BALANCE SHEETS

	JUN 30	MAR 31	DEC 31	SEPT 30	JUNE 30
<i>(thousands, except percentages)</i>	2014	2014	2013	2013	2013
ASSETS					
Land and housing inventory	\$2,523,972	\$2,452,698	\$2,399,242	\$2,529,686	\$2,465,187
Investments in unconsolidated entities	230,587	222,734	206,198	200,468	187,803
Commercial properties	-	-	-	46,101	14,863
Commercial assets held for sale	-	-	47,733	-	-
Receivables and other assets	318,461	297,548	341,090	342,705	309,348
Restricted cash	5,568	6,704	8,169	25,230	19,550
Cash and cash equivalents	184,508	237,581	319,735	250,060	274,438
Deferred income tax assets	12,192	12,012	21,594	-	-
	\$3,275,288	\$3,229,277	\$3,343,761	\$3,394,250	\$3,271,189
LIABILITIES					
Notes payable	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Bank indebtedness and other financings	261,109	267,400	348,853	460,829	444,272
Total financings	1,361,109	1,367,400	1,448,853	1,560,829	1,544,272
Accounts payable and other liabilities	399,181	386,968	418,410	413,199	371,016
Deferred income tax liabilities	-	-	-	5,973	11
Total liabilities	1,760,290	1,754,368	1,867,263	1,980,001	1,915,299
Other interests in consolidated subsidiaries	17,214	38,512	36,641	32,017	30,412
EQUITY	1,497,784	1,436,397	1,439,857	1,382,232	1,325,478
	\$3,275,288	\$3,229,277	\$3,343,761	\$3,394,250	\$3,271,189
Net Debt to Total Capitalization	44%	43%	43%	48%	48%

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
<i>(thousands, except per share amounts)</i>	2014	2013	2014	2013
REVENUE				
Land	\$ 81,041	\$ 104,790	\$ 125,746	\$ 156,503
Housing	240,000	193,078	403,674	312,387
	321,041	297,868	529,420	468,890
DIRECT COSTS OF SALES				
Land	(38,153)	(64,127)	(62,240)	(87,366)
Housing	(184,759)	(156,690)	(310,164)	(253,394)
	98,129	77,051	157,016	128,130
Gain on commercial assets held for sale	-	-	32,927	-
Selling, general and administrative expense	(44,462)	(40,066)	(89,298)	(76,318)
Interest expense	(15,145)	(10,777)	(31,249)	(21,283)
Equity in earnings from unconsolidated entities	5,763	1,201	8,414	2,995
Other income	5,873	3,526	8,194	5,378
Depreciation	(1,122)	(1,046)	(2,271)	(2,045)
Income before incomes taxes	49,036	29,889	83,733	36,857
Current income tax expense	(840)	(112)	(876)	(52)
Deferred income tax expense	(5,022)	(5,104)	(13,087)	(7,735)
NET INCOME	43,174	24,673	69,770	29,070
Non-controlling interests and other interests in consolidated subsidiaries	(795)	(437)	(2,542)	(557)
NET INCOME ATTRIBUTABLE TO BROOKFIELD RESIDENTIAL	\$ 42,379	\$ 24,236	\$ 67,228	\$ 28,513
OTHER COMPREHENSIVE INCOME / (LOSS)				
Unrealized foreign exchange gain / (loss) on translation of the net investment in Canadian subsidiaries	27,609	(23,161)	(1,836)	(42,347)
COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO BROOKFIELD RESIDENTIAL	\$ 69,988	\$ 1,075	\$ 65,392	\$ (13,834)
COMMON SHAREHOLDERS EARNINGS PER SHARE				
Basic	\$ 0.36	\$ 0.21	\$ 0.57	\$ 0.24
Diluted	\$ 0.36	\$ 0.21	\$ 0.57	\$ 0.24
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING <i>(in thousands)</i>				
Basic	116,863	116,455	116,947	116,395
Diluted	118,277	117,556	118,414	117,461

SELECTED OPERATING INFORMATION – LAND

(millions, except per unit activity)	THREE MONTHS ENDED JUNE 30				SIX MONTHS ENDED JUNE 30			
	2014		2013		2014		2013	
	UNITS	\$	UNITS	\$	UNITS	\$	UNITS	\$
LOT CLOSINGS (SINGLE FAMILY UNITS)								
Canada	331	\$ 58	326	\$ 55	546	\$ 92	628	\$ 103
California	94	9	-	-	94	9	-	-
Central and Eastern U.S.	90	8	82	6	199	14	134	10
Subtotal	515	75	408	61	839	115	762	113
Unconsolidated Entities	82	11	-	-	204	18	16	4
Total	597	\$ 86	408	\$ 61	1,043	\$ 133	778	\$ 117
ACRE CLOSINGS (MULTI-FAMILY, INDUSTRIAL AND COMMERCIAL)								
Canada	6	\$ 6	6	\$ 5	10	\$ 9	6	\$ 5
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	-	-	-	-	-	-	-	-
Subtotal	6	6	6	5	10	9	6	5
Unconsolidated Entities	-	-	-	-	2	1	-	-
Total	6	\$ 6	6	\$ 5	12	\$ 10	6	\$ 5
ACRE CLOSINGS (RAW AND PARTIALLY FINISHED)								
Canada	1	\$ -	216	\$ 39	3	\$ 1	216	\$ 39
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	-	-	-	-	-	-	-	-
Subtotal	1	-	216	39	3	1	216	39
Unconsolidated Entities	-	-	-	-	-	-	-	-
Total	1	\$ -	216	\$ 39	3	\$ 1	216	\$ 39

SELECTED OPERATING INFORMATION – LAND (CONTINUED)

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2014	2013	2014	2013
AVERAGE LOT SELLING PRICE (SINGLE FAMILY UNITS)				
Canada	\$ 173,000	\$ 167,000	\$ 169,000	\$ 162,000
California	96,000	-	96,000	-
Central and Eastern U.S.	89,000	73,000	72,000	76,000
	144,000	148,000	138,000	147,000
Unconsolidated Entities	138,000	-	90,000	239,000
Average selling price	\$ 144,000	\$ 148,000	\$ 128,000	\$ 149,000
AVERAGE PER ACRE SELLING PRICE (MULTI-FAMILY, INDUSTRIAL AND COMMERCIAL)				
Canada	\$ 1,082,000	\$ 815,000	\$ 986,000	\$ 815,000
California	-	-	-	-
Central and Eastern U.S.	-	-	-	-
	1,082,000	815,000	986,000	815,000
Unconsolidated Entities	-	-	188,000	-
Average selling price	\$ 1,082,000	\$ 815,000	\$ 815,000	\$ 815,000
AVERAGE PER ACRE SELLING PRICE (RAW AND PARTIALLY FINISHED)				
Canada	\$ 367,000	\$ 181,000	\$ 263,000	\$ 181,000
California	-	-	-	-
Central and Eastern U.S.	-	-	-	-
	367,000	181,000	263,000	181,000
Unconsolidated Entities	-	-	-	-
Average selling price	\$ 367,000	\$ 181,000	\$ 263,000	\$ 181,000
ACTIVE LAND COMMUNITIES				
	FOR THE PERIOD ENDED JUNE 30			
	2014	2013		
Canada	12	12		
California	5	2		
Central and Eastern U.S.	8	7		
	25	21		
Unconsolidated Entities	1	1		
Total	26	22		

SELECTED OPERATING INFORMATION – HOUSING

(millions, except per unit activity and average selling price)	THREE MONTHS ENDED JUNE 30				SIX MONTHS ENDED JUNE 30			
	2014		2013		2014		2013	
	UNITS	\$	UNITS	\$	UNITS	\$	UNITS	\$
HOME CLOSINGS								
Canada	241	\$ 84	263	\$ 84	462	\$ 159	444	\$ 142
California	116	118	137	85	196	186	208	128
Central and Eastern U.S.	78	38	60	24	123	59	102	42
	435	240	460	193	781	404	754	312
Unconsolidated Entities	21	10	20	9	25	12	21	11
Total	456	\$ 250	480	\$ 202	806	\$ 416	775	\$ 323

AVERAGE HOME SELLING PRICE	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2014	2013	2014	2013
Canada	\$ 350,000	\$ 320,000	\$ 344,000	\$ 321,000
California	1,018,000	622,000	949,000	614,000
Central and Eastern U.S.	483,000	394,000	478,000	413,000
	552,000	420,000	517,000	414,000
Unconsolidated Entities	487,000	478,000	501,000	509,000
Average selling price	\$ 549,000	\$ 422,000	\$ 516,000	\$ 417,000

NET NEW HOME ORDERS (UNITS)			
Canada	437	396	883
California	129	125	256
Central and Eastern U.S.	76	138	158
	642	659	1,297
Unconsolidated Entities	37	6	66
Total	679	665	1,363

SELECTED OPERATING INFORMATION – HOUSING (CONTINUED)

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

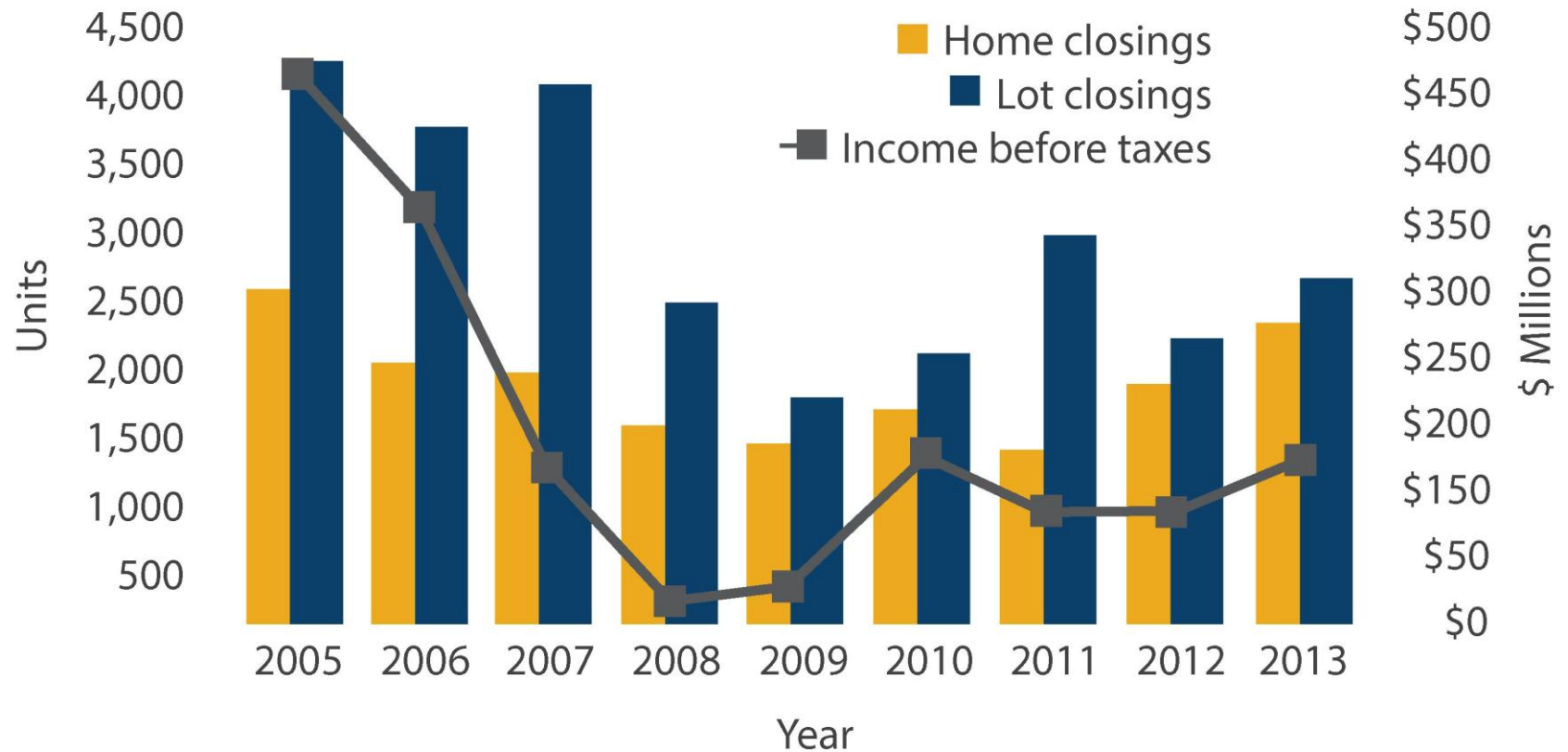
	AS AT JUNE 30	
ACTIVE HOUSING COMMUNITIES	2014	2013
Canada	20	17
California	19	11
Central and Eastern U.S.	14	11
	53	39
Unconsolidated Entities	3	2
Total	56	41

	AS AT JUNE 30			
BACKLOG AT END OF PERIOD	2014		2013	
	Units	Value	Units	Value
Canada	1,083	\$ 446	950	\$ 367
California	186	216	206	137
Central and Eastern U.S.	149	80	222	105
	1,418	742	1,378	609
Unconsolidated Entities	54	21	20	10
Total	1,472	\$ 763	1,398	\$ 619

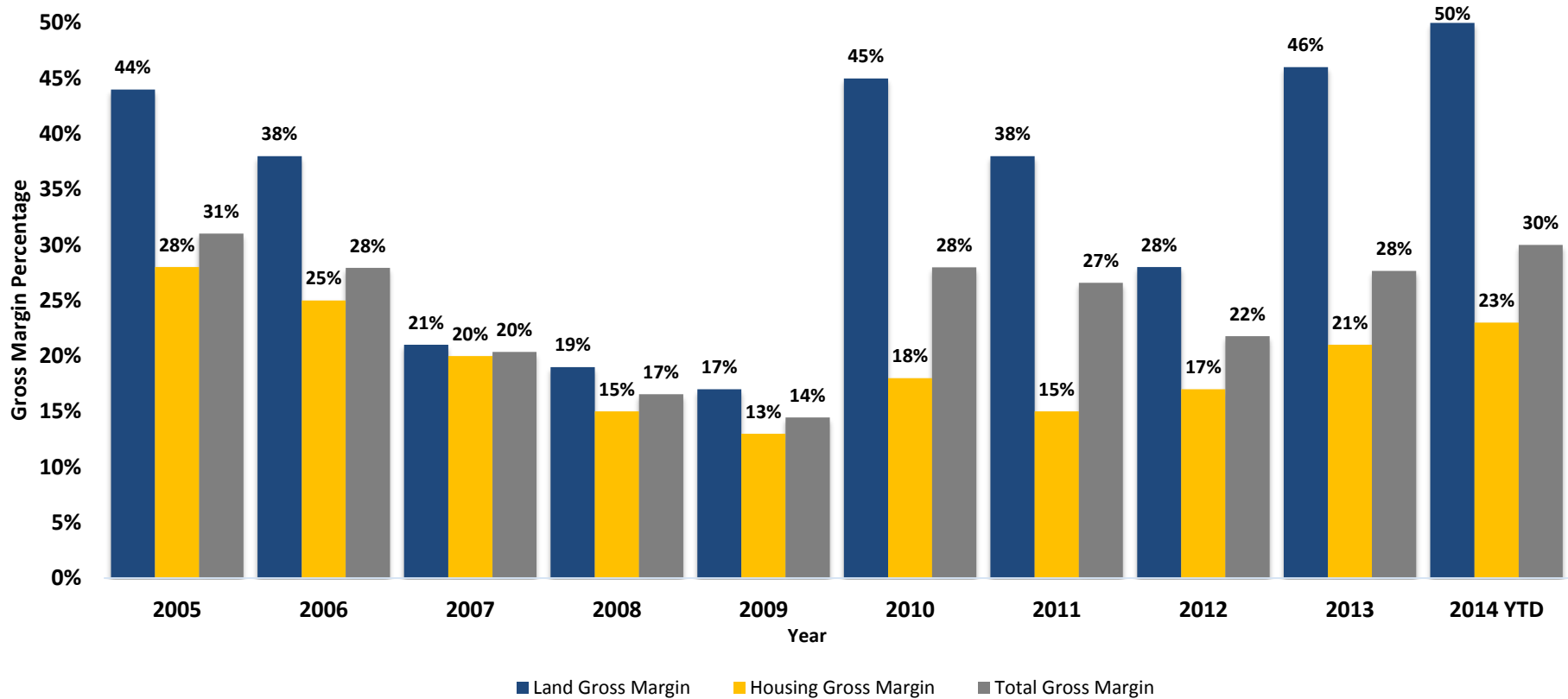
SELECTED OPERATING INFORMATION – GROSS MARGIN

	THREE MONTHS ENDED JUNE 30				SIX MONTHS ENDED JUNE 30			
	2014		2013		2014		2013	
	\$	%	\$	%	\$	%	\$	%
<i>(millions, except percentages)</i>								
LAND GROSS MARGIN								
Canada	\$ 39	60%	\$ 41	41%	\$ 58	57%	\$ 69	47%
California	4	40%	-	-	4	40%	-	-
Central and Eastern U.S.	-	-	-	-	1	10%	-	-
Total	\$ 43	53%	\$ 41	39%	\$ 63	50%	\$ 69	44%
HOUSING GROSS MARGIN								
Canada	\$ 19	22%	\$ 16	20%	\$ 37	23%	\$ 29	20%
California	30	26%	16	18%	48	26%	24	18%
Central and Eastern U.S.	6	16%	4	17%	9	16%	6	17%
Total	\$ 55	23%	\$ 36	19%	\$ 94	23%	\$ 59	19%
TOTAL GROSS MARGIN								
Canada	\$ 58	39%	\$ 57	31%	\$ 95	36%	\$ 98	34%
California	34	27%	16	19%	52	26%	24	18%
Central and Eastern U.S.	6	14%	4	14%	10	14%	6	13%
Total	\$ 98	31%	\$ 77	26%	\$ 157	30%	\$ 128	27%

CONSISTENT PROFITABILITY



HISTORICAL GROSS MARGIN



HISTORICAL PROFORMA FINANCIAL INFORMATION

BROOKFIELD RESIDENTIAL PROPERTIES

(millions, except unit activity)

	YEAR ENDED DECEMBER 31								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
Home Closings (units)	2,216	1,808	1,295	1,600	1,347	1,490	1,875	1,977	2,529
Lot Closings (single family units)	2,402	2,142	2,912	2,017	1,682	2,422	4,050	3,716	4,243
Acre Closings	247	543	94	68	412	342	85	63	44
Revenue									
Land	\$ 373	\$ 622	\$ 524	\$ 355	\$ 263	\$ 389	\$ 420	\$ 318	\$ 284
Housing	983	718	484	599	491	638	837	957	1,251
Total Revenues	1,356	1,340	1,008	954	754	1,027	1,257	1,275	1,535
Direct cost of sales	(981)	(1,048)	(740)	(687)	(604)	(739)	(913)	(909)	(1,059)
Impairment of land inventory	-	-	-	-	(41)	(118)	(88)	(10)	-
Gross margin	375	292	268	267	109	170	256	356	476
Selling, general and administrative	(170)	(128)	(101)	(99)	(79)	(106)	(106)	(83)	(107)
Equity in earnings of unconsolidated entities	9	10	4	-	3	4	15	61	66
Impairment of unconsolidated entities	-	-	-	-	(13)	(38)	(15)	-	-
Other income / (expense)	(42)	(45)	(41)	21	16	(10)	4	18	26
Income before income taxes	\$ 172	\$ 129	\$ 130	\$ 189	\$ 36	\$ 20	\$ 154	\$ 352	\$ 461

* 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.

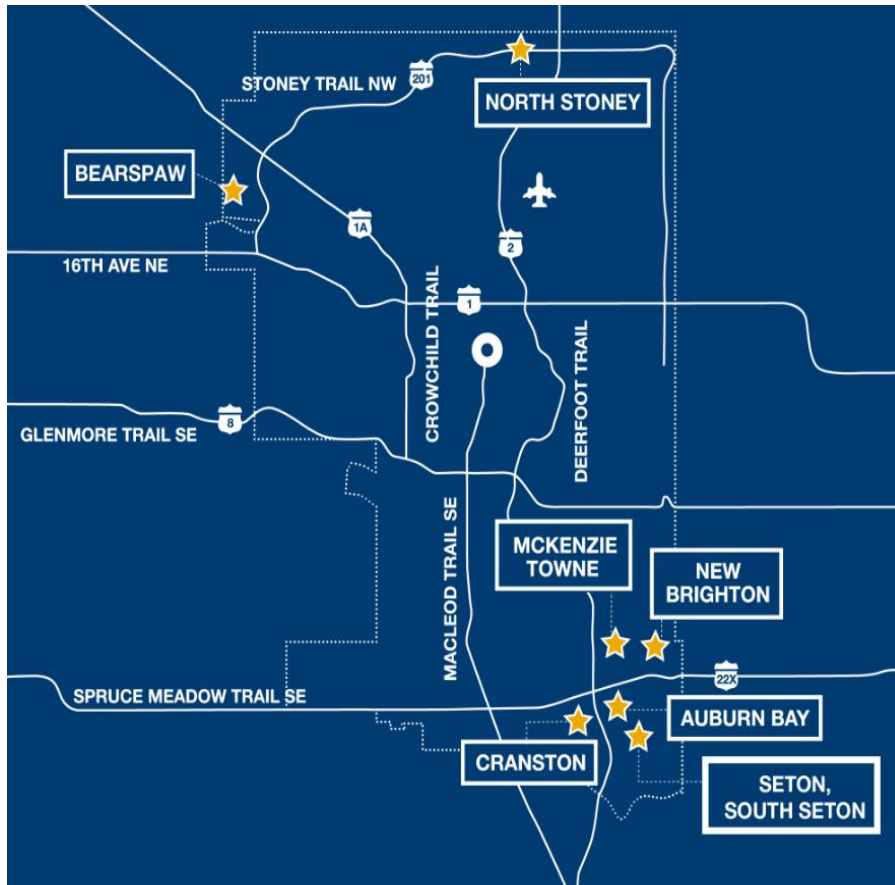
HISTORICAL PROFORMA FINANCIAL INFORMATION

(millions, except unit activity)	YEAR ENDED DECEMBER 31				
	2009	2008	2007	2006	2005
<u>BPO RESIDENTIAL</u>					
Home Closings (units)	648	745	1,050	818	947
Lot Closings (single family units)	1,213	1,806	2,722	2,882	3,001
Acre Closings	412	342	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
Income before income taxes	\$ 89	\$ 224	\$ 217	\$ 99	\$ 70
<u>BROOKFIELD HOMES CORPORATION</u>					
Home Closings (units)	699	745	825	1,159	1,582
Lot Closings (single family units)	469	616	1,328	834	1,242
Acre Closings	-	-	-	-	-
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
Income / (Loss) before income taxes	\$ (53)	\$ (204)	\$ (63)	\$ 253	\$ 391

OUR MARKETS

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.

CALGARY, ALBERTA

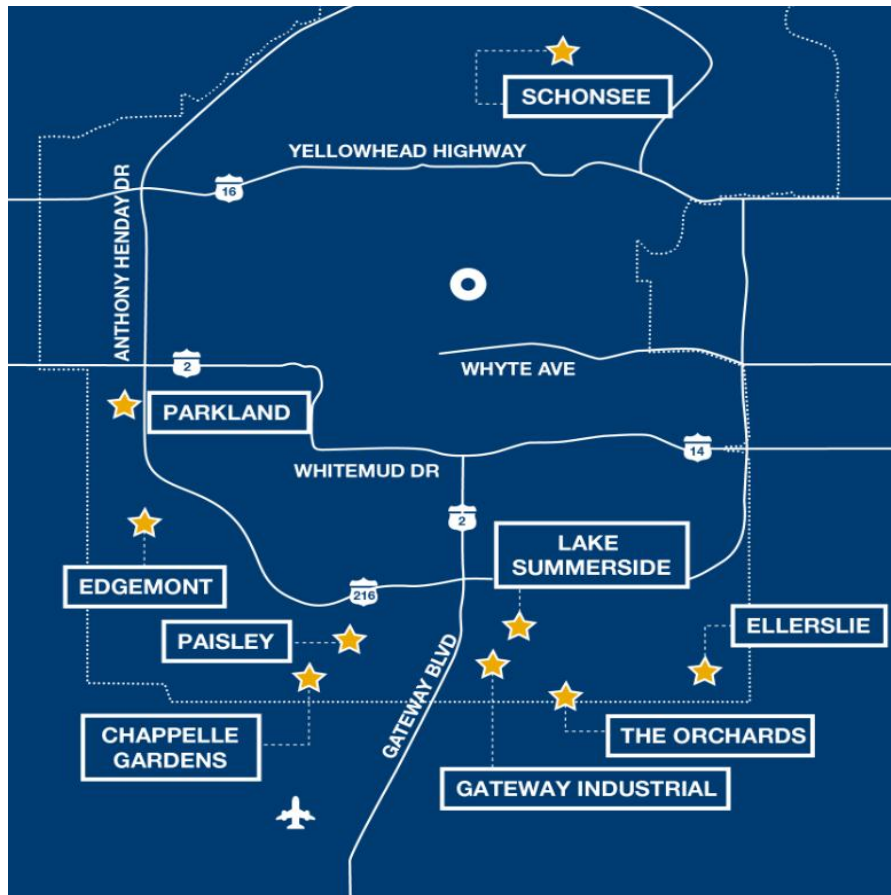


27,903 LOTS
62 ACRES (MULTI-FAMILY,
INDUSTRIAL AND
COMMERCIAL PARCELS)

- 4,674 entitled
- 23,229 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Auburn Bay	1,093	1,093	–	8
Bearspaw	1,295	–	1,295	–
Cranston	1,847	1,847	–	–
McKenzie Towne	53	53	–	–
New Brighton	204	204	–	–
North Stoney	12,926	–	12,926	–
Seton	932	932	–	47
South Seton	6,395	–	6,395	–
Other	3,158	545	2,613	7

EDMONTON, ALBERTA



16,078 LOTS
58 ACRES (MULTI-FAMILY,
INDUSTRIAL AND
COMMERCIAL PARCELS)

- 9,066 entitled
- 7,012 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Chappelle Gardens	2,339	2,339	–	18
Edgemont	1,480	1,480	–	3
Ellerslie	7,012	–	7,012	–
Gateway Industrial	134	134	–	22
Lake Summerside	870	870	–	3
Orchards	2,603	2,603	–	–
Paisley	905	905	–	–
Parkland	108	108	–	–
Schonsee	178	178	–	–
Other	449	449	–	12

ONTARIO



10,497 LOTS

3 ACRES (MULTI-FAMILY,
INDUSTRIAL AND
COMMERCIAL PARCELS)

- 1,927 entitled
- 8,570 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Grand Central	131	131	–	–
Fieldstone	140	105	35	–
Pathways	41	41	–	3
Peterborough	7,768	–	7,768	–
The Arbors	504	504	–	–
The Village	96	96	–	–
Treetops	90	90	–	–
Willow Glen	494	494	–	–
Other	1,233	466	767	–

NORTHERN CALIFORNIA



8,919 LOTS

- 2,769 entitled
- 6,150 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Belcourt	22	22	–
Brookside	40	40	–
Emerson Ranch	567	567	–
Mariposa (Capri, Trio, Windwood)	224	224	–
Parklane	851	401	450
Natomas, Sunset	5,700	–	5,700
University Park	1,454	1,454	–
Windrift	61	61	–

SOUTHERN CALIFORNIA



12,522 LOTS

- 6,821 entitled
- 5,701 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Audie Murphy	1,535	1,535	–
Brookfield Sentinels at Del Sur	33	33	–
Colony Park (Casita, Cortile)	45	45	–
Descano at Del Sur	39	39	–
Edenglen	165	165	–
Five Knolls	499	499	–
La Cresta at Woodbury	25	25	–
Lake Forest	147	147	–
La Vita at Orchard Hills	72	72	–
Liberty at Morningstar Ranch	279	279	–
New Model Colony	2,762	–	2,762
Palo Verde at the Foothills	88	88	–
Playa Vista (Camden, Trevion)	488	488	–
Rosedale	96	96	–
Seaside Ridge	5	5	–
Spencer's Crossing	1,037	1,037	–
The Domain	20	20	–
Other	5,187	2,248	2,939

DENVER, COLORADO



9,784 LOTS

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

- 9,784 entitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Barefoot Lakes	4,053	4,053	–	–
Brighton Crossing	2,376	2,376	–	10
Midtown	476	476	–	–
Solterra	471	471	–	–
Tallyn's Reach	46	46	–	–
Other	2,362	2,362	–	–

AUSTIN, TEXAS

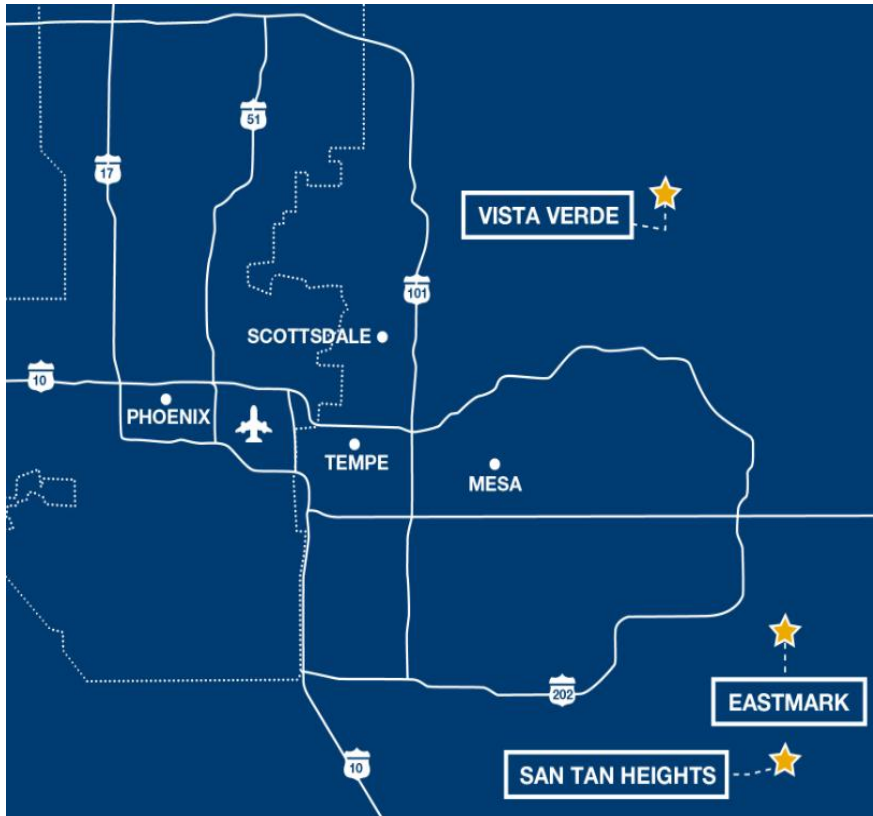


13,287 LOTS

- 5,776 entitled
- 7,511 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Addison	641	641	–
Blanco Vista	1,477	1,477	–
Easton Park	5,298	–	5,298
Easton South	2,213	–	2,213
Paso Robles	3,658	3,658	–

PHOENIX, ARIZONA



5,246 LOTS

103 ACRES (MULTI-FAMILY,
INDUSTRIAL AND
COMMERCIAL PARCELS)

- 4,960 entitled
- 286 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Eastmark	3,947	3,947	—	103
San Tan Heights	690	404	286	—
Vista Verde	609	609	—	—

WASHINGTON, D.C. AREA



4,447 LOTS

18 ACRES (MULTI-FAMILY,
INDUSTRIAL AND
COMMERCIAL PARCELS)

- 4,410 entitled
- 37 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Avendale	266	266	—	—
Brookside	4	4	—	—
Easton Village	1	1	—	—
Embrey Mill	14	14	—	—
Heritage Shores	1,398	1,398	—	—
Preserve at Goose Creek	156	156	—	—
Saranac at Lake Manassas	16	16	—	—
Snowden Bridge	988	988	—	—
Swan Point	765	765	—	—
Waterford Manor	32	32	—	—
Wilson's Grove	182	182	—	—
Woodstream	94	94	—	—
Other	531	494	37	18

BROOKFIELD RESIDENTIAL – SHARE INFORMATION

BROOKFIELD RESIDENTIAL TRADING STATISTICS - NEW YORK STOCK EXCHANGE		FOR THE THREE MONTHS ENDED				
<i>Source: NYSE</i>		30-JUN-14	31-MAR-14	31-DEC-13	30-SEP-13	30-JUN-13
Share Price						
High	\$	21.61	\$ 24.36	\$ 24.50	\$ 24.34	\$ 26.10
Low	\$	19.25	\$ 20.00	\$ 19.29	\$ 18.99	\$ 20.00
Close	\$	20.75	\$ 20.97	\$ 24.19	\$ 23.02	\$ 22.06
Total Volume		8,051,580	7,385,248	8,335,066	11,012,504	16,737,738

BROOKFIELD RESIDENTIAL TRADING STATISTICS - TORONTO STOCK EXCHANGE		FOR THE THREE MONTHS ENDED				
<i>Source: TSX</i>		30-JUN-14	31-MAR-14	31-DEC-13	30-SEP-13	30-JUN-13
Share Price						
High	\$	23.64	\$ 26.00	\$ 26.06	\$ 24.74	\$ 26.23
Low	\$	20.74	\$ 22.17	\$ 20.22	\$ 19.63	\$ 21.16
Close	\$	22.30	\$ 23.21	\$ 25.72	\$ 23.85	\$ 23.35
Total Volume		371,626	555,053	773,965	929,254	1,703,446

COMMON SHARES ISSUED		AS AT				
		30-JUN-14	31-MAR-14	31-DEC-13	30-SEP-13	30-JUN-13
Common shares issued		118,491,917	119,032,693	119,026,076	119,026,076	118,825,803
Unexercised options		4,537,112	4,357,112	3,720,988	3,720,988	3,920,988
Total common shares issued		123,029,029	123,389,805	122,747,064	122,747,064	122,746,791

CONVERTIBLE PREFERRED SHARES ISSUED AND OUTSTANDING		AS AT				
		30-JUN-14	31-MAR-14	31-DEC-13	30-SEP-13	30-JUN-13
Convertible preferred shares outstanding		61,638	61,638	64,061	64,061	64,161
Common share equivalent at a conversion rate of 2.731787607		168,382	168,382	175,001	175,001	175,274

BROOKFIELD RESIDENTIAL

ANNOUNCEMENT OF RESULTS

2014 quarterly results are expected to be announced as noted below:

Third Quarter: November 2014

Fourth Quarter: February 2015

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. Hard copies of the interim and annual reports can be obtained free of charge upon request.

For all Brookfield Residential investor inquiries, please call 1.855.235.8362 or email investor.relations@brookfieldrp.com.

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