Brookfield Residential

# Brookfield Residential Properties ULC

## Q3 2024 Interim Report

## Third Quarter 2024 Overview and Outlook

Brookfield Residential's results for the third quarter of 2024 saw a continuation of trends experienced in the first half of the year, with mixed operating results across our markets. Net new home orders declined 3% when compared to the previous year, as affordability concerns persisted where the markets of Ontario, Austin, Denver and the Washington D.C. area were most impacted. Mortgage rates have begun to ease following the Federal Reserve's recent rate cut as well as recent rate cuts in Canada, which will address affordability considerations and will lead to improved buyer sentiment. We continue to closely monitor conditions in both the U.S. and Canada and will continue to utilize incentives where possible to maintain sales pace. Our Alberta market continues to perform well, driven by provincial in-migration, immigration, and favorable energy markets.

For the three months ended September 30, 2024, income before income taxes was $47 million compared to $95 million for the same period in 2023. The decrease was driven by a decrease in land gross margin related to reduced lot closings, lower earnings from our unconsolidated joint ventures, and a slight decrease in home closings when compared to the prior year.

Operating and financial highlights for the three months ended September 30, 2024 include:

- 553 home closings for the period which generated a gross margin percentage of 21%, compared to 576 home closings with a gross margin of 21% for the same period in 2023.
- Net new home orders of 499, contributing to the total backlog of 1,256 units with a value of $749 million compared to 1,226 units with a value of $833 million in the prior year.
- 197 single family lot closings, a decrease of 52% over the prior year related to the timing of lot closings when compared to the prior year. Land gross margin percentage increased to 40%, compared to a gross margin percentage of 30% in the same period in the prior year.
- Completed the sale of two land assets and entered into land option agreements with Brookfield Wealth Solutions ("BWS"), formerly known as Brookfield Reinsurance, for total cash consideration of $53 million. Consistent with the transactions closed during the first and second quarters of 2024, these sales are considered a financing arrangement with the book value of the inventory remaining on our balance sheet and an associated financial liability set up for proceeds received. Five land assets have been sold to BWS this year for total cash consideration of $131 million.
- Net debt to capitalization ratio of 48% at September 30, 2024, reflecting the impact of the typical seasonality for our borrowings on our credit facility (drawn at $539 million), cash of $78 million, and the dividends paid to Brookfield Corporation ($200 million year to date).
- The Company finalized the amendment and extension of its unsecured revolving credit facility. The North American unsecured revolving credit facility remained at $675 million and was extended through August 2028 at substantially the same terms and conditions.

As we enter the fourth quarter, we remain on track to meet our limited guidance previously provided for 2024. For our U.S. operations, we expect to close approximately 1,370 homes and 1,465 lots, excluding our share of unconsolidated entities. For our Canadian markets, we expect to close approximately 1,095 homes and 530 lots. We also project a number of multi-family, commercial and industrial parcel sales in both countries, including a large opportunistic acre parcel sale in California that continues to be monitored for closing in late 2024.

*Corporate Update*

During the quarter, the Company had several changes to its Board of Directors. Mr. Alan Norris tendered his resignation as Director and Executive Chairman of the Company and Mr. Erson Olivan tendered his resignation as Director of the Company. The Company wishes to thank Mr. Norris and Mr. Olivan for their service.

Mr. Nicholas Goodman, President and Chief Financial Officer of Brookfield Corporation was appointed as a Director of the Company and Mr. Alan Norris was appointed as Chair Emeritus (non-voting). The Board of Directors of the Company as the date hereof consists of: Brian Kingston, Nicholas Goodman, Adrian Foley and Robert L. Stelzl.

# BROOKFIELD RESIDENTIAL PROPERTIES ULC



**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS**



**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This interim report, incorporated herein by reference, contains “forward-looking statements” within the meaning of applicable Canadian securities laws and United States ("U.S.") federal securities laws. Forward-looking statements can be identified by the words “may,” “believe,” “will,” “anticipate,” “expect,” “plan,” “intend,” “estimate,” “project,” “future,” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters. Such statements are neither historical facts nor assurances of future performance. Instead, they reflect management’s current beliefs and are based on information currently available to management as of the date on which they are made. The forward-looking statements in this interim report may include, among others, statements with respect to:

- the current business environment and outlook; economic and market conditions in the U.S. and Canadian housing markets and our ability to respond to such conditions; the impact of actual or potential interest rate changes in the U.S. and Canada and the resulting impact on consumer confidence and the housing market; the effect of inflation; changes in consumer behavior and preferences; current trends in home prices in our various markets and affordability levels generally; the impact of mortgage and financing rules on borrowers; the effect of seasonality on the homebuilding business; the impacts of the results of the 2024 US federal election; home prices and affordability in our communities, home closings resulting therefrom, and the timing thereof; international trade factors, including changes in trade policy, such as trade sanctions and increased tariffs; volatility in the global price of commodities, including the price of oil and lumber; unexpected cost increases that could impact our margins; disruptions in the global supply chain adversely impacting product availability and causing delays; the economic and regulatory uncertainty surrounding the energy industry and the impact thereof on demand in our markets including future investment, particularly in Alberta; our relationship with operational jurisdictions and key stakeholders; our costs to complete related to our letters of credit and performance bonds; expected project completion times; our ability to realize our deferred tax assets; recovery in the housing market and the pace thereof; reduction in our debt levels and the timing thereof; our expected unit and lot sales and the timing thereof; our expected transfer of additional land assets to BWS; expectations for 2024 and beyond;
- possible or assumed future results, including our outlook and any updates thereto, how we intend to use and the availability of additional cash flow, the operative cycle of our business and expected timing of income and expected performance and features of our projects, the continued strategic expansion of our business operations, our assumptions regarding normalized sales, our projections regarding revenue and housing inventory, the impact of acquisitions on our operations in certain markets;
- factors affecting our competitive position within the homebuilding industry;
- the ability to create value in our land development business and meet our development plans;
- expected inventory backlog and closings and the timing thereof;
- the expected closing of transactions generally;
- the expected exercise of options contracts and lease options;
- the effect on our business of business acquisitions;
- business goals, strategy and growth plans;
- the effect of challenging conditions on us;
- the ability to generate sufficient cash flow from our assets to repay maturing bank indebtedness, obligations under our bond indentures, project specific financings and to otherwise take advantage of new opportunities;
- the ability to meet our covenants and re-pay interest payments on our unsecured senior notes and the requirement to make payments under our construction guarantees;
- the sufficiency of our access to and the sources of our capital resources;
- the impact of foreign exchange rates on our financial performance and market opportunities;
- the impact of credit rating agencies' rating on our business;
- the timing of the effect of interest rate changes on our cash flows;
- the effect of debt and leverage on our business and financial condition;
- the visibility of our future cash flow;
- social and environmental conditions, policies and risks;
- governmental policies and risks;
- cyber-security and privacy related risks;
- health and safety risks;
- the effect on our business of existing lawsuits; and
- damage to our reputation from negative publicity.

Although management of Brookfield Residential believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this interim report are based upon reasonable assumptions and expectations, readers of this interim report should not place undue reliance on such forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of Brookfield Residential to differ materially from anticipated future results, performance, or achievements expressed or implied by such forward-looking statements and information.

Various factors, in addition to those discussed elsewhere in this interim report, that could affect the future results of Brookfield Residential and could cause actual results, performance, or achievements to differ materially from those expressed in the forward-looking statements and information include, but are not limited to, those factors included under the sections entitled “Cautionary Statements Regarding Forward-Looking Statements” and “Business Environment and Risks” of the Annual Report for the fiscal year ended December 31, 2023.

The forward-looking statements and information contained in this interim report are expressly qualified by this cautionary statement. Brookfield Residential undertakes no obligation to publicly update or revise any forward-looking statements, whether written or oral, or information contained in this interim report, whether as a result of new information, future events or otherwise, except as required by law. However, any further disclosures made on related subjects in subsequent public disclosure should be consulted.

# MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

## ABOUT THIS MANAGEMENT’S DISCUSSION AND ANALYSIS

This management’s discussion and analysis ("MD&A") relates to the period ended September 30, 2024 and has been prepared with an effective date of October 30, 2024. It should be read in conjunction with the condensed consolidated financial statements and the related notes thereto included elsewhere in this interim report. All dollar amounts discussed herein are in U.S. dollars, unless otherwise stated. Amounts in Canadian dollars are identified as “C$.” The condensed consolidated financial statements referenced herein have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

This MD&A includes references to gross margin percentage which is not specified, defined, or determined under U.S. GAAP and is therefore considered a non-GAAP financial measure. This non-GAAP financial measure is unlikely to be comparable to similar financial measures presented by other issuers. For a full description of this non-GAAP financial measure, please refer to “Non-GAAP Financial Measures" in this MD&A.

## OVERVIEW

Brookfield Residential Properties ULC (unless the context requires otherwise, references in this interim report to “we,” “our,” “us,” the “Company” and “Brookfield Residential” refer to Brookfield Residential Properties ULC and the subsidiaries through which it conducts all of its homebuilding and land development operations) is a wholly-owned subsidiary of Brookfield Corporation and has been in operation for over 60 years. We are the flagship North American residential property company of Brookfield Corporation, (NYSE:BN; TSX:BN), a global alternative asset manager.

Brookfield Residential is a leading North American homebuilder and land developer with operations in Canada and the United States. We entitle and develop land to create master-planned communities to create shared value for our stakeholders through a balanced mix of revenue-generating consumer and commercial deliverables. We build and sell lots to third-party builders, conduct our own homebuilding operations and, in select developments, establish commercial areas. We also participate in select strategic real estate opportunities, including infill projects, mixed-use developments, infrastructure projects and joint ventures.

Our disciplined land entitlement process, synergistic operations and capital flexibility allow us to pursue land investment, traditional homebuilding and mixed-use development in typically supply-constrained markets where we have strategically invested. Canada, Pacific U.S. and Central and Eastern U.S. are the three operating segments related to our land and housing operations that we focus on. Our Canadian operations are primarily in Calgary, Edmonton and Greater Toronto Area markets. Our Pacific U.S. operations include Arizona, Greater Los Angeles Area, Portland, Sacramento, San Diego, San Francisco Bay-Area, Seattle-Tacoma and Hawaii (Honolulu Mixed-Use). Our Central and Eastern U.S. operations include Atlanta, Austin, Charleston, Dallas, Denver, Houston, Lakeland, Raleigh-Durham, Tampa and Washington D.C. Area.

By targeting these markets that have strong underlying economic fundamentals we believe that over the longer term they offer robust, diversified housing demand, barriers to entry for competitors and close proximity to areas where employment growth is expected.

Brookfield Residential invests in markets for the long term, building new communities and homes where people want to live today and in the future. Our developments are places of character and value. We create a plan for each development - a blueprint that guides the land development process from start to finish. This tailored approach results in a community with attributes that make it unique - attributes that make our communities the best places to call home. It is what drives us to commit the resources needed to make a positive, lasting social impact in all of the communities in which we build.

### *Brookfield Residential Properties Portfolio*

Our assets consist primarily of land and housing inventory and investments in unconsolidated entities. Our total assets as at September 30, 2024 were $5.6 billion.

As of September 30, 2024, we controlled 72,493 single family lots (serviced lots and future lot equivalents) and 94 multi-family, industrial and commercial serviced parcel acres. Controlled lots and acres include those we directly own and our share of those owned by unconsolidated entities. Our controlled lots and acres provide a strong foundation for our future lot and acre sales and homebuilding business, as well as visibility on our future cash flow. The number of building lots and acre parcels in each of our primary markets as of September 30, 2024 is as follows:

| | Single Family Housing & Land Under and Held for Development[(1)] | | | | | | | Multi-Family, Industrial & Commercial Parcels Under Development | |
|---|---|---|---|---|---|---|---|---|---|
| | Housing & Land | | Unconsolidated Entities | Total Lots | | Status of Lots 9/30/2024 | | Total Acres | |
| | **Owned** | **Options** | **Owned** | **9/30/2024** | **12/31/2023** | **Entitled** | **Unentitled** | **9/30/2024** | **12/31/2023** |
| Calgary | 9,084 | — | 2,525 | 11,609 | 12,570 | 8,262 | 3,347 | 61 | 55 |
| Edmonton | 8,979 | — | 194 | 9,173 | 9,255 | 3,861 | 5,312 | 13 | 5 |
| Ontario | 9,839 | — | 1,807 | 11,646 | 11,490 | 5,042 | 6,604 | 2 | 6 |
| **Canada** | 27,902 | — | 4,526 | 32,428 | 33,315 | 17,165 | 15,263 | 76 | 66 |
| Northern California | 2,914 | 11,042 | 243 | 14,199 | 13,996 | 2,109 | 12,090 | — | 8 |
| Southern California | 1,868 | — | 463 | 2,331 | 2,758 | 1,056 | 1,275 | — | — |
| Arizona | 3,187 | — | — | 3,187 | 3,504 | 3,187 | — | — | — |
| Other | — | — | 991 | 991 | 1,066 | 991 | — | — | 1 |
| **Pacific U.S.** | 7,969 | 11,042 | 1,697 | 20,708 | 21,324 | 7,343 | 13,365 | — | 9 |
| Denver | 5,431 | — | — | 5,431 | 5,499 | 5,431 | — | 10 | 10 |
| Texas | 9,055 | — | 544 | 9,599 | 9,342 | 9,251 | 348 | 4 | — |
| Washington DC | 1,922 | 542 | 637 | 3,101 | 3,218 | 3,064 | 37 | — | — |
| Carolinas | 67 | — | 452 | 519 | 167 | 519 | — | — | — |
| Other | — | — | 707 | 707 | 971 | 707 | — | 4 | — |
| **Central and Eastern U.S.** | 16,475 | 542 | 2,340 | 19,357 | 19,197 | 18,972 | 385 | 18 | 10 |
| **Total** | 52,346 | 11,584 | 8,563 | 72,493 | 73,836 | 43,480 | 29,013 | 94 | 85 |
| Entitled lots | 35,016 | 542 | 7,922 | 43,480 | 45,115 | | | | |
| Unentitled lots | 17,330 | 11,042 | 641 | 29,013 | 28,721 | | | | |
| **Total September 30, 2024** | 52,346 | 11,584 | 8,563 | 72,493 | | | | | |
| **Total December 31, 2023** | 53,930 | 11,610 | 8,296 | | 73,836 | | | | |

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

## RESULTS OF OPERATIONS

Key financial results and operating data for the three and nine months ended September 30, 2024 compared to the three and nine months ended September 30, 2023 were as follows:

| *(US$ millions, except percentages, unit activity, average selling price, and per share amounts)* | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Key Financial Results** | | | | |
| Housing revenue | $ 325 | $ 382 | $ 927 | $ 1,088 |
| Land revenue | 30 | 69 | 216 | 170 |
| Total revenue | 354 | 452 | 1,143 | 1,258 |
| Housing gross margin ($) | 69 | 82 | 193 | 211 |
| Housing gross margin (%) | 21% | 21% | 21% | 19% |
| Land gross margin ($) | 12 | 21 | 73 | 50 |
| Land gross margin (%) | 40% | 30% | 34% | 29% |
| Total gross margin ($) | 81 | 103 | 267 | 260 |
| Total gross margin (%) | 23% | 23% | 23% | 21% |
| Selling, general and administrative expense | (65) | (61) | (186) | (181) |
| Earnings from unconsolidated entities | 13 | 38 | 39 | 51 |
| Income before income taxes | 47 | 95 | 177 | 147 |
| Income tax expense | — | (17) | (13) | (35) |
| Consolidated net income | 46 | 78 | 164 | 112 |
| Net income attributable to Brookfield Residential | 32 | 67 | 117 | 103 |
| Basic and Diluted Earnings per share | $ 0.16 | $ 0.33 | $ 0.58 | $ 0.51 |
| **Key Operating Data** | | | | |
| Home closings for Brookfield Residential (units) | 553 | 576 | 1,531 | 1,706 |
| Average home selling price for Brookfield Residential (per unit) | $ 588,000 | $ 664,000 | $ 606,000 | $ 638,000 |
| Net new home orders for Brookfield Residential (units) | 499 | 514 | 1,746 | 1,806 |
| Backlog for Brookfield Residential (units) | 1,256 | 1,226 | 1,256 | 1,226 |
| Backlog value for Brookfield Residential | $ 749 | $ 833 | $ 749 | $ 833 |
| Active housing communities for Brookfield Residential | 77 | 73 | 77 | 73 |
| Lot closings for Brookfield Residential (single family units) | 197 | 407 | 1,109 | 1,065 |
| Lot closings for unconsolidated entities (single family units) | 195 | 152 | 393 | 313 |
| Acre closings for Brookfield Residential (multi-family, industrial and commercial) | — | 9 | 40 | 16 |
| Acre closings for unconsolidated entities (multi-family, industrial and commercial) | 1 | 12 | 7 | 13 |
| Acre closings for Brookfield Residential (raw and partially finished) | — | — | 9 | — |
| Acre closings for unconsolidated entities (raw and partially finished) | 1 | — | 2 | 18 |
| Average lot selling price for Brookfield Residential (single family units) | $ 150,000 | $ 147,000 | $ 158,000 | $ 142,000 |
| Average lot selling price for unconsolidated entities (single family units) | $ 221,000 | $ 179,000 | $ 214,000 | $ 197,000 |
| Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial) | $ — | $1,050,000 | $1,014,000 | $1,165,000 |
| Average per acre selling price for unconsolidated entities (multi-family, industrial and commercial) | $ 377,000 | $4,835,000 | $1,426,000 | $4,304,000 |
| Average per acre selling price for Brookfield Residential (raw and partially finished) | $ — | $ — | $ 234,000 | $ — |
| Average per acre selling price for unconsolidated entities (raw and partially finished) | $ 15,000 | $ — | $ 123,000 | $ 453,000 |
| Active land communities for Brookfield Residential | 19 | 20 | 19 | 20 |
| Active land communities for unconsolidated entities | 23 | 16 | 23 | 16 |

### Segmented Information

We operate in three operating segments within North America related to our land and housing operations: Canada, Pacific U.S., and Central and Eastern U.S. Each of the Company's segments specializes in land entitlement and development and the construction of single family and multi-family homes. The Company evaluates performance and allocates capital based primarily on return on assets together with a number of risk factors. The following table summarizes information relating to revenues, gross margin and assets by operating segment for the three and nine months ended September 30, 2024 and 2023.

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(US$ millions, except unit activity and average selling price)* | **2024** | **2023** | **2024** | **2023** |
| Housing revenue | | | | |
| Canada | $ 130 | $ 88 | $ 313 | $ 267 |
| Pacific U.S. | 95 | 169 | 337 | 394 |
| Central and Eastern U.S. | 100 | 125 | 277 | 427 |
| Total | $ 325 | $ 382 | $ 927 | $ 1,088 |
| Housing gross margin | | | | |
| Canada | $ 24 | $ 20 | $ 55 | $ 51 |
| Pacific U.S. | 29 | 40 | 96 | 82 |
| Central and Eastern U.S. | 16 | 22 | 43 | 78 |
| Total | $ 69 | $ 82 | $ 193 | $ 211 |
| Home closings (units) | | | | |
| Canada | 263 | 193 | 677 | 609 |
| Pacific U.S. | 100 | 172 | 334 | 391 |
| Central and Eastern U.S. | 190 | 211 | 520 | 706 |
| Total | 553 | 576 | 1,531 | 1,706 |
| Average home selling price | | | | |
| Canada | $ 493,000 | $ 454,000 | $ 462,000 | $ 439,000 |
| Pacific U.S. | 947,000 | 984,000 | 1,008,000 | 1,008,000 |
| Central and Eastern U.S. | 529,000 | 595,000 | 534,000 | 604,000 |
| Average | $ 588,000 | $ 664,000 | $ 606,000 | $ 638,000 |

| | As at September 30 | |
|---|---|---|
| | **2024** | **2023** |
| Active housing communities | | |
| Canada | 38 | 36 |
| Pacific U.S. | 12 | 11 |
| Central and Eastern U.S. | 27 | 26 |
| Total | 77 | 73 |

| (US$ millions, except unit activity and average selling price) | Three Months Ended September 30 2024 | Three Months Ended September 30 2023 | Nine Months Ended September 30 2024 | Nine Months Ended September 30 2023 |
|---|---|---|---|---|
| Land revenue | | | | |
| Canada | $ 19 | $ 17 | $ 74 | $ 80 |
| Pacific U.S. | 5 | 24 | 130 | 59 |
| Central and Eastern U.S. | 5 | 28 | 13 | 31 |
| | 30 | 69 | 216 | 170 |
| Unconsolidated entities | 43 | 83 | 94 | 126 |
| Total | $ 73 | $ 152 | $ 310 | $ 296 |
| Land gross margin | | | | |
| Canada | $ 6 | $ 5 | $ 30 | $ 26 |
| Pacific U.S. | 4 | 5 | 37 | 13 |
| Central and Eastern U.S. | 2 | 11 | 6 | 11 |
| | 12 | 21 | 73 | 50 |
| Unconsolidated entities | 11 | 42 | 33 | 53 |
| Total | $ 23 | $ 63 | $ 106 | $ 103 |
| Lot closings (single family units) | | | | |
| Canada | 147 | 62 | 443 | 504 |
| Pacific U.S. | 19 | 133 | 591 | 348 |
| Central and Eastern U.S. | 31 | 212 | 75 | 213 |
| | 197 | 407 | 1,109 | 1,065 |
| Unconsolidated entities | 195 | 152 | 393 | 313 |
| Total | 392 | 559 | 1,502 | 1,378 |
| Acre closings (multi-family, industrial and commercial) | | | | |
| Canada | — | 9 | 16 | 16 |
| Pacific U.S. | — | — | 24 | — |
| Central and Eastern U.S. | — | — | — | — |
| | — | 9 | 40 | 16 |
| Unconsolidated entities | 1 | 12 | 7 | 13 |
| Total | 1 | 21 | 47 | 29 |
| Acre closings (raw and partially finished) | | | | |
| Canada | — | — | 9 | — |
| Pacific U.S. | — | — | — | — |
| Central and Eastern U.S. | — | — | — | — |
| | — | — | 9 | — |
| Unconsolidated entities | 1 | — | 2 | 18 |
| Total | 1 | — | 11 | 18 |
| Average lot selling price (single family units) | | | | |
| Canada | $ 132,000 | $ 123,000 | $ 129,000 | $ 123,000 |
| Pacific U.S. | 261,000 | 184,000 | 180,000 | 170,000 |
| Central and Eastern U.S. | 168,000 | 131,000 | 161,000 | 143,000 |
| | 150,000 | 147,000 | 158,000 | 142,000 |
| Unconsolidated entities | 221,000 | 179,000 | 214,000 | 197,000 |
| Average | $ 185,000 | $ 156,000 | $ 173,000 | $ 155,000 |
| Average per acre selling price (multi-family, industrial and commercial) | | | | |
| Canada | $ — | $ 1,050,000 | $ 1,070,000 | $ 1,165,000 |
| Pacific U.S. | — | — | 976,000 | — |
| Central and Eastern U.S. | — | — | — | — |
| | — | 1,050,000 | 1,014,000 | 1,165,000 |
| Unconsolidated entities | 377,000 | 4,835,000 | 1,426,000 | 4,304,000 |
| Average | $ 377,000 | $ 3,185,000 | $ 1,075,000 | $ 2,601,000 |

| (US$ millions, except unit activity and average selling price) | Three Months Ended September 30 2024 | Three Months Ended September 30 2023 | Nine Months Ended September 30 2024 | Nine Months Ended September 30 2023 |
|---|---|---|---|---|
| Average per acre selling price (raw and partially finished) | | | | |
| Canada | $ — | $ — | $ 234,000 | $ — |
| Pacific U.S. | — | — | — | — |
| Central and Eastern U.S. | — | — | — | — |
| | — | — | 234,000 | — |
| Unconsolidated entities | 15,000 | — | 123,000 | 453,000 |
| Average | $ 15,000 | $ — | $ 212,000 | $ 453,000 |

| | As at September 30 2024 | As at September 30 2023 |
|---|---|---|
| Active land communities | | |
| Canada | 6 | 7 |
| Pacific U.S. | 7 | 7 |
| Central and Eastern U.S. | 6 | 6 |
| | 19 | 20 |
| Unconsolidated entities | 23 | 16 |
| Total | 42 | 36 |

| (US$ millions) | As at September 30 2024 | As at December 31 2023 |
|---|---|---|
| Total assets | | |
| Canada | $ 1,223 | $ 1,167 |
| Pacific U.S. | 1,572 | 1,463 |
| Central and Eastern U.S. | 1,440 | 1,314 |
| Corporate and other | 1,334 | 1,222 |
| Total | $ 5,569 | $ 5,166 |

For additional financial information with respect to our revenues, earnings and assets, please refer to the accompanying condensed consolidated financial statements and related notes included elsewhere in this interim report.

**Three and Nine Months Ended September 30, 2024 Compared with Three and Nine Months Ended September 30, 2023**

***Net Income***

Consolidated net income for the three and nine months ended September 30, 2024 and 2023 is as follows:

| (US$ millions, except per share amounts) | Three Months Ended September 30 2024 | Three Months Ended September 30 2023 | Nine Months Ended September 30 2024 | Nine Months Ended September 30 2023 |
|---|---|---|---|---|
| Consolidated net income | $ 46 | $ 78 | $ 164 | $ 112 |
| Net income attributable to Brookfield Residential | $ 32 | $ 67 | $ 117 | $ 103 |
| Basic earnings per share | $ 0.16 | $ 0.33 | $ 0.58 | $ 0.51 |
| Diluted earnings per share | $ 0.16 | $ 0.33 | $ 0.58 | $ 0.51 |

The decrease of $32 million in consolidated net income for the three months ended September 30, 2024 compared to the same period in 2023 was primarily the result of a decrease in overall gross margin of $22 million and a decrease in earnings from unconsolidated entities of $25 million partially offset by a decrease in income tax expense of $17 million. Other changes included an increase in selling, general and administrative expense of $4 million, an increase in other income of $1 million and a decrease in lease expense of $1 million.

The increase of $52 million in consolidated net income for the nine months ended September 30, 2024 compared to the same period in 2023 was primarily the result of an increase in overall gross margin of 7 million, an increase in other income of $33 million related to investment company assets and a decrease in income tax of $22 million partially offset by a decrease in earnings from unconsolidated entities of $12 million. Other changes included an increase in selling, general and administrative expense of $5 million, a decrease in interest expense of $6 million and a decrease in lease expense of $2 million.

***Results of Operations – Housing***

A breakdown of our results from housing operations for the three and nine months ended September 30, 2024 and 2023 is as follows:

*Consolidated*

| | **Three Months Ended September 30** | | **Nine Months Ended September 30** | |
|---|---|---|---|---|
| *(US$ millions, except unit activity, percentages and average selling price)* | **2024** | **2023** | **2024** | **2023** |
| Home closings | 553 | 576 | 1,531 | 1,706 |
| Revenue | $ 325 | $ 382 | $ 927 | $ 1,088 |
| Gross margin | $ 69 | $ 82 | $ 193 | $ 211 |
| Gross margin (%) | 21% | 21% | 21% | 19% |
| Average home selling price | $ 588,000 | $ 664,000 | $ 606,000 | $ 638,000 |

Housing revenue and gross margin were $325 million and $69 million, respectively, for the three months ended September 30, 2024, compared to $382 million and $82 million for the same period in 2023. The decrease in revenue was primarily due to 23 fewer home closings as well as a decrease in the average home selling price due to the geographic and product mix of homes closed. The decrease in gross margin when compared to the prior year was primarily the result of fewer home closings. Gross margin percentage remained consistent with the prior year.

Housing revenue and gross margin were $927 million and $193 million, respectively, for the nine months ended September 30, 2024, compared to $1,088 million and $211 million for the same period in 2023. The decrease in revenue and gross margin when compared to the prior year was primarily the result of 175 fewer home closings as well as a decline in the average home selling price. Gross margin percentage increased 2% when compared to the same period in 2023 primarily due to geographic and product mix of homes closed.

A breakdown of our results from housing operations by our land and housing operating segments is as follows:

*Canada*

| | **Three Months Ended September 30** | | **Nine Months Ended September 30** | |
|---|---|---|---|---|
| *(US$ millions, except unit activity, percentages and average selling price)* | **2024** | **2023** | **2024** | **2023** |
| Home closings | 263 | 193 | 677 | 609 |
| Revenue | $ 130 | $ 88 | $ 313 | $ 267 |
| Gross margin | $ 24 | $ 20 | $ 55 | $ 51 |
| Gross margin (%) | 18% | 23% | 18% | 19% |
| Average home selling price | $ 493,000 | $ 454,000 | $ 462,000 | $ 439,000 |
| Average home selling price (C$) | $ 673,000 | $ 609,000 | $ 629,000 | $ 590,000 |

Housing revenue in our Canadian segment for the three months ended September 30, 2024 increased by $42 million when compared to the same period in 2023, primarily due to 70 additional home closings and an increase in average selling prices. Gross margin increased $4 million for the three months ended September 30, 2024 when compared to the same period in 2023 primarily as the result of increased home closings. Gross margin percentage decreased 5% primarily as a result of the product mix of homes closed in all Canadian markets.

Housing revenue for the nine months ended September 30, 2024 increased by $46 million when compared to the same period in 2023, primarily due to 68 additional home closings and an increase in average selling prices. Gross margin increased $4 million when compared to the same period in 2024 due an increased volume of home closings. Gross margin percentage decreased 1% primarily as a result of the product mix of homes closed.

*Pacific U.S.*

| (US$ millions, except unit activity, percentages and average selling price) | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Home closings | 100 | 172 | 334 | 391 |
| Revenue | $ 95 | $ 169 | $ 337 | $ 394 |
| Gross margin | $ 29 | $ 40 | $ 96 | $ 82 |
| Gross margin (%) | 31% | 24% | 28% | 21% |
| Average home selling price | $ 947,000 | $ 984,000 | $1,008,000 | $1,008,000 |

Housing revenue in our Pacific U.S. segment for the three months ended September 30, 2024 decreased by $74 million when compared to the same period in 2023, primarily due to 72 fewer home closings primarily in our Southern California market, partially offset by an increase in closings in our Northern California market. Gross margin decreased by $11 million primarily as a result of the decreased volume of home closings. This was partially offset by a 7% increase in gross margin percentage related to the geographic and product mix of homes closed as well as price appreciation in our Southern California market.

Housing revenue for the nine months ended September 30, 2024 decreased by $57 million when compared to the same period in 2023, primarily due to 57 fewer home closings mostly related to our Southern California market, partially offset by increased closings in our Arizona market. Gross margin and gross margin percentage increased primarily due to product mix and price appreciation in our Southern California market.

*Central and Eastern U.S.*

| (US$ millions, except unit activity, percentages and average selling price) | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Home closings | 190 | 211 | 520 | 706 |
| Revenue | $ 100 | $ 125 | $ 277 | $ 427 |
| Gross margin | $ 16 | $ 22 | $ 43 | $ 78 |
| Gross margin (%) | 16% | 18% | 16% | 18% |
| Average home selling price | $ 529,000 | $ 595,000 | $ 534,000 | $ 604,000 |

Housing revenue in our Central and Eastern U.S. segment for the three months ended September 30, 2024 decreased by $25 million when compared to the same period in 2023, due to 21 fewer home closings and an 11% decrease in average selling prices. The decrease in average home selling prices is primarily the result of geographic and product mix of homes closed within the operating segment. Gross margin decreased by $6 million primarily as a result of decreased closings and lower average selling prices due to both product and geographic mix of homes closed.

Housing revenue for the nine months ended September 30, 2024 decreased by $150 million when compared to the same period in 2023, due to 186 fewer home closings and a 12% decrease in average selling prices. The decrease in average home selling prices is primarily the result of geographic and product mix of homes closed within the operating segment. Gross margin decreased by $35 million primarily as a result of decreased closings and lower average selling prices due to both product and geographic mix of homes closed.

***Home Sales – Incentives***

We grant our homebuyers sales incentives from time-to-time in order to promote sales of our homes. The type and amount of incentives will vary on a community-by-community and home-by-home basis. Incentives are recognized as a reduction to sales revenue at the time title passes to the homebuyer and the sale is recognized. For the three and nine months ended September 30, 2024, total incentives recognized as a percentage of gross revenues were consistent when compared to the same period in 2023.

Our incentives on homes closed by operating segment for the three and nine months ended September 30, 2024 and 2023 were as follows:

| | Three Months Ended September 30 | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| *(US$ millions, except percentages)* | Incentives Recognized | % of Gross Revenues | Incentives Recognized | % of Gross Revenues |
| Canada | $ 2 | 2% | $ 1 | 2% |
| Pacific U.S. | 3 | 3% | 3 | 2% |
| Central and Eastern U.S. | 5 | 5% | 7 | 6% |
| | $ 10 | 3% | $ 11 | 3% |

| | Nine Months Ended September 30 | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| *(US$ millions, except percentages)* | Incentives Recognized | % of Gross Revenues | Incentives Recognized | % of Gross Revenues |
| Canada | $ 7 | 2% | $ 6 | 2% |
| Pacific U.S. | 8 | 2% | 10 | 2% |
| Central and Eastern U.S. | 13 | 5% | 23 | 5% |
| | $ 28 | 3% | $ 39 | 3% |

***Home Sales – Net New Home Orders***

Net new home orders for any period represent the aggregate of all homes ordered by customers, net of cancellations. Net new home orders for the three and nine months ended September 30, 2024 totaled 499 and 1,746 units, a decrease of 15 units or 3%, and a decrease of 60 units or 3%, respectively when compared to the same periods in 2023. Average monthly sales per community by reportable segment for the three and nine months ended September 30, 2024 were: Canada – 2 and 2 units (2023 – 2 and 2 units); Pacific U.S. 4 and 3 units (2023 – 4 and 4 units); Central and Eastern U.S. 2 and 3 units (2023 – 2 and 2 units). We were selling from 77 active housing communities at September 30, 2024 compared to 73 communities at September 30, 2023.

The net new home orders for the three and nine months ended September 30, 2024 and 2023 by our operating segments were as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(Units)* | 2024 | 2023 | 2024 | 2023 |
| Canada | 184 | 206 | 761 | 760 |
| Pacific U.S. | 127 | 140 | 358 | 480 |
| Central and Eastern U.S. | 188 | 168 | 627 | 566 |
| Total | 499 | 514 | 1,746 | 1,806 |

***Home Sales – Cancellations***

The overall cancellation rates for the three and nine months ended September 30, 2024 were 5% and 5%, respectively, compared to 6% and 7% during the same periods in 2023. The cancellation rates for the three and nine months ended September 30, 2024 and 2023 for our operating segments were as follows:

| | Three Months Ended September 30 | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| *(Units, except percentages)* | **Units** | **% of Gross Home Orders** | **Units** | **% of Gross Home Orders** |
| Canada | 3 | 2% | 1 | —% |
| Pacific U.S. | 10 | 7% | 8 | 5% |
| Central and Eastern U.S. | 16 | 8% | 22 | 12% |
| | 29 | 5% | 31 | 6% |

| | Nine Months Ended September 30 | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| *(Units, except percentages)* | **Units** | **% of Gross Home Orders** | **Units** | **% of Gross Home Orders** |
| Canada | 13 | 2% | 10 | 1% |
| Pacific U.S. | 25 | 7% | 32 | 6% |
| Central and Eastern U.S. | 53 | 8% | 98 | 15% |
| | 91 | 5% | 140 | 7% |

***Home Sales – Backlog***

Our backlog, which represents the number of new homes under sales contracts, as at September 30, 2024 and 2023 by operating segment, was as follows:

| | As at September 30 | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| *(US$ millions, except unit activity)* | **Units** | **Value** | **Units** | **Value** |
| Canada | 750 | $ 389 | 676 | $ 336 |
| Pacific U.S. | 202 | 191 | 305 | 346 |
| Central and Eastern U.S. | 304 | 169 | 245 | 151 |
| Total | 1,256 | $ 749 | 1,226 | $ 833 |

We expect all of our backlog to close in 2024 and 2025, subject to future cancellations. The units in backlog as at September 30, 2024 increased by 30 units when compared to September 30, 2023. Total backlog value decreased by $84 million when compared to the same period in 2023 mainly due product and geographic mix of homes in backlog.

***Results of Operations – Land***

A breakdown of our results from land operations for the three and nine months ended September 30, 2024 and 2023 is as follows:

*Consolidated*

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(US$ millions, except unit activity, percentages and average selling price)* | **2024** | **2023** | **2024** | **2023** |
| Lot closings (single family units) | 197 | 407 | 1,109 | 1,065 |
| Acre closings (multi-family, industrial and commercial) | — | 9 | 40 | 16 |
| Acre closings (raw and partially finished) | — | — | 9 | — |
| Revenue | $ 30 | $ 69 | $ 216 | $ 170 |
| Gross margin | $ 12 | $ 21 | $ 73 | $ 50 |
| Gross margin (%) | 40% | 30% | 34% | 29% |
| Average lot selling price (single family units) | $ 150,000 | $ 147,000 | $ 158,000 | $ 142,000 |
| Average per acre selling price (multi-family, industrial and commercial) | $ — | $1,050,000 | $1,014,000 | $1,165,000 |
| Average per acre selling price (raw and partially finished) | $ — | $ — | $ 234,000 | $ — |

Land revenue totaled $30 million and land gross margin totaled $12 million for the three months ended September 30, 2024, compared to $69 million and $21 million for the same period in 2023. The decrease in revenue when compared to the prior year is primarily due to 210 fewer single family lot closings partially offset by higher average selling prices for single family lots. The decrease in gross margin was primarily due to fewer lot closings in our Pacific U.S. segment. The increase in gross margin percentage was primarily due to the geographic mix and type of land sold.

Land revenue totaled $216 million and land gross margin totaled $73 million for the nine months ended September 30, 2024, compared to $170 million and $50 million for the same period in 2023. The increase in revenue when compared to the prior year is primarily attributable to an increase in lot and acre closings and an 11% increase in average lot selling price. The increase in gross margin and gross margin percentage was primarily due to higher lot closings as well as acre sales in our Northern California, Calgary and Arizona markets.

A breakdown of our results from land operations for our operating segments is as follows:

*Canada*

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(US$ millions, except unit activity, percentages and average selling price)* | **2024** | **2023** | **2024** | **2023** |
| Lot closings (single family units) | 147 | 62 | 443 | 504 |
| Acre closings (multi-family, industrial and commercial) | — | 9 | 16 | 16 |
| Acre closings (raw and partially finished) | — | — | 9 | — |
| Revenue | $ 19 | $ 17 | $ 74 | $ 80 |
| Gross margin | $ 6 | $ 5 | $ 30 | $ 26 |
| Gross margin (%) | 32% | 29% | 41% | 33% |
| Average lot selling price (single family units) | $ 132,000 | $ 123,000 | $ 129,000 | $ 123,000 |
| Average lot selling price (C$) (single family units) | $ 180,000 | $ 166,000 | $ 176,000 | $ 166,000 |
| Average per acre selling price (multi-family, industrial and commercial) | $ — | $1,050,000 | $1,070,000 | $1,165,000 |
| Average per acre selling price (C$) (multi-family, industrial and commercial) | $ — | $1,408,000 | $1,445,000 | $1,563,000 |
| Average per acre selling price (raw and partially finished) | $ — | $ — | $ 234,000 | $ — |
| Average per acre selling price (C$) (raw and partially finished) | $ — | $ — | $ 320,000 | $ — |

Land revenue in our Canadian segment for the three months ended September 30, 2024 was $19 million, an increase of $2 million when compared to the same period in 2023. The increase was primarily related to 85 additional lot closings primarily from the Edmonton market, and a 7% increase in average lot selling prices, partially offset by a decrease in acre closings in the current year. Gross margin increased $1 million and gross margin percentage increased 3% when compared to the same period during 2023 primarily as a result of geographic and product mix.

Land revenue for the nine months ended September 30, 2024 was $74 million, a decrease of $6 million when compared to the same period in 2023. The decrease was primarily due to 61 fewer single family lot closings, partially offset by raw and partially finished acre closings in our Calgary market. Gross margin increased $4 million and gross margin percentage increased 8% when compared to the same period during 2023 primarily as a result of raw and partially finished acre closings in our Calgary market.

*Pacific U.S.*

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(US$ millions, except unit activity, percentages and average selling price)* | **2024** | **2023** | **2024** | **2023** |
| Lot closings (single family units) | 19 | 133 | 591 | 348 |
| Acre closings (multi-family, industrial and commercial) | — | — | 24 | — |
| Revenue | $ 5 | $ 24 | $ 130 | $ 59 |
| Gross margin | $ 4 | $ 5 | $ 37 | $ 13 |
| Gross margin (%) | 80% | 21% | 28% | 22% |
| Average lot selling price (single family units) | $ 261,000 | $ 184,000 | $ 180,000 | $ 170,000 |
| Average per acre selling price (multi-family, industrial and commercial) | $ — | $ — | $ 976,000 | $ — |

Land revenue in our Pacific U.S. segment for the three months ended September 30, 2024 decreased by $19 million when compared to the same period in 2023 primarily due to 114 fewer single family lot closings partially offset by increases in average selling prices of single family lots. Gross margin percentage increased when compared to the same period in 2023 primarily due to profit participation in Southern California and Arizona.

Land revenue and gross margin for the nine months ended September 30, 2024 increased by $71 million and $24 million, respectively, when compared to the same period in the prior year primarily due to 243 additional lot closings as well as a commercial acre sale in Northern California which generated $10 million in gross margin, with no comparable transactions in the prior reporting period.

*Central and Eastern U.S.*

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(US$ millions, except unit activity, percentages and average selling price)* | **2024** | **2023** | **2024** | **2023** |
| Lot closings (single family units) | 31 | 212 | 75 | 213 |
| Revenue | $ 5 | $ 28 | $ 13 | $ 31 |
| Gross margin | $ 2 | $ 11 | $ 6 | $ 11 |
| Gross margin (%) | 40% | 39% | 46% | 35% |
| Average lot selling price (single family units) | $ 168,000 | $ 131,000 | $ 161,000 | $ 143,000 |

Land revenue in our Central and Eastern U.S. segment for the three months ended September 30, 2024 decreased $23 million when compared to the same period in 2023 primarily due to 181 fewer lot closings partially offset by a 28% increase in average selling prices. Gross margin decreased $9 million primarily due to decreased single family lot closings.

Land revenue for the nine months ended September 30, 2024 was $13 million, a decrease of $18 million when compared to the same period in 2023. The decrease in land revenue and gross margin was primarily due to 138 fewer single family lot closings. Gross margin decreased $5 million, primarily due to decreased lot closings. Gross margin percentage increased 11% due to geographic mix.

### *Earnings from Unconsolidated Entities*

Earnings from unconsolidated entities for the three and nine months ended September 30, 2024 totaled $13 million and $39 million, compared to $38 million and $51 million for the same periods in 2023.

A summary of Brookfield Residential’s share of the land operations from unconsolidated entities is as follows:

| *(US$ millions, except unit activity, percentages and average selling price)* | Three Months Ended September 30 2024 | Three Months Ended September 30 2023 | Nine Months Ended September 30 2024 | Nine Months Ended September 30 2023 |
|---|---|---|---|---|
| Lot closings (single family units) | 195 | 152 | 393 | 313 |
| Acre closings (multi-family, industrial and commercial) | 1 | 12 | 7 | 13 |
| Acre closings (raw and partially finished) | 1 | — | 2 | 18 |
| Revenue | $ 43 | $ 83 | $ 94 | $ 126 |
| Gross margin | $ 11 | $ 42 | $ 33 | $ 53 |
| Gross margin (%) | 26% | 51% | 35% | 42% |
| Average lot selling price (single family units) | $ 221,000 | $ 179,000 | $ 214,000 | $ 197,000 |
| Average per acre selling price (multi-family, industrial and commercial) | $ 377,000 | $4,835,000 | $1,426,000 | $4,304,000 |
| Average per acre selling price (raw and partially finished) | $ 15,000 | $ — | $ 123,000 | $ 453,000 |

Brookfield Residential's share of land revenue within unconsolidated entities decreased by $40 million and gross margin decreased by $31 million for the three months ended September 30, 2024 when compared to the same period in 2023. The decrease in Brookfield's share of land revenue and gross margin was primarily due an industrial acre sale in our Southern California market in Q3 2023 which generated $33 million in gross margin that had no comparable sales in the current period.

Brookfield Residential's share of land revenue within unconsolidated entities decreased by $32 million and gross margin decreased by $20 million for the nine months ended September 30, 2024 when compared to the same periods in 2023. The decrease in Brookfield's share of land revenue was primarily due to an industrial acre sale in our Southern California market during the nine months ended September 30, 2023 which generated $33 million in gross margin that had no comparable sales in the current period. This was partially offset by increased single family lot closings. Gross margin and gross margin percentage decreased primarily due to decreased multi-family, industrial and commercial acre closings.

### *Selling, General and Administrative Expense*

The components of selling, general and administrative expense for the three and nine months ended September 30, 2024 and 2023 are summarized as follows:

| *(US$ millions)* | Three Months Ended September 30 2024 | Three Months Ended September 30 2023 | Nine Months Ended September 30 2024 | Nine Months Ended September 30 2023 |
|---|---|---|---|---|
| General and administrative expense | $ 47 | $ 42 | $ 131 | $ 118 |
| Sales and marketing expense | 18 | 19 | 55 | 62 |
| | $ 65 | $ 61 | $ 186 | $ 180 |

General and administrative expense increased by $5 million for the three months ended September 30, 2024 primarily due to increased management fees paid to Brookfield Properties Development ("BPD") due to higher development and construction spend when compared to the same period in the prior year. Sales and marketing expense decreased due to lower home closings when compared to the same period in the prior year.

General and administrative expense increased by $12 million for the nine months ended September 30, 2024 primarily due to increased incentive payments as well as increased management fees paid to BPD when compared to the same period in the prior year. Sales and marketing expense decreased $7 million due to lower home closings when compared to the same period in the prior year.

### ***Other Income***

The components of other income for the three and nine months ended September 30, 2024 and 2023 are summarized as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(US$ millions)* | **2024** | **2023** | **2024** | **2023** |
| Income from investment company assets | $ (19) | $ (14) | $ (52) | $ (15) |
| Preferred share dividend income | (6) | (6) | (18) | (18) |
| Investment income | (5) | (6) | (16) | (18) |
| Income from commercial properties | (5) | (4) | (14) | (12) |
| Joint venture management fee income | (2) | (3) | (6) | (7) |
| Other | — | (3) | (6) | (9) |
| | $ (37) | $ (36) | $ (112) | $ (79) |

For the three and nine months ended September 30, 2024, other income increased by $1 million and $33 million, respectively, when compared to the same periods in 2023. The increase in other income for the three months ended September 30, 2024 is primarily due to income from our investment company assets, mainly from our Brookfield Single Family Rental investment ("BSFR"), partially offset by reduced JV management fee income. For the nine months ended September 30, 2024, the increase is primarily attributable to income from our investment company assets, mainly from BSFR.

### ***Income Tax Expense / (Recovery)***

Income tax expense for the three and nine months ended September 30, 2024 decreased $17 million and $22 million, respectively, when compared to the same periods in 2023. The components of current and deferred income tax expense are summarized as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| *(US$ millions)* | **2024** | **2023** | **2024** | **2023** |
| Current income tax expense | $ (15) | $ 19 | $ (14) | $ 20 |
| Deferred income tax expense | 15 | (2) | 27 | 15 |
| | $ — | $ 17 | $ 13 | $ 35 |

For the three and nine months ended September 30, 2024, current income tax expense decreased $34 million when compared to the same periods in 2023. The decrease is primarily due to a decrease in taxable income from our U.S. operations when compared to the same period in 2023 and $16 million of current income tax recovery relating to return-to-provision adjustments in the U.S. that resulted in the use of more tax attributes to offset U.S. taxable income.

For the three and nine months ended September 30, 2024, deferred income tax expense increased $17 million and $12 million, respectively, when compared to the same periods in 2023. The increase in deferred income tax expense is primarily due to $16 million of deferred income tax expense relating to return-to-provision adjustments in the U.S. as a result of the utilization of more tax attributes to offset U.S. taxable income, partially offset by a decrease in deferred taxes recognized in 2023 on the interim tax treatment relating to the 46.6% equity interest sale of Kuhio, which holds the investment in Lilia.

### *Foreign Exchange Translation*

The U.S. dollar is the functional and presentation currency of the Company. Each of the Company's subsidiaries, affiliates and jointly controlled entities determines its own functional currency and items included in the financial statements of each subsidiary and affiliate are measured using that functional currency. The Company's Canadian operations are self-sustaining. The financial statements of its self-sustaining Canadian operations are translated into U.S. dollars using the current rate method.

Assets and liabilities of subsidiaries or unconsolidated entities having a functional currency other than the U.S. dollar are translated at the rate of exchange on the balance sheet date. As at September 30, 2024, the rate of exchange was C$1.3524 equivalent to US$1 (December 31, 2023 – C$1.3250 equivalent to US$1). Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. For the three months ended September 30, 2024, the average rate of exchange was C$1.3641 equivalent to US$1 (September 30, 2023 – C$1.3414 equivalent to US$1). The resulting foreign currency translation adjustments are recognized in other comprehensive income ("OCI"). Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the balance sheet date. Gains and losses on translation of monetary items are recognized in the condensed consolidated statements of operations and comprehensive income as other income, except for those related to monetary liabilities qualifying as hedges of the Company's investment in foreign operations or certain intercompany loans to or from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future, which are included in OCI.

The financial results of our Canadian operations are translated into U.S. dollars for financial reporting purposes. Foreign currency translation gains and losses are recorded as the exchange rate between the two currencies fluctuates. These gains and losses are included in OCI and accumulated OCI. The translation of our Canadian operations and hedging instrument resulted in a net gain of $9 and a net loss of $15 million, respectively for the three and nine months ended September 30, 2024, compared to a net loss of $18 and $2 million, respectively during the same periods in 2023.

## QUARTERLY OPERATING AND FINANCIAL DATA

| | 2024 | | | 2023 | | | | 2022 |
|---|---|---|---|---|---|---|---|---|
| *(US$ millions, except unit activity and per share amounts)* | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| **Quarterly Operating Data** | | | | | | | | |
| Home closings (units) | 553 | 526 | 452 | 552 | 576 | 615 | 515 | 639 |
| Lot closings (single family units) | 197 | 559 | 353 | 1,194 | 407 | 386 | 272 | 1,058 |
| Acre closings (multi-family, industrial and commercial) | — | 3 | 37 | 30 | 9 | 7 | — | 26 |
| Acre closings (raw and partially finished) | — | 9 | — | 401 | — | — | — | 1 |
| Net new home orders (units) | 499 | 618 | 629 | 366 | 514 | 747 | 545 | 295 |
| Backlog (units) | 1,256 | 1,310 | 1,218 | 1,041 | 1,226 | 1,288 | 1,156 | 1,126 |
| Backlog value | $ 749 | $ 783 | $ 741 | $ 673 | $ 833 | $ 870 | $ 756 | $ 736 |
| **Quarterly Financial Data** | | | | | | | | |
| Revenue | $ 354 | $ 414 | $ 375 | $ 663 | $ 452 | $ 442 | $ 364 | $ 591 |
| Direct cost of sales | (274) | (324) | (279) | (525) | (349) | (356) | (292) | (446) |
| Gross margin | 81 | 90 | 96 | 138 | 103 | 86 | 72 | 145 |
| Selling, general and administrative expense | (65) | (62) | (60) | (73) | (61) | (64) | (56) | (77) |
| Interest expense | (14) | (13) | (11) | (12) | (15) | (16) | (14) | (22) |
| Earnings from unconsolidated entities | 13 | 17 | 9 | 37 | 38 | 8 | 6 | 48 |
| Gain on sale of commercial properties | — | — | — | — | — | — | — | 186 |
| Other income | 37 | 35 | 39 | 33 | 33 | 17 | 20 | 23 |
| Lease and depreciation expenses | (5) | (4) | (6) | (3) | (3) | (3) | (4) | (4) |
| Income before income taxes | 47 | 63 | 67 | 120 | 95 | 28 | 24 | 299 |
| Income tax expense | — | (7) | (6) | (13) | (17) | (14) | (4) | (36) |
| Net income | 46 | 56 | 61 | 107 | 78 | 14 | 20 | 263 |
| Net income attributable to non-controlling interest | 15 | 11 | 20 | 9 | 11 | (1) | — | 165 |
| Net income attributable to Brookfield Residential | $ 32 | $ 45 | $ 41 | $ 98 | $ 67 | $ 15 | $ 20 | $ 98 |
| Foreign currency translation | 9 | (8) | (17) | 19 | (17) | 14 | 2 | 14 |
| Comprehensive income / (loss) | $ 41 | $ 37 | $ 24 | $ 117 | $ 50 | $ 29 | $ 22 | $ 112 |
| Earnings per common share attributable to Brookfield Residential | | | | | | | | |
| Basic | $ 0.16 | $ 0.22 | $ 0.20 | $ 0.48 | $ 0.33 | $ 0.07 | $ 0.10 | $ 0.63 |
| Diluted | $ 0.16 | $ 0.22 | $ 0.20 | $ 0.48 | $ 0.33 | $ 0.07 | $ 0.10 | $ 0.63 |

We have historically experienced variability in our results of operations from quarter to quarter due to the seasonal nature of the homebuilding business and the timing of new community openings and the closing out of projects. We typically experience the highest rate of orders for new homes and lots in the first nine months of the calendar year, although the rate of orders for new homes is highly dependent upon the number of active communities. As new home deliveries trail orders for new homes by several months, we typically deliver a greater percentage of new homes in the second half of the year compared with the first half of the year. As a result, our revenues from the sales of homes are generally higher in the second half of the year. In terms of land sales, results are more variable from year to year given the nature of the development and monetization cycle.

## LIQUIDITY AND CAPITAL RESOURCES

### Financial Position

The following is a summary of the Company's condensed consolidated balance sheets as at September 30, 2024 and December 31, 2023:

| (US$ millions) | As at September 30 2024 | As at December 31 2023 |
|---|---|---|
| Cash and restricted cash | $ 82 | $ 41 |
| Receivables and other assets | 832 | 765 |
| Investment company assets | 468 | 418 |
| Land and housing inventory | 3,009 | 2,755 |
| Investments in unconsolidated entities | 356 | 359 |
| Held-to-maturity investment | 300 | 300 |
| Commercial properties | 320 | 304 |
| Operating and financing lease right-of-use asset | 63 | 60 |
| Deferred income tax assets | 123 | 148 |
| Goodwill | 16 | 16 |
| | $ 5,569 | $ 5,166 |
| | | |
| Accounts payable and other liabilities | $ 641 | $ 485 |
| Bank indebtedness and other financings | 771 | 367 |
| Notes payable | 1,622 | 1,623 |
| Operating and financing lease liability | 71 | 68 |
| Total equity | 2,464 | 2,623 |
| | $ 5,569 | $ 5,166 |

### *Assets*

Our assets as at September 30, 2024 totaled $5.6 billion. Our land and housing inventory, investments in unconsolidated entities, and commercial properties have a combined book value of $3.7 billion, or approximately 66% of our total assets. The land and housing assets increased when compared to December 31, 2023 primarily due to acquisitions as well as continued land and housing development, offset by sales activity and turnover of inventory. Our land and housing assets include land under development and land held for development, finished lots ready for construction, homes completed and under construction, and model homes.

A summary of our residential land and housing portfolio lots owned, excluding unconsolidated entities, and their stage of development as at September 30, 2024 compared with December 31, 2023 is as follows:

| | As at | | | |
|---|---|---|---|---|
| | September 30, 2024 | | December 31, 2023 | |
| (US$ millions, except units) | Units | Book Value | Units | Book Value |
| Land held for development (lot equivalents) | 55,500 | $ 1,154 | 57,803 | $ 1,204 |
| Land under development and finished lots (single family units) | 6,368 | 1,005 | 5,972 | 889 |
| Housing units, including models | 2,062 | 763 | 1,765 | 601 |
| | 63,930 | $ 2,922 | 65,540 | $ 2,694 |
| Multi-family, industrial and commercial parcels (acres) | 347 | $ 87 | 84 | $ 61 |

***Notes Payable***

Notes payable consist of the following:

| *(US$ millions)* | As at September 30 2024 | As at December 31 2023 |
|---|---|---|
| 6.250% unsecured senior notes due September 15, 2027 (a) | 600 | 600 |
| 4.875% unsecured senior notes due February 15, 2030 (b) | 500 | 500 |
| 5.000% unsecured senior notes due June 15, 2029 (c) | 350 | 350 |
| 5.125% unsecured senior notes due June 15, 2029 (d) | 185 | 188 |
| | 1,635 | 1,638 |
| Transaction costs | (13) | (15) |
| | $ 1,622 | $ 1,623 |

(a) The Company's $600 million principal amount of 6.250% unsecured senior notes matures on September 15, 2027 with interest payable semi-annually. The notes may be redeemed at 101.04% of their principal amount plus any accrued and unpaid interest. In accordance with the indenture, the redemption price decreases annually and the notes can be redeemed at par on or after September 15, 2025 through maturity.

(b) The Company's $500 million principal amount of 4.875% unsecured senior notes mature February 15, 2030 with interest payable semi-annually. On or after February 15, 2025 the notes may be redeemed at 102.44% of their principal amount plus any accrued and unpaid interest. In accordance with the indenture, the redemption price decreases annually thereafter and the notes can be redeemed at par on or after February 15, 2028 through maturity.

(c) The Company's $350 million principal amount of 5.000% unsecured senior notes matures on June 15, 2029, with interest payable semi-annually. The notes may be redeemed at 102.50% of their principal amount plus any accrued and unpaid interest. In accordance with the indenture, the redemption price decreases annually thereafter and the notes can be redeemed at par on or after June 15, 2026 through maturity.

(d) The Company's C$250 million principal amount of 5.125% unsecured senior notes matures on June 15, 2029, with interest payable semi-annually. The notes may be redeemed at 102.56% of their principal amount plus any accrued and unpaid interest. In accordance with the indenture, the redemption price decreases annually thereafter and the notes can be redeemed at par on or after June 15, 2026 through maturity.

The Company and Brookfield Residential US LLC ("BRUS LLC") are co-issuers of all private placements of unsecured senior notes. All unsecured senior notes include covenants that, among other things, place limitations on incurring additional indebtedness and making restricted payments. Under the limitation on additional indebtedness, we are permitted to incur specified categories of indebtedness but are prohibited from incurring further indebtedness if we do not satisfy either a consolidated net indebtedness to tangible net worth ratio or a fixed charge coverage ratio, as applicable. The Company was in compliance with these debt incurrence covenants as at September 30, 2024.

Our actual fixed charge coverage and net indebtedness to tangible net worth ratio as at September 30, 2024 are reflected in the table below:

| | Covenant | Actual as at September 30 2024 |
|---|---|---|
| Minimum fixed charge coverage | 2.0 to 1 | 2.56 to 1 |
| Maximum net indebtedness to consolidated tangible net worth | 3.0 to 1 | 0.98 to 1 |

***Bank Indebtedness and Other Financings***

Our bank indebtedness and other financings represent our corporate unsecured revolving credit facility and construction and development loans and facilities that are used to fund the operations of our communities as land is developed and homes and commercial properties are constructed. We also use secured vendor take back ("VTB") mortgages to secure and acquire land for future development. Our bank indebtedness and other financings as at September 30, 2024 were $771 million, an increase of $405 million from December 31, 2023 which was primarily due to net draws on our revolving credit facility. As at September 30, 2024 the weighted average interest rate on our bank indebtedness and other financings was 8.1% (December 31, 2023 – 8.3%).

Future debt maturities are expected to either be refinanced or repaid from home closings, lot closings, or proceeds from the sale of mixed-use developments. The “Cash Flow” section below discusses future available capital resources should proceeds from our future home and/or lot closings not be sufficient to repay our debt obligations.

Bank indebtedness and other financings consist of the following:

| *(US$ millions)* | As at September 30 2024 | As at December 31 2023 |
|---|---|---|
| Bank indebtedness (a) | $ 539 | $ 138 |
| Project-specific financings (b) | 178 | 173 |
| Secured VTB mortgages (c) | 57 | 58 |
| | 774 | 369 |
| Transaction costs (a)(b) | (3) | (2) |
| | $ 771 | $ 367 |

*(a) Bank indebtedness*

As at September 30, 2024, there were $539 million of borrowings outstanding under the North American unsecured revolving credit facility and we had available capacity of $71 million (December 31, 2023 – $138 million of borrowings outstanding and $479 million of available capacity, respectively). The Company is able to borrow in either Canadian or U.S. dollars with borrowings allowable up to $675 million.

During 2024, the North American unsecured revolving credit agreement was amended and extended through August 2028. The amendment also replaced the use of the Canadian Dollar Offered Rate ("CDOR") with the Canadian Overnight Repo Rate Average ("CORRA").

For U.S. dollar denominated borrowings, interest is charged on the facility at a rate equal to, at the borrower's option, either the adjusted SOFR plus an applicable rate between 2.0% and 2.8% per annum or an alternative base rate ("ABR") plus an applicable rate between 1.0% and 1.8% per annum. For Canadian dollar denominated borrowings, interest is charged on the facility at a rate equal to either CORRA plus an applicable rate between 2.0% and 2.8% per annum or the Canadian prime rate plus an applicable rate between 1.0% and 1.8% per annum.

The facility contains certain restrictive covenants including limitations on liens, dividends and other distributions, investments in subsidiaries and joint ventures that are not party to the loan. The facility requires the Company to maintain a minimum consolidated tangible net worth of $1.7 billion, as well as a consolidated total debt to consolidated total capitalization of no greater than 65%. As at September 30, 2024, the Company was in compliance with all of our covenants relating to this facility. The following table reflects consolidated tangible net worth and consolidated total debt to capitalization covenants:

| *(US$ millions, except percentages)* | Covenant | Actual as at September 30 2024 |
|---|---|---|
| Minimum tangible net worth | $ 1,685 | $ 2,447 |
| Maximum total debt to capitalization | 65% | 51% |

*(b) Project-specific financings*

(i) During 2024, OliverMcMillan Kuhio LLC, a subsidiary of the Company, exercised its second extension option on its construction loan for the Lilia mixed-use project located in Honolulu, Hawaii. The construction loan was extended through March 2025. The loan allows OliverMcMillan Kuhio LLC to borrow up to $156 million. As at September 30, 2024, there were $147 million of borrowings outstanding under the construction loan. (December 31, 2023 – $144 million).

Interest is charged on the loan at a rate equal to SOFR plus 1.5%, with a rate cap on SOFR of 7.0%.

The loan contains certain restrictive covenants including leasing and construction of the project. The loan requires BRUS LLC to maintain a minimum liquidity of $25 million and a minimum net worth of $250 million exclusive of BRUS LLC's equity in the project. The loan is secured by the assets of OliverMcMillan Kuhio LLC. The Company was in compliance with these covenants as at September 30, 2024. The following table reflects the covenants:

| *(US$ millions)* | Covenant | Actual as at September 30 2024 |
|---|---|---|
| Minimum liquidity | $ 25 | $ 104 |
| Minimum net worth | $ 250 | $ 1,523 |

(ii) As at September 30, 2024, the Company has three Canadian project-specific financings totaling $31 million (C$41 million) provided by various lenders (December 31, 2023 – $29 million (C$38 million)).

Project-specific financing totaling $26 million (C$35 million) has an interest rate of Canadian prime + 0.5%, is due on demand with 240 days' notice, and is secured by certain land and housing inventory assets of the Company's Alberta operations and a general charge over the property of South Seton Limited Partnership, a consolidated subsidiary of the Company (December 31, 2023 – $25 million (C$34 million)). This borrowing includes a minimum debt to equity covenant for South Seton Limited Partnership of no greater than 1.50 to 1. The Company was in compliance with this covenant as at September 30, 2024.

The following table reflects the debt to equity ratio covenant:

| | Covenant | Actual as at September 30 2024 |
|---|---|---|
| Maximum debt to equity ratio | 1.50 to 1 | 0.83 to 1 |

Project-specific financing totaling $4.0 million (C$5.4 million) is secured and matures in August 2027. Interest is charged on the facility at the borrower's option, at a rate equal to either the CORRA plus 1.7% or the Canadian prime rate. This borrowing includes a financial covenant of 75% loan to value and 120% debt service coverage. The covenants are calculated upon first borrowing under the facility and are calculated semi-annually thereafter. The Company was in compliance with these covenants upon the first borrowing.

Project-specific financing totaling $1 million (C$1 million) is held by a joint venture in our Alberta operations, a consolidated subsidiary of the Company, has an interest rate of Canadian prime + 0.5%, matures in November 30, 2024, and is secured and without covenants (December 31, 2023 – $4 million (C$5 million)).

*(c) Secured VTB mortgages*

Eight secured VTB mortgages (December 31, 2023 – 10 secured VTB mortgages) in the amount of $58 million (December 31, 2023 – $59 million) relate to raw land held for development by Brookfield Residential (Alberta) LP and Brookfield Residential (Ontario) LP. This debt is repayable in Canadian dollars of C$78 million (December 31, 2023 – C$78 million). The interest rates on this debt range from fixed rates of 6.0% to 6.5% and variable rates of Canadian prime plus 1.0% to 2.0%, and the debt is secured by the related land. As at September 30, 2024, the borrowings are not subject to any financial covenants.

***Net Debt to Capitalization Calculation***

Brookfield Residential's net debt to total capitalization ratio is defined as total interest-bearing debt less cash divided by total capitalization. We define capitalization to include total equity and interest bearing debt, less cash.

Our net debt to total capitalization ratio as at September 30, 2024 and December 31, 2023 was as follows:

| | As at | |
|---|---|---|
| *(US$ millions, except percentages)* | September 30 2024 | December 31 2023 |
| Bank indebtedness and other financings | $ 771 | $ 367 |
| Notes payable | 1,622 | 1,623 |
| Total interest bearing debt | 2,393 | 1,990 |
| Less: cash and cash equivalents | (78) | (36) |
| | 2,315 | 1,954 |
| Total equity | 2,464 | 2,623 |
| Total capitalization | $ 4,779 | $ 4,577 |
| Net debt to total capitalization | 48% | 43% |

## Credit Ratings

Our access to financing depends on, among other things, suitable market conditions and the maintenance of suitable long-term credit ratings. Our credit ratings may be adversely affected by various factors, including but not limited to, increased debt levels, decreased earnings, declines in our customer demand, increased competition, a further deterioration in general economic and business conditions, and adverse publicity. Any downgrades in our credit rating may impede our access to capital markets or raise our borrowing rates. We are currently rated by two credit rating agencies, Moody's and Standard & Poor's ("S&P"). We are committed to maintaining these ratings and improving them further over time. Our credit ratings at September 30, 2024 were as follows:

| | Moody's | S&P |
|---|---|---|
| Corporate rating | B1 | B |
| Outlook | Stable | Stable |

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issuer of securities. Agency ratings are subject to change, and there can be no assurance that a rating agency will rate us and/or maintain our rating.

## Cash Flow

Our principal uses of working capital include acquisitions of land, land development, home construction and mixed-use development. Cash flows for each of our communities depend upon the applicable stage of the development cycle and can differ substantially from reported earnings. Early stages of development require significant cash outlays for land acquisitions, site approvals and entitlements, construction of model homes, roads, certain utilities, other amenities and general landscaping. As these costs are capitalized, earnings reported for financial statement purposes during such early stages may significantly exceed cash flows. Later, cash flows can exceed earnings reported for financial statement purposes as cost of sales includes charges for substantial amounts of previously expended costs.

We believe that we currently have sufficient access to capital resources and will continue to use our available capital resources to fund our operations. Our future capital resources include cash flow from operations, borrowings under project-specific and other credit facilities and proceeds from potential future debt issues or equity offerings, if required.

At September 30, 2024, we had cash and cash equivalents, including restricted cash, of $82 million, compared to $41 million at December 31, 2023.

The net cash flows for the nine months ended September 30, 2024 and 2023 were as follows:

| | Nine Months Ended September 30 | |
|---|---|---|
| *(US$ millions)* | 2024 | 2023 |
| Net cash used in operating activities | $ (63) | $ (48) |
| Net cash provided by / (used in) by investing activities | 11 | (1) |
| Net cash provided by financing activities | 98 | 50 |
| Effect of foreign exchange rates on cash | (4) | — |
| Net change in cash and cash equivalents | $ 42 | $ 1 |

*Cash Flow (Used in) / Provided by Operating Activities*

Cash flows used in operating activities during the nine months ended September 30, 2024 totaled $63 million, compared to cash flows used in operating activities of $48 million for the same period in 2023. During the nine months ended September 30, 2024, cash used in operating activities was primarily impacted by an increase in land and housing inventory due to land development and home construction, as well as an increase in receivables and other assets. This was partially offset by net income as well as an increase in accounts payable and other liabilities and distributions of earnings from unconsolidated entities. Acquisitions of land and housing inventory for the nine months ended September 30, 2024 totaled $152 million, consisting of $70 million in Pacific U.S., $60 million in Canada, and $22 million in Central and Eastern U.S. During the nine months ended September 30, 2023, cash used in operating activities was primarily impacted by our net income, distributions of earnings from unconsolidated entities, as well as an increase in land and housing inventory due to land development and home construction, an increase in receivables and other assets, an increase in commercial properties, a decrease in operating lease liabilities, and a decrease in accounts payable and other liabilities. Acquisitions of land and housing inventory for the nine months ended September 30, 2023 totaled $182 million, consisting of $83 million in Canada, $68 million in Pacific U.S. and $30 million in Central and Eastern U.S.

*Cash Flow (Used in) / Provided by Investing Activities*

During the nine months ended September 30, 2024, cash flows provided by investing activities totaled $11 million, compared to cash flows used in investing activities of $1 million for the same period in 2023. During the nine months ended September 30, 2024, cash provided by investing activities was primarily impacted by repayments on our loan receivable of $244 million and $41 million of distributions of capital from our unconsolidated entities. This was partially offset by draws on loan receivable of $245 million and investments $29 million in land and housing unconsolidated entities. During the nine months ended September 30, 2023, cash used in investing activities was primarily impacted by draws on loan receivable of $236 million and investments of $36 million in land and housing unconsolidated entities. This was partially offset by repayments on our loan receivable of $212 million and $59 million of distributions from our land and housing unconsolidated entities.

*Cash Flow (Used in) / Provided by Financing Activities*

Cash flows provided by financing activities for the nine months ended September 30, 2024 totaled $98 million, compared to cash flows provided by financing activities of $50 million for the same period in 2023. During the nine months ended September 30, 2024, cash provided by financing activities was primarily from $401 million of net drawings on bank indebtedness and $62 million of drawings under project-specific financings. This was partially offset by $200 million of dividends paid to common shareholders, a $91 million tax equivalent distribution, $56 million of repayments under project-specific financings and $16 million of distributions to non-controlling interests. During the nine months ended September 30, 2023, cash provided by financing activities was primarily from $100 million of proceeds on the sale of a share of the Lilia mixed-use development as well as drawings on bank indebtedness of $182 million. This was partially offset by $220 million of dividends paid to common shareholders and $9 million of repayments under project-specific and other financings.

**Contractual Obligations and Other Commitments**

See Note 12 to the condensed consolidated financial statements, "Commitments, Contingent Liabilities and Other" for detailed information.

**Shareholders' Equity**

At October 30, 2024, 202,732,644 Common Shares in the capital of the Company were issued and outstanding. In addition, Brookfield Residential has a stock option plan under which key officers and employees are granted options to purchase Non-Voting Class B Common Shares or settle the options in cash at the option of the holder. Each option granted can be exercised for one Non-Voting Class B Common Share or settled in cash for the fair value of one Common Share at the date of exercise. At October 30, 2024, 7,200 options were outstanding under the stock option plan.

There was no change in the Company's Common Shares outstanding for the nine months ended September 30, 2024.

**Off-Balance Sheet Arrangements**

In the ordinary course of business, and where market conditions permit, we enter into land and lot option contracts and invest in unconsolidated entities to acquire control of land to mitigate the risk of declining land values. Option contracts for the purchase of land permit us to control the land for an extended period of time until the options expire. This reduces our financial risk associated with land ownership and development and reduces our capital and financial commitments. As of September 30, 2024, we had $7 million of primarily non-refundable option deposits and entitlement costs. The total remaining exercise price of these options was $25 million. Pursuant to the guidance in the United States Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810

*Consolidation*, none of these option contracts were consolidated as the Company did not hold the majority economic interest in these assets held under the options.

We also own 8,563 lots through our proportionate share of unconsolidated entities. As of September 30, 2024, our investment in unconsolidated entities totaled $356 million. We have provided varying levels of guarantees of debt in our unconsolidated entities. As of September 30, 2024, we had recourse guarantees of $71 million with respect to debt in our unconsolidated entities. Please refer to Note 4 to the condensed consolidated financial statements, “Investments in Unconsolidated Entities”, for additional information about our investments in unconsolidated entities.

We obtain letters of credit, performance bonds and other bonds to support our obligations with respect to the development of our projects. The amount of these obligations outstanding at any time varies in accordance with our development activities. If these letters of credit or bonds are drawn upon, we will be obligated to reimburse the issuer of the letter of credit or bonds. As of September 30, 2024, we had $66 million in letters of credit outstanding and $627 million in performance bonds for these purposes. The estimated costs to complete related to our letters of credit and performance bonds as at September 30, 2024 are $42 million and $240 million, respectively.

**Transactions Between Related Parties**

See Note 17 of the condensed consolidated financial statements, "Related Party Transactions", for detailed information.

**Non-GAAP Financial Measures**

Gross margin percentage on land and home sales are non-GAAP measures and are defined by the Company as gross margin of land and homes over respective revenues of land and homes. Management finds gross margin percentage to be an important and useful measurement, as the Company uses it to evaluate its performance and believes it is a widely accepted financial measure by users of its financial statements in analyzing its operating results. Gross margin percentage also provides comparability to similar calculations by its peers in the homebuilding industry. Additionally, gross margin percentage is important to the Company’s management because it assists its management in making strategic decisions regarding its construction pace, product mix and product pricing based upon the profitability generated on homes and land actually delivered during previous periods. However, gross margin percentage as presented may not be fully comparable to similarly titled measures reported by other companies because not all companies calculate this metric in an identical manner.

This measure is not intended to represent GAAP gross margin percentage and it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**BROOKFIELD RESIDENTIAL PROPERTIES ULC**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
*(all dollar amounts are in thousands of U.S. dollars)*
*(Unaudited)*

| | | As at | |
|---|---|---|---|
| | Note | September 30 2024 | December 31 2023 |
| **Assets** | | | |
| Cash and cash equivalents | | $ 78,481 | $ 36,414 |
| Restricted cash | | 4,001 | 4,284 |
| Receivables and other assets | | 832,033 | 764,862 |
| Investment company assets | 2 | 467,821 | 417,990 |
| Land and housing inventory | 3 | 3,008,753 | 2,755,029 |
| Investments in unconsolidated entities | 4 | 355,716 | 359,424 |
| Held-to-maturity investment | | 300,000 | 300,000 |
| Commercial properties | 5 | 319,817 | 304,089 |
| Operating and financing lease right-of-use asset | | 62,535 | 59,447 |
| Deferred income tax assets | 6 | 123,298 | 147,772 |
| Goodwill | | 16,479 | 16,479 |
| Total assets | | $ 5,568,934 | $ 5,165,790 |
| **Liabilities and Equity** | | | |
| Accounts payable and other liabilities | | $ 641,495 | $ 485,236 |
| Bank indebtedness and other financings | 7 | 771,264 | 367,245 |
| Notes payable | 8 | 1,621,869 | 1,623,346 |
| Operating and financing lease liability | | 70,571 | 67,227 |
| Total liabilities | | 3,105,199 | 2,543,054 |
| Common shares | 9 | 1,363,013 | 1,363,013 |
| Additional paid-in-capital | | 34,225 | 34,225 |
| Retained earnings | | 846,572 | 1,020,325 |
| Non-controlling interest | | 371,766 | 341,691 |
| Accumulated other comprehensive loss | | (151,841) | (136,518) |
| Total equity | | 2,463,735 | 2,622,736 |
| Total liabilities and equity | | $ 5,568,934 | $ 5,165,790 |
| Commitments, contingent liabilities and other | 12 | | |
| Guarantees | 13 | | |
| Subsequent events | 18 | | |

*See accompanying notes to the condensed consolidated financial statements*

**BROOKFIELD RESIDENTIAL PROPERTIES ULC**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**
*(all dollar amounts are in thousands of U.S. dollars, except per share amounts)*
*(Unaudited)*

| | | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|---|
| | **Note** | **2024** | **2023** | **2024** | **2023** |
| **Revenue** | | | | | |
| Housing | | $ 324,942 | $ 382,412 | $ 927,095 | $1,087,825 |
| Land | | 29,541 | 69,280 | 216,359 | 169,749 |
| Total revenue | | 354,483 | 451,692 | 1,143,454 | 1,257,574 |
| **Direct Cost of Sales** | | | | | |
| Housing | | (255,853) | (300,215) | (733,823) | (876,922) |
| Land | | (17,975) | (48,611) | (143,051) | (120,222) |
| Total direct cost of sales | | (273,828) | (348,826) | (876,874) | (997,144) |
| Gross margin | | 80,655 | 102,866 | 266,580 | 260,430 |
| Selling, general and administrative expense | | (64,940) | (61,135) | (186,006) | (180,921) |
| Interest expense | | (14,180) | (14,548) | (38,863) | (44,704) |
| Earnings from unconsolidated entities | 4 | 13,063 | 37,519 | 39,357 | 51,286 |
| Other income | 11 | 37,346 | 36,173 | 111,508 | 79,024 |
| Lease expense | | (2,683) | (3,376) | (8,259) | (10,341) |
| Depreciation | | (2,451) | (2,484) | (7,387) | (7,437) |
| **Income Before Income Taxes** | | 46,810 | 95,015 | 176,930 | 147,337 |
| Current income tax recovery / (expense) | 6 | 14,602 | (19,111) | 13,825 | (19,967) |
| Deferred income tax (expense) / recovery | 6 | (14,976) | 2,201 | (27,074) | (15,077) |
| **Net Income** | | 46,436 | 78,105 | 163,681 | 112,293 |
| **Other Comprehensive Income / (Loss)** | | | | | |
| Unrealized foreign exchange gain / (loss) on: | | | | | |
| Translation of the net investment in Canadian subsidiaries | | 10,795 | (22,452) | (19,148) | (2,405) |
| Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries | 14 | (2,075) | 4,625 | 3,825 | 425 |
| **Comprehensive Income** | | $ 55,156 | $ 60,278 | $ 148,358 | $ 110,313 |
| **Net Income Attributable To:** | | | | | |
| Consolidated | | $ 46,436 | $ 78,105 | $ 163,681 | $ 112,293 |
| Non-controlling interest | | 14,719 | 10,653 | 46,497 | 9,686 |
| Brookfield Residential | | $ 31,717 | $ 67,452 | $ 117,184 | $ 102,607 |
| **Comprehensive Income Attributable To:** | | | | | |
| Consolidated | | $ 55,156 | $ 60,278 | $ 148,358 | $ 110,313 |
| Non-controlling interest | | 14,719 | 10,653 | 46,497 | 9,686 |
| Brookfield Residential | | $ 40,437 | $ 49,625 | $ 101,861 | $ 100,627 |
| **Common Shareholders Earnings Per Share** | | | | | |
| Basic | 10 | $ 0.16 | $ 0.33 | $ 0.58 | $ 0.51 |
| Diluted | 10 | $ 0.16 | $ 0.33 | $ 0.58 | $ 0.51 |
| **Weighted Average Common Shares Outstanding** *(in thousands)* | | | | | |
| Basic | 10 | 202,733 | 202,733 | 202,733 | 202,733 |
| Diluted | 10 | 202,749 | 202,870 | 202,749 | 202,870 |

*See accompanying notes to the condensed consolidated financial statements*

**BROOKFIELD RESIDENTIAL PROPERTIES ULC**
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**
*(all dollar amounts are in thousands of U.S. dollars)*
*(Unaudited)*

| | Note | Nine Months Ended September 30 | |
|---|---|---|---|
| | | 2024 | 2023 |
| **Common Shares** | 9 | | |
| Opening balance | | $ 1,363,013 | $ 1,363,013 |
| Ending balance | | 1,363,013 | 1,363,013 |
| **Additional Paid-in-Capital** | | | |
| Opening balance | | 34,225 | — |
| Sale of partial interest in subsidiary | 5 | — | 46,194 |
| Ending balance | | 34,225 | 46,194 |
| **Retained Earnings** | | | |
| Opening balance | | 1,020,325 | 1,039,446 |
| Common share dividends | 17 | (200,000) | (220,000) |
| Net income attributable to Brookfield Residential | | 117,184 | 102,607 |
| Tax equivalent distributions | 17 | (90,937) | — |
| Ending balance | | 846,572 | 922,053 |
| **Accumulated Other Comprehensive Loss** | | | |
| Opening balance | | (136,518) | (153,103) |
| Other comprehensive loss | | (15,323) | (1,980) |
| Ending balance | | (151,841) | (155,083) |
| **Total Brookfield Residential Equity** | | $ 2,091,969 | $ 2,176,177 |
| **Non-Controlling Interest - Land & Housing** | | | |
| Opening balance | | $ 341,691 | $ 276,035 |
| Additions | | — | 53,418 |
| Disposals | | — | (2,218) |
| Net income attributable to non-controlling interest | | 46,497 | 9,686 |
| Distributions | | (16,422) | (632) |
| Ending balance | | $ 371,766 | $ 336,289 |
| **Total Equity** | | $ 2,463,735 | $ 2,512,466 |

*See accompanying notes to the condensed consolidated financial statements*

**BROOKFIELD RESIDENTIAL PROPERTIES ULC**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
*(all dollar amounts are in thousands of U.S. dollars)*
*(Unaudited)*

| | Nine Months Ended September 30 | |
|---|---|---|
| **Cash Flows (Used in) / Provided by Operating Activities** | **2024** | **2023** |
| Net income | $ 163,681 | $ 112,293 |
| **Adjustments to reconcile net income to net cash (used in) / provided by operating activities:** | | |
| Earnings from unconsolidated entities | (39,357) | (51,286) |
| Deferred income tax expense | 27,074 | 15,077 |
| Share-based compensation expense | 172 | 360 |
| Depreciation | 7,387 | 7,437 |
| Right-of-use asset depreciation | 4,440 | 4,577 |
| Disposal of operating leases | (477) | — |
| Amortization of non-cash interest | 2,954 | 3,279 |
| Dividend income on held-to-maturity investment | (17,967) | (17,885) |
| Distributions of earnings from unconsolidated entities | 30,630 | 61,749 |
| **Changes in operating assets and liabilities:** | | |
| Increase in receivables and other assets | (95,475) | (5,804) |
| Increase in land and housing inventory | (278,177) | (120,626) |
| Increase in commercial properties | (21,765) | (9,593) |
| Decrease in operating lease liabilities | (3,361) | (3,192) |
| Increase / (Decrease) in accounts payable and other liabilities | 157,489 | (43,885) |
| Net cash used in operating activities | (62,752) | (47,499) |
| **Cash Flows (Used in) / Provided by Investing Activities** | | |
| Investments in unconsolidated entities | (28,742) | (35,657) |
| Distribution of capital from unconsolidated entities | 40,843 | 58,552 |
| Draws on loans receivable | (245,167) | (236,031) |
| Repayments on loans receivable | 243,986 | 212,015 |
| Net cash provided by / (used in) by investing activities | 10,920 | (1,121) |
| **Cash Flows (Used in) / Provided by Financing Activities** | | |
| Drawings under project-specific and other financings | 62,449 | 50,759 |
| Repayments under project-specific and other financings | (56,378) | (59,392) |
| Net drawings on bank indebtedness | 401,401 | 181,728 |
| Payments of debt issuance costs | (2,350) | — |
| Proceeds on sale of partial interest in subsidiary | — | 99,612 |
| Distributions to non-controlling interest | (16,422) | (632) |
| Dispositions of non-controlling interest | — | (2,218) |
| Tax equivalent distributions paid | (90,937) | — |
| Dividends paid to common shareholders | (200,000) | (220,000) |
| Payments made on the principal of financing leases | (268) | (212) |
| Net cash provided by financing activities | 97,495 | 49,645 |
| Effect of foreign exchange rates on cash and cash equivalents | (3,879) | 238 |
| Change in cash, cash equivalents and restricted cash | 41,784 | 1,263 |
| Cash, cash equivalents and restricted cash at beginning of period | 40,698 | 40,957 |
| Cash, cash equivalents and restricted cash at end of period | $ 82,482 | $ 42,220 |
| **Supplemental Cash Flow Information** | | |
| Cash interest paid | $ 111,428 | $ 107,355 |
| Cash taxes paid | $ 32,004 | $ 17,693 |

*See accompanying notes to the condensed consolidated financial statements*

### Note 1. Significant Accounting Policies

*(a) Basis of Presentation*

Brookfield Residential Properties ULC (the "Company" or "Brookfield Residential") is an Alberta, Canada, unlimited liability corporation and is a wholly-owned subsidiary of Brookfield Corporation. The Company has been developing land and building homes for over 60 years.

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include the consolidated accounts of Brookfield Residential, its subsidiaries, investments in unconsolidated entities and variable interest entities in which the Company is the primary beneficiary. All intercompany accounts, transactions and balances have been eliminated upon consolidation.

All dollar amounts discussed herein are in U.S. dollars and in thousands, unless otherwise stated. Amounts in Canadian dollars are identified as “C$.”

*(b) Future Accounting Pronouncements*

ASU 2023-05, *Business Combinations - Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*, was issued in August 2023, and is effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. Principally, it requires a joint venture or a corporate joint venture to initially measure its assets and liabilities at fair value on the formation date. Adoption of the update is not expected to have a significant impact on the Company's financial position and results of operations.

ASU 2023-07, *Improvements to Reportable Segment Disclosures*, was issued in November 2023, and is effective for fiscal periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 with early adoption permitted. The amendments enhance reportable segment disclosure requirements, primarily through improved disclosures regarding significant segment expenses. Further, the amendments improve interim disclosure requirements, clarify instances in which an entity can disclose multiple segment measures of profit or loss, and provide new segment disclosure requirements for entities with a single reportable segment. Adoption of this update is not expected to have a significant impact on the Company's financial position and results of operations.

### Note 2. Investment Company Assets

The components of investment company assets are summarized as follows:

| | As at | |
|---|---|---|
| | September 30 2024 | December 31 2023 |
| Brookfield Single Family Rental Investment ("BSFR")(1) | $ 393,629 | $ 349,576 |
| Homebuilder Finance Investments(2) | 74,192 | 68,414 |
| | $ 467,821 | $ 417,990 |

(1) See Note 14 "Fair Value Measurements" for further details. The Company has a 25.5% share of the Brookfield Single Family Rental fund as at September 30, 2024.
(2) The Homebuilder Finance Investments include a 49.0% interest in Brookfield Residential US Land Holdings LLC and a 22.2% interest in Brookfield Residential US Land Holdings II LLC (collectively "Homebuilder Finance").

*(all dollar amounts are in thousands of U.S. dollars)*

**Note 3. Land and Housing Inventory**

The following summarizes the components of land and housing inventory:

| | As at | |
|---|---|---|
| | September 30 2024 | December 31 2023 |
| Land held for development | $ 1,153,799 | $ 1,203,953 |
| Land under development | 1,091,649 | 950,034 |
| Housing inventory | 683,250 | 517,473 |
| Model homes | 80,055 | 83,569 |
| | $ 3,008,753 | $ 2,755,029 |

The Company has reviewed all of its projects for indicators of impairment in accordance with the provisions of ASC Topic 360 *Property, Plant and Equipment* and ASC Topic 820 *Fair Value Measurements and Disclosures*. As at September 30, 2024, based on the analysis performed, no indicators of impairment were identified and no impairment charges were recognized (December 31, 2023 - $14.4 million).

Interest capitalized and expensed during the three and nine months ended September 30, 2024 and 2023 was as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Interest capitalized, beginning of period | $ 222,716 | $ 201,349 | $ 204,503 | $ 194,006 |
| Interest capitalized | 22,369 | 19,523 | 67,183 | 53,113 |
| Interest expensed to cost of sales | (12,003) | (15,224) | (38,604) | (41,471) |
| Interest capitalized, end of period | $ 233,082 | $ 205,648 | $ 233,082 | $ 205,648 |

Land and housing inventory includes non-refundable deposits and other entitlement costs totaling $6.6 million (December 31, 2023 – $6.9 million) in connection with options that are not required to be consolidated in accordance with the guidance incorporated in ASC Topic 810. The total remaining exercise price of these options is $24.5 million (December 31, 2023 – $34.4 million), including the non-refundable deposits and other entitlement costs identified above.

**Note 4. Investments in Unconsolidated Entities**

As part of its land and housing operations, the Company participates in joint ventures and partnerships to explore opportunities while minimizing risk. As of September 30, 2024, the Company is invested in 33 unconsolidated entities (December 31, 2023 – 30 unconsolidated entities) in which it has less than a controlling interest. Summarized financial information on a 100% basis for the combined unconsolidated entities is as follows:

| | As at | |
|---|---|---|
| | September 30 2024 | December 31 2023 |
| **Assets** | | |
| Land and housing inventory | $ 1,523,759 | $ 1,448,858 |
| Investments in unconsolidated entities | 3,525 | 28,936 |
| Other assets | 559,262 | 460,343 |
| | $ 2,086,546 | $ 1,938,137 |
| **Liabilities and Equity** | | |
| Bank indebtedness and other financings | $ 470,448 | $ 465,049 |
| Accounts payable and other liabilities | 268,402 | 188,755 |
| Brookfield Residential's interest | 355,716 | 359,424 |
| Others' interest | 991,980 | 924,909 |
| | $ 2,086,546 | $ 1,938,137 |

*(all dollar amounts are in thousands of U.S. dollars)*

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Revenue and Expenses** | | | | |
| Revenue | $ 235,644 | $ 289,722 | $ 513,701 | $ 527,093 |
| Direct cost of sales | (168,502) | (168,543) | (340,584) | (327,633) |
| Other income and expenses | (8,960) | (7,918) | (9,885) | (6,078) |
| Net income | $ 58,182 | $ 113,261 | $ 163,232 | $ 193,382 |
| Total equity earnings | $ 13,063 | $ 37,519 | $ 39,357 | $ 51,286 |

In reporting the Company's share of net income, all intercompany profits from unconsolidated entities are eliminated on lots purchased by the Company from unconsolidated entities until such time that the associated home is sold to a third party.

The Company and/or its unconsolidated entity partners have provided varying levels of guarantees of debt on its unconsolidated entities. As at September 30, 2024, the Company had recourse guarantees of $71.3 million (December 31, 2023 – $67.0 million) with respect to debt of its unconsolidated entities.

**Note 5. Commercial Properties**

The Company’s components of commercial properties consist of the following:

| | As at | |
|---|---|---|
| | **September 30 2024** | **December 31 2023** |
| Finished properties | $ 306,136 | $ 303,817 |
| Work in progress | 32,791 | 13,832 |
| | 338,927 | 317,649 |
| Less: accumulated depreciation | (19,110) | (13,560) |
| | $ 319,817 | $ 304,089 |

Interest capitalized to commercial properties and commercial properties held for sale and expensed during the three and nine months ended September 30, 2024 and 2023 was as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Interest capitalized, beginning of period | $ 9,858 | $ 9,602 | $ 9,673 | $ 9,621 |
| Interest capitalized | 326 | — | 596 | 5 |
| Interest expensed to depreciation | (43) | (105) | (128) | (129) |
| Interest capitalized, end of period | $ 10,141 | $ 9,497 | $ 10,141 | $ 9,497 |

During the nine months ended September 30, 2023, the Company completed the partial interest sale of 46.6% of its investment in Kuhio, which holds an investment in our Lilia mixed-use development in Honolulu, Hawaii, for cash proceeds of $99.5 million. The equity interest was sold to BWS, an affiliate of Brookfield Corporation, the parent entity of the Company. The transaction was accounted for under ASC 810 and had the following impact on the condensed consolidated financial statements:

| | |
|---|---|
| Consideration from partial sale of subsidiary | $ 99,533 |
| Carrying value attributed to non-controlling interest | (53,419) |
| Income tax impact | (11,969) |
| Transaction costs | 80 |
| Additional paid-in-capital | $ 34,225 |

*(all dollar amounts are in thousands of U.S. dollars)*

### Note 6. Income Taxes

The Company recorded an aggregate income tax expense of $13.2 million for the nine months ended September 30, 2024 (nine months ended September 30, 2023 – $35.0 million), which is comprised of current income tax recovery of $13.8 million (nine months ended September 30, 2023 – $20.0 million current income tax expense) and deferred income tax expense of $27.1 million (nine months ended September 30, 2023 – $15.0 million deferred income tax expense).

A reconciliation of the Company's effective tax rate from the Canadian statutory tax rate for the nine months ended September 30, 2024 and 2023 is as follows:

| | Nine Months Ended September 30 | |
|---|---|---|
| | **2024** | **2023** |
| Statutory rate | 23.0% | 23.0% |
| Non-temporary differences | (1.0) | 8.2 |
| Rate difference from statutory rate | (4.2) | 1.7 |
| Return to provision | (0.7) | 0.9 |
| Non-taxable preferred share dividends | (2.7) | (3.2) |
| Taxable income attributable to non-controlling interests | (6.9) | (1.7) |
| Other | — | (5.1) |
| Effective tax rate | 7.5 % | 23.8 % |

The decrease in the effective tax rate when compared to the same period in 2023 was primarily due to the change in taxable income attributable to non-controlling interests, changes in the proportion of income earned in jurisdictions with different tax rates and deferred taxes recognized in 2023 on the interim tax treatment of the 46.6% equity interest sale of Kuhio, which holds the investment in Lilia.

As at September 30, 2024, the Company recorded deferred tax assets of $127.1 million (December 31, 2023 - $150.4 million) which were partially offset by valuation allowances of $3.8 million (December 31, 2023 - $2.6 million). The valuation allowance relates to the realized capital losses in Canada and the unrealized foreign exchange losses on the Company's U.S. denominated notes that have not met the more-likely-than-not realization threshold. In evaluating the need for a valuation allowance against the Company's deferred tax assets at September 30, 2024, the Company considered all available and objectively verifiable positive and negative evidence, including future reversals of existing temporary differences, projected future taxable income, tax planning strategies and recent financial operations. The Company concluded it is more likely-than-not that all of its remaining U.S. and Canadian deferred tax assets will be realized in the future.

### Note 7. Bank Indebtedness and Other Financings

Bank indebtedness and other financings consist of the following:

| | As at | |
|---|---|---|
| | **September 30 2024** | **December 31 2023** |
| Bank indebtedness (a) | $ 538,882 | $ 137,600 |
| Project-specific financings (b) | 178,006 | 172,666 |
| Secured VTB mortgages (c) | 57,579 | 58,488 |
| | 774,467 | 368,754 |
| Transaction costs (a)(b) | (3,203) | (1,509) |
| | $ 771,264 | $ 367,245 |

*(a) Bank indebtedness*

As at September 30, 2024, there were $538.9 million of borrowings outstanding under the North American unsecured revolving credit facility, and available capacity of $70.6 million (December 31, 2023 – $137.6 million borrowings outstanding and $479.5 million of available capacity, respectively). The Company is able to borrow in either Canadian or U.S. dollars with borrowings allowable up to $675 million.

During 2024, the North American unsecured revolving credit agreement was amended and extended through August 2028. The amendment also replaced the use of the Canadian Dollar Offered Rate ("CDOR") with the Canadian Overnight Repo Rate Average ("CORRA").

For U.S. dollar denominated borrowings, interest is charged on the facility at a rate equal to, at the borrower's option, either the adjusted SOFR plus an applicable rate between 2.0% and 2.75% per annum or an ABR plus an applicable rate between 1.0% and 1.75% per annum. For Canadian dollar denominated borrowings, interest is charged on the facility at a rate equal to either the CORRA plus an applicable rate between 2.0% and 2.75% per annum or the Canadian prime rate plus an applicable rate between 1.0% and 1.75% per annum.

The facility contains certain restrictive covenants including limitations on liens, dividends and other distributions, investments in subsidiaries and joint ventures that are not party to the loan. The facility requires the Company to maintain a minimum consolidated tangible net worth of $1.7 billion, as well as a consolidated total debt to consolidated total capitalization of no greater than 65%. As at September 30, 2024, the Company was in compliance with all of its covenants relating to this facility.

*(b) Project-specific financings*

(i) During 2024, OliverMcMillan Kuhio LLC, a subsidiary of the Company, exercised its second extension option on its construction loan for the Lilia mixed-use project located in Honolulu, Hawaii. The construction loan was extended through March 2025. The loan allows OliverMcMillan Kuhio LLC to borrow up to $155.7 million. As at September 30, 2024, the Company has $147.5 million of borrowings outstanding under the construction loan (December 31, 2023 – $143.7 million).

Interest is charged on the loan at a rate equal to SOFR plus 1.5%, with a rate cap on SOFR of 7.0%.

The loan contains certain restrictive covenants including leasing and construction of the project. The loan requires BRUS LLC to maintain a minimum liquidity of $25.0 million and a minimum net worth of $250.0 million exclusive of BRUS LLC's equity in the project. The loan is secured by the assets of OliverMcMillan Kuhio LLC. The Company was in compliance with these covenants as at September 30, 2024.

(ii) As at September 30, 2024, the Company has three Canadian project-specific financings (December 31, 2023 – two project-specific financings) totaling $30.5 million (C$41.3 million) provided by various lenders (December 31, 2023 – $28.9 million (C$38.3 million)).

Project-specific financing totaling $25.7 million (C$34.8 million) has an interest rate of Canadian prime + 0.50%, is due on demand with 240 days' notice, and is secured by certain land and housing inventory assets of the Company's Alberta operations and a general charge over the property of South Seton Limited Partnership, a consolidated subsidiary of the Company (December 31, 2023 – $25.3 million (C$33.5 million)). This borrowing includes a minimum debt to equity covenant for South Seton Limited Partnership of no greater than 1.50 to 1. The Company was in compliance with this covenant as at September 30, 2024.

Project-specific financing totaling $4.0 million (C$5.4 million) is secured and matures in August 2027. Interest is charged on the facility at the borrower's option, at a rate equal to either the CORRA plus 1.65% or the Canadian prime rate. This borrowing includes a financial covenant of 75% loan to value and 120% debt service coverage. The covenants are calculated upon first borrowing under the facility and are calculated semi-annually thereafter. The Company was in compliance with these covenants upon the first borrowing.

Project-specific financing totaling $0.9 million (C$1.2 million), held by a joint venture in our Alberta operations, a consolidated subsidiary of the Company, has an interest rate of Canadian prime + 0.50%, matures in November 2024, and is secured without covenants (December 31, 2023 – $3.6 million (C$4.8 million)).

*(all dollar amounts are in thousands of U.S. dollars)*

*(c) Secured VTB mortgages*

The Company has eight secured VTB mortgages (December 31, 2023 – 10 secured VTB mortgages) in the amount of $57.6 million (December 31, 2023 – $58.5 million). Secured VTB mortgages are repayable as follows: 2024 – $11.7 million; 2025 – $23.1 million; and 2026 and thereafter – $22.7 million.

Eight secured VTB mortgages (December 31, 2023 – 10 secured VTB mortgages) in the amount of $57.6 million (December 31, 2023 – $58.5 million) relate to raw land held for development by Brookfield Residential (Alberta) LP and Brookfield Residential (Ontario) LP, wholly-owned subsidiaries of the Company. This debt is repayable in Canadian dollars of C$77.9 million (December 31, 2023 – C$77.5 million). The interest rates on the debt range from fixed rates of 6.0% to 6.5% and variable rates of Canadian prime plus 1.0% to 2.0% and the debt is secured by the related land. As at September 30, 2024, the borrowings are not subject to any financial covenants.

**Note 8. Notes Payable**

| | As at | |
|---|---|---|
| | **September 30 2024** | **December 31 2023** |
| 6.250% unsecured senior notes due September 15, 2027 (a) | $ 600,000 | $ 600,000 |
| 4.875% unsecured senior notes due February 15, 2030 (b) | 500,000 | 500,000 |
| 5.000% unsecured senior notes due June 15, 2029 (c) | 350,000 | 350,000 |
| 5.125% unsecured senior notes due June 15, 2029 (d) | 184,850 | 188,675 |
| | 1,634,850 | 1,638,675 |
| Transaction costs | (12,981) | (15,329) |
| | $ 1,621,869 | $ 1,623,346 |

(a) The Company’s $600 million principal amount of 6.25% unsecured senior notes matures on September 15, 2027 with interest payable semi-annually. The notes may be redeemed at 101.042% of their principal amount plus any accrued and unpaid interest. In accordance with the indenture, the redemption price decreases annually and the notes can be redeemed at par on or after September 15, 2025 through maturity.

(b) The Company’s $500 million principal amount of 4.875% unsecured senior notes mature February 15, 2030 with interest payable semi-annually. On or after February 15, 2025 the notes may be redeemed at 102.438% of their principal amount plus any accrued and unpaid interest. In accordance with the indenture, the redemption price decreases annually thereafter and the notes can be redeemed at par on or after February 15, 2028 through maturity.

(c) The Company's $350 million principal amount of 5.000% unsecured senior notes matures on June 15, 2029, with interest payable semi-annually. The notes may be redeemed at 102.500% of their principal amount plus any accrued and unpaid interest. In accordance with the indenture, the redemption price decreases annually thereafter and the notes can be redeemed at par on or after June 15, 2026 through maturity.

(d) The Company's C$250 million principal amount of 5.125% unsecured senior notes matures on June 15, 2029, with interest payable semi-annually. The notes may be redeemed at 102.563% of their principal amount plus any accrued and unpaid interest. In accordance with the indenture, the redemption price decreases annually thereafter and the notes can be redeemed at par on or after June 15, 2026 through maturity.

The Company and BRUS LLC are co-issuers of all private placements of unsecured senior notes. All unsecured senior notes include covenants that, among others, place limitations on incurring additional indebtedness and restricted payments. Under the limitation on additional indebtedness, Brookfield Residential is permitted to incur specified categories of indebtedness, but is prohibited from incurring further indebtedness if it does not satisfy either a net indebtedness to tangible net worth ratio of 3.0 to 1, or a fixed charge coverage ratio of 2.0 to 1, as applicable. The Company was in compliance with these financial covenants as at September 30, 2024.

### Note 9. Equity

The authorized Common Share capital of the Company consists of an unlimited number of voting Common Shares and Non-Voting Class B Common Shares.

There were no Common Shares issued during the nine months ended September 30, 2024 or during the year ended December 31, 2023.

| | For the Period Ended | |
|---|---|---|
| | September 30 2024 | December 31 2023 |
| Common Shares issued, beginning of period | 202,732,644 | 202,732,644 |
| Common Shares issued and outstanding, end of period | 202,732,644 | 202,732,644 |

The Company had no Non-Voting Class B Common Shares issued and outstanding as at September 30, 2024 and December 31, 2023.

### Note 10. Earnings Per Share

Basic and diluted earnings per share for the three and nine months ended September 30, 2024 and 2023 were calculated as follows:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Numerator: | | | | |
| Net income attributable to Brookfield Residential | $ 31,717 | $ 67,452 | $ 117,184 | $ 102,607 |
| Denominator (in ‘000s of shares): | | | | |
| Basic weighted average shares outstanding | 202,733 | 202,733 | 202,733 | 202,733 |
| Diluted weighted average shares outstanding | 202,749 | 202,870 | 202,749 | 202,870 |
| Basic earnings per share | $ 0.16 | $ 0.33 | $ 0.58 | $ 0.51 |
| Diluted earnings per share | $ 0.16 | $ 0.33 | $ 0.58 | $ 0.51 |

### Note 11. Other Income

The Company’s components of other income consist of the following:

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Income from investment company assets | $ (18,757) | $ (14,454) | $ (52,437) | $ (15,029) |
| Preferred share dividend income | (6,000) | (5,984) | (17,967) | (17,885) |
| Investment income | (5,363) | (6,334) | (16,365) | (17,661) |
| Income from commercial properties | (4,730) | (3,865) | (14,449) | (12,063) |
| Joint venture management fee income | (1,753) | (2,587) | (5,703) | (6,931) |
| Other | (743) | (2,949) | (4,587) | (9,455) |
| | $ (37,346) | $ (36,173) | $ (111,508) | $ (79,024) |

### Note 12. Commitments, Contingent Liabilities and Other

As at September 30, 2024, $44.4 million of the amounts held in other assets related to deposits on land purchase obligations (December 31, 2023 – $4.6 million). The total amount committed on these obligations is $687.7 million (December 31, 2023 – $410.6 million).

### Note 13. Guarantees

In the ordinary course of business, the Company has provided construction guarantees in the form of letters of credit and performance bonds. As at September 30, 2024, these guarantees amounted to $692.7 million (December 31, 2023 – $643.6 million) and have not been recognized in the condensed consolidated financial statements. However, the proportionate development costs that relate to lots that have been sold are accrued in accounts payable and other liabilities. Such guarantees are required by the municipalities in which the Company operates before construction permission is granted.

*(all dollar amounts are in thousands of U.S. dollars)*

**Note 14. Fair Value Measurements**

*Fair Value Hierarchy*

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation inputs of these assets and liabilities. The fair value hierarchy requires a company to prioritize the use of observable inputs and minimize the use of unobservable inputs in measuring fair value.

As at September 30, 2024, all of the Company's financial assets and liabilities are recorded at their carrying value as it approximates fair value due to their short term nature, with the exception of the Brookfield Single Family Rental investment, which is recorded at its fair value.

The Company has determined that the valuation of the Brookfield Single Family Rental Investment under the fair value hierarchy falls under Level 3, due to the lack of observable pricing inputs and related market activity.

The change in fair value of the investment has used Level 3 inputs to determine fair value is as follows:

| | Nine Months Ended September 30, 2024 |
|---|---|
| Balance, beginning of period | $ 349,576 |
| Change in unrealized gain from investment | 44,053 |
| Balance, end of period | $ 393,629 |

The following table summarizes the quantitative inputs and assumptions used to determine the investment fair value as of September 30, 2024:

| Financial Instrument | Fair value as of 9/30/2024 | Valuation technique | Unobservable inputs | Range (where applicable) |
|---|---|---|---|---|
| Single Family Rental Investment | $ 393,629 | Discounted cash flow | Discount rate<br>Capitalization rate | 7.5%<br>5.3% |

*Net Investment Hedge*

For the three and nine months ended September 30, 2024, an unrealized pre-tax loss of $2.1 million and gain of $3.8 million (September 30, 2023 – gain of $4.6 million and $0.4 million, respectively), was recorded in other comprehensive income for hedges of net investments in foreign operations.

**Note 15. Managing Risks**

The Company is exposed to the following risks as a result of holding financial instruments: (a) market risk (i.e. interest rate risk, currency risk and other price risk that impact the fair values of financial instruments); (b) credit risk; and (c) liquidity risk. There have been no material changes to the Company's financial risk exposure or risk management activities since December 31, 2023.

**Note 16. Segmented Information**

The following tables summarize select information on the Company's consolidated statements of operations by reportable segments:

| | Three Months Ended September 30, 2024 | | | | |
|---|---|---|---|---|---|
| | Canada | Pacific U.S. | Central and Eastern U.S. | Corporate and Other | Total |
| Housing revenue | $ 129,735 | $ 94,727 | $ 100,480 | $ — | $ 324,942 |
| Land revenue | 19,392 | 4,953 | 5,196 | — | 29,541 |
| | 149,127 | 99,680 | 105,676 | — | 354,483 |
| Housing cost of sales | (106,021) | (65,817) | (84,015) | — | (255,853) |
| Land cost of sales | (13,820) | (1,243) | (2,912) | — | (17,975) |
| | (119,841) | (67,060) | (86,927) | — | (273,828) |
| Gross margin | 29,286 | 32,620 | 18,749 | — | 80,655 |
| Earnings from unconsolidated entities | 8,206 | 4,464 | 230 | 163 | 13,063 |
| (Expenses) / Income | (17,956) | (18,443) | (22,414) | 11,905 | (46,908) |
| Income before income taxes | $ 19,536 | $ 18,641 | $ (3,435) | $ 12,068 | $ 46,810 |

*(all dollar amounts are in thousands of U.S. dollars)*

| | Three Months Ended September 30, 2023 | | | | |
|---|---|---|---|---|---|
| | **Canada** | **Pacific U.S.** | **Central and Eastern U.S.** | **Corporate and Other** | **Total** |
| Housing revenue | $ 87,591 | $ 169,255 | $ 125,566 | $ — | $ 382,412 |
| Land revenue | 17,058 | 24,464 | 27,758 | — | 69,280 |
| | 104,649 | 193,719 | 153,324 | — | 451,692 |
| Housing cost of sales | (67,409) | (129,316) | (103,490) | — | (300,215) |
| Land cost of sales | (11,999) | (19,930) | (16,682) | — | (48,611) |
| | (79,408) | (149,246) | (120,172) | — | (348,826) |
| Gross margin | 25,241 | 44,473 | 33,152 | — | 102,866 |
| Earnings from unconsolidated entities | 5,363 | 32,604 | (640) | 192 | 37,519 |
| (Expenses) / Income | (13,735) | (22,986) | (23,072) | 14,423 | (45,370) |
| Income before income taxes | $ 16,869 | $ 54,091 | $ 9,440 | $ 14,615 | $ 95,015 |

| | Nine Months Ended September 30, 2024 | | | | |
|---|---|---|---|---|---|
| | **Canada** | **Pacific U.S.** | **Central and Eastern U.S.** | **Corporate and Other** | **Total** |
| Housing revenue | $ 312,683 | $ 336,750 | $ 277,662 | $ — | $ 927,095 |
| Land revenue | 74,086 | 129,716 | 12,557 | — | 216,359 |
| | 386,769 | 466,466 | 290,219 | — | 1,143,454 |
| Housing cost of sales | (257,742) | (241,138) | (234,943) | — | (733,823) |
| Land cost of sales | (44,309) | (92,673) | (6,069) | — | (143,051) |
| | (302,051) | (333,811) | (241,012) | — | (876,874) |
| Gross margin | 84,718 | 132,655 | 49,207 | — | 266,580 |
| Earnings from unconsolidated entities | 15,864 | 20,239 | 2,617 | 637 | 39,357 |
| (Expenses) / Income | (44,470) | (58,778) | (63,638) | 37,879 | (129,007) |
| Income before income taxes | $ 56,112 | $ 94,116 | $ (11,814) | $ 38,516 | $ 176,930 |

| | Nine Months Ended September 30, 2023 | | | | |
|---|---|---|---|---|---|
| | **Canada** | **Pacific U.S.** | **Central and Eastern U.S.** | **Corporate and Other** | **Total** |
| Housing revenue | $ 267,057 | $ 394,142 | $ 426,626 | $ — | $ 1,087,825 |
| Land revenue | 80,099 | 59,113 | 30,537 | — | 169,749 |
| | 347,156 | 453,255 | 457,163 | — | 1,257,574 |
| Housing cost of sales | (215,981) | (312,563) | (348,378) | — | (876,922) |
| Land cost of sales | (54,589) | (45,652) | (19,981) | — | (120,222) |
| | (270,570) | (358,215) | (368,359) | — | (997,144) |
| Gross margin | 76,586 | 95,040 | 88,804 | — | 260,430 |
| Earnings from unconsolidated entities | 7,969 | 41,212 | 1,531 | 574 | 51,286 |
| (Expenses) / Income | (38,147) | (64,391) | (68,383) | 6,542 | (164,379) |
| Income before income taxes | $ 46,408 | $ 71,861 | $ 21,952 | $ 7,116 | $ 147,337 |

*(all dollar amounts are in thousands of U.S. dollars)*

The following tables summarize select information on the Company's consolidated balance sheets by reportable segments:

| | As at September 30, 2024 | | | | |
|---|---|---|---|---|---|
| | **Canada** | **Pacific U.S.** | **Central and Eastern U.S.** | **Corporate and Other** | **Total** |
| Land held for development | $ 305,268 | $ 270,737 | $ 577,794 | $ — | $ 1,153,799 |
| Land under development | 256,312 | 587,906 | 247,431 | — | 1,091,649 |
| Housing inventory | 304,518 | 149,727 | 229,005 | — | 683,250 |
| Model homes | 21,758 | 33,098 | 25,199 | — | 80,055 |
| Total land and housing inventory | 887,856 | 1,041,468 | 1,079,429 | — | 3,008,753 |
| Commercial properties | 57,374 | 255,512 | 6,931 | — | 319,817 |
| Investments in unconsolidated entities | 124,867 | 145,769 | 84,804 | 276 | 355,716 |
| Held-to-maturity investment | — | — | — | 300,000 | 300,000 |
| Operating and financing lease right-of-use asset | 10,587 | 39,658 | 3,859 | 8,431 | 62,535 |
| Goodwill | — | — | — | 16,479 | 16,479 |
| Other assets (1) | 142,202 | 89,571 | 265,163 | 1,008,698 | 1,505,634 |
| Total assets | $ 1,222,886 | $ 1,571,978 | $ 1,440,186 | $ 1,333,884 | $ 5,568,934 |

(1) Other assets presented in above table within the operating segments note includes receivables and other assets, cash, restricted cash, investment company assets and deferred income tax assets.

| | As at December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | **Canada** | **Pacific U.S.** | **Central and Eastern U.S.** | **Corporate and Other** | **Total** |
| Land held for development | $ 357,072 | $ 301,106 | $ 545,775 | $ — | $ 1,203,953 |
| Land under development | 211,795 | 482,492 | 255,747 | — | 950,034 |
| Housing inventory | 233,029 | 114,183 | 170,261 | — | 517,473 |
| Model homes | 21,918 | 35,733 | 25,918 | — | 83,569 |
| Total land and housing inventory | 823,814 | 933,514 | 997,701 | — | 2,755,029 |
| Commercial properties | 39,351 | 259,335 | 5,403 | — | 304,089 |
| Investments in unconsolidated entities | 131,777 | 147,360 | 80,287 | — | 359,424 |
| Held-to-maturity investment | — | — | — | 300,000 | 300,000 |
| Operating and financing lease right-of-use asset | 9,575 | 37,273 | 3,924 | 8,675 | 59,447 |
| Goodwill | — | — | — | 16,479 | 16,479 |
| Other assets (1) | 162,819 | 85,229 | 226,238 | 897,036 | 1,371,322 |
| Total assets | $ 1,167,336 | $ 1,462,711 | $ 1,313,553 | $ 1,222,190 | $ 5,165,790 |

(1) Other assets presented in above table within the operating segments note includes receivables and other assets, cash, restricted cash, investment company assets and deferred income tax assets.

**Note 17. Related Party Transactions**

Related parties include the directors, executive officers, director nominees or shareholders, and their respective immediate family members. There are agreements among our affiliates to which we are a party or subject to, including a name license. The Company's additional significant related party transactions as at and for the three and nine months ended September 30, 2024 and 2023 were as follows:

- During the three and nine months ended September 30, 2024, the Company incurred $27.3 million and $70.1 million development and construction fees (three and nine months ended September 30, 2023 – $24.7 million and $63.3 million, respectively), related to the management agreement with Brookfield Properties Development ("BPD"). The fees are determined by applicable rates on construction and development spending. These transactions were recorded at the exchange amount within selling, general and administrative expense.
- During the three and nine months ended September 30, 2024, the Company incurred $4.4 million and $14.0 million of asset management fees, respectively, with Brookfield Residential Real Estate JV Management and Brookfield Property Group (Canada) ULC, subsidiaries of Brookfield Asset Management Ltd. (three and nine months ended September 30, 2023 – $1.3 million and $13.2 million). These transactions were recorded at the exchange amount within selling, general and administrative expense.
- As at September 30, 2024, the Company has a loan to BPD with an outstanding balance of $114.9 million that was recorded within receivables and other assets (December 31, 2023 – $94.5 million). During the three and nine months ended September 30, 2024, the Company recorded $2.4 million and $7.3 million of interest income, respectively, and this income was recorded at the exchange amounts within other income (three and nine months ended September 30, 2023 - $2.6 million and $7.2 million).
- As at September 30, 2024, the Company has a loan to Homebuilder Finance with an outstanding balance of $46.8 million that was recorded within receivables and other assets (December 31, 2023 – $55.1 million). During the three and nine months ended September 30, 2024, the Company recorded $1.1 million and $3.5 million, respectively, of interest income within other income (three and nine months ended September 30, 2023 – $1.2 million and $4.0 million).
- During the three and nine months ended September 30, 2024, the Company earned $6.0 million and $18.0 million, respectively, of dividends from the preferred shares of Brookfield International Ltd. (three and nine months ended September 30, 2023 – $5.9 million and $17.9 million of dividends earned, respectively) that have been recorded in the condensed consolidated statements of operations within other income. As at September 30, 2024, a total of $125.6 million of accrued dividends is recorded within receivables and other assets (September 30, 2023 – $101.5 million). These transactions were recorded at the exchange amount.
- During the nine months ended September 30, 2024, the Company declared and paid dividends to its common shareholder, Brookfield Corporation, of $200 million (nine months ended September 30, 2023 - $220 million). These transactions were recorded at the exchange amount.
- During the nine months ended September 30, 2024, the Company made a tax equivalent distribution of $90.9 million to BUSI, a subsidiary of Brookfield Corporation. The distribution amount was determined based on the amount of the U.S. federal and applicable state income tax that BRUSH would be required to pay if it was a corporation for U.S. tax purposes.
- During the three months ended September 30, 2024, the Company sold two land assets and entered into land option agreements with BWS for $53.4 million of cash consideration. During the nine months ended September 30, 2024, the Company sold five land assets and entered into land option agreements with BWS for total cash consideration of $130.8 million. Due to our option to repurchase the finished lots, these sales are accounted for as a financing arrangement with the book value of the inventory remaining on our balance sheet and an associated liability of $122.8 million as at September 30, 2024 recorded within accounts payable and other liabilities.
- During the nine months ended September 30, 2024, the Company received a deposit of $135.9 million from Brookfield Strategic Real Estate Partners IV ("BSREP IV"). The deposit is non-refundable and is related to the large opportunistic acre parcels being sold in California. The deposit is recorded as a liability on the balance sheet within accounts payable and other liabilities.

### Note 18. Subsequent Events

The Company performed an evaluation of subsequent events through October 30, 2024, which is the date that these condensed financial statements were approved for issuance, and has determined that there were no subsequent events that require disclosure.

# CORPORATE INFORMATION

## CORPORATE PROFILE

Brookfield Residential Properties ULC is a leading land developer and homebuilder in North America. We entitle and develop land to create master-planned communities, build and sell lots to third-party builders, and conduct our own homebuilding operations. We also participate in select, strategic real estate opportunities, including infill projects, mixed-use developments, and joint ventures. We are the flagship North American residential property company of Brookfield Corporation, (NYSE: BN; TSX: BN), a global alternative asset manager. Further information is available at BrookfieldResidential.com or Brookfield.com or contact:

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## BONDHOLDER INQUIRIES

Brookfield Residential welcomes inquiries from bondholders, analysts, media representatives and other interested parties. Questions relating to bondholder relations or media inquiries can be directed to Thomas Lui, Executive Vice President & Chief Financial Officer via e-mail at thomas.lui@brookfieldrp.com.