

Brookfield Residential

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



Corporate Profile | May 2012

Notice to Recipients

This corporate profile contains forward-looking information within the meaning of Canadian provincial securities laws and “other forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Certain statements in this corporate profile that are not historical facts, including information concerning possible or assumed future results of operations of the company, intrinsic value and future cash flows, favourable long-term fundamentals, future lot availability, the company’s goals and business strategy, land development value creation, costs to complete, liquidity and the ability to participate in opportunities, and those statements preceded by, followed by, or that include the words “believe,” “planned,” “anticipate,” “should,” “goals,” “expected,” “potential,” “estimate,” “targeted,” “scheduled,” or similar expressions, constitute “forward-looking statements”. Undue reliance should not be placed on forward looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results to differ materially from the anticipated future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements include, but are not limited to: changes in general economic, real estate and other conditions; mortgage rate changes; availability of suitable undeveloped land at acceptable prices; adverse legislation or regulation; ability to obtain necessary permits and approvals for the development of our land; availability of labour or material or increases in their costs; ability to develop and market our master-planned communities successfully; confidence levels of consumers; ability to raise capital on favourable terms; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage and ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; and additional risks and uncertainties referred to in our filings with the securities regulators in Canada and the United States, many of which are beyond our control. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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

Company Overview



In Summary

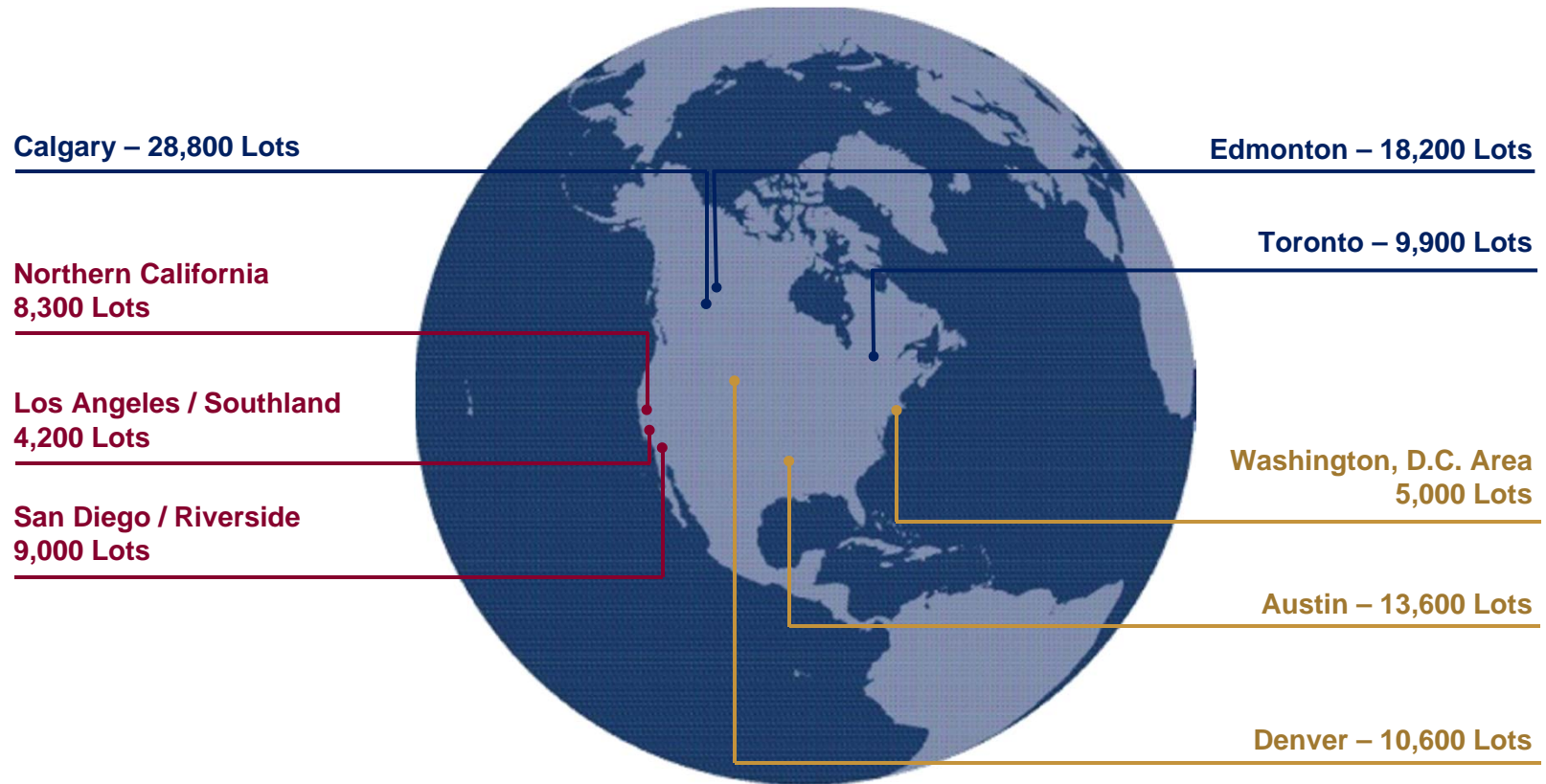
Brookfield Residential was launched as a new North American public company on March 31, 2011 by way of a merger between Brookfield Office Properties' residential land and housing division (BPO Residential) and Brookfield Homes Corporation



- Sixth largest North American residential platform by land and housing assets, with over 100,000 lots controlled
- Land developer and homebuilder, with three active operating segments and approximately US\$2.7 billion in assets: Canada (3 markets), California (4 markets) and Central & Eastern U.S. (3 markets)
 - Land developer: Entitle and develop land in all ten of our markets
 - Homebuilder: Currently build homes in seven of our ten markets (Calgary, Edmonton, Greater Toronto Area, San Francisco Bay Area, Los Angeles/Southland, San Diego/Riverside, Washington D.C. Area)
 - Dominant developer in Western Canada; approximately 25% market share in Calgary; 1 in 5 Calgary residents live in a Brookfield community
- Geographically diverse portfolio provides the benefit of strong Canadian markets, while positioning the company for a recovery in the U.S.

Market Diversity

Over 100,000 lots concentrated in dynamic and resilient cities of North America



Operating Philosophy

Market Strategy

- Invest in markets with resilient economies created by employment and quality of life
- Purchase land in growth corridors taking a long range view of where master-planned opportunities exist
- Develop homebuilding strategies that are appropriate for each market. Able to adapt to opportunities in each market rather than a mass producer of housing
- Use the advantage of land ownership to develop longer term building programs

Proactive Asset Management

- Look for additional opportunities within current markets that exist through changes in land use such as infill land development
- Establish and maintain relationships with strong homebuilders in each market
- Finance raw land with equity and utilize debt for lot servicing and homebuilding

Local Management

- Decentralized operating structure with strong local management teams
- In depth knowledge of future land and housing opportunities – greenfield and infill
- Strong local relationships with government, consultants, landowners and builders

Brookfield Residential Advantage

- Located in 10 geographic areas of North America with historically strong population growth and positive long-term demographics
- There has been negligible development of lots in the U.S. since 2006; our operations have maintained the ability to bring lots to the market quickly and not rely on third party providers or lengthening approval processes. In Canada, we are also well positioned to provide lots in markets where supplies are tightening and where we have existing entitlements
- Land development is long term, so when opportunities arise, Brookfield Residential has the ability to acquire parcels at the low point of the cycle to take advantage of improving market conditions
- Have the ability to participate in larger transactions or take advantage of distressed opportunities to purchase premium assets
- Many homebuilding companies that are “land lite” will have to replenish lots in a recovering market
- Continuity of our management team is key to building relationships with the local municipalities, government agencies, environmental groups, land owners, etc.
- High customer satisfaction acknowledged through satisfaction surveys, industry awards and peer recognition *

* Please visit http://www.brookfieldrp.com/content/our_markets/our_markets_overview-25864.html to view award rankings by market

Long-Term Fundamentals Favourable

- Constrained capital in the homebuilding industry will result in a shortage of available developed lots
- Continued increase in environmental concerns and other restrictions on obtaining entitlements and development permits will constrain lot supply
- Owning developed or entitled lots in strategic market areas places the company in a strong position when U.S. markets rebound; Canadian markets continue to be strong
- Continue to leverage management's experience on creating value through the entitlement and development process

Land Development



A General Overview of Land Entitlement and Development

- Land development is the process of taking land from a raw undeveloped stage through to a finished lot stage where it is available for the construction of homes, shopping centres, schools, parks and other structures
- In order to develop land, entitlements are required; entitlements are the legal method of obtaining approvals for the right to develop property for a particular use
- There are many different entitlements required through the regulatory approval process in order to develop land; most jurisdictions require similar approvals although they vary in what they are called
- The first level of entitlement is a General Plan which designates what general uses (residential, commercial, office etc.) will be allowed on the lands under study; it also designates the general location of significant roads and school sites
- The second level of entitlement, usually called an Area Structure Plan, Community Plan or Specific Plan, is similar to a General Plan but is a more detailed look at the sequence of development, general land uses proposed for the area, the density of population, general location of major transportation routes and public utilities, school sites and other matters City Council considers necessary
- The next level of entitlements generally involves obtaining a Land Use Plan or Zoning or Tentative Map; this designates what use is allowed on a specific piece of land (single-family housing, multi-family housing, shopping centre, park etc.); once zoning is in place no other use on the piece of land will be allowed unless it is re-zoned; an Outline Plan may accompany the Land Use Plan; this plan identifies the road and utility layout for a community as well as the specific location of each Land Use

A General Overview of Land Entitlement and Development cont'd

- Another level of entitlements involves obtaining engineering approval; engineering approval involves preparing detailed engineering drawings that outline the location and size of sanitary sewer, water and storm water pipe. It also designates the size and location of roads required and the size and location of storm water ponds
- The final level of entitlements involves preparing a Legal Survey Plan or Final Map, prepared by qualified Land Surveyors and is the mechanism through which an individual titled lot is created
- Obtaining entitlements can be a difficult and lengthy process involving many studies and public engagement and often takes years to complete
- Once entitlements have been achieved, the land developer can physically install utilities, construct roads, sidewalks, parks etc. to create a finished lot available to homebuilders to construct homes on; in certain situations a developer may allow the homebuilder to install the infrastructure by selling the builder what's known as "graded lots"; the developer completes only the backbone infrastructure for the community and allows the homebuilder to complete the specific onsite servicing for the "graded lots" purchased
- In Canada, developers sell fully serviced lots to homebuilders; in the United States developers sell both fully serviced lots and "graded lots"

Land Entitlement and Development – Examples of Land Development Stages in Alberta

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

Year	Activity	2 Year Hold Period		
		\$	\$	\$
		Per Front Foot	Per Acre	Per Lot
0	Purchase land	(1,545)	(340,000)	(49,455)
1		–	–	–
2	Entitle land	(40)	(8,800)	(1,280)
3	Develop land	(1,800)	(396,000)	(57,600)
4	Sell lots	4,800	1,056,000	153,600
	Margin \$	1,415	311,200	45,265
	Margin %	29%	29%	29%

Front Feet Per Acre – 220

Front Feet Per Lot – 32

Year	Activity	7 Year Hold Period		
		\$	\$	\$
		Per Front Foot	Per Acre	Per Lot
0	Purchase land	(591)	(130,000)	(18,909)
1		–	–	–
2		–	–	–
3		–	–	–
4		(10)	(2,200)	(320)
5		(10)	(2,200)	(320)
6		(10)	(2,200)	(320)
7	Entitle land	(10)	(2,200)	(320)
8	Develop land	(1,800)	(396,000)	(57,600)
9	Sell lots	4,800	1,056,000	153,600
	Margin \$	2,369	521,200	75,811
	Margin %	49%	49%	49%

Intrinsic Value



Multiples of Adjusted Book Value

- Although we do not regard ourselves as primarily a homebuilder due to our significant land position, many homebuilding stocks currently trade on a multiple of adjusted book value:

Book Value	\$	988
US Deferred Tax Asset ⁽¹⁾		82
Adjusted Book Value	\$	1,070
Per Share	\$	10.70

(1) Ability to utilize against future earnings

Multiple	1.0	1.1	1.2	1.3	1.4	1.5
Implied Trading Price	\$ 10.70	\$ 11.77	\$ 12.84	\$ 13.91	\$ 14.98	\$ 16.05
	↑				↑	
	Price - March 31, 2012				Group Average - March 31, 2012	

- Given our North American presence and land development focus we have few, if any, comparable public companies
- However, if we were to trade in line with U.S. Nationals, it would currently represent an approximate 30% increase in the stock price

Cash Flow and Valuation Methodologies

- The following is an example of an approach to value the company:

Stage of Development	Methodology
Housing Inventory	Market Price less Cost to Complete
Land Under Development	Market Price less Cost to Complete
Land Held For Development	Discounted Cash flow at 12% to 25% rate

- The discount rates used for Land Held For Development are directly correlated with risk. For example, where land is in a raw un-entitled state, the appropriate discount rate could be in the 12% to 25% range to account for entitlement, development, timing and market risk

Housing Inventory

- Our Housing Inventory at March 31, 2012 consisted of the following:

	Model Homes	Housing Inventory
City	Units	Units
Calgary	34	234
Edmonton	19	217
Toronto	5	190
Los Angeles / Southland	10	47
San Diego / Riverside	22	75
Washington D.C. Area	8	92
Other	-	5
Total	98	860
Book Value	\$28 million	\$171 million

- Housing Inventory is defined as completed housing or in the process of being constructed
- Included in Housing Inventory is associated land as well as construction costs
- As at March 31, 2012 the cost to complete Housing Inventory was approximately \$94 million. Cost to complete is defined as the costs required to bring partially finished homes to completed stage
- Having a homebuilding operation allows us the opportunity to monetize our land and provides us with market knowledge through direct contact with the homebuyers

Land Under Development

- Our Land Under Development Inventory at March 31, 2012 consisted of the following:

City	Single Family - Land Under Development	Multi-Family / Commercial / Industrial Parcels - Land Under Development	
	Lots	Acres	Lot Unit Equivalents
Calgary	1,114	150	1,052
Edmonton	799	80	551
Toronto	202	11	146
Northern California	234	-	-
Los Angeles / Southland	503	-	-
San Diego / Riverside	1,288	-	-
Austin	156	-	-
Denver	1,174	10	42
Washington D.C. Area	636	-	-
Other	28	-	-
Total	6,134	251	1,791
Book Value	\$518 million	\$89 million	

- We develop land for our own communities and then sell lots to other homebuilders and third parties. In our own and others' communities, we may also design, construct and market single-family and multi-family homes
- Once development of a phase begins, the associated costs with that phase are transferred from Land Held for Development to Land Under Development, which includes all underlying costs that are attributable to the phase of saleable lots, including costs of the underlying land, consulting costs and backbone infrastructure of major roads, parks, and sewers
- As at March 31, 2012 the cost to complete for single-family and multi-family Land Under Development was approximately \$137 million and \$5 million respectively. Cost to complete is defined as the costs required to bring partially finished lots and parcels to completed stage
- In markets where the Company has significant land holdings, homebuilding is carried out on a portion of the land in specific market segments and the balance of lots are sold to and built on by third-party builders

Land Held for Development

- Our Land Held for Development Inventory at March 31, 2012 consisted of the following:

	Land Held for Development	
City	Acres	Lot Unit Equivalents ⁽¹⁾
Calgary	3,773	26,410
Edmonton	2,375	16,624
Toronto	1,516	9,360
Northern California	648	3,104
Los Angeles / Southland	716	1,843
San Diego / Riverside	4,166	7,581
Austin	3,369	13,477
Denver	2,357	9,429
Washington D.C. Area	1,235	3,236
Other	22	216
Total	20,177	91,280
Book Value	\$1.442 billion	

- Cash flows are based on current projections taking into account many variables and assumptions and as a result are subject to change
- Our projections for cash flow from our Land Held for Development and Optioned Land totals over \$4.5 billion with an average life of 10 years

1) Lot unit equivalents for most regions have assumed a conversion rate of between 4 to 7 units per acre. The final plan may change through the entitlement process

Optioned Land

- Our inventory of optioned land at March 31, 2012 consisted of the following:

City	Option lots - Unit Equivalents	
	Land and Housing	Unconsolidated Entities
Northern California	4,950	-
Los Angeles / Southland	-	1,842
Washington D.C. Area	1,066	-
Total	6,016	1,842
Book Value	\$67 million	\$30 million

- In the ordinary course of business, and where market conditions permit, we use land and lot option contracts and 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 options expire; this reduces our financial risk associated with these land holdings
- As at March 31, 2012 the total exercise price of these consolidated and unconsolidated options was \$144 million and \$95 million respectively

Financial Profile



Selected Financial Information

	<i>Three Months Ended March 31</i>	
<i>(units)</i>	<u>2012</u>	<u>2011</u>
Lots Closed – normalized	281	233
Lots Closed – non-recurring	-	360
Homes Closed	251	220
<i>(US\$ millions)</i>		
Land Gross Margin – normalized	\$ 24	\$ 18
Land Gross Margin – non-recurring	-	26
Housing Gross Margin	15	11
SG&A	(26)	(26)
Other Expenses & Income	1	-
Interest Expense	(10)	(3)
Income Before Income Taxes	4	26
Minority Interest	1	1
Taxes	(4)	(84)
Net Income	\$ 1	(\$ 57)
Basic EPS	\$0.01	(\$0.56)
Diluted EPS	\$0.01	(\$0.56)

	<i>Three Months Ended March 31</i>	
<i>(US\$ millions)</i>	2012	2011
Income Before Income Taxes	\$ 4	\$ 26
Non-recurring Land Income	-	(26)
Transaction Debt Interest Expense	9	-
Comparable Income Before Taxes	\$ 13	\$ -

Condensed Balance Sheet

<i>(thousands)</i>	As at March 31, 2012	As at December 31, 2011
Assets		
Land and housing inventory	\$ 2,194,447	\$ 2,113,245
Investments in unconsolidated entities	150,746	143,821
Receivables and other assets	303,921	310,443
Restricted cash	8,578	9,128
Cash and cash equivalents	12,667	2,162
	\$ 2,670,359	\$ 2,578,799
Liabilities and Equity		
Project specific and other financings	\$ 928,993	\$ 825,687
Notes payable	481,248	469,776
Total financings	1,410,241	1,295,463
Accounts payable and other liabilities	216,259	247,420
Deferred income tax liabilities	24,948	27,773
Total liabilities	1,651,448	1,570,656
Other interests in consolidated subsidiaries	31,235	32,434
Total equity	987,676	975,709
	\$ 2,670,359	\$ 2,578,799
Debt to Total Capitalization	58%	56%

Market Areas and Projects



Market Areas and Projects — Calgary, Alberta



Number of Lots: 28,844
 Entitled: 8,677
 Unentitled: 20,167

Project Name	Total Lots	Entitled Lots	Unentitled Lots
North Stoney	12,926	-	12,926
McKenzie Towne	157	157	-
New Brighton	909	909	-
Auburn Bay	2,336	2,336	-
Cranston	2,969	2,969	-
Seton	1,955	1,955	-
South Seton	4,579	-	4,579
Other	3,013	351	2,662



Cranston



Seton

Market Areas and Projects — Edmonton, Alberta



Number of Lots: 18,210
Entitled: 11,198
Unentitled: 7,012

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Lake Summerside	1,544	1,544	-
Parkland	133	133	-
Gateway Industrial	483	483	-
Chappelle Gardens	3,126	3,126	-
Orchards	3,050	3,050	-
Ellerslie	5,210	-	5,210
West Edmonton	707	707	-
Other	3,957	2,155	1,802



Chappelle Gardens, Axio



Lake Summerside

Market Areas and Projects — Greater Toronto Area



Number of Lots: 9,903
 Entitled: 1,167
 Unentitled: 8,736

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Bradford	166	166	-
Brantford	144	144	-
Caledon East	145	145	-
Peterborough	7,768	-	7,768
Niagara-on-the-lake	136	92	44
Other	1,544	620	924

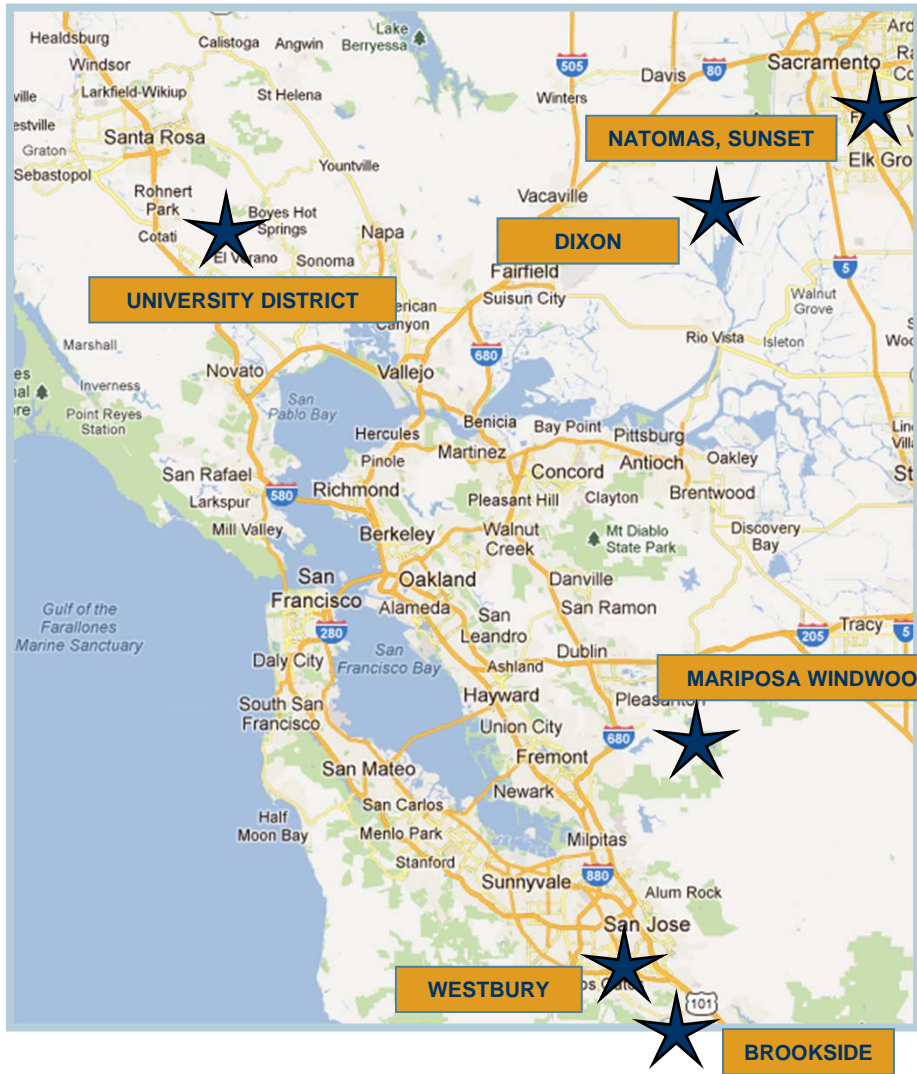


Bradford, Grand Central



Niagara-on-the-Lake, The Villages

Market Areas and Projects — Northern California



Number of Lots: 8,288
 Entitled: 2,138
 Unentitled: 6,150

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Brookside	89	89	-
Dixon	900	450	450
Mariposa Windwood	59	59	-
Westbury	86	86	-
Natomas, Sunset	5,700	-	5,700
University District	1,454	1,454	-

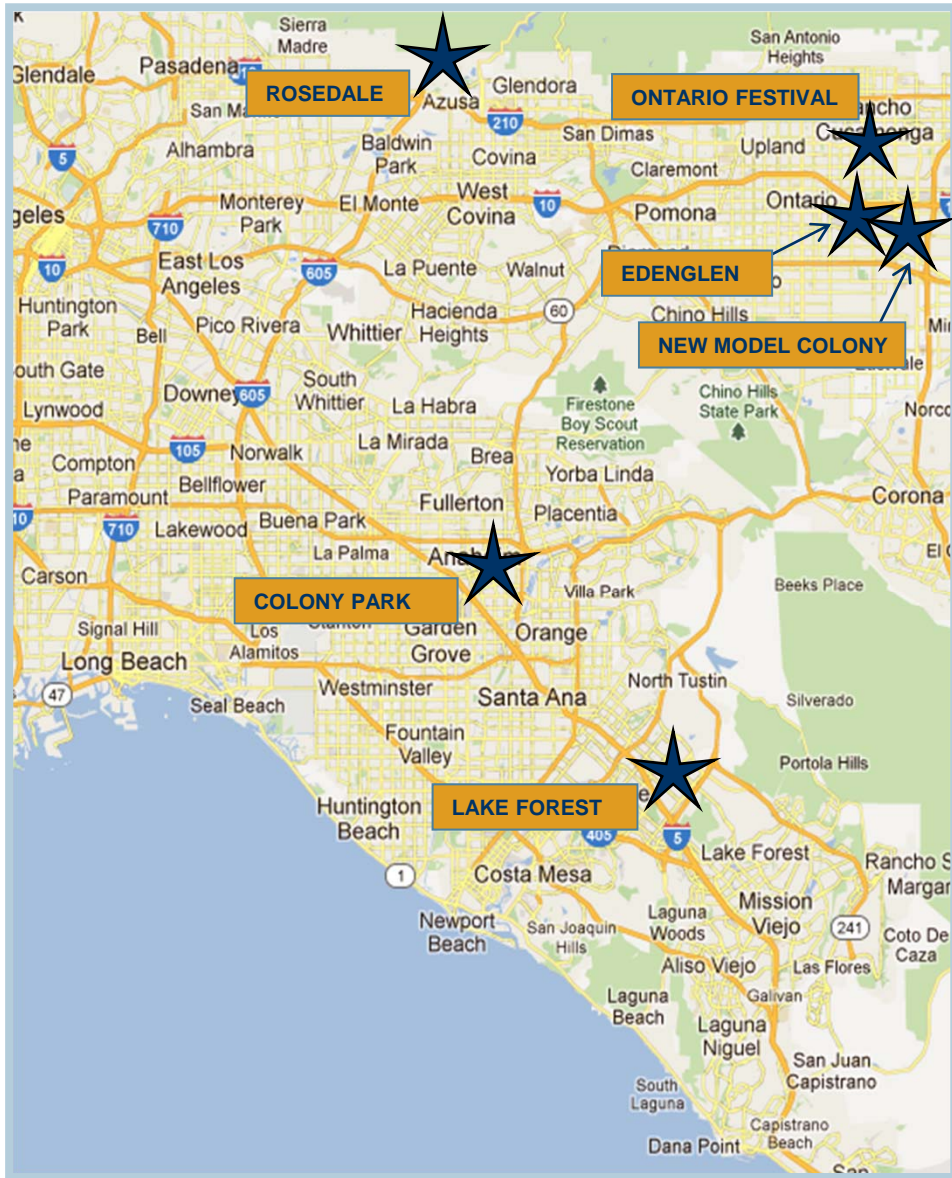


Windwood, Jordan Ranch



Brookside

Market Areas and Projects — Los Angeles/Southland



Number of Lots: 4,245
 Entitled: 1,905
 Unentitled: 2,340

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Colony Park	71	71	-
Edenglen	270	270	-
Lake Forest	78	-	78
New Model Colony	2,679	463	2,216
Ontario Festival	183	183	-
Rosedale	219	219	-
Other	745	699	46

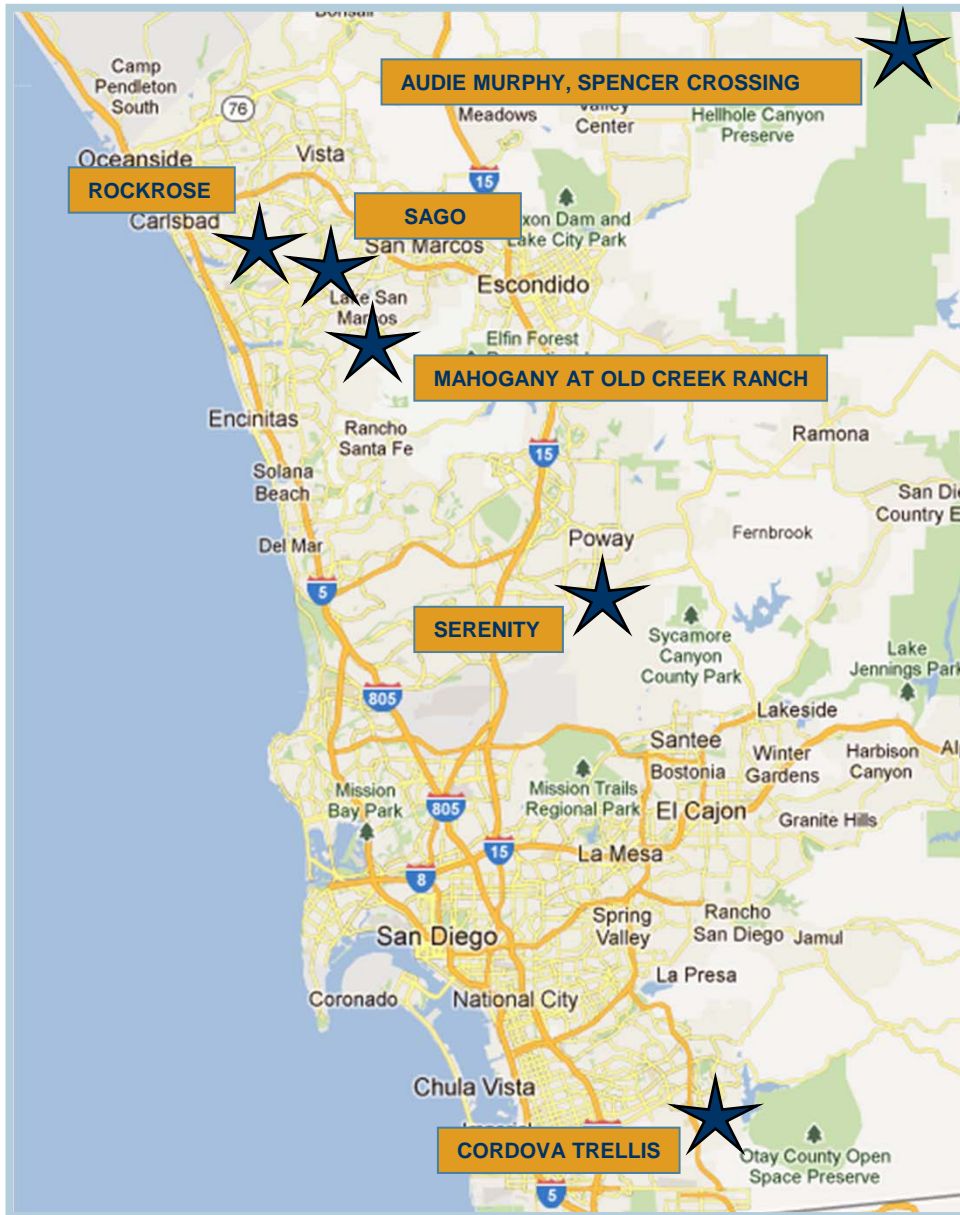


Rosedale, Azusa



Compass Park, New Model Colony

Market Areas and Projects — San Diego/Riverside



Number of Lots: 8,966
 Entitled: 6,166
 Unentitled: 2,800

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Audie Murphy, Spencer Crossing	3,538	3,538	-
Cordova Trellis	92	92	-
Mahogany At Old Creek Ranch	20	20	-
Rockrose	54	54	-
Sago	56	56	-
Serenity	13	13	-
Other	5,193	2,393	2,800

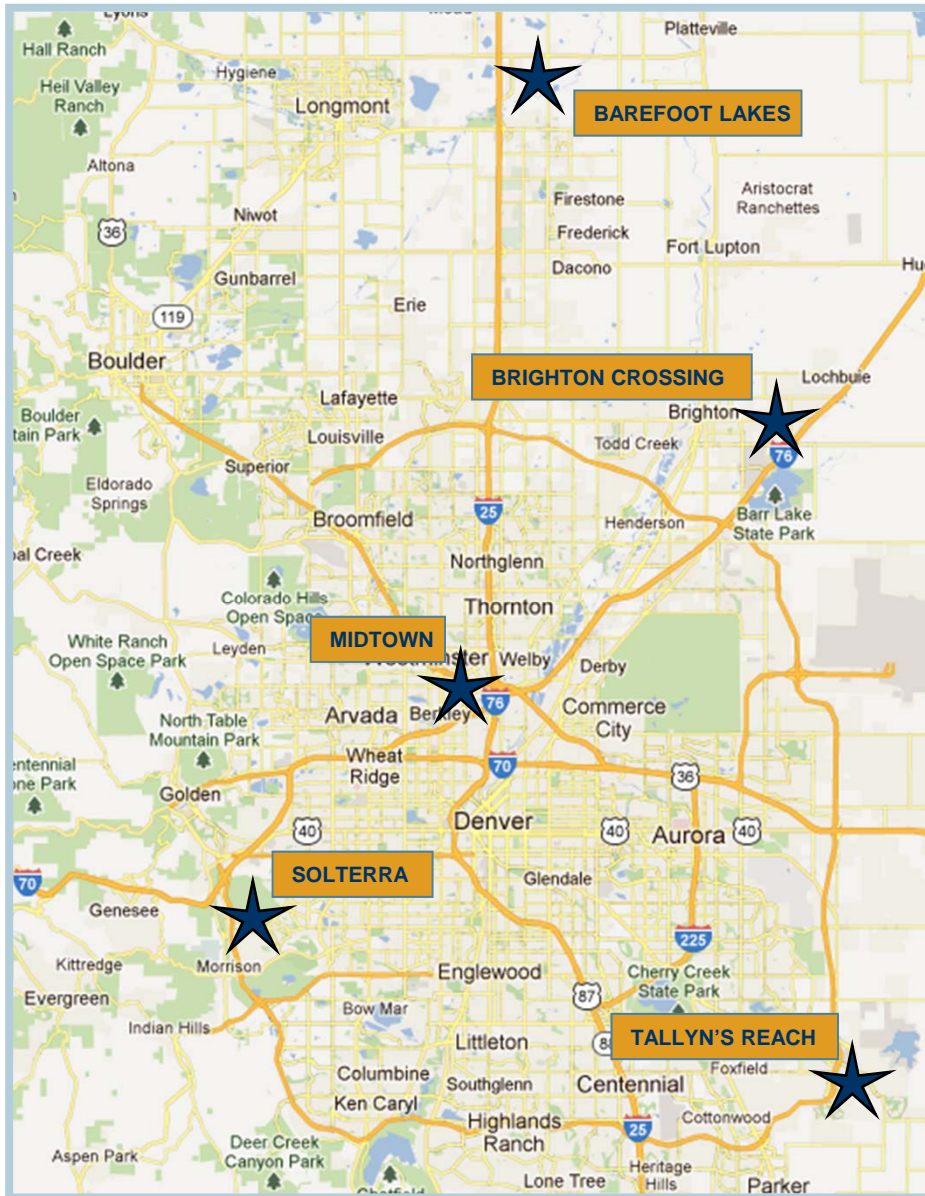


Mahogany at Old Creek



Serenity

Market Areas and Projects — Denver, Colorado



Number of Lots: 10,645
Entitled: 10,645
Unentitled: -

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Barefoot Lakes	4,053	4,053	-
Brighton Crossing	2,596	2,596	-
Midtown	582	582	-
Solterra	814	814	-
Tallyn's Reach	235	235	-
Other	2,365	2,365	-

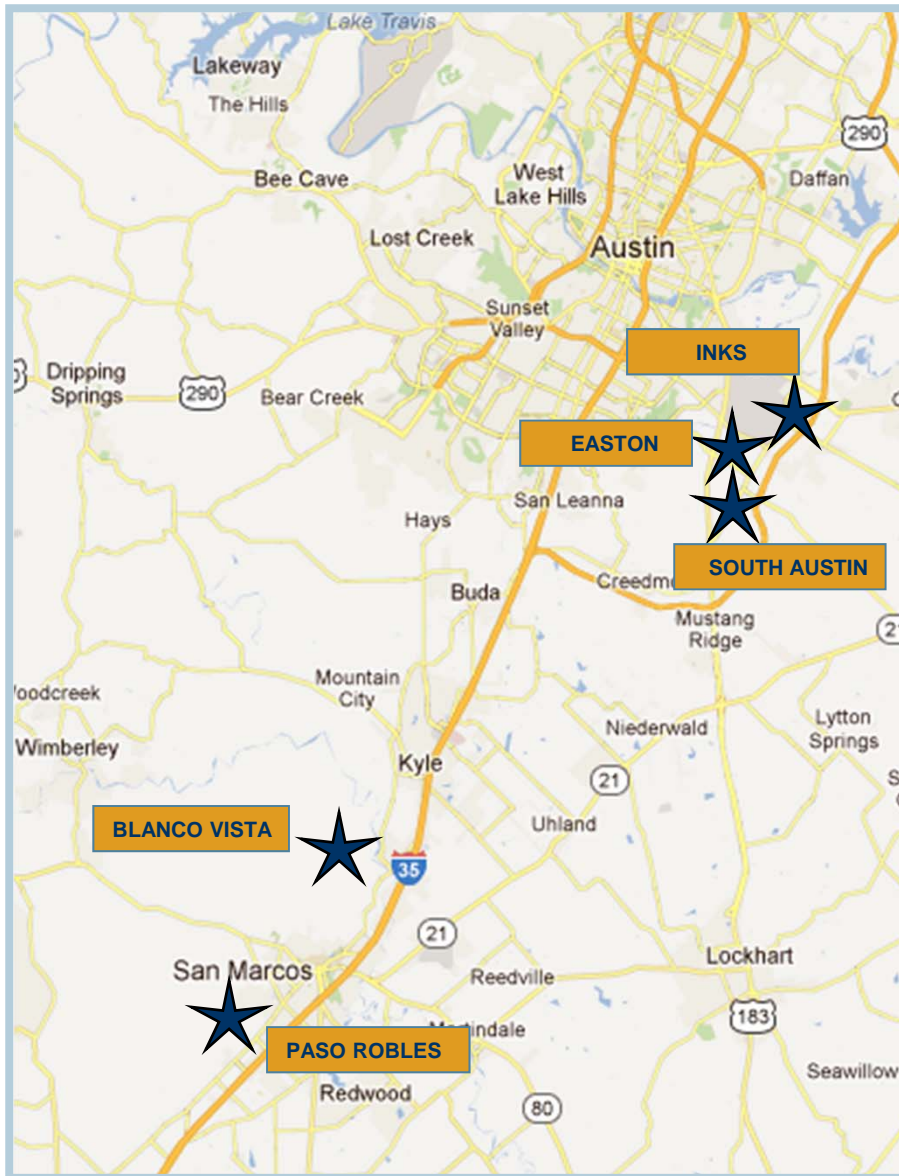


Brighton Crossing



Solterra

Market Areas and Projects — Austin, Texas



Number of Lots: 13,633
 Entitled: 5,375
 Unentitled: 8,258

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Blanco Vista	1,707	1,707	-
Easton, Inks, South Austin	8,258	-	8,258
Paso Robles	3,668	3,668	-

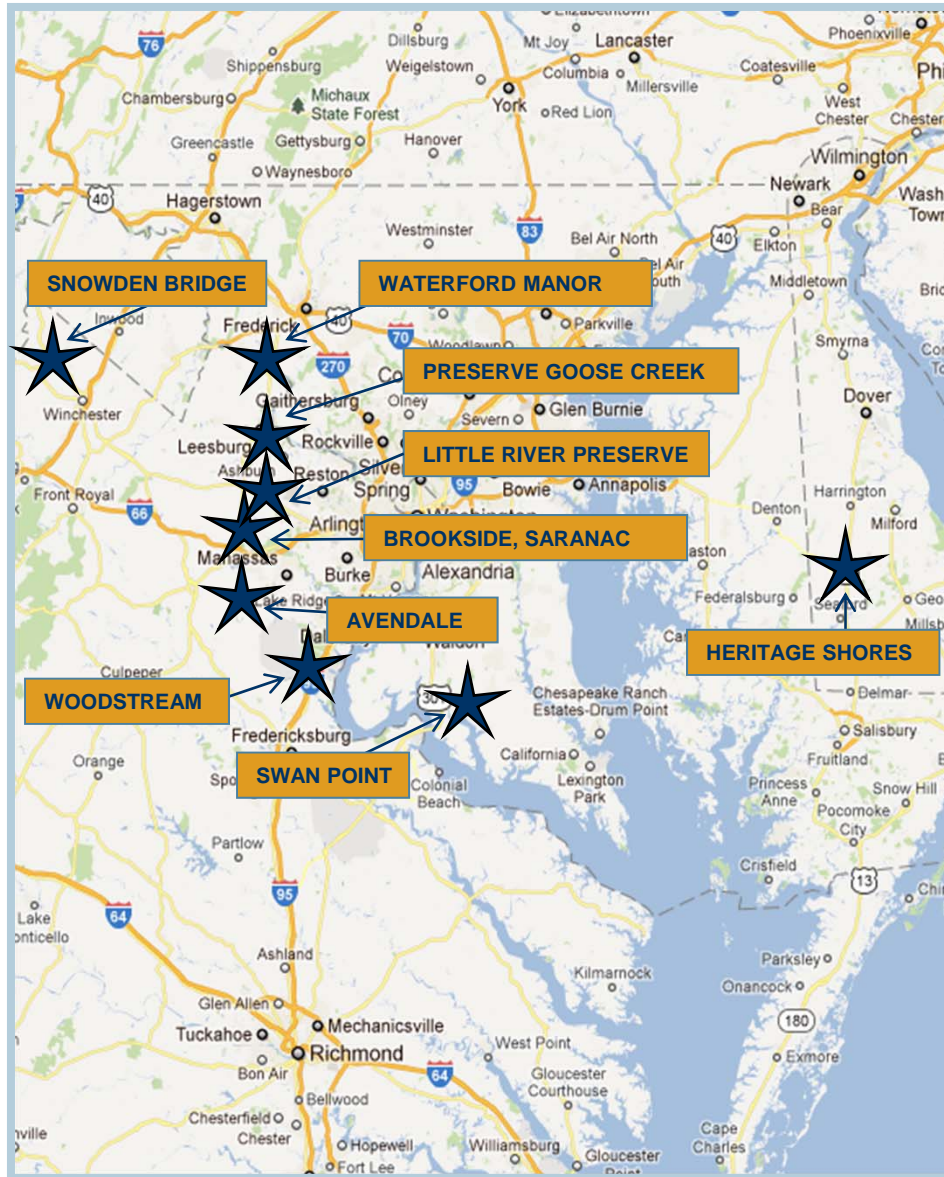


Blanco Vista



Blanco Vista

Market Areas and Projects — Washington, D.C. Area



Number of Lots: 5,038
Entitled: 4,791
Unentitled: 247

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Snowden Bridge	1,154	1,154	-
Woodstream	374	374	-
Preserve Goose Creek	250	250	-
Heritage Shores	1,487	1,487	-
Swan Point	765	765	-
Waterford Manor	32	32	-
Avendale	295	295	-
Little River Preserve	74	74	-
Brookside, Saranac	69	69	-
Other	538	291	247



Woodstream



Goose Creek

Brookfield Residential – By the Numbers

<p>STOCK INFORMATION</p> <p>Stock Exchange Listings: NYSE, TSX</p> <p>Q1 2012 Avg Daily Volume: 106,645 shares</p> <p>Shares Outstanding: 99.9 million (diluted)</p>	<p>MAJOR INSTITUTIONAL SHAREHOLDERS ⁽¹⁾</p> <p>Owning over 0.5 million common shares:</p> <ul style="list-style-type: none"> RBC Global Asset Management Marcato Capital Management Horizon Kinetics WEDGE Capital Management Brookfield Investment Management Davenport Asset Management Phillips, Hager & North Investment Management Neuberger Berman Locust Wood Capital Advisers Polar Securities <p>Note: Brookfield Asset Management owns approx. 72% of Brookfield Residential</p> <p>⁽¹⁾ Based on most recent regulatory filings as of Q4 2011</p>
<p>SHARE VALUES</p> <p>BRP Share Price for Q1 2012 (NYSE):</p> <p>High: US\$11.72</p> <p>Low: US\$7.99</p> <p>Close: US\$10.58</p> <p>BOOK VALUE</p> <p>Per Share: US\$ 9.88</p>	

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Brookfield

Residential