

Brookfield Residential

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



Corporate Profile | August 2012

Notice to Recipients

This corporate profile contains “forward-looking statements” within the meaning of applicable Canadian securities laws and United States federal securities laws. 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 “may,” “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; changes in interest rates; 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; laws and regulations related to property development and related to the environment that could lead to additional costs and delays; ability to obtain regulatory approvals; confidence levels of consumers; ability to raise capital on favourable terms; our debt and leverage; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage and ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; ability to retain our executive officers; relationships with our affiliates; 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. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further discussions made on related subjects in subsequent reports should be consulted.

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

Company Overview



In Summary

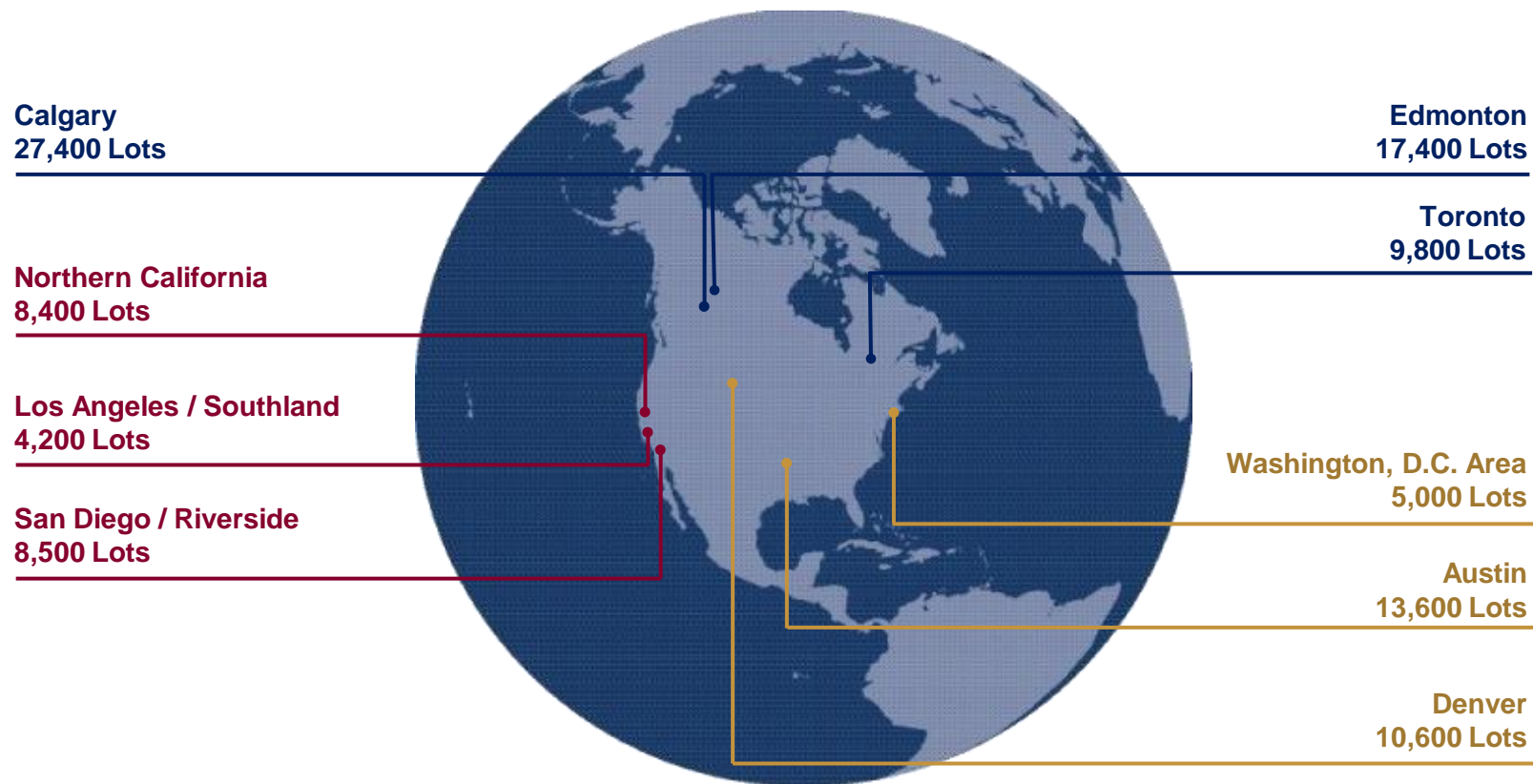
Brookfield Residential was launched as a new North American public company on March 31, 2011 by way of a merger between Brookfield Office Properties' residential land and housing division (BPO Residential) and Brookfield Homes Corporation.



- 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 and 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



* Does not include 207 acres of multi-family, commercial and industrial parcels under development

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 ten 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 pipes. 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, which is prepared by qualified Land Surveyors and 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%

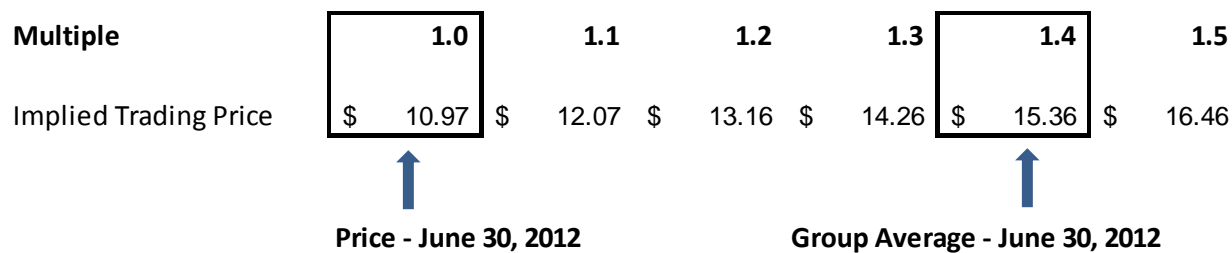
Intrinsic Value



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	\$	1,008
US Deferred Tax Asset		100
Adjusted Book Value	\$	1,108
Per Share	\$	10.97



- 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 40% 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 unentitled 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 June 30, 2012 consisted of the following:

	Model Homes	Housing Inventory
City	Units	Units
Calgary	36	300
Edmonton	20	259
Toronto	7	267
Northern California	10	53
Los Angeles / Southland	10	53
San Diego / Riverside	9	91
Washington D.C. Area	7	125
Other	-	3
Total	99	1,151
Book Value	\$28 million	\$235 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 June 30, 2012 the cost to complete Housing Inventory was approximately \$124 million. Cost to complete is defined as the costs required to bring partially finished homes to a 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 June 30, 2012 consisted of the following:

	Single Family	Multi-Family / Industrial / Commercial Parcels
City	Lots	Acres
Calgary	1,324	115
Edmonton	844	75
Toronto	82	7
Northern California	326	-
Los Angeles / Southland	471	-
San Diego / Riverside	1,247	-
Austin	185	-
Denver	1,106	10
Washington D.C. Area	556	-
Other	28	-
Total	6,169	207
Book Value	\$520 million	\$75 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 June 30, 2012 the cost to complete for single family and multi-family Land Under Development was approximately \$265 million and \$24 million, respectively. Cost to complete is defined as the costs required to bring partially finished lots and parcels to a completed stage
- In markets where the Company has significant land holdings, homebuilding is carried out on a portion of the land in specific market segments and the balance of lots are sold to and built on by third-party builders

Land Held for Development

- Our Land Held for Development Inventory at June 30, 2012 consisted of the following:

City	Acres	Lot Unit Equivalents*
Calgary	3,676	25,733
Edmonton	2,328	16,298
Toronto	1,559	9,395
Northern California	648	3,104
Los Angeles / Southland	716	1,843
San Diego / Riverside	4,056	7,143
Austin	3,359	13,437
Denver	2,357	9,429
Washington D.C. Area	1,235	3,214
Other	22	216
Total	19,956	89,812
Book Value	\$1.409 billion	

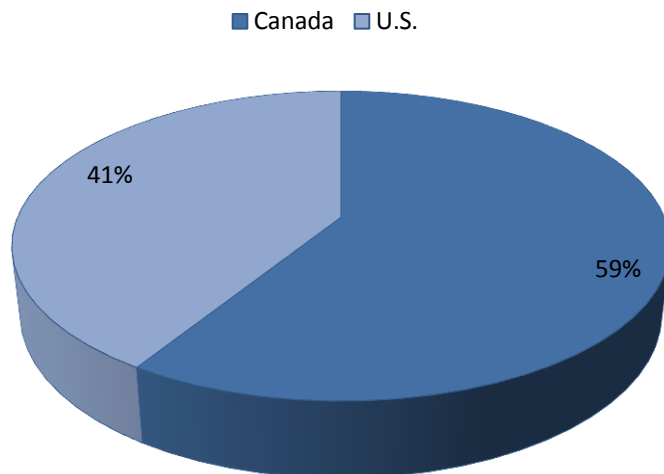
- Cash flows are based on current projections taking into account many variables and assumptions and as a result are subject to change

* 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

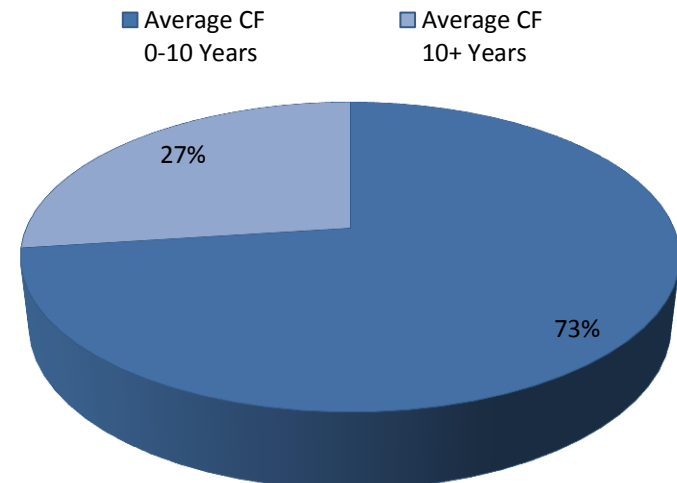
Land Held for Development - Continued

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

Undiscounted Cash flow Split



Undiscounted Cash flow Split by Year



Optioned Land

- Our inventory of optioned land at June 30, 2012 consisted of the following:

City	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	\$68 million	\$31 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 June 30, 2012 the total exercise price of these consolidated and unconsolidated options was \$142 million and \$85 million, respectively

Financial Profile



Selected Financial Information

	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<i>June 30</i>		<i>June 30</i>	
<i>(units)</i>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Single Family Lots Closed – normalized	463	489	737	723
Single Family Lots Closed – non-recurring	-	270	-	605
Acre Sales (Multi-family, industrial and commercial parcels) – normalized	22	2	23	2
Acre Sales (Multi-family, industrial and commercial parcels) – non-recurring	-	6	-	10
Acre Sales (Raw and partially finished parcels) – normalized	438	41	438	41
Homes Closed	355	240	606	460
<i>(US\$ millions)</i>				
Land Income – normalized	\$ 51	\$ 28	\$74	\$45
Land Income – non-recurring	-	15	-	41
Housing Income	22	12	38	24
Selling, general & administrative expenses	(29)	(19)	(56)	(46)
Other Income	-	1	2	2
Interest Expense	(10)	(11)	(20)	(14)
Income Before Income Taxes	34	26	38	52
Net loss attributable to non-controlling interests and other interests in consolidated subsidiaries	1	-	-	1
Taxes	(13)	(7)	(16)	(91)
Net Income / (Loss) Attributable to Brookfield Residential	\$ 22	\$ 19	\$ 22	(\$ 38)
Basic Earnings Per Share	\$ 0.22	\$ 0.19	\$ 0.22	(\$ 0.37)
Diluted Earnings Per Share	\$ 0.22	\$ 0.19	\$ 0.22	(\$ 0.37)
Income Before Income Taxes	\$ 34	\$ 26	\$ 38	\$ 52
Non-recurring Land Income	-	(15)	-	(41)
Transaction Debt Interest Expense	-	-	9	-
Comparable Income Before Taxes	\$ 34	\$ 11	\$ 47	\$ 11

Condensed Consolidated Balance Sheets

<i>(thousands)</i>	As at June 30, 2012	As at March 31, 2012	As at December 31, 2011
Assets			
Land and housing inventory	\$ 2,212,184	\$ 2,194,447	\$ 2,113,245
Investments in unconsolidated entities	153,654	150,746	143,821
Receivables and other assets	328,891	303,921	310,443
Restricted cash	8,600	8,578	9,128
Cash and cash equivalents	7,801	12,667	2,162
	\$ 2,711,130	\$ 2,670,359	\$ 2,578,799
Liabilities and Equity			
Project-specific and other financings	\$ 932,724	\$ 928,993	\$ 825,687
Notes payable	472,128	481,248	469,776
Total financings	1,404,852	1,410,241	1,295,463
Accounts payable and other liabilities	243,357	216,259	247,420
Deferred income tax liabilities	22,619	24,948	27,773
Total liabilities	1,670,828	1,651,448	1,570,656
Other interests in consolidated subsidiaries	31,801	31,235	32,434
Total equity	1,008,501	987,676	975,709
	\$ 2,711,130	\$ 2,670,359	\$ 2,578,799
Debt to Total Capitalization	57%	58%	56%

Market Areas and Projects



Note: Multi-family, Industrial and Commercial parcels under development have been disclosed using acres
Single family units and land held for development remain classified as lots and lot equivalents

Market Areas and Projects — Calgary, Alberta



Number of Lots: 27,393
 Entitled: 7,233
 Unentitled: 20,160
Acres: 115

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
North Stoney	12,926	-	12,926	-
McKenzie Towne	148	148	-	-
New Brighton	551	551	-	40
Auburn Bay	2,304	2,304	-	-
Cranston	2,824	2,824	-	3
South Seton	4,579	-	4,579	-
Seton	1,180	1,180	-	58
Other	2,881	226	2,655	14



Cranston



Seton

Market Areas and Projects — Edmonton, Alberta



Number of Lots: 17,421
Entitled: 10,409
Unentitled: 7,012
Acres: 75

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Lake Summerside	1,395	1,395	-	8
Parkland	138	138	-	-
Gateway Industrial	134	134	-	46
Chappelle Gardens	2,948	2,948	-	13
Orchards	3,014	3,014	-	-
Ellerslie	7,012	-	7,012	-
West Edmonton	707	707	-	-
Other	2,073	2,073	-	8



Chappelle Gardens, Axio



Lake Summerside

Market Areas and Projects — Greater Toronto Area



Number of Lots: 9,751
Entitled: 980
Unentitled: 8,771
Acres: 7

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Bradford	155	155	-	-
Brantford	133	133	-	2
Caledon East	102	102	-	1
Peterborough	7,768	-	7,768	-
Niagara-On-The-Lake	133	89	44	1
Other	1,460	501	959	3

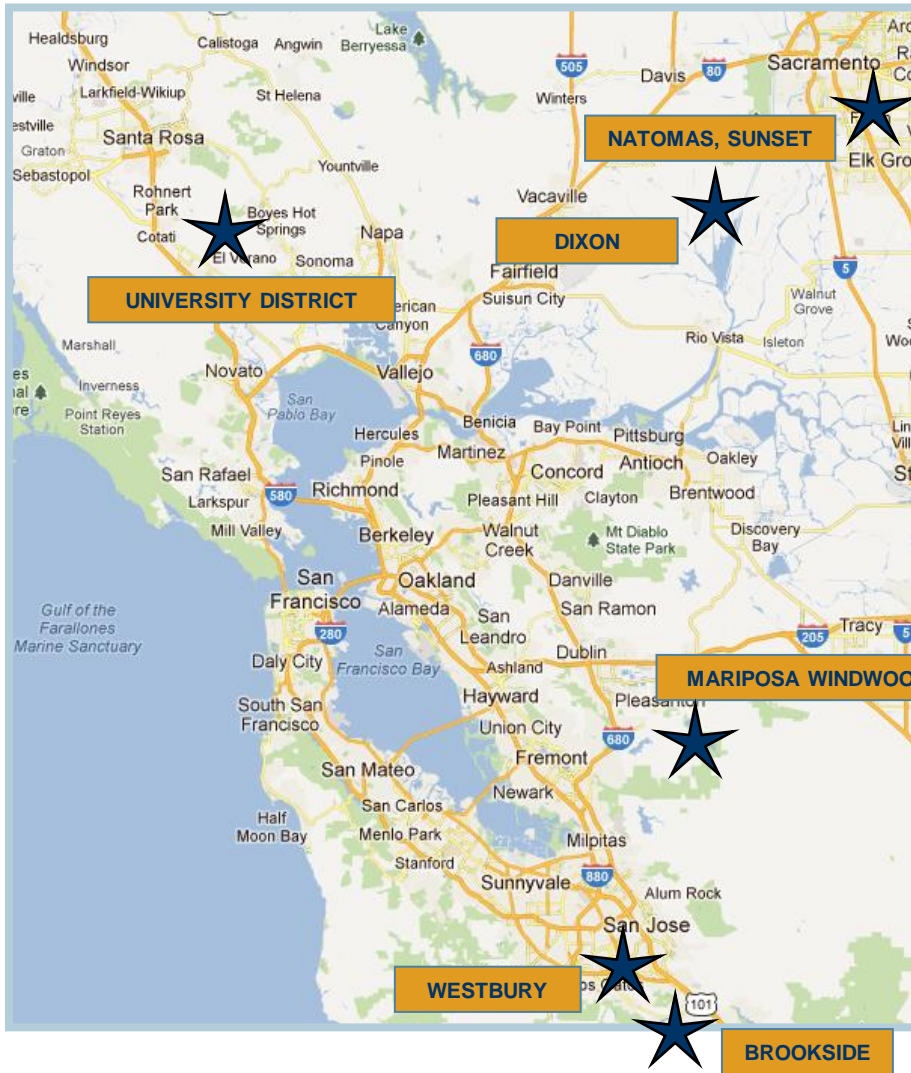


Bradford, Grand Central



Niagara-on-the-Lake, The Villages

Market Areas and Projects — Northern California



Number of Lots: 8,443
Entitled: 2,293
Unentitled: 6,150

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Brookside	89	89	-
Dixon	900	450	450
Mariposa Windwood	134	134	-
Westbury	86	86	-
Natomas, Sunset	5,700	-	5,700
University District	1,454	1,454	-
Other	80	80	-

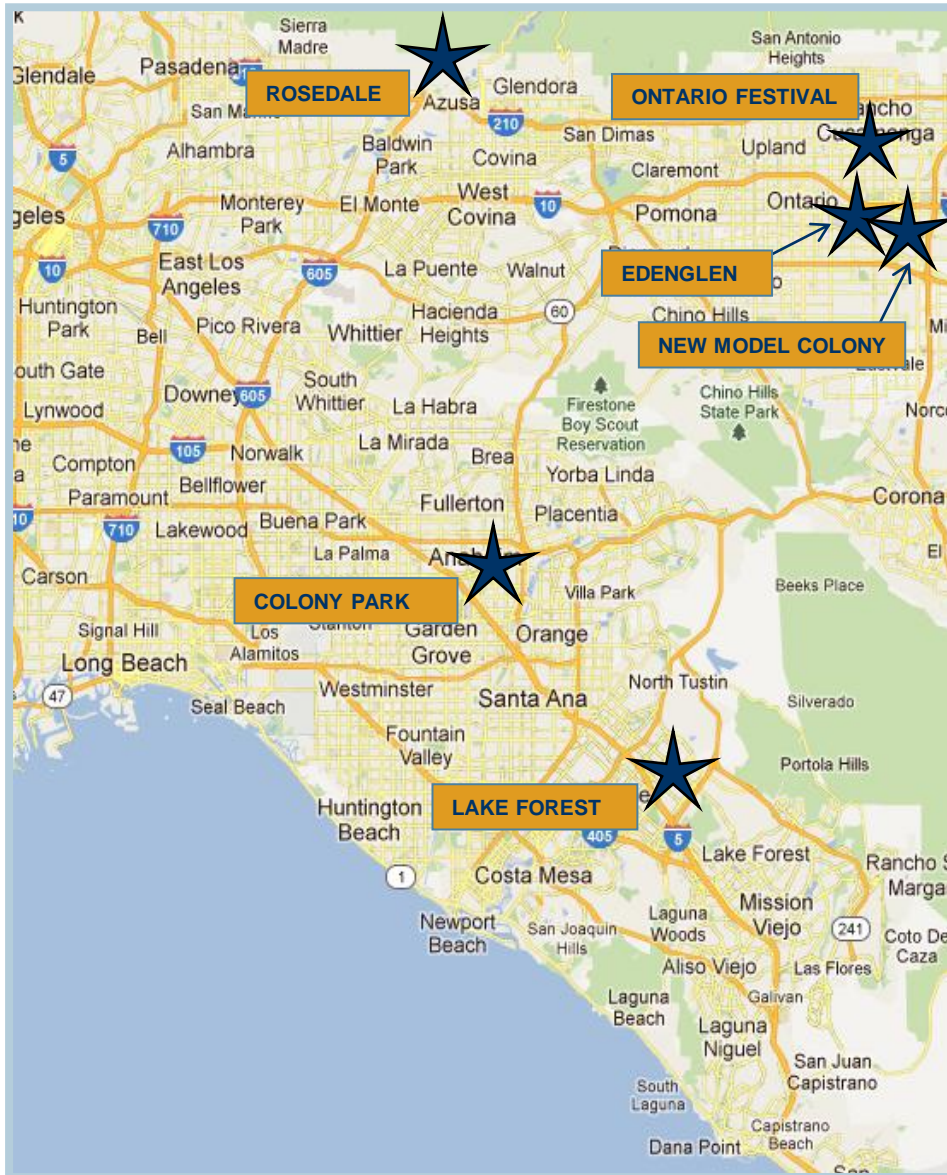


Windwood, Jordan Ranch



Brookside

Market Areas and Projects — Los Angeles/Southland



Number of Lots: 4,219
 Entitled: 1,879
 Unentitled: 2,340

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Colony Park	63	63	-
Edenglen	260	260	-
Lake Forest	78	-	78
New Model Colony	2,679	463	2,216
Ontario Festival	183	183	-
Rosedale	211	211	-
Other	745	699	46

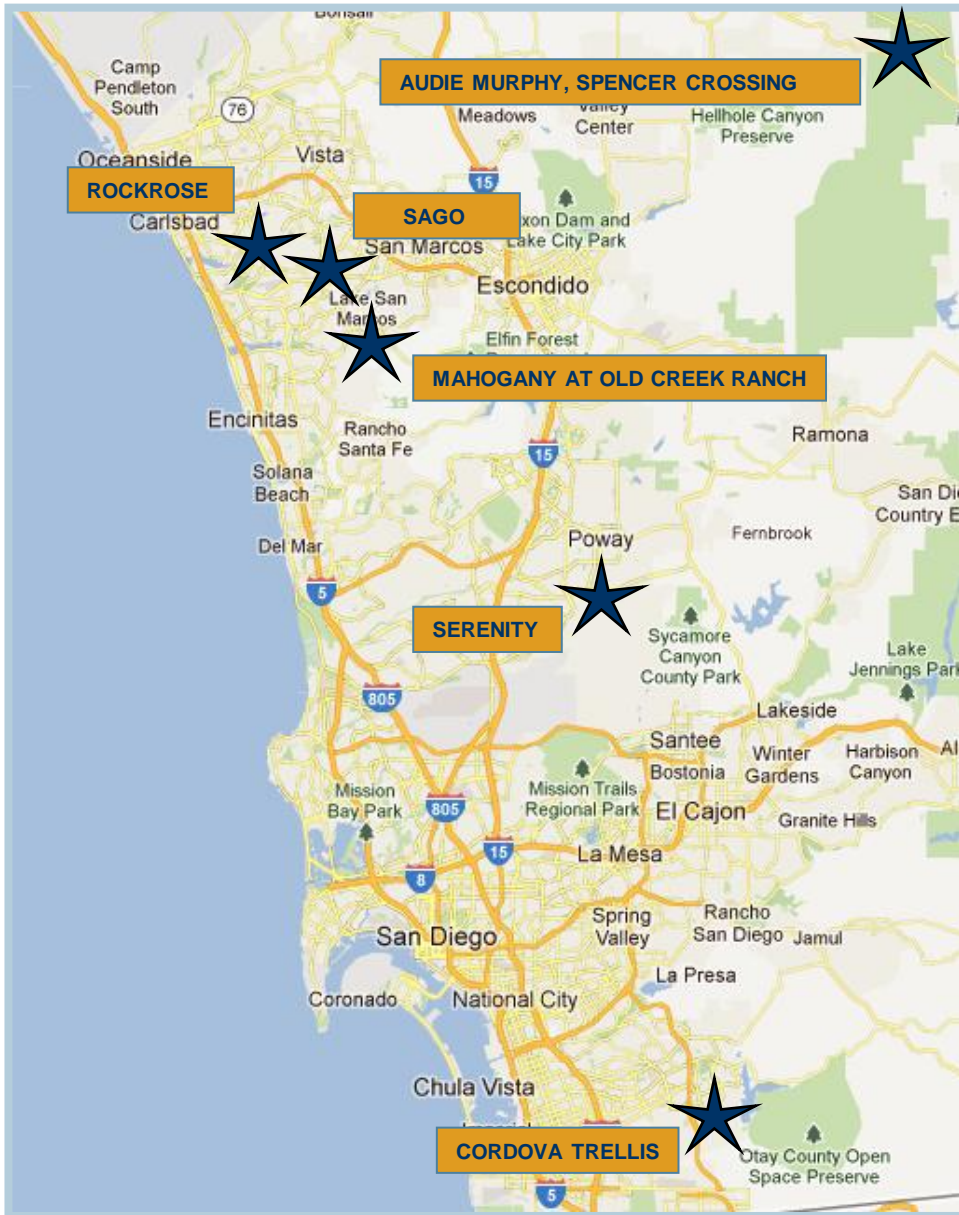


Rosedale, Azusa



Compass Park, New Model Colony

Market Areas and Projects — San Diego/Riverside



Number of Lots: 8,490
 Entitled: 5,690
 Unentitled: 2,800

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Audie Murphy, Spencer's Crossing	3,527	3,527	-
Cordova Trellis	88	88	-
Mahogany At Old Creek Ranch	12	12	-
Rockrose	48	48	-
Sago	52	52	-
Serenity	8	8	-
Other	4,755	1,955	2,800

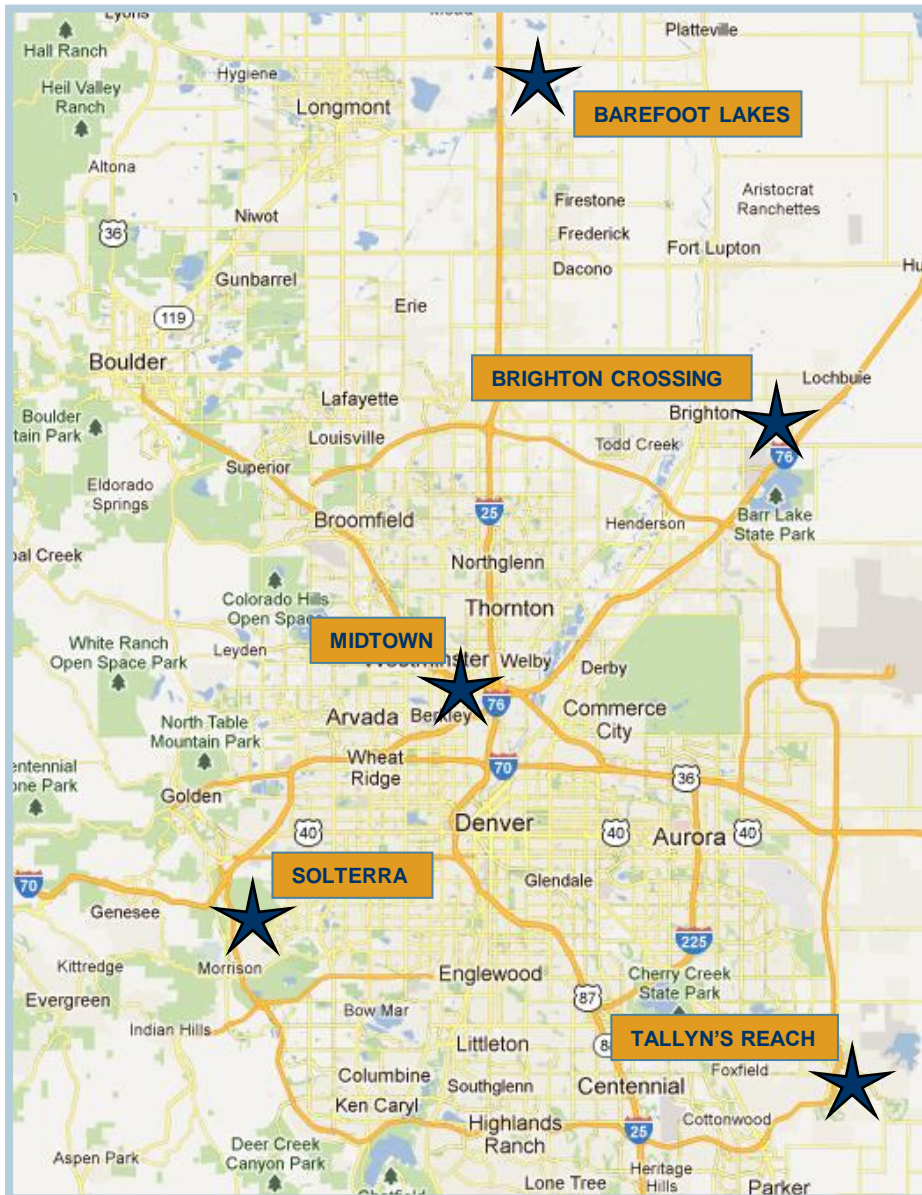


Mahogany at Old Creek



Serenity

Market Areas and Projects — Denver, Colorado

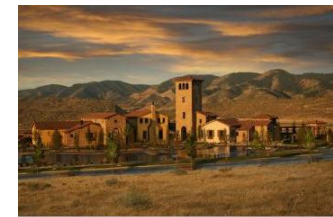


Number of Lots: 10,535
Entitled: 10,535
Unentitled: -
Acres: 10

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Barefoot Lakes	4,053	4,053	-	-
Brighton Crossing	2,499	2,499	-	10
Midtown	582	582	-	-
Solterra	805	805	-	-
Tallyn's Reach	232	232	-	-
Other	2,364	2,364	-	-

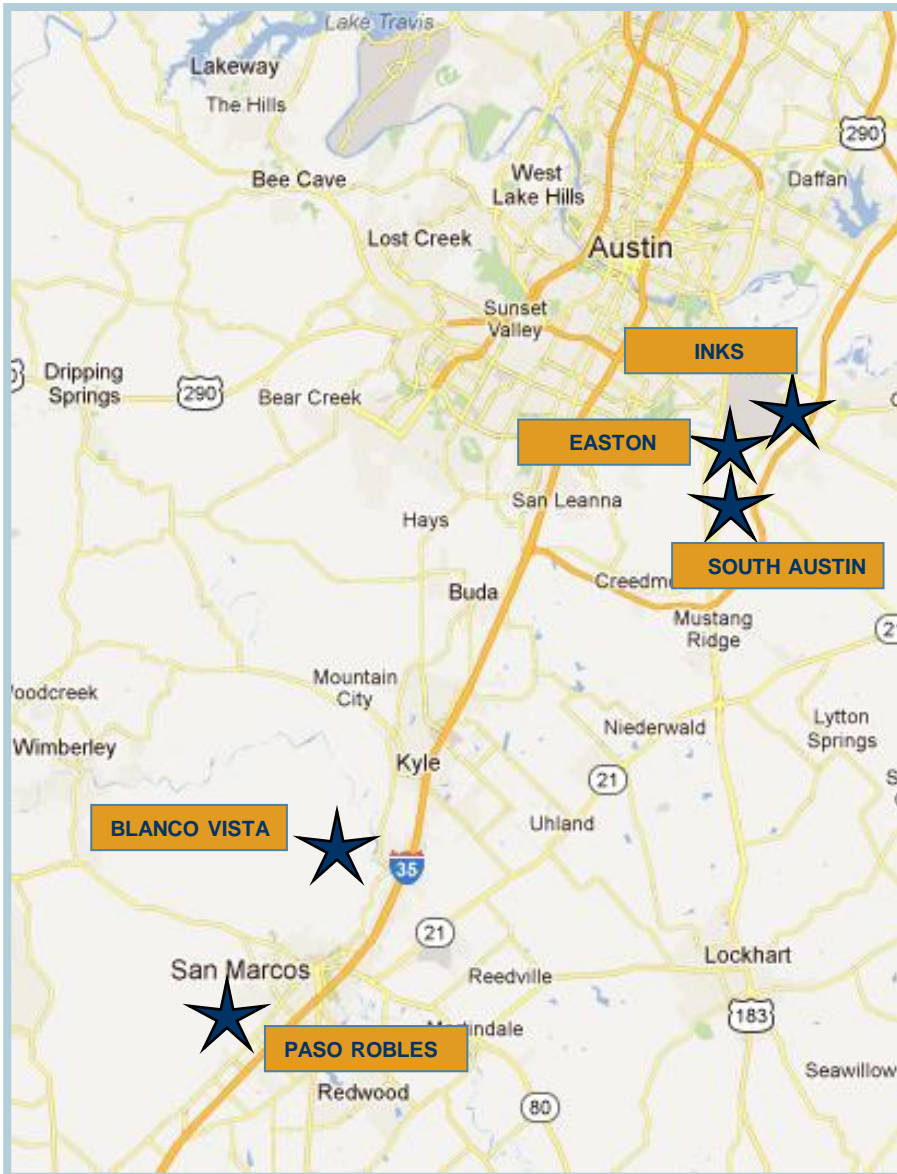


Brighton Crossing



Solterra

Market Areas and Projects — Austin, Texas



Number of Lots: 13,622
 Entitled: 5,364
 Unentitled: 8,258

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Blanco Vista	1,696	1,696	-
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: 4,968
Entitled: 4,721
Unentitled: 247

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Snowden Bridge	1,138	1,138	-
Woodstream	362	362	-
Preserve Goose Creek	250	250	-
Heritage Shores	1,482	1,482	-
Swan Point	765	765	-
Waterford Manor	32	32	-
Avendale	295	295	-
Little River Preserve	58	58	-
Brookside, Saranac	48	48	-
Other	538	291	247



Woodstream



Goose Creek

Brookfield Residential – By the Numbers

STOCK INFORMATION

Stock Exchange Listings:	NYSE, TSX
Q2 2012 Avg Daily Volume:	107,562 shares
Shares Outstanding:	100.2 million (diluted)

SHARE VALUES

BRP Share Price for Q2 2012 (NYSE):

High:	US \$11.95
Low:	US \$10.10
Close:	US \$10.90

BOOK VALUE

Per Share: US \$10.06

MAJOR INSTITUTIONAL SHAREHOLDERS *

Owning over 0.5 million common shares:

RBC Global Asset Management
Marcato Capital Management
Horizon Kinetics
WEDGE Capital Management
Brookfield Investment Management
Davenport Asset Management
Polar Securities
Phillips, Hager & North Investment Management
TIG Advisors

Note:

Brookfield Asset Management owns approx. 72% of Brookfield Residential

* Based on most recent regulatory filings as of Q1 2012

Contact Information

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Del Mar, California
Fairfax, Virginia

Brookfield

Residential