

**Brookfield**  
Residential

## CORPORATE PROFILE

OCTOBER | 2016

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## NOTICE TO RECIPIENT

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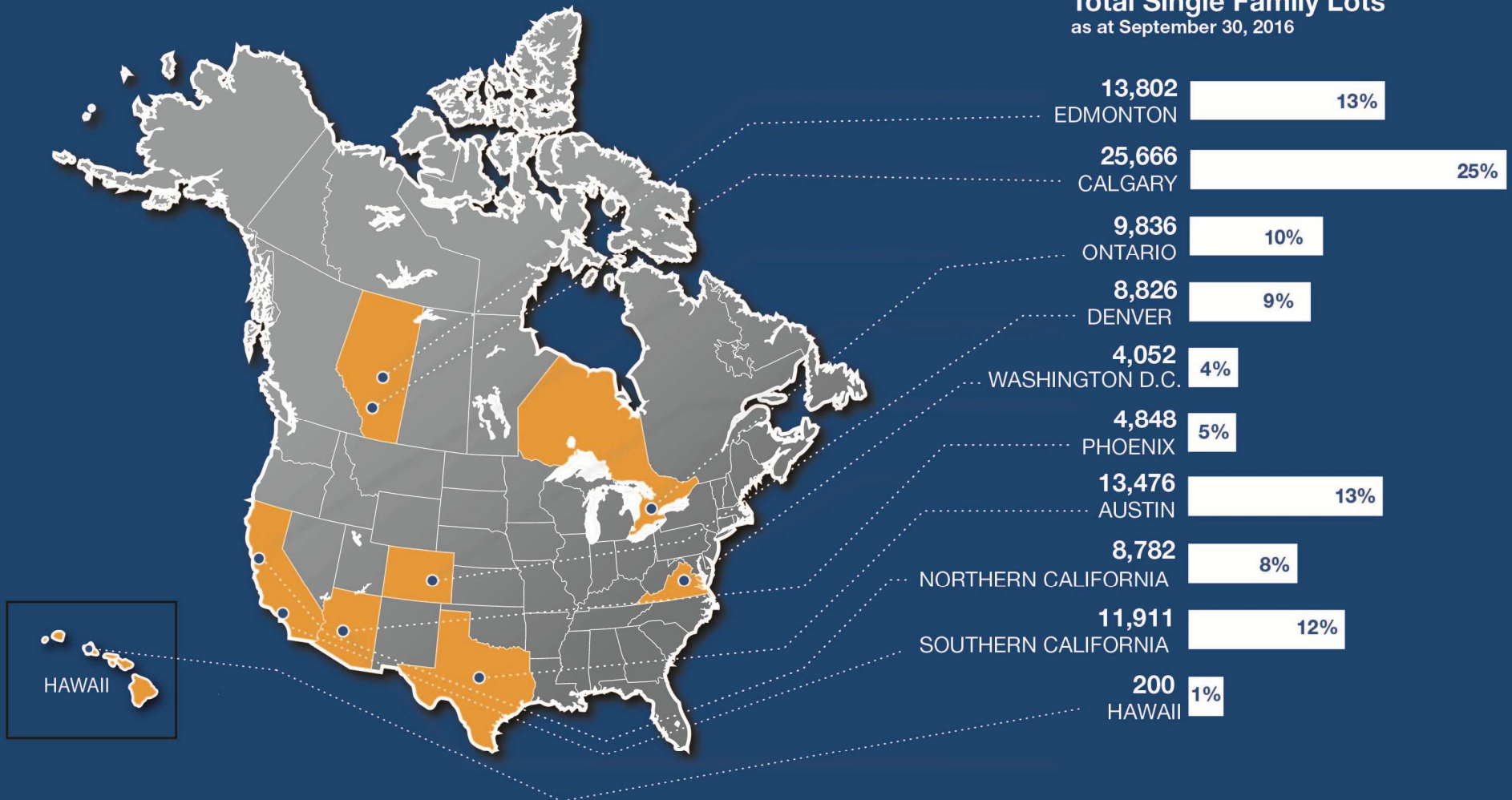
This corporate profile contains “forward-looking statements” within the meaning of applicable Canadian securities laws and United States federal securities laws. The words “may,” “believe,” “will,” “anticipate,” “expect,” “planned,” “estimate,” “project,” “future,” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Such statements reflect management’s current beliefs and are based on information currently available to management. The forward-looking statements in this corporate profile include, among others, statements with respect to the current business environment and outlook, including statements regarding economic and market conditions in the U.S. and Canadian housing markets and possible or assumed future results; our ability to pursue homebuilding or land investments, including the timing of projects; business goals, strategy and growth plans; the impact of challenging conditions on us, including general economic conditions; factors affecting our competitive position within the homebuilding industry; the visibility of our future cash flow; economic and demographic fundamentals in our markets; and sufficiency of our access to capital resources. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results to differ materially from the anticipated future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to changes in general economic, real estate and other conditions; changes in interest rates and foreign exchange; mortgage rate and availability changes; availability of suitable undeveloped land and lots at acceptable prices and having sufficient liquidity to acquire all such properties; adverse legislation or regulation, including changes to tax laws; ability to obtain necessary permits and approvals for the development of our land; availability of labour or materials or increases in their costs; ability to develop and market our master-planned communities successfully; laws and regulations related to property development and to the environment that could lead to additional costs and delays, including laws and regulations that may limit municipality growth in the areas in which we operate; ability to obtain regulatory approvals; confidence levels of consumers; ability to raise capital on favourable terms; our debt and leverage; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage; ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; ability to retain our executive officers; relationships with our affiliates; the seasonal nature of our business and its impact on operating results; operational risks including, but not limited to home warranty claims, liabilities resulting from our role as a general contractor, workers’ compensation claims and other health and safety liabilities, and civil enforcement of liabilities and judgments against our assets; changes to foreign currency exchange rates; and additional risks and uncertainties, many of which are beyond our control, referred to in this corporate profile. Except as required by law, we undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in subsequent reports should be consulted.

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

# COMPANY OVERVIEW

# WHERE WE BUILD

## Total Single Family Lots as at September 30, 2016



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## COMPANY OVERVIEW

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Brookfield Residential Properties Inc. 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 operate our own homebuilding division. 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 Asset Management, a leading global alternative asset manager with approximately \$250 billion of assets under management. Further information is available at [BrookfieldResidential.com](http://BrookfieldResidential.com) or [Brookfield.com](http://Brookfield.com).

- Large North American residential platform with land and housing assets and a strong and unique geographical diversification in three active operating segments and the following major markets:
  - Canada** - Calgary, Edmonton, Greater Toronto Area
  - California** - Greater Los Angeles Area, Sacramento, San Diego, San Francisco Bay Area, Hawaii
  - Central and Eastern U.S.** - Austin, Denver, Phoenix, Washington D.C. Area
- Our disciplined land entitlement process, synergistic operations and capital flexibility allow us to pursue homebuilding or land investments.

## OUR PROCESS

# BUSINESS MODEL

## LAND ACQUISITION

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

## ENTITLEMENT PROCESS

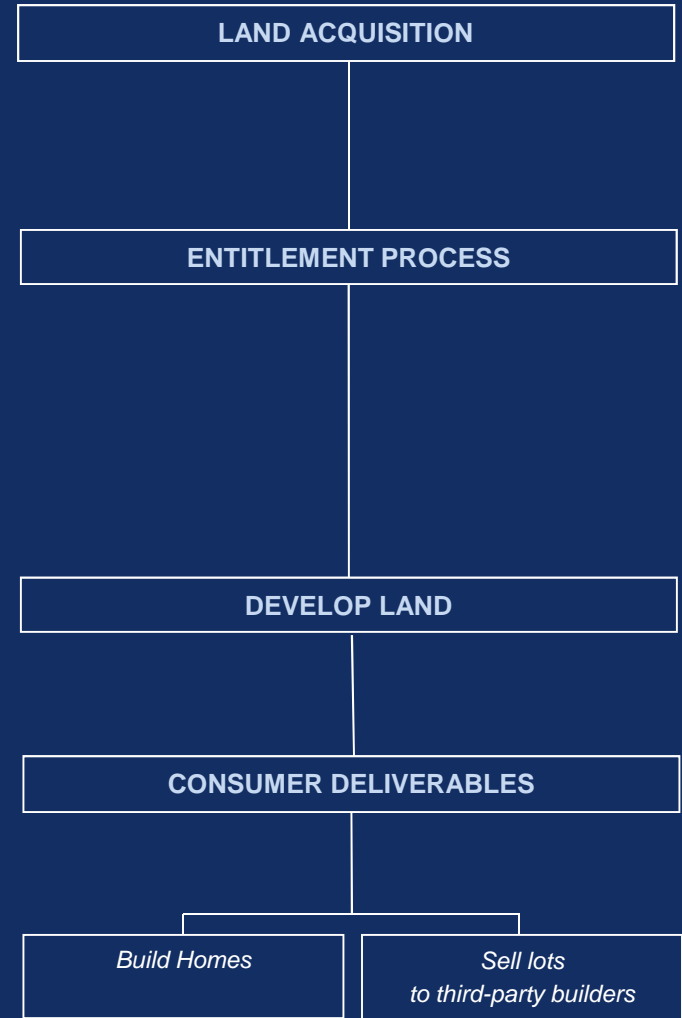
- Obtain approvals necessary to develop land for specific purposes. This process typically includes:
  - General Plan
  - Land Use Plan
  - Tentative Map
  - Legal Survey Plan
  - Area Structure Plan
  - Zoning
  - Construction Approvals
  - Final Map

## DEVELOP LAND

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

## CONSUMER DELIVERABLES

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



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## OUR PROCESS

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

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

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

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



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## OUR PROCESS (CONTINUED)

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

- Homebuilding may be carried out on a portion of our land and the balance of lots are sold to and built on by third-party builders. Having a homebuilding operation allows us the opportunity to monetize our land and provides us with market knowledge through direct contact with the homebuyers to understand customer desires and product choices
- We are a homebuilder in ten markets (Calgary, Edmonton, Greater Toronto Area, San Francisco Bay Area, Greater Los Angeles Area, San Diego, Hawaii, Denver, Austin and the Washington D.C. Area). Housing Inventory is defined as completed housing or in the process of being constructed
- Included in Housing Inventory is associated land as well as construction costs and cost to complete. Cost to complete is defined as the costs required to bring partially finished homes to a completed stage

# INVENTORY PROFILE

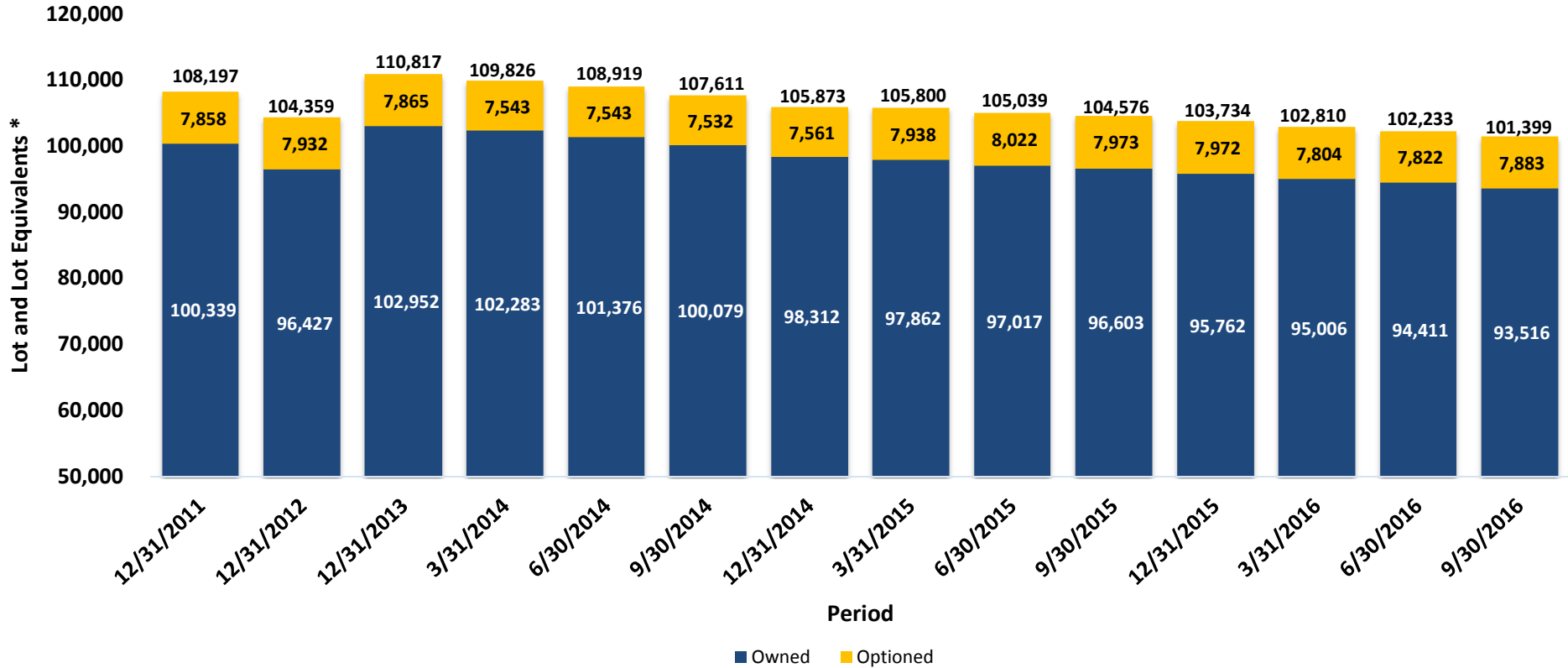
# LAND & HOUSING INVENTORY

	Single Family Housing & Land Under and Land Held for Development <sup>(1)</sup>								Multi-Family, Industrial & Commercial Parcels Under Development	
	Unconsolidated				Status of Lots				Total Acres	
	Land & Housing		Entities		Total Lots		30-Sept-16		30-Sep-16	31-Dec-15
	Owned	Options	Owned	Options	30-Sep-16	31-Dec-15	Entitled	Unentitled		
Calgary	23,114	-	2,552	-	25,666	26,242	6,008	19,658	63	79
Edmonton	13,802	-	-	-	13,802	14,180	6,790	7,012	24	30
Ontario	9,836	-	-	-	9,836	10,329	2,094	7,742	-	-
<b>Canada</b>	<b>46,752</b>	<b>-</b>	<b>2,552</b>	<b>-</b>	<b>49,304</b>	<b>50,751</b>	<b>14,892</b>	<b>34,412</b>	<b>87</b>	<b>109</b>
Northern California	3,345	4,950	487	-	8,782	9,023	3,832	4,950	-	-
Southern California	8,840	-	1,549	1,522	11,911	12,052	8,801	3,110	-	-
Hawaii	174	-	26	-	200	221	200	-	-	-
<b>California</b>	<b>12,359</b>	<b>4,950</b>	<b>2,062</b>	<b>1,522</b>	<b>20,893</b>	<b>21,296</b>	<b>12,833</b>	<b>8,060</b>	<b>-</b>	<b>-</b>
Denver	8,826	-	-	-	8,826	9,108	8,826	-	10	10
Austin	13,131	345	-	-	13,476	13,501	13,476	-	-	-
Phoenix	690	-	4,158	-	4,848	4,995	4,848	-	3	3
Washington D.C. Area	2,221	1,066	765	-	4,052	4,083	4,015	37	23	17
<b>Central and Eastern U.S.</b>	<b>24,868</b>	<b>1,411</b>	<b>4,923</b>	<b>-</b>	<b>31,202</b>	<b>31,687</b>	<b>31,165</b>	<b>37</b>	<b>36</b>	<b>30</b>
<b>Total</b>	<b>83,979</b>	<b>6,361</b>	<b>9,537</b>	<b>1,522</b>	<b>101,399</b>	<b>103,734</b>	<b>58,890</b>	<b>42,509</b>	<b>123</b>	<b>139</b>
Entitled lots	51,012	1,411	6,467	-	58,890					
Unentitled lots	32,967	4,950	3,070	1,522	42,509					
<b>Total September 30, 2016</b>	<b>83,979</b>	<b>6,361</b>	<b>9,537</b>	<b>1,522</b>	<b>101,399</b>					
Total December 31, 2015	85,889	6,450	9,873	1,522		103,734				

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

<i>(millions, except per unit activity)</i>	Land & Housing	Unconsol. Entities	Total 30-Sept-16		Total 31-Dec-15	
			Units	\$	Units	\$
Land Held For Development (lots)	1,274	255	81,773	1,529	85,695	1,545
Land Under Development - Single Family (lots)	773	100	9,315	873	8,142	760
Optioned (lots)	91	33	7,883	124	7,972	116
Housing inventory (units)	769	5	2,213	774	1,754	548
Model homes (units)	132	-	215	132	171	88
Unconsolidated entity net debt	-	(45)	-	(45)	-	(48)
Sub total	3,039	348	101,399	3,387	103,734	3,009
Multi Family, Commercial & Industrial Parcels (Acres)	52	-	123	52	139	69
<b>Total</b>	<b>3,091</b>	<b>348</b>		<b>3,439</b>		<b>3,078</b>

# LAND & HOUSING INVENTORY



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

# FINANCIAL PROFILE

## SELECT FINANCIAL INFORMATION

	THREE MONTHS ENDED SEPT 30		NINE MONTHS ENDED SEPT 30	
	2016	2015	2016	2015
<i>(millions, except percentages, unit activity and average selling price)</i>				
<b>RESULTS FROM OPERATIONS</b>				
Total revenue	\$ 421	\$ 394	\$ 1,050	\$ 981
Housing revenue	384	342	929	799
Land revenue	37	52	121	182
Gross margin (\$)	91	106	223	254
Gross margin (%)	22%	27%	21%	26%
Income before income taxes	31	46	44	51
Income tax expense	(6)	(11)	(6)	(11)
Net income attributable to Brookfield Residential	\$ 25	\$ 35	\$ 38	\$ 41
<b>OPERATING DATA</b>				
Home closings for Brookfield Residential (units)	788	684	1,979	1,665
Home closings for unconsolidated entities (units)	3	15	5	52
Average home selling price for Brookfield Residential (per unit)	\$ 487,000	\$ 500,000	\$ 470,000	\$ 480,000
Average home selling price for unconsolidated entities (per unit)	\$ 1,583,000	\$ 695,000	\$ 1,464,000	\$ 562,000
Net new home orders for Brookfield Residential (units)	816	612	2,539	2,187
Net new home orders for unconsolidated entities (units)	2	2	5	40
Backlog for Brookfield Residential (units at end of period)	1,900	1,581	1,900	1,581
Backlog for unconsolidated entities (units at end of period)	1	21	1	21
Backlog value for Brookfield Residential	\$ 977	\$ 682	\$ 977	\$ 682
Backlog value for unconsolidated entities	\$ 1	\$ 12	\$ 1	\$ 12
Lot closings for Brookfield Residential (single family units)	325	441	1,056	1,444
Lot closings for unconsolidated entities (single family units)	105	32	314	151
Acre closings for Brookfield Residential (multi-family, industrial and commercial parcels)	6	-	10	23
Acre closings for Brookfield Residential (raw and partially finished parcels)	-	-	88	8
Average lot selling price for Brookfield Residential (single family units)	\$ 93,000	\$ 114,000	\$ 96,000	\$ 113,000
Average lot selling price for unconsolidated entities (single family units)	\$ 94,000	\$ 109,000	\$ 81,000	\$ 89,000
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial parcels)	\$ 925,000	\$ -	\$ 941,000	\$ 524,000
Average per acre selling price for Brookfield Residential (raw and partially finished parcels)	\$ -	\$ -	\$ 86,000	\$ 164,000

## CONDENSED CONSOLIDATED BALANCE SHEETS

	SEPT 30	JUN 30	MAR 31	DEC 31
<i>(thousands, except percentages)</i>	2016	2016	2016	2015
<b>ASSETS</b>				
Land and housing inventory	\$ 3,091,247	\$ 2,987,723	\$ 2,938,297	\$ 2,738,504
Investments in unconsolidated entities	347,886	368,345	347,741	339,182
Commercial properties	32,830	27,909	-	-
Commercial assets held for sale	18,850	15,108	-	-
Receivables and other assets	272,651	288,685	270,826	301,974
Restricted cash	3,251	2,022	3,664	4,266
Cash and cash equivalents	23,590	66,345	40,217	100,329
Deferred income tax assets	88,478	89,871	90,033	81,940
	<b>\$ 3,878,783</b>	<b>\$ 3,846,008</b>	<b>\$ 3,690,778</b>	<b>\$ 3,566,195</b>
<b>LIABILITIES</b>				
Notes payable	\$ 1,618,662	\$ 1,620,602	\$ 1,618,278	\$ 1,605,736
Bank indebtedness and other financings	357,583	351,565	233,345	144,265
Total financings	1,976,245	1,972,167	1,851,623	1,750,001
Accounts payable and other liabilities	476,868	461,569	444,387	464,782
Total liabilities	2,453,113	2,433,736	2,296,010	2,214,783
<b>EQUITY</b>				
	<b>1,425,670</b>	<b>1,412,272</b>	<b>1,394,768</b>	<b>1,351,412</b>
	<b>\$ 3,878,783</b>	<b>\$ 3,846,008</b>	<b>\$ 3,690,778</b>	<b>\$ 3,566,195</b>
Net Debt to Total Capitalization	58%	57%	56%	55%

# CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(thousands)</i>	THREE MONTHS ENDED SEPT 30		NINE MONTHS ENDED SEPT 30	
	2016	2015	2016	2015
<b>REVENUE</b>				
Housing	\$ 383,824	\$ 341,764	\$ 929,492	\$ 799,157
Land	36,845	51,984	120,537	182,304
	420,669	393,748	1,050,029	981,461
<b>DIRECT COST OF SALES</b>				
Housing	(312,810)	(256,856)	(766,166)	(616,698)
Land	(16,731)	(30,622)	(60,748)	(110,876)
Gross Margin	91,128	106,270	223,115	253,887
Selling, general and administrative expense	(52,374)	(47,580)	(149,729)	(162,638)
Interest expense	(13,374)	(16,833)	(41,687)	(49,645)
Equity in earnings from unconsolidated entities	4,794	3,080	9,958	8,974
Other income	1,886	1,737	5,026	3,681
Depreciation	(872)	(958)	(2,565)	(2,980)
Income before incomes taxes	31,188	45,716	44,118	51,279
Current income tax (expense) / recovery	(6,129)	(1,334)	(8,456)	(6,467)
Deferred income tax (expense) / recovery	(60)	(9,102)	2,152	(4,254)
<b>NET INCOME</b>	24,999	35,280	37,814	40,558
Net loss attributable to non-controlling interest	(84)	(96)	(241)	(322)
<b>NET INCOME ATTRIBUTABLE TO BROOKFIELD RESIDENTIAL</b>	\$ 25,083	\$ 35,376	\$ 38,055	\$ 40,880
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>				
Unrealized foreign exchange gain / (loss) on:				
Translation of the net investment in Canadian subsidiaries	(14,618)	(52,916)	46,194	(121,970)
Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	3,000	12,275	(9,750)	20,725
<b>COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO BROOKFIELD RESIDENTIAL</b>	\$ 13,465	\$ (5,265)	\$ 74,499	\$ (60,365)



## QUARTERLY FINANCIAL INFORMATION

<i>(millions, except per unit activity)</i>	2016			2015			2014	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Home closings (units)	788	675	516	991	684	543	438	859
Lots closings (single family units)	325	454	277	1,316	441	568	435	906
Acre closings (multi-family, industrial and commercial parcels)	6	-	4	12	-	3	20	7
Acre closings (raw and partially finished parcels)	-	8	80	23	-	8	-	-
Net new home orders (units)	816	922	801	703	612	857	718	482
Backlog (units at end of period)	1,900	1,872	1,625	1,340	1,581	1,654	1,339	972
Backlog value	\$ 977	\$ 930	\$ 751	\$ 573	\$ 682	\$ 776	\$ 629	\$ 483
Revenue	\$ 421	\$ 363	\$ 267	\$ 609	\$ 394	\$ 311	\$ 277	\$ 591
Direct cost of sales	(330)	(284)	(214)	(446)	(288)	(237)	(203)	(409)
Gross margin	91	79	53	163	106	74	74	182
Selling, general and administrative expense	(52)	(52)	(45)	(55)	(48)	(47)	(68)	(58)
Interest expense	(14)	(14)	(14)	(13)	(17)	(18)	(15)	(15)
Equity in earnings from unconsolidated entities	5	3	2	4	3	3	3	15
Other income / (expense)	1	-	1	3	2	1	(2)	14
<b>Income / (loss) before income taxes</b>	<b>31</b>	<b>16</b>	<b>(3)</b>	<b>102</b>	<b>46</b>	<b>13</b>	<b>(8)</b>	<b>138</b>
Income tax (expense) / recovery	(6)	(3)	3	(31)	(11)	5	(5)	(18)
<b>Net income / (loss)</b>	<b>25</b>	<b>13</b>	<b>-</b>	<b>71</b>	<b>35</b>	<b>18</b>	<b>(13)</b>	<b>120</b>
Net income attributable to non-controlling interest	-	-	-	-	-	-	-	-
<b>Net income / (loss) attributable to Brookfield Residential</b>	<b>\$ 25</b>	<b>\$ 13</b>	<b>\$ -</b>	<b>\$ 71</b>	<b>\$ 35</b>	<b>\$ 18</b>	<b>\$ (13)</b>	<b>\$ 120</b>
Foreign currency translation	(12)	5	43	(27)	(40)	9	(69)	(30)
<b>Comprehensive income / (loss)</b>	<b>\$ 13</b>	<b>\$ 18</b>	<b>\$ 43</b>	<b>\$ 44</b>	<b>\$ (5)</b>	<b>\$ 27</b>	<b>\$ (82)</b>	<b>\$ 90</b>

## SELECT OPERATING INFORMATION – HOUSING

<i>(millions, except per unit activity and average selling price)</i>	THREE MONTHS ENDED SEPT 30				NINE MONTHS ENDED SEPT 30			
	2016		2015		2016		2015	
	UNITS	\$	UNITS	\$	UNITS	\$	UNITS	\$
<b>HOME CLOSINGS</b>								
Canada	387	\$ 128	369	\$ 121	949	\$ 321	908	\$ 284
California	222	173	170	153	545	382	395	347
Central and Eastern U.S.	179	83	145	68	485	226	362	168
	788	384	684	342	1,979	929	1,665	799
Unconsolidated Entities	3	5	15	10	5	7	52	29
<b>Total</b>	<b>791</b>	<b>\$ 389</b>	<b>699</b>	<b>\$ 352</b>	<b>1,984</b>	<b>\$ 936</b>	<b>1,717</b>	<b>\$ 828</b>

	THREE MONTHS ENDED SEPT 30		NINE MONTHS ENDED SEPT 30	
	2016	2015	2016	2015
<b>AVERAGE HOME SELLING PRICE</b>				
Canada	\$ 332,000	\$ 326,000	\$ 338,000	\$ 312,000
California	777,000	901,000	701,000	879,000
Central and Eastern U.S.	462,000	470,000	467,000	465,000
	487,000	500,000	470,000	480,000
Unconsolidated Entities	1,583,000	695,000	1,464,000	562,000
<b>Average selling price</b>	<b>\$ 491,000</b>	<b>\$ 504,000</b>	<b>\$ 472,000</b>	<b>\$ 482,000</b>

<b>NET NEW HOME ORDERS (UNITS)</b>					
Canada		416	392	1,230	1,256
California		220	89	742	470
Central and Eastern U.S.		180	131	567	461
		816	612	2,539	2,187
Unconsolidated Entities		2	2	5	40
<b>Total</b>		<b>818</b>	<b>614</b>	<b>2,544</b>	<b>2,227</b>

## SELECT OPERATING INFORMATION – HOUSING (CONTINUED)

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

<b>ACTIVE HOUSING COMMUNITIES</b>	<b>AS AT SEPT 30</b>	
	<b>2016</b>	<b>2015</b>
Canada	27	18
California	30	22
Central and Eastern U.S.	23	19
	80	59
Unconsolidated Entities	1	4
<b>Total</b>	<b>81</b>	<b>63</b>

<b>BACKLOG AT END OF PERIOD</b>	<b>AS AT SEPT 30</b>			
	<b>2016</b>		<b>2015</b>	
	<b>Units</b>	<b>Value</b>	<b>Units</b>	<b>Value</b>
Canada	1,194	\$ 531	1,072	\$ 390
California	395	306	220	158
Central and Eastern U.S.	311	140	289	134
	1,900	977	1,581	682
Unconsolidated Entities	1	1	21	12
<b>Total</b>	<b>1,901</b>	<b>\$ 978</b>	<b>1,602</b>	<b>\$ 694</b>

## SELECT OPERATING INFORMATION – LAND

	THREE MONTHS ENDED SEPT 30				NINE MONTHS ENDED SEPT 30			
	2016		2015		2016		2015	
	UNITS	\$	UNITS	\$	UNITS	\$	UNITS	\$
<i>(millions, except per unit activity)</i>								
<b>LOT CLOSINGS (SINGLE FAMILY UNITS)</b>								
Canada	134	\$ 16	181	\$ 23	338	\$ 42	425	\$ 55
California	-	1	115	19	349	35	456	79
Central and Eastern U.S.	191	14	145	10	369	27	563	35
	325	31	441	52	1,056	104	1,444	169
Unconsolidated Entities	105	10	32	3	314	26	151	13
Total	430	\$ 41	473	\$ 55	1,370	\$ 130	1,595	\$ 182
<b>ACRE CLOSINGS (MULTI-FAMILY, INDUSTRIAL AND COMMERCIAL PARCELS)</b>								
Canada	5	\$ 5	-	\$ -	9	\$ 9	23	\$ 12
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	1	1	-	-	1	1	-	-
	6	6	-	-	10	10	23	12
Unconsolidated Entities	-	-	-	-	-	-	-	-
Total	6	\$ 6	-	\$ -	10	\$ 10	23	\$ 12
<b>ACRE CLOSINGS (RAW AND PARTIALLY FINISHED PARCELS)</b>								
Canada	-	\$ -	-	\$ -	80	\$ -	-	\$ -
California	-	-	-	-	8	7	-	-
Central and Eastern U.S.	-	-	-	-	-	-	8	1
	-	-	-	-	88	7	8	1
Unconsolidated Entities	-	-	-	-	-	-	-	-
Total	-	\$ -	-	\$ -	88	\$ 7	8	\$ 1

## SELECT OPERATING INFORMATION – LAND (CONTINUED)

	THREE MONTHS ENDED SEPT 30		NINE MONTHS ENDED SEPT 30	
	2016	2015	2016	2015
<b>AVERAGE LOT SELLING PRICE (SINGLE FAMILY UNITS)</b>				
Canada	\$ 117,000	\$ 128,000	\$ 125,000	\$ 130,000
California	-	152,000	93,000	162,000
Central and Eastern U.S.	75,000	66,000	73,000	61,000
Unconsolidated Entities	93,000	114,000	96,000	113,000
Average selling price	\$ 93,000	\$ 113,000	\$ 93,000	\$ 111,000
<b>AVERAGE PER ACRE SELLING PRICE (MULTI-FAMILY, INDUSTRIAL AND COMMERCIAL PARCELS)</b>				
Canada	\$ 999,000	\$ -	\$ 985,000	\$ 524,000
California	-	-	-	-
Central and Eastern U.S.	541,000	-	541,000	-
Unconsolidated Entities	925,000	-	941,000	524,000
Average selling price	\$ 925,000	\$ -	\$ 941,000	\$ 524,000
<b>AVERAGE PER ACRE SELLING PRICE (RAW AND PARTIALLY FINISHED PARCELS)</b>				
Canada	\$ -	\$ -	\$ 3,000	\$ -
California	-	-	967,000	-
Central and Eastern U.S.	-	-	-	164,000
Unconsolidated Entities	-	-	86,000	164,000
Average selling price	\$ -	\$ -	\$ 86,000	\$ 164,000
<b>ACTIVE LAND COMMUNITIES</b>				
	<b>AS AT ENDED SEPT 30</b>			
	2016	2015		
Canada	10	12		
California	5	6		
Central and Eastern U.S.	12	10		
Unconsolidated Entities	27	28		
Total	29	30		

## SELECT OPERATING INFORMATION – GROSS MARGIN

	THREE MONTHS ENDED SEPT 30				NINE MONTHS ENDED SEPT 30				
	2016		2015		2016		2015		
	\$	%	\$	%	\$	%	\$	%	
<i>(millions, except percentages)</i>									
<b>HOUSING GROSS MARGIN</b>									
Canada	\$ 25	20%	\$ 33	27%	\$ 57	18%	\$ 68	24%	
California	32	18%	43	28%	70	18%	92	27%	
Central and Eastern U.S.	14	17%	9	13%	36	16%	23	14%	
Total	\$ 71	18%	\$ 85	25%	\$ 163	18%	\$ 183	23%	
<b>LAND GROSS MARGIN</b>									
Canada	\$ 12	57%	\$ 17	74%	\$ 32	63%	\$ 50	75%	
California	1	100%	2	11%	21	50%	14	18%	
Central and Eastern U.S.	7	47%	2	20%	7	25%	7	20%	
Total	\$ 20	54%	\$ 21	40%	\$ 60	50%	\$ 71	39%	
<b>TOTAL GROSS MARGIN</b>									
Canada	\$ 37	25%	\$ 50	35%	\$ 89	24%	\$ 118	34%	
California	33	19%	45	26%	91	22%	106	25%	
Central and Eastern U.S.	21	21%	11	14%	43	17%	30	15%	
Total	\$ 91	22%	\$ 106	27%	\$ 223	21%	\$ 254	26%	

## HISTORICAL PRO FORMA FINANCIAL INFORMATION

### **BROOKFIELD RESIDENTIAL PROPERTIES**

(millions, except unit activity)

	YEAR ENDED DECEMBER 31									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Home Closings (units)	2,656	2,204	2,216	1,808	1,295	1,600	1,347	1,490	1,875	1,977
Lot Closings (single family units)	2,760	2,107	2,402	2,142	2,912	2,017	1,682	2,422	4,050	3,716
Acre Closings	66	34	247	543	94	68	412	342	85	63
Revenue										
Housing	\$ 1,249	\$ 1,136	\$ 983	\$ 718	\$ 484	\$ 599	\$ 491	\$ 638	\$ 837	\$ 957
Land	342	340	373	622	524	355	263	389	420	318
Total Revenues	1,591	1,476	1,356	1,340	1,008	954	754	1,027	1,257	1,275
Direct cost of sales	(1,174)	(1,031)	(981)	(1,048)	(740)	(687)	(604)	(739)	(913)	(909)
Impairment of land inventory	-	-	-	-	-	-	(41)	(118)	(88)	(10)
Gross margin	417	445	375	292	268	267	109	170	256	356
Selling, general and administrative	(218)	(192)	(170)	(128)	(101)	(99)	(79)	(106)	(106)	(83)
Equity in earnings of unconsolidated entities	12	26	9	10	4	-	3	4	15	61
Impairment of unconsolidated entities	-	-	-	-	-	-	(13)	(38)	(15)	-
Other income / (expense)	(58)	(10)	(42)	(45)	(41)	21	16	(10)	4	18
<b>Income before income taxes</b>	<b>\$ 153</b>	<b>\$ 269</b>	<b>\$ 172</b>	<b>\$ 129</b>	<b>\$ 130</b>	<b>\$ 189</b>	<b>\$ 36</b>	<b>\$ 20</b>	<b>\$ 154</b>	<b>\$ 352</b>

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

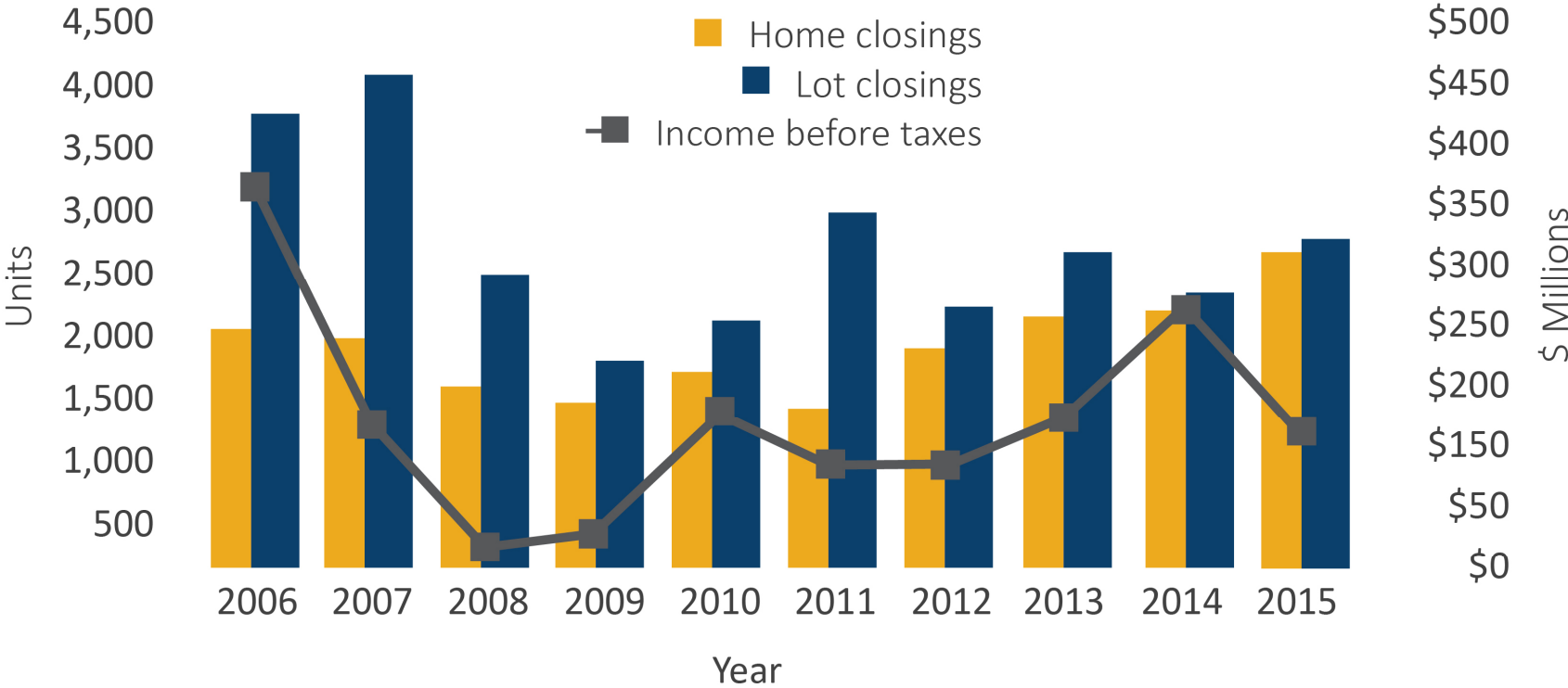
Note: 2006-2010 comparative results shown are pro-forma of Brookfield Residential and combined the results of Brookfield Homes Corporation and Brookfield Office Properties' residential land and housing division as the merger transaction occurred on March 31, 2011.

## HISTORICAL PRO FORMA FINANCIAL INFORMATION

<i>(millions, except unit activity)</i>	YEAR ENDED DECEMBER 31			
	2009	2008	2007	2006
<b><u>BPO RESIDENTIAL</u></b>				
Home Closings (units)	648	745	1,050	818
Lot Closings (single family units)	1,213	1,806	2,722	2,882
Acre Closings	412	342	85	63
Revenue				
Housing	\$ 151	\$ 223	\$ 296	\$ 173
Land	227	355	378	230
Total Revenues	378	578	674	403
Direct cost of sales	(250)	(323)	(432)	(292)
Impairment of land inventory	(17)	(3)	-	-
Gross margin	111	252	242	111
Selling, general and administrative	(27)	(37)	(37)	(24)
Equity in earnings of unconsolidated entities	2	1	2	3
Impairment of unconsolidated entities	-	-	-	-
Other income / (expense)	3	8	10	9
<b>Income before income taxes</b>	<b>\$ 89</b>	<b>\$ 224</b>	<b>\$ 217</b>	<b>\$ 99</b>
<b><u>BROOKFIELD HOMES CORPORATION</u></b>				
Home Closings (units)	699	745	825	1,159
Lot Closings (single family units)	469	616	1,328	834
Acre Closings	-	-	-	-
Revenue				
Housing	\$ 340	\$ 415	\$ 541	\$ 784
Land	36	34	42	88
Total Revenues	376	449	583	872
Direct cost of sales	(354)	(416)	(481)	(617)
Impairment of land inventory	(24)	(115)	(88)	(10)
Gross margin	(2)	(82)	14	245
Selling, general and administrative	(52)	(69)	(69)	(59)
Equity in earnings of unconsolidated entities	1	3	13	58
Impairment of unconsolidated entities	(13)	(38)	(15)	-
Other income / (expense)	13	(18)	(6)	9
<b>Income / (Loss) before income taxes</b>	<b>\$ (53)</b>	<b>\$ (204)</b>	<b>\$ (63)</b>	<b>\$ 253</b>

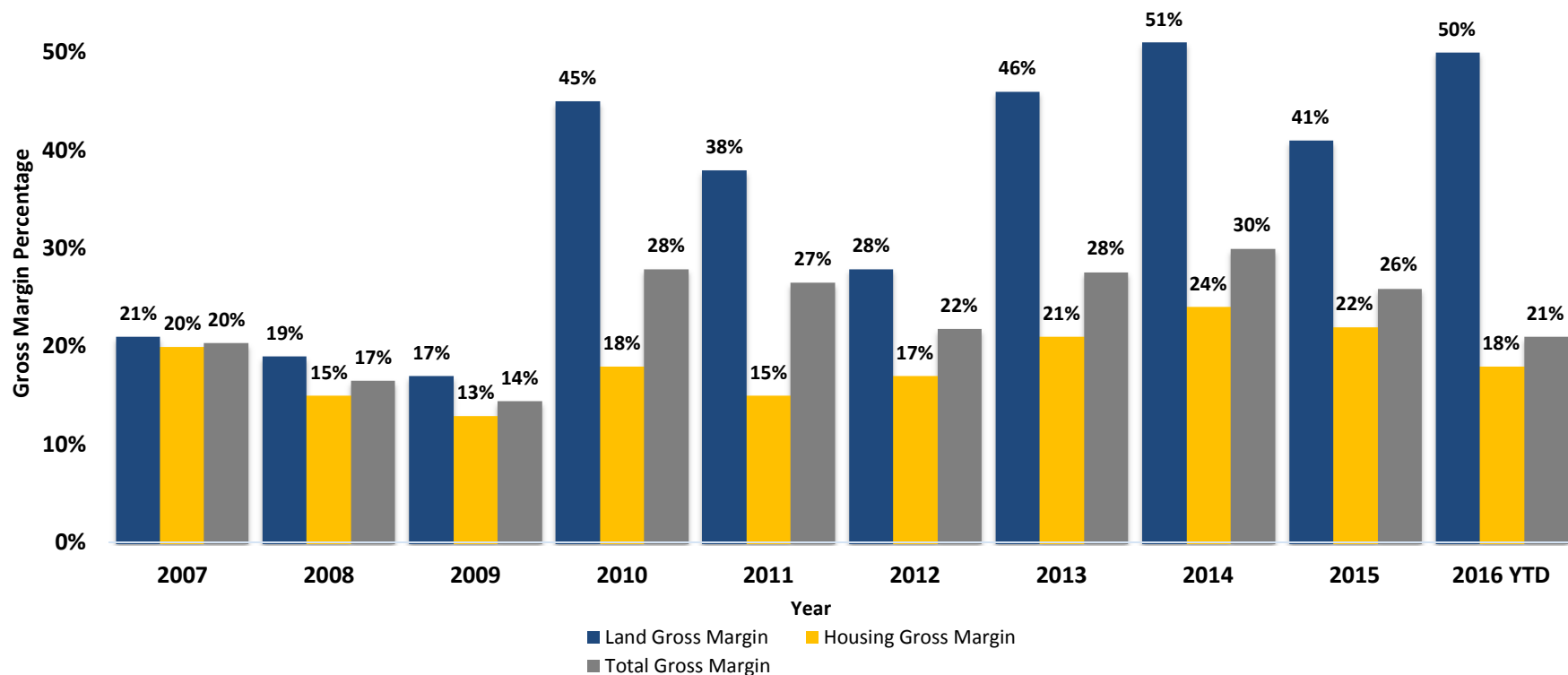


# CONSISTENT PROFITABILITY



Note: 2006-2010 comparative results shown are pro forma of Brookfield Residential and combined the results of Brookfield Homes Corporation and Brookfield Office Properties' residential land and housing division as the merger transaction occurred on March 31, 2011.

## HISTORICAL GROSS MARGIN

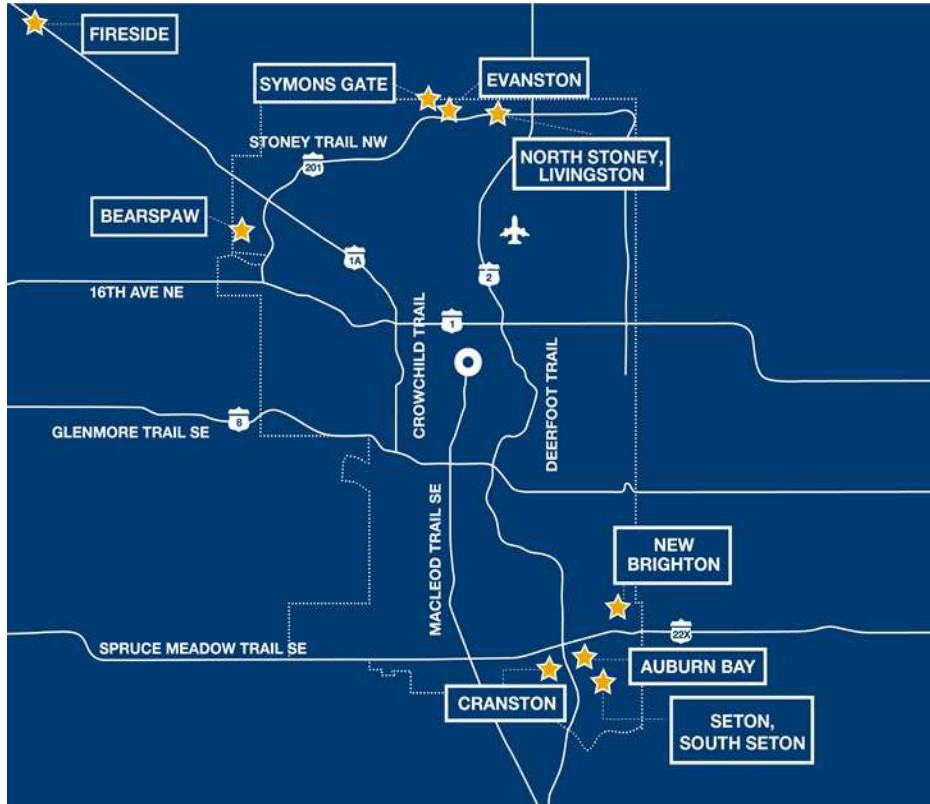


Note: 2006-2010 comparative results shown are pro forma of Brookfield Residential and combined the results of Brookfield Homes Corporation and Brookfield Office Properties' residential land and housing division as the merger transaction occurred on March 31, 2011.

## OUR MARKETS

**NOTE:** Multi-family, industrial and commercial parcels under development have been disclosed using acres. Single family units and land held for development remain classified as lot and lot equivalents.

# CALGARY, ALBERTA

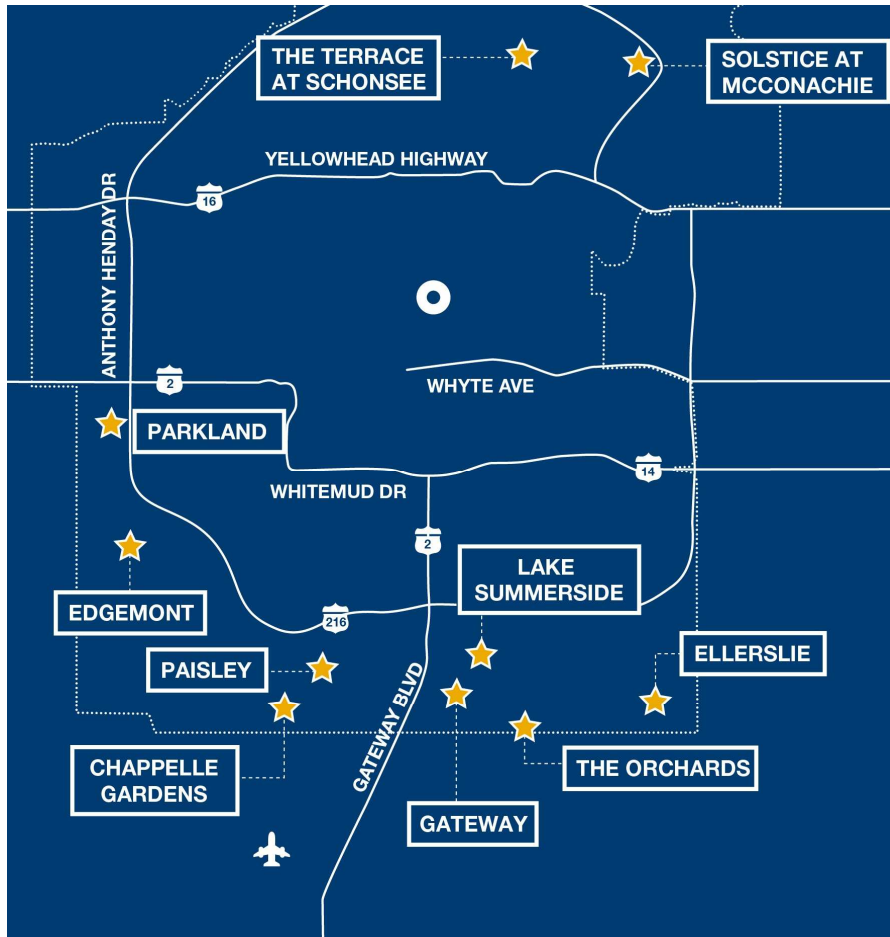


**25,666 LOTS**  
 63 ACRES (MULTI-FAMILY,  
 INDUSTRIAL AND  
 COMMERCIAL PARCELS)

- 6,008 entitled
- 19,658 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
ALBI Homes (various communities)	185	185	-	-
Auburn Bay	226	226	-	4
Bears paw	1,290	-	1,290	-
Cranston	1,187	1,187	-	8
Evanston	28	28	-	1
Fireside	78	78	-	-
Livingston	8,509	2,375	6,134	-
New Brighton	111	111	-	-
North Stoney	3,855	-	3,855	-
Seton	658	658	-	42
South Seton	6,296	151	6,145	-
Symons Gate	383	383	-	8
Other	2,860	626	2,234	-

# EDMONTON, ALBERTA



**13,802 LOTS**  
24 ACRES (MULTI-FAMILY,  
INDUSTRIAL AND  
COMMERCIAL PARCELS)

- 6,790 entitled
- 7,012 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Chappelle Gardens	1,822	1,822	-	14
Edgemont	1,158	1,158	-	3
Ellerslie	7,012	-	7,012	-
Gateway	134	134	-	-
Lake Summerside	387	387	-	-
The Orchards	2,069	2,069	-	4
Paisley	670	670	-	3
Parkland	49	49	-	-
Solstice at McConachie	310	310	-	-
The Terrace at Schonsee	58	58	-	-
Other	133	133	-	-

# ONTARIO

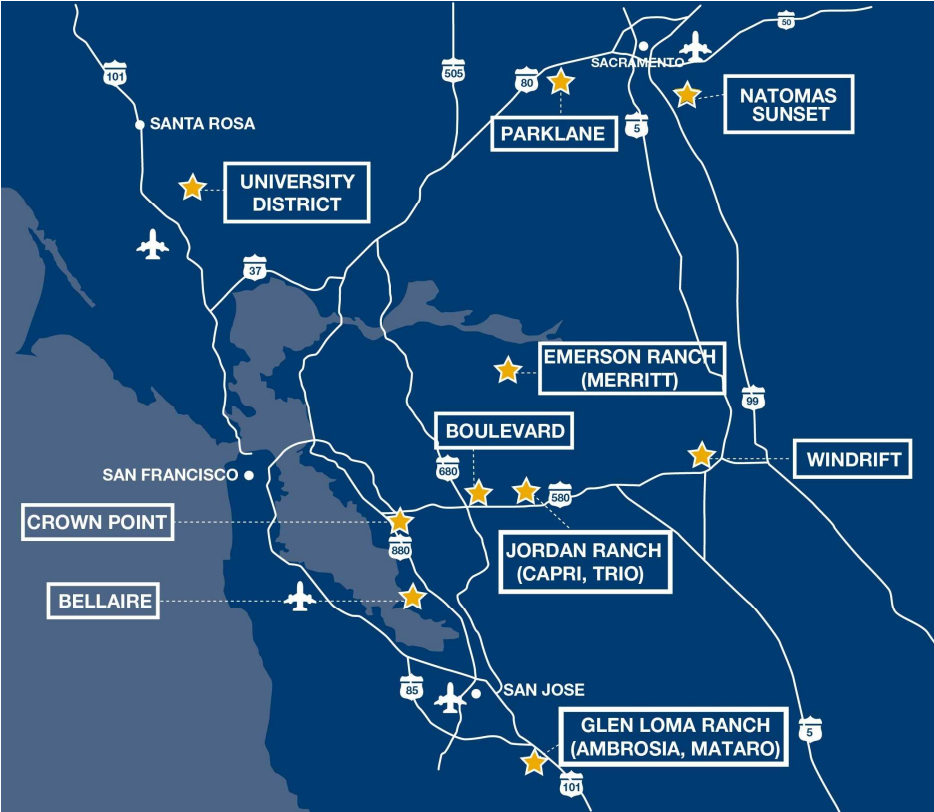


## 9,836 LOTS

- 2,094 entitled
- 7,742 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Aurora (The Arbors, Timberlane, Woodhaven)	540	540	-
Fieldstone	133	133	-
Grand Central	87	87	-
Newbrook	540	270	270
Pinehurst	413	413	-
Peterborough	7,363	-	7,363
The Village	37	37	-
Treetops	105	105	-
Whitby Harbour	132	132	-
Willow Glen	273	273	-
Other	213	104	109

# NORTHERN CALIFORNIA

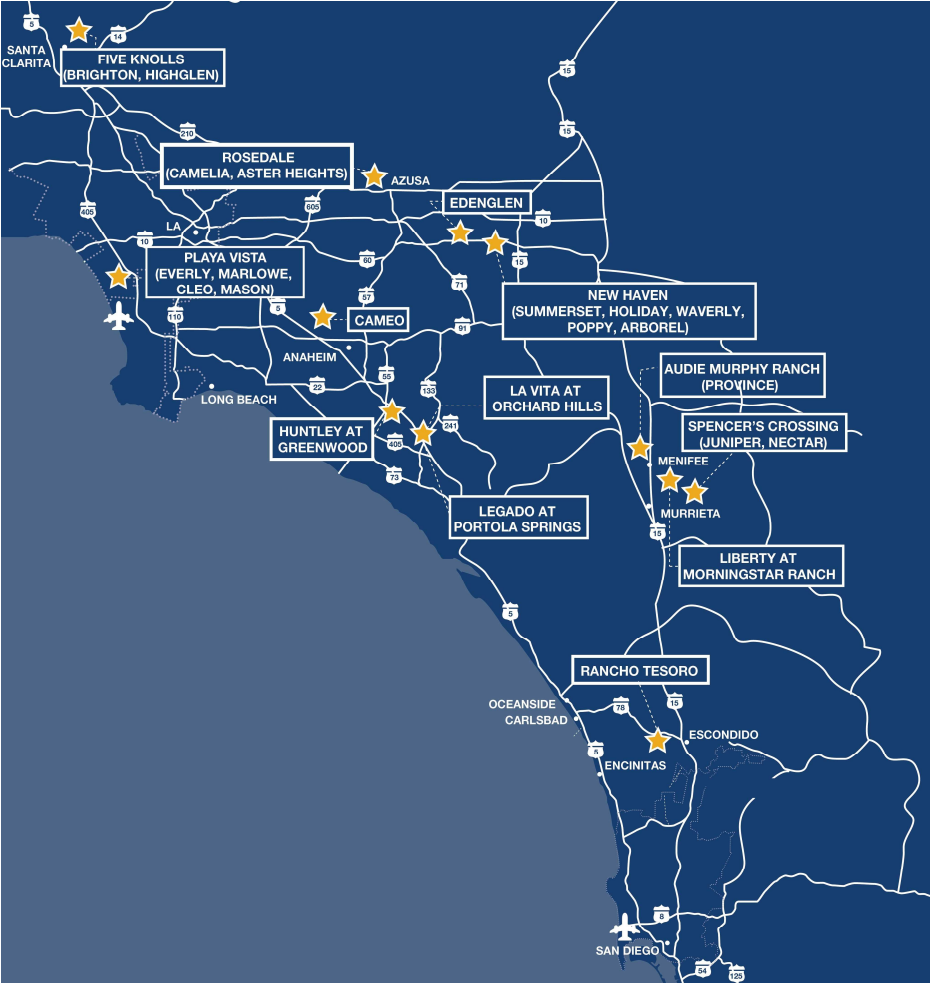


## 8,782 LOTS

- 3,832 entitled
- 4,950 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Bellaire	45	45	-
Boulevard	607	607	-
Crown Point	47	47	-
Emerson Ranch (Merritt)	230	230	-
Glen Loma Ranch (Ambrosia, Mataro)	125	125	-
Jordan Ranch (Capri, Trio)	85	85	-
Parklane	654	204	450
Natomas, Sunset	5,700	1,200	4,500
University District	1,279	1,279	-
Windrift	10	10	-

# SOUTHERN CALIFORNIA



## 11,911 LOTS

- 8,801 entitled
- 3,110 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Audie Murphy Ranch (Province)	1,294	1,294	-
Cameo	81	81	-
Edenglen	165	165	-
Five Knolls (Brighton, Highglen)	516	470	46
Huntley at Greenwood	25	25	-
La Vita at Orchard Hills	8	8	-
Legado at Portola Springs	41	41	-
Liberty at Morningstar Ranch	26	26	-
New Haven (Summerset, Holiday, Waverly, Poppy, Arborel)	2,728	654	2,074
Playa Vista (Everly, Marlowe, Cleo, Mason)	264	264	-
Rancho Tesoro	536	346	190
Rosedale (Camelia, Aster Heights)	83	83	-
Spencer's Crossing (Juniper, Nectar)	880	880	-
Other	5,264	4,464	800



# HAWAII



## 200 LOTS

- 200 entitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Holua Kai	5	5	–
KaMilo	26	26	–
Pili Mai	169	169	–

# DENVER, COLORADO



**8,826 LOTS**  
 10 ACRES (MULTI-FAMILY,  
 INDUSTRIAL AND COMMERCIAL  
 PARCELS)

- 8,826 entitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Barefoot Lakes	3,735	3,735	–	–
Brighton Crossing	1,984	1,984	–	10
Midtown	474	474	–	–
Solterra	318	318	–	–
Tallyn's Reach	19	19	–	–
Other	2,296	2,296	–	–

# AUSTIN, TEXAS

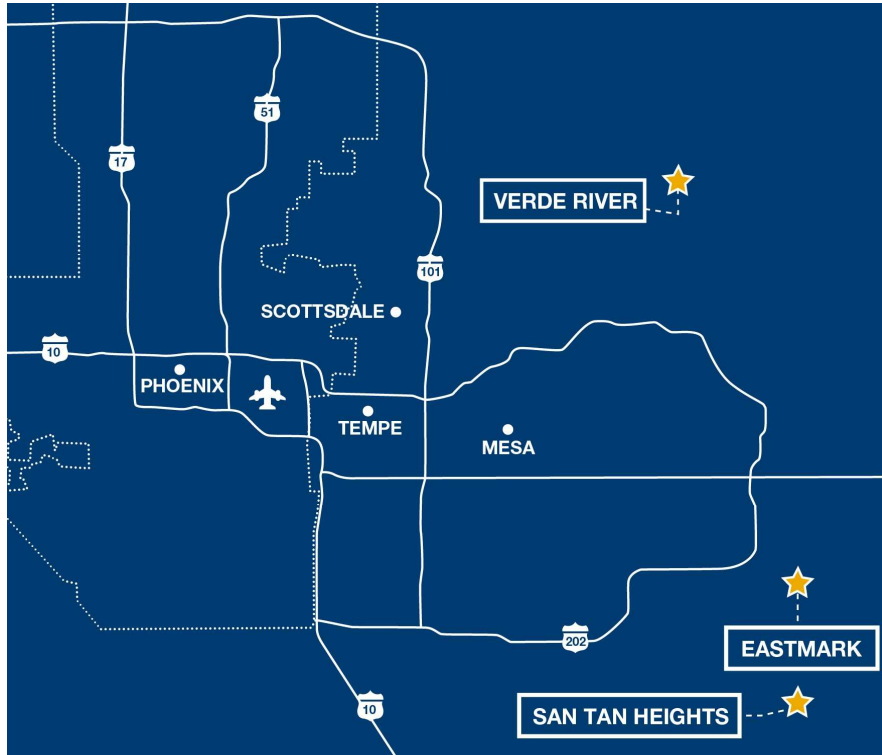


## 13,476 LOTS

- 13,476 entitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Addison	493	493	-
Blanco Vista	1,139	1,139	-
Easton Park	5,962	5,962	-
Easton South	2,097	2,097	-
Grand Haven Homes (various communities)	731	731	-
Kissing Tree	2,983	2,983	-
Retreat at Dripping Springs	71	71	-

# PHOENIX, ARIZONA

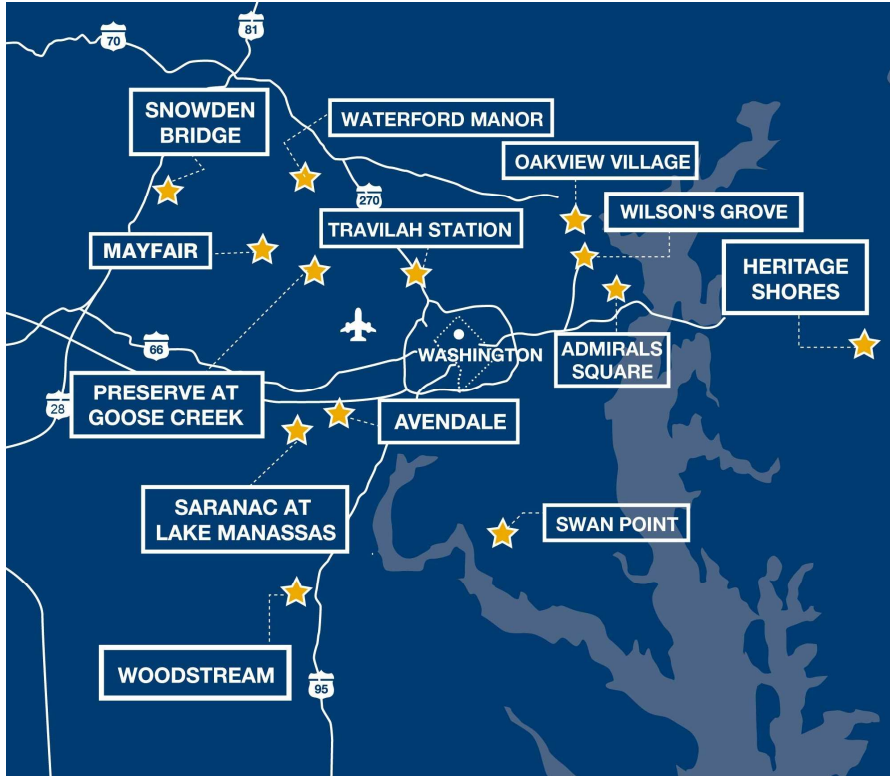


**4,848 LOTS**  
 3 ACRES (MULTI-FAMILY,  
 INDUSTRIAL AND  
 COMMERCIAL PARCELS)

- 4,848 entitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Eastmark	4,094	4,094	-	3
San Tan Heights	690	690	-	-
Verde River	64	64	-	-

# WASHINGTON, D.C. AREA



**4,052 LOTS**  
23 ACRES (MULTI-FAMILY,  
INDUSTRIAL AND  
COMMERCIAL PARCELS)

- 4,015 entitled
- 37 unentitled

PROJECT NAME	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES
Admirals Square	96	96	-	-
Avendale	190	190	-	-
Heritage Shores	1,301	1,301	-	-
Mayfair	238	238	-	8
Oakview Village	98	98	-	-
Preserve at Goose Creek	4	4	-	-
Saranac at Lake Manassas	2	2	-	-
Snowden Bridge	802	802	-	-
Swan Point	765	765	-	-
Travilah Station	130	130	-	-
Wilson's Grove	57	57	-	-
Waterford Manor	61	61	-	-
Woodstream	7	7	-	-
Other	301	264	37	15

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## BROOKFIELD RESIDENTIAL CONTACTS

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

For all Brookfield Residential bondholder inquiries, please call 1.855.235.8362 or email [investor.relations@brookfieldrp.com](mailto:investor.relations@brookfieldrp.com).

**Brookfield** | *The Best Places*  
Residential | *to Call Home*