

The logo for Brookfield Residential, featuring the word "Brookfield" in a bold, dark blue sans-serif font above the word "Residential" in a smaller, orange sans-serif font. A short orange horizontal line is positioned below the word "Residential".

**Brookfield**  
Residential

# Corporate Profile

FEBRUARY 2019

# 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.

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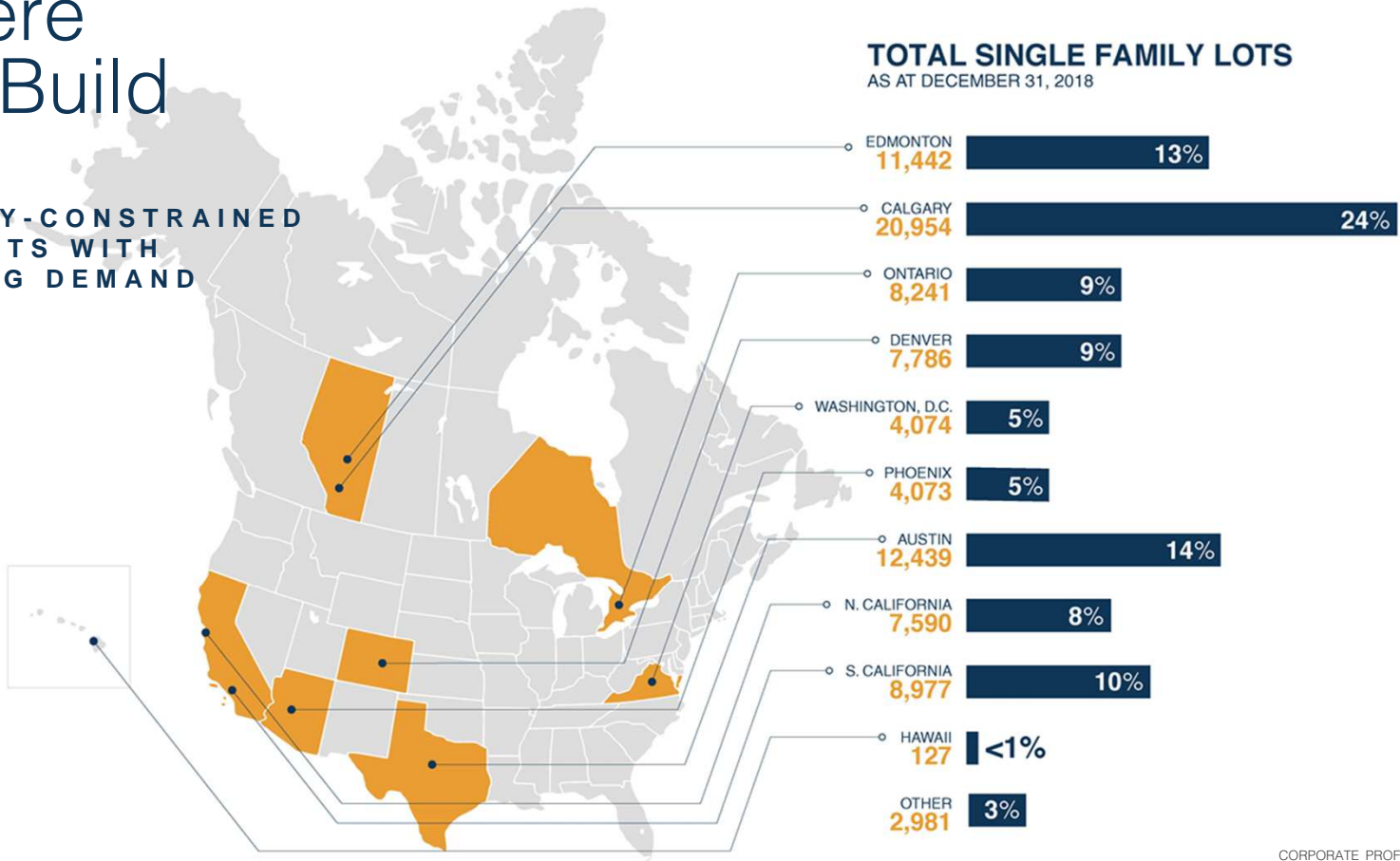
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# Where We Build

**SUPPLY-CONSTRAINED MARKETS WITH STRONG DEMAND**



# Company Overview

Our disciplined land entitlement process, synergistic operations and capital flexibility allow us to pursue homebuilding, land, or mixed-use investments.

**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 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 Asset Management, a leading global alternative asset manager with approximately \$330 billion of assets under management.

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

# Creating Value

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# Business Model

## LAND ACQUISITION

- Acquisition of raw land ideally during the low point of the cycle
- Acquisition of underutilized land or brownfield development opportunities when investment opportunities arise



## ENTITLEMENT PROCESS

- Obtain approvals necessary to develop land for specific purposes and bring raw land to the finished lot stage by obtaining regulatory approval for a particular use



## DEVELOP LAND

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

## MONETIZE CONSUMER & COMMERCIAL DELIVERABLES



### BUILD HOMES

We will build homes on a portion of our land.



### SELL LOTS

The balance of lots are sold to and built on by third-party builders.



### COMMERCIAL ZONES

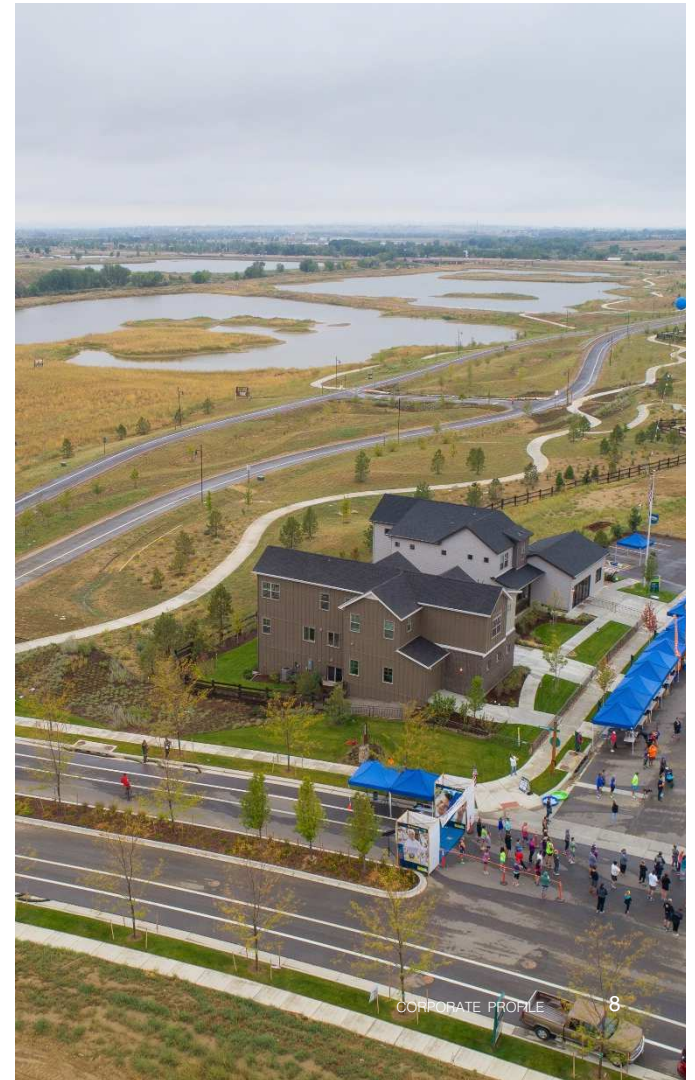
We build commercial areas in select developments.



# Land Acquisition

## LAND HELD FOR DEVELOPMENT

- Land developer in all of our markets
- Investing diligently in supply-constrained markets with strong underlying economic fundamentals
- Strategic land study conducted to review growth patterns in the market in order to determine where future acquisitions should take place
- Acquisition of raw land ideally during the low point of the cycle or when investment opportunities arise
- Acquisition of underutilized land or brownfield development opportunities when investment opportunities arise







# Entitlement Process and Develop Land

## LAND UNDER DEVELOPMENT

- Through strong relationships with the jurisdictions and key stakeholders where we operate, we create shared value and infrastructure that supports great places. In addition to building homes and community amenities, as part of the planning process, we also consider the opportunity for mixed use and commercial space within the community to cultivate the live, work and play experience many customers desire today
- Obtaining entitlements can be a difficult and lengthy process involving many studies and public engagement, taking years to complete. Once entitlements are achieved, we install infrastructure and either fully service the lots and sell them to homebuilders (Canada/U.S.) or simply grade the lots (U.S.) and sell them to third-party homebuilders
- 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



### 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 and 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

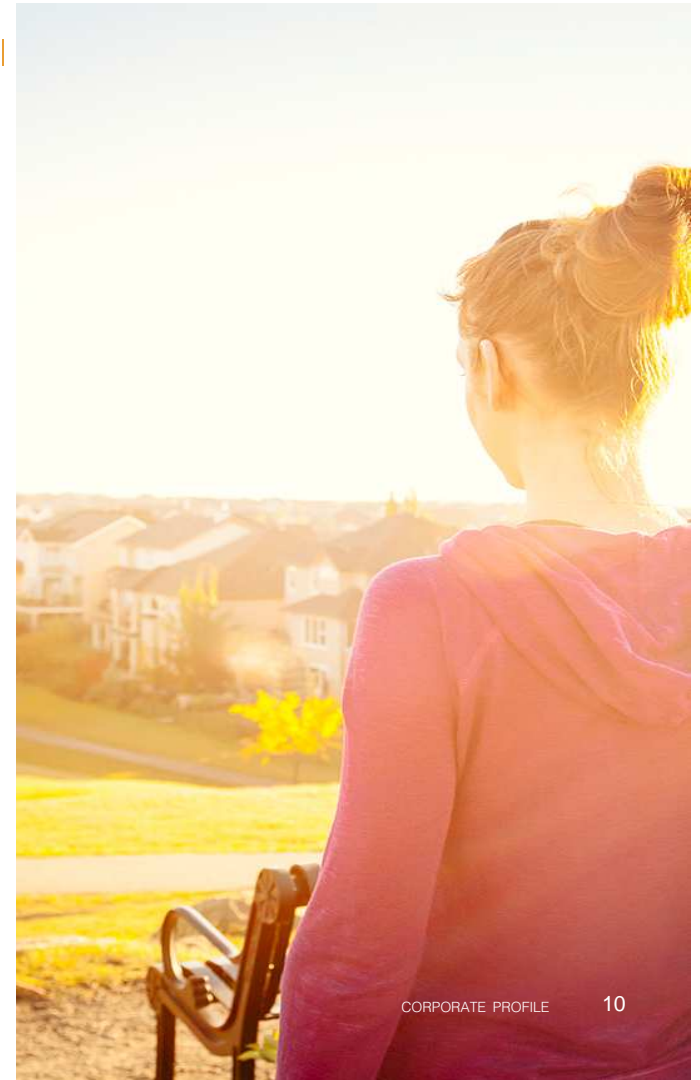
- Prepared by a land surveyor so that an individual titled lot is created



# 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). Our homebuilding operations are distinctively positioned to provide a variety of housing products, ranging from entry-level to luxury homes, depending on the community and consumer demands
- Certain master-planned communities will also include the development of mixed-use space, consisting of retail or commercial assets, which we will build and add value through leasing, before selling to a third-party operator



# Inventory Profile

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# Land & Housing Inventory

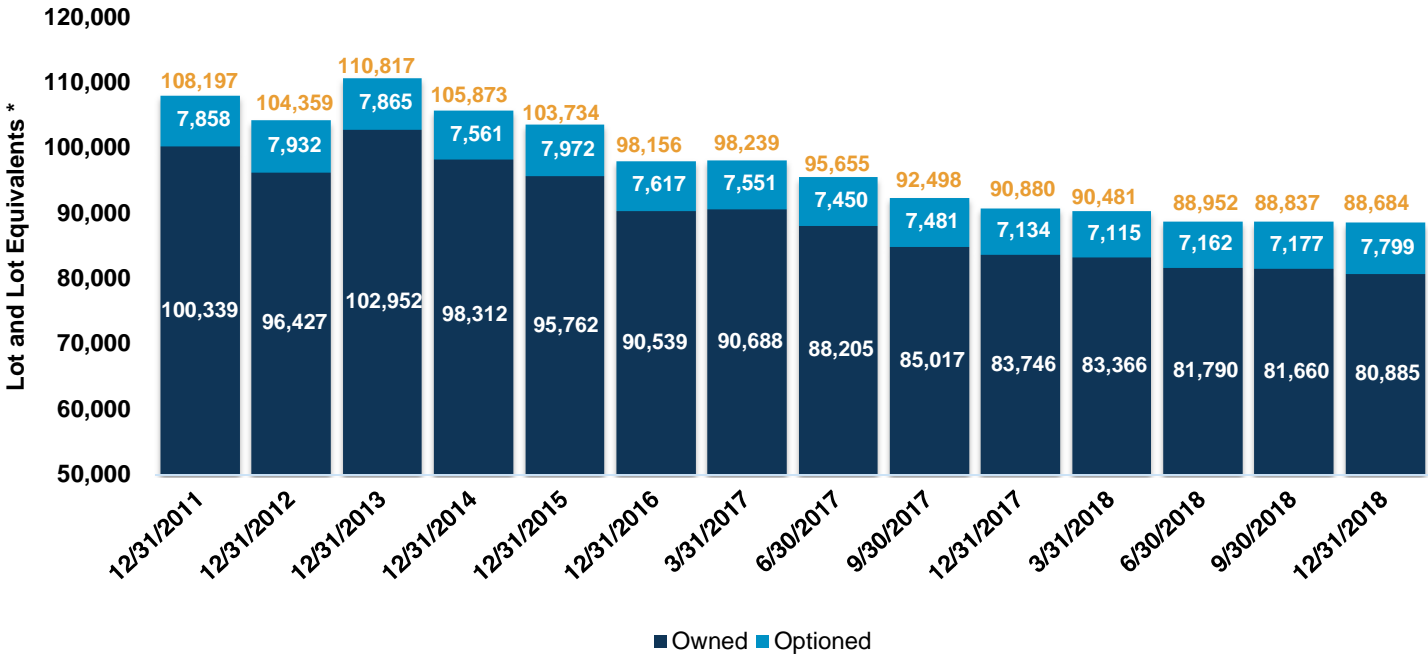
	Single Family Housing & Land Under and Land Held for Development <sup>(1)</sup>										Multi-Family, Industrial & Commercial Parcels Under Development	
	Housing & Land		Unconsolidated Entities		Total Lots		Status of Lots 31-Dec-18		Total Acres		31-Dec-18	31-Dec-17
	Owned	Options	Owned	Options	31-Dec-18	31-Dec-17	Entitled	Unentitled	31-Dec-18	31-Dec-17		
Calgary	18,517	-	2,437	-	20,954	22,311	10,613	10,341	65	79		
Edmonton	11,442	-	-	-	11,442	12,344	6,232	5,210	27	31		
Ontario	7,141	-	1,100	-	8,241	8,230	1,708	6,533	-	-		
<b>Canada</b>	<b>37,100</b>	<b>-</b>	<b>3,537</b>	<b>-</b>	<b>40,637</b>	<b>42,885</b>	<b>18,553</b>	<b>22,084</b>	<b>92</b>	<b>110</b>		
Northern California	2,374	4,950	266	-	7,590	8,038	2,640	4,950	-	-		
Southern California	6,578	-	1,398	1,001	8,977	9,460	7,347	1,630	-	-		
Hawaii	127	-	-	-	127	175	127	-	3	-		
Other	100	-	-	-	100	-	100	-	-	-		
<b>California</b>	<b>9,179</b>	<b>4,950</b>	<b>1,664</b>	<b>1,001</b>	<b>16,794</b>	<b>17,673</b>	<b>10,214</b>	<b>6,580</b>	<b>3</b>	<b>-</b>		
Denver	7,786	-	-	-	7,786	8,274	7,786	-	15	10		
Austin	12,211	228	-	-	12,439	12,143	12,439	-	60	-		
Phoenix	284	616	3,173	-	4,073	5,450	3,453	620	14	1		
Washington D.C. Area	3,070	1,004	-	-	4,074	4,455	4,037	37	4	18		
Other	2,881	-	-	-	2,881	-	2,881	-	3	-		
<b>Central and Eastern U.S.</b>	<b>26,232</b>	<b>1,848</b>	<b>3,173</b>	<b>-</b>	<b>31,253</b>	<b>30,322</b>	<b>30,596</b>	<b>657</b>	<b>96</b>	<b>29</b>		
<b>Total</b>	<b>72,511</b>	<b>6,798</b>	<b>8,374</b>	<b>1,001</b>	<b>88,684</b>	<b>90,880</b>	<b>59,363</b>	<b>29,321</b>	<b>191</b>	<b>139</b>		
Entitled lots	53,643	1,848	3,872	-	59,363	57,223						
Unentitled lots	18,868	4,950	4,502	1,001	29,321	33,657						
<b>Total December 31, 2018</b>	<b>72,511</b>	<b>6,798</b>	<b>8,374</b>	<b>1,001</b>	<b>88,684</b>	<b>90,880</b>						
Total December 31, 2017	73,420	6,133	10,326	1,001		90,880						

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

<i>(millions, except per unit activity)</i>	Housing & Land	Unconsol. Entities	Total 31-Dec-18		Total 31-Dec-17	
			Units	\$	Units	\$
Land Held For Development (lots)	1,302	154	67,325	1,456	73,213	1,542
Land Under Development - Single Family (lots)	840	166	11,580	1,006	8,553	958
Optioned (lots)	115	18	7,799	133	7,134	128
Housing inventory (units)	554	-	1,752	554	1,764	533
Model homes (units)	99	-	228	99	216	103
Unconsolidated entity net debt	-	2	-	2	-	(39)
<b>Sub total</b>	<b>2,910</b>	<b>340</b>	<b>88,684</b>	<b>3,250</b>	<b>90,880</b>	<b>3,225</b>
Multi Family, Commercial & Industrial Parcels (acres)	64	7	191	71	139	86
<b>Total</b>	<b>2,974</b>	<b>347</b>		<b>3,321</b>		<b>3,311</b>

# Land & Housing Inventory

CONSISTENT REDUCTION OF LOT INVENTORY DEMONSTRATES OUR CAPITAL DISCIPLINE



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

# Financial Profile

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# Select Financial Information

	Three months ended Dec 31		Twelve months ended Dec 31	
	2018	2017	2018	2017
<i>(millions, except percentages, unit activity and average selling price)</i>				
<b>Results from Operations</b>				
Total revenue	\$ 796	\$ 818	\$ 2,162	\$ 2,051
Housing revenue	596	659	1,794	1,733
Land revenue	200	159	368	318
Gross margin (\$)	177	208	473	473
Gross margin (%)	22%	25%	22%	23%
Income before income taxes	101	136	222	218
Income tax expense	(22)	(42)	(40)	(52)
Net income attributable to Brookfield Residential	\$ 77	\$ 94	\$ 174	\$ 166
<b>Operating Data</b>				
Home closings for Brookfield Residential (units)	1,107	1,168	3,411	3,174
Home closings for unconsolidated entities (units)	-	2	4	7
Average home selling price for Brookfield Residential (per unit)	\$ 539,000	\$ 564,000	\$ 526,000	\$ 546,000
Average home selling price for unconsolidated entities (per unit)	\$ -	\$ 983,000	\$ 1,328,000	\$ 1,162,000
Net new home orders for Brookfield Residential (units)	506	679	2,855	3,326
Net new home orders for unconsolidated entities (units)	-	-	3	7
Backlog for Brookfield Residential (units)	1,137	1,693	1,137	1,693
Backlog for unconsolidated entities (units)	-	2	-	2
Backlog value for Brookfield Residential	\$ 612	\$ 928	\$ 612	\$ 928
Backlog value for unconsolidated entities	\$ -	\$ 1	\$ -	\$ 1
Lot closings for Brookfield Residential (single family units)	1,655	1,076	2,838	2,349
Lot closings for unconsolidated entities (single family units)	239	192	554	467
Acre closings for Brookfield Residential (multi-family, industrial and commercial)	27	59	79	84
Acre closings for unconsolidated entities (multi-family, industrial and commercial)	-	13	16	46
Acre closings for Brookfield Residential (raw and partially finished)	-	61	19	628
Average lot selling price for Brookfield Residential (single family units)	\$ 105,000	\$ 122,000	\$ 112,000	\$ 111,000
Average lot selling price for unconsolidated entities (single family units)	\$ 100,000	\$ 156,000	\$ 113,000	\$ 117,000
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial)	\$ 941,000	\$ 465,000	\$ 603,000	\$ 591,000
Average per acre selling price for unconsolidated entities (multi-family, industrial and commercial)	\$ -	\$ 200,000	\$ 350,000	\$ 242,000
Average per acre selling price for Brookfield Residential (raw and partially finished parcels)	\$ -	\$ 2,000	\$ 94,000	\$ 11,000

# Condensed Consolidated Balance Sheets

	Dec 31	Sept 30	Jun 30	Mar 31
<i>(thousands, except percentages)</i>	2018	2018	2018	2018
<b>ASSETS</b>				
Land and housing inventory	\$ 2,974,249	\$ 3,255,877	\$ 3,093,911	\$ 3,119,712
Investments in unconsolidated entities	347,325	356,134	393,440	349,440
Commercial properties	269,829	221,566	37,058	37,147
Held-to-maturity investment	300,000	300,000	300,000	300,000
Receivables and other assets	478,932	439,771	430,129	427,582
Restricted cash	3,200	1,837	\$ 6,690	7,703
Cash and cash equivalents	69,932	82,961	121,192	69,086
Deferred income tax assets	61,847	66,757	64,373	70,808
Goodwill	16,479	16,479	16,479	16,479
	<b>\$ 4,521,793</b>	<b>\$ 4,741,382</b>	<b>\$ 4,463,272</b>	<b>\$ 4,397,957</b>
<b>LIABILITIES</b>				
Notes payable	\$ 1,619,918	\$ 1,629,233	\$ 1,625,044	\$ 1,627,551
Bank indebtedness and other financings	143,480	368,707	229,493	184,865
Total financings	1,763,398	1,997,940	1,854,537	1,812,416
Accounts payable and other liabilities	635,800	652,886	575,718	588,177
Total liabilities	2,399,198	2,650,826	2,430,255	2,400,593
<b>EQUITY</b>	2,122,595	2,090,556	2,033,017	1,997,364
	<b>\$ 4,521,793</b>	<b>\$ 4,741,382</b>	<b>\$ 4,463,272</b>	<b>\$ 4,397,957</b>



# Condensed Consolidated Statements of Operations

(thousands)	Three months ended Dec 31		Twelve months ended Dec 31	
	2018	2017	2018	2017
<b>Revenue</b>				
Housing	\$ 596,306	\$ 659,180	\$ 1,794,077	\$ 1,733,247
Land	200,061	159,237	368,273	317,734
	796,367	818,417	2,162,350	2,050,981
<b>Direct cost of sales</b>				
Housing	(483,616)	(510,561)	(1,450,393)	(1,386,050)
Land	(136,229)	(99,377)	(238,990)	(191,556)
Gross margin	176,522	208,479	472,967	473,375
Gain on sale of commercial properties	6,331	-	6,331	-
Selling, general and administrative expense	(92,950)	(74,104)	(296,035)	(237,238)
Interest expense	(8,568)	(13,261)	(37,912)	(57,275)
Equity in earnings from unconsolidated entities	5,373	6,798	18,360	14,830
Other income	15,735	9,398	62,891	28,358
Depreciation	(1,233)	(1,071)	(4,379)	(4,106)
Income before income taxes	101,210	136,239	222,223	217,944
Current income tax expense	(20,009)	(30,191)	(38,056)	(36,435)
Deferred income tax expense	(1,462)	(12,045)	(1,813)	(15,204)
<b>Net income</b>	79,739	94,003	182,354	166,305
Net income attributable to non-controlling interest and other interests in consolidated subsidiaries	2,704	298	7,952	133
<b>Net income attributable to Brookfield Residential</b>	\$ 77,035	\$ 93,705	\$ 174,402	\$ 166,172
<b>Other comprehensive income / (loss)</b>				
Unrealized foreign exchange gain / (loss) on :				
Translation of the net investment in Canadian subsidiaries	(52,239)	(9,468)	(79,514)	65,872
Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	10,350	1,650	15,550	(12,850)
<b>Comprehensive income attributable to Brookfield Residential</b>	\$ 35,146	\$ 85,887	\$ 110,438	\$ 219,194

# Condensed Consolidated Statements of Cash Flows

(thousands)	Twelve months ended Dec 31	
	2018	2017
<b>Cash Flows Provided by / (Used in) Operating Activities:</b>		
Net income	\$ 182,354	\$ 166,305
<b>Adjustments to reconcile net income to net cash used in operating activities:</b>		
Undistributed earnings from unconsolidated entities	(13,545)	(10,183)
Deferred income tax expense	1,813	15,204
Share-based compensation costs	19,418	15,620
Depreciation	4,379	4,106
Amortization of non-cash interest	4,480	3,622
Dividend income on held-to-maturity investment	(21,093)	(17,057)
<b>Changes in operating assets and liabilities:</b>		
Increase in receivables and other assets	(121,329)	(45,271)
Increase in land and housing inventory	(20,829)	(46,848)
Increase in commercial properties	(192,145)	-
Increase in accounts payable and other liabilities	56,510	30,933
<b>Net cash used in operating activities</b>	<b>(99,987)</b>	<b>116,431</b>
<b>Cash Flows Provided by / (Used in) Investing Activities:</b>		
Investments in unconsolidated entities	(92,609)	(41,960)
Distributions from unconsolidated entities	26,660	51,585
Increase in commercial properties	-	(1,954)
Dividend income on held-to-maturity investments	21,093	17,057
Decrease / (increase) in loan receivable	17,101	(112,000)
<b>Net cash used in investing activities</b>	<b>(27,755)</b>	<b>(87,272)</b>
<b>Cash Flows Provided by / (Used in) Financing Activities:</b>		
Drawings under project-specific and other financings	40,865	16,832
Repayments under project-specific and other financings	(16,148)	(42,617)
Drawings on bank indebtedness	78,896	-
Repayments on bank indebtedness	-	(2,232)
Net (distributions) / contributions from non-controlling interest	(8,430)	3,084
<b>Net cash provided by / (used in) financing activities</b>	<b>95,183</b>	<b>(24,933)</b>
Effect of foreign exchange rates on cash and cash equivalents	(2,164)	4,510
<b>Change in cash and cash equivalents</b>	<b>(34,723)</b>	<b>8,736</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>107,855</b>	<b>99,119</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 73,132</b>	<b>\$ 107,855</b>

# Quarterly Financial Information

<i>(millions, except per unit activity)</i>	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Home closings (units)	1,107	827	1,019	458	1,168	692	733	581
Lots closings (single family units)	1,655	552	367	264	1,076	467	597	209
Acre closings (multi-family, industrial and commercial)	27	42	1	9	59	15	8	1
Acre closings (raw and partially finished parcels)	-	-	19	-	61	313	230	24
Net new home orders (units)	506	644	782	923	679	716	998	933
Backlog (units at end of period)	1,137	1,738	1,921	2,158	1,693	2,182	2,158	1,893
Backlog value	\$ 612	\$ 955	\$ 1,038	\$ 1,182	\$ 928	\$ 1,198	\$ 1,166	\$ 969
Revenue	\$ 796	\$ 502	\$ 589	\$ 274	\$ 818	\$ 451	\$ 443	\$ 338
Direct cost of sales	(619)	(388)	(463)	(218)	(610)	(349)	(354)	(264)
Gross margin	177	114	126	56	208	102	89	74
Gain on sale of commercial properties	6	-	-	-	-	-	-	-
Selling, general and administrative expense	(93)	(72)	(71)	(60)	(74)	(56)	(56)	(51)
Interest expense	(9)	(8)	(9)	(12)	(13)	(15)	(14)	(15)
Equity in earnings from unconsolidated entities	5	4	4	5	7	5	1	2
Other income	15	18	14	12	8	7	5	4
<b>Income before income taxes</b>	101	56	64	1	136	43	25	14
Income tax (expense) / recovery	(22)	(8)	(12)	2	(42)	(8)	(3)	2
<b>Net income</b>	79	48	52	3	94	35	22	16
Net income attributable to non-controlling interest	2	4	2	-	-	-	-	-
<b>Net income attributable to Brookfield Residential</b>	\$ 77	\$ 44	\$ 50	\$ 3	\$ 94	\$ 35	\$ 22	\$ 16
Foreign currency translation	(42)	14	(15)	(21)	(8)	32	22	7
<b>Comprehensive income / (loss) attributable to Brookfield Residential</b>	\$ 35	\$ 58	\$ 35	\$ (18)	\$ 86	\$ 67	\$ 44	\$ 23

# Select Operating Information - Housing

	Three months ended Dec 31				Twelve months ended Dec 31			
	2018		2017		2018		2017	
<i>(millions, except per unit activity and average selling price)</i>	Units	\$	Units	\$	Units	\$	Units	\$
<b>Home closings</b>								
Canada	359	\$ 144	538	231	1,215	\$ 458	1,413	\$ 566
California	406	295	356	301	1,205	876	1,007	818
Central and Eastern U.S.	342	157	274	127	991	460	754	349
	1,107	596	1,168	659	3,411	1,794	3,174	1,733
Unconsolidated Entities	-	-	2	2	4	5	7	8
<b>Total</b>	<b>1,107</b>	<b>\$ 596</b>	<b>1,170</b>	<b>\$ 661</b>	<b>3,415</b>	<b>\$ 1,799</b>	<b>3,181</b>	<b>\$ 1,741</b>

	Three months ended Dec 31		Twelve months ended Dec 31	
	2018	2017	2018	2017
<b>Average home selling price</b>				
Canada	\$ 401,000	\$ 430,000	\$ 377,000	\$ 401,000
California	727,000	846,000	727,000	812,000
Central and Eastern U.S.	459,000	462,000	464,000	463,000
	539,000	564,000	526,000	546,000
Unconsolidated Entities	-	983,000	1,328,000	1,162,000
<b>Average selling price</b>	<b>\$ 539,000</b>	<b>\$ 565,000</b>	<b>\$ 527,000</b>	<b>\$ 547,000</b>

	Three months ended Dec 31		Twelve months ended Dec 31	
	2018	2017	2018	2017
<b>Net new home orders (units)</b>				
Canada	182	221	717	1,316
California	167	269	1,051	1,168
Central and Eastern U.S.	157	189	1,087	842
	506	679	2,855	3,326
Unconsolidated Entities	-	-	3	7
<b>Total</b>	<b>506</b>	<b>679</b>	<b>2,858</b>	<b>3,333</b>

# Select Operating Information - Housing

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

	As at Dec 31	
	2018	2017
<b>Active housing communities</b>		
Canada	34	28
California	26	26
Central and Eastern U.S.	28	27
	88	81
Unconsolidated Entities	-	1
<b>Total</b>	<b>88</b>	<b>82</b>

	As at Dec 31			
Backlog	2018		2017	
	Units	Value	Units	Value
Canada	451	\$ 198	949	\$ 455
California	261	202	415	308
Central and Eastern U.S.	425	212	329	165
	1,137	612	1,693	928
Unconsolidated Entities	-	-	2	1
<b>Total</b>	<b>1,137</b>	<b>\$ 612</b>	<b>1,695</b>	<b>\$ 929</b>

# Select Operating Information - Land

	Three months ended Dec 31				Twelve months ended Dec 31			
	2018		2017		2018		2017	
	Units	\$	Units	\$	Units	\$	Units	\$
<i>(millions, except per unit activity)</i>								
<b>Lot closings (single family units)</b>								
Canada	390	\$ 48	387	44	928	\$ 117	893	\$ 116
California	369	65	497	75	674	112	546	83
Central and Eastern U.S.	896	61	192	13	1,236	89	910	62
	1,655	174	1,076	132	2,838	318	2,349	261
Unconsolidated Entities	239	24	192	30	554	62	467	55
<b>Total</b>	<b>1,894</b>	<b>\$ 198</b>	<b>1,268</b>	<b>\$ 162</b>	<b>3,392</b>	<b>\$ 380</b>	<b>2,816</b>	<b>\$ 316</b>
<b>Acre closings (multi-family, industrial and commercial)</b>								
Canada	16	\$ 21	25	\$ 23	42	\$ 40	44	\$ 44
California	-	-	-	-	24	2	-	-
Central and Eastern U.S.	11	5	34	4	13	6	40	6
	27	26	59	27	79	48	84	50
Unconsolidated Entities	-	-	13	3	16	6	46	11
<b>Total</b>	<b>27</b>	<b>\$ 26</b>	<b>72</b>	<b>\$ 30</b>	<b>95</b>	<b>\$ 54</b>	<b>130</b>	<b>\$ 61</b>
<b>Acre closings (raw and partially finished parcels)</b>								
Canada	-	\$ -	61	\$ -	19	\$ 2	604	\$ 2
California	-	-	-	-	-	-	16	4
Central and Eastern U.S.	-	-	-	-	-	-	8	1
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>61</b>	<b>\$ -</b>	<b>19</b>	<b>\$ 2</b>	<b>628</b>	<b>\$ 7</b>

# Select Operating Information - Land

	Three months ended Dec 31		Twelve months ended Dec 31	
	2018	2017	2018	2017
<b>Average lot selling price (single family units)</b>				
Canada	\$ 122,000	\$ 115,000	\$ 126,000	\$ 131,000
California	177,000	104,000	167,000	141,000
Central and Eastern U.S.	68,000	66,000	72,000	68,000
	105,000	122,000	112,000	111,000
Unconsolidated Entities	100,000	156,000	113,000	117,000
Average selling price	\$ 105,000	\$ 127,000	\$ 112,000	\$ 112,000
<b>Average per acre selling price (multi-family, industrial and commercial)</b>				
Canada	\$ 1,293,000	\$ 939,000	\$ 945,000	\$ 997,000
California	-	-	94,000	-
Central and Eastern U.S.	415,000	117,000	427,000	142,000
	941,000	465,000	603,000	591,000
Unconsolidated Entities	-	200,000	350,000	242,000
Average selling price	\$ 941,000	\$ 419,000	\$ 560,000	\$ 467,000
<b>Average per acre selling price (raw and partially finished parcels)</b>				
Canada	\$ -	\$ 2,000	\$ 94,000	\$ 4,000
California	-	-	-	254,000
Central and Eastern U.S.	-	-	-	95,000
Average selling price	\$ -	\$ 2,000	\$ 94,000	\$ 11,000
<b>Active land communities</b>				
	As at Dec 31			
	2018	2017		
Canada	13	12		
California	5	6		
Central and Eastern U.S.	12	10		
	30	28		
Unconsolidated Entities	8	7		
Total	38	35		

# Select Operating Information – Gross Margin

<i>(millions, except percentages)</i>	Three months ended Dec 31				Twelve months ended Dec 31				
	2018		2017		2018		2017		
	\$	%	\$	%	\$	%	\$	%	
<b>Housing gross margin</b>									
Canada	\$ 24	17%	\$ 56	24%	\$ 87	19%	\$ 120	21%	
California	62	21%	71	24%	178	20%	169	21%	
Central and Eastern U.S.	27	17%	21	17%	79	17%	58	17%	
<b>Total</b>	<b>\$ 113</b>	<b>19%</b>	<b>\$ 148</b>	<b>22%</b>	<b>\$ 344</b>	<b>19%</b>	<b>\$ 347</b>	<b>20%</b>	
<b>Land gross margin</b>									
Canada	\$ 27	39%	\$ 27	40%	\$ 69	43%	\$ 78	48%	
California	16	25%	28	37%	35	31%	36	41%	
Central and Eastern U.S.	21	32%	5	29%	25	26%	12	17%	
<b>Total</b>	<b>\$ 64</b>	<b>32%</b>	<b>\$ 60</b>	<b>38%</b>	<b>\$ 129</b>	<b>35%</b>	<b>\$ 126</b>	<b>40%</b>	
<b>Total gross margin</b>									
Canada	\$ 51	24%	\$ 83	28%	\$ 156	25%	\$ 198	27%	
California	78	22%	99	26%	213	22%	205	23%	
Central and Eastern U.S.	48	22%	26	18%	104	19%	70	17%	
<b>Total</b>	<b>\$ 177</b>	<b>22%</b>	<b>\$ 208</b>	<b>25%</b>	<b>\$ 473</b>	<b>22%</b>	<b>\$ 473</b>	<b>23%</b>	



# Historical Pro Forma Financial Information

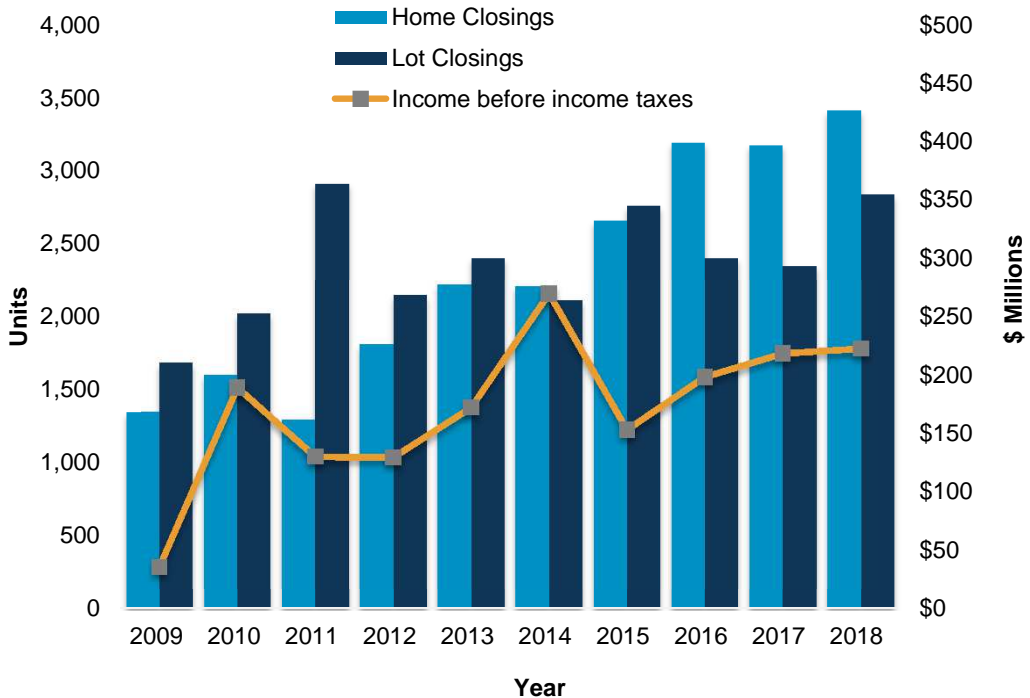
## **BROOKFIELD RESIDENTIAL PROPERTIES**

(millions, except unit activity)

	Year ended December 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Home Closings (units)	3,411	3,174	3,193	2,656	2,204	2,216	1,808	1,295	1,600	1,347
Lot Closings (single family units)	2,838	2,349	2,403	2,760	2,107	2,402	2,142	2,912	2,017	1,682
Acre Closings	98	712	2,108	66	34	247	543	94	68	412
Revenue										
Housing	\$ 1,794	\$ 1,733	\$ 1,604	\$ 1,249	\$ 1,136	\$ 983	\$ 718	\$ 484	\$ 599	\$ 491
Land	368	318	299	342	340	373	622	524	355	263
Total revenues	2,162	2,051	1,903	1,591	1,476	1,356	1,340	1,008	954	754
Direct cost of sales	(1,689)	(1,578)	(1,474)	(1,174)	(1,031)	(981)	(1,048)	(740)	(687)	(604)
Impairment of land inventory	-	-	-	-	-	-	-	-	-	(41)
Gross margin	473	473	429	417	445	375	292	268	267	109
Selling, general and administrative	(296)	(237)	(207)	(218)	(192)	(170)	(128)	(101)	(99)	(79)
Equity in earnings of unconsolidated entities	18	15	9	12	26	9	10	4	-	3
Impairment of unconsolidated entities	-	-	-	-	-	-	-	-	-	(13)
Other income / (expense)	27	(33)	(33)	(58)	(10)	(42)	(45)	(41)	21	16
<b>Income before income taxes</b>	<b>\$ 222</b>	<b>\$ 218</b>	<b>\$ 198</b>	<b>\$ 153</b>	<b>\$ 269</b>	<b>\$ 172</b>	<b>\$ 129</b>	<b>\$ 130</b>	<b>\$ 189</b>	<b>\$ 36</b>

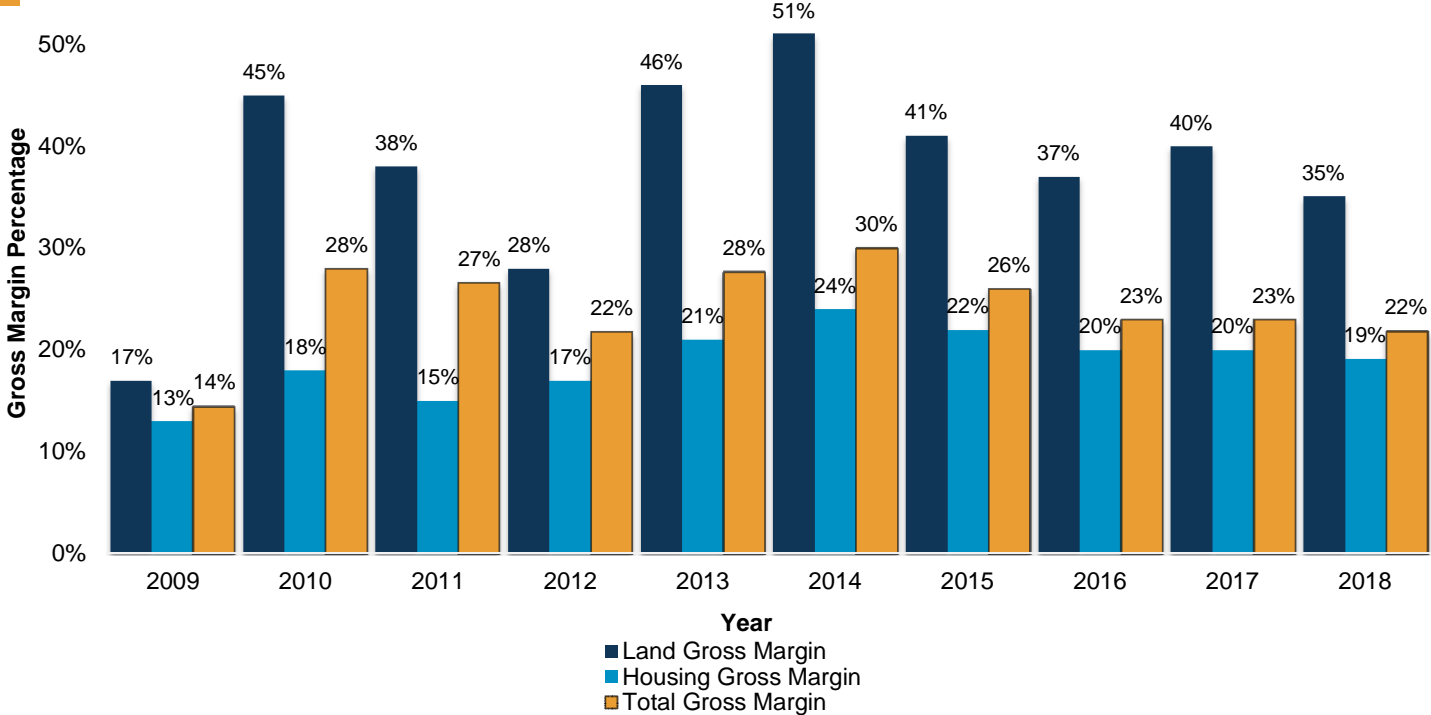
Prior to January 1, 2011, the Company's business practice in Alberta was to not transfer title on its lots sold to the homebuilder who built the home and ultimately sold the home to the consumer, but to wait and transfer title of the lot to the ultimate homebuyer at the time of the home closing. As a 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.

# Consistent Profitability



Note: 2009-2010 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: 2009-2010 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

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28

# Calgary, Alberta

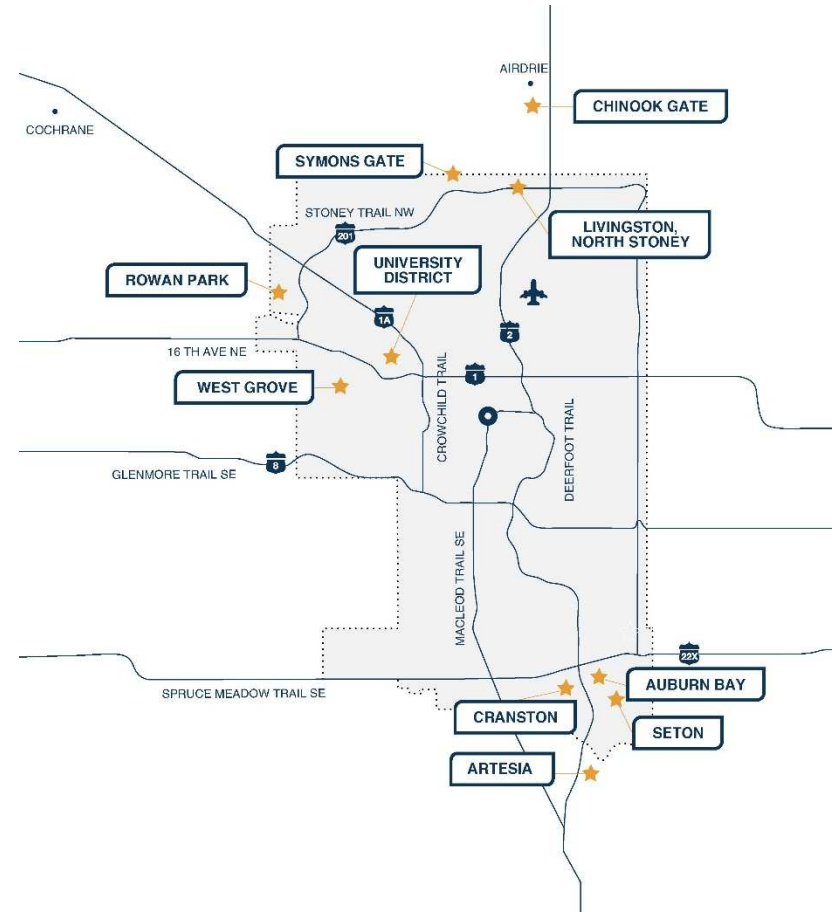
**LOTS**  
**20,954**

**ENTITLED LOTS**  
**10,613**

**UNENTITLED LOTS**  
**10,341**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Artesia	74	74	-	-
Auburn Bay	98	98	-	2
Chinook Gate (Airdrie)	174	174	-	1
Cranston	642	642	-	12
Livingston	7,340	3,636	3,704	10
North Stoney	3,826	-	3,826	-
Rowan Park	1,290	-	1,290	-
Seton	6,608	5,087	1,521	36
Symons Gate	223	223	-	2
University District	25	25	-	2
West Grove	53	53	-	-
Other	601	601	-	-
<b>Total:</b>	<b>20,954</b>	<b>10,613</b>	<b>10,341</b>	<b>65</b>

\* Multi-family, industrial and commercial parcels



# Edmonton, Alberta

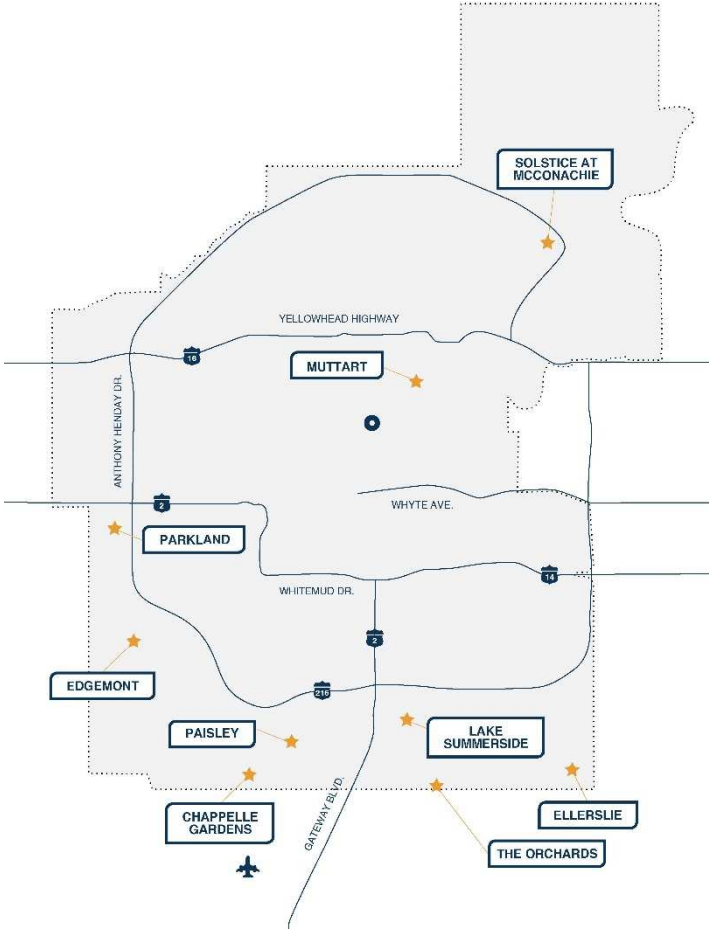
**LOTS**  
**11,442**

**ENTITLED LOTS**  
**6,232**

**UNENTITLED LOTS**  
**5,210**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Chappelle Gardens	1,511	1,511	–	8
Edgemont	816	816	–	–
Ellerslie	5,210	–	5,210	–
Lake Summerside	83	83	–	–
Muttart	–	–	–	5
The Orchards	3,127	3,127	–	10
Paisley	504	504	–	4
Parkland	49	49	–	–
Solstice at McConachie	79	79	–	–
Other	63	63	–	–
<b>Total:</b>	<b>11,442</b>	<b>6,232</b>	<b>5,210</b>	<b>27</b>

\* Multi-family, industrial and commercial parcels



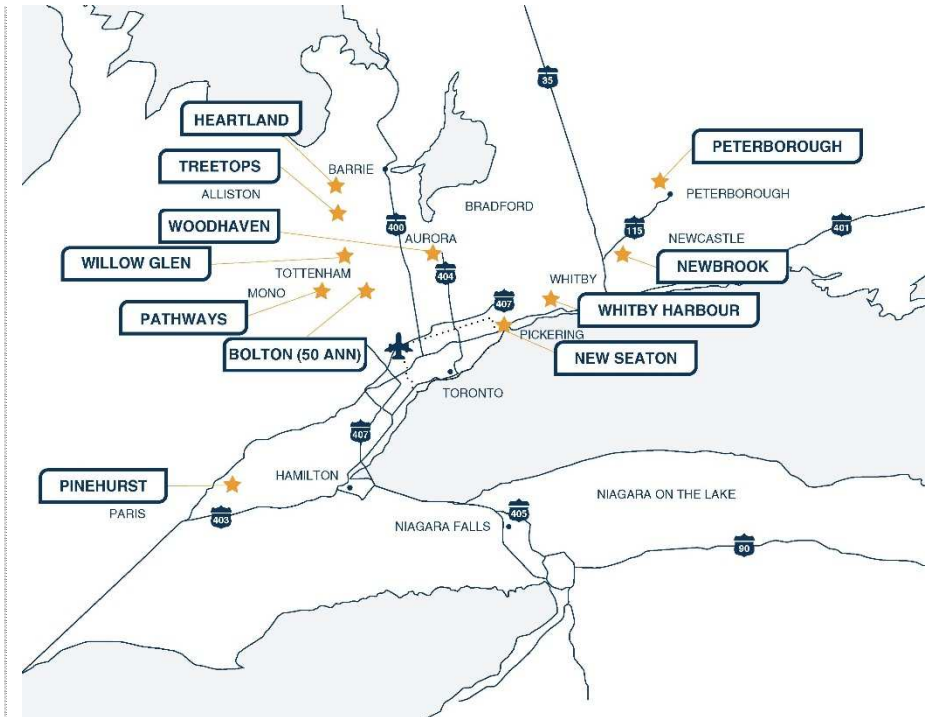
# Ontario

**LOTS**  
**8,241**

**ENTITLED LOTS**  
**1,708**

**UNENTITLED LOTS**  
**6,533**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Bolton (50 ANN)	73	73	-
Heartland	253	253	-
Newbrook	540	270	270
New Seaton	1,100	121	979
Pathways	57	57	-
Peterborough	5,278	-	5,278
Pinehurst	265	265	-
Treetops	12	12	-
Whitby Harbour	132	132	-
Willow Glen	60	60	-
Woodhaven	186	186	-
Other	285	279	6
<b>Total:</b>	<b>8,241</b>	<b>1,708</b>	<b>6,533</b>



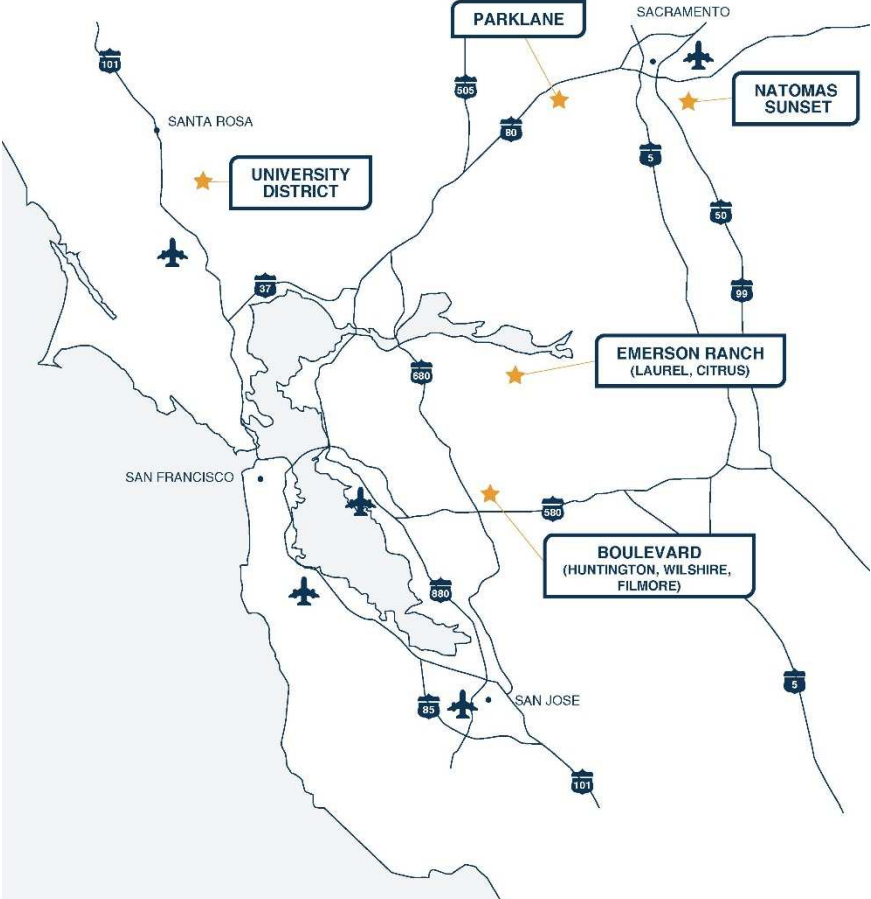
# Northern California

**LOTS**  
**7,590**

**ENTITLED LOTS**  
**2,640**

**UNENTITLED LOTS**  
**4,950**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Boulevard (Huntington, Wilshire, Filmore)	687	687	-
Emerson Ranch (Laurel, Citrus)	85	85	-
Natomas, Sunset	5,700	1,200	4,500
Parklane	654	204	450
University District	464	464	-
<b>Total:</b>	<b>7,590</b>	<b>2,640</b>	<b>4,950</b>





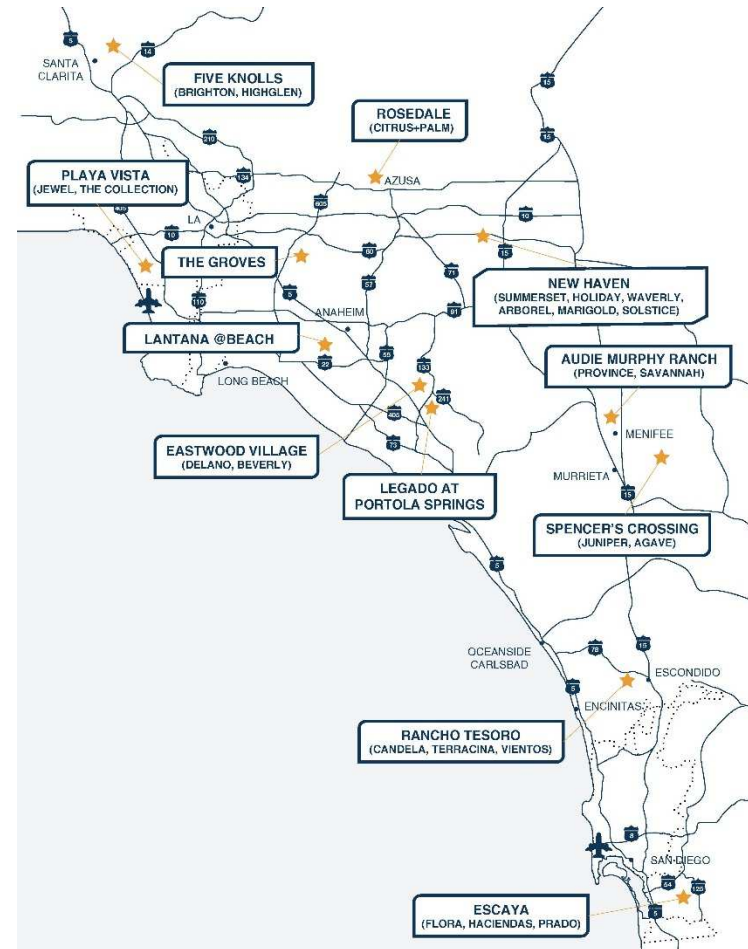
# Southern California

**LOTS**  
**8,977**

**ENTITLED LOTS**  
**7,347**

**UNENTITLED LOTS**  
**1,630**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Audie Murphy Ranch (Province, Savannah)	926	926	-
Eastwood Village (Delano, Beverly)	42	42	-
Escaya (Flora, Haciendas, Prado)	200	200	-
Five Knolls (Brighton, Highglen)	253	207	46
The Groves	375	375	-
Lantana @ Beach	208	208	-
Legado at Portola Springs	23	23	-
New Haven (Summerset, Holiday, Waverly, Arborel, Marigold, Solstice)	1,854	270	1,584
Playa Vista (Jewel, The Collection)	54	54	-
Rancho Tesoro (Candela, Terracina, Vientos)	359	359	-
Rosedale (Citrus+Palm)	46	46	-
Spencer's Crossing (Juniper, Agave)	432	432	-
Other	4,205	4,205	-
<b>Total:</b>	<b>8,977</b>	<b>7,347</b>	<b>1,630</b>



# Hawaii

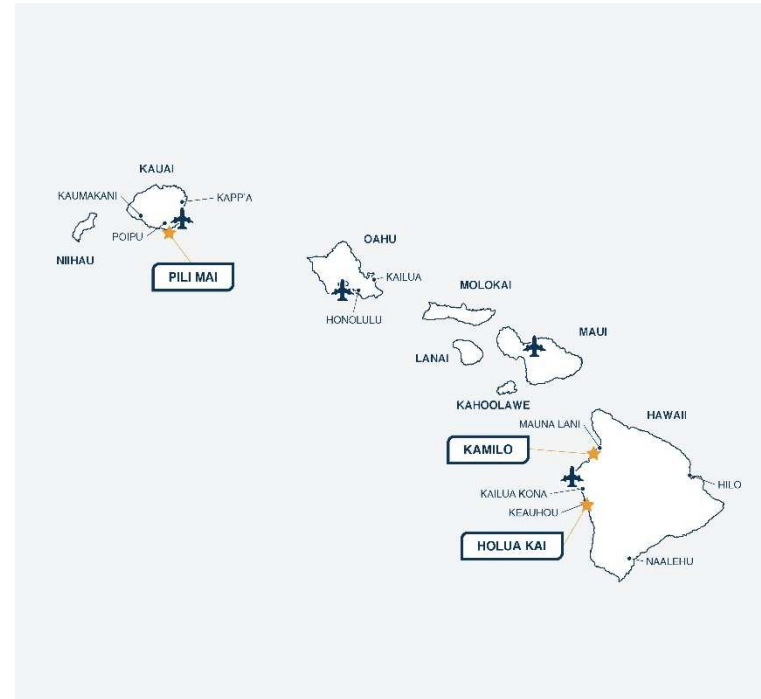
LOTS  
**127**

ENTITLED LOTS  
**127**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Holua Kai	29	29	-	-
KaMilo	22	22	-	-
Pili Mai	76	76	-	-
Other	-	-	-	3
<b>Total:</b>	<b>127</b>	<b>127</b>	<b>-</b>	<b>3</b>

\* Multi-family, industrial and commercial parcels



# Denver, Colorado

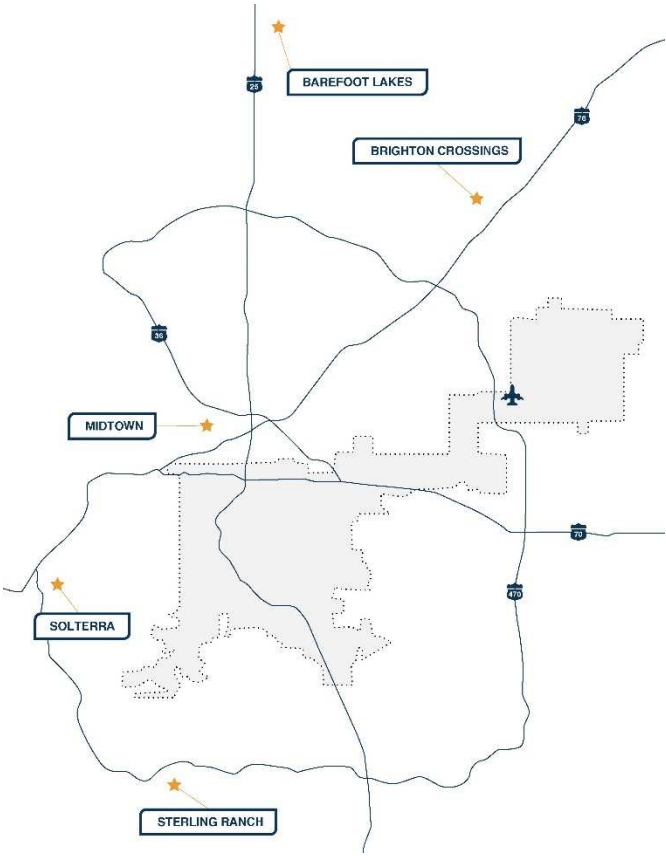
**LOTS**  
**7,786**

**ENTITLED LOTS**  
**7,786**

**UNENTITLED LOTS**  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Barefoot Lakes	3,456	3,456	-	-
Brighton Crossings	1,626	1,626	-	10
Midtown	253	253	-	-
Solterra	174	174	-	-
Sterling Ranch	47	47	-	-
Other	2,230	2,230	-	5
<b>Total:</b>	<b>7,786</b>	<b>7,786</b>	<b>-</b>	<b>15</b>

\* Multi-family, industrial and commercial parcels



# Austin, Texas

LOTS  
**12,439**

ENTITLED LOTS  
**12,439**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Addison	329	329	-	-
Blanco Vista	624	624	-	-
Easton Park	5,086	5,086	-	60
Easton South	2,909	2,909	-	-
Grand Haven Homes (various communities)	505	505	-	-
Kissing Tree	2,934	2,934	-	-
Retreat at Dripping Springs	52	52	-	-
<b>Total:</b>	<b>12,439</b>	<b>12,439</b>	<b>-</b>	<b>60</b>

\* Multi-family, industrial and commercial parcels



# Phoenix, Arizona

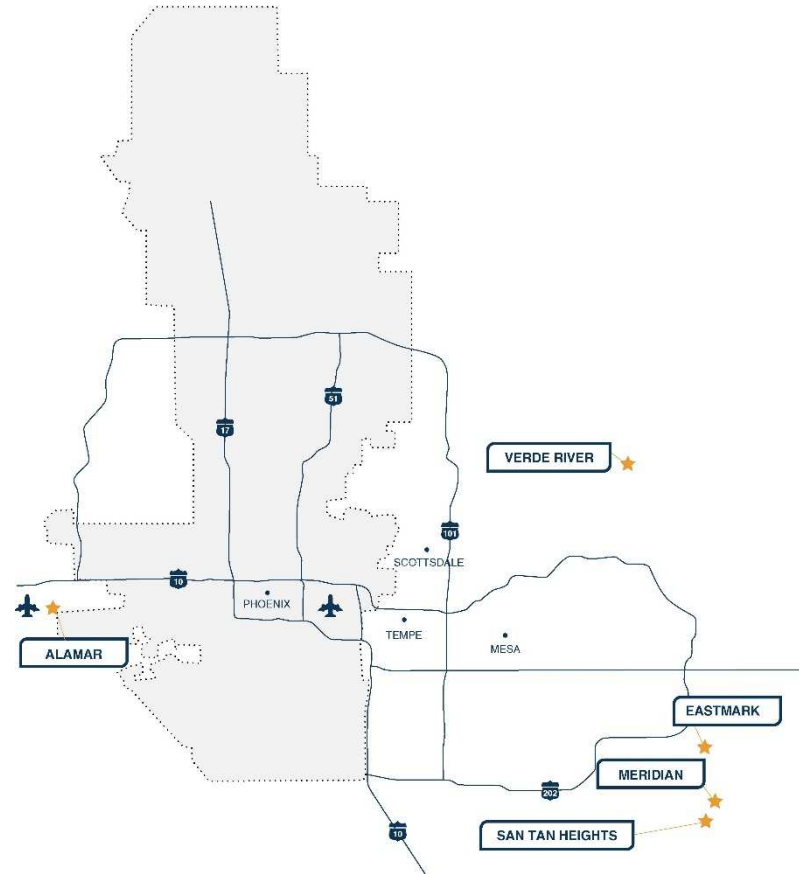
LOTS  
**4,073**

ENTITLED LOTS  
**3,453**

UNENTITLED LOTS  
**620**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Alamar	616	616	-	-
Eastmark	2,510	2,510	-	14
Meridian	620	-	620	-
San Tan Heights	284	284	-	-
Verde River	43	43	-	-
<b>Total:</b>	<b>4,073</b>	<b>3,453</b>	<b>620</b>	<b>14</b>

\* Multi-family, industrial and commercial parcels



# Washington, D.C. Area

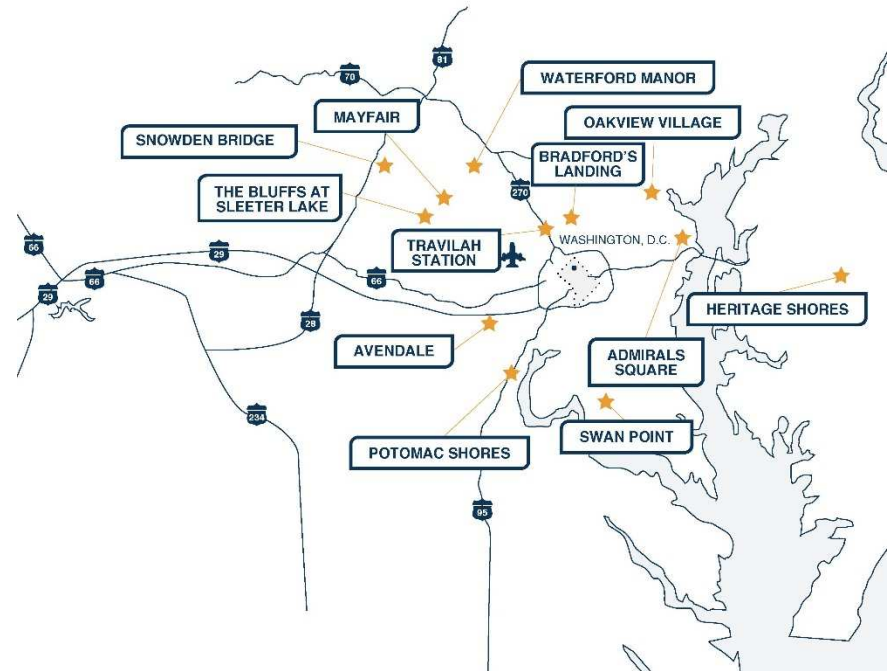
**LOTS**  
**4,074**

**ENTITLED LOTS**  
**4,037**

**UNENTITLED LOTS**  
**37**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Admirals Square	28	28	-	-
Avendale	72	72	-	-
The Bluffs at Sleeter Lake	95	95	-	-
Bradford's Landing	214	214	-	-
Heritage Shores	1,229	1,229	-	-
Mayfair	27	27	-	4
Oakview Village	36	36	-	-
Potomac Shores	123	123	-	-
Snowden Bridge	553	553	-	-
Swan Point	1,372	1,372	-	-
Travilah Station	89	89	-	-
Waterford Manor	44	44	-	-
Other	192	155	37	-
<b>Total:</b>	<b>4,074</b>	<b>4,037</b>	<b>37</b>	<b>4</b>

\* Multi-family, industrial and commercial parcels



# 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 1.855.234.8362 or email [investor.relations@brookfieldrp.com](mailto:investor.relations@brookfieldrp.com).



Thank you.

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Residential