

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

JULY 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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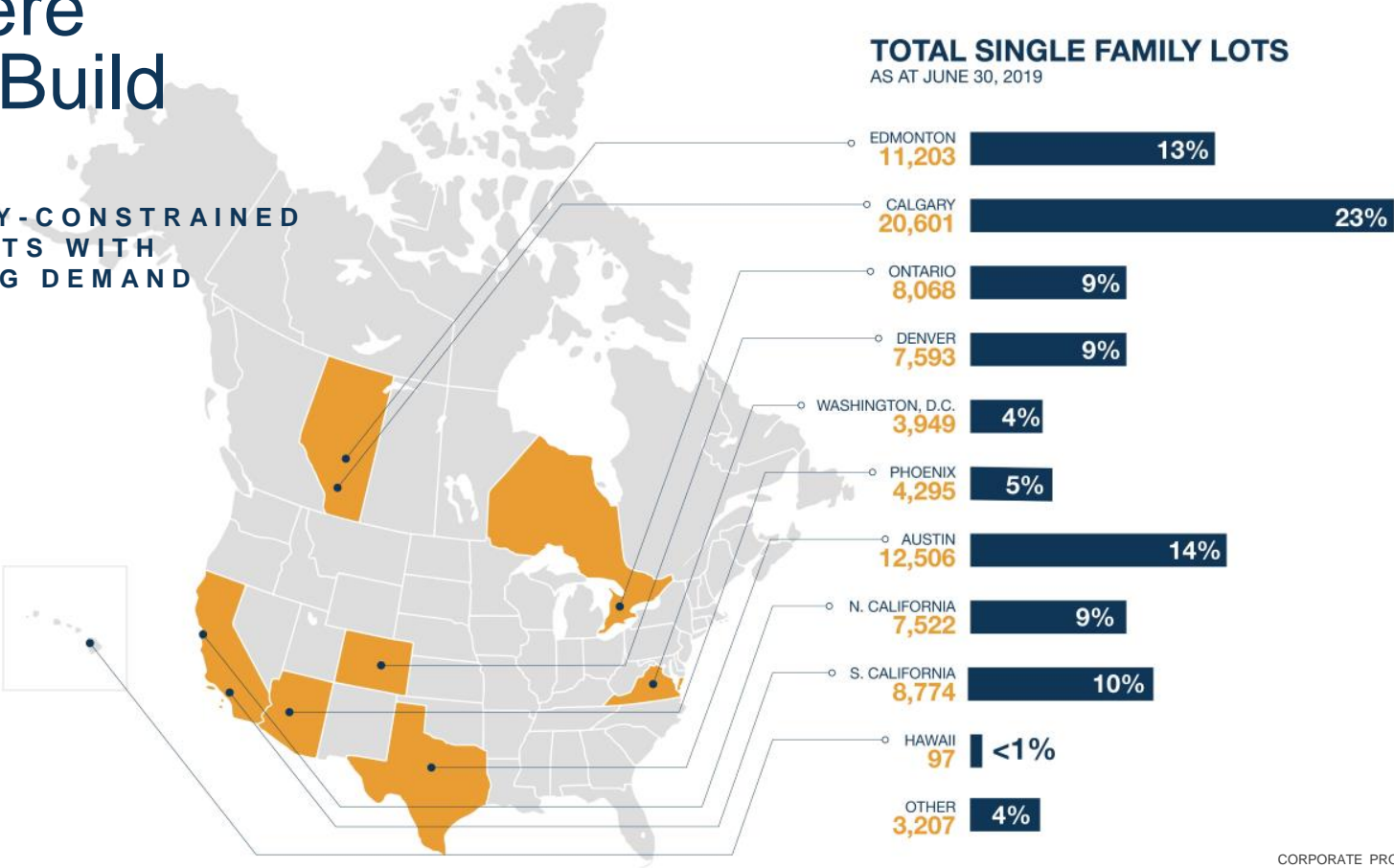
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**Our Markets** 28

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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 \$365 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

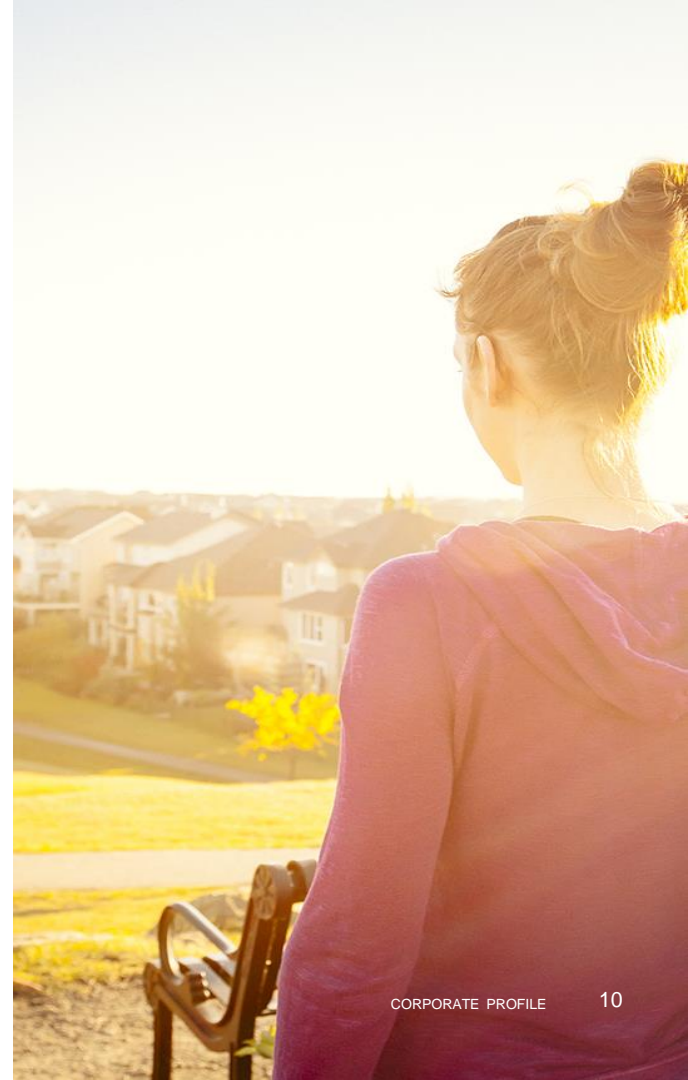


# Consumer Deliverables

## HOUSING INVENTORY

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- 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

Multi-Family, Industrial & Commercial Parcels Under Development

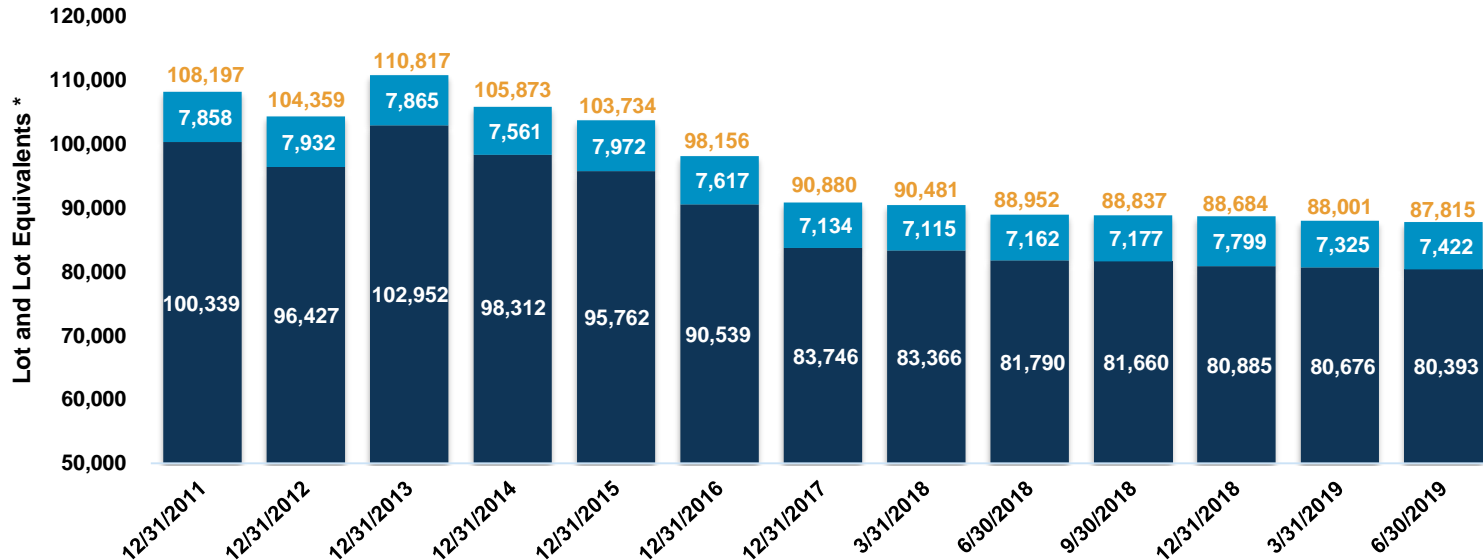
	Single Family Housing & Land Under and Land Held for Development <sup>(1)</sup>									
	Housing & Land		Unconsolidated Entities		Total Lots		Status of Lots 30-Jun-19		Total Acres	
	Owned	Options	Owned	Options	30-Jun-19	31-Dec-18	Entitled	Unentitled	30-Jun-19	31-Dec-18
Calgary	18,167	-	2,434	-	20,601	20,954	11,549	9,052	70	65
Edmonton	11,203	-	-	-	11,203	11,442	5,993	5,210	24	27
Ontario	7,026	-	1,042	-	8,068	8,241	2,514	5,554	2	-
<b>Canada</b>	<b>36,396</b>	<b>-</b>	<b>3,476</b>	<b>-</b>	<b>39,872</b>	<b>40,637</b>	<b>20,056</b>	<b>19,816</b>	<b>96</b>	<b>92</b>
Northern California	2,821	4,435	266	-	7,522	7,590	3,087	4,435	-	-
Southern California	6,425	-	1,348	1,001	8,774	8,977	7,540	1,234	-	-
Hawaii	97	-	-	-	97	127	97	-	3	3
Other	-	-	-	-	-	100	-	-	-	-
<b>California</b>	<b>9,343</b>	<b>4,435</b>	<b>1,614</b>	<b>1,001</b>	<b>16,393</b>	<b>16,794</b>	<b>10,724</b>	<b>5,669</b>	<b>3</b>	<b>3</b>
Denver	7,593	-	-	-	7,593	7,786	7,593	-	15	15
Austin	12,312	194	-	-	12,506	12,439	12,506	-	37	60
Phoenix	745	788	2,762	-	4,295	4,073	4,295	-	14	14
Washington D.C. Area	2,945	1,004	-	-	3,949	4,074	3,912	37	3	4
Other	-	-	-	-	-	2,881	-	-	3	3
<b>Central and Eastern U.S.</b>	<b>23,595</b>	<b>1,986</b>	<b>2,762</b>	<b>-</b>	<b>28,343</b>	<b>31,253</b>	<b>28,306</b>	<b>37</b>	<b>72</b>	<b>96</b>
<b>Corporate and Other</b>	<b>3,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,207</b>	<b>-</b>	<b>3,207</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>72,541</b>	<b>6,421</b>	<b>7,852</b>	<b>1,001</b>	<b>87,815</b>	<b>88,684</b>	<b>62,293</b>	<b>25,522</b>	<b>171</b>	<b>191</b>
Entitled lots	53,672	1,986	6,635	-	62,293	59,363				
Unentitled lots	18,869	4,435	1,217	1,001	25,522	29,321				
<b>Total June 30, 2019</b>	<b>72,541</b>	<b>6,421</b>	<b>7,852</b>	<b>1,001</b>	<b>87,815</b>					
Total December 31, 2018	72,511	6,798	8,374	1,001		88,684				

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

	Housing & Land	Unconsol. Entities	Total 30-Jun-19		Total 31-Dec-18	
			Units	\$	Units	\$
<i>(millions, except per unit activity)</i>						
Land Held For Development (lots)	1,342	158	66,570	1,500	67,325	1,456
Land Under Development - Single Family (lots)	805	178	11,662	983	11,580	1,006
Optioned (lots)	118	21	7,422	139	7,799	133
Housing inventory (units)	595	-	1,918	595	1,752	554
Model homes (units)	108	-	242	108	228	99
Unconsolidated entity net debt	-	12	-	12	-	2
Sub total	2,968	369	87,814	3,337	88,684	3,250
Multi Family, Commercial & Industrial Parcels (acres)	88	7	171	95	191	71
<b>Total</b>	<b>3,056</b>	<b>376</b>	<b>3,432</b>	<b>3,321</b>		

# Land & Housing Inventory

CONSISTENT REDUCTION OF LOT INVENTORY DEMONSTRATES OUR CAPITAL DISCIPLINE



# Financial Profile

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# Select Financial Information

<i>(millions, except percentages, unit activity and average selling price)</i>	Three months ended Jun 30		Six months ended Jun 30	
	2019	2018	2019	2018
<b>Results from Operations</b>				
Total revenue	\$ 476	\$ 589	\$ 823	\$ 864
Housing revenue	405	535	724	769
Land revenue	71	54	99	95
Gross margin (\$)	79	126	145	182
Gross margin (%)	17%	21%	18%	21%
Income before income taxes	23	64	30	65
Income tax expense	(6)	(12)	(2)	(10)
Net income attributable to Brookfield Residential	\$ 16	\$ 50	\$ 26	\$ 53
<b>Operating Data</b>				
Home closings for Brookfield Residential (units)	763	1,019	1,374	1,477
Home closings for unconsolidated entities (units)	-	2	-	3
Average home selling price for Brookfield Residential (per unit)	\$ 531,000	\$ 525,000	\$ 527,000	\$ 521,000
Average home selling price for unconsolidated entities (per unit)	\$ -	\$ 1,229,000	\$ -	\$ 1,403,000
Net new home orders for Brookfield Residential (units)	867	782	1,627	1,705
Net new home orders for unconsolidated entities (units)	-	3	-	4
Backlog for Brookfield Residential (units)	1,390	1,921	1,390	1,921
Backlog for unconsolidated entities (units)	-	2	-	2
Backlog value for Brookfield Residential	\$ 730	\$ 1,038	\$ 730	\$ 1,038
Backlog value for unconsolidated entities	\$ -	\$ 2	\$ -	\$ 2
Lot closings for Brookfield Residential (single family units)	756	367	1,014	631
Lot closings for unconsolidated entities (single family units)	257	96	535	122
Acre closings for Brookfield Residential (multi-family, industrial and commercial)	3	1	13	10
Acre closings for unconsolidated entities (multi-family, industrial and commercial)	-	-	1	16
Acre closings for Brookfield Residential (raw and partially finished)	-	19	-	19
Average lot selling price for Brookfield Residential (single family units)	\$ 91,000	\$ 141,000	\$ 92,000	\$ 136,000
Average lot selling price for unconsolidated entities (single family units)	\$ 172,000	\$ 137,000	\$ 105,000	\$ 143,000
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial)	\$ 581,000	\$ 775,000	\$ 396,000	\$ 769,000
Average per acre selling price for unconsolidated entities (multi-family, industrial and commercial)	\$ -	\$ -	\$ 106,000	\$ 350,000
Average per acre selling price for Brookfield Residential (raw and partially finished)	\$ -	\$ 94,000	\$ -	\$ 94,000

# Condensed Consolidated Balance Sheets

	Jun 30	Mar 31	Dec 31	Sept 30
<i>(thousands, except percentages)</i>	2019	2019	2018	2018
<b>ASSETS</b>				
Land and housing inventory	\$ 3,055,608	\$ 3,006,823	\$ 2,974,249	\$ 3,255,877
Investments in unconsolidated entities	375,069	360,741	347,325	356,134
Commercial properties	364,317	305,841	269,829	221,566
Held-to-maturity investment	300,000	150,000	300,000	300,000
Receivables and other assets	441,346	484,109	478,932	439,771
Operating and financing lease right-of-use asset	62,140	63,960	-	-
Restricted cash	8,140	6,515	3,200	1,837
Cash and cash equivalents	105,248	67,163	69,932	82,961
Deferred income tax assets	63,678	68,542	61,847	66,757
Goodwill	16,479	16,479	16,479	16,479
	<b>\$ 4,792,025</b>	<b>\$ 4,530,173</b>	<b>\$ 4,521,793</b>	<b>\$ 4,741,382</b>
<b>LIABILITIES</b>				
Notes payable	\$ 1,629,292	\$ 1,624,776	\$ 1,619,918	\$ 1,629,233
Bank indebtedness and other financings	337,467	92,582	143,480	368,707
Total financings	1,966,759	1,717,358	1,763,398	1,997,940
Accounts payable and other liabilities	586,093	601,450	635,800	652,886
Operating and financing lease liability	63,202	64,579	-	-
Total liabilities	2,616,054	2,383,387	2,399,198	2,650,826
<b>EQUITY</b>				
	2,175,971	2,146,786	2,122,595	2,090,556
	<b>\$ 4,792,025</b>	<b>\$ 4,530,173</b>	<b>\$ 4,521,793</b>	<b>\$ 4,741,382</b>
Net debt to total capitalization	46%	43%	44%	48%



# Condensed Consolidated Statements of Operations

(thousands)	Three months ended Jun 30		Six months ended Jun 30	
	2019	2018	2019	2018
<b>Revenue</b>				
Housing	\$ 404,908	\$ 535,373	\$ 723,676	\$ 769,055
Land	71,044	54,209	98,500	94,974
	475,952	589,582	822,176	864,029
<b>Direct cost of sales</b>				
Housing	(339,502)	(431,208)	(605,295)	(625,882)
Land	(57,815)	(32,212)	(71,576)	(56,030)
Gross margin	78,635	126,162	145,305	182,117
Selling, general and administrative expense	(64,921)	(71,242)	(131,296)	(131,025)
Interest expense	(8,165)	(9,134)	(16,704)	(21,112)
Equity in earnings from unconsolidated entities	10,661	3,447	15,069	8,657
Other income	11,108	15,757	25,459	28,623
Lease expense	(3,047)	-	(5,833)	-
Depreciation	(1,144)	(1,073)	(2,204)	(2,112)
Income before income taxes	23,127	63,917	29,796	65,148
Current income tax expense	(321)	(6,998)	(1,864)	(8,321)
Deferred income tax expense	(5,882)	(5,195)	(340)	(1,728)
<b>Net income</b>	16,924	51,724	27,592	55,099
Net income attributable to non-controlling interest	768	1,787	1,110	2,167
<b>Net income attributable to Brookfield Residential</b>	\$ 16,156	\$ 49,937	\$ 26,482	\$ 52,932
<b>Other comprehensive income / (loss)</b>				
Unrealized foreign exchange gain / (loss) on:				
Translation of the net investment in Canadian subsidiaries	17,702	(18,609)	36,629	(44,767)
Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	(3,625)	3,475	(7,600)	8,500
<b>Comprehensive income / (loss) attributable to Brookfield Residential</b>	\$ 30,233	\$ 34,803	\$ 55,511	\$ 16,665

# Condensed Consolidated Statements of Cash Flows

<i>(thousands)</i>	<b>Six months ended Jun 30</b>	
	2019	2018
<b>Cash Flows Provided by / (Used in) Operating Activities:</b>		
Net income	\$ 27,592	\$ 55,099
<b>Adjustments to reconcile net income to net cash used in operating activities:</b>		
Undistributed earnings from unconsolidated entities	(9,399)	(7,975)
Deferred income tax expense	340	1,728
Share-based compensation costs	8,492	7,583
Depreciation	2,204	2,112
Amortization of non-cash interest	3,237	2,342
Dividend income on held-to-maturity investment	(8,648)	(8,460)
<b>Changes in operating assets and liabilities:</b>		
Decrease / (increase) in receivables and other assets	17,573	(48,798)
Increase in land and housing inventory	(43,387)	(126,207)
Increase in commercial properties	(92,706)	(927)
Operating and financing ROU assets obtained in the exchange for a lease obligation	2,577	-
Payments for amounts included in the measurement of the lease liabilities	(1,210)	-
(Decrease) / increase in accounts payable and other liabilities	(60,605)	4,469
Net cash used in operating activities	<u>(153,940)</u>	<u>(119,034)</u>
<b>Cash Flows Provided by / (Used in) Investing Activities:</b>		
Investments in unconsolidated entities	(23,154)	(74,758)
Distributions from unconsolidated entities	8,617	2,415
Dividend income on held-to-maturity investment	8,648	8,460
Decrease in loan receivable	15,090	1,082
Net cash provided by / (used in) investing activities	<u>9,201</u>	<u>(62,801)</u>
<b>Cash Flows Provided by / (Used in) Financing Activities:</b>		
Deposits from affiliates	200,000	-
Drawings under project-specific and other financings	80,770	29,577
Repayments under project-specific and other financings	(1,702)	(18,567)
Drawings on bank indebtedness	-	192,000
Repayments on bank indebtedness	(90,072)	-
Net (distributions) / contributions to non-controlling interest	(3,245)	1,645
Payments made on the principal of financing leases	(68)	-
Net cash provided by financing activities	<u>185,683</u>	<u>204,655</u>
Effect of foreign exchange rates on cash and cash equivalents	<u>(688)</u>	<u>(2,793)</u>
Change in cash and cash equivalents	40,256	20,027
Cash and cash equivalents at beginning of period	73,132	107,855
Cash and cash equivalents at end of period	<u>\$ 113,388</u>	<u>\$ 127,882</u>

# Quarterly Operating and Financial Information

<i>(millions, except per unit activity)</i>	2019		2018				2017	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Home closings (units)	763	611	1,107	827	1,019	458	1,168	692
Lots closings (single family units)	756	258	1,655	552	367	264	1,076	467
Acre closings (multi-family, industrial and commercial)	3	10	27	42	1	9	59	15
Acre closings (raw and partially finished)	-	-	-	-	19	-	61	313
Net new home orders (units)	867	760	506	644	782	923	679	716
Backlog (units at end of period)	1,390	1,286	1,137	1,738	1,921	2,158	1,693	2,182
Backlog value	\$ 730	\$ 685	\$ 612	\$ 955	\$ 1,038	\$ 1,182	\$ 928	\$ 1,198
Revenue	\$ 476	\$ 346	\$ 796	\$ 502	\$ 589	\$ 274	\$ 818	\$ 451
Direct cost of sales	(397)	(279)	(619)	(388)	(463)	(218)	(610)	(349)
Gross margin	79	67	177	114	126	56	208	102
Gain on sale of commercial properties	-	-	6	-	-	-	-	-
Selling, general and administrative expense	(65)	(66)	(93)	(72)	(71)	(60)	(74)	(56)
Interest expense	(8)	(9)	(9)	(8)	(9)	(12)	(13)	(15)
Equity in earnings from unconsolidated entities	11	4	5	4	4	5	7	5
Other income	9	14	15	18	14	12	8	7
Lease expense	(3)	(3)	-	-	-	-	-	-
<b>Income before income taxes</b>	23	7	101	56	64	1	136	43
Income tax (expense) / recovery	(6)	4	(22)	(8)	(12)	2	(42)	(8)
<b>Net income</b>	17	11	79	48	52	3	94	35
Net income attributable to non-controlling interest	1	1	2	4	2	-	-	-
<b>Net income attributable to Brookfield Residential</b>	\$ 16	\$ 10	\$ 77	\$ 44	\$ 50	\$ 3	\$ 94	\$ 35
Foreign currency translation	14	15	(42)	14	(15)	(21)	(8)	32
<b>Comprehensive income / (loss) attributable to Brookfield Residential</b>	\$ 30	\$ 25	\$ 35	\$ 58	\$ 35	\$ (18)	\$ 86	\$ 67

# Select Operating Information - Housing

	Three months ended Jun 30				Six months ended Jun 30			
	2019		2018		2019		2018	
<i>(millions, except per unit activity and average selling price)</i>	Units	\$	Units	\$	Units	\$	Units	\$
<b>Home closings</b>								
Canada	291	\$ 110	379	\$ 137	506	\$ 193	573	\$ 207
California	227	174	377	278	420	311	515	378
Central and Eastern U.S.	245	121	263	120	448	220	389	184
	763	405	1,019	535	1,374	724	1,477	769
Unconsolidated entities	-	-	2	2	-	-	3	4
<b>Total</b>	<b>763</b>	<b>\$ 405</b>	<b>1,021</b>	<b>\$ 537</b>	<b>1,374</b>	<b>\$ 724</b>	<b>1,480</b>	<b>\$ 773</b>

	Three months ended Jun 30		Six months ended Jun 30	
	2019	2018	2019	2018
<b>Average home selling price</b>				
Canada	\$ 378,000	\$ 362,000	\$ 381,000	\$ 361,000
California	765,000	737,000	740,000	735,000
Central and Eastern U.S.	495,000	458,000	491,000	472,000
	531,000	525,000	527,000	521,000
Unconsolidated entities	-	1,229,000	-	1,403,000
<b>Average selling price</b>	<b>\$ 531,000</b>	<b>\$ 527,000</b>	<b>\$ 527,000</b>	<b>\$ 522,000</b>

<b>Net new home orders (units)</b>				
Canada	318	190	558	344
California	300	312	536	652
Central and Eastern U.S.	249	280	533	709
	867	782	1,627	1,705
Unconsolidated entities	-	3	-	4
<b>Total</b>	<b>867</b>	<b>785</b>	<b>1,627</b>	<b>1,709</b>

# Select Operating Information - Housing

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

	As at Jun 30	
<b>Active housing communities</b>	<b>2019</b>	<b>2018</b>
Canada	36	31
California	24	29
Central and Eastern U.S.	30	29
	90	89
Unconsolidated entities	-	1
<b>Total</b>	<b>90</b>	<b>90</b>

	As at Jun 30			
<b>Backlog</b>	<b>2019</b>		<b>2018</b>	
	<b>Units</b>	<b>Value</b>	<b>Units</b>	<b>Value</b>
Canada	503	\$ 192	720	\$ 331
California	377	299	552	400
Central and Eastern U.S.	510	239	649	307
	1,390	730	1,921	1,038
Unconsolidated entities	-	-	2	2
<b>Total</b>	<b>1,390</b>	<b>\$ 730</b>	<b>1,923</b>	<b>\$ 1,040</b>

# Select Operating Information - Land

<i>(millions, except per unit activity)</i>	Three months ended Jun 30				Six months ended Jun 30			
	2019		2018		2019		2018	
	Units	\$	Units	\$	Units	\$	Units	\$
<b>Lot closings (single family units)</b>								
Canada	171	\$ 18	166	\$ 23	291	\$ 31	325	\$ 44
California	47	6	129	22	47	6	176	31
Central and Eastern U.S.	140	10	72	6	220	17	130	10
Corporate and Other	398	35	-	-	456	40	-	-
	756	69	367	51	1,014	94	631	85
Unconsolidated entities	257	44	96	13	535	56	122	17
<b>Total</b>	<b>1,013</b>	<b>\$ 113</b>	<b>463</b>	<b>\$ 64</b>	<b>1,549</b>	<b>\$ 150</b>	<b>753</b>	<b>\$ 102</b>
<b>Acre closings (multi-family, industrial and commercial)</b>								
Canada	2	\$ 1	1	\$ 1	2	\$ 2	10	\$ 8
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	1	1	-	-	11	3	-	-
	3	2	1	1	13	5	10	8
Unconsolidated entities	-	1	-	1	1	1	16	6
<b>Total</b>	<b>3</b>	<b>\$ 3</b>	<b>1</b>	<b>\$ 2</b>	<b>14</b>	<b>\$ 6</b>	<b>26</b>	<b>\$ 14</b>
<b>Acre closings (raw and partially finished)</b>								
Canada	-	\$ -	19	\$ 2	-	\$ -	19	\$ 2
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	-	-	-	-	-	-	-	-
	-	-	19	2	-	-	19	2
Unconsolidated entities	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>19</b>	<b>\$ 2</b>	<b>-</b>	<b>\$ -</b>	<b>19</b>	<b>\$ 2</b>

# Select Operating Information - Land

	Three months ended Jun 30		Six months ended Jun 30	
	2019	2018	2019	2018
<b>Average lot selling price (single family units)</b>				
Canada	\$ 103,000	\$ 144,000	\$ 107,000	\$ 137,000
California	131,000	172,000	132,000	177,000
Central and Eastern U.S.	72,000	78,000	75,000	78,000
Corporate and Other	88,000	-	86,000	-
Unconsolidated entities	91,000	141,000	92,000	136,000
Average selling price	\$ 112,000	\$ 140,000	\$ 97,000	\$ 137,000
<b>Average per acre selling price (multi-family, industrial and commercial)</b>				
Canada	\$ 611,000	\$ 775,000	\$ 647,000	\$ 769,000
California	-	-	-	-
Central and Eastern U.S.	510,000	-	338,000	-
Unconsolidated entities	581,000	775,000	396,000	769,000
Average selling price	\$ 581,000	\$ 775,000	\$ 385,000	\$ 508,000
<b>Average per acre selling price (raw and partially finished)</b>				
Canada	\$ -	\$ 94,000	\$ -	\$ 94,000
California	-	-	-	-
Central and Eastern U.S.	-	-	-	-
Unconsolidated entities	-	94,000	-	94,000
Average selling price	\$ -	\$ 94,000	\$ -	\$ 94,000

	As at Jun 30	
	2019	2018
<b>Active land communities</b>		
Canada	13	12
California	5	6
Central and Eastern U.S.	12	11
Unconsolidated entities	30	29
Total	7	7
	37	36

# Select Operating Information – Gross Margin

<i>(millions, except percentages)</i>	Three Months Ended Jun 30				Six Months Ended Jun 30				
	2019		2018		2019		2018		
	\$	%	\$	%	\$	%	\$	%	
<b>Housing gross margin</b>									
Canada	\$ 16	15%	\$ 29	21%	\$ 29	15%	\$ 42	20%	
California	30	17%	55	20%	54	17%	71	19%	
Central and Eastern U.S.	20	17%	20	17%	35	16%	30	16%	
<b>Total</b>	<b>\$ 66</b>	<b>16%</b>	<b>\$ 104</b>	<b>19%</b>	<b>\$ 118</b>	<b>16%</b>	<b>\$ 143</b>	<b>19%</b>	
<b>Land gross margin</b>									
Canada	\$ 9	47%	\$ 15	58%	\$ 18	55%	\$ 26	48%	
California	2	33%	7	32%	4	67%	12	39%	
Central and Eastern U.S.	2	18%	-	-	5	25%	1	10%	
Corporate and Other	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>\$ 13</b>	<b>18%</b>	<b>\$ 22</b>	<b>41%</b>	<b>\$ 27</b>	<b>27%</b>	<b>\$ 39</b>	<b>41%</b>	
<b>Total gross margin</b>									
Canada	\$ 25	19%	\$ 44	27%	\$ 47	21%	\$ 68	26%	
California	32	18%	62	21%	58	18%	83	21%	
Central and Eastern U.S.	22	17%	20	16%	40	17%	31	16%	
Corporate and Other	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>\$ 79</b>	<b>17%</b>	<b>\$ 126</b>	<b>21%</b>	<b>\$ 145</b>	<b>18%</b>	<b>\$ 182</b>	<b>21%</b>	



# Historical Pro Forma Financial Information

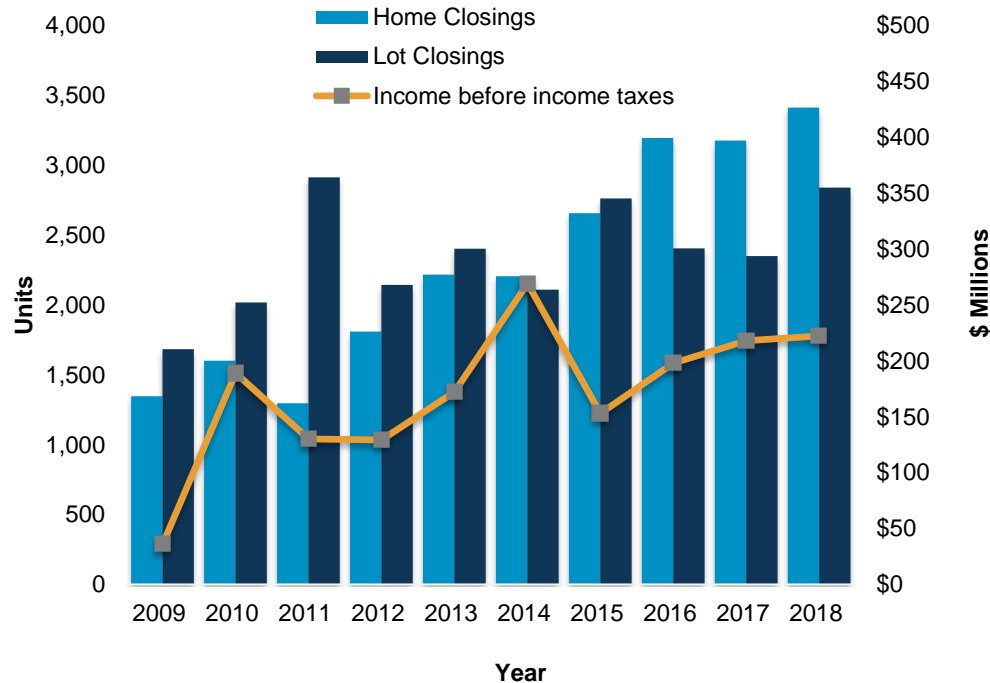
## **BROOKFIELD RESIDENTIAL PROPERTIES**

*(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>

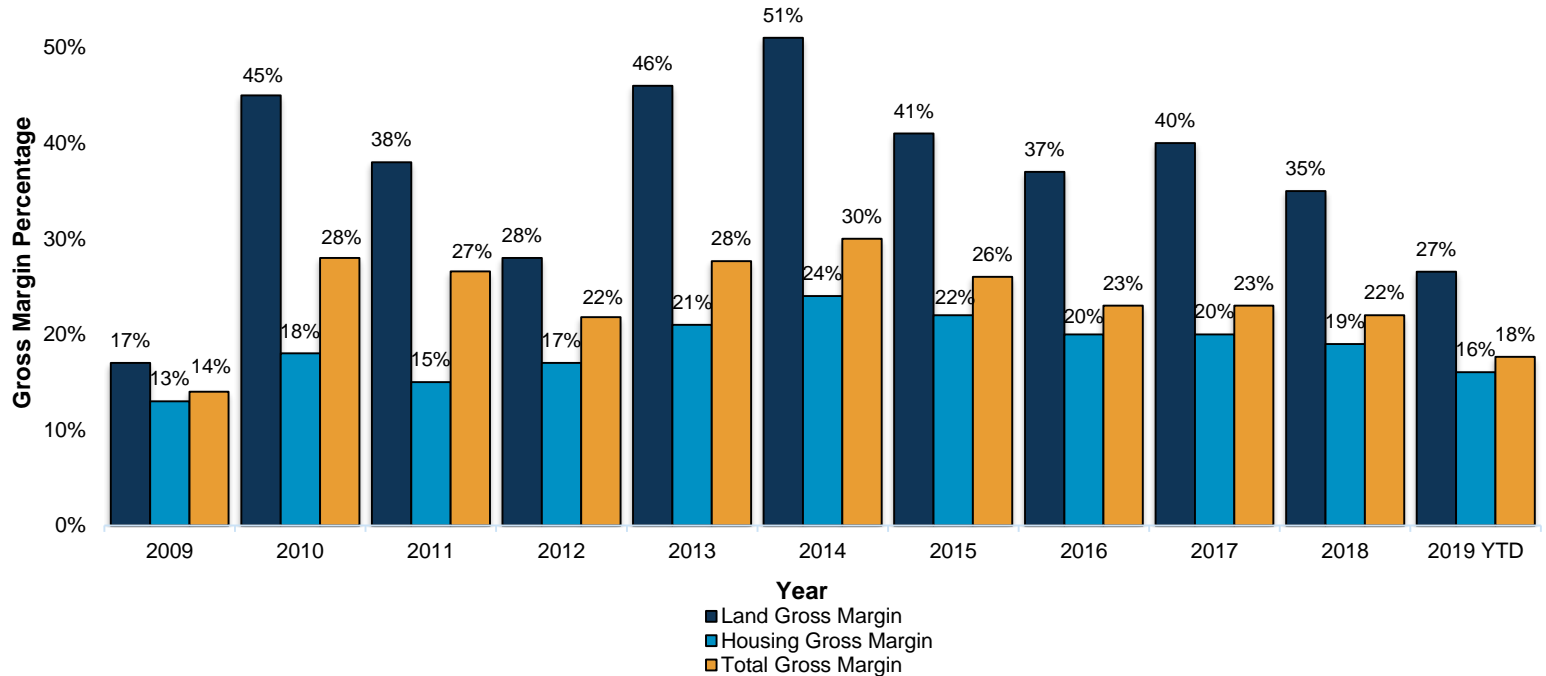
Prior to January 1, 2011, the Company's business practice in Alberta was to not transfer title on its lots sold to the homebuilder who built the home and ultimately sold the home to the consumer, but to wait and transfer title of the lot to the ultimate homebuyer at the time of the home closing. As a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

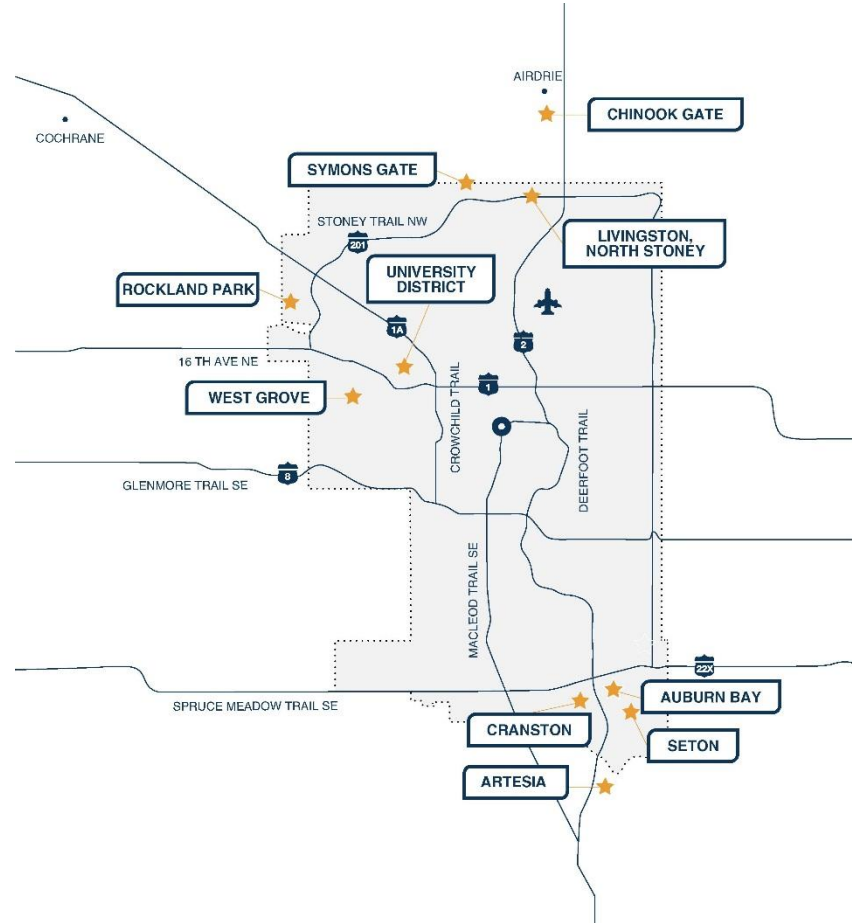
**LOTS**  
**20,601**

**ENTITLED LOTS**  
**11,549**

**UNENTITLED LOTS**  
**9,052**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Artesia	72	72	-	-
Auburn Bay	91	91	-	1
Chinook Gate (Airdrie)	175	175	-	1
Cranston	587	587	-	11
Livingston	7,197	3,493	3,704	14
North Stoney	3,826	-	3,826	-
Rockland Park	1,290	1,290	-	-
Seton	6,532	5,010	1,522	37
Symons Gate	175	175	-	2
University District	28	28	-	4
West Grove	38	38	-	-
Other	590	590	-	-
<b>Total:</b>	<b>20,601</b>	<b>11,549</b>	<b>9,052</b>	<b>70</b>

\* Multi-family, industrial and commercial parcels



# Edmonton, Alberta

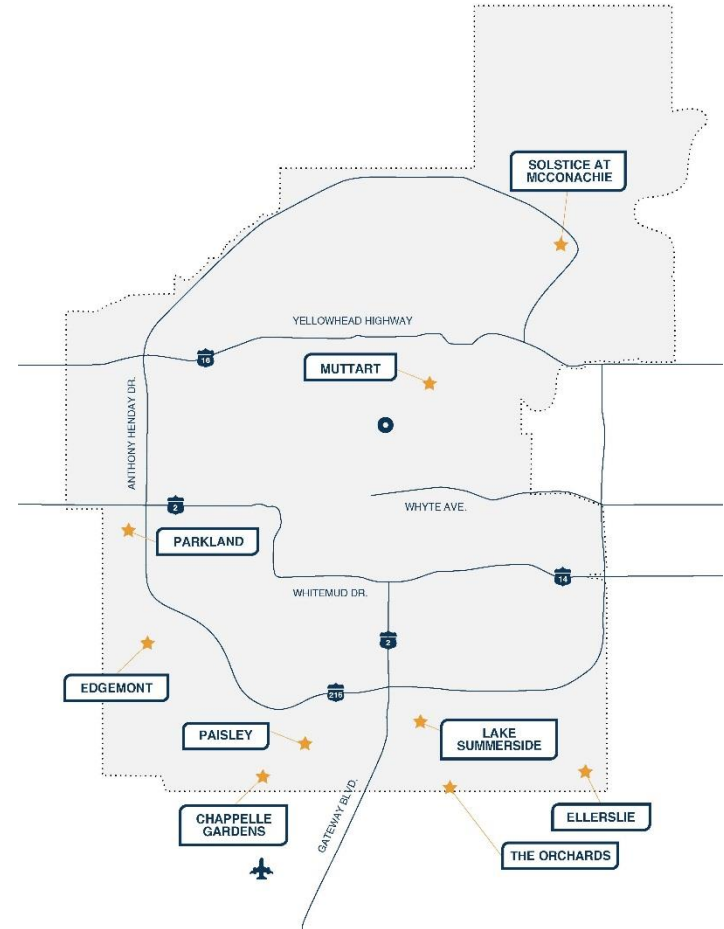
**LOTS**  
**11,203**

**ENTITLED LOTS**  
**5,993**

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

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Chappelle Gardens	1,481	1,481	-	8
Edgemont	807	807	-	-
Ellerslie	5,210	-	5,210	-
Lake Summerside	54	54	-	-
Muttart	-	-	-	5
The Orchards	3,051	3,051	-	7
Paisley	440	440	-	4
Parkland	49	49	-	-
Solstice at McConachie	48	48	-	-
Other	63	63	-	-
<b>Total:</b>	<b>11,203</b>	<b>5,993</b>	<b>5,210</b>	<b>24</b>

\* Multi-family, industrial and commercial parcels



# Ontario

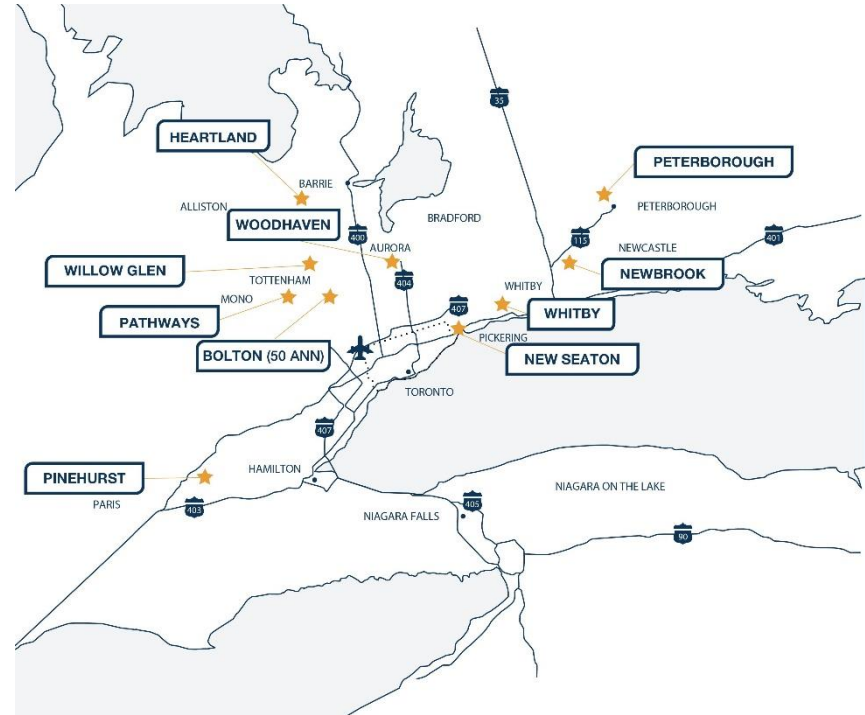
LOTS  
**8,068**

ENTITLED LOTS  
**2,514**

UNENTITLED LOTS  
**5,554**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Bolton (50 ANN)	-	-	-	1
Heartland	253	253	-	-
Newbrook	540	270	270	-
New Seaton	1,114	1,114	-	-
Pathways	28	28	-	-
Peterborough	5,278	-	5,278	-
Pinehurst	201	201	-	-
Whitby	294	288	6	1
Willow Glen	60	60	-	-
Woodhaven	179	179	-	-
Other	121	121	-	-
<b>Total:</b>	<b>8,068</b>	<b>2,514</b>	<b>5,554</b>	<b>2</b>

\* Multi-family, industrial and commercial parcels



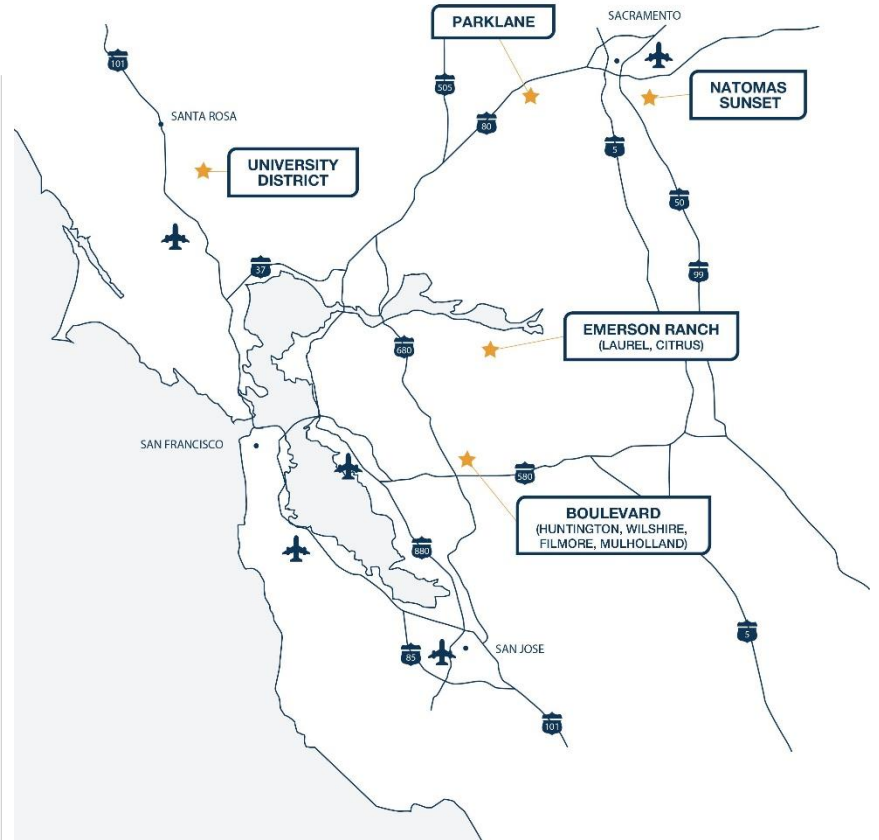
# Northern California

LOTS  
**7,522**

ENTITLED LOTS  
**3,087**

UNENTITLED LOTS  
**4,435**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Boulevard (Huntington, Wilshire, Filmore, Mulholland)	649	649	-
Emerson Ranch (Laurel, Citrus)	58	58	-
Natomas, Sunset	5,700	1,715	3,985
Parklane	611	161	450
University District	460	460	-
Other	44	44	-
<b>Total:</b>	<b>7,522</b>	<b>3,087</b>	<b>4,435</b>





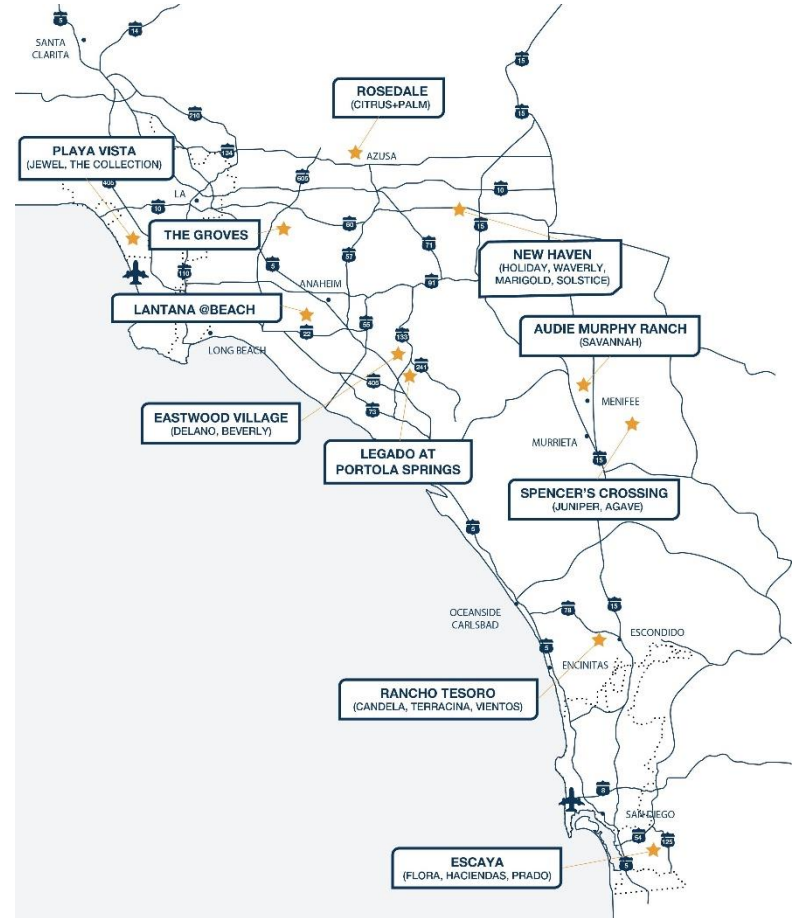
# Southern California

**LOTS**  
**8,774**

**ENTITLED LOTS**  
**7,540**

**UNENTITLED LOTS**  
**1,234**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Audie Murphy Ranch (Savannah)	906	906	-
Eastwood Village (Delano, Beverly)	41	41	-
Escaya (Flora, Haciendas, Prado)	156	156	-
The Groves	375	375	-
Lantana @ Beach	208	208	-
Legado at Portola Springs	44	44	-
New Haven (Holiday, Waverly, Marigold, Solstice)	1,828	640	1,188
Playa Vista (Jewel, The Collection)	50	50	-
Rancho Tesoro (Candela, Terracina, Vientos)	311	311	-
Rosedale (Citrus+Palm)	9	9	-
Spencer's Crossing (Juniper, Agave)	395	395	-
Other	4,451	4,405	46
<b>Total:</b>	<b>8,774</b>	<b>7,540</b>	<b>1,234</b>



# Hawaii

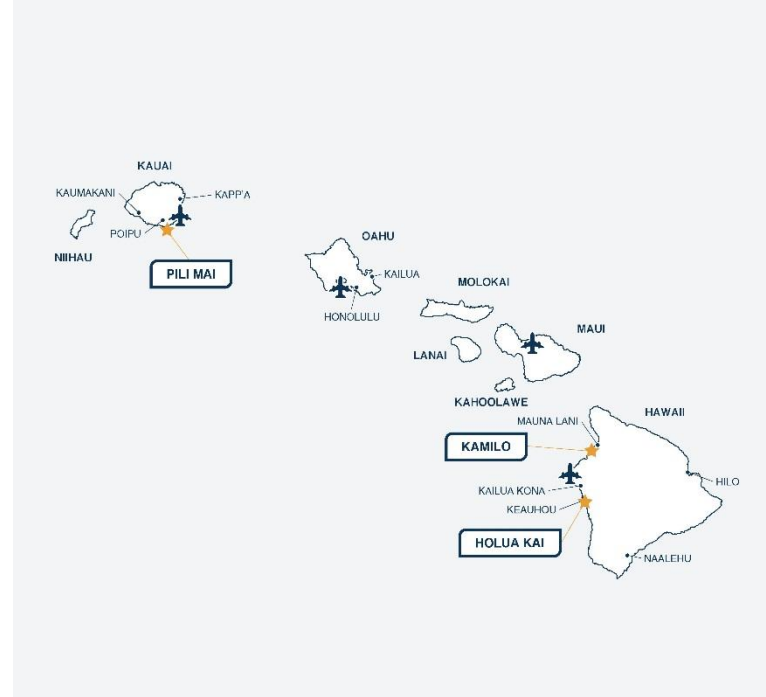
LOTS  
**97**

ENTITLED LOTS  
**97**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Holua Kai	23	23	-	-
KaMilo	16	16	-	-
Pili Mai	58	58	-	-
Other	-	-	-	3
<b>Total:</b>	<b>97</b>	<b>97</b>	<b>-</b>	<b>3</b>

\* Multi-family, industrial and commercial parcels



# Denver, Colorado

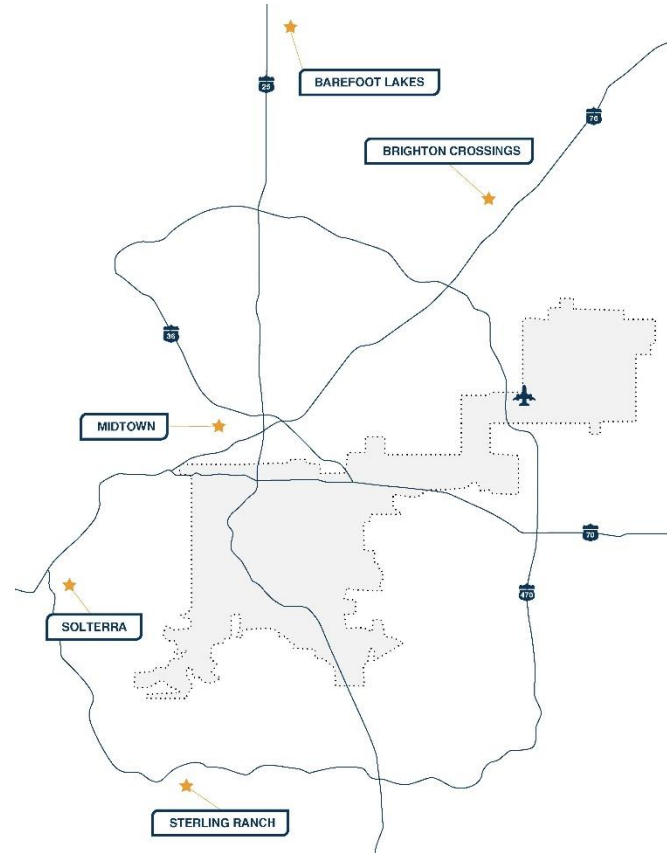
LOTS  
**7,593**

ENTITLED LOTS  
**7,593**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Barefoot Lakes	3,399	3,399	-	-
Brighton Crossings	1,550	1,550	-	10
Midtown	217	217	-	-
Solterra	170	170	-	-
Sterling Ranch	35	35	-	-
Other	2,222	2,222	-	5
<b>Total:</b>	<b>7,593</b>	<b>7,593</b>	<b>-</b>	<b>15</b>

\* Multi-family, industrial and commercial parcels



# Austin, Texas

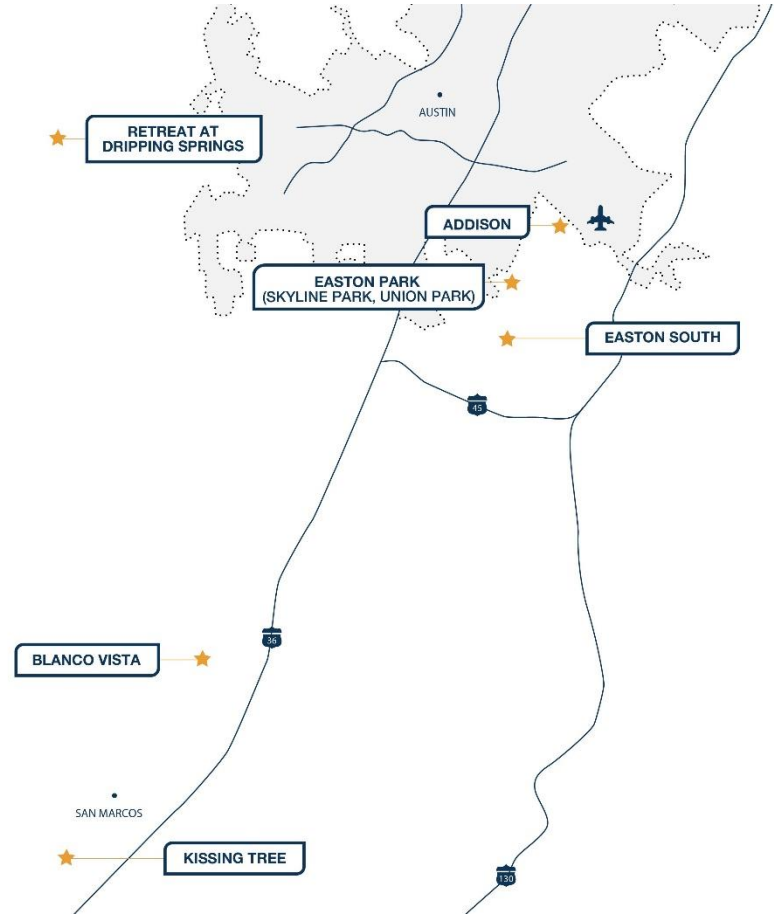
LOTS  
**12,506**

ENTITLED LOTS  
**12,506**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Addison	329	329	-	-
Blanco Vista	525	525	-	-
Easton Park (Skyline Park, Union Park)	5,404	5,404	-	37
Easton South	2,909	2,909	-	-
Grand Haven Homes (various communities)	426	426	-	-
Kissing Tree	2,866	2,866	-	-
Retreat at Dripping Springs	47	47	-	-
<b>Total:</b>	<b>12,506</b>	<b>12,506</b>	<b>-</b>	<b>37</b>

\* Multi-family, industrial and commercial parcels



# Phoenix, Arizona

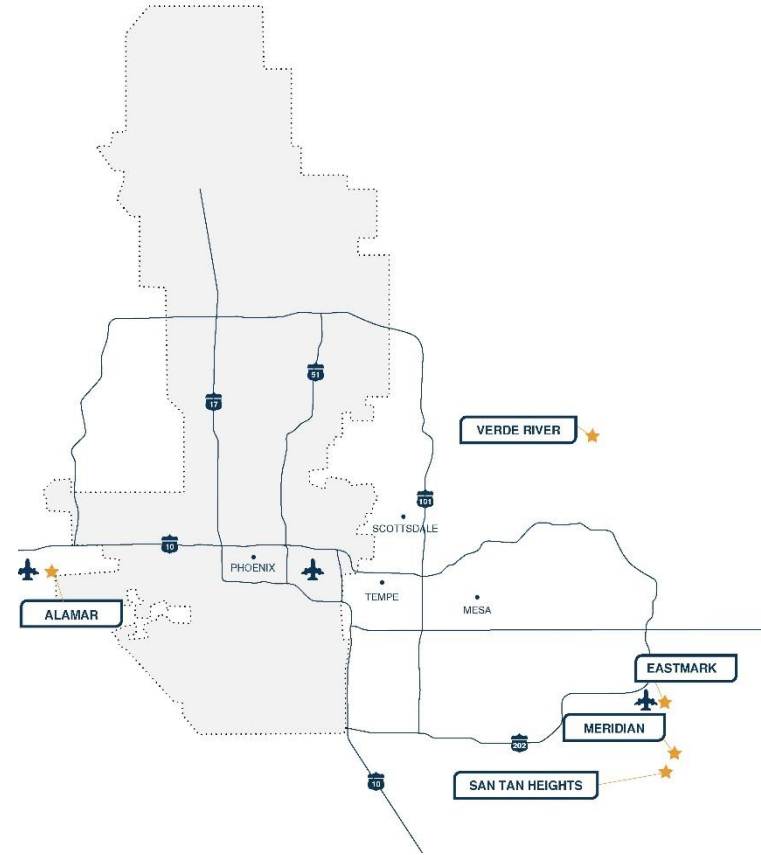
LOTS  
**4,295**

ENTITLED LOTS  
**4,295**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Alamar	1,249	1,249	-	-
Eastmark	2,377	2,377	-	14
Meridian	348	348	-	-
San Tan Heights	284	284	-	-
Verde River	37	37	-	-
<b>Total:</b>	<b>4,295</b>	<b>4,295</b>	<b>-</b>	<b>14</b>

\* Multi-family, industrial and commercial parcels



# Washington, D.C. Area

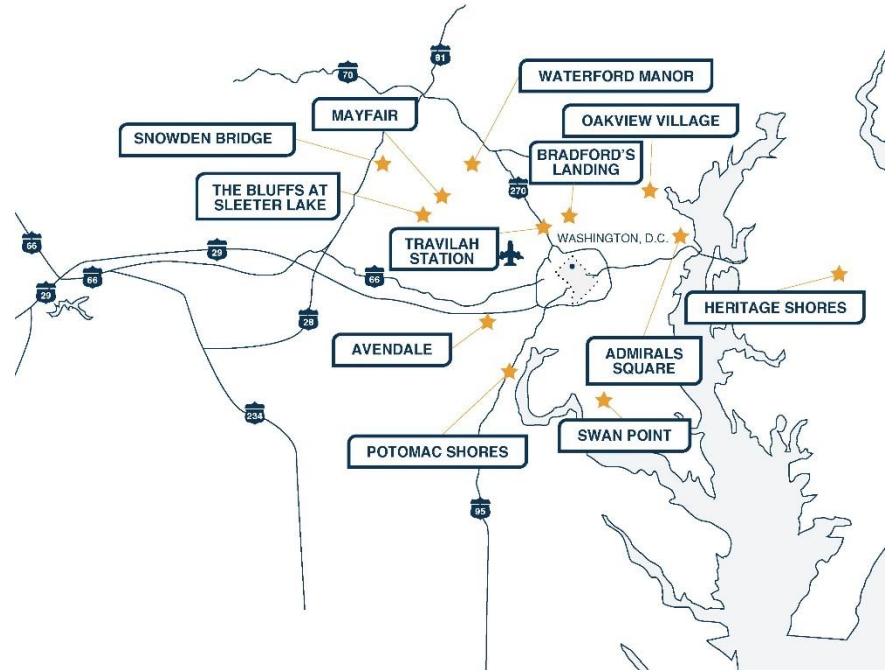
**LOTS**  
**3,949**

**ENTITLED LOTS**  
**3,912**

**UNENTITLED LOTS**  
**37**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Admirals Square	25	25	-	-
Avendale	52	52	-	-
The Bluffs at Sleeter Lake	80	80	-	-
Bradford's Landing	195	195	-	-
Heritage Shores	1,223	1,223	-	-
Mayfair	8	8	-	3
Oakview Village	27	27	-	-
Potomac Shores	108	108	-	-
Snowden Bridge	496	496	-	-
Swan Point	1,372	1,372	-	-
Travilah Station	77	77	-	-
Waterford Manor	40	40	-	-
Other	246	209	37	-
<b>Total:</b>	<b>3,949</b>	<b>3,912</b>	<b>37</b>	<b>3</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