

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

MAY 2020

Notice to Recipient

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 the duration and impact of the novel coronavirus (“COVID-19”) on our financial positions and homebuilding operations; 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 as well as pandemics/epidemics such as COVID-19; 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.

Contents



Company Overview 5

Creating Value 6

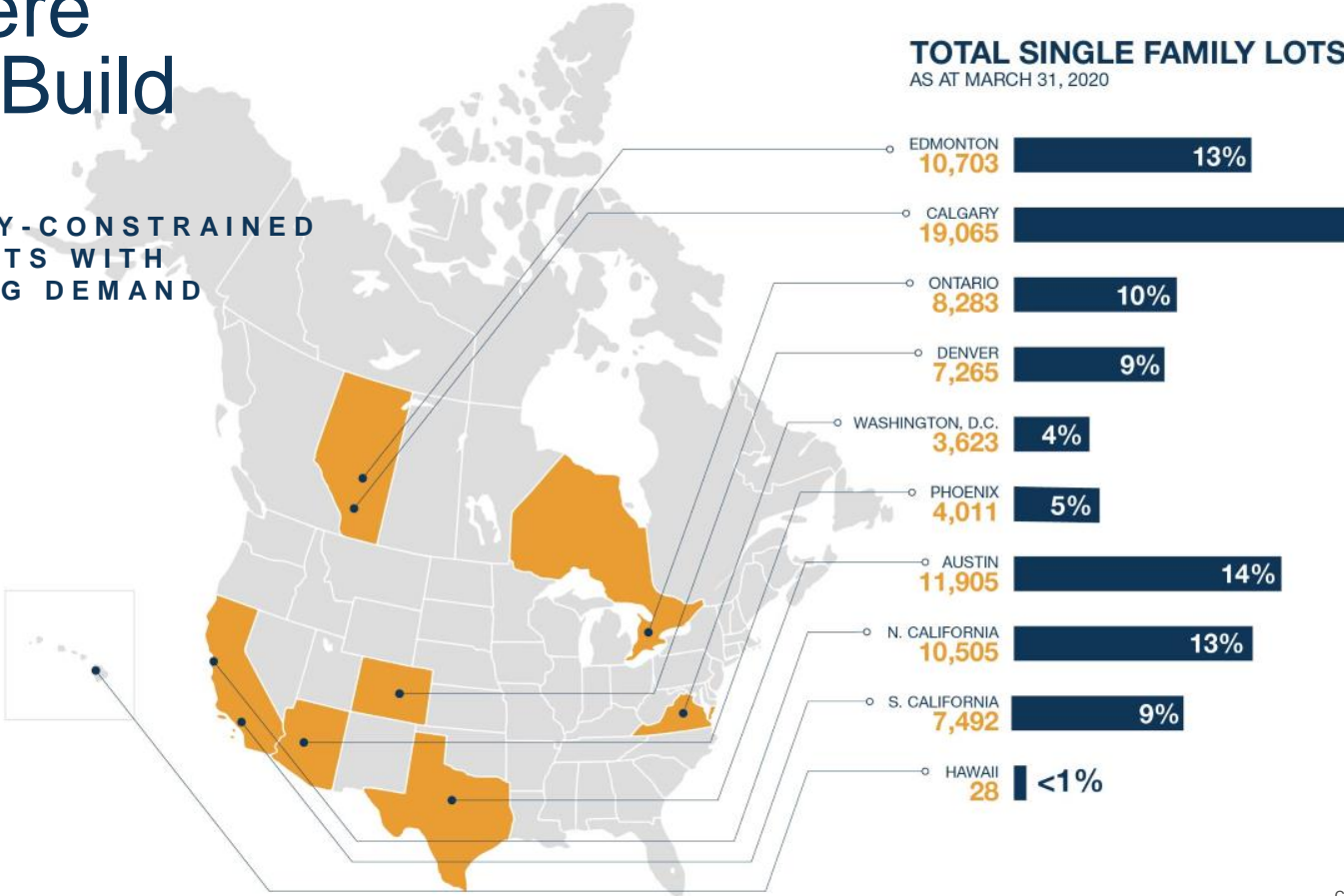
Inventory Profile 11

Financial Profile 14

Our Markets 28

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 over \$540 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, Nashville (mixed-use), Phoenix, Washington D.C. Area

Creating Value

6

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

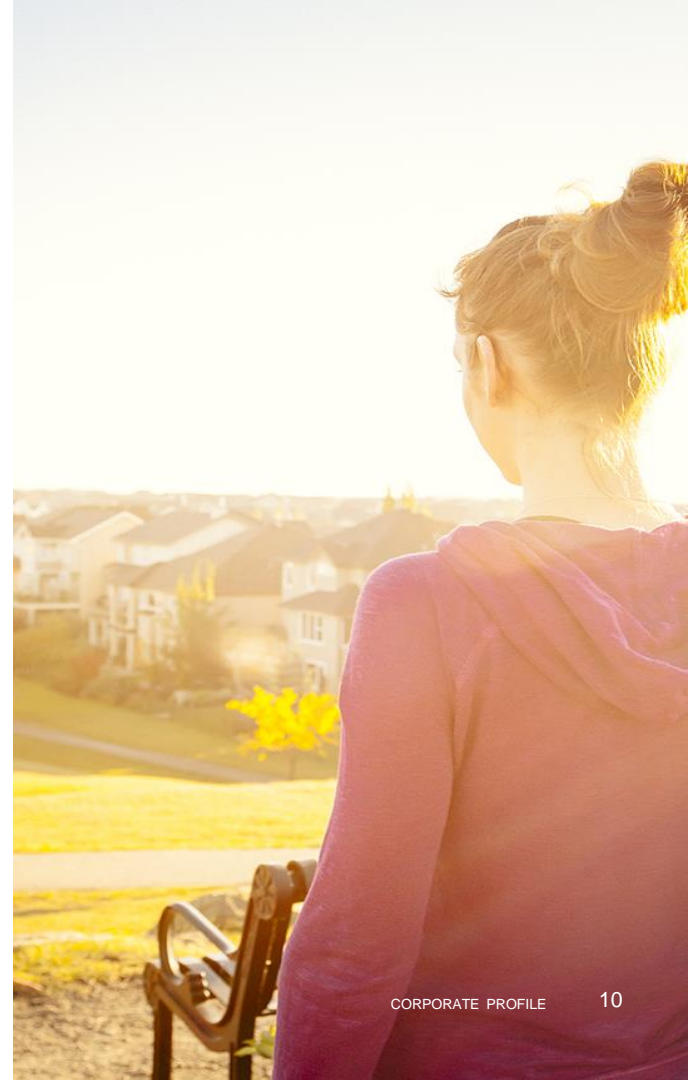
- Prepared by a land surveyor so that an individual titled lot is created



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

11

Land & Housing Inventory

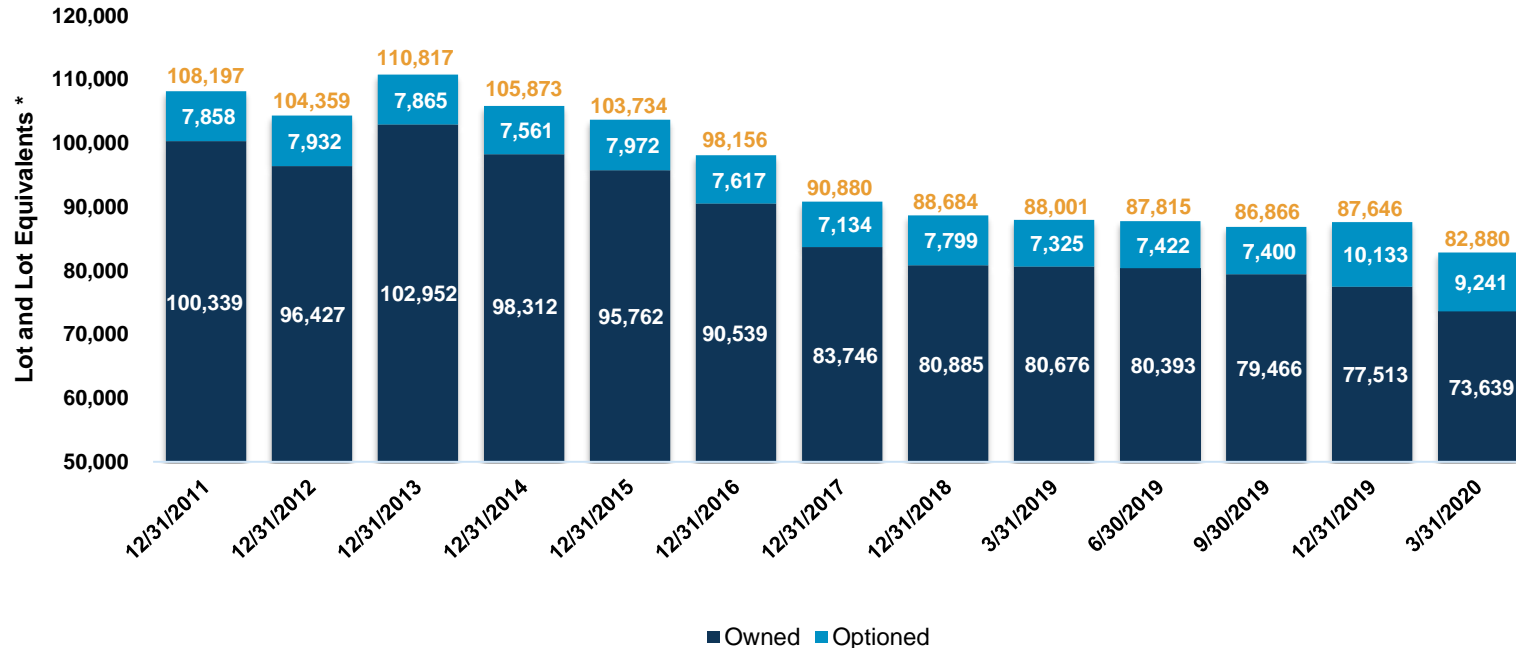
	Single Family Housing & Land Under and Land Held for Development ⁽¹⁾								Multi-Family, Industrial & Commercial Parcels Under Development	
	Housing & Land		Unconsolidated Entities		Total Lots		Status of Lots 31-Mar-20		Total Acres	
	Owned	Options	Owned	Options	31-Mar-20	31-Dec-19	Entitled	Unentitled	31-Mar-20	31-Dec-19
Calgary	16,618	-	2,447	-	19,065	19,045	10,952	8,113	63	70
Edmonton	10,703	-	-	-	10,703	10,797	5,493	5,210	22	22
Ontario	7,268	-	1,015	-	8,283	8,293	2,729	5,554	1	1
Canada	34,589	-	3,462	-	38,051	38,135	19,174	18,877	86	93
Northern California	2,997	7,255	253	-	10,505	10,474	3,250	7,255	-	-
Southern California	5,649	-	842	1,001	7,492	7,597	6,307	1,185	-	-
Hawaii	28	-	-	-	28	48	28	-	-	-
California	8,674	7,255	1,095	1,001	18,025	18,119	9,585	8,440	-	-
Denver	7,265	-	-	-	7,265	7,328	7,265	-	10	10
Austin	11,905	-	-	-	11,905	12,120	11,905	-	37	37
Phoenix	1,533	-	2,478	-	4,011	4,032	4,011	-	14	14
Washington D.C. Area	2,638	985	-	-	3,623	3,732	3,586	37	-	-
Central and Eastern U.S.	23,341	985	2,478	-	26,804	27,212	26,767	37	61	61
Corporate and Other	-	-	-	-	-	4,180	-	-	-	-
Total	66,604	8,240	7,035	1,001	82,880	87,646	55,526	27,354	147	154
Entitled lots	48,674	985	5,867	-	55,526	60,292				
Unentitled lots	17,930	7,255	1,168	1,001	27,354	27,354				
Total March 31, 2020	66,604	8,240	7,035	1,001	82,880					
Total December 31, 2019	70,422	9,132	7,091	1,001		87,646				

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

	Housing & Land	Unconsol. Entities	Total 31-Mar-20		Total 31-Dec-19	
			Units	\$	Units	\$
<i>(millions, except per unit activity)</i>						
Land Held For Development (lots)	1,302	143	64,142	1,445	63,778	1,428
Land Under Development - Single Family (lots)	739	177	7,302	916	11,681	1,113
Optioned (lots)	100	22	9,241	122	10,133	133
Housing inventory (units)	544	-	1,954	544	1,798	505
Model homes (units)	97	-	241	97	256	111
Unconsolidated entities net liabilities	-	(14)	-	(14)	-	(12)
Sub total	2,782	328	82,880	3,110	87,646	3,278
Multi Family, Commercial & Industrial Parcels (acres)	59	7	147	66	154	111
Total	2,841	335		3,176		3,389

Land & Housing Inventory

CONSISTENT REDUCTION OF LOT INVENTORY DEMONSTRATES OUR CAPITAL DISCIPLINE



Financial Profile

14

Select Financial Information

<i>(millions, except percentages, unit activity and average selling price)</i>	Three months ended Mar 31	
	2020	2019
Results from Operations		
Total revenue	\$ 312	\$ 346
Housing revenue	294	319
Land revenue	18	27
Gross margin (\$)	55	67
Gross margin (%)	18%	19%
(Loss) / income before income taxes	(27)	7
Income tax recovery	4	4
Consolidated net (loss) / income	(23)	11
Net (loss) / income attributable to Brookfield Residential	\$ (15)	\$ 10
Operating Data		
Home closings for Brookfield Residential (units)	544	611
Average home selling price for Brookfield Residential (per unit)	\$ 540,000	\$ 522,000
Net new home orders for Brookfield Residential (units)	921	760
Backlog for Brookfield Residential (units)	1,650	1,286
Backlog value for Brookfield Residential	\$ 750	\$ 685
Lot closings for Brookfield Residential (single family units)	167	258
Lot closings for unconsolidated entities (single family units)	65	278
Acre closings for Brookfield Residential (multi-family, industrial and commercial)	3	10
Acre closings for unconsolidated entities (multi-family, industrial and commercial)	1	1
Average lot selling price for Brookfield Residential (single family units)	\$ 92,000	\$ 94,000
Average lot selling price for unconsolidated entities (single family units)	\$ 130,000	\$ 43,000
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial)	\$ 819,000	\$ 320,000
Average per acre selling price for unconsolidated entities (multi-family, industrial and commercial)	\$ 297,000	\$ 106,000

Condensed Consolidated Balance Sheets

	Mar 31	Dec 31	Sept 30	Jun 30
<i>(thousands, except percentages)</i>	2020	2019	2019	2019
ASSETS				
Cash and cash equivalents	\$ 138,195	\$ 109,923	\$ 64,249	\$ 105,248
Restricted cash	17,709	13,818	10,873	8,140
Receivables and other assets	723,289	488,716	491,773	441,346
Land and housing inventory	2,841,043	3,058,624	3,143,502	3,055,608
Investments in unconsolidated entities - land and housing	335,329	330,597	375,666	375,069
Investment in unconsolidated entities - affiliate	609,581	634,028	616,920	-
Held-to-maturity investment	300,000	300,000	300,000	300,000
Commercial properties	548,513	468,519	416,340	364,317
Operating and financing lease right-of-use asset	86,301	89,750	92,466	62,140
Deferred income tax assets	49,995	49,392	50,040	63,678
Goodwill	16,479	16,479	16,479	16,479
	\$ 5,666,434	\$ 5,559,846	\$ 5,578,308	\$ 4,792,025
LIABILITIES				
Notes payable	\$ 1,600,087	\$ 1,616,545	\$ 1,611,902	\$ 1,629,292
Bank indebtedness and other financings	481,851	228,147	424,310	337,467
Total financings	2,081,938	1,844,692	2,036,212	1,966,759
Accounts payable and other liabilities	514,819	577,074	626,064	586,093
Operating and financing lease liability	90,675	92,834	94,810	63,202
Total liabilities	2,687,432	2,514,600	2,757,086	2,616,054
EQUITY				
	2,979,002	3,045,246	2,821,222	2,175,971
	\$ 5,666,434	\$ 5,559,846	\$ 5,578,308	\$ 4,792,025
Net debt to total capitalization	39%	36%	41%	46%

Condensed Consolidated Statements of Operations

<i>(thousands)</i>	Three months ended Mar 31	
	2020	2019
Revenue		
Housing	\$ 293,921	\$ 318,768
Land	17,740	27,456
	311,661	346,224
Direct cost of sales		
Housing	(245,485)	(265,793)
Land	(11,599)	(13,761)
Gross margin	54,577	66,670
Selling, general and administrative expense	(57,789)	(66,376)
Interest expense	(2,131)	(8,539)
Equity in earnings from unconsolidated entities - land and housing	2,087	4,408
Equity in earnings from unconsolidated entities - affiliate	(24,480)	-
Other income	5,530	14,351
Lease expense	(3,232)	(2,786)
Depreciation	(1,062)	(1,059)
(Loss) / income before income taxes	(26,500)	6,669
Current income tax expense	(367)	(1,543)
Deferred income tax recovery	4,744	5,542
Consolidated net (loss) / income	(22,123)	10,668
Net income attributable to non-controlling interest - land and housing	3,260	342
Net loss attributable to non-controlling interest - affiliate	(10,073)	-
Net (loss) / income attributable to Brookfield Residential	\$ (15,310)	\$ 10,326
Other comprehensive (loss) / income		
Unrealized foreign exchange (loss) / gain on:		
Translation of the net investment in Canadian subsidiaries and unconsolidated entities - affiliate	(75,066)	18,928
Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	14,675	(3,975)
Comprehensive (loss) / income attributable to Brookfield Residential	\$ (75,701)	\$ 25,279

Condensed Consolidated Statements of Cash Flows

(thousands)	Three months ended Mar 31	
	2020	2019
Cash Flows Provided by / (Used in) Operating Activities:		
Net (loss) / income	\$ (22,123)	\$ 10,668
Adjustments to reconcile net (loss) / income to net cash used in operating activities:		
Undistributed earnings from unconsolidated entities - land and housing	(1,444)	(698)
Undistributed earnings from unconsolidated entities - affiliate	24,480	-
Deferred income tax recovery	(4,744)	(5,542)
Share-based compensation expense	2,888	4,151
Depreciation	1,062	1,059
Right-of-use asset depreciation	2,321	2,527
Amortization of non-cash interest	1,899	1,672
Loss on extinguishment of debt	15,030	-
Dividend income on held-to-maturity investment	(5,984)	(5,304)
Changes in operating assets and liabilities:		
(Increase) / decrease in receivables and other assets	(23,617)	4,755
Increase in land and housing inventory	(44,430)	(23,878)
Increase in commercial properties	(53,149)	(35,084)
Decrease in operating lease liabilities	(836)	(1,845)
Decrease in accounts payable and other liabilities	(57,525)	(40,342)
Net cash used in operating activities	(166,172)	(87,861)
Cash Flows (Used in) / Provided by Investing Activities:		
Investments in unconsolidated entities - land and housing	(11,679)	(14,754)
Distributions from unconsolidated entities - land and housing	4,025	3,112
Redemption of held-to-maturity investments	-	150,000
Dividend income on held-to-maturity investment	-	5,304
(Increase) / decrease in loan receivable	(29,355)	35
Net cash (used in) / provided by investing activities	(37,009)	143,697
Cash Flows Provided by / (Used in) Financing Activities:		
Drawings under project-specific and other financings	61,901	515
Repayments under project-specific and other financings	(16,656)	(5,452)
Net drawings / (repayments) on bank indebtedness	195,500	(48,004)
Drawings under unsecured senior notes payable	500,000	-
Repayments under unsecured senior notes payable	(500,000)	-
Payments of debt issuance costs	(8,983)	-
Payments of debt extinguishment costs	(8,930)	-
Net contributions / (distributions) to non-controlling interest	16,270	(1,430)
Payments made on the principal of financing leases	(64)	(102)
Net cash provided by / (used in) financing activities	239,038	(54,473)
Effect of foreign exchange rates on cash and cash equivalents	(3,694)	(817)
Change in cash, cash equivalents and restricted cash	32,163	546
Cash, cash equivalents and restricted cash at beginning of period	123,741	73,132
Cash, cash equivalents and restricted cash at end of period	\$ 155,904	\$ 73,678

Quarterly Operating and Financial Information

<i>(millions, except per unit activity)</i>	2020		2019			2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Home closings (units)	544	882	674	763	611	1,107	827	1,019
Lots closings (single family units)	167	1,578	578	756	258	1,655	552	367
Acre closings (multi-family, industrial and commercial)	3	20	10	3	10	27	42	1
Acre closings (raw and partially finished)	-	18	134	-	-	-	-	19
Net new home orders (units)	921	671	768	867	760	506	644	782
Backlog (units at end of period)	1,650	1,273	1,484	1,390	1,286	1,137	1,738	1,921
Backlog value	\$ 750	\$ 603	\$ 744	\$ 730	\$ 685	\$ 612	\$ 955	\$ 1,038
Revenue	\$ 312	\$ 656	\$ 461	\$ 476	\$ 346	\$ 796	\$ 502	\$ 589
Direct cost of sales	(257)	(520)	(356)	(397)	(279)	(619)	(388)	(463)
Gross margin	55	136	105	79	67	177	114	126
Gain on sale of commercial properties	-	-	-	-	-	6	-	-
Selling, general and administrative expense	(58)	(53)	(60)	(65)	(66)	(93)	(72)	(71)
Interest expense	(3)	(10)	(9)	(8)	(9)	(9)	(8)	(9)
Equity in earnings from unconsolidated entities	(22)	34	9	11	4	5	4	4
Other income	4	15	12	9	14	15	18	14
Lease expense	(3)	(3)	(3)	(3)	(3)	-	-	-
(Loss) / income before income taxes	(27)	119	54	23	7	101	56	64
Income tax recovery / (expense)	4	2	(5)	(6)	4	(22)	(8)	(12)
Consolidated net (loss) / income	(23)	121	49	17	11	79	48	52
Net (loss) / income attributable to non-controlling interest	(8)	41	1	1	1	2	4	2
Net (loss) / income attributable to Brookfield Residential	\$ (15)	\$ 80	\$ 48	\$ 16	\$ 10	\$ 77	\$ 44	\$ 50
Foreign currency translation	(60)	15	(8)	14	15	(42)	14	(15)
Comprehensive (loss) / income	\$ (75)	\$ 95	\$ 40	\$ 30	\$ 25	\$ 35	\$ 58	\$ 35

Select Operating Information - Housing

<i>(millions, except per unit activity and average selling price)</i>	Three months ended Mar 31			
	2020		2019	
	Units	\$	Units	\$
Home closings				
Canada	158	\$ 56	215	\$ 83
California	173	139	193	137
Central and Eastern U.S.	213	99	203	99
Total	544	\$ 294	611	\$ 319

Average home selling price	Three months ended Mar 31	
	2020	2019
Canada	\$ 356,000	\$ 386,000
California	801,000	709,000
Central and Eastern U.S.	465,000	487,000
Average selling price	\$ 540,000	\$ 522,000

Net new home orders (units)	2020	2019
Canada	286	240
California	305	236
Central and Eastern U.S.	330	284
Total	921	760

Select Operating Information - Housing

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

	As at Mar 31	
Active housing communities	2020	2019
Canada	36	36
California	21	27
Central and Eastern U.S.	33	26
Total	90	89

	As at Mar 31			
Backlog	2020		2019	
	Units	Value	Units	Value
Canada	684	\$ 260	476	\$ 189
California	351	222	304	254
Central and Eastern U.S.	615	268	506	242
Total	1,650	\$ 750	1,286	\$ 685

Select Operating Information - Land

	Three months ended Mar 31			
	2020		2019	
	Units	\$	Units	\$
<i>(millions, except per unit activity)</i>				
Lot closings (single family units)				
Canada	123	\$ 12	120	\$ 13
California	-	-	-	-
Central and Eastern U.S.	44	3	138	11
	167	15	258	24
Unconsolidated entities	65	9	278	12
Total	232	\$ 24	536	\$ 36
Acres closings (multi-family, industrial and commercial)				
Canada	3	\$ 3	-	\$ -
California	-	-	-	-
Central and Eastern U.S.	-	-	10	3
	3	3	10	3
Unconsolidated entities	1	-	1	-
Total	4	\$ 3	11	\$ 3

Select Operating Information - Land

	Three months ended Mar 31	
	2020	2019
Average lot selling price (single family units)		
Canada	\$ 98,000	\$ 112,000
California	-	-
Central and Eastern U.S.	74,000	78,000
	92,000	94,000
Unconsolidated entities	130,000	43,000
Average selling price	\$ 102,000	\$ 68,000
Average per acre selling price (multi-family, industrial and commercial)		
Canada	\$ 819,000	\$ -
California	-	-
Central and Eastern U.S.	-	320,000
	819,000	320,000
Unconsolidated entities	297,000	106,000
Average selling price	\$ 688,000	\$ 303,000
Active land communities		
	As at Mar 31	
	2020	2019
Canada	11	13
California	4	5
Central and Eastern U.S.	11	12
	26	30
Unconsolidated entities	6	7
Total	32	37

Select Operating Information – Gross Margin

<i>(millions, except percentages)</i>	Three Months Ended Mar 31			
	2020		2019	
	\$	%	\$	%
Housing gross margin				
Canada	\$ 9	16%	\$ 14	17%
California	26	19%	24	18%
Central and Eastern U.S.	14	14%	15	15%
Total	\$ 49	17%	\$ 53	17%
Land gross margin				
Canada	\$ 5	33%	\$ 9	69%
California	1	-	2	-
Central and Eastern U.S.	-	-	3	21%
Total	\$ 6	33%	\$ 14	52%
Total gross margin				
Canada	\$ 14	20%	\$ 23	24%
California	27	19%	26	19%
Central and Eastern U.S.	14	14%	18	16%
Total	\$ 55	18%	\$ 67	19%

Historical Pro Forma Financial Information

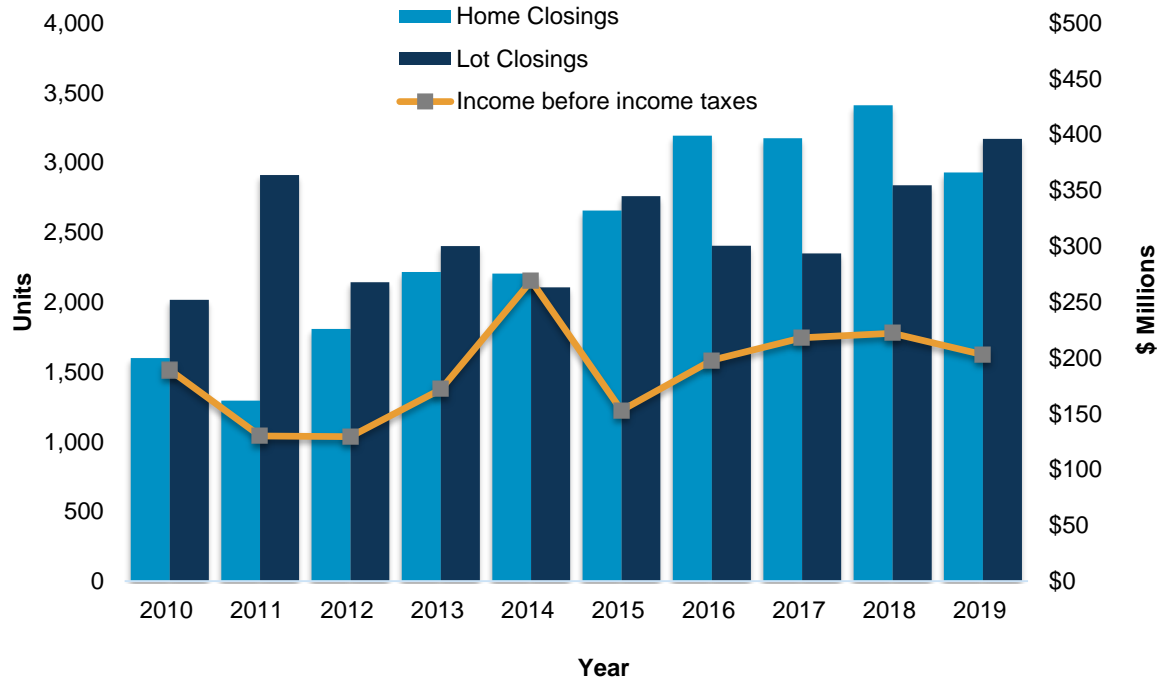
BROOKFIELD RESIDENTIAL PROPERTIES

(millions, except unit activity)

	Year ended December 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Home Closings (units)	2,930	3,411	3,174	3,193	2,656	2,204	2,216	1,808	1,295	1,600
Lot Closings (single family units)	3,170	2,838	2,349	2,403	2,760	2,107	2,402	2,142	2,912	2,017
Acre Closings	195	98	712	2,108	66	34	247	543	94	68
Revenue										
Housing	\$ 1,550	\$ 1,794	\$ 1,733	\$ 1,604	\$ 1,249	\$ 1,136	\$ 983	\$ 718	\$ 484	\$ 599
Land	388	368	318	299	342	340	373	622	524	355
Total Revenues	1,938	2,162	2,051	1,903	1,591	1,476	1,356	1,340	1,008	954
Direct cost of sales	(1,551)	(1,689)	(1,578)	(1,474)	(1,174)	(1,031)	(981)	(1,048)	(740)	(687)
Gross margin	387	473	473	429	417	445	375	292	268	267
Selling, general and administrative	(244)	(296)	(237)	(207)	(218)	(192)	(170)	(128)	(101)	(99)
Equity in earnings of unconsolidated entities	58	18	15	9	12	26	9	10	4	-
Other income / (expense)	2	27	(33)	(33)	(58)	(10)	(42)	(45)	(41)	21
Income before income taxes	\$ 203	\$ 222	\$ 218	\$ 198	\$ 153	\$ 269	\$ 172	\$ 129	\$ 130	\$ 189

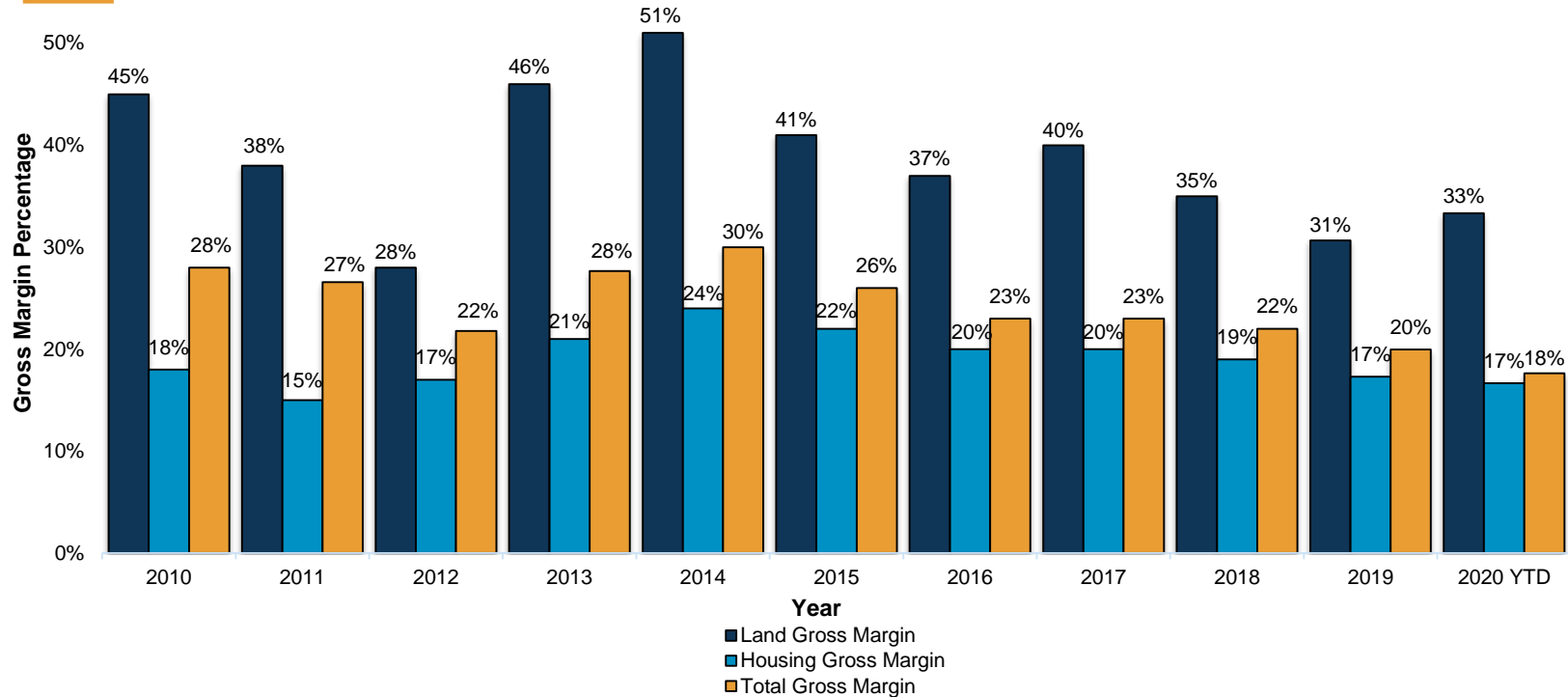
* Prior to January 1, 2011, the Company's business practice in Alberta was to not transfer title on its lots sold to the homebuilder who built the home and ultimately sold the home to the consumer, but to wait and transfer title of the lot to the ultimate homebuyer at the time of the home closing. As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

Calgary, Alberta

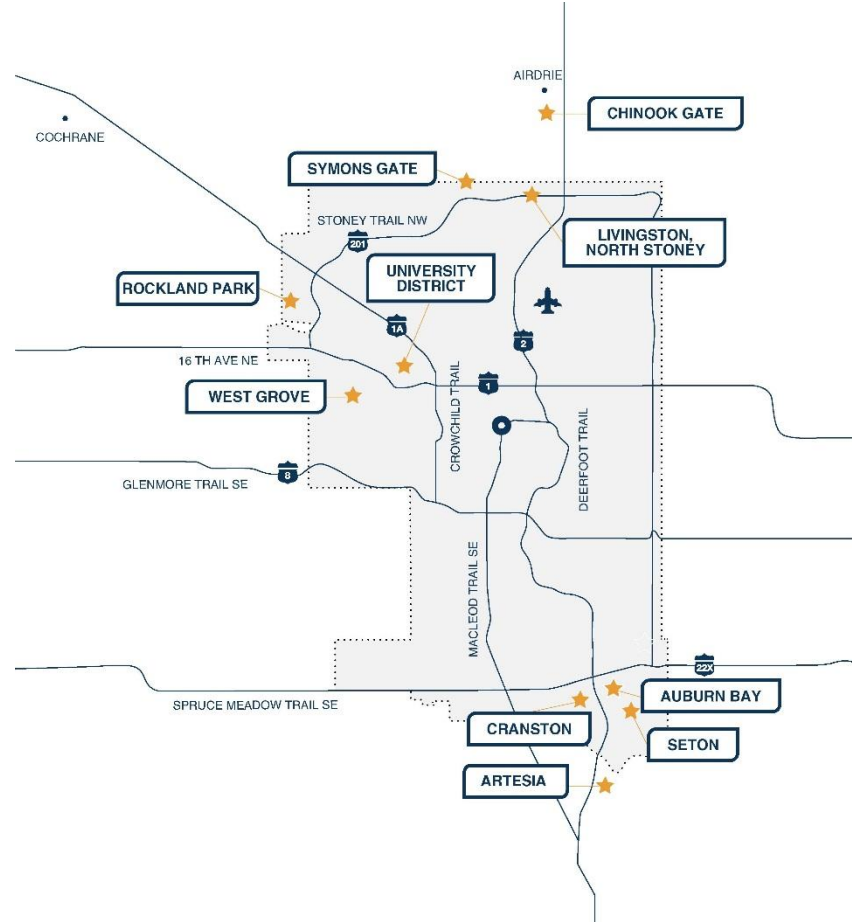
LOTS
19,065

ENTITLED LOTS
10,952

UNENTITLED LOTS
8,113

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Artesia	66	66	-	-
Auburn Bay	86	86	-	1
Chinook Gate (Airdrie)	173	173	-	1
Cranston	469	469	-	12
Livingston	6,912	3,208	3,704	10
North Stoney	2,888	-	2,888	-
Rockland Park	1,317	1,317	-	-
Seton	6,344	4,823	1,521	35
Symons Gate	62	62	-	2
University District	28	28	-	2
West Grove	26	26	-	-
Other	694	694	-	-
Total:	19,065	10,952	8,113	63

* Multi-family, industrial and commercial parcels



Edmonton, Alberta

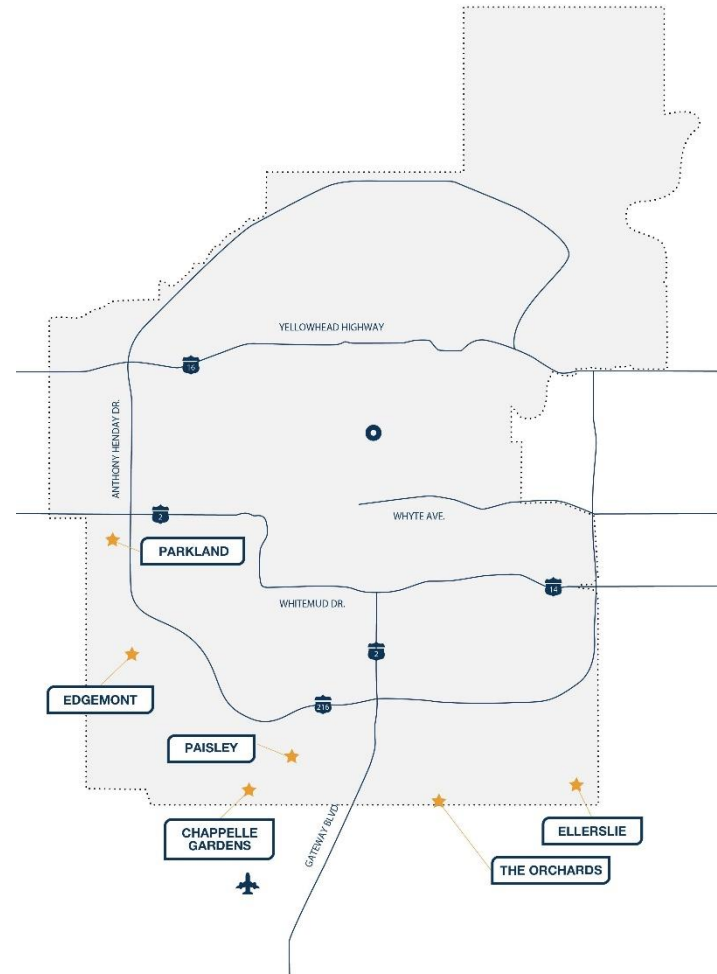
LOTS
10,703

ENTITLED LOTS
5,493

UNENTITLED LOTS
5,210

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Chappelle Gardens	1,340	1,340	–	10
Edgemont	745	745	–	–
Ellerslie	5,210	–	5,210	–
The Orchards	2,889	2,889	–	7
Paisley	395	395	–	4
Parkland	49	49	–	–
Other	75	75	–	1
Total:	10,703	5,493	5,210	22

* Multi-family, industrial and commercial parcels



Ontario

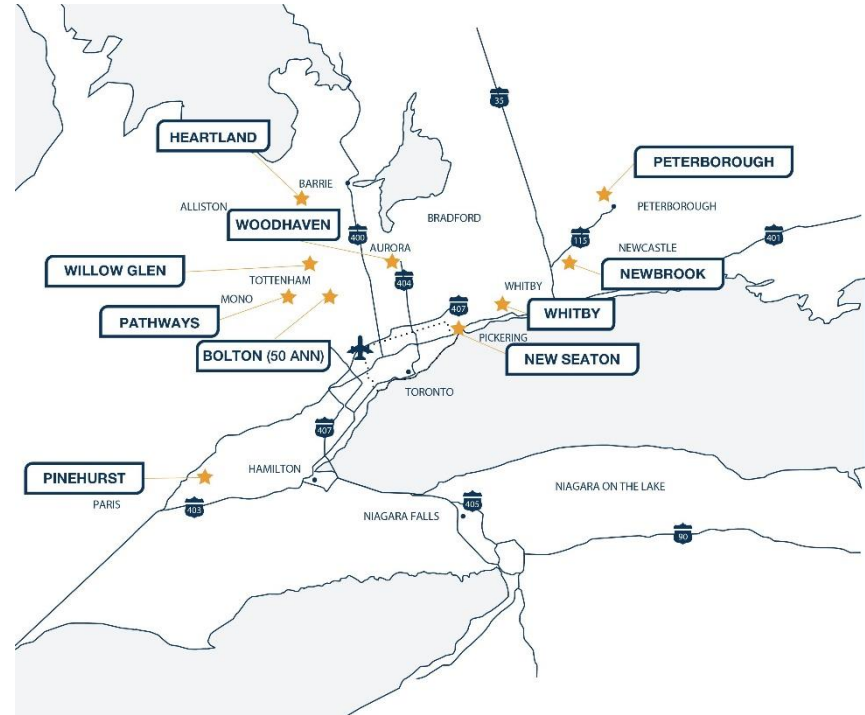
LOTS
8,283

ENTITLED LOTS
2,729

UNENTITLED LOTS
5,554

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Bolton (50 ANN)	73	73	-	-
Heartland	253	253	-	-
Newbrook	540	270	270	-
New Seaton	1,106	1,106	-	-
Pathways	15	15	-	-
Peterborough	5,278	-	5,278	-
Pinehurst	163	163	-	-
Whitby	511	505	6	1
Willow Glen	60	60	-	-
Woodhaven	164	164	-	-
Other	120	120	-	-
Total:	8,283	2,729	5,554	1

* Multi-family, industrial and commercial parcels



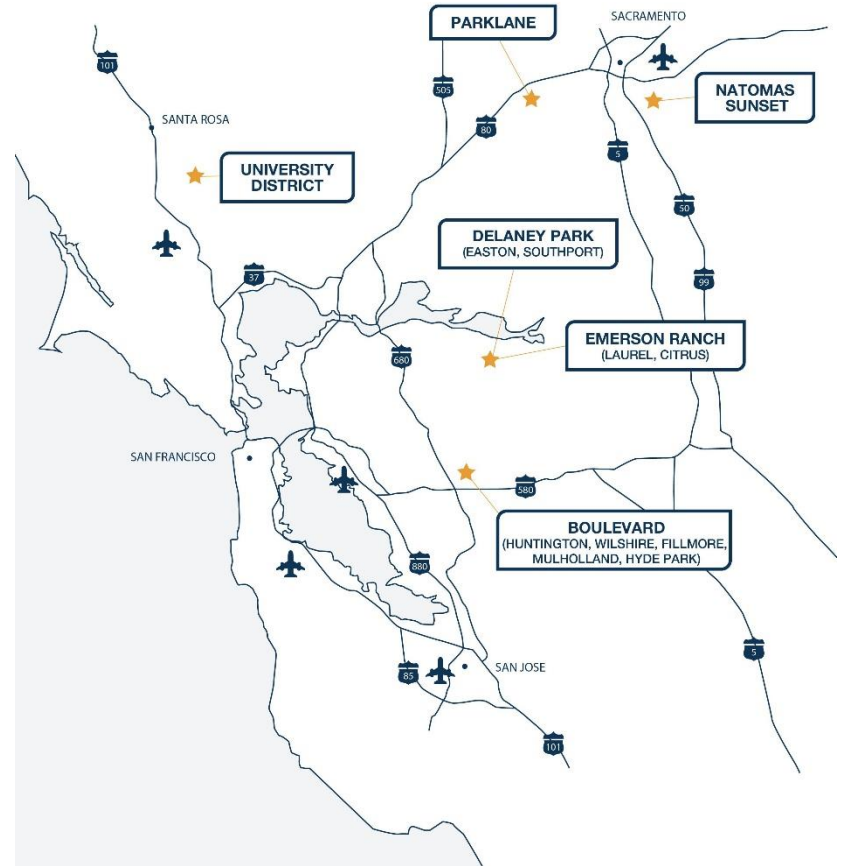
Northern California

LOTS
10,505

ENTITLED LOTS
3,250

UNENTITLED LOTS
7,255

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Boulevard (Huntington, Wilshire, Fillmore, Mulholland, Hyde Park)	602	602	–
Emerson Ranch (Laurel, Citrus)	8	8	–
Natomas, Sunset	8,520	1,715	6,805
Parklane	571	121	450
University District	460	460	–
Delaney Park (Easton, Southport)	184	184	–
Other	160	160	–
Total:	10,505	3,250	7,255



Southern California

LOTS
7,492

ENTITLED LOTS
6,307

UNENTITLED LOTS
1,185

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Audie Murphy Ranch (Savannah)	627	627	-
Escaya (Flora, Haciendas, Prado)	40	40	-
The Groves (Bayberry, Stella)	178	178	-
Lantana @Beach	208	208	-
New Haven (Holiday, Waverly, Marigold, Solstice, Poppy, Indigo, Citrus)	1,697	563	1,134
Playa Vista (The Collection)	17	17	-
Rancho Tesoro (Terracina, Vientos, Latitude)	141	141	-
Spencer's Crossing (Agave)	128	128	-
Other	4,456	4,405	51
Total:	7,492	6,307	1,185



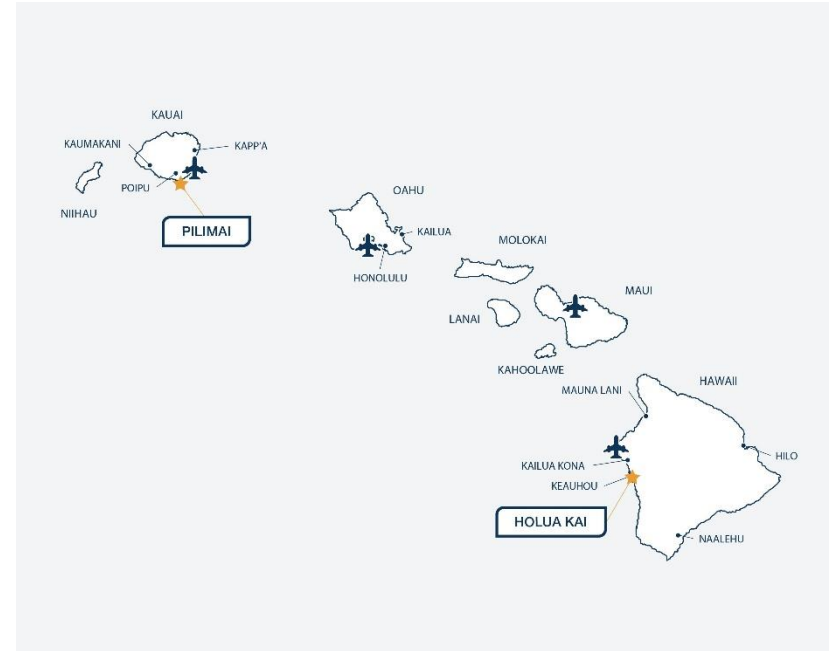
Hawaii

LOTS
28

ENTITLED LOTS
28

UNENTITLED LOTS
-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Holua Kai	15	15	-
PiliMai	13	13	-
Total:	28	28	-



Denver, Colorado

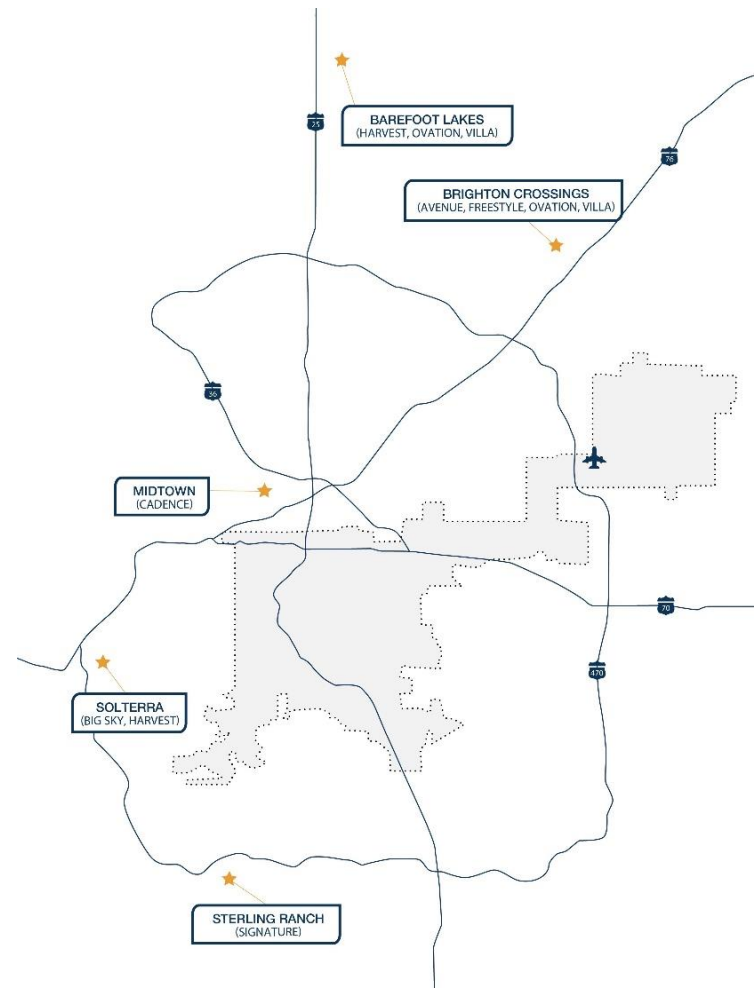
LOTS
7,265

ENTITLED LOTS
7,265

UNENTITLED LOTS
-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Barefoot Lakes (Harvest, Ovation, Villa)	3,352	3,352	-	-
Brighton Crossings (Avenue, Freestyle, Ovation, Villa)	1,443	1,443	-	10
Midtown (Cadence)	142	142	-	-
Solterra (Big Sky, Harvest)	170	170	-	-
Sterling Ranch (Signature)	23	23	-	-
Other	2,135	2,135	-	-
Total:	7,265	7,265	-	10

* Multi-family, industrial and commercial parcels



Austin, Texas

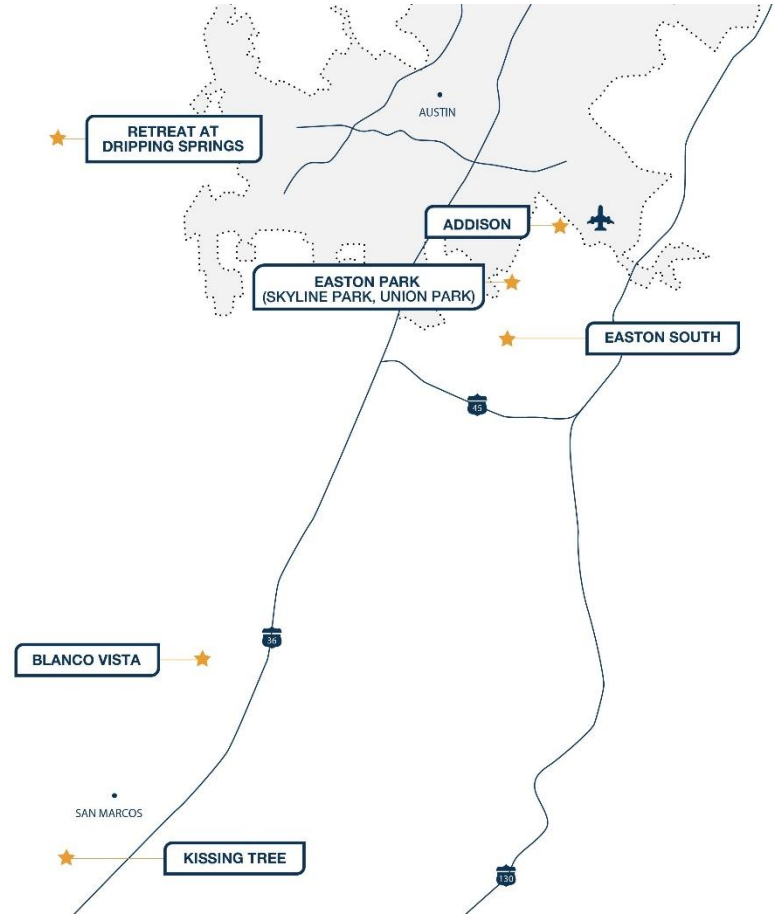
LOTS
11,905

ENTITLED LOTS
11,905

UNENTITLED LOTS
-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Addison	323	323	-	-
Blanco Vista	513	513	-	-
Easton Park (Skyline Park, Union Park)	5,092	5,092	-	37
Easton South	2,909	2,909	-	-
Kissing Tree	2,842	2,842	-	-
Retreat at Dripping Springs	37	37	-	-
Other	189	189	-	-
Total:	11,905	11,905	-	37

* Multi-family, industrial and commercial parcels



Phoenix, Arizona

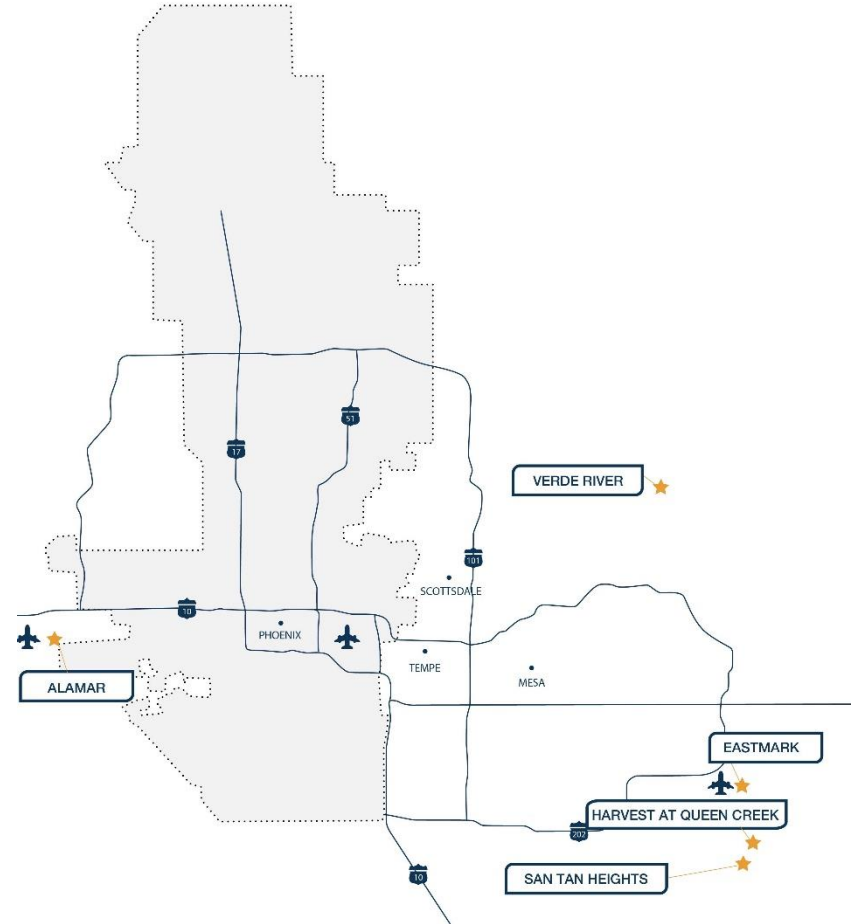
LOTS
4,011

ENTITLED LOTS
4,011

UNENTITLED LOTS
-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Alamar	1,249	1,249	-	-
Eastmark	2,133	2,133	-	14
Harvest at Queen Creek	319	319	-	-
San Tan Heights	284	284	-	-
Verde River	26	26	-	-
Total:	4,011	4,011	-	14

* Multi-family, industrial and commercial parcels



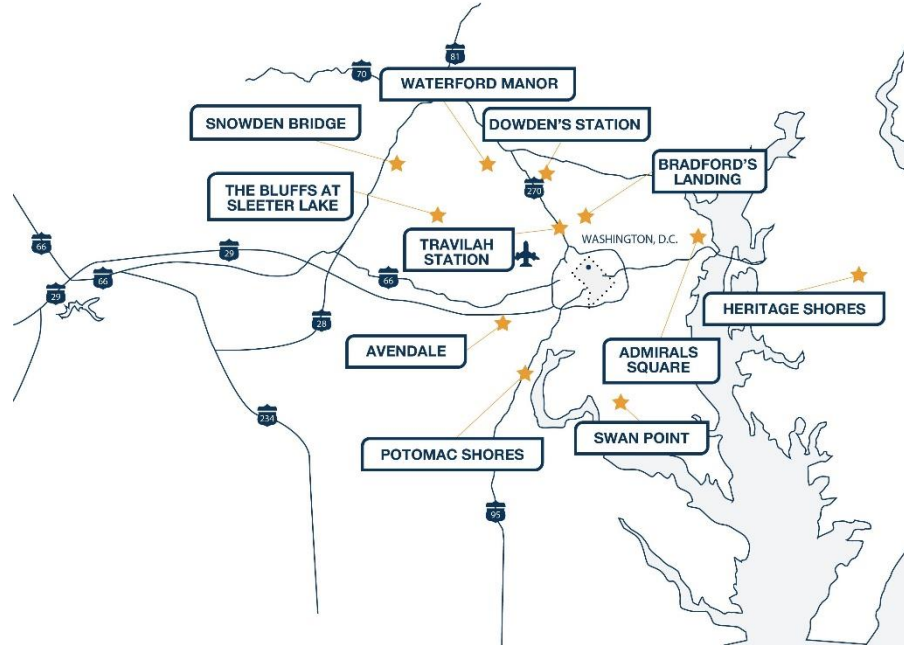
Washington, D.C. Area

LOTS
3,623

ENTITLED LOTS
3,586

UNENTITLED LOTS
37

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Admirals Square	15	15	–
Avendale	20	20	–
The Bluffs at Sleeter Lake	49	49	–
Bradford's Landing	141	141	–
Dowden's Station	105	105	–
Heritage Shores	1,206	1,206	–
Potomac Shores	70	70	–
Snowden Bridge	404	404	–
Swan Point	1,372	1,372	–
Travilah Station	54	54	–
Waterford Manor	33	33	–
Other	154	117	37
Total:	3,623	3,586	37



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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:

<https://www.brookfieldresidential.com/about/investor-media-relations>.

For all Brookfield Residential bondholder inquiries, please call 1.855.234.8362 or email investor.relations@brookfieldrp.com.



Thank you.

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