

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

AUGUST 2020

# 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 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.

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Boulevard  
Northern California

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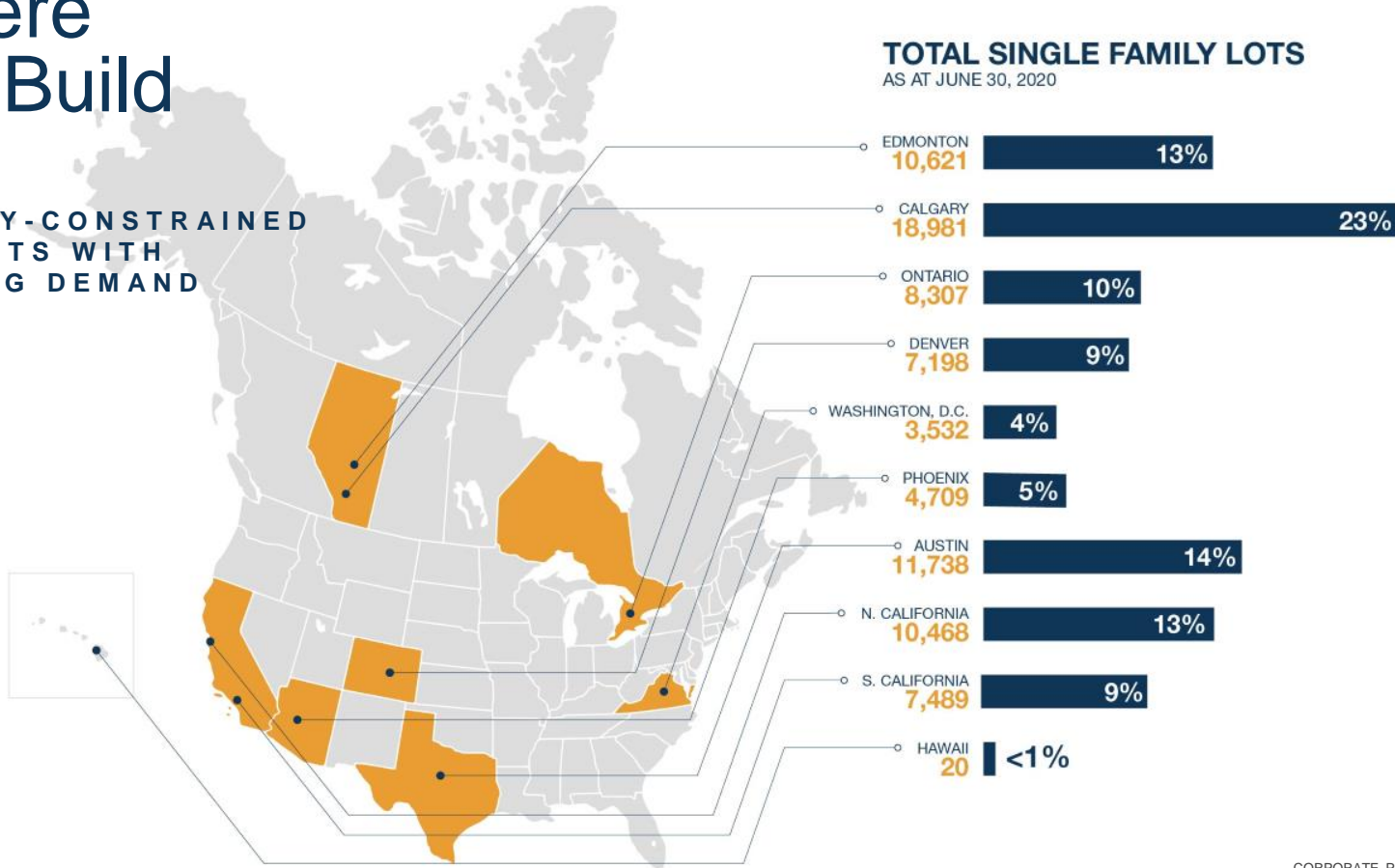
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**Our Markets** 28

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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 over \$515 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

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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

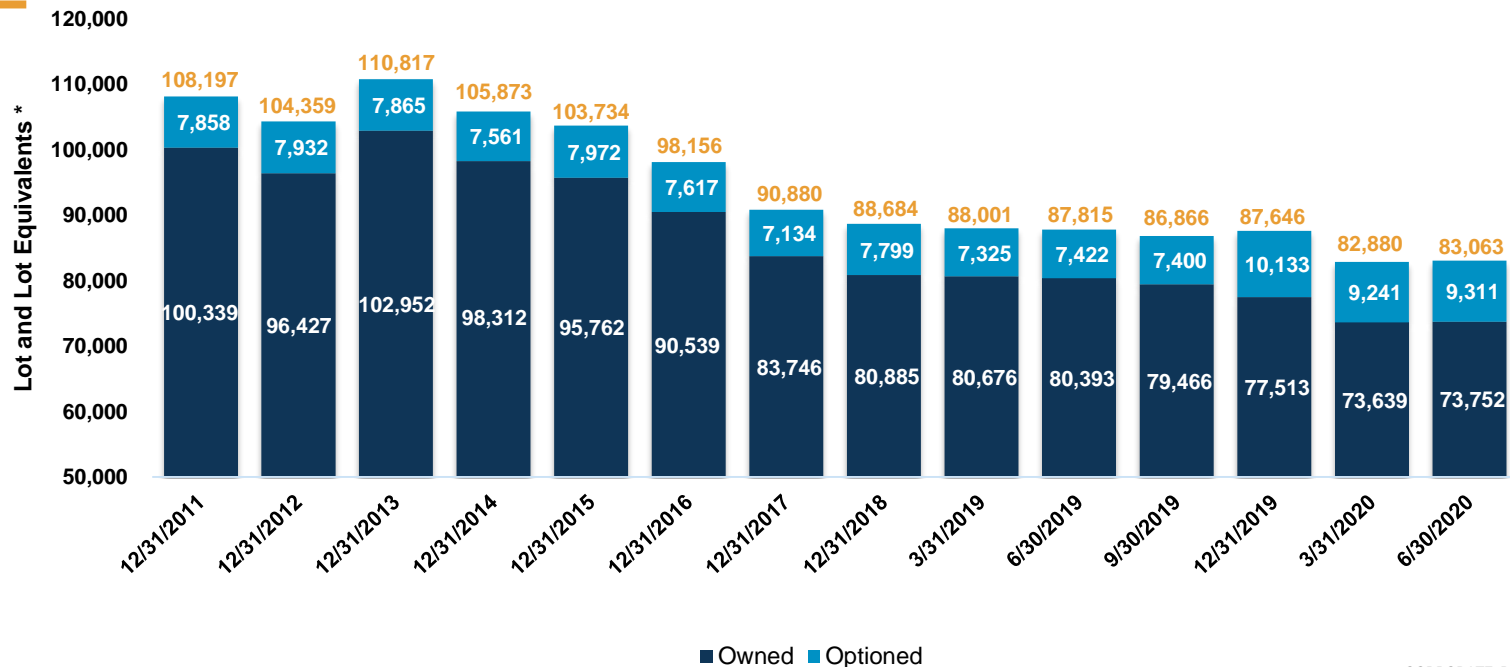
	Single Family Housing & Land Under and Land Held for Development <sup>(1)</sup>								Multi-Family, Industrial & Commercial Parcels Under Development	
	Housing & Land		Unconsolidated Entities		Total Lots		Status of Lots 30-Jun-20		Total Acres	
	Owned	Options	Owned	Options	30-Jun-20	31-Dec-19	Entitled	Unentitled	30-Jun-20	31-Dec-19
Calgary	16,534	-	2,447	-	18,981	19,045	10,868	8,113	62	70
Edmonton	10,621	-	-	-	10,621	10,797	5,411	5,210	22	22
Ontario	7,315	-	992	-	8,307	8,293	2,753	5,554	1	1
<b>Canada</b>	<b>34,470</b>	<b>-</b>	<b>3,439</b>	<b>-</b>	<b>37,909</b>	<b>38,135</b>	<b>19,032</b>	<b>18,877</b>	<b>85</b>	<b>93</b>
Northern California	2,960	7,255	253	-	10,468	10,474	3,213	7,255	-	-
Southern California	5,628	-	860	1,001	7,489	7,597	6,263	1,226	-	-
Hawaii	20	-	-	-	20	48	20	-	-	-
<b>California</b>	<b>8,608</b>	<b>7,255</b>	<b>1,113</b>	<b>1,001</b>	<b>17,977</b>	<b>18,119</b>	<b>9,496</b>	<b>8,481</b>	<b>-</b>	<b>-</b>
Denver	7,198	-	-	-	7,198	7,328	7,198	-	10	10
Austin	11,738	-	-	-	11,738	12,120	11,738	-	37	37
Phoenix	2,235	-	2,474	-	4,709	4,032	4,709	-	14	14
Washington D.C. Area	2,477	1,055	-	-	3,532	3,732	3,495	37	-	-
<b>Central and Eastern U.S.</b>	<b>23,648</b>	<b>1,055</b>	<b>2,474</b>	<b>-</b>	<b>27,177</b>	<b>27,212</b>	<b>27,140</b>	<b>37</b>	<b>61</b>	<b>61</b>
<b>Corporate and Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>66,726</b>	<b>8,310</b>	<b>7,026</b>	<b>1,001</b>	<b>83,063</b>	<b>87,646</b>	<b>55,668</b>	<b>27,395</b>	<b>146</b>	<b>154</b>
Entitled lots	48,796	1,055	5,817	-	55,668	60,292				
Unentitled lots	17,930	7,255	1,209	1,001	27,395	27,354				
<b>Total June 30, 2020</b>	<b>66,726</b>	<b>8,310</b>	<b>7,026</b>	<b>1,001</b>	<b>83,063</b>					
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 30-Jun-20		Total 31-Dec-19	
			Units	\$	Units	\$
<i>(millions, except per unit activity)</i>						
Land Held For Development (lots)	1,277	139	64,188	1,416	63,778	1,428
Land Under Development - Single Family (lots)	795	182	7,438	977	11,681	1,113
Optioned (lots)	91	22	9,311	113	10,133	133
Housing inventory (units)	557	-	1,872	557	1,798	505
Model homes (units)	111	-	254	111	256	111
Unconsolidated entities net liabilities	-	(7)	-	(7)	-	(12)
<b>Sub total</b>	<b>2,831</b>	<b>336</b>	<b>83,063</b>	<b>3,167</b>	<b>87,646</b>	<b>3,278</b>
Multi Family, Commercial & Industrial Parcels (acres)	59	6	146	65	154	111
<b>Total</b>	<b>2,890</b>	<b>342</b>		<b>3,232</b>		<b>3,389</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	
	2020	2019	2020	2019
<b>Results from Operations</b>				
Total revenue	\$ 323	\$ 476	\$ 635	\$ 823
Housing revenue	306	405	600	724
Land revenue	17	71	35	99
Gross margin (\$)	55	79	109	145
Gross margin (%)	17%	17%	17%	18%
Income / (loss) before income taxes	22	23	(4)	30
Income tax expense	(5)	(6)	(1)	(2)
Consolidated net income / (loss)	17	17	(5)	28
Net income / (loss) attributable to Brookfield Residential	12	16	(3)	26
<b>Operating Data</b>				
Home closings for Brookfield Residential (units)	634	763	1,178	1,374
Average home selling price for Brookfield Residential (per unit)	\$ 483,000	\$ 531,000	\$ 509,000	\$ 527,000
Net new home orders for Brookfield Residential (units)	622	867	1,543	1,627
Backlog for Brookfield Residential (units)	1,638	1,390	1,638	1,390
Backlog value for Brookfield Residential	\$ 771	\$ 730	\$ 771	\$ 730
Lot closings for Brookfield Residential (single family units)	164	756	331	1,014
Lot closings for unconsolidated entities (single family units)	58	257	122	535
Acre closings for Brookfield Residential (multi-family, industrial and commercial)	-	3	3	13
Acre closings for unconsolidated entities (multi-family, industrial and commercial)	-	-	1	1
Average lot selling price for Brookfield Residential (single family units)	\$ 105,000	\$ 91,000	\$ 98,000	\$ 92,000
Average lot selling price for unconsolidated entities (single family units)	\$ 178,000	\$ 172,000	\$ 153,000	\$ 105,000
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial)	\$ -	\$ 581,000	\$ 819,000	\$ 396,000
Average per acre selling price for unconsolidated entities (multi-family, industrial and commercial)	\$ -	\$ -	\$ 297,000	\$ 106,000

# Condensed Consolidated Balance Sheets

	Jun 30	Mar 31	Dec 31	Sept 30
<i>(thousands, except percentages)</i>	2020	2020	2019	2019
<b>ASSETS</b>				
Cash and cash equivalents	\$ 92,048	\$ 138,195	\$ 109,923	\$ 64,249
Restricted cash	19,460	17,709	13,818	10,873
Receivables and other assets	690,351	723,289	488,716	491,773
Land and housing inventory	2,889,726	2,841,043	3,058,624	3,143,502
Investments in unconsolidated entities - land and housing	342,382	335,329	330,597	375,666
Investment in unconsolidated entities - affiliate	611,402	609,581	634,028	616,920
Held-to-maturity investment	300,000	300,000	300,000	300,000
Commercial properties	627,671	548,513	468,519	416,340
Operating and financing lease right-of-use asset	85,302	86,301	89,750	92,466
Deferred income tax assets	54,509	49,995	49,392	50,040
Goodwill	16,479	16,479	16,479	16,479
	<b>\$ 5,729,330</b>	<b>\$ 5,666,434</b>	<b>\$ 5,559,846</b>	<b>\$ 5,578,308</b>
<b>LIABILITIES</b>				
Notes payable	\$ 1,607,372	\$ 1,600,087	\$ 1,616,545	\$ 1,611,902
Bank indebtedness and other financings	476,908	481,851	228,147	424,310
Total financings	2,084,280	2,081,938	1,844,692	2,036,212
Accounts payable and other liabilities	553,238	514,819	577,074	626,064
Operating and financing lease liability	90,140	90,675	92,834	94,810
Total liabilities	2,727,658	2,687,432	2,514,600	2,757,086
<b>EQUITY</b>	3,001,672	2,979,002	3,045,246	2,821,222
	<b>\$ 5,729,330</b>	<b>\$ 5,666,434</b>	<b>\$ 5,559,846</b>	<b>\$ 5,578,308</b>
Net debt to total capitalization	40%	39%	36%	41%



# Condensed Consolidated Statements of Operations

<i>(thousands)</i>	Three months ended Jun 30		Six months ended Jun 30	
	2020	2019	2020	2019
<b>Revenue</b>				
Housing	\$ 306,134	\$ 404,908	\$ 600,055	\$ 723,676
Land	17,294	71,044	35,034	98,500
	323,428	475,952	635,089	822,176
<b>Direct cost of sales</b>				
Housing	(257,358)	(339,502)	(502,843)	(605,295)
Land	(11,500)	(57,815)	(23,099)	(71,576)
Gross margin	54,570	78,635	109,147	145,305
Selling, general and administrative expense	(52,921)	(64,921)	(110,710)	(131,296)
Interest expense	(102)	(8,165)	(2,233)	(16,704)
Earnings from unconsolidated entities - land and housing	2,505	10,661	4,592	15,069
Earnings / (loss) from unconsolidated entities - affiliate	1,592	-	(22,889)	-
Other income	20,745	11,108	26,275	25,459
Lease expense	(3,243)	(3,047)	(6,475)	(5,833)
Depreciation	(1,098)	(1,144)	(2,159)	(2,204)
Income / (loss) before income taxes	22,048	23,127	(4,452)	29,796
Current income tax expense	(7,530)	(321)	(7,897)	(1,864)
Deferred income tax recovery / (expense)	2,601	(5,882)	7,345	(340)
<b>Consolidated net income / (loss)</b>	17,119	16,924	(5,004)	27,592
Net income attributable to non-controlling interest - land and housing	3,105	768	6,365	1,110
Net income / (loss) attributable to non-controlling interest - affiliate	1,592	-	(8,481)	-
<b>Net income / (loss) attributable to Brookfield Residential</b>	\$ 12,422	\$ 16,156	\$ (2,888)	\$ 26,482
<b>Other comprehensive income / (loss)</b>				
Unrealized foreign exchange gain / (loss) on:				
Translation of the net investment in Canadian subsidiaries and unconsolidated entities - affiliate	32,795	17,702	(42,263)	36,629
Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	(6,350)	(3,625)	8,325	(7,600)
<b>Comprehensive income / (loss) attributable to Brookfield Residential</b>	\$ 38,867	\$ 30,233	\$ (36,826)	\$ 55,511

# Condensed Consolidated Statements of Cash Flows

(thousands)	Six months ended Jun 30	
	2020	2019
<b>Cash Flows (Used in) Operating Activities:</b>		
Net (loss) / income	\$ (5,004)	\$ 27,592
<b>Adjustments to reconcile net (loss) / income to net cash used in operating activities:</b>		
Undistributed earnings from unconsolidated entities - land and housing	(4,592)	(9,399)
Undistributed loss from unconsolidated entities - affiliate	22,889	-
Deferred income tax (recovery) / expense	(7,345)	340
Share-based compensation expense	5,042	8,492
Depreciation	2,159	2,204
Right-of-use asset depreciation	3,886	2,577
Amortization of non-cash interest	3,749	3,237
Loss on extinguishment of debt	15,030	-
Dividend income on held-to-maturity investment	(11,968)	(8,648)
<b>Changes in operating assets and liabilities:</b>		
Decrease in receivables and other assets	17,321	17,573
Increase in land and housing inventory	(64,633)	(43,387)
Increase in commercial properties	(130,812)	(92,706)
Decrease in operating lease liabilities	(1,973)	(1,210)
Decrease in accounts payable and other liabilities	(24,067)	(60,605)
Net cash used in operating activities	(180,318)	(153,940)
<b>Cash Flows (Used in) / Provided by Investing Activities:</b>		
Investments in unconsolidated entities - land and housing	(17,642)	(23,154)
Distributions from unconsolidated entities - land and housing	7,104	8,617
Redemption of held-to-maturity investments	-	300,000
Purchase of held-to-maturity investments	-	(300,000)
Dividend income on held-to-maturity investment	-	8,648
(Increase) / decrease in loan receivable	(27,276)	15,090
Net cash (used in) / provided by investing activities	(37,814)	9,201
<b>Cash Flows Provided by Financing Activities:</b>		
Deposits from affiliates	-	200,000
Drawings under project-specific and other financings	118,284	80,770
Repayments under project-specific and other financings	(20,832)	(1,702)
Net drawings on bank indebtedness	134,500	-
Net repayments on bank indebtedness	-	(90,072)
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 distributions to non-controlling interest	(4,632)	(3,245)
Payments made on the principal of financing leases	(102)	(68)
Net cash provided by financing activities	209,305	185,683
Effect of foreign exchange rates on cash and cash equivalents	(3,406)	(688)
Change in cash, cash equivalents and restricted cash	(12,233)	40,256
Cash, cash equivalents and restricted cash at beginning of period	123,741	73,132
Cash, cash equivalents and restricted cash at end of period	\$ 111,508	\$ 113,388

# Quarterly Operating and Financial Information

<i>(millions, except per unit activity)</i>	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Home closings (units)	634	544	882	674	763	611	1,107	827
Lots closings (single family units)	164	167	1,578	578	756	258	1,655	552
Acre closings (multi-family, industrial and commercial)	-	3	20	10	3	10	27	42
Acre closings (raw and partially finished)	-	-	18	134	-	-	-	-
Net new home orders (units)	622	921	671	768	867	760	506	644
Backlog (units)	1,638	1,650	1,273	1,484	1,390	1,286	1,137	1,738
Backlog value	\$ 771	\$ 750	\$ 603	\$ 744	\$ 730	\$ 685	\$ 612	\$ 955
Revenue	\$ 323	\$ 312	\$ 656	\$ 461	\$ 476	\$ 346	\$ 796	\$ 502
Direct cost of sales	(268)	(257)	(520)	(356)	(397)	(279)	(619)	(388)
Gross margin	55	55	136	105	79	67	177	114
Gain on sale of commercial properties	-	-	-	-	-	-	6	-
Selling, general and administrative expense	(53)	(58)	(53)	(60)	(65)	(66)	(93)	(72)
Interest expense	-	(3)	(10)	(9)	(8)	(9)	(9)	(8)
Earnings from unconsolidated entities - land and housing	2	2	10	9	11	4	5	4
Earnings / (loss) from unconsolidated entities - affiliate	2	(24)	24	-	-	-	-	-
Other income	19	4	15	12	9	14	15	18
Lease expense	(3)	(3)	(3)	(3)	(3)	(3)	-	-
<b>Income / (loss) before income taxes</b>	22	(27)	119	54	23	7	101	56
Income tax (expense) / recovery	(5)	4	2	(5)	(6)	4	(22)	(8)
<b>Consolidated net income / (loss)</b>	17	(23)	121	49	17	11	79	48
Net income attributable to non-controlling interest - land and housing	3	3	5	1	1	1	2	4
Net income / (loss) attributable to non-controlling interest - affiliate	2	(11)	36	-	-	-	-	-
<b>Net income / (loss) attributable to Brookfield Residential</b>	\$ 12	\$ (15)	\$ 80	\$ 48	\$ 16	\$ 10	\$ 77	\$ 44
Foreign currency translation	27	(60)	15	(8)	14	15	(42)	14
<b>Comprehensive income / (loss)</b>	\$ 39	\$ (75)	\$ 95	\$ 40	\$ 30	\$ 25	\$ 35	\$ 58

# Select Operating Information - Housing

<i>(millions, except per unit activity and average selling price)</i>	Three months ended Jun 30				Six months ended Jun 30			
	2020		2019		2020		2019	
	Units	\$	Units	\$	Units	\$	Units	\$
<b>Home closings</b>								
Canada	180	\$ 60	291	\$ 110	338	\$ 116	506	\$ 193
California	176	119	227	174	349	258	420	311
Central and Eastern U.S.	278	127	245	121	491	226	448	220
<b>Total</b>	<b>634</b>	<b>\$ 306</b>	<b>763</b>	<b>\$ 405</b>	<b>1,178</b>	<b>\$ 600</b>	<b>1,374</b>	<b>\$ 724</b>

	Three months ended Jun 30		Six months ended Jun 30	
	2020	2019	2020	2019
<b>Average home selling price</b>				
Canada	\$ 332,000	\$ 378,000	\$ 343,000	\$ 381,000
California	678,000	765,000	739,000	740,000
Central and Eastern U.S.	457,000	495,000	460,000	491,000
<b>Average selling price</b>	<b>\$ 483,000</b>	<b>\$ 531,000</b>	<b>\$ 509,000</b>	<b>\$ 527,000</b>

<b>Net new home orders (units)</b>				
Canada	177	318	463	558
California	230	300	535	536
Central and Eastern U.S.	215	249	545	533
<b>Total</b>	<b>622</b>	<b>867</b>	<b>1,543</b>	<b>1,627</b>

# Select Operating Information - Housing

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

	As at Jun 30	
<b>Active housing communities</b>	<b>2020</b>	<b>2019</b>
Canada	36	36
California	22	24
Central and Eastern U.S.	31	30
Total	89	90

	As at Jun 30			
<b>Backlog</b>	2020		2019	
	Units	Value	Units	Value
Canada	681	\$ 276	503	\$ 192
California	405	245	377	299
Central and Eastern U.S.	552	250	510	239
Total	1,638	\$ 771	1,390	\$ 730

# Select Operating Information - Land

<i>(millions, except per unit activity)</i>	Three months ended Jun 30				Six months ended Jun 30			
	2020		2019		2020		2019	
	Units	\$	Units	\$	Units	\$	Units	\$
<b>Lot closings (single family units)</b>								
Canada	53	\$ 6	171	\$ 18	176	\$ 18	291	\$ 31
California	51	6	47	6	51	6	47	6
Central and Eastern U.S.	60	5	140	10	104	8	220	17
Corporate and Other	-	-	398	35	-	-	456	40
	164	17	756	69	331	32	1,014	94
Unconsolidated entities	58	10	257	44	122	19	535	56
<b>Total</b>	<b>222</b>	<b>\$ 27</b>	<b>1,013</b>	<b>\$ 113</b>	<b>453</b>	<b>\$ 51</b>	<b>1,549</b>	<b>\$ 150</b>
<b>Acre closings (multi-family, industrial and commercial)</b>								
Canada	-	\$ -	2	\$ 1	3	\$ 3	2	\$ 2
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	-	-	1	1	-	-	11	3
	-	-	3	2	3	3	13	5
Unconsolidated entities	-	-	-	1	1	-	1	1
<b>Total</b>	<b>-</b>	<b>\$ -</b>	<b>3</b>	<b>\$ 3</b>	<b>4</b>	<b>\$ 3</b>	<b>14</b>	<b>\$ 6</b>

# Select Operating Information - Land

	Three months ended Jun 30		Six months ended Jun 30	
	2020	2019	2020	2019
<b>Average lot selling price (single family units)</b>				
Canada	\$ 115,000	\$ 103,000	\$ 103,000	\$ 107,000
California	126,000	131,000	125,000	132,000
Central and Eastern U.S.	80,000	72,000	77,000	75,000
Corporate and Other	-	88,000	-	86,000
	105,000	91,000	98,000	92,000
Unconsolidated entities	178,000	172,000	153,000	105,000
Average selling price	\$ 124,000	\$ 112,000	\$ 113,000	\$ 97,000
<b>Average per acre selling price (multi-family, industrial and commercial)</b>				
Canada	\$ -	\$ 611,000	\$ 819,000	\$ 647,000
California	-	-	-	-
Central and Eastern U.S.	-	510,000	-	338,000
	-	581,000	819,000	396,000
Unconsolidated entities	-	-	297,000	106,000
Average selling price	\$ -	\$ 581,000	\$ 613,000	\$ 385,000

	As at Jun 30	
	2020	2019
<b>Active land communities</b>		
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 Jun 30				Six Months Ended Jun 30				
	2020		2019		2020		2019		
	\$	%	\$	%	\$	%	\$	%	
<b>Housing gross margin</b>									
Canada	\$ 9	15%	\$ 16	15%	\$ 18	16%	\$ 29	15%	
California	21	18%	30	17%	46	18%	54	17%	
Central and Eastern U.S.	19	15%	20	17%	33	15%	35	16%	
<b>Total</b>	<b>\$ 49</b>	<b>16%</b>	<b>\$ 66</b>	<b>16%</b>	<b>\$ 97</b>	<b>16%</b>	<b>\$ 118</b>	<b>16%</b>	
<b>Land gross margin</b>									
Canada	\$ 3	50%	\$ 9	47%	\$ 8	38%	\$ 18	55%	
California	1	17%	2	33%	2	33%	4	67%	
Central and Eastern U.S.	2	40%	2	18%	2	25%	5	25%	
<b>Total</b>	<b>\$ 6</b>	<b>35%</b>	<b>\$ 13</b>	<b>18%</b>	<b>\$ 12</b>	<b>34%</b>	<b>\$ 27</b>	<b>27%</b>	
<b>Total gross margin</b>									
Canada	\$ 12	18%	\$ 25	19%	\$ 26	19%	\$ 47	21%	
California	22	18%	32	18%	48	18%	58	18%	
Central and Eastern U.S.	21	16%	22	17%	35	15%	40	17%	
<b>Total</b>	<b>\$ 55</b>	<b>17%</b>	<b>\$ 79</b>	<b>17%</b>	<b>\$ 109</b>	<b>17%</b>	<b>\$ 145</b>	<b>18%</b>	



# Historical Pro Forma Financial Information

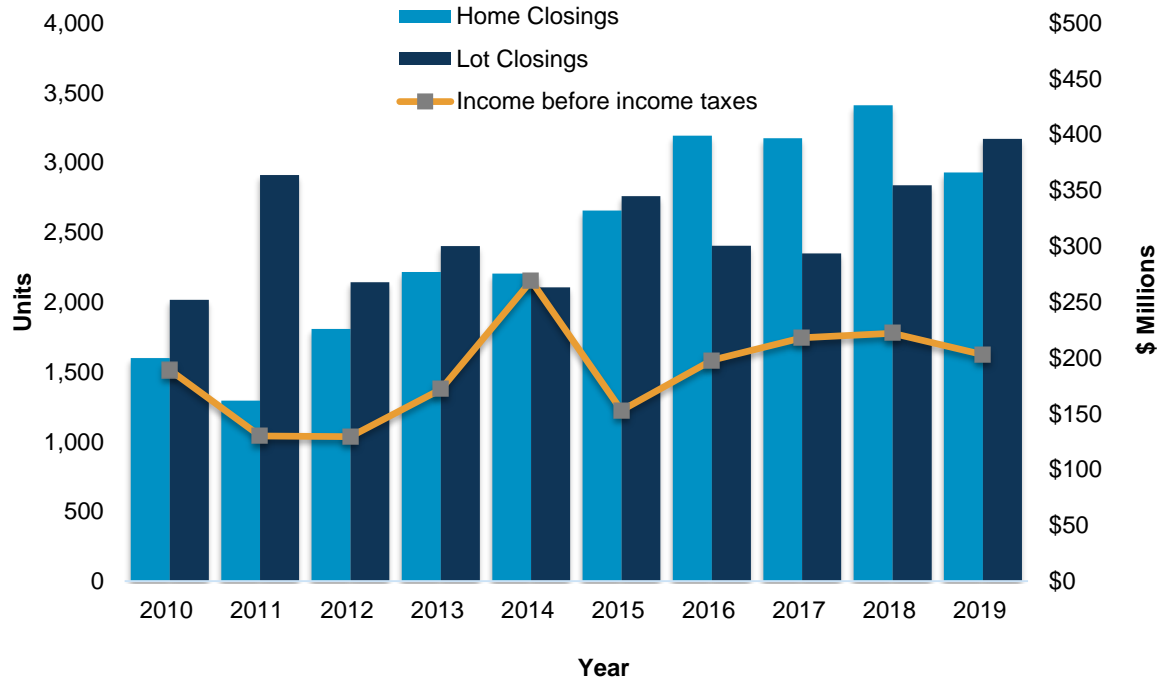
## **BROOKFIELD RESIDENTIAL PROPERTIES**

*(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
<b>Income before income taxes</b>	<b>\$ 203</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>

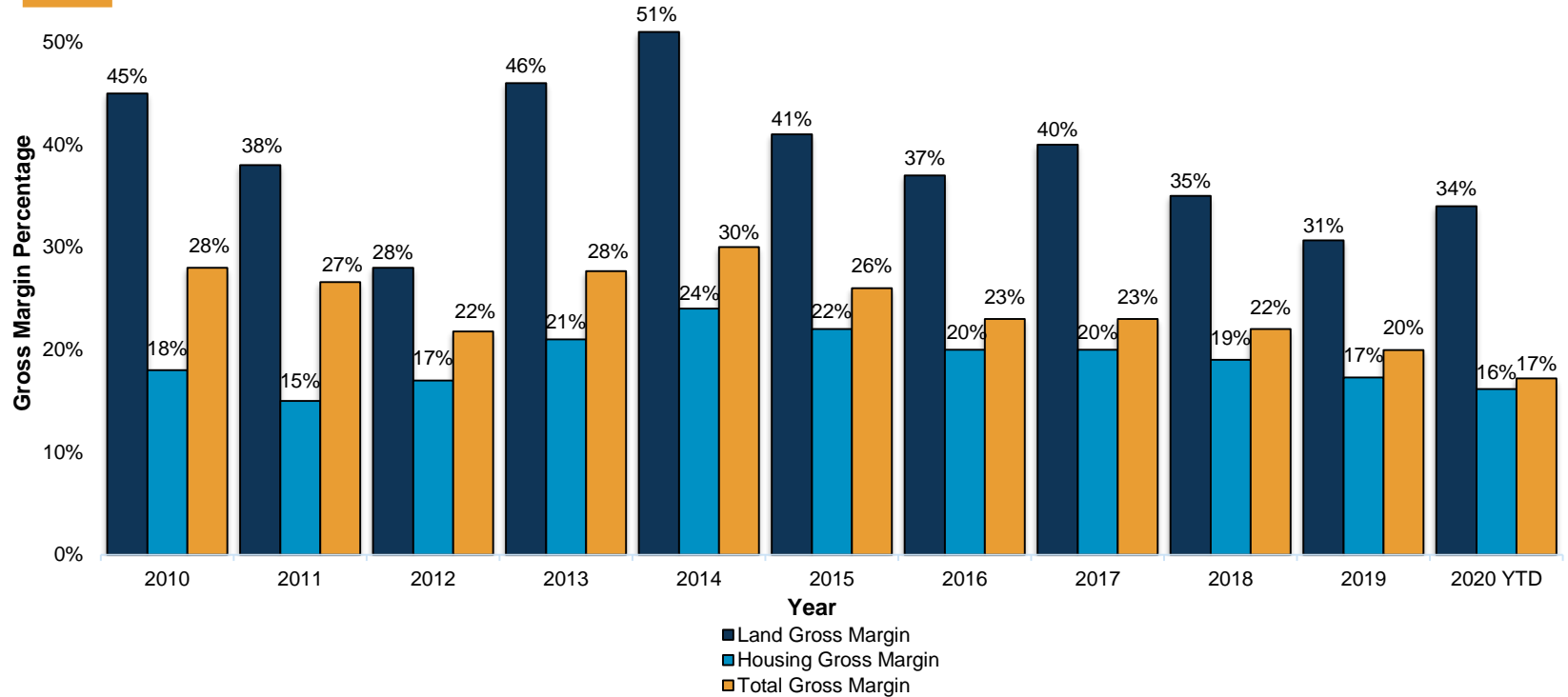
\* Prior to January 1, 2011, the Company's business practice in Alberta was to not transfer title on its lots sold to the homebuilder who built the home and ultimately sold the home to the consumer, but to wait and transfer title of the lot to the ultimate homebuyer at the time of the home closing. As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

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# Calgary, Alberta

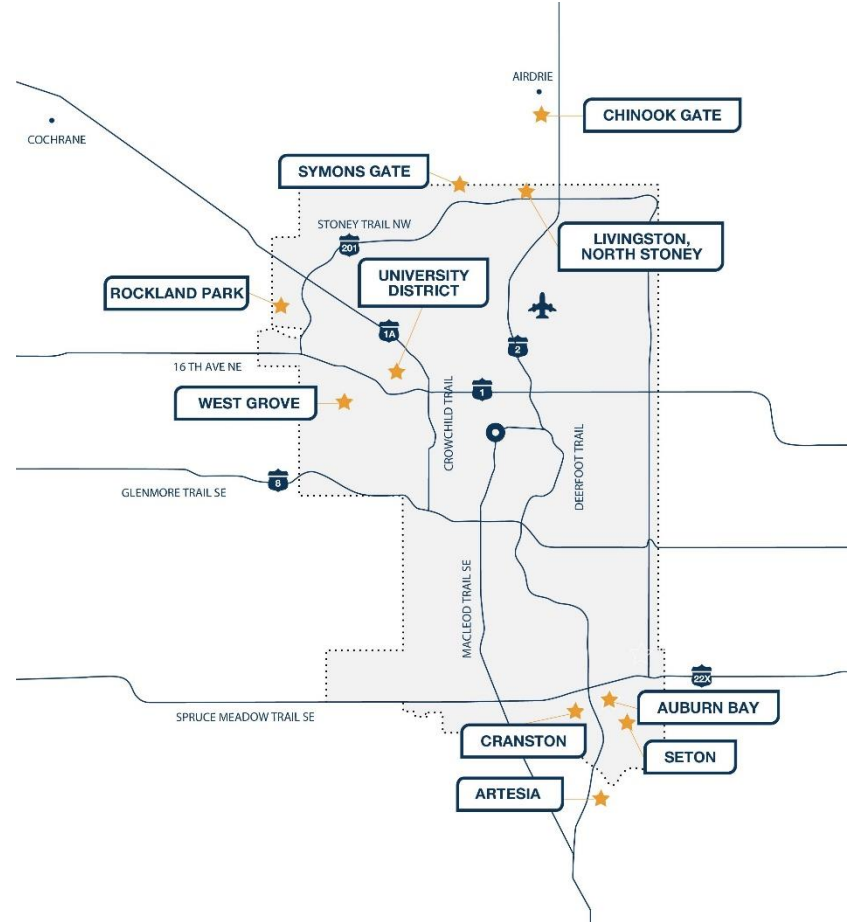
**LOTS**  
**18,981**

**ENTITLED LOTS**  
**10,868**

**UNENTITLED LOTS**  
**8,113**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Artesia	66	66	-	-
Auburn Bay	81	81	-	1
Chinook Gate (Airdrie)	170	170	-	-
Cranston	456	456	-	12
Livingston	6,871	3,167	3,704	10
North Stoney	2,888	-	2,888	-
Rockland Park	1,317	1,317	-	-
Seton	6,326	4,805	1,521	35
Symons Gate	53	53	-	2
University District	34	34	-	2
West Grove	25	25	-	-
Other	694	694	-	-
<b>Total:</b>	<b>18,981</b>	<b>10,868</b>	<b>8,113</b>	<b>62</b>

\* Multi-family, industrial and commercial parcels



# Edmonton, Alberta

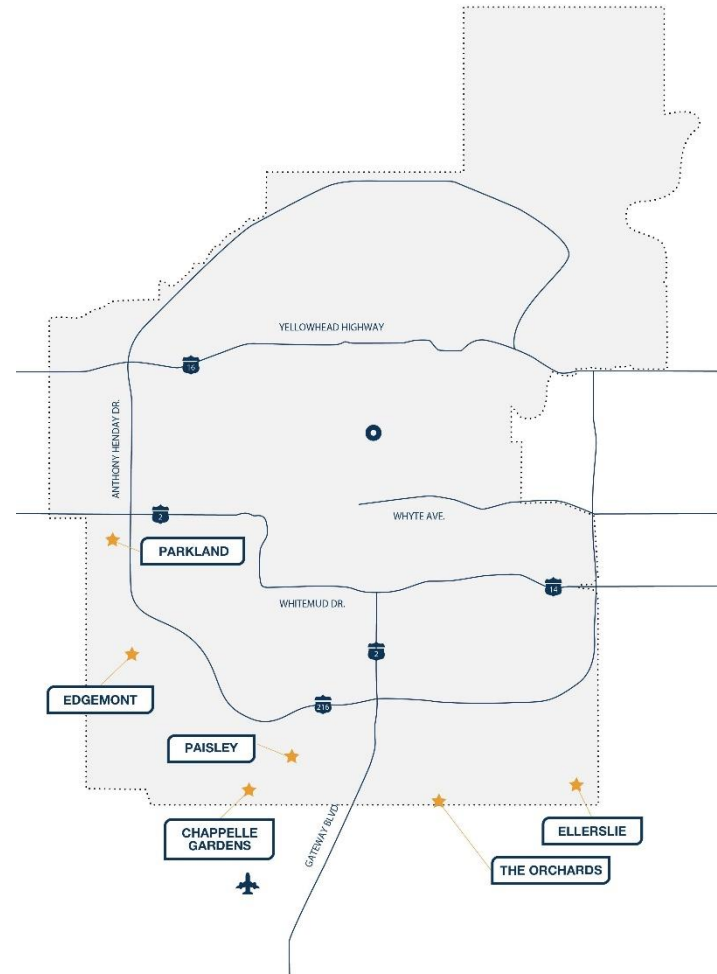
LOTS  
**10,621**

ENTITLED LOTS  
**5,411**

UNENTITLED LOTS  
**5,210**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Chappelle Gardens	1,327	1,327	–	10
Edgemont	729	729	–	–
Ellerslie	5,210	–	5,210	–
The Orchards	2,856	2,856	–	7
Paisley	377	377	–	4
Parkland	49	49	–	–
Other	73	73	–	1
<b>Total:</b>	<b>10,621</b>	<b>5,411</b>	<b>5,210</b>	<b>22</b>

\* Multi-family, industrial and commercial parcels



# Ontario

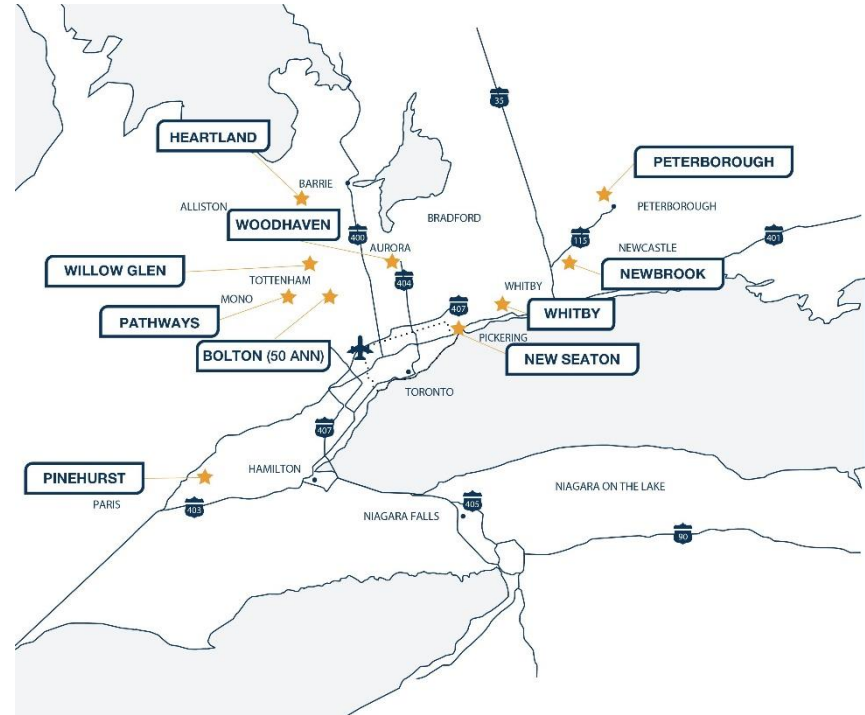
LOTS  
**8,307**

ENTITLED LOTS  
**2,753**

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	1,079	1,079	-	-
Pathways	93	93	-	-
Peterborough	5,278	-	5,278	-
Pinehurst	139	139	-	-
Whitby	511	505	6	1
Willow Glen	60	60	-	-
Woodhaven	159	159	-	-
Other	122	122	-	-
<b>Total:</b>	<b>8,307</b>	<b>2,753</b>	<b>5,554</b>	<b>1</b>

\* Multi-family, industrial and commercial parcels



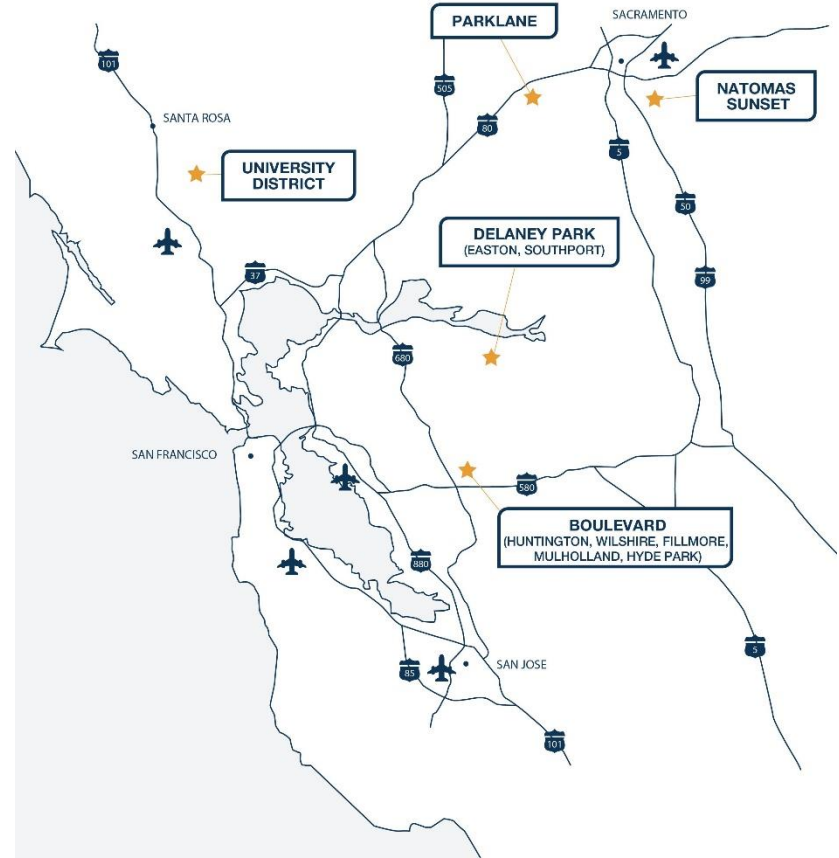
# Northern California

LOTS  
**10,468**

ENTITLED LOTS  
**3,213**

UNENTITLED LOTS  
**7,255**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Boulevard (Huntington, Wilshire, Fillmore, Mulholland, Hyde Park)	583	583	-
Natomas, Sunset	8,520	1,715	6,805
Parklane	571	121	450
University District	460	460	-
Delaney Park (Easton, Southport)	173	173	-
Other	161	161	-
<b>Total:</b>	<b>10,468</b>	<b>3,213</b>	<b>7,255</b>





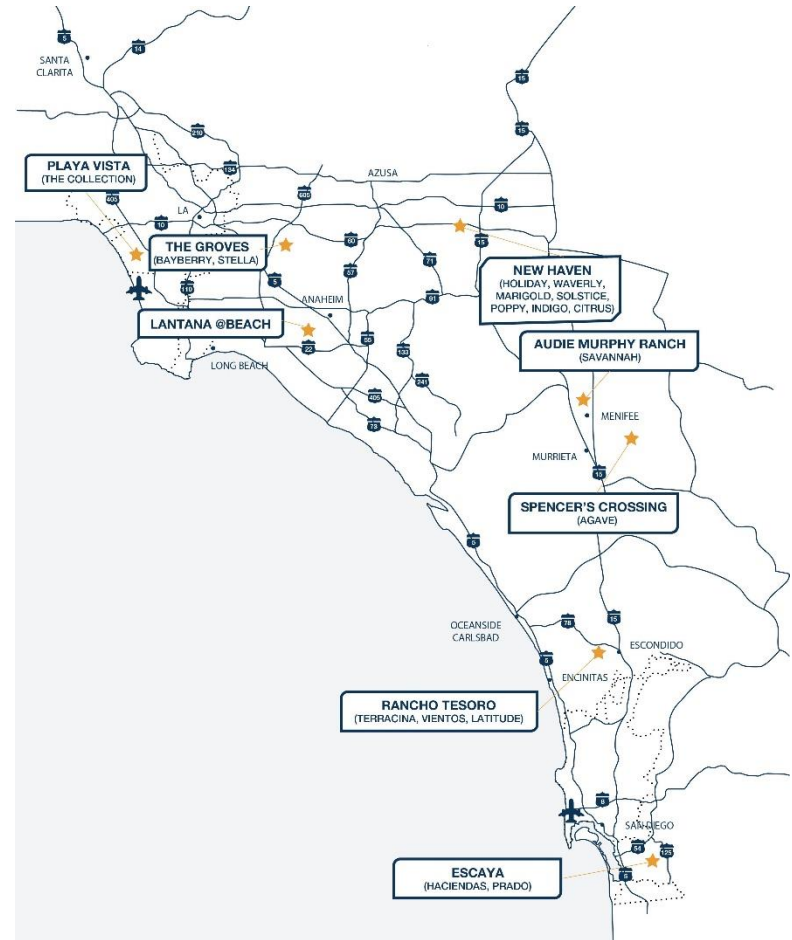
# Southern California

**LOTS**  
**7,489**

**ENTITLED LOTS**  
**6,263**

**UNENTITLED LOTS**  
**1,226**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Audie Murphy Ranch (Savannah)	565	565	-
Escaya (Haciendas, Prado)	25	25	-
The Groves (Bayberry, Stella)	274	274	-
Lantana @Beach	182	182	-
New Haven (Holiday, Waverly, Marigold, Solstice, Poppy, Indigo, Citrus)	1,735	560	1,175
Playa Vista (The Collection)	11	11	-
Rancho Tesoro (Terracina, Vientos, Latitude)	120	120	-
Spencer's Crossing (Agave)	121	121	-
Other	4,456	4,405	51
<b>Total:</b>	<b>7,489</b>	<b>6,263</b>	<b>1,226</b>



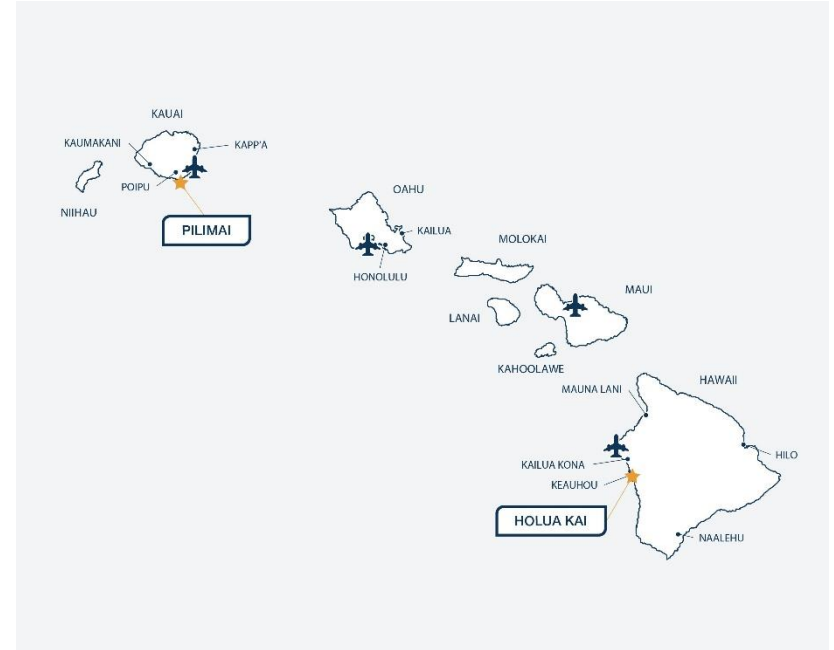
# Hawaii

LOTS  
**20**

ENTITLED LOTS  
**20**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Holua Kai	13	13	-
PiliMai	7	7	-
<b>Total:</b>	<b>20</b>	<b>20</b>	<b>-</b>



# Denver, Colorado

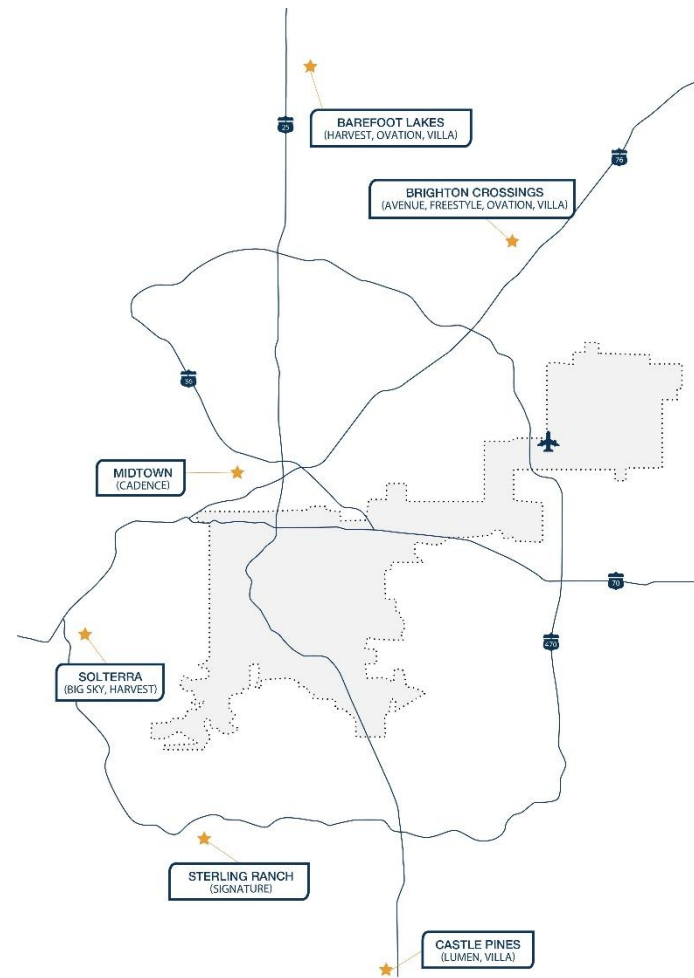
LOTS  
**7,198**

ENTITLED LOTS  
**7,198**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Barefoot Lakes (Harvest, Ovation, Villa)	3,336	3,336	-	-
Brighton Crossings (Avenue, Freestyle, Ovation, Villa)	1,419	1,419	-	10
Castle Pines (Lumen, Villa)	43	43	-	-
Midtown (Cadence)	130	130	-	-
Solterra (Big Sky, Harvest)	169	169	-	-
Sterling Ranch (Signature)	14	14	-	-
Other	2,087	2,087	-	-
<b>Total:</b>	<b>7,198</b>	<b>7,198</b>	<b>-</b>	<b>10</b>

\* Multi-family, industrial and commercial parcels



# Austin, Texas

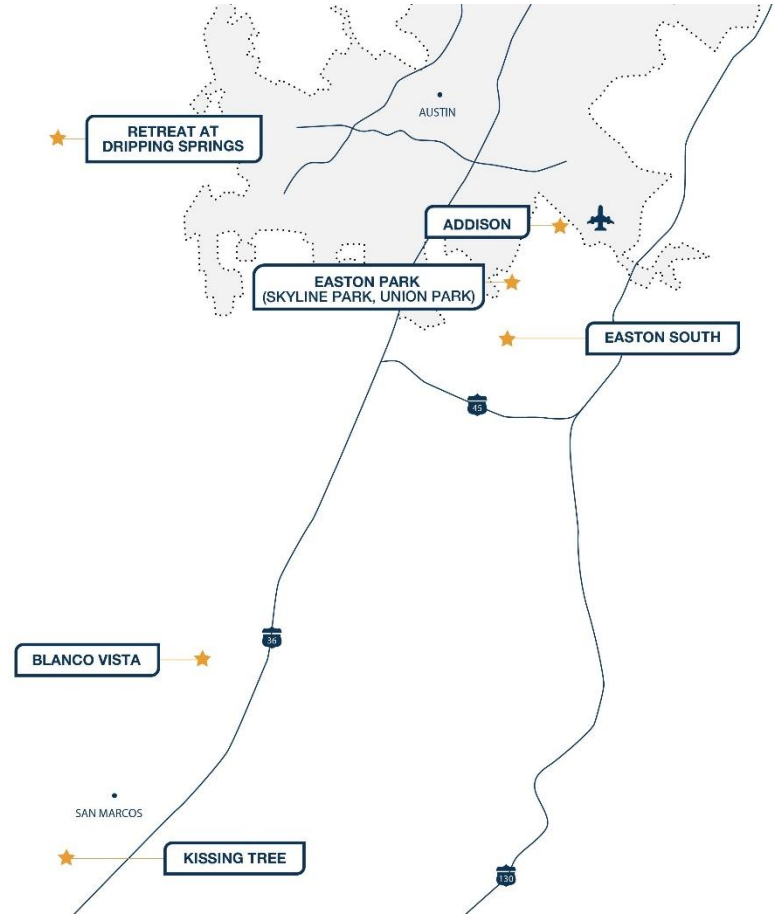
LOTS  
**11,738**

ENTITLED LOTS  
**11,738**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Addison	312	312	-	-
Blanco Vista	492	492	-	-
Easton Park (Skyline Park, Union Park)	5,061	5,061	-	37
Easton South	2,909	2,909	-	-
Kissing Tree	2,792	2,792	-	-
Retreat at Dripping Springs	32	32	-	-
Other	140	140	-	-
<b>Total:</b>	<b>11,738</b>	<b>11,738</b>	<b>-</b>	<b>37</b>

\* Multi-family, industrial and commercial parcels



# Phoenix, Arizona

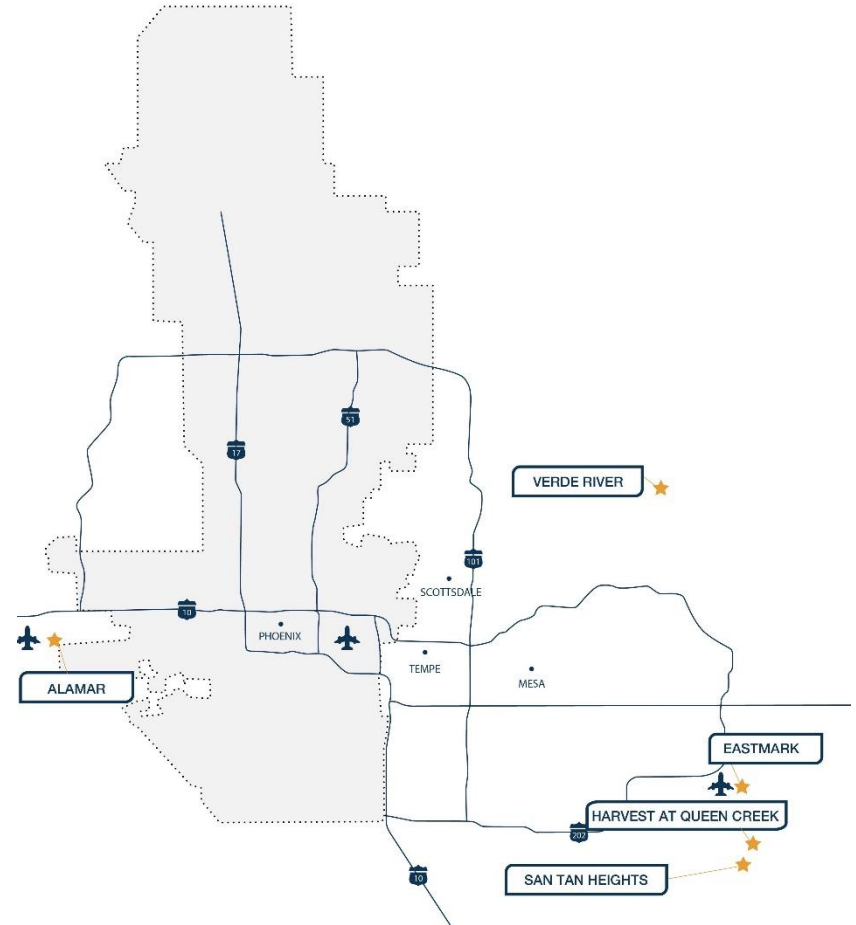
LOTS  
**4,709**

ENTITLED LOTS  
**4,709**

UNENTITLED LOTS  
**-**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Alamar	1,951	1,951	-	-
Eastmark	2,133	2,133	-	14
Harvest at Queen Creek	319	319	-	-
San Tan Heights	284	284	-	-
Verde River	22	22	-	-
<b>Total:</b>	<b>4,709</b>	<b>4,709</b>	<b>-</b>	<b>14</b>

\* Multi-family, industrial and commercial parcels



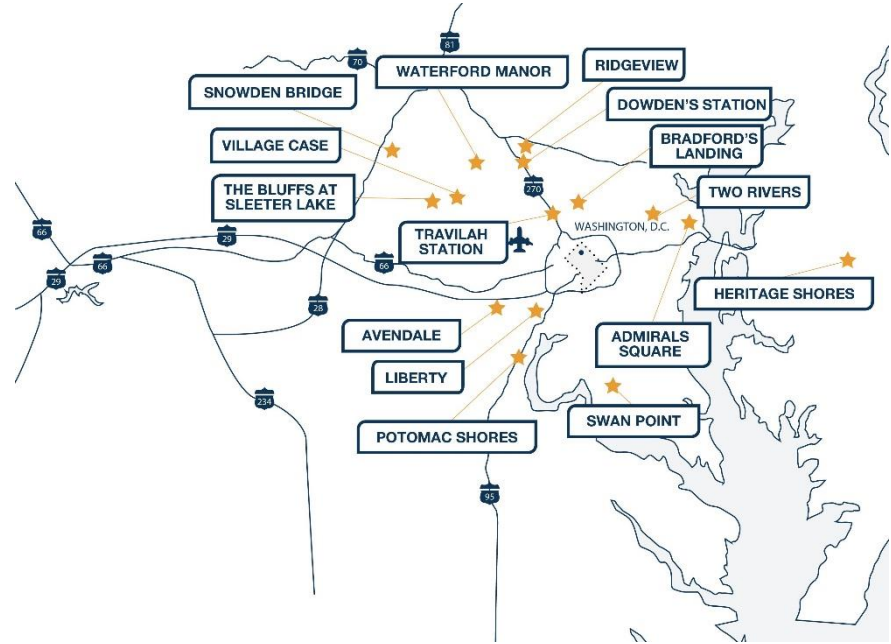
# Washington, D.C. Area

**LOTS**  
**3,532**

**ENTITLED LOTS**  
**3,495**

**UNENTITLED LOTS**  
**37**

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Admirals Square	14	14	-
Avendale	6	6	-
The Bluffs at Sleeter Lake	42	42	-
Bradford's Landing	134	134	-
Dowden's Station	105	105	-
Heritage Shores	1,182	1,182	-
Liberty	32	32	-
Potomac Shores	58	58	-
Ridgeview	14	14	-
Snowden Bridge	367	367	-
Swan Point	1,372	1,372	-
Travilah Station	48	48	-
Two Rivers	8	8	-
Village Case	17	17	-
Waterford Manor	32	32	-
Other	101	64	37
<b>Total:</b>	<b>3,532</b>	<b>3,495</b>	<b>37</b>



# 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:

<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.

**Brookfield**  
Residential