

# Corporate Profile

February 2021

**Brookfield**  
Residential



Addison  
Austin

# 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, including the impacts of government actions taken to date; 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 or privacy laws; ability to obtain necessary permits and approvals for the development of our land; availability of labour or materials or increases in their costs and the imposition of any tariffs; 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; cyber-security risks including technology failures and data security breaches; 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.

Note: The financial information presented within the Brookfield Residential Corporate Profile is unaudited, and therefore, final results may differ from the Company’s Annual report, which will contain the audited consolidated financial statements and notes and will be released early March 2021.

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# Chief Executive Officer's Report

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While 2020 has been defined by the COVID-19 global pandemic, I am proud of how Brookfield Residential was able to adapt to the constant changing operating environment. The year began with strong home orders across our operations before COVID-19 related government restrictions in all our markets significantly impacted the spring selling season and limited both sales and operational activity from March to the middle of May. During that time, in virtually all of our operating markets, our operations were deemed to be an essential service and we continued our development and construction activities in a safe environment, albeit at a cautious pace. Due to the uncertainty of the impact COVID-19 would have on the overall economy, we critically assessed the timing of future community openings, our land development spending, conservatively managed our speculative home inventory and focused our efforts on the execution of our existing backlog while limiting new construction starts.

As restrictions began to lift in late spring, we saw the return of the homebuyer, particularly in the U.S. and Ontario markets, driven by pent up demand, historically low interest rates and a shift in consumer behavior with some degree of a flight to the suburbs. In Alberta, the market saw demand for our homes initially, but we experienced some levelling off in the fourth quarter as a result of the economic conditions. Despite missing many core weeks of our spring selling season, we were able to recover from the business interruptions to exceed our previously stated 2020 guidance with 2,873 homes and 2,511 single-family lots closed while building a strong backlog heading into 2021.

Additional operating and financial highlights for the year ended December 31, 2020 include:

- Brookfield Residential introduced and continued to prioritize several enhanced health and safety protocols for our team, trade partners and homebuyers to ensure a safe operating environment.
- Intensive focus towards the transition of marketing our homes and master-planned communities utilizing a digital format of engagement with current and future prospective homebuyers. This included a shift to virtual model home tours, as well as offering our homes to be toured at a time of the homebuyer's choosing through our MyTime system.
- Income before income taxes of \$91 million. Included in these results was a \$30 million share-based compensation fair value expense (compared to a recovery of \$16 million in 2019), a \$30 million loss from our unconsolidated equity investment in affiliates (compared to a gain of \$23 million in 2019) and a \$15 million loss on the extinguishment of our senior unsecured notes upon our refinancing (compared to \$9 million in 2019). Adjusting for these items in both years, our 2020 income before income taxes was \$166 million, compared to \$166 million in 2019.

# Chief Executive Officer's Report - Continued

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- Overall net new home orders of 3,506, an increase in our U.S. operations of 30% while Canadian operations had a decrease of 13%. Our total backlog units totaled 1,907 with a value of \$1.0 billion, an increase of 50% in units and 68% in value, when compared to 2019.
- Our communities of Eastmark in Mesa, Arizona, New Haven, part of the Ontario Ranch masterplan community in Southern California, Easton Park in Austin, Texas and Audie Murphy Ranch in Southern California were among the top 50 selling master-planned communities in the U.S.
- Completed the construction of our Fifth + Broadway mixed-use development in Nashville, Tennessee. The grand opening will be in March 2021 and will feature approximately 200,000 square feet of restaurants and retail, 386 units in the for-rent apartment tower and 372,000 square feet of Class-A office space.
- At December 31, 2020, our net debt to total capitalization ratio was 35%, primarily due to the year's net income, cash balance of \$350 million and no borrowings outstanding on our \$675 million unsecured revolving credit facility.
- Brookfield Residential continued to execute on our capital plan in early 2020 with the successful issuance of \$500 million unsecured senior notes with an interest rate of 4.875% due in 2030. In September, we also amended and extended the maturity of our unsecured revolving credit facility to September 2022 on substantially the same terms and conditions. These transactions enhanced the laddering of our revolving credit facility and unsecured senior note maturities, while providing meaningful interest savings compared to our previously issued unsecured notes.
- Subsequent to the end of the year, Brookfield Residential declared a dividend of \$350 million to our parent, Brookfield Asset Management Inc., which is expected to be paid by the end of the first quarter of 2021.

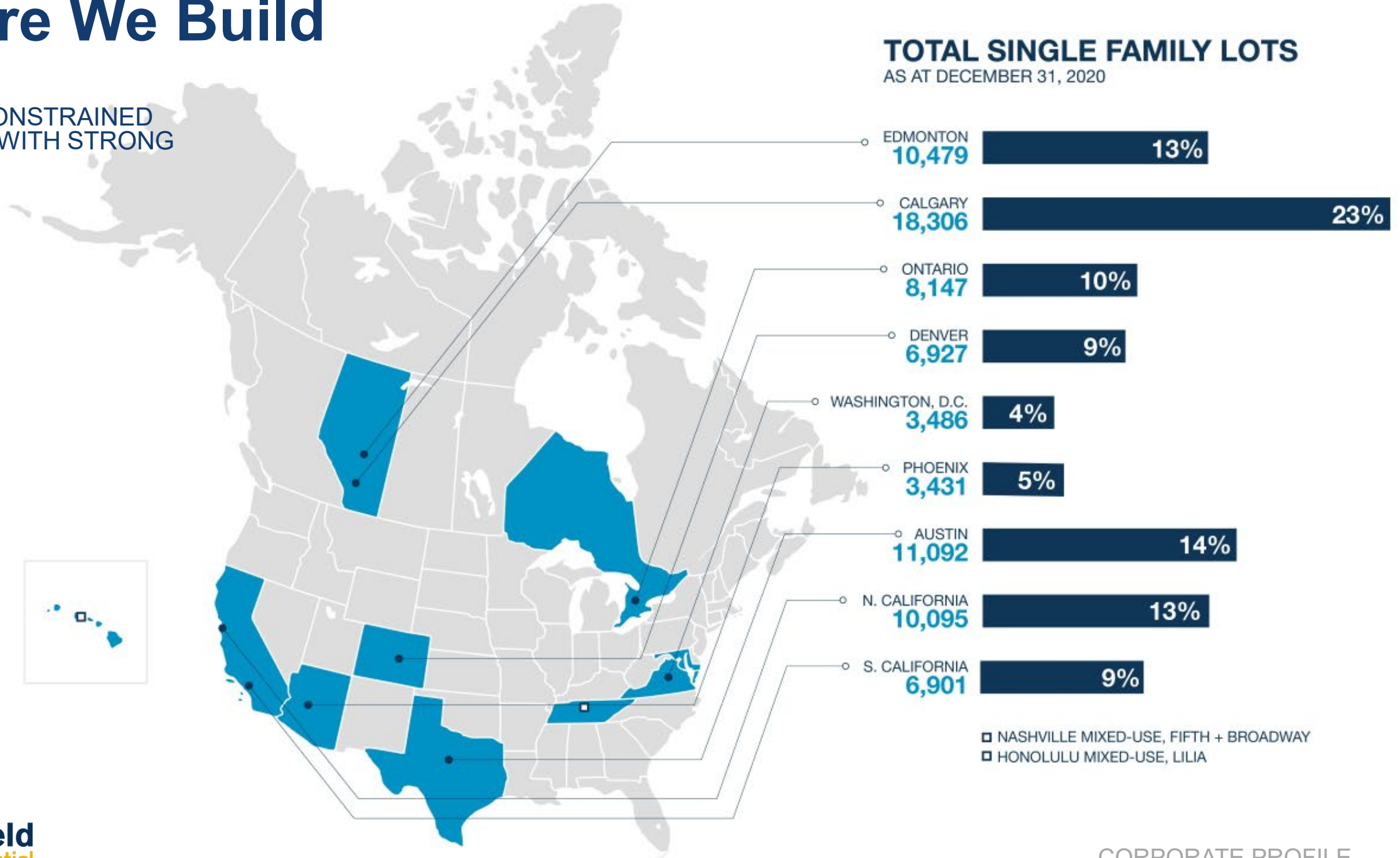
As we look ahead to 2021, our view is that the land and housing business remains in a strong position with positive underlying fundamentals and demographic shifts in place to continue to drive household formation. In particular, we have seen our U.S. markets continue recent sales trends similar to the second half of 2020 with increased pricing and absorptions, while the Canadian markets have remained relatively flat. We also look to advance land sales to third-party builders within our U.S. master-planned communities as finished lots continue to be in high demand due to market conditions. We appreciate the continued support and adaptability of our team members and stakeholders, especially during the many challenges which arose in 2020.

Alan Norris  
Chairman & Chief Executive Officer  
February 10, 2021



# 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 \$575 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

**CENTRAL AND EASTERN U.S.**

Austin, Denver, Phoenix, Washington D.C. Area

We also develop mixed-use projects with Multi-family Residential, Retail and Office components, with active developments including Fifth + Broadway in Nashville, Tennessee and Lilia in Honolulu, Hawaii.

# 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

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- 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

- We've reimagined the role of collaboration in real estate — working with government, key stakeholders and our communities as true partners to create shared value
- In addition to building homes and community amenities, as part of the planning process, we look at every development with a long-term view. That means customizing developments to meet a neighborhoods' needs and factors that enhance quality of life throughout a community's lifecycle, including opportunities for mixed-use and commercial space
- 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



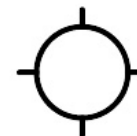
### Land Use / Zoning / Tentative Map Plan

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 nine markets (Calgary, Edmonton, Greater Toronto Area, San Francisco Bay Area, Greater Los Angeles Area, San Diego, Denver, Austin and the Washington D.C. Area). Our homebuilding operations are distinctively positioned to provide a variety of housing products, ranging from entry-level to luxury homes, depending on the community and consumer demands
- Certain master-planned communities will also include the development of mixed-use space, consisting of retail or commercial assets, which we will build and add value through leasing, before selling to a third-party operator



# Inventory Profile

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# Land & Housing Inventory

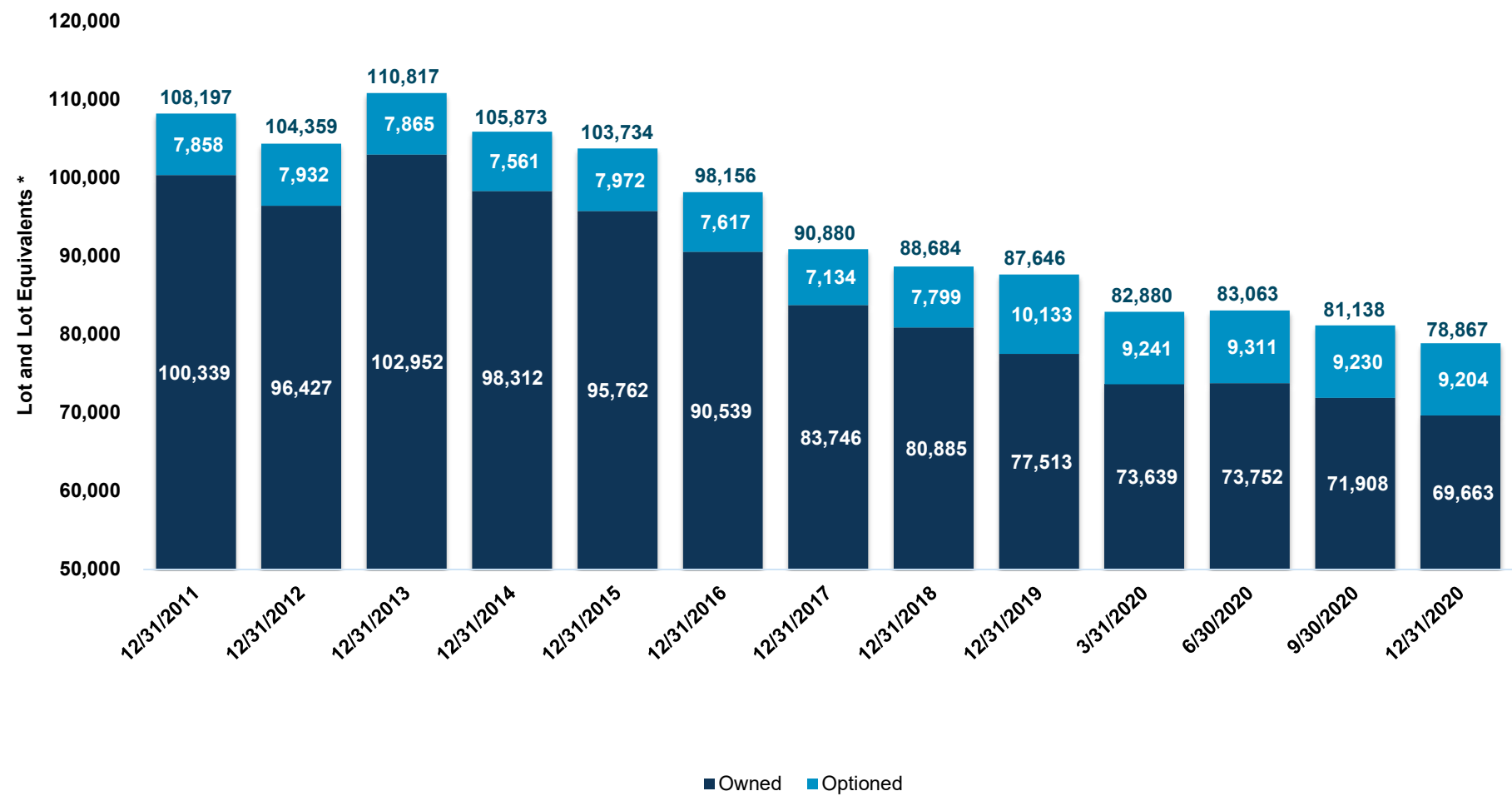
	Single Family Housing & Land Under and Land Held for Development <sup>(1)</sup>								Multi-Family, Industrial & Commercial Parcels Under Development	
	Housing & Land		Unconsolidated Entities		Total Lots		Status of Lots 31-Dec-20		Total Acres	
	Owned	Options	Owned	Options	31-Dec-20	31-Dec-19	Entitled	Unentitled	31-Dec-20	31-Dec-19
Calgary	16,024	-	2,282	-	18,306	19,045	9,791	8,515	56	70
Edmonton	10,479	-	-	-	10,479	10,797	5,269	5,210	15	22
Ontario	7,117	-	1,030	-	8,147	8,293	2,593	5,554	1	1
<b>Canada</b>	<b>33,620</b>	<b>-</b>	<b>3,312</b>	<b>-</b>	<b>36,932</b>	<b>38,135</b>	<b>17,653</b>	<b>19,279</b>	<b>72</b>	<b>93</b>
Northern California	2,608	7,255	232	-	10,095	10,474	2,840	7,255	-	-
Southern California	5,188	-	712	1,001	6,901	7,597	5,675	1,226	-	-
Hawaii	3	-	-	-	3	48	3	-	-	-
<b>California</b>	<b>7,799</b>	<b>7,255</b>	<b>944</b>	<b>1,001</b>	<b>16,999</b>	<b>18,119</b>	<b>8,518</b>	<b>8,481</b>	<b>-</b>	<b>-</b>
Denver	6,927	-	-	-	6,927	7,328	6,927	-	10	10
Austin	11,092	-	-	-	11,092	12,120	11,092	-	37	37
Phoenix	1,580	-	1,851	-	3,431	4,032	3,431	-	55	14
Washington D.C. Area	2,538	948	-	-	3,486	3,732	3,449	37	-	-
<b>Central and Eastern U.S.</b>	<b>22,137</b>	<b>948</b>	<b>1,851</b>	<b>-</b>	<b>24,936</b>	<b>27,212</b>	<b>24,899</b>	<b>37</b>	<b>102</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>63,556</b>	<b>8,203</b>	<b>6,107</b>	<b>1,001</b>	<b>78,867</b>	<b>87,646</b>	<b>51,070</b>	<b>27,797</b>	<b>174</b>	<b>154</b>
Entitled lots	45,231	948	4,891	-	51,070	60,292				
Unentitled lots	18,325	7,255	1,216	1,001	27,797	27,354				
<b>Total December 31, 2020</b>	<b>63,556</b>	<b>8,203</b>	<b>6,107</b>	<b>1,001</b>	<b>78,867</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 31-Dec-20		Total 31-Dec-19	
(millions, except per unit activity)			Units	\$	Units	\$
Land Held For Development (lots)	1,280	107	60,812	1,387	63,778	1,428
Land Under Development - Single Family (lots)	720	203	7,036	923	11,681	1,113
Optioned (lots)	27	16	9,204	43	10,133	133
Housing inventory (units)	477	-	1,596	477	1,798	505
Model homes (units)	98	-	220	98	256	111
Unconsolidated entities net liabilities	-	(32)	-	(32)	-	(12)
Sub total	2,602	294	78,868	2,896	87,646	3,278
Multi Family, Commercial & Industrial Parcels (acres)	55	13	155	68	154	111
<b>Total</b>	<b>2,657</b>	<b>307</b>		<b>2,964</b>		<b>3,389</b>

# Land & Housing Inventory

CONSISTENT REDUCTION OF LOT INVENTORY DEMONSTRATES OUR CAPITAL DISCIPLINE



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

# Financial Profile

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# Select Financial Information

(millions, except percentages, unit activity and average selling price)	Three months ended Dec 31		Twelve months ended Dec 31	
	2020	2019	2020	2019
<b>Results from Operations</b>				
Total revenue	\$ 650	\$ 656	\$ 1,739	\$ 1,938
Housing revenue	465	479	1,446	1,550
Land revenue	185	177	293	388
Gross margin (\$)	135	136	336	387
Gross margin (%)	21%	21%	19%	20%
Income before income taxes	52	119	91	203
Income tax (expense) / recovery	(2)	2	(3)	(5)
Consolidated net income	50	121	88	198
Net income attributable to Brookfield Residential	3	80	14	154
<b>Operating Data</b>				
Home closings for Brookfield Residential (units)	845	882	2,873	2,930
Average home selling price for Brookfield Residential (per unit)	\$ 550,000	\$ 543,000	\$ 503,000	\$ 529,000
Net new home orders for Brookfield Residential (units)	817	671	3,506	3,066
Backlog for Brookfield Residential (units)	1,907	1,273	1,907	1,273
Backlog value for Brookfield Residential	\$ 1,013	\$ 603	\$ 1,013	\$ 603
Lot closings for Brookfield Residential (single family units)	1,454	1,578	2,511	3,170
Lot closings for unconsolidated entities (single family units)	188	231	718	1,017
Acre closings for Brookfield Residential (multi-family, industrial and commercial)	39	20	42	43
Acre closings for unconsolidated entities (multi-family, industrial and commercial)	13	26	14	26
Acre closings for Brookfield Residential (raw and partially finished)	-	18	-	152
Average lot selling price for Brookfield Residential (single family units)	\$ 115,000	\$ 99,000	\$ 108,000	\$ 105,000
Average lot selling price for unconsolidated entities (single family units)	\$ 121,000	\$ 202,000	\$ 108,000	\$ 119,000
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial)	\$ 471,000	\$ 779,000	\$ 496,000	\$ 684,000
Average per acre selling price for unconsolidated entities (multi-family, industrial and commercial)	\$ 437,000	\$ 1,034,000	\$ 443,000	\$ 1,017,000
Average per acre selling price for Brookfield Residential (raw and partially finished)	\$ -	\$ 343,000	\$ -	\$ 162,000

# Condensed Consolidated Balance Sheets

	Dec 31	Sept 30	Jun 30	Mar 31
(thousands, except percentages)	2020	2020	2020	2020
<b>ASSETS</b>				
Cash and cash equivalents	\$ 350,306	\$ 92,189	\$ 92,048	\$ 138,195
Restricted cash	17,849	16,705	19,460	17,709
Receivables and other assets	767,592	726,105	690,351	723,289
Land and housing inventory	2,656,627	2,812,559	2,889,726	2,841,043
Investments in unconsolidated entities - land and housing	307,250	343,755	342,382	335,329
Investment in unconsolidated entities - affiliate	605,615	602,429	611,402	609,581
Held-to-maturity investment	300,000	300,000	300,000	300,000
Commercial properties	709,947	679,034	627,671	548,513
Operating and financing lease right-of-use asset	82,109	82,726	85,302	86,301
Deferred income tax assets	54,967	53,353	54,509	49,995
Goodwill	16,479	16,479	16,479	16,479
	\$ 5,868,741	\$ 5,725,334	\$ 5,729,330	\$ 5,666,434
<b>LIABILITIES</b>				
Notes payable	\$ 1,621,500	\$ 1,611,901	\$ 1,607,372	\$ 1,600,087
Bank indebtedness and other financings	409,638	414,450	476,908	481,851
Total financings	2,031,138	2,026,351	2,084,280	2,081,938
Accounts payable and other liabilities	608,040	557,680	553,238	514,819
Operating and financing lease liability	88,559	89,652	90,140	90,675
Total liabilities	2,727,737	2,673,683	2,727,658	2,687,432
<b>EQUITY</b>	3,141,004	3,051,651	3,001,672	2,979,002
	\$ 5,868,741	\$ 5,725,334	\$ 5,729,330	\$ 5,666,434
Net debt to total capitalization	35%	39%	40%	39%



# Condensed Consolidated Statements of Operations

(thousands)	Three months ended Dec 31		Twelve months ended Dec 31	
	2020	2019	2020	2019
<b>Revenue</b>				
Housing	\$ 464,996	\$ 478,738	\$ 1,445,507	\$ 1,550,377
Land	185,175	176,793	292,764	387,981
	650,171	655,531	1,738,271	1,938,358
<b>Direct cost of sales</b>				
Housing	(371,943)	(390,111)	(1,183,874)	(1,282,055)
Land	(143,667)	(129,101)	(218,796)	(269,523)
Gross margin	134,561	136,319	335,601	386,780
Selling, general and administrative expense	(88,466)	(52,958)	(260,450)	(244,407)
Interest expense	(5,031)	(10,130)	(9,975)	(36,090)
Earnings from unconsolidated entities - land and housing	2,600	10,931	16,469	34,680
Earnings / (Loss) from unconsolidated entities - affiliate	2,317	23,382	(29,544)	23,382
Other income	11,355	15,520	57,955	54,701
Lease expense	(3,490)	(3,142)	(13,748)	(11,653)
Depreciation	(1,616)	(1,051)	(4,984)	(4,383)
<b>Income before income taxes</b>	52,230	118,871	91,324	203,010
Current income tax (expense) / recovery	(898)	3,209	(6,709)	(8,489)
Deferred income tax (expense) / recovery	(1,515)	(1,635)	3,582	3,039
<b>Consolidated net income</b>	49,817	120,445	88,197	197,560
Net income attributable to non-controlling interest - land and housing	5,324	4,695	14,697	7,002
Net income attributable to non-controlling interest - affiliate	41,707	36,418	59,454	36,419
<b>Net income attributable to Brookfield Residential</b>	\$ 2,786	\$ 79,332	\$ 14,046	\$ 154,139
<b>Other comprehensive income / (loss)</b>				
Unrealized foreign exchange gain / (loss) on:				
Translation of the net investment in Canadian subsidiaries and unconsolidated entities - affiliate	45,551	18,718	21,973	45,262
Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	(8,625)	(3,650)	(3,850)	(9,200)
<b>Comprehensive income attributable to Brookfield Residential</b>	\$ 39,712	\$ 94,400	\$ 32,169	\$ 190,201

# Condensed Consolidated Statements of Cash Flows

(thousands)	Twelve months ended Dec 31	
	2020	2019
<b>Cash Flows Provided by / (Used in) Operating Activities:</b>		
Net income	\$ 88,197	\$ 197,560
<b>Adjustments to reconcile net income to net cash provided by / (used in) operating activities:</b>		
Earnings from unconsolidated entities - land and housing	(16,469)	(34,680)
Loss / (Earnings) from unconsolidated entities - affiliate	29,544	(23,382)
Deferred income tax recovery	(3,582)	(3,039)
Share-based compensation expense	29,660	(15,557)
Depreciation	4,984	4,383
Right-of-use asset depreciation	6,555	6,007
Amortization of non-cash interest	5,767	6,676
Loss on extinguishment of debt	15,030	3,578
Dividend income on held-to-maturity investment	(24,066)	(8,648)
Distributions of earnings from unconsolidated entities	10,416	27,942
Changes in operating assets and liabilities	(51,606)	(317,574)
Net cash provided by / (used) in operating activities	94,430	(156,734)
<b>Cash Flows Provided by Investing Activities:</b>		
Investments in unconsolidated entities	(18,172)	(36,547)
Distributions from unconsolidated entities	53,132	66,097
Dividend income on held-to-maturity investment	-	8,648
(Increase) / Decrease in loan receivable	(7,452)	18,645
Cash acquired from common control Reorganization Transaction	-	5,989
Net cash provided by investing activities	27,508	62,832
<b>Cash Flows Provided by Financing Activities:</b>		
Drawings under project-specific and other financings	202,049	199,726
Repayments under project-specific and other financings	(53,663)	(46,369)
Net repayments on bank indebtedness	-	(77,084)
Drawings under unsecured senior notes payable	500,000	600,000
Repayments under unsecured senior notes payable	(500,000)	(600,000)
Payments of debt issuance costs	(11,449)	(18,796)
Payments of debt extinguishment costs	(8,930)	-
Contributions to non-controlling interest	48,133	-
Distributions from non-controlling interest	(47,352)	(14,791)
Sale of interests in consolidated subsidiaries	-	103,530
Tax Equivalent distributions paid to common shareholders	(11,343)	-
Payments made on the principal of financing leases	(203)	(211)
Net cash provided by financing activities	117,242	146,005
Effect of foreign exchange rates on cash and cash equivalents	5,234	(1,494)
Change in cash, cash equivalents and restricted cash	244,414	50,609
Cash, cash equivalents and restricted cash at beginning of year	123,741	73,132
Cash, cash equivalents and restricted cash at end of year	\$ 368,155	\$ 123,741

# Quarterly Operating and Financial Information

(millions, except per unit activity)	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Home closings (units)	845	850	634	544	882	674	763	611
Lots closings (single family units)	1,454	726	164	167	1,578	578	756	258
Acre closings (multi-family, industrial and commercial)	39	-	-	3	20	10	3	10
Acre closings (raw and partially finished)	-	-	-	-	18	134	-	-
Net new home orders (units)	817	1,144	622	921	671	768	867	760
Backlog (units)	1,907	1,935	1,638	1,650	1,273	1,484	1,390	1,286
Backlog value	\$ 1,013	\$ 973	\$ 771	\$ 750	\$ 603	\$ 744	\$ 730	\$ 685
Revenue	\$ 650	\$ 453	\$ 323	\$ 312	\$ 656	\$ 461	\$ 476	\$ 346
Direct cost of sales	(515)	(361)	(268)	(257)	(520)	(356)	(397)	(279)
Gross margin	135	92	55	55	136	105	79	67
Selling, general and administrative expense	(88)	(61)	(53)	(58)	(53)	(60)	(65)	(66)
Interest expense	(5)	(2)	-	(3)	(10)	(9)	(8)	(9)
Earnings from unconsolidated entities - land and housing	3	9	2	2	10	9	11	4
Earnings / (Loss) from unconsolidated entities - affiliate	2	(9)	2	(24)	24	-	-	-
Other income	9	19	19	4	15	12	9	14
Lease expense	(4)	(4)	(3)	(3)	(3)	(3)	(3)	(3)
<b>Income / (Loss) before income taxes</b>	<b>52</b>	<b>44</b>	<b>22</b>	<b>(27)</b>	<b>119</b>	<b>54</b>	<b>23</b>	<b>7</b>
Income tax (expense) / recovery	(2)	-	(5)	4	2	(5)	(6)	4
<b>Consolidated net income / (loss)</b>	<b>50</b>	<b>44</b>	<b>17</b>	<b>(23)</b>	<b>121</b>	<b>49</b>	<b>17</b>	<b>11</b>
Net income attributable to non-controlling interest - land and housing	5	3	3	3	5	1	1	1
Net income / (loss) attributable to non-controlling interest - affiliate	42	27	2	(11)	36	-	-	-
<b>Net income / (loss) attributable to Brookfield Residential</b>	<b>\$ 3</b>	<b>\$ 14</b>	<b>\$ 12</b>	<b>\$ (15)</b>	<b>\$ 80</b>	<b>\$ 48</b>	<b>\$ 16</b>	<b>\$ 10</b>
Foreign currency translation	37	15	27	(60)	15	(8)	14	15
<b>Comprehensive income / (loss)</b>	<b>\$ 40</b>	<b>\$ 29</b>	<b>\$ 39</b>	<b>\$ (75)</b>	<b>\$ 95</b>	<b>\$ 40</b>	<b>\$ 30</b>	<b>\$ 25</b>

# Select Operating Information – Housing

(millions, except per unit activity and average selling price)	Three months ended Dec 31				Twelve months ended Dec 31			
	2020		2019		2020		2019	
	Units	\$	Units	\$	Units	\$	Units	\$
<b>Home closings</b>								
Canada	287	\$ 134	259	\$ 88	944	\$ 359	1,000	\$ 366
California	278	198	356	262	829	580	994	725
Central and Eastern U.S.	280	133	267	129	1,100	507	936	459
<b>Total</b>	<b>845</b>	<b>\$ 465</b>	<b>882</b>	<b>\$ 479</b>	<b>2,873</b>	<b>\$ 1,446</b>	<b>2,930</b>	<b>\$ 1,550</b>

Average home selling price	Three months ended Dec 31		Twelve months ended Dec 31	
	2020	2019	2020	2019
Canada	\$ 468,000	\$ 340,000	\$ 379,000	\$ 366,000
California	712,000	736,000	700,000	730,000
Central and Eastern U.S.	475,000	481,000	461,000	490,000
<b>Average selling price</b>	<b>\$ 550,000</b>	<b>\$ 543,000</b>	<b>\$ 503,000</b>	<b>\$ 529,000</b>

<b>Net new home orders (units)</b>				
Canada	157	280	963	1,105
California	291	173	1,241	952
Central and Eastern U.S.	369	218	1,302	1,009
<b>Total</b>	<b>817</b>	<b>671</b>	<b>3,506</b>	<b>3,066</b>

# Select Operating Information – Housing

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

	As at Dec 31	
Active housing communities	2020	2019
Canada	34	35
California	17	21
Central and Eastern U.S.	29	37
Total	80	93

	As at Dec 31			
Backlog	2020		2019	
	Units	Value	Units	Value
Canada	575	\$ 281	556	\$ 221
California	632	389	219	167
Central and Eastern U.S.	700	343	498	215
Total	1,907	\$ 1,013	1,273	\$ 603



# Select Operating Information – Land

(millions, except per unit activity)	Three months ended Dec 31				Twelve months ended Dec 31			
	2020		2019		2020		2019	
	Units	\$	Units	\$	Units	\$	Units	\$
<b>Lot closings (single family units)</b>								
Canada	208	\$ 27	413	\$ 50	614	\$ 72	918	\$ 107
California	551	85	492	60	689	105	742	112
Central and Eastern U.S.	695	54	458	29	1,208	95	733	50
Corporate and Other	-	-	215	17	-	-	777	66
	1,454	166	1,578	156	2,511	272	3,170	335
Unconsolidated entities	188	23	231	47	718	78	1,017	120
Total	1,642	\$ 189	1,809	\$ 203	3,229	\$ 350	4,187	\$ 455
<b>Acre closings (multi-family, industrial and commercial)</b>								
Canada	17	\$ 15	19	\$ 14	20	\$ 17	29	\$ 24
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	22	4	1	1	22	4	14	5
	39	19	20	15	42	21	43	29
Unconsolidated entities	13	5	26	26	14	6	26	27
Total	52	\$ 24	46	\$ 41	56	\$ 27	69	\$ 56
<b>Acre closings (raw and partially finished)</b>								
Canada	-	\$ -	-	\$ -	-	\$ -	134	\$ 18
California	-	-	18	6	-	-	18	6
Central and Eastern U.S.	-	-	-	-	-	-	-	-
Total	-	\$ -	18	\$ 6	-	\$ -	152	\$ 24

# Select Operating Information – Land

	Three months ended Dec 31		Twelve months ended Dec 31	
	2020	2019	2020	2019
<b>Average lot selling price (single family units)</b>				
Canada	\$ 123,000	\$ 121,000	\$ 115,000	\$ 117,000
California	155,000	121,000	152,000	151,000
Central and Eastern U.S.	79,000	64,000	79,000	69,000
Corporate and Other	-	78,000	-	83,000
	115,000	99,000	108,000	105,000
Unconsolidated entities	121,000	202,000	108,000	119,000
Average selling price	\$ 115,000	\$ 112,000	\$ 108,000	\$ 109,000
<b>Average per acre selling price (multi-family, industrial and commercial)</b>				
Canada	\$ 871,000	\$ 796,000	\$ 863,000	\$ 831,000
California	-	-	-	-
Central and Eastern U.S.	171,000	482,000	171,000	372,000
	471,000	779,000	496,000	684,000
Unconsolidated entities	437,000	1,034,000	443,000	1,017,000
Average selling price	\$ 463,000	\$ 926,000	\$ 479,000	\$ 805,000
<b>Average per acre selling price (raw and partially finished)</b>				
Canada	\$ -	\$ -	\$ -	\$ 138,000
California	-	343,000	-	343,000
Central and Eastern U.S.	-	-	-	-
Average selling price	\$ -	\$ 343,000	\$ -	\$ 162,000
<b>Active land communities</b>				
	As at Dec 31			
	2020	2019		
Canada	9	12		
California	2	4		
Central and Eastern U.S.	11	12		
	22	28		
Unconsolidated entities	7	6		
Total	29	34		

# Select Operating Information – Gross Margin

(millions, except percentages)	Three Months Ended Dec 31				Twelve Months Ended Dec 31			
	2020		2019		2020		2019	
	\$	%	\$	%	\$	%	\$	%
<b>Housing gross margin</b>								
Canada	\$ 26	19%	\$ 13	15%	\$ 62	17%	\$ 55	15%
California	42	21%	52	20%	115	20%	137	19%
Central and Eastern U.S.	25	19%	23	18%	85	17%	76	17%
Total	\$ 93	20%	\$ 88	18%	\$ 262	18%	\$ 268	17%
<b>Land gross margin</b>								
Canada	\$ 11	26%	\$ 24	38%	\$ 29	33%	\$ 65	44%
California	15	18%	8	12%	18	17%	32	27%
Central and Eastern U.S.	16	26%	15	50%	27	27%	20	36%
Corporate and Other	-	-	1	3%	-	-	2	2%
Total	\$ 42	22%	\$ 48	27%	\$ 74	25%	\$ 119	31%
<b>Total gross margin</b>								
Canada	\$ 37	21%	\$ 37	24%	\$ 91	20%	\$ 120	23%
California	57	20%	60	18%	133	19%	169	20%
Central and Eastern U.S.	41	21%	38	24%	112	18%	96	19%
Corporate and Other	-	-	1	3%	-	-	2	2%
Total	\$ 135	21%	\$ 136	21%	\$ 336	19%	\$ 387	20%

# Historical Pro Forma Financial Information

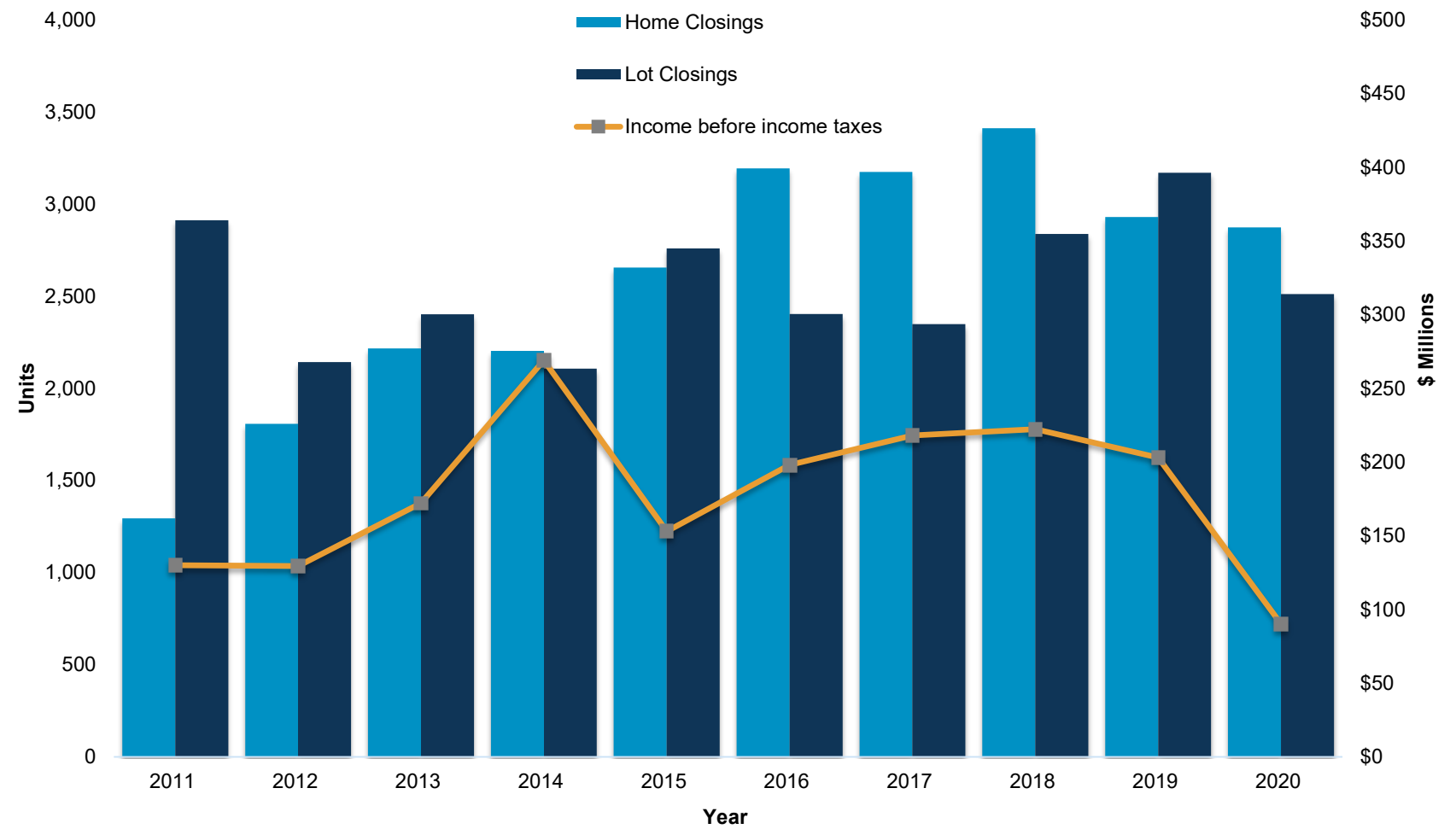
## **BROOKFIELD RESIDENTIAL PROPERTIES**

(millions, except unit activity)

	Year ended December 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Home Closings (units)	2,873	2,930	3,411	3,174	3,193	2,656	2,204	2,216	1,808	1,295
Lot Closings (single family units)	2,511	3,170	2,838	2,349	2,403	2,760	2,107	2,402	2,142	2,912
Acre Closings	42	195	98	712	2,108	66	34	247	543	94
Revenue										
Housing	\$ 1,446	\$ 1,550	\$ 1,794	\$ 1,733	\$ 1,604	\$ 1,249	\$ 1,136	\$ 983	\$ 718	\$ 484
Land	293	388	368	318	299	342	340	373	622	524
Total Revenues	1,739	1,938	2,162	2,051	1,903	1,591	1,476	1,356	1,340	1,008
Direct cost of sales	(1,403)	(1,551)	(1,689)	(1,578)	(1,474)	(1,174)	(1,031)	(981)	(1,048)	(740)
Gross margin	336	387	473	473	429	417	445	375	292	268
Selling, general and administrative	(260)	(244)	(296)	(237)	(207)	(218)	(192)	(170)	(128)	(101)
Equity in earnings of unconsolidated entities	(13)	58	18	15	9	12	26	9	10	4
Other income / (expense)	28	2	27	(33)	(33)	(58)	(10)	(42)	(45)	(41)
<b>Income before income taxes</b>	<b>\$ 91</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>

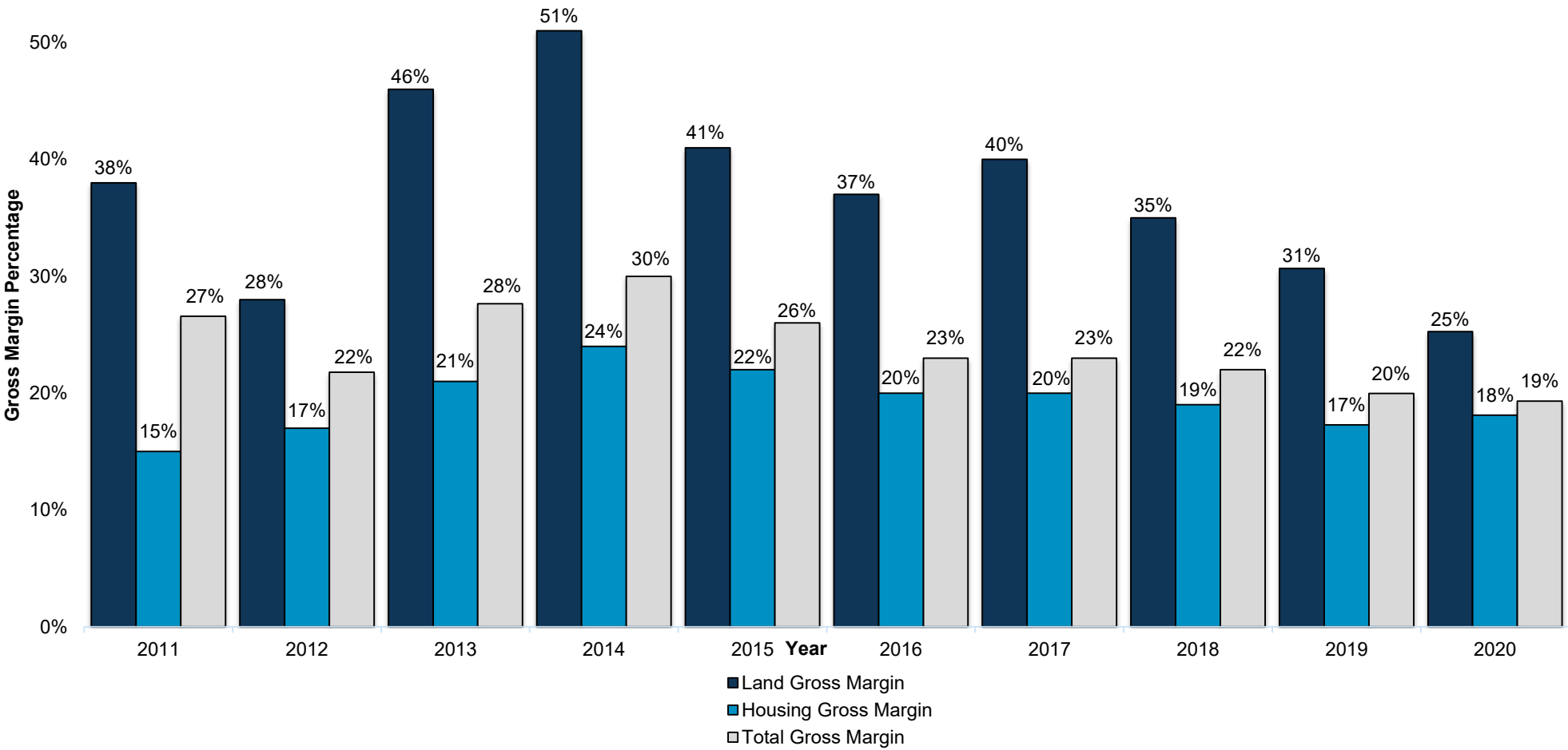
\* Prior to January 1, 2011, the Company's business practice in Alberta was to not transfer title on its lots sold to the homebuilder who built the home and ultimately sold the home to the consumer, but to wait and transfer title of the lot to the ultimate homebuyer at the time of the home closing. As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





# Historical Gross Margin



# Our Markets

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# Calgary, Alberta

LOTS

18,306

ENTITLED LOTS

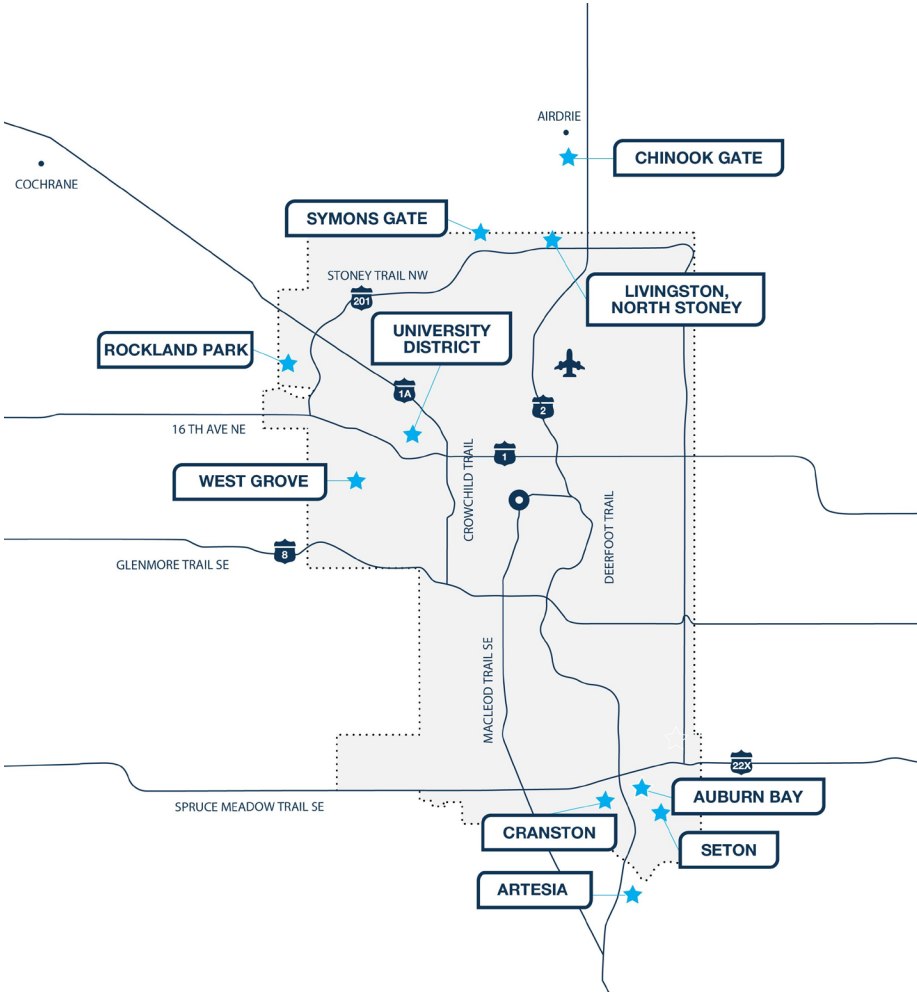
9,791

UNENTITLED LOTS

8,515

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Artesia	59	59	–	–
Auburn Bay	20	20	–	1
Chinook Gate (Airdrie)	143	143	–	–
Cranston	393	393	–	9
Livingston	7,016	2,929	4,087	15
North Stoney	2,895	–	2,895	–
Rockland Park	1,177	1,177	–	5
Seton	5,834	4,301	1,533	24
Symons Gate	20	20	–	1
University District	42	42	–	1
West Grove	18	18	–	–
Other	689	689	–	–
<b>Total:</b>	<b>18,306</b>	<b>9,791</b>	<b>8,515</b>	<b>56</b>

\* Multi-family, industrial and commercial parcels



# Edmonton, Alberta

LOTS

10,479

ENTITLED LOTS

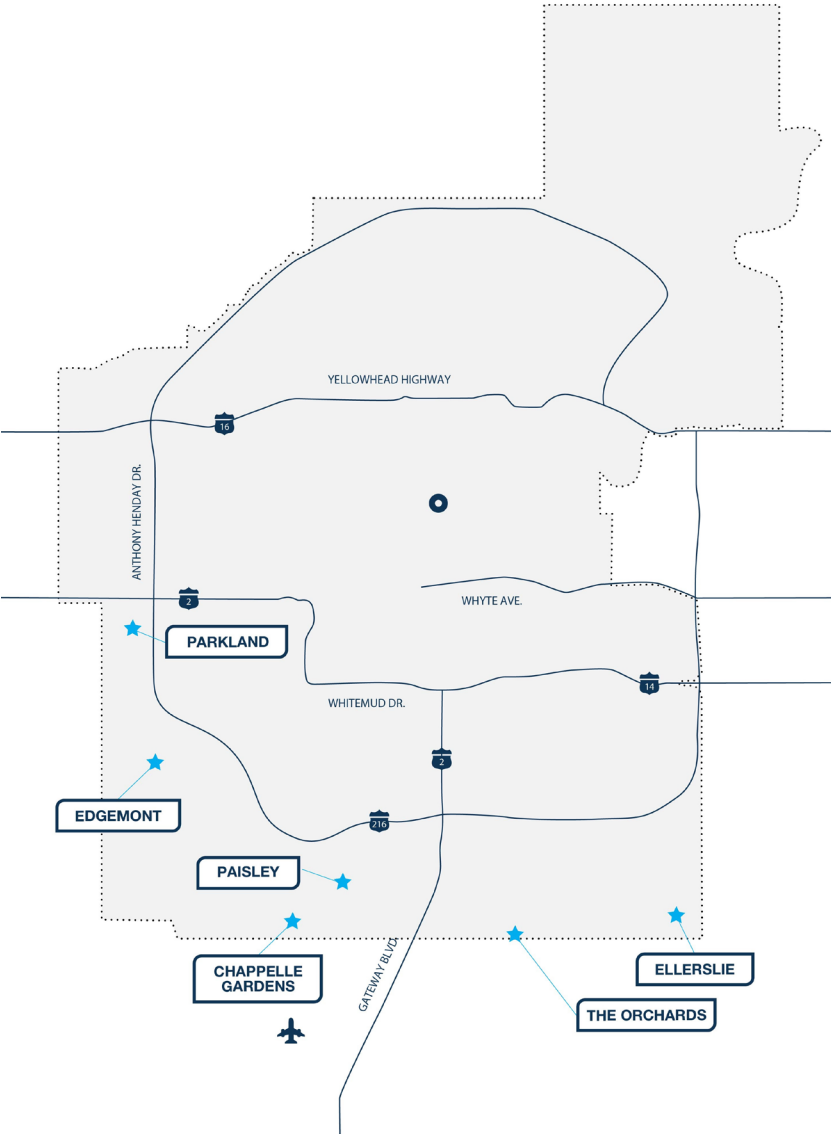
5,269

UNENTITLED LOTS

5,210

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Chappelle Gardens	1,312	1,312	–	4
Edgemont	691	691	–	–
Ellerslie	5,210	–	5,210	–
The Orchards	2,814	2,814	–	6
Paisley	332	332	–	4
Parkland	49	49	–	–
Other	71	71	–	1
Total:	10,479	5,269	5,210	15

\* Multi-family, industrial and commercial parcels



# Ontario

LOTS

8,147

ENTITLED LOTS

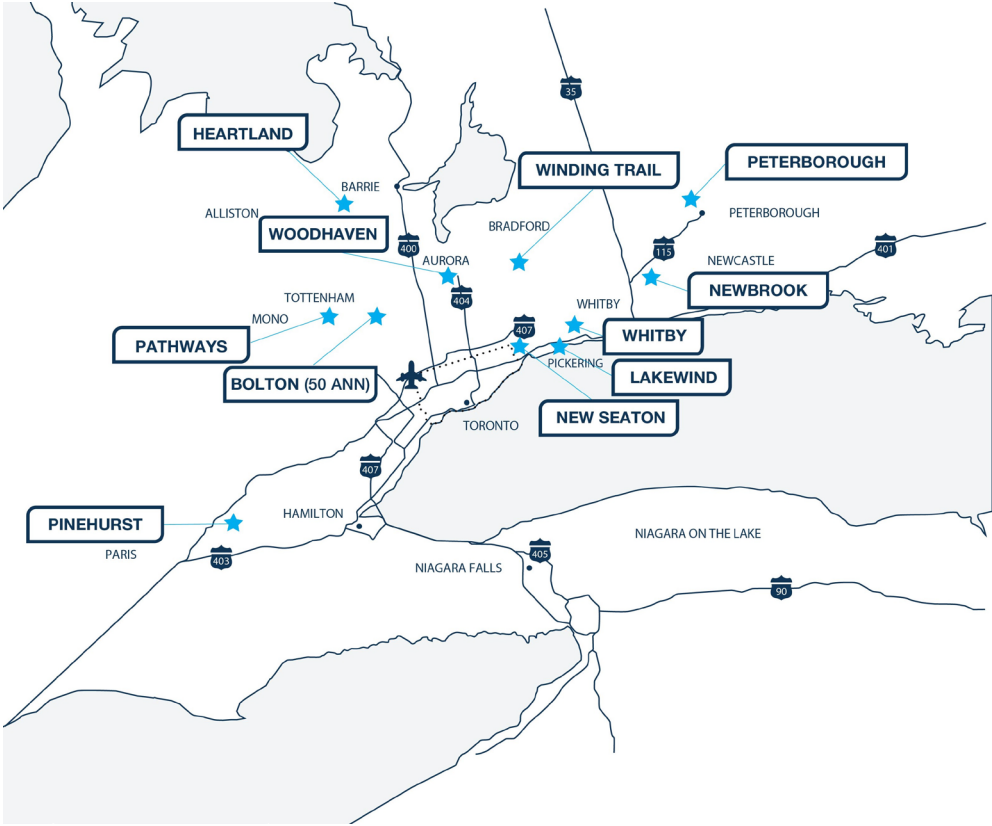
2,593

UNENTITLED LOTS

5,554

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Bolton (50 ANN)	73	73	–	–
Heartland	253	253	–	–
Lakewind	51	51	–	–
Newbrook	540	270	270	–
New Seaton	1,001	1,001	–	–
Pathways	66	66	–	–
Peterborough	5,278	–	5,278	–
Pinehurst	98	98	–	–
Whitby	511	505	6	1
Winding Trail	39	39	–	–
Woodhaven	115	115	–	–
Other	122	122	–	–
Total:	8,147	2,593	5,554	1

\* Multi-family, industrial and commercial parcels



# Northern California

LOTS

10,095

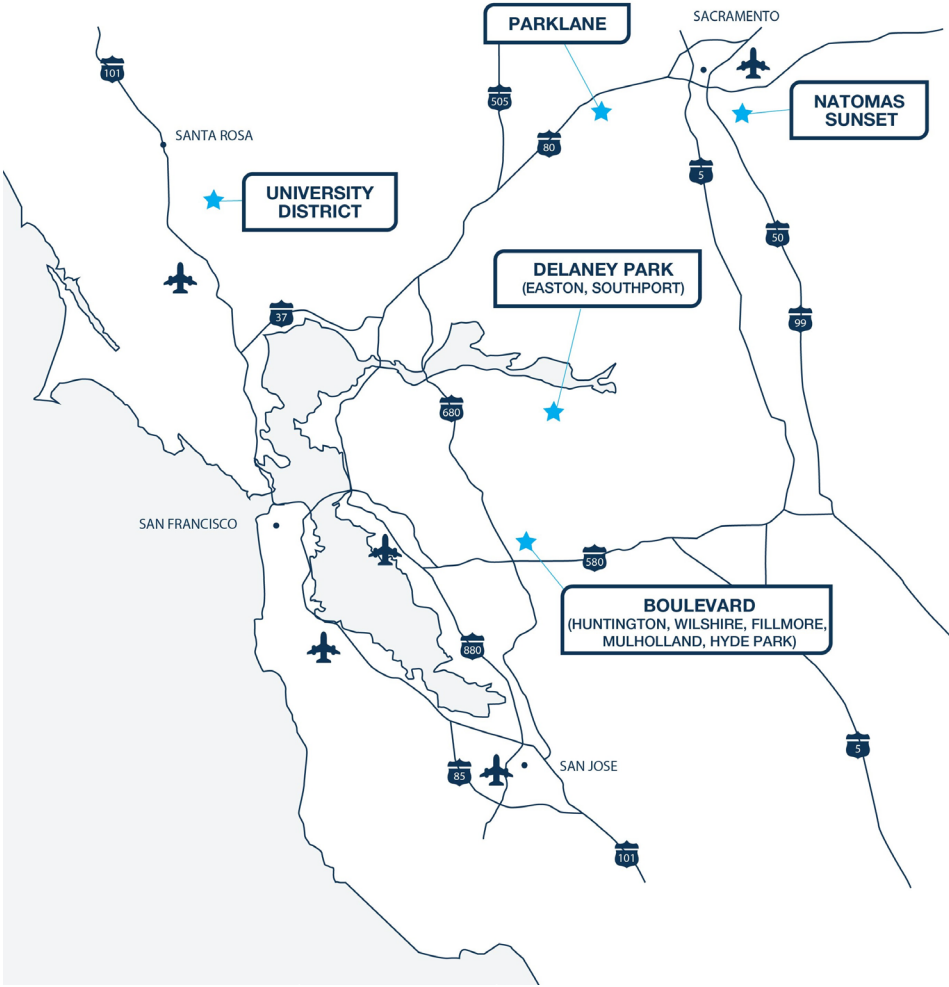
ENTITLED LOTS

2,840

UNENTITLED LOTS

7,255

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Boulevard (Huntington, Wilshire, Fillmore, Mulholland, Hyde Park)	503	503	–
Natomas, Sunset	8,520	1,715	6,805
Parklane	450	–	450
University District	331	331	–
Delaney Park (Easton, Southport)	131	131	–
Other	160	160	–
Total:	10,095	2,840	7,255



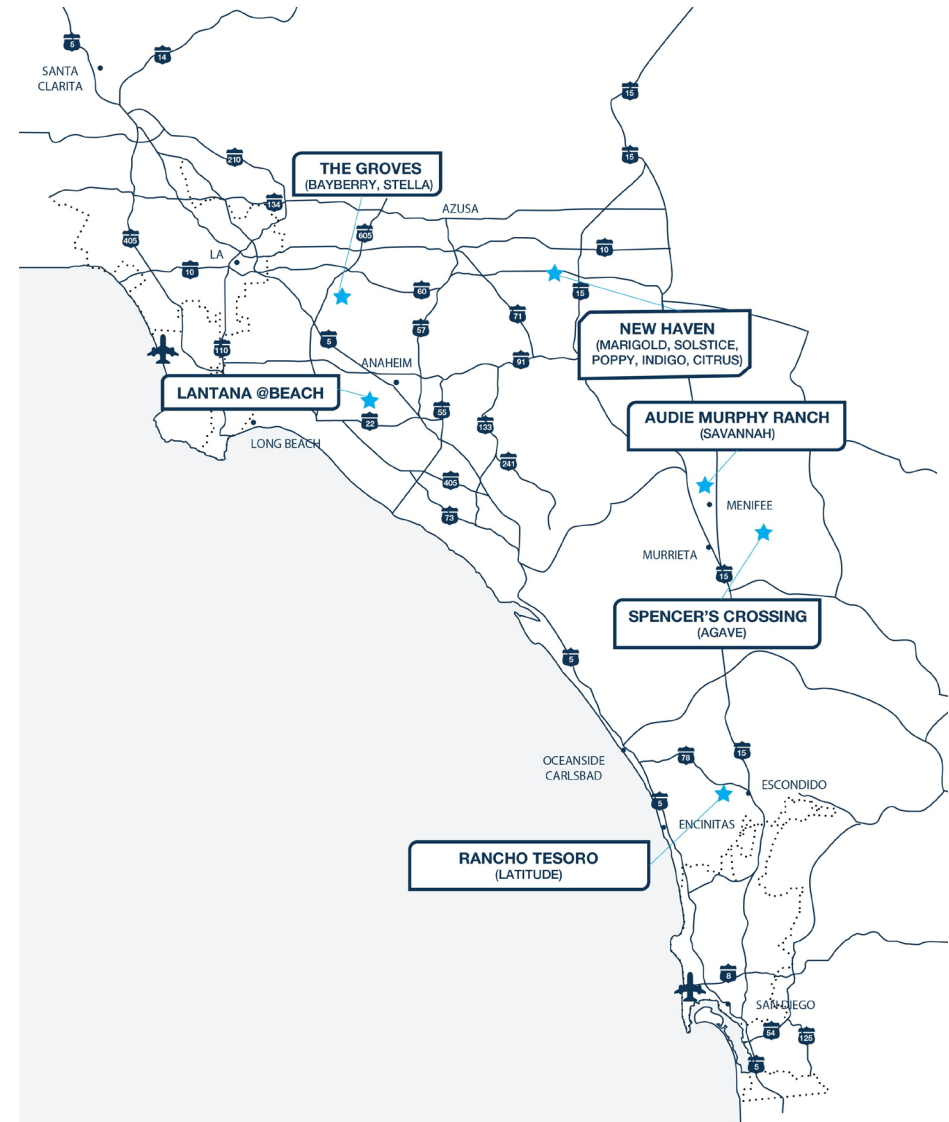
# Southern California

LOTS  
6,901

**ENTITLED LOTS**  
**5,675**

UNENTITLED LOTS  
1,226

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Audie Murphy Ranch (Savannah)	208	208	–
The Groves (Bayberry, Stella)	250	250	–
Lantana @Beach	116	116	–
New Haven (Marigold, Solstice, Poppy, Indigo, Citrus)	1,668	493	1,175
Rancho Tesoro (Latitude)	69	69	–
Spencer's Crossing (Agave)	55	55	–
Other	4,535	4,484	51
<b>Total:</b>	<b>6,901</b>	<b>5,675</b>	<b>1,226</b>



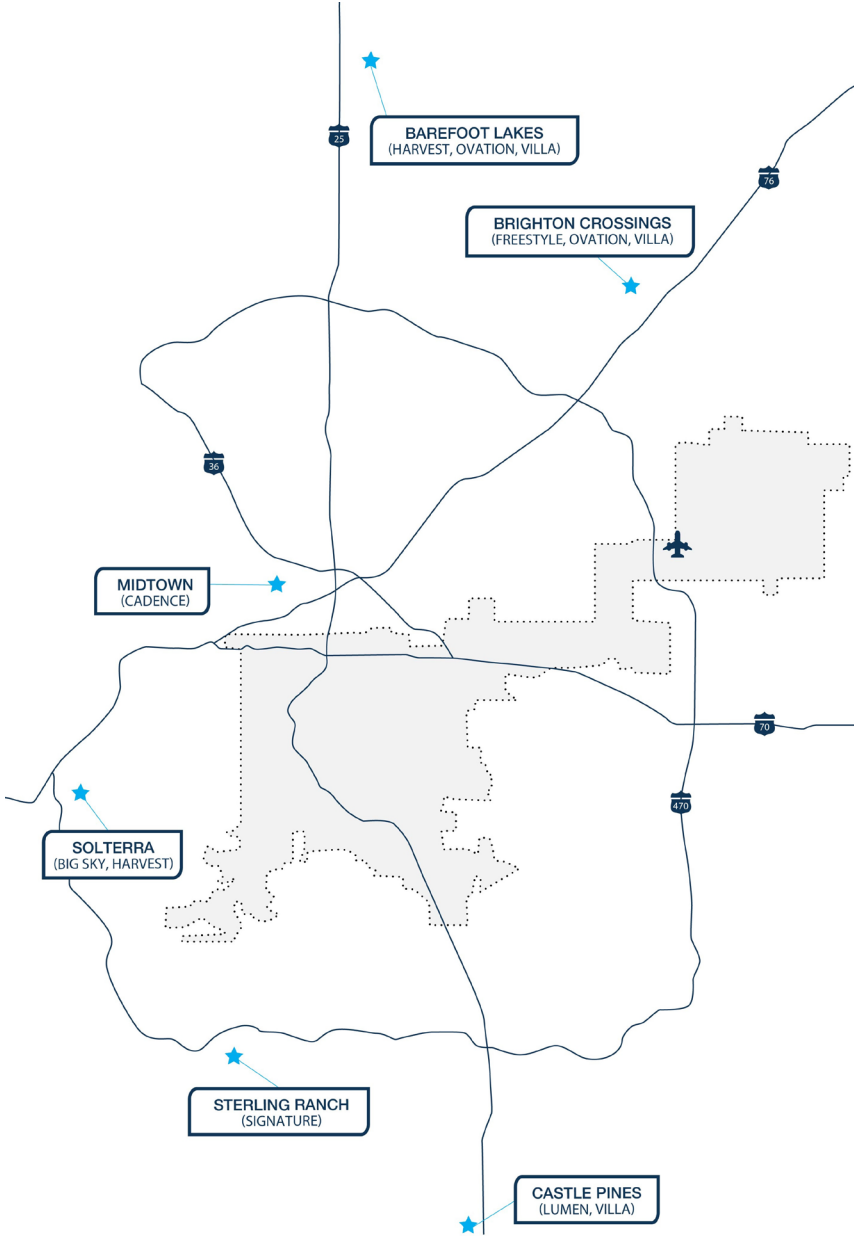


# Denver, Colorado

LOTS	ENTITLED LOTS	UNENTITLED LOTS
6,927	6,927	-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Barefoot Lakes (Harvest, Ovation, Villa)	3,183	3,183	-	-
Brighton Crossings (Freestyle, Ovation, Villa)	1,319	1,319	-	10
Castle Pines (Lumen, Villa)	43	43	-	-
Midtown (Cadence)	118	118	-	-
Solterra (Big Sky, Harvest)	182	182	-	-
Sterling Ranch (Signature)	1	1	-	-
Other	2,081	2,081	-	-
Total:	6,927	6,927	-	10

\* Multi-family, industrial and commercial parcels

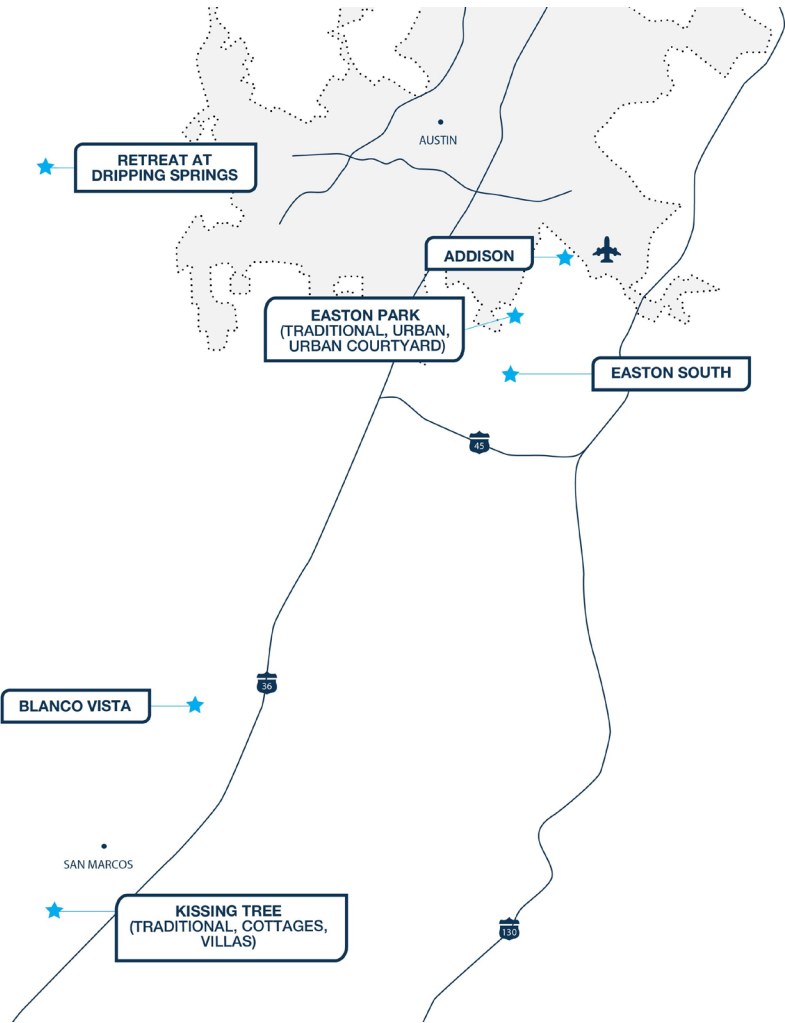


# Austin, Texas

LOTS	ENTITLED LOTS	UNENTITLED LOTS
11,092	11,092	-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Addison	212	212	-	-
Blanco Vista	348	348	-	-
Easton Park (Traditional, Urban, Urban Courtyard)	4,822	4,822	-	37
Easton South	2,909	2,909	-	-
Kissing Tree (Traditional, Cottages, Villas)	2,727	2,727	-	-
Retreat at Dripping Springs	25	25	-	-
Other	49	49	-	-
Total:	11,092	11,092	-	37

\* Multi-family, industrial and commercial parcels

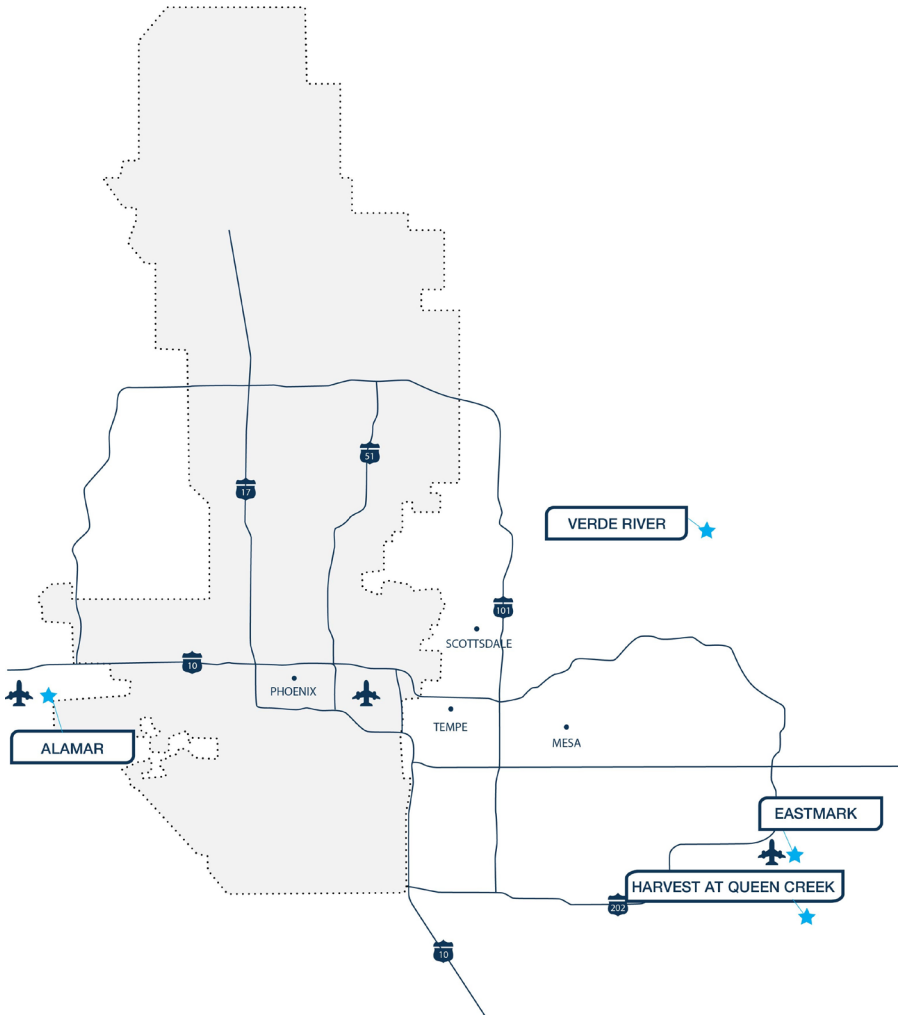


# Phoenix, Arizona

LOTS	ENTITLED LOTS	UNENTITLED LOTS
3,431	3,431	-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Alamar	1,580	1,580	-	-
Eastmark	1,748	1,748	-	55
Harvest at Queen Creek	85	85	-	-
Verde River	18	18	-	-
Total:	3,431	3,431	-	55

\* Multi-family, industrial and commercial parcels



# Washington, D.C. Area

LOTS

3,486

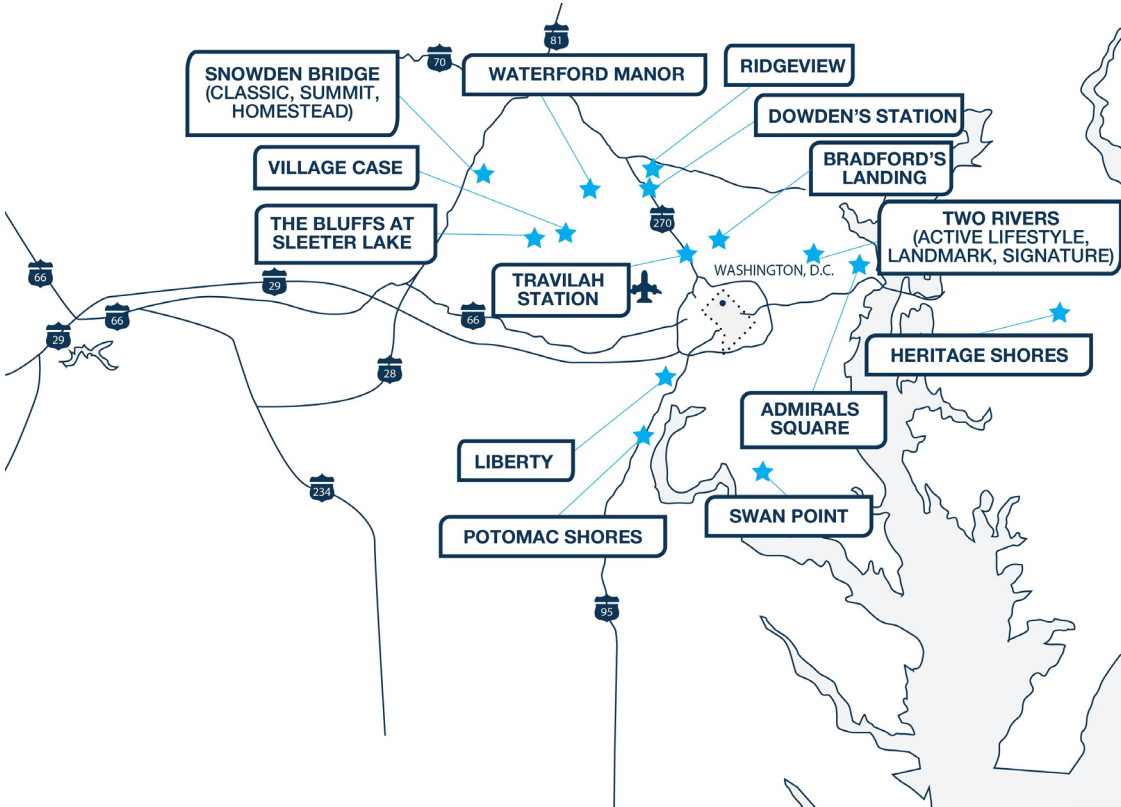
ENTITLED LOTS

3,449

UNENTITLED LOTS

37

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Admirals Square	5	5	–
The Bluffs at Sleeter Lake	14	14	–
Bradford's Landing	86	86	–
Dowden's Station	105	105	–
Heritage Shores	1,180	1,180	–
Liberty	8	8	–
Potomac Shores	34	34	–
Ridgeview	15	15	–
Snowden Bridge (Classic, Summit, Homestead)	309	309	–
Swan Point	1,372	1,372	–
Travilah Station	32	32	–
Two Rivers (Active Lifestyle, Landmark Collection, Signature Collection)	24	24	–
Village Case	17	17	–
Waterford Manor	30	30	–
Other	255	218	37
<b>Total:</b>	<b>3,486</b>	<b>3,449</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](mailto:investor.relations@brookfieldrp.com).

# Thank you

