

Corporate Profile

February 2022



Brookfield
Residential

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, 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; inflation or deflation, 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 and/or volatility in their costs and the imposition of any tariffs; disruptions in the global supply chain adversely impacting product availability, causing delays and increasing costs; ability to develop and market our master planned communities successfully; ability to develop and market our mixed-used properties successfully; the financial condition of our rental tenants; 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 and key personnel; 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 2022.

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2021 Overview

Brookfield Residential had a successful 2021 where the results reflect the continued strong demand for residential homes and land across North America. The residential real estate market in both the U.S. and Canada remained healthy during the fourth quarter, albeit, housing demand has declined when compared to the first half of 2021. The recent decline in housing demand is primarily due to price shock and affordability concerns from potential homebuyers following the price appreciation we have recently seen. We continue to have lower active housing selling communities as we were sold out of many offerings after months of strong sales pace combined with the operational strategy initiated earlier this year to limit sales on homes started while selling homes once building costs are confirmed.

Our land development business was active in 2021. In the second quarter, Brookfield Residential closed on the acquisition of Newland's management company and their 5% general partner equity interest in 15 communities. This strategic transaction strengthens our position as one of the largest U.S. master-planned community developers as we have widened our geographic footprint and regional operational skill sets. As a result, several of our master-planned communities were featured in the top 50 U.S. selling master-planned communities including Ontario Ranch (Southern California), Eastmark (Mesa, Arizona), Nexton (Charleston, South Carolina), Bexley (Tampa, Florida), Tehaleh (Seattle-Tacoma, Washington) and Elyson (Houston, Texas).

For the year ended December 31, 2021, income before income taxes was \$395 million compared to \$91 million in 2020. Included in the results were earnings of \$129 million from our affiliate unconsolidated entities (compared to a loss of \$30 million in 2020). Adjusting for this, our adjusted income before income taxes relating to our residential and mixed-use operations was \$266 million compared to \$121 million in 2020.

Additional operating and financial highlights for the year ended December 31, 2021 include:

- Continued execution on our strong backlog entering the year with 3,121 home closings at a housing gross margin of 18% where average home selling prices increased 9% to \$546,000.
- Net new home orders of 2,764 resulting in total backlog units of 1,542 units with a value of \$979 million (including our unconsolidated entities).
- Land activity remained strong with 2,412 lot closings and 201 acre closings (primarily from our acre parcel closings in northwest Calgary in the fourth quarter) with land gross margins at 39%. In addition, from our unconsolidated entities, we closed 1,257 lots and 220 acres in 2021 which included the closing of a 390-acre industrial parcel sale at our Eastmark master-planned community in the third quarter.
- Net debt to total capitalization ratio of 40%, which reflects a cash balance of \$116 million and undrawn on our unsecured revolving credit facility at the end of the year.

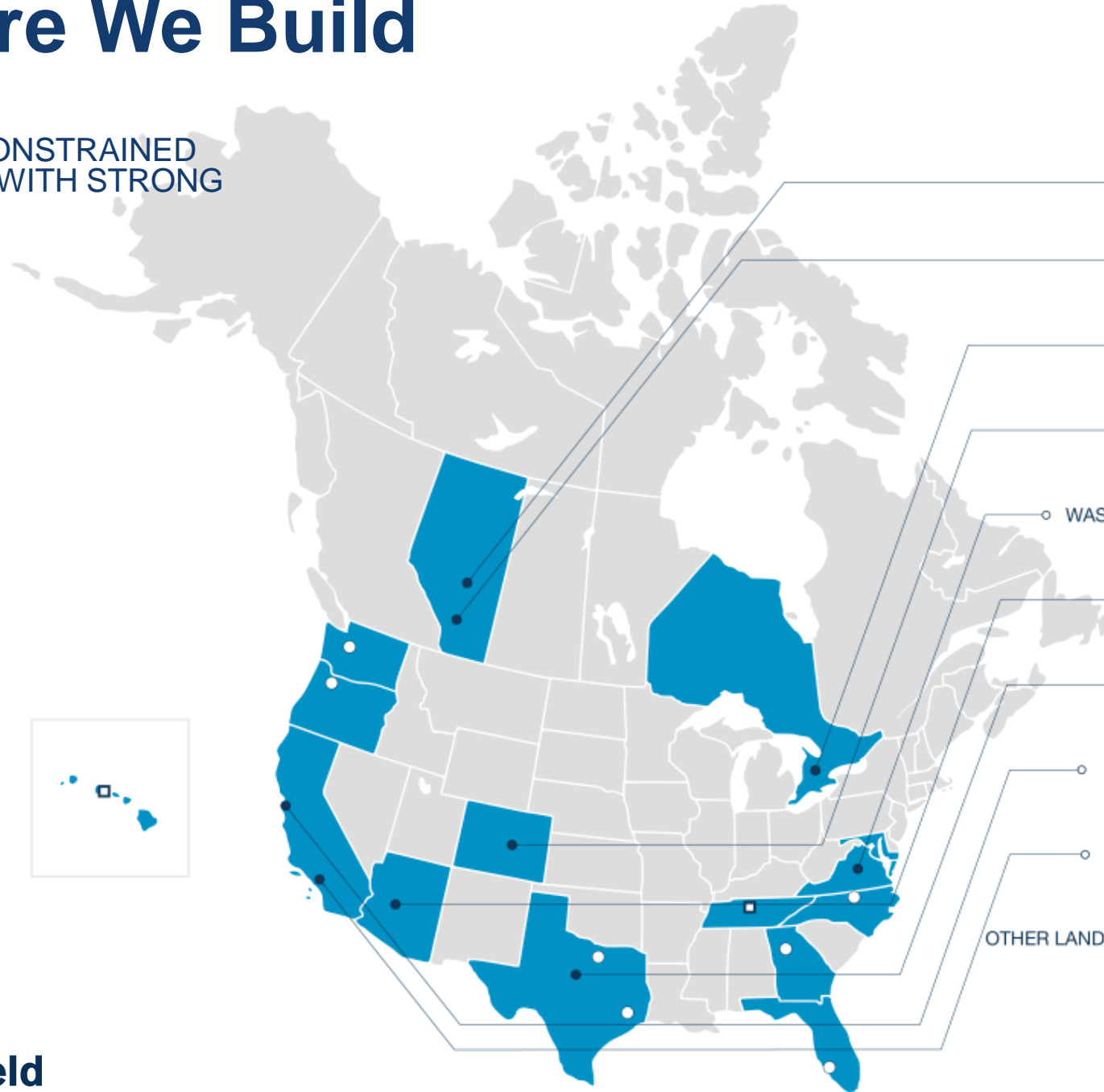
2021 Overview - continued

- Successfully issued \$350 million unsecured senior notes with an interest rate of 5% due in 2029 and C\$250 million unsecured senior notes with an interest rate of 5.125% due in 2029. In August, we also amended and extended the maturity of our unsecured revolving credit facility to August 2025 on substantially the same terms and conditions. These transactions continued to enhance the laddering of our debt maturities, while providing meaningful interest savings compared to our previously issued unsecured notes.
- With the Fifth + Broadway mixed-use project in Nashville officially opened earlier this year, we refinanced in the second quarter with new project-specific financing that maintains the total borrowings while lowering the cost of borrowing. In addition, in the fourth quarter of 2021, we closed a mezzanine loan agreement for total proceeds of \$117 million at an interest rate of 6% with Brookfield Reinsurance Partners where proceeds were used for general corporate purposes.
- During the year, Brookfield paid dividends of \$470 million to Brookfield Asset Management while maintaining adequate liquidity to support the increased activity in the current operating environment.

As we look ahead to 2022, Brookfield Residential remains in a good position for the foreseeable future while the homebuilding and land development sector continues to experience some near-term setbacks relating to cost increases, product shortages and delays. We continue to track key market indicators such as potentially higher interest and mortgage rates, supply chain implications and overall affordability in the markets that we operate in. We remain bullish on the housing and residential land development sector in both the near and medium-term and foresee that demand is supported by continued positive underlying fundamentals and demographic shifts in place driving household formation together with a historical supply shortage.

Where We Build

SUPPLY-CONSTRAINED
MARKETS WITH STRONG
DEMAND



TOTAL SINGLE FAMILY LOTS AS AT DECEMBER 31, 2021

EDMONTON	9,928	13%
CALGARY	16,972	22%
ONTARIO	9,604	12%
DENVER	6,558	8%
WASHINGTON, D.C.	4,311	6%
PHOENIX	2,509	3%
AUSTIN	10,488	14%
N. CALIFORNIA	10,016	13%
S. CALIFORNIA	6,026	8%
OTHER LAND COMMUNITIES	1,040	1%

- OTHER LAND COMMUNITIES
- NASHVILLE MIXED-USE, FIFTH + BROADWAY
- HONOLULU MIXED-USE, LILIA

Company Overview

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

Brookfield Residential Properties Inc. is a leading land developer and homebuilder in North America.

We entitle and develop land to create master-planned communities, build and sell lots to third-party builders, and conduct our own homebuilding operations. We also participate in select, strategic real estate opportunities, including infill projects, mixed-use developments, and joint ventures. We are the flagship North American residential property company of Brookfield Asset Management, a leading global alternative asset manager with approximately \$650 billion in assets under management.

On June 1, 2021, we completed the strategic acquisition of Newland, one of the largest private developers of master-planned communities in the U.S., where we acquired its 5% General Partner's equity interest in 15 active master-planned communities. Newland introduces us to the new markets of Dallas-Ft. Worth, Houston, Atlanta, Tampa, Seattle-Tacoma, Portland, Raleigh-Durham, Wilmington, and Charleston while expanding our offerings in San Diego, Denver, Austin, Phoenix and Washington D.C.

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, Portland, Sacramento, San Diego, San Francisco Bay Area, Seattle-Tacoma

CENTRAL AND EASTERN U.S.

Atlanta, Austin, Dallas, Denver, Houston, Phoenix, Raleigh, Tampa, 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

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.



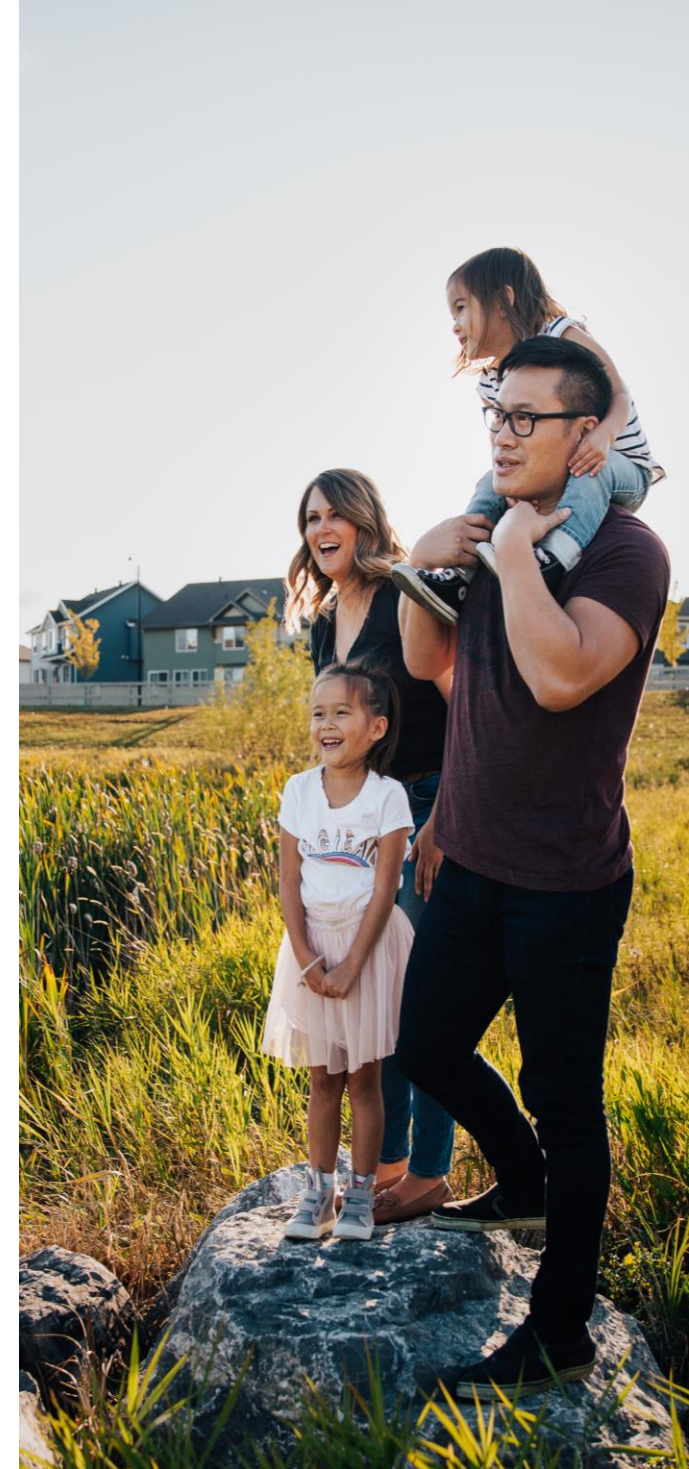
COMMERCIAL ZONES

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

- 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



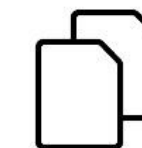
Area Structure / Community / Specific Plan

More detailed look at sequence of development, population density, transportation routes, public utilities and other items the jurisdiction would like to have studied



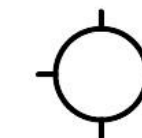
Land Use / Zoning / Tentative Map Plan

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

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-Dec-21		Total Acres	
	Owned	Options	Owned	Options	31-Dec-21	31-Dec-20	Entitled	Unentitled	31-Dec-21	31-Dec-20
Calgary	14,610	-	2,362	-	16,972	18,306	8,658	8,314	55	56
Edmonton	9,928	-	-	-	9,928	10,479	4,718	5,210	12	15
Ontario	7,468	-	2,136	-	9,604	8,147	5,112	4,492	1	1
Canada	32,006	-	4,498	-	36,504	36,932	18,488	18,016	68	72
Northern California	2,579	7,255	182	-	10,016	10,095	2,648	7,368	-	-
Southern California	5,198	-	410	418	6,026	6,901	3,892	2,134	-	-
Hawaii	-	-	-	-	-	3	-	-	-	-
Other ⁽²⁾	-	-	452	-	452	-	452	-	1	-
California	7,777	7,255	1,044	418	16,494	16,999	6,992	9,502	1	-
Denver	6,558	-	-	-	6,558	6,927	6,558	-	10	10
Austin	10,488	-	-	-	10,488	11,092	10,488	-	37	37
Phoenix	1,833	-	676	-	2,509	3,431	2,375	134	-	55
Washington D.C. Area	3,429	871	11	-	4,311	3,486	4,274	37	-	-
Other ⁽³⁾	-	-	588	-	588	-	588	-	2	-
Central and Eastern U.S.	22,308	871	1,275	-	24,454	24,936	24,283	171	49	102
Total	62,091	8,126	6,817	418	77,452	78,867	49,763	27,689	118	174
Entitled lots	41,864	2,078	5,821	-	49,763	51,070				
Unentitled lots	20,227	6,048	996	418	27,689	27,797				
Total December 31, 2021	62,091	8,126	6,817	418	77,452					
Total December 31, 2020	63,556	8,203	6,107	1,001		78,867				

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

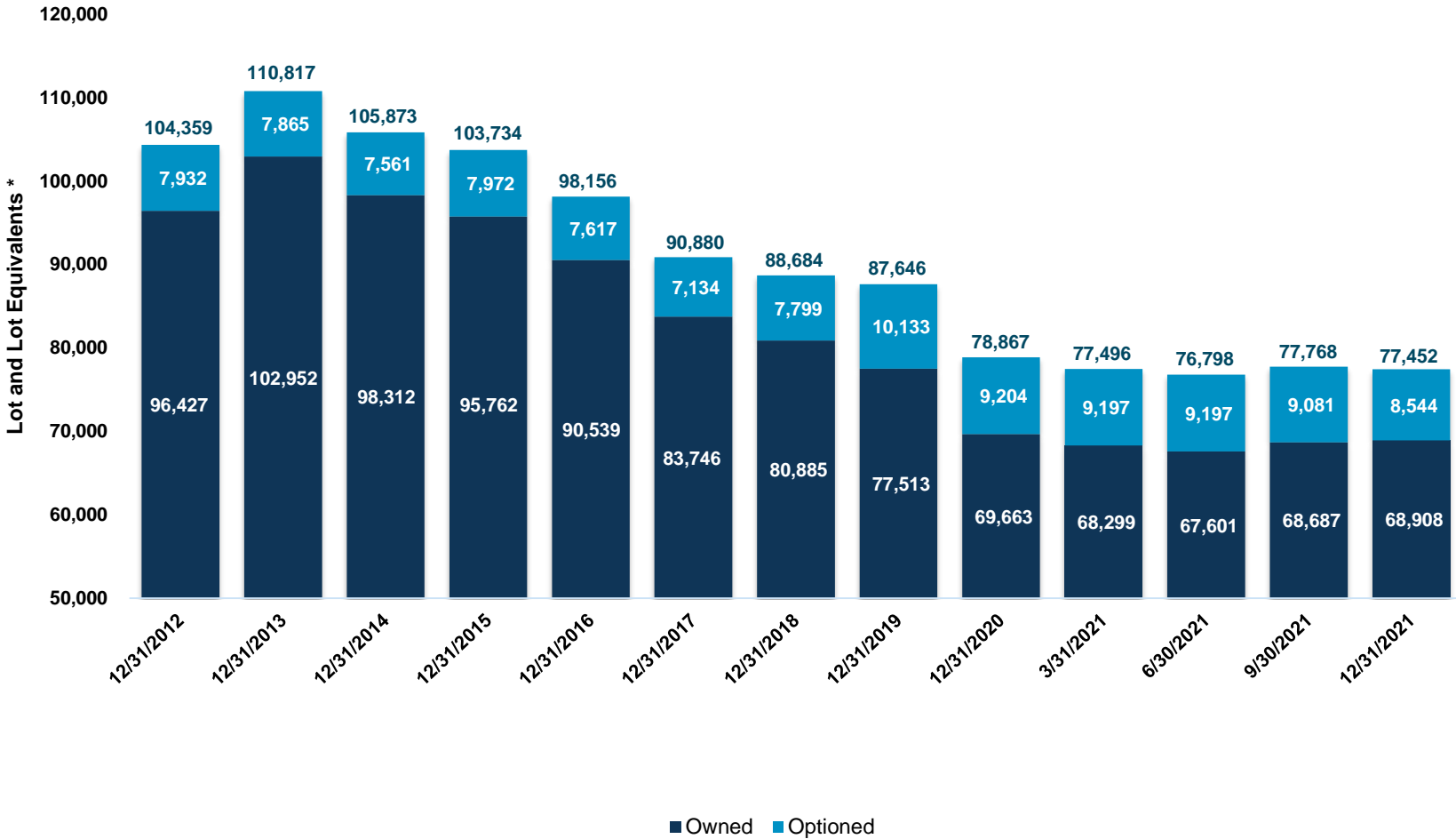
⁽²⁾ Other includes lots acquired on June 1, 2021, which are located in the following markets: Oregon and Washington State.

⁽³⁾ Other includes lots acquired on June 1, 2021, which are located in the following markets: North Carolina, Florida, Georgia and Texas.

(millions, except per unit activity)	Housing	Unconsol.	Total 31-Dec-21		Total 31-Dec-20	
	& Land	Entities	Units	\$	Units	\$
Land Held For Development (lots)	1,220	170	60,175	1,390	60,811	1,387
Land Under Development - Single Family (lots)	668	131	6,759	799	7,036	923
Optioned (lots)	18	16	8,544	34	9,204	43
Housing inventory (units)	507	12	1,793	519	1,596	477
Model homes (units)	80	-	181	80	220	98
Unconsolidated entities net liabilities	-	18	-	18	-	(32)
Sub total	2,493	347	77,452	2,840	78,867	2,896
Multi Family, Commercial & Industrial Parcels (acres)	81	9	118	90	174	68
Total	2,574	356		2,930		2,964

Land & Housing Inventory

CONSISTENT REDUCTION OF LOT INVENTORY DEMONSTRATES OUR CAPITAL DISCIPLINE



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

Financial Profile

Select Financial Information – Results From Operations

<i>(millions, except percentages, unit activity and average selling price)</i>	Three months ended Dec 31		Twelve months ended Dec 31	
	2021	2020	2021	2020
Results from Operations				
Total revenue	\$ 679	\$ 650	\$ 2,043	\$ 1,739
Housing revenue	492	465	1,704	1,446
Land revenue	187	185	339	293
Housing gross margin (\$)	87	93	314	262
Housing gross margin (%)	18%	20%	18%	18%
Land gross margin (\$)	84	42	132	74
Land gross margin (%)	45%	22%	39%	25%
Total gross margin (\$)	171	135	446	336
Total gross margin (%)	25%	21%	22%	19%
Income before income taxes	115	52	395	91
Income tax expense	(12)	(2)	(14)	(3)
Consolidated net income	103	50	381	88
Net income attributable to Brookfield Residential	34	3	187	14

Select Financial Information - Operating Data

<i>(millions, except unit activity and average selling price)</i>	Three months ended Dec 31		Twelve months ended Dec 31	
	2021	2020	2021	2020
Operating Data				
Home closings for Brookfield Residential (units)	885	845	3,121	2,873
Home closings for unconsolidated entities (units)	7	-	7	-
Average home selling price for Brookfield Residential (per unit)	\$ 556,000	\$ 550,000	\$ 546,000	\$ 503,000
Average home selling price for unconsolidated entities (per unit)	\$ 683,000	\$ -	\$ 683,000	\$ -
Net new home orders for Brookfield Residential (units)	714	817	2,713	3,506
Net new home orders for unconsolidated entities (units)	12	-	51	-
Backlog for Brookfield Residential (units)	1,499	1,907	1,499	1,907
Backlog for unconsolidated entities (units)	43	-	43	-
Backlog value for Brookfield Residential	\$ 942	\$ 1,013	\$ 942	\$ 1,013
Backlog value for unconsolidated entities	\$ 37	\$ -	\$ 37	\$ -
Active housing communities for Brookfield Residential	69	80	69	80
Active housing communities for unconsolidated entities	1	-	1	-
Lot closings for Brookfield Residential (single family units)	1,253	1,454	2,412	2,511
Lot closings for unconsolidated entities (single family units)	430	188	1,257	718
Acre closings for Brookfield Residential (multi-family, industrial and commercial)	69	39	89	42
Acre closings for unconsolidated entities (multi-family, industrial and commercial)	11	13	220	14
Acre closings for Brookfield Residential (raw and partially finished)	102	-	201	-
Acre closings for unconsolidated entities (raw and partially finished parcels)	-	-	1	-
Average lot selling price for Brookfield Residential (single family units)	\$ 104,000	\$ 115,000	\$ 110,000	\$ 108,000
Average lot selling price for unconsolidated entities (single family units)	\$ 179,000	\$ 121,000	\$ 140,000	\$ 108,000
Average per acre selling price for Brookfield Residential (multi-family, industrial and commercial)	\$ 402,000	\$ 471,000	\$ 504,000	\$ 496,000
Average per acre selling price for unconsolidated entities (multi-family, industrial and commercial)	\$ 379,000	\$ 437,000	\$ 410,000	\$ 443,000
Average per acre selling price for Brookfield Residential (raw and partially finished)	\$ 280,000	\$ -	\$ 148,000	\$ -
Average per acre selling price for unconsolidated (raw and partially finished parcels)	\$ -	\$ -	\$ 272,000	\$ -
Active land communities for Brookfield Residential	16	22	16	22
Active land communities for unconsolidated entities	17	7	17	7

Condensed Consolidated Balance Sheets

	Dec 31	Sept 30	Jun 30	Mar 31
<i>(thousands, except percentages)</i>	2021	2021	2021	2021
ASSETS				
Cash and cash equivalents	\$ 116,469	\$ 81,601	\$ 89,193	\$ 325,536
Restricted cash	4,832	4,033	4,803	13,396
Receivables and other assets	1,157,213	882,124	818,017	856,641
Land and housing inventory	2,573,635	2,750,567	2,649,016	2,616,624
Investments in unconsolidated entities - land and housing	356,642	296,186	326,402	278,671
Investment in unconsolidated entities - affiliate	769,660	749,831	709,776	644,775
Held-to-maturity investment	300,000	300,000	300,000	300,000
Commercial properties	873,145	847,212	817,278	759,518
Operating and financing lease right-of-use asset	82,249	78,531	80,151	80,890
Deferred income tax assets	47,678	57,982	57,726	56,641
Goodwill	16,479	16,479	16,479	16,479
	\$ 6,298,002	\$ 6,064,546	\$ 5,868,841	\$ 5,949,171
LIABILITIES				
Notes payable	\$ 1,626,017	\$ 1,624,841	\$ 1,628,381	\$ 1,625,243
Bank indebtedness and other financings	652,065	590,888	537,046	729,116
Total financings	2,278,082	2,215,729	2,165,427	2,354,359
Accounts payable and other liabilities	737,669	672,218	693,357	654,941
Operating and financing lease liability	89,943	85,920	87,307	87,701
Total liabilities	3,105,694	2,973,867	2,946,091	3,097,001
EQUITY	3,192,308	3,090,679	2,922,750	2,852,170
	\$ 6,298,002	\$ 6,064,546	\$ 5,868,841	\$ 5,949,171
Net debt to total capitalization	40%	41%	42%	42%

Condensed Consolidated Statements of Operations

<i>(thousands)</i>	Three months ended Dec 31		Twelve months ended Dec 31	
	2021	2020	2021	2020
Revenue				
Housing	\$ 491,951	\$ 464,996	\$ 1,703,585	\$ 1,445,507
Land	186,796	185,175	339,773	292,764
	678,747	650,171	2,043,358	1,738,271
Direct cost of sales				
Housing	(405,053)	(371,943)	(1,389,239)	(1,183,874)
Land	(103,371)	(143,667)	(208,074)	(218,796)
Gross margin	170,323	134,561	446,045	335,601
Selling, general and administrative expense	(114,421)	(88,466)	(299,175)	(260,450)
Interest expense	(8,920)	(5,031)	(44,804)	(9,975)
Earnings from unconsolidated entities - land and housing	28,812	2,600	99,910	16,469
Earnings / (loss) from unconsolidated entities - affiliate	19,948	2,317	129,346	(29,544)
Other income	27,761	11,355	97,323	57,955
Lease expense	(3,516)	(3,490)	(14,012)	(13,748)
Depreciation	(5,301)	(1,616)	(20,129)	(4,984)
Income before income taxes	114,686	52,230	394,504	91,324
Current income tax expense	(2,447)	(898)	(6,917)	(6,709)
Deferred income tax (expense) / recovery	(10,074)	(1,515)	(7,266)	3,582
Consolidated net income	102,165	49,817	380,321	88,197
Net income attributable to non-controlling interest - land and housing	1,716	5,324	22,265	14,697
Net income attributable to non-controlling interest - affiliate	67,110	41,707	171,202	59,454
Net income attributable to Brookfield Residential	\$ 33,339	\$ 2,786	\$ 186,854	\$ 14,046
Other comprehensive income / (loss)				
Unrealized foreign exchange gain / (loss) on:				
Translation of the net investment in Canadian subsidiaries and unconsolidated entities - affiliate	1,990	45,551	4,747	21,973
Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	(675)	(8,625)	(1,500)	(3,850)
Comprehensive income attributable to Brookfield Residential	\$ 34,654	\$ 39,712	\$ 190,101	\$ 32,169

Condensed Consolidated Statements of Cash Flows

<i>(thousands)</i>	Twelve months ended Dec 31	
	2021	2020
Cash Flows Used in Operating Activities:		
Net income	\$ 380,321	\$ 88,197
Adjustments to reconcile net income to net cash (used in) / provided by operating activities:		
Earnings from unconsolidated entities - land and housing	(99,910)	(16,469)
(Earnings) / loss from unconsolidated entities - affiliate	(129,346)	29,544
Deferred income tax expense / (recovery)	7,266	(3,582)
Share-based compensation expense	47,256	29,660
Depreciation	20,129	4,984
Right-of-use asset depreciation	5,806	6,555
Amortization of non-cash interest	7,227	5,767
Loss on extinguishment of debt	15,751	15,030
Dividend income on held-to-maturity investment	(24,000)	(24,066)
Distributions of earnings from unconsolidated entities	11,749	10,416
Changes in operating assets and liabilities	<u>(386,303)</u>	<u>(51,606)</u>
Net cash (used in) / provided by operating activities	(144,054)	94,430
Cash Flows Provided by Investing Activities:		
Investments in unconsolidated entities	(41,581)	(18,172)
Distributions from unconsolidated entities	159,674	53,132
Acquisition	(14,500)	-
Increase in loan receivable	<u>(32,455)</u>	<u>(7,452)</u>
Net cash provided by investing activities	71,138	27,508
Cash Flows (Used in) / Provided by Financing Activities:		
Drawings under project-specific and other financings	332,522	202,049
Repayments under project-specific and other financings	(116,989)	(53,663)
Drawings under unsecured senior notes payable	551,650	500,000
Repayments under unsecured senior notes payable	(551,650)	(500,000)
Payments of debt issuance costs	(8,348)	(11,449)
Payments of debt extinguishment costs	(8,984)	(8,930)
Net contributions to non-controlling interest	122,019	781
Tax equivalent distributions paid to common shareholders	(20,800)	(11,343)
Dividends paid to common shareholders	(470,000)	-
Payments made on the principal of financing leases	<u>(146)</u>	<u>(203)</u>
Net cash (used in) / provided by financing activities	(170,726)	117,242
Effect of foreign exchange rates on cash and cash equivalents	<u>(3,212)</u>	<u>5,234</u>
Change in cash, cash equivalents and restricted cash	(246,854)	244,414
Cash, cash equivalents and restricted cash at beginning of period	368,155	123,741
Cash, cash equivalents and restricted cash at end of period	\$ 121,301	\$ 368,155

Quarterly Operating and Financial Information

<i>(millions, except per unit activity)</i>	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Home closings (units)	885	750	788	698	845	850	634	544
Lot closings (single family units)	1,253	190	381	588	1,454	726	164	167
Acre closings (multi-family, industrial and commercial)	69	3	13	4	39	-	-	3
Acre closings (raw and partially finished)	102	-	99	-	-	-	-	-
Net new home orders (units)	714	493	521	985	817	1,144	622	921
Backlog (units)	1,499	1,670	1,927	2,194	1,907	1,935	1,638	1,650
Backlog value	\$ 942	\$ 1,000	\$ 1,098	\$ 1,200	\$ 1,013	\$ 973	\$ 771	\$ 750
Revenue	\$ 679	\$ 446	\$ 475	\$ 444	\$ 650	\$ 453	\$ 323	\$ 312
Direct cost of sales	(508)	(355)	(383)	(351)	(515)	(361)	(268)	(257)
Gross margin	171	91	92	93	135	92	55	55
Selling, general and administrative expense	(114)	(61)	(63)	(62)	(88)	(61)	(53)	(58)
Interest expense	(9)	(11)	(13)	(12)	(5)	(2)	-	(3)
Earnings from unconsolidated entities - land and housing	29	54	8	9	3	9	2	2
Earnings / (loss) from unconsolidated entities - affiliate	20	41	29	39	2	(9)	2	(24)
Other income	22	29	9	17	9	19	19	4
Lease expense	(4)	(4)	(3)	(3)	(4)	(4)	(3)	(3)
Income / (loss) before income taxes	115	139	59	81	52	44	22	(27)
Income tax (expense) / recovery	(12)	(2)	-	-	(2)	-	(5)	4
Consolidated net income / (loss)	103	137	59	81	50	44	17	(23)
Net income attributable to non-controlling interest - land and housing	2	5	11	4	5	3	3	3
Net income / (loss) attributable to non-controlling interest - affiliate	67	72	16	16	42	27	2	(11)
Net income / (loss) attributable to Brookfield Residential	\$ 34	\$ 60	\$ 32	\$ 61	\$ 3	\$ 14	\$ 12	\$ (15)
Foreign currency translation	1	(16)	9	9	37	15	27	(60)
Comprehensive income / (loss)	\$ 35	\$ 44	\$ 41	\$ 70	\$ 40	\$ 29	\$ 39	\$ (75)

Select Operating Information – Housing

<i>(millions, except per unit activity and average selling price)</i>	Three months ended Dec 31				Twelve months ended Dec 31			
	2021		2020		2021		2020	
	Units	\$	Units	\$	Units	\$	Units	\$
Home closings								
Canada	392	\$ 189	287	\$ 134	962	\$ 448	944	\$ 359
California	155	126	278	198	996	668	829	580
Central and Eastern U.S.	338	177	280	133	1,163	588	1,100	507
	885	492	845	465	3,121	1,704	2,873	1,446
Unconsolidated entities	7	5	-	-	7	5	-	-
Total	892	\$ 497	845	\$ 465	3,128	\$ 1,709	2,873	\$ 1,446

Average home selling price	Three months ended Dec 31		Twelve months ended Dec 31	
	2021	2020	2021	2020
Canada	\$ 481,000	\$ 468,000	\$ 465,000	\$ 379,000
California	814,000	712,000	670,000	700,000
Central and Eastern U.S.	524,000	475,000	506,000	461,000
	556,000	550,000	546,000	503,000
Unconsolidated entities	683,000	-	683,000	-
Average selling price	\$ 557,000	\$ 550,000	\$ 546,000	\$ 503,000

Net new home orders (units)	Three months ended Dec 31		Twelve months ended Dec 31	
	2021	2020	2021	2020
Canada	305	157	1,027	963
California	125	291	643	1,241
Central and Eastern U.S.	284	369	1,043	1,302
	714	817	2,713	3,506
Unconsolidated entities	12	-	51	-
Total	726	817	2,764	3,506

Select Operating Information – Housing

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

	As at Dec 31	
Active housing communities	2021	2020
Canada	38	34
California	8	17
Central and Eastern U.S.	23	29
	69	80
Unconsolidated entities	1	-
Total	70	80

	As at Dec 31			
Backlog	2021		2020	
	Units	Value	Units	Value
Canada	640	\$ 349	575	\$ 281
California	279	249	632	389
Central and Eastern U.S.	580	344	700	343
	1,499	942	1,907	1,013
Unconsolidated entities	43	37	-	-
Total	1,542	\$ 979	1,907	\$ 1,013

Select Operating Information – Land

<i>(millions, except per unit activity)</i>	Three months ended Dec 31				Twelve months ended Dec 31			
	2021		2020		2021		2020	
	Units	\$	Units	\$	Units	\$	Units	\$
Lot closings (single family units)								
Canada	322	\$ 41	208	\$ 27	950	\$ 126	614	\$ 72
California	37	11	551	85	221	34	689	105
Central and Eastern U.S.	894	79	695	54	1,241	106	1,208	95
	1,253	131	1,454	166	2,412	266	2,511	272
Unconsolidated entities	430	77	188	23	1,257	175	718	78
Total	1,683	\$ 208	1,642	\$ 189	3,669	\$ 441	3,229	\$ 350
Acres closings (multi-family, industrial and commercial)								
Canada	4	\$ 3	17	\$ 15	24	\$ 20	20	\$ 17
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	65	24	22	4	65	24	22	4
	69	27	39	19	89	44	42	21
Unconsolidated entities	11	4	13	5	220	90	14	6
Total	80	\$ 31	52	\$ 24	309	\$ 134	56	\$ 27
Acres closings (raw and partially finished)								
Canada	102	\$ 28	-	\$ -	201	\$ 29	-	\$ -
California	-	-	-	-	-	-	-	-
Central and Eastern U.S.	-	-	-	-	-	-	-	-
	102	28	-	-	201	29	-	-
Unconsolidated entities	-	-	-	-	1	1	-	-
Total	102	\$ 28	-	\$ -	202	\$ 30	-	\$ -

Select Operating Information – Land

	Three months ended Dec 31		Twelve months ended Dec 31	
	2021	2020	2021	2020
Average lot selling price (single family units)				
Canada	\$ 126,000	\$ 123,000	\$ 132,000	\$ 115,000
California	288,000	155,000	152,000	152,000
Central and Eastern U.S.	89,000	79,000	85,000	79,000
	104,000	115,000	110,000	108,000
Unconsolidated entities	179,000	121,000	140,000	108,000
Average selling price	\$ 123,000	\$ 115,000	\$ 120,000	\$ 108,000
Average per acre selling price (multi-family, industrial and commercial)				
Canada	\$ 874,000	\$ 871,000	\$ 837,000	\$ 863,000
California	-	-	-	-
Central and Eastern U.S.	375,000	171,000	379,000	171,000
	402,000	471,000	504,000	496,000
Unconsolidated entities	379,000	437,000	410,000	443,000
Average selling price	\$ 399,000	\$ 463,000	\$ 436,000	\$ 479,000
Average per acre selling price (raw and partially finished)				
Canada	\$ 280,000	\$ -	\$ 148,000	\$ -
California	-	-	-	-
Central and Eastern U.S.	-	-	-	-
	280,000	-	148,000	-
Unconsolidated entities	-	-	272,000	-
Average selling price	\$ 280,000	\$ -	\$ 148,000	\$ -
Active land communities				
	As at Dec 31			
	2021	2020		
Canada	7	9		
California	1	2		
Central and Eastern U.S.	8	11		
	16	22		
Unconsolidated entities	17	7		
Total	33	29		

Select Operating Information – Gross Margin

<i>(millions, except percentages)</i>	Three Months Ended Dec 31				Twelve Months Ended Dec 31			
	2021		2020		2021		2020	
	\$	%	\$	%	\$	%	\$	%
Housing gross margin								
Canada	\$ 30	16%	\$ 26	19%	\$ 76	17%	\$ 62	17%
California	28	22%	42	21%	138	21%	115	20%
Central and Eastern U.S.	29	16%	25	19%	100	17%	85	17%
Total	\$ 87	18%	\$ 93	20%	\$ 314	18%	\$ 262	18%
Land gross margin								
Canada	\$ 37	51%	\$ 11	26%	\$ 70	40%	\$ 29	33%
California	4	33%	15	18%	15	44%	18	17%
Central and Eastern U.S.	43	41%	16	26%	47	36%	27	27%
Total	\$ 84	45%	\$ 42	22%	\$ 132	39%	\$ 74	25%
Total gross margin								
Canada	\$ 67	26%	\$ 37	21%	\$ 146	24%	\$ 91	20%
California	32	23%	57	20%	153	22%	133	19%
Central and Eastern U.S.	72	26%	41	21%	147	20%	112	18%
Total	\$ 171	25%	\$ 135	21%	\$ 446	22%	\$ 336	19%

Historical Pro Forma Financial Information

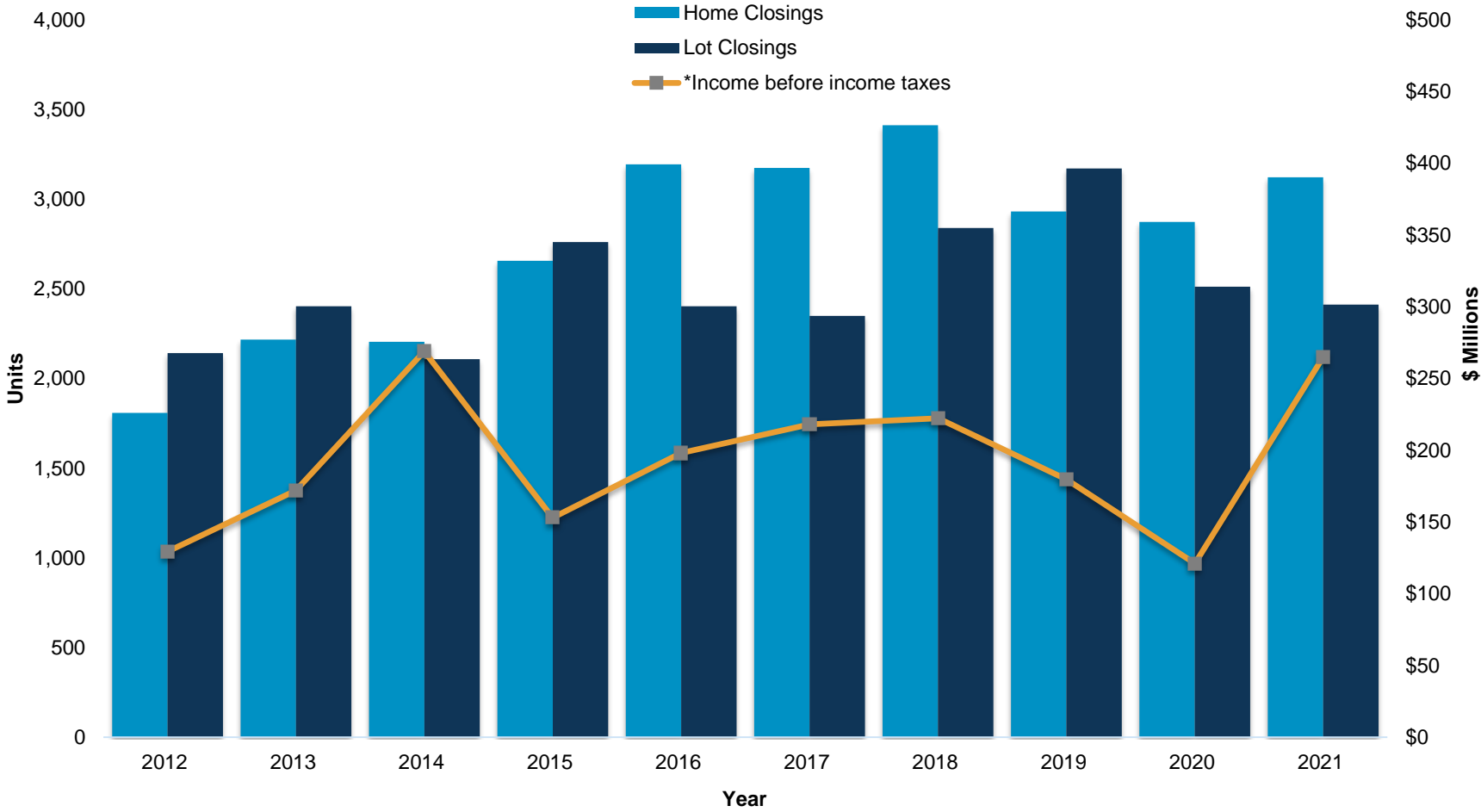
BROOKFIELD RESIDENTIAL PROPERTIES

(millions, except unit activity)

Year ended December 31

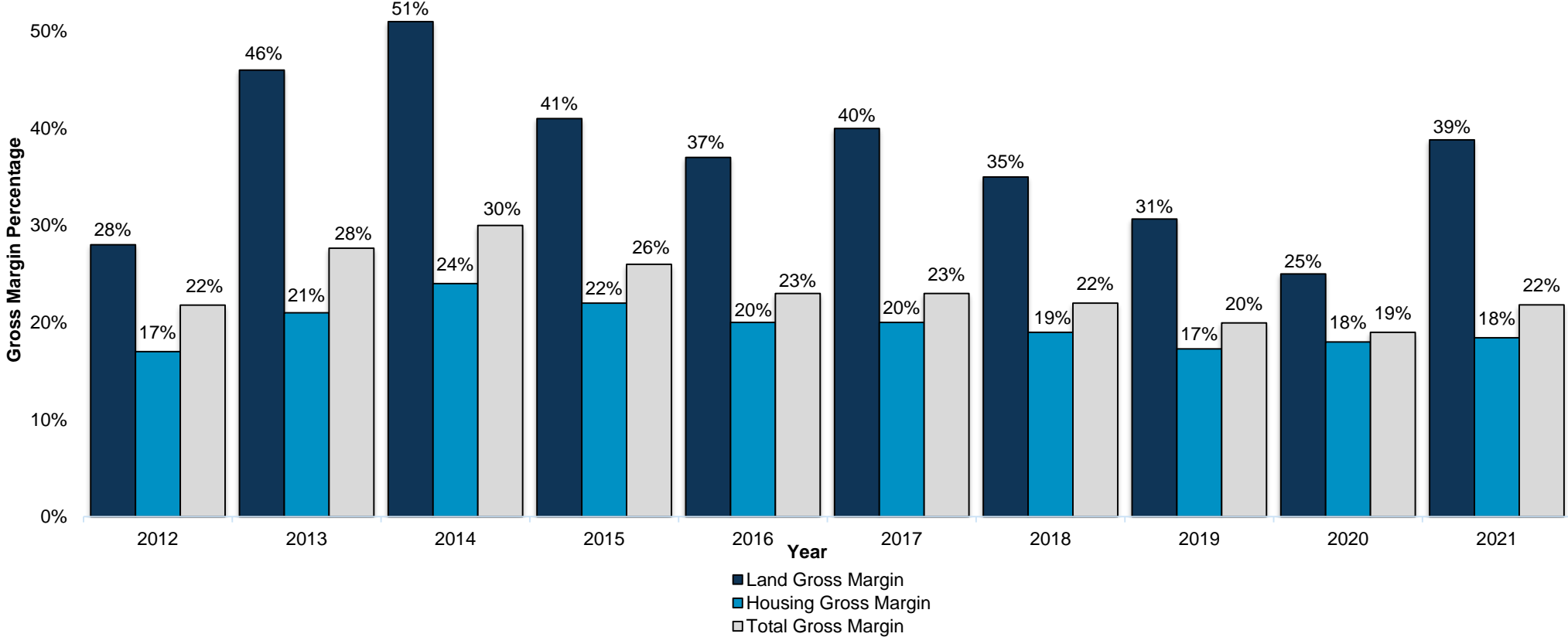
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Home Closings (units)	3,121	2,873	2,930	3,411	3,174	3,193	2,656	2,204	2,216	1,808
Lot Closings (single family units)	2,412	2,511	3,170	2,838	2,349	2,403	2,760	2,107	2,402	2,142
Acre Closings	290	42	195	98	712	2,108	66	34	247	543
Revenue										
Housing	\$ 1,704	\$ 1,446	\$ 1,550	\$ 1,794	\$ 1,733	\$ 1,604	\$ 1,249	\$ 1,136	\$ 983	\$ 718
Land	339	293	388	368	318	299	342	340	373	622
Total Revenues	2,043	1,739	1,938	2,162	2,051	1,903	1,591	1,476	1,356	1,340
Direct cost of sales	(1,597)	(1,403)	(1,551)	(1,689)	(1,578)	(1,474)	(1,174)	(1,031)	(981)	(1,048)
Gross margin	446	336	387	473	473	429	417	445	375	292
Selling, general and administrative	(299)	(260)	(244)	(296)	(237)	(207)	(218)	(192)	(170)	(128)
Earnings / (loss) from unconsolidated entities	230	(13)	58	18	15	9	12	26	9	10
Other income / (expense)	18	28	2	27	(33)	(33)	(58)	(10)	(42)	(45)
Income before income taxes	\$ 395	\$ 91	\$ 203	\$ 222	\$ 218	\$ 198	\$ 153	\$ 269	\$ 172	\$ 129

Consistent Profitability



*Income before income taxes does not include earnings or losses from unconsolidated entities - affiliate

Historical Gross Margin



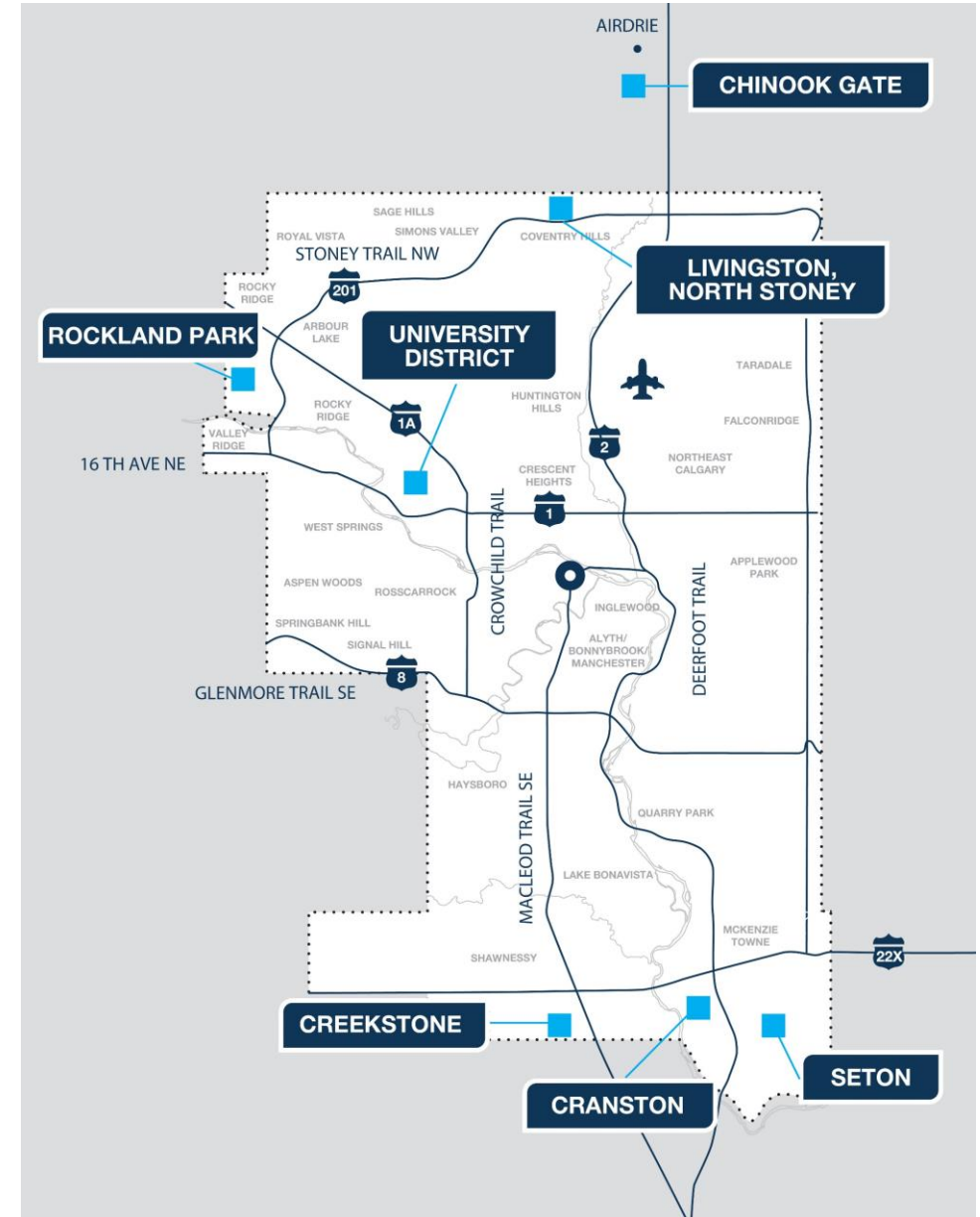
Our Markets

Calgary, Alberta

LOTS
ENTITLED LOTS
UNENTITLED LOTS
16,972
8,658
8,314

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Chinook Gate (Airdrie)	125	125	-	-
Cranston	269	269	-	1
Creekstone	27	27	-	-
Livingston	6,128	2,242	3,886	9
North Stoney	2,895	-	2,895	-
Rockland Park	1,130	1,130	-	4
Seton	5,643	4,110	1,533	24
University District	129	129	-	2
Other	626	626	-	15
Total:	16,972	8,658	8,314	55

* Multi-family, industrial and commercial parcels

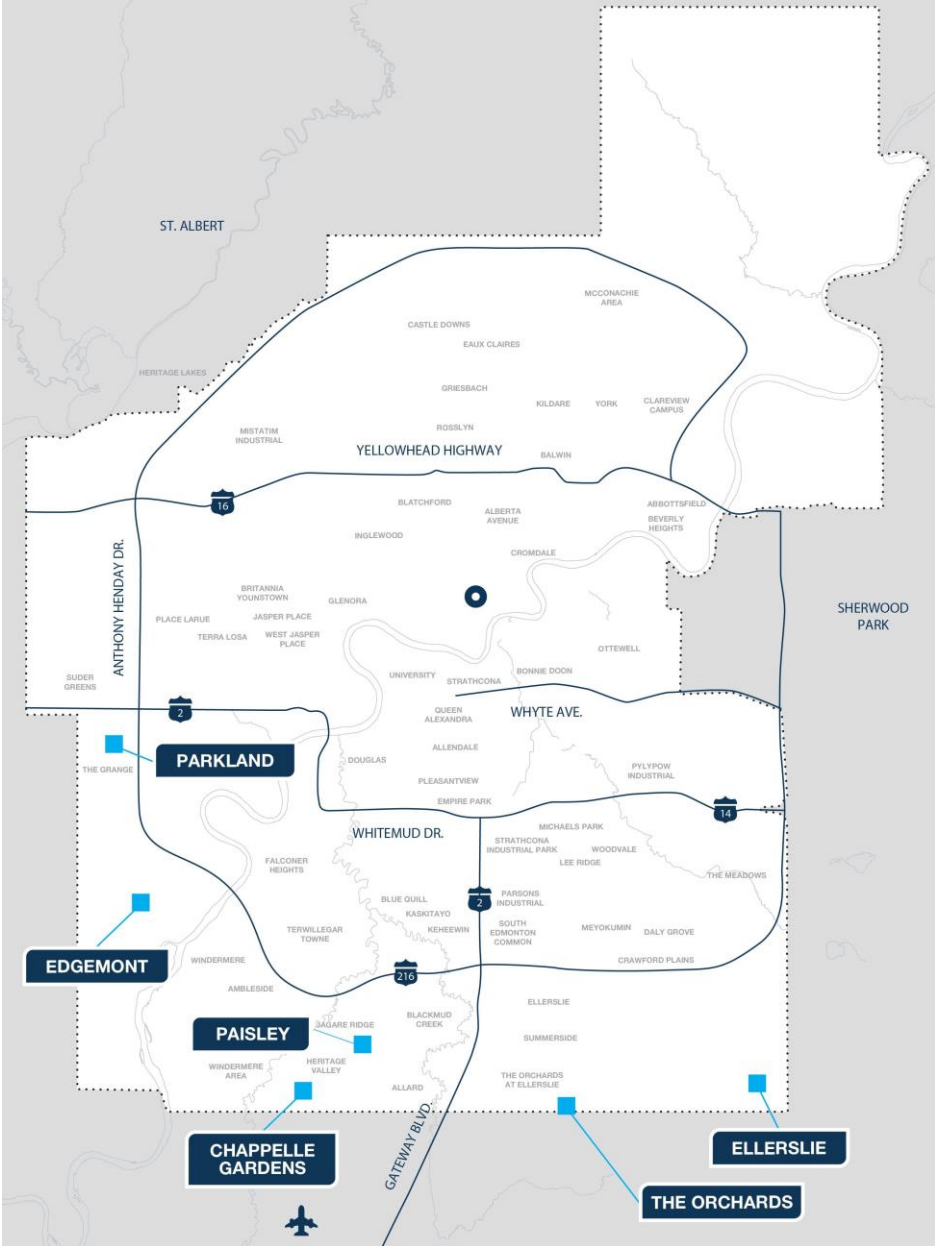


Edmonton, Alberta

LOTS
9,928
ENTITLED LOTS
4,718
UNENTITLED LOTS
5,210

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Chappelle Gardens	1,233	1,233	-	-
Edgemont	576	576	-	4
Ellerslie	5,210	-	5,210	-
The Orchards	2,522	2,522	-	3
Paisley	280	280	-	4
Parkland	42	42	-	-
Other	65	65	-	1
Total:	9,928	4,718	5,210	12

* Multi-family, industrial and commercial parcels

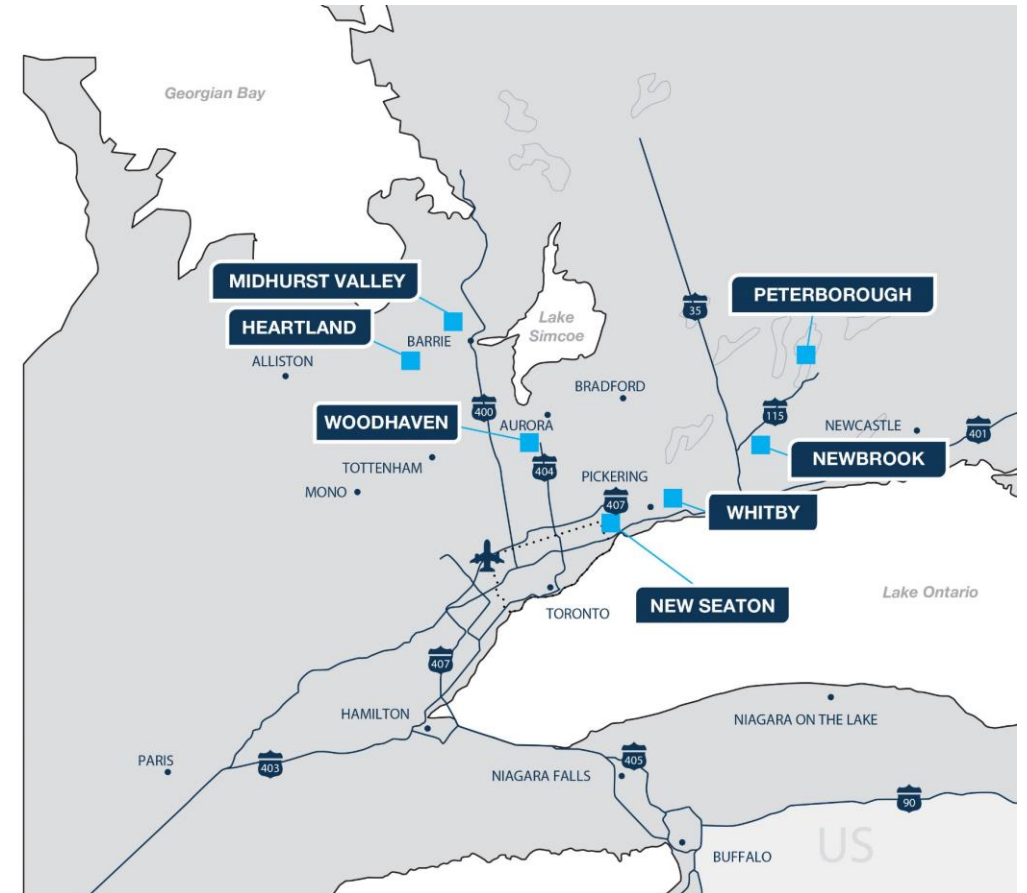


Ontario

LOTS
9,604
ENTITLED LOTS
5,112
UNENTITLED LOTS
4,492

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Heartland	253	253	-	-
Midhurst Valley	1,115	1,115	-	-
Newbrook	540	270	270	-
New Seaton	981	981	-	-
Peterborough	4,168	-	4,168	-
Whitby	2,281	2,227	54	1
Woodhaven	55	55	-	-
Other	211	211	-	-
Total:	9,604	5,112	4,492	1

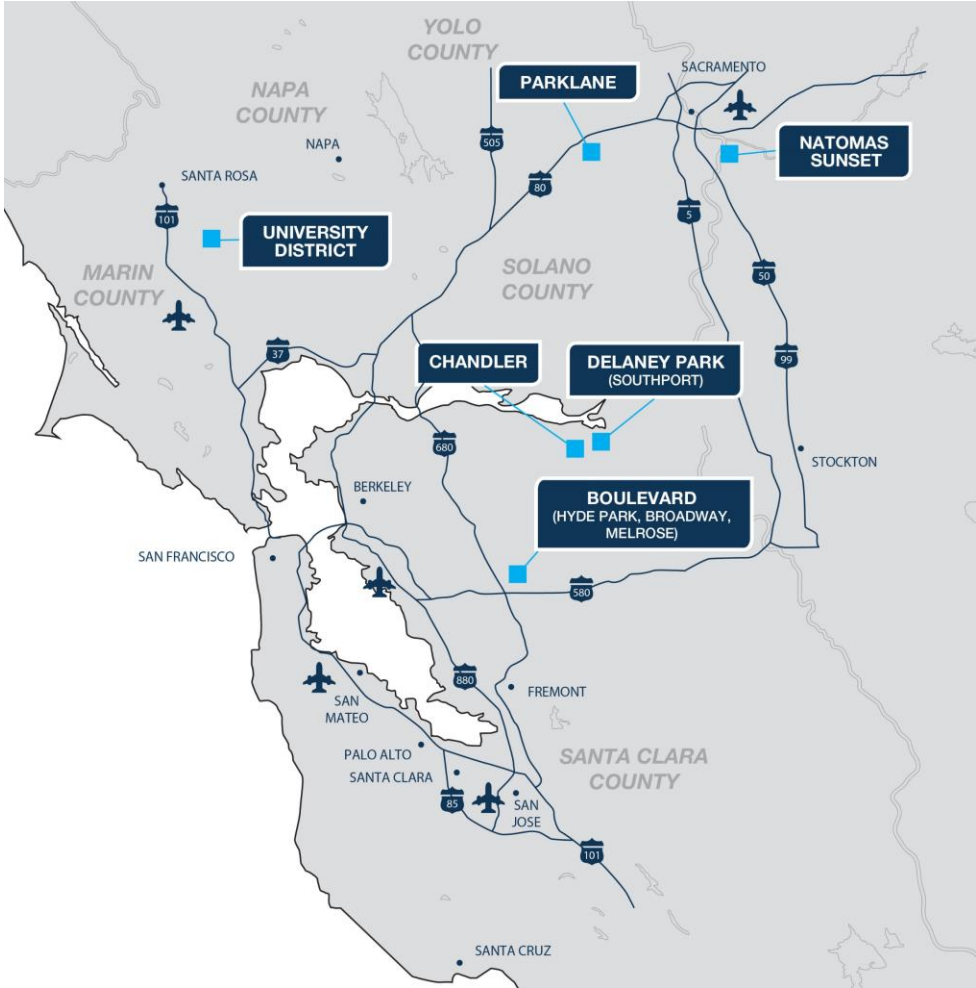
* Multi-family, industrial and commercial parcels



Northern California

LOTS
ENTITLED LOTS
UNENTITLED LOTS
10,016
2,648
7,368

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
Boulevard (Hyde Park, Broadway, Melrose)	328	328	-
Chandler	153	153	-
Natomas, Sunset	8,520	1,722	6,798
Parklane	450	-	450
University District	294	294	-
Delaney Park (Southport)	46	46	-
Other	225	105	120
Total:	10,016	2,648	7,368



Southern California

LOTS
6,026

ENTITLED LOTS
3,892

UNENTITLED LOTS
2,134

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
The Groves (Bayberry, Stella)	72	72	-
New Haven (Poppy, Indigo, Citrus)	803	385	418
Los Coyotes Country Club	80	80	-
The Landing at Tustin Legacy	400	400	-
Newland Sierra*	109	109	-
Other	4,562	2,846	1,716
Total:	6,026	3,892	2,134

* 109 lots represent 5% GP equity interest owned. Managed lots at 100% total 2,188.



Denver, Colorado

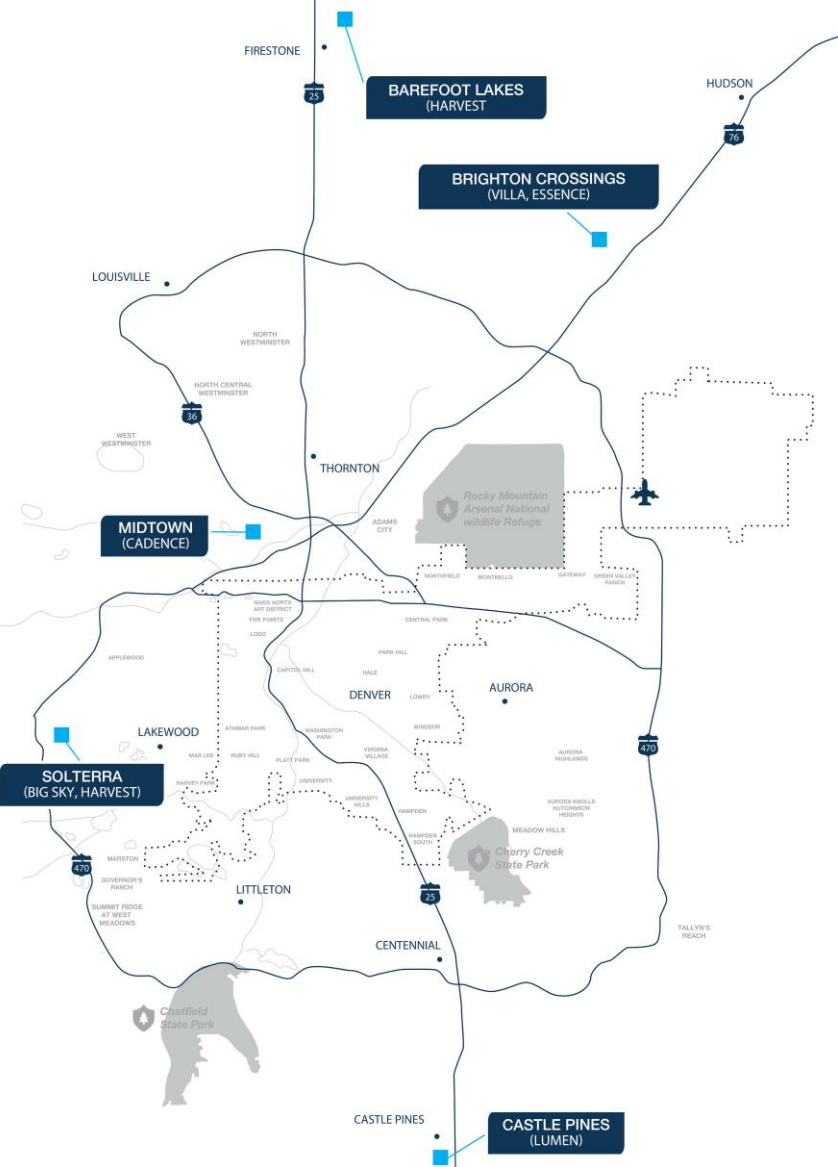
LOTS
6,558

ENTITLED LOTS
6,558

UNENTITLED LOTS
-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Barefoot Lakes (Harvest)	3,029	3,029	-	-
Brighton Crossings (Villa, Essence)	1,189	1,189	-	10
Castle Pines (Lumen)	26	26	-	-
Midtown (Cadence)	78	78	-	-
Solterra (Big Sky, Harvest)	158	158	-	-
Other	2,078	2,078	-	-
Total:	6,558	6,558	-	10

* Multi-family, industrial and commercial parcels



Austin, Texas

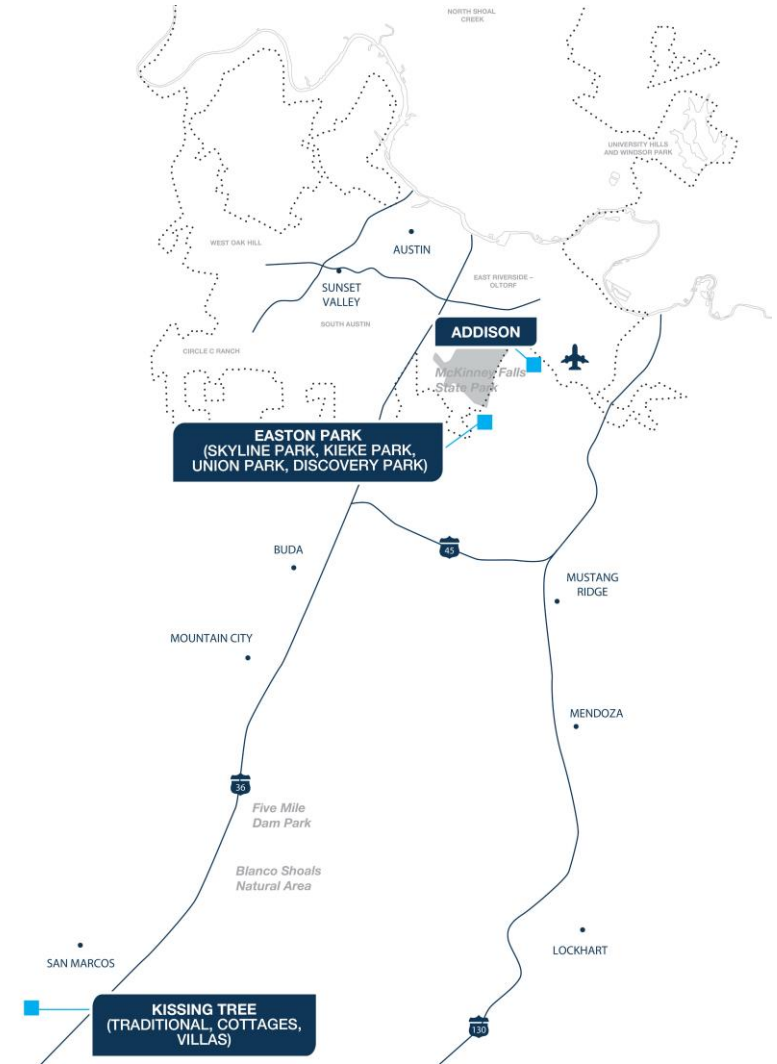
LOTS
10,488

ENTITLED LOTS
10,488

UNENTITLED LOTS
-

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Addison	144	144	-	-
Easton Park (Skyline Park, Kieke Park, Union Park, Discovery Park)	7,747	7,747	-	37
Kissing Tree (Traditional, Cottages, Villas)	2,590	2,590	-	-
Other	7	7	-	-
Total:	10,488	10,488	-	37

* Multi-family, industrial and commercial parcels

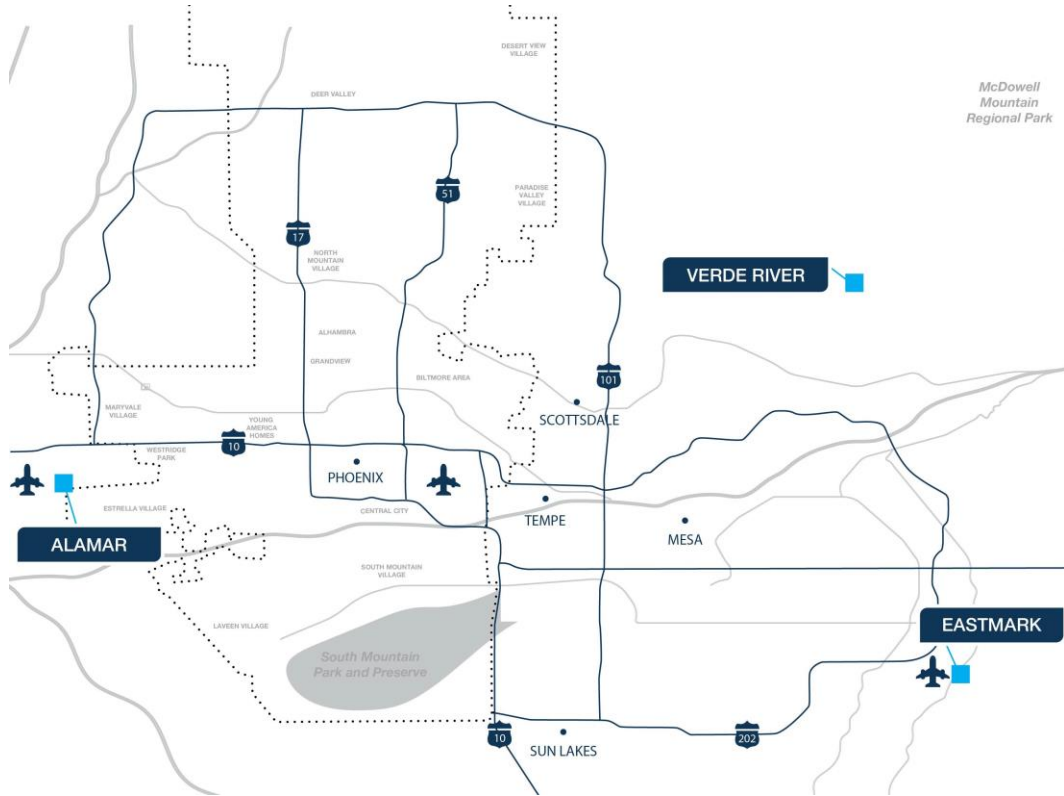


Phoenix, Arizona

LOTS
2,509
ENTITLED LOTS
2,375
UNENTITLED LOTS
134

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS	DEVELOPED ACRES*
Alamar	1,833	1,699	134	-
Eastmark	673	673	-	-
Verde River	3	3	-	-
Total:	2,509	2,375	134	-

* Multi-family, industrial and commercial parcels



Washington, D.C. Area

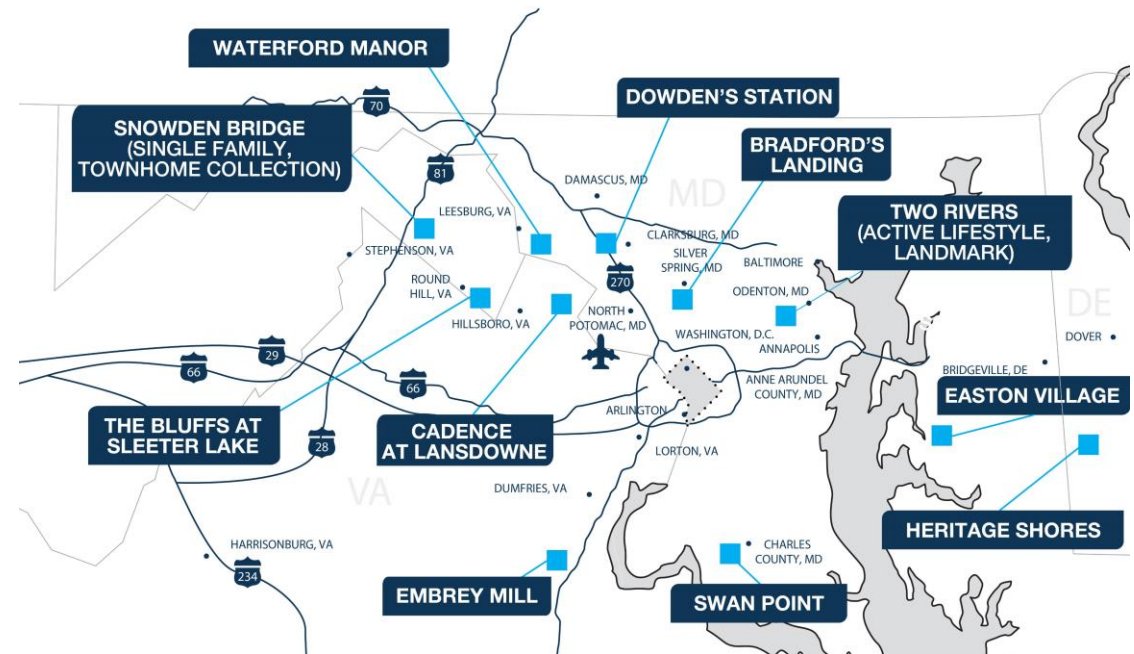
LOTS
4,311

ENTITLED LOTS
4,274

UNENTITLED LOTS
37

PROJECTS	TOTAL LOTS	ENTITLED LOTS	UNENTITLED LOTS
The Bluffs at Sleeter Lake	1	1	-
Bradford's Landing	3	3	-
Dowden's Station	43	43	-
Cadence at Lansdowne	71	71	-
Easton Village	7	7	-
Embrey Mill*	11	11	-
Heritage Shores	1,070	1,070	-
Snowden Bridge (Single Family, Townhome Collection)	1,403	1,403	-
Swan Point	1,372	1,372	-
Two Rivers (Active Lifestyle, Landmark Collection)	51	51	-
Waterford Manor	9	9	-
Other	270	233	37
Total:	4,311	4,274	37

* 11 lots represent 5% GP equity interest owned. Managed lots at 100% total 215.



Other Land Communities

(FL, GA, NC, OR, TX, WA)

5% GP EQUITY
INTEREST OWNED
LOTS

1,040

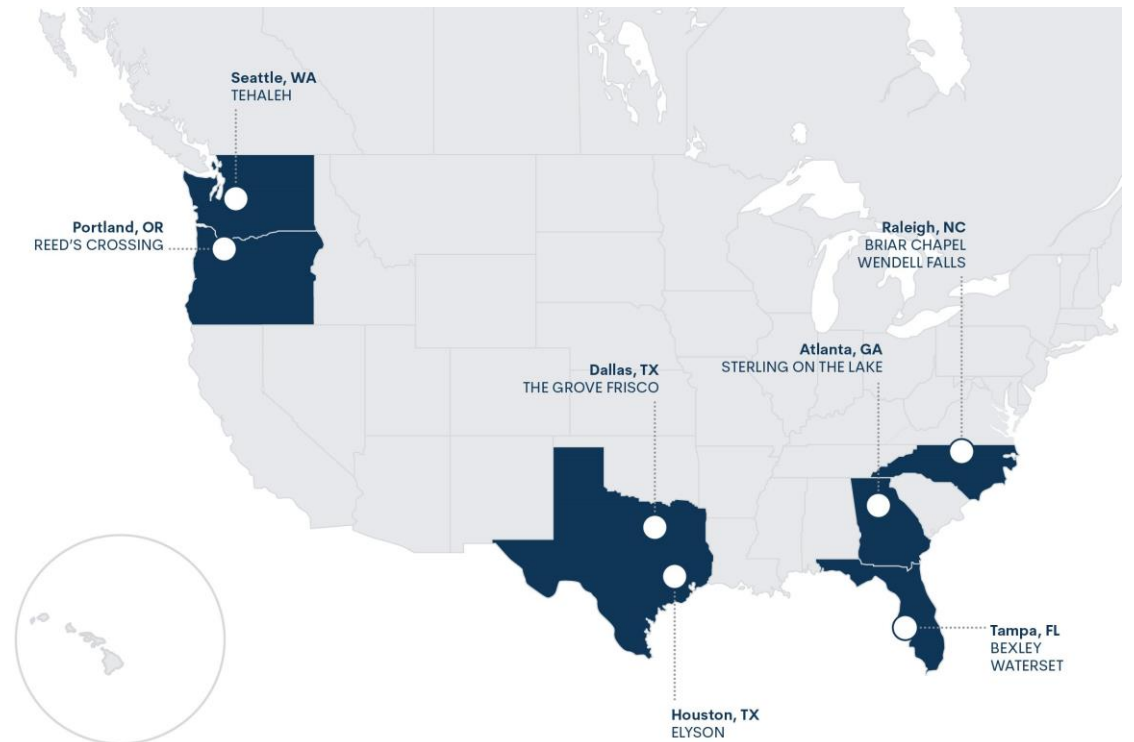
5% GP EQUITY
INTEREST OWNED
ACRES

3

100% MANAGED
LOTS

20,799

PROJECTS	5% GP EQUITY INTEREST OWNED LOTS	5% GP EQUITY INTEREST OWNED ACRES	100% MANAGED LOTS
Bexley (Tampa, FL)	19	1	379
Briar Chapel (Raleigh, NC)	4	–	78
Elyson (Houston, TX)	264	–	5,281
Reed's Crossing (Portland, OR)	95	–	1,906
Sterling on the Lake (Atlanta, GA)	11	–	220
Tehaleh (Seattle, WA)	356	1	7,122
The Grove Frisco (Dallas, TX)	71	–	1,426
Waterset (Tampa, FL)	120	–	2,389
Wendell Falls (Raleigh, NC)	100	1	1,998
Total:	1,040	3	20,799



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

