

**Brookfield Residential Properties Inc.**

A LAND DEVELOPMENT AND HOMEBUILDING COMPANY  
Active in Ten North American Markets

**Supplemental Information**  
**For the Three Months Ended March 31, 2011**

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*All amounts denominated in U.S. dollars*

## Forward-Looking Statements

This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and “other forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Certain statements in this supplemental information package that are not historical facts, including those statements preceded by, followed by, or that include the words “believe,” “planned,” “anticipate,” “should,” “goals,” “expected,” “potential,” “estimate,” “targeted,” “scheduled,” or similar expressions, constitute “forward-looking statements”. Undue 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 forward in the forward-looking statements include, but are not limited to: changes in general economic, real estate and other conditions; mortgage rate changes; availability of suitable undeveloped land at acceptable prices; adverse legislation or regulation; ability to obtain necessary permits and approvals for the development of our land; availability of labour or material or increases in their costs; ability to develop and market our master-planned communities successfully; confidence levels of consumers; ability to raise capital on favourable terms; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage and ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; and additional risks and uncertainties referred to in our filings with the securities regulators in Canada and the United States, many of which are beyond our control. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Corporate Profile

Brookfield Residential Properties Inc. (“Brookfield Residential”) is a North American land developer and homebuilder, active in ten principal markets with over 100,000 lots controlled. We entitle and develop land and build homes for our own communities, as well as sell lots to third-party builders. The company is listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol BRP. For more information, please visit our website at [www.brookfieldrp.com](http://www.brookfieldrp.com).

## Selected Financial Information

<i>(millions, except per unit activity and per share amounts)</i>	<b>Three Months Ended March 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>Results of Operations</b>		
Total revenue	\$ 180	\$ 141
Housing revenue	83	83
Land revenue	97	58
Gross margin - \$	55	41
Gross margin - %	31%	29%
Income before income taxes	26	20
Income tax expense	(84)	(4)
Net (loss)/income attributable to Brookfield Residential	(57)	18
Basic (loss)/income per share	(0.56)	0.13
Diluted (loss)/income per share	(0.56)	0.13
<b>Operating Data</b>		
Net new orders (units)	382	468
Backlog (units at end of period)	537	824
Home closings (units)	220	224
Average home selling price (per unit)	\$ 380,000	\$ 372,000
Lot closings (units)	593	558

## Condensed Balance Sheets

<b>(thousands)</b>	<b>As at March 31, 2011</b>	<b>As at December 31, 2010</b>
<b>Assets</b>		
Housing and land inventory	\$ 2,186,416	\$ 2,193,947
Investments in unconsolidated entities	130,906	137,203
Receivables and other assets	204,844	217,972
Restricted cash	20,629	7,366
Cash	12,245	4,345
Deferred income tax assets	-	75,225
	<b>\$ 2,555,040</b>	<b>\$ 2,636,058</b>
<b>Liabilities and Equity</b>		
Project specific and other financings	\$ 845,503	\$ 1,025,339
Notes payable	494,539	-
Total financings	1,340,042	1,025,339
Deferred income tax liabilities	7,108	-
Accounts payable and other liabilities	244,407	288,456
Total liabilities	1,591,557	1,313,795
Other interests in consolidated subsidiaries	36,269	42,461
Total equity	927,214	1,279,802
	<b>\$ 2,555,040</b>	<b>\$ 2,636,058</b>

# Condensed Statements of Operations

	Three Months Ended March 31,	
	2011	2010
<i>(thousands, except per share amounts)</i>		
<b>Revenue</b>		
Housing	\$ 83,551	\$ 83,425
Land	96,579	57,977
	<b>180,130</b>	<b>141,402</b>
<b>Direct cost of sales</b>		
Housing	(71,711)	(70,398)
Land	(53,106)	(29,510)
	<b>55,313</b>	<b>41,494</b>
Selling, general and administrative expense	(26,358)	(23,162)
Equity in earnings from unconsolidated entities	919	682
Depreciation	(985)	(889)
Other (expense) / income	(2,949)	2,339
<b>Income before income taxes</b>	<b>25,940</b>	<b>20,464</b>
Income tax expense	(83,705)	(3,993)
<b>Net (loss)/income</b>	<b>(57,765)</b>	<b>16,471</b>
Net loss attributable to noncontrolling interest and other interests in consolidated subsidiaries	783	1,276
<b>Net (loss)/income attributable to Brookfield Residential</b>	<b>\$ (56,982)</b>	<b>\$ 17,747</b>
Foreign currency translation	13,367	26,545
<b>Net (loss)/income and comprehensive (loss)/income attributable to Brookfield Residential</b>	<b>\$ (43,615)</b>	<b>\$ 44,292</b>
<b>Loss per common share attributable to Brookfield Residential</b>		
Basic	\$ (0.56)	\$ 0.13
Diluted	\$ (0.56)	\$ 0.13
<b>Weighted average common shares outstanding (in thousands)</b>		
Basic	101,343	101,343
Diluted	101,343	101,420

# Condensed Statements of Cash Flow

<i>(thousands)</i>	Three Months Ended March 31,	
	2011	2010
<b>Cash flows from / (used in) operating activities:</b>		
Net loss	\$ (57,765)	\$ 16,471
Adjustments to reconcile net loss to net cash from operating activities:		
Undistributed income from unconsolidated entities	(1,133)	(693)
Deferred income taxes	83,705	1,872
Non-cash interest converted into equity	1,674	-
Stock option compensation costs	513	113
Depreciation	985	889
Other changes in operating assets and liabilities:		
(Increase) / decrease in receivables and other assets	(3,933)	36,440
Decrease / (increase) in housing and land inventory	35,128	(5,844)
Change in restricted cash	(4,261)	-
Decrease in accounts payable and other liabilities	(36,442)	(43,881)
Other	396	120
<b>Net cash provided by operating activities</b>	<b>18,867</b>	<b>5,487</b>
<b>Cash flows (used in) / from investing activities:</b>		
Investments in unconsolidated entities	(1,884)	(3,658)
Distributions from unconsolidated entities	8,453	6
Change in restricted cash	(8,937)	270
Other	-	(30)
<b>Net cash provided by / (used in) investing activities</b>	<b>(2,368)</b>	<b>(3,412)</b>
<b>Cash flows (used in) / from financing activities:</b>		
Net (repayments) / drawings under project specific and other financings	12,375	(2,992)
Distributions to noncontrolling interest and other interests in consolidated subsidiaries	(5,197)	(1,535)
Contributions from noncontrolling interest and other interests in consolidated subsidiaries	331	334
Exercise of stock options	107	51
Dividends paid	(15,368)	(3,297)
Other	(847)	(27)
<b>Net cash used in financing activities</b>	<b>(8,599)</b>	<b>(7,466)</b>
Increase/(decrease) in cash and cash equivalents	7,900	(5,391)
Cash and cash equivalents at beginning of period	4,345	8,015
<b>Cash and cash equivalents at end of period</b>	<b>\$ 12,245</b>	<b>\$ 2,624</b>
<b>Supplemental cash flow information:</b>		
Interest paid	\$ 12,939	\$ 13,432
Income taxes recovered	\$ 3,280	\$ 39,415



## Selected Operating Information

<i>(in units, except average selling price)</i>	Three Months Ended March 31,	
	2011	2010
<b>Net New Home Orders</b>		
Canada	275	310
California	67	94
Central and Eastern U.S.	40	64
	<b>382</b>	<b>468</b>
Unconsolidated Entities	-	-
<b>Total</b>	<b>382</b>	<b>468</b>
<b>Home Closings</b>		
Canada	154	144
California	43	60
Central and Eastern U.S.	23	20
	<b>220</b>	<b>224</b>
Unconsolidated Entities	3	1
<b>Total</b>	<b>223</b>	<b>225</b>
<b>Average home selling price</b>		
Canada	\$ 318,000	\$ 289,000
California	590,000	571,000
Central and Eastern U.S.	399,000	376,000
	<b>380,000</b>	<b>372,000</b>
Unconsolidated Entities	464,000	1,245,000
<b>Average selling price</b>	<b>\$ 380,000</b>	<b>\$ 376,000</b>

Active housing communities / Backlog at end of period	Active Housing Communities		Backlog	
	2011	2010	2011	2010
Canada	16	12	412	560
California	9	14	71	149
Central and Eastern U.S.	7	9	54	115
	<b>32</b>	<b>35</b>	<b>537</b>	<b>824</b>
Unconsolidated Entities	2	1	-	-
<b>Total</b>	<b>34</b>	<b>36</b>	<b>537</b>	<b>824</b>

## Selected Operating Information cont'd

<i>(in units, except average selling price)</i>	Three Months Ended March 31 ,	
	2011	2010
<b>Average land selling price (per lot equivalent)</b>		
Canada	\$ 166,000	\$ 119,000
California	-	35,000
Central and Eastern U.S.	81,000	67,000
	163,000	104,000
Unconsolidated Entities	53,000	-
Average selling price	\$ 138,000	\$ 104,000
<b>Active land communities</b>		
Canada	12	11
California	3	3
Central and Eastern U.S.	8	9
	23	23
Unconsolidated Entities	1	-
Total	24	23
<b>Lot Closings</b>		
Canada	571	432
California	-	52
Central and Eastern U.S.	22	74
	593	558
Unconsolidated Entities	162	-
Total	755	558

## Selected Operating Information cont'd

(\$ millions, except unit activity)	Three Months Ended March 31,			
	2011		2010	
	Units	\$	Units	\$
<b>Housing Revenue</b>				
Canada	154	\$ 49	144	\$ 42
California	43	25	60	34
Central and Eastern U.S.	23	9	20	7
<b>Total</b>	<b>220</b>	<b>\$ 83</b>	<b>224</b>	<b>\$ 83</b>
<b>Land Revenue</b>				
Canada	571	\$ 95	432	\$ 51
California	-	-	52	2
Central and Eastern U.S.	22	2	74	5
<b>Total</b>	<b>593</b>	<b>\$ 97</b>	<b>558</b>	<b>\$ 58</b>
<b>Gross Margin</b>				
Canada		\$ 51		\$ 37
California		3		4
Central and Eastern U.S.		1		-
<b>Total</b>		<b>\$ 55</b>		<b>\$ 41</b>

Land Sales	Three Months Ended March 31			
	2011	Non- Recurring Timing Difference	Adjusted 2011	2010
Lot Closings	593	360	233	558
Revenue	\$ 97	\$ 61	\$ 36	\$ 58
Direct Cost of Sales	(53)	(35)	(18)	(30)
Gross Margin	44	26	18	28
	45%	43%	50%	48%

# Residential Building Lots

## Ownership

<i>(lots)</i>	Housing & Land		Unconsolidated Entities		Total Lots	Total Lots
	Owned <sup>(1)</sup>	Options	Owned	Options	31-Mar-11	31-Dec-10
Calgary	27,807	-	1,064	-	28,871	28,643
Edmonton	17,957	-	-	-	17,957	18,229
Toronto	9,471	-	-	-	9,471	9,320
<b>Canada</b>	<b>55,235</b>	<b>-</b>	<b>1,064</b>	<b>-</b>	<b>56,299</b>	56,192
Northern California	3,265	4,950	-	-	8,215	8,223
Southland/Los Angeles	859	320	760	2,759	4,698	4,734
San Diego/Riverside	8,696	-	50	-	8,746	8,761
Other	195	-	56	-	251	253
<b>California</b>	<b>13,015</b>	<b>5,270</b>	<b>866</b>	<b>2,759</b>	<b>21,910</b>	21,971
Austin	14,822	-	-	-	14,822	15,870
Denver	10,697	-	-	-	10,697	10,828
Washington D.C. Area	2,572	1,066	1,025	-	4,663	4,846
<b>Central and Eastern U.S.</b>	<b>28,091</b>	<b>1,066</b>	<b>1,025</b>	<b>-</b>	<b>30,182</b>	31,544
<b>Total March 31, 2011</b>	<b>96,341</b>	<b>6,336</b>	<b>2,955</b>	<b>2,759</b>	<b>108,391</b>	
Entitled lots March 31, 2011	51,591	1,066	1,837	1,395	55,889	
Unentitled lots March 31, 2011	44,750	5,270	1,118	1,364	52,502	
<b>Total March 31, 2011</b>	<b>96,341</b>	<b>6,336</b>	<b>2,955</b>	<b>2,759</b>	<b>108,391</b>	
Total December 31, 2010	97,381	6,435	3,132	2,759		109,707

## Book Value

<i>(millions, except per unit activity)</i>	Housing &	Unconsolidated	Total 03/31/2011		Total 12/31/2010	
	Land <sup>(1)</sup>	Entities	Lots	\$	Lots	\$
Housing inventory	\$331	\$14	2,047	\$345	2,063	\$351
Model homes	31	1	117	32	114	34
Land & land under development	1,767	105	97,132	1,872	98,336	1,879
Optioned lots	57	26	9,095	83	9,194	81
Unconsolidated entity debt	-	(15)	-	(15)	-	(14)
	<b>\$2,186</b>	<b>\$131</b>	<b>108,391</b>	<b>\$2,317</b>	<b>109,707</b>	<b>\$2,331</b>

<sup>(1)</sup> Includes consolidated options

## Investor Information

### Common Shares

Brookfield Residential is listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "BRP". Brookfield Residential commenced trading on April 1, 2011.

### Common Shares Outstanding

	1-Apr-11
Common shares issued and outstanding	101,342,718
Unexercised options	2,098,424
Total common shares outstanding	103,441,142

### Convertible Preferred Shares Outstanding

	1-Apr-11
Convertible preferred shares outstanding	70,002
Common share equivalent at a conversion rate of 2.731787607	191,231

### Announcement of Results

- 2011 quarterly results are expected to be announced as noted below:
  - Second Quarter                      August 2011
  - Third Quarter                         November 2011
  - Fourth Quarter                        February 2012
- Press releases and other investor information are available on the company's web site at:  
[www.brookfieldrp.com](http://www.brookfieldrp.com).

### Inquiries

Brookfield Residential Properties Inc. welcomes inquiries from shareholders, analysts, media representatives and other interested parties. Questions relating to investor relations or media inquiries can be directed to Linda Northwood, Director, Investor Relations at (416) 359-8647 or via e-mail at [linda.northwood@brookfieldrp.com](mailto:linda.northwood@brookfieldrp.com). Inquiries regarding financial results should be directed to Craig Laurie, Executive Vice President and Chief Financial Officer at (212) 417-7040 or via e-mail at [craig.laurie@brookfieldrp.com](mailto:craig.laurie@brookfieldrp.com).