

Brookfield Residential Properties Inc.

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

Supplemental Information
For the Six Months Ended June 30, 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.

Selected Financial Information

<i>(millions, except per unit activity and per share amounts)</i>	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Results of Operations				
Total revenue	\$ 236	\$ 273	\$ 416	\$ 415
Land revenue	147	98	244	156
Housing revenue	89	175	172	259
Gross margin - \$	55	80	110	121
Gross margin - %	23%	29%	26%	29%
Income before income taxes	26	57	52	78
Income tax expense	(7)	(18)	(91)	(22)
Net income / (loss) attributable to Brookfield Residential	19	39	(38)	57
Basic earnings / (loss) per share	\$ 0.19	\$ 0.34	\$ (0.37)	\$ 0.46
Diluted earnings / (loss) per share	\$ 0.19	\$ 0.34	\$ (0.37)	\$ 0.46
Operating Data				
Lot closings (units)	1,008	647	1,601	1,205
Average land selling price (per lot equivalent)	\$ 146,000	\$ 151,000	\$ 152,000	\$ 129,000
Net new orders (units)	455	374	837	842
Backlog (units at end of period)	733	813	733	813
Home closings (units)	240	480	460	704
Average home selling price (per unit)	\$ 369,000	\$ 365,000	\$ 374,000	\$ 367,000

Quarterly Financial Data

	2011		2010			
	Q2	Q1	Q4	Q3	Q2	Q1
<i>(millions, except per share amounts)</i>						
Revenue	\$ 235.5	\$ 180.1	\$ 299.5	\$ 240.2	\$ 273.1	\$ 141.4
Direct cost of sales	(180.7)	(124.8)	(227.5)	(166.4)	(193.4)	(99.9)
Gross Margin	54.8	55.3	72.0	73.8	79.7	41.5
Selling, general and administrative expense	(19.2)	(26.4)	(26.8)	(23.7)	(25.6)	(23.2)
Other income	1.5	0.3	14.3	2.2	3.1	2.1
Interest expense	(10.9)	(3.3)	-	-	-	-
Income before income taxes	26.2	25.9	59.5	52.3	57.2	20.4
Income tax expense	(7.4)	(83.7)	(18.7)	(17.9)	(17.9)	(4.0)
Net income / (loss)	18.8	(57.8)	40.8	34.4	39.3	16.4
Net income / (loss) attributable to non-controlling interest and other interests in consolidated subsidiaries	(0.4)	(0.8)	(0.2)	(0.1)	0.1	(1.3)
Net income / (loss) attributable to Brookfield Residential	\$ 19.2	\$ (57.0)	\$ 41.0	\$ 34.5	\$ 39.2	\$ 17.7
Earnings / (loss) per common share attributable to Brookfield Residential						
Basic	\$ 0.19	\$ (0.56)	\$ 0.36	\$ 0.29	\$ 0.34	\$ 0.13
Diluted	\$ 0.19	\$ (0.56)	\$ 0.35	\$ 0.29	\$ 0.34	\$ 0.13
Weighted average common shares outstanding (in thousands)						
Basic	101,187	101,343	101,343	101,343	101,343	101,343
Diluted	101,356	101,343	101,431	101,426	101,540	101,586

Condensed Consolidated Balance Sheets

<i>(thousands)</i>	As at June		As at March		As at December
	30, 2011		31, 2011		31, 2010
Assets					
Land and housing inventory	\$ 2,192,157	\$	2,186,416	\$	2,193,947
Investments in unconsolidated entities	136,585		130,906		137,203
Receivables and other assets	233,963		204,844		217,972
Restricted cash	18,048		20,629		7,366
Cash	2,165		12,245		4,345
Deferred income tax assets	-		-		75,225
	\$ 2,582,918	\$	2,555,040	\$	2,636,058
Liabilities and Equity					
Project specific and other financings	873,797	\$	845,503	\$	1,025,339
Notes payable	498,235		494,539		-
Total financings	1,372,032		1,340,042		1,025,339
Deferred income tax liabilities	13,609		7,108		-
Accounts payable and other liabilities	234,210		244,407		288,456
Total liabilities	1,619,851		1,591,557		1,313,795
Other interests in consolidated subsidiaries	34,117		36,269		42,461
Total equity	928,950		927,214		1,279,802
	\$ 2,582,918	\$	2,555,040	\$	2,636,058

Condensed Consolidated Statements of Operations

<i>(thousands, except per share amounts)</i>	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Revenue				
Land	\$ 146,902	\$ 97,966	\$ 243,481	\$ 155,943
Housing	88,640	175,159	172,191	258,584
	235,542	273,125	415,672	414,527
Direct cost of sales				
Land	(104,204)	(52,046)	(157,310)	(81,556)
Housing	(76,498)	(141,355)	(148,253)	(211,753)
	54,840	79,724	110,109	121,218
Selling, general and administrative expense	(19,237)	(25,596)	(45,594)	(48,758)
Equity in earnings / (losses) from unconsolidated entities	3,022	(743)	3,941	(61)
Depreciation	(886)	(731)	(1,872)	(1,620)
Interest expense	(10,886)	-	(14,166)	-
Other (expense) / income	(650)	4,600	(276)	6,939
Income before income taxes	26,203	57,254	52,142	77,718
Income tax expense	(7,366)	(17,908)	(91,071)	(21,901)
Net income / (loss)	18,837	39,346	(38,929)	55,817
Net income / (loss) attributable to noncontrolling interest and other interests in consolidated subsidiaries	(430)	130	(1,213)	(1,146)
Net income / (loss) attributable to Brookfield Residential	\$ 19,267	\$ 39,216	\$ (37,716)	\$ 56,963
Other Comprehensive Income				
Foreign currency translation	284	(35,566)	13,651	(9,021)
Comprehensive income / (loss) attributable to Brookfield Residential	\$ 19,551	\$ 3,650	\$ (24,065)	\$ 47,942
Earnings / (loss) per common share attributable to Brookfield Residential				
Basic	\$ 0.19	\$ 0.34	\$ (0.37)	\$ 0.46
Diluted	\$ 0.19	\$ 0.34	\$ (0.37)	\$ 0.46
Weighted average common shares outstanding (in thousands)				
Basic	101,187	101,343	101,187	101,343
Diluted	101,356	101,540	101,187	101,540

Condensed Consolidated Statements of Cash Flow

<i>(thousands)</i>	Six Months Ended June 30	
	2011	2010
Cash Flows From / (Used in) Operating Activities		
Net (loss) / income	\$ (38,929)	\$ 55,817
Adjustments to reconcile net income / (loss) to net cash from operating activities:		
Undistributed income from unconsolidated entities	(3,710)	52
Deferred income taxes	88,834	11,407
Non-cash interest converted into equity	1,674	-
Share-based compensation costs	1,943	428
Depreciation	1,872	1,620
Changes in operating assets and liabilities:		
(Increase) / decrease in receivables and other assets	(35,492)	44,923
Decrease in housing and land inventory	54,663	8,259
Change in restricted cash	(1,431)	-
Decrease in accounts payable and other liabilities	(64,951)	(32,881)
Other	(306)	180
Net cash provided by operating activities	<u>4,167</u>	<u>89,805</u>
Cash Flows (Used in) / From Investing Activities		
Investments in unconsolidated entities	(5,837)	(12,580)
Distributions from unconsolidated entities	9,440	6
Change in restricted cash	(9,251)	(1,280)
Net cash used in investing activities	<u>(5,648)</u>	<u>(13,854)</u>
Cash Flows (Used in) / From Financing Activities		
Net drawings / (repayments) under project specific and other financings	36,097	(80,443)
Net distributions to noncontrolling interest and other interests in consolidated subsidiaries	(4,451)	(1,764)
Exercise of stock options	107	93
Common shares repurchased	(19,280)	-
Dividends paid to preferred shareholders	(9,992)	-
Distributions	(5,612)	(2,043)
Other	2,432	483
Net cash used in financing activities	<u>(699)</u>	<u>(83,674)</u>
Decrease in cash and cash equivalents	(2,180)	(7,723)
Cash and cash equivalents at beginning of period	4,345	8,015
Foreign exchange on cash	-	(66)
Cash and cash equivalents at end of period	<u>\$ 2,165</u>	<u>\$ 226</u>
Supplemental Cash Flow Information		
Interest paid	\$ (35,291)	\$ (32,825)
Income taxes recovered	\$ 2,726	\$ 43,621

Selected Operating Information

<i>(in units, except average selling price)</i>	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Lot closings				
Canada	801	590	1,372	1,022
California	158	-	158	52
Central and Eastern U.S.	49	57	71	131
	1,008	647	1,601	1,205
Unconsolidated Entities	17	-	179	-
Total	1,025	647	1,780	1,205
Average land selling price (per lot equivalent)				
Canada	\$ 124,000	\$ 157,000	\$ 141,000	\$ 141,000
California	271,000	-	271,000	35,000
Central and Eastern U.S.	100,000	95,000	94,000	79,000
	146,000	151,000	152,000	129,000
Unconsolidated Entities	206,000	-	63,000	-
Average selling price	\$ 147,000	\$ 151,000	\$ 143,000	\$ 129,000
Active land communities				
Canada			12	13
California			2	3
Central and Eastern U.S.			8	9
			22	25
Unconsolidated Entities			1	-
Total			23	25

Selected Operating Information cont'd

<i>(in units, except average selling price)</i>	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Net New Home Orders				
Canada	342	247	617	557
California	72	74	139	168
Central and Eastern U.S.	41	53	81	117
	455	374	837	842
Unconsolidated Entities	20	-	20	-
Total	475	374	857	842
Home Closings				
Canada	152	270	306	414
California	57	125	100	185
Central and Eastern U.S.	31	85	54	105
	240	480	460	704
Unconsolidated Entities	2	-	5	1
Total California	242	480	465	705
Average home selling price				
Canada	\$ 321,000	\$ 300,000	\$ 319,000	\$ 296,000
California	501,000	502,000	540,000	524,000
Central and Eastern U.S.	364,000	371,000	379,000	372,000
	369,000	365,000	374,000	367,000
Unconsolidated Entities	289,000	-	347,000	1,245,000
Average selling price	\$ 369,000	\$ 365,000	\$ 374,000	\$ 369,000
Active Housing Communities / Backlog at end of period				
	Active Housing Communities		Backlog	
	6/30/2011	6/30/2010	6/30/2011	6/30/2010
Canada	17	13	601	632
California	8	12	68	98
Central and Eastern U.S.	7	9	64	83
	32	34	733	813
Unconsolidated Entities	3	1	-	-
Total	35	35	733	813

Selected Operating Information cont'd

(\$ millions, except unit activity)	Three Months Ended June 30				Six Months Ended June 30			
	2011		2010		2011		2010	
	Units	\$	Units	\$	Units	\$	Units	\$
Land Revenue								
Canada	801	99	590	93	1,372	194	1,022	144
California	158	43	-	-	158	43	52	2
Central and Eastern U.S.	49	5	57	5	71	7	131	10
Total	1,008	147	647	98	1,601	244	1,205	156
Housing Revenue								
Canada	152	49	270	81	306	98	414	123
California	57	29	125	62	100	54	185	97
Central and Eastern U.S.	31	11	85	32	54	20	105	39
Total	240	89	480	175	460	172	704	259
Gross Margin								
Canada		53		65		105		102
California		-		11		3		16
Central and Eastern U.S.		2		4		2		3
Total		55		80		110		121

Land Sales	Three Months Ended June 30				Six Months Ended June 30			
	2011	Non-Recurring Timing Difference	Adjusted 2011	2010	2011	Non-Recurring Timing Difference	Adjusted 2011	2010
Lot Closings	1,008	314	694	647	1,601	674	927	1,205
Revenue	\$ 147	\$ 49	\$ 98	\$ 98	\$ 244	\$ 110	\$ 134	\$ 156
Direct Cost of Sales	\$ (104)	\$ (34)	\$ (70)	\$ (52)	\$ (157)	\$ (69)	\$ (88)	\$ (82)
Gross Margin	\$ 43	\$ 15	\$ 28	\$ 46	\$ 87	\$ 41	\$ 46	\$ 74
	29%	31%	29%	47%	36%	37%	34%	47%

Residential Building Lots

Ownership

(lots)	Housing & Land		Unconsolidated Entities		Total Lots	Status of Lots 30-Jun-11		Total Lots
	Owned ⁽¹⁾	Options	Owned	Options	30-Jun-11	Entitled	Unentitled	31-Dec-10
Calgary	28,002	-	1,064	-	29,066	10,332	18,734	28,643
Edmonton	17,647	-	-	-	17,647	11,317	6,330	18,229
Toronto	9,461	-	-	-	9,461	958	8,503	9,320
Canada	55,110	-	1,064	-	56,174	22,607	33,567	56,192
Northern California	3,264	5,115	-	-	8,379	2,229	6,150	8,223
Southland/Los Angeles	903	-	1,418	2,351	4,672	2,172	2,500	4,734
San Diego/Riverside	8,505	-	48	-	8,553	5,753	2,800	8,761
Other	194	-	56	-	250	250	-	253
California	12,866	5,115	1,522	2,351	21,854	10,404	11,450	21,971
Denver	10,722	-	-	-	10,722	10,722	-	10,828
Austin	14,909	-	-	-	14,909	5,361	9,548	15,870
Washington D.C. Area	2,521	1,113	1,025	-	4,659	4,412	247	4,846
Central and Eastern U.S.	28,152	1,113	1,025	-	30,290	20,495	9,795	31,544
Total June 30, 2011	96,128	6,228	3,611	2,351	108,318	53,506	54,812	
Entitled lots June 30, 2011	49,830	1,278	1,731	667	53,506			
Unentitled lots June 30, 2011	46,298	4,950	1,880	1,684	54,812			
Total June 30, 2011	96,128	6,228	3,611	2,351	108,318			
Total December 31, 2010	97,381	6,435	3,132	2,759				109,707

Book Value

(millions, except per unit activity)	Housing & Land ⁽¹⁾	Unconsolidated Entities	Total 06/30/2011		Total 12/31/2010	
			Lots	\$	Lots	\$
Housing inventory	\$246	\$6	1,217	\$252	899	\$204
Model homes	28	2	98	30	114	34
Land & land under development	1,855	122	98,424	1,977	99,500	2,026
Optioned lots	63	23	8,579	86	9,194	81
Unconsolidated entity debt	-	(17)	-	(17)	-	(14)
	\$2,192	\$136	108,318	\$2,328	109,707	\$2,331

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.

BRPI Trading Statistics

	NYSE	TSX
Share Price		
High for the quarter	\$ 14.32	\$ 13.75
Low for the quarter	\$ 9.70	\$ 9.50
Close price on June 30, 2011	\$ 9.92	\$ 9.50
Total Volume	11,310,665	718,316

Common Shares Outstanding

	30-Jun-11	1-Apr-11
Common shares issued and outstanding	99,342,718	101,342,718
Unexercised options	3,173,426	2,098,426
Total common shares outstanding	102,516,144	103,441,144

Convertible Preferred Shares Outstanding

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

Investor Information cont'd

Announcement of Results

- 2011 quarterly results are expected to be announced as noted below:
 - 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.

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. 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.