

## **Brookfield Real Estate Services Inc. Reports First Quarter Results and Monthly Dividend**

**(TORONTO, ON) May 6, 2015** – Brookfield Real Estate Services Inc. (the Company) (TSX: BRE), a leading provider of services to residential real estate brokers and their REALTORS<sup>®1</sup> today announced that cash flow from operations (“CFFO”) for the three months ended March 31, 2015 was \$6.0 million or \$0.47 per Restricted Voting Share (“Share”) on a diluted basis, up \$0.3 million as compared to \$5.7 million or \$0.44 per Share for the same period in 2014.

### **OVERVIEW OF FIRST QUARTER OPERATING RESULTS**

CFFO for the rolling 12 month period ended March 31, 2015 was \$2.04 per Share as compared to \$2.02 for the 12 months ended December 31, 2014. Royalties for the three months ended March 31, 2015 was \$8.45 million or \$0.66 per Share, up from \$8.15 million or \$0.64 per Share for the same period in 2014. Net loss for the three months ended March 31, 2015 was \$3.5 million or \$0.37 loss per Share as compared to net loss of \$4.8 million or \$0.51 loss per Share for the same period in 2014.

During the Quarter, the Company generated CFFO of \$6.0 million, up 5.6% from \$5.7 million for the same period of 2014 driven primarily by an increase in year-over-year royalty fees resulting from a larger Agent base.

For the rolling twelve months ended March 31, 2015, the Canadian Market, as defined by Market transactional dollar volume, closed up 12.2%, at \$200.9 billion, as compared to the same period of 2014, driven by 6.5% increase in selling price and 5.4% increase in units sold. For the three months ended March 31, 2015 the Canadian Market closed up 11.8%, at \$43.2 billion, as compared to the same period of 2014, driven by a 7.1% and 4.4% increase in price and units sold, respectively.

On a rolling twelve-month basis, the GTA Market experienced a quarter-over-same-quarter increase of 15.4% driven by a 8.1% increase in selling price, and a 6.7% increase in home sale activity. For the three months ended March 31, 2015, the GTA Market experienced an 18.5% increase on an 8.3% increase in selling price and a 9.4% increase in home sale activity over the same period in 2014.

The Company’s revenue is primarily fixed in nature, based on the number of REALTORS<sup>®</sup> in the network. This structure provides revenue protection from the impact of revenue declines when the market cools, but also reduces the degree to which the Company participates in periods of rapid market expansion.

“The start of 2015 has been successful both financially and operationally for the Company,” said Phil Soper, President and Chief Executive Officer, Brookfield Real Estate Services Inc. “Our royalties and cash flow from operations were both up on a year-over-year basis, in large part because of our expanding network of agents. We continued to see success in our acquisition strategy, having added over 500 new agents and operations in Ontario, Saskatchewan, Quebec and British Columbia since our vend-in period closed last October.”

“I am pleased that in the first quarter we were able to achieve a successful rollout of rlpnetwork, our intranet for Royal LePage agents and brokers, and our Broker Advisory Services program. Both of these initiatives will help our network of agents improve their productivity and maximize their earning potential,” added Soper.

### **The Company Network**

As at March 31, 2015, the Company Network was comprised of 16,206 REALTORS<sup>®</sup>, operating under 312 franchise agreements providing services from 668 locations, with approximately one fifth share of the Market based on 2014 transactional dollar volume.

### **Outlook**

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<sup>1</sup> REALTOR<sup>®</sup> is a trademark identifying real estate licensees in Canada who are members of the Canadian Real Estate Association.

"It is an interesting period in the Canadian residential real estate market, where different territories have markedly mixed prospects for the year ahead. We expect that Toronto, Vancouver and some surrounding areas will remain hot as many eager buyers chase the limited inventory available. Provinces where energy is a major component of the economy, including Alberta, Saskatchewan and Newfoundland and Labrador, are likely to see less activity and potentially softer prices if oil prices remained depressed, although we are encouraged by the bounce back in the price per barrel of oil we saw in April," said Soper.

#### **Monthly Cash Dividend**

The Company declared a cash dividend of \$0.10 per Share for the month of May 2015, payable on June 30, 2015, to shareholders of record on May 29, 2015.

#### **CFFO**

This news release and accompanying financial statements make reference to cash flow from operations ("CFFO") on a total and per restricted voting share basis. CFFO is defined as net income prior to fair value changes, amortization, interest on Exchangeable Units, income taxes, items related to other income and interests of Exchangeable Unitholders. CFFO is used by the Company to measure the amount of cash generated from operations which is available to the Company's shareholders on a diluted basis where such dilution represents the total number of shares of the Company that would be outstanding if Exchangeable Unitholders converted Class B LP units into shares of the Company. The Company uses CFFO to assess its operating results, the value of its business and believes that many of its shareholders and analysts also find this measure of value to them. CFFO does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

#### **Forward-Looking Statements**

This news release contains forward-looking information and other "forward-looking statements". The words such as "should", "will", "continue", "plan", "believe", "expect", "anticipate", "intend", "estimate", "approximate", "expected" 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. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation to differ materially from anticipated future results, performance or achievement 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 a change in general economic conditions, interest rates, consumer confidence, the level of residential real estate resale transactions, the average rate of commissions charged, competition from other traditional real estate brokers or from discount and/or Internet-based real estate alternatives, the availability of acquisition opportunities and/or the closing of existing real estate brokerage offices, other developments in the residential real estate brokerage industry or the Corporation that reduce the number of and/or royalty revenue from the Company's network of 16,206 REALTORS<sup>®</sup>, our ability to maintain brand equity through the use of trademarks, the availability of equity and debt financing, a change in tax provisions, and other risks detailed in the Company's annual information form, which is filed with securities commissions and posted on SEDAR at [www.sedar.com](http://www.sedar.com). The Corporation undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

#### **Conference Call**

Brookfield Real Estate Services Inc. will host a conference call on Wednesday, May 6, 2015 at 2 p.m. ET to discuss its financial results for the first quarter of 2015.

To access the call by telephone, please dial (888) 231-8191 or (647) 427-7450. Please connect approximately ten minutes prior to the beginning of the call to ensure participation. A recording of the conference call will be available on the Company's website by May 7, 2015 at [http://www.brookfieldresinc.com/content/investor\\_centre-25063.html](http://www.brookfieldresinc.com/content/investor_centre-25063.html).

#### **Supplemental Information**

The Company's Interim Condensed Consolidated Financial Statements, Supplemental Information and IFRS overview for the three months ended March 31, 2015 contain further information on the company's strategy, operations and financial results and can be found on our

website at [www.brookfieldresinc.com](http://www.brookfieldresinc.com). The Company's Management Discussion and Analysis, Financial Statements and associated regulatory filings will follow within prescribed timelines. Shareholders are encouraged to read these documents.

**Brookfield Real Estate Services Inc.** (TSX: BRE) is a leading provider of services to residential real estate brokers and a network of 16,206 REALTORS<sup>®</sup>, as at March 31, 2015. It generates cash flow from fixed and variable fees derived from real estate brokers and agents operating in Canada under the Royal LePage, Via Capitale and Johnston & Daniel brands. Approximately 71 per cent of company revenue is based on fees that are fixed in nature, providing revenue stability and helping insulate cash flows from market fluctuations. The recurring fixed revenue structure combined with strong brands and a successful growth strategy position it to continue generating stable, long-term cash flows and paying monthly dividends to shareholders. For further information, please visit [www.brookfieldresinc.com](http://www.brookfieldresinc.com).

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