

Brookfield Real Estate Services Inc. Announces Acquisition of Franchise Agreements

(TORONTO, ON) December 8, 2016 – Brookfield Real Estate Services Inc. (the “Company”) (TSX: BRE) announced today that it has approved the acquisition of certain franchise agreements from Brookfield Real Estate Services Manager Limited (“the Manager”).

Acquisition of Franchise Agreements

Under the Royal LePage and Via Capitale brands, the Company will acquire franchise agreements representing 43 real estate operations and 569 REALTORS®¹ across Canada for approximately \$8.2 million. These agreements are estimated to generate an annual royalty stream of \$1.2 million and will be effective January 1, 2017.

As outlined in the Company’s Management Services Agreement (“MSA”) with the Manager, 80 per cent of the acquisition price will be paid in January 2017 and the balance paid later in the year when the purchase price is finalized, based on the actual performance of the acquired agreements.

The payment due January 1, 2017 of approximately \$6.6 million, plus applicable HST, will be funded through a combination of cash on hand and a draw down on the Company’s debt facilities.

“The Company experienced strong growth in 2016, as we increased the reach and impact of our brands through a carefully considered cross-Canada expansion plan,” said Phil Soper, president and chief executive officer, Brookfield Real Estate Services Inc. “A series of competitive wins saw brokerage firms from coast-to-coast choose long-term affiliation with one of our industry-leading brands. This positive momentum is possible because of ongoing investments the Company makes to ensure its brokers and agents are the most informed, supported and successful real estate professionals in the nation.”

Mr. Soper concluded, “We enter the new year with a strong pipeline that should see us continue to add new depth to the Brookfield Real Estate Services family of brokerage firms in key markets across the country.”

FORWARD LOOKING STATEMENTS

This news release contains forward-looking information and other “forward-looking statements”. Words such as , “will”, “estimated”, “ongoing”, “enter”, “should”, “continue” and other expressions that are predictions of or could 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 Company 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 indicated in the forward looking statements include: changes in the number of Realtors® who stay with the Company during the period when the purchase price is finalized (the “Determination Period”), the productivity of those Realtors® during and after the Determination Period, changes in the supply of houses for sale in Canada or in any particular region within Canada, changes in the demand for houses in Canada or any particular region within Canada, changes in government policy, laws or regulations which could reasonably affect the housing markets in Canada, Consumer response to any changes in the housing markets in Canada or any changes in government policy, laws or regulations, changes in general economic conditions (including interest rates, consumer confidence and other general economic factors or indicators), changes in global and regional economic growth, the demand for and prices of

natural resources on local and international markets, the level of residential real estate transactions, competition from other real estate brokers or from discount and/or Internet-based real estate alternatives, the closing of existing real estate brokerage offices, other developments in the residential real estate brokerage industry or the Company that reduce the number of REALTORS® in the Company's Network or royalty revenue from the Company's Network during and after the Determination Period, the Company's ability to maintain brand equity through the use of trademarks, the methods used by shareholders or analysts to evaluate the value of the Company and its publicly traded securities, changes in tax laws or regulations, 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. The Company 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.

About Brookfield Real Estate Services Inc.

Brookfield Real Estate Services Inc. is a leading provider of services to residential real estate brokers and a network of over 17,000 REALTORS®. We operate in Canada under the Royal LePage, Via Capitale and Johnston & Daniel brands. Further information is available at www.brookfieldresinc.com.

Brookfield Real Estate Services Inc. is an affiliate of Brookfield Asset Management, a leading global alternative asset manager with over \$250 billion of assets under management. For more information, go to www.Brookfield.com.

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¹ REALTORS® is a trademark identifying real estate licensees in Canada who are members of the Canadian Real Estate Association.