

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

(TORONTO, ON) May 8, 2018 – Brookfield Real Estate Services Inc. (TSX: BRE) (the “Company”), a leading provider of services to residential real estate brokers and their REALTORS®¹ today announced its first quarter financial results (including its cash flow from operations (“CFFO”), and the approval of a monthly dividend to holders of the Company’s restricted voting shares.

HIGHLIGHTS

- Cash flow from operations (“CFFO”) on a rolling twelve-month basis increased by 4% compared to 2017 to \$2.57 per Share, driven by an increase in royalties due to a higher number of REALTORS® in the Company Network.
- The Company’s network of REALTORS® (the “Network”) increased to 18,708, up from 18,135 as at December 31, 2017.
- The Board of Directors of the Company approved a dividend of \$0.1125 per restricted voting share, payable June 29, 2018 to shareholders of record on May 31, 2018, representing an increase in the targeted annual dividend to \$1.35.

FIRST QUARTER OPERATING RESULTS

Net earnings for the three months ended March 31, 2018 were a net loss of \$0.4 million, or \$0.04 per Share, compared to net earnings of \$1.3 million or \$0.13 per Share, for the same period in 2017.

CFFO for the first quarter was \$7.6 million or \$0.59 per share on a diluted basis (“Share”), a 3% increase as compared to \$7.4 million or \$0.58 per Share for the same period in 2017. For the rolling twelve-month period ended March 31, 2018, CFFO was \$2.57 per Share as compared to \$2.47 per Share for the rolling twelve-month period ended March 31, 2017.

Royalties for the three months ended March 31, 2018 were \$10.5 million, compared to \$10.4 million in Q1 2017. For the rolling twelve-month period ended March, 31, 2018, royalties were \$44.3 million, compared to \$43.5 million for the same period in 2017.

“Our solid financial results reflect the Company’s ability to be resilient despite volatility in some of Canada’s largest real estate markets. Another quarter of improved cash flow generation highlights the value of our business model, which emphasizes fixed and recurring revenue streams,” said Phil Soper, President and Chief Executive Officer, Brookfield Real Estate Services Inc.

The increased royalties and improvement in CFFO were driven primarily by an increase in the number of REALTORS® in the Network.

THE COMPANY NETWORK

As at March 31, 2018, the Network was comprised of 18,708 REALTORS®, operating under 297 franchise agreements providing services from 677 locations, with an approximate 20% share of the Canadian residential real estate market (“Canadian Market”) based on 2017 transactional dollar volume. The Company Network grew by 573 REALTORS®, largely due to the purchase of 38 Franchise Agreements representing an annual revenue stream of approximately \$1.3 million.

CASH DIVIDEND

The Company declared a cash dividend of \$0.1125 per restricted voting share payable on June 29, 2018, to shareholders of record on May 31, 2018. This represents a targeted annual dividend of \$1.35 per restricted voting share.

CONFERENCE CALL

Brookfield Real Estate Services Inc. will discuss its first quarter financial results at the Company's AGM on Tuesday May 8, 2018 at 10:00 a.m. at Vantage Venues, Inverness Room, 27th Floor, 150 King Street West, Toronto, Ontario.

Participants can join via webcast at:

<https://event.on24.com/wcc/r/1649778/5D4BE6A8C160C8AC2B54099D0E496F6A>

Please connect approximately ten minutes prior to the beginning of the webcast to ensure participation.

A copy of the Annual General Meeting presentation will be available on the Company's website by Friday, May 11, 2018 at: http://www.brookfieldresinc.com/content/investor_centre/webcasts_and_presentations-25072.html

CFFO

This news release and accompanying financial highlights make reference to CFFO on a total and per Share basis. CFFO is defined as operating income prior to deducting impairment and amortization of intangible assets. 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 and the financial position of its business and believes that many of its shareholders and analysts also find this measure useful. CFFO does not have any standard meaning prescribed by International Financial Reporting Standards 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". Words such as "thrive" "targeted" "will" 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 Company's strategy with respect to dividends, 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 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, the availability of attractive investment opportunities, the average rate of commissions charged, 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, our 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, the availability of equity and debt financing, 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 18,000 REALTORS®. We operate in Canada under the Royal LePage, Via Capitale and Johnston & Daniel brands. For more information, go to 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.

For more information, please contact:

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

Brookfield Real Estate Services Inc.

Interim Balance Sheet Highlights

| As at (Unaudited, in thousands of Canadian dollars) | March 31, 2018 | December 31, 2017 |
|--|-------------------|----------------------|
| Cash | \$ 2,648 | \$ 3,458 |
| Other current assets | 5,639 | 4,645 |
| Total current assets | 8,287 | 8,103 |
| Non-current assets | 92,524 | 85,420 |
| Total assets | \$ 100,811 | \$ 93,523 |

| | | |
|--|-------------------|------------------|
| Accounts payable and accrued liabilities | \$ 1,014 | \$ 803 |
| Purchase obligation | 2,284 | 1,497 |
| Interest payable on Exchangeable Units | 484 | 484 |
| Dividends payable to shareholders | 1,067 | 1,067 |
| Other current liabilities | - | 400 |
| Total current liabilities | 4,849 | 4,251 |
| Debt facilities | 72,891 | 65,677 |
| Exchangeable Units | 57,901 | 54,973 |
| Total Liabilities | 135,641 | 124,901 |
| Shareholders' deficit | (34,830) | (31,378) |
| Total Liabilities and Shareholders' deficit | \$ 100,811 | \$ 93,523 |

Interim Earnings (Loss) Highlights

For three months ended March 31,

(Unaudited, in thousands of Canadian dollars)

| | 2018 | 2017 |
|---|------------------|-----------------|
| Royalties | \$ 10,470 | \$ 10,409 |
| Administration, Management Fee and Interest Expense | (2,915) | (3,035) |
| Cash Flow from Operations | 7,555 | 7,374 |
| Impairment, write-off and amortization of intangible assets | (2,009) | (2,182) |
| Interest on Exchangeable Units | (1,452) | (1,428) |
| Loss on fair value of Exchangeable Units | (2,928) | (1,365) |
| Gain on interest rate swap | 59 | 50 |
| Loss on fair value of purchase obligation | (518) | (74) |
| Income tax expense | (1,072) | (1,096) |
| Net and comprehensive earnings (loss) | \$ (365) | \$ 1,279 |
| Basic earnings (loss) per Restricted Voting Share | \$ (0.04) | \$ 0.13 |
| Diluted earnings (loss) per Share | \$ (0.04) | \$ 0.13 |
| Cash Flow from Operations per Share on a diluted basis | \$ 0.59 | \$ 0.58 |

Interim Cash Flow Highlights

For three months ended March 31,

(Unaudited, in thousands of Canadian dollars)

| | 2018 | 2017 |
|--|-----------------|-----------------|
| Cash provided by Operating activities: | \$ 3,721 | \$ 3,409 |
| Cash provided used for Investing activities: | (8,530) | (7,525) |
| Cash provided by Financing activities: | 3,999 | 4,319 |
| Change in cash for the period | (810) | 203 |
| Cash, beginning of the period | 3,458 | 3,102 |
| Cash, end of the period | \$ 2,648 | \$ 3,305 |