



Brookfield

Real Estate Services Inc.

Building on Success

ANNUAL GENERAL MEETING 2014

Forward-Looking Statement

This presentation contains “forward-looking statements” The words “plan”, “believe,” “expect,” “anticipate,” “intend,” “estimate” and other expressions which are predictions of or indicate future events and trends and which 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, which may cause the actual results, performance or achievements of the Fund 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 general economic conditions, interest rates, availability of equity and debt financing and other risks detailed in the Fund’s annual information form filed with Securities Commissions. The Fund 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.

Philip Soper

President & CEO

Overview of Topics

- Business Strategy
- Market Overview
- Key Performance Drivers
- 2013 Operating Results
- Network Brand Updates
- Growth Opportunities
- Shelter Foundation
- Audience Q&A

Business Strategy

- Provide attractive ROI to shareholders through strong, stable and growing dividends
- Grow revenue from long-term franchise agreement royalties
 - Lead markets with effective, efficient and innovative services
 - Attract industry's best practitioners; drive superior realtor productivity
 - Derive majority of revenue from contracted, fixed fees
 - Foster growth organically and through acquisition
 - Diversify revenue across geographically in all regions of Canada
- Maximize operating margins with economies of scale
- Maintain appropriate capital structure

ACTIVITY & DYNAMICS

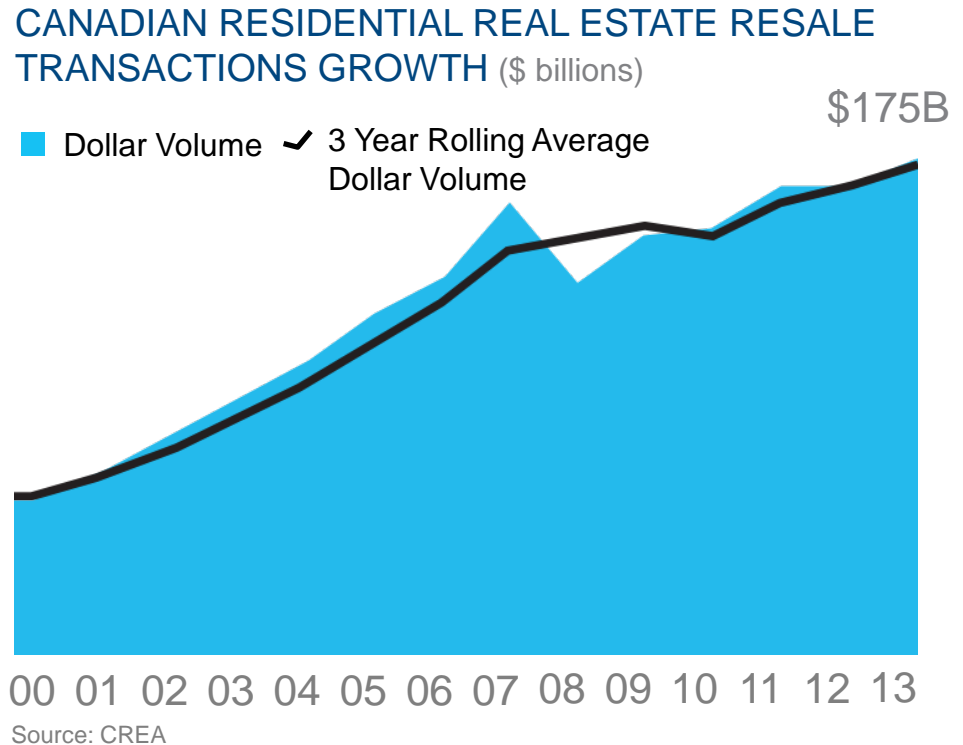
Housing Market



Market Growth

Canadian Market has Grown Steadily for Decades

- Soft 1st Qtr 2014;
expanding 2nd Qtr
- Market +6% in 2013
 - price +5%
 - units +1%



Compound annual growth averaged **9.7% since 1980**

Market Activity

- In Q1 2014, transactional value was \$38.7 billion (up 11.1% from 2013), driven primarily by 8.2% rise in average sales price and 2.7% increase in units sold
- Over last twelve month, transactional dollar volume was \$179 billion (up 11.7% from March 31, 2013), as result of 6.7% increase in selling price and a 4.8% increase in sales activity.
- GTA market remains stronger than Canadian average
(trailing 12-months)

3 months ended 31/3/14	Q1 % Change	Last 12 months % Change
Canada		
Transaction dollar volume	11.1%	11.7%
Average selling price	8.2%	6.7%
Number of units sold	2.7%	4.8%
Greater Toronto Area		
Transaction dollar volume	8.4%	13.2%
Average selling price	8.1%	6.1%
Number of units sold	0.3%	6.7%
12 months ended 31/12/13	Q4 % Change	Full year 2013 % Change
Canada		
Transaction dollar volume	11%	6.1%
Average selling price	5%	5.1%
Number of units sold	5%	0.9%
Greater Toronto Area		
Transaction dollar volume	19%	8.6%
Average selling price	9%	5.2%
Number of units sold	9%	3.2%

Market Outlook

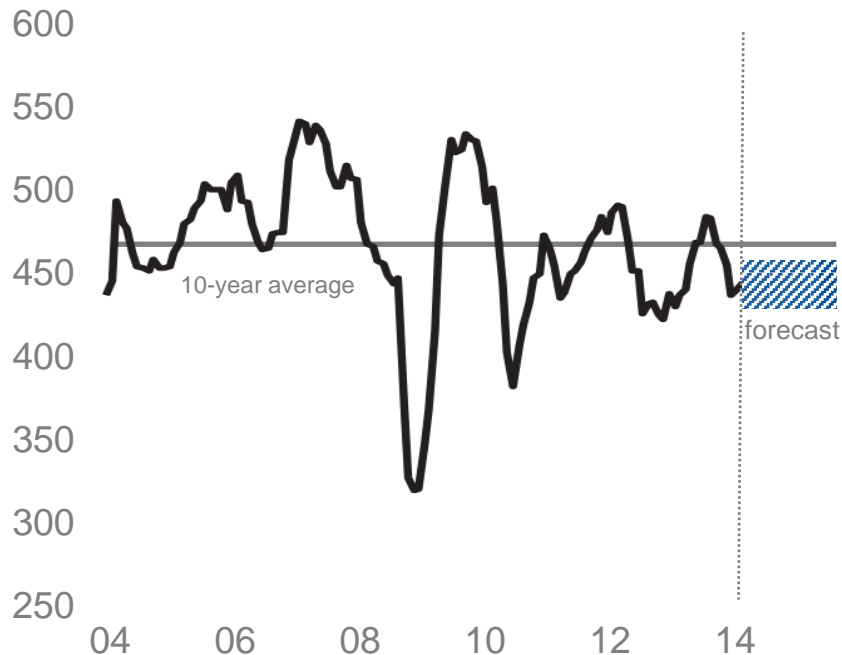
- Supportive economic conditions
 - GDP two-year forecast range +2.2 - 2.7% Canada; +2.5 - 3.2% U.S.
 - Stable employment in Canada; stronger job growth south of the border
 - Little appetite for near-term interest rate policy change in either country
- Housing market outlook stable to soft through 2015
 - Unusually bitter winter skews 2014 activity to Q2
 - Pent-up demand and listings supply shortages drive Q1 home price spikes
 - Little evidence of 2014 condo demand softness in Toronto or Vancouver; prices expected to track close to overall market through the year
 - Flat detached-home starts and fewer new major condo projects should reduce supply and support home values in medium term
 - Moderate income increases and the rising home prices in our largest cities expected to dampen demand in second half and into 2015

A Delayed Start to a Strong Spring

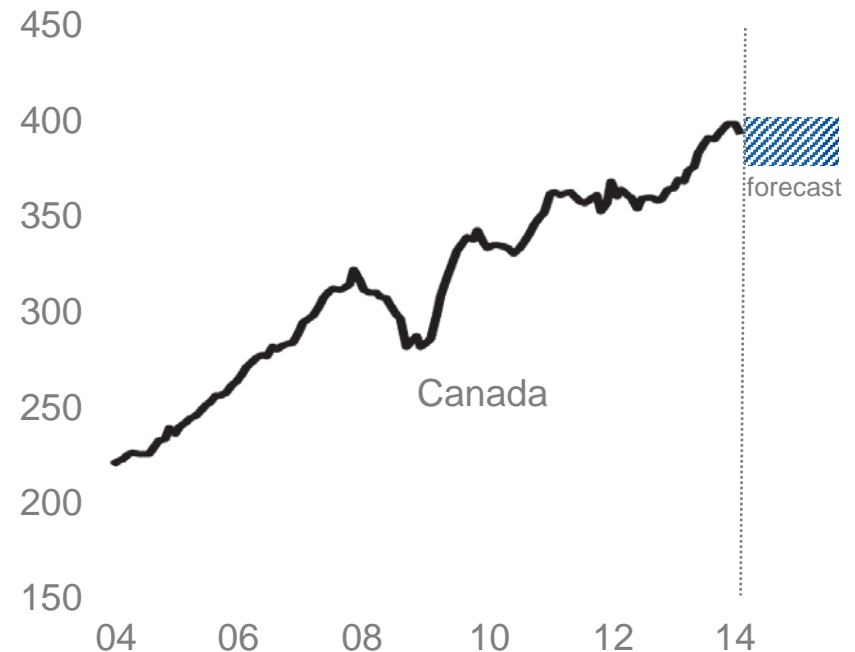
*Sources: RBC; BMO; Scotiabank; CMHC

Unit Sales Flatten, Prices Moderating

CANADIAN UNITS SOLD
000s of units, annualized



CANADIAN AVERAGE VALUES
\$000s, national average

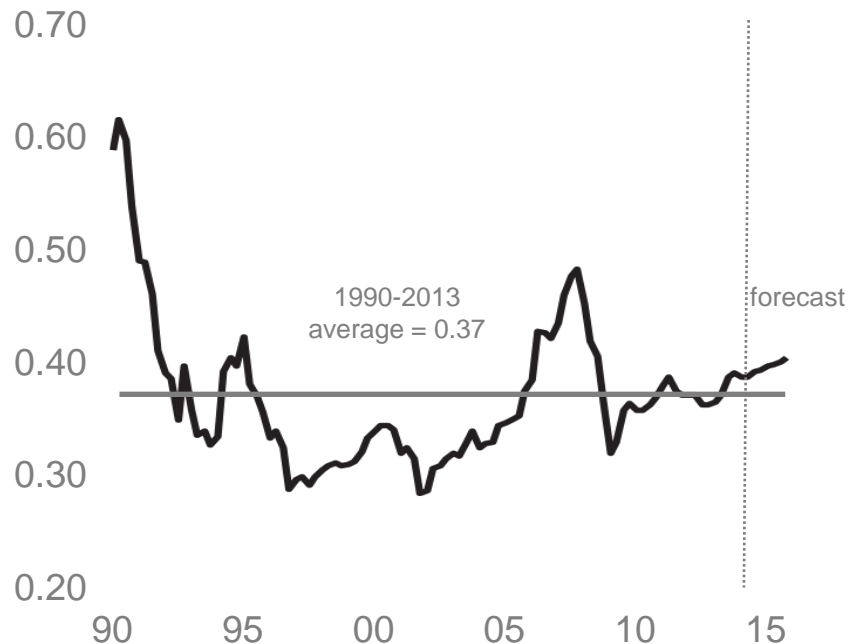


Source: CREA, Scotiabank Economics.

Affordability Tighter; Inventory Stable

HOUSING AFFORDABILITY

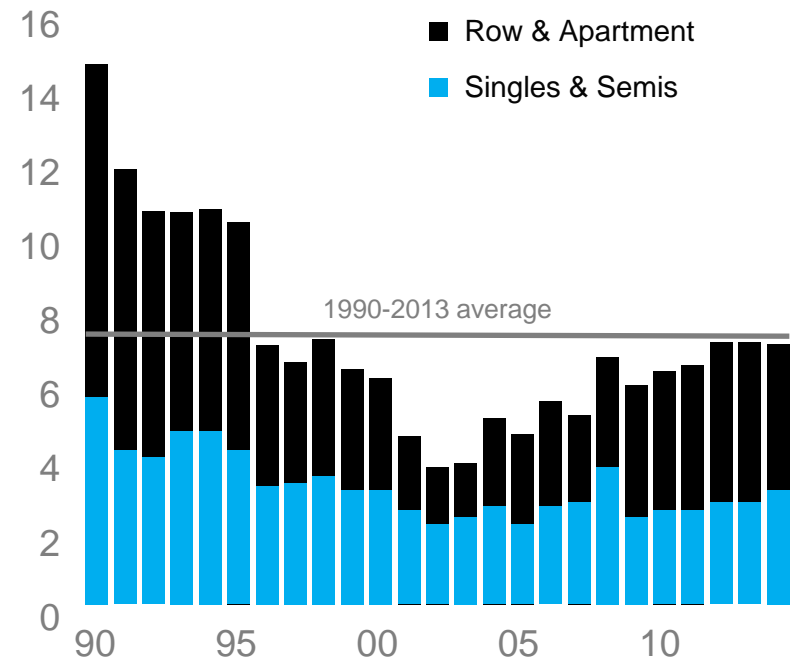
Ratio of mortgage payments to disposable income per worker*



* Based on average MLS price, 5% downpayment, 25-year amortization, and average of prime & 5-year posted rate.

UNSOLD HOUSING INVENTORY

Units per 10,000 population 25+



Source: Statistics Canada, Scotiabank Economics

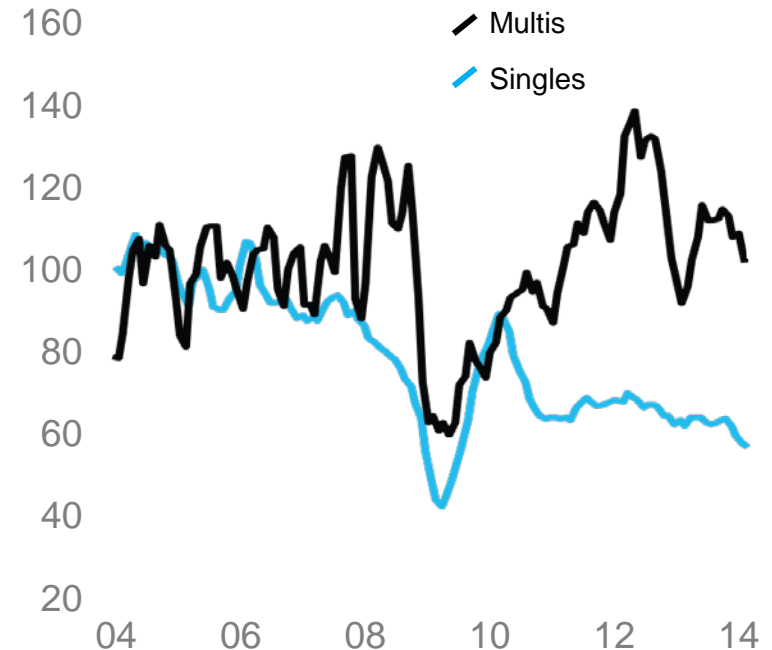
Growing High-Rise Demand

Driving Factors

- Rising prices, tighter lending, making detached homes less affordable
- No maintenance lifestyle
- Tight rental vacancy rates
- Steady supply of units for rent and investment
- Urban planning favours intensification, better use of scarce resources

HOUSING STARTS

000S of units, annualized, 3mma



Source: CMHC, Scotia Economics.

Key Drivers of BRESI Performance

Stable Contractual Royalty Stream

Number of Agents in Network

Transaction Volumes

Attract Best Agents & Brokers with Value Proposition

M&A Opportunities

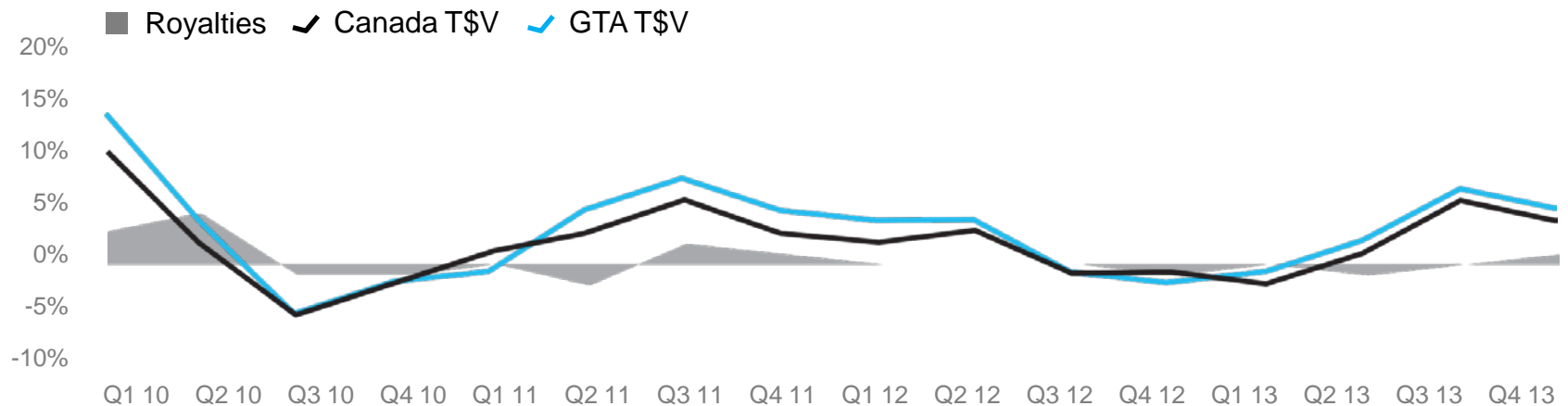
Stability of BRESI Royalties

- Insulation from market fluctuations and stability derived from several strategies:
 - 71% of annual royalties sourced from fixed fees (not directly driven by transaction volumes)
 - Geographic diversification across Canada with leading market share in Ontario, Canada's largest real estate market
 - Upcoming agreement renewals manageable
 - Typical duration 10+ years vs industry norm 5 years
 - Over next 9 years, ~10% of agreements renewable per year
 - Historical renewal success rate of +95%

BRESI Transaction Volumes

- Network sales closely tied to Canadian market growth
- Market growth averaged 5% annually over past 3 years

ROLLING TWELVE-MONTH % CHANGE FROM PRIOR QUARTER



Number of BRESI REALTORS™

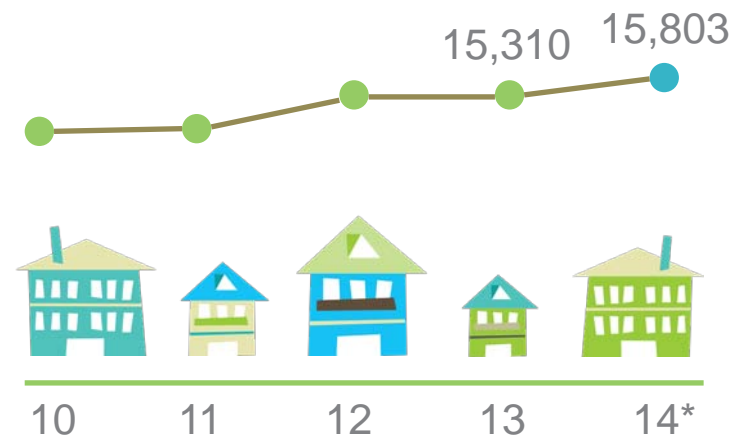
	2013	2012
Start of year	15,086	15,061
Acquisition of franchise agreements	516	217
Internal attrition	-292	-192
Net increase	<u>224</u>	<u>25</u>
End of year	15,310	15,086

OUR AGENT NETWORK

Year ended December 31

*As at January 1, 2014.

BRESI network grew 1.5% in 2013



Steady Growth in a Mature Market

A Very Healthy Pipeline

- We enter the 2nd quarter of 2014 with the strongest growth in over five years
- Growth in BC, Alberta, Ontario, Quebec, Newfoundland
- Over one million dollars in incremental royalties



New Business Year-to-Date: 524 Agents as of May 1st

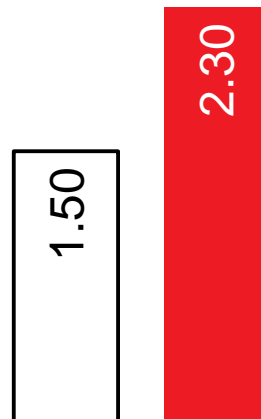
BRESI REALTORS™ Outperform

- Our agents sell more for more
 - Since 2003 inception, higher sales volume and average price
 - BRESI \$800k more per agent in 2013 than industry

AVERAGE SALES
VOLUME PER AGENT
(\$ millions)

□ Canadian REALTOR®
non-BRESI

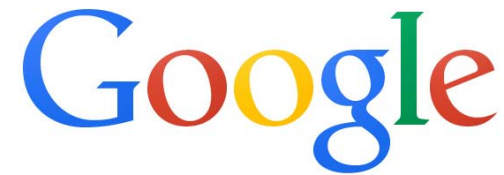
■ BRESI REALTOR®



50% More Transactional Volume per Agent

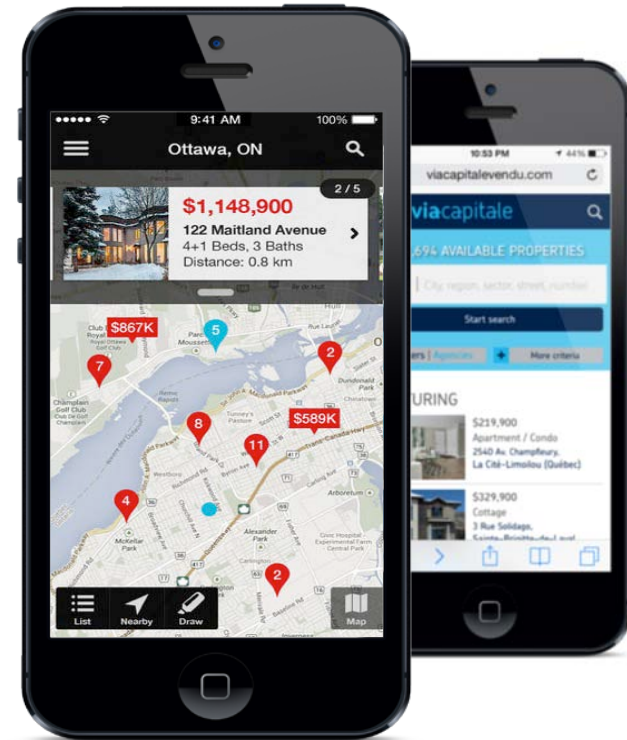
Recruiting Through Superior Value

- Objectives: bolster our network, fortify our brands
- Launched new national recruiting initiatives
- Began piloting paperless transaction processing technologies
- Invested in cross-platform with tech giant Google
 - Search, neighbourhood content, mapping, office productivity
 - Doubled consumer website traffic; tripled homebuyer leads



Applied Technology Draws Consumers

- Rolled out new mobile applications
 - New iPhone Draw & Search app
 - First for Canadian house hunters
 - Very high user rating in Apple iTunes App Store



Via Capitale Unveils New Online Tools

- More user-friendly for mobile devices
- Increased traffic 60%
- 400,000 unique visitors/month

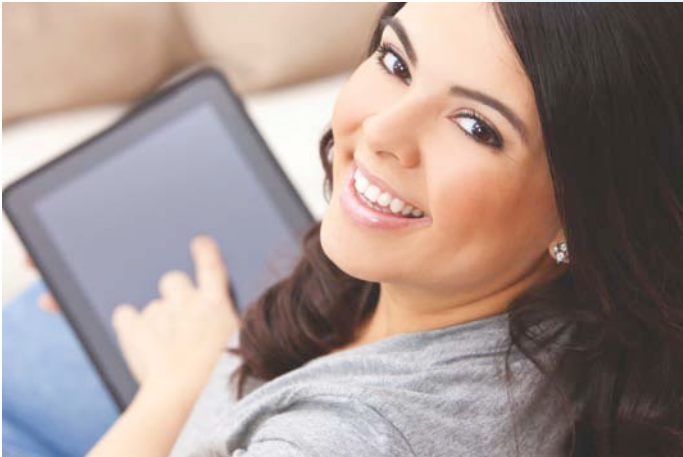


The Leader in M&A Activity

- Acquisitions have generated 79% of franchise agreement growth since inception
- Recent:
 - October 2013: acquired Prudential Real Estate operations in Ottawa, Kingston, Niagara, Oakville
 - January 2014: purchased agreements representing 20 locations, serviced by 493 Royal LePage and Via Capitale agents; \$6.3 million; annual royalties \$1 million
 - February 2014: added Toronto-based Coldwell Banker Terrequity Realty; ~400 agents operating in 14 offices; more firmly establishes Royal LePage position in GTA

2013

Operating Results

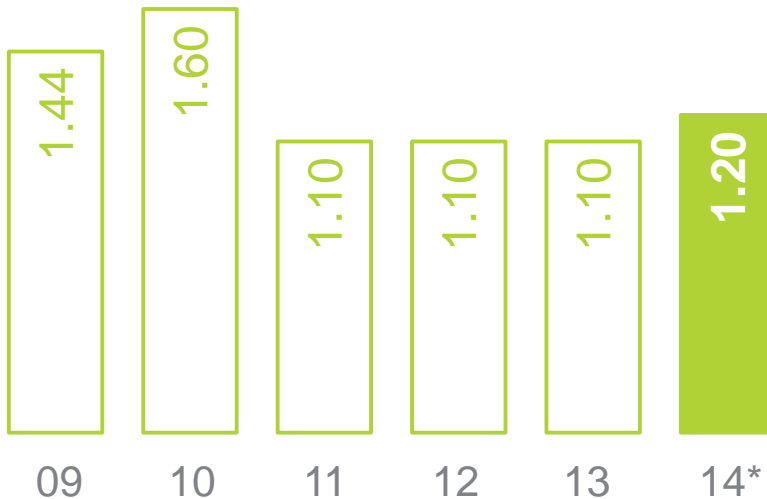


2013 Financial Results

SHAREHOLDER DIVIDEND

(\$ per Share)

2011 MARKED THE CONVERSION TO A TAXABLE CORPORATION



* Target dividend

Return to shareholders:

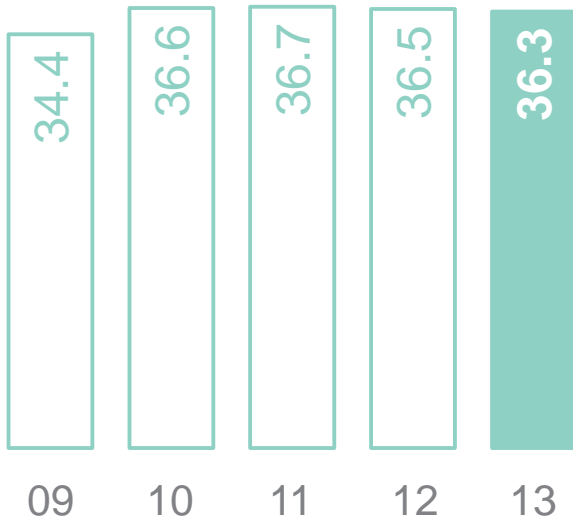
- 14.5% in 2013
- 21% over past 5 years

2013 Financial Results

ROYALTIES

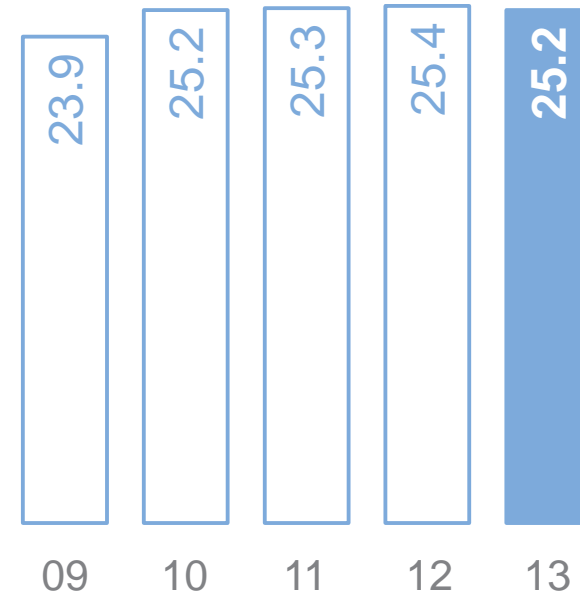
(\$ millions)

ROYALTIES REMAINED FLAT DESPITE
DOUBLE-DIGIT DECLINES IN HOME
SALE VOLUMES



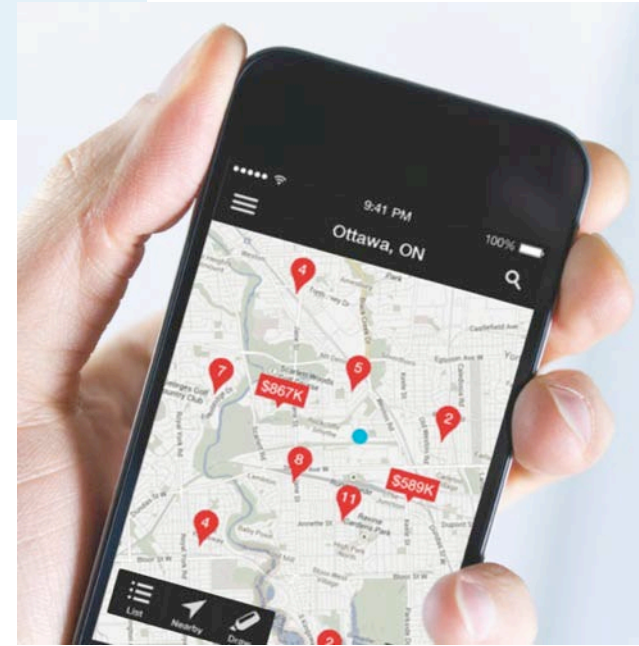
CASH FLOW FROM OPERATIONS*

(\$ millions)



* Defined as net income prior to fair value changes, amortization, impairment, interest on exchangeable units, interest on Trust units, income taxes, items related to other income and interests of exchangeable unitholders.

Network Brand Updates



Royal LePage Brand

- Celebrated 100 years of success
- First to adopt CREA Data Distribution Facility
 - Listing inventory increased by 2.5
- Invested in marketing, business services
 - New mobile website services: award winning; very popular
 - 9,000 Likes on Facebook;
 - 11,600 followers on Twitter
- Innovative condo market report



Johnston & Daniel Brand

- Continues to lead Toronto
(#1 sales volume in city core)
- Specializing in luxury real estate
(including luxury condo market)
- Canadian affiliate of Leading Real Estate Companies of the World
Luxury Portfolio
(largest repository of luxury properties in the world)
- In 2013, expanded market coverage to country estates outside Toronto
(King, Caledon, Niagara regions)
- Launched Johnston & Daniel Magazine
(interactive digital publication)



Via Capitale Brand

- Faced challenging market conditions past two years
- Stability to housing market post election
- Accounted for 8% of 2013 fees
- Last year, launched new Art program customized for unique and sophisticated properties
 - Better differentiates Via Capitale as broker of distinguished homes
 - 200 listings since August



Via Capitale President Appointed: David Martin

- David Martin joined Via Capitale as Vice-President Business Development in 2012
- One of several candidates interviewed for VC Presidency
- Twenty years industry experience, including real estate brokerage owner/operator
- Prior to joining VC, led the re-introduction of Century 21 to the Quebec marketplace

Early Sales Success with Via Capitale Includes Addition of Signature Immobilière, an Independent Brokerage on Montreal's West Island

Royal LePage Commercial

- Re-launched division has grown to 230 agents across Canada in urban and suburban markets
- New branding, dedicated website
- Targeting under-serviced needs of small- and medium-size businesses, investors
- Clients benefit from working with accredited agent, best-in-class tools and services



Royal LePage Shelter Foundation

- Canada's largest public foundation dedicated exclusively to funding women's shelters and violence prevention programs
- Agents donate portion of commissions, supporting 30,000+ women & children
- Office staff nationwide volunteer, hold fundraising events, donate in-kind goods, administer the Foundation
 - During last year's 100-Year celebration, 100 Days for Shelter benefited 200 shelters
- Since 1998, foundation has raised over \$17 million
- Only Canadian real estate company with its own foundation





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Audience Q&A

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