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Brookfield Real Estate Services Inc. Reports Second Quarter 2014 Results and Monthly Dividend

(TORONTO, ON) August 6, 2014 – Brookfield Real Estate Services Inc. (the Company) (TSX: BRE), a leading provider of services to residential real estate brokers and their REALTORS^{®1} today announced that cash flow from operations ("CFFO") for the three and six months ended June 30, 2014 was \$6.9 million or \$0.54 per Restricted Voting Share ("Share") and \$12.6 million or \$0.99 per Share, respectively, as compared to \$6.6 million or \$0.51 per Share and \$12.1 million or \$0.95 per Share, respectively, for the same period in 2013.

OVERVIEW OF SECOND QUARTER OPERATING RESULTS

CFFO for the rolling 12 month period ended June 30, 2014 was \$2.00 per Share as compared to \$1.97 for the 12 months ended December 31, 2013. Royalties for the three and six months ended June 30, 2014 were \$9.9 million and \$18.0 million, respectively, compared to \$9.7 million and \$17.8 million, respectively for the same period in 2013. Net earnings or loss for the three and six months ended June 30, 2014 was \$4.0 million earnings and \$0.8 million loss, or \$0.42 earnings and \$0.08 loss per Share, respectively, as compared to net income of \$3.4 million and \$2.8 million or \$0.36 and \$0.30 per Share, respectively, for the same period in 2013.

During the Quarter, the Company generated CFFO of \$6.9 million, up 5.6% from \$6.6 million for the same period of 2013 driven primarily by a combination of increased royalties and lower administration costs. Royalties were up \$0.1 million due primarily to an increase in the number of Agents in the Network as a result of the acquisition of Franchise Agreements at the beginning of the year and the implementation of the previously announced \$2 per month increase in the Royal LePage fixed franchise fee. Operating costs were down \$0.2 million year-over-year due primarily to the reduction of the Via Capitale management fee from 30% to 20% under the new MSA, and the non-reoccurrence of costs incurred to finalize the new MSA in 2013. Partially offsetting these amounts is a \$0.2 million bad debt provision recorded for certain franchisees that are experiencing financial challenges.

For the rolling twelve months ended June 30, 2014, the Canadian Market, as defined by Market transactional dollar volume, closed up 15.8%, at \$186.2 billion, compared to the same period of 2013, driven by an increase of 8.0% in selling price and 7.2% increase in units sold. For the three months ended June 30, 2014, the Canadian market transactional dollar volume was up 12.7% over the same period in 2013, driven by a 5.9% increase in selling price and a 5.1% increase in home sale activity.

On a rolling twelve-month basis, the GTA Market experienced a quarter-over-same-quarter increase of 18.1% driven by a 7.6% increase in selling price, and a 9.8% increase in home sale activity. For the three months ended June 30, 2014, the GTA Market experienced a 15.4% increase on an 8.3% increase in selling price and a 6.6% increase in home sale activity over the same period in 2013.

The Company's revenue is primarily fixed in nature, based on the number of REALTORS[®] 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.

"We are pleased with our financial and operational results through the first half of the year. We continue to see the expansion of our network of REALTORS[®] and a consistently high rate of franchise renewals. These factors, as well as an increase in fixed monthly fees paid by our agent network and an increase in the overall number of homes sold, contributed to our strong but steady revenue growth," said Phil Soper, President and Chief Executive Officer, Brookfield Real Estate Services Inc. "Given the dynamics of the Canadian real estate market and our stable royalty stream, we believe we are well positioned to deliver sustained growth for the remainder of 2014."

"Our key financial metrics for the second quarter and first half of 2014 are solid. Our cash flow is well in excess of our distributions, despite raising our targeted dividend 9% over 2013 levels," added Soper. "With our current payout ratio, we are well placed to continue meeting our objective of providing our stakeholders with an investment vehicle that pays stable dividends."

The Company Network

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As at June 30, 2014, the Company Network was comprised of 15,697 REALTORS[®], operating under 308 franchise agreements providing services from 636 locations, with approximately one fifth share of the Market based on 2013 transactional dollar volume.

Outlook

"Brookfield closed out a successful quarter and first half of 2014, and we believe there are attractive investment opportunities to further grow our revenue stream during the remainder of the year and beyond, including further expanding the number of REALTORS[®] in the Company Network through acquisition or organic growth and increasing the efficiency of our agents by developing and introducing new tools, services and programs that assist franchisees and agents," said Soper. "The improving economy and rebound in Canadian consumer sentiment, combined with the investments we have made in our network in recent years, set the stage for continued growth and profitability for the Company."

Monthly Cash Dividend

The Company declared a cash dividend of \$0.10 per share for the month of August 2014, payable on September 30, 2014, to shareholders of record on August 29, 2014.

Board of Directors

At the Company's Annual General Meeting held on May 6, 2014, Mr. George Myhal and Mr. Allen Karp resigned as Directors of the Company. Subsequently, Brookfield Asset Management Inc., as permitted in their shareholders' agreement with the Company, appointed the Honourable J. Trevor Eyton and Mr. Spencer Enright to the Board.

On August 5, 2014, Mr. Spencer Enright was elected Chairman of the Board and Ms. Gail Kilgour was appointed Chair of the Corporate Governance Committee.

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 15,697 REALTORS[®], 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. 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, August 6, 2014 at 10 a.m. ET to discuss its financial results for the second quarter of 2014.

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 August 8, 2014 at 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 and six months ended June 30, 2014 contain further information on the company's strategy, operations and financial results and can be found on our website at 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. Profile

The Company is a leading provider of services to residential real estate brokers and their REALTORS[®]. The Company generates cash flow from franchise royalties and service fees derived from a national network of real estate brokers and agents in Canada operating under the Royal LePage, Via Capitale Real Estate Network and Johnston & Daniel brand names. At June 30, 2014, the Company network consisted of 15,697 REALTORS[®]. The Company network has approximately one fifth share of the Canadian residential resale real estate market based on 2013 transactional dollar volume. The Company

generates both fixed and variable fee components. Variable fees are primarily driven by the total transactional dollar volume from the sales commissions of REALTORS[®], while fixed fees are based on the number of agents and sales representatives in the network. Approximately 71% of the Company's revenue is based on fees that are fixed in nature; this provides revenue stability and helps insulate the Company's cash flows from market fluctuations. The Company is listed on the TSX and trades under the symbol "BRE". For further information about the Company, please visit www.brookfieldresinc.com.

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