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Brookfield Real Estate Services Inc. Reports Third Quarter 2013 Results and Monthly Dividend

(TORONTO, ON) November 6, 2013 – Brookfield Real Estate Services Inc. (the Company) (TSX: BRE), a leading provider of services to residential real estate brokers and their REALTORS® today announced that cash flow from operations (“CFFO”) for the three and nine months ended September 30, 2013 was \$7.1 million or \$0.55 per Restricted Voting Share (“Share”) and \$19.3 million or \$1.50 per Share, respectively, as compared to \$7.1 million or \$0.55 per Share and \$20.0 million or \$1.56 per Share, respectively, for the same period in 2012.

OVERVIEW OF THIRD QUARTER OPERATING RESULTS

CFFO for the rolling 12 month period ended September 30, 2013 was \$1.92 per Share as compared to \$1.98 for the 12 months ended December 31, 2012. Royalties for the three and nine months ended September 30, 2013 were \$10.1 million or \$0.79 per Share and \$27.9 million or \$2.18 per Share, respectively, down slightly from \$10.2 million or \$0.80 per Share and \$28.4 million or \$2.22 per Share, respectively, for the same period in 2012. Net earnings (loss) for the three and nine months ended September 30, 2013 was \$2.5 million loss or \$0.26 loss per Share and \$0.3 million income or \$0.03 income per Share, respectively, as compared to net loss of \$2.5 million or \$0.26 loss per Share and \$2.2 million income or \$0.23 income per Share, respectively, for the same period in 2012.

During the Quarter, the Company generated CFFO of \$7.1 million, which was largely unchanged from the same period of 2012 as a \$0.1 million reduction in year-over-year administration expenses resulting from reduced bad debt expenses was offset by reduced variable and premium fees, which was in part attributable to the timing of the increased market activity in 2012 closing out in the third quarter of 2012 and the ramping up of market activity in the third quarter of 2013.

On a rolling twelve-month basis, the Canadian market transactional dollar volume of \$169.3 billion increased by 0.8% from September 30, 2012, driven by a 3.4% increase in selling price, partially offset by a 2.5% decrease in home sale activity. For the three months ended September 30, 2013, the Canadian market transactional dollar volume was up 22.1% over the same period in 2012, driven by an 8.3% increase in selling price and a 12.7% increase in home sale activity.

On a rolling twelve-month basis, the GTA Market experienced a quarter-over-same-quarter increase of 1.6% driven by a 4.7% increase in selling price, partially offset by a 2.9% decrease in home sale activity. For the three months ended September 30, 2013, the GTA Market experienced a 28.0% increase on a 6.5% increase in selling price and a 20.2% increase in home sale activity over the same period in 2012.

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 saw the housing market emerge from a 12-month correction in the third quarter of 2013, the first period of solid expansion for both house prices and sales volumes since the Ministry of Finance instituted new mortgage rules in July 2012,” said Phil Soper, President and Chief Executive Officer, Brookfield Real Estate Services Inc. “In the previous four quarters there was a marked decline in the number of homes trading hands, which kept house prices relatively flat in most markets. That trend was reversed in Q3, as homebuyers returned to the market in large numbers, pushing values northward.”

“The housing market in Canada was in overdrive in 2011 and the first half of 2012, and rising prices combined with more restrictive mortgage regulation pushed buyers temporarily out of the market,” continued Soper. “Predictions of serious declines in house values have not materialized. Pent-up demand and an acceptance that current market conditions are likely to hold through into 2014 prompted a much busier buying season that is normally experienced during July, August and September.”

The Company Network

As at September 30, 2013, the Company Network was comprised of 15,451 REALTORS®, operating under 435 franchise agreements providing services from 669 locations, with an approximate 24% share

Related Links

-  [Q3 2013 CFFO](#)
-  [Q3 2013 Selected Financial and Operating Info](#)
-  [Q3 2013 Financial Statements and Notes](#)
-  [Q3 2013 Webcast](#)
-  [Q3 2013 Quarterly Report](#)

2013 Press Releases

[Brookfield Real Estate Services Inc. Announces Acquisitions](#)

[Brookfield Real Estate Services Inc. Announces Increase in Targeted Annual Cash Dividend](#)

[Brookfield Real Estate Services Inc. Reports Third Quarter 2013 Results and Monthly Dividend](#)

[Brookfield Real Estate Services Inc. To Host Conference Call Wednesday, November 6, 2013 At 10:00 A.M.](#)

[Brookfield Real Estate Services Inc. Declares Monthly Dividend](#)

[Brookfield Real Estate Services Inc. Declares Monthly Dividend](#)

Outlook

"While there have been sobering reminders in recent weeks that our economy remains fragile, the fundamental economic indicators in this country and south of the border are in sum positive, which is a good sign for the Canadian real estate market," said Soper. "We witnessed the conclusion of a normal cyclical market correction in the third quarter of 2013 and monetary policymakers on both sides of the border are being patient to ensure the sustainability of the rebound. Turning to a longer-term view, it is the view of management that a strengthening labour market and economic growth will serve to offset the drag that interest rate hikes may have on the housing market."

Monthly Cash Dividend

The Company declared a cash dividend of \$0.092 per share for the month of November 2013, payable on December 31, 2013, to shareholders of record on November 29, 2013.

The Company declared a cash dividend of \$0.092 per share for the month of December 2013, payable on January 31, 2014, to shareholders of record on December 31, 2013.

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 15,451 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, November 6, 2013 at 10 a.m. ET to discuss its financial results for the third quarter of 2013.

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 November 8, 2013 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 nine months ended September 30, 2013 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 September 30, 2013, the Company network consisted of 15,451 REALTORS[®]. The Company network has an approximate 24% share of the Canadian residential resale real estate market based on 2012 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 73% 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.

For more information, please contact:

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