

[CORPORATE INFORMATION](#) ▾[BRANDS](#) ▾[INVESTOR CENTRE](#) ▾[MEDIA CENTRE](#) ▾[MANAGEMENT COMPANY](#)[Home](#) > [Media Centre](#) > [Press Releases](#) > [2016 Press Releases](#) > [Brookfield Real Estate Services Inc. Rep ...](#)

Brookfield Real Estate Services Inc. Reports Annual Results and Monthly Dividend

(TORONTO, ON) March 10, 2016 – 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 its fourth quarter and annual 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

- 1 CFFO for the quarter increased by 21% to \$6.9 million (\$0.54 per Share), compared to the fourth quarter of 2014.
- 1 For the year ended December 31, 2015, CFFO increased by 12% to \$28.9 million (\$2.26 per Share) compared to 2014.
- 1 The Company's network of REALTORS[®] (the "Network") increased to 16,794, up from 15,377 as at December 31, 2014.
- 1 Canadian housing market transactional dollar volume and national average house price continued to increase driven primarily by strong markets in the greater Toronto and greater Vancouver areas.
- 1 The Board of Directors of the Company approved a dividend to shareholders of \$0.1083 per restricted voting share payable April 29, 2016 to shareholders of record March 31, 2016, representing a target annual dividend of \$1.30 per restricted voting share.
- 1 Subsequent to December 31, 2015 the Company acquired 33 Franchise Agreements in January 2016 representing an annual royalty stream of \$1.0 million.

FOURTH QUARTER OPERATING RESULTS

CFFO for the fourth quarter of 2015 increased to \$6.9 million or \$0.54 per share on a diluted basis ("Share"), an increase of 21% as compared to \$5.7 million or \$0.45 per Share in the fourth quarter of 2014. For the year ended December 31, 2015, CFFO was \$28.9 million or \$2.26 per Share compared to \$25.9 million or \$2.02 per Share in 2014.

Royalties for the three months ended December 31, 2015 were \$9.5 million as compared to \$8.6 million in the fourth quarter of 2014. Net losses for the three months ended December 31, 2015 were \$3.0 million or a loss of \$0.32 per Share as compared to net earnings of \$2.5 million, or \$0.26 per Share in 2014.

Royalty revenues for the year were \$39.9 million compared to \$37.4 million in 2014. Net earnings in 2015 were \$1.3 million or \$0.14 per Share as compared to \$3.9 million, or \$0.41 per Share last year.

The increased royalties and improvement in CFFO were driven primarily by an increase in the number of REALTORS[®] in the Network and strong Canadian real estate markets, posting double digit increases in the greater Toronto and Vancouver markets.

"We are very pleased with the Company's progress during 2015," said Phil Soper, President and Chief Executive Officer, Brookfield Real Estate Services Inc. "Across Canada, we improved the reach and impact of our brands through carefully considered expansion. Positive fourth quarter results closed 2015 on a strong note, with cash flow from operations growing by over 20% year-over-year. Through a focus on enhancing the value we offer Canadian REALTORS[®] and by efficiently managing operating costs, both royalties and cash flow from operations reached record levels during the year - metrics that align well with improvements in shareholder value."

THE COMPANY NETWORK

As at December 31, 2015, the Network was comprised of 16,794 REALTORS[®], operating under 305 franchise agreements (providing services from 662 locations, with approximately one fifth share of the Canadian residential real estate market based on 2015 transactional dollar volume). In 2015, the Company purchased 52 Franchise Agreements representing an annual revenue stream of approximately \$2.9 million from 1,577 REALTORS[®]. This increase was partly offset by net attrition of 160 REALTORS[®].

2016 Press Releases

[Brookfield Real Estate Services Inc. Announces Acquisition of Franchise Agreements](#)[Brookfield Real Estate Services Inc. Declares Monthly Dividend](#)[Brookfield Real Estate Services Inc. Reports Third Quarter Results and Monthly Dividend](#)[Brookfield Real Estate Services Inc. to Host Quarterly Conference Call Friday, November 11, 2016 at 9:30 A.M. ET](#)[Brookfield Real Estate Services Inc. Declares Monthly Dividend - October 2016](#)[Brookfield Real Estate Services Inc. Declares Monthly Dividend - September 2016](#)

REAL ESTATE MARKET

According to the Canadian Real Estate Association ("CREA")², for the 12 month period ended December 31, 2015, the Canadian Residential Real Estate Market (the "Canadian Market"), as defined by total transactional dollar volume, increased 14%, to reach \$224.2 billion, compared to 2014, driven by an increase of 9% in national average selling price and a 5% increase in units sold. For the three month period ended December 31, 2015, the Canadian Market was up 16%, at \$48.1 billion, over the same period in 2014, driven by a 10% increase in national average selling price and a 6% increase in units sold.

The most notable increases were in the greater Toronto area ("GTA") and in greater Vancouver area ("GVA"), according to the Toronto Real Estate Board ("TREB")³ and CREA. In 2015, the housing market in the GTA experienced a year-over-year transactional dollar volume increase of 20% driven by a 10% increase in average selling price, and a 9% increase in the number of units sold. In the fourth quarter of 2015, the GTA market experienced an 18% transactional dollar volume increase based on a 9% increase in average selling price and an 8% increase in number of units sold over the same period in 2014. The GVA market experienced larger increases for both the three months and the year ended December 31, 2015 periods compared to 2014. For the year, transactional dollar volumes increased by 42% driven by an 11% increase in average selling price, and a 28% increase in number of units sold compared to 2014. For the three months ended December 31, 2015, the GVA market experienced a 52% transactional dollar volume increase based on a 17% increase in average selling price and a 30% increase in the number of units sold over the same period in 2014.

OUTLOOK

"South of the border, a recovering U.S. economy has driven employment to levels we have not seen in a decade," continued Soper. "The provinces that benefit most from American trade - B.C., Ontario, Quebec and Manitoba - are expected to lead the nation in economic growth and housing expansion during the year ahead. Housing price appreciation in these regions is expected to grow based on strong demand and structural inventory shortages, particularly in the Toronto and Vancouver detached home segments."

"Our energy-centric markets of Alberta, Saskatchewan and Newfoundland are expected to see continued fall-off in demand during 2016. Home prices in these regions have been more resilient than many expected as consumers, reluctant to sell their homes at what they perceived to be a discount to their true value, simply withdrew from the market, resulting in a drop in unit sales for 2015. We believe that soft markets will prevail in these more resource-dependent regions throughout the year ahead," concluded Mr. Soper.

CASH DIVIDEND

The Company declared a cash dividend of \$0.1083 per restricted voting share payable on April 29, 2016, to shareholders on record on March 31, 2016. This represents a targeted annual dividend of \$1.30 per restricted voting share.

CONFERENCE CALL

Brookfield Real Estate Services Inc. will host a conference call on Thursday, March 10, 2016 at 2 p.m. ET to discuss its annual and fourth quarter financial results for 2015.

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 in the Investor Centre section of the Company's website by Friday March 11, 2016.

CFFO

This news release and accompanying financial statements 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 value 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 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". Words such as "target", "outlook", "recovering", "expected", "lead", "believe", "continued", "grow", "will", "ahead" 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 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 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, changes in the demand for houses in Canada, changes in general economic conditions (including interest rates, consumer confidence and other general economic factors or indicators), changes in the global and regional economic growth changes in the Company's corporate strategy, the demand for and prices of natural resources on local and international markets, the level of residential real estate resale 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 Corporation 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, a change in tax law 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 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.

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 16,000 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 \$200 billion of assets under management. For more information, go to www.Brookfield.com

For more information, please contact:

Tammy Gilmer
Director, Public Relations
Brookfield Real Estate Services Inc.
info@brookfieldres.com
Tel: 416-274-9906

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

²Source: National MLS[®] Report: The Canadian Real Estate Association News Release as of January 15, 2016, and January 15, 2015.

³Source: Toronto Real Estate Board Market Watch as of December 2015 and December 2014.