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Brookfield Real Estate Services Inc. Reports Fourth Quarter and Year-End 2013 Results and Monthly Dividend

(TORONTO, ON) March 5, 2014 – 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 twelve months ended December 31, 2013 was \$6.0 million or \$0.46 per restricted voting share (“Share”), up from \$5.4 million or \$0.42 per Share for the same quarter in 2012 and \$25.2 million or \$1.97 per Share, down slightly from \$25.4 million or \$1.98 per Share for the same period in 2012.

Royalties for the three and twelve months ended December 31, 2013 were \$8.3 million and \$36.3 million, respectively, compared to \$8.1 million and \$36.5 million, respectively for the same period in 2012. Net earnings for the three and twelve months ended December 31, 2013 was \$0.6 million and \$0.9 million, or \$0.04 and \$0.09 earnings per Share, respectively, as compared to \$0.8 million and \$3.0 million or \$0.06 and \$0.31 earnings per Share, respectively, for the same period in 2012.

OVERVIEW OF FOURTH QUARTER OPERATING RESULTS

During the Quarter the Company generated CFFO of \$6.0 million, up \$0.6 million from the same period in 2012. Royalties were \$8.3 million, up \$0.2 million from fourth quarter 2012 as home sales have recovered after a period of reduced activity driven in part by the tightening of mortgage-lending restrictions in July of 2012, which pushed comparative market activity into the first half of 2012.

For the twelve months ended December 31, 2013, the Canadian market transactional dollar volume was \$175.1 billion, an increase of 6.1% from the same period in 2012, driven by a 5.1% and 0.9% increase in average price and number of units sold, respectively. For the three months ended December 31, 2013, the Canadian market transactional dollar volume was up 18.7% over the same period in 2012, driven by a 9.3% and 8.6% increase in average price and number of units sold, respectively.

“Brookfield Real Estate Services Inc. is pleased to report its fourth quarter and year-end results for 2013, which demonstrate the momentum that has returned to the residential real estate market after a correction that lasted four quarters spanning the second half of 2012 and first half of 2013,” said Phil Soper, President and Chief Executive, Brookfield Real Estate Services Inc. “While economic risks persist, a strengthening domestic economy with declining unemployment numbers, and a housing market that has returned to normal levels point to a strong year ahead for the Company and its investors.”

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.

The Company Network

As at December 31, 2013 the Company Network was comprised of 15,310 REALTORS[®], operating under 307 Franchise Agreements providing services from 627 locations, with an approximate 24% share of the Market based on 2012 transactional dollar volume.

Outlook

“At the mid-point of 2013 Canada’s housing market emerged from a 12-month long cyclical correction that saw sales volumes slow markedly. The second half of the year saw sales volumes surge as buyers returned to the market. Looking ahead, we expect the momentum we witnessed at year-end to continue into and throughout 2014. There remains significant pent up demand from home buyers who deferred their purchase in 2013, which should help drive an active spring buying season. We expect a sellers’ market to prevail in the first half of 2014, followed by a balanced market for the remainder of the year.”

Monthly Cash Dividend

The Company declared a cash dividend of \$0.10 per share for the month of March 2014, payable on April 30, 2014, to shareholders of record on March 31, 2014.

CFFO

	Q4 2013 Selected Financial and Operating Info
	Q4 2013 CFFO
	Q4 2013 Webcast

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 pre-scribed 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 15,310 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, March 5, 2014 at 10 a.m. ET to discuss its fourth quarter and year-end financial results.

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 March 6, 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 nine months ended September 30, 2013 containing further information on the company's strategy, operations and financial results 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®¹. 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 December 31, 2013, the Company network consisted of 15,310 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.

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