

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1      Name and Address of Company**

Brookfield Real Estate Services Inc. (the “Company”)  
39 Wynford Drive  
Toronto, Ontario M3C 3K5

**Item 2      Date of Material Change**

December 13, 2018

**Item 3      News Release**

A news release was issued by the Company on December 14, 2018, and disseminated via Cision. The new release is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4      Summary of Material Change**

On December 13, 2018, the Company amended its financing arrangements (the “Debt Facilities”) with Canadian Imperial Bank of Commerce (“CIBC”). The amendments to the Debt Facilities include the extension of the committed Debt Facilities to December 31, 2023, an increase in the maximum borrowings under Debt Facilities from \$78 million to \$80 million and changes to the financial covenants,

There are no significant changes to the security arrangements or interest arrangements associated with the Debt Facilities as a result of these amendments.

**Item 5      Full Description of Material Change**

A full description of the material change is set forth in Schedule “A”.

**Item 6      Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable.

**Item 7      Omitted Information**

None.

**Item 8      Executive Officer**

The name and business telephone number of the Officer who is knowledgeable about the material change and this report is:

Name: Glen McMillan,  
Position: Chief Financial Officer

Tel: (416) 510 - 5605

**Item 9**

**Date of Report**

December 19, 2018

## SCHEDULE “A”



### Brookfield Real Estate Services Inc. Announces Amended Finance Arrangements

**(TORONTO, ON) December 14, 2018** – Brookfield Real Estate Services Inc. (TSX: BRE) (the “Company”), a leading provider of services to residential real estate brokers and their REALTORS<sup>®1</sup> today announced it has completed its amended finance arrangements with the Canadian Imperial Bank of Commerce, as originally announced on November 7, 2018. The amended and restated arrangements are effective from January 1, 2019.

The main amendments to the Debt Facilities include:

- An extension of the committed Debt Facilities to December 31, 2023.
- An increase in the maximum borrowings under the Debt Facilities from \$78 million to \$80 million.
- A reduction in the required EBITDA (as defined in the Debt Facilities agreement) to interest coverage ratio from 5.0 times to 3.0 times.
- An increase in the permitted level of borrowings from 2.5 times EBITDA to 4.0 times.
- The obligation to make limited principal repayments under the Debt Facilities in circumstances where borrowings exceed 3.4 times EBITDA.

There are no significant changes to the security arrangements or interest arrangements associated with the Debt Facilities as a result of these amendments.

### FORWARD-LOOKING STATEMENTS

This news release contains forward-looking information and other “forward-looking statements”. Words 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 Company 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 or in any particular region within Canada, changes in the demand for houses in Canada or any particular region within Canada, changes in general economic conditions (including interest rates, consumer confidence and other general economic factors or indicators), changes in global and regional economic growth, the demand for and prices of natural resources on local and international markets, the level of residential real estate 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 Company that could reduce the number of REALTORS<sup>®</sup> 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, changes in tax laws or regulations, changes in the corporate structure of the Company or its affiliates, demand for the services the Company provides to REALTORS<sup>®</sup>, 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](http://www.sedar.com). The Company 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 18,000 REALTORS®<sup>1</sup>. We operate in Canada under the Royal LePage, Via Capitale and Johnston & Daniel brands. For more information, go to [www.Brookfieldresinc.com](http://www.Brookfieldresinc.com).

Brookfield Real Estate Services Inc. is an affiliate of Brookfield Business Partners, a business services and industrials company focused on owning and operating high-quality businesses that benefit from barriers to entry and/or low production costs. Brookfield Business Partners is listed on the New York and Toronto stock exchanges. Further information is available at <https://bbu.brookfield.com>.

#### **For more information, please contact:**

Sarah Louise Gardiner

Director of Investor Relations

Brookfield Real Estate Services Inc.

[mailto: sarahlouise.gardiner@brookfieldres.com](mailto:sarahlouise.gardiner@brookfieldres.com)

Tel: 416-510-5783

<sup>1</sup> REALTORS® is a trademark identifying real estate licensees in Canada who are members of the Canadian Real Estate Association.