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## Brookfield Homes Corporation Q4 2007 Earnings Call Transcript

### Earnings Call Excerpt

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Brookfield Homes Corporation (BHS)

Q4 2007 Earnings Call

February 7, 2008 11:00 am ET

#### **Executives**

Ian Cockwell - President & CEO

Paul Kerrigan - Executive Vice President & CFO

Linda Northwood – Director of Investor Relations

#### **Analysts**

Alex Baron – Agency Trading Group

Joel Locker – FBN Securities

Stephen Massocca - Pacific Growth Equity Management

Peter Martin – Manthis Capital

Brian Fettman - Crown Capital

Ted Crawford – Maple Leaf Partners

J.T. King – CAPE Investments

#### **Presentation**

#### **Operator**

At this time, I would like to turn the conference over to Ian Cockwell, President and Chief Executive Officer. Please go ahead, Mr. Cockwell.

#### **Ian Cockwell**

Good morning, ladies and gentlemen, and thank you for joining us today for Brookfield Homes' Fourth Quarter Conference Call. Before we continue, please note that in talking about our financial performance and responding to questions, we may make forward-looking statements.

Forward-looking statements are subject to known and unknown risks and results may differ materially. For further information on such factors or risks, I'd encourage you to see Brookfield Homes' SEC filings of the full text related to forward-looking statements in our Form 10K and 10Q, which are posted in our website. We have also posted a supplementary information packet at the website, under the Investor Relations section under Reports and Presentations. It provides details of operations and other key measures of support.

Joining me for the call today are Paul Kerrigan, our Chief Financial Officer, and Linda Northwood, our Director of Investor Relations. I will start today's agenda and then turn the call over to Paul, who will review our performance for the fourth quarter.

With regards to operations, 2007 was one of the most challenging years for the housing industry on record. The good news is we are two years into this downturn and the longer term demand for new homes will return based on the fundamentals of population growth and need for replacement housing. Also, the current change by homebuilders to a manufacturing platform is resulting in a fundamental shift in ownership of land which provides the opportunity to realize substantial gains when stability returns to the market.

Currently, the supply of resale and new homes far exceeds demand and even though new home production has dropped to 1.1 million units a year, we do not anticipate that an equilibrium between the supply and demand for housing will be reached before 2009. This continuing imbalance, as well as, the disruption in credit markets has led to continued weak consumer confidence, a critical factor for home sales.

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