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Brookfield Homes Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you sir. (Operator Instructions) Your first question comes from Alex Barron - Agency Trading Group.

Alex Barron - Agency Trading Group

I wanted to ask you about your land sales this quarter. I get an average price of about \$41,000. I guess my first question is can you talk about where those land sales occurred? And second are they comparable to similar lots to what you sold in the previous three quarters?

Ian G. Cockwell

Alex, it's Ian. The lot sales are in Southwest Riverside and I think you're aware what has transpired within Southwest Riverside. And no, this is the first time that we've sold lots in that area and it's not comparable with previous quarters.

Alex Barron - Agency Trading Group

And are these finished lots or raw lots or lots under development?

Ian G. Cockwell

These are lots under development.

Alex Barron - Agency Trading Group

And what kind of buyer is buying these lots?

Ian G. Cockwell

With regards to the actual purchase, it's not an individual but it's an organization that would be looking to the longer term and making their judgments on that market with regards to the future supply.

Alex Barron - Agency Trading Group

So it was just one bulk purchase then?

Ian G. Cockwell

That's correct.

Alex Barron - Agency Trading Group

Moving on to land entitlement, you said you wanted to entitle about 1,500 lots this year. Can you just kind of give us an idea of how much value I guess you can create in doing so? Like in other words, how much is the land worth before the entitlement? How much is it worth after the entitlement?

Ian G. Cockwell

Let me first clarify it that in 2009 and 2010. When adding value to entitlements it depends on the area and obviously it will depend upon the demand in the future. Certain market areas where we are and as you talk Ontario, for example, you can add substantially to the [prorated] land value to the extent that you can say double the [inaudible] land values upon entitlement. However, the question comes is when will the market return and the demand be there for lots in the future.

Alex Barron - Agency Trading Group

Is there a lot of capital involved in getting these entitled? Or is it just more time?

Ian G. Cockwell

It's time and it's experience and it's the relationship within the community.

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