

Brookfield Real Estate Services Fund Agrees to Acquire New Franchises for \$9.3 million

Toronto – Ontario, January 14, 2005 - (*TSX:RSF.un*) Brookfield Real Estate Services Fund (The Fund) announces that it has agreed to acquire 38 new Royal LePage residential real estate brokerage franchise contracts representing 47 real estate brokerage locations serviced by 558 real estate sales agents. Slightly more than 50% of these agents serve the Quebec market with the majority of these agents originating from Le Group Trans-Action brokerages who converted to the Royal LePage network. Of the remaining agents, 30% serve the British Columbia and Alberta markets and the balance the Ontario market.

Effective January 1, 2005, the Fund will acquire the contracts from the Residential Income Fund Manager Limited (the Manager) through the Residential Income Fund L.P., (the Partnership) the limited partnership that holds the real estate broker franchise agreements for the Fund. The purchase price of \$9.3 million is based on an estimated annual royalty stream of \$1.1 million and has been calculated in accordance with the formula set forth in the Fund's Management Services Agreement (the "MSA").

The transaction is scheduled to close during the first quarter of 2005 with \$7.0 million of the purchase price to be paid at closing and the remainder a year later in accordance of the terms set out in the Fund's MSA. The Partnership will finance the acquisition through the issuance of additional debt or with Class A units.

Phil Soper, President and CEO of the Fund commented, "Beyond the obvious increase in royalties that these acquisitions bring to the Fund, they are also important to our business in two other respects. These brokerages are located primarily in Quebec, B.C. and Alberta, in under-represented markets we targeted for development. In addition, they affirm our strategic focus on diversification and stability of the Fund's distributable cash.