

Brookfield Real Estate Services Fund Announces Q3 2003 Results and Declares Monthly Cash Distribution

Toronto, ON - November 20th, 2003 - (TSX - RSF.UN) Brookfield Real Estate Services Fund today announced its third quarter results for its first reporting period, commencing with the Fund's operations on August 7, 2003, up to and including, September 30, 2003.

Revenue during the first reporting period totalled \$3.6 million and distributable cash generated by the Fund totalled \$2.7 million. Seasonally adjusted, the results are on track to meet the annualized target of \$1.10 per unit, as set out in the Fund's Prospectus. During the period, there was an increase in the number of agents in the Fund's network and the Canadian real estate market strengthened.

"The Brookfield Real Estate Services Fund's strong performance paved the way for our continued growth. Our revenue is primarily driven by a stable stream of franchise service fees from our agent network and to a lesser extent by the total transaction earnings from home sales," commented Philip Soper, president, Brookfield Real Estate Services Fund. "Over the course of this period, our growth was fuelled by an increase in agent count coupled with increased productivity."

Operating Results from August 7, 2003 to September 30, 2003:

Net earnings for the period were \$967,000 and are summarized as follows:

	(thousands)
Royalties	\$ 3,600
Less:	
Administrative expenses	70
Interest expense	244
Management fee	595
	2,691
Amortization of intangibles	1,402
Non-controlling interest	322
Net earnings	967
Basic and diluted earnings per unit (9,983,000 units)	\$ 0.10

Highlights and Achievements

Since the launch of the Brookfield Real Estate Services Fund, management has undertaken a number of initiatives to further its growth objectives, increase unitholder value and position the Fund to take advantage of future opportunities. Achievements and highlights, year-to-date, include:

Performance and Market

- As at September 30, 2003, the Fund Network has grown to more than 8,600 agents and 700 sales representatives operating from 521 brokerage locations represented by 227 franchisees across Canada.
- With the increase of 400 agents from March 31, 2003, to September 30, 2003, the Fund has already reached its annual growth target of a net increase of 200 to 400 agents to the Fund Network as detailed in the Fund's Prospectus.
- The Fund achieved a renewal rate of 100 per cent of its franchise contracts which were up for renewal during the period March 31, 2003, to September 30, 2003, with no franchise terminations.
- The Canadian residential real estate market has increased by 10% to \$86.9 billion from \$78.9 billion for twelve months ended September 30, 2003 as compared to the twelve months ended March 31, 2003.

Potential Growth Opportunity

- In September, Royal LePage acquired Le Groupe Trans-Action, a prominent Montreal-based real estate franchisor with 80 locations. This presents a potential growth opportunity for the Fund, which can acquire the franchise agreements once the eligibility criteria required by the Fund are met.

Monthly Cash Distribution

The Brookfield Real Estate Services Fund today declared a cash distribution of \$0.0917 per unit for the month of November 2003, payable December 30, 2003, to unitholders of record on November 30, 2003. This represents the third monthly distribution since the inception of the Fund in August 2003.

Outlook

"We are confident that we are on track to meet our financial and operating objectives for the full year of 2003 backed by the strength of the Fund's performance since inception on August 7, 2003. We remain focused on increasing unitholder value through carefully conceived acquisitions, reflagging targeted real estate companies to the Royal LePage brand and through the enhancement of our proprietary agent and broker platforms," commented Soper.

Third Quarter Results Conference Call

A conference call for investors, analysts and media to review the third quarter 2003 results will be held on Friday, November 21, 2003 at 11:00 a.m. (EST). To participate in the Conference Call, please dial 416-695-5261 or 1-888-789-0150, toll free, at approximately 10:50 a.m. The reservation number for this call is T460183R. For those unable to participate in the Conference Call, a taped re-broadcast will be available until midnight December 5, 2003. To access this re-broadcast, please call 416-695-5275 or 1-888-509-0081, toll free. The re-broadcast will also be available online at www.rsfund.ca under "Financial Reports" which can be found under "Investment Info."

About the Brookfield Real Estate Services Fund

The Brookfield Real Estate Services Fund is a leading provider of services to residential real estate brokers and their agents. The Fund 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, Johnston and Daniel and Realty World brand names.

The Brookfield Real Estate Services Fund is a TSX listed income trust which pays monthly distributions and trades under the symbol "RSF.UN".

Excerpt from Management's Discussion and Analysis of Results and Financial Condition

Royalties

Royalties for the stub period ended September 30, 2003 totalled \$3.6 million.

A summary of the components of royalties is as follows:

	(thousands)
Basic Fixed Fee	\$1,506
Basic Variable Fee	1,007
Premium Franchise fees	738
Web services & other fees	349
	\$3,600

Basic fixed fee royalties represent the fixed monthly fee of \$100 per agent per month for franchisees operating under this plan and are in line with the underlying number of agents as noted in the Highlights and Achievements previously discussed.

Basic variable fees are derived as 1 per cent of agent's gross revenue subject to a maximum of \$1,300 per annum per agent for those franchisees operating under this plan and is in line with the underlying number of agents as discussed in the Highlights and Achievements previously discussed.

Premium franchise fees are derived from an uncapped premium fee ranging from 1 per cent to 5

per cent of the gross commission revenue for 22 franchise locations, 14 of which are corporately owned and all of which are situated in the Greater Toronto Area ("GTA").

The combined Basic fixed fee, Basic variable fee and Premium fees represent 90 per cent of Fund royalties for the stub period and are ahead of management's expectations due to strong internal agent growth and market conditions as previously described.

Web services and other fees for the stub period comprised 10 per cent of Fund royalties and were \$349,000.

Liquidity and Capital Resources

Cash flow from Operations

For the period ended September 30, 2003, \$2.7 million of cash flow was generated from operations before changes in non-cash working capital. The non-cash components of working capital for this period included a use of cash of \$1.8 million related primarily to \$2.1 million of receivables that under terms of the franchise agreements are payable monthly in the immediately following month. Partially offsetting the receivable balance was a source of cash of \$0.5 million in accounts payable and accrued liabilities less \$0.2 million in prepaid expenses attributable to the BA based term loan interest obligations.

At the commencement of the Fund, \$3.3 million of the cash consideration received on the issue of units was deducted and deposited with the Fund to pay for the remaining costs of the offering. As at September 30, 2003, \$2.3 million of the \$3.3 million offering cost obligation was paid. The remaining \$1.0 million obligation is expected to be paid during the fourth quarter. During the period the Fund was able to utilize these funds for operating requirements and consequently did not draw on its \$2 million operating credit facility.

Financing and Investing Activities

Upon completion of the initial public offering on August 7, 2003, the Fund raised \$130.4 million in cash, \$99.8 million through the issuance of 9,983,000 units at a price of \$10 per unit and \$30.6 million from a term loan which, after underwriting fees and a provision for offering costs, resulted in net cash proceeds of \$121.1 million. These net proceeds were utilized to acquire assets that consist of certain trademarks rights and franchise agreements.

Distributions payable to unitholders on October 30, 2003 for unitholders of record on September 30, 2003 amounted to \$1.8 million and covered the period from August 7, 2003 to September 30, 2003.

Distributable Cash

Distributions to unitholders are computed based on net earnings adjusted for non-controlling interest, amortization and other reasonable working capital and other reserves as defined by the Fund's Amended and Restated Declaration of Trust.

Distributable cash does not have a standardized meaning under Canadian generally accepted accounting principles ("GAAP") and accordingly may not be comparable to similar measures used by other issuers. Distributable cash per unit for the period ending September 30, 2003 has been calculated on a basis consistent with that prescribed by GAAP for calculating earnings per unit and is derived as follows:

(in thousands, except per Unit amount)	
Net earnings for the period	\$ 967
Non-controlling interest share of net earnings	322
Amortization of intangibles	1,402
	2,691
Working capital and other reserves	(309)
Distributable cash	\$ 2,382
Distributable cash available to:	
Unitholders	\$ 1,786
Non-controlling interest	596
	\$ 2,382
Basic and diluted distributable cash per unit	\$ 0.179
Weighted average number of units outstanding	9,983,000

A summary of distributable cash as compared to the Prospectus and the Prospectus prorated on the same number of days as the period ended September 30, 2003 follows:

	Distributable Cash (in thousands)		
	Actual for the 55 day period, August 7, to September 30, 2003	Per Prospectus	
		Prorated for the 55 days	For the twelve months ended March 31, 2003
Royalties	\$ 3,600	\$ 3,051	\$ 20,248
Administrative expenses	70	45	300

Interest expense	244	248	1,646
Management fee	595	552	3,660
Distributable cash	2,691	2,206	14,642
Reserves	309	-	-
Distributable cash after reserves	\$ 2,382	\$ 2,206	\$ 14,642

Distributable cash before reserves of \$2.7 million for the period from August 7, 2003 to September 30, 2003, was \$0.5 million or 22 per cent greater than distributable cash before reserves in the Prospectus prorated on the same basis. This result, as previously described, is due in part to the Network's strong internal Agent growth that increased all royalty levels and the exceptional summer and fall market with transaction volumes that drove greater Basic variable and Premium franchise fees.

Management and the Board of Trustees have set aside \$309,000 as reserves, as noted above, for future Fund distributions and working capital requirements. This reserve is in anticipation of the seasonal nature of the market which results in lower late fall and winter volumes and reduced Basic variable fees arising from the capping of these fees which is expected to occur throughout the remainder of the calendar year.

Brookfield Real Estate Services Fund	
Consolidated Balance Sheet	
As at September 30, 2003	
(unaudited)	
(in thousands of dollars)	
Assets	
Current assets	
Cash and cash equivalents	\$ 1,895
Accounts receivables	2,063
Prepaid expenses	179
	4,137
Intangible assets	\$ 153,015
	\$ 157,152
Liabilities and Unitholders' Equity	
Current Liabilities	
Accounts payable and accrued liabilities	\$ 1,078

Accrued closing costs	964
Distribution payable to unitholders	1,786
	3,828
Term Loan	30,600
Non -controlling interest	30,680
	65,108
Unitholders' Equity	92,044
	\$ 157,152

Brookfield Real Estate Services Fund	
Consolidated Statement of Earnings	
For the period from August 7, 2003 to September 30, 2003	
(Unaudited)	
(in thousands of dollars, except per unit amounts)	
Royalties	
Basic fixed franchise fees	\$ 1,506
Basic variable franchise fees	1,007
Premium franchise fees	738
Other fees and services	349
	3,600
Expenses	
Administration	70
Management fee	595
Interest expense	244
Current Liabilities	1,402
Amortization of intangibles	2,311
Earnings before undernoted	1,289
Non-controlling interest	(322)

Net earnings for the period	\$	967
Basic and diluted earnings per unit (9,983,000 units)	\$	0.10

Brookfield Real Estate Services Fund		
Consolidated Statement of Unitholders' Equity		
For the period from August 7, 2003 to September 30, 2003		
(Unaudited)		
(in thousands of dollars)		
Balance, beginning of period	\$	-
Issue of units, net of issue costs		92,863
Net earnings for the period		967
Distributions		(1,786)
Balance, end of period	\$	92,044

Brookfield Real Estate Services Fund		
Consolidated Statement of Cash Flows		
For the period from August 7, 2003 to September 30, 2003		
(Unaudited)		
(in thousands of dollars)		
Cash provided by (used for) :		
Operating activities		
Net earnings for the period	\$	967
Items not affecting cash		
Non-controlling interest		322
Amortization of intangibles		1,402
		2,691
Changes in non-cash working capital		(1,760)
		931
Investing activities		

Purchase of intangible assets	(121,140)
Financing activities	
Initial public offering of units	99,830
Issue costs paid	(8,326)
Proceeds from term loan	30,600
	122,104
Increase in cash and cash equivalents during the period	1,895
Cash and cash equivalents, beginning of period	\$ -
Cash and cash equivalents, end of period	\$ 1,895

Basis of presentation

These consolidated financial statements include the accounts of Brookfield Real Estate Services Fund, its wholly-owned subsidiary RL RES Holding Trust ("RLHT"), and its 75 per cent owned subsidiaries Residential Income Fund General Partner Limited ("RIFGP") and Residential Income Fund L.P. (the "Partnership"). RIFGP is the managing general partner of the Partnership. Trilon Bancorp Inc. (the "non-controlling interest") owns the remaining 25 per cent interest in the Partnership and RIFGP and is recorded as non-controlling interest.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Fund's significant accounting policies are as follows:

Revenue recognition

Franchise fees are generally based on a percentage of an agent's gross revenue ("Variable Franchise Fees") to a specified maximum plus a dollar amount per agent ("Fixed Franchise Fees"). Gross revenue is the gross commission income (net of outside broker payments) paid in respect of the closings of residential resale real estate transactions. Variable Franchise Fees are recognized in income at the time a residential resale real estate transaction closes or when a lease is signed by the vendor or lessor. Fixed Franchise Fees are recognized in income as earned.

Other fee-based revenues are generally recognized in income when the related services have been provided.

Intangible assets

Intangible assets, consisting of certain trademark rights and franchise agreements, are recorded at cost less accumulated amortization. The trademarks and franchise agreements are being amortized over the term of the agreements plus one renewal period using the effective rate method. The Fund reviews the carrying value of the intangible assets for impairment whenever events or circumstances indicate the carrying value may not be recoverable. If an impairment is determined to exist, the intangible assets are written down to their fair value.

Forward-Looking Statements

Certain statements in the News Release and the Management's Discussion and Analysis of Results and Financial Condition may include statements that are "forward-looking statements". These forward-looking statements may reflect the current internal projections, expectations or beliefs, future growth, performance and business prospects and opportunities of the Fund and are based on information currently available to the Fund. Actual results and developments may differ materially from results and developments discussed in the forward-looking statements as they are subject to a number of risks and uncertainties. Management cannot provide assurance that the actual results or developments will be realized or, even if substantially realized, that they would have the expected consequences to, or effects on, the Fund. These forward-looking statements are made as of the date of this report and the Fund assumes no obligation to update or revise them.