Brookfield Real Estate Services

For Immediate Release

Brookfield Real Estate Services Fund Announces Third Quarter 2007 Results and Monthly Cash Distribution

Royalties increase 9.7% year over year

Toronto, ON – November 7, 2007 – (TSX – BRE.UN) Brookfield Real Estate Services Fund (the "Fund"), formerly Royal LePage Franchise Services Fund, today announced royalties for the third quarter of 2007 of $9.3 million, a 9.7% increase over the same period in 2006. Distributable cash[2] increased 10.4% to $6.8 million or $0.51 per unit compared with the third quarter of 2006, and net earnings increased 23.5% to $2.3 million or $0.23 per unit.

"We are very pleased that royalty revenue has once again exceeded our growth targets, reflecting the ongoing expansion of the Fund's underlying network of REALTORS®[1], and the vigorous pace for both housing unit sales and average price appreciation in the Canadian residential market," said Philip Soper, President and Chief Executive. "Housing markets continued to experience double-digit growth in several urban centres in the West, driven largely by resource industries, and also in the Greater Toronto Area where robust growth in unit sales activity sent transactional dollar volumes soaring 23.9% in the third quarter compared with a year ago. We are well positioned to continue our solid performance as a result of our growing REALTOR® network located coast to coast and the leading, productivity-enhancing services we provide."

Financial and Operating Highlights

For the three months ended September 30, 2007 and 2006

	Q3 2007		Q3 2006	
	(thousands)	(per unit)	(thousands)	(per unit)
Royalties	$9,295	$0.70	$8,470	$0.64
Earnings before non-controlling interest	$3,093	$0.23	$2,505	$0.19
Net earnings	$2,282	$0.23	$1,848	$0.19
Distributable cash[2]	$6,805	$0.51	$6,162	$0.46
Distributions	$3,993	$0.30	$3,827	$0.29

[1] REALTOR® is a trademark identifying real estate licensees in Canada who are members of the Canadian Real Estate Association

[2] Defined as royalties less administrative expenses, interest expense and management fee. Distributable cash does not have a standardized meaning under Canadian generally accepted accounting principles. Management believes that distributable cash is a useful supplemental measure of performance as it provides investors with an indication of the amount of cash for distribution to unitholders. Investors are cautioned that distributable cash should not be construed as an alternative to using net earnings as a measure of profitability or the statement of cash flows.

Nine Months Results

For the nine months ended September 30, 2007, royalties totalled $25.0 million, a 9.4% increase over the same period of 2006. The Fund generated earnings before non-controlling interest for the nine months of $9.2 million, up $5.6 million from the same period in 2006. The year-over-year increase was attributed to the continued growth in the Canadian residential real estate resale market and the Fund's underlying REALTOR® network, a $2.1 million income tax recovery recorded in the second quarter of 2007 in accordance with new tax legislation, and a non-recurring accumulated $1.9 million management fee recorded in the first quarter of 2006. Distributable cash in the first nine months of 2007 totalled $18.2 million or $1.36 per unit, compared with $14.5 million or $1.09 per unit in the same period of 2006. Net earnings were $6.8 million ($0.68 per unit) compared with $2.6 million ($0.26 per unit) in the first nine months of 2006.

Fund Name Change

On October 31, 2007, the name of the Royal LePage Franchise Services Fund was changed to the Brookfield Real Estate Services Fund. This name change better portrays the Fund's long-term multi-brand growth strategy and its close association with Brookfield Asset Management, which has a strong reputation in the global real estate industry. The Fund currently receives revenues from franchisees operating under the national brand of Royal LePage. As a result of these changes, the Fund's TSX stock symbol has been changed to BRE.UN and its website address to www.brookfieldres.com.

Acquisition of La Capitale Real Estate Network

On November 2, 2007, the Fund's Manager acquired La Capitale Real Estate Network ("La Capitale"), Quebec's largest regional real estate services company with 1,492 REALTORS® operating out of 68 locations. The Manager anticipates presenting these franchise contracts to the Fund's Trustees for purchase by the Fund effective January 1, 2008. If approved,the acquisition of La Capitale will be the Fund's largest acquisition to date and aligns with its growth strategy to acquire well managed real estate franchises that will be accretive to earnings and are located in markets where management has identified the opportunity for long-term regional growth.

Fund Growth

The Fund as at September 30, 2007 was comprised of 289 independently owned and operated franchises, operating from 594 locations serviced by 13,085 REALTORS®. During the third quarter, the Fund organically grew by 125 REALTORS®. This is in addition to 421 REALTORS® added organically during the first six months and the addition of 390 REALTORS® who joined the Fund network with the 22 franchise contracts acquired on January 1, 2007. Overall, the Fund network has grown 7.7% (936 REALTORS®) since December 31, 2006.

As of November 2, in addition to the La Capitale acquisition described above, the Fund Manager had Royal LePage franchise contracts representing 17 locations serviced by 203 REALTORS® that it anticipates presenting to the Fund's Trustees for purchase by the Fund effective January 1, 2008. Pending approvals, these additions will bring our total REALTOR® network to approximately 14,800 coast to coast. The Board will meet to consider the acquisition of franchise contracts prior to January 1, 2008, following which it will disclose the approximate purchase price for these acquisitions.

Capital Resources

The existing capital resources that the Fund can draw on consist of a $2 million operating line, which has been unutilized since the inception of the Fund. Other capital resources include: funds generated from operations; $5.5 million in unutilized distributable cash held for future distributions in anticipation of the seasonality of the Canadian residential resale real estate market, debt servicing and distribution requirements, and financing for the acquisition of franchise contracts. In the event that the purchase of the La Capitale franchise agreements is approved by the trustees, management will assess various financing options available to the Fund.

Monthly Cash Distribution

Brookfield Real Estate Services Fund today declared a cash distribution of $0.10 per unit for the month of November 2007, payable December 28, 2007, to unitholders of record November 30, 2007.

Outlook

"We expect continued strength in the Canadian residential resale real estate market in the near-term due to strong underlying market fundamentals supported by low interest rates, strong consumer confidence, the relative affordability of residential real estate and a relatively strong economy," said Mr. Soper. "This strength will likely be mitigated somewhat as the rising Canadian dollar acts as a moderating influence on economic growth. Listing inventory levels should grow as pent-up demand is satisfied. This rise in listing inventory is expected to lessen the pace of price appreciation across Canada from double digits seen over the past few years to high single digits for the near and mid-term, with the anticipated overall effect of a strong but more balanced market in most regions of Canada."

Mr. Soper continued: "We are focused on growth through accretive acquisitions, as well as organically through agent recruitment and improved productivity. The name change positions us to be able to pursue more acquisition opportunities, and the acquisition of La Capitale, pending approval by our Board of Trustees, adds a well managed brand that together with Royal LePage will represent a significant share of the Quebec market and expansion of our franchise network."

Fund Structure

The Fund currently generates both fixed and variable fee components. Variable fees are primarily driven by the total transactional-dollar volume from agent sales commissions, while fixed franchise fees are based on the number of agents and sales representatives in the network. Approximately 67% of the Fund's revenue is based on fixed fees from a large number of long-term franchisee contracts, which provide revenue stability and help insulate the Fund from market fluctuations.

Third Quarter Conference Call

A conference call for investors, analysts and media to review the third quarter results will be held on Wednesday, November 7, 2007, at 10:00 a.m. (Eastern Time). To participate in the conference call, please dial toll free 1-866-296-6505 a few minutes prior to the call. The pass code for this call is 53439. For those unable to participate in the conference call, it will be available by webcast, and a replay will also be posted online following the conference call at www.brookfieldres.com.

About Brookfield Real Estate Services Fund

The Fund is a leading provider of services to residential real estate brokers and their REALTORS®. 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 and Johnston & Daniel brand names. At September 30, 2007, the Fund Network was comprised of 13,085 REALTORS® operating from 594 locations. The Fund Network has an approximate 20% share of the Canadian residential resale real estate market based on transactional dollar volume. The Fund is a TSX listed income trust, which pays monthly distributions and trades under the symbol "BRE.UN". The Fund's website address is www.brookfieldres.com

Forward-Looking Statements

This quarterly news release contains forward-looking information and other “forward-looking statements”. The words such as “should”, “will”, “continue”, “plan”, “believe”, “expect”, “anticipate”, “intend”, “estimate” and other expressions which are predictions of or indicate future events and trends and which 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, which may cause the actual results, performance or achievements of the Fund 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 set forward in the forward-looking statements include a change in general economic conditions, interest rates, consumer confidence, the level of residential resale transactions, the average rate of commissions charged, competition from other traditional real estate brokers or from discount and/or internet-based real estate alternatives, the availability of acquisition opportunities and/or the closing of existing real estate offices, other developments in the residential real estate brokerage industry or the Fund that reduce the number of and/or royalty revenue from the Fund’s REALTORS®, our ability to maintain brand equity through the use of trademarks, the availability of equity and debt financing, a change in tax provisions, and other risks detailed in the Fund’s annual information form which is filed with securities commissions and posted on SEDAR at www.sedar.com. The Fund undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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BROOKFIELD REAL ESTATE SERVICES FUND (formerly Royal LePage Franchise Services Fund)

Interim Consolidated Balance Sheets

As at (in thousands of dollars)	**September 30, 2007**	December 31, 2006
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	**$ 6,652**	$ 6,951
Accounts receivable	**3,054**	2,699
Prepaid expenses	**23**	92
	9,729	9,742
Deferred charges	**–**	516
Future income tax asset (note 3)	**2,112**	–
Intangible assets (note 4)	**119,593**	124,031
	$ 131,434	$ 134,289
Liabilities and Unitholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**$ 2,978**	$ 2,998
Purchase obligation (note 4)	**862**	576
Distribution payable to unitholders	**998**	956
	4,838	4,530
Long-term debt (notes 2 and 6)	**37,576**	38,000
Non-controlling interest	**22,740**	23,317
	65,154	65,847
Unitholders' equity	**66,280**	68,442
	$ 131,434	$ 134,289

See accompanying notes to the interim consolidated financial statements

BROOKFIELD REAL ESTATE SERVICES FUND (formerly Royal LePage Franchise Services Fund)

Interim Consolidated Statements of Earnings and Comprehensive Earnings

(unaudited) (in thousands of dollars, except unit and per unit amounts)	**Three months ended Sept. 30, 2007**	Three months ended Sept. 30, 2006	**Nine months ended Sept. 30, 2007**	Nine months ended Sept. 30, 2006
Royalties				
Fixed franchise fees	**$ 3,749**	$ 3,485	**$ 11,084**	$ 10,318
Variable franchise fees	**2,661**	2,377	**7,251**	6,485
Premium franchise fees	**1,899**	1,685	**3,942**	3,498
Other fee revenue and services	**986**	923	**2,766**	2,593
	9,295	8,470	**25,043**	22,894
Expenses				
Administration	**184**	163	**533**	513
Management fee (note 8(ii))	**1,700**	1,540	**4,539**	6,080
Interest expense (notes 2 and 6)	**606**	605	**1,813**	1,795
Amortization of intangible assets	**3,723**	3,657	**11,058**	10,893
	6,213	5,965	**17,943**	19,281
Earnings before undernoted	**3,082**	2,505	**7,100**	3,613
Future income tax recovery (note 3)	**11**	–	**2,112**	–
Earnings before non-controlling interest	**3,093**	2,505	**9,212**	3,613
Non-controlling interest	**(811)**	(657)	**(2,411)**	(1,002)
Net and comprehensive earnings	**$ 2,282**	$ 1,848	**$ 6,801**	$ 2,611
Basic and diluted earnings per unit (9,983,000 units) (note 7)	**$ 0.23**	$ 0.19	**$ 0.68**	$ 0.26

See accompanying notes to the interim consolidated financial statements

Interim Consolidated Statements of Unitholders' Equity

(unaudited) (in thousands of dollars)	Unitholders' Contribution[1]	Net Earnings	Distributions	Deficit	Total
Balance, December 31, 2005	$ 92,938	$ 10,034	$ (26,503)	$ (16,469)	$ 76,469
Changes during the period:					
Net income	–	2,611	–	2,611	2,611
Unit distributions	–	–	(8,608)	(8,608)	(8,608)
Balance, September 30, 2006	$ 92,938	$ 12,645	$ (35,111)	$ (22,466)	$ 70,472
Balance, December 31, 2006	$ 92,938	$ 13,484	$ (37,980)	$ (24,496)	$ 68,442
Transition adjustment (notes 2 & 6)	–	22	–	22	22
Balance, January 1, 2007	$ 92,938	$ 13,506	$ (37,980)	$ (24,474)	$ 68,464
Changes during the period:					
Net income	–	6,801	–	6,801	6,801
Unit distributions	–	–	(8,985)	(8,985)	(8,985)
Deficit	–	6,801	(8,985)	(2,184)	(2,184)
Balance, September 30, 2007	**$ 92,938**	**$ 20,307**	**$ (46,965)**	**$ (26,658)**	**$ 66,280**

See accompanying notes to the interim consolidated financial statements

[1] Unitholders' contribution represents the net proceeds contributed by unithholders by way of the Fund's initial public offering of 9,983,000 units at $10.00 per unit on August 7, 2003. Costs of $9,190 related to the offering were charged proportionately between the unitholders' equity and the non-controlling interest.

BROOKFIELD REAL ESTATE SERVICES FUND (formerly Royal LePage Franchise Services Fund)

Interim Consolidated Statements of Cash Flows

(unaudited) (in thousands of dollars)	**Three months ended Sept. 30, 2007**	Three months ended Sept. 30, 2006	**Nine months ended Sept. 30, 2007**	Nine months ended Sept. 30, 2006
Cash provided by (used for):				
Operating activities				
Net earnings for the period	**$ 2,282**	$ 1,848	**$ 6,801**	$ 2,611
Items not affecting cash				
Non-controlling interest	**811**	657	**2,411**	1,002
Future income tax recovery (note 3)	**(11)**	–	**(2,112)**	–
Amortization of deferred expenses	**–**	42	**–**	127
Non-cash interest expense	**41**	–	**121**	–
Amortization of intangible assets	**3,723**	3,657	**11,058**	10,893
	6,846	6,204	**18,279**	14,633
Changes in non-cash working capital	**1,365**	63	**(349)**	(502)
	8,211	6,267	**17,930**	14,131
Investing activities				
Purchase of intangible assets (note 4)	**–**	–	**(5,757)**	(4,993)
Payment of purchase price obligation (note 4)	**–**	–	**(576)**	(2,893)
	–	–	**(6,333)**	(7,886)
Financing activities				
Distributions paid to unitholders	**(2,995)**	(2,869)	**(8,943)**	(8,608)
Distributions paid to non-controlling interest	**(998)**	(958)	**(2,953)**	(2,870)
	(3,993)	(3,827)	**(11,896)**	(11,478)
Increase (decrease) in cash and cash equivalents during the period	**4,218**	2,440	**(299)**	(5,233)
Cash and cash equivalents, beginning of period	**2,434**	2,268	**6,951**	9,941
Cash and cash equivalents, end of period	**$ 6,652**	$ 4,708	**$ 6,652**	$ 4,708
Supplementary cash flow information				
Cash paid for interest	**$ 559**	$ 559	**$ 1,118**	$ 1,676
Cash and cash equivalents are comprised of:				
Cash	**$ 6,652**	$ 708	**$ 6,652**	$ 708
Commercial paper	**$ –**	$ 4,000	**$ –**	$ 4,000
	$ 6,652	$ 4,708	**$ 6,652**	$ 4,708

See accompanying notes to the interim consolidated financial statements

Notes to the Interim Consolidated Financial Statements

September 30, 2007 (unaudited) (in thousands of dollars)

1. ORGANIZATION

Brookfield Real Estate Services Fund (the “Fund”) (formerly Royal LePage Franchise Services Fund) is a limited purpose trust established under the laws of the Province of Ontario and pursuant to an Amended and Restated Declaration of Trust. On August 7, 2003, the Fund raised $99,830 (before issue costs) by issuing units on the Toronto Stock Exchange. These proceeds together with the proceeds of a term loan were utilized to acquire franchise agreements, relationships and trademark rights.

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% 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% interest in the Partnership and RIFGP. The Fund receives certain management, administrative and support services from Brookfield Real Estate Services Limited (“BRESL”) (formerly Residential Income Fund Manager Limited), a party related to the non-controlling interest via common control.

Seasonality

The Fund’s business follows a seasonal pattern, with revenue traditionally being lower in the first and fourth quarters. Due to this seasonality, the interim earnings statements are not necessarily indicative of annual earnings.

2. SUMMARY OF ACCOUNTING POLICIES

The accompanying unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). The accounting principles used in these interim consolidated financial statements are consistent with those used in the annual consolidated financial statements. They do not include all the information and disclosure required by GAAP for annual audited financial statements, and should be read in conjunction with the December 31, 2006 annual consolidated financial statements.

As required by the Canadian Institute of Chartered Accountants (“CICA”), on January 1, 2007, the Fund adopted CICA Handbook Section 1530, *Comprehensive Income*; Section 3251, *Equity*; Section 3855, *Financial Instruments – Recognition and Measurement*; Section 3861, *Financial Instruments – Disclosure and Presentation* and Section 3865, *Hedges*. These new Handbook sections, which apply to fiscal years beginning on or after October 1, 2006, provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Handbook Section 1530 also establishes standards for reporting and displaying comprehensive income.

Under the new standards, all financial instruments are classified into one of the following five categories: held for trading; held-to-maturity; loans and receivables; available-for-sale or other financial liabilities. All financial instruments, including derivatives, are measured at fair value, except for loans and receivables, held-to-maturity instruments and other financial liabilities, which are measured at amortized cost. Transaction costs for financial liabilities are applied against these liabilities and amortized using the effective interest method, the resulting amortization being recorded as financial expenses. Gains and losses on held-for-trading financial instruments are included in net income in the period in which they arise.

The Fund made the following classifications:

Cash and cash equivalents	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Purchase obligation	Other liabilities
Distributions payable to unitholders	Other liabilities
Long-term debt	Other liabilities

The prospective adoption of these new standards resulted in changes in the accounting for and presentation of the Fund's financial instruments and the recognition of certain transition adjustments recorded in opening unitholders' equity as described in Note 6.

The Fund does not have any financial instruments or embedded derivatives at January 1, 2007 and September 30, 2007 that would result in Other Comprehensive Earnings to the Fund.

3. FUTURE INCOME TAXES

On October 31, 2006, the Minister of Finance announced proposed tax legislation ("trust legislation") that will change the income tax rules applicable to publicly traded trusts rendering income trusts taxable in 2011. This trust legislation was substantially enacted into law on June 12, 2007, at which time the Fund gave accounting recognition to these new tax rules.

Prior to June 12, 2007, income tax obligations relating to distributions from the Fund were obligations of the unitholders and, accordingly, no provisions for income taxes were recorded by the Fund.

In accordance with the substantially enacted trust legislation, while the Fund will not be liable for current taxes until January 1, 2011, beginning June 12, 2007, the Fund recognized future income taxes arising from those temporary tax differences expected to reverse after January 1, 2011, at the 31.5% tax rate applicable to the Fund.

In 2011, when the Fund becomes a taxable entity, income taxes payable will reduce net earnings and will affect distributable cash by an equal amount.

The Fund will review the value of its future income tax assets and liabilities quarterly and will record adjustments, as necessary, to reflect the realizable amounts of its future income tax assets and liabilities.

During the second quarter of 2007, the Fund recorded a non-cash future tax asset of $2,101, which represents 31.5% of the amount by which the tax carrying value is expected to exceed the accounting carrying value of the Fund's intangible assets at December 31, 2010. On September 30, the Fund increased the future tax asset by $11 as a result of additional temporary differences.

4. ASSET ACQUISITIONS AND INTANGIBLE ASSETS

On January 1, 2007, the Partnership acquired 22 new franchise agreements from BRESL. The estimated purchase price of $7,179 is based on an estimated annual royalty stream of $822 and has been calculated in accordance with the formula set forth in the Management Services Agreement ("MSA"). A deposit of $5,743, equal to 80% of the estimated purchase price was paid on January 2, 2007 and the remainder is to be paid a year later, when the final purchase price is calculated in accordance with the terms set out in the MSA. The Partnership utilized cash reserves to acquire these agreements.

Until the final purchase price is determined, each quarter the purchase price obligation is recalculated based on the actual royalties received. Correspondingly, the deposit on acquisition is reduced by the calculated amount and transferred to intangible assets. These assets are then amortized in accordance with the Fund's policy and calculated on a prospective basis.

The recalculated purchase price obligation in excess of the deposit on acquisition will be recorded as a purchase obligation and the corresponding amount added to the intangible assets and amortized as described above.

During the three months and nine months ended September 30, 2007, $1,512 and $5,743 respectively, was transferred from "deposit on acquisition" and recorded as "intangible assets". During the three months and nine months ended September 30, 2007, $862 was recorded as "purchase obligation" and the corresponding amount was added to intangible assets.

On January 1, 2006, the Partnership acquired 16 franchise agreements from BRESL at a purchase price of $5,554 calculated in accordance with the Management Services Agreement ("MSA").

On January 4, 2006, $4,978 was paid in cash on deposit against this purchase price obligation and the remaining balance of $576 was paid in cash on January 2, 2007.

	September 30, 2007		
	Cost	**Accumulated Amortization**	**Net Book Value**
Franchise agreements	**$ 132,374**	**$ 56,315**	**$ 76,059**
Relationships and trademarks	**44,414**	**880**	**43,534**
	$ 176,788	**$ 57,195**	**$ 119,593**

	December 31, 2006		
	Cost	Accumulated Amortization	Net Book Value
Franchise agreements	$ 127,665	$ 45,481	$ 82,184
Relationships and trademarks	42,504	657	41,847
	$ 170,169	$ 46,138	$ 124,031

5. OPERATING CREDIT FACILITY

On February 16, 2005, the Partnership obtained a credit facility (the "revolver") of up to $2,000 from a Canadian financial institution. This revolver may be used to provide working capital to the Partnership from time to time. The revolver is subject to annual renewal with outstanding principal under the revolver subject to interest at the lender's prime rate plus 1% to 1.5% or the banker's acceptance rate plus 2% to 2.5%, based on the ratio of total debt to Adjusted EBITDA of the Partnership as defined in the credit agreement. As at September 30, 2007, the operating credit facility had not been drawn upon.

6. LONG-TERM DEBT

On February 18, 2005, the Partnership completed the issuance of a $38,000 private debt placement (the "private placement") provided by Canadian institutional investors. The private placement is for a five-year term with interest fixed at 5.882%, and only interest payable quarterly in arrears. The proceeds of the private placement, net of $822 in issue costs, were utilized by the Partnership to payout and retire its $30,600 term loan and to fund the Partnership's January 1, 2005 franchise agreement acquisition obligations.

On January 1, 2007, in accordance with the new accounting standards described in note 2, the Fund reclassified deferred financing costs of $516 from deferred charges to long-term debt and applied the effective interest method of valuation to its long-term debt. These changes resulted in a decrease of $29 in the opening carrying value of the long-term debt, with the corresponding decrease in the prior year's interest expense reflected as an increase in opening unitholders' equity of $22 (net of $7 minority interest).

During the three and nine months ended September 30, 2007, $41 and $121 of amortization of long-term debt was recorded as interest expense.

7. EARNINGS PER UNIT

The Special Fund Units were not included in the diluted per unit calculations as the effect would have been anti-dilutive.

8. RELATED PARTY TRANSACTIONS

i) Unless disclosed elsewhere, the Fund had the following transactions with parties related to the non-controlling interest during the three and nine months ended September 30, 2007 and September 30, 2006. These transactions have been recorded at the exchange amount agreed to between the parties.

	Three months ended Sept. 30, 2007	Three months ended Sept. 30, 2006	**Nine months ended Sept. 30, 2007**	Nine months ended Sept. 30, 2006
a) Royalties				
Fixed, variable and other franchise fees	**$ 597**	$ 478	**$ 1,723**	$ 1,555
Premium franchise fees	**$ 1,615**	$ 1,410	**$ 3,327**	$ 2,906
b) Expenses				
Management fees (note 8(ii))	**$ 1,700**	$ 1,540	**$ 4,539**	$ 6,080
Insurance and other	**$ 26**	$ 23	**$ 76**	$ 69
c) Distributions				
Distributions paid to non-controlling interest	**$ 998**	$ 958	**$ 2,953**	$ 2,870

The following amounts due to/from related parties are included in the account balance as described:

As at	**September 30, 2007**	December 31, 2006
d) Accounts receivable		
Franchise fees receivable and other	**$ 611**	$ 375
e) Accounts payable and accrued liabilities		
Distributions payable to non-controlling interest	**$ 998**	$ 957
Management fees	**$ 1,127**	$ 1,228
Purchase obligation	**$ 862**	$ 576

ii) Management Fees

From inception to December 31, 2005, the Fund accumulated and retained cash of $9.4 million as a reserve, which in the event of the release of this reserve would result in a 20% management fee payable to BRESL. During the nine months ended September 30, 2006, the Fund released the $9.4 million in reserves, a portion of which was used to fund the 2005 and 2006 franchise agreements purchase obligations. As a result, an additional management fee of $1.9 million relating to the $9.4 million in reserves was incurred for the nine months ended September 30, 2006.

9. SUBSEQUENT EVENTS

i) Fund Name Change

On October 31, 2007, the name of the Royal LePage Franchise Services Fund was changed to the Brookfield Real Estate Services Fund. This name change better portrays the Fund’s long-term multi-brand growth strategy and its close association with Brookfield Asset Management, which has a strong reputation in the global real estate industry. The Fund currently receives revenues from franchisees operating under the national brand of Royal LePage.

ii) Acquisition of La Capitale

On November 2, 2007, BRESL acquired La Capitale Real Estate Network (“La Capitale”), Quebec’s largest regional real estate services company with 1,492 Realtors operating out of 68 locations. BRESL anticipates presenting franchise contracts relating to this transaction to the Fund’s Trustees for purchase by the Fund on January 1, 2008.

SUPPLEMENTAL INFORMATION – SELECTED FINANCIAL AND OPERATING INFORMATION

Three months ended ($000's, unaudited)	Dec. 31, 2005	March 31, 2006	June 30, 2006	Sept. 30, 2006	Dec. 31, 2006	March 31, 2007	June 30, 2007	**Sept. 30, 2007**
Revenue								
Fixed franchise fees	$ 3,261	$ 3,380	$ 3,453	$ 3,485	$ 3,509	$ 3,621	$ 3,714	**$ 3,749**
Variable franchise fees	1,327	1,610	2,498	2,377	1,347	1,720	2,870	**2,661**
Premium franchise fees	1,065	688	1,125	1,685	990	737	1,306	**1,899**
Other fee revenue and services	872	814	856	923	919	832	948	**986**
	$ 6,525	$ 6,492	$ 7,932	$ 8,470	$ 6,765	$ 6,910	$ 8,838	**$ 9,295**
% Revenue by region								
British Columbia	14	16	15	14	14	15	15	**13**
Prairies	11	11	11	11	11	11	11	**9**
Ontario	59	56	57	59	59	58	59	**63**
Quebec	12	13	13	12	12	12	12	**11**
Maritimes	4	4	4	4	4	4	3	**4**
	100	100	100	100	100	100	100	**100**

Three months ended **Changes during the period**	Dec. 31, 2005	March 31, 2006	June 30, 2006	Sept. 30, 2006	Dec. 31, 2006	March 31, 2007	June 30, 2007	**Sept. 30, 2007**
Number of Agents and Sales Representatives	205	443	177	39	(52)	633	178	**125**
Number of Agents	179	448	130	36	(49)	610	170	**79**
Number of fixed fee paying Sales Representatives	89	39	40	(1)	–	(1)	30	**43**
Number of locations	–	21	(2)	(1)	(1)	22	(6)	**0**
Number of franchisees	–	16	(1)	(1)	(1)	20	(6)	**0**
At end of period								
Number of Agents and Sales Representatives	11,542	11,985	12,162	12,201	12,149	12,782	12,960	**13,085**
Number of Agents	10,693	11,141	11,271	11,307	11,258	11,868	12,038	**12,117**
Number of fixed fee paying Sales Representatives	566	605	645	644	644	643	673	**716**
Number of locations	561	582	580	579	578	600	594	**594**
Number of franchisees	262	278	277	276	275	295	289	**289**