



NEWS RELEASE

BROOKFIELD HOMES ANNOUNCES A SPECIAL DIVIDEND OF \$278 MILLION OR \$9.00 PER SHARE

Del Mar, California, April 1, 2004 — (BHS: NYSE)

Special Dividend — Brookfield Homes today announced that its Board of Directors declared a special dividend of \$9 per common share (less any applicable withholding tax), payable \$4.50 in cash and \$4.50 in principal amount of the Company's 12% senior subordinated notes due 2020 (the "subordinated notes"). The subordinated notes will be issued in denominations of \$1,000 and integral multiples thereof. Fractional interests in the subordinated notes will be paid in cash in lieu of notes. Subject to receipt by the Company of all applicable regulatory approvals, the distribution will be made on April 30, 2004 to shareholders of record at the close of business on April 16, 2004. In declaring the special dividend, the Board considered the Company's strong operating results and the cash received from bulk lot sales during 2003. Subsequent to the payment of the approximately \$139 million cash portion of the special dividend, the Company expects to have available approximately \$70 million of cash and cash equivalents.

The subordinated notes totaling approximately \$139 million will be due June 30, 2020, and will be unsecured and subordinated to all project specific and other financings of the Company. The subordinated notes will be redeemable by the Company at par at any time. We expect that any such redemption would be funded out of the Company's cash flow. The Company has applied to list the subordinated notes on the New York Stock Exchange under the symbol "BHS20".

For further information regarding the special dividend, please refer to the Company's "Questions and Answers Regarding the Special Dividend" which will be posted under the Investor Relations section of Brookfield Homes' website at www.brookfieldhomes.com.

Brookfield Homes Corporation

Brookfield Homes Corporation is a residential homebuilder and land developer, building homes and developing land in master-planned communities and infill locations. We design, construct and market single-family and multi-family homes primarily to move-up and luxury homebuyers. We also develop land for our own communities and sell lots to other homebuilders. Our portfolio includes over 20,000 lots owned and controlled in the San Francisco Bay Area; Southland / Los Angeles; San Diego / Riverside; Sacramento and Northern Virginia markets. For more information, visit the Brookfield Homes website at www.brookfieldhomes.com.

Contact Information:

Linda Northwood

Director, Investor Relations

Tel: 858-481-2567

Email: lnorthwood@brookfieldhomes.com

* * * * *

Note: Certain statements in this press release that are not historical facts, including information concerning the expected special dividend payment, sources of funds for redemption, expected cash position and those statements preceded by, followed by, or that include the words "planned", "should", "goals", "expected", "targeted," "scheduled" or similar expressions, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Undue 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 to differ materially from the anticipated future results 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, but are not limited to: changes in general economic, real estate and other conditions; mortgage rate changes; availability of suitable undeveloped land at acceptable prices; adverse legislation or regulation; ability to obtain necessary permits and approvals for the development of our land; availability of labor or materials or increases in their costs; ability to develop and market our master-planned communities successfully; confidence levels of consumers; ability to raise capital on favorable terms; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage and ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; and additional risks and uncertainties referred to in our Form 10-K and other SEC filings, many of which are beyond our control. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.