



# Brookfield Property Partners L.P.

Q1 2022 INTERIM REPORT

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 6-K

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**Report of Foreign Private Issuer Pursuant to  
Rule 13a-16 or 15d-16  
Under the Securities Exchange Act of 1934**

For the month of May 2022  
Commission File Number 001-35505

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**BROOKFIELD PROPERTY PARTNERS L.P.**  
(Exact name of registrant as specified in its charter)

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73 Front Street, 5th Floor, Hamilton, HM 12 Bermuda  
(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

The information contained in Exhibits 99.1 and 99.2 of this Form 6-K is incorporated by reference into the registrant's following registration statements on Form F-3: File No. 333-218503, 333-218504, 333-225158 and 333-225163; and the registrant's following registration statements on Form S-8: File Nos. 333-196622, 333-203042 and 333-227082.

**DOCUMENTS FILED AS PART OF THIS FORM 6-K**

See the Exhibit List to this Form 6-K.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 6, 2022

**BROOKFIELD PROPERTY PARTNERS L.P.**,  
by its general partner, Brookfield Property Partners Limited

By: /s/ Jane Sheere

Name: Jane Sheere

Title: Secretary

**EXHIBIT LIST**

<u>Exhibit</u>	<u>Description</u>
<a href="#"><u>99.1</u></a>	Management's Discussion and Analysis of Financial Results of Brookfield Property Partners L.P. as of March 31, 2022 and December 31, 2021 and for the three months ended March 31, 2022 and 2021
<a href="#"><u>99.2</u></a>	Unaudited condensed consolidated financial statements of Brookfield Property Partners L.P. as of March 31, 2022 and December 31, 2021 and for the three months ended March 31, 2022 and 2021
<a href="#"><u>99.3</u></a>	Certification of Chief Executive Officer of Brookfield Property Group LLC, a manager of Brookfield Property Partners L.P.
<a href="#"><u>99.4</u></a>	Certification of Chief Financial Officer of Brookfield Property Group LLC, a manager of Brookfield Property Partners L.P.

## Management's Discussion and Analysis of Financial Results

### INTRODUCTION

This management's discussion and analysis ("MD&A") of Brookfield Property Partners L.P. ("BPY", the "partnership", or "we") covers the financial position as of March 31, 2022 and December 31, 2021 and results of operations for the three months ended March 31, 2022 and 2021. This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements (the "Financial Statements") and related notes as of March 31, 2022, included elsewhere in this report, and our annual report for the year ended December 31, 2021 on Form 20-F.

We disclose a number of financial measures in this MD&A that are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Non-IFRS measures used in this MD&A are reconciled to or calculated from the most comparable IFRS measure. We utilize these measures in managing our business, including for performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing our overall performance. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures may differ from the calculations disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others. Reconciliations of these non-IFRS financial measures to the most directly comparable financial measures calculated and presented in accordance with IFRS, where applicable, are included within this MD&A on page 22. We also caution readers that this MD&A may contain forward-looking statements, see page 31 for our "*Statement Regarding Forward-Looking Statements*."

This MD&A includes financial data for the three months ended March 31, 2022 and includes material information up to May 6, 2022.

### OBJECTIVES AND FINANCIAL HIGHLIGHTS

#### BASIS OF PRESENTATION

The partnership's equity interests include general partnership units ("GP Units"), limited partnership units ("LP Units"), redeemable/exchangeable partnership units of the Operating Partnership ("Redeemable/Exchangeable Partnership Units"), special limited partnership units of the Operating Partnership ("Special LP Units"), FV LTIP Units of the Operating Partnership ("FV LTIP Units") and Class A Cumulative Redeemable Perpetual Preferred Units, Series 1, Series 2 and Series 3. Prior to the Privatization described below, our partnership's equity interests also included limited partnership units of Brookfield Office Properties Exchange LP ("Exchange LP Units") and Class A stock ("BPYU Units") of Brookfield Properties Retail Holding LLC ("BPYU"). Holders of the GP Units, LP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, FV LTIP Units, Exchange LP Units and BPYU Units will be collectively referred to throughout this MD&A as "Unitholders". The LP Units, Redeemable/Exchangeable Partnership Units, Exchange LP Units and BPYU Units have the same economic attributes in all respects, except that the holders of Redeemable/Exchangeable Partnership Units and BPYU Units have the right to request that their units be redeemed for cash consideration. In the event that Brookfield Asset Management Inc. ("Brookfield Asset Management"), as the holder of the Redeemable/Exchangeable Partnership Units exercises this right, our partnership has the right, at its sole discretion, to satisfy the redemption request with its LP Units, rather than cash, on a one-for-one basis. As a result, Brookfield Asset Management, as holder of Redeemable/Exchangeable Partnership Units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP Units of our partnership. However, given the redemption feature referenced above and the fact that they were issued by our subsidiary, we present the Redeemable/Exchangeable Partnership Units as a component of non-controlling interests. The Exchange LP Units were exchangeable at any time on a one-for-one basis, at the option of the holder, for LP Units. We presented the Exchange LP Units as a component of non-controlling interests. BPYU Units provided their holders with the right to request that their units be redeemed for cash consideration. In the event the holders of BPYU Units exercised this right, our partnership had the right at its sole discretion, to satisfy the redemption request with its LP Units, rather than cash, on a one-for-one basis. As a result, BPYU Units participated in earnings and distributions on a per unit basis equivalent to the per unit participation of LP Units of our partnership. We presented BPYU Units as a component of non-controlling interest.

On July 26, 2021, Brookfield Asset Management acquired all of the publicly traded LP Units outstanding that it did not previously own ("the Privatization"). In addition, i) the publicly held Exchange LP Units were acquired directly or indirectly by Brookfield Asset Management and subsequently converted into Class A LP Units of Brookfield Office Properties Exchange LP, ii) the publicly held BPYU Units were acquired in the Privatization and the terms of the BPYU Units were subsequently amended to, among other things, remove the entitlement to be exchanged for LP Units, iii) new publicly traded preferred units were issued by Brookfield Property Preferred L.P. ("New LP Preferred Units"), a subsidiary of our partnership, and iv) non-voting common shares in a BPY subsidiary were issued to Brookfield Asset Management ("Canholdco Class B Common Shares").

Financial data has been prepared using accounting policies in accordance with IFRS as issued by the IASB. Unless otherwise specified, all operating and other statistical information is presented as if we own 100% of each property in our portfolio, regardless of whether we own all of the interests in each property. We believe this is the most appropriate basis on which to evaluate the performance of properties in the portfolio relative to each other and others in the market.

All dollar references, unless otherwise stated, are in millions of U.S. Dollars. Canadian Dollars ("C\$"), Australian Dollars ("A\$"), British Pounds ("£"), Euros ("€"), Brazilian Reals ("R\$"), Indian Rupees ("Rs"), Chinese Yuan ("C¥"), South Korean Won ("₩") and United Arab Emirates Dirham ("AED") are identified where applicable.

Additional information is available on our website at [bpy.brookfield.com](http://bpy.brookfield.com), or on [www.sedar.com](http://www.sedar.com) or [www.sec.gov](http://www.sec.gov).

## OVERVIEW OF THE BUSINESS

We are Brookfield Asset Management's primary vehicle to make investments across all strategies in real estate. Our goal is to be a leading global owner and operator of high-quality real estate. With approximately 29,500 employees involved in Brookfield Asset Management's real estate businesses around the globe, we have built operating platforms in various real estate sectors.

### Core Office

Our diversified Core Office portfolio consists of 96 million square feet across 140 premier office assets in some of the world's most dynamic gateway markets. We target to earn core-plus total returns on this portfolio.

Represented within this portfolio are some of our most iconic assets, including Manhattan West in New York and Canary Wharf in London. We seek to maintain this irreplaceable portfolio of large-scale mixed-use complexes in global gateway cities, which provide our tenants with a 24-hour, 7-days-a-week live, work, play environment on a long-term basis. These assets, which represent over 70% of the equity attributable to Unitholders in our Core Office portfolio, cover 31 million square feet across 59 properties. These assets have stable cash flows and retain their values very well over long periods of time, as a result of their long-term leases. These properties are 94% leased.

The remaining 81 properties, covering 65 million square feet of space, represent properties with transitional operational uplift and realization potential. These assets earn attractive short-term rates of return, as we acquire underperforming assets and improve their operations. We add significant value during this transitional period before ultimately monetizing them and reinvesting the proceeds.

### Core Retail

Our Core Retail portfolio consists of 113 million square feet across 113 best-in-class malls and urban retail properties across the United States. We also target to earn core-plus total returns on this portfolio.

Similar to our Core Office portfolio, 24 million square feet across 19 properties are represented by assets in which we intend to retain long-term ownership. These assets include trophy assets, such as Ala Moana in Honolulu and Fashion Show in Las Vegas, and collectively represent approximately 60% of the equity attributable to Unitholders in our Core Retail portfolio. Their stable and growing cash flows ensure that we can earn attractive compounding rates of return. These properties are 96% leased.

For the remaining 94 properties, covering 89 million square feet of space, we seek to maximize returns through leasing, redevelopment of existing retail or in some cases through the addition of a mixed-use component like multifamily or office. We add significant value during this transitional period before ultimately monetizing them and reinvesting the proceeds.

### LP Investments

Our LP Investments portfolio includes our equity invested in Brookfield-sponsored real estate opportunity funds, which target high-quality assets with operational upside across various real estate sectors, including office, retail, multifamily, logistics, hospitality, mixed-use and other alternative real estate. We target to earn opportunistic returns on our LP Investments portfolio. These investments have a defined hold period and typically generate the majority of profits from gains recognized from realization events, including the sale of an asset or portfolio of assets, or exit of the entire investment. As such, capital invested in our LP Investments recycles over time, as existing funds return capital, and we reinvest these proceeds in future vintages of Brookfield-sponsored funds.

There have been no material changes to our investment strategy since December 31, 2021. For a more detailed description of our investment strategy, please refer to the section titled Item 4.B. "Business Overview" in our December 31, 2021 annual report on Form 20-F.

## PERFORMANCE MEASURES

We consider the following items to be important drivers of our current and anticipated financial performance:

- increases in occupancies by leasing vacant space and pre-leasing active developments;
- increases in rental rates through maintaining or enhancing the quality of our assets and as market conditions permit; and
- reductions in operating costs through achieving economies of scale and diligently managing contracts.

We also believe that key external performance drivers include the availability of the following:

- debt capital at a cost and on terms conducive to our goals;
- preferred equity capital at a reasonable cost;
- new property acquisitions and other investments that fit into our strategic plan; and
- opportunities to dispose of peak value or non-core assets.

In addition to monitoring, analyzing and reviewing earnings performance, we also review initiatives and market conditions that contribute to changes in the fair value of our investment properties. These fair value changes, combined with earnings, represent a total return on the equity attributable to Unitholders and form an important component in measuring how we have performed relative to our targets.

To measure our performance against these targets, as described above, and measure our operating performance, we focus on non-IFRS measures including net operating income ("NOI"), same-property NOI, funds from operations ("FFO"), Company FFO, and equity attributable to Unitholders. We define these financial measures on page 21.

## FINANCIAL STATEMENTS ANALYSIS

### REVIEW OF CONSOLIDATED FINANCIAL RESULTS

In this section, we review our financial position and consolidated performance as of March 31, 2022 and December 31, 2021 and for the three months ended March 31, 2022 and 2021. Further details on our results from operations and our financial positions are contained within the “*Segment Performance*” section beginning on page 18.

The Privatization impacted the composition of our equity structure. Refer to *Note 3, Privatization of the Partnership* of our Q1 2022 Financial Statements for further information.

The following acquisitions and dispositions affected our consolidated results for the three months ended March 31, 2022 and 2021. Unless stated otherwise, proceeds represent the selling price attributable to the properties:

#### Q1 2022

- We sold a portfolio of triple net lease assets in the United States in the Brookfield Strategic Real Estate Partners I (“BSREP I”) fund for approximately \$3.7 billion.
- We sold a portfolio of hotel assets in the United States in the Brookfield Strategic Real Estate Partners II (“BSREP II”) fund for approximately \$1.5 billion.

#### Q4 2021

- We sold eight multifamily assets in the United States for approximately \$1.2 billion.
- We sold an office complex in Canada for approximately C\$350 million (\$277 million).
- We sold a 20% interest in an office asset in the United Kingdom for net proceeds of approximately £73 million (\$101 million).
- We sold two retail assets in the United States for approximately \$278 million.
- We sold two office assets in Brazil for approximately R\$2,156 million (\$383 million).
- We sold a hotel in the United States in the BSREP II fund for approximately \$356 million.

#### Q3 2021

- We sold eight multifamily assets in the United States in the BSREP II fund for approximately \$690 million.
- We sold seven retail assets in the United States for approximately \$58 million.

#### Q2 2021

- We converted our preferred equity interest in a portfolio of select-service hospitality assets (“Hospitality Investors Trust”) valued at approximately \$472 million into common shares in the BSREP II fund. Prior to the transaction, our interest was reflected as a financial asset and is now consolidated, as we gained control over the investment.
- We acquired a portfolio of manufactured housing assets in the BSREP II fund for consideration of approximately \$159 million.

#### Q1 2021

- We sold 50% of our interest in Bay Adelaide North in Toronto for approximately C\$365 million (\$291 million). Prior to the transaction, our interest was consolidated but is now accounted for under the equity method.
- Two malls were conveyed to the lenders in satisfaction of outstanding debt obligations of \$247 million and \$90 million, respectively.
- We sold four retail assets in the United States in the BSREP II fund for approximately \$73 million.

For the purposes of the following comparison discussion between the three months ended March 31, 2022 and 2021, the above transactions are referred to as the investment activities. In addition to the investment activities, we will use same-property NOI from our Core Office and Core Retail segments to evaluate our operating results.

## Operating Results

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Commercial property revenue	\$ 1,255	\$ 1,285
Hospitality revenue	313	59
Investment and other revenue	486	106
Total revenue	2,054	1,450
Direct commercial property expense <sup>(1)</sup>	470	506
Direct hospitality expense <sup>(1)</sup>	288	121
Investment and other expense	239	8
Interest expense	600	612
General and administrative expense	232	213
Total expenses	1,829	1,460
Fair value gains, net	1,270	640
Share of earnings from equity accounted investments	380	206
Income before taxes	1,875	836
Income tax expense	183	105
<b>Net income</b>	<b>\$ 1,692</b>	<b>\$ 731</b>

<sup>(1)</sup> During the fourth quarter of 2021, as a result of a change in accounting policy, the partnership reclassified depreciation and amortization expense, which was previously presented as a separate line item, to direct commercial property expense and direct hospitality expense. Prior period amounts were also adjusted to reflect this change, which resulted in an increase to direct commercial property expense and direct hospitality expense of \$20 million and \$48 million, respectively, for the period ended March 31, 2021, with equal and offsetting decreases to depreciation and amortization expense. This reclassification had no impact on revenues or net income.

Net income for the three months ended March 31, 2022 was \$1,692 million compared to \$731 million for the same period in prior year. The increase is primarily attributable to fair value gains in the Core Retail portfolio in the current year as a result of higher cash flows, compared to fair value losses recorded in the Core Retail portfolio in the prior year. The current year also benefited from fair value gains at a mixed-use asset in Seoul, which was marked to the anticipated sales price and increased earnings at our hospitality properties as the majority of our hospitality properties were impacted by closures and occupancies due to the impact of the global economic shutdown (“the shutdown”) caused by the coronavirus (“COVID-19”) pandemic in the prior year.

Following the acquisition of all LP Units held by public holders by BAM on July 26, 2021, there are no longer publicly traded LP Units. As such, earnings per unit is no longer presented. Refer to Note 3, *Privatization of the Partnership* of our Q1 2022 Financial Statements for further discussion on the Privatization.

### **Commercial property revenue and direct commercial property expense**

For the three months ended March 31, 2022, commercial property revenue decreased by \$30 million compared to the same period in the prior year due to property dispositions in our LP Investments and Core Office segments. The decrease was partially offset by incremental revenue in our Core Retail portfolio as the retail sector recovers from the impact of the shutdown in the prior year.

Direct commercial property expense decreased by \$36 million compared to the prior year. Margins in 2022 were 62.5%, an increase of 2.0% compared to 2021.

### **Hospitality revenue and direct hospitality expense**

For the three months ended March 31, 2022, hospitality revenue increased by \$254 million compared to the same period in the prior year. The increase was due to improved performance of our hospitality assets, primarily Center Parcs, due to a reduction in pandemic-related restrictions and closures since the prior year. The current period also benefited from the consolidation of Hospitality Investors Trust, which commenced consolidation in the second quarter of 2021. These increases were partially offset by the disposition of a hospitality portfolio in the current period.

Direct hospitality expense increased to \$288 million for the three months ended March 31, 2022, compared to \$121 million in the same period in the prior year. The increase was due to higher operating costs at our hospitality assets in the current year, as our hospitality assets reopened following pandemic-related restrictions and closures in the prior year. The increase was also attributable to additional expenses due to the consolidation of Hospitality Investors Trust, as discussed above.

### **Investment and other revenue, and investment and other expense**

Investment and other revenue includes management fees, leasing fees, development fees, interest income and other non-rental revenue. Investment and other revenue increased by \$380 million for the three months ended March 31, 2022, respectively, compared to the same period in the prior year. The increase is primarily due to income from the sale of multifamily develop-for-sale assets.

Investment and other expense for the three months ended March 31, 2022 increased by \$231 million to \$239 million compared to the prior year, primarily due to expenses associated with multifamily develop-for-sale assets sold in the current year.

**Interest expense**

Interest expense decreased by \$12 million for the three months ended March 31, 2022, as compared to the same period in the prior year. This decrease is primarily due to the impact of dispositions and debt paydowns since the prior year, partially offset by incremental interest expense due to the consolidation of Hospitality Investors Trust, as discussed above.

**General and administrative expense**

General and administrative expense increased by \$19 million for the three months ended March 31, 2022 as compared to the same period in the prior year. The increase was primarily due to higher management fees.

**Fair value gains (losses), net**

Fair value gains (losses), net includes valuation gains (losses) on commercial properties and developments as well as mark-to-market adjustments on financial instruments and derivatives and foreign currency gains (losses) on disposal of assets denominated in foreign currencies. While we measure and record our commercial properties and developments using valuations prepared by management in accordance with our policy, external appraisals and market comparables, when available, are used to support our valuations.

We measure all investment properties at fair value, including those held within equity accounted investments. Valuations are prepared at a balance sheet date with changes to those values recognized as gains or losses in the statement of income. Our valuations are generally prepared at the individual property level by internal investment professionals with the appropriate expertise in the respective industry, geography and asset type. We leverage their extensive expertise and experience in the valuation of properties accumulated through involvement in acquisitions and dispositions, negotiations with lenders and interactions with institutional private fund investors.

We have a number of properties externally appraised each year to support our valuation process and for other business purposes. We compare the results of those external appraisals to our internally prepared values and reconcile significant differences when they arise. During the three months ended March 31, 2022, we obtained external appraisals of 30 of our Core Office properties representing a gross property value of \$23 billion (or 13% of the portfolio). These external appraisals were within 1% of management's valuations. Our historical dispositions further provide support for our valuations, as we typically contract at prices comparable to IFRS values.

There have been no material changes to our valuation methodology since December 31, 2021. Refer to our 2021 Annual Report on Form 20-F for further detail on the valuation methodology of our investment properties and hospitality properties.

Fair value gains, net for our Core Office segment were \$100 million for the three months ended March 31, 2022. The current period gains are driven by capturing mark-to-market rents at an asset in the U.S and improved cash flow assumptions at an asset in the U.K.

Fair value gains, net for our Core Office segment were \$230 million for the three months ended March 31, 2021. These gains were driven by a reduction in risk at a development in the U.K as the development continued through the lease-up phase, as well as gains on certain of our multifamily developments in the U.S. due to updated cash flow assumptions.

Fair value gains, net for our Core Retail segment were \$46 million for the three months ended March 31, 2022. Fair value gains, net for our Core Retail portfolio were primarily due to higher cash flow assumptions.

Fair value losses, net for our Core Retail segment were \$360 million for the three months ended March 31, 2021. These losses reflected updated cash flow assumptions, including as a result of an anchor-tenant expiration at one of our malls and realized losses on the disposition of two assets.

Fair value gains, net for our LP Investments segment were \$1,027 million for the three months ended March 31, 2022. These gains were driven by capitalization rate compression in our U.S. manufactured housing portfolio and marking up a mixed-use asset in South Korea to the anticipated sales price based on latest bids.

Fair value gains, net for our LP Investments segment for the three months ended March 31, 2021 were \$694 million primarily driven by capitalization rate compression in our U.S. manufactured housing portfolio and an office asset in the U.K.

### Share of net earnings from equity accounted investments

Our most significant equity accounted investments are:

- In Core Office - Canary Wharf and Manhattan West.
- In Core Retail - Ala Moana Center in Hawaii, Fashion Show in Las Vegas and Grand Canal Shoppes in Las Vegas.
- In LP Investments - our interest in the retail fund in Brazil.

During the three months ended March 31, 2022, we sold a 49% interest in One Manhattan West for approximately \$1.4 billion.

Our share of net earnings (losses) from equity accounted investments for the three months ended March 31, 2022 was \$380 million, which represents an increase of \$174 million compared to the prior year. The increase in current year earnings is primarily due to same-property NOI growth in our Core Retail portfolio reflecting the recovery from the shutdown in the prior year partially offset by the disposition mentioned above. The prior year also included higher fair value losses on our Core Retail portfolio, as discussed above.

### Income tax expense

The increase in income tax expense for the three months ended March 31, 2022 compared to the prior year is primarily due to an increase in pre-tax income, a reduction in the benefit recognized for previously unrecognized deferred tax assets, and non-recurring tax benefits from Brookfield Opportunity Zone fund investments that occurred in the prior year. These increases were partially offset by a change in the tax rate of certain subsidiaries and the derecognition of previously recognized deferred tax assets.

### Statement of Financial Position and Key Metrics

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Investment properties		
Commercial properties	\$ 59,470	\$ 62,313
Commercial developments	2,074	2,300
Equity accounted investments	20,810	20,807
Property, plant and equipment	5,542	5,623
Cash and cash equivalents	1,908	2,576
Assets held for sale	9,542	10,510
Total assets	107,433	112,004
Debt obligations	50,987	52,321
Liabilities associated with assets held for sale	1,074	3,082
Total equity	44,642	45,005

As of March 31, 2022, we had \$107,433 million in total assets, compared with \$112,004 million at December 31, 2021. This \$4,571 million decrease was primarily due to dispositions, including a triple net lease portfolio and a hospitality portfolio.

The following table presents the changes in investment properties from December 31, 2021 to March 31, 2022:

(US\$ Millions)	Mar. 31, 2022	
	Commercial properties	Commercial developments
Investment properties, beginning of period	\$ 62,313	\$ 2,300
Acquisitions	8	—
Capital expenditures	141	150
Dispositions <sup>(1)</sup>	(18)	(1)
Fair value (losses) gains, net	831	64
Foreign currency translation	(30)	(33)
Transfer between commercial properties and commercial developments	(44)	44
Reclassifications to assets held for sale and other changes	(3,731)	(450)
<b>Investment properties, end of period</b>	<b>\$ 59,470</b>	<b>\$ 2,074</b>

<sup>(1)</sup> Property dispositions represent the carrying value on date of sale.

Commercial properties are commercial, operating, rent-producing properties. Commercial properties decreased from \$62,313 million at the end of 2021 to \$59,470 million at March 31, 2022. The decrease was primarily due to the reclassification of a student housing portfolio to assets held for sale. The decrease was partially offset by fair value gains in our LP Investments and Core Office segments as discussed above and capital expenditures. Refer to Note 4, *Investment Properties* of our Q1 2022 Financial Statements for further information.

Commercial developments consist of commercial property development sites, density rights and related infrastructure. The total fair value of development land and infrastructure was \$2,074 million at March 31, 2022, a decrease of \$226 million from the balance at December 31, 2021. The decrease is primarily due to reclassifications to assets held for sale, partially offset by incremental capital spend. Refer to Note 4, *Investment Properties* of our Q1 2022 Financial Statements for further information.

The following table presents a roll-forward of changes in our equity accounted investments December 31, 2021 to March 31, 2022:

(US\$ Millions)	<b>Mar. 31, 2022</b>
Equity accounted investments, beginning of period	\$ 20,807
Additions	23
Disposals and return of capital distributions	(382)
Share of net earnings from equity accounted investments	380
Distributions received	(79)
Foreign currency translation	(38)
Other comprehensive income and other	99
<b>Equity accounted investments, end of period</b>	<b>\$ 20,810</b>

Equity accounted investments increased by \$3 million since December 31, 2021. The increase is primarily due to an increase in share of net earnings from equity accounted investments, driven by same-property NOI growth in our Core Office and Core Retail segments, partially offset by the partial disposition of One Manhattan West and distributions received. Refer to *Note 5, Equity Accounted Investments* of our Q1 2022 Financial Statements for further information.

Property, plant and equipment decreased by \$81 million since December 31, 2021, primarily due to the negative impact of foreign currency translation and reclassifications to assets held for sale. Refer to *Note 6, Property, Plant and Equipment* of our Q1 2022 Financial Statements for further information. Property, plant and equipment primarily includes our hospitality assets which are revalued annually at December 31, using a depreciated replacement cost approach.

As of March 31, 2022, assets held for sale primarily included an office asset in the U.K., seven malls in the U.S., four office assets in the U.S., a portfolio of student housing assets in the U.K., a mixed-use asset in South Korea, and eleven multifamily assets in the U.S., as we intend to sell controlling interests in these properties to third parties in the next 12 months. Refer to *Note 11, Held For Sale* of our Q1 2022 Financial Statements for further information.

Our debt obligations decreased to \$50,987 million at March 31, 2022 from \$52,321 million at December 31, 2021. The decrease was driven by the repayment of debt upon the disposition of a portfolio of hospitality assets, the repayment of the partnership's credit facilities and the impact of foreign currency translation. Refer to *Note 12, Debt Obligations* of our Q1 2022 Financial Statements for further information.

Total equity was \$44,642 million at March 31, 2022, a decrease of \$363 million from the balance at December 31, 2021. The decrease was primarily due to distributions during the period, partially offset by income earned.

Interests of others in operating subsidiaries and properties was \$18,768 million at March 31, 2022, a decrease of \$938 million from the balance of \$19,706 million at December 31, 2021 due to dispositions since the prior year.

The following table summarizes our key operating results:

(US\$ Millions, except per unit information)	<b>2022</b>	2021				2020		
	<b>Q1</b>	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	<b>\$2,054</b>	\$2,169	\$1,821	\$1,660	\$1,450	\$1,620	\$1,636	\$1,437
Direct operating costs <sup>(1)</sup>	<b>758</b>	779	773	662	627	632	760	634
Net income (loss)	<b>1,692</b>	1,682	400	686	731	(38)	(135)	(1,512)
Net income (loss) attributable to Unitholders	<b>702</b>	620	71	319	266	(390)	(229)	(1,253)

<sup>(1)</sup> During the fourth quarter of 2021, as a result of a change in accounting policy, we reclassified depreciation and amortization expense, which was previously presented as a separate line item, to direct commercial property expense and direct hospitality expense. Prior period amounts were also adjusted to reflect this change, which resulted in an increase to direct commercial property expense and direct hospitality expense, with equal and offsetting decreases to depreciation and amortization expense. This reclassification had no impact on revenues or net income.

Revenue varies from quarter to quarter due to acquisitions and dispositions of commercial and other income producing assets, changes in occupancy levels, including mandated closures, as well as the impact of leasing activity at market net rents. In addition, revenue also fluctuates as a result of changes in foreign exchange rates and seasonality. Seasonality primarily affects our retail assets, wherein the fourth quarter exhibits stronger performance in conjunction with the holiday season. In addition, our North American hospitality assets generally have stronger performance in the winter and spring months compared to the summer and fall months, while our European hospitality assets exhibit the strongest performance during the summer months. Seasonality, however, had less of an impact in the last eight quarters due to the material effect of the economic shutdown on our retail and hospitality sectors. Fluctuations in our net income are also impacted by the fair value of properties in the period to reflect changes in valuation metrics driven by market conditions or property cash flows.

## SEGMENT PERFORMANCE

Our operations are organized into four operating segments which include Core Office, Core Retail, LP Investments and Corporate.

The following table presents FFO by segment:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Core Office <sup>(1)</sup>	\$ 139	\$ 123
Core Retail <sup>(1)</sup>	168	95
LP Investments <sup>(1)</sup>	65	(6)
Corporate <sup>(1)</sup>	(174)	(125)
<b>FFO<sup>(1)</sup></b>	<b>\$ 198</b>	<b>\$ 87</b>

<sup>(1)</sup> This is a non-IFRS measure our partnership uses to assess the performance of its operations as described in the “Non-IFRS Financial Measures” section on page 21. An analysis of the measures and reconciliation to IFRS measures is included in the “Reconciliation of Non-IFRS measures” section on page 22.

The following table presents Company FFO (“CFFO”) by segment:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Core Office <sup>(1)</sup>	\$ 149	\$ 140
Core Retail <sup>(1)</sup>	180	108
LP Investments <sup>(1)</sup>	78	2
Corporate <sup>(1)</sup>	(173)	(125)
<b>CFFO<sup>(1)</sup></b>	<b>\$ 234</b>	<b>\$ 125</b>

<sup>(1)</sup> This is a non-IFRS measure our partnership uses to assess the performance of its operations as described in the “Non-IFRS Financial Measures” section on page 21. An analysis of the measures and reconciliation to IFRS measures is included in the “Reconciliation of Non-IFRS measures” section on page 22.

The following table presents equity attributable to Unitholders by segment as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Core Office <sup>(1)</sup>	\$ 14,621	\$ 14,344
Core Retail <sup>(1)</sup>	15,214	14,995
LP Investments <sup>(1)</sup>	5,361	5,772
Corporate <sup>(1)</sup>	(10,021)	(10,511)
<b>Equity attributable to Unitholders<sup>(1)</sup></b>	<b>\$ 25,175</b>	<b>\$ 24,600</b>

<sup>(1)</sup> This is a non-IFRS measure our partnership uses to assess the performance of its operations as described in the “Non-IFRS Financial Measures” section on page 21. An analysis of the measures and reconciliation to IFRS measures is included in the “Reconciliation of Non-IFRS measures” section on page 22.

### Core Office

#### Overview

Our Core Office portfolio consists of interests in 140 high-quality office properties totaling approximately 96 million square feet, which are located primarily in the world’s leading commercial markets such as New York, London, Los Angeles, Washington, D.C, Sydney, Toronto, and Berlin, as well as approximately 5 million square feet of active office and multifamily developments, in some of the world’s most dynamic gateway markets. Represented within this portfolio are some of our most iconic assets, including Manhattan West in New York and Canary Wharf in London. We seek to maintain this irreplaceable portfolio of large-scale, mixed-use complexes in global gateway cities, which provide our tenants with a 24-hour, 7-days-a-week live, work, play environment, on a long-term basis. These iconic assets, which represent over 70% of the equity attributable to Unitholders in our Core Office portfolio, cover 31 million square feet across 59 properties. These assets have stable cash flows and retain their values very well over long periods of time, as a result of their long-term leases. The remaining 81 properties, covering 65 million square feet of space, represent properties with transitional operational uplift and realization potential. These assets earn attractive short-term rates of return, as we acquire underperforming assets and improve their operations. We add significant value during this transitional period before ultimately monetizing them and reinvesting the proceeds.

## Summary of Operating Results

The following table presents FFO, CFFO and net income in our Core Office segment for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
FFO	\$ 139	\$ 123
CFFO	149	140
Net income	418	568

FFO from our Core Office segment was \$139 million for the three months ended March 31, 2022 as compared to \$123 million in the same period in the prior year. This increase is largely attributable to same-property NOI growth and higher fee income in Australia.

For the three months ended March 31, 2022, CFFO increased by \$9 million, primarily attributable to the FFO movements discussed above.

Net income decreased by \$150 million to \$418 million during the three months ended March 31, 2022 as compared to the same period in 2021. The decrease is attributable to higher fair value gains recorded in the prior period, partially offset by the increase in FFO, as discussed above.

## Key Operating Metrics

The following table presents key operating metrics for our Core Office portfolio as at and for the three months ended March 31, 2022 and 2021:

(US\$ Millions, except where noted)	Consolidated		Unconsolidated	
	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021
<b>Total portfolio:</b>				
NOI <sup>(1)</sup>	\$ 270	\$ 270	\$ 120	\$ 116
Number of properties	68	77	70	63
Leasable square feet (in thousands)	45,128	50,986	27,018	28,714
Occupancy	86.1%	87.8%	91.9%	90.6%
In-place net rents (per square foot) <sup>(2)(3)</sup>	\$ 34.28	\$ 33.24	\$ 51.27	\$ 49.15
<b>Same-property:</b>				
NOI <sup>(1,3)</sup>	\$ 270	\$ 262	\$ 120	\$ 103
Number of properties	67	67	64	64
Leasable square feet (in thousands)	47,066	47,008	28,457	28,587
Occupancy	86.1%	87.4%	91.8%	90.9%
In-place net rents (per square foot) <sup>(2)(3)</sup>	\$ 34.20	\$ 33.24	\$ 49.78	\$ 47.96

<sup>(1)</sup> NOI for unconsolidated properties is presented on a proportionate basis, representing the Unitholders' interest in the property. See "Reconciliation of Non-IFRS Measures - Core Office" below for a description of the key components of NOI in our Core Office segment.

<sup>(2)</sup> Annualized cash rent from leases on a per square foot basis including tenant expense reimbursements, less operating expenses incurred for that space, but excluding the impact of straight-line rent or amortization of free rent periods.

<sup>(3)</sup> Presented using normalized foreign exchange rates, using the March 31, 2022 exchange rate.

NOI from our consolidated properties remained unchanged at \$270 million during the three months ended March 31, 2022 compared to the prior year, as same-property NOI growth was offset by the negative impact of foreign currency translation and dispositions since the prior year. Same-property NOI for our consolidated properties for the three months ended March 31, 2022 increased to \$270 million from \$262 million. Same-property NOI benefited from leasing and higher fee income, partially offset by the negative impact of foreign currency translation.

NOI from our unconsolidated properties, which is presented on a proportionate basis, increased to \$120 million during the three months ended March 31, 2022, compared to \$116 million in the prior year. Unconsolidated NOI benefited from same-property growth, partially offset by the negative impact of foreign currency translation and dispositions since the prior year. Same-property NOI increased compared to the prior year due to leasing activity and the impact of foreign currency translation, as discussed above.

The following table presents the changes in investment properties in the Core Office segment from December 31, 2021 to March 31, 2022:

(US\$ Millions)	Mar. 31, 2022	
	Commercial properties	Commercial developments
Investment properties, beginning of period	\$ 24,644	\$ 1,023
Capital expenditures	35	95
Property dispositions	—	(1)
Fair value gains, net	112	2
Foreign currency translation	98	(5)
Transfer between commercial properties and commercial developments	7	(7)
Reclassifications to assets held for sale	(92)	—
<b>Investment properties, end of period</b>	<b>\$ 24,804</b>	<b>\$ 1,107</b>

Commercial properties totaled \$24,804 million at March 31, 2022, compared to \$24,644 million at December 31, 2021. The increase was driven primarily by the reclassification of an office asset in Brazil out of assets held for sale, fair value gains as discussed above and the positive impact of foreign currency translation, partially offset by reclassification of an offset asset in the U.K. to assets held for sale.

Commercial developments increased by \$84 million from December 31, 2021 to March 31, 2022. The increase was primarily due to incremental capital expenditures on our active developments.

The following table presents the changes in equity accounted investments in the Core Office segment from December 31, 2021 to March 31, 2022:

(US\$ Millions)	Mar. 31, 2022
Equity accounted investments, beginning of period	\$ 9,819
Additions	8
Disposals and return of capital distributions	(288)
Share of net earnings, including fair value gains	217
Distributions received	(38)
Foreign currency translation	(77)
Other comprehensive income and Other	68
<b>Equity accounted investments, end of period</b>	<b>\$ 9,709</b>

Equity accounted investments decreased by \$110 million since December 31, 2021 to \$9,709 million at March 31, 2022. The decrease was driven by the partial disposition of One Manhattan West and the negative impact of foreign currency translation, partially offset by an increase in share of net earnings.

Debt obligations decreased by \$162 million since December 31, 2021 to \$14,398 million at March 31, 2022. The decrease was driven by the repayment of a subsidiary's revolving facility and property level debt.

## Active Developments

The following table summarizes the scope and progress of active developments in our Core Office segment as of March 31, 2022:

(Millions, except square feet in thousands)	Total square feet under construction (in 000's)	Proportionate square feet under construction (in 000's)	Expected date of accounting stabilization	Percent pre-leased	Cost		Loan	
					Total <sup>(1)</sup>	To-date	Total	Drawn
<b>Office:</b>								
1 The Esplanade, Perth <sup>(2)</sup>	610	153	Q2 2023	83 % A\$	171 A\$	108	A\$ 113	A\$ 36
Bay Adelaide North, Toronto <sup>(2)</sup>	823	412	Q4 2023	92 % C\$	243 C\$	219	C\$ 175	C\$ 124
Two Manhattan West, Midtown New York <sup>(2)</sup>	1,948	1,091	Q4 2023	25 % \$	1,342 \$	881	\$ 812	\$ 361
Leadenhall Court, London	430	430	Q1 2026	57 % £	564 £	195	£ 426	£ 95
<b>Office Redevelopment:</b>								
1100 Avenue of the Americas, Midtown New York <sup>(2)</sup>	376	136	Q3 2022	95 % \$	115 \$	93	\$ 64	\$ 45
<b>Multifamily:</b>								
5 & 8 Harbord Square, London <sup>(2)</sup>	82	41	n/a	n/a £	31 £	15	£ 25	£ —
755 Figueroa, Los Angeles <sup>(2)</sup>	674	319	Q1 2025	n/a \$	269 \$	185	\$ 166	\$ 89
<b>Mixed-Use:</b>								
Wood Wharf - 15 Water Street, London <sup>(2)</sup>	187	94	Q4 2022	n/a £	70 £	54	£ 47	£ 28
1 Charter Street, London <sup>(2)</sup>	94	24	Q3 2023	n/a £	29 £	13	£ 19	£ 4
<b>Total</b>	<b>5,224</b>	<b>2,700</b>						

<sup>(1)</sup> Net of NOI earned during stabilization.

<sup>(2)</sup> Presented on a proportionate basis at our ownership interest in each of these developments.

Our development pipeline consists of prominent, large-scale projects located primarily in the high growth markets of London and New York. For the office developments, we generally look to secure anchor leases before launching the projects. We monitor the scope and progress of our active developments and have an established track record of completion on time and within budget. We have recently completed office towers in the prime markets of New York, London and Dubai and completed two urban multifamily developments in New York. Our current office and redevelopment projects stand at an average 56% pre-leased and despite the global economic shutdown, are generally tracking on time and budget.

## Core Retail

### Overview

Our Core Retail portfolio consists of 113 million square feet across 113 best-in-class malls and urban retail properties across the United States. We target to earn core-plus total returns on this portfolio. Similar to our Core Office portfolio, 24 million square feet across 19 properties are represented by assets in which we intend to retain long-term ownership. These assets include trophy assets, such as Ala Moana in Honolulu and Fashion Show in Las Vegas, and collectively represent approximately 60% of the equity attributable to Unitholders in our Core retail portfolio. Their stable and growing cash flows ensure that we can earn attractive compounding rates of return. For the remaining 94 properties, covering 89 million square feet of space, we seek to maximize return through leasing, redevelopment of existing retail or in some cases through the addition of a mixed-use component like multifamily or office. We add significant value during this transitional period before ultimately monetizing them and reinvesting the proceeds.

### Summary of Operating Results

The following table presents FFO, CFFO and net loss in our Core Retail segment for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
FFO	\$ 168	\$ 95
CFFO	180	108
Net income (loss)	292	(305)

For the three months ended March 31, 2022, FFO earned in our Core Retail segment was \$168 million compared to \$95 million for the same period in the prior year. FFO increased as the retail business continued to recover from the impacts of the shutdown, as well as lower interest expense due to dispositions and debt paydowns since the prior year.

For the three months ended March 31, 2022, CFFO increased by \$72 million, primarily attributable to the FFO movements discussed above.

Net income was \$292 million for the three months ended March 31, 2022 compared to a loss of \$305 million during the same period in the prior year. The current year included incremental FFO and fair value gains as compared to the prior year which included fair value losses, as discussed above.

### Key Operating Metrics

The following table presents key operating metrics in our Core Retail portfolio as at and for the three months ended March 31, 2022 and 2021:

(US\$ Millions, except where noted)	Consolidated		Unconsolidated	
	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021
<b>Total portfolio:</b>				
NOI	\$ 247	\$ 225	\$ 187	\$ 161
Number of malls and urban retail properties	57	62	56	57
Leasable square feet (in thousands) <sup>(1)</sup>	50,601	53,956	62,641	63,497
<b>Same-property:</b>				
Number of malls and urban retail properties	55	55	54	54
Leasable square feet - mall and freestanding (in thousands)	23,185	22,779	29,079	28,915
Leased % <sup>(2)</sup>	92.3 %	91.0 %	94.6 %	92.7 %
Occupancy % <sup>(2)</sup>	91.6 %	89.7 %	93.5 %	92.0 %
Permanent Occupancy % <sup>(2)</sup>	85.6 %	85.2 %	87.8 %	87.8 %

<sup>(1)</sup> Total Portfolio Leasable square feet represents total leasable area whereas Same-property leasable square feet represents Mall and Freestanding GLA.

<sup>(2)</sup> Presented on a same-property basis.

NOI from our consolidated properties increased to \$247 million during the three months ended March 31, 2022 from \$225 million in the same quarter in 2021, primarily due to increased overage rents.

NOI from our unconsolidated properties increased to \$187 million during the three months ended March 31, 2022 from \$161 million in the same quarter in 2021 for the reason discussed above.

The following table presents the changes in investment properties in the Core Retail segment from December 31, 2021 to March 31, 2022:

(US\$ Millions)	Mar. 31, 2022
Investment properties, beginning of period	\$ 18,991
Capital expenditures	51
Property dispositions	(7)
Fair value gains, net	53
Transfer between commercial properties and commercial developments	(77)
<b>Investment properties, end of period</b>	<b>\$ 19,011</b>

Commercial properties increased by \$20 million to \$19,011 million, primarily due to fair value gains and incremental capital expenditures, partially offset by transfers to commercial developments.

The following table presents a roll-forward of our partnership's equity accounted investments in the Core Retail segment for the three months ended March 31, 2022:

(US\$ Millions)	Mar. 31, 2022
Equity accounted investments, beginning of year	\$ 9,945
Additions	6
Disposals and return of capital	(70)
Share of net earnings from equity accounted investments	164
Distributions	(13)
Other	32
<b>Equity accounted investments, end of period</b>	<b>\$ 10,064</b>

Equity accounted investments increased by \$119 million to \$10,064 million, primarily due to share of net earnings from equity accounted investments, partially offset by disposals and return of capital distributions.

Debt obligations decreased by \$60 million to \$13,363 million, primarily due to the repayment of property level debt.

## LP Investments

### Overview

Our LP Investments portfolio includes our equity invested in Brookfield-sponsored real estate opportunity funds, which target high-quality assets with operational upside across various real estate sectors, including office, retail, multifamily, logistics, hospitality, triple net lease, student housing and manufactured housing. We target to earn opportunistic returns on our LP Investments portfolio.

The partnership has interests in the following Brookfield-sponsored real estate opportunity funds:

- BSREP I - 31% interest in BSREP I, which is an opportunistic real estate fund with \$4.4 billion in committed capital in aggregate, targeting gross returns of 20%. The fund is in its 10<sup>th</sup> year, is fully invested and is executing realizations.
- BSREP II - 26% interest in BSREP II, which is an opportunistic real estate fund with \$9.0 billion in committed capital in aggregate, targeting gross returns of 20%. The fund is in its 7<sup>th</sup> year and is fully invested and is executing realizations.
- BSREP III - 7% interest in BSREP III, which is an opportunistic real estate fund with \$15.0 billion in committed capital in aggregate, targeting gross returns of 20%; the fund is in its 5<sup>th</sup> year.
- A blended 36% interest in two value-add multifamily funds totaling \$1.8 billion targeting gross returns of 16%. These funds seek to invest in a geographically diverse portfolio of U.S. multifamily properties through acquisition and development.
- A blended 13% interest in a series of real estate debt funds totaling \$5.4 billion which seek to invest in commercial real estate debt secured by properties in strategic locations.

While our economic interest in these funds are less than 50% in each case, we consolidate several of the portfolios, specifically BSREP I and BSREP II, held through the LP Investments as Brookfield Asset Management's oversight as general partner together with our exposure to variable returns of the investments through our LP interests provide us with control over the investments. We do not consolidate our interest in BSREP III as our 7% non-voting interest does not provide us with control over the investment and therefore is accounted for as a financial asset.

### Summary of Operating Results

Our LP investments, unlike our Core portfolios, have a defined hold period and typically generate the majority of profits from realization events including the sale of an asset or portfolio of assets, or the exit of the entire investment. The combination of gains from realization events and FFO earned during the hold period represent our earnings on capital invested in these funds and, once distributed by the Brookfield-sponsored real estate opportunity funds, provide liquidity to support our target distributions.

The following table presents FFO, CFFO, and net income (loss) in our LP Investments segment for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
FFO	\$ 65	\$ (6)
CFFO	78	2
Net income	1,042	539

FFO increased by \$71 million for the three months ended March 31, 2022 primarily due to increased earnings at our hospitality properties, primarily at Center Parcs and Atlantis, as pandemic-related restrictions and closures were lifted, as discussed above. We also earned incremental income on the sale of develop-for-sale multifamily properties in the current period.

CFFO increased by \$76 million for the three months ended March 31, 2022 for the reasons discussed above.

Net income increased for the three months ended March 31, 2022 by \$503 million for the reasons mentioned above, as well as fair value gains in our manufactured housing portfolio and a mixed-use asset in South Korea.

### Corporate

Certain amounts are allocated to our corporate segment as those activities should not be used to evaluate our other segments' operating performance.

### Summary of Operating Results

The following table presents FFO, CFFO and net (loss) in our corporate segment for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
FFO	\$ (174)	\$ (125)
CFFO	(173)	(125)
Net loss	(60)	(71)

FFO was a loss of \$174 million (2021 - loss of \$125 million) for the three months ended March 31, 2022. Corporate FFO includes interest expense and general and administrative expense.

For the three months ended March 31, 2022, interest expense totaled \$71 million (2021 - \$70 million), which reflects \$25 million (2021 - \$37 million) of interest expense on capital securities and \$46 million (2021 - \$33 million) of interest expense on our credit facilities and corporate bonds.

For the three months ended March 31, 2022, general and administrative expense consisted of \$55 million of asset management fees (2021 - \$30 million), nil of equity enhancement fees (2021 - \$12 million) and \$14 million (2021 - \$14 million) of other corporate costs. The management fee is calculated as 1.05% of the sum of the following amounts, as of the last day of the immediately preceding quarter: (1) the equity attributable to unitholders for our Core Office, Core Retail and the Corporate segments; and (ii) the carrying value Canholdco Class B Common Shares.

For the three months ended March 31, 2022, we also recorded an income tax expense of \$17 million (2021 - \$22 million) allocated to the corporate segment related to a decrease in book income of our holding companies and their subsidiaries. The expense in the prior year related to an increase in book income of our holding companies and their subsidiaries of our holding companies and their subsidiaries.

As of March 31, 2022, the carrying value of the Canholdco Class B Common Shares was \$1,981 million (December 31, 2021 - \$2,083 million). Refer to *Note 3, Privatization of the Partnership* of our Q1 2022 Financial Statements for further information.

## LIQUIDITY AND CAPITAL RESOURCES

We attempt to maintain a level of liquidity to ensure we are able to participate in investment opportunities as they arise and to better withstand sudden adverse changes in economic circumstances. Our primary sources of liquidity include cash, undrawn committed credit facilities, construction facilities, cash flow from operating activities and access to public and private capital markets. In addition, we structure our affairs to facilitate monetization of longer-duration assets through financings and co-investor participations.

The principal sources of our operating cash flow are from our consolidated properties as well as properties in joint venture arrangements. These sources generate a relatively consistent stream of cash flow that provides us with resources to pay operating expenses, debt service and dividends to holders of our preferred units. Cash is used in investing activities to fund acquisitions, development or redevelopment projects and recurring and nonrecurring capital expenditures. For the three months ended March 31, 2022, our operating cash flow was \$560 million, cash used in investing activities was \$2,181 million and cash flow from financing activities was \$(3,405) million.

In order to maintain financial flexibility, we maintain capacity under credit facilities at BPY and certain subsidiaries. We believe we will be able to continue to borrow funds on these facilities from our lenders when and as required. Furthermore, we are able to maintain financial flexibility with our deposit agreement with Brookfield Asset Management. As of March 31, 2022, a \$680 million on-demand deposit was payable to Brookfield Asset Management.

We finance our assets principally at the operating company level with asset-specific debt that generally has long maturities, few restrictive covenants and with recourse only to the asset. We endeavor to maintain prudent levels of debt and strive to ladder our principal repayments over a number of years.

The following table summarizes our secured debt obligations on investment properties by contractual maturity over the next five years and thereafter:

(US\$ Millions)	Mar. 31, 2022
2022	\$ 7,587
2023	9,257
2024	10,211
2025	2,859
2026	2,663
2027 and thereafter	5,610
Deferred financing costs	(193)
<b>Secured debt obligations</b>	<b>\$ 37,994</b>
<b>Debt to investment property ratio</b>	<b>61.7 %</b>

We generally believe that we will be able to either extend the maturity date, repay, or refinance the debt that is scheduled to mature in 2022-2023, however, approximately 1.4% of our debt obligations represent non-recourse mortgages where we have suspended contractual payments. We are currently engaging in modification or restructuring discussions with the respective creditors. These negotiations may, under certain circumstances, result in certain properties securing these loans being transferred to the lenders.

For further discussion on our liquidity and capital resources, refer to our annual report for the year ended December 31, 2021 on Form 20-F.

## RISKS AND UNCERTAINTIES

The financial results of our business are impacted by the performance of our properties and various external factors influencing the specific sectors and geographic locations in which we operate, including: macro-economic factors such as economic growth, changes in currency, inflation and interest rates; regulatory requirements and initiatives; and litigation and claims that arise in the normal course of business. With the successful rollout of vaccination campaigns against COVID-19 in markets in which we operate, the macroeconomic outlook has improved in certain geographies with the return of more favorable economic conditions, including the removal of occupancy restrictions and government-mandated closures. However, uncertainty remains in the near-term surrounding risks of new economic restrictions and general uncertainty surrounding supply chains, disrupted travel, impacted social conditions and the labor markets.

There have been no material changes to risk factors facing our business, including tenant credit risk, lease rollover risk and other risks, since December 31, 2021. For a more detailed description of the risk factors facing our business, please refer to the section entitled Item 3.D. “Key Information - Risk Factors” in our December 31, 2021 annual report on Form 20-F.

## FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

We and our operating entities use derivative and non-derivative instruments to manage financial risks, including interest rate, commodity, equity price and foreign exchange risks. The use of derivative contracts is governed by documented risk management policies and approved limits. We do not use derivatives for speculative purposes. We and our operating entities use the following derivative instruments to manage these risks:

- foreign currency forward contracts to hedge exposures to Canadian Dollar, Australian Dollar, British Pound, Euro, Chinese Yuan, Brazilian Real, Indian Rupee and South Korean Won denominated investments in foreign subsidiaries and foreign currency denominated financial assets;
- interest rate swaps to manage interest rate risk associated with planned refinancings and existing variable rate debt;
- interest rate caps to hedge interest rate risk on certain variable rate debt; and
- cross-currency swaps to manage interest rate and foreign currency exchange rates on existing variable rate debt.

We are progressing through our transition plan to address the impact and effect required changes as a result of amendments to the contractual terms of Interbank Offered Rates (“IBOR”) referenced floating-rate borrowings, interest rate swaps, interest rate caps, and to update hedge designations. Sterling Overnight Index Average (“SONIA”) replaced £ London Interbank Offered Rate (“£ LIBOR”) effective December 31, 2021, and Euro Short-term Rate (“€STR”) was published as an alternative to Euro Interbank Offered Rate (“EURIBOR”) during 2021, though EURIBOR remains available for Euro lending. The partnership has addressed the impact and effected the changes required as a result of amendments to the contractual terms of £ LIBOR referenced floating-rate borrowings, interest rate swaps, interest rate caps, and to update hedge designations. The adoption did not have a significant impact on the partnership’s financial reporting.

There have been no other material changes to our financial risk exposure or risk management activities since December 31, 2021. Please refer to Note 33, *Financial Instruments* in our December 31, 2021 annual report on Form 20-F for a detailed description of our financial risk exposure and risk management activities, and refer to Note 28, *Financial Instruments* of our Q1 2022 Financial Statements for further information on derivative financial instruments as at March 31, 2022.

## RELATED PARTIES

In the normal course of operations, the partnership enters into transactions with related parties. These transactions are recognized in the consolidated financial statements. These transactions have been measured at exchange value and are recognized in the consolidated financial statements. The immediate parent of the partnership is Brookfield Property Partners Limited. The ultimate parent of the partnership is Brookfield Asset Management. Other related parties of the partnership include Brookfield Asset Management’s subsidiaries and operating entities, certain joint ventures and associates accounted for under the equity method, as well as officers of such entities and their spouses.

In connection with the Privatization, Brookfield Asset Management’s ownership interest in the partnership was restructured, including the issuance of Canholdco Class B Common Shares to Brookfield Asset Management and the management fee structure was amended. Refer to Note 3, *Privatization of the Partnership* and Note 29, *Related Parties*, respectively, of our Q1 2022 Financial Statements for further information.

**ADDITIONAL INFORMATION**  
**CRITICAL ACCOUNTING POLICIES, ESTIMATES, AND JUDGEMENTS**  
**USE OF ESTIMATES**

The preparation of our financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of our ongoing evaluation of these estimates forms the basis for making judgments about the carrying values of assets and liabilities and the reported amounts of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions.

Prior to the end of the first quarter of 2020, the global economic shutdown prompted certain responses from global government authorities across the various geographies in which the partnership owns and operates investment properties. Such responses have included mandatory temporary closure of, or imposed limitations on, the operations of certain non-essential properties and businesses including office properties and retail malls and associated businesses which operate within these properties, such as retailers and restaurants. In addition, travel restrictions have had a significant adverse impact on consumer spending and demand in the near term. These negative economic indicators, restrictions and closures have created significant estimation uncertainty in the determination of the fair value of investment properties as of March 31, 2022. Specifically, while discount and capitalization rates are inherently uncertain, there has been an absence of recently observed market transactions across the partnership's geographies to support changes in such rates which is a key input into the determination of fair value. In addition, the partnership has had to make assumptions with respect to the length and severity of these restrictions and closures as well as the viability of our tenants in consideration of any credit reserves that should be applied based on deemed tenant risk and the recovery period in estimating the impact and timing of future cash flows generated from investment properties and used in the discounted cash flow model used to determine fair value. As a result of this material estimation uncertainty, there is a risk that the assumptions used to determine fair value as of March 31, 2022 may result in a material adjustment to the fair value of investment properties in future reporting periods as more information becomes available.

For further reference on accounting policies and critical judgments and estimates, see our significant accounting policies contained in Note 2, *Summary of Significant Accounting Policies* to the December 31, 2021 consolidated financial statements and Note 2, *Summary of Significant Accounting Policies* of the Financial Statements.

**TREND INFORMATION**

We seek to increase the cash flows from our office and retail property activities through continued leasing activity as described below. In particular, we are operating below our historical office and retail occupancy levels, which provides the opportunity to expand cash flows through higher occupancy. However, our future results may be impacted by risks associated with the global pandemic caused by COVID-19, and the related reduction in commerce and travel, return-to-office rates, and substantial volatility in stock markets worldwide, which may result in a decrease of cash flows and impairment losses and/or revaluations on our investments and real estate properties, and we may be unable to achieve our expected returns. In addition, we expect to face a meaningful amount of lease rollover in 2022 and 2023, which may restrain FFO growth from this part of our portfolio in the near future. Our belief is as to the opportunities for our partnership to increase its occupancy levels, lease rates and cash flows are based on assumptions about our business and markets that management believes are reasonable in the circumstances. There can be no assurance as to growth in occupancy levels, lease rates or cash flows. See "*Statement Regarding Forward-looking Statements and Use of Non-IFRS Measures*".

We believe our global scale and best-in-class operating platforms provide us with a unique competitive advantage as we are able to efficiently allocate capital around the world toward those sectors and geographies where we see the greatest returns. We actively recycle assets on our balance sheet as they mature and reinvest the proceeds into higher yielding investment strategies, further enhancing returns. In addition, due to the scale of our stabilized portfolio and flexibility of our balance sheet, our business model is self-funding and does not require us to access capital markets to fund our continued growth.

Given the small amount of new office and retail development that occurred over the last decade, we see an opportunity to advance our development inventory in the near term in response to demand we are seeing in our major markets. In addition, we continue to reposition and redevelop existing retail properties, in particular, a number of the highest performing shopping centers in the United States.

**OFF-BALANCE SHEET ARRANGEMENTS**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

**CONTROLS AND PROCEDURES**

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

There have been no changes made in our internal control over financial reporting that have occurred during the three months ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal control over financial reporting due to the global economic shutdown.

## NON-IFRS FINANCIAL MEASURES

To measure our operating performance, we focus on NOI, same-property NOI, FFO, CFFO, net income, and equity attributable to Unitholders. Some of these performance metrics do not have standardized meanings prescribed by IFRS and therefore may differ from similar metrics used by other companies.

- *NOI*: revenues from our commercial properties operations less direct commercial property expenses before the impact of depreciation and amortization (“Commercial property NOI”) and revenues from our hospitality operations less direct hospitality expenses before the impact of depreciation and amortization (“Hospitality NOI”).
- *Same-property NOI*: a subset of NOI, which excludes NOI that is earned from assets acquired, disposed of or developed during the periods presented, not of a recurring nature, or from LP Investments assets.
- *FFO*: net income, prior to fair value gains, net, depreciation and amortization of real estate assets, and income taxes less non-controlling interests of others in operating subsidiaries and properties therein. When determining FFO, we include our proportionate share of the FFO of unconsolidated partnerships and joint ventures and associates, as well as gains (or losses) related to properties developed for sale.
- *Company FFO*: FFO before the impact of depreciation and amortization of non-real estate assets, transaction costs, gains (losses) associated with non-investment properties, imputed interest on equity accounted investments and the partnership’s share of Brookfield Strategic Real Estate Partners III (“BSREP III”) FFO. The partnership accounts for its investment in BSREP III as a financial asset and the income (loss) of the fund is not presented in the partnership’s results. Distributions from BSREP III, recorded as dividend income under IFRS, are removed from investment and other income for Company FFO presentation.
- *Net income attributable to Unitholders*: net income attributable to holders of GP Units, LP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, Exchange LP Units, FV LTIP Units and BPYU Units.
- *Equity attributable to Unitholders*: equity attributable to holders of GP Units, LP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, Exchange LP Units, FV LTIP Units and BPYU Units.

NOI is a key indicator of our ability to impact the operating performance of our properties. We seek to grow NOI through proactive management and leasing of our properties. Same-property NOI in our Core Office and Core Retail segments allows us to segregate the impact of leasing and operating initiatives on the portfolio from the impact of investing activities and “one-time items”, which for the historical periods presented consist primarily of lease termination income. Because NOI excludes depreciation and amortization of real estate assets, it provides a performance measure that, when compared year-over-year, reflects the impact on operations from trends in occupancy rates and rental rates. We reconcile NOI to net income on page 14.

We also consider FFO an important measure of our operating performance. FFO is a widely recognized measure that is frequently used by securities analysts, investors and other interested parties in the evaluation of real estate entities, particularly those that own and operate income producing properties. Our definition of FFO includes all of the adjustments that are outlined in the National Association of Real Estate Investment Trusts (“NAREIT”) definition of FFO, including the exclusion of gains (or losses) from the sale of investment properties, the add back of any depreciation and amortization related to real estate assets and the adjustment for unconsolidated partnerships and joint ventures. In addition to the adjustments prescribed by NAREIT, we also make adjustments to exclude any unrealized fair value gains (or losses) that arise as a result of reporting under IFRS, and income taxes that arise as certain of our subsidiaries are structured as corporations as opposed to real estate investment trusts (“REITs”). These additional adjustments result in an FFO measure that is similar to that which would result if our partnership was organized as a REIT that determined net income in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”), which is the type of organization on which the NAREIT definition is premised. Our FFO measure will differ from other organizations applying the NAREIT definition to the extent of certain differences between the IFRS and U.S. GAAP reporting frameworks, principally related to the timing of revenue recognition from lease terminations and sale of properties. Because FFO excludes fair value gains (losses), including equity accounted fair value gains (losses), realized gains (losses) on the sale of investment properties, depreciation and amortization of real estate assets and income taxes, it provides a performance measure that, when compared year-over-year, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and interest costs, providing perspective not immediately apparent from net income. We do not use FFO as a measure of cash flow generated from operating activities. We reconcile FFO to net income on page 14 as we believe net income is the most comparable measure.

In addition, we consider Company FFO a useful measure for securities analysts, investors and other interested parties in the evaluation of our partnership’s performance. Company FFO, similar to FFO discussed above, provides a performance measure that reflects the impact on operations of trends in occupancy rates, rental rates, operating costs and interest costs. In addition, the adjustments to Company FFO relative to FFO allow the partnership insight into these trends for the real estate operations, by adjusting for non-real estate components. We reconcile net income to Company FFO on page 14.

Net income attributable to Unitholders and Equity attributable to Unitholders are used by the partnership to evaluate the performance of the partnership as a whole as each of the Unitholders participates in the economics of the partnership equally. We reconcile Net income attributable to Unitholders to net income on page 14.

### Reconciliation of Non-IFRS measures

As described in the “Non-IFRS Financial Measures” section on page 21, our partnership uses non-IFRS measures to assess the performance of its operations. An analysis of the measures and reconciliation to IFRS measures is included below.

The following table reconciles net income (loss) to NOI for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Commercial property revenue	\$ 1,255	\$ 1,285
Direct commercial property expense	(470)	(506)
Add: Depreciation and amortization expense in direct commercial property expense <sup>(1)</sup>	9	20
Commercial property NOI <sup>(1)</sup>	794	799
Hospitality revenue	313	59
Direct hospitality expense	(288)	(121)
Add: Depreciation and amortization expense in direct hospitality expense <sup>(1)</sup>	73	48
Hospitality NOI	98	(14)
<b>Total NOI</b>	<b>892</b>	<b>785</b>
Investment and other revenue	486	106
Share of net earnings from equity accounted investments	380	206
Interest expense	(600)	(612)
Depreciation and amortization <sup>(1)</sup>	(82)	(68)
General and administrative expense	(232)	(213)
Investment and other expense	(239)	(8)
Fair value gains (losses), net	1,270	640
Income before taxes	1,875	836
Income tax expense	(183)	(105)
<b>Net income</b>	<b>\$ 1,692</b>	<b>\$ 731</b>
Net income attributable to non-controlling interests	990	465
<b>Net income attributable to Unitholders</b>	<b>\$ 702</b>	<b>\$ 266</b>

<sup>(1)</sup> As described in the “Non-IFRS Financial Measures” section on page 21, commercial property NOI and hospitality NOI excludes the impact of depreciation and amortization included in direct commercial property expense and direct hospitality expense, respectively.

The following table reconciles net income (loss) to FFO and Company FFO for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Net income	\$ 1,692	\$ 731
Add (deduct):		
Fair value (gains), net	(1,270)	(640)
Share of equity accounted fair value (gains), net	(192)	(76)
Depreciation and amortization of real estate assets <sup>(1)</sup>	52	45
Income tax expense	183	105
Non-controlling interests in above items	(267)	(78)
<b>FFO</b>	<b>\$ 198</b>	<b>\$ 87</b>
Add (deduct):		
Depreciation and amortization of non-real-estate assets, net <sup>(1)(2)</sup>	15	15
Transaction costs, net <sup>(2)</sup>	13	18
Imputed interest <sup>(3)</sup>	5	5
BSREP III earnings <sup>(4)</sup>	3	—
<b>Company FFO</b>	<b>\$ 234</b>	<b>\$ 125</b>

<sup>(1)</sup> Depreciation and amortization are included in direct commercial property expense and direct hospitality expense on the income statement.

<sup>(2)</sup> Presented net of non-controlling interests.

<sup>(3)</sup> Represents imputed interest associated with financing the partnership’s share of commercial developments accounted for under the equity method.

<sup>(4)</sup> BSREP III is accounted for as a financial asset which results in FFO being recognized in line with distributions received. As such, the BSREP III earnings adjustment picks up our proportionate share of the Company FFO.

## Reconciliation of Non-IFRS Measures – Core Office

The key components of NOI in our Core Office segment are presented below:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Commercial property revenue	\$ 472	\$ 485
Hospitality revenue <sup>(1)</sup>	4	1
Direct commercial property expense	(204)	(218)
Direct hospitality expense <sup>(1)</sup>	(5)	(3)
Add: Depreciation and amortization included in direct commercial property expense and direct hospitality expense <sup>(2)</sup>	3	5
<b>Total NOI - Core Office<sup>(2)</sup></b>	<b>\$ 270</b>	<b>\$ 270</b>

<sup>(1)</sup> Hospitality revenue and direct hospitality expense within our Core Office segment primarily consists of revenue and expenses incurred at a hotel adjacent to the Allen Center in Houston.

<sup>(2)</sup> As described in the “Non-IFRS Financial Measures” section on page 21, commercial property NOI and hospitality NOI excludes the impact of depreciation and amortization included in direct commercial property expense and direct hospitality expense, respectively.

The following table reconciles Core Office NOI to net (loss) income for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Same-property NOI	\$ 271	\$ 260
Currency variance	—	2
NOI related to acquisitions and dispositions	(1)	8
<b>Total NOI - Core Office<sup>(1)</sup></b>	<b>270</b>	<b>270</b>
Investment and other revenue	92	44
Interest expense	(147)	(143)
Depreciation and amortization included in direct commercial property expense and direct hospitality expense <sup>(2)</sup>	(3)	(5)
Investment and other expense	(35)	(8)
General and administrative expense	(61)	(63)
Fair value gains (losses), net	100	230
Share of net earnings from equity accounted investments	217	231
Income before taxes	433	556
Income tax (expense) benefit	(15)	12
<b>Net income</b>	<b>418</b>	<b>568</b>
Net income attributable to non-controlling interests	91	87
<b>Net income attributable to Unitholders</b>	<b>\$ 327</b>	<b>\$ 481</b>

<sup>(1)</sup> As described in the “Non-IFRS Financial Measures” section on page 21, commercial property NOI and hospitality NOI excludes the impact of depreciation and amortization included in direct commercial property expense and direct hospitality expense, respectively.

<sup>(2)</sup> Depreciation and amortization are included in direct commercial property expense and direct hospitality expense on the income statement.

The following table reconciles Core Office net income to FFO and CFFO for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
<b>Net income</b>	<b>\$ 418</b>	<b>\$ 568</b>
Add (deduct):		
Fair value (gains), net	(100)	(230)
Share of equity accounted fair value (gains), net	(139)	(152)
Depreciation and amortization of real estate assets <sup>(1)</sup>	1	1
Income tax expense	15	(12)
Non-controlling interests in above items	(56)	(52)
<b>FFO</b>	<b>\$ 139</b>	<b>\$ 123</b>
Add (deduct):		
Depreciation and amortization of non-real-estate assets, net <sup>(1)(2)</sup>	3	4
Transaction costs, net <sup>(1)</sup>	2	8
Imputed interest <sup>(3)</sup>	5	5
<b>Company FFO</b>	<b>\$ 149</b>	<b>\$ 140</b>

<sup>(1)</sup> Depreciation and amortization are included in direct commercial property expense and direct hospitality expense on the income statement.

<sup>(2)</sup> Presented net of non-controlling interests.

<sup>(3)</sup> Represents imputed interest associated with financing the partnership's share of commercial developments accounted for under the equity method.

The following table reconciles Core Office share of net earnings from equity accounted investments for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Unconsolidated properties NOI	\$ 120	\$ 116
Unconsolidated properties fair value gains (losses), net	139	152
Other <sup>(1)</sup>	(42)	(37)
<b>Share of net earnings from equity accounted investments</b>	<b>\$ 217</b>	<b>\$ 231</b>

<sup>(1)</sup> Other primarily includes the partnership's share of interest expense, general and administrative expense and investment and other income/expense from unconsolidated investments.

#### Reconciliation of Non-IFRS Measures – Core Retail

The key components of NOI in our Core Retail segment are presented below:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Commercial property revenue	\$ 351	\$ 332
Direct commercial property expense	(109)	(113)
Add: Depreciation and amortization included in direct commercial property expense <sup>(1)</sup>	5	6
<b>Total NOI</b>	<b>\$ 247</b>	<b>\$ 225</b>

<sup>(1)</sup> As described in the "Non-IFRS Financial Measures" section on page 21, commercial property NOI and hospitality NOI excludes the impact of depreciation and amortization included in direct commercial property expense and direct hospitality expense, respectively.

The following table reconciles Core Retail NOI to net income (loss) attributable to Unitholders for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Total NOI - Core Retail <sup>(1)</sup>	\$ 247	\$ 225
Investment and other revenue	43	32
Interest expense	(144)	(163)
Depreciation and amortization included in direct commercial property expense <sup>(2)</sup>	(5)	(6)
General and administrative expense	(56)	(53)
Fair value gains (losses), net	46	(360)
Share of net earnings from equity accounted investments	164	19
Income (loss) before taxes	295	(306)
Income tax (expense) benefit	(3)	1
<b>Net income (loss)</b>	<b>\$ 292</b>	<b>\$ (305)</b>
Net income (loss) attributable to non-controlling interests	27	(25)
<b>Net income (loss) attributable to Unitholders</b>	<b>\$ 265</b>	<b>\$ (280)</b>

<sup>(1)</sup> As described in the "Non-IFRS Financial Measures" section on page 21, commercial property NOI and hospitality NOI excludes the impact of depreciation and amortization included in direct commercial property expense and direct hospitality expense, respectively.

<sup>(2)</sup> Depreciation and amortization are included in direct commercial property expense and direct hospitality expense on the income statement.

The following table reconciles Core Retail net (loss) income to FFO and CFFO for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
<b>Net income (loss)</b>	<b>\$ 292</b>	<b>\$ (305)</b>
Add (deduct):		
Share of equity accounted fair value (gains) losses, net	(65)	57
Fair value (gains) losses, net	(46)	360
Income tax expense (benefit)	3	(1)
Non-controlling interests in above items	(16)	(16)
<b>FFO</b>	<b>\$ 168</b>	<b>\$ 95</b>
Add (deduct):		
Depreciation and amortization of non-real-estate assets, net <sup>(1)(2)</sup>	5	6
Transaction costs, net <sup>(2)</sup>	7	7
<b>Company FFO</b>	<b>\$ 180</b>	<b>\$ 108</b>

<sup>(1)</sup> Depreciation and amortization are included in direct commercial property expense and direct hospitality expense on the income statement.

<sup>(2)</sup> Presented net of non-controlling interests.

The following table reconciles Core Retail share of net earnings from equity accounted investments for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Unconsolidated properties NOI	\$ 187	\$ (66)
Unconsolidated properties fair value gains (losses), net and income tax expense	65	(57)
Other <sup>(1)</sup>	(88)	142
<b>Share of net earnings and (losses) from equity accounted investments</b>	<b>\$ 164</b>	<b>\$ 19</b>

<sup>(1)</sup> Other primarily includes the partnership's share of interest expense, general and administrative expense and investment and other income/expense from unconsolidated investments.

## Reconciliation of Non-IFRS Measures - LP Investments

The following table reconciles LP Investments NOI to net income (loss) for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Commercial property revenue	\$ 432	\$ 468
Hospitality revenue	309	58
Direct commercial property expense	(157)	(175)
Direct hospitality expense	(283)	(118)
Add: Depreciation and amortization included in direct commercial property expense and direct hospitality expense <sup>(1)</sup>	74	57
<b>Total NOI<sup>(1)</sup></b>	<b>375</b>	<b>290</b>
Investment and other revenue	351	29
Interest expense	(238)	(236)
General and administrative expense	(46)	(41)
Investment and other expense	(204)	—
Depreciation and amortization included in direct commercial property expense and direct hospitality expense <sup>(2)</sup>	(74)	(57)
Fair value gains, net	1,027	694
Share of net (losses) earnings from equity accounted investments	(1)	(44)
Income before taxes	1,190	635
Income tax expense	(148)	(96)
<b>Net income</b>	<b>1,042</b>	<b>539</b>
Net income attributable to non-controlling interests	808	403
<b>Net income attributable to Unitholders</b>	<b>\$ 234</b>	<b>\$ 136</b>

<sup>(1)</sup> As described in the “Non-IFRS Financial Measures” section on page 21, commercial property NOI and hospitality NOI excludes the impact of depreciation and amortization included in direct commercial property expense and direct hospitality expense, respectively.

<sup>(2)</sup> Depreciation and amortization are included in direct commercial property expense and direct hospitality expense on the income statement.

The following table reconciles LP Investments net income to FFO and CFFO for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
<b>Net income</b>	<b>\$ 1,042</b>	<b>\$ 539</b>
Add (deduct):		
Fair value (gains), net	(1,027)	(694)
Share of equity accounted fair value losses, net	12	19
Depreciation and amortization of real estate assets <sup>(1)</sup>	51	44
Income tax expense	148	96
Non-controlling interests in above items	(161)	(10)
<b>FFO</b>	<b>\$ 65</b>	<b>\$ (6)</b>
Add (deduct):		
Depreciation and amortization of non-real-estate assets, net <sup>(1)(2)</sup>	7	5
Transaction costs, net <sup>(2)</sup>	3	3
BSREP III earnings <sup>(3)</sup>	3	—
<b>CFFO</b>	<b>\$ 78</b>	<b>\$ 2</b>

<sup>(1)</sup> Depreciation and amortization are included in direct commercial property expense and direct hospitality expense on the income statement.

<sup>(2)</sup> Presented net of non-controlling interests.

<sup>(3)</sup> BSREP III is accounted for as a financial asset which results in FFO being recognized in line with distributions received. As such, the BSREP III earnings adjustment picks up our proportionate share of the Company FFO.

## Reconciliation of Non-IFRS Measures – Corporate

The following table reconciles Corporate net loss to net loss attributable to Unitholders for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
<b>Net loss</b>	\$ (60)	\$ (71)
Net loss attributable to non-controlling interests	64	—
<b>Net loss attributable to Unitholders</b>	\$ (124)	\$ (71)

The following table reconciles Corporate net loss to FFO and CFFO for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
<b>Net loss</b>	\$ (60)	\$ (71)
Add (deduct):		
Fair value (gains) losses, net	(97)	(76)
Income tax expense	17	22
Non-controlling interests in above items	(34)	—
<b>FFO</b>	\$ (174)	\$ (125)
Add (deduct):		
Transaction costs, net <sup>(1)</sup>	1	—
<b>CFFO</b>	\$ (173)	\$ (125)

<sup>(1)</sup> Presented net of non-controlling interests.

## SUBSIDIARY PUBLIC ISSUERS

Brookfield Property Split Corp. (“BOP Split”) was incorporated for the purpose of being an issuer of preferred shares and owning a portion of the partnership’s investment in Brookfield Office Properties Inc. (“BPO”) common shares. Pursuant to the terms of a Plan of Arrangement, holders of outstanding BPO Class AAA Preferred Shares Series G, H, J and K, which were convertible into BPO common shares, were able to exchange their shares for BOP Split Senior Preferred Shares, subject to certain conditions. The BOP Split Senior Preferred shares are listed on the TSX and began trading on June 11, 2014. All shares issued by BOP Split are retractable by the holders at any time for cash.

In connection with an internal restructuring completed in July 2016, the partnership and certain of its related entities agreed to guarantee all of BPO’s Class AAA Preferred Shares and all of BPO’s debt securities issued pursuant to BPO’s indenture dated December 8, 2009.

In April 2018, the partnership formed two subsidiaries, Brookfield Property Finance ULC and Brookfield Property Preferred Equity Inc. to act as issuers of debt and preferred securities, respectively. The partnership and certain of its related entities have agreed to guarantee securities issued by these entities.

In connection with the Privatization (refer to Note 3, *Privatization of the Partnership* for further information), the partnership formed a subsidiary, Brookfield Property Preferred L.P. (“New LP”), to issue preferred securities. The partnership and certain of its related entities have agreed to guarantee the securities issued by this entity.

(US\$ Millions) For the three months ended Mar. 31, 2022	Brookfield Property Partners L.P.	BOP Split	BPO	Brookfield Property Preferred Equity Inc.	Brookfield Property Finance ULC	Brookfield Property Preferred L.P.	Holding entities <sup>(2)</sup>	Additional holding entities and eliminations <sup>(3)</sup>	Consolidating adjustments <sup>(4)</sup>	Brookfield Property Partners L.P. consolidated
Revenue	\$ —	\$ 43	\$ 7	\$ —	\$ 25	\$ 48	\$ 178	\$ 180	\$ 1,573	\$ 2,054
Net income attributable to unitholders <sup>(1)</sup>	251	175	129	—	(20)	38	702	213	(786)	702
For the three months ended Mar. 31, 2021										
Revenue	\$ —	\$ 47	\$ 94	\$ —	\$ 20	\$ —	\$ 137	\$ 76	\$ 1,076	\$ 1,450
Net income attributable to unitholders <sup>(1)</sup>	130	278	271	—	(26)	—	266	182	(835)	266

<sup>(1)</sup> Includes net income attributable to LP Units, GP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, Exchange LP Units, FV LTIP Units and BPYU Units.

<sup>(2)</sup> Includes the operating partnership, Brookfield BPY Holdings Inc., Brookfield BPY Retail Holdings II Inc., BPY Bermuda Holdings Limited, and BPY Bermuda Holdings II Limited.

<sup>(3)</sup> Includes BPY Bermuda Holdings IV Limited, BPY Bermuda Holdings V Limited and BPY Bermuda Holdings VI Limited, which serve as guarantors for BPO but not BOP Split, net of intercompany balances and transactions with other holding entities.

<sup>(4)</sup> Includes elimination of intercompany transactions and balances necessary to present the partnership on a consolidated basis.

(US\$ Millions) As of Mar. 31, 2022	Brookfield Property Partners L.P.	BOP Split	BPO	Brookfield Property Preferred Equity Inc.	Brookfield Property Finance ULC	Brookfield Property Preferred L.P.	Holding entities <sup>(2)</sup>	Additional holding entities and eliminations <sup>(3)</sup>	Consolidating adjustments <sup>(4)</sup>	Brookfield Property Partners L.P consolidated
Current assets	\$ —	\$ 696	\$ 118	\$ —	\$ 1,905	\$ 2,952	\$ 6,368	\$ 180	\$ (8,524)	\$ 3,695
Non-current assets	9,267	30,155	17,750	—	446	—	32,766	2,327	1,485	94,196
Assets held for sale	—	—	—	—	—	—	—	—	9,542	9,542
Current liabilities	—	2,913	1,034	—	193	—	7,744	1,408	4,101	17,393
Non-current liabilities	—	4,383	4,438	—	2,172	474	5,516	100	27,241	44,324
Liabilities associated with assets held for sale	—	—	—	—	—	—	—	—	1,074	1,074
Preferred equity	699	—	—	—	—	—	—	—	—	699
Equity attributable to interests of others in operating subsidiaries and properties	—	—	2,728	—	—	—	—	—	16,040	18,768
Equity attributable to unitholders <sup>(1)</sup>	\$ 8,568	\$ 23,555	\$ 9,668	\$ —	\$ (14)	\$ 2,478	\$ 25,874	\$ 999	\$ (45,953)	\$ 25,175

<sup>(1)</sup> Includes net income attributable to LP Units, GP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, Exchange LP Units, FV LTIP Units and BPYU Units.

<sup>(2)</sup> Includes the operating partnership, Brookfield BPY Holdings Inc., Brookfield BPY Retail Holdings II Inc., BPY Bermuda Holdings Limited, and BPY Bermuda Holdings II Limited.

<sup>(3)</sup> Includes BPY Bermuda Holdings IV Limited, BPY Bermuda Holdings V Limited and BPY Bermuda Holdings VI Limited, which serve as guarantors for BPO but not BOP Split, net of intercompany balances and transactions with other holding entities.

<sup>(4)</sup> Includes elimination of intercompany transactions and balances necessary to present the partnership on a consolidated basis.

(US\$ Millions) As of Dec. 31, 2021	Brookfield Property Partners L.P.	BOP Split	BPO	Brookfield Property Preferred Equity Inc.	Brookfield Property Finance ULC	Brookfield Property Preferred L.P.	Holding entities <sup>(2)</sup>	Additional holding entities and eliminations <sup>(3)</sup>	Consolidating adjustments <sup>(4)</sup>	Brookfield Property Partners L.P consolidated
Current assets	\$ —	\$ 738	\$ 145	\$ —	\$ 1,915	\$ 2,952	\$ 6,479	\$ 206	\$ (7,510)	\$ 4,925
Non-current assets	10,848	30,254	23,197	—	441	—	40,811	2,320	(11,302)	96,569
Assets held for sale	—	—	—	—	—	—	—	—	10,510	10,510
Current liabilities	—	2,930	1,051	—	199	—	7,711	1,165	4,509	17,565
Non-current liabilities	—	4,339	4,467	—	2,153	474	14,279	582	20,058	46,352
Liabilities associated with assets held for sale	—	—	—	—	—	—	—	—	3,082	3,082
Preferred equity	699	—	—	—	—	—	—	—	—	699
Equity attributable to interests of others in operating subsidiaries and properties	—	—	2,723	—	—	—	—	—	16,983	19,706
Equity attributable to unitholders <sup>(1)</sup>	\$ 10,149	\$ 23,723	\$ 15,101	\$ —	\$ 4	\$ 2,478	\$ 25,300	\$ 779	\$ (52,934)	\$ 24,600

<sup>(1)</sup> Includes net income attributable to LP Units, GP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, Exchange LP Units, FV LTIP Units and BPYU Units.

<sup>(2)</sup> Includes the operating partnership, Brookfield BPY Holdings Inc., Brookfield BPY Retail Holdings II Inc., BPY Bermuda Holdings Limited, and BPY Bermuda Holdings II Limited.

<sup>(3)</sup> Includes BPY Bermuda Holdings IV Limited, BPY Bermuda Holdings V Limited and BPY Bermuda Holdings VI Limited, which serve as guarantors for BPO but not BOP Split, net of intercompany balances and transactions with other holding entities.

<sup>(4)</sup> Includes elimination of intercompany transactions and balances necessary to present the partnership on a consolidated basis.

### NEW LP PREFERRED UNITS GUARANTEE

New LP was created in connection with the Privatization in order to issue New LP Preferred Units. The payment obligations of New LP to the holders of the New LP Preferred Units, including accrued and unpaid distributions, are fully and unconditionally guaranteed by the partnership, the Operating Partnership and several Holding Entities (Canholdco, Brookfield BPY Retail Holdings II Inc., BPY Bermuda Holdings Limited, BPY Bermuda Holdings II Limited, BPY Bermuda Holdings IV Limited, BPY Bermuda Holdings V Limited and BPY Bermuda Holdings VI Limited). The guarantee of each guarantor ranks senior to all subordinate guarantor obligations.

Pursuant to Rule 13-01 of the SEC's Regulation S-X, the following tables provides combined summarized financial information of New LP and New LP guarantor entities:

(US\$ Millions) For the three months ended Mar. 31, 2022	BPY	BP Preferred LP ("New LP")	Other Guarantors	Consolidating adjustments	Combined Guarantor entities
Revenue - from non-guarantor subsidiaries	\$ —	\$ 48	\$ 77	\$ (11)	\$ 114
Dividend income - from non-guarantor subsidiaries	116	—	286	(153)	249
Operating profit	116	38	250	(153)	251
Net income	116	38	343	(153)	344

(US\$ Millions) For the year ended Dec. 31, 2021	BPY	BP Preferred LP	Other Guarantors	Consolidating adjustments	Combined Guarantor entities
Revenue	\$ —	\$ —	\$ 2	\$ —	\$ 2
Revenue - from non-guarantor subsidiaries	—	85	481	(82)	484
Dividend income - from non-guarantor subsidiaries	416	—	669	(628)	457
Operating profit	409	67	612	(628)	460
Net income	409	67	598	(628)	446

Total revenue of the partnership and its controlled subsidiaries for the three months ended months ended Mar. 31, 2022 was \$2,054 million.

(US\$ Millions) As at Mar. 31, 2022	BPY	BP Preferred LP	Other Guarantors	Consolidating adjustments	Combined Guarantor entities
Current assets	\$ 1	\$ —	\$ 65	\$ —	\$ 66
Current assets - due from non-guarantor subsidiaries	—	2,952	6,993	(1,133)	8,812
Long-term assets	—	—	114	—	114
Current liabilities	—	—	216	—	216
Current liabilities - due to related parties	—	—	705	—	705
Current liabilities - due to non-guarantor subsidiaries	—	—	8,742	(1,133)	7,609
Long-term liabilities	—	—	2,076	—	2,076
Long-term liabilities - due to non-guarantor subsidiaries	—	—	1,704	—	1,704
Preferred equity and capital securities	699	474	1,838	(722)	2,289
Non-controlling interests	—	—	1,986	—	1,986

(US\$ Millions) As at Dec. 31, 2021	BPY	BP Preferred LP	Other Guarantors	Consolidating adjustments	Combined Guarantor entities
Current assets	\$ 1	\$ —	\$ 55	\$ —	\$ 56
Current assets - due from non-guarantor subsidiaries	—	2,952	7,397	(1,465)	8,884
Long-term assets	—	—	60	—	60
Current liabilities	—	—	249	—	249
Current liabilities - due to related parties	1	—	699	—	700
Current liabilities - due to non-guarantor subsidiaries	—	—	8,703	(1,465)	7,238
Long-term liabilities	—	—	2,432	—	2,432
Long-term liabilities - due to non-guarantor subsidiaries	—	—	10,597	—	10,597
Preferred equity and capital securities	722	474	1,808	(722)	2,282
Non-controlling interests	—	—	2,088	—	2,088

Total assets of the partnership and its controlled subsidiaries for the period ended Mar. 31, 2022 were \$107,433 million (Dec. 31, 2021 - \$112,004 million).

## STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND USE OF NON-IFRS MEASURES

This MD&A, particularly “*Objectives and Financial Highlights – Overview of the Business*” and “*Additional Information – Trend Information*”, contains “forward-looking information” within the meaning of applicable securities laws and regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding our operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “seeks”, “intends”, “targets”, “projects”, “forecasts”, “likely”, or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”.

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: risks incidental to the ownership and operation of real estate properties including local real estate conditions; the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business, including as a result of the recent global economic shutdown caused by the COVID-19 pandemic; the ability to enter into new leases or renew leases on favorable terms; business competition; dependence on tenants’ financial condition; the use of debt to finance our business; the behavior of financial markets, including fluctuations in interest and foreign exchange rates; uncertainties of real estate development or redevelopment; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; risks relating to our insurance coverage; the possible impact of international conflicts and other developments including terrorist acts; potential environmental liabilities; changes in tax laws and other tax related risks; dependence on management personnel; illiquidity of investments; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits therefrom; operational and reputational risks; catastrophic events, such as earthquakes, hurricanes or pandemics/epidemics; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States, as applicable. In addition, our future results may be impacted by risks associated with the global economic shutdown and the related global reduction in commerce and travel, which may result in a decrease of cash flows and a potential increase in impairment losses and/or revaluations on our investments and real estate properties, and we may be unable to achieve our expected returns.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements or information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

## Corporate Information

### CORPORATE PROFILE

Brookfield Property Partners is one of the world's largest commercial real estate companies, with over \$107 billion in total consolidated assets. We are leading owners, operators and developers of commercial property assets, with a diversified portfolio of premier office and retail properties, as well as multifamily, logistics, hospitality, student housing and manufactured housing assets. Further information is available at [bpy.brookfield.com](http://bpy.brookfield.com).

Brookfield Property Partners is a subsidiary of Brookfield Asset Management, a leading global alternative asset manager with approximately \$690 billion in assets under management. More information is available at [www.brookfield.com](http://www.brookfield.com).

### BROOKFIELD PROPERTY PARTNERS

73 Front Street, 5<sup>th</sup> Floor  
Hamilton, HM 12  
Bermuda  
Tel: (441) 294-3309  
[bpy.brookfield.com](http://bpy.brookfield.com)

### UNITHOLDERS INQUIRIES

Brookfield Property Partners welcomes inquiries from Unitholders, media representatives and other interested parties. Questions relating to investor relations or media inquiries can be directed to Rachel Nappi, Investor Relations at 855-212-8243 or via email at [bpy.enquiries@brookfield.com](mailto:bpy.enquiries@brookfield.com). Unitholder questions relating to distributions, address changes and unit certificates should be directed to the partnership's transfer agent, AST Trust Company, as listed below.

### AST TRUST COMPANY (Canada)

By mail: P.O. Box 4229  
Station A  
Toronto, Ontario, M5W 0G1  
Tel: (416) 682-3860; (800) 387-0825  
Fax: (888) 249-6189  
E-mail: [inquiries@astfinancial.com](mailto:inquiries@astfinancial.com)  
Web site: [www.astfinancial.com/ca](http://www.astfinancial.com/ca)

### COMMUNICATIONS

Brookfield Property Partners maintains a website, [bpy.brookfield.com](http://bpy.brookfield.com), which provides access to our published reports, press releases, statutory filings, and unit and distribution information as well as summary information on our outstanding preferred units.

We maintain an investor relations program and strive to respond to inquiries in a timely manner.

**Brookfield Property Partners L.P.**

Condensed consolidated financial statements (unaudited)

As at March 31, 2022 and December 31, 2021 and  
for the three months ended March 31, 2022 and 2021

## Brookfield Property Partners L.P.

### Condensed Consolidated Balance Sheets

Unaudited (US\$ Millions)	Note	As at	
		Mar. 31, 2022	Dec. 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	4	\$ 61,544	\$ 64,613
Equity accounted investments	5	20,810	20,807
Property, plant and equipment	6	5,542	5,623
Goodwill	7	803	832
Intangible assets	8	935	964
Other non-current assets	9	4,395	3,578
Loans and notes receivable		167	152
<b>Total non-current assets</b>		<b>94,196</b>	<b>96,569</b>
<b>Current assets</b>			
Loans and notes receivable		270	73
Accounts receivable and other	10	1,517	2,276
Cash and cash equivalents		1,908	2,576
<b>Total current assets</b>		<b>3,695</b>	<b>4,925</b>
Assets held for sale	11	9,542	10,510
<b>Total assets</b>		<b>\$ 107,433</b>	<b>\$ 112,004</b>
<b>Liabilities and equity</b>			
<b>Non-current liabilities</b>			
Debt obligations	12	\$ 37,250	\$ 38,579
Capital securities	13	3,109	3,024
Other non-current liabilities	15	1,292	1,499
Deferred tax liabilities		2,673	3,250
<b>Total non-current liabilities</b>		<b>44,324</b>	<b>46,352</b>
<b>Current liabilities</b>			
Debt obligations	12	13,737	13,742
Capital securities	13	61	61
Accounts payable and other liabilities	16	3,595	3,762
<b>Total current liabilities</b>		<b>17,393</b>	<b>17,565</b>
Liabilities associated with assets held for sale	11	1,074	3,082
<b>Total liabilities</b>		<b>62,791</b>	<b>66,999</b>
<b>Equity</b>			
Limited partners	17	9,011	8,805
General partner	17	4	4
Preferred equity	17	699	699
Non-controlling interests attributable to:			
Redeemable/exchangeable and special limited partnership units	17, 18	16,104	15,736
FV LTIP units of the Operating Partnership	17, 18	56	55
Interests of others in operating subsidiaries and properties	18	18,768	19,706
<b>Total equity</b>		<b>44,642</b>	<b>45,005</b>
<b>Total liabilities and equity</b>		<b>\$ 107,433</b>	<b>\$ 112,004</b>

See accompanying notes to the condensed consolidated financial statements.

## Brookfield Property Partners L.P.

### Condensed Consolidated Income Statements

Unaudited (US\$ Millions, except per unit amounts)	Note	Three months ended Mar. 31,	
		2022	2021
Commercial property revenue	19	\$ 1,255	\$ 1,285
Hospitality revenue	20	313	59
Investment and other revenue	21	486	106
<b>Total revenue</b>		<b>2,054</b>	<b>1,450</b>
Direct commercial property expense	22	470	506
Direct hospitality expense	23	288	121
Investment and other expense		239	8
Interest expense		600	612
General and administrative expense	24	232	213
<b>Total expenses</b>		<b>1,829</b>	<b>1,460</b>
Fair value gains, net	25	1,270	640
Share of net earnings from equity accounted investments	5	380	206
<b>Income before income taxes</b>		<b>1,875</b>	<b>836</b>
Income tax expense	14	183	105
<b>Net income</b>		<b>\$ 1,692</b>	<b>\$ 731</b>
<b>Net income attributable to:</b>			
Limited partners		\$ 251	\$ 124
General partner		—	—
Non-controlling interests attributable to:			
Redeemable/exchangeable and special limited partnership units		449	129
Limited partnership units of Brookfield Office Properties Exchange LP		—	1
FV LTIP units of the Operating Partnership		2	1
Class A shares of Brookfield Property Retail Holding LLC		—	11
Interests of others in operating subsidiaries and properties		990	465
<b>Total</b>		<b>\$ 1,692</b>	<b>\$ 731</b>

See accompanying notes to the condensed consolidated financial statements.

# Brookfield Property Partners L.P.

## Condensed Consolidated Statements of Comprehensive Income

Unaudited (US\$ Millions)	Note	Three months ended Mar. 31,	
		2022	2021
<b>Net income</b>		\$ 1,692	\$ 731
<b>Other comprehensive income (loss)</b>	26		
Items that may be reclassified to net income:			
Foreign currency translation		(31)	(70)
Cash flow hedges		101	54
Equity accounted investments		53	23
Items that will not be reclassified to net income:			
Securities - fair value through other comprehensive income ("FVTOCI")		(1)	—
<b>Total other comprehensive income</b>		<b>122</b>	<b>7</b>
<b>Total comprehensive income</b>		<b>\$ 1,814</b>	<b>\$ 738</b>
<b>Comprehensive income attributable to:</b>			
<b>Limited partners</b>			
Net income		\$ 251	\$ 124
Other comprehensive income		35	17
		<b>286</b>	<b>141</b>
<b>Non-controlling interests</b>			
<b>Redeemable/exchangeable and special limited partnership units</b>			
Net income		449	129
Other comprehensive income		62	19
		<b>511</b>	<b>148</b>
<b>Limited partnership units of Brookfield Office Properties Exchange LP</b>			
Net income		—	1
Other comprehensive income		—	—
		<b>—</b>	<b>1</b>
<b>FV LTIP units of the Operating Partnership</b>			
Net income		2	1
Other comprehensive income		—	—
		<b>2</b>	<b>1</b>
<b>Class A shares of Brookfield Property Retail Holding LLC</b>			
Net income		—	11
Other comprehensive income		—	2
		<b>—</b>	<b>13</b>
<b>Interests of others in operating subsidiaries and properties</b>			
Net income		990	465
Other comprehensive income		25	(31)
		<b>1,015</b>	<b>434</b>
<b>Total comprehensive income</b>		<b>\$ 1,814</b>	<b>\$ 738</b>

See accompanying notes to the condensed consolidated financial statements.

# Brookfield Property Partners L.P.

## Condensed Consolidated Statements of Changes in Equity

Unaudited (US\$ Millions)	Limited partners				Total limited partners equity	General partner				Preferred Equity		Non-controlling interests					Total equity
	Capital	Retained earnings	Ownership Changes	Accumulated other comprehensive (loss) income		Capital	Retained earnings	Ownership Changes	Accumulated other comprehensive (loss) income	Total general partner equity	Total preferred equity	Redeemable / exchangeable and special limited partnership units	Limited partnership units of Brookfield Office Properties Exchange LP	FV LTIP units of the Operating Partnership	Class A shares of Brookfield Property Retail Holding LLC	Interests of others in operating subsidiaries and properties	
<b>Balance as at Dec. 31, 2021</b>	\$ 5,861	\$ 457	\$ 2,598	\$ (111)	\$ 8,805	\$ 4	\$ 2	\$ (1)	\$ (1)	\$ 4	\$ 699	\$ 15,736	\$ —	\$ 55	\$ —	\$ 19,706	\$ 45,005
Net income	—	251	—	—	251	—	—	—	—	—	—	449	—	2	—	990	1,692
Other comprehensive income (loss)	—	—	—	35	35	—	—	—	—	—	—	62	—	—	—	25	122
Total comprehensive income	—	251	—	35	286	—	—	—	—	—	—	511	—	2	—	1,015	1,814
Distributions	—	(105)	—	—	(105)	—	—	—	—	—	—	(187)	—	(1)	—	(2,141)	(2,434)
Preferred distributions	—	(4)	—	—	(4)	—	—	—	—	—	—	(7)	—	—	—	—	(11)
Issuance / repurchase of interests in operating subsidiaries	—	25	1	—	26	—	—	—	—	—	—	45	—	9	—	188	268
Change in relative interests of non-controlling interests	—	—	3	—	3	—	—	—	—	—	—	6	—	(9)	—	—	—
<b>Balance as at Mar. 31, 2022</b>	\$ 5,861	\$ 624	\$ 2,602	\$ (76)	\$ 9,011	\$ 4	\$ 2	\$ (1)	\$ (1)	\$ 4	\$ 699	\$ 16,104	\$ —	\$ 56	\$ —	\$ 18,768	\$ 44,642
<b>Balance as at Dec. 31, 2020</b>	\$ 8,562	\$ 486	\$ 3,010	\$ (349)	\$ 11,709	\$ 4	\$ 2	\$ (1)	\$ (1)	\$ 4	\$ 699	\$ 12,249	\$ 73	\$ 52	\$ 1,050	\$ 15,687	\$ 41,523
Net (loss) income	—	124	—	—	124	—	—	—	—	—	—	129	1	1	11	465	731
Other comprehensive (loss)	—	—	—	17	17	—	—	—	—	—	—	19	—	—	2	(31)	7
Total comprehensive (loss)	—	124	—	17	141	—	—	—	—	—	—	148	1	1	13	434	738
Distributions	—	(145)	—	—	(145)	—	—	—	—	—	—	(152)	(1)	(1)	(13)	(768)	(1,080)
Preferred distributions	—	(6)	—	—	(6)	—	—	—	—	—	—	(5)	—	—	—	—	(11)
Issuance / repurchase of interest in operating subsidiaries	2	(11)	14	—	5	—	—	—	—	—	—	7	—	1	(17)	705	701
Exchange of exchangeable units	2	—	1	—	3	—	—	—	—	—	—	1	(4)	—	—	—	—
Change in relative interest of non-controlling interests	—	—	(1)	—	(1)	—	—	—	—	—	—	(6)	3	(2)	6	—	—
<b>Balance as at Mar. 31, 2021</b>	\$ 8,566	\$ 448	\$ 3,024	\$ (332)	\$ 11,706	\$ 4	\$ 2	\$ (1)	\$ (1)	\$ 4	\$ 699	\$ 12,242	\$ 72	\$ 51	\$ 1,039	\$ 16,058	\$ 41,871

See accompanying notes to the condensed consolidated financial statements.

## Brookfield Property Partners L.P.

### Condensed Consolidated Statements of Cash Flows

Unaudited (US\$ Millions)	Note	Three Months Ended Mar. 31,	
		2022	2021
<b>Operating activities</b>			
Net income (loss)		\$ 1,692	\$ 731
Share of equity accounted (earnings) losses, net of distributions		(301)	(155)
Fair value (gains) losses, net	25	(1,270)	(640)
Deferred income tax expense	14	156	79
Depreciation and amortization	22,23	82	68
Working capital and other		201	916
		560	999
<b>Financing activities</b>			
Debt obligations, issuance		1,449	2,477
Debt obligations, repayments		(2,728)	(3,353)
Capital securities issued		57	—
Capital securities redeemed		—	(1)
Non-controlling interests, issued		249	748
Repayment of lease liabilities		(6)	(6)
Limited partnership units, repurchased		—	(18)
Distributions to non-controlling interests in operating subsidiaries		(2,122)	(736)
Preferred distributions		(11)	(11)
Distributions to limited partnership unitholders		(105)	(145)
Distributions to redeemable/exchangeable and special limited partnership unitholders		(187)	(152)
Distributions to holders of Brookfield Office Properties Exchange LP units		—	(1)
Distributions to holders of FV LTIP units of the Operating Partnership		(1)	(1)
Distributions to holders of Class A shares of Brookfield Property Retail Holding LLC		—	(13)
		(3,405)	(1,212)
<b>Investing activities</b>			
Acquisitions			
Investment properties		(310)	(582)
Property, plant and equipment		(89)	(27)
Equity accounted investments		(22)	(104)
Financial assets and other		(148)	(424)
Dispositions			
Investment properties		216	198
Equity accounted investments		383	67
Financial assets and other		220	370
Disposition of subsidiaries		1,980	—
Cash impact of deconsolidation and reclassification to assets held for sale		(51)	—
Restricted cash and deposits		2	(112)
		2,181	(614)
<b>Cash and cash equivalents</b>			
Net change in cash and cash equivalents during the period		(664)	(827)
Effect of exchange rate fluctuations on cash and cash equivalents held in foreign currencies		(4)	(11)
Balance, beginning of period		2,576	2,473
<b>Balance, end of period</b>		\$ 1,908	\$ 1,635
<b>Supplemental cash flow information</b>			
<b>Cash paid for:</b>			
Income taxes, net of refunds received		\$ 18	\$ 19
Interest (excluding dividends on capital securities)		\$ 537	\$ 546

See accompanying notes to the condensed consolidated financial statements.

# Brookfield Property Partners L.P.

## Notes to the Condensed Consolidated Financial Statements

### NOTE 1. ORGANIZATION AND NATURE OF THE BUSINESS

Brookfield Property Partners L.P. (“BPY” or the “partnership”) was formed as a limited partnership under the laws of Bermuda, pursuant to a limited partnership agreement dated January 3, 2013, as amended and restated on August 8, 2013. BPY is a subsidiary of Brookfield Asset Management Inc. (“Brookfield Asset Management,” “BAM,” or the “parent company”) and is the primary entity through which the parent company and its affiliates own, operate, and invest in commercial and other income producing property on a global basis.

The partnership’s sole direct investment is a 36% managing general partnership units (“GP Units” or “GP”) interest in Brookfield Property L.P. (the “operating partnership”). The GP Units provide the partnership with the power to direct the relevant activities of the operating partnership.

The partnership’s limited partnership units (“BPY Units” or “LP Units”) were delisted from the Nasdaq Stock Market (“Nasdaq”) and the Toronto Stock Exchange (“TSX”) on July 26, 2021. See *Note 3, Privatization of the Partnership* for further information. The partnership’s 6.5% Preferred Units, Series 1, 6.375% Preferred Units, Series 2, 5.75% Preferred Units, Series 3, and Brookfield Property Preferred L.P.’s (“New LP”) 6.25% Preferred Units, Series 1 are traded on the Nasdaq under the symbols “BPYPP”, “BPYPO”, “BPYPN”, and “BPYPM” respectively. The New LP 6.25% Preferred Units, Series 1 are also traded on the TSX under the symbol “BPYP.PR.A

The registered head office and principal place of business of the partnership is 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

The interim condensed consolidated financial statements of the partnership and its subsidiaries have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB, have been omitted or condensed.

These condensed consolidated financial statements as of and for the three months ended March 31, 2022 were approved and authorized for issue by the Board of Directors of the partnership on May 6, 2022.

#### b) Basis of presentation

The interim condensed consolidated financial statements are prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2021. Consequently, the information included in these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the partnership’s annual report on Form 20-F for the year ended December 31, 2021.

During the fourth quarter of 2021, as a result of a change in accounting policy, the partnership reclassified depreciation and amortization expense, which was previously presented as a separate line item, to direct commercial property expense and direct hospitality expense. Prior period amounts were also adjusted to reflect this change, which resulted in an increase to direct commercial property expense and direct hospitality expense of \$20 million and \$48 million for three months ended March 31, 2021, respectively, with equal and offsetting decreases to depreciation and amortization expense. This reclassification had no impact on revenues or net income.

The interim condensed consolidated financial statements are unaudited and reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim periods presented in accordance with IFRS. The results reported in these interim condensed consolidated financial statements should not necessarily be regarded as indicative of results that may be expected for the entire year.

The interim condensed consolidated financial statements are prepared on a going concern basis and have been presented in U.S. Dollars rounded to the nearest million unless otherwise indicated.

#### c) Critical judgements and estimates in applying accounting policies

The preparation of the partnership’s interim condensed consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgment in applying the partnership’s accounting policies. The accounting policies and critical estimates and assumptions have been set out in Note 2, *Summary of Significant Accounting Policies*, to the partnership’s consolidated financial statements for the year ended December 31, 2021 and have been consistently applied in the preparation of the interim condensed consolidated financial statements as of and for the three months ended March 31, 2022.

There remains a residual risk arising from any emerging or future variants of the coronavirus (“COVID-19”), and any resulting responses from global government authorities, across the various geographies in which the partnership owns and operates investment properties, and property, plant and equipment. As a result of this residual risk, there remains uncertainty in the near-term surrounding leasing trends, market rates, and the ability to exit investments in the partnership’s expected timeframe. These circumstances have created estimation uncertainty in the determination of the fair value of investment properties as of March 31, 2022.

Judgment is applied when determining whether indicators of impairment exist when assessing the carrying values of the partnership’s property, plant and equipment and intangible assets for potential impairment as a result of COVID-19. Consideration is given to a combination of factors,

including but not limited to forecasts of revenues and expenses, valuations of assets, and projections of market trends and economic environments.

### NOTE 3. PRIVATIZATION OF THE PARTNERSHIP

During the first quarter of 2021, Brookfield Asset Management announced a proposal to acquire all LP Units and limited partnership units of Brookfield Office Properties Exchange LP (“Exchange LP Units”) that it did not previously own (“Privatization”) for \$18.17 cash per unit, BAM class A limited voting shares (“BAM shares”), or BPY preferred units with a liquidation preference of \$25.00 per unit (“New LP Preferred Units”, see Note 13, *Capital Securities* for further information), subject to pro-rata. On July 16, 2021, the Privatization was approved by the unitholders. On July 26, 2021, BAM completed the Privatization and the acquisition of all Brookfield Property Retail Holding LLC (“BPYU”) Class A stock, par value \$.01 per share (“BPYU Units”) that it did not previously own. The LP Units were delisted from the TSX and Nasdaq at market close on July 26, 2021. The BPYU Units were delisted from Nasdaq at market close on the same date. The New LP Preferred Units issued in the privatization began trading on the TSX under the symbol “BPYP.PR.A” and Nasdaq under the symbol “BPYPM” on July 27, 2021.

Based on unitholder elections, together with the amounts to be delivered to holders of BPYU Units, an aggregate of 51,971,192 units elected for cash, 271,358,615 units elected for BAM shares and 17,970,971 units elected for New LP Preferred Units. As holders elected to receive more BAM shares than were available under the transaction, unitholders that elected to receive BAM shares received 54.5316% of the aggregate BAM shares they elected to receive and the balance was delivered 93.05% in cash and 6.95% in New LP Preferred Units. Unitholders who made an election to receive 100% of their consideration in cash received \$18.17 in cash and Unitholders who made an election to receive 100% of their consideration in New LP Preferred Units received 0.7268 New LP Preferred Units.

Cash consideration of approximately \$3.0 billion was paid by the partnership, whilst BAM distributed 59,279,263 BAM Class A shares and 19,287,783 New LP Preferred Units to holders of LP Units, BPYU Units and Exchange LP Units. The cash consideration was funded to the partnership by BAM in exchange for approximately \$2.5 billion of non-voting common equity of a BPY subsidiary which is accounted for as non-controlling interests by BPY (“Canholdco Class B Common Shares”) with the remainder for New LP Preferred Units. The New LP Preferred Units were recognized at a fair value of approximately \$474 million upon issuance and classified as a financial liability under the amortized cost basis on the balance sheet. See Note 13, *Capital Securities* for further information on New LP Preferred Units.

The impacts of the Privatization are disclosed separately in the Consolidated Statement of Changes in Equity for the year end December 31, 2021. The Privatization was accounted for by the partnership as a redemption of LP Units, Exchange LP Units and BPYU Units for cash and redeemable/exchangeable partnership units of the operating partnership (“Redeemable/Exchangeable Partnership Units” or “REUs”). The difference between the carrying value of the redeemed LP Units, Exchange LP Units, and BPYU Units and the fair value of the consideration paid for was recognized in Ownership Changes and was attributed pro-rata to the remaining LP Units and the REUs. After the Privatization, all of the outstanding LP Units are owned by BAM. No Exchange LP Units or BPYU Units are held by public holders following the Privatization. In connection with the Privatization, approximately \$250 million of preferred equity of BPYU was fully redeemed for cash. See Note 28, *Unit-Based Compensation* in the 2021 annual report for information on the impact to unit-based compensation resulting from the Privatization.

Subsequent to the Privatization, there are no longer publicly traded LP Units. As such, earnings per unit is no longer presented.

### NOTE 4. INVESTMENT PROPERTIES

The following table presents a roll forward of the partnership’s investment property balances, all of which are considered Level 3 within the fair value hierarchy, for the three months ended March 31, 2022 and the year ended December 31, 2021:

(US\$ Millions)	Three months ended Mar. 31, 2022			Year ended Dec. 31, 2021		
	Commercial properties	Commercial developments	Total	Commercial properties	Commercial developments	Total
Balance, beginning of period	\$ 62,313	\$ 2,300	\$ 64,613	\$ 70,294	\$ 2,316	\$ 72,610
Changes resulting from:						
Property acquisitions	8	—	8	491	80	571
Capital expenditures	141	150	291	796	758	1,554
Property dispositions <sup>(1)</sup>	(18)	(1)	(19)	(1,299)	(351)	(1,650)
Fair value gains (losses), net	831	64	895	1,791	171	1,962
Foreign currency translation	(30)	(33)	(63)	(558)	(37)	(595)
Transfer between commercial properties and commercial developments	(44)	44	—	635	(635)	—
Reclassifications to assets held for sale and other changes	(3,731)	(450)	(4,181)	(9,837)	(2)	(9,839)
Balance, end of period <sup>(2)</sup>	\$ 59,470	\$ 2,074	\$ 61,544	\$ 62,313	\$ 2,300	\$ 64,613

<sup>(1)</sup> Property dispositions represent the fair value on date of sale.

<sup>(2)</sup> Includes right-of-use commercial properties and commercial developments of \$550 million and \$22 million, respectively, as of March 31, 2022 (December 31, 2021 - \$557 million and \$24 million). Current lease liabilities of \$119 million (December 31, 2021 - \$118 million) have been included in accounts payable and other liabilities and non-current lease liabilities of \$457 million (December 31, 2021 - \$558 million) have been included in other non-current liabilities.

The partnership determines the fair value of each commercial property based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the applicable balance sheet dates, less future cash outflows in respect of such leases. Investment property valuations are generally completed by undertaking one of two accepted income approach methods,

which include either: i) discounting the expected future cash flows, generally over a term of 10 years including a terminal value based on the application of a capitalization rate to estimated year 11 cash flows; or ii) undertaking a direct capitalization approach whereby a capitalization rate is applied to estimated current year cash flows. Where there has been a recent market transaction for a specific property, such as an acquisition or sale of a partial interest, the partnership values the property on that basis. In determining the appropriateness of the methodology applied, the partnership considers the relative uncertainty of the timing and amount of expected cash flows and the impact such uncertainty would have in arriving at a reliable estimate of fair value. The partnership prepares these valuations considering asset and market specific factors, as well as observable transactions for similar assets. The determination of fair value requires the use of estimates, which are internally determined and compared with market data, third-party reports and research as well as observable conditions. Except for the impacts caused by COVID-19 and the resulting measurement uncertainty discussed in Note 2(c), *Summary of Significant Accounting Policies - Critical judgements and estimates in applying accounting policies*, there are currently no other known trends, events or uncertainties that the partnership reasonably believes could have a sufficiently pervasive impact across the partnership's businesses to materially affect the methodologies or assumptions utilized to determine the estimated fair values reflected in this report. In response to the measurement uncertainty caused by COVID-19, the partnership has adjusted cash flow assumptions for its estimate of the near-term disruption to cash flows to reflect collections, vacancy and assumptions with respect to new leasing activity. In addition, the partnership has assessed the appropriateness of the discount and terminal capitalization rates giving consideration to changes to property level cash flows and any risk premium inherent in such cash flow changes as well as the cost of capital and credit spreads. Discount rates and capitalization rates are inherently uncertain and may be impacted by, among other things, movements in interest rates in the geographies and markets in which the assets are located. Changes in estimates of discount and capitalization rates across different geographies and markets are often independent of each other and not necessarily in the same direction or of the same magnitude. Further, impacts to the partnership's fair values of commercial properties from changes in discount or capitalization rates and cash flows are usually inversely correlated. Decreases (increases) in the discount rate or capitalization rate result in increases (decreases) of fair value. Such decreases (increases) may be mitigated by decreases (increases) in cash flows included in the valuation analysis, as circumstances that typically give rise to increased interest rates (e.g., strong economic growth, inflation) usually give rise to increased cash flows at the asset level. Refer to the table below for further information on valuation methods used by the partnership for its asset classes.

Commercial developments are also measured using a discounted cash flow model, net of costs to complete, as of the balance sheet date. Development sites in the planning phases are measured using comparable market values for similar assets.

In accordance with its policy, the partnership generally measures and records its commercial properties and developments using valuations prepared by management. However, for certain subsidiaries, the partnership relies on quarterly valuations prepared by external valuation professionals. Management compares the external valuations to the partnership's internal valuations to review the work performed by the external valuation professionals. Additionally, a number of properties are externally appraised each year and the results of those appraisals are compared to the partnership's internally prepared values.

#### Valuation Metrics

The key valuation metrics for the partnership's consolidated commercial properties are set forth in the following tables below on a weighted-average basis:

	Primary valuation method	Mar. 31, 2022			Dec. 31, 2021		
		Discount rate	Terminal capitalization rate	Investment horizon (years)	Discount rate	Terminal capitalization rate	Investment horizon (years)
Consolidated properties							
Core Office	Discounted cash flow	6.5%	5.3 %	11	6.5%	5.3 %	11
Core Retail	Discounted cash flow	7.0%	5.3 %	10	7.0%	5.3 %	10
LP Investments <sup>(1)</sup>	Discounted cash flow	9.5%	7.0 %	8	9.4%	7.0 %	8

<sup>(1)</sup> The valuation method used to value multifamily, triple net lease, student housing, and manufactured housing properties is the direct capitalization method. At March 31, 2022, the overall implied capitalization rate used for properties using the direct capitalization method was 3.9% (December 31, 2021 - 4.3%).

#### Fair Value Measurement

The following table presents the partnership's investment properties measured at fair value in the condensed consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined in Note 2(i), *Summary of Significant Accounting Policies: Fair value measurement*, in the consolidated financial statements as of December 31, 2021:

(US\$ Millions)	Mar. 31, 2022				Dec. 31, 2021			
	Level 3				Level 3			
	Level 1	Level 2	Commercial properties	Commercial developments	Level 1	Level 2	Commercial properties	Commercial developments
Core Office	\$ —	\$ —	\$ 24,804	\$ 1,107	\$ —	\$ —	\$ 24,643	\$ 1,022
Core Retail	—	—	19,011	77	—	—	18,991	—
LP Investments	—	—	15,655	890	—	—	18,679	1,278
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 59,470</b>	<b>\$ 2,074</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 62,313</b>	<b>\$ 2,300</b>

### Fair Value Sensitivity

The following table presents a sensitivity analysis to the impact of a 25 basis point movement of the discount rate and terminal capitalization or overall implied capitalization rate on fair values of the partnership's commercial properties as of March 31, 2022, for properties valued using the discounted cash flow or direct capitalization method, respectively:

(US\$ Millions)	Mar. 31, 2022		
	Impact of +25bps DR	Impact of +25bps TCR	Impact of +25bps DR and +25bps TCR or +25bps ICR
Core Office	\$ 575	\$ 868	\$ 1,420
Core Retail	419	680	1,042
LP Investments <sup>(1)</sup>	535	390	894
<b>Total</b>	<b>\$ 1,529</b>	<b>\$ 1,938</b>	<b>\$ 3,356</b>

<sup>(1)</sup> The valuation method used to value multifamily and manufactured housing properties is the direct capitalization method. The rates presented as the discount rate relate to the overall implied capitalization rate. The terminal capitalization rate and investment horizon are not applicable. The impact of the sensitivity analysis on the discount rate includes properties valued using the DCF method as well as properties valued using an overall implied capitalization rate under the direct capitalization method.

## NOTE 5. EQUITY ACCOUNTED INVESTMENTS

The partnership has investments in joint arrangements that are joint ventures, and also has investments in associates. Joint ventures hold individual commercial properties, hotels, and portfolios of commercial properties and developments that the partnership owns together with co-owners where decisions relating to the relevant activities of the joint venture require the unanimous consent of the co-owners. Details of the partnership's investments in joint ventures and associates, which have been accounted for in accordance with the equity method of accounting, are as follows:

(US\$ Millions)	Principal activity	Principal place of business	Proportion of ownership interests		Carrying value	
			Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
<b>Joint Ventures</b>						
Canary Wharf Joint Venture <sup>(1)</sup>	Property holding company	United Kingdom	50 %	50 %	\$ 3,545	\$ 3,529
Manhattan West, New York	Property holding company	United States	56 %	56 %	2,180	2,396
Ala Moana Center, Hawaii	Property holding company	United States	50 %	50 %	1,926	1,939
BPYU JV Pool A	Property holding company	United States	50 %	50 %	1,829	1,810
BPYU JV Pool B	Property holding company	United States	51 %	51 %	1,179	1,140
Fashion Show, Las Vegas	Property holding company	United States	50 %	50 %	865	856
Grace Building, New York	Property holding company	United States	50 %	50 %	688	702
BPYU JV Pool C	Property holding company	United States	50 %	50 %	686	679
BPYU JV Pool D	Property holding company	United States	48 %	48 %	624	612
Southern Cross East, Melbourne	Property holding company	Australia	50 %	50 %	490	472
The Grand Canal Shoppes, Las Vegas	Property holding company	United States	50 %	50 %	463	455
One Liberty Plaza, New York	Property holding company	United States	51 %	51 %	414	402
680 George Street, Sydney	Property holding company	Australia	50 %	50 %	410	389
Brookfield Place Sydney	Property holding company	Australia	25 %	25 %	403	376
The Mall in Columbia, Maryland	Property holding company	United States	50 %	50 %	320	315
Shops at La Cantera, Texas	Property holding company	United States	50 %	50 %	272	270
ICD Brookfield Place Dubai	Property holding company	Emirates	50 %	50 %	272	250
BPYU JV Pool G	Property holding company	United States	68 %	68 %	268	263
Potsdamer Platz, Berlin	Property holding company	Germany	25 %	25 %	262	261
Baybrook Mall, Texas	Property holding company	United States	51 %	51 %	257	254
Brookfield Brazil Retail Fundo de Investimento em Participação ("Brazil Retail")	Holding company	Brazil	43 %	43 %	242	228
BPYU JV Pool F	Property holding company	United States	51 %	51 %	226	223
Brookfield D.C. Office Partners LLC ("D.C. Venture"), Washington, D.C.	Property holding company	United States	51 %	51 %	219	225
Miami Design District, Florida	Property holding company	United States	22 %	22 %	215	212
Other <sup>(2)</sup>	Various	Various	15% - 55%	15% - 55%	2,242	2,221
					<b>20,497</b>	<b>20,479</b>
<b>Associates</b>						
Various	Various	Various	13% - 31%	13% - 31%	313	328
					<b>313</b>	<b>328</b>
<b>Total</b>					<b>\$ 20,810</b>	<b>\$ 20,807</b>

<sup>(1)</sup> Stork Holdco LP is the joint venture through which the partnership acquired Canary Wharf Group plc in London.

<sup>(2)</sup> Other joint ventures consists of approximately 36 joint ventures.

The following table presents the change in the balance of the partnership's equity accounted investments as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Three months ended	
	Mar. 31, 2022	Year ended Dec. 31, 2021
Equity accounted investments, beginning of period	\$ 20,807	\$ 19,719
Additions	23	698
Disposals and return of capital distributions	(382)	(459)
Share of net earnings (losses) from equity accounted investments <sup>(1)</sup>	380	1,020
Distributions received	(79)	(172)
Foreign currency translation	(38)	(145)
Reclassification (to) from assets held for sale	—	(210)
Other comprehensive income and other	99	356
<b>Equity accounted investments, end of period</b>	<b>\$ 20,810</b>	<b>\$ 20,807</b>

<sup>(1)</sup> The partnership has not recognized \$33 million of losses related to two equity accounted investments for the period ended March 31, 2022, which have a carrying value of nil.

The key valuation metrics for the partnership's commercial properties held within the partnership's equity accounted investments are set forth in the table below on a weighted-average basis:

Equity accounted investments	Primary valuation method	Mar. 31, 2022			Dec. 31, 2021		
		Discount rate	Terminal capitalization rate	Investment horizon (yrs)	Discount rate	Terminal capitalization rate	Investment horizon (yrs)
Core Office	Discounted cash flow	6.0%	4.7 %	11	6.0 %	4.7 %	11
Core Retail	Discounted cash flow	6.3%	4.9 %	10	6.3 %	4.9 %	10
LP Investments <sup>(1)</sup>	Discounted cash flow	6.9%	5.7 %	10	6.9 %	5.6 %	10

<sup>(1)</sup> The valuation method used to value multifamily investments is the direct capitalization method. The rates used as the discount rate relate to the overall implied capitalization rate. At March 31, 2022, the overall implied capitalization used for multifamily properties was 4.0% (December 31, 2021 - 4.2%)

Summarized financial information in respect of the partnership's equity accounted investments is presented below:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Non-current assets	\$ 75,824	\$ 78,149
Current assets	4,682	4,489
Total assets	80,506	82,638
Non-current liabilities	31,099	34,821
Current liabilities	5,447	3,914
Total liabilities	36,546	38,735
Net assets	43,960	43,903
<b>Partnership's share of net assets</b>	<b>\$ 20,810</b>	<b>\$ 20,807</b>

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Revenue	\$ 1,179	\$ 1,024
Expenses	898	823
Income from equity accounted investments <sup>(1)</sup>	25	8
Income before fair value gains, net	306	209
Fair value gains (losses), net	523	210
Net income (loss)	829	419
<b>Partnership's share of net earnings (losses)</b>	<b>\$ 380</b>	<b>\$ 206</b>

<sup>(1)</sup> Share of net earnings from equity accounted investments recorded by the partnership's joint ventures and associates.

**NOTE 6. PROPERTY, PLANT AND EQUIPMENT**

Property, plant, and equipment primarily consists of hospitality assets such as Center Parcs U.K.

The following table presents the useful lives of each hospitality asset by class:

Hospitality assets by class	Useful life (in years)
Building and building improvements	2 to 50+
Land improvements	15
Furniture, fixtures and equipment	3 to 10

On June 30, 2021, the partnership obtained control over a portfolio of select-service hotels (“Hospitality Investors Trust”) after converting its preferred equity interest and becoming the 100% common equity holder for consideration of \$464 million. The partnership’s investment in the subsidiary was accounted for as a financial asset prior to this date. This transaction was accounted for as a business combination. The purchase price allocation was finalized in 2021.

The following table presents the change to the components of the partnership’s hospitality assets for the three months ended March 31, 2022 and for the year ended December 31, 2021:

(US\$ Millions)	Three months ended Mar. 31, 2022	Year ended Dec. 31, 2021
Cost:		
Balance at the beginning of period	\$ 5,723	\$ 5,575
Additions	97	1,885
Disposals	—	(323)
Foreign currency translation	(88)	(83)
Impact of deconsolidation due to loss of control and other <sup>(1)</sup>	(48)	(1,331)
	5,684	5,723
Accumulated fair value changes:		
Balance at the beginning of period	763	488
Revaluation (losses) gains, net	—	930
Impact of deconsolidation due to loss of control and other <sup>(1)</sup>	—	(593)
Disposals	—	(65)
Provision for impairment	—	7
Foreign currency translation	(13)	(4)
	750	763
Accumulated depreciation:		
Balance at the beginning of period	(863)	(828)
Depreciation	(79)	(294)
Disposals	6	84
Foreign currency translation	19	13
Impact of deconsolidation due to loss of control and other <sup>(1)</sup>	25	162
	(892)	(863)
<b>Total property, plant and equipment<sup>(2)</sup></b>	<b>\$ 5,542</b>	<b>\$ 5,623</b>

<sup>(1)</sup> The prior year reflects the reclassification of a hospitality portfolio to assets held for sale.

<sup>(2)</sup> Includes right-of-use assets of \$211 million (December 31, 2021 - \$204 million).

**NOTE 7. GOODWILL**

Goodwill of \$803 million at March 31, 2022 (December 31, 2021 - \$832 million) is primarily attributable to Center Parcs UK of \$791 million (December 31, 2021 - \$815 million). The partnership performs a goodwill impairment test annually unless there are indicators of impairment identified during the year. The partnership did not identify any impairment indicators as of March 31, 2022 and for the year ended December 31, 2021.

**NOTE 8. INTANGIBLE ASSETS**

The partnership’s intangible assets are presented on a cost basis, net of accumulated amortization and accumulated impairment losses in the condensed consolidated balance sheets. These intangible assets primarily represent the trademark assets related to Center Parcs UK.

The trademark assets of Center Parcs UK had a carrying amount of \$935 million as of March 31, 2022 (December 31, 2021 - \$964 million). They have been determined to have an indefinite useful life as the partnership has the legal right to operate these trademarks exclusively in certain territories in perpetuity. The business model of Center Parcs UK is not subject to technological obsolescence or commercial innovations in any material way.

Intangible assets by class	Useful life (in years)	
Trademarks	Indefinite	
Other	4 to 7	

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are amortized over their respective useful lives as listed above. Amortization expense is recorded as part of depreciation and amortization of non-real estate assets expense. The partnership did not identify any impairment indicators as of March 31, 2022 and for the year ended December 31, 2021.

The following table presents the components of the partnership's intangible assets as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Cost	\$ 984	\$ 1,012
Accumulated amortization	(49)	(48)
<b>Total intangible assets</b>	<b>\$ 935</b>	<b>\$ 964</b>

The following table presents a roll forward of the partnership's intangible assets for the three months ended March 31, 2022 and the year ended December 31, 2021:

(US\$ Millions)	Three months ended Mar. 31, 2022	Year ended Dec. 31, 2021
Balance, beginning of period	\$ 964	\$ 982
Acquisitions	2	6
Amortization	(3)	(14)
Foreign currency translation	(28)	(10)
<b>Balance, end of period</b>	<b>\$ 935</b>	<b>\$ 964</b>

#### NOTE 9. OTHER NON-CURRENT ASSETS

The components of other non-current assets are as follows:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Securities - FVTPL	\$ 2,214	\$ 2,200
Derivative assets	179	111
Securities - FVTOCI	68	108
Restricted cash	352	356
Inventory <sup>(1)</sup>	912	652
Accounts receivables - non-current	494	2
Other	176	149
<b>Total other non-current assets</b>	<b>\$ 4,395</b>	<b>\$ 3,578</b>

<sup>(1)</sup> Includes right-of-use inventory assets of \$26 million (December 31, 2021 - nil).

#### Securities - FVTPL

Securities - FVTPL includes the partnership's investment in the Brookfield Strategic Real Estate Partners III ("BSREP III") fund, with a carrying value of the financial asset at March 31, 2022 of \$1,158 million (December 31, 2021 - \$1,154 million).

#### NOTE 10. ACCOUNTS RECEIVABLE AND OTHER

The components of accounts receivable and other are as follows:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Derivative assets	\$ 114	\$ 33
Accounts receivable <sup>(1)</sup> - net of expected credit loss of \$108 million (December 31, 2021 - \$112 million)	413	852
Restricted cash and deposits	355	331
Prepaid expenses	297	367
Inventory	153	574
Other current assets	185	119
<b>Total accounts receivable and other</b>	<b>\$ 1,517</b>	<b>\$ 2,276</b>

<sup>(1)</sup> See Note 29, Related Parties, for further discussion.

With respect to accounts receivable, the partnership did not record a loss allowance in commercial property operating expenses for the three months ended March 31, 2022 (2021 - \$13 million). The partnership may grant further rent concessions in the deferral or abatement of lease payments. Such rent concession requests are evaluated on a case-by-case basis. Where tenants are expected to be able to meet their lease obligations after concessions have been granted, the allowance for expected credit losses includes only a portion of expected abatements that is

deemed attributable to the current period, considering the weighted average remaining lease terms. Not all requests for rent relief will be granted as the partnership does not intend to forgo its legally enforceable contractual rights that exist under its lease agreements.

#### NOTE 11. HELD FOR SALE

Non-current assets and groups of assets and liabilities which comprise disposal groups are presented as assets held for sale where the asset or disposal group is available for immediate sale in its present condition, and the sale is highly probable.

The following is a summary of the assets and liabilities that were classified as held for sale as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Investment properties	\$ 8,723	\$ 8,037
Property, plant and equipment	305	1,749
Accounts receivable and other assets	514	724
<b>Assets held for sale</b>	<b>9,542</b>	<b>10,510</b>
Debt obligations	—	3,006
Accounts payable and other liabilities	1,074	76
<b>Liabilities associated with assets held for sale</b>	<b>\$ 1,074</b>	<b>\$ 3,082</b>

The following table presents the change to the components of the assets held for sale for the three months ended March 31, 2022 and the year ended December 31, 2021:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Balance, beginning of period	\$ 10,510	\$ 588
Reclassification to (from) assets held for sale, net	4,283	12,561
Disposals	(5,597)	(2,610)
Fair value adjustments	403	—
Foreign currency translation	(57)	(57)
Other	—	28
<b>Balance, end of period</b>	<b>\$ 9,542</b>	<b>\$ 10,510</b>

At December 31, 2021, assets held for sale included a triple net lease portfolio in the U.S, a hospitality portfolio in the U.S., a mixed-use asset in South Korea, ten malls in the U.S., an office asset in the U.S., an office asset in Brazil, a multifamily asset in the U.S. and a hotel in the U.S.

In the first quarter of 2022, the partnership sold three malls in the U.S, a triple-net lease portfolio in the U.S., a multifamily asset in the U.S, a hospitality asset in the U.S. and a hospitality portfolio in the U.S. for net proceeds of approximately \$1,481 million.

At March 31, 2022, assets held for sale included one office asset in the U.K., seven malls in the U.S., four office assets in the U.S., a portfolio of student housing assets in the U.K., a mixed-use asset in South Korea, and eleven multifamily assets in the U.S, as the partnership intends to sell controlling interests in these assets to third parties in the next 12 months.

## NOTE 12. DEBT OBLIGATIONS

The partnership's debt obligations include the following:

(US\$ Millions)	Mar. 31, 2022		Dec. 31, 2021	
	Weighted-average rate	Debt balance	Weighted-average rate	Debt balance
Unsecured facilities:				
Brookfield Property Partners' credit facilities	2.21 %	1,969	2.00 %	2,257
Brookfield Property Partners' corporate bonds	4.12 %	2,002	4.11 %	1,982
Brookfield Property Retail Holding LLC term debt	2.96 %	1,853	2.61 %	1,869
Brookfield Property Retail Holding LLC senior secured notes	5.20 %	1,695	5.20 %	1,695
Brookfield Property Retail Holding LLC corporate facility	3.45 %	160	3.10 %	70
Brookfield Property Retail Holding LLC junior subordinated notes	1.75 %	192	1.58 %	206
Subsidiary borrowings	3.98 %	427	3.29 %	537
Secured debt obligations:				
Funds subscription credit facilities <sup>(1)</sup>	2.34 %	245	2.44 %	371
Fixed rate	4.44 %	23,606	4.31 %	26,248
Variable rate	3.61 %	19,063	3.29 %	20,341
Deferred financing costs		(225)		(249)
<b>Total debt obligations</b>		<b>\$ 50,987</b>		<b>\$ 55,327</b>
Current		13,737		13,742
Non-current		37,250		38,579
Debt associated with assets held for sale		—		3,006
<b>Total debt obligations</b>		<b>\$ 50,987</b>		<b>\$ 55,327</b>

<sup>(1)</sup> Funds subscription credit facilities are secured by co-investors' capital commitments.

The partnership generally believes that it will be able to either extend the maturity date, repay, or refinance the debt that is scheduled to mature in 2022-2023; however, approximately 1.4% of its debt obligations represent non-recourse mortgages where the partnership has suspended contractual payment. The partnership is currently engaging in modification or restructuring discussions with the respective creditors. These negotiations may, under certain circumstances, result in certain properties securing these loans being transferred to the lenders.

Debt obligations include foreign currency denominated debt in the functional currencies of the borrowing subsidiaries. Debt obligations by currency are as follows:

(Millions)	Mar. 31, 2022		Dec. 31, 2021	
	U.S. Dollars	Local currency	U.S. Dollars	Local currency
U.S. Dollars	\$ 33,106	\$ 33,106	\$ 37,559	\$ 37,559
British Pounds	6,871 £	5,230	7,030 £	5,196
Canadian Dollars	4,379 C\$	5,477	4,419 C\$	5,585
South Korean Won	1,876 ₩	2,280,000	1,918 ₩	2,280,000
Australian Dollars	2,127 A\$	2,843	2,014 A\$	2,773
Indian Rupee	1,902 Rs	144,085	1,801 Rs	134,378
Brazilian Reais	571 R\$	2,703	476 R\$	2,655
Chinese Yuan	98 C¥	623	69 C¥	437
Euros	282 €	255	290 €	255
Deferred financing costs		(225)		(249)
<b>Total debt obligations</b>	<b>\$ 50,987</b>		<b>\$ 55,327</b>	

The components of changes in debt obligations, including changes related to cash flows from financing activities, are summarized in the table below:

(US\$ Millions)	Dec. 31, 2021	Non-cash changes in debt obligations					Mar. 31, 2022
		Debt obligation issuance, net of repayments	Assumed by purchaser	Amortization of deferred financing costs and (premium) discount	Foreign currency translation	Other	
<b>Debt obligations</b>	\$ 55,327	(1,279)	(3,006)	31	(90)	4	<b>\$ 50,987</b>

**NOTE 13. CAPITAL SECURITIES**

The partnership has the following capital securities outstanding as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Shares outstanding	Cumulative dividend rate	Mar. 31, 2022	Dec. 31, 2021
<b>Operating Partnership Class A Preferred Equity Units:</b>				
Series 2	24,000,000	6.50 %	\$ 567	\$ 565
Series 3	24,000,000	6.75 %	548	546
New LP Preferred Units <sup>(1)</sup>	19,273,654	6.25 %	474	474
<b>Brookfield Office Properties Inc. (“BPO”) Class B Preferred Shares:</b>				
Series 1 <sup>(2)</sup>	3,600,000	70% of bank prime	—	—
Series 2 <sup>(2)</sup>	3,000,000	70% of bank prime	—	—
<b>Brookfield Property Split Corp. (“BOP Split”) Senior Preferred Shares:</b>				
Series 1	842,534	5.25 %	21	21
Series 2	556,746	5.75 %	11	11
Series 3	781,592	5.00 %	16	15
Series 4	582,894	5.20 %	12	12
Rouse Properties L.P. (“Rouse”) Series A Preferred Shares	5,600,000	5.00 %	142	142
Brookfield India Real Estate Trust (“India REIT”)	155,003,656	See footnote <sup>(3)</sup>	499	440
Capital Securities – Fund Subsidiaries			880	859
<b>Total capital securities</b>			<b>\$ 3,170</b>	<b>\$ 3,085</b>
Current			61	61
Non-current			3,109	3,024
<b>Total capital securities</b>			<b>\$ 3,170</b>	<b>\$ 3,085</b>

<sup>(1)</sup> New LP Preferred Units shares outstanding is presented net of intracompany shares held by the Operating Partnership.

<sup>(2)</sup> BPO Class B Preferred Shares, Series 1 and 2 capital securities are owned indirectly by Brookfield Asset Management. BPO has an offsetting loan receivable against these securities earning interest at 95% of bank prime.

<sup>(3)</sup> The dividend rate pertaining to India REIT is equal to a minimum of 90% of net distributable cash flows.

Capital securities includes \$474 million (December 31, 2021 - \$474 million) of preferred equity interests issued in connection with the Privatization which have been classified as a liability, rather than as a non-controlling interest, due to the fact that the holders of such interests can demand cash payment upon maturity of July 26, 2081, for the liquidation preference of \$25.00 per unit and any accumulated unpaid dividends.

Cumulative preferred dividends on the BOP Split Senior Preferred Shares are payable quarterly, as and when declared by BOP Split. On February 1, 2022, BOP Split declared quarterly dividends payable for the BOP Split Senior Preferred Shares.

Capital securities also includes \$142 million at March 31, 2022 (December 31, 2021 - \$142 million) of preferred equity interests held by a third party investor in Rouse which have been classified as a liability, rather than as a non-controlling interest, due to the fact that the interests are mandatorily redeemable on or after November 12, 2025 for a set price per unit plus any accrued but unpaid distributions; distributions are capped and accrue regardless of available cash generated.

Capital securities also includes \$499 million at March 31, 2022 (December 31, 2021 - \$440 million) of preferred equity interests held by third party investors in the India REIT, which have been classified as a liability, rather than as a non-controlling interest, due to the fact that India REIT has a contractual obligation to make distributions to unitholders every six months at an amount no less than 90% of net distributable cash flows.

Capital Securities – Fund Subsidiaries includes \$833 million at March 31, 2022 (December 31, 2021 - \$810 million) of equity interests in Brookfield DTLA Holdings LLC (“DTLA”) held by co-investors in DTLA which have been classified as a liability, rather than as non-controlling interest, as holders of these interests can cause DTLA to redeem their interests in the fund for cash equivalent to the fair value of the interests on October 15, 2023, and on every fifth anniversary thereafter. Capital Securities – Fund Subsidiaries are measured at FVTPL.

Capital Securities – Fund Subsidiaries also includes \$47 million at March 31, 2022 (December 31, 2021 - \$49 million) which represents the equity interests held by the partnership’s co-investor in the D.C. Venture which have been classified as a liability, rather than as non-controlling interest, due to the fact that on June 18, 2023, and on every second anniversary thereafter, the holders of these interests can redeem their interests in the D.C. Venture for cash equivalent to the fair value of the interests.

At March 31, 2022, capital securities includes \$39 million (December 31, 2021 - \$38 million) repayable in Canadian Dollars of C\$49 million (December 31, 2021 - C\$49 million).

Reconciliation of cash flows from financing activities from capital securities is shown in the table below:

(US\$ Millions)	Dec. 31, 2021	Non-cash changes in capital securities			Mar. 31, 2022
		Capital securities issued	Fair value changes	Other	
<b>Capital securities</b>	\$ 3,085	\$ 57	\$ 35	\$ (7)	\$ 3,170

#### NOTE 14. INCOME TAXES

The partnership is a flow-through entity for tax purposes and as such is not subject to Bermudian taxation. However, income taxes are recognized for the amount of taxes payable by the primary holding subsidiaries of the partnership (“Holding Entities”), any direct or indirect corporate subsidiaries of the Holding Entities and for the impact of deferred tax assets and liabilities related to such entities.

The components of income tax expense include the following:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Current income tax	\$ 27	\$ 26
Deferred income tax	156	79
<b>Income tax expense</b>	<b>\$ 183</b>	<b>\$ 105</b>

The partnership’s income tax expense increased for the three months ended March 31, 2022 as compared to the same period in the prior year primarily due to an increase in pre-tax income, a reduction in the benefit recognized for previously unrecognized deferred tax assets, and non-recurring tax benefits from Brookfield Opportunity Zone fund investments that occurred in the prior year. These increases were partially offset by a change in the tax rate of certain subsidiaries and the derecognition of previously recognized deferred tax assets.

#### NOTE 15. OTHER NON-CURRENT LIABILITIES

The components of other non-current liabilities are as follows:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Accounts payable and accrued liabilities	\$ 453	\$ 499
Lease liabilities <sup>(1)</sup>	588	690
Derivative liabilities	220	277
Deferred revenue	15	16
Provisions	14	16
Loans and notes payables	2	1
<b>Total other non-current liabilities</b>	<b>\$ 1,292</b>	<b>\$ 1,499</b>

<sup>(1)</sup> For the three months ended March 31, 2022, interest expense relating to total lease liabilities (see Note 16, Accounts Payable And Other Liabilities for the current portion) was \$14 million (2021 - \$15 million).

#### NOTE 16. ACCOUNTS PAYABLE AND OTHER LIABILITIES

The components of accounts payable and other liabilities are as follows:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Accounts payable and accrued liabilities	\$ 1,892	\$ 2,021
Loans and notes payable <sup>(1)</sup>	815	899
Deferred revenue	469	445
Derivative liabilities	266	221
Lease liabilities <sup>(2)</sup>	135	160
Other liabilities	18	16
<b>Total accounts payable and other liabilities</b>	<b>\$ 3,595</b>	<b>\$ 3,762</b>

<sup>(1)</sup> See Note 29, Related Parties, for further discussion

<sup>(2)</sup> See Note 15, Other Non-Current Liabilities for further information on the interest expense related to these liabilities.

## NOTE 17. EQUITY

The partnership's capital structure is comprised of five classes of partnership units: GP Units, LP Units, REUs, special limited partnership units of the operating partnership ("Special LP Units") and FV LTIP units of the operating partnership ("FV LTIP Units"). In addition, the partnership issued Class A Cumulative Redeemable Perpetual Preferred Units, Series 1 in the first quarter of 2019, Class A Cumulative Redeemable Perpetual Preferred Units, Series 2 in the third quarter of 2019 and Class A Cumulative Redeemable Perpetual Preferred Units, Series 3 in the first quarter of 2020 ("Preferred Equity Units").

As part of the Privatization, the partnership fully redeemed public holders of two classes of partnership units: Exchange LP Units and BPYU Units. Refer to Note 3, *Privatization of the Partnership* for discussion of the impacts of the Privatization to the partnership's equity structure.

### a) General and limited partnership equity

GP Units entitle the holder to the right to govern the financial and operating policies of the partnership. The GP Units are entitled to a 1% general partnership interest.

LP Units entitle the holder to their proportionate share of distributions. Each LP Unit entitles the holder thereof to one vote for the purposes of any approval at a meeting of limited partners, provided that holders of the Redeemable/Exchangeable Partnership Units that are exchanged for LP Units will only be entitled to a maximum number of votes in respect of the Redeemable/Exchangeable Partnership Units equal to 49% of the total voting power of all outstanding units.

The following table presents changes to the GP Units and LP Units from the beginning of the year:

(Thousands of units)	General partnership units		Limited partnership units	
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
Outstanding, beginning of period	139	139	298,987	435,980
Exchange LP Units exchanged	—	—	—	128
BPYU Units exchanged	—	—	—	8,922
Distribution Reinvestment Program	—	—	—	123
Issued under unit-based compensation plan	—	—	—	112
Privatization	—	—	—	(146,278)
<b>Outstanding, end of period</b>	<b>139</b>	<b>139</b>	<b>298,987</b>	<b>298,987</b>

### b) Units of the operating partnership held by Brookfield Asset Management

#### Redeemable/Exchangeable Partnership Units

There were 529,473,303 Redeemable/Exchangeable Partnership Units outstanding at March 31, 2022 and December 31, 2021.

#### Special limited partnership units

Brookfield Property Special L.P. is entitled to receive equity enhancement distributions and incentive distributions from the operating partnership as a result of its ownership of the Special LP Units.

There were 4,759,997 Special LP Units outstanding at March 31, 2022 and December 31, 2021.

### c) FV LTIP Units

The operating partnership issued FV LTIP Units under the Brookfield Property L.P. FV LTIP Unit Plan to certain participants. Each FV LTIP unit will vest over a period of five years and is redeemable for cash payment. There were 1,816,561 and 1,818,717 FV LTIP Units outstanding at March 31, 2022 and December 31, 2021, respectively.

### d) Class A stock of Brookfield Property Retail Holding LLC

In connection with the Privatization discussed in Note 3, *Privatization of the Partnership*, all public outstanding BPYU Units were acquired. The partnership indirectly owns all of the remaining outstanding Units.

### e) Preferred Equity Units

The partnership's preferred equity consists of 7,360,000 Class A Cumulative Redeemable Perpetual Preferred Units, Series 1 at \$25.00 per unit at a coupon rate of 6.5%, 10,000,000 Class A Cumulative Redeemable Perpetual Preferred Units, Series 2 at \$25.00 per unit at a coupon rate of 6.375% and 11,500,000 Class A Cumulative Redeemable Perpetual Preferred Units, Series 3 at \$25.00 per unit at a coupon rate of 5.75%. At March 31, 2022, Preferred Equity Units had a total carrying value of \$699 million (December 31, 2021 - \$699 million).

**f) Distributions**

Distributions made to each class of partnership units, including units of subsidiaries that were exchangeable into LP Units, are as follows:

(US\$ Millions, except per unit information)	Three months ended Mar. 31,	
	2022	2021
Limited Partners	\$ 105	\$ 145
Holder of:		
Redeemable/Exchangeable Partnership Units	184	150
Special LP Units	3	2
Exchange LP Units	—	1
FV LTIP Units	1	1
BPYU Units	—	13
Total	\$ 293	\$ 312
<b>Per unit<sup>(1)</sup></b>	<b>\$ 0.3500</b>	<b>\$ 0.3325</b>

<sup>(1)</sup> Per unit outstanding on the distribution record date.

**NOTE 18. NON-CONTROLLING INTERESTS**

Non-controlling interests consisted of the following:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
Redeemable/Exchangeable Partnership Units and Special LP Units <sup>(1)</sup>	\$ 16,104	\$ 15,736
FV LTIP Units <sup>(1)</sup>	56	55
Interests of others in operating subsidiaries and properties:		
Preferred shares held by Brookfield Asset Management	1,015	1,015
Preferred equity of subsidiaries	2,754	2,750
Non-controlling interests in subsidiaries and properties	14,999	15,941
Total interests of others in operating subsidiaries and properties	18,768	19,706
<b>Total non-controlling interests</b>	<b>\$ 34,928</b>	<b>\$ 35,497</b>

<sup>(1)</sup> Each unit within these classes of non-controlling interest has economic terms substantially equivalent to those of an LP Unit. As such, income attributed to each unit or share of non-controlling interest is equivalent to that allocated to an LP Unit. The proportion of interests held by holders of the Redeemable/Exchangeable Units changes as a result of issuances, repurchases and exchanges. Consequently, the partnership adjusted the relative carrying amounts of the interests held by limited partners and non-controlling interests based on their relative share of the equivalent LP Units. The difference between the adjusted value and the previous carrying amounts was attributed to current LP Units as ownership changes in the Consolidated Statements of Changes in Equity

Non-controlling interests of others in operating subsidiaries and properties consist of the following:

(US\$ Millions)	Jurisdiction of formation	Proportion of economic interests held by non-controlling interests			
		Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
BPO <sup>(1)</sup>	Canada	— %	— %	\$ 5,148	\$ 5,020
BPY Subsidiary Holding Entities <sup>(2)</sup>	Bermuda/Canada	— %	— %	3,769	3,871
BPR Retail Holdings LLC <sup>(3)</sup>	United States	— %	— %	1,308	1,274
BSREP II MH Holdings LLC <sup>(4)</sup>	United States	74 %	74 %	1,267	932
BSREP II PBSA Ltd. <sup>(4)</sup>	Bermuda	75 %	75 %	1,238	1,190
BSREP II Korea Office Holdings Pte. Ltd. <sup>(4)</sup>	South Korea	78 %	78 %	1,116	936
Center Parcs UK <sup>(4)</sup>	United Kingdom	73 %	73 %	764	799
BSREP II Retail Upper Pooling LLC <sup>(4)</sup>	United States	50 %	50 %	387	383
Brookfield Fairfield Multifamily Value Add Fund III LP <sup>(4)</sup>	United States	70 %	70 %	386	383
Hospitality Investors Trust Inc. <sup>(4)</sup>	United States	74 %	74 %	381	376
BSREP II Holdings Pte. Ltd. <sup>(4)</sup>	India	68 %	68 %	362	355
BSREP II LA Mart Mezz LLC. (DE) <sup>(4)</sup>	United States	74 %	74 %	356	352
Brookfield India Real Estate Trust <sup>(4)</sup>	India	82 %	82 %	247	280
BSREP CARS Sub-Pooling LLC <sup>(4)(5)</sup>	United States	— %	74 %	—	588
BSREP II WS Hotel Holding LLC <sup>(4)(5)</sup>	United States	— %	74 %	—	544
Other	Various	33% - 77%	33% - 77%	2,039	2,423
<b>Total</b>				<b>\$ 18,768</b>	<b>\$ 19,706</b>

<sup>(1)</sup> Includes non-controlling interests in BPO subsidiaries which vary from 1% - 100%.

<sup>(2)</sup> Includes non-controlling interests in various corporate entities of the partnership

<sup>(3)</sup> Includes non-controlling interests in BPYU subsidiaries.

<sup>(4)</sup> Includes non-controlling interests representing interests held by other investors in Brookfield-sponsored real estate funds and holding entities through which the partnership participates in such funds. Also includes non-controlling interests in underlying operating entities owned by these funds.

<sup>(5)</sup> These subsidiaries were sold in the first quarter of 2022.

**NOTE 19. COMMERCIAL PROPERTY REVENUE**

The components of commercial property revenue are as follows:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Base rent	\$ 812	\$ 848
Straight-line rent	2	10
Lease termination	10	33
Other lease income <sup>(1)</sup>	170	159
Other revenue from tenants <sup>(2)</sup>	261	235
<b>Total commercial property revenue</b>	<b>\$ 1,255</b>	<b>\$ 1,285</b>

<sup>(1)</sup> Other lease income includes parking revenue and recovery of property tax and insurance expenses from tenants.

<sup>(2)</sup> Consists of recovery of certain operating expenses from tenants which are accounted for in accordance with IFRS 15, Revenue from Contracts with Customers.

As a result of pandemic-related closures and restrictions, certain of the partnership's tenants, primarily in the Core Retail segment, requested rental assistance, in the form of either a deferral or rent reduction. Lease concessions granted in response to the pandemic are accounted for as a lease modification and are recognized prospectively over the remaining lease term when they become legally enforceable. In the current period, the partnership granted abatements of \$5 million for the three months ended March 31, 2022 (2021 - \$36 million), primarily related to prior year rents in response to tenants impacted by pandemic.

**NOTE 20. HOSPITALITY REVENUE**

The components of hospitality revenue are as follows:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Room, food and beverage	\$ 270	\$ 53
Gaming and other leisure activities	35	—
Other hospitality revenue	8	6
<b>Total hospitality revenue</b>	<b>\$ 313</b>	<b>\$ 59</b>

**NOTE 21. INVESTMENT AND OTHER REVENUE**

The components of investment and other revenue are as follows:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Investment income	\$ 380	\$ 25
Fee revenue	74	60
Dividend income	8	11
Interest income and other	23	10
Other	1	—
<b>Total investment and other revenue</b>	<b>\$ 486</b>	<b>\$ 106</b>

**NOTE 22. DIRECT COMMERCIAL PROPERTY EXPENSE**

The components of direct commercial property expense are as follows:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Property maintenance	\$ 180	\$ 182
Real estate taxes	147	157
Employee compensation and benefits	36	38
Depreciation and amortization	9	20
Lease expense <sup>(1)</sup>	3	3
Other <sup>(2)</sup>	95	106
<b>Total direct commercial property expense</b>	<b>\$ 470</b>	<b>\$ 506</b>

<sup>(1)</sup> Represents the operating expenses relating to variable lease payments not included in the measurement of the lease liability.

<sup>(2)</sup> For the three months ended March 31, 2022, the partnership did not record a loss allowance in commercial property operating expenses (2021 - \$13 million).

**NOTE 23. DIRECT HOSPITALITY EXPENSE**

The components of direct hospitality expense are as follows:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Employee compensation and benefits	\$ 52	\$ 20
Cost of food, beverage, and retail goods sold	54	7
Maintenance and utilities	28	18
Depreciation and amortization	73	48
Marketing and advertising	9	6
Other	72	22
<b>Total direct hospitality expense</b>	<b>\$ 288</b>	<b>\$ 121</b>

**NOTE 24. GENERAL AND ADMINISTRATIVE EXPENSE**

The components of general and administrative expense are as follows:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Employee compensation and benefits	\$ 91	\$ 87
Management fees	70	51
Transaction costs	4	4
Other	67	71
<b>Total general and administrative expense</b>	<b>\$ 232</b>	<b>\$ 213</b>

**NOTE 25. FAIR VALUE GAINS (LOSSES), NET**

The components of fair value gains (losses), net, are as follows:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
Commercial properties	\$ 831	\$ 444
Commercial developments	64	29
Incentive fees <sup>(1)</sup>	(32)	—
Financial instruments and other <sup>(2)</sup>	407	167
<b>Total fair values gains (losses), net</b>	<b>\$ 1,270</b>	<b>\$ 640</b>

<sup>(1)</sup> Represents incentive fees the partnership is obligated to pay to the general partner of the partnership's various fund investments.

<sup>(2)</sup> For the three months ended March 31, 2022, primarily includes a gain on a mixed-use asset in held for sale and fair value gains on financial instruments.

**NOTE 26. OTHER COMPREHENSIVE INCOME (LOSS)**

Other comprehensive income (loss) consists of the following:

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
<b>Items that may be reclassified to net income:</b>		
Foreign currency translation		
Net unrealized foreign currency translation gains (losses) in respect of foreign operations	\$ (103)	\$ (90)
Reclassification of realized foreign currency translation gains to net income on dispositions of foreign operations	17	—
Gains on hedges of net investments in foreign operations, net of income taxes for the three months ended Mar. 31, 2022 of nil (2021 – nil)	55	20
	(31)	(70)
Cash flow hedges		
Gains (losses) on derivatives designated as cash flow hedges, net of income taxes for the three months ended Mar. 31, 2022 of \$(6) million (2021 – \$(3) million)	101	54
	101	54
Equity accounted investments		
Share of unrealized foreign currency translation (losses) gains in respect of foreign operations	—	(1)
Gains (losses) on derivatives designated as cash flow hedges	53	24
	53	23
<b>Items that will not be reclassified to net income:</b>		
Unrealized gains on securities - FVTOCI, net of income taxes for the three months ended Mar. 31, 2022 of \$(3) million (2021 – \$(10) million)	(1)	—
	(1)	—
<b>Total other comprehensive income (loss)</b>	<b>\$ 122</b>	<b>\$ 7</b>

**NOTE 27. OBLIGATIONS, GUARANTEES, CONTINGENCIES AND OTHER**

In the normal course of operations, the partnership and its consolidated entities execute agreements that provide for indemnification and guarantees to third parties in transactions such as dispositions, acquisitions, sales of assets and sales of services.

Certain of the partnership's operating subsidiaries have also agreed to indemnify their directors and certain of their officers and employees. The nature of substantially all of the indemnification undertakings prevent the partnership from making a reasonable estimate of the maximum potential amount that it could be required to pay third parties as the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, neither the partnership nor its consolidated subsidiaries have made significant payments under such indemnification agreements.

The partnership and its operating subsidiaries may be contingently liable with respect to litigation and claims that arise from time to time in the normal course of business or otherwise.

During 2013, Brookfield Asset Management announced the final close on the \$4.4 billion BSREP I fund, a global private fund focused on making opportunistic investments in commercial property. The partnership, as lead investor, committed approximately \$1.3 billion to the fund. As of March 31, 2022, there remained approximately \$150 million of uncontributed capital commitments.

In April 2016, Brookfield Asset Management announced the final close on the \$9.0 billion second BSREP fund to which the partnership had committed \$2.3 billion as lead investor. As of March 31, 2022, there remained approximately \$720 million of uncontributed capital commitments.

In November 2017, Brookfield Asset Management announced the final close on the \$2.9 billion fifth Brookfield Real Estate Finance Fund ("BREF") to which the partnership had committed \$400 million. As of March 31, 2022, there remained approximately \$160 million of uncontributed capital commitments.

In September 2018, Brookfield Asset Management announced the final close on the \$1.0 billion third Brookfield Fairfield U.S. Multifamily Value Add Fund to which the partnership had committed \$300 million. As of March 31, 2022, there remained approximately \$105 million of uncontributed capital commitments.

In January 2019, Brookfield Asset Management announced the final close on the \$15.0 billion third BSREP fund to which the partnership had committed \$1.0 billion. As of March 31, 2022, there remained approximately \$225 million of uncontributed capital commitments.

In October of 2020, Brookfield Asset Management announced the final close on the €619 million (\$685 million) Brookfield European Real Estate Partnership fund to which the partnership has committed €100 million (\$111 million). As of March 31, 2022, there remained approximately €11 million (\$12 million) of uncontributed capital commitments.

The partnership maintains insurance on its properties in amounts and with deductibles that it believes are in line with what owners of similar properties carry. The partnership maintains all risk property insurance and rental value coverage (including coverage for the perils of flood, earthquake and named windstorm). The partnership does not conduct its operations, other than those of equity accounted investments, through entities that are not fully or proportionately consolidated in these financial statements, and has not guaranteed or otherwise contractually committed to support any material financial obligations not reflected in these financial statements.

## NOTE 28. FINANCIAL INSTRUMENTS

### a) Derivatives and hedging activities

The partnership and its operating entities use derivative and non-derivative instruments to manage financial risks, including interest rate, commodity, equity price and foreign exchange risks. The use of derivative contracts is governed by documented risk management policies and approved limits. The partnership does not use derivatives for speculative purposes. The partnership and its operating entities use the following derivative instruments to manage these risks:

- foreign currency forward contracts to hedge exposures to Canadian Dollar, Australian Dollar, British Pound, Euro, Chinese Yuan, Brazilian Real, Indian Rupee and South Korean Won denominated net investments in foreign subsidiaries and foreign currency denominated financial assets;
- interest rate swaps to manage interest rate risk associated with planned refinancings and existing variable rate debt;
- interest rate caps to hedge interest rate risk on certain variable rate debt; and
- cross-currency swaps to manage interest rate and foreign currency exchange rates on existing variable rate debt.

There have been no material changes to the partnership's financial risk exposure or risk management activities since December 31, 2021. Please refer to Note 32, *Financial Instruments* in the December 31, 2021 annual report on Form 20-F for a detailed description of the partnership's financial risk exposure and risk management activities.

### Interest Rate Hedging

The following table provides the partnership's outstanding derivatives that are designated as cash flow hedges of variability in interest rates associated with forecasted fixed rate financings and existing variable rate debt as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Hedging item	Notional	Rates	Maturity dates	Fair value
Mar. 31, 2022	Interest rate caps of US\$ LIBOR debt	\$ 6,546	2.5% - 4.9%	Apr. 2022 - Sep. 2023	\$ 1
	Interest rate swaps of US\$ LIBOR debt	2,130	1.0% - 2.6%	Nov. 2022 - Feb. 2024	2
	Interest rate caps of £ SONIA debt	2,734	1.0% - 2.5%	Jun. 2022 - Mar. 2025	11
	Interest rate caps of € EURIBOR debt	99	1.3%	Apr. 2022	—
	Interest rate caps of C\$ LIBOR debt	192	2.0%	Oct. 2022	—
	Interest rate swaps of AUD BBSW/BBSY debt	435	0.8% - 1.6%	Apr. 2023 - Apr. 2024	8
Dec. 31, 2021	Interest rate caps of US\$ LIBOR debt	\$ 9,590	2.5% - 5.0%	Jan. 2022 - Jun. 2024	\$ —
	Interest rate swaps of US\$ LIBOR debt	2,130	1.0% - 2.6%	Nov. 2022 - Feb. 2024	(50)
	Interest rate caps of £ LIBOR debt	2,301	1.0% - 2.5%	Jan. 2022 - Dec. 2023	—
	Interest rate caps of £ SONIA debt	974	2.0%	Oct. 2022 - Mar. 2025	5
	Interest rate caps of € EURIBOR debt	102	1.3%	Apr. 2022	—
	Interest rate caps of C\$ LIBOR debt	240	2.0%	Oct. 2022	—
	Interest rate swaps of AUD BBSW/BBSY debt	422	0.8% - 1.6%	Apr. 2023 - Apr. 2024	—

For the three months ended March 31, 2022, the amount of hedge ineffectiveness recorded in earnings in connection with the partnership's interest rate hedging activities was nil (2021 - nil).

### Foreign Currency Hedging

The following table provides the partnership's outstanding derivatives that are designated as net investments of foreign subsidiaries or foreign currency cash flow hedges as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Hedging item		Notional	Rates	Maturity dates	Fair value
<b>Mar. 31, 2022</b>	<b>Net investment hedges</b>	€	389	€0.85/\$ - €0.90/\$	Jul. 2022 - Sep. 2024	\$ (1)
	<b>Net investment hedges</b>	£	4,168	£0.71/\$ - £0.77/\$	Jun. 2022 - Jul. 2023	(38)
	<b>Net investment hedges</b>	A\$	956	A\$1.36/\$ - A\$1.41/\$	Jun. 2022 - Mar. 2023	(35)
	<b>Net investment hedges</b>	C¥	2,337	C¥6.59/\$ - C¥6.99/\$	Jun. 2022 - Jun. 2023	(14)
	<b>Net investment hedges</b>	C\$	192	C\$1.26/\$ - C\$1.31/\$	Mar. 2023 - Feb. 2025	(5)
	<b>Net investment hedges</b>	R\$	764	R\$5.29/\$ - R\$7.00/\$	Sep. 2022 - Oct. 2022	(77)
	<b>Net investment hedges</b>	₩	1,067,626	₩1,220.80/\$ - ₩1,232.00/\$	Jun. 2022 - Aug. 2023	(12)
	<b>Net investment hedges</b>	Rs	72,115	Rs75.92/\$ - Rs87.13/\$	Jun. 2022 - Jul. 2024	(21)
	<b>Net investment hedges</b>	£	374	£0.86/£	Jul. 2023	—
	<b>Cross currency swaps of C\$ LIBOR debt</b>	C\$	2,500	C\$1.25/\$ - C\$1.38/\$	Jul. 2023 - Jan. 2027	88
<b>Dec. 31, 2021</b>	<b>Net investment hedges</b>	€	389	€0.81/\$ - €0.88/\$	Jul. 2022 - Sep. 2024	\$ (2)
	<b>Net investment hedges</b>	£	4,395	£0.71/\$ - £0.76/\$	Jun. 2022 - Mar. 2023	(89)
	<b>Net investment hedges</b>	A\$	974	A\$1.35/\$ - A\$1.41/\$	Mar. 2022 - Mar. 2023	(14)
	<b>Net investment hedges</b>	C¥	1,596	C¥6.68/\$ - C¥6.99/\$	Jun. 2022 - Jun. 2023	(7)
	<b>Net investment hedges</b>	C\$	185	C\$1.26/\$ - C\$1.31/\$	Mar. 2023 - Mar. 2024	(2)
	<b>Net investment hedges</b>	R\$	2,546	R\$5.87/\$ - R\$6.54/\$	Sep. 2022 - Oct. 2022	(5)
	<b>Net investment hedges</b>	₩	720,095	₩1165.75/\$ - ₩1197.6/\$	Jun. 2022 - Jun. 2023	4
	<b>Net investment hedges</b>	Rs	75,690	Rs76.35/\$ - Rs87.13/\$	Jan. 2022 - Jul. 2024	(27)
	<b>Net investment hedges</b>	£	90	£0.91/£	Apr. 2022	9
	<b>Cross currency swaps of C\$ LIBOR debt</b>	C\$	2,500	C\$1.25/\$ - C\$1.38/\$	Jul. 2023 - Jan. 2027	56

For the three months ended March 31, 2022 and 2021, the amount of hedge ineffectiveness recorded in earnings in connection with the partnership's foreign currency hedging activities was not significant.

### Other Derivatives

The following table presents details of the partnership's other derivatives, not designated as hedges for accounting purposes, that have been entered into to manage financial risks as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Derivative type		Notional	Rates	Maturity dates	Fair value
<b>Mar. 31, 2022</b>	<b>Interest rate caps</b>	\$	4,264	2.0% - 7.9%	Apr. 2022 - May. 2023	\$ 2
	<b>Interest rate swaps on forecasted fixed rate debt</b>		1,285	3.2% - 6.4%	Jun. 2022 - Jun. 2033	(160)
	<b>Interest rate swaps of US\$ debt</b>		1,650	0.8% - 1.6%	Nov. 2022 - Mar. 2024	20
<b>Dec. 31, 2021</b>	<b>Interest rate caps</b>	\$	5,388	2.0% - 7.9%	Jan. 2022 - Feb. 2027	\$ —
	<b>Interest rate swaps on forecasted fixed rate debt</b>		1,285	3.2% - 6.4%	Jun. 2022 - Jun. 2033	(253)
	<b>Interest rate swaps of US\$ debt</b>		1,696	0.8% - 5.1%	Nov. 2022 - Mar. 2024	(8)

For the three months ended March 31, 2022, the partnership recognized fair value gains, net of nil (2021 - gains of nil), related to the settlement of certain forward starting interest rate swaps that have not been designated as hedges.

b) Measurement and classification of financial instruments

**Classification and Measurement**

The following table outlines the classification and measurement basis, and related fair value for disclosures, of the financial assets and liabilities in the interim condensed consolidated financial statements:

(US\$ Millions)	Classification and measurement basis	Mar. 31, 2022		Dec. 31, 2021	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans and notes receivable	Amortized cost	\$ 437	\$ 437	\$ 225	\$ 225
<b>Other non-current assets</b>					
Securities - FVTPL	FVTPL	2,214	2,214	2,200	2,200
Derivative assets	FVTPL	179	179	111	111
Securities - FVTOCI	FVTOCI	68	68	108	108
Restricted cash	Amortized cost	352	352	356	356
<b>Current assets</b>					
Securities - FVTOCI	FVTOCI	50	50	—	—
Derivative assets	FVTPL	114	114	33	33
Accounts receivable <sup>(1)</sup>	Amortized cost	927	927	1,128	1,128
Restricted cash	Amortized cost	355	355	331	331
Cash and cash equivalents	Amortized cost	1,908	1,908	2,576	2,576
<b>Total financial assets</b>		<b>\$ 6,604</b>	<b>\$ 6,604</b>	<b>\$ 7,068</b>	<b>\$ 7,068</b>
<b>Financial liabilities</b>					
Debt obligations <sup>(2)</sup>	Amortized cost	\$ 50,987	\$ 50,888	\$ 55,327	\$ 55,474
Capital securities	Amortized cost	2,290	2,290	2,226	2,226
Capital securities - fund subsidiaries	FVTPL	880	880	859	859
<b>Other non-current liabilities</b>					
Accounts payable	Amortized cost	455	455	500	500
Derivative liabilities	FVTPL	220	220	277	277
<b>Accounts payable and other liabilities</b>					
Accounts payable and other <sup>(3)</sup>	Amortized cost	2,966	2,966	2,097	2,097
Loans and notes payable	Amortized cost	815	815	899	899
Derivative liabilities	FVTPL	266	266	221	221
<b>Total financial liabilities</b>		<b>\$ 58,879</b>	<b>\$ 58,780</b>	<b>\$ 62,406</b>	<b>\$ 62,553</b>

<sup>(1)</sup> Includes other receivables associated with assets classified as held for sale on the condensed consolidated balance sheet in the amount of \$514 million and \$276 million as of March 31, 2022 and December 31, 2021, respectively.

<sup>(2)</sup> Includes debt obligations associated with assets classified as held for sale on the condensed consolidated balance sheet in the amount of \$0 million and \$3,006 million as of March 31, 2022 and December 31, 2021, respectively.

<sup>(3)</sup> Includes accounts payable and other liabilities associated with assets classified as held for sale on the condensed consolidated balance sheet in the amount of \$1,074 million and \$76 million as of March 31, 2022 and December 31, 2021, respectively.

### Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Fair value measurement establishes a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Quoted market prices (unadjusted) in active markets represent a Level 1 valuation. When quoted market prices in active markets are not available, the partnership maximizes the use of observable inputs within valuation models. When all significant inputs are observable, either directly or indirectly, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3, which reflect the partnership's market assumptions and are noted below. This hierarchy requires the use of observable market data when available.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

(US\$ Millions)	Mar. 31, 2022				Dec. 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Securities - FVTPL	\$ 12	\$ 218	\$ 2,033	\$ 2,263	\$ 17	\$ 218	\$ 1,965	\$ 2,200
Securities - FVTOCI	50	—	18	68	13	—	95	108
Derivative assets	—	293	—	293	—	144	—	144
<b>Total financial assets</b>	<b>\$ 62</b>	<b>\$ 511</b>	<b>\$ 2,051</b>	<b>\$ 2,624</b>	<b>\$ 30</b>	<b>\$ 362</b>	<b>\$ 2,060</b>	<b>\$ 2,452</b>
<b>Financial liabilities</b>								
Capital securities - fund subsidiaries	\$ —	\$ —	\$ 880	\$ 880	\$ —	\$ —	\$ 859	\$ 859
Derivative liabilities	—	486	—	486	—	498	—	498
<b>Total financial liabilities</b>	<b>\$ —</b>	<b>\$ 486</b>	<b>\$ 880</b>	<b>\$ 1,366</b>	<b>\$ —</b>	<b>\$ 498</b>	<b>\$ 859</b>	<b>\$ 1,357</b>

During the period, the partnership transferred its preferred shares in an operating company from Level 3 to Level 1, as the operating company underwent an initial public offering. The carrying value of the investment at March 31, 2022 is \$19 million. For the year ended December 31, 2021, the partnership transferred its preferred shares in an operating company from Level 3 to Level 1, as the operating company underwent an initial public offering. The carrying value of the investment at December 31, 2021 was \$17 million.

The following table presents the change in the balance of financial assets and financial liabilities accounted for at fair value categorized as Level 3 as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Mar. 31, 2022		Dec. 31, 2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Balance, beginning of period	\$ 2,060	\$ 859	\$ 1,682	\$ 863
Acquisitions	14	—	553	—
Dispositions	(23)	—	(88)	—
Fair value gains, net and OCI	—	30	366	2
Other	—	(9)	(453)	(6)
<b>Balance, end of period</b>	<b>\$ 2,051</b>	<b>\$ 880</b>	<b>\$ 2,060</b>	<b>\$ 859</b>

### NOTE 29. RELATED PARTIES

In the normal course of operations, the partnership enters into transactions with related parties. These transactions have been measured at exchange value and are recognized in the consolidated financial statements. The immediate parent of the partnership is Brookfield Property Partners Limited. The ultimate parent of the partnership is Brookfield Asset Management. Other related parties of the partnership include Brookfield Asset Management's subsidiaries and operating entities, certain joint ventures and associates accounted for under the equity method, as well as officers of such entities and their spouses.

The partnership has a management agreement with its service providers, wholly-owned subsidiaries of Brookfield Asset Management. Pursuant to a Master Services Agreement, which was amended in connection with the Privatization, the partnership pays a base management fee ("base management fee"), to the service providers. For the three months ended March 31, 2022, the base management fee was calculated one quarter in arrears based on the equity attributable to Unitholders of the Core Office, Core Retail and Corporate segments. Prior to the Privatization, the partnership paid a base management fee equal to 0.5% of the total capitalization of the partnership, subject to an annual minimum of \$50 million plus annual inflation adjustments. The amount of the equity enhancement distribution is reduced by the amount by which the base management fee is greater than \$50 million per annum, plus annual inflation adjustments. For the three months ended March 31, 2022, the partnership paid a base management fee of \$55 million (2021 - \$30 million).

In connection with the issuance of preferred equity units of the operating partnership to a third party in the fourth quarter of 2014, Brookfield Asset Management contingently agreed to acquire the seven-year and ten-year tranches of preferred equity units from the holder for the initial issuance price plus accrued and unpaid distributions and to exchange such units for preferred equity units with terms and conditions substantially similar to the twelve-year tranche to the extent that the market price of the LP Units is less than 80% of the exchange price at maturity. On December 30, 2021, Brookfield Asset Management acquired the seven-year tranche of preferred equity units from the holder and

exchanged such units for Redeemable/Exchangeable Partnership Units. The seven-year tranche of preferred equity units were subsequently canceled.

The following table summarizes transactions with related parties:

(US\$ Millions)	Mar. 31, 2022	Dec. 31, 2021
<b>Balances outstanding with related parties:</b>		
Net (payables)/receivables within equity accounted investments	(384)	(378)
Loans and notes receivable	177	170
Receivables and other assets	70	71
Deposit payable to Brookfield Asset Management <sup>(1)</sup>	(680)	(680)
Property-specific debt obligations	(294)	(250)
Loans and notes payable and other liabilities	(285)	(259)
Preferred shares held by Brookfield Asset Management	(1,015)	(1,015)
Brookfield Asset Management interest in Canholdco	(1,981)	(2,083)

<sup>(1)</sup> As of March 31, 2022, a \$680 million on-demand deposit was payable to Brookfield Asset Management, provided for in the deposit agreement between the partnership and Brookfield Asset Management.

(US\$ Millions)	Three months ended Mar. 31,	
	2022	2021
<b>Transactions with related parties:</b>		
Commercial property revenue <sup>(1)</sup>	\$ 8	\$ 8
Management fee income	21	7
Interest expense on debt obligations	4	5
General and administrative expense <sup>(2)</sup>	81	65
Construction costs <sup>(3)</sup>	24	50
Return of capital distributions on Brookfield Asset Management's interest in Canholdco	118	—
Distributions on Brookfield Assets management's interest in Canholdco	28	—
Incentive fees	32	—

<sup>(1)</sup> Amounts received from Brookfield Asset Management and its subsidiaries for the rental of office premises.

<sup>(2)</sup> Includes amounts paid to Brookfield Asset Management and its subsidiaries for management fees, management fees associated with the partnership's investments in private funds, and administrative services.

<sup>(3)</sup> Includes amounts paid to Brookfield Asset Management and its subsidiaries for construction costs of development properties.

## NOTE 30. SEGMENT INFORMATION

### a) Operating segments

IFRS 8, *Operating Segments*, requires operating segments to be determined based on internal reports that are regularly reviewed by the chief operating decision maker ("CODM") for the purpose of allocating resources to the segment and to assessing its performance. The partnership's operating segments are organized into four reportable segments: i) Core Office, ii) Core Retail, iii) LP Investments and iv) Corporate. This is consistent with how the partnership presents financial information to the CODM and investors. These segments are independently and regularly reviewed and managed by the Chief Executive Officer, who is considered the CODM.

### b) Basis of measurement

The CODM measures and evaluates the performance of the partnership's operating segments based on funds from operations ("FFO"). This performance metric does not have standardized meanings prescribed by IFRS and therefore may differ from similar metrics used by other companies and organizations. Management believes that while not an IFRS measure, FFO is the most consistent metric to measure the partnership's financial statements and for the purpose of allocating resources and assessing its performance.

The partnership defines FFO as net income, prior to fair value gains, net, depreciation and amortization of real estate assets, and income taxes less non-controlling interests of others in operating subsidiaries and properties share of these items. When determining FFO, the partnership also includes its proportionate share of the FFO of unconsolidated partnerships and joint ventures and associates.

### c) Reportable segment measures

The following summaries present certain financial information regarding the partnership's operating segments for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Total revenue		FFO	
	2022	2021	2022	2021
Three months ended Mar. 31,				
Core Office	\$ 568	\$ 530	\$ 139	\$ 123
Core Retail	394	364	168	95
LP Investments	1,092	555	65	(6)
Corporate	—	1	(174)	(125)
<b>Total</b>	<b>\$ 2,054</b>	<b>\$ 1,450</b>	<b>\$ 198</b>	<b>\$ 87</b>

The following summaries presents the detail of total revenue from the partnership's operating segments for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Lease revenue		Other revenue from tenants		Hospitality revenue		Investment and other revenue		Total revenue	
Three months ended Mar. 31, 2022										
Core Office	\$	339	\$	133	\$	4	\$	92	\$	568
Core Retail		285		66		—		43		394
LP Investments		373		59		309		351		1,092
Corporate		—		—		—		—		—
<b>Total</b>	<b>\$</b>	<b>997</b>	<b>\$</b>	<b>258</b>	<b>\$</b>	<b>313</b>	<b>\$</b>	<b>486</b>	<b>\$</b>	<b>2,054</b>

(US\$ Millions)	Lease revenue		Other revenue from tenants		Hospitality revenue		Investment and other revenue		Total revenue	
Three months ended Mar. 31, 2021										
Core Office	\$	377	\$	108	\$	1	\$	44	\$	530
Core Retail		267		65		—		32		364
LP Investments		405		63		58		29		555
Corporate		—		—		—		1		1
<b>Total</b>	<b>\$</b>	<b>1,049</b>	<b>\$</b>	<b>236</b>	<b>\$</b>	<b>59</b>	<b>\$</b>	<b>106</b>	<b>\$</b>	<b>1,450</b>

The following summaries presents share of net earnings from equity accounted investments and interest expense from the partnership's operating segments for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Share of net earnings from equity accounted investments		Interest expense					
	2022	2021	2022	2021				
Core Office	\$	217	\$	231	\$	(147)	\$	(143)
Core Retail		164		19		(144)		(163)
LP Investments		(1)		(44)		(238)		(236)
Corporate		—		—		(71)		(70)
<b>Total</b>	<b>\$</b>	<b>380</b>	<b>\$</b>	<b>206</b>	<b>\$</b>	<b>(600)</b>	<b>\$</b>	<b>(612)</b>

The following summary presents information about certain consolidated balance sheet items of the partnership, on a segmented basis, as of March 31, 2022 and December 31, 2021:

(US\$ Millions)	Total assets		Total liabilities		Equity accounted investments							
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2022	Dec. 31, 2021						
Core Office	\$	37,998	\$	37,661	\$	18,086	\$	18,172	\$	9,709	\$	9,819
Core Retail		30,745		30,585		14,221		14,316		10,064		9,945
LP Investments		38,288		43,403		23,829		27,516		1,037		1,043
Corporate		402		355		6,655		6,995		—		—
<b>Total</b>	<b>\$</b>	<b>107,433</b>	<b>\$</b>	<b>112,004</b>	<b>\$</b>	<b>62,791</b>	<b>\$</b>	<b>66,999</b>	<b>\$</b>	<b>20,810</b>	<b>\$</b>	<b>20,807</b>

The following summary presents a reconciliation of FFO to net income for the three months ended March 31, 2022 and 2021:

(US\$ Millions)	Three months ended Mar. 31,			
	2022	2021		
<b>FFO<sup>(1)</sup></b>	<b>\$</b>	<b>198</b>	<b>\$</b>	<b>87</b>
Depreciation and amortization of real estate assets		(52)		(45)
Fair value gains, net		1,270		640
Share of equity accounted income - non-FFO		192		76
Income tax expense		(183)		(105)
Non-controlling interests of others in operating subsidiaries and properties – non-FFO		(723)		(387)
<b>Net income (loss) attributable to unitholders<sup>(2)</sup></b>		<b>702</b>		<b>266</b>
Non-controlling interests of others in operating subsidiaries and properties		990		465
<b>Net income (loss)</b>	<b>\$</b>	<b>1,692</b>	<b>\$</b>	<b>731</b>

<sup>(1)</sup> FFO represents interests attributable to GP Units, LP Units, Exchange LP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, FV LTIP Units and BPYU Units. The interests attributable to Exchange LP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, FV LTIP Units and BPYU Units are presented as non-controlling interests in the consolidated statements of income.

<sup>(2)</sup> Includes net income attributable to GP Units, LP Units, Exchange LP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, FV LTIP Units and BPYU Units. The interests attributable to Exchange LP Units, Redeemable/Exchangeable Partnership Units, Special LP Units, FV LTIP Units and BPYU Units are presented as non-controlling interests in the consolidated statements of income.

**FORM 52-109F2**  
**CERTIFICATION OF INTERIM FILINGS – FULL CERTIFICATE**

I, Brian W. Kingston, Chief Executive Officer of Brookfield Property Group LLC, a manager of Brookfield Property Partners L.P., certify the following:

**1. Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Brookfield Property Partners L.P. (the “issuer”) for the interim period ended March 31, 2022.

**2. No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

**3. Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

**4. Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.

**5. Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings

- (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
  - i. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
  - ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

**5.1 Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

**5.2 ICFR – material weakness relating to design:** N/A

**5.3 Limitation on scope of design:** N/A

**6. Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on January 1, 2022 and ended on March 31, 2022 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: May 6, 2022

*/s/ Brian W. Kingston*

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Brian W. Kingston  
Chief Executive Officer of Brookfield Property Group LLC,  
a manager of the issuer

**FORM 52-109F2**  
**CERTIFICATION OF INTERIM FILINGS – FULL CERTIFICATE**

I, Bryan K. Davis, Chief Financial Officer of Brookfield Property Group LLC, a manager of Brookfield Property Partners L.P., certify the following:

**1. Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Brookfield Property Partners L.P. (the “issuer”) for the interim period ended March 31, 2022.

**2. No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

**3. Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

**4. Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.

**5. Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings

- (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
  - i. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
  - ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

**5.1 Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

**5.2 ICFR – material weakness relating to design:** N/A

**5.3 Limitation on scope of design:** N/A

**6. Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on January 1, 2022 and ended on March 31, 2022 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: May 6, 2022

*/s/ Bryan K. Davis*

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Bryan K. Davis  
Chief Financial Officer of Brookfield Property Group LLC,  
a manager of the issuer



**BROOKFIELD PROPERTY PARTNERS L.P.**

[bpy.brookfield.com](http://bpy.brookfield.com)