MANAGEMENT'S DISCUSSION & ANALYSIS 2014

FOR THE THREE MONTHS ENDED MARCH 31, 2014

GENESIS

Highlights

NEW HOME ORDERS INCREASED TO 95 (Q1 2014) FROM 39 (Q1 2013)

CASH FLOW Q1 2014 $21,138,000 **CASH FLOW PER SHARE Q1 2014 $0.47**

DEBT DECREASED TO $32,968,000 (Q1 2014) FROM $50,373,000 (Q4 2013)

TOTAL REVENUES INCREASED TO $37,987,000 (Q1 2014) FROM $27,610,000 (Q1 2013)

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Genesis Land Development Corp. ("Genesis" or the "Corporation") should be read in conjunction with the unaudited condensed consolidated interim financial statements and the notes thereto for the three months ended March 31, 2014 and 2013 prepared in accordance with International Financial Reporting Standards ("IFRS").

The unaudited condensed consolidated interim financial statements and comparative information have been prepared in accordance with IFRS. They have been reviewed by the Corporation's Audit Committee, consisting of three independent directors, and approved by the Board of Directors. Additional information, including the Corporation's Annual Information Form ("AIF") and the Corporation's MD&A for the year ended December 31, 2013, are available on SEDAR at www.sedar.com.

All amounts are in thousands of Canadian dollars, except per share amounts or unless otherwise noted. This MD&A is dated as of May 13, 2014.

NON-GAAP FINANCIAL MEASURES AND ADVISORIES

This MD&A includes references to certain financial measures which do not have standardized meanings prescribed by IFRS. As such, these financial measures are considered additional GAAP or non-GAAP financial measures and therefore are unlikely to be comparable with similar financial measures presented by other issuers. These additional GAAP and non-GAAP financial measures include Net Asset Value. For a full description of these and other non-GAAP financial measures and a reconciliation of these measures to their most directly comparable GAAP measures, please refer to "Non-GAAP Financial Measures" and "Forward Looking Statements" advisories contained at the end of this MD&A.

GENESIS LAND DEVELOPMENT CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended March 31, 2014

CONTENTS

OVERVIEW

Genesis Land Development Corp. ("Genesis" or the "Corporation") is an integrated, award-winning land developer and residential homebuilder creating innovative and successful communities in the Calgary Metropolitan Area. Genesis is committed to supporting its communities through partnerships like the Genesis Centre of Community Wellness, and Genesis Place Recreational Centre.

We report our activities as two business segments: land development and home building. Land development involves the acquisition of land held for future development, and the planning, servicing and marketing of residential, commercial, industrial and urban communities. Home building includes the acquisition of lots, and the construction and sale of single- and multi-family homes.

The common shares of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol "GDC".

MARKET OVERVIEW

Alberta's general economic conditions continue to be strong, supporting expectations of a robust pace of activity in Calgary's home building industry throughout the balance of 2014. Solid economic fundamentals include low unemployment and interest rates, low and stable inflation rates, positive net migration to Alberta and above average earnings by Albertans. These market dynamics provide a continued healthy environment for development and growth of our core land positions, sale of lots and expansion of our home building activities.

We own a large portfolio of entitled residential and mixed-use land, which is well positioned to benefit from the continued robust activity in the Alberta economy. Land values in Calgary are rising for both entitled land and home building lots, reflecting the tightening of entitled land supply and the continuing strong demand for homes in the Calgary Metropolitan Area.

CORPORATE HIGHLIGHTS

Key financial results and operating data for the Corporation were as follows:

	Three months ended March 31,	
	2014	**2013**
Key Financial Data		
Total revenues	**37,987**	27,610
Cost of sales	**(30,149)**	(18,858)
Gross margin	**7,838**	8,752
Gross margin (%)	**20.6%**	31.7%
Earnings before income taxes	**3,677**	4,653
Net earnings[(1)] attributable to equity shareholders	**2,940**	3,680
Net earnings[(1)] per share – basic and diluted	**0.07**	0.08
Cash flows from operating activities	**21,138**	50,132
Cash flows from operating activities per share[(2)]	**0.47**	1.12
Key Operating Data		
Residential lots sold to third parties (units)	**61**	42
Residential lots sold through the home building business segment (units)	**25**	19
Development land sold (acres)	**121.91**	9.72
Average revenue per lot sold to third parties	**189**	191
Average revenue per acre	**115**	509
Homes sold (units)	**27**	40
Average revenue per home sold	**455**	365
New home orders (units)	**95**	39
Homes with firm sale contracts (units)	**186**	87
	As at	
Key Balance Sheet Data	**March 31, 2014**	**December 31, 2013**
Cash and cash equivalents	**20,168**	**17,678**
Total assets	**303,364**	**313,846**
Loans and credit facilities	**32,968**	**50,373**
Total liabilities	**82,849**	**95,920**
Shareholders' equity	**198,526**	**195,483**
Total equity	**220,515**	**217,926**
Debt to total assets	**10.9%**	**16.1%**

[(1)] *Net of income tax expense*
[(2)] *Basic and diluted amounts per share*

Highlights

Increased new home orders:

- New home orders for the three months ended March 31, 2014 were 95, a 144% increase, compared to 39 in the three months ended March 31, 2013.
- Homes with firm sale contracts increased to 186 at March 31, 2014 compared to 87 at March 31, 2013.
- Sales for the first quarter of 2014 totalled 27 single-family units. Sales for the comparable quarter of 2013 of 40 included 20 multi-family units, which are typically delivered in blocks causing significant variations in volume.

Cash flows from operations:

- Cash flow from operating activities for the three months ended March 31, 2014 was $21,138 or $0.47 per share compared to $50,132 or $1.12 per share in the three months ended March 31, 2013. The first quarter of 2014 included cash receipts from the sale of Acheson development land ($13,784) while the first quarter of 2013 included cash receipts from the sale of the Sage Hill Crossing parcel ($27,713).

Improved management of balance sheet:

- Significantly reduced Loans and Credit Facilities from $50,373 at December 31, 2013 to $32,968 at March 31, 2014
  - This was largely due to the proceeds from the sale of the Acheson development land and other cash flow from operating activities
  - Total liabilities to equity ratio decreased to 0.38 at March 31, 2014 from 0.44 at December 31, 2013
  - Debt to total assets dropped to 10.9% at March 31, 2014 from 16.1% at December 31, 2013. We have significant unutilized debt capacity to execute our strategic plan
- Total interest expense reduced by 37% to $675 in the first quarter of 2014 from $1,077 in the first quarter of 2013
- Successfully executing program to sell all non-core assets:
  - Completed sale of the Acheson development land parcel, the largest non-core asset for gross proceeds of $14,000
  - Remaining non-core assets represent only 3.0% (December 31, 2013 – 2.8%) of Genesis' real estate portfolio with a carrying value of $5,843 (December 31, 2013 – $5,843)

Mixed-use Development:

- Made significant progress on design and planning for the 71 acre Sage Hill Crossing mixed use development

Strategic plan progress:

- Land development and home building business segments continue to deliver in line with expectations

Further information on the Corporation's performance is presented in the land development and home building sections of this MD&A. These sections are to be read in conjunction with note 11 (segmented information) in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014 and 2013. These sections of the MD&A present the business segment revenues and expenses before inter-company eliminations.

RESULTS OF OPERATIONS

Genesis evaluates its land development and home building businesses internally on a segmented basis. The home building business segment is also evaluated against external industry benchmarks for other home builders in the City of Calgary. All costs are segmented, including selling costs, general and administrative costs and finance expense.

There are three major factors that affect the results of our operations:

1. The strategic decision to reserve a significant portion of developed lots for home building defers the related revenues and earnings from those lots until the house and lot are sold. When lots are sold to a third party home builder, lot sale revenue is recognized pursuant to the terms of the contract and corporate accounting policies. The impact on reported results will be less pronounced once housing volumes achieve stable levels.
2. The development and sale of development land (typically multi-family, industrial or commercial developments) is a lengthy business cycle. The sales of such parcels do not occur on a predictable or regular schedule as is the general pattern for residential lots. Consequently, the sale of development land and collection of proceeds creates significant volatility in the revenues, earnings and cash flows from operating activities of Genesis.
3. The seasonal implications to land development and home construction in the Calgary Metropolitan Area impacts when costs are incurred and sales are generated, which creates quarterly volatility.

Land Development

Our strategy is to profitably grow housing operations and sell more lots through our home building business segment, thus realizing both the land development margin and the home building margin. In the short-term, land development revenue is expected to decline as those lots sold through the home building business segment, and related profits, are not recognized until the home is built and delivered. Future quarters will benefit once the home is built, and the related home and lot is delivered to a home buyer.

	Three months ended March 31,		
	2014	**2013**	**% change**
Residential lot sales[1]	**15,034**	9,697	55.0%
Development land sales	**14,000**	4,952	182.7%
Cost of sales	**(22,057)**	(8,435)	161.5%
Gross margin	**6,977**	6,214	12.3%
Gross margin (%)	**24.0%**	42.4%	
Equity income from joint venture	**229**	211	8.5%
Other net expenses[2]	**(2,093)**	(1,827)	14.6%
Land development EBIT[3]	**5,113**	4,598	11.2%
Residential lots sold to third parties	**61**	42	45.2%
Residential lots sold through the home building business segment	**25**	19	31.6%
Total residential lots sold	**86**	61	41.0%
Development land sold (acres)	**121.91**	9.72	N/R[4]
Average revenue per lot sold	**175**	159	10.0%
Average revenue per acre sold	**115**	509	(77.5%)

[1] *Includes residential lot sales and other revenue*
[2] *Other expenses includes general and administrative, selling and marketing, finance expense and finance income*
[3] *Segmented earnings (loss) before income taxes ("EBIT")*
[4] *Not reflective due to percentage increase*

Revenues for the three months ended March 31, 2014 were higher than those for the three months ended March 31, 2013 due to the sale of the Acheson development land parcel of 121.91 acres and due to higher residential lot sales to third party buyers.

The gross margin percentage decreased for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 due to a low gross margin of 3.3% on the sale of the Acheson development land (Q1 2013 development land sales – 15.0%). Gross margins from the sale of development lands are dependent on a variety of factors such as supply of land, zoning regulations, interest rates and how long the Corporation has owned the land.

Gross margin on residential lots sold was also lower in the three months ended March 31, 2014 compared to the three months ended March 31, 2013. Gross margin on single family lots was 44.7% (Q1 2013 – 58.8%) and varies by community based on the nature of the development work to be undertaken before the lots are ready for sale and how long the Corporation has owned the land.

Other net expenses increased during the three months ended March 31, 2014 as compared to the same period in 2013. Higher selling and marketing expenses, primarily related to the sale of the Acheson development land parcel, offset by lower net finance expenses were incurred in the first quarter of 2014 compared to the first quarter of 2013. In addition, there was an increase in the land development segment and corporate personnel to 29 at March 31, 2014 from 24 at March 31, 2013.

Home Building

	Three months ended March 31,		
	2014	**2013**	**% change**
Revenues[(1)]	**12,285**	14,598	(15.8%)
Cost of sales	**(10,772)**	(12,491)	(13.8%)
Gross margin	**1,513**	2,107	(28.2%)
Gross margin (%)	**12.3%**	14.4%	
Other expenses[(2)]	**(2,297)**	(2,052)	11.9%
Home building EBIT[(3)]	**(784)**	55	N/R[(4)]
Homes sold	**27**	40	(32.5%)
Average revenue per home sold	**455**	365	24.6%

[(1)] *Revenues include residential home sales and other revenue*
[(2)] *Other expenses includes general and administrative, selling and marketing and net finance expense*
[(3)] *Segmented earnings before income taxes*
[(4)] *Not reflective due to percentage increase*

The decrease in revenues was due to a lower number of homes sold for the three months ended March 31, 2014 compared to the three months ended March 31, 2013. During the three months ended March 31, 2014, we sold 27 single-family and no multi-family homes compared to 20 single-family homes and 20 multi-family homes in the three months ended March 31, 2013. Sale of homes in the first quarter of 2014 was impacted by inclement weather. However, the sales affected by weather were subsequently closed in April 2014. Single-family homes are usually priced higher than multi-family homes. Multi-family homes are delivered in blocks of units and result in highly variable sales volumes.

Genesis expects revenues and homes sold will increase significantly in future quarters as the increase in new home orders from 39 in the first quarter of 2013 to 95 in the first quarter of 2014 is recognized in the financial statements.

Gross margin percentage for the three months ended March 31, 2014 was lower compared to the same period in 2013 due to period costs such as site expenses and property taxes that were incurred in the current quarter, which were spread over a lower number of homes sold. Margins are expected to increase gradually as higher volumes and greater efficiencies are realized as part of the new operational strategy.

Average revenue per home sold was higher in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 due to the sales mix of homes sold during the period.

During the first quarter of 2014, other expenses increased by 11.9% due to higher general and administrative expenses and selling and marketing expenses. The number of employees increased to 37 in the first quarter of 2014 from 30 in the comparative quarter of 2013 in order to support increased home building operations. The increase in other expenses was partially offset by lower finance expenses.

Finance Expense

	Three months ended March 31,		
	2014	**2013**	**% change**
Interest incurred	**675**	1,077	(37.3%)
Financing fees accretion	**311**	346	(10.1%)
Interest and financing fees capitalized	**(693)**	(859)	(19.3%)
	293	564	(48.0%)

Interest incurred relates to operating loans secured by land and home building operations. The lower interest incurred during the first quarter of 2014 compared to the three months ended March 31, 2013 was due to lower average outstanding loan balances, lower weighted average interest rates of 5.40% (December 31, 2013 – 5.83%) and lower fees paid on new and renewed loans.

SEGMENTED BALANCE SHEETS

	March 31, 2014					December 31, 2013
	Land Development					
	Genesis	**LPs**	**Home Building**(1)	**Eliminations**	**Consolidated**	**Consolidated**
Assets						
Real estate held for development and sale	155,344	52,626	37,607	(3,941)	241,636	257,420
Amounts receivable	25,470	1	39	-	25,510	23,342
Cash and cash equivalents	12,658	484	7,026	-	20,168	17,678
Other assets	31,402	418	8,584	(24,354)	16,050	15,406
Total assets	224,874	53,529	53,256	(28,295)	303,364	313,846
Liabilities						
Loans and credit facilities	14,647	7,775	10,546	-	32,968	50,373
Provision for future development costs	22,163	-	1,465	-	23,628	20,448
Other liabilities(2)	15,841	535	34,231	(24,354)	26,253	25,099
Total liabilities	52,651	8,310	46,242	(24,354)	82,849	95,920
Net assets	**172,223**	**45,219**	**7,014**	**(3,941)**	**220,515**	**217,926**

(1) Other liabilities under the home building business segment includes $19,912 (December 31, 2013 - $19,187) due to the land segment
(2) Other liabilities under the LPs segment excludes $22,511 (December 31, 2013 - $21,998) due to Genesis. Refer to note 14 in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014 and 2013.

LIQUIDITY AND CAPITAL RESOURCES

Real Estate Held for Development and Sale

	March 31, 2014	December 31, 2013	% change
Real estate held for development and sale	**297,703**	**317,602**	(6.3%)
Accumulated impairment	**(56,067)**	**(60,182)**	(6.8%)
	241,636	**257,420**	(6.1%)

Real estate held for development and sale decreased by $15,784 during the first quarter of 2014 compared to the year ended December 31, 2013. This was primarily due to the sale of the Acheson development land parcel, recoveries and the sale of residential lots. This decrease was partially offset by land development activities.

The following table presents our real estate held for development and sale at March 31, 2014:

	Land under development			Land held for future development		Total		
Land Development Segment	**Net book value**	**Acres**	**Lots**	**Net book value**	**Acres**	**Net book value**	**Acres**	**Lots**
Residential								
Airdrie[1]	32,953	207	138	8,366	119	41,319	326	138
Calgary NW[2]	14,361	24	42	5,878	20	20,239	44	42
Calgary NE[3]	14,971	29	106	7,723	46	22,694	75	106
	62,285	260	286	21,967	185	84,252	445	286
Mixed Use[4]	50,494	71	-	18,119	1,788	68,613	1,859	-
Other assets[5]	1,673	114	14	5,002	1,990	6,675	2,104	14
Total Land development segment[6]	**114,452**	**445**	**300**	**45,088**	**3,963**	**159,540**	**4,408**	**300**
Home Building Business Segment[6],[8]						**34,852**	**-**	**145**
Total land and home building segments						**194,392**	**4,408**	**445**
Limited Partnerships[7]						47,244	2,387	-
Real estate held for development and sale						**241,636**	**6,795**	**445**

(1) Airdrie comprises the communities of Bayside, Bayview and Canals
(2) Calgary NW comprises the communities of Sherwood, Sage Meadows and Evansridge
(3) Calgary NE comprises the community of Saddlestone
(4) Mixed use comprises Sage Hill Crossing, Delacour and North Conrich
(5) Other assets comprises Kamloops, Brooks, Dawson Creek, Mitford Crossing, Mountain View Village, Prince George and Spur Valley
(6) Lots include 174 lots that have been reserved/contracted for sale to the home building business segment from the land segment
(7) Comprises land held for future development and land under development. Refer to note 4 in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014
(8) Housing projects under development. Refer to note 4 in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014

The following table presents home building business segment's lot supply at March 31, 2014:

Project	Lots at Jan 1, 2014	Lot purchases made during 2014	Homes sold during 2014	Lots at March 31, 2014[(1)]	Lots with firm sale contracts	Unsold lots at March 31, 2014	Breakdown of unsold lots: Vacant lots	Spec. homes for quick possession	Show-homes	Price range of homes sold
Airdrie										
Bayside	13	-	(3)	10	(3)	7	5	2	-	$277-$365
Canals	50	-	(6)	44	(30)	14	5	6	3	$324-$361
	63	-	(9)	54	(33)	21	10	8	3	$277-$365
Calgary NW										
Evansridge	42	-	-	42	(23)	19	-	17	2	-
Kinwood	82	-	(11)	71	(41)	30	28	1	1	$433-$667
Sage Meadows	35	-	-	35	(17)	18	16	-	2	-
Sherwood	5	-	-	5	(4)	1	1	-	-	-
	164	-	(11)	153	(85)	68	45	18	5	$433-$667
Calgary NE										
Saddlestone	119	-	(7)	112	(68)	44	37	7	-	$426-$552
Total	**346**	-	**(27)**	**319**	**(186)**	**133**	**92**	**33**	**8**	$426-$552

[(1)] *Closing supply of lots at March 31, 2014 includes 174 lots that have been reserved/contracted for sale to the home building business segment from the land development segment*

Amounts Receivable

	March 31, 2014	December31, 2013	% change
Amounts receivable	**25,510**	23,342	9.3%

Amounts receivable increased by $2,168 in the first quarter of 2014 compared to the year ended December 31, 2013 mainly due to the sale of lots during the quarter. Genesis generally retains title to lots and homes until full payment is received in order to mitigate credit exposure.

Cash Flows from Operating Activities

	Three months ended March 31, 2014	2013
Cash flows from operating activities	**21,138**	50,132
Cash flows from operating activities per share	**0.47**	1.12

Cash flows from operating activities per share for the three months ended March 31, 2014 were $0.47 compared to $1.12 for the same period in 2013. The decrease was due to lower receipts of payments from purchasers of residential lots, development lands and residential homes. The first quarter of 2014 included the receipt $13,784 from the sale of the Acheson land while the first quarter of 2013 included the receipt of $27,713 from the sale of sites 1 and 2 in the Sage Hill Crossing commercial development in 2013.

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31,		December 31,	
	2014	% of Total	2013	% of Total
Loans and credit facilities	**32,968**	**11%**	50,373	16%
Customer deposits	**5,991**	**2%**	5,228	2%
Accounts payable and accrued liabilities	**16,028**	**5%**	16,759	5%
Land development service costs	**23,628**	**8%**	20,448	7%
Income taxes payable	**4,234**	**1%**	3,112	1%
Non-controlling interest	**21,989**	**7%**	22,443	7%
Shareholders' equity	**198,526**	**66%**	195,483	62%
	303,364	**100%**	313,846	100%

Loans and Credit Facilities

We require funds to meet operating expenses, service debt, complete on-going land development projects, purchase lands and construct single- and multi-family homes. These requirements are met by using project-specific loans and credit facilities, and cash generated from operations.

Management believes that Genesis has sufficient liquidity from its operating activities, supplemented by credit facilities, to meet the above obligations as they become due. We regularly review credit facilities and manage requirements in accordance with project development plans and operating requirements. Refer to the risks and uncertainties section for additional information.

The following is a summary of drawn and outstanding loan and credit facility balances as at March 31, 2014 and as at the end of the previous four quarters:

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Land development loans	23,473	40,609	42,658	43,956	48,062
Home building loans	10,569	11,021	7,668	5,575	4,039
	34,042	51,630	50,326	49,531	52,101
Deferred financing fees	(1,074)	(1,257)	(1,420)	(1,589)	(1,967)
Balance, end of period	32,968	50,373	48,906	47,942	50,134

The change in the Corporation's loans and credit facilities was are follows:

	March 31, 2014	December 31, 2013
Balance, beginning of period	**50,373**	**97,224**
Advances	**8,394**	**46,511**
Repayments	**(26,200)**	**(94,214)**
Finance expense	**288**	**1,143**
Interest and financing fees paid and capitalized	**113**	**(291)**
Balance, end of period	**32,968**	**50,373**

During the three months ended March 31, 2014, Genesis received $8,394 (December 31, 2013 - $46,511) in advances and made repayments of $26,200 (December 31, 2013 - $94,214) on loans and credit facilities (see 'Related Party Transactions' on page 14).

Total liabilities to equity ratio was as follows:

	March 31, 2014	December 31, 2013
Total liabilities	**82,849**	**95,920**
Total equity	**220,515**	**217,926**
Total liabilities to equity ratio(1)	**0.38**	**0.44**

(1)Calculated as total liabilities divided by total equity

The Corporation's debt decreased substantially in the first quarter of 2014 as funds received from the sale of the Acheson land and from lot payouts were used to pay down related project debt. This reduced loans and credits facilities outstanding to $32,968 and the total liabilities to equity ratio to 0.38 at March 31, 2014 compared to $50,373 and 0.44 at December 31, 2013, improving our financial strength.

Provision for Future Land Development Costs

Genesis sells lots where all the associated costs to service such lands have not been incurred. We recognize these obligations on completion of sales. Provision for future land development costs increased by $3,180 at March 31, 2014 over those at December 31, 2013 mainly due to the sale of lots in the communities of Bayside and Saddlestone and recoveries from Sage Hill Crossing active phases.

Income Tax Payable

Income tax payable increased by $1,122 (December 31, 2013 – decreased by $1,505) to $4,234 at March 31, 2014 (December 31, 2013 - $3,112). We paid $Nil of tax liability (2013 - $1,000), which was offset by a current tax provision of $1,091 (2013 - $1,135) and a tax refund of $Nil (2013 - $39).

Non-Controlling Interest

Non-controlling interest ("NCI") decreased for the three months ended March 31, 2014 due to expenses incurred by the limited partnerships and paid by Genesis.

Refer to note 14 in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014 and 2013 for additional information on the limited partnerships.

Shareholders' Equity

As at May 13, 2014, the Corporation had 44,861,200 common shares issued and outstanding. In addition, options to acquire 2,284,750 common shares of Genesis were issued and outstanding under our stock option plan.

Return on equity was 2.5% at March 31, 2014 compared to 3.0% at December 31, 2013, calculated on a rolling 12 month basis. Return on equity is calculated by dividing net income by average shareholders' equity. Return on equity decreased in the first quarter of 2014 as the net income calculated on a rolling 12 month basis was lower than that at December 31, 2013. In addition, an increase in average shareholders' equity at March 31, 2014 also contributed to lower return on equity.

Net asset value

Estimated pre-tax and after-tax Net Asset Value ("NAV") at December 31, 2013 were $7.18 and $6.67, respectively (December 31, 2012 - $7.23 and $6.70). Management continues to make a determined effort to close the gap between net asset value and share value. NAV, including pre-tax net asset value per share and after-tax net asset value per share, is a non-GAAP financial measure and therefore may not be comparable to similar measures presented by other companies. Refer to the non-GAAP measures section of the MD&A.

Contractual Obligations and Debt Repayment

Our contractual obligations as at March 31, 2014 were as follows, excluding accounts payable, income taxes payable, customer deposits and land development service costs:

	Loans and Credit Facilities(1)	Naming Rights	Lease Obligations	Total
Current	20,148	700	898	**21,746**
April 2014 to March 2015	13,894	1,400	898	**16,192**
April 2015 to March 2016	-	1,200	898	**2,098**
April 2016 and thereafter	-	1,000	291	**1,291**
	34,042	4,300	2,985	**41,327**

(1) Excludes deferred financing fees

Management believes that Genesis has sufficient liquidity from its operating activities, supplemented by credit facilities, to pay for operating expenses, incur development and construction costs, pay principal and interest on loans and credit facilities, and purchase lands.

Genesis has entered into a memorandum of understanding with the Northeast Community Society, whereby we will contribute $5,000 for the naming rights to the "Genesis Centre for Community Wellness", a recreation complex in northeast Calgary ($500 each year, terminating October 31, 2021). The first three installments totaling $1,500 were made through 2014.

Genesis entered into an agreement with the City of Airdrie, whereby we will contribute $2,000 for the naming rights to "Genesis Place", a recreation complex in the city of Airdrie ($200 each year, terminating June 1, 2017). The first six installments totaling $1,200 were made through 2013. The installment for 2014 will be made in mid-year.

Investment in naming rights demonstrates our commitment to the communities we are involved in, and helps in the positive recognition of our brand - not only in these communities, but also throughout the cities of Calgary and Airdrie.

Genesis entered into an agreement with Morguard Real Estate Investment Trust ("Morguard") to lease Genesis' current head office building. The basic rent per annum was $349 in the first year and increasing progressively to $426 in the fifth year. The lease with Morguard commenced on August 1, 2012 and terminates on July 31, 2017.

Pursuant to the terms of a participating mortgage, the principal of which was repaid during 2002, the former mortgage holders have the right to a 20% participation in the profits from the development of approximately 39 acres of land under development. A liability for the payment has been recorded. Genesis is selling lots in the last phase covered under this development. The payout will be made on completion of the sale of lots in the last phase and collection of related proceeds along with an accounting of all related costs.

As a normal part of business, we have entered into arrangements and incurred obligations that will impact future operations and liquidity, some of which are reflected as short-term liabilities and commitments in the unaudited condensed consolidated interim financial statements.

Current Contractual Obligations

	March 31, 2014	December 31, 2013
Loans and credit facilities, excluding deferred financing fees	**20,148**	**36,159**
Accounts payable and accrued liabilities	**16,028**	**16,759**
Total short-term liabilities	**36,176**	**52,918**
Commitments(1)	**1,598**	**1,570**
	37,774	**54,488**

(1) Commitments are composed of naming rights and lease obligations

At March 31, 2014, we had obligations due within the next 12 months of $37,774, of which $20,148 relates to loans and credit facilities. Repayment is either (i) linked directly to the collection of lot receivables and sales proceeds; or (ii) due at maturity. Based on our operating history, our relationship with lenders and committed sales contracts, management is confident that Genesis has the ability to continue to renew or repay its financial obligations as they come due.

SUMMARY OF QUARTERLY RESULTS

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012(1)	Q3 2012(1)	Q2 2012(1)
Revenues (1)	37,987	26,331	19,734	22,402	27,610	57,377	23,395	30,150
Net earnings(2)	2,940	4,980	(4,644)	1,697	3,680	(7,126)	4,956	4,839
EPS(3)	0.07	0.11	(0.10)	0.04	0.08	(0.16)	0.11	0.11

(1) The figures for 2012 have been restated to incorporate the impact of adopting IFRS 11 Joint Arrangements
(2) Net earnings (loss) attributable to equity shareholders
(3) Net earnings (loss) per share - basic and diluted

Seasonality affects the land development and home building industry in Canada particularly as a result of weather conditions during winter operations. As a result, we will typically realize higher home building revenues in the summer and fall months when home building activity is at its peak. Revenues can be impacted by the timing of lot sales, which is less weather dependent.

In the first quarter of 2014, we sold 61 residential lots, 27 homes and 121.91 acres of development land compared to 62 residential lots and 42 homes in the fourth quarter of 2013. There was no impairment of real estate, higher gross margins on residential lots which were offset by lower income from the joint venture and higher general and administrative and selling and marketing expenses in the first quarter. Net earnings and EPS were lower in the first quarter of 2014 due to lower losses attributable to non-controlling interest (see note 14 in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014 and 2013) as compared to the fourth quarter of 2013.

JOINT VENTURE

Genesis formed a joint venture ("JV") on April 30, 2010, for the purpose of acquiring, developing and selling certain real estate. The development and sale of the real estate pertaining to the JV is expected to be completed by 2015.

Refer to note 10 of the unaudited condensed consolidated interim financial statements dated March 31, 2014 and 2013 for the summarized financial information of the JV and reconciliation of the summarized financial information to the carrying amount of the Corporation's interest in the JV, which is accounted for using the equity method.

OFF BALANCE SHEET ARRANGEMENTS

Letters of Credit

We have an ongoing requirement to provide irrevocable letters of credit to municipalities as part of the subdivision plan registration process. As at March 31, 2014, these letters of credit totalled approximately $6,209, and provide a source of funds to the municipalities for completion of construction and maintenance improvements to the subdivision should the Corporation be unable to fulfill these obligations. The amount of any particular letter of credit is reduced at various stages of construction. Once the municipality issues a certificate acknowledging completion of the improvements to the project, the letter of credit is returned and cancelled.

Lease Agreements

We have certain lease agreements that are entered into in the normal course of operations. All leases are treated as operating leases whereby lease payments are included in operating expenses or general and administrative expenses, depending on the nature of the lease. No asset or liability value has been assigned to these leases in the balance sheet as of March 31, 2014.

RELATED PARTY TRANSACTIONS

There were no related party transactions for the three months ended March 31, 2014 (2013 - $484).

Genesis is the general partner in four limited partnership arrangements (refer to note 14 of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014 and 2013) and a 50% partner in the JV, as described above (refer to note 10 of the unaudited condensed consolidated interim financial statements for the for the three months ended March 31, 2014 and 2013).

CHANGES TO FUTURE ACCOUNTING POLICIES

There were various accounting standards issued as at March 31, 2014 that were not yet effective as of that date. We continue to analyze these standards to determine the impact on our financial statements. Refer to note 3 of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014 and 2013 for a description of changes in accounting policy effective in future periods.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. On an ongoing basis, management evaluates its judgments and estimates in relation to revenues, expenses, assets and liabilities. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

General Litigation

We are subject to various legal proceedings and claims that arise in the ordinary course of business operations. We periodically review these claims to determine if amounts should be accrued in the financial statements or if specific disclosure is warranted.

Impairment of real estate held for future development and sale

We estimate the net realizable value (‘NRV’) of real estate held for future development and sale at least annually for impairment or whenever events or changes in circumstances indicate the carrying value may exceed NRV. The estimate is based on valuation conducted by independent real estate appraisers and in light of recent market transactions of similar and adjacent lands and housing projects in the same geographic area.

Provision for future land development costs

Changes in the estimated future development costs directly impact the amount recorded for the future development liability, cost of sales, gross margin and, in some cases, the value of real estate under development and held for sale. This liability is subject to uncertainty as it is based on estimates prepared by independent consultants and management.

Income taxes

The Corporation applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of the business, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expense already recorded.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") 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*. The CEO and CFO have designed, or caused to be designed under their direct supervision, Genesis' DC&P to provide reasonable assurance that:

(i) material information relating to the Corporation, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the interim filings are being prepared; and

(ii) information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported on a timely basis.

The CEO and CFO have also designed, or caused to be designed under their direct supervision, Genesis' ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no changes in the Corporation's ICFR during the three months ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect the Corporation's ICFR.

RISKS AND UNCERTAINTIES

In the normal course of business, we are exposed to certain risks and uncertainties inherent in the real estate development industry. Real estate development is a cyclical business; as a result, our profitability could be adversely affected by external factors beyond the control of management. Risks and uncertainties faced by Genesis are industry risk, competition, supply and demand, geographic risk, development and construction costs, credit and liquidity risks, finance risk, interest risk, management risk, mortgage rates and financing risk, general uninsured losses, environmental risk and government regulations. These risks are disclosed in the Corporation's AIF for the year ended December 31, 2013. There may be additional risks that management may need to consider as circumstances require. For a more detailed discussion on the Corporation's risk factors, refer to the AIF available on SEDAR at www.sedar.com

NON-GAAP MEASURES

Non-GAAP measures do not have any standardized meaning according to IFRS, and therefore may not be comparable to similar measures presented by other companies.

Net Asset Value ("NAV") including pre-tax net asset value per share and after-tax net asset value per share is a non-GAAP financial measure and therefore may not be comparable to similar measures presented by other companies. The estimated NAV is calculated using independent appraisers total pre-tax land value plus additional balance sheet assets less balance sheet liabilities and corporate income tax. The book value of all remaining assets and liabilities as set forth in the consolidated financial statements of the Corporation has been added to calculate the pre-tax NAV. Estimated taxes have been deducted as if all properties were sold at their market values to determine NAV. Refer to Genesis' MD&A for the three months and year ended December 31, 2013 for a detailed calculation of NAV at December 31, 2013 and 2012.

There is no comparable IFRS financial measure presented in the Corporation's consolidated financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial performance measure has been provided. Management believes this measure provides information useful to its shareholders in understanding the Corporation's value, and may assist in the evaluation of the Corporation's business relative to that of its peers.

OTHER

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.

ADVISORIES

Non-GAAP Financial Measures

Net asset value is a non-GAAP measure that does not have any standardized meaning as prescribed by IFRS and therefore they may not be comparable to similarly titled measures reported by other companies. Refer to page 16 for an explanation on calculation of the net asset value. Net asset value has no comparable IFRS measure presented in the Corporation's financial statements and therefore no applicable quantitative reconciliation for such non-GAAP measure exists. This non-GAAP measure has been described and presented in this document in order to provide shareholders and potential investors with additional information regarding the Corporation's performance, liquidity and value.

Forward-Looking Statements

This MD&A contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation, , including Canadian Securities Administrators' National Instrument 51-102 'Continuous Disclosure Obligations', concerning the business, operations and financial performance and condition of Genesis.

Forward-looking statements include, but are not limited to, statements with respect to the nature of development lands held and the anticipated inventory and development potential of such lands, ability to bring new developments to market, anticipated general economic and business conditions in 2014 including low unemployment and interest rates, low stable inflation rates, positive net migration, petroleum commodity prices and above average earnings in Alberta and the anticipated impact on Genesis' development and home building activities, the positive trend in the general economic conditions and the industry through 2014; Genesis' business strategy, including the geographic focus of its activities in 2014, the expected capital contribution of future earnings and cash flow from land holdings in the Greater Calgary area, the ability to meet the objective to increase the closing of home builds in 2014 as compared to 2013, including the ability to significantly increase home builds per year without substantial addition to costs to our production team or infrastructure so as to increase the effect on net margin and profitability, the timing and operation of new accounting and operating software, anticipated areas of focus for Genesis in 2014; and the ability of Genesis to develop projects (and the nature of such projects). Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements because they involve assumptions, known and unknown risks, uncertainties and other factors many of which are beyond the Corporation's control, which may cause the actual results, performance or achievements of Genesis to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Accordingly, Genesis cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements.

Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic conditions in Canada, the United States and globally; the impact of contractual arrangements and incurred obligations on future operations and liquidity; local real estate conditions, including the development of properties in close proximity to Genesis' properties; timely leasing of newly-developed properties and re-leasing of occupied square footage upon expiration; dependence on tenants' financial condition; the uncertainties of real estate development and acquisition activity; the ability to effectively integrate acquisitions; fluctuations in interest rates; ability to raise capital on favourable terms; the impact of newly-adopted accounting principles on Genesis' accounting policies and on period-to-period comparisons of financial results; not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; and other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at www.sedar.com, including this MD&A under the heading "Risks and Uncertainties" and the Annual Information Form under the heading "Risk Factors". Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A and, except as required by applicable law, Genesis does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.

Caution should be exercised in the evaluation and use of the appraisal results. The appraisal is an estimate of market value at specific dates and not a precise measure of value, being based on subjective comparison of related activity taking place in the real estate market. The appraisal is based on various assumptions of future expectations and while the appraiser's assumptions are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.