

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Minto Apartment Real Estate Investment Trust (the “**REIT**”)
200 - 180 Kent Street
Ottawa, Ontario
K1P 0B6

Item 2. Date of Material Change

April 4, 2019

Item 3. News Release

Attached as Schedule “A” is a copy of the press release relating to the material change, which was disseminated on April 4, 2019 through the newswire services of Cision and was filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

Item 4. Summary of Material Change

On April 4, 2019, the REIT announced that it had entered into two separate agreements to acquire interests in two multi-residential rental properties comprising 1,004 suites in Montréal, Québec and 409 suites in Toronto, Ontario (the “**Acquisitions**”). Specifically, the REIT will acquire 1) a 50% interest in the 1,004-suite Rockhill Property in Montréal, and 2) a 50% interest in the 409-suite Leslie/York Mills apartment complex in Toronto. Total consideration for the Acquisitions is approximately \$209 million at the REIT’s share. After completing the Acquisitions, the REIT will have ownership interest in 5,962 suites, which is an increase of 1,683 suites since its initial public offering last July.

The REIT also announced that it had entered into an agreement to issue 7,660,000 trust units of the REIT (“**Units**”) from treasury on a bought deal basis at a price of \$19.60 per Unit (the “**Offering Price**”) to a syndicate of underwriters bookrun by TD Securities Inc. and BMO Capital Markets (the “**Underwriters**”) for gross proceeds of approximately \$150 million (the “**Offering**”). In addition, the REIT granted the Underwriters an option, exercisable in whole or in part at any time up to 30 days following closing of the Offering, to purchase up to an additional 1,149,000 Units at the Offering Price which, if exercised in full, would increase the gross proceeds of the Offering to approximately \$173 million. The REIT intends to use the net proceeds of the Offering to finance a portion of the purchase price for the Acquisitions and to repay amounts outstanding under its credit facility incurred for previous acquisitions.

Item 5. Full Description of Material Change

For a full description of the material change, please see Schedule “A” attached hereto.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

The name and business telephone number of the officer of the REIT who can answer questions regarding this material change report is as follows:

Michael Waters, Chief Executive Officer
Tel: 613.230.7051

Item 9. Date of Report

April 8, 2019

SCHEDULE “A”

Minto Apartment REIT Announces Agreements to Acquire Interests in Two Urban Properties for a Cumulative Purchase Amount of \$209 Million Concurrent with a \$150 Million Bought Deal Public Offering of Trust Units

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- Acquisition of interests in two high quality multi-residential rental properties in Montreal and Toronto, comprising a total of 1,413 suites
- Acquisition of interests represents the REIT’s entry into the strong Montreal rental market with immediate scale
- Consistent with stated strategy of executing on acquisitions, increasing portfolio diversification in core urban markets and leveraging strategic Minto Group relationship
- Enhances portfolio quality and diversification to drive long term Unitholder value

Ottawa, ON, April 4, 2019 – Minto Apartment Real Estate Investment Trust (TSX: MI.UN) (the “**REIT**”) today announced that it has entered into two separate agreements to acquire interests in two multi-residential rental properties comprising 1,004 suites in Montréal, Québec and 409 suites in Toronto, Ontario (the “**Acquisitions**”). Specifically, the REIT will acquire 1) a 50% interest in the 1,004-suite Rockhill Property in Montréal (“**Rockhill**”), and 2) a 50% interest in the 409-suite Leslie/York Mills apartment complex in Toronto (“**LYM**”). Total consideration for the Acquisitions is approximately \$209 million at the REIT’s share. After completing the Acquisitions, the REIT will have ownership interest in 5,962 suites, which is an increase of 1,683 suites since its initial public offering last July.

The REIT also announced today that it has entered into an agreement to issue 7,660,000 trust units of the REIT (“**Units**”) from treasury on a bought deal basis at a price of \$19.60 per Unit (the “**Offering Price**”) to a syndicate of underwriters bookrun by TD Securities Inc. and BMO Capital Markets (the “**Underwriters**”) for gross proceeds of approximately \$150 million (the “**Offering**”). In addition, the REIT has granted the Underwriters an option, exercisable in whole or in part at any time up to 30 days following closing of the Offering, to purchase up to an additional 1,149,000 Units at the Offering Price (the “**Over-Allotment Option**”) which, if exercised in full, would increase the gross proceeds of the Offering to approximately \$173 million. The REIT intends to use the net proceeds of the Offering to finance a portion of the purchase price for the Acquisitions and to repay amounts outstanding under its credit facility incurred for previous acquisitions.

“These Acquisitions increase our suite count by 31%, while also advancing our growth and geographic expansion strategies,” said Michael Waters, Chief Executive Officer of Minto Apartment REIT. “The acquisition of Rockhill represents the REIT’s entry into the strong Montreal rental market and provides it with immediate scale in the city. Consistent with the REIT’s differentiated urban focus, it now has a presence in five of Canada’s six largest metropolitan regions including Toronto, Montreal, Ottawa, Calgary and Edmonton. The LYM property not only increases our exposure in the robust Toronto market, it is an asset with the potential for a value-add suite repositioning program and site intensification. The REIT will be

acquiring its interest in LYM from Minto Properties Inc. (“**MPI**”) and demonstrates the benefit of the REIT’s relationship with the Minto Group and access to its joint-venture pipeline.”

The Acquisitions

Rockhill, Montréal

The REIT and its 50% co-acquirer, I.G. Investment Management, Ltd., as trustee for Investors Real Property Fund (“**Investors Group**”), have agreed and waived conditions to acquire Rockhill from Ivanhoé Cambridge for total consideration of \$268 million (\$134 million for each 50% co-acquirer). The purchase price represents a 4.00% cap rate on forecasted year-one net operating income. The REIT is arranging an approximately \$135 million mortgage term loan to assist the co-acquirers with the funding of the acquisition. The REIT will be the asset and property manager for the co-tenancy and will earn fees for these services. Rockhill’s existing property manager, Cogir Management Corporation G.P., will be retained for up to six months to assist with the transition of management.

Constructed in 1967-68, Rockhill comprises six buildings on approximately 7.6 acres located at 4850-4874 Côte-des-Neiges Road in Montréal. The buildings have an aggregate of 1,004 suites averaging approximately 777 square feet per suite, with an average sitting monthly rent of \$1,352.

Rockhill is well located, adjacent to Mount Royal Park and in close proximity to the University of Montréal, multiple hospitals and the Côte-des-Neiges Metro Station, resulting in a high walk score of 88⁽¹⁾. The neighbourhood has a vacancy rate of 2.0%⁽²⁾ and average household income of more than \$65,000 per year⁽²⁾. More than 35% of the local population are in their prime renter ages of 20-29 and over 65⁽³⁾. Rockhill targets a mixed demographic of students, healthcare professionals, families and retired couples, with a mix of traditional and renovated suites and an extensive amenity package.

Since acquiring Rockhill in 2011, Ivanhoé Cambridge has invested significant capital in the property largely into balconies, parking, common areas and landscaping. These investments will reduce maintenance expenditures in the future and allow the REIT to focus on value-add suite repositioning and amenity improvements. This transaction positions the REIT as an important participant in the Montreal multi-family market immediately, which is expected to unlock other future opportunities.

The REIT expects the Rockhill transaction to close on or about May 6, 2019.

LYM, Toronto

The REIT has agreed and waived conditions to acquire MPI’s 50% co-tenancy interest in LYM for approximately \$75 million, which represents a 5% discount to an independent appraised

¹ Source: walkscore.com

² Source: CMHC

³ Source: Magnify Maps

value, as of December, 2018. The REIT will assume an approximately \$23.5 million mortgage term loan maturing February 1, 2021 at an interest rate of 2.82%. The purchase price represents a 3.75% cap rate on forecasted year-one net operating income. A subsidiary of the Healthcare of Ontario Pension Plan (“**HOOPP**”), MPI’s existing co-owner of LYM, will maintain its existing 50% co-tenancy interest. The REIT will serve as the asset and property manager for the co-tenancy and will earn fees for these services.

Constructed in 1968-69, LYM comprises three 18-storey towers on approximately 7.8 acres located at 740 and 750 York Mills Road and 17 Farmstead Road in Toronto. The buildings have an aggregate of 409 suites with an average monthly rent of \$1,707. LYM is located in close proximity to schools, grocery stores, shopping, public transit and a number of parks with scenic cycling trails and community events. Major nearby highways provide a 20-minute commute to downtown Toronto and easy access out of the city.

Following the successful implementation of test suites in 2018, the REIT believes that LYM presents a significant opportunity for repositioning. The site also represents an intensification opportunity, with recent zoning amendments that permit the development of 192 rental terrace homes averaging approximately 1,050 square feet.

The acquisition by the REIT of LYM from MPI constitutes a “related party transaction” for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The transaction is exempt from the valuation and minority approval requirements of MI 61-101 in accordance with sections 5.5(a) and 5.7(a), respectively, by virtue of the fact that the value of the transaction is less than 25% of the REIT’s market capitalization.

The terms of the LYM acquisition and new partnership arrangements with HOOPP were approved by a committee of independent trustees of the REIT. The independent committee reviewed and considered, with the advice of counsel, the commercial and legal aspects of the transaction, including price, financing, repositioning plans and potential intensification, as well as the transaction documentation and compliance with MI 61-101.

The REIT expects the LYM transaction to close on or about May 1, 2019.

Financial Considerations

The approximately \$209 million total purchase consideration for the Acquisitions will be satisfied in part by assuming an existing \$23.5 million mortgage and arranging approximately \$67.5 million in new mortgage financing (representing the REIT’s share of the new financing) with the balance funded by proceeds of the Offering. Following completion of the Acquisitions and the Offering, the REIT’s Debt to Gross Book Value (“**GBV**”) ratio (a non-IFRS measure) will be approximately 46%.

Unit Offering

The REIT has reached an agreement with the Underwriters to issue 7,660,000 Units at a price of \$19.60 per Unit, on a bought deal basis, for gross proceeds of \$150 million. The REIT has also granted the Underwriters the Over-Allotment Option, pursuant to which the Underwriters can purchase up to an additional 1,149,000 Units on the same terms and conditions. The REIT

intends to use the net proceeds of the Offering, including from any exercise of the Over-Allotment Option, to finance a portion of the purchase price for the Acquisitions and to repay amounts outstanding under its credit facility incurred for previous acquisitions.

The Units will be offered in each of the provinces and territories of Canada pursuant to a prospectus supplement to the REIT's base shelf short form prospectus dated December 21, 2018. The terms of the Offering will be described in a prospectus supplement to be filed with Canadian securities regulators no later than April 8, 2019. The Offering is expected to close on or about April 15, 2019 and is subject to certain conditions including, but not limited to, the approval of the Toronto Stock Exchange.

The Units have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") and may not be offered, sold or delivered, directly or indirectly, in the United States, or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the 1933 Act), except pursuant to an exemption from the registration requirements of the 1933 Act. This press release does not constitute an offer to sell or a solicitation of an offer to buy any Units in the United States or to, or for the account or benefit of, U.S. persons.

About Minto Apartment Real Estate Investment Trust

Minto Apartment Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario to own income-producing multi-residential properties located in urban markets in Canada. The REIT owns a portfolio of high-quality income-producing multi-residential rental properties located in Toronto, Ottawa, Calgary and Edmonton. For more information on Minto Apartment REIT, please visit the REIT's website at: www.mintoapartmentreit.com/.

Forward-Looking Information

This news release may contain forward-looking information within the meaning of applicable securities legislation, which reflects the REIT's current expectations regarding future events and in some cases can be identified by such terms as "will" and "expected". In particular, this news release contains forward-looking information in relation to: the proposed Acquisitions, including the terms thereof and sources of funding; the timing for completion of the proposed Acquisitions and the Offering; the satisfaction of the conditions for completion of the proposed Acquisitions and the Offering; the potential economic and strategic impact of the proposed Acquisitions, including anticipated opportunities; the use of proceeds of the Offering; the forecasted year-one net operating income for the Acquisition properties; the expected reduction of future maintenance expenditures at Rockhill; and the REIT's expected Debt to GBV ratio. Forward-looking information reflects management's current beliefs and is based on a number of assumptions that the REIT believes are reasonable and is subject to a number of risks and uncertainties, many of which are beyond the REIT's control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the factors discussed under "Risk Factors" in the REIT's Management Discussion & Analysis and Annual Information Form, each dated March 19, 2019, which are available on SEDAR (www.sedar.com), as well as the ability of the REIT to complete the proposed Acquisitions, including the assumed mortgage financing contemplated therein, and the Offering on terms as contemplated. Certain information

in this press release may be considered as “financial outlook” within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding the REIT’s reasonable expectations with respect to the proposed Acquisitions. Readers are cautioned that the financial outlook may not be appropriate for other purposes. The REIT does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. This forward-looking information speaks only as of the date of this news release.

Non-IFRS Financial Measures

This news release contains certain financial measures which are not defined under International Financial Reporting Standards (“**IFRS**”) and may not be comparable to similar measures presented by other real estate investment trusts or enterprises. Debt to GBV is a measure of financial position used by the REIT's management and real estate businesses. Net operating income is an important measure of the income generated from income-producing properties and is used by management in evaluating a property’s financial performance. These measures are not defined by IFRS and do not have standardized meanings prescribed by IFRS. See the REIT's Management Discussion & Analysis dated March 19, 2019 for further discussion of this and other non-IFRS financial measures, including reconciliations to the most directly comparable measure under IFRS where applicable.

For further information, please contact:

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or

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