



minto
Apartment REIT

**Q3 2022 Highlights
Teleconference**

November 9, 2022





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Non-International Financial Reporting Standards (“IFRS”) Financial Measures

The REIT prepares and releases consolidated financial statements in accordance with International Financial Reporting Standards. As a complement to these financial statements, the REIT also discloses and discusses in this presentation and in answers to questions certain non-IFRS financial measures including funds from operations (“FFO”), adjusted funds from operations (“AFFO”), net operating income (“NOI”) and debt-to-gross book value, which are measures commonly used by publicly traded entities in the real estate industry. Management believes that these metrics are useful for measuring different aspects of performance and assessing the underlying operating performance on a consistent basis. However, these measures do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should strictly be considered supplemental in nature and not a substitute for financial information prepared in accordance with IFRS and should not be construed as an alternative to net income or cash flows provided by or used in operating activities. Further definitions and discussion of these non-IFRS measures and a reconciliation of FFO, AFFO and NOI to comparable IFRS measures are provided in the most recent MD&A in the sections entitled “Non-IFRS and Other Financial Measures” and “Reconciliation of Non-IFRS Financial Measures and Ratios”.



Q3 2022 Highlights

- **Average monthly rent for the Same Property Portfolio¹ increased to \$1,720, an increase of 4.2% over Q3 2021**
- **Average occupancy improved to 96.2% compared to 92.9% in Q3 2021. End of period occupancy was 97.4%**
- **NOI for the Same Property Portfolio improved by 13.3% year-over-year and the NOI margin for the Same Property Portfolio improved by 200 bps to 64.1%**
- **The REIT realized on improving rental market conditions negotiating 574 new leases achieving a gain of 14.5% over expiring rents**
- **Market rents increased in all markets where the REIT operates and the embedded rent potential in the portfolio increased to 12.1% or \$16 million on an annualized basis**
- **AFFO increased by 28.2% and AFFO per unit increased by 15.1% year-over-year (10.2% excluding the impact of a one-time insurance recovery)**
- **The REIT completed the repositioning of 75 suites generating an average annualized return of 9.4% while improving asset quality, reducing future repair costs and driving strong growth in rental revenue**

¹ The Same Property Portfolio represents 29 properties wholly and jointly-owned by the REIT for equivalent periods in 2022 and 2021.



Q3 2022 Highlights Continued

- **The REIT announced that its Chief Financial Officer, Julie Morin, will be transitioning back full time to the Minto Group as Chief Financial Officer following Q3 2022 reporting. Edward Fu, currently the REIT's Vice President, Finance, was selected to succeed her as Chief Financial Officer of the REIT**
- **Subsequent to quarter end:**
 - **The Board of Trustees approved an annual distribution increase of \$0.015 per Unit or 3.2%, effective for the November 2022 cash distribution**
 - **The REIT released its 2021 Environmental, Social and Governance ("ESG") Report including the results from its 2022 Global Real Estate Sustainability Benchmark ("GRESB") assessment**



Q3 2022 Key Operating Results

Higher occupancy and rents outpaced operating expenses driving strong NOI, FFO and AFFO

(\$000s except %, suite, per suite and per unit amounts)	Same Property Portfolio ¹			Total Portfolio ²		
	Three months ended September 30,			Three months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
Revenue	\$34,308	\$31,234	9.8%	\$37,838	\$31,234	21.1%
Operating expenses	\$12,325	\$11,829	(4.2)%	\$13,614	\$11,829	(15.1)%
NOI	\$21,983	\$19,405	13.3%	\$24,224	\$19,405	24.8%
NOI margin (%)	64.1%	62.1%	200 bps	64.0%	62.1%	190 bps
FFO ⁵				\$15,654	\$12,453	25.7%
FFO (\$/unit)				\$0.2380	\$0.2109	12.8%
AFFO ⁵				\$13,952	\$10,883	28.2%
AFFO (\$/unit)				\$0.2121	\$0.1842	15.1%
Distributions declared (\$/unit)				\$0.1187	\$0.1138	\$0.0049
AFFO payout ratio				55.9%	61.7%	(580 bps)
Total suites ³	7,277	7,277	—	8,291	7,277	1,014
Average monthly rent per occupied suite ⁴	\$1,720	\$1,651	4.2%	\$1,714	\$1,651	3.8%
Occupancy - average for the period	96.33%	92.87%	346 bps	96.21%	92.87%	334 bps

¹ The Same Property Portfolio represents 29 properties wholly and jointly-owned by the REIT for equivalent periods in 2022 and 2021.

² The Total Portfolio represents 32 (September 30, 2021 - 29) properties.

³ Total suites include 2,664 (September 30, 2021 - 2,163) suites co-owned with institutional partners.

⁴ Excludes 189 furnished suites, 160 vacant suites and 59 suites offline for repositioning.

⁵ FFO/unit and AFFO/unit growth would have been 8.6% and 10.2%, respectively, with the exclusion of the impacts of a one-time insurance recovery of approximately \$594 received in Q3 2022.



AMR and Gain-to-Lease Over Time

Momentum on leasing gains continued in Q3 2022

Realized Leasing Gains and Average Monthly Rent



Geographic Node	Average monthly rent per occupied suite ³	Average sq. ft. per occupied suite	Average rent per sq. ft. per suite
Toronto	\$2,034	775	\$2.62
Ottawa	\$1,605	836	\$1.92
Alberta	\$1,407	675	\$2.08
Montreal	\$1,849	979	\$1.89
Average	\$1,714	827	\$2.07

¹ Average percentage increase in new rents compared to expiring rents on new leases of unfurnished suites.

² Average monthly rent for occupied unfurnished suites.

³ As at September 30, 2022.



Realized and Potential Gain-to-Lease by Geography

Improving market conditions overall and in urban locations in particular drove realized gain-to-lease to 14.5% with gain-to-lease potential increasing to 12.1%

Realized gain-on-new leases in the three months ended September 30, 2022

Geographic Node	Total New Leases Signed ¹	Average Monthly Expiring Rent per Suite	Average Monthly New Rent per Suite	Percentage Gain on New Leases	Realized Annual Gain on New Leases (000s) ²
Toronto	165	\$2,148	\$2,480	15.5%	\$303
Ottawa	249	\$1,649	\$1,888	14.5%	\$715
Alberta	82	\$1,332	\$1,500	12.6%	\$216
Montreal	78	\$1,630	\$1,878	15.2%	\$168
Total/Average	574	\$1,675	\$1,918	14.5%	\$1,402

Gain-to-lease potential on existing rents as at September 30, 2022

Geographic Node	Total Suites ³	Average Monthly In-Place Rent per Suite	Management's Estimate of Monthly Market Rent per Suite	Percentage Gain-to-Lease	Estimated Annualized Gain-to-Lease (000s) ²
Toronto	2,362	\$2,034	\$2,302	13.2%	\$4,381
Ottawa	2,954	\$1,605	\$1,813	13.0%	\$7,376
Alberta	892	\$1,407	\$1,539	9.4%	\$1,417
Montreal	1,675	\$1,849	\$2,044	10.5%	\$2,819
Total/Average	7,883	\$1,714	\$1,922	12.1%	\$15,993

¹ Includes 100% of new leases signed from co-ownerships and excludes new leases of furnished suites.

² For co-owned properties, reflects the REIT's co-ownership interest only.

³ Data for occupied suites. Excludes 189 furnished suites, 160 vacant suites and 59 suites offline for repositioning.

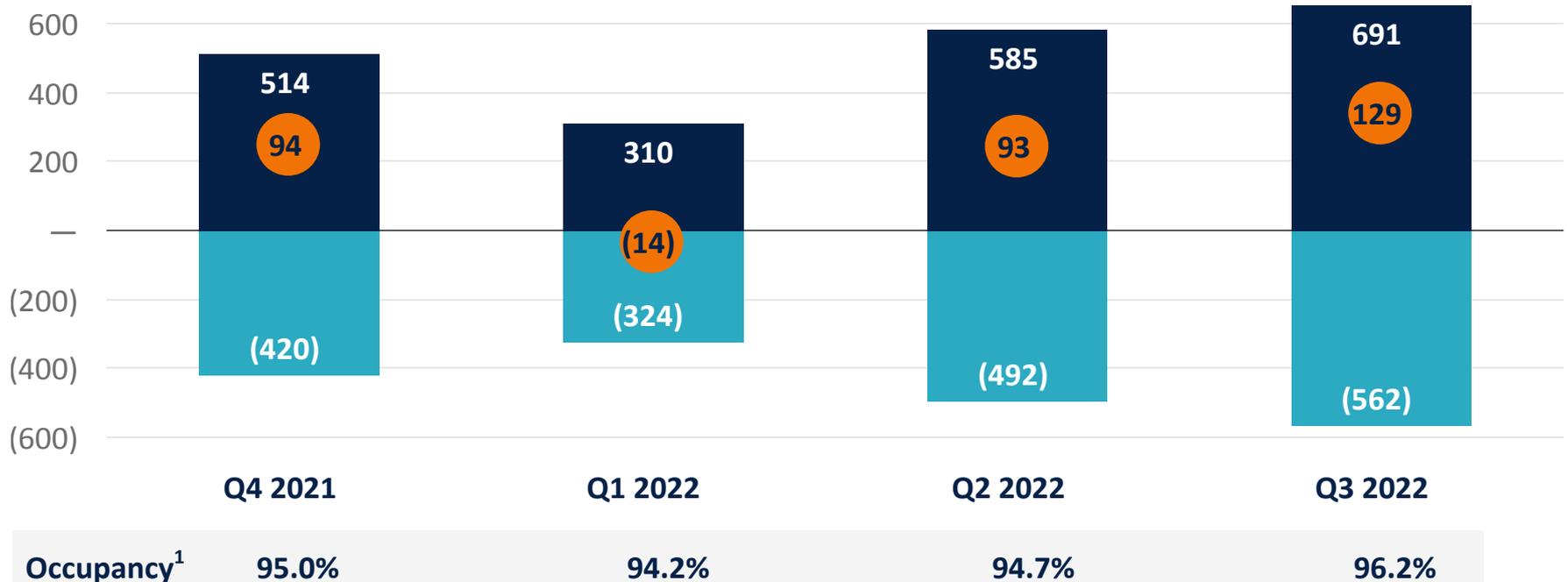


Occupancy Drivers

Move-ins outpaced move-outs, contributing to an increase in sequential occupancy

Quarterly Move-ins and Move-outs (Suites)

Move-outs Move-ins Net change



¹ Total Portfolio average occupancy for the period.



Furnished Suites

Strong sequential improvement in rental rate and occupancy

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Furnished Suites Operating Metrics					
Furnished suite inventory	212	203	195	190	189
Average monthly rent	\$3,997	\$4,078	\$4,219	\$4,476	\$5,261
Average occupancy	86.3%	80.5%	62.8%	86.2%	91.9%

- The furnished suite count was further reduced in the quarter to 189 suites
- Sizeable increase in average monthly rent and occupancy due to removal of travel restrictions and a recovery in demand from corporate users and the film industry



*Furnished suite at Minto Yorkville,
Toronto*



Q3 2022 Operating Expense Detail

Staffing and natural gas costs were the largest contributors to the increase in operating expenses

(\$000s except %)	Same Property Portfolio ¹			Total Portfolio ²		
	Three months ended September 30,			Three months ended September 30,		
	2022	2021	Variance	2022	2021	Variance
Property operating costs	\$ 6,499	\$ 6,228	(4.4)%	\$ 7,233	\$ 6,228	(16.1)%
Property taxes	3,524	3,436	(2.6)%	3,870	3,436	(12.6)%
Utilities						
Electricity	1,110	1,120	0.9%	1,235	1,120	(10.3)%
Natural gas	392	232	(69.0)%	445	232	(91.8)%
Water	800	813	1.6%	831	813	(2.2)%
	2,302	2,165	(6.3)%	2,511	2,165	(16.0)%
Operating expenses	\$ 12,325	\$ 11,829	(4.2)%	\$ 13,614	\$ 11,829	(15.1)%

¹ The Same Property Portfolio represents 29 properties wholly and jointly-owned by the REIT for equivalent periods in 2022 and 2021.

² The Total Portfolio represents 32 (September 30, 2021 - 29) properties.

- Higher labour costs, filling staffing vacancies and higher insurance costs contributed to the year-over-year increase in Same Property Portfolio operating costs
- Property taxes were up marginally year-over-year for the Same Property Portfolio based on higher assessments and rates
- Higher natural gas costs were responsible for the unfavourable year-over-year increase in utilities



Suite Repositioning in Q3 2022

75 suites repositioned in Q3 generating a 9.4% ROI

Property	Ownership Interest	Suites Repositioned and Leased ¹	Remaining Suites to Reposition ¹	Total Suites in the Program ¹	% Complete
Minto Yorkville	100%	—	33	99	67%
Leslie York Mills	50%	14	204	409	50%
High Park Village	40%	7	271	407	33%
Carlisle	100%	7	79	191	59%
Castle Hill	100%	5	69	176	61%
Rockhill	50%	16	758	934	19%
Le 4300	100%	6	219	261	16%
Haddon Hall	100%	7	144	191	25%
Roehampton	100%	7	52	148	65%
Martin Grove	100%	1	23	32	28%
Le Hill-Park	100%	5	172	261	34%
Total		75	2,024	3,109	35%

¹ All suite counts, including co-owned properties, are presented on 100% basis.

- 75 suites were repositioned and leased in Q3 2022 (56 at the REIT's share) at an average cost of \$54,628 per suite. These suites generated an annual average rent increase of \$5,150 per suite (\$370 per month) - a 9.4% simple ROI
- Subject to turnover of unrenovated suites, the REIT expects to reposition 40 to 50 suites in the fourth quarter of 2022

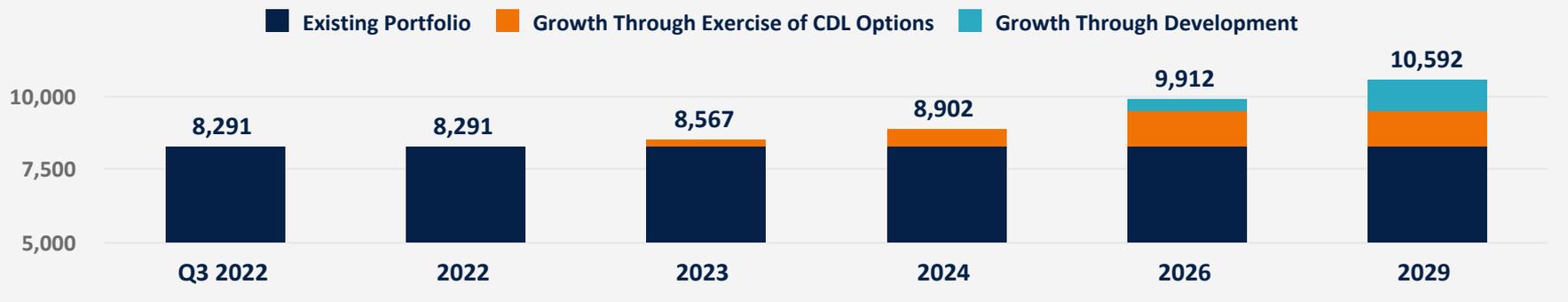


Intensification and Development

Six out of eight projects in the development pipeline are under construction

<i>(in \$ millions, except suites)</i>		Location	Type	Existing/Potential REIT Ownership Interest	Suite Potential		Total CDL Commitment	Total CDL Advanced ¹
					(100%)	(REIT Share)		
Active Development								
Fifth + Bank		Ottawa, ON	CDL	100%	163	163	\$30.0	\$30.0
Lonsdale Square		North Vancouver, BC	CDL	100%	113	113	\$14.0	\$13.5
810 Kingsway		Vancouver, BC	CDL	85%	108	92	\$19.7	\$12.0
Beechwood		Ottawa, ON	CDL	100%	227	227	\$51.4	\$16.3
Leslie York Mills		Toronto, ON	Direct Investment	50%	192	96	N/A	N/A
Richgrove		Toronto, ON	Direct Investment	100%	225	225	N/A	N/A
Pre-Development								
University Heights		Victoria, BC	CDL	45%	593	267	\$51.7	\$9.2
High Park Village		Toronto, ON	Direct Investment	40%	680	272	N/A	N/A
Total					2,301	1,455		\$81.0

REIT Portfolio Growth Pipeline (Suites)^{2,3}



¹ As at September 30, 2022.

² Suite counts are presented on a gross basis.

³ Assumes (i) exercise of option to purchase Fifth + Bank, Lonsdale Square, and Beechwood, (ii) exercise of option to purchase MPI's interest in 810 Kingsway and University Heights, and (iii) partner approval for High Park Village intensification.



Status of Existing Development Pipeline

CDL



Project Concept



Residential leasing complete

Fifth + Bank
Ottawa • 163 Suites
Achieved Q2 2022 Residential Stabilization

CDL



Project Concept



Topped off with pre-leasing in Q1 2023

Lonsdale Square
North Vancouver • 113 Suites
Estimated Q4 2023 Stabilization

CDL



Project Concept



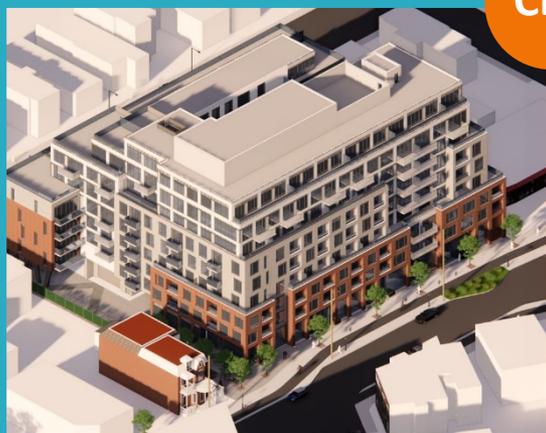
Below grade construction underway

810 Kingsway
Vancouver
108 Suites
Estimated Q3 2024 Stabilization



Status of Existing Development Pipeline (cont'd)

CDL



Demolition complete, excavation is underway



Site work is well underway including the demolition of the existing parking structure



Shoring and excavation underway



Beechwood

Ottawa
227 Suites

Estimated Q4 2024 Stabilization

Leslie York Mills

Toronto

192 Suites • 50% Ownership
Estimated Q2 2026 Stabilization

Richgrove

Toronto

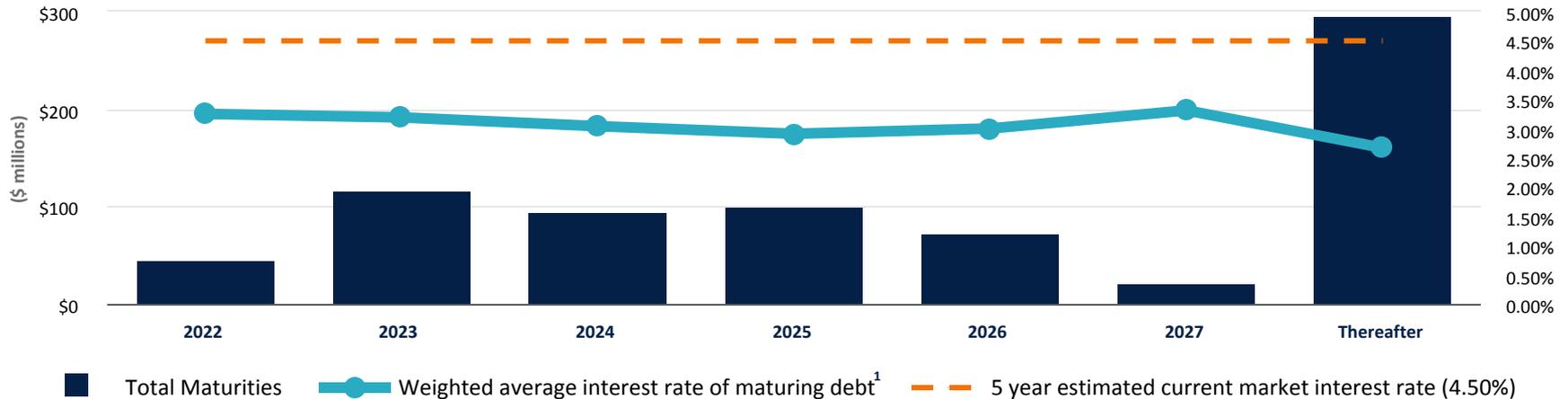
225 Suites (100 Affordable)
Estimated Q2 2026 Stabilization



Debt Financing and Liquidity

The REIT maintains a conservative leverage ratio and balance in its maturity schedule

Term Debt Maturity Schedule



4.48 Years	2.90%	65%	78%	39.9%	\$145m
Weighted Average Term to Maturity ¹	Weighted Average Interest Rate ¹	of Debt is CMHC Insured	of Debt is Fixed Rate	Debt-to-Gross Book Value	Cash and Credit Facility Available

- The REIT assumed \$108.4 million of floating rate loans on the acquisition of Niagara West and The International and is actively pursuing long-term CMHC insured financing to refinance these properties, with funding expected in Q4 2022. Closing these loans would increase the amount of debt that is fixed rate to 88% and the amount that is CMHC insured to 72%.

¹ For fixed rate debt



Update on Niagara West and The International (Acquired in April and May 2022)

Both properties have performed very well since being acquired by the REIT



- Occupancy as at September 30th has increased to 98% bolstered by the return to downtown living in Toronto
- Asking rental rates have increased 5.5% since acquisition



- Renewed strength in Calgary market has supported strong occupancy as at September 30th of 98%
- Asking rental rates have increased 4.9% since acquisition



2022 GRESB Assessment

Overall Score: 80 (+10 pts over 2021)

3-Star GRESB Rating

Green Star Recipient

Top quartile of 16 North American Peers

Public Disclosure Evaluation

Overall Score: 93

Level A Ranking

1st out 10 in Canadian Peer Set

ESG Highlights





Outlook

- **Management believes that the key sector fundamentals that have underpinned our recent strong performance will continue:**
 - **Housing affordability issues from high interest rates, expansive immigration policy, and inelastic housing supply will continue to be tailwinds for our sector**
 - **A general return to downtown living continues, which we believe will continue to drive rental demand in our portfolio**
- **The REIT is well-positioned for long-term success and will be highly focused on executing the following strategies:**
 - **Growing NOI by maximizing revenue, optimizing occupancy, creating value from suite repositionings and minimizing controllable operating expenses and translating NOI into cash flow per unit**
 - **Strategic allocation of capital which may include capital recycling opportunities, accretive investments, de-leveraging**
 - **Best-in-class execution of our existing intensification and development pipeline which will continue to upgrade our high quality portfolio**
 - **Third party acquisition or development opportunities, although these may be challenging in the short-term given our current cost of capital**
 - **Prudent balance sheet and liquidity management**