



minto
Apartment REIT

**Q4 2022 Highlights
Teleconference**

March 9, 2023





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Non-Reliance

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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 (“IFRS”). 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”.



FY 2022 Highlights

- **Same Property Portfolio¹ NOI growth of 7.5% over FY 2021, driven by strong rental demand increasing average monthly rent by 4.6% to \$1,738 and revenue by 8.3% to \$133,547**
- **Moderate decline in Same Property Portfolio NOI margin of 50 bps over FY 2021, driven by increases in operating expenses and natural gas expense**
- **AFFO increased by 12.3% and AFFO per unit increased by 3.4% over FY 2021**
- **Annual cash distribution was raised to \$0.490 from \$0.475, a 3.2% increase**
- **The REIT acquired ownership in two high quality properties: Niagara West in Toronto and The International in Calgary, increasing the REIT's gross suite count by 753 suites**
- **Made initial advances on the University Heights convertible development loan to Minto Properties Inc., supporting the development of a 594 suite mixed-use multi-residential property in Victoria, BC**
- **The 2021 Environmental, Social and Governance ("ESG") report was published, including the REIT's results from 2022 Global Real Estate Sustainability Benchmark ("GRESB") assessment. The REIT achieved a 3-Star GRESB rating and was ranked 1st out of ten among the Canadian peer set for the GRESB Public Disclosure evaluation**
- **Announced the REIT's senior leadership succession plan with Edward ("Eddie") Fu, formerly the REIT's Vice President, Finance, succeeding Julie Morin as CFO, effective January 9, 2023 and Jonathan Li, the REIT's President and Chief Operating Officer, succeeding Michael Waters as CEO, effective April 3, 2023. These are important steps in the REIT's long-term internalization strategy**

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



Q4 2022 Operational Highlights

- Average monthly rent for occupied unfurnished suites in the Same Property Portfolio¹ grew to \$1,738, an increase of 4.6% over Q4 2021
- Average occupancy of unfurnished suites improved to 97.1% compared to 95.0% in Q4 2021. Despite being a seasonally slower quarter, end of period occupancy was 97.6%
- The REIT realized on improving rental market conditions negotiating 423 new leases of unfurnished suites and achieved a gain of 16.6% over expiring rents, the highest gain achieved since the onset of the pandemic and second-highest in the REIT's history
- Market rents increased in all markets where the REIT operates and the embedded rent potential in the unfurnished suite portfolio increased to 13.6% or \$18.1 million on an annualized basis, up from 12.1% or \$16 million at Q3 2022
- NOI for the Same Property Portfolio improved by 7.2% year-over-year, while the NOI margin for the Same Property Portfolio dropped slightly by 30 bps to 61.2%
- Total Portfolio annualized turnover was 21.5% for Q4 2022, due in part to typical seasonal decline compounded by strong rental market fundamentals
- The REIT completed the repositioning of 41 suites generating an average annualized return of 11.3% 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.



Other Q4 2022 Highlights

- In November 2022, [ForAffordable.ca](https://foraffordable.ca) was launched by the five publicly-traded Canadian REIT's to collectively work to dispel myths regarding how we operate and share our ideas to help address the housing supply and affordability crisis in Canada
- AFFO decreased by 4.3% and AFFO per unit decreased by 10.1% year-over-year, as a result of high interest expense offsetting the strong NOI growth achieved in the quarter. At December 31, 2022, the variable rate debt¹ outstanding was \$265.5 million with a weighted average interest rate of 6.87% for the period
- Subsequent to quarter end:
 - The REIT was added to the *S&P/TSX Canadian Dividend Aristocrats Index*, effective February 1, 2023
 - On March 7, 2023, the REIT closed on its disposition of Hi-Level Place in Edmonton, as part of its capital recycling strategy

¹ Variable rate debt includes the REIT's credit facility and variable rate mortgages.



Q4 2022 Key Operating Results

Higher occupancy and rents outpaced operating expenses driving strong NOI, but FFO and AFFO were impacted by significantly higher variable interest rates

(\$000s except %, suite, per suite and per unit amounts)	Same Property Portfolio ¹			Total Portfolio ²		
	Three months ended December 31,			Three months ended December 31,		
	2022	2021	Variance	2022	2021	Variance
Revenue	\$34,656	\$32,196	7.6%	\$37,916	\$32,429	16.9%
Operating expenses	\$13,438	\$12,394	(8.4)%	\$14,969	\$12,489	(19.9)%
NOI	\$21,218	\$19,802	7.2%	\$22,947	\$19,940	15.1%
NOI margin (%)	61.2%	61.5%	(30) bps	60.5%	61.5%	(100) bps
General and administrative expenses				\$2,554	\$1,849	(38.1)%
Interest expense & other financing charges				\$8,428	\$4,456	(89.1)%
FFO ³				\$12,864	\$13,245	(2.9)%
FFO (\$/unit) ³				\$0.1960	\$0.2147	(8.7)%
AFFO ³				\$11,160	\$11,656	(4.3)%
AFFO (\$/unit) ³				\$0.1700	\$0.1890	(10.1)%
Distributions declared (\$/unit)				\$0.1212	\$0.1171	\$0.0041
AFFO payout ratio				71.3%	63.1%	820 bps
Total suites ⁴	7,277	7,277	—	8,291	7,538	753
Average monthly rent per occupied suite ⁵	\$1,738	\$1,662	4.6%	\$1,732	\$1,641	5.5%
Occupancy - average for the period ⁶	97.3%	95.1%	220 bps	97.1%	95.0%	210 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 (December 31, 2021 - 30) properties.

³ In Q4 2022, the REIT received a one-time insurance recovery of approximately \$304. Excluding this recovery, decreases in FFO and FFO per unit were 5.2% and 10.9%, respectively, and decreases in AFFO and AFFO per unit were 6.9% and 12.5% respectively, as compared to Q4 2021.

⁴ Total suites include 2,664 (December 31, 2021 - 2,163) suites co-owned with institutional partners.

⁵ Excludes 188 furnished suites, 155 vacant suites and 46 suites offline for repositioning.

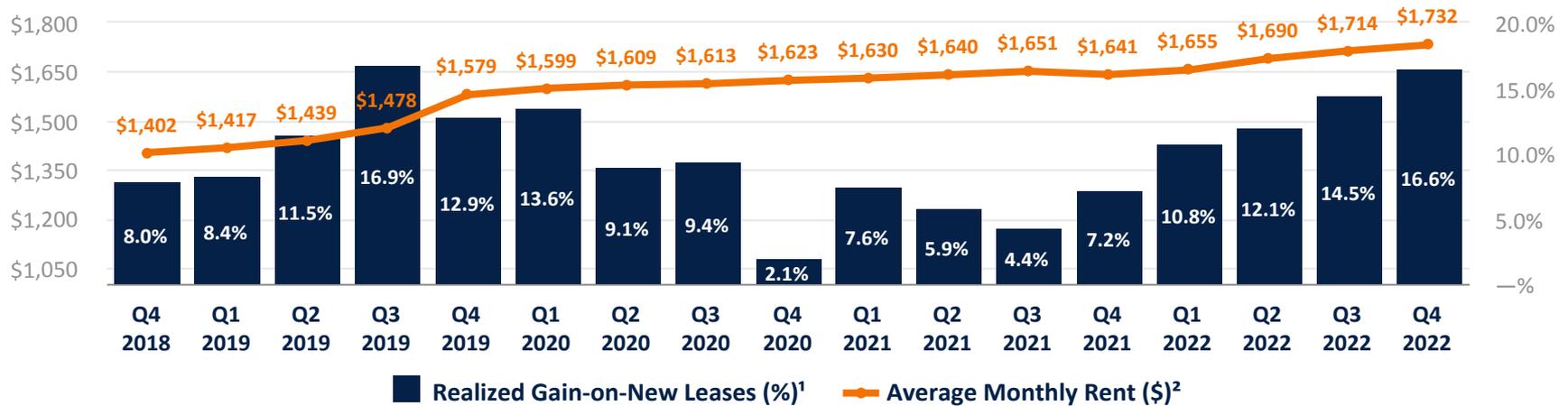
⁶ Occupancy for unfurnished suites.



AMR and Gain-to-Lease Over Time

Strong momentum on leasing gains continued through Q4 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	\$2,061	776	\$2.66
Ottawa	\$1,621	836	\$1.94
Alberta	\$1,436	672	\$2.14
Montreal	\$1,856	975	\$1.90
Average	\$1,732	827	\$2.09

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 December 31, 2022. All data is for occupied unfurnished suites. Excludes 188 furnished suites, 155 vacant suites and 46 suites offline for repositioning.



Realized and Potential Gain-to-Lease by Geography

Improving market conditions overall and in urban locations in particular drove realized gain-to-lease to 16.6% with gain-to-lease potential increasing to 13.6%

Realized gain-on-new leases in the three months ended December 31, 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	103	\$2,476	\$2,896	17.0%	\$256
Ottawa	148	\$1,648	\$1,920	16.5%	\$563
Alberta	96	\$1,361	\$1,615	18.7%	\$260
Montreal	76	\$1,645	\$1,855	12.8%	\$126
Total/Average	423	\$1,699	\$1,981	16.6%	\$1,205

Gain-to-lease potential on existing rents as at December 31, 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	2,351	\$2,061	\$2,346	13.8%	\$4,643
Ottawa	2,950	\$1,621	\$1,876	15.8%	\$9,056
Alberta	901	\$1,436	\$1,567	9.1%	\$1,413
Montreal	1,700	\$1,856	\$2,063	11.1%	\$3,027
Total/Average	7,902	\$1,732	\$1,968	13.6%	\$18,139

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 All data for occupied unfurnished suites. Excludes 188 furnished suites, 155 vacant suites and 46 suites offline for repositioning.

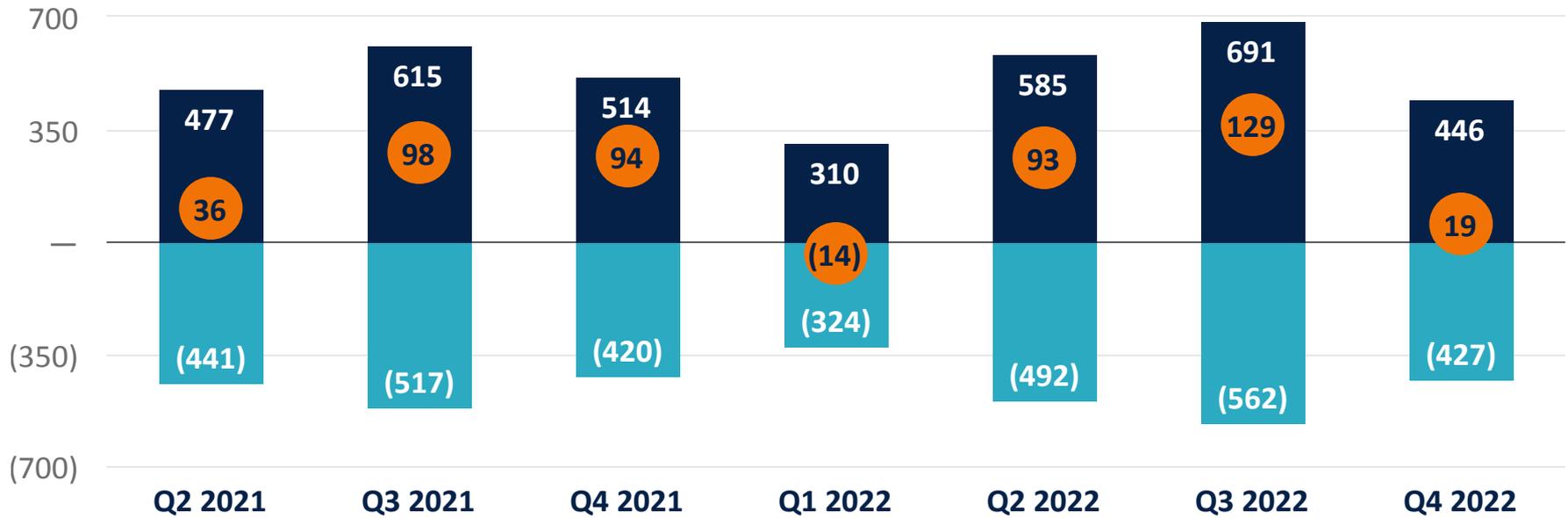


Occupancy Drivers

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

Quarterly Move-ins and Move-outs (Suites)

Move-outs Move-ins Net change



Occupancy ¹	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
	92.9%	94.8%	95.5%	94.6%	95.8%	97.4%	97.6%

¹ Total Portfolio ending occupancy of unfurnished suites for the period.



Furnished Suites

A slight decline in occupancy due to a typically slower leasing season

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Furnished Suites Operating Metrics					
Furnished suite inventory	203	195	190	189	188
Average monthly rent	\$4,078	\$4,219	\$4,476	\$5,261	\$4,848
Average occupancy	80.5%	62.8%	86.2%	91.9%	77.4%

- The furnished suite count was 188 suites, completing the REIT's goal of offering furnished suites in the Minto Yorkville and Minto one80five properties
- Strong average monthly rent for the quarter slightly offset by decreased occupancy
- A sizeable increase in average monthly rent over last year due to removal of travel restrictions and a recovery in demand from corporate users and the film industry



*Furnished suite at Minto Yorkville,
Toronto*



Q4 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 December 31,			Three months ended December 31,		
	2022	2021	Variance	2022	2021	Variance
Property operating costs	\$ 6,615	\$ 6,118	(8.1)%	\$ 7,414	\$ 6,161	(20.3)%
Property taxes	3,514	3,486	(0.8)%	3,872	3,508	(10.4)%
Utilities						
Electricity	935	936	0.1%	1,120	941	(19.0)%
Natural gas	1,598	1,129	(41.5)%	1,767	1,154	(53.1)%
Water	776	725	(7.0)%	796	725	(9.8)%
	3,309	2,790	(18.6)%	3,683	2,820	(30.6)%
Operating expenses	\$ 13,438	\$ 12,394	(8.4)%	\$ 14,969	\$ 12,489	(19.9)%

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 (December 31, 2021 - 30) properties.

- Higher labour costs, filling staffing vacancies and higher repairs and maintenance 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 variance with rates increasing by 47% over that period. Consumption also contributed to the higher costs for Q4 2022 increasing by 2% over Q4 2021 on a Same Property Portfolio basis.
- Electricity costs are tempered as 86% of the Total Portfolio is either sub-metered or tenants are directly billed for their usage.



Suite Repositioning in Q4 2022

41 suites repositioned in Q4 generating a 11.3% ROI

Property	Ownership Interest	Suites Repositioned and Leased ¹	Remaining Suites to Reposition ¹	Total Suites in the Program ¹	% Complete
Minto Yorkville	100%	2	31	99	69%
Leslie York Mills	50%	6	198	409	52%
High Park Village	40%	7	264	407	35%
Carlisle	100%	4	75	191	61%
Castle Hill	100%	1	68	176	61%
Rockhill	50%	3	755	934	19%
Le 4300	100%	3	216	261	17%
Haddon Hall	100%	8	136	191	29%
Roehampton	100%	2	50	148	66%
Martin Grove	100%	1	22	32	31%
Le Hill-Park	100%	4	168	261	36%
Total		41	1,983	3,109	36%

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

- **41 suites were repositioned and leased in Q4 2022 (33 at the REIT's share) at an average cost of \$60,863 per suite. These suites generated an annual average rent increase of \$6,050 per suite (\$370 per month) - an 11.3% simple ROI**
- **Management expects turnover to decrease in 2023, therefore the REIT expects to reposition 80 to 120 suites during the year, compared to 259 in 2022.**

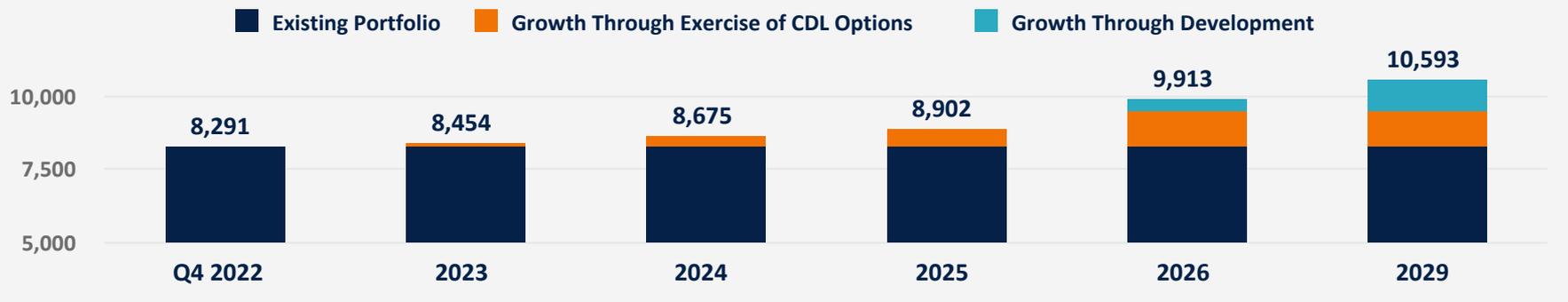


Intensification and Development

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	\$13.8
810 Kingsway		Vancouver, BC	CDL	85%	108	92	\$19.7	\$15.4
Beechwood		Ottawa, ON	CDL	100%	227	227	\$51.4	\$25.6
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%	594	267	\$51.7	\$12.9
High Park Village		Toronto, ON	Direct Investment	40%	680	272	N/A	N/A
Total					2,302	1,455		\$97.7

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



¹ As at December 31, 2022.

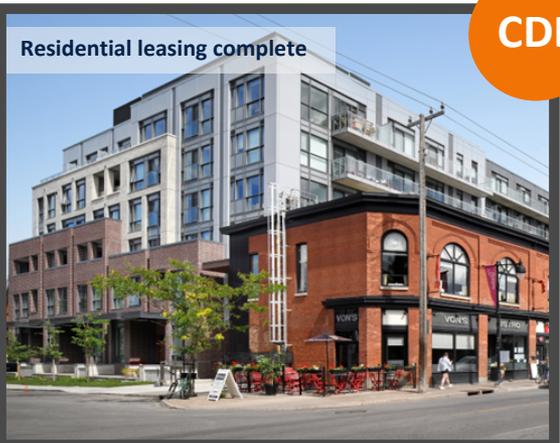
² Suite counts are presented on a gross basis.

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



Residential leasing complete



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

CDL



Project Concept



Structure topped off and weather tightness achieved in Q4 2022

Lonsdale Square
North Vancouver • 113 Suites
Estimated Q1 2024 Stabilization

CDL



Project Concept



Excavation and shoring complete, slab on-grade work underway

810 Kingsway
Vancouver • 108 Suites
Estimated Q3 2024 Stabilization



Status of Existing Development Pipeline (cont'd)

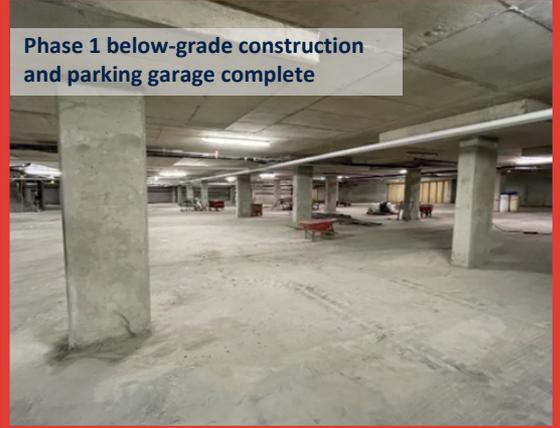
CDL



Beechwood
Ottawa
227 Suites
Estimated Q1 2025 Stabilization



Leslie York Mills
Toronto
192 Suites • 50% Ownership
Estimated Q2 2026 Stabilization



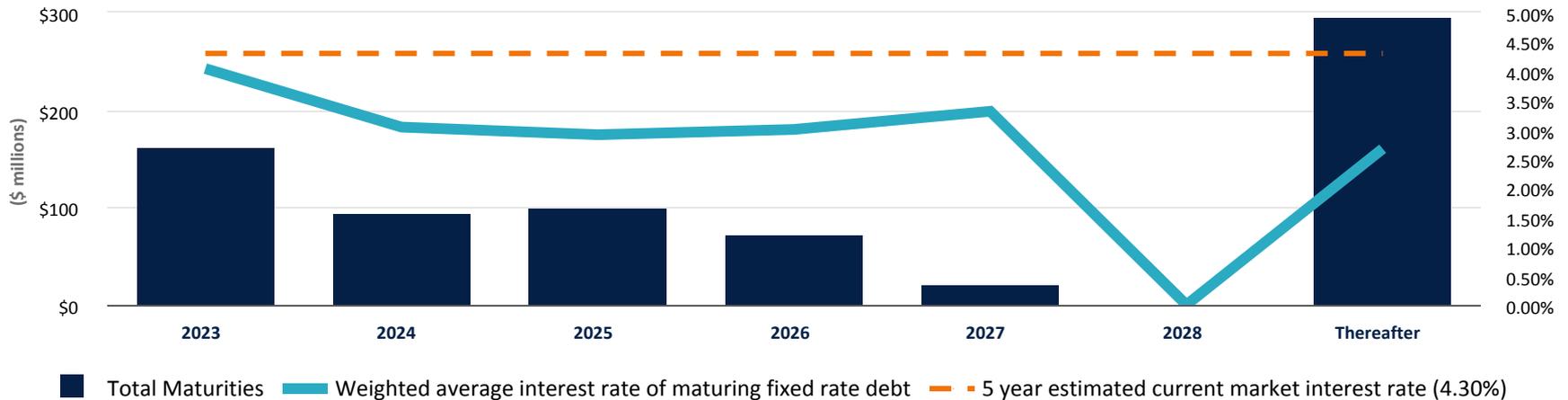
Richgrove
Toronto
225 Suites (100 Affordable)
Estimated Q2 2026 Stabilization



Debt Financing and Liquidity

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

Term Debt Maturity Schedule



4.27 Years	3.06%	6.87%	3.97%	63%	76%	40.6%	\$115m
Weighted Average Fixed Rate Term to Maturity	Weighted Average Fixed Interest Rate	Weighted Average Variable Interest Rate	Weighted Average Total Interest Rate ¹	of Debt is CMHC Insured	of Debt is Fixed Rate	Debt-to-Gross Book Value	Cash and Credit Facility Availability

- As at December 31, 2022, the REIT had \$265.5m of variable rate debt with a weighted average interest rate of 6.87%. \$108.4m consists of variable rate mortgages with a weighted average interest rate of 7.45% which are anticipated to be refinanced in early Q2 2023 with CMHC-insured fixed rate mortgages. Closing these loans would increase the proportion of fixed rate debt to 86% and CMHC insured debt to 73%.
- Management intends to further mitigate exposure to variable rate debt through its credit facility by using proceeds from upward refinancing maturing mortgages and other sources of liquidity from deleveraging.

¹ Includes fixed rate mortgages, Class C LP Units, variable rate mortgages, and the credit facility.



Outlook

- **Management believes that the key sector fundamentals that have underpinned our recent strong performance will continue to support strong operating performance:**
 - **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 combined with a growing percentage of renters versus home owners in Canada, will help drive rental demand in our portfolio**
- **The REIT is well-positioned for long-term success and will be highly focused on delivering solid FFO per unit growth:**
 - **Growing NOI by maximizing revenue, optimizing occupancy, efficiently managing turnover and minimizing operating expenses**
 - **Strategic allocation of capital which may include reducing variable-rate debt, unit buy backs and continued investments in our existing properties and development pipeline**
 - **Generating capital through internal sources to fund our growth pipeline through our capital recycling program**
 - **Best-in-class execution of our existing intensification and development pipeline which will continue to upgrade our high quality portfolio**
 - **Prudent balance sheet and liquidity management**