



# Management's Discussion and Analysis

For the three months ended March 31, 2024 and 2023



**minto**  
Apartment REIT

# Table of Contents

<b>Management's Discussion and Analysis</b>	<b>1</b>
<b>Section I - Overview</b>	<b>1</b>
Business Overview	1
Business Strategy and Objectives	1
Declaration of Trust	1
Basis of Presentation	2
Forward-Looking Statements	2
Use of Estimates	2
Financial and Operating Highlights	3
Outlook	9
<b>Section II - Financial Highlights and Performance</b>	<b>13</b>
Key Performance Indicators	13
Review of Financial Performance	14
Summary of Quarterly Results	21
<b>Section III - Assessment of Financial Position</b>	<b>22</b>
Investment Properties	22
Class B LP Units	23
Class C LP Units	23
Mortgages and Loan	24
Credit Facility	24
Units	24
Distributions	25
<b>Section IV - Liquidity, Capital Resources and Contractual Commitments</b>	<b>26</b>
Liquidity and Capital Resources	26
Cash Flows	28
Reconciliation of Non-IFRS Financial Measures and Ratios	30
<b>Section V - Accounting Estimates and Policies, Controls and Procedures and Risk Analysis</b>	<b>33</b>
Critical Judgments in Applying Accounting Policies and Critical Accounting Estimates and Assumptions	33
Risks and Uncertainties	33
Financial Risk Management	33
Related Party Transactions	33
Contingencies and Commitments	33
Adoption of New Standards, Amendments and Interpretations	33
Disclosure Controls and Internal Controls Over Financial Reporting	34
<b>Section VI - Supplemental Information</b>	<b>35</b>
Property Portfolio	35
Average Rent Per Square Foot	36
Non-IFRS and Other Financial Measures	36

## Section I - Overview

### Business Overview

Minto Apartment Real Estate Investment Trust (the "REIT") is an unincorporated, open-ended real estate investment trust established pursuant to a Declaration of Trust dated April 24, 2018, which was amended and restated on June 27, 2018 and has been further amended from time to time. The REIT owns, develops and operates a portfolio of income-producing multi-residential rental properties located in Canada. The REIT was established under the laws of the Province of Ontario. The principal and registered office of the REIT is 200-180 Kent Street, Ottawa, Ontario.

The REIT's portfolio, referred to herein as the "Total Portfolio", consists of 28 multi-residential rental properties located in urban locations: Ottawa, Toronto, Montreal, and Calgary. At March 31, 2023, the Total Portfolio comprised 31 multi-residential rental properties located in these urban locations as well as Edmonton. The "Same Property Portfolio" consists of 28 multi-residential properties owned for equivalent periods in 2024 and 2023 and represents 100% of the REIT's Total Portfolio suite count (March 31, 2023 - 94%). Unless otherwise noted, analysis and figures presented in this Management's Discussion and Analysis are on a Total Portfolio basis. The ownership distribution of suites is shown in the table below and unless otherwise noted, all references to suite count, including co-owned properties, are at 100% ownership rather than the REIT's proportionate effective ownership:

As at March 31,	Same Property Portfolio Suites		Total Portfolio Suites	
	2024	2023	2024	2023
Wholly-owned	5,062	5,062	5,062	5,563
50% co-owned	1,413	1,413	1,413	1,413
40% co-owned	750	750	750	750
28.35% co-owned	501	501	501	501
<b>Total suites</b>	<b>7,726</b>	<b>7,726</b>	<b>7,726</b>	<b>8,227</b>
<b>Total suites at effective ownership</b>	<b>6,211</b>	<b>6,211</b>	<b>6,211</b>	<b>6,712</b>

### Business Strategy and Objectives

The REIT's objectives are to:

- provide Unitholders an opportunity to invest in high-quality income-producing multi-residential rental properties strategically located across urban centres in Canada;
- enhance the value of the REIT's assets and maximize long-term Unitholder value through value-enhancing capital investment programs and active asset and property management of the REIT's properties;
- provide Unitholders with predictable and sustainable distributions; and
- expand the REIT's asset base in its key markets through intensification programs, acquisitions and developments.

Management believes it can accomplish these objectives given that it operates a high quality portfolio in an attractive asset class with compelling supply and demand characteristics.

The REIT has a thoughtful and prudent approach to managing its capital by balancing the allocation among available alternatives. These alternatives include the repayment of variable-rate debt, convertible development loan ("CDL") programs, increasing suite count through its current developments, maintenance capital expenditures, distributions, repositioning programs, deleveraging, strategic acquisitions and unit buybacks. Key criteria impacting our capital allocation decisions include project returns, liquidity, leverage levels, net asset value ("NAV") per unit and cash flow growth per unit over time. The REIT also evaluates dispositions that meet its divestiture criteria as part of its capital management.

### Declaration of Trust

The investment guidelines and operating policies of the REIT are outlined in the REIT's Amended and Restated Declaration of Trust dated June 27, 2018, as amended from time to time (collectively, the "DOT"). A copy of the DOT is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

As of May 7, 2024, the REIT was in compliance with its investment guidelines and operating policies as set out in the DOT.

## Basis of Presentation

The following Management's Discussion and Analysis of the REIT's results of operations and financial condition should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements and accompanying notes for the three months ended March 31, 2024 ("Q1 2024") and 2023 ("Q1 2023"), prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and the REIT's audited consolidated financial statements and the accompanying notes for the years ended December 31, 2023 and 2022 prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the IASB. All amounts are stated in thousands of Canadian dollars, unless otherwise noted.

This Management's Discussion and Analysis also contains certain non-IFRS and other financial measures including funds from operations ("FFO"), FFO per unit, normalized FFO, normalized FFO per unit, adjusted funds from operations ("AFFO"), AFFO per unit, AFFO Payout Ratio, normalized AFFO, normalized AFFO per unit, normalized AFFO Payout Ratio, net operating income ("NOI"), normalized NOI, Debt-to-Gross Book Value ratio, Debt-to-adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") ratio, Debt Service Coverage ratio, NAV, and NAV per unit, 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. See "Non-IFRS and Other Financial Measures" under Section VI - "Supplemental Information" for definitions of these measures.

The REIT's Board of Trustees approved the content of this Management's Discussion and Analysis on May 7, 2024. Disclosure in this document is current to that date unless otherwise stated. Additional information relating to the REIT can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and also on the REIT's website at [www.mintoapartmentreit.com](http://www.mintoapartmentreit.com).

## Forward-Looking Statements

This Management's Discussion and Analysis may contain forward-looking statements (within the meaning of applicable Canadian securities laws) relating to the business of the REIT. Forward-looking statements are identified by words such as "believe", "anticipate", "project", "expect", "intend", "plan", "will", "may", "estimate" and other similar expressions. These statements are based on the REIT's expectations, estimates, forecasts and projections, including the REIT's expectations with respect to the impact of high interest rates and inflation on its business, operations and financial results. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risks and Uncertainties". There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this Management's Discussion and Analysis and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## Use of Estimates

The preparation of the unaudited condensed consolidated interim financial statements in conformity with IAS 34 requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the unaudited condensed consolidated interim financial statements and accompanying note disclosures. Although these estimates are based on Management's knowledge of current events and actions the REIT may undertake in the future, actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

## Financial and Operating Highlights

### Financial Performance

#### Revenue and NOI Growth Remain Strong

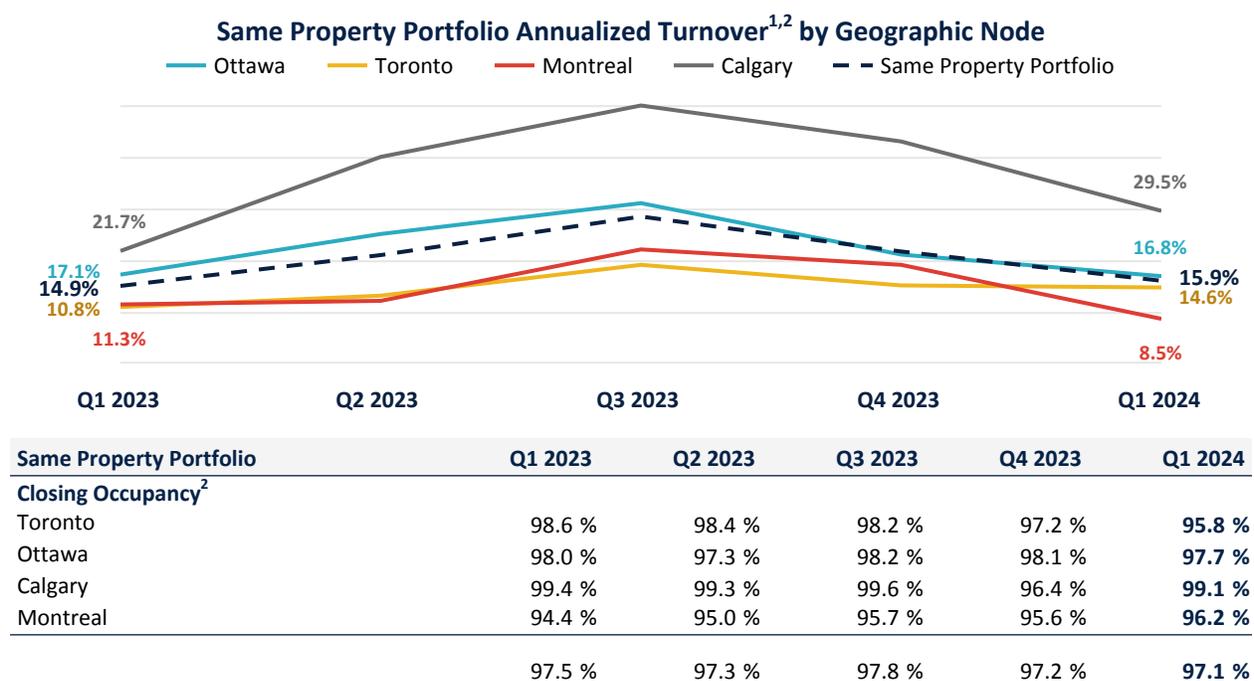
Q1 2024 was another strong operational quarter for the REIT. Same Property Portfolio revenue grew 6.1% over Q1 2023. Average monthly rent ("AMR") for the Same Property Portfolio increased by 6.6%, while average occupancy declined slightly through a typically slower leasing season by 20 bps to 96.9%. Same Property Portfolio normalized operating expenses decreased by 3.0% over the same period, driven by a milder winter and decreased natural gas rates. Overall, Same Property Portfolio Normalized NOI grew by 12.3% and Normalized NOI margin expanded by 350 bps to 63.0%.

For Q1 2024, Total Portfolio revenue grew by 1.4% over Q1 2023, due to the strong Same Property Portfolio results, partially offset by the loss of revenue from two Ottawa properties sold during Q1 2024 and three Edmonton properties sold in 2023. Total Portfolio AMR grew by 8.0%, while average occupancy decreased by 30 bps to 96.9%. Normalized operating expenses declined by 6.9%, due to property dispositions along with the mild winter and decreased natural gas costs. Overall, Total Portfolio Normalized NOI grew by 7.1% and Normalized NOI margin expanded by 340 bps to 62.8%.

#### Turnover Consistent with Seasonal Norms and Stable Closing Occupancy

The annualized turnover rate for the Same Property Portfolio was 15.9% in Q1 2024, which was in line with seasonal norms. This was led by annualized turnover of 29.5% in Calgary, a non-rent controlled market, where the availability of affordable homes allows tenants to consider other housing options but strong demand still drove closing occupancy of 99.1%. Annualized turnover of 16.8% in Ottawa was flat year over year while occupancy remained consistent. In Toronto, annualized turnover increased to 14.6%, driven by move-outs in non-rent controlled suites. Toronto has experienced slower lease-up particularly for one-bedroom suites, resulting in lower closing occupancy of 95.8%. Management has strategically used a small amount of promotion to drive up occupancy in those suites, which has shown early signs of success. In Montreal, annualized turnover was slower at 8.5% but relatively consistent with seasonal norms and closing occupancy increased to 96.2% due to a low turnover rate and stable demand.

Occupancy remained largely stable from Q4 2023 as move-ins kept pace with move-outs, allowing the REIT to capture gain-on-lease and finish Q1 2024 with Same Property Portfolio closing occupancy of 97.1%.



<sup>1</sup> Annualized turnover extrapolates the quarterly turnover rate to determine an annual rate and as such is not necessarily representative of a full year's turnover.

<sup>2</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

### **Past Balance Sheet Initiatives Continue to Drive Strong FFO Growth**

The REIT's focus on implementing accretive capital allocation strategies contributed to growth of Normalized FFO per unit and AFFO per unit of 27.3% and 32.8%, respectively in Q1 2024 over Q1 2023. In addition to strong operational performance, Management was able to further reduce variable-rate debt exposure to 6% of Total Debt, leading to a decline in interest costs by 11.0% from Q1 2023.

### **Normalized NOI, Normalized FFO per unit and Normalized AFFO per unit Growth<sup>1</sup>**

Same Property Portfolio Normalized NOI growth was 12.3% over Q1 2023 and Normalized NOI margin increased by 350 bps to 63.0%. Normalized results exclude the impact of nonrecurring items not indicative of the REIT's typical operations, consisting of insurance recoveries of \$122 received in Q1 2024 mainly related to water damage at certain properties in Ottawa, offset by severance costs of \$86 in Q1 2023. Adjusting for the items in both periods resulted in increased Normalized FFO per unit and Normalized AFFO per unit growth of 27.3% and 32.8%, respectively for Q1 2024 over Q1 2023. A reconciliation of normalized results can be found in Section IV - "Liquidity, Capital Resources and Contractual Commitments - Reconciliation of Non-IFRS Financial Measures and Ratios".

### **Capital Recycling Strategy**

On February 15, 2024, the REIT closed on the previously announced sale of Tanglewood and Chesterton/Bowhill comprising 311 suites in the Ottawa area to Ottawa Community Housing Corporation ("OCH"). The properties were sold for a total sale price of \$86,000 which was in line with their IFRS fair value. The sale resulted in proceeds of \$67,956, net of mortgages and transaction costs, which were used to pay down a portion of the REIT's revolving credit facility and were immediately accretive to FFO and AFFO on an annualized basis. The transaction between OCH and the REIT marks a significant milestone in increasing and protecting Ottawa's affordable housing supply.

The REIT will remain opportunistic regarding any other potential capital recycling initiatives described in Section I - "Overview - Outlook - Capital Recycling Program".

### **Continued Strengthening of the Balance Sheet**

In Q1 2024, the REIT continued to deleverage by using the \$67,956 of proceeds from sale of the Ottawa properties, along with the \$30,000 repayment of the Fifth + Bank CDL, to further pay down its revolving credit facility. This reduced the REIT's variable-rate debt exposure to 6% of Total Debt, and materially decreased Debt-to-Gross Book Value by 140 bps to 41.4% and Debt-to-Adjusted EBITDA by 0.85x to 10.94x at the end of Q1 2024.

To further support optionality for the REIT in 2024, Management continues to pursue upward refinancing for three properties which has the potential to generate between \$55,000 and \$65,000. Management will consider the impact that each potential refinancing has on FFO per unit by considering the potential refinanced interest rates, pro forma balances outstanding, and the REIT's debt maturity schedule.

### **NAV per unit Impacted by Expanding Capitalization Rates**

NAV per unit as at March 31, 2024 was \$22.26, a decrease from \$22.76 as at December 31, 2023, primarily due to a fair value loss on investment properties of \$38,605 in Q1 2024. The fair value loss was driven by capitalization rate expansion in select geographies of the residential portfolio, primarily as a result of the high interest rate environment, and an increase to the capital expenditure reserve, partially offset by growth in forecast NOI for the portfolio overall.

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<sup>1</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

## Execution of Organic Growth Strategy

The REIT continued to deliver organic growth by realizing on the gain-to-lease potential in the portfolio and to a lesser degree from its suite repositioning program. For Q1 2024, the REIT was able to realize gains of 12.5% on the 369 new leases it signed during the period. These gains represent annualized revenue growth of approximately \$871. The strong market conditions have supported the gain-to-lease potential of the portfolio, which was 15.9% at March 31, 2024, down slightly from 17.1% at December 31, 2023 but up from 15.3% at March 31, 2023. The ability of the REIT to realize the embedded gain-to-lease potential in the portfolio in the short term will be impacted by geographic turnover trends. Management expects turnover to slow relative to seasonal norms in 2024 as the gap between sitting rents and market rents remains elevated. The REIT successfully repositioned 7 suites in Q1 2024, compared to 32 in Q1 2023, generating an average annual unlevered return of 9.4%. With slower turnover and high occupancy, Management expects to reposition 50 to 90 suites in 2024, down from 116 in 2023.

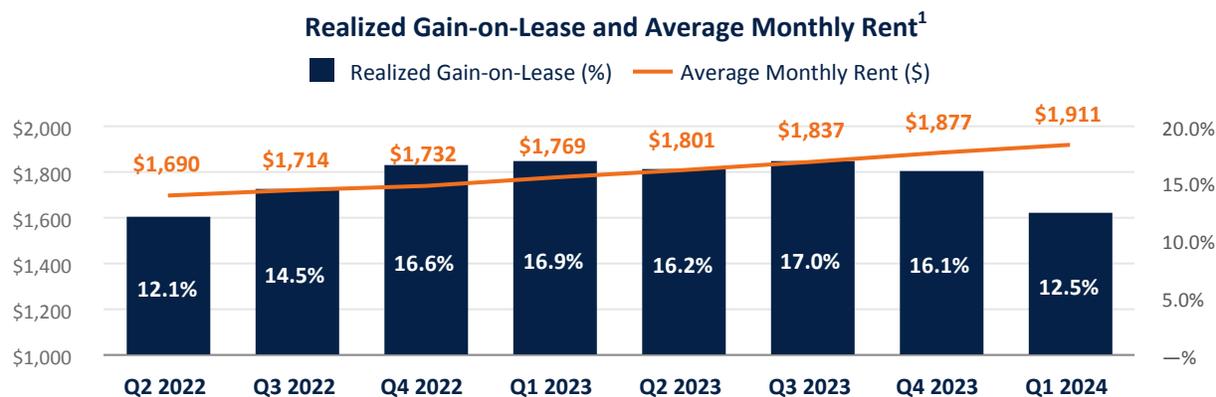
## Organic Growth — Gain-on-Lease<sup>1</sup>

The REIT realized on organic revenue growth for Q1 2024 through effective leasing activities and revenue management strategies aided by a strong rental market. As new tenants take occupancy, the REIT is able to move rental rates from lower in-place rents to current market rates. During the period, new leases resulted in annualized revenue growth of approximately \$871. A summary of leasing activities and the gains to be realized from new leases signed for Q1 2024 is set out in the table below:

Geographic Node	New Leases Signed <sup>2</sup>	Expiring AMR	New AMR	Realized Gain-on-Lease <sup>1</sup>	Annualized Gain-on-Lease <sup>1,3</sup>
Toronto	95	\$2,583	\$2,814	8.9%	\$109
Ottawa	137	1,859	2,122	14.1%	432
Calgary	77	1,751	1,948	11.3%	182
Montreal	60	2,040	2,329	14.2%	148
<b>Total/Average</b>	<b>369</b>	<b>\$1,953</b>	<b>\$2,198</b>	<b>12.5%</b>	<b>\$871</b>

The REIT realized gain-on-lease in all of its markets in Q1 2024, with an average gain-on-lease of 12.5% on the 369 new leases it signed. The realized gain-on-lease was double digits in all geographies except Toronto, where approximately 70% of new leases signed occurred at Niagara West which is not subject to rent control and therefore the expiring rents have a lower gap to market rents. Excluding Niagara West, realized gain-on-lease in Toronto was 19.0% and 13.8% for the portfolio. Overall, the Canadian rental market continued its strong performance, bolstered by population growth, a lack of affordable living alternatives and increasing general acceptance of renting versus owning.

For more details on revenue growth, see Section II - "Financial Highlights and Performance - Review of Financial Performance - Revenue from Investment Properties".



The REIT continues to achieve growth in average monthly rent. Average monthly rent of \$1,911 for Q1 2024 was an increase of 8.0% over Q1 2023.

<sup>1</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

<sup>2</sup> New leases signed includes 100% of new leases from co-ownerships and excludes new leases of furnished suites.

<sup>3</sup> For co-owned properties, reflects the REIT's co-ownership interest only.

The annualized gains realized from new leases signed in the last four quarters are as follows:

Fiscal Quarter	New Leases Signed <sup>1</sup>	Expiring AMR	New AMR	Realized Gain-on-Lease <sup>2</sup>	Annualized Gain-on-Lease <sup>2,3</sup>
Q2 2023	495	\$1,778	\$2,066	16.2%	\$1,375
Q3 2023	510	1,820	2,130	17.0%	1,453
Q4 2023	335	1,880	2,182	16.1%	1,096
Q1 2024	369	1,953	2,198	12.5%	871
<b>Total/Average</b>	<b>1,709</b>	<b>\$1,849</b>	<b>\$2,137</b>	<b>15.6%</b>	<b>\$4,795</b>

The REIT has achieved an average of 15.6% growth on realized gain-on-lease over the last four quarters, representing annualized gain-on-lease of \$4,795. The realized gain-on-lease slowed in Q1 2024 compared to recent quarters as a large portion of new leases were for one-bedroom suites at non-rent controlled properties through a slower leasing season. Management believes the demand from migration-driven population growth, in addition to high interest rates affecting the cost of home ownership, will continue driving rental demand and higher rental rates.

Management continually reviews market conditions and updates its estimates of market rent for the properties in its portfolio. Factoring in the new estimates of market rent, the estimated gain-to-lease potential on existing tenancies for the REIT's portfolio as at March 31, 2024 is as follows:

Geographic Node	Total Suites <sup>4</sup>	Current AMR	Management's Estimate of Market AMR	Percentage Gain-to-Lease Potential <sup>2</sup>	Annualized Estimated Gain-to-Lease Potential <sup>2,3</sup>
Toronto	2,280	\$2,203	\$2,606	18.3%	\$6,427
Ottawa	2,628	1,763	2,050	16.2%	9,033
Calgary	659	1,783	1,987	11.5%	1,619
Montreal	1,739	1,977	2,266	14.6%	4,301
<b>Total/Average</b>	<b>7,306</b>	<b>\$1,911</b>	<b>\$2,215</b>	<b>15.9%</b>	<b>\$21,380</b>

Management currently estimates that the portfolio has annualized gain-to-lease potential of approximately \$21,380. The REIT's gain-to-lease potential at March 31, 2024 remained robust at 15.9%. The REIT continues to realize on gain-to-lease opportunities as suites turn over and expects to continue doing so going forward. The REIT's ability to realize the gain-to-lease potential is dependent on suite turnover and overall market conditions. Notwithstanding a potential slow down in turnover, Management expects that the REIT will be able to realize a significant portion of the gain-to-lease potential over a period of four to six years.

<sup>1</sup> New leases signed includes 100% of new leases from co-ownerships and excludes new leases of furnished suites.

<sup>2</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

<sup>3</sup> For co-owned properties, reflects the REIT's co-ownership interest only.

<sup>4</sup> Excludes 177 furnished suites, 144 vacant suites, 80 suites leased for future occupancy and 19 suites offline for post move-out repairs and maintenance or repositioning.

## Value Creation

### Repositionings

A summary of the repositioning activities is set out below:

Property	Ownership Interest	Suites Repositioned and Leased in Q1 2024	Remaining Suites to Reposition	Total Suites in the Program	Proportion Complete
<b>Toronto</b>					
Minto Yorkville	100%	—	29	99	71%
Leslie York Mills	50%	—	191	409	53%
High Park Village	40%	1	247	407	39%
Roehampton	100%	1	41	148	72%
Martin Grove	100%	—	17	32	47%
<b>Ottawa</b>					
Carlisle	100%	1	64	191	66%
Castle Hill	100%	—	63	176	64%
<b>Montreal</b>					
Rockhill	50%	1	728	934	22%
Le 4300	100%	2	200	261	23%
Haddon Hall	100%	—	132	191	31%
Le Hill-Park	100%	1	148	261	43%
<b>Total</b>		<b>7</b>	<b>1,860</b>	<b>3,109</b>	<b>40%</b>

The following table summarizes costs and average annualized returns from repositioning activities for the last four quarters:

Fiscal Quarter	Suites Renovated	Average Cost per Suite	Average Annual Rental Increase per Suite	Average Annual Unlevered Return <sup>1</sup>
Q2 2023	33	\$69,853	\$6,565	9.4%
Q3 2023	33	73,476	6,441	8.8%
Q4 2023	18	83,559	9,886	11.8%
Q1 2024	7	69,350	6,517	9.4%
<b>Total/Average</b>	<b>91</b>	<b>\$73,918</b>	<b>\$7,199</b>	<b>9.7%</b>

Management targets an average annual unlevered return on investment in the range of 8% to 15% on suites renovated and leased. The REIT's repositioning program represents an organic growth opportunity. Utilizing the REIT's asset management strategy, these programs target maximizing return on investment, while managing cash flow.

Capital is thoughtfully allocated to the 11 active repositioning projects on a suite-by-suite basis to ensure that an optimal investment decision is made. Many of the existing repositioning projects have been active for five years or more. Suites that become available at these properties are from residents with lengths of stay averaging approximately 11 years. These suites require investment and provide an opportunity to make upgrades that generate a positive return on investment. The REIT does not engage in renovation-related evictions. Management strategically assesses each repositioning and anticipates the number of suites in the program will continue to reduce over time due to the lower turnover propensity for these suites. Management estimates 50 to 90 suites in 2024 will be repositioned compared to 116 suites repositioned during 2023.

<sup>1</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

## **Environmental, Social and Governance Initiatives**

The REIT continues to implement measures to improve environmental, social, and governance ("ESG") performance under the three strategic pillars of environmental impact, community impact, and business resilience. Highlights since the previous ESG update include:

### **Environmental Impact**

- Toilet sensor projects were executed at Aventura, Huron, and Seneca to prevent leaks and reduce water consumption.
- Building Automation System Artificial Intelligence optimization projects were completed at Niagara West and Huron to reduce energy consumption.
- The Richgrove and Leslie York Mills development projects achieved an average construction waste diversion rate of 88.3% in 2023 and 85.0% from January to February 2024, exceeding the REIT's 80% target.

### **Community Impact**

- Costing of the draft health and well-being framework continued, designed to support the health and well-being of residents at new developments and stabilized properties.
- Monitoring of customer experience scores is underway across the portfolio to evaluate resident satisfaction and the success of the resident engagement program.

### **Business Resilience**

- The cybersecurity program was strengthened through:
  - Completion of a security awareness assessment which will be used to define the security training strategy;
  - Completing the deployment of a Privileged Access Management solution to manage administrators' passwords and tokens for all servers and applications;
  - Completing the deployment of a Mobile Device Management solution to allow remote management of access and security of mobile devices; and
  - Testing of mobile anti-malware and web filtering solutions.

### **Governance Framework**

The Board of Trustees receives quarterly updates on ESG. An ESG Steering Committee with senior executive representation guides implementation of the ESG strategy. REIT employee incentive pay continues to be linked, in part, to ESG performance targets. ESG-related needs and considerations are incorporated into capital and operating budgets and ESG expectations are included in the business plan.

## Outlook

Looking ahead, industry fundamentals will likely continue to be strong, supporting Management's positive outlook for revenue growth. The primary tailwinds include population growth driven by international migration, insufficient supply of new housing, and the growing affordability gap between home ownership and renting fuelled by a high interest rate environment.

The Federal Government has set robust immigration targets for new permanent residents of approximately 485,000 in 2024 and 500,000 in 2025 and 2026.<sup>1</sup> Although the Federal Government has put a cap on the proportion of temporary residents residing in Canada to 5% of the total population over the next three years,<sup>1</sup> population growth is expected to be strong at approximately 350,000 or just under 1% of the total population annually over that period, still making Canada the fastest growing country in the G7.<sup>2</sup> Canada's population grew by over 1.27 million people in 2023, and over 97% was driven by international migration of both temporary and permanent residents.<sup>3</sup> New Canadians predominantly settle in larger cities, with 92% living in census metropolitan areas in 2021.<sup>4</sup> Of the 471,771 permanent residents who arrived in Canada in 2023, 47% settled in cities where the REIT operates.<sup>1</sup> Management believes robust immigration targets will continue to drive demand for rental housing.

Canada is facing the worst housing and affordability crisis in a generation. A CMHC report indicated Canada needs over 22 million housing units by 2030 to help achieve housing affordability for all Canadians.<sup>5</sup> While all levels of government have announced steps to address this issue, if current rates of new construction continue, there will be a 3.5 million housing unit shortfall. The most acute shortages are in Ontario, Quebec and British Columbia; in Ontario alone CMHC forecasts a need for 1.5 million new homes above current rates of construction to be built by 2030 to restore affordability.<sup>5</sup> Very simply, Canada's population is growing faster than the number of homes it can build in the REIT's markets and Canada at large, and Management believes this trend will continue through 2024.

The REIT participates in a group called Canadian Rental Housing Providers for Affordable Housing ([www.foraffordable.ca](http://www.foraffordable.ca)), which is an established coalition with other large multi-family publicly-traded real estate investment trusts. The group is committed to work collaboratively with all levels of government and civil society to provide a better understanding of the dynamics driving housing affordability challenges and share policy alternatives to address affordability issues facing all Canadians. The Federal Government has announced several initiatives that Management believes will aid in addressing the long-term housing supply issue. The initiatives include: enhancements to the \$15 billion Apartment Construction Loan Program, incentivizing municipalities to speed up zoning through the Housing Accelerator Fund, the \$14 billion Affordable Housing Fund to build new affordable homes, and the introduction of the \$1.5 billion Canada Rental Protection Fund, among several other initiatives. However, there is still a significant structural imbalance between housing demand and supply.

Renting has become an increasingly attractive option for Canadians. The proportion of people who rent instead of owning a home increased by 250 bps from 2011 to 2021. Over that same period, the number of households that rent increased 21.5%, more than double the increase in the number of households that own their home of 8.4%.<sup>6</sup> Average rents have tracked wage growth closely, with both increasing at a compounded annual growth rate of approximately 3% since 2001, while home ownership costs have significantly outpaced incomes and have grown at a compounded annual growth rate of 6.7% over the same period.<sup>7</sup> The affordability pressures, demographic forces, and behavioural preferences continue to drive rental housing demand in 2024.

Supported by these tailwinds, Management will continue to achieve organic growth including realizing on the embedded rent growth potential in the REIT's high quality urban portfolio, value creation from the repositioning program and driving occupancy in all markets. Given the continued strength anticipated in the rental market, Management believes that suite turnover will be slower in certain markets going forward, as existing tenants are more likely to stay in place with fewer affordable housing alternatives available. Management anticipates completing fewer repositionings under the program compared to previous years.

Management remains focused on growing FFO per unit and AFFO per unit by managing operating expenses, evaluating value-enhancing operating efficiencies, employing strategies to reduce interest costs while closely monitoring the interest rate environment, and making prudent capital allocation decisions, while balancing long-term value creation and growth objectives.

<sup>1</sup> Immigration, Refugees and Citizenship Canada.

<sup>2</sup> World Economic Outlook, International Monetary Fund, April 2024.

<sup>3</sup> "Canada's population estimates: Strong population growth in 2023", Statistics Canada, March 2024.

<sup>4</sup> Census metropolitan areas are defined as urban centres with over 100,000 residents. From "Immigrants make up the largest share of the population in over 150 years and continue to shape who we are as Canadians", Statistics Canada, October 2022.

<sup>5</sup> "Housing shortages in Canada: Updating how much housing we need by 2030", CMHC, September 2023.

<sup>6</sup> "To buy or to rent: The housing market continues to be reshaped by several factors as Canadians search for an affordable place to call home", Statistics Canada, September 2022.

<sup>7</sup> Sources: Statistics Canada, Conference Board of Canada, CMHC, Teranet and Urbanation.

Management has executed on its capital allocation strategy and strengthened the balance sheet heading into the second quarter of 2024 through the sale of two properties in Q1 2024 for a sale price of \$86,000 and net proceeds of \$67,956. After terminating the REIT's purchase option for Fifth + Bank in 2023, the REIT received repayment of the \$30,000 associated CDL from Minto Properties Inc. ("MPI") in January 2024. These were in addition to 2023 initiatives providing net proceeds of \$9,901 from three asset sales and \$97,900 from eight mortgage refinancings as well as the strategic decision to defer construction of the High Park Village intensification project, preserving an estimated \$75,000 of capital for alternate uses. The execution of these disciplined strategies has provided Management with the flexibility to assess the pipeline purchase options coming available in 2024 and early 2025 for Lonsdale Square and The Hyland in British Columbia and 88 Beechwood in Ottawa. Management will evaluate these opportunities strategically, with consideration given to FFO per unit, leverage, interest rate environment, liquidity, market sentiment, and value creation, among other factors. Management remains committed to funding existing growth opportunities, including developments already in progress and CDL programs, suite repositioning and value-enhancing capital, and potential purchases under the normal course issuer bid ("NCIB") program. The sources of capital to fund these initiatives include operating cash flow, opportunistic capital recycling by disposing of certain non-core assets, exploring partnership and joint venture opportunities, and debt sources including upward refinancing and availability on the revolving credit facility. At this time, Management will maintain a conservative leverage profile, and does not anticipate raising equity at a large discount to NAV.

Management is confident that industry fundamentals will support revenue growth through 2024 and that the in-place strategies to contain controllable operating expenses will deliver solid NOI growth while the efforts to reduce exposure to variable-rate debt will help stabilize interest costs, driving FFO per unit and AFFO per unit growth.

### Development of Purpose-Built Rental Properties and Intensification on Existing Sites

Management evaluates potential development projects that can generate NAV and long-term earnings growth for Unitholders. Development and construction entails some risk, however Management believes the REIT can effectively mitigate this risk through its strategic alliance with MPI and its affiliates by capitalizing on their extensive experience and track record of successful developments and construction projects.

The REIT is in the process of developing additional rental suites on available excess land at the following properties:

Location and Property Name	Ownership	Estimated Suites	Estimated Gross Project Costs <sup>1</sup>	Construction Start Date	Estimated Stabilization	Anticipated Yield
<b>Toronto, ON</b>						
Richgrove	100%	225	\$ 122,000	Q4 2021	Q2 2026	4.25% - 4.75%
Leslie York Mills	50%	192	193,000	Q4 2021	Q4 2026	3.75% - 4.25%
		<b>417</b>	<b>\$ 315,000</b>			

The existing Richgrove community comprises two mid-rise residential apartment buildings with a total of 258 suites and Martin Grove, a high-rise residential apartment building with 237 suites. The intensification involves the addition of a new tower with 225 suites, including 100 affordable housing suites, and 213 parking stalls. The REIT has negotiated an agreement with the City of Toronto under which the City has already exempted or waived development charges and other fees amounting to \$4,309, has committed to advance funding of \$4,500, of which \$1,350 has been received, and has agreed to provide exemption from property tax and municipal and school taxes for a period of 25 years after first occupancy. A construction financing agreement is in place with CMHC for a maximum financing of \$93,745 and a fixed interest rate of 2.39% for a 10-year term. Garage slab on grade is completed and ground floor slab forming is underway.

Leslie York Mills comprises three existing 18-storey towers with a total of 409 suites. The intensification entails the development of 192 new rental terrace homes in four blocks, creating an indoor pool, gym and recreational area and replacing the existing parking structure with a new two-level underground parking garage. Below-grade shoring and excavation work continues. In Q1 2024, Management adjusted its estimates for the project, resulting in a decreased anticipated yield due to soil contamination which is being remediated, and the project's IRR was adversely impacted, reducing to a range of 5% to 9% as a result of an increase in the development's exit capitalization rate. Management believes the project still presents attractive long-term returns.

<sup>1</sup> Estimated gross project costs are presented at 100% rather than the REIT's proportionate share.

Current economic conditions including inflation, high interest rates and municipal development policy changes have created additional volatility in construction cost estimates. While these risks are largely offset by strong rental market conditions, Management's strategy for mitigating these risks includes significant budget contingency, managing key vendor relationships, and exploration of value-engineering opportunities through each stage of the project, coupled with extensive use of sensitivity analysis for construction costs, interest rates, capitalization rates and project duration to ensure project returns remain viable under various changing economic conditions.

The construction of the two development projects will add approximately 417 suites to the REIT's portfolio at an estimated total cost of \$315,000, generating an expected average yield between 3.75% and 4.75%. Increases in rental rates are expected to offset any cost inflation to preserve expected yields.

The REIT is in the process of pre-development activities on excess land at the following property:

Property Name	Location	Ownership	Estimated Suites	Estimated Pre-Development Costs <sup>1</sup>	Estimated Site Plan Approval
High Park Village	Toronto	40%	688	\$14,400	Q2 2024

High Park Village consists of three buildings comprising 750 rental suites. The REIT and its partner successfully rezoned the site in Q3 2022 and are completing the remaining pre-development work to finalize planning approvals with the City of Toronto to develop two new towers comprising an estimated 688 suites and 346 parking stalls, including 326 underground. In early Q3 2023, the REIT and its partner strategically postponed the construction phase of the project. The intensification project remains an attractive investment opportunity and the REIT and its partner continue to work through the pre-development phase to ensure that construction can commence expediently when it is strategically appropriate.

### Access to Urban Pipeline in Target Markets Through MPI and Affiliates

The REIT has entered into agreements to extend CDLs to MPI and partnerships in which MPI is a partner. CDL projects provide a host of benefits to the REIT including insulation from development risk, the option to purchase newly constructed rental housing at a discounted price ("CDL Options"), the potential to provide a more economic entry into core, urban markets compared to acquisitions of existing properties, and the preservation of development capacity under the DOT for intensification projects.

As at March 31, 2024, the REIT had the following CDL projects, all of which were under construction:

Project Name	Location	Estimated Suites	Potential Ownership	Estimated Gross Project Costs <sup>2</sup>	Construction Start	Estimated Stabilization	Maximum Loan Amount <sup>3</sup>	Amount Outstanding at March 31, 2024
Lonsdale Square	North Vancouver, BC	113	100%	\$92,000	Q2 2021	Q3 2024	\$14,000	\$14,000
The Hyland	Vancouver, BC	108	85% <sup>4</sup>	86,000	Q1 2022	Q1 2025	19,650	18,217
88 Beechwood	Ottawa, ON	227	100%	137,000	Q4 2021	Q1 2025	51,400	44,187
University Heights	Victoria, BC	594	45% <sup>4</sup>	393,000	Q4 2022	Q4 2026	51,700	34,720
		<b>1,042</b>		<b>\$708,000</b>			<b>\$136,750</b>	<b>\$111,124</b>

On January 31, 2024, MPI repaid the \$30,000 CDL advanced by the REIT in connection with the Fifth + Bank development.

Lonsdale Square is part of a large master-planned community and is on a 99-year land lease with the City of North Vancouver. The property comprises 113 rental suites and approximately 8,000 square feet of retail space. Exterior work is complete, and landscaping and interior residential finishings are nearing completion. The first residential move-ins have commenced while retail leasing is being finalized with stabilization expected in Q3 2024.

<sup>1</sup> Pre-development costs are presented at 100% rather than the REIT's proportionate share.

<sup>2</sup> Estimated gross project costs are presented at 100% rather than MPI's proportionate share.

<sup>3</sup> Maximum loan amounts include amounts for interest reserves.

<sup>4</sup> For The Hyland and University Heights, if the REIT exercises its CDL Option, it will acquire an indirect ownership interest in the property.

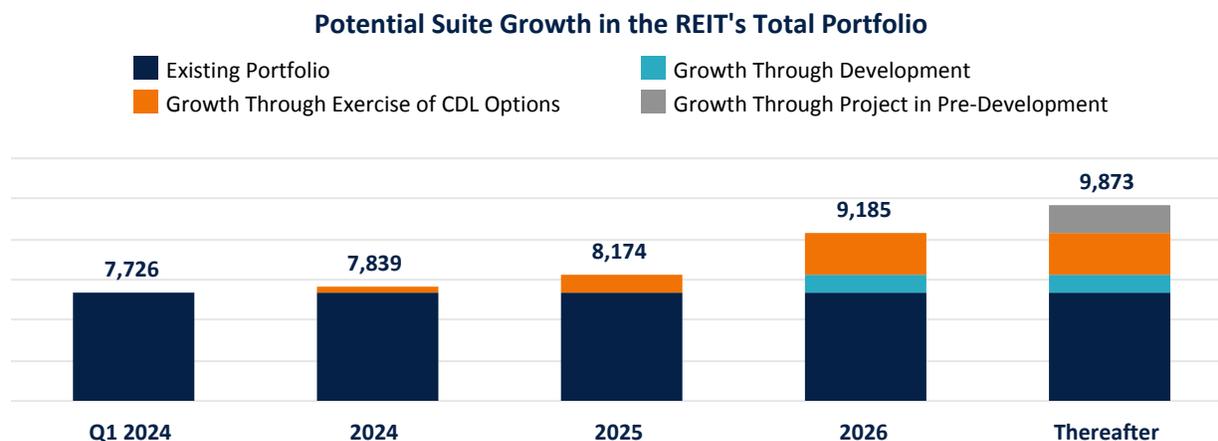
The Hyland involves the development of a six-storey mixed-used property in Vancouver comprising 108 rental suites and approximately 12,800 square feet of at-grade retail space. Exterior cladding is complete and installation of interior fixtures and finishings continues. Retail leasing is underway and the property is expected to be stabilized in Q1 2025. On May 7, 2024, the REIT and MPI amended the maturity date of The Hyland CDL and the REIT's purchase option for an indirect interest in the property. The REIT's purchase option was extended to February 28, 2025, and the maturity of the CDL was extended to April 30, 2025. In addition, the 6% annual interest rate on the CDL was adjusted, and commencing June 1, 2024, it will be equal to the all-in interest rate the REIT pays on its revolving credit facility, subject to a maximum interest rate of 7.25% per annum and a minimum interest rate of 5.25% per annum.

88 Beechwood involves the development of a nine-storey property comprising 227 suites and approximately 6,000 square feet of retail space on a land assembly located at the intersection of Beechwood Avenue and Barrette Street in Ottawa. Masonry installation continues, interior installation work is underway and preliminary courtyard landscape work has commenced. Residential and commercial leasing is in progress and stabilization is expected in Q1 2025.

University Heights involves the development of five buildings containing 594 rental suites and approximately 116,000 square feet of retail space on an 11.5 acre parcel in Victoria. Additionally, the site contains a Home Depot which will continue to operate throughout the development. At the first building, air barrier and window installation is complete and drywall installation is underway. At the second and third buildings, slab work is underway. Retail leasing is ongoing and the project is expected to be fully stabilized in Q4 2026.

In connection with the CDL financings and their associated developments, the REIT has the exclusive option, upon project stabilization, to purchase the property at Lonsdale Square and 88 Beechwood, MPI's 85% indirect ownership interest in The Hyland and MPI's 45% indirect ownership interest in University Heights, each at 95% of its then-appraised fair market value as determined by independent and qualified third-party appraisers. If all of the CDL Options are exercised, these projects will add approximately 1,042 suites to the REIT's portfolio. The exercise of each of the CDL Options would require approval by the independent members of the Board of Trustees.

The aggregate of the REIT's two projects in development, one project in pre-development, and four CDL Options, if exercised, would increase the portfolio suite count by approximately 28%, as depicted below:



### Capital Recycling Program

The REIT's capital recycling program is an important element of the REIT's strategic plan as it represents an internal source of equity capital. Management continuously evaluates the portfolio for relative NOI growth potential, NOI margin, repositioning programs, future capital expenditure requirements, geographic exposure and average age of the portfolio. This program will allow the REIT to reinvest any equity proceeds into opportunities with enhanced returns that are aligned with the REIT's strategy. The capital recycling program is an attractive alternative to raising equity from the capital markets which is currently dilutive to NAV. On February 15, 2024 the REIT sold two properties comprising 311 suites in Ottawa for a combined sale price of \$86,000 and net cash proceeds of \$67,956, as described in Section I - "Overview - Financial and Operating Highlights - Capital Recycling Strategy".

## Section II - Financial Highlights and Performance

### Key Performance Indicators

The REIT's operating results are affected by seasonal variations and other factors, including elevated interest rates and inflation. As a result, the operating performance and metrics in one quarter may not be indicative of future quarters. The following tables highlight certain key IFRS and non-IFRS financial and operating measures used by the REIT.

Three months ended	March 31, 2024	March 31, 2023	Change
<b>Operating</b>			
Number of properties	28	31	(3)
Total suites <sup>1</sup>	7,726	8,227	(501)
Average monthly rent <sup>2</sup>	\$ 1,911	\$ 1,769	8.0 %
Closing occupancy <sup>2</sup>	97.1 %	97.6 %	(50) bps
Average occupancy <sup>2</sup>	96.9 %	97.2 %	(30) bps
Average monthly rent <sup>2</sup> - Same Property Portfolio	\$ 1,911	\$ 1,793	6.6 %
Closing occupancy <sup>2</sup> - Same Property Portfolio	97.1 %	97.5 %	(40) bps
Average occupancy <sup>2</sup> - Same Property Portfolio	96.9 %	97.1 %	(20) bps
<b>Financial</b>			
Revenue	\$ 38,943	\$ 38,403	1.4 %
NOI <sup>2</sup>	\$ 24,444	\$ 22,736	7.5 %
NOI margin <sup>2</sup>	62.8 %	59.2 %	360 bps
Interest costs <sup>2</sup>	\$ 9,495	\$ 10,668	11.0 %
Net loss and comprehensive loss	\$ (18,794)	\$ (24,227)	22.4 %
Revenue - Same Property Portfolio	\$ 38,174	\$ 35,964	6.1 %
NOI <sup>2</sup> - Same Property Portfolio	\$ 24,040	\$ 21,312	12.8 %
NOI margin <sup>2</sup> - Same Property Portfolio	63.0 %	59.3 %	370 bps
FFO <sup>2</sup>	\$ 15,039	\$ 11,629	29.3 %
FFO per unit <sup>2</sup>	\$ 0.2290	\$ 0.1772	29.2 %
AFFO <sup>2</sup>	\$ 13,427	\$ 9,933	35.2 %
AFFO per unit <sup>2</sup>	\$ 0.2045	\$ 0.1513	35.2 %
AFFO Payout Ratio <sup>2</sup>	61.7 %	81.0 %	1,930 bps
Distribution per unit	\$ 0.1262	\$ 0.1225	3.0 %
Distribution yield per unit <sup>2</sup> based on Unit closing price	3.19 %	3.32 %	(13) bps
<b>Normalized</b>			
Normalized NOI <sup>2,3</sup>	\$ 24,444	\$ 22,822	7.1 %
Normalized NOI margin <sup>2,3</sup>	62.8 %	59.4 %	340 bps
Normalized NOI - Same Property Portfolio <sup>2,3</sup>	\$ 24,040	\$ 21,398	12.3 %
Normalized NOI margin - Same Property Portfolio <sup>2,3</sup>	63.0 %	59.5 %	350 bps
Normalized FFO <sup>2,3</sup>	\$ 14,917	\$ 11,715	27.3 %
Normalized FFO per unit <sup>2,3</sup>	\$ 0.2272	\$ 0.1785	27.3 %
Normalized AFFO <sup>2,3</sup>	\$ 13,305	\$ 10,019	32.8 %
Normalized AFFO per unit <sup>2,3</sup>	\$ 0.2026	\$ 0.1526	32.8 %
Normalized AFFO Payout Ratio <sup>2,3</sup>	62.3 %	80.3 %	1,800 bps

<sup>1</sup> At March 31, 2024, includes 2,664 (March 31, 2023 - 2,664) suites co-owned with institutional partners.

<sup>2</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

<sup>3</sup> Refer to Section IV - "Liquidity, Capital Resources and Contractual Commitments - Reconciliation of Non-IFRS Financial Measures and Ratios"

As at	March 31, 2024	December 31, 2023	Change
<b>Leverage</b>			
Debt-to-Gross Book Value ratio <sup>1</sup>	41.4 %	42.8 %	(140) bps
Debt Service Coverage ratio <sup>1</sup>	1.61 x	1.55 x	0.06x
Debt-to-Adjusted EBITDA ratio <sup>1</sup>	10.94 x	11.79 x	(0.85)x
Weighted average term to maturity on Term Debt <sup>1</sup>	5.81	5.84	(0.03) years
Weighted average effective interest rate on Term Debt <sup>1</sup>	3.43 %	3.39 %	4 bps
Weighted average interest rate on variable-rate debt <sup>1</sup>	7.07 %	7.25 %	(18) bps
<b>Valuation</b>			
NAV <sup>1</sup>	\$ 1,461,873	\$ 1,494,097	(2.2)%
NAV per unit <sup>1</sup>	\$ 22.26	\$ 22.76	(2.2)%

## Review of Financial Performance

The following tables highlight selected financial information for the REIT's Same Property Portfolio and Total Portfolio for the three months ended March 31, 2024 and 2023.

### Same Property Portfolio

Three months ended	March 31, 2024	March 31, 2023	Change
Revenue from investment properties	\$ 38,174	\$ 35,964	6.1 %
Property operating costs	6,728	6,968	3.4 %
Property taxes	3,898	3,723	(4.7)%
Utilities	3,508	3,961	11.4 %
Operating expenses	14,134	14,652	3.5 %
NOI <sup>1</sup>	\$ 24,040	\$ 21,312	12.8 %
NOI margin <sup>1</sup>	63.0 %	59.3 %	370 bps

<sup>1</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

## Total Portfolio

Three months ended	March 31, 2024		March 31, 2023		Change
Revenue from investment properties	\$	38,943	\$	38,403	1.4 %
Property operating costs		6,987		7,443	6.1 %
Property taxes		4,008		4,008	0.0 %
Utilities		3,504		4,216	16.9 %
Operating expenses		14,499		15,667	7.5 %
NOI <sup>1</sup>		24,444		22,736	7.5 %
NOI margin <sup>1</sup>		62.8 %		59.2 %	360 bps
General and administrative expenses		2,585		2,756	6.2 %
Finance costs - operations		12,746		13,823	7.8 %
Finance income		(1,911)		(1,629)	17.3 %
Fair value loss (gain) on:					
Investment properties		38,605		13,503	(185.9)%
Class B LP Units		(8,499)		18,286	nmf <sup>2</sup>
Interest rate swap		(58)		410	nmf <sup>2</sup>
Unit-based compensation		(81)		154	nmf <sup>2</sup>
Loss on disposition		615		348	(76.7)%
Fees and other income		(764)		(688)	11.0 %
<b>Net loss and comprehensive loss</b>	<b>\$</b>	<b>(18,794)</b>	<b>\$</b>	<b>(24,227)</b>	<b>22.4 %</b>

## Net Operating Income

For Q1 2024, Same Property Portfolio NOI increased by 12.8% over Q1 2023, or 12.3% on a normalized basis after adjusting for nonrecurring items from Q1 2023. This was driven by unfurnished suite revenue growth of 6.9% and a 25.4% decrease in natural gas expenses, which were partially offset by a 4.7% increase in property taxes.

For Q1 2024, Total Portfolio NOI increased by 7.5% over Q1 2023, or 7.1% on a normalized basis. The NOI variance between the Same Property Portfolio results and those of the Total Portfolio is due to the disposition of Hi-Level Place in Q1 2023, the dispositions of The Lancaster House and York House in Q4 2023, and the dispositions of Tanglewood and Chesterton/Bowhill in Q1 2024. All five of these properties are excluded from the Same Property Portfolio results for all periods presented in this Management's Discussion and Analysis.

## Revenue from Investment Properties

Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2024	2023	% Change	2024	2023	% Change
Rental revenue						
Unfurnished suites	\$ 33,252	\$ 31,109	6.9 %	\$ 33,990	\$ 33,445	1.6 %
Furnished suites	1,756	1,887	(6.9)%	1,756	1,887	(6.9)%
Commercial leases	523	446	17.3 %	523	446	17.3 %
Parking revenue	1,407	1,359	3.5 %	1,431	1,432	(0.1)%
Other property income	1,236	1,163	6.3 %	1,243	1,193	4.2 %
	\$ 38,174	\$ 35,964	6.1 %	\$ 38,943	\$ 38,403	1.4 %

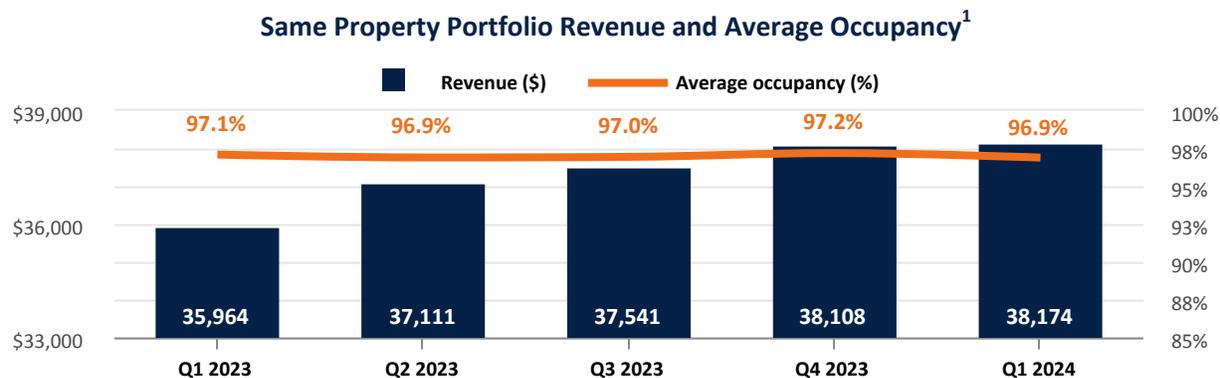
Revenue from investment properties consists of rental revenue from residential lease agreements relating to unfurnished suites and furnished suites, commercial lease agreements, parking revenue and other property income. Other property income consists of ancillary revenue from laundry facilities, telecommunication commission revenue, membership fee revenue, other fee income from tenants and recoveries of utility charges, operating costs and property taxes.

<sup>1</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

<sup>2</sup> No meaningful figure.

## Rental Revenue from Unfurnished Suites

For Q1 2024, Same Property Portfolio rental revenue from unfurnished suites increased by 6.9% from Q1 2023. This was primarily due to a 6.6% increase in Same Property Portfolio average monthly rent to \$1,911 at March 31, 2024. Same Property Portfolio average occupancy dropped by 20 bps to 96.9%.



Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2024	2023	Change	2024	2023	Change
<b>Average Occupancy<sup>1</sup></b>						
Toronto	96.1 %	98.1 %	(200) bps	96.1 %	98.1 %	(200) bps
Ottawa	97.7 %	97.8 %	(10) bps	97.7 %	98.0 %	(30) bps
Calgary <sup>2</sup>	97.2 %	98.1 %	(90) bps	97.2 %	98.0 %	(80) bps
Montreal	96.0 %	93.8 %	220 bps	96.0 %	93.8 %	220 bps
	96.9 %	97.1 %	(20) bps	96.9 %	97.2 %	(30) bps

For Q1 2024, revenue from unfurnished suites for the Total Portfolio increased by 1.6% over Q1 2023. This was driven by an 8.0% increase in average monthly rent to \$1,911 at March 31, 2024, offset by a 30 bps decrease in average occupancy to 96.9%, and the decrease in unfurnished revenue from the dispositions of three properties in 2023 and two in Q1 2024.

## Rental Revenue from Furnished Suites

For Q1 2024, rental revenue from furnished suites for the Same Property Portfolio and Total Portfolio decreased by 6.9%. This was driven by lower average occupancy for furnished suites of 56.1% from 68.6% in Q1 2023 due to the continuing effects of the writers' and actors' strikes in the film and entertainment industries in Toronto and fewer transient stays in Ottawa. This was partially offset by a 22.0% increase in average monthly rent for furnished suites to \$5,942 from \$4,872 for Q1 2023. Management has completed 11 suite conversions to unfurnished since Q1 2023 and continues to strategically assess further conversions.

## Rental Revenue from Commercial Leases

For Q1 2024, revenue from commercial leases for the Same Property Portfolio and Total Portfolio increased by 17.3% from Q1 2023, driven by a new commercial lease at Niagara West. The REIT has experienced strong interest in the ground floor space at Minto Yorkville, after the previous tenant's lease expired at the end of Q1 2024.

## Parking Revenue

For Q1 2024, parking revenue for the Same Property Portfolio increased by 3.5% compared to Q1 2023 as a result of increased average monthly parking rates. For the same period, parking revenue for the Total Portfolio was effectively flat as the increased revenue in the Same Property Portfolio was offset by the decrease in parking revenue from the disposed properties.

<sup>1</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

<sup>2</sup> For the three months ended March 31, 2023, Total Portfolio included three properties in Edmonton, Alberta that were sold in 2023.

## Other Property Income

For Q1 2024, other property income for the Same Property Portfolio increased by 6.3% compared to Q1 2023 as a result of increased telecommunication revenue and utility recoveries. Other property income for the Total Portfolio was 4.2% higher for the same period, as the increased revenue in the Same Property Portfolio was partially offset by the decrease in other property income from the disposed properties.

## Property Operating Costs

Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2024	2023	% Change	2024	2023	% Change
Property operating costs	\$ 6,728	\$ 6,968	3.4 %	\$ 6,987	\$ 7,443	6.1 %

Property operating costs relate to direct costs associated with operating the properties and providing services to tenants, including repairs and maintenance, insurance, site staff salaries, cleaning costs, leasing costs, supplies, and waste removal.

For Q1 2024, Same Property Portfolio and Total Portfolio property operating costs decreased by 3.4% and 6.1%, respectively from Q1 2023, mainly due to reductions in repairs and maintenance and salaries and wages. The decrease in repairs and maintenance was due, in part, to the mild winter weather resulting in lower snow removal costs. The decrease in salaries and wages was due to one-time severance costs incurred in Q1 2023 when the REIT reorganized certain positions. Total Portfolio property operating costs decreased due to limited expenses associated with the disposed properties in Q1 2024.

For Q1 2024, Same Property Portfolio property operating costs as a percentage of revenue were 17.6%, compared to 19.4% for Q1 2023. For Q1 2024, Total Portfolio property operating costs as a percentage of revenue were 17.9%, compared to 19.4% for Q1 2023.

## Property Taxes

Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2024	2023	% Change	2024	2023	% Change
Property taxes	\$ 3,898	\$ 3,723	(4.7)%	\$ 4,008	\$ 4,008	— %

For Q1 2024, Same Property Portfolio property taxes increased by 4.7% over Q1 2023. The increase was primarily due to changes in assessed values in Montreal and Calgary, and increased rates in Toronto and Ottawa. For the same period, Total Portfolio property taxes were flat due to the factors driving the Same Property Portfolio cost increases, offset by a decrease in property taxes associated with the disposed properties.

For Q1 2024, Same Property Portfolio property taxes as a percentage of revenue were 10.2%, compared to 10.4% for Q1 2023. For Q1 2024, Total Portfolio property taxes as a percentage of revenue were 10.3%, compared to 10.4% for Q1 2023.

## Utilities

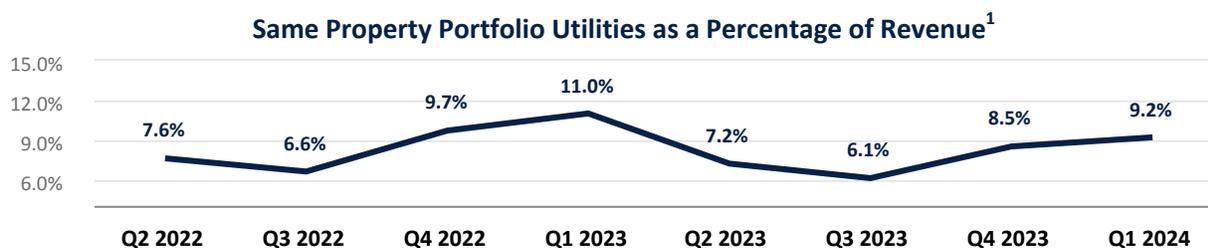
Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2024	2023	% Change	2024	2023	% Change
Electricity	\$ 1,151	\$ 1,031	(11.6)%	\$ 1,141	\$ 1,134	(0.6)%
Natural gas	1,655	2,219	25.4 %	1,628	2,282	28.7 %
Water	702	711	1.3 %	735	800	8.1 %
	\$ 3,508	\$ 3,961	11.4 %	\$ 3,504	\$ 4,216	16.9 %

Utilities consist of electricity, natural gas and water for the rental properties. Utility costs are seasonal and can be highly variable from one period to the next. In addition to seasonality-driven usage, occupancy, utility rates and commodity prices impact costs.

For Q1 2024, Same Property Portfolio utilities decreased by 11.4% compared to Q1 2023, primarily driven by a 25.4% decrease in natural gas expense due to a significant drop in gas prices in Q2 2023, coupled with a milder winter reducing overall consumption. This was partially offset by an 11.6% increase in electricity costs as a result of higher rates.

For Q1 2024, Total Portfolio utilities were 16.9% lower compared to Q1 2023. The decrease was due to the factors driving the Same Property Portfolio, in addition to the decrease in utility costs associated with the disposed properties.

For Q1 2024, Same Property Portfolio utilities as a percentage of revenue were 9.2%, compared to 11.0% for Q1 2023. For Q1 2024, Total Portfolio utilities as a percentage of revenue were 9.0%, compared to 11.0% for Q1 2023.



### General and Administrative Expenses

General and administrative expenses relate to the administration of the REIT, including: audit fees, legal fees, salaries and benefits for REIT employees, Trustee fees and costs associated with support services provided under the Administrative Support Agreement ("ASA") between the REIT and MPI.

For Q1 2024, general and administrative expenses decreased by 6.2% compared to Q1 2023 primarily due to higher costs in Q1 2023 in connection with the transition of C-suite management.

### Finance Costs - Operations

Three months ended	March 31, 2024	March 31, 2023	Change
Interest expense on mortgages and loans	\$ 6,326	\$ 6,695	5.5 %
Interest expense and standby fees on credit facility	1,930	2,846	32.2 %
Financing amortization and other charges	332	260	(27.7)%
Amortization of mark-to-market adjustments	(73)	(176)	(58.5)%
Capitalized interest	(1,040)	(563)	84.7 %
Distributions on Class C LP Units	2,020	1,606	(25.8)%
Interest costs <sup>2</sup>	9,495	10,668	11.0 %
Distributions on Class B LP Units	3,251	3,155	(3.0)%
	\$ 12,746	\$ 13,823	7.8 %

Finance costs comprise interest expense on fixed and variable-rate mortgages and a construction loan, interest expense and standby fees on the revolving credit facility, financing amortization and other charges and mark-to-market adjustments on debt, and distributions on Class B limited partnership units of the Partnership ("Class B LP Units") and Class C limited partnership units of the Partnership ("Class C LP Units"), partially offset by capitalized interest expense.

Interest costs for Q1 2024 decreased by 11.0% from Q1 2023. This was primarily as a result of a lower average outstanding balance on the credit facility compared to Q1 2023, higher capitalized interest from intensification projects, and the Q2 2023 refinancing of two variable-rate mortgages with a weighted average effective interest rate of 7.55% to CMHC-insured fixed rate mortgages with a weighted average effective interest rate of 4.14%. These were partly offset by upward refinancing on Term Debt completed in Q2 and Q3 2023 which had a net 25 bps higher weighted average effective interest rate compared to the in-place interest rates.

For Q1 2024, Class B LP Unit distributions were 3.0% higher over Q1 2023 due to the increase in the monthly distribution in Q4 2023 from \$0.04083 to \$0.04208 per Unit.

<sup>1</sup> Same Property Portfolio utilities as a percentage of revenue is representative of Total Portfolio utilities as a percentage of revenue.

<sup>2</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

## Finance Income

Finance income comprises interest income on CDLs, a Unit purchase loan made to a member of Management, and interest on bank deposits.

For Q1 2024, finance income was 17.3% higher than Q1 2023, primarily as a result of increased interest income earned on CDLs. As at March 31, 2024, the REIT had made incremental net advances of \$6,194 since March 31, 2023 on its commitments, thus driving higher interest income in Q1 2024.

## Fair Value Gain (Loss) on Investment Properties

Fair value of residential investment properties is predominantly determined using the direct capitalization approach, by applying an appropriate capitalization rate to the estimated 12-month stabilized forecasted NOI for each property, reduced by an estimate of five-year future capital expenditures. Estimated 12-month stabilized forecasted NOI is based on the respective property's forecasted results, less estimated aggregate future capital expenditures. Capitalization rates reflect the characteristics, location and market of each property. Fair value is determined based on internal valuation models incorporating market data and valuations performed by external appraisers.

The fair value gain (loss) on investment properties was a result of movement in the following:

Three months ended		March 31, 2024	March 31, 2023
Forecast NOI <sup>1</sup>	\$	16,859	\$ 13,598
Capitalization rates		(45,569)	(22,950)
Capital expenditure reserve		(9,895)	(4,151)
	\$	(38,605)	\$ (13,503)

Increases in capitalization rates of 12.5 bps within select geographies of the residential portfolio were partially offset by forecast NOI growth in Q1 2024 due to strong realized and forecasted leasing results continuing to outpace expense inflation. The weighted average capitalization rate used for the Q1 2024 valuation of residential properties was 4.20%, compared to 4.16% in Q4 2023 and 3.84% in Q1 2023. The adjustment is derived from market data indicating continued upward pressure on capitalization rates as the rates for multi-family assets continue to adjust to the higher interest rate environment. In addition, the capital expenditure reserve increased based on timing changes of planned capital projects and sustainability initiatives. Collectively, adjustments to capitalization rates, forecast NOI, and the capital expenditure reserve resulted in a \$38,605 fair value loss.

The capitalization rates of the portfolio for each of the REIT's residential rental markets were as follows:

As at	March 31, 2024		December 31, 2023	
	Low	High	Low	High
Ottawa, Ontario	4.25%	4.62%	4.13%	4.63%
Toronto, Ontario <sup>2</sup>	3.63%	3.88%	3.63%	3.88%
Calgary, Alberta <sup>2</sup>	4.50%	5.13%	5.00%	5.13%
Montreal, Quebec	4.13%	4.38%	4.00%	4.25%
Weighted-average capitalization rate		4.20%		4.16%

## Fair Value Loss (Gain) on Class B LP Units

The Class B LP Units are economically equivalent to Units, in that they receive distributions equivalent to the distributions paid on Units and are exchangeable into Units at the holder's option. The Class B LP Units are classified as financial liabilities and measured at fair value with any changes in fair value recorded in net income. The fair value gain or loss on Class B LP Units is measured every period by reference to the closing trading price of the Units. An increase in the Unit closing price over the period results in a fair value loss, whereas a decrease in the Unit closing price over the period results in a fair value gain.

<sup>1</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

<sup>2</sup> The International and Niagara West properties have stabilized and as a result their valuation methodology was changed from a discounted cash flow approach to the direct capitalization approach with their capitalization rates included in the table above effective Q1 2024.

The change in Unit price for the periods presented was as follows:

Three months ended	March 31, 2024		March 31, 2023	
Unit price - opening	\$	16.18	\$	14.05
Unit price - closing		15.85		14.76

For Q1 2024, the decrease in Unit price resulted in a fair value gain of \$8,499, whereas an increase in Unit price for Q1 2023 resulted in a fair value loss of \$18,286.

### **Fair Value Loss (Gain) on Interest Rate Swap**

The REIT has an interest rate swap to receive variable interest based on one-month bankers' acceptance plus 185 bps and pay fixed interest at 3.38%. The swap is remeasured at each reporting date using discounted cash flow analysis.

For Q1 2024, the REIT recognized a fair value gain of \$58, compared to a fair value loss of \$410 for Q1 2023. The changes in each period were primarily a result of changes in variable interest rates.

### **Fair Value Loss (Gain) on Unit-Based Compensation**

The REIT has issued Deferred Units to its Trustees and has issued Deferred Units and Performance Units to its executives. The liabilities are remeasured at each reporting date based on the closing Unit price and, for Performance Units, inputs to a pricing model. The change in Unit price is relative to the opening Unit price with changes in the value recorded in net income.

For Q1 2024, the REIT recognized a fair value gain of \$81 driven by a decrease in the Unit price, whereas for Q1 2023, an increase in Unit price resulted in a fair value loss of \$154.

### **Loss on Disposition**

Disposal costs represent the incremental costs incurred to dispose of a property. The REIT incurred disposal costs of \$615 in Q1 2024 in connection with the sale of Tanglewood and Chesterton/Bowhill in Ottawa, and \$348 in Q1 2023 in connection with the sale of Hi-Level Place in Edmonton.

### **Fees and Other Income**

Fees and other income represent revenue from asset, project and property management services provided by the REIT in connection with four properties co-owned with institutional partners and insurance recoveries.

For Q1 2024, the REIT recognized \$764 in fees and other income, an increase of 11.0% from Q1 2023 primarily due to insurance recoveries of \$122 received in Q1 2024.

## Summary of Quarterly Results

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Total assets	\$ 2,576,201	\$ 2,702,120	\$ 2,723,608	\$ 2,720,278	\$ 2,738,165	\$ 2,734,812	\$ 2,714,856	\$ 2,706,092
Investment properties <sup>1</sup>	\$ 2,431,060	\$ 2,540,533	\$ 2,572,645	\$ 2,574,302	\$ 2,603,182	\$ 2,611,094	\$ 2,600,273	\$ 2,599,891
Total liabilities	\$ 1,522,545	\$ 1,624,739	\$ 1,564,003	\$ 1,583,749	\$ 1,553,741	\$ 1,521,275	\$ 1,464,049	\$ 1,487,430
Total non-current liabilities and Class B LP Units	\$ 1,427,737	\$ 1,487,405	\$ 1,427,391	\$ 1,438,635	\$ 1,165,077	\$ 1,189,744	\$ 1,145,584	\$ 1,244,872
Revenue from investment properties	\$ 38,943	\$ 40,286	\$ 39,835	\$ 39,401	\$ 38,403	\$ 37,916	\$ 37,838	\$ 35,510
NOI <sup>2</sup>	\$ 24,444	\$ 26,032	\$ 25,828	\$ 24,572	\$ 22,736	\$ 22,947	\$ 24,224	\$ 21,839
NOI margin <sup>2</sup>	62.8%	64.6%	64.8%	62.4%	59.2%	60.5%	64.0%	61.5%
Net (loss) income and comprehensive (loss) income	\$ (18,794)	\$ (77,238)	\$ 27,815	\$ (43,009)	\$ (24,227)	\$ (32,432)	\$ 39,655	\$ 183,537
FFO <sup>2</sup>	\$ 15,039	\$ 16,012	\$ 15,692	\$ 11,925	\$ 11,629	\$ 12,864	\$ 15,654	\$ 13,680
FFO per unit <sup>2</sup>	\$ 0.2290	\$ 0.2439	\$ 0.2390	\$ 0.1817	\$ 0.1772	\$ 0.1960	\$ 0.2380	\$ 0.2100
Normalized FFO per unit <sup>2</sup>	\$ 0.2272	\$ 0.2318	\$ 0.2390	\$ 0.2125	\$ 0.1785	\$ 0.1913	\$ 0.2290	\$ 0.2100
AFFO <sup>2</sup>	\$ 13,427	\$ 14,472	\$ 14,041	\$ 10,188	\$ 9,933	\$ 11,160	\$ 13,952	\$ 11,983
AFFO per unit <sup>2</sup>	\$ 0.2045	\$ 0.2204	\$ 0.2139	\$ 0.1552	\$ 0.1513	\$ 0.1700	\$ 0.2121	\$ 0.1840
Normalized AFFO per unit <sup>2</sup>	\$ 0.2026	\$ 0.2083	\$ 0.2139	\$ 0.1860	\$ 0.1526	\$ 0.1654	\$ 0.2031	\$ 0.1840
Distributions declared <sup>3</sup>	\$ 8,289	\$ 8,205	\$ 8,042	\$ 8,040	\$ 8,041	\$ 7,960	\$ 7,804	\$ 7,816
AFFO Payout Ratio <sup>2</sup>	61.7%	56.7%	57.3%	78.9%	81.0%	71.3%	55.9%	65.2%
Distribution per unit	\$ 0.1262	\$ 0.1250	\$ 0.1225	\$ 0.1225	\$ 0.1225	\$ 0.1212	\$ 0.1187	\$ 0.1187

The REIT's operating results are affected by seasonal variations and other factors, including changing interest rates and inflation. As a result, the operating performance and metrics in one quarter may not be indicative of future quarters. The winter months typically tend to generate weaker performance due to higher energy consumption and snow clearing costs, as well as lower suite turnover. The best performing quarters in any given year are typically the second and third quarters, where stronger leasing demand and higher turnover provide an opportunity to realize more of the gain-to-lease potential.

Detailed analysis on the REIT's operating results for Q1 2024 and the impacts on FFO per unit and AFFO per unit can be found in Section I - "Overview - Financial and Operating Highlights - Financial Performance" and the status of the REIT's organic growth initiatives are in Section I - "Financial and Operating Highlights - Execution of Organic Growth Strategy".

<sup>1</sup> Including residential properties held for sale for Q4 2023.

<sup>2</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

<sup>3</sup> Includes distributions on Units and Class B LP Units.

## Section III - Assessment of Financial Position

### Investment Properties

The following table summarizes the changes in investment properties:

	Residential properties	Commercial properties	Land under development	Total
Balance, December 31, 2023	\$ 2,339,678	\$ 26,972	\$ 87,883	\$ 2,454,533
Additions				
Capital expenditures	6,569	190	—	6,759
Development expenditures	—	—	8,331	8,331
Other	42	—	—	42
Fair value loss	(32,164)	(2,132)	(4,309)	(38,605)
Balance, March 31, 2024	\$ 2,314,125	\$ 25,030	\$ 91,905	\$ 2,431,060

### Disposition of Investment Properties

On February 15, 2024, the REIT closed on the disposition of Tanglewood and Chesterton/Bowhill in Ottawa for an aggregate sale price of \$86,000 and net cash proceeds of \$67,956 net of mortgages and transaction costs, as described in Section I - "Overview - Financial and Operating Highlights - Capital Recycling Strategy".

### Capital Expenditures

The REIT has a capital improvement program in place that is designed to extend the useful life of its investment properties, improve operating efficiency, increase curb appeal, enhance and maintain earnings capacity and meet the expectations of its tenants. The REIT's capital expenditures are classified into two main categories: value-enhancing capital expenditures and maintenance capital expenditures.

Three months ended	March 31, 2024	March 31, 2023
Total capital expenditures	\$ 6,759	\$ 6,739
Value-enhancing capital expenditures		
Building improvements	5,604	3,733
Suite upgrades	352	1,497
	5,956	5,230
Maintenance capital expenditures	803	1,509
<b>Maintenance capital expenditures per suite</b>	<b>\$ 127</b>	<b>\$ 223</b>

Value-enhancing capital expenditures consist of either building improvements or suite upgrades. Building improvements include common area and amenity space upgrades, energy conservation projects, building envelope enhancements and suite enhancements performed, when necessary, as suites turn over. Suite upgrades represent capital expenditures incurred on larger repositioning programs that are designed to generate incremental returns. The repositioning programs include full-scale suite renovations that strategically target certain properties or certain geographic locations, as discussed previously in Section I - "Overview - Financial and Operating Highlights - Value Creation - Repositioning".

Value-enhancing renovations are intended to generate NAV accretion, long term AFFO accretion and increase tenant satisfaction, however they tend to be AFFO dilutive in the short term owing to vacancy during renovation.

Maintenance capital expenditures include expenditures that are incurred in order to maintain the existing earning capacity of the REIT's investment properties. Any exterior work is highly dependent on favourable weather conditions and, as a result, a significant portion of the exterior work is performed between the months of May and September and therefore actual maintenance capital expenditures in a given quarter may not be indicative of future quarters.

Maintenance capital expenditures for Q1 2024 were \$803 or \$127 per suite, and primarily related to maintenance of plumbing, electrical and mechanical systems, parking garages and common areas at various buildings.

Management targets approximately \$975 per suite on average for maintenance capital expenditures on an annual basis, subject to costing pressures from inflation, availability of trades and supply chain constraints.

## Development Expenditures

Development expenditures are a component of the REIT's growth and value-creation strategy. These include projects which add to the REIT's existing suite count through intensification or redevelopment of existing assets. Development expenditures are intended to generate NAV accretion and long-term FFO and AFFO accretion. The REIT is currently developing two projects on excess land available at Richgrove and Leslie York Mills and is pursuing site plan approval for a third project at High Park Village, as discussed under Section I - "Overview - Outlook - Development of Purpose-Built Rental Properties and Intensification on Existing Sites". The breakdown of development expenditures incurred in connection with these projects is as follows:

Three months ended	March 31, 2024	March 31, 2023
Richgrove	\$ 3,953	\$ 6,849
Leslie York Mills	4,231	1,559
High Park Village	147	538
	\$ 8,331	\$ 8,946

The construction of the Richgrove project continues as planned, with development expenditures in Q1 2024 primarily related to ground floor slab work. As of March 31, 2024, the REIT had incurred gross project costs of \$41,438, and forecasts \$80,562 in remaining expenditures with stabilization in Q2 2026.

Construction at Leslie York Mills also continues to progress, with expenditures in the quarter primarily related to below grade work. As of March 31, 2024, the gross project costs incurred were \$48,533. Management forecasts \$144,467 in remaining expenditures, with stabilization in Q4 2026.<sup>1</sup>

In early Q3 2023, the REIT made the strategic decision to postpone the advancement of construction on the High Park Village development. As of March 31, 2024, the total pre-development project costs incurred were \$9,600.<sup>1</sup>

## Valuation

Refer to Section II - "Review of Financial Performance - Fair Value Loss (Gain) on Investment Properties" for details on the valuation method used for the REIT's investment properties.

## Class B LP Units

The Class B LP Units receive distributions equivalent to the distributions paid on Units and are exchangeable at the holder's option into Units. One Special Voting Unit in the REIT is issued to the holder of Class B LP Units for each Class B LP Unit held. The limited IAS 32 exception for presentation as equity does not extend to Class B LP Units. As a result, the Class B LP Units are classified as financial liabilities.

As at March 31, 2024, there were 25,755,029 (December 31, 2023 - 25,755,029) Class B LP Units outstanding.

## Class C LP Units

The Class C LP Units provide for distributions to the holder of such Class C LP Units to be paid in priority to distributions to holders of the Units and Class B LP Units. Due to the nature of such distributions, the Class C LP Units are classified as financial liabilities.

As at March 31, 2024, there were 25,556,082 (December 31, 2023 - 25,556,082) Class C LP Units outstanding.

On February 15, 2024, in connection with the sale of Chesterton/Bowhill, the REIT paid a distribution of \$7,591 to MPI for the partial repayment of mortgages associated with the property.

<sup>1</sup> Incurred costs and forecast expenditures are presented at 100% rather than the REIT's proportionate share.

The mortgages of investment properties to which the distributions on the Class C LP Units relate have a weighted average effective interest rate of 3.61% (December 31, 2023 - 3.45%) and mature at various dates between 2024 and 2033. The effective interest rate varies from the contractual interest rate as it includes the amortization of mark-to-market adjustments, fees, premiums, and other borrowing costs.

## Mortgages and Loan

The REIT maintains mortgages with fixed and variable interest rates that are secured by investment properties. At March 31, 2024, the weighted average effective interest rate was 3.38% (December 31, 2023 - 3.37%). The fixed rate mortgages mature at various dates between 2025 and 2033. The REIT's fixed rate mortgages include a variable-rate mortgage that is fixed at 3.38% through an interest rate swap.

On February 15, 2024, in connection with the sale of Tanglewood, the REIT repaid the \$9,659 mortgage secured by the property, which had an effective interest rate of 5.94%.

In March 2024, the REIT refinanced three maturing mortgages with an outstanding balance of \$19,481 and a weighted average effective interest rate of 2.85%. The mortgages were refinanced with an effective interest rate of 4.45% and mature in March 2029.

The REIT has a fixed rate non-revolving construction loan to finance its Richgrove development. The \$93,745 construction loan bears interest at 2.39% and matures on March 1, 2032. As at March 31, 2024, \$18,872 (December 31, 2023 - \$15,155) was drawn. Payments are made monthly on an interest-only basis.

## Credit Facility

As at March 31, 2024, the REIT had available credit under its revolving credit facility of \$250,423 (December 31, 2023 - \$236,034) which is the lesser of the total commitment and the lending value. The availability enables the REIT to maintain financial flexibility and to continue to capitalize on opportunities to drive long term NAV growth. The credit facility is secured by several investment properties and is used to fund working capital requirements, acquisitions, letters of credit and for general corporate purposes. The credit facility bears interest at bankers' acceptance rate plus 175 bps or prime plus 75 bps and as at March 31, 2024, the weighted average variable interest rate was 7.07% (December 31, 2023 - 7.25%).

	March 31, 2024	December 31, 2023
Committed	\$ 300,000	\$ 300,000
Available	250,423	236,034
Utilized		
Amounts drawn	67,993	140,236
Letter of credit	2,022	2,022
	70,015	142,258
Undrawn amount available	\$ 180,408	\$ 93,776

## Units

	Units	\$
Authorized	Unlimited	
Units issued and outstanding:		
Balance, December 31, 2023	39,898,612	\$ 711,021
Units issued for vested Deferred Units, net of issue costs	7,250	107
Balance, March 31, 2024	39,905,862	\$ 711,128

## Distributions

Distributions are paid monthly, to Unitholders of record at the close of business on the last day of a month, on or about the 15th day of the following month. Distributions must be approved by the Board of Trustees and are subject to change depending on the general economic outlook and financial performance of the REIT.

For Q1 2024, distributions to Unitholders of \$5,038 (Q1 2023 - \$4,886) were declared based on approved monthly distributions of \$0.04208 per Unit (2023 - \$0.04083) for the months of January to March.

## Section IV - Liquidity, Capital Resources and Contractual Commitments

### Liquidity and Capital Resources

The REIT's capital structure, shown in the table below, is Class B LP Units, Class C LP Units, mortgages, a construction loan, a credit facility and Unitholders' equity.

As at		March 31, 2024	December 31, 2023
Liabilities (principal amounts outstanding):			
Class B LP Units	\$	408,217	\$ 416,716
Class C LP Units		217,998	226,929
Mortgages		767,344	780,582
Construction loan		18,872	15,155
Credit facility		67,993	140,236
		1,480,424	1,579,618
Unitholders' equity		1,053,656	1,077,381
	\$	<b>2,534,080</b>	\$ <b>2,656,999</b>

Class B LP Units are economically equivalent to Units and are exchangeable for Units at the Class B LP Unitholder's option. Due to their exchange feature, IAS 32 requires Class B LP Units to be accounted for as a financial liability. Class B LP Units are not indebtedness for borrowed money and are not included in the determination of Debt-to-Gross Book Value ratio.

The objective of the REIT's capital strategy is to arrange capital at the lowest possible cost while maintaining diversity in its lending base, balance in its maturity schedule and sufficient liquidity to fund the ongoing operations of the REIT and pay distributions. At March 31, 2024, 80% (December 31, 2023 - 75%) of the REIT's Total Debt is CMHC insured and approximately 94% (December 31, 2023 - 88%) is fixed rate, including variable-rate debt fixed through an interest rate swap.

The REIT uses a prudent amount of debt financing in its capital structure. Pursuant to the REIT's DOT, overall indebtedness, as measured by the Debt-to-Gross Book Value ratio, is not to exceed 65% (or 70% of Gross Book Value including convertible debentures). Notwithstanding this limit, it is Management's current intention to maintain a more conservative Debt-to-Gross Book Value ratio. The REIT's Debt-to-Gross Book Value ratio and liquidity as a percentage of Total Debt are calculated as follows:

As at		March 31, 2024	December 31, 2023
Class C LP Units	\$	218,264	\$ 227,411
Mortgages		761,613	774,662
Construction loan		18,872	15,155
Credit facility		67,993	140,236
Total Debt		1,066,742	1,157,464
Total assets		2,576,201	2,702,120
<b>Debt-to-Gross Book Value ratio<sup>1</sup></b>		<b>41.4%</b>	<b>42.8%</b>
Total liquidity		188,097	97,516
<b>Liquidity as a percentage of Total Debt</b>		<b>17.6%</b>	<b>8.4%</b>

The REIT continues to maintain a conservative overall leverage position with a Debt-to-Gross Book Value ratio of 41.4% at March 31, 2024.

While the REIT has sufficient liquidity, Management oversees its liquidity prudently given the current capital market conditions. The REIT's liquidity ratio (Total liquidity as a percentage of Total Debt) was 17.6% at March 31, 2024, compared to 8.4% at December 31, 2023.

<sup>1</sup> Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"

Management measures the Debt-to-Adjusted EBITDA ratio as a measure of the REIT's financial health and liquidity. Generally, the lower the ratio, the lower the credit risk. The REIT's Debt-to-Adjusted EBITDA ratio is calculated as follows:

Twelve months ended	March 31, 2024	December 31, 2023
Trailing 12-month NOI <sup>1</sup>	\$ 100,876	\$ 99,168
Trailing 12-month general and administrative expenses	(10,275)	(10,446)
Trailing 12-month finance income	7,663	7,381
Trailing 12-month fees and other income	3,217	3,141
	101,481	99,244
Impact on NOI of stabilized earnings from dispositions	(4,689)	(1,375)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>96,792</b>	<b>97,869</b>
Total Debt	1,066,742	1,157,464
Cash	7,689	3,740
Total Debt, net of cash	1,059,053	1,153,724
<b>Debt-to-Adjusted EBITDA ratio<sup>1</sup></b>	<b>10.94x</b>	<b>11.79x</b>

The REIT's Debt-to-Adjusted EBITDA ratio improved by 0.85x compared to December 31, 2023 driven by the REIT's strong operating performance and deleveraging. The REIT uses a combination of equity and debt to finance the intensification of existing sites (refer to Section I - "Overview - Outlook - Development of Purpose-Built Rental Properties and Intensification on Existing Sites"). Any increased debt arising from these transactions is not immediately matched by increased NOI until the development projects stabilize, resulting in a temporary increase to the Debt-to-Adjusted EBITDA ratio.

The REIT has staggered the maturities of its debt financings, including distributions payable on the Class C LP Units, to reduce interest rate risk and its risk related to refinancing. As at March 31, 2024, the weighted average term to maturity on Term Debt was 5.81 years (December 31, 2023 - 5.84 years) and the weighted average effective interest rate on Term Debt was 3.43% (December 31, 2023 - 3.39%). The contractual payments under the REIT's debt financing are summarized in the table below.

Year	Principal Repayments			Principal at Maturity				Total	% of Total	Interest Rate <sup>2</sup>
	Mortgages	Class C LP Units	Mortgages	Credit facility	Construction loan	Class C LP Units				
2024	\$ 10,625	\$ 3,639	\$ —	\$ —	\$ —	\$ 34,776	\$ 49,040	4.6 %	2.85 %	
2025	13,408	3,751	41,016	67,993	—	60,474	186,642	17.4 %	4.56 %	
2026	12,071	2,000	72,524	—	—	—	86,595	8.1 %	3.12 %	
2027	11,777	2,079	—	—	—	21,425	35,281	3.3 %	3.05 %	
2028	11,641	1,391	71,781	—	—	—	84,813	7.9 %	4.14 %	
2029	10,617	1,309	108,392	—	—	9,680	129,998	12.1 %	3.45 %	
Thereafter	16,250	3,508	387,242	—	18,872	73,966	499,838	46.6 %	3.57 %	
	\$ 86,389	\$ 17,677	\$ 680,955	\$ 67,993	\$ 18,872	\$ 200,321	\$ 1,072,207	100 %		

As of March 31, 2024, current liabilities, excluding Class B LP Units which are exchangeable for Units, of \$94,808 (December 31, 2023 - \$137,334) exceeded current assets of \$46,865 (December 31, 2023 - \$71,589), resulting in a net working capital deficit of \$47,943 (December 31, 2023 - \$65,745). Current liabilities as of March 31, 2024 include \$34,776 (December 31, 2023 - \$75,301) of debt financing which the REIT is actively in the process of refinancing. The REIT's immediate liquidity needs are met through cash-on-hand, cash flow from operations, refinancing of maturing mortgages and availability on its credit facility. As of March 31, 2024, liquidity was \$188,097 (December 31, 2023 - \$97,516), consisting of cash of \$7,689 (December 31, 2023 - \$3,740) and \$180,408 (December 31, 2023 - \$93,776) of available borrowing capacity under the credit facility. Management believes that there is sufficient liquidity to meet the REIT's financial obligations.

<sup>1</sup> Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

<sup>2</sup> Weighted average effective interest rates for maturing mortgages, construction loan, credit facility and Class C LP Units.

## Cash Flows

As at March 31, 2024, the REIT held a cash balance of \$7,689 (March 31, 2023 - \$4,862). The sources and use of cash flow for the three months ended March 31, 2024 and 2023 are as follows:

Three months ended		March 31, 2024	March 31, 2023
Operating activities	\$	21,181	\$ 17,791
Financing activities		(109,471)	798
Investing activities		92,239	(19,050)

### Cash Provided by Operating Activities and Cash Distributions

The following table outlines the differences between cash from operating activities, net income and cash distributions in accordance with National Policy 41-201, *Income Trusts and Other Indirect Offerings*:

Three months ended		March 31, 2024	March 31, 2023
Net loss and comprehensive loss	\$	(18,794)	\$ (24,227)
Add: distributions on Class B LP Units		3,251	3,155
		(15,543)	(21,072)
Less: distributions paid <sup>1</sup>		(8,289)	(8,041)
Shortfall of net loss and comprehensive loss over total distributions paid	\$	(23,832)	\$ (29,113)
Cash provided by operating activities	\$	21,181	\$ 17,791
Add: interest received		496	444
Less: interest paid		(10,452)	(11,340)
		11,225	6,895
Less: distributions paid <sup>1</sup>		(8,289)	(8,041)
Excess (shortfall) of cash provided by operating activities over total distributions and interest paid		2,936	(1,146)
Distributions declared <sup>2</sup>	\$	8,289	\$ 8,041

For Q1 2024, total distributions paid exceeded net loss and comprehensive loss. Distributions are better evaluated in the context of operating cash flows rather than net loss, as net loss is impacted by several non-cash items, including fair value gains or losses on investment properties, Class B LP Units, Unit-based compensation and an interest rate swap.

While cash flows provided by operating activities are generally sufficient to cover distribution requirements, the timing of expenses may result in a temporary shortfall. In these cases, some portion of distributions may come from the REIT's capital or financing sources. For Q1 2024, cash provided by operating activities was in excess of total distributions and interest paid.

<sup>1</sup> Distributions paid on REIT Units and Class B LP Units.

<sup>2</sup> Includes distributions on REIT Units and Class B LP Units

### Cash (Used in) Provided by Financing Activities

Three months ended	March 31, 2024	March 31, 2023
Net (repayments) proceeds from credit facility	\$ (72,243)	\$ 24,216
Proceeds from construction loan	3,717	3,444
CMHC premiums and financing costs	(35)	(2,564)
Principal repayments on mortgages	(13,238)	(3,502)
Distributions paid on various classes of units	(17,220)	(9,456)
Interest paid	(10,452)	(11,340)
	\$ (109,471)	\$ 798

For Q1 2024, cash flows used in financing activities comprised net repayments on the credit facility, distributions on various classes of units, principal repayments on mortgages, interest paid, and payments of financing costs. This was offset by draws on the construction loan in connection with the Richgrove development.

### Cash Provided by (Used in) Investing Activities

Three months ended	March 31, 2024	March 31, 2023
Capital additions to investment properties	\$ (8,808)	\$ (10,860)
Development expenditures	(6,779)	(5,298)
Loan advances to related parties	(7,078)	(6,221)
Loan repayments from related parties	30,056	—
Net proceeds on disposition of investment properties	84,352	2,885
Interest received	496	444
	\$ 92,239	\$ (19,050)

Cash flows provided by investing activities for Q1 2024 included net proceeds on the disposition of Tanglewood and Chesterton/Bowhill, the repayment received for the Fifth + Bank CDL and interest received from related parties on CDLs. This was partially offset by capital expenditures on investment properties, loan advances on the University Heights CDL, and development expenditures on the three projects in the portfolio.

## Reconciliation of Non-IFRS Financial Measures and Ratios

The following section includes reconciliations of Non-IFRS Financial Measures and Ratios used by the REIT. Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures" for definitions of each of these measures.

### FFO and AFFO

FFO and AFFO are non-IFRS financial measures. The REIT's method of calculating FFO and AFFO is substantially in accordance with REALPAC's recommendations, but may differ from other issuers' methods and, accordingly, may not be comparable to FFO and AFFO reported by other issuers. FFO and AFFO are used for evaluating operating performance and are calculated as follows:

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
<b>Net (loss) income and comprehensive (loss) income</b>	\$ (18,794)	\$ (77,238)	\$ 27,815	\$ (43,009)	\$ (24,227)	\$ (32,432)	\$ 39,655	\$ 183,537
Distributions on Class B LP Units	3,251	3,219	3,155	3,154	3,155	3,122	3,058	3,058
Issuance costs on Class B LP Units	—	—	—	—	—	—	—	175
Disposition costs on investment property	615	1,054	—	—	348	—	—	—
Fair value loss (gain) on:								
Investment properties	38,605	21,208	21,216	45,700	13,503	12,209	18,689	2,325
Class B LP Units	(8,499)	65,675	(35,799)	6,696	18,286	29,617	(44,813)	(172,772)
Interest rate swap	(58)	1,070	(73)	(656)	410	(6)	(302)	(776)
Unit-based compensation	(81)	1,024	(622)	40	154	354	(633)	(1,867)
<b>Funds from operations (FFO)</b>	<b>\$ 15,039</b>	<b>\$ 16,012</b>	<b>\$ 15,692</b>	<b>\$ 11,925</b>	<b>\$ 11,629</b>	<b>\$ 12,864</b>	<b>\$ 15,654</b>	<b>\$ 13,680</b>
Maintenance capital expenditure reserve	(1,539)	(1,496)	(1,510)	(1,510)	(1,520)	(1,525)	(1,524)	(1,506)
Amortization of mark-to-market adjustments	(73)	(44)	(141)	(227)	(176)	(179)	(178)	(191)
<b>Adjusted funds from operations (AFFO)</b>	<b>\$ 13,427</b>	<b>\$ 14,472</b>	<b>\$ 14,041</b>	<b>\$ 10,188</b>	<b>\$ 9,933</b>	<b>\$ 11,160</b>	<b>\$ 13,952</b>	<b>\$ 11,983</b>
Distributions on Class B LP Units	3,251	3,219	3,155	3,154	3,155	3,122	3,058	3,058
Distributions on Units	5,038	4,986	4,887	4,886	4,886	4,838	4,746	4,758
	8,289	8,205	8,042	8,040	8,041	7,960	7,804	7,816
<b>AFFO Payout Ratio</b>	<b>61.7%</b>	<b>56.7%</b>	<b>57.3%</b>	<b>78.9%</b>	<b>81.0%</b>	<b>71.3%</b>	<b>55.9%</b>	<b>65.2%</b>
Weighted average number of Units and Class B LP Units issued and outstanding	65,659,537	65,653,641	65,651,608	65,642,641	65,642,641	65,642,641	65,769,904	65,135,801
<b>FFO per unit</b>	<b>\$ 0.2290</b>	<b>\$ 0.2439</b>	<b>\$ 0.2390</b>	<b>\$ 0.1817</b>	<b>\$ 0.1772</b>	<b>\$ 0.1960</b>	<b>\$ 0.2380</b>	<b>\$ 0.2100</b>
<b>AFFO per unit</b>	<b>\$ 0.2045</b>	<b>\$ 0.2204</b>	<b>\$ 0.2139</b>	<b>\$ 0.1552</b>	<b>\$ 0.1513</b>	<b>\$ 0.1700</b>	<b>\$ 0.2121</b>	<b>\$ 0.1840</b>
<b>Normalized FFO per unit</b>	<b>\$ 0.2272</b>	<b>\$ 0.2318</b>	<b>\$ 0.2390</b>	<b>\$ 0.2125</b>	<b>\$ 0.1785</b>	<b>\$ 0.1913</b>	<b>\$ 0.2290</b>	<b>\$ 0.2100</b>
<b>Normalized AFFO per unit</b>	<b>\$ 0.2026</b>	<b>\$ 0.2083</b>	<b>\$ 0.2139</b>	<b>\$ 0.1860</b>	<b>\$ 0.1526</b>	<b>\$ 0.1654</b>	<b>\$ 0.2031</b>	<b>\$ 0.1840</b>

For Q1 2024, FFO and AFFO were higher as compared to Q1 2023 primarily due to a 7.5% increase in NOI from strong growth in average monthly rent and reduced operating costs, as detailed in Section II - "Financial Highlights and Performance - Review of Financial Performance".

Certain nonrecurring items on the REIT's income statement are not indicative of the REIT's overall operating performance. Excluding the impact of these items, Q1 2024 FFO per unit and AFFO per unit growth was 27.3% and 32.8%, respectively over Q1 2023. These nonrecurring adjustments are detailed below:

Three months ended		March 31, 2024		March 31, 2023
<b>Normalizing Items</b>				
Normalizing items for NOI <sup>1</sup>	\$	—	\$	86
Insurance recoveries		(122)		—
		(122)		86
<b>Normalized FFO</b>	<b>\$</b>	<b>14,917</b>	<b>\$</b>	<b>11,715</b>
<b>Normalized FFO per unit</b>	<b>\$</b>	<b>0.2272</b>	<b>\$</b>	<b>0.1785</b>
<b>Normalized AFFO</b>	<b>\$</b>	<b>13,305</b>	<b>\$</b>	<b>10,019</b>
<b>Normalized AFFO per unit</b>	<b>\$</b>	<b>0.2026</b>	<b>\$</b>	<b>0.1526</b>
<b>Normalized AFFO Payout Ratio</b>		<b>62.3 %</b>		<b>80.3 %</b>

### NOI and NOI Margin

Three months ended March 31,	Same Property Portfolio				Total Portfolio			
	2024		2023		2024		2023	
Revenue from investment properties	\$	38,174	\$	35,964	\$	38,943	\$	38,403
Operating expenses		14,134		14,652		14,499		15,667
<b>NOI</b>	<b>\$</b>	<b>24,040</b>	<b>\$</b>	<b>21,312</b>	<b>\$</b>	<b>24,444</b>	<b>\$</b>	<b>22,736</b>
<b>NOI margin</b>		<b>63.0%</b>		<b>59.3%</b>		<b>62.8%</b>		<b>59.2%</b>
<b>Normalizing items for NOI</b>								
Severance costs	\$	—	\$	86	\$	—	\$	86
<b>Normalized NOI</b>	<b>\$</b>	<b>24,040</b>	<b>\$</b>	<b>21,398</b>	<b>\$</b>	<b>24,444</b>	<b>\$</b>	<b>22,822</b>
<b>Normalized NOI margin</b>		<b>63.0%</b>		<b>59.5%</b>		<b>62.8%</b>		<b>59.4%</b>

### Debt-to-Gross Book Value Ratio

Refer to Section IV - "Liquidity, Capital Resources and Contractual Commitments - Liquidity and Capital Resources" for a reconciliation of Debt-to-Gross Book Value ratio.

<sup>1</sup> Refer to Section IV - "Liquidity, Capital Resources and Contractual Commitments - Reconciliation of Non-IFRS Financial Measures and Ratios" - "NOI and NOI Margin"

## Debt Service Coverage Ratio

The Debt Service Coverage ratio is calculated as follows:

	Three months ended		Year ended	
	March 31, 2024		December 31, 2023	
<b>NOI</b>	\$	<b>24,444</b>	\$	99,168
Interest expense and standby fees on credit facility		<b>1,930</b>		10,445
Distributions on Class C LP Units:				
Principal repayments		<b>1,340</b>		5,518
Finance costs		<b>2,020</b>		7,306
Mortgages and construction loan:				
Principal repayments		<b>3,579</b>		14,036
Finance costs		<b>6,326</b>		26,728
<b>Total debt service</b>	\$	<b>15,195</b>	\$	64,033
<b>Debt Service Coverage ratio</b>		<b>1.61x</b>		1.55x

Debt Service Coverage ratio is a measure used by Management to assess the REIT's ability to pay both interest and principal on its Class C LP Units, mortgages and construction loan. Generally, a higher ratio indicates lower credit risk. The increase in Debt Service Coverage ratio for Q1 2024 from FY 2023 was primarily a result of an increase in NOI driven by higher average monthly rents and decreased property operating expense as well as decreased interest costs due to a lower average outstanding balance on the credit facility.

## Debt-to-Adjusted EBITDA Ratio

Refer to Section IV - "Liquidity, Capital Resources and Contractual Commitments - Liquidity and Capital Resources" for a reconciliation of Debt-to-Adjusted EBITDA ratio.

## NAV and NAV per unit

As at	March 31, 2024		December 31, 2023	
Net assets (Unitholders' equity)	\$	1,053,656	\$	1,077,381
Add: Class B LP Units		408,217		416,716
NAV	\$	1,461,873	\$	1,494,097
Number of Units and Class B LP Units		65,660,891		65,653,641
<b>NAV per unit</b>	\$	<b>22.26</b>	\$	<b>22.76</b>

NAV and NAV per unit are used by Management to assess the REIT's value and value per unit. Refer to Section I - "Overview - Financial and Operating Highlights - NAV per unit Impacted by Expanding Capitalization Rates" for analysis.

## Section V - Accounting Estimates and Policies, Controls and Procedures and Risk Analysis

### Critical Judgments in Applying Accounting Policies and Critical Accounting Estimates and Assumptions

Significant areas of judgment, estimates and assumptions are set out in Note 2 to the annual audited consolidated financial statements for years ended December 31, 2023 and 2022.

The REIT has used the best information available as at March 31, 2024, in determining the potential impact of prominent economic factors, such as high interest rates and inflation on the carrying amounts of assets and liabilities, earnings for the period and risks disclosed in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023. The estimates and judgements that could be most significantly impacted by economic factors include those underlying the valuation of investment properties. Actual results could differ from those estimates.

### Risks and Uncertainties

The REIT faces a variety of diverse risks, many of which are inherent in the business conducted by the REIT. These are described in detail under the heading "Risks and Uncertainties" in the REIT's Management's Discussion and Analysis for the years ended December 31, 2023 and 2022, filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). These factors still exist at the end of this quarter and remain unchanged.

### Financial Risk Management

The REIT's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. A summary of these risks and how the REIT manages them are set out in Note 19 of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023.

### Related Party Transactions

In the normal course of operations, the REIT enters into various transactions with related parties. A summary of the related party transactions of the REIT are set out in Note 12 of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023.

### Contingencies and Commitments

The REIT is subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the unaudited condensed consolidated interim financial statements of the REIT. The contingencies and commitments of the REIT are set out in Note 18 of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023.

### Adoption of New Standards, Amendments and Interpretations

The following amended standard was adopted by the REIT when it became effective on January 1, 2024:

- *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1)

The adoption of this amendment did not have a material impact on the REIT's unaudited condensed consolidated interim financial statements.

## Disclosure Controls and Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining a system of disclosure controls and procedures ("DC&P") to provide reasonable assurance that all material information relating to the REIT that is required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis and within the time period specified in securities legislation.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

In designing such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, Management is required to use judgment in evaluating controls and procedures.

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused an evaluation under their direct supervision of, the design of disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*) as at March 31, 2024. Based on this evaluation, the CEO and CFO have concluded that they have:

- (a) designed disclosure controls and procedures to provide reasonable assurance that:
  - (i) material information relating to the REIT is made known to the Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which the interim filings are being prepared; and,
  - (ii) information required to be disclosed by the REIT in its various reports filed or submitted under securities legislation is recorded, processed, summarized and reported within time periods specified in securities legislation; and
- (b) designed internal controls over financial reporting in accordance with the 2013 COSO framework as published by the Committee of Sponsoring Organizations of the Treadway Commission 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 significant changes for the three months ended March 31, 2024 to the design of the REIT's ICFR that have materially affected, or are reasonably likely to materially affect, the REIT's ICFR.

## Section VI - Supplemental Information

### Property Portfolio

As at March 31, 2024

Property	Total Suites	REIT Ownership Interest	Effective Ownership Interest (Suites)
<b>Toronto</b>			
1 High Park Village	750	40%	300
2 Leslie York Mills	409	50%	205
3 Richgrove	258	100%	258
4 Martin Grove	237	100%	237
5 Minto Yorkville <sup>1</sup>	181	100%	181
6 Roehampton	148	100%	148
7 Niagara West	501	28.35%	142
	2,484		1,471
<b>Ottawa</b>			
8 Minto one80five <sup>1</sup>	417	100%	417
9 Parkwood Hills Garden Homes & Townhomes	204	100%	204
10 Aventura	354	100%	354
11 Huron	251	100%	251
12 Seneca	251	100%	251
13 Castlevue	241	100%	241
14 Skyline Garden Homes, Maisonettes & Walkups	259	100%	259
15 The Carlisle	193	100%	193
16 Castle Hill	176	100%	176
17 Grenadier	158	100%	158
18 Eleanor	117	100%	117
19 Frontenac	104	100%	104
20 Stratford	59	100%	59
	2,784		2,784
<b>Montreal</b>			
21 Rockhill	1,004	50%	502
22 Le 4300	318	100%	318
23 Haddon Hall	210	100%	210
24 Le Hill-Park	261	100%	261
	1,793		1,291
<b>Calgary</b>			
25 The Quarters	199	100%	199
26 The Laurier	144	100%	144
27 Kaleidoscope	70	100%	70
28 The International	252	100%	252
	665		665
<b>Portfolio Total</b>	<b>7,726</b>		<b>6,211</b>

<sup>1</sup> Suite counts for Minto Yorkville and Minto one80five include furnished suites, representing approximately 30% of the total suites at these properties.

## Average Rent Per Square Foot

As at March 31, 2024

Geographic Node	Average monthly rent per occupied suite	Average sq. ft. per occupied suite	Average rent per sq. ft per suite
Toronto	\$2,203	779	\$2.83
Ottawa	1,763	803	2.20
Calgary	1,783	661	2.70
Montreal	1,977	975	2.03
<b>Average</b>	<b>\$1,911</b>	<b>818</b>	<b>\$2.34</b>

## Non-IFRS and Other Financial Measures

The REIT's financial statements are prepared in accordance with IFRS. This Management's Discussion and Analysis also contains certain non-IFRS and other financial measures 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 and financial 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. The REIT has adopted the guidance under NI 52-112 *Non-GAAP and Other Financial Measures Disclosure* for the purpose of this Management's Discussion and Analysis. These non-IFRS and other financial measures are defined below:

### Non-IFRS Financial Measures and Ratios

- "FFO" is defined as IFRS consolidated net income adjusted for items such as unrealized changes in the fair value of investment properties, effects of puttable instruments classified as financial liabilities and changes in fair value of financial instruments and derivatives. FFO should not be construed as an alternative to net income or cash flows provided by or used in operating activities determined in accordance with IFRS. The REIT's method of calculating FFO is substantially in accordance with REALPAC's recommendations under the revised publication titled "REALPAC Funds from Operations (FFO) & Adjusted Funds from Operations (AFFO) for IFRS" published in January 2022, but may differ from other issuers' methods and, accordingly, may not be comparable to FFO reported by other issuers. The REIT regards FFO as a key measure of operating performance. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "FFO per unit" is calculated as FFO divided by the weighted average number of Units of the REIT and Class B LP Units of the Partnership outstanding over the period. The REIT regards FFO per unit as a key measure of operating performance. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized FFO" is calculated as FFO net of nonrecurring items that occurred during the period which are not indicative of the REIT's typical operating results. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized FFO per unit" is calculated as Normalized FFO divided by the weighted average number of Units of the REIT and Class B LP Units of the Partnership outstanding over the period.
- "AFFO" is defined as FFO adjusted for items such as maintenance capital expenditures and straight-line rental revenue differences. AFFO should not be construed as an alternative to net income or cash flows provided by or used in operating activities determined in accordance with IFRS. The REIT's method of calculating AFFO is substantially in accordance with REALPAC's recommendations under the revised publication titled "REALPAC Funds from Operations (FFO) & Adjusted Funds from Operations (AFFO) for IFRS" published in January 2022, except that it adjusts for certain non-cash items (such as adjustments for the amortization of mark-to-market adjustments related to debt), but may differ from other issuers' methods and, accordingly, may not be comparable to AFFO reported by other issuers. The REIT regards AFFO as a key measure of operating performance. The REIT also uses AFFO in assessing its capacity to make distributions. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".

- "AFFO per unit" is calculated as AFFO divided by the weighted average number of Units of the REIT and Class B LP Units of the Partnership outstanding over the period. The REIT regards AFFO per unit as a key measure of operating performance. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized AFFO" is calculated as AFFO net of nonrecurring items that occurred during the period which are not indicative of the REIT's typical operating results. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized AFFO per unit" is calculated as Normalized AFFO divided by the weighted average number of Units of the REIT and Class B LP Units of the Partnership outstanding over the period.
- "AFFO Payout Ratio" is the proportion of the total distributions on Units and Class B LP Units to AFFO. The REIT uses AFFO Payout Ratio in assessing its capacity to make distributions. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized AFFO Payout Ratio" is the proportion of the total distributions on Units and Class B LP Units to Normalized AFFO. The REIT uses AFFO Payout Ratio in assessing its capacity to make distributions. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Debt-to-Adjusted EBITDA ratio" is calculated by dividing interest-bearing debt (net of cash) by Adjusted EBITDA. Adjusted EBITDA is a non-IFRS Financial Measure and used for evaluation of the REIT's financial health and liquidity. Adjusted EBITDA is calculated as the trailing twelve-month NOI adjusted for a full year of stabilized earnings including finance income, fees and other income and general and administrative expenses from recently completed acquisitions or dispositions, but excluding fair value adjustments. The REIT regards Debt-to-Adjusted EBITDA ratio as a measure of financial health and liquidity. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Liquidity and Capital Resources".

## Capital Management Measures

- "weighted average effective interest rate on Term Debt" is calculated as the weighted average of the effective interest rates on the outstanding balances of fixed rate mortgages, a variable-rate mortgage fixed through an interest rate swap and Class C LP Units.
- "weighted average interest rate on variable-rate debt" is calculated as the weighted average contractual interest rate on the revolving credit facility and the variable-rate mortgages for the period, excluding the variable-rate mortgage fixed through an interest rate swap.
- "weighted average term to maturity on Term Debt" is calculated as the weighted average of the term to maturity on the outstanding fixed rate mortgages, a variable-rate mortgage fixed through an interest rate swap and Class C LP Units.

## Supplementary Financial Measures

- "average annual unlevered return" refers to the return on repositioning activities, and is calculated by dividing the average annual rental increase per suite after repositioning by the average repositioning cost per suite, excluding the impact of financing costs.
- "Debt Service Coverage ratio" is the ratio of NOI to total debt service. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Debt-to-Gross Book Value ratio" is calculated by dividing total interest-bearing debt consisting of fixed and variable-rate mortgages, credit facility, construction loans and Class C LP Units of the Partnership by Gross Book Value and is used as the REIT's primary measure of its leverage. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Liquidity and Capital Resources".
- "Distribution yield per unit" is calculated as the annualized distribution per Unit and Class B LP Unit, divided by the Unit closing price as of the applicable balance sheet date.
- "gain-on-lease" refers to the gap between rents achieved on new leases as compared to expiring leases.
- "gain-to-lease potential" refers to the gap between Management's estimate of monthly market rent and average monthly in-place rent per suite.
- "Gross Book Value" is calculated as the total assets of the REIT as at the applicable balance sheet date.

- "gross project costs" represent initial acquisition cost and associated development project costs, including hard costs, soft costs, development and construction management costs, financing costs, goods and services tax and harmonized sales tax.
- "Interest costs" is calculated as the sum of costs incurred on fixed and variable-rate mortgages, credit facility, and Class C LP Units and excludes debt retirement costs.
- "Internal rate of return" or "IRR" is the discount rate which brings the net present value of all cash flows associated with a project to zero.
- "NAV" is calculated as the sum of the value of Unitholders' equity and Class B LP Units as at the applicable balance sheet date. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "NAV per unit" is calculated by dividing NAV by the number of Units and Class B LP Units outstanding as at the balance sheet date. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "NOI" is defined as revenue from investment properties less property operating costs, property taxes and utilities (collectively referred to as "property operating expenses" or "operating expenses") prepared in accordance with IFRS. NOI should not be construed as an alternative to net income determined in accordance with IFRS. The REIT's method of calculating NOI may differ from other issuers' methods and, accordingly, may not be comparable to NOI reported by other issuers. The REIT regards NOI as an important measure of the income generated from income-producing properties and is used by Management in evaluating the performance of the REIT's properties. It is also a key input in determining the value of the REIT's properties. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "NOI margin" is defined as NOI divided by revenue from investment properties. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized NOI" is calculated as NOI net of nonrecurring items that occurred during the period which are not indicative of the REIT's typical operating results. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized NOI margin" is defined as Normalized NOI divided by revenue from investment properties. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized operating expenses" are calculated as operating expenses net of nonrecurring items that occurred during the period which are not indicative of the REIT's typical operating results. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "property operating costs as a percentage of revenue" is calculated as property operating costs for the period, divided by revenue from investment properties for the period.
- "property taxes as a percentage of revenue" is calculated as property taxes for the period, divided by revenue from investment properties for the period.
- "Term Debt" is calculated as the sum of value of fixed rate mortgages, a variable-rate mortgage fixed through an interest rate swap and Class C LP Units.
- "Total Debt" is calculated as the sum of value of interest-bearing debt consisting of fixed and variable-rate mortgages, credit facility, construction loans and Class C LP Units.
- "Total Debt, net of cash" is calculated as Total Debt, reduced by cash balance.
- "total debt service" is calculated as the sum of interest expense recorded as finance costs and principal payments on mortgages, construction loan, credit facility and distributions on Class C LP Units.
- "Total liquidity" is calculated as the sum of the undrawn balance under the revolving credit facility and cash.
- "utilities as a percentage of revenue" is calculated as Utilities expense for the period, divided by revenue from investment properties for the period.

## **Operating Performance Measures**

- "annualized turnover rate" is calculated as the number of move-outs for the period divided by total number of unfurnished suites in the portfolio. This percentage is extrapolated to determine an annual rate.

- "average monthly rent" represents the average monthly rent per suite for occupied unfurnished suites at the end of the period.
- "average monthly rent for furnished suites" represents the average daily rent per suite for furnished suites for the period multiplied by 30.
- "average occupancy" is defined as the ratio of occupied unfurnished suites to the total unfurnished suites in the portfolio for the period.
- "average occupancy for furnished suites" is the ratio of occupied furnished suites to the total furnished suites in the portfolio for the period.
- "closing occupancy" is defined as the ratio of occupied unfurnished suites to the total unfurnished suites in the portfolio at the end of the period.