



# Management's Discussion and Analysis

For the three and six months ended June 30, 2024 and 2023



**minto**  
Apartment REIT

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## 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 June 30, 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 (June 30, 2023 - 94%). The properties excluded from the Same Property Portfolio results are: Hi-Level Place in Edmonton sold in Q1 2023, York House and The Lancaster House in Edmonton sold in Q4 2023, and Tanglewood and a selection of suites at Parkwood Hills ("Chesterton/Bowhill") in Ottawa sold in Q1 2024. 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 June 30,	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 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 August 13, 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 and six months ended June 30, 2024 ("Q2 2024" and "YTD 2024") and 2023 ("Q2 2023" and "YTD 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 August 13, 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

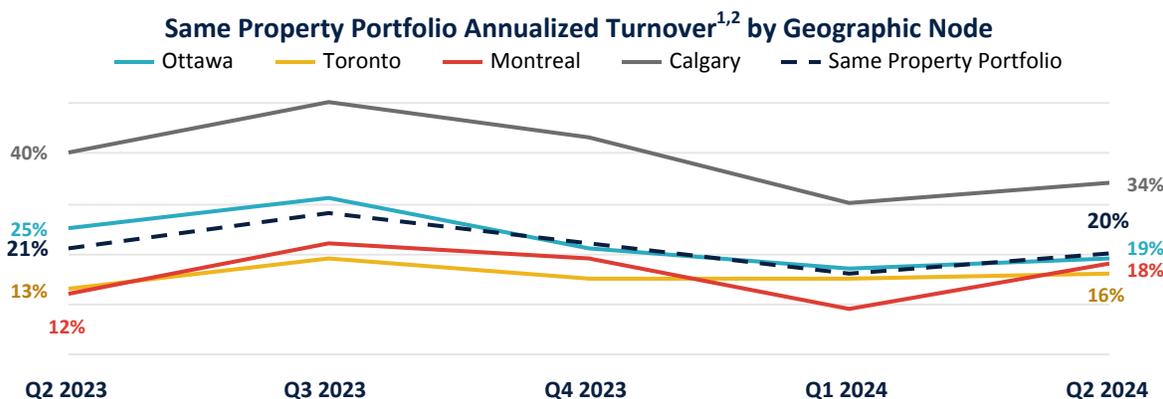
Q2 2024 was another strong operational quarter for the REIT. Same Property Portfolio revenue grew by 4.8% over Q2 2023. This was driven by Same Property Portfolio unfurnished revenue growth of 6.8% over Q2 2023 due mainly to a 6.3% increase to average monthly rent ("AMR") while average occupancy remained flat at 96.9%. Same Property Portfolio Normalized operating expenses increased slightly by 0.3% over the same period, driven by higher property taxes, partially offset by lower utility costs. Overall, Same Property Portfolio Normalized NOI grew by 7.5% and Normalized NOI margin expanded by 160 bps to 64.0%.

For Q2 2024, Total Portfolio revenue decreased by 1.3% over Q2 2023, primarily due to the sale of two Ottawa properties during Q1 2024 and two Edmonton properties in Q4 2023, partially offset by the strong Same Property Portfolio results. Total Portfolio AMR grew by 7.7%, while average occupancy decreased by 10 bps to 96.9%. Total Portfolio normalized operating expenses declined by 5.3%, due to the property dispositions and the factors affecting the Same Property Portfolio. Overall, Total Portfolio Normalized NOI increased by 1.1% and Normalized NOI margin expanded by 150 bps to 64.0%.

#### Turnover Consistent with Seasonal Norms while Closing Occupancy Increased

The annualized turnover rate for the Same Property Portfolio was 20% in Q2 2024, which was in line with seasonal norms. This was led by annualized turnover of 34% 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 high closing occupancy of 98.6%. Annualized turnover for Ottawa decreased to 19% compared to Q2 2023, while closing occupancy increased to 98.9% as demand remained strong. In Toronto, annualized turnover increased from Q2 2023 to 16%, driven by move-outs in non-rent controlled suites. Toronto has experienced higher vacancy for one-bedroom suites, resulting in lower closing occupancy of 95.1%. Management continues to leverage a combination of tactical promotion, marketing campaigns and a targeted renewal program to drive occupancy for these suites; however, move-ins were outpaced by move-outs across the city, leading to lower closing occupancy. In Montreal, annualized turnover increased from Q2 2023 to 18% and closing occupancy increased to 96.8% due to strong demand.

Occupancy improved from Q1 2024 as move-ins outpaced move-outs, allowing the REIT to capture gain-on-lease and finish Q2 2024 with Same Property Portfolio closing occupancy of 97.5%.



Same Property Portfolio	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
<b>Closing Occupancy<sup>2</sup></b>					
Toronto	98.4 %	98.2 %	97.2 %	95.8 %	<b>95.1 %</b>
Ottawa	97.3 %	98.2 %	98.1 %	97.7 %	<b>98.9 %</b>
Calgary	99.3 %	99.6 %	96.4 %	99.1 %	<b>98.6 %</b>
Montreal	95.0 %	95.7 %	95.6 %	96.2 %	<b>96.8 %</b>
	97.3 %	97.8 %	97.2 %	97.1 %	<b>97.5 %</b>

<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 the growth of Normalized FFO per unit and Normalized AFFO per unit of 15.4% and 18.7%, respectively in Q2 2024 over Q2 2023. In addition to strong operational performance, Management maintained lower average variable-rate debt exposure compared to Q2 2023, which supported a 16.5% decline in interest costs.

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

Same Property Portfolio Normalized NOI growth was 7.5% over Q2 2023 and Normalized NOI margin increased by 160 bps to 64.0%. Normalized results exclude the impact of nonrecurring items not indicative of the REIT's typical operations. The normalizing items in Q2 2024 consist of insurance recoveries totalling \$549, primarily for storm damage in Montreal and water damage in Ottawa and Calgary. Normalizing items in Q2 2023 consist of severance costs and a property tax recovery for a net adjustment to NOI of \$44, as well as debt retirement costs of \$1,779, property investigation cost write-offs of \$417 and insurance recoveries of \$219. Adjusting for the items in both periods resulted in year over year growth in Normalized FFO per unit and Normalized AFFO per unit of 15.4% and 18.7%, respectively. Refer to Section IV - "Liquidity, Capital Resources and Contractual Commitments - Reconciliation of Non-IFRS Financial Measures and Ratios" for a reconciliation of normalized results.

### **Pursuing Additional Financing Proceeds to Reduce Variable-Rate Debt**

Management continues to pursue upward refinancing of four properties located in Ottawa anticipated to have total incremental net proceeds between \$70,000 and \$80,000. 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. Any proceeds will be used to reduce the credit facility upon funding, which as at June 30, 2024 had \$88,033 drawn and represented 8% of Total Debt.

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

NAV per unit as at June 30, 2024 was \$22.27, effectively flat from \$22.26 as at March 31, 2024, primarily due to strong operational results, partially offset by the fair value loss on investment properties of \$8,360 in Q2 2024. The fair value loss was driven by capitalization rate expansion in the Toronto residential portfolio and an increase in the capital expenditure reserve, partially offset by growth in forecast NOI for the portfolio overall.

### **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 Q2 2024, the REIT was able to realize gains of 11.0% on the 420 new leases it signed during the period. These gains represent annualized revenue growth of approximately \$865. The strong market conditions have supported the gain-to-lease potential of the portfolio, which was 15.7% at June 30, 2024, which was down slightly from 15.9% at March 31, 2024 and 16.1% at June 30, 2023. The REIT's ability to realize the embedded gain-to-lease potential in the short term will be impacted by geographic turnover trends. Management expects turnover to be slow relative to seasonal norms in 2024 as the gap between sitting rents and market rents remains elevated. The REIT repositioned 13 suites in Q2 2024, compared to 33 in Q2 2023, generating an average annual unlevered return of 9.7%. With a lower propensity for turnover among the remaining suites and Management's strategic assessment of each suite, Management expects to reposition 35 to 70 suites in 2024, down from 116 in 2023.

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

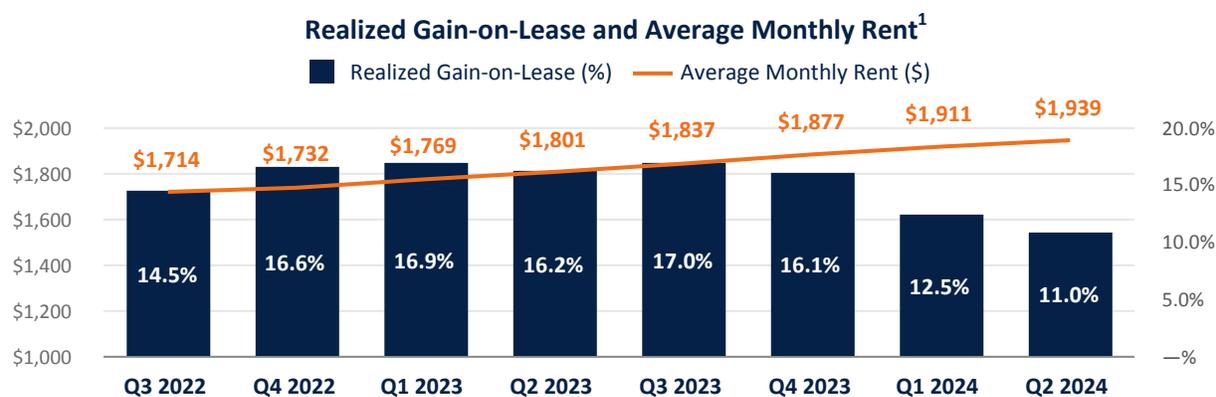
## Organic Growth — Gain-on-Lease<sup>1</sup>

The REIT realized on organic revenue growth for Q2 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 \$865. A summary of leasing activities and the gains to be realized from new leases signed for Q2 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	114	\$2,716	\$2,964	9.2%	\$145
Ottawa	145	1,795	2,032	13.2%	413
Calgary	49	1,812	2,010	10.9%	117
Montreal	112	2,122	2,316	9.1%	190
<b>Total/Average</b>	<b>420</b>	<b>\$2,018</b>	<b>\$2,240</b>	<b>11.0%</b>	<b>\$865</b>

The REIT realized gain-on-lease in all of its markets in Q2 2024, with an average gain-on-lease of 11.0% on the 420 new leases it signed. Although the realized gain-on-lease has slowed in recent quarters with moderation driven by Toronto and Montreal, it remains strong across the portfolio. In Toronto, approximately 50% of new leases signed were 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 14.4% and 12.0% across the portfolio. There was also a higher proportion of new leases signed at suites with a shorter average length of stay resulting in expiring rents with a smaller gap to market rents. In Montreal, there was a narrower gap to market rents amongst the unrenovated suites that turned over in the period. 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 \$1,939 for Q2 2024 was an increase of 7.7% over Q2 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.

For YTD 2024, the REIT realized gains in all markets, with an average gain-on-lease of 11.7% on the 789 new leases it signed. The following table summarizes the leasing activities and the gains to be realized from new leases signed in YTD 2024:

Geographic Node	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>
Toronto	209	\$2,656	\$2,897	9.1%	\$254
Ottawa	282	1,826	2,076	13.7%	845
Calgary	126	1,775	1,972	11.1%	299
Montreal	172	2,094	2,320	10.8%	338
<b>Total/Average</b>	<b>789</b>	<b>\$1,987</b>	<b>\$2,220</b>	<b>11.7%</b>	<b>\$1,736</b>

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>
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
Q2 2024	420	2,018	2,240	11.0%	865
<b>Total/Average</b>	<b>1,634</b>	<b>\$1,912</b>	<b>\$2,184</b>	<b>14.3%</b>	<b>\$4,285</b>

The REIT has achieved an average of 14.3% growth on realized gain-on-lease over the last four quarters, representing annualized gain-on-lease of \$4,285. The realized gain-on-lease slowed in Q2 2024 compared to recent quarters due to a higher proportion of new leases signed at suites with a smaller gap to market rent, mainly in Toronto and Montreal.

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 June 30, 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	2,275	\$2,234	\$2,611	16.9%	\$5,970
Ottawa	2,659	1,790	2,097	17.2%	9,804
Calgary	656	1,820	2,012	10.6%	1,517
Montreal	1,748	2,006	2,287	14.0%	4,214
<b>Total/Average</b>	<b>7,338</b>	<b>\$1,939</b>	<b>\$2,243</b>	<b>15.7%</b>	<b>\$21,505</b>

Management currently estimates that the portfolio has annualized gain-to-lease potential of approximately \$21,505. The REIT's gain-to-lease potential at June 30, 2024 remained robust at 15.7%. 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 five to seven 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, 107 vacant suites, 77 suites leased for future occupancy and 27 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		Remaining Suites to Reposition	Total Suites in the Program	Proportion Complete
		Q2 2024	YTD 2024			
<b>Toronto</b>						
Minto Yorkville	100%	—	—	29	99	71%
Leslie York Mills	50%	1	1	190	409	54%
High Park Village	40%	2	3	245	407	40%
Roehampton	100%	2	3	39	148	74%
Martin Grove	100%	—	—	17	32	47%
<b>Ottawa</b>						
Carlisle	100%	2	3	62	191	68%
Castle Hill	100%	1	1	62	176	65%
<b>Montreal</b>						
Rockhill	50%	—	1	728	934	22%
Le 4300	100%	3	5	197	261	25%
Haddon Hall	100%	—	—	132	191	31%
Le Hill-Park	100%	2	3	146	261	44%
<b>Total</b>		<b>13</b>	<b>20</b>	<b>1,847</b>	<b>3,109</b>	<b>41%</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>
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%
Q2 2024	13	64,160	6,200	9.7%
<b>Total/Average</b>	<b>71</b>	<b>\$73,725</b>	<b>\$7,276</b>	<b>9.9%</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 12 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 considering factors such as the market rent for unrenovated suites, the incremental capital investment, and the opportunity cost of the downtime required for a renovation, among other factors. As a result, Management anticipates the number of suites in the program will continue to reduce over time due to the lower turnover propensity for these suites and due to the strategic assessment of each repositioning. With these factors considered, Management revised its estimate of repositionings for 2024 from 50 to 90 suites to 35 to 70 suites 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 are provided below.

### Environmental Impact

- Building Automation System AI projects were started at Leslie York Mills to optimize energy use.
- Garage lighting controls were installed at Haddon Hall to reduce energy consumption.
- The Richgrove and Leslie York Mills development projects exceeded the REIT's 80% construction waste diversion target and achieved an average rate of 88.2% from January to May 2024.

### Community Impact

- Two new community partnerships were established to create alternative recruitment sources and attract a more diverse pool of candidates. Efforts to strengthen relationships with the REIT's community partners have continued with the REIT's participation in a community job fair and collaboratively working on candidate submissions.
- A new interview guide was created to minimize inherent bias and promote inclusion.
- Costing of the draft health and well-being framework was completed. The framework is designed to support the health and well-being of residents at new developments and stabilized properties.
- The quarterly resident newsletter was received by 5,126 recipients and achieved an open rate of 40%. Subject matter included information about how to efficiently stay cool in the summer, reduce clothing waste, and conserve water.

### Business Resilience

- Strategic, tactical, and operational teams to govern business continuity planning were confirmed and the curriculum for a business continuity exercise was developed.
- The cybersecurity program was strengthened through activities including:
  - Delivery of phishing simulations and a mandatory incident reporting training campaign;
  - Deployment of new mobile anti-malware and web filtering solutions; and,
  - Publication of Generative Artificial Intelligence ("GenAI") policy in July 2024, which restricts employee use of GenAI to approved applications on company devices and prohibits use of company data as an input on personal devices.

### 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 continued population growth from net migration, insufficient supply of new housing, and the affordability gap between home ownership and renting fuelled by a high interest rate environment.

Canada is targeting 350,000 net migrants, or growth of just under 1% of the total population, annually for the next three years and, as such, Canada will remain the fastest growing country in the G7.<sup>1</sup> Management believes immigration targets will continue to drive demand for rental housing.

Canada continues to face a housing affordability crisis. A CMHC report indicated Canada needs over 22 million housing units by 2030 to help achieve housing affordability for all Canadians.<sup>2</sup> If current rates of new construction continue, there will be a 3.5 million housing unit shortfall. The Federal Government has announced a series of initiatives to address the housing supply issue. Management believes these initiatives, coupled with the Bank of Canada announcements in June and July to reduce interest rates, will support housing supply growth. However, Canada's population growth continues to outpace 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.

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 8.4% increase in the number of households that own their home.<sup>3</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>4</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 gain-to-lease potential in the REIT's high quality urban portfolio, albeit at a slower growth rate than 2023 as the nature of the suites that turn over have a smaller gap of expiring rents to market rents. Management will also create value from the repositioning program, when strategically appropriate, and drive 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. As a result, 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.

Management has executed on its capital allocation strategy and strengthened the balance sheet by reducing exposure to variable-rate debt. In Q1 2024, the REIT completed the sale of properties in Ottawa for net proceeds of \$67,956 which were used to pay down the credit facility. Management continues to pursue upward refinancing of four Ottawa properties, with the potential to generate net proceeds between \$70,000 and \$80,000 that will also be used to pay down the credit facility.

Management has 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, the 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 may 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 limit exposure to variable-rate debt will help stabilize interest costs, driving FFO per unit and AFFO per unit growth.

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<sup>1</sup> World Economic Outlook, International Monetary Fund, April 2024.

<sup>2</sup> "Housing shortages in Canada: Updating how much housing we need by 2030", CMHC, September 2023.

<sup>3</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>4</sup> Sources: Statistics Canada, Conference Board of Canada, CMHC, Teranet and Urbanation.

## 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 entail 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>1,2</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 exempt the property 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 at a fixed interest rate of 2.39% for a 10-year term. The above grade slab was completed and initial above grade 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. Foundation work is underway and above grade forming has commenced.

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, interests 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>3</sup>	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. Management received the first stage of site plan approval from the City of Toronto in Q2 2024 with receipt of the Notice of Approval Conditions, and has begun working on meeting the pre-approval conditions.

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

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

<sup>3</sup> Estimated pre-development costs are presented at 100% rather than the REIT's proportionate share.

## 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 June 30, 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>1,2</sup>	Construction Start	Estimated Stabilization	Maximum Loan Amount <sup>3</sup>	Amount Outstanding at June 30, 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	\$18,502
88 Beechwood	Ottawa, ON	227	100%	137,000	Q4 2021	Q1 2025	\$51,400	\$44,849
University Heights	Victoria, BC	594	45% <sup>4</sup>	392,000	Q4 2022	Q4 2026	\$51,700	\$42,658
		<b>1,042</b>		<b>\$707,000</b>			<b>\$136,750</b>	<b>\$120,009</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, landscaping and sidewalk paving is complete, and interior finishings are nearing completion. Residential leasing continues, with the first tenant occupancies having occurred in April 2024, and commercial leasing is complete and stabilization is expected in Q3 2024.

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. Landscaping and interior finishings are in progress. Retail leasing continues, residential pre-leasing launched in July 2024 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 on June 1, 2024, equals 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. Balcony and masonry work continues and interior work on amenities and finishings is ongoing. Tenant move-ins began in June 2024 and residential and commercial leasing continues. 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, drywall installation continues, with occupancy expected to begin in late 2024. At the second building, framing continues and has progressed to the upper storeys. Underground slab work is ongoing at the remaining three buildings. 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.

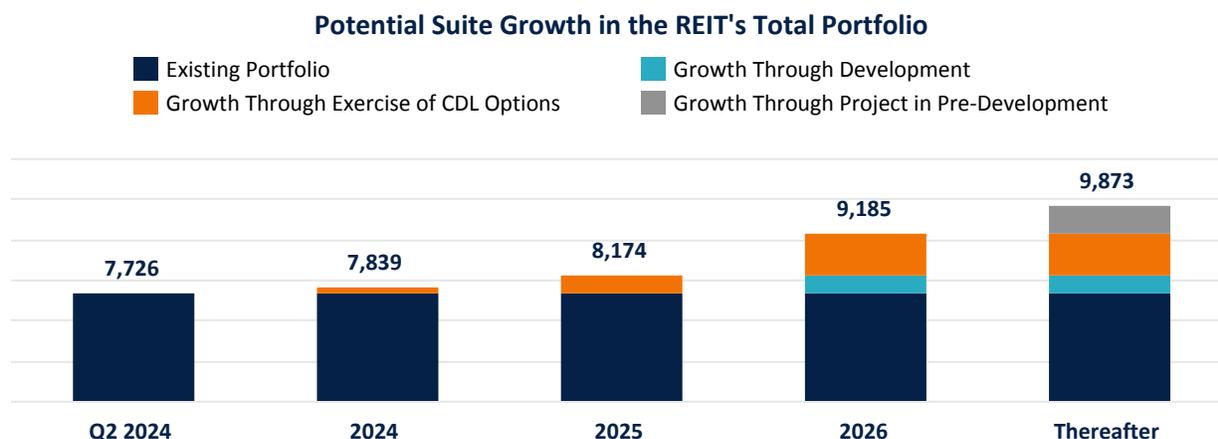
<sup>1</sup> Estimated gross project costs are presented at 100% rather than MPI's proportionate share.

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

<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 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. The REIT will remain opportunistic regarding any other potential capital recycling initiatives.

## Section II - Financial Highlights and Performance

### Key Performance Indicators

The REIT's operating results are affected by seasonal variations and other factors, including high 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 June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
<b>Operating</b>						
Number of properties	28	31	(3)	28	31	(3)
Total suites <sup>1</sup>	7,726	8,227	(501)	7,726	8,227	(501)
Average monthly rent <sup>2</sup>	\$ 1,939	\$ 1,801	7.7 %	\$ 1,939	\$ 1,801	7.7 %
Closing occupancy <sup>2</sup>	97.5 %	97.2 %	30 bps	97.5 %	97.2 %	30 bps
Average occupancy <sup>2</sup>	96.9 %	97.0 %	(10) bps	96.9 %	97.1 %	(20) bps
Average monthly rent <sup>2</sup> - Same Property Portfolio ("SPP")	\$ 1,939	\$ 1,824	6.3 %	\$ 1,939	\$ 1,824	6.3 %
Closing occupancy <sup>2</sup> - SPP	97.5 %	97.3 %	20 bps	97.5 %	97.3 %	20 bps
Average occupancy <sup>2</sup> - SPP	96.9 %	96.9 %	— bps	96.9 %	97.0 %	(10) bps
<b>Financial</b>						
Revenue	\$ 38,893	\$ 39,401	(1.3)%	\$ 77,836	\$ 77,804	— %
NOI <sup>2</sup>	\$ 24,895	\$ 24,572	1.3 %	\$ 49,339	\$ 47,308	4.3 %
NOI margin <sup>2</sup>	64.0 %	62.4 %	160 bps	63.4 %	60.8 %	260 bps
Interest costs <sup>2</sup>	\$ 8,946	\$ 10,710	16.5 %	\$ 18,441	\$ 21,378	13.7 %
Net income (loss) and comprehensive income (loss)	\$ 32,790	\$ (43,009)	nmf <sup>3</sup>	\$ 13,996	\$ (67,236)	nmf <sup>3</sup>
Revenue - SPP	\$ 38,893	\$ 37,111	4.8 %	\$ 77,067	\$ 73,075	5.5 %
NOI <sup>2</sup> - SPP	\$ 24,895	\$ 23,110	7.7 %	\$ 48,935	\$ 44,422	10.2 %
NOI margin <sup>2</sup> - SPP	64.0 %	62.3 %	170 bps	63.5 %	60.8 %	270 bps
FFO <sup>2</sup>	\$ 16,649	\$ 11,925	39.6 %	\$ 31,688	\$ 23,554	34.5 %
FFO per unit <sup>2</sup>	\$ 0.2535	\$ 0.1817	39.5 %	\$ 0.4826	\$ 0.3588	34.5 %
AFFO <sup>2</sup>	\$ 15,040	\$ 10,188	47.6 %	\$ 28,467	\$ 20,121	41.5 %
AFFO per unit <sup>2</sup>	\$ 0.2290	\$ 0.1552	47.6 %	\$ 0.4335	\$ 0.3065	41.4 %
AFFO Payout Ratio <sup>2</sup>	55.1 %	78.9 %	2,380 bps	58.2 %	79.9 %	2,170 bps
Distribution per unit	\$ 0.1262	\$ 0.1225	3.0 %	\$ 0.2525	\$ 0.2450	3.1 %
Distribution yield per unit <sup>2</sup> based on Unit closing price	3.42 %	3.26 %	16 bps	3.42 %	3.26 %	16 bps
<b>Normalized</b>						
Normalized NOI <sup>2,4</sup>	\$ 24,895	\$ 24,616	1.1 %	\$ 49,339	\$ 47,438	4.0 %
Normalized NOI margin <sup>2,4</sup>	64.0 %	62.5 %	150 bps	63.4 %	61.0 %	240 bps
Normalized NOI - SPP <sup>2,4</sup>	\$ 24,895	23,154	7.5 %	\$ 48,935	\$ 44,552	9.8 %
Normalized NOI margin - SPP <sup>2,4</sup>	64.0 %	62.4 %	160 bps	63.5 %	61.0 %	250 bps
Normalized FFO <sup>2,4</sup>	\$ 16,100	\$ 13,946	15.4 %	\$ 31,017	\$ 25,661	20.9 %
Normalized FFO per unit <sup>2,4</sup>	\$ 0.2452	\$ 0.2125	15.4 %	\$ 0.4724	\$ 0.3909	20.8 %
Normalized AFFO <sup>2,4</sup>	\$ 14,491	\$ 12,209	18.7 %	\$ 27,796	\$ 22,228	25.0 %
Normalized AFFO per unit <sup>2,4</sup>	\$ 0.2207	\$ 0.1860	18.7 %	\$ 0.4233	\$ 0.3386	25.0 %
Normalized AFFO Payout Ratio <sup>2,4</sup>	57.2 %	65.9 %	870 bps	59.7 %	72.3 %	1,260 bps

<sup>1</sup> At June 30, 2024, includes 2,664 (June 30, 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> No meaningful figure.

<sup>4</sup> Refer to Section IV - "Liquidity, Capital Resources and Contractual Commitments - Reconciliation of Non-IFRS Financial Measures and Ratios"

As at	June 30, 2024	December 31, 2023	Change
<b>Leverage</b>			
Debt-to-Gross Book Value ratio <sup>1</sup>	<b>41.8 %</b>	42.8 %	(100) bps
Debt Service Coverage ratio <sup>1</sup>	<b>1.65 x</b>	1.55 x	0.10x
Debt-to-Adjusted EBITDA ratio <sup>1</sup>	<b>10.87 x</b>	11.79 x	(0.92)x
Weighted average term to maturity on Term Debt <sup>1</sup>	<b>5.57</b>	5.84	(0.27) years
Weighted average effective interest rate on Term Debt <sup>1</sup>	<b>3.43 %</b>	3.39 %	4 bps
Weighted average interest rate on variable-rate debt <sup>1</sup>	<b>6.87 %</b>	7.25 %	(38) bps
<b>Valuation</b>			
NAV <sup>1</sup>	\$ <b>1,462,218</b>	\$ 1,494,097	(2.1)%
NAV per unit <sup>1</sup>	\$ <b>22.27</b>	\$ 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 and six months ended June 30, 2024 and 2023.

### Same Property Portfolio

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Revenue from investment properties	\$ <b>38,893</b>	\$ 37,111	4.8 %	\$ <b>77,067</b>	\$ 73,075	5.5 %
Property operating costs	<b>7,606</b>	7,678	0.9 %	<b>14,334</b>	14,646	2.1 %
Property taxes	<b>3,911</b>	3,642	(7.4)%	<b>7,809</b>	7,365	(6.0)%
Utilities	<b>2,481</b>	2,681	7.5 %	<b>5,989</b>	6,642	9.8 %
Operating expenses	<b>13,998</b>	14,001	— %	<b>28,132</b>	28,653	1.8 %
NOI <sup>1</sup>	\$ <b>24,895</b>	\$ 23,110	7.7 %	\$ <b>48,935</b>	\$ 44,422	10.2 %
NOI margin <sup>1</sup>	<b>64.0 %</b>	62.3 %	170 bps	<b>63.5 %</b>	60.8 %	270 bps

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

## Total Portfolio

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Revenue from investment properties	\$ 38,893	\$ 39,401	(1.3)%	\$ 77,836	\$ 77,804	— %
Property operating costs	7,606	8,051	5.5 %	14,593	15,494	5.8 %
Property taxes	3,911	3,917	0.2 %	7,919	7,925	0.1 %
Utilities	2,481	2,861	13.3 %	5,985	7,077	15.4 %
Operating expenses	13,998	14,829	5.6 %	28,497	30,496	6.6 %
NOI <sup>1</sup>	24,895	24,572	1.3 %	49,339	47,308	4.3 %
NOI margin <sup>1</sup>	64.0%	62.4%	160 bps	63.4%	60.8%	260 bps
General and administrative expenses	2,419	2,857	15.3 %	5,004	5,613	10.8 %
Finance costs - operations	12,198	15,643	22.0 %	24,944	29,466	15.3 %
Finance income	(1,911)	(1,796)	6.4 %	(3,822)	(3,425)	11.6 %
Fair value loss (gain) on:						
Investment properties	8,360	45,700	81.7 %	46,965	59,203	20.7 %
Class B LP Units	(27,558)	6,696	nmf <sup>2</sup>	(36,057)	24,982	nmf <sup>2</sup>
Interest rate swap	333	(656)	nmf <sup>2</sup>	275	(246)	nmf <sup>2</sup>
Unit-based compensation	(528)	40	nmf <sup>2</sup>	(609)	194	nmf <sup>2</sup>
Loss on disposition	—	—	nmf <sup>2</sup>	615	348	(76.7)%
Fees and other income	(1,208)	(903)	33.8 %	(1,972)	(1,591)	23.9 %
<b>Net income (loss) and comprehensive income (loss)</b>	<b>\$ 32,790</b>	<b>\$ (43,009)</b>	<b>nmf<sup>2</sup></b>	<b>\$ 13,996</b>	<b>\$ (67,236)</b>	<b>nmf<sup>2</sup></b>

## Net Operating Income

For Q2 2024, Same Property Portfolio NOI increased by 7.7% over Q2 2023, or 7.5% on a normalized basis after adjusting for nonrecurring items. This was driven by unfurnished suite revenue growth of 6.8%, partially offset by a 12.8% decrease in furnished suite revenue and a 27.4% decrease in commercial lease revenue. Operating expenses remained flat year over year, as a 17.0% decrease in natural gas expenses and 8.0% decrease in electricity costs were offset by a 7.4% increase in property taxes.

For YTD 2024, Same Property Portfolio NOI increased by 10.2% over YTD 2023, or 9.8% on a normalized basis. This was driven by unfurnished suite revenue growth of 6.9% and a 23.3% decrease in natural gas expenses, partially offset by a 6.0% increase in property taxes and a 10.3% decrease in furnished suite revenue.

For Q2 2024, Total Portfolio NOI increased by 1.3% over Q2 2023, or 1.1% on a normalized basis. For YTD 2024, Total Portfolio NOI increased by 4.3% over YTD 2023, or 4.0% on a normalized basis. For both periods, the increases were due to the factors driving the Same Property Portfolio NOI and the decreased operating expenses associated with the disposed properties, partially offset by the loss of revenue associated with the disposed properties.

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

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

## Revenue from Investment Properties

### Same Property Portfolio

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Rental revenue						
Unfurnished suites	\$ 33,719	\$ 31,559	6.8 %	\$ 66,971	\$ 62,668	6.9 %
Furnished suites	2,114	2,425	(12.8)%	3,870	4,312	(10.3)%
Commercial leases	371	511	(27.4)%	894	957	(6.6)%
Parking revenue	1,445	1,407	2.7 %	2,852	2,766	3.1 %
Other property income	1,244	1,209	2.9 %	2,480	2,372	4.6 %
	\$ 38,893	\$ 37,111	4.8 %	\$ 77,067	\$ 73,075	5.5 %

### Total Portfolio

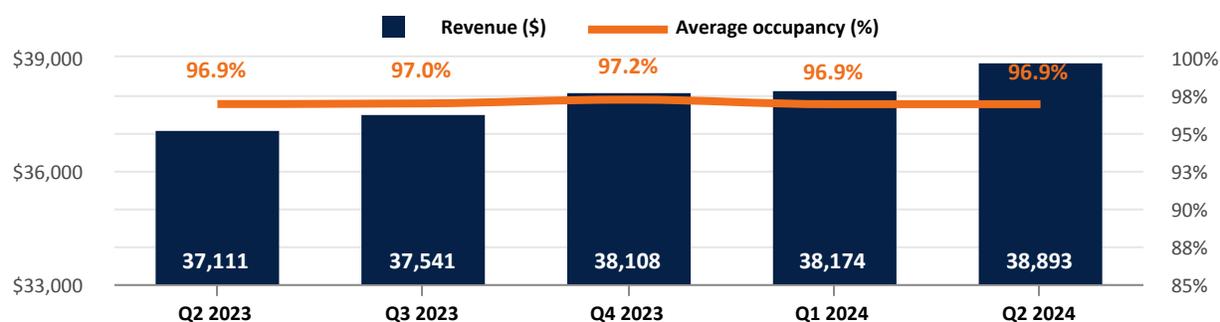
	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Rental revenue						
Unfurnished suites	\$ 33,719	\$ 33,751	(0.1)%	\$ 67,709	\$ 67,196	0.8 %
Furnished suites	2,114	2,425	(12.8)%	3,870	4,312	(10.3)%
Commercial leases	371	511	(27.4)%	894	957	(6.6)%
Parking revenue	1,445	1,476	(2.1)%	2,876	2,908	(1.1)%
Other property income	1,244	1,238	0.5 %	2,487	2,431	2.3 %
	\$ 38,893	\$ 39,401	(1.3)%	\$ 77,836	\$ 77,804	— %

Revenue from investment properties consists of rental revenue from residential lease agreements relating to unfurnished suites and furnished suites, rental revenue from 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.

### Rental Revenue from Unfurnished Suites

For Q2 2024 and YTD 2024, Same Property Portfolio rental revenue from unfurnished suites increased by 6.8% and 6.9%, respectively, over the same periods in 2023. This was primarily due to a 6.3% year over year increase in Same Property Portfolio average monthly rent to \$1,939 at June 30, 2024. For Q2 2024, Same Property Portfolio average occupancy was flat year over year at 96.9%, and for YTD 2024, Same Property Portfolio average occupancy dropped slightly by 10 bps to 96.9%.

### Same Property Portfolio Revenue and Average Occupancy<sup>1</sup>



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

Same Property Portfolio	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
<b>Average Occupancy<sup>1</sup></b>						
Toronto	95.1 %	97.7 %	(260) bps	95.6 %	97.9 %	(230) bps
Ottawa	98.1 %	97.5 %	60 bps	97.9 %	97.7 %	20 bps
Alberta	98.4 %	97.8 %	60 bps	97.8 %	97.9 %	(10) bps
Montreal	95.8 %	94.4 %	140 bps	95.9 %	94.1 %	180 bps
	96.9 %	96.9 %	— bps	96.9 %	97.0 %	(10) bps

Total Portfolio	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
<b>Average Occupancy<sup>1</sup></b>						
Toronto	95.1 %	97.7 %	(260) bps	95.6 %	97.9 %	(230) bps
Ottawa	98.1 %	97.7 %	40 bps	97.9 %	97.9 %	— bps
Alberta	98.4 %	97.2 %	120 bps	97.8 %	97.6 %	20 bps
Montreal	95.8 %	94.4 %	140 bps	95.9 %	94.1 %	180 bps
	96.9 %	97.0 %	(10) bps	96.9 %	97.1 %	(20) bps

For Q2 2024, Total Portfolio revenue from unfurnished suites was effectively flat over Q2 2023. This was driven by a 7.7% increase in average monthly rent to \$1,939 at June 30, 2024, offset by the decrease in unfurnished revenue associated with the disposed properties and by a 10 bps decrease in average occupancy to 96.9%.

For YTD 2024, Total Portfolio revenue from unfurnished suites increased by 0.8% over YTD 2023. This was driven by a 7.7% increase in average monthly rent to \$1,939 at June 30, 2024, offset by the unfurnished revenue associated with the disposed properties and by a 20 bps decrease in average occupancy to 96.9%.

### Rental Revenue from Furnished Suites

For Q2 2024, rental revenue from furnished suites for the Same Property Portfolio and Total Portfolio decreased by 12.8% from Q2 2023. This was driven by lower average occupancy for furnished suites of 69.7% from 77.6% in Q2 2023, primarily due to fewer transient stays in Toronto. This was partially offset by a 5.1% increase in average monthly rent for furnished suites to \$5,795 from \$5,512 for Q2 2023. Management has completed six suite conversions of furnished suites to unfurnished since Q2 2023 and will convert additional suites in the second half of 2024.

For YTD 2024, rental revenue from furnished suites for the Same Property Portfolio and Total Portfolio decreased by 10.3% over YTD 2023. This was driven by lower average occupancy for furnished suites of 62.9% from 73.1% for YTD 2023 and partially offset by a 13.1% increase in average monthly rent for furnished suites to \$5,868 from \$5,189 for YTD 2023.

### Rental Revenue from Commercial Leases

For Q2 2024, revenue from commercial leases for the Same Property Portfolio and Total Portfolio decreased by 27.4% from Q2 2023, driven by the temporary retail vacancy at Minto Yorkville. The REIT is actively pursuing the leasing of the ground floor commercial space at the property and anticipates a lease will be executed in 2024, with lease payments expected to occur in early 2026 to account for the fixturing period for a new tenant.

For YTD 2024, revenue from commercial leases for the Same Property Portfolio and Total Portfolio decreased by 6.6% from YTD 2023, driven by the vacancy at Minto Yorkville and partially offset by increased commercial occupancy at Niagara West.

### Parking Revenue

For Q2 2024 and YTD 2024, Same Property Portfolio parking revenue increased by 2.7% and 3.1%, respectively, over the same periods in 2023, due to increased average monthly parking rates.

For Q2 2024 and YTD 2024, Total Portfolio parking revenue decreased by 2.1% and 1.1%, respectively, over the same periods in 2023, due to the parking revenue associated with the disposed properties.

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

## Other Property Income

For Q2 2024 and YTD 2024, Same Property Portfolio other property income increased by 2.9% and 4.6%, respectively, over the same periods in 2023, driven by increased telecommunication revenue and utility recoveries.

For Q2 2024 and YTD 2024, Total Portfolio other property income increased by 0.5% and 2.3%, respectively, over the same periods in 2023, as the increased revenue in the Same Property Portfolio was offset by the other property income associated with the disposed properties.

## Property Operating Costs

### Same Property Portfolio

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Property operating costs	\$ 7,606	\$ 7,678	0.9 %	\$ 14,334	\$ 14,646	2.1 %
<i>% of revenue from investment properties</i>	19.6 %	20.7 %		18.6 %	20.0 %	

### Total Portfolio

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Property operating costs	\$ 7,606	\$ 8,051	5.5 %	\$ 14,593	\$ 15,494	5.8 %
<i>% of revenue from investment properties</i>	19.6 %	20.4 %		18.7 %	19.9 %	

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 Q2 2024, Same Property Portfolio property operating costs were effectively flat over Q2 2023, primarily due to lower repairs and maintenance being offset by growth in salaries and wages.

For YTD 2024, Same Property Portfolio property operating costs decreased by 2.1% compared to YTD 2023, primarily due to reductions in repairs and maintenance and salaries and wages. The decrease in repairs and maintenance was due to the milder 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.

For Q2 2024 and YTD 2024, Total Portfolio property operating costs decreased by 5.5% and 5.8%, respectively, over the same periods in 2023, primarily due to the expenses associated with the disposed properties.

## Property Taxes

### Same Property Portfolio

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Property taxes	\$ 3,911	\$ 3,642	(7.4)%	\$ 7,809	\$ 7,365	(6.0)%
<i>% of revenue from investment properties</i>	10.1 %	9.8 %		10.1 %	10.1 %	

### Total Portfolio

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Property taxes	\$ 3,911	\$ 3,917	0.2 %	\$ 7,919	\$ 7,925	0.1 %
<i>% of revenue from investment properties</i>	10.1 %	9.9 %		10.2 %	10.2 %	

For Q2 2024 and YTD 2024, Same Property Portfolio property taxes increased by 7.4% and 6.0%, respectively, over the same periods in 2023, due to increases in assessed values in Calgary and Montreal and increased rates in Toronto and Ottawa.

For Q2 2024 and YTD 2024, Total Portfolio property taxes were effectively flat due to the factors driving the Same Property Portfolio cost increases, offset by the decrease in property taxes associated with the disposed properties.

## Utilities

### Same Property Portfolio

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Electricity	\$ 1,121	\$ 1,219	8.0 %	\$ 2,272	\$ 2,250	(1.0)%
Natural gas	597	719	17.0 %	2,252	2,938	23.3 %
Water	763	743	(2.7)%	1,465	1,454	(0.8)%
	\$ 2,481	\$ 2,681	7.5 %	\$ 5,989	\$ 6,642	9.8 %
<i>% of revenue from investment properties</i>	6.4 %	7.2 %		7.8 %	9.1 %	

### Total Portfolio

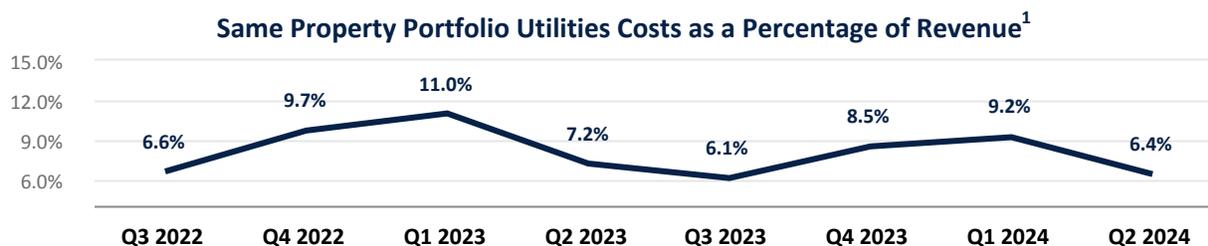
	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Electricity	\$ 1,121	\$ 1,290	13.1 %	\$ 2,262	\$ 2,424	6.7 %
Natural gas	597	731	18.3 %	2,225	3,013	26.2 %
Water	763	840	9.2 %	1,498	1,640	8.7 %
	\$ 2,481	\$ 2,861	13.3 %	\$ 5,985	\$ 7,077	15.4 %
<i>% of revenue from investment properties</i>	6.4 %	7.3 %		7.7 %	9.1 %	

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 Q2 2024, Same Property Portfolio utilities costs decreased by 7.5% compared to Q2 2023, primarily driven by a 17.0% decrease in natural gas expenses due to significantly lower gas prices, and an 8.0% decrease in electricity costs driven by rate decreases in Calgary. This was offset by a 2.7% increase in water expenses driven by rate increases across all geographies, while consumption remained flat.

For YTD 2024, Same Property Portfolio utilities costs decreased by 9.8% compared to YTD 2023, primarily driven by a 23.3% decrease in natural gas expenses due to a significant drop in gas prices, coupled with a milder winter reducing consumption. Electricity costs were effectively flat compared to YTD 2023, as rate decreases in Calgary partially offset rate increases across the remaining geographies.

For Q2 2024 and YTD 2024, Total Portfolio utilities costs decreased by 13.3% and 15.4%, respectively, over the same periods in 2023. The decrease was due to the factors driving the Same Property Portfolio, in addition to the decrease in utilities costs associated with the disposed properties.



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

## 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 Q2 2024, general and administrative expenses decreased by 15.3% compared to Q2 2023, due to the Q2 2023 write-off of property investigation costs incurred in a previous year.

For YTD 2024, general and administrative expenses decreased by 10.8% compared to YTD 2023, due to the Q2 2023 write-off of property investigation costs incurred in a previous year and the additional one-time compensation costs for internalized C-suite executives through early Q2 2023.

## Finance Costs - Operations

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Interest expense on mortgages and loans	\$ 6,304	\$ 6,879	8.4 %	\$ 12,630	\$ 13,574	7.0 %
Interest expense and standby fees on credit facility	1,519	2,853	46.8 %	3,449	5,699	39.5 %
Financing amortization and other charges	334	273	(22.3)%	666	533	(25.0)%
Amortization of mark-to-market adjustments	(72)	(227)	(68.3)%	(145)	(403)	(64.0)%
Capitalized interest	(1,127)	(671)	68.0 %	(2,167)	(1,234)	75.6 %
Distributions on Class C LP Units	1,988	1,603	(24.0)%	4,008	3,209	(24.9)%
Interest costs <sup>1</sup>	8,946	10,710	16.5 %	18,441	21,378	13.7 %
Debt retirement costs	—	1,779	100.0 %	—	1,779	100.0 %
Distributions on Class B LP Units	3,252	3,154	(3.1)%	6,503	6,309	(3.1)%
	\$ 12,198	\$ 15,643	22.0 %	\$ 24,944	\$ 29,466	15.3 %

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 Q2 2024 and YTD 2024 decreased by 16.5% and 13.7%, respectively, over the same periods in 2023. This was primarily as a result of a lower average outstanding balance on the credit facility compared to the same periods in 2023, higher capitalized interest from intensification projects, and the Q2 2023 refinancing of two variable-rate mortgages. The variable-rate mortgages had a weighted average effective interest rate of 7.55% and were refinanced 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 2023 and Q3 2023 which had a net 25 bps higher weighted average effective interest rate compared to the in-place interest rates.

In Q2 2023, the REIT incurred debt retirement costs of \$1,779 related to the refinancings completed during the period.

For Q2 2024 and YTD 2024, Class B LP Unit distributions were both 3.1% higher, respectively, over the same periods in 2023 due to the increase in the monthly distribution in Q4 2023 from \$0.04083 to \$0.04208 per Unit.

## 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 Q2 2024 and YTD 2024, finance income was 6.4% and 11.6% higher, respectively, over the same periods in 2023, primarily as a result of increased interest income earned on CDLs. As at June 30, 2024, the REIT had made incremental net advances of \$11,345 since June 30, 2023 on its CDL commitments, thus driving higher interest income for both periods.

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

## 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Forecast NOI <sup>1</sup>	\$ 27,154	\$ 61,046	\$ 44,013	\$ 74,644
Capitalization rates	(26,362)	(91,276)	(71,931)	(114,226)
Capital expenditure reserve	(9,152)	(15,470)	(19,047)	(19,621)
	\$ (8,360)	\$ (45,700)	\$ (46,965)	\$ (59,203)

Increases in capitalization rates of 12.5 bps for Toronto residential properties were offset by forecast NOI growth across the broader portfolio in Q2 2024 due to strong realized and forecasted leasing results continuing to outpace expense inflation. The weighted average capitalization rate used for the Q2 2024 valuation of residential properties was 4.25%, compared to 4.20% in Q1 2024 and 3.98% in Q2 2023. The adjustment is derived from market data indicating that cap rates have remained largely flat through the quarter, with slight upwards pressure in the Greater Toronto Area driven by a lack of successful transaction activity. 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 \$8,360 fair value loss.

The fair value loss for YTD 2024 was due to increases in capitalization rates of 12.5 bps within select geographies of the residential portfolio and an increase in the capital expenditure reserve, which were partially offset by growth in forecast NOI. Collectively, adjustments to capitalization rates, forecast NOI, and the capital expenditure reserve resulted in a \$46,965 fair value loss.

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

As at	June 30, 2024		December 31, 2023	
	Low	High	Low	High
Ottawa, Ontario	4.25%	4.62%	4.13%	4.63%
Toronto, Ontario <sup>2</sup>	3.75%	4.00%	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	4.25%		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> For The International and Niagara West properties, due to the stabilized operations, market stability, capital expenditures among other factors, the valuation methodology was transitioned 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Unit price - opening	\$ 15.85	\$ 14.76	\$ 16.18	\$ 14.05
Unit price - closing	14.78	15.02	14.78	15.02

The decrease in the Unit price for Q2 2024 and YTD 2024 resulted in a fair value gain of \$27,558 and \$36,057, respectively. For the same periods in 2023, the increase in the Unit price resulted in a fair value loss of \$6,696 and \$24,982, respectively.

### **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 Q2 2024 and YTD 2024, the REIT recognized a fair value loss of \$333 and \$275, respectively. For the same periods in 2023, the REIT recognized a fair value gain of \$656 and \$246, respectively. The changes in each period were primarily a result of changes in variable interest rates.

Effective July 2, 2024, in connection with the benchmark interest rate reform in Canada to replace Canadian Dollar Overnight Rate ("CDOR") with Canadian Overnight Repo Rate Average ("CORRA"), the REIT amended the terms of the interest rate swap to replace the one-month bankers' acceptance plus 185 bps with the economically equivalent one-month CORRA plus 215 bps. The fixed interest rate that the REIT pays remained unchanged.

### **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 primarily to the opening Unit price with changes in the value recorded in net income.

For Q2 2024 and YTD 2024, the REIT recognized a fair value gain of \$528 and \$609, respectively, due to decreases in the Unit price and revised performance estimates for Performance Units. For the same periods in 2023, the REIT recognized a fair value loss of \$40 and \$194, respectively, primarily due to increases in the Unit price.

### **Loss on Disposition**

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

### **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.

In Q2 2024, the REIT recognized \$1,208 in fees and other income, an increase of 33.8% from Q2 2023 primarily due to insurance recoveries received of \$549. For YTD 2024, the REIT recognized \$1,972 in fees and other income, an increase of 23.9% from YTD 2023, primarily due to insurance recoveries received of \$671, partially offset by a decrease in revenue from management services from YTD 2023.

## Summary of Quarterly Results

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Total assets	\$2,604,850	\$2,576,201	\$2,702,120	\$2,723,608	\$2,720,278	\$2,738,165	\$2,734,812	\$2,714,856
Investment properties <sup>1</sup>	\$2,445,357	\$2,431,060	\$2,540,533	\$2,572,645	\$2,574,302	\$2,603,182	\$2,611,094	\$2,600,273
Total liabilities	\$1,523,291	\$1,522,545	\$1,624,739	\$1,564,003	\$1,583,749	\$1,553,741	\$1,521,275	\$1,464,049
Total non-current liabilities and Class B LP Units	\$1,381,032	\$1,427,737	\$1,487,405	\$1,427,391	\$1,438,635	\$1,165,077	\$1,189,744	\$1,145,584
Revenue from investment properties	\$ 38,893	\$ 38,943	\$ 40,286	\$ 39,835	\$ 39,401	\$ 38,403	\$ 37,916	\$ 37,838
NOI <sup>2</sup>	\$ 24,895	\$ 24,444	\$ 26,032	\$ 25,828	\$ 24,572	\$ 22,736	\$ 22,947	\$ 24,224
NOI margin <sup>2</sup>	64.0 %	62.8 %	64.6 %	64.8 %	62.4 %	59.2 %	60.5 %	64.0 %
Net income (loss) and comprehensive income (loss)	\$ 32,790	\$ (18,794)	\$ (77,238)	\$ 27,815	\$ (43,009)	\$ (24,227)	\$ (32,432)	\$ 39,655
FFO <sup>2</sup>	\$ 16,649	\$ 15,039	\$ 16,012	\$ 15,692	\$ 11,925	\$ 11,629	\$ 12,864	\$ 15,654
FFO per unit <sup>2</sup>	\$ 0.2535	\$ 0.2290	\$ 0.2439	\$ 0.2390	\$ 0.1817	\$ 0.1772	\$ 0.1960	\$ 0.2380
Normalized FFO per unit <sup>2</sup>	\$ 0.2452	\$ 0.2272	\$ 0.2318	\$ 0.2390	\$ 0.2125	\$ 0.1785	\$ 0.1913	\$ 0.2290
AFFO <sup>2</sup>	\$ 15,040	\$ 13,427	\$ 14,472	\$ 14,041	\$ 10,188	\$ 9,933	\$ 11,160	\$ 13,952
AFFO per unit <sup>2</sup>	\$ 0.2290	\$ 0.2045	\$ 0.2204	\$ 0.2139	\$ 0.1552	\$ 0.1513	\$ 0.1700	\$ 0.2121
Normalized AFFO per unit <sup>2</sup>	\$ 0.2207	\$ 0.2026	\$ 0.2083	\$ 0.2139	\$ 0.1860	\$ 0.1526	\$ 0.1654	\$ 0.2031
Distributions declared <sup>3</sup>	\$ 8,292	\$ 8,289	\$ 8,205	\$ 8,042	\$ 8,040	\$ 8,041	\$ 7,960	\$ 7,804
AFFO Payout Ratio <sup>2</sup>	55.1 %	61.7 %	56.7 %	57.3 %	78.9 %	81.0 %	71.3 %	55.9 %
Distribution per unit	\$ 0.1262	\$ 0.1262	\$ 0.1250	\$ 0.1225	\$ 0.1225	\$ 0.1225	\$ 0.1212	\$ 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 Q2 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	14,641	225	—	14,866
Development expenditures	—	—	22,882	22,882
Other	41	—	—	41
Fair value loss	(31,725)	(2,783)	(12,457)	(46,965)
Balance, June 30, 2024	\$ 2,322,635	\$ 24,414	\$ 98,308	\$ 2,445,357

### Disposition of Investment Properties

On February 15, 2024, the REIT closed on the disposition of two properties 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 - Outlook - Capital Recycling Program".

### 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Value-enhancing capital expenditures				
Building improvements	\$ 5,031	\$ 9,836	\$ 10,635	\$ 13,569
Suite upgrades	621	1,357	973	2,854
	5,652	11,193	11,608	16,423
Maintenance capital expenditures	2,455	1,615	3,258	3,124
Total capital expenditures	8,107	12,808	14,866	19,547
Maintenance capital expenditures per suite	\$ 395	\$ 238	\$ 520	\$ 462

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 Q2 2024 and YTD 2024 were \$2,455 and \$3,258 or \$395 and \$520 per suite, respectively, 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 the REIT's share of development expenditures incurred in connection with these projects is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Richgrove	\$ 7,889	\$ 2,446	\$ 11,842	\$ 9,295
Leslie York Mills	6,545	1,263	10,776	2,822
High Park Village	117	256	264	794
	\$ 14,551	\$ 3,965	\$ 22,882	\$ 12,911

The construction of the Richgrove project continues as planned, with development expenditures in Q2 2024 primarily related to above grade work. As of June 30, 2024, the REIT had incurred gross project costs of \$47,332, and forecasts \$74,668 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 June 30, 2024, the gross project costs incurred were \$54,468. Management forecasts \$138,532 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 June 30, 2024, the total pre-development project costs incurred were \$9,783.<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 June 30, 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 June 30, 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 June 30, 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 each 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 June 30, 2024, \$24,484 (December 31, 2023 - \$15,155) was drawn. Payments are made monthly on an interest-only basis.

## Credit Facility

As at June 30, 2024, the REIT had available credit under its revolving credit facility of \$246,963 (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. On June 26, 2024, in connection with the benchmark interest rate reform in Canada to replace CDOR with CORRA, the REIT amended the terms of the revolving credit facility to replace the one-month bankers' acceptance plus 175 bps with the economically equivalent Adjusted Canadian Overnight Repo Rate Average ("Adjusted CORRA") plus 175 bps. The credit facility bears interest at the one-month Adjusted CORRA plus 175 bps (December 31, 2023 - one-month bankers' acceptance plus 175 bps) or prime plus 75 bps. As at June 30, 2024, the weighted average variable interest rate was 6.87% (December 31, 2023 - 7.25%).

		<b>June 30, 2024</b>		<b>December 31, 2023</b>
Committed	\$	300,000	\$	300,000
Available		246,963		236,034
Utilized				
Amounts drawn		88,033		140,236
Letter of credit		2,022		2,022
		90,055		142,258
Undrawn amount available	\$	<b>156,908</b>	\$	<b>93,776</b>

## Units

	<b>Units</b>		<b>\$</b>
Authorized	Unlimited		
Units issued and outstanding:			
Balance, December 31, 2023		39,898,612	\$
Units issued for vested Deferred Units, net of issue costs		18,049	260
Balance, June 30, 2024		<b>39,916,661</b>	<b>\$</b>
			<b>711,281</b>

## 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 Q2 2024 and YTD 2024, distributions to Unitholders of \$5,040 and \$10,078 (Q2 2023 and YTD 2023 - \$4,886 and \$9,772) were declared based on approved monthly distributions of \$0.04208 per Unit (2023 - \$0.04083) for the months of January to June.

## 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		June 30, 2024	December 31, 2023
Liabilities (principal amounts outstanding):			
Class B LP Units	\$	380,659	\$ 416,716
Class C LP Units		216,695	226,929
Mortgages		763,837	780,582
Construction loan		24,484	15,155
Credit facility		88,033	140,236
		1,473,708	1,579,618
Unitholders' equity		1,081,559	1,077,381
	\$	2,555,267	\$ 2,656,999

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 June 30, 2024, 78% (December 31, 2023 - 75%) of the REIT's Total Debt is CMHC insured and approximately 92% (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		June 30, 2024	December 31, 2023
Class C LP Units	\$	216,914	\$ 227,411
Mortgages		758,316	774,662
Construction loan		24,484	15,155
Credit facility		88,033	140,236
Total Debt <sup>1</sup>		1,087,747	1,157,464
Total assets		2,604,850	2,702,120
<b>Debt-to-Gross Book Value ratio<sup>1</sup></b>		<b>41.8 %</b>	<b>42.8 %</b>
Total liquidity <sup>1</sup>		164,016	97,516
<b>Total liquidity as a percentage of Total Debt</b>		<b>15.1 %</b>	<b>8.4 %</b>

The REIT continues to maintain a conservative overall leverage position with a Debt-to-Gross Book Value ratio of 41.8% at June 30, 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 15.1% at June 30, 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	June 30, 2024	December 31, 2023
Trailing 12-month NOI <sup>1</sup>	\$ 101,199	\$ 99,168
Trailing 12-month general and administrative expenses	(9,837)	(10,446)
Trailing 12-month finance income	7,778	7,381
Trailing 12-month fees and other income	3,522	3,141
	102,662	99,244
Impact on NOI of stabilized earnings from dispositions	(3,219)	(1,375)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>99,443</b>	<b>97,869</b>
Total Debt <sup>1</sup>	1,087,747	1,157,464
Cash	7,108	3,740
Total Debt, net of cash <sup>1</sup>	1,080,639	1,153,724
<b>Debt-to-Adjusted EBITDA ratio<sup>1</sup></b>	<b>10.87x</b>	<b>11.79x</b>

The REIT's Debt-to-Adjusted EBITDA ratio improved by 0.92x 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 June 30, 2024, the weighted average term to maturity on Term Debt was 5.57 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	\$ 7,118	\$ 2,336	\$ —	\$ —	\$ —	\$ 34,776	\$ 44,230	4.05 %	2.85 %
2025	13,408	3,751	41,016	88,033	—	60,474	206,682	18.91 %	4.73 %
2026	12,071	2,000	72,524	—	—	—	86,595	7.92 %	3.12 %
2027	11,777	2,079	—	—	—	21,425	35,281	3.23 %	3.05 %
2028	11,641	1,391	71,781	—	—	—	84,813	7.76 %	4.14 %
2029	10,617	1,309	108,392	—	—	9,680	129,998	11.89 %	3.45 %
Thereafter	16,250	3,508	387,242	—	24,484	73,966	505,450	46.24 %	3.57 %
	<b>\$ 82,882</b>	<b>\$ 16,374</b>	<b>\$ 680,955</b>	<b>\$ 88,033</b>	<b>\$ 24,484</b>	<b>\$ 200,321</b>	<b>\$ 1,093,049</b>	<b>100.00 %</b>	

As of June 30, 2024, current liabilities, excluding Class B LP Units which are exchangeable for Units, of \$142,259 (December 31, 2023 - \$137,334) exceeded current assets of \$52,939 (December 31, 2023 - \$71,589), resulting in a net working capital deficit of \$89,320 (December 31, 2023 - \$65,745). 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 June 30, 2024, liquidity was \$164,016 (December 31, 2023 - \$97,516), consisting of cash of \$7,108 (December 31, 2023 - \$3,740) and \$156,908 (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 June 30, 2024, the REIT held a cash balance of \$7,108 (June 30, 2023 - \$6,046). The sources and use of cash flow for the three and six months ended June 30, 2024 and 2023 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Operating activities	\$ 21,078	\$ 22,803	\$ 42,259	\$ 40,594
Financing activities	2,787	(2,332)	(106,684)	(1,534)
Investing activities	(24,446)	(19,287)	67,793	(38,337)

### 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income (loss) and comprehensive income (loss)	\$ 32,790	\$ (43,009)	\$ 13,996	\$ (67,236)
Add: distributions on Class B LP Units	3,252	3,154	6,503	6,309
	36,042	(39,855)	20,499	(60,927)
Less: distributions paid <sup>1</sup>	(8,290)	(8,040)	(16,579)	(16,081)
Excess (shortfall) of net income (loss) and comprehensive income (loss) over total distributions paid	\$ 27,752	\$ (47,895)	\$ 3,920	\$ (77,008)
Cash provided by operating activities	21,078	22,803	42,259	40,594
Add: interest received	292	844	788	1,288
Less: interest paid	(9,765)	(11,098)	(20,217)	(22,438)
	11,605	12,549	22,830	19,444
Less: distributions paid <sup>1</sup>	(8,290)	(8,040)	(16,579)	(16,081)
Excess of cash provided by operating activities over total distributions and interest paid	3,315	4,509	6,251	3,363
Distributions declared <sup>2</sup>	\$ 8,292	\$ 8,040	\$ 16,581	\$ 16,081

For Q2 2024 and YTD 2024, net income and comprehensive income exceeded total distributions paid. Distributions are better evaluated in the context of operating cash flows rather than net income, as net income 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 Q2 2024 and YTD 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 Provided by (Used in) Financing Activities

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Proceeds from mortgage financing	\$ —	\$ 317,122	\$ —	\$ 317,122
Net proceeds (repayments) on credit facility	20,040	(57,543)	(52,203)	(33,327)
Proceeds from construction loan	5,612	2,668	9,329	6,112
CMHC premiums and financing costs	—	(9,346)	(35)	(11,910)
Principal repayments on mortgages	(3,507)	(234,685)	(16,745)	(238,187)
Distributions paid on various classes of units	(9,593)	(9,450)	(26,813)	(18,906)
Interest paid	(9,765)	(11,098)	(20,217)	(22,438)
	\$ 2,787	\$ (2,332)	\$ (106,684)	\$ (1,534)

For Q2 2024, cash flows provided by financing activities comprised net proceeds on the credit facility and draws on the construction loan. This was offset by interest paid, distributions on various classes of units, and principal repayments on mortgages.

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

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Capital additions to investment properties	\$ (7,887)	\$ (14,112)	\$ (16,695)	\$ (24,972)
Development expenditures	(9,578)	(3,281)	(16,357)	(8,579)
Loan advances to related parties	(7,273)	(2,783)	(14,351)	(9,004)
Loan repayments from related parties	—	45	30,056	45
Net proceeds on disposition of investment properties	—	—	84,352	2,885
Interest received	292	844	788	1,288
	\$ (24,446)	\$ (19,287)	\$ 67,793	\$ (38,337)

Cash flows used in investing activities for Q2 2024 included development expenditures on the three projects in the portfolio, capital expenditures on investment properties, and loan advances on the University Heights CDL, partially offset by interest received from related parties on CDLs.

Cash flows provided by investing activities for YTD 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, development expenditures on the three projects in the portfolio, and loan advances on the University Heights CDL.

## 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 the recommendations of the Real Property Association of Canada (REALPAC), 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:

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
<b>Net income (loss) and comprehensive income (loss)</b>	\$ 32,790	\$ (18,794)	\$ (77,238)	\$ 27,815	\$ (43,009)	\$ (24,227)	\$ (32,432)	\$ 39,655
Distributions on Class B LP Units	3,252	3,251	3,219	3,155	3,154	3,155	3,122	3,058
Disposition costs on investment property	—	615	1,054	—	—	348	—	—
Fair value loss (gain) on:								
Investment properties	8,360	38,605	21,208	21,216	45,700	13,503	12,209	18,689
Class B LP Units	(27,558)	(8,499)	65,675	(35,799)	6,696	18,286	29,617	(44,813)
Interest rate swap	333	(58)	1,070	(73)	(656)	410	(6)	(302)
Unit-based compensation	(528)	(81)	1,024	(622)	40	154	354	(633)
<b>Funds from operations (FFO)</b>	<b>\$ 16,649</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>
Maintenance capital expenditure reserve	(1,514)	(1,539)	(1,496)	(1,510)	(1,510)	(1,520)	(1,525)	(1,524)
Amortization of mark-to-market adjustments	(72)	(73)	(44)	(141)	(227)	(176)	(179)	(178)
Commercial straight-line rent adjustments	(23)	—	—	—	—	—	—	—
<b>Adjusted funds from operations (AFFO)</b>	<b>\$ 15,040</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>
Distributions on Class B LP Units	3,252	3,251	3,219	3,155	3,154	3,155	3,122	3,058
Distributions on Units	5,040	5,038	4,986	4,887	4,886	4,886	4,838	4,746
	8,292	8,289	8,205	8,042	8,040	8,041	7,960	7,804
<b>AFFO Payout Ratio</b>	<b>55.1 %</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>
Weighted average number of Units and Class B LP Units issued and outstanding	65,669,554	65,659,537	65,653,641	65,651,608	65,642,641	65,642,641	65,642,641	65,769,904
<b>FFO per unit</b>	<b>\$ 0.2535</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>AFFO per unit</b>	<b>\$ 0.2290</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>Normalized FFO per unit</b>	<b>\$ 0.2452</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>Normalized AFFO per unit</b>	<b>\$ 0.2207</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>

For Q2 2024 and YTD 2024, FFO and AFFO were higher as compared to the same periods in 2023, primarily due to increased NOI from strong growth in average monthly rent, reduced operating costs, and reduced interest expense as detailed in Section II - "Financial Highlights and Performance - Review of Financial Performance".

<b>Six months ended</b>		<b>June 30, 2024</b>		<b>June 30, 2023</b>
<b>Net income (loss) and comprehensive income (loss)</b>	\$	<b>13,996</b>	\$	(67,236)
Distributions on Class B LP Units		<b>6,503</b>		6,309
Disposition costs on investment property		<b>615</b>		348
Fair value loss (gain) on:				
Investment properties		<b>46,965</b>		59,203
Class B LP Units		<b>(36,057)</b>		24,982
Interest rate swap		<b>275</b>		(246)
Unit-based compensation		<b>(609)</b>		194
<b>Funds from operations (FFO)</b>	\$	<b>31,688</b>	\$	23,554
Maintenance capital expenditure reserve		<b>(3,053)</b>		(3,030)
Amortization of mark-to-market adjustments		<b>(145)</b>		(403)
Commercial straight-line rent adjustments		<b>(23)</b>		—
<b>Adjusted funds from operations (AFFO)</b>	\$	<b>28,467</b>	\$	<b>20,121</b>
Distributions on Class B LP Units		<b>6,503</b>		6,309
Distributions on Units		<b>10,078</b>		9,772
		<b>16,581</b>		16,081
<b>AFFO Payout Ratio</b>		<b>58.2%</b>		79.9%
Weighted average number of Units and Class B LP Units issued and outstanding		<b>65,664,545</b>		65,642,641
<b>FFO per unit</b>	\$	<b>0.4826</b>	\$	0.3588
<b>AFFO per unit</b>	\$	<b>0.4335</b>	\$	0.3065

For YTD 2024, FFO was higher as compared to YTD 2023, reflecting strong operational performance and reduced interest costs. AFFO for YTD 2024 was also higher than YTD 2023, primarily due to increased FFO and decreased amortization of mark-to-market adjustments as a result of debt refinancings completed during FY 2023.

Maintenance capital expenditures include expenditures that are incurred in order to maintain the existing earning capacity of the REIT's investment properties. The maintenance capital expenditure reserve amount included in the AFFO calculation is based on the REIT's expectation of spending approximately \$975 per suite on an annual basis. Refer to Section III - "Assessment of Financial Position - Investment Properties - Capital Expenditures" for a more detailed discussion of maintenance capital expenditures.

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, Q2 2024 FFO per unit and AFFO per unit growth was 15.4% and 18.7%, respectively over Q2 2023. YTD 2024 FFO per unit and AFFO per unit growth was 20.8% and 25.0%, respectively over YTD 2023. These nonrecurring adjustments are detailed below:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<b>Normalizing Items</b>				
Normalizing items for NOI <sup>1</sup>	\$ —	\$ 44	\$ —	\$ 130
Debt retirement costs	—	1,779	—	1,779
Property investigation cost write-offs	—	417	—	417
Insurance recoveries	(549)	(219)	(671)	(219)
	(549)	2,021	(671)	2,107
<b>Normalized FFO</b>	<b>\$ 16,100</b>	<b>\$ 13,946</b>	<b>\$ 31,017</b>	<b>\$ 25,661</b>
<b>Normalized FFO per unit</b>	<b>\$ 0.2452</b>	<b>\$ 0.2125</b>	<b>\$ 0.4724</b>	<b>\$ 0.3909</b>
<b>Normalized AFFO</b>	<b>\$ 14,491</b>	<b>\$ 12,209</b>	<b>\$ 27,796</b>	<b>\$ 22,228</b>
<b>Normalized AFFO per unit</b>	<b>\$ 0.2207</b>	<b>\$ 0.1860</b>	<b>\$ 0.4233</b>	<b>\$ 0.3386</b>
<b>Normalized AFFO Payout Ratio</b>	<b>57.2 %</b>	<b>65.9 %</b>	<b>59.7 %</b>	<b>72.3 %</b>

## NOI and NOI Margin

### Same Property Portfolio

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue from investment properties	\$ 38,893	\$ 37,111	\$ 77,067	\$ 73,075
Operating expenses	13,998	14,001	28,132	28,653
<b>NOI</b>	<b>\$ 24,895</b>	<b>\$ 23,110</b>	<b>\$ 48,935</b>	<b>\$ 44,422</b>
<b>NOI margin</b>	<b>64.0 %</b>	<b>62.3 %</b>	<b>63.5 %</b>	<b>60.8 %</b>
<b>Normalizing items for NOI</b>				
Severance costs	\$ —	\$ 170	\$ —	\$ 256
Property tax recovery	—	(126)	—	(126)
	—	44	—	130
<b>Normalized NOI</b>	<b>\$ 24,895</b>	<b>\$ 23,154</b>	<b>\$ 48,935</b>	<b>\$ 44,552</b>
<b>Normalized NOI margin</b>	<b>64.0 %</b>	<b>62.4 %</b>	<b>63.5 %</b>	<b>61.0 %</b>

### Total Portfolio

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue from investment properties	\$ 38,893	\$ 39,401	\$ 77,836	\$ 77,804
Operating expenses	13,998	14,829	28,497	30,496
<b>NOI</b>	<b>\$ 24,895</b>	<b>\$ 24,572</b>	<b>\$ 49,339</b>	<b>\$ 47,308</b>
<b>NOI margin</b>	<b>64.0 %</b>	<b>62.4 %</b>	<b>63.4 %</b>	<b>60.8 %</b>
<b>Normalizing items for NOI</b>				
Severance costs	\$ —	\$ 170	\$ —	\$ 256
Property tax recovery	—	(126)	—	(126)
	—	44	—	130
<b>Normalized NOI</b>	<b>\$ 24,895</b>	<b>\$ 24,616</b>	<b>\$ 49,339</b>	<b>\$ 47,438</b>
<b>Normalized NOI margin</b>	<b>64.0 %</b>	<b>62.5 %</b>	<b>63.4 %</b>	<b>61.0 %</b>

<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"

For Q2 2023 and YTD 2023, severance costs resulted in normalized property operating costs of \$7,508 and \$14,390 and the property tax recovery resulted in normalized property taxes of \$3,768 and \$7,491, resulting in normalized operating expenses of \$13,957 and \$28,523, respectively, for the Same Property Portfolio.

For Q2 2023 and YTD 2023, severance costs resulted in normalized property operating costs of \$7,881 and \$15,238, property tax recovery resulted in normalized property taxes of \$4,043 and \$8,051, resulting in normalized operating expenses of \$14,785 and \$30,366, respectively, for the Total Portfolio.

### 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.

### Debt Service Coverage Ratio

The Debt Service Coverage ratio is calculated as follows:

		Six months ended June 30, 2024	Year ended December 31, 2023
<b>NOI</b>	\$	<b>49,339</b>	\$ 99,168
Interest expense and standby fees on credit facility		3,449	10,445
Distributions on Class C LP Units:			
Principal repayments		2,643	5,518
Finance costs		4,008	7,306
Mortgages and construction loan:			
Principal repayments		7,086	14,036
Finance costs		12,630	26,728
<b>Total debt service</b>	\$	<b>29,816</b>	\$ 64,033
<b>Debt Service Coverage ratio</b>		<b>1.65x</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 YTD 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		June 30, 2024	March 31, 2024	December 31, 2023
Net assets (Unitholders' equity)	\$	1,081,559	\$ 1,053,656	\$ 1,077,381
Add: Class B LP Units		380,659	408,217	416,716
NAV	\$	1,462,218	\$ 1,461,873	\$ 1,494,097
Number of Units and Class B LP Units		65,671,690	65,660,891	65,653,641
<b>NAV per unit</b>	\$	<b>22.27</b>	\$ 22.26	\$ 22.76

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 June 30, 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 and six months ended June 30, 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 and six months ended June 30, 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 and six months ended June 30, 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 and six months ended June 30, 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 for the three and six months ended June 30, 2024 and 2023.

## 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 June 30, 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 six months ended June 30, 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 June 30, 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 June 30, 2024

Geographic Node	Average monthly rent per occupied suite	Average sq. ft. per occupied suite	Average rent per sq. ft per suite
Toronto	\$2,234	778	\$2.87
Ottawa	1,790	803	2.23
Calgary	1,820	661	2.75
Montreal	2,006	978	2.05
<b>Average</b>	<b>\$1,939</b>	<b>818</b>	<b>\$2.37</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. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "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. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "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 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" are 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.
- "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".
- "Normalized property operating costs" are calculated as property operating costs 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 property taxes" are calculated as property taxes 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 % of revenue from investment properties" is calculated as property operating costs for the period, divided by revenue from investment properties for the period.
- "property taxes % of revenue from investment properties" 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 the amortized cost 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 the amortized cost of interest-bearing debt consisting of a variable rate credit facility and fixed rate debt comprised of mortgages, a variable rate mortgage fixed through an interest rate swap, Class C LP Units, and the construction loan.
- "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 % of revenue from investment properties" 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 weighted average of the total unfurnished suites in the portfolio for the period.
- "average occupancy for furnished suites" is the ratio of occupied furnished suites to the weighted average of 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.