



**minto**  
Apartment REIT

**Q4 2021 Highlights  
Teleconference**

March 9, 2022





# Cautionary Statement

## Non-Reliance

This presentation and our answers to questions do not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate an investment in securities of Minto Apartment Real Estate Investment Trust (the “REIT”). No representation or warranty, express or implied, is given and, so far as is permitted by law no responsibility or liability is accepted by any person, with respect to the accuracy or completeness of this presentation or its contents or our answers to questions.

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This presentation and our answers to questions contain statements that constitute forward-looking statements (within the meaning of applicable Canadian securities laws) relating to the business of the REIT. These statements are not historical facts, but instead represent the REIT’s expectations, beliefs, assumptions, estimates, forecasts and projections as of the date hereof. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Although such forward-looking statements are based upon assumptions that management believes are reasonable as of the date hereof, there can be no assurance that those forward-looking statements will prove to be accurate and actual outcomes and results may differ materially from those expressed or implied in these forward-looking statements. The REIT’s expectations, beliefs, assumptions, estimates, forecasts and projections, include, but are not limited to, the REIT’s future growth potential, results of operations, future prospects and opportunities, demographic and industry trends, no change in legislation or regulatory environment, future levels of indebtedness, current tax laws, the continuing availability of capital, the impact of the COVID-19 pandemic and current economic conditions. These risks and uncertainties are more fully described in the REIT’s regulatory filings, including the REIT’s most recent Annual Information Form (“AIF”) and its most recent Management’s Discussion and Analysis of the results of operations and financial condition (“MD&A”), all of which can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com). Investors should not place undue reliance on any such forward-looking statements. Certain statements contained in this presentation may be considered “financial outlook” for purposes of Canadian securities laws and as such, the financial outlook may not be appropriate for purposes other than this presentation. Subject to applicable law, the REIT does not undertake any obligation to update or revise any forward-looking statements. For further details on forward-looking statements, see the section entitled “Forward-Looking Statements” in the most recent MD&A.

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

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



## **In Q4 2021, the REIT:**

- **Entered into 444 new leases, a 9% increase compared to Q4 2020 and realized gain-to-lease of 7.2%; average monthly rent increased to \$1,641**
- **Increased average occupancy to 95.0% compared to 92.9% in Q3 2021 and 92.3% in Q4 2020**
- **Delivered year-over-year growth in NOI of 5.2% and AFFO per unit of 6.7%**
- **Increased its cash distribution by 4.4%, the third consecutive annual increase since the REIT's inception**
- **Committed to a \$19.7 million convertible development loan for the development of a new mixed-use multi-residential and commercial development in Vancouver**
- **Completed the previously announced acquisition of Le Hill-Park, a 261-suite multi-residential rental property in Montreal located in close proximity to the REIT's other Montreal properties**
- **Completed a bought deal equity offering raising gross proceeds of \$87 million**
- **Commenced construction on two development projects in Toronto: 225-suite Richgrove and 192-suite Leslie York Mills**
- **Completed the repositioning of 113 suites improving asset quality, reducing future repair costs and driving strong growth in rental revenue. For the FY 2021, the REIT repositioned 367 suites**



## Q4 2021 Key Operating Results

Higher occupancy and average rents driving favourable NOI, FFO and AFFO but impacted by higher operating costs

<i>(\$000s except %, suite, per suite and per unit amounts)</i>	Total Portfolio <sup>1</sup> - excluding furnished suites			Total Portfolio <sup>1</sup>		
	Three months ended December 31,			Three months ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Revenue	\$30,321	\$28,955	4.7%	\$32,429	\$30,930	4.8%
Property operating expenses	\$11,498	\$10,959	(4.9)%	\$12,489	\$11,984	(4.2)%
NOI	\$18,823	\$17,996	4.6%	\$19,940	\$18,946	5.2%
NOI margin (%)	62.1%	62.2%	(10) bps	61.5%	61.3%	20 bps
FFO				\$13,245	\$12,022	10.2%
AFFO				\$11,656	\$10,459	11.4%
AFFO (\$/unit)				\$0.1890	\$0.1771	6.7%
Distributions declared (\$/unit)				\$0.1171	\$0.1138	\$0.0033
AFFO payout ratio				63.1%	64.2%	(110 bps)
Total suites				7,538	7,245	293
Average monthly rent / occupied suite <sup>2</sup>				\$1,641	\$1,623	1.1%
Occupancy - average for the period				95.04%	92.29%	275 bps

<sup>1</sup> The Total Portfolio represents 30 (December 31, 2020 - 29) properties comprising 7,538 (December 31, 2020 - 7,245) suites, including 2,163 (December 31, 2020 - 2,163) suites co-owned with institutional partners.

<sup>2</sup> Excludes 203 furnished suites, 249 vacant suites, 90 suites offline for repositioning and 5 suites offline for enhanced turn.

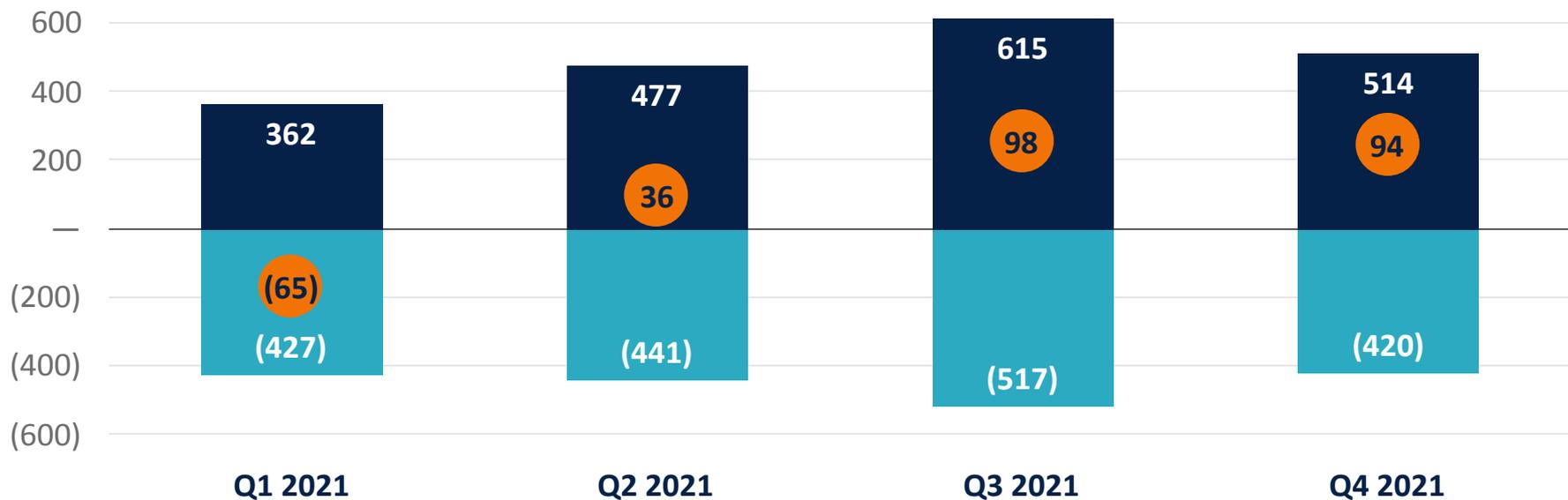


## Move-ins / Move-outs

Move-ins continued to exceed move-outs in Q4 2021, driving improved occupancy

### Quarterly move-ins and move-outs (suites)

Move-outs Move-ins Net change



Occupancy <sup>1</sup>	Q1 2021	Q2 2021	Q3 2021	Q4 2021
	91.12%	91.50%	92.87%	95.04%

<sup>1</sup> Average occupancy for the period



## Revenue Analysis

### Realizing on organic growth potential

#### Realized gain-on-new leases in the three months ended December 31, 2021<sup>1</sup>

Geographic Node	Total New Leases Signed	Average Monthly Expiring Rent per Suite	Average Monthly New Rent per Suite	Percentage Gain on New Leases	Realized Annual Gain on New Leases (000s) <sup>2</sup>
Toronto	152	\$2,045	\$2,167	5.9%	\$144
Ottawa	173	\$1,513	\$1,651	9.1%	\$273
Alberta	63	\$1,249	\$1,325	6.1%	\$21
Montreal	56	\$1,946	\$2,030	4.3%	\$34
<b>Total/Average</b>	<b>444</b>	<b>\$1,652</b>	<b>\$1,770</b>	<b>7.2%</b>	<b>\$472</b>

#### Gain-to-lease potential on existing rents<sup>3</sup>

Geographic Node	Total Suites	Average Monthly In-Place Rent per Suite	Management's Estimate of Monthly Market Rent per Suite	Percentage Gain-to-Lease	Estimated Annualized Gain-to-Lease (000s) <sup>4</sup>
Toronto	1,800	\$1,910	\$2,010	5.2%	\$1,406
Ottawa	2,895	\$1,542	\$1,656	7.4%	\$3,944
Alberta	633	\$1,287	\$1,368	6.4%	\$621
Montreal	1,663	\$1,805	\$1,940	7.5%	\$1,942
<b>Total/Average</b>	<b>6,991</b>	<b>\$1,641</b>	<b>\$1,753</b>	<b>6.8%</b>	<b>\$7,913</b>

<sup>1</sup> Excludes new leases of furnished suites.

<sup>2</sup> Leases on properties where Minto Apartment REIT co-owns the property are shown at the REIT's effective ownership in those leases.

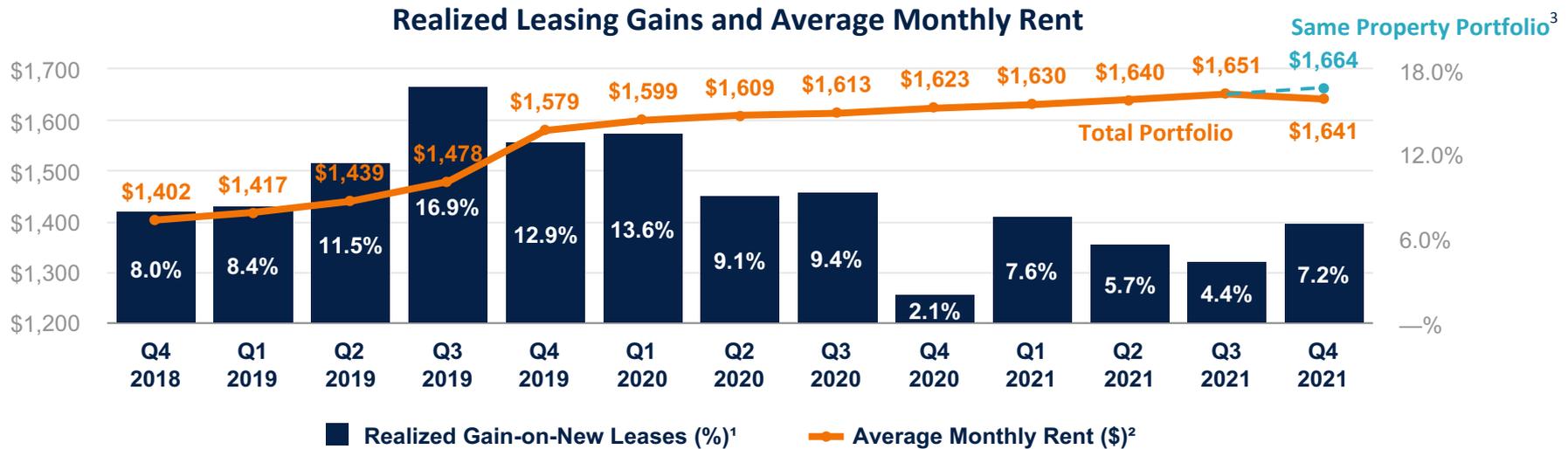
<sup>3</sup> Data for occupied suites as of December 31, 2021. Excludes 203 furnished suites, 249 vacant suites, 90 suites offline for repositioning and 5 suites offline for enhanced turn.

<sup>4</sup> Suites in properties that are co-owned by the REIT are shown at the REIT's effective ownership interest in those properties.



# Revenue Analysis - Time Series

## Leasing gains continue in Q4 2021



Geographic Node	Average monthly rent per suite <sup>4</sup>	Average sq. ft. per suite	Average rent per sq. ft per suite
Toronto	\$1,910	797	\$2.40
Ottawa	\$1,542	835	\$1.85
Alberta	\$1,287	714	\$1.80
Montreal	\$1,805	976	\$1.85
<b>Average</b>	<b>\$1,641</b>	<b>843</b>	<b>\$1.95</b>

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

<sup>2</sup> Average monthly rent for occupied unfurnished suites.

<sup>3</sup> The decline in average monthly rent in Q4 2021 was a result of the addition of the Le Hill-Park acquisition to the portfolio. Le Hill-Park has average monthly rents that are significantly below the portfolio average. Excluding Le Hill-Park the average monthly rent in Q4 2021 was \$1,664.

<sup>4</sup> As at December 31, 2021.



## Furnished Suites

Sequential improvement in rental rate - continuing to trim inventory

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
<b>Furnished Suites Operating Metrics</b>					
Furnished suite inventory	232	216	215	212	203
Average monthly rent	\$3,571	\$3,540	\$3,572	\$3,997	\$4,078
Average occupancy	77.3%	62.5%	74.4%	86.3%	80.5%

Furnished Suite Inventory



Furnished suite at Minto Yorkville, Toronto



## Repositioning Suites in Q4 2021

113 suites repositioned in Q4 generating a 9.4% ROI

Property	Ownership Interest	Suites Repositioned and Leased <sup>1</sup>	Remaining Suites <sup>1</sup> to Reposition	Total Suites in the Program <sup>1</sup>	% Complete
Minto Yorkville	100%	2	35	99	65%
Leslie York Mills	50%	25	245	409	40%
High Park Village	40%	21	292	407	28%
Edmonton properties <sup>2</sup>	100%	—	73	171	57%
Carlisle	100%	5	94	191	51%
Castle Hill	100%	6	79	176	55%
Rockhill	50%	7	806	934	14%
Le 4300	100%	7	231	261	11%
Haddon Hall	100%	1	162	191	15%
Roehampton	100%	36	92	148	38%
Martin Grove	100%	3	26	32	19%
Le Hill-Park	100%	—	180	261	31%
<b>Total</b>		<b>113</b>	<b>2,315</b>	<b>3,280</b>	<b>29%</b>

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

<sup>2</sup> The Edmonton portfolio repositioning program is currently on hold due to market conditions.

- **113 suites were repositioned and leased in Q4 2021 (85 at the REIT's share) at an average cost of \$47,362 per suite. These suites earned an annual average rent increase of \$4,475 per suite generating a 9.4% simple return on investment**
- **Subject to turnover of unrenovated suites, the REIT expects to reposition 250 to 300 suites in 2022.**



## Repositioning Results

367 suites repositioned in 2021 generating strong, predictable returns on invested capital

Fiscal Quarter	Suites Renovated <sup>1</sup>	Average Cost per Suite	Average Annual Rental Increase per Suite	Average Annual Un-Levered Return
Q1 2021	46	\$52,277	\$4,531	8.7%
Q2 2021	88	51,223	4,279	8.4%
Q3 2021	120	48,432	4,298	8.9%
Q4 2021	113	47,362	4,475	9.4%
<b>Total/Average</b>	<b>367</b>	<b>\$49,311</b>	<b>\$4,465</b>	<b>9.1%</b>

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



High Park Village, Toronto



Haddon Hall, Montreal



Carlisle, Ottawa

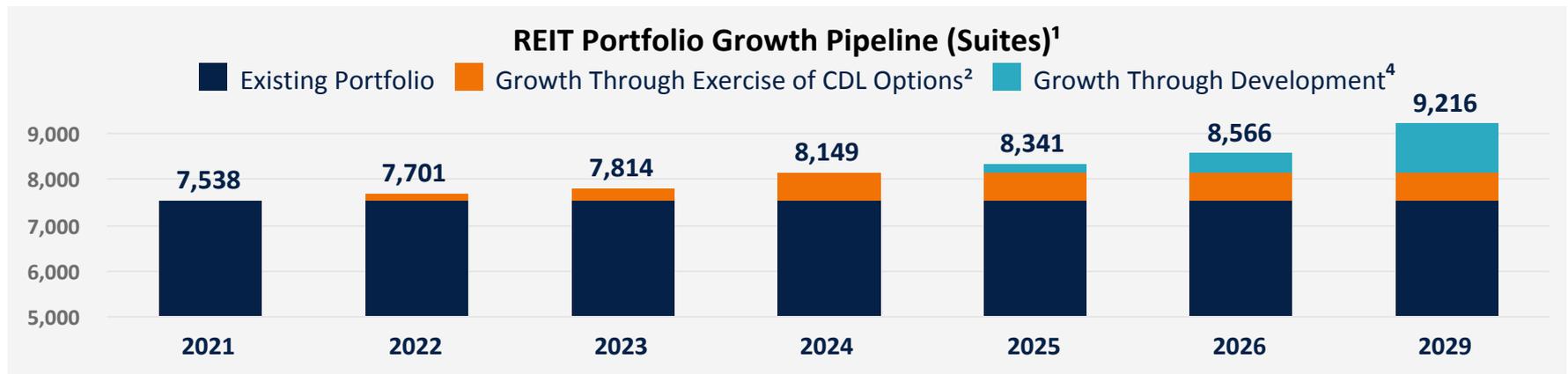


## Benefits from Strategic Alliance with the Minto Group: Intensification and Development

<i>(in \$ millions, except suites)</i>	REIT Ownership Interest	Suite Potential		Total Advanced on CDL <sup>3</sup>
		(100%)	(REIT Share)	
<b>Active development</b>				
Fifth + Bank	Option	163	163	\$30.0
Lonsdale Square	Option	113	113	\$12.9
Richgrove	100%	225	225	N/A
Leslie York Mills	50%	192	96	N/A
Beechwood	Option	227	227	\$10.1
810 Kingsway	Option 85%	108	92	\$10.3
<b>Pre-development (rezoning)</b>				
High Park Village	40%	650	260	N/A
<b>Total</b>		<b>1,678</b>	<b>1,176</b>	<b>\$63.3</b>

In Q4 2021:

- First advance of 810 Kingsway Convertible Development Loan ("CDL")
- Demolition and site mobilization at both Richgrove and Leslie York Mills commenced
- Obtained construction financing commitment for Richgrove under CMHC's Rental Construction Financing Initiative



<sup>1</sup> Suite counts are presented on a gross basis and not at the REIT's proportionate share.

<sup>2</sup> Assumes the REIT exercises its option to purchase Fifth + Bank, Lonsdale Square, Beechwood and 810 Kingsway.

<sup>3</sup> As at December 31, 2021.

<sup>4</sup> Assumes the REIT gets the required development and partner approvals for High Park Village.



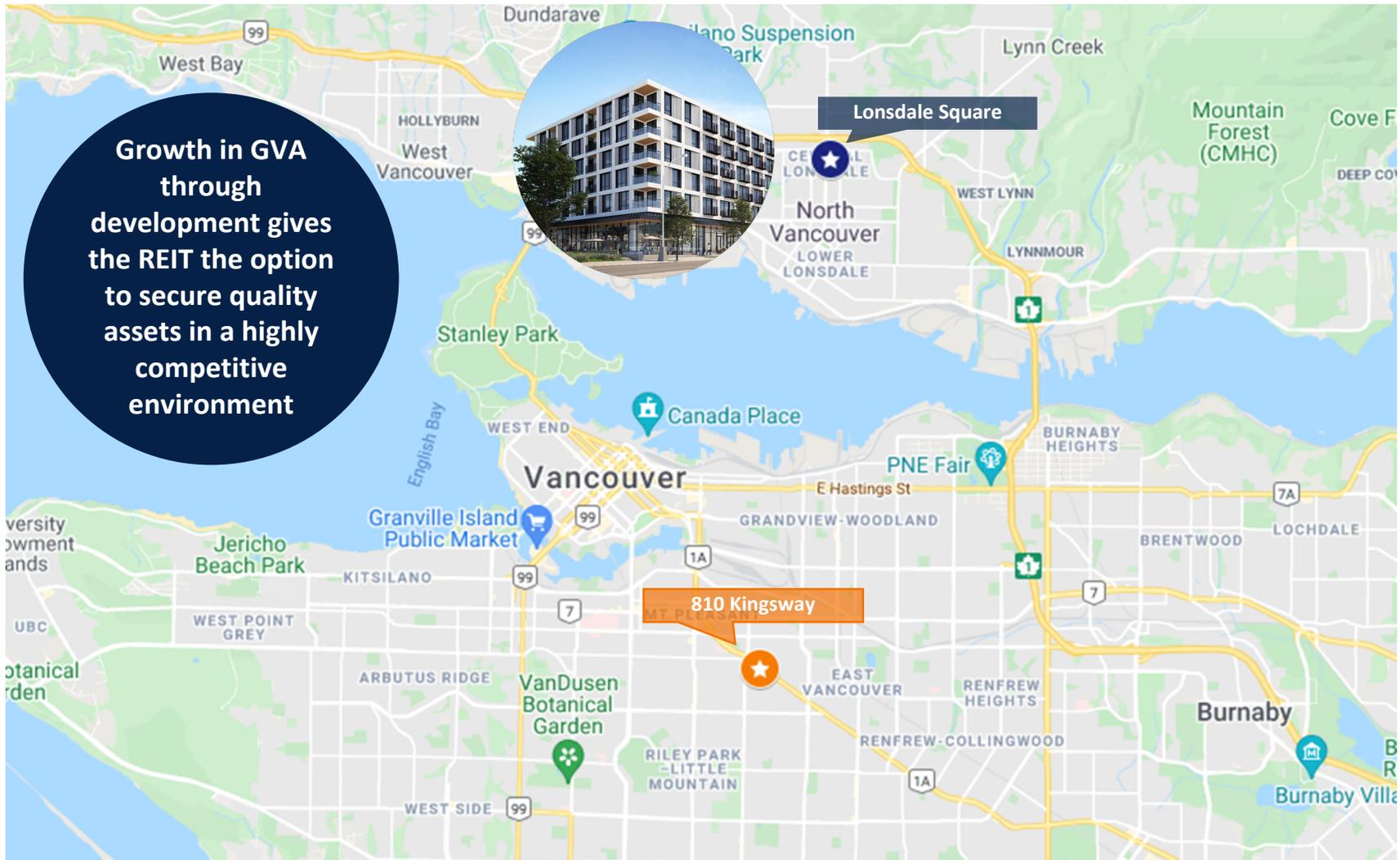
## 810 Kingsway CDL Increases the REIT's Footprint in Vancouver, BC

- The REIT has agreed to advance up to \$19.7 million (\$17.3 million of direct advances plus \$2.4 million interest reserve) in support of Minto Properties Inc.'s ("MPI") 85% ownership interest in a joint venture for the development of 810 Kingsway in Vancouver, British Columbia.
- The financing bears interest at 6% per annum and matures on August 1, 2024.
- The development is expected to comprise 108 unfurnished suites and approximately 11,500 square feet of at-grade retail space.
- The REIT has the option to purchase MPI's ownership in the joint venture, once the property has stabilized, at a 5% discount to its then-appraised value.
- Site mobilization and demolition commenced in February 2022. The project is expected to be completed and stabilized in Q3 2024





## Building Greater Vancouver Area Market Presence





# Lonsdale Square Development Update

Excavation is complete and formwork is well underway



- Excavation and shoring complete with P1 level now poured
- Construction completion expected by Q2 2023 and property stabilization in Q4 2023.



## Richgrove Development Update - Construction Commenced in Q4 2021



- 225 suites (100 affordable) expected to be stabilized in Q1 2026
- The site is adjacent to the future Martin Grove LRT Station expected 2030/2031 completion





# Leslie York Mills Update

Construction commenced in Q4 2021



- Construction commenced in Q4 2021 on 192 new ground-oriented suites and new community amenities
- Stabilization expected late 2025



## Fifth + Bank Redevelopment Update

Construction is nearing completion and 96 of 163 suites have been leased



Project Concept



Construction Update

- Construction is nearing completion
- 96 suites (59%) have been leased and over 50 suites are now occupied
- The project is expected to be stabilized in mid-2022



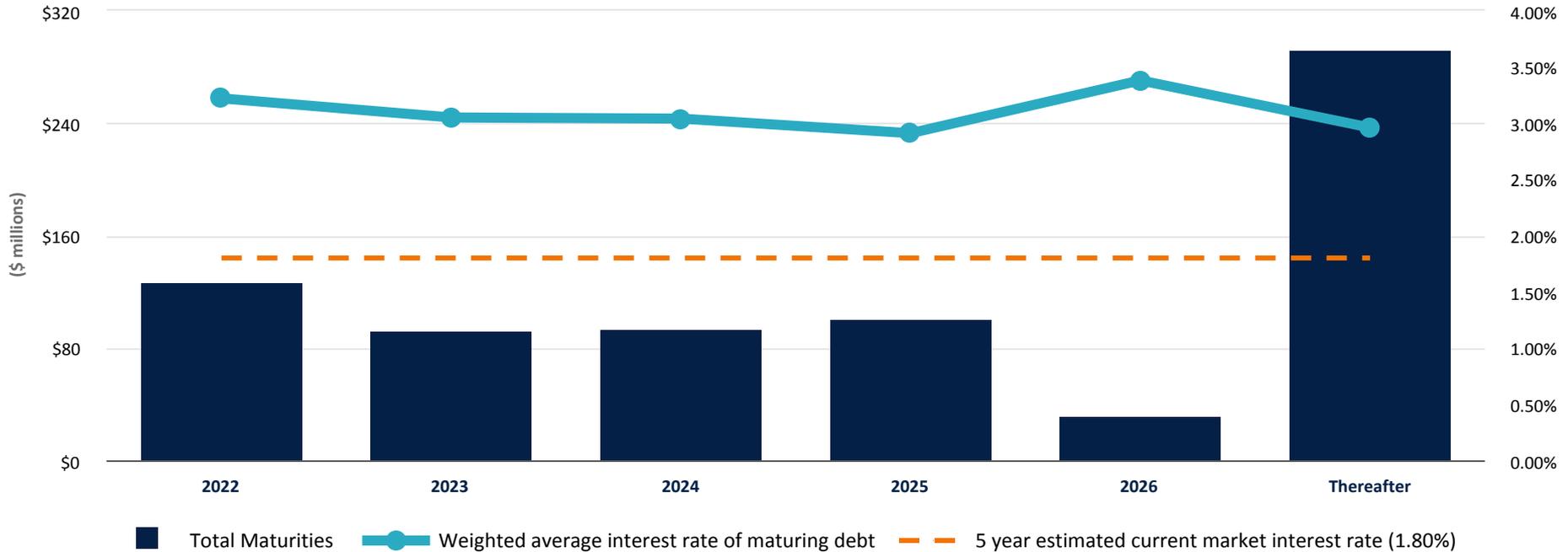
Leasing Office



# Debt Financing and Liquidity

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

### Term Debt Maturity Schedule



<b>4.69 Years</b> Weighted Average Term to Maturity <sup>1</sup>	<b>2.82%</b> Weighted Average Interest Rate <sup>1</sup>	<b>72%</b> of Debt is CMHC Insured	<b>94.19%</b> of Debt is Fixed Rate	<b>36.5%</b> Debt-to-Gross Book Value	<b>\$151m</b> Cash and Credit Facility Available
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<sup>1</sup> For fixed rate debt



## Outlook

- **The REIT continues to adapt and to execute its strategic plan against the unpredictable backdrop of the COVID-19 pandemic**
- **Strong fundamentals that have driven long-term growth remain (e.g. expansive immigration policy, inelastic supply, housing affordability)**
- **The REIT has the right assets and strategy for long-term success by:**
  - **Realizing on organic growth**
  - **Creating value from suite repositioning**
  - **Exploring acquisition opportunities**
  - **Capitalizing on the relationship with the Minto Group**