

Minto Apartment REIT

2025 First Quarter Financial Results Conference Call

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PRESENTATION

Operator

Good morning. My name is Ludi and I will be your conference coordinator today. At this time, I would like to welcome everyone to the Minto Apartment REIT 2025 First Quarter Financial Results Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press the star followed by the number one on your telephone keypad. If you would like to withdraw your question, please press the star followed by the number two.

Before we begin, I want to remind listeners that certain statements about future events made on this conference call are forward looking in nature. Any such information is subject to risks, uncertainties, and assumptions that could cause actual results to differ materially. Please refer to the cautionary statements on forward-looking information in the REIT's news release and MD&A dated May 6, 2025 for more information.

During the call, management will also reference certain non-IFRS financial measures. Although the REIT believes these measures provide useful supplemental information about its financial performance, they are not recognized measures and do not have standardized meanings under IFRS. Please see the REIT's MD&A for additional information regarding non-IFRS financial measures, including reconciliations to the nearest IFRS measures. Thank you.

Mr. Li, you may begin your conference.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Thank you, operator, and good morning. With me today are Eddie Fu, Chief Financial Officer, and Michelle Calloway, Senior Vice President of Property Operations.

Starting on slide three, on a same property basis we generated year-over-year growth of 2.1% in revenue, driven by a 3.7% growth in the unfurnished suite portfolio. This was partially offset by lower occupancy, decreased revenue for furnished suites, and the temporary retail vacancy at Minto Yorkville impacting our commercial revenue. Operating expenses also increased, in part due to a cold winter. As a result, same property NOI remained relatively flat compared to Q1 of last year. Normalized FFO and AFFO per unit decreased by 2.9% and 3.3%, respectively, reflecting lower NOI.

We were also able to execute on a number of strategic objectives. Most notably, in January we entered the Metro Vancouver market through the acquisition of a 50% managing ownership interest in the Lonsdale Square property. In addition, in January we closed on the sale of Castlevue, a non-core asset in Ottawa, for net proceeds of \$33.8 million. Since quarter end, we received proceeds of \$19.4 million from the repayment of the Hyland CDL and executed an upward refinancing generating \$9 million of incremental proceeds.

We have remained very active with our NCIB program. In Q1 2025 we purchased \$15.4 million of units under the NCIB at a weighted average price of \$13.24 per unit, which represents a significant discount to book value. The NCIB currently remains an attractive use of our capital given the current discount to NAV and, as a result, we have purchased an additional \$8.4 million of units since quarter

end. In total, since we began buybacks in November 2024, we have purchased \$28.2 million of units at a weighted average price of \$13.29 per unit.

Lastly, we are pleased to share that we have executed a long-term lease for the entire retail space at Minto Yorkville, comprising over 10,000 square feet. The lease term is 25 years and lease payments will begin in January 2026. The tenant is an experienced restaurant operator called Stock T.C, a collaboration between the owners of both Terroni and Cumbrae's. At our Yorkville property they will offer a beautiful restaurant and premium grocery store aligned to the vision created at their first location at Yonge and Eglinton in Toronto. They will invest a significant amount of capital into the space and it will be an excellent offering for our residents and the surrounding neighbourhood.

I'll now turn it over to Eddie to review our first quarter financial and operating performance in greater detail. Eddie?

Eddie Fu — Chief Financial Officer, Minto Apartment REIT

Thank you, Jon.

Slide four provides some key details about our operating performance. Same property portfolio revenue was \$37.7 million, reflecting a 2.1% increase compared to Q1 of last year. This growth was primarily driven by a 3.7% rise in unfurnished suite revenue, supported by a 5.3% increase in average monthly rent for the same property occupied unfurnished portfolio, which reached \$2,021. However, this was partially offset by lower occupancy, reduced revenue from furnished suites, and decreased commercial revenue due to the temporary retail vacancy at Minto Yorkville. Colder winter weather and

increased property operating costs led to flat same property NOI of \$23.2 million. Normalized FFO and AFFO per unit decreased by 2.9% and 3.3%, respectively, compared to Q1 last year. Normalized AFFO payout ratio was 66.4%, an increase of 410 basis points from Q1 last year.

I'll move now to slide five. This chart highlights the REIT's steady quarter-over-quarter growth in average monthly rent. Our realized gain on lease of 5.4% in Q1 was down from Q4 2024 as market rents have flattened and turnover remains lower for suites with tenants whose sitting rents are well below current market rent.

Moving to slide six, we signed 418 new leases in the first quarter, generating realized gain on lease of 5.4%, down from 11.2% in the previous quarter, as I highlighted a moment ago. We generated solid increases of 9.9% in Toronto, 8.3% in Ottawa, and 5% in Montreal, while Calgary continues to experience competitive pressure from new supply that came online in 2024. As indicated in the lower table, the embedded gain-to-lease potential at the end of Q1 remained strong at 11.2% or \$15.4 million.

Moving to slide seven, the same property portfolio annualized turnover was 16% in the first quarter, consistent with Q1 of last year. Overall, closing occupancy for the portfolio increased sequentially by 30 basis points to 96.1% from Q4 2024 as the REIT's strategic leasing initiatives effectively drove occupancy in the portfolio in recent months.

Calgary had higher annualized turnover than other geographies, as Alberta is a non-rent-controlled market. Our efforts to drive leasing, coupled with the absorption of excess supply in the market, resulted in closing occupancy of 95.6%, a sequential increase of 250 basis points from Q4 2024.

Annualized turnover for Ottawa was 15%, which was consistent with last year, while closing occupancy of 96.4% was in line with Q4 2024.

In Toronto, annualized turnover was 16%, consistent with last year. Closing occupancy remained stable from Q4 2024 at 95%. The Toronto market experienced a large increase in supply in 2024, which has continued into this year. This has resulted in higher vacancy and the flattening of market rent as that supply is absorbed. We expect supply/demand dynamics to improve in this market once the elevated condo and purpose-built rental supply is absorbed, which we expect to occur in the next two years.

In Montreal, turnover was 10% while demand was strong, leading to a 70-basis point increase in closing occupancy from Q4 2024 to 97.2%.

On slide eight we provide an update on our commercial and furnished suite portfolio. Revenue from commercial leases decreased by 39.8% from Q1 last year due to temporary vacancy at Minto Yorkville. As mentioned, we have executed a 25-year lease for this space and anticipate lease payments to begin in January 2026 with gross annual rents of approximately \$800,000.

With respect to the furnished suite portfolio, revenue decreased by 21% from Q1 last year due to lower average number of occupied suites, coupled with a decrease in average monthly rent for furnished suites. Since Q1 2024 we have converted 21 furnished suites to the unfurnished portfolios, including ten at Minto Yorkville. We expect to continue reducing the number of furnished suites, subject to the local market conditions for unfurnished suites in both downtown Ottawa and Toronto.

Turning to the operating expense breakdown on slide nine, same property portfolio operating expenses increased by 6.4% over Q1 2024, primarily due to increases in property operating and natural gas costs. Same property operating cost increased primarily due to annual salary adjustments and higher cleaning costs. Property taxes rose due to increase in rates and utility costs were up primarily due to an increase in natural gas expenses that were attributable to a colder winter coupled with higher rates across the portfolio.

Moving to positioning on slide 10, we repositioned 12 suites in the first quarter, generating an ROI of 9.3%. Over the past four quarters we repositioned 53 suites and generated an average ROI of 9.2%. We expect to reposition 35 to 70 suites this year.

On slide 11 we highlight our key debt statistics on a proportionate share basis. Our maturity schedule remains well balanced. As of March 31, 2025, the weighted average term to maturity on our term debt was 5.2 years with a weighted average effective interest rate of 3.54%. At the end of Q1, 99% of our total debt was fixed rate. Total liquidity at quarter end was approximately \$194 million.

I'll now turn it back over to Jon.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

On slide 12 we provide the current status of our development pipeline. The intensifications at Richgrove and Leslie York Mills continued to progress with stabilization of the project expected in Q3 2026 and Q3 2027, respectively. Stabilization dates for both have been conservatively adjusted to accommodate a longer lease-up period considering the current competitive leasing environment in

Toronto. We continue to maintain a disciplined approach to evaluating purchase options on the CDL property. In February we allowed the purchase option on the Hyland to lapse and in April we received repayments of \$19.4 million related to the CDL. Stabilization of 88 Beechwood in Ottawa is expected by the end of 2025 and University Heights in Victoria is expected to be stabilized in 2027.

I'll conclude with our business outlook. There are a number of factors that have introduced some near-term uncertainty into our industry. Having said that, we believe that the long-term fundamentals supporting Canadian urban rental housing demand remain intact.

There is an acute housing shortage in Canada. This is coupled with the relative affordability of renting versus owning that makes it highly attractive to millions of Canadians. Given the current persistent market uncertainty, some Canadians have paused large purchases, such as real estate, and most of these Canadians will continue to rent.

In Toronto, we expect that the majority of planned supply deliveries will occur by 2026 with fewer new starts expected to follow. This slowdown in development activity is anticipated to lead to more balanced supply and demand conditions in the Toronto rental housing market over the medium term.

We have taken multiple steps to strengthen the REIT, including improving our balance sheet, increasing cash flow, and high-grading the portfolio, which is helping us navigate this near-term uncertainty and position us for long-term success.

That concludes our prepared remarks. Operator, please open the lines for questions.

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. To ask a question, you may press the star followed by the number one on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, you may press the star followed by the number two. Once again, please press star one to ask a question.

The first question comes from Golden Nguyen-Halfyard with TD Securities. Please go ahead.

Golden Nguyen-Halfyard — Analyst, TD Securities

Last quarter you talked about leveraging more incentives to help [inaudible]... I guess [inaudible]...

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Hey, Golden? It's Jon. How are you doing? It's really hard to hear you. You're very choppy. I don't know if it's your line or our line, but it's....

Golden Nguyen-Halfyard — Analyst, TD Securities

How about now? Is it better now?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Yes.

Golden Nguyen-Halfyard — Analyst, TD Securities

All right. Thanks. Yeah, last quarter you talked about leveraging more incentives to help increase lead traffic. I guess heading into the spring leasing season, how are you thinking about the use of incentives, and I guess particularly across your Toronto and Calgary markets, which are working through some more of that elevated supply levels?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Yeah, that's right. And so, you know, I think maybe I'll just back up and talk a little bit about kind of some of the approach to leasing changes and strategies that we've been employing since the beginning of the year.

So, as you mentioned, we have been employing more promotion, but since the beginning of the year, you know, we have been occupancy and we have made some pricing adjustments as well as promotion changes and a little bit more use of promotion across the portfolio. And we think that's relatively consistent with the market. And we have been seeing some success and this is evident from our ending occupancy being higher than our average occupancy. And we're seeing that continue to tick a little bit higher through April and May. And also, traffic and tours and unique leads that we measure are trending higher in April and May and we're working hard to convert those leads and applications into leases. And we're hoping for a little bit of an increase in occupancy from here to Q2, but time will tell.

However, it is coming at the cost of a little bit of growth. And as we've offered reduced rates and more promotion, the growth that we've been realizing is slowing down, as you're seeing in our numbers. And it has been a little bit more acute in Toronto and in Calgary, I think as expected. And I think in Toronto, unfortunately, that's probably going to last for the next couple of years. I think by the end of 2026 is when we'll see most of that supply, hopefully, be delivered and then start stabilizing. And in Calgary it's a little bit shorter, I think. I think maybe the end of this year, beginning of 2026, we'll see that slow down a little bit. But we've been trying to be pretty transparent with what we're seeing on the ground. I think we mentioned this, as you said, kind of last quarter. and it's not a massive step change, but we did start slower in 2025 than we had originally anticipated in even our internal forecasts. So I'd say we're tracking a little bit behind where we thought we would be kind of at the end of November when we did the budget, but not materially. We think we're in a decent spot to catch up and I think some of the things that we're seeing right now are slightly encouraging.

Golden Nguyen-Halfyard — Analyst, TD Securities

Great. Appreciate the colour. I'll turn it back now. Thank you.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Thanks, Golden.

Operator

And your next question comes from the line of Brad Sturges with Raymond James. Please go ahead.

Brad Sturges — Analyst, Raymond James

Hey, guys. I appreciate the commentary there on leasing. Maybe just expanding to other parts of the portfolio, just Montreal and Ottawa, just curious what you're seeing there. I noticed at least with Montreal that the leasing spread on turn was a little bit lower than maybe some of the other markets, so curious to get your thoughts on those two markets.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I think, contrary to some of the weakness we're seeing in Toronto and Calgary, I think Montreal has been pretty strong. I think we do expect that leasing spreads, we hope they start expanding a little bit, especially as we get to that July time frame. And pretty positive leads and traffic data points that we're seeing in Montreal as well.

And Ottawa has been pretty stable. I'd say there's been a good kind of tug of war between supply and demand there and I think our portfolio stacks up pretty well to the new condos that kind of come up and some of the new purpose-built rental, as were much larger spaces or units and we're kind of cheaper on a per-foot basis and even on an incremental, like, sorry, a total dollar amount as well. So those two markets are pretty stable it seems to be, at least our portfolio is, and so we're cautiously optimistic we'll see a little bit of occupancy uptick in those markets too.

Brad Sturges — Analyst, Raymond James

Within your furnished suite segment, obviously the number of units keep coming down as you convert to unfurnished, but just curious at the macroeconomic environment or some of the threat

around tariffs, is that having sort of an impact on demand there and how do you see the revenue trend into the spring and summer?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Yeah, I think we have made a decision a while ago to wind down that business, as there really have been some structural changes on the demand side of things that we think were permanently changing. And some of those were, look, the film industry really did not snap back the way we thought it would after COVID and after the actors' and writers' strikes. So that's been a bit of, we think, a sort of structural change. And President Trump didn't help things when he said that film production outside of the US would be tariffed by 100%. So, like I don't know if that's kind of bluster or if that's going to happen, but at the same time it's not helpful. And so that's one thing.

I think corporate travel has been reduced quite significantly, so we're seeing less of that. We're seeing, with the interest rate environment being as it is, people are kind of buying fewer houses, renovating less, and so that business from those people who would need a short-term rental stay because they're renovating their house or because they're moving and the sale and the purchase didn't line up perfectly, that business has dried up quite a bit too. So, as we saw this coming, about a year ago I guess, we made the decision to start winding it down permanently and we were on track to do it.

I think the one thing that we're dealing with now is that the overall Toronto and Ottawa kind of rental markets aren't as robust and so we've slowed it down because we didn't think it made sense to convert something from furnished to unfurnished just to have it sit vacant. And so we're kind of keeping option value a little bit to maybe increase yields if we get that demand, but we are going to wind it

down. It's probably going to take a little bit longer than what we thought, but we'll do it in a measured way and we'll do it in a way that we think kind of can maximize our returns. But we are expecting, in 2025, a reduction in that business, just to kind of answer your first question.

Brad Sturges — Analyst, Raymond James

What would be, I guess just maybe kind of think about it from a modeling perspective, how should we think about that wind-down cadence? Should we take the 2024 sort of pace or would it be a little bit more accelerated going forward?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Well, I think, from an operational perspective, we're hopeful we can get somewhere between five and ten per month-ish going forward, kind of depending on demand, and so in the next 18 to 24 months is when we could be exited from the business. Again, it's subject to market conditions, Brad. We're trying to be nimble here. But I think that the overall strategy is to wind it down.

Brad Sturges — Analyst, Raymond James

Okay. Great. Thank you. I'll turn it back.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Okay. Thanks.

Operator

And your next question comes from the line of Jimmy Shan with RBC Capital Markets. Please go ahead.

Jimmy Shan — Analyst, RBC Capital Markets

Thanks. The occupancy uptick that you're seeing going into early May, can you be a little bit more precise in terms of where does that sit today?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Well, I mean I don't want to be too, too precise, Jimmy, but we're seeing a small increase across most of our geographies. Some are a little bit more than others. But it's not, it won't be measured in hundreds of basis points I don't think. I think it will be measured in smaller increments than that. But we're optimistic we're going to increase it a little bit.

Jimmy Shan — Analyst, RBC Capital Markets

Okay. And then on Lonsdale, I think when you bought it you underwritten a low four cap, if I'm not mistaken. How is it performing against that today?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I think it's performing relatively stably. I think it's performing in line with the rest of the market. It's going to be an interesting next few months, Jimmy, because it opened May 1st and so we're starting

to see those 12-month leases turn over and we're going to have to chunk through some of that in terms of kind of how do those rents falling off compared to where market is and there may be some ups and downs as it relates to that. We are seeing promotion use in the Vancouver market broadly, although we have a very excellent location. So it's still early days, but the market, I'd say, is worse today slightly than it was when we were kind of looking at underwriting it even eight months ago or a year ago.

Jimmy Shan — Analyst, RBC Capital Markets

Okay. And if I'm not mistaken, the FFO impact right now is fairly neutral, right, in the quarter?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Correct.

Jimmy Shan — Analyst, RBC Capital Markets

And the expectation is at some point, it'll turn positive at some point, I imagine, this year?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I mean that's the hope, depending on kind of how the rest of this year and next year play out from an NOI perspective for that asset in particular compared to our underwriting, yes.

Jimmy Shan — Analyst, RBC Capital Markets

Okay. Okay, thanks. That's it for me.

Operator

And your next question comes from the line of Matt Kornack with National Bank Financial.

Matt Kornack — Analyst, National Bank Financial

Good morning, guys. Just a few quick follow ups. In terms of the furnished suites, I think the in-place rent is about \$5,700 a month, and you have, I think, 52% occupancy there. How should we think about a long-term rent on that? I mean it's Yorkville, presumably you're getting pretty high rents, even if you're getting someone in there for a one-year lease, but how should we think of kind of that equation in terms of where rents go relative to occupancy? I think occupancy goes up, rents go down.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I think as you think about our furnished suite business, that rent is probably a decent estimation of what we're going to get in the future, but I think the average stays is going to decrease because we're winding down the business. So, from a yield and revenue perspective, I think from a rate perspective, it's probably going to around where it has been, but I think it's just going to, the whole pie is going to start shrinking, because we're going to have fewer suites and fewer stays.

Matt Kornack — Analyst, National Bank Financial

Oh, I'm just thinking if you take a furnished suite and convert it to a long-term rental, I mean like your occupancy would go up on a long-term basis but you're maybe not going to get the same 12-month rent relative to what you're getting on a short-term basis.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

We've underwritten that whole conversion as pretty neutral, because I think we get about, I think there's about a 30% premium furnished over unfurnished, and as we convert, you know, we get higher occupancy, to your point. Anyway, to cut through it all, we anticipate it to be pretty neutral as we convert these things.

Matt Kornack — Analyst, National Bank Financial

That's helpful. And then just as we think about incentive usage, when you present your rents in your MD&A, is that net of the impact of the incentives? Just what is the accounting mechanism for incentives? Because if we took your occupancy this quarter times the number of occupied suites and rents, I think even with that, the revenue came in a little light and we're wondering if it was maybe incentive usage or if those rents are net of that already.

Eddie Fu — Chief Financial Officer, Minto Apartment REIT

Hey, Matt. It's Eddie here. In the MD&A and the revenue numbers that we disclosed, those would be net of the impacts of promotions. What we do for accounting is if there are promotions given, we would smooth out over the lease term.

Matt Kornack — Analyst, National Bank Financial

Okay. And then, for instance, for your AMR that you report, is that a gross figure?

Eddie Fu — Chief Financial Officer, Minto Apartment REIT

The AMR that we report would be gross.

Matt Kornack — Analyst, National Bank Financial

Okay. And then can you give us a sense as to like, on average across the portfolio, what would be the in-place incentives? I don't know if that's a possible figure to give because you wouldn't have incentives on everything, but...

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I don't know about in place, but it's approximately, on average, about a month per year, with that number being slightly higher in Toronto.

Matt Kornack — Analyst, National Bank Financial

Okay. That makes sense. And then lastly, just in terms of the... I think you're at a historic wide spread between the expected gain to lease or the potential gain to lease versus what you achieved, and I think that's largely the nature of turnover skewing, as you mentioned, to leases that were more recently signed, as most people who have had a big mark-to-market potential are staying in their suites, but can you quantify that at all and whether you think it gets worse or better? And then as market rents inflect, presumably some of the negative drawdown will go away, it's just kind of trying to think of the cadence and timing of how that flows through the market.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Yeah, I mean look, it's something that we've been trying to figure out too. We don't have any specific numbers to give you, but as you just said, as rents start to come down, obviously, that gap will narrow, I guess, between the gain to lease and the embedded rent. We suspect it's going to continue to be around where it is for the next little while. I don't see necessarily a [inaudible] on the horizon. But that's how we're thinking about it, Matt.

Matt Kornack — Analyst, National Bank Financial

But I guess if I think about it more broadly, you turned, what, 20% of your portfolio at probably above-market rents, so like once those 20% lapped one year, assuming market rents inflect, that's really the downside potential, everything else potentially has upside potential as people leave. I don't know if that's the right way of looking at it.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I don't know. I'd have to think about that, Matt. I don't want to react [inaudible].

Matt Kornack — Analyst, National Bank Financial

Fair enough. That's it for me. Thanks.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Thanks.

Operator

And your next question comes from the line of Kyle Stanley with Desjardins. Please go ahead.

Kyle Stanley — Analyst, Desjardins Capital Markets

Thanks. Good morning, guys. Just a quick one on the elimination of the consumer carbon tax. Can you just remind us of what you see the impact of that being for your results in the year forward and into 2026?

Eddie Fu — Chief Financial Officer, Minto Apartment REIT

Hey, Kyle. It's Eddie here. I guess for context, our 2024 carbon tax was approximately \$1.1 million. Given the announcement was effective for April of this year, we obviously would have had some expense in Q1 embedded in our numbers, but there would be savings for the balance of the year, given obviously with the winter and being front loaded, you know, around approximately half of what we had in 2024 would have already been baked into the Q1 numbers, so the remaining half would be the savings that we would see in the balance of the year.

Kyle Stanley — Analyst, Desjardins Capital Markets

Okay. That makes sense to me. And then maybe just going back, Jon, the question earlier just on kind of Montreal and Ottawa and the leasing spreads maybe being a bit lower, I mean particularly in Montreal, and you mentioned hoping to see a bit more of a rebound in the July month. I'm just wondering, today you mentioned demand has been pretty solid, but maybe what's keeping that leasing

spread a bit more subdued and what maybe gives you the hope that you see that expand a bit into the summer? Is it just the focus was preserving occupancy, you did that, and now you expect to benefit? Just curious on your thoughts there.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Yeah, I think it's a little bit of all of that, Kyle. Part of it is really just the leases that turned over that we saw. And what we're seeing at the beginning of the Q is just indicating that it's ticking up a little bit again. So I'm not sure, it's all early indications, but it's positive relative to Q1.

Kyle Stanley — Analyst, Desjardins Capital Markets

Okay. Thank you for that. I will turn it back.

Operator

And your next question comes from the line of Sairam Srinivas with Cormark Securities. Please go ahead.

Sairam Srinivas — Analyst, Cormark Securities

Thank you, operator. Good morning, guys. A quick question for me on refinancing. I know you guys have done some refinancings in the year now. Looking ahead, do you see more up-financing opportunities across the portfolio?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Eddie, maybe just go through our upcoming maturities for 2025 and 2026 and the quantums, please.

Eddie Fu — Chief Financial Officer, Minto Apartment REIT

Sure. Good morning, Sai. For 2025 we have a few maturities, some of which we had disclosed as part of our subsequent events disclosures, which you will see in MD&A. We have, in total, \$101 million coming due this year. We have successfully closed on approximately \$50 million of that during the month of April with the remaining \$60 million in the Q3 time frame.

In terms of just context on rates, for the refinancing that happened in April, one of them relates to a mortgage in the approximately \$23 million range. Our exit rate was at 3.54% on an effective basis and we were able to refinance that with CMHC at 4.08%. The remaining \$18 million that we had refinanced in the month of April was a straight renewal relating to a property in Toronto. The exit rate was much lower at that 1.65%. This one was done on a conventional basis given the activity at the property, so our new rate is at 4.36%.

And then for the Q3 financings, we're still currently underwriting that one. Our exit rates would be at 3.15% and our new rate will depend. But for context on today's CMB and CMHC rates, five-year money would be around 3.5%, ten-year money would be around 4.10%. So just gives you some idea about the spread. And then looking ahead in 2026 we have around \$73 million of financings that would be in sort of the Q2 time frame and those exit rates are in the low 3s.

Sairam Srinivas — Analyst, Cormark Securities

That's great colour, Eddie. And maybe on these mortgages that are coming up, do you see any potential to actually up-finance it over there and probably unlock some more [inaudible]?

Eddie Fu — Chief Financial Officer, Minto Apartment REIT

Yeah, for the remaining refinancing for 2025 and 2026 we have upward refinancing opportunities on all of them. It's something that we'll evaluate. We'll look at the term, we'll look at the coupon, we'll look at our debt maturity ladder and also assess where and how we can reallocate that capital if we do upward refi. But to answer your question, there is upward financing opportunities on the remaining ones.

Sairam Srinivas — Analyst, Cormark Securities

All right. Thanks, guys. I'll turn it back.

Operator

And your next question comes from the line of Mike Markidis with BMO Capital Markets.

Mike Markidis — Analyst, BMO Capital Markets

Thank you. Good morning. Bear with me, I have a couple of technical granular things here. But just first off, following up on the carbon tax question that Kyle asked, can you just remind me, in Quebec, does that fall off as well? Or should we be assuming that that stays?

Eddie Fu — Chief Financial Officer, Minto Apartment REIT

For us, we see our savings in Ontario and Alberta. And Lonsdale, which is obviously in BC, technically has a carbon tax, but our use of utilities there is slightly different. I'll check into Montreal, but I don't think that we have it there.

Mike Markidis — Analyst, BMO Capital Markets

Okay. Got it. And then just on the performance metrics you're showing in your MD&A, I guess North Vancouver being equity accounted, but presumably your occupancy, I know it's small right now, but your occupancy and your AMR would be inclusive at your proportionate interest?

Eddie Fu — Chief Financial Officer, Minto Apartment REIT

So, in our leasing metrics, there are metrics where we've included Vancouver and we've ensured that we've highlighted note of those, but let me just...

Mike Markidis — Analyst, BMO Capital Markets

We can follow up offline. That's fine. I guess just last one for me, and I apologize if the question has already been asked, but just wondering how you guys are thinking about continued dispositions at this juncture and if you've seen any change in market for demand for legacy assets.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

No, our approach hasn't really changed from the last time, last quarter. We're not marketing anything actively. And our portfolio remains quite attractive and so we are continuing to receive inbounds, but we were being very opportunistic about pursuing any of them. But what we're seeing in the broader market is, you know, there are quite a few listings out there, but I think kind of some of the buyer pools have, at least what we're seeing, have slowed down a little bit, as there's just a lot of uncertainty in the overall market and in the multifamily market in particular. And so time will tell to see if a lot of these listings that are out there actually get to the finish line.

Mike Markidis — Analyst, BMO Capital Markets

Okay. And then just on your comment, just being opportunistic, when you think about it, is it meaning you got to hit your IFRS value? Is it more dependent on what your potential uses of capital would be? Just trying to think of how you're thinking about that.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I think it's both of those things. I mean the reality for us is that, because we have, you know, it's a lot of capital to deploy at once if we were to sell even one asset, right, and so it's got to be very accretive for us to do it. And right now, because we don't have any debt to pay down, unless we have an acquisition that we can perfectly match, you know, sell at a lower cap rate, buy at a higher cap rate, that would work, but it's really risky from an execution risk perspective to line up for us, and if we miss those targets because of financing or drags on or whatever, it would be really difficult for us to bridge that.

And you might say, well, why don't you just sell an asset and buy back stock? Well, unfortunately, we can't buy back a lot of stock at once under our NCIB. As you know, we can only buy about \$300,000 per day. So if we got a \$40 million cash injection from an asset sale, it would take a long time to deploy that capital in any manner, so I think it would be kind of dilutive if we wanted to do that. So when you put all that together, unless we got an extremely attractive offer that we just couldn't say no to, I think it would be, at least in this market right now, it's difficult to find sort of an asset that we want for the pricing that we want on the acquisition side, so the likelihood is lower for us to sell an asset.

Mike Markidis — Analyst, BMO Capital Markets

That's useful. Thanks. And then just, I guess, I know you guys have passed on this a while back, but is Fifth + Bank still a potential acquisition opportunity for you? Does it still sit on the parent's books?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I'd say in the longer term, maybe, but right now, no.

Mike Markidis — Analyst, BMO Capital Markets

Yeah, no, I was asking the question more just in terms of you got that great potential on a disposition that maybe you could match it with that. That was all I was getting at, I guess.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

It's possible, but that won't be high cap rate.

Mike Markidis — Analyst, BMO Capital Markets

No. They never are, are they? Okay. That's useful. Thanks so much. Appreciate it.

Operator

Once again, if you would like to ask a question, please press star one on your telephone keypad. Your next question comes from the line of Mario Saric with Scotiabank. Please go ahead.

Mario Saric — Analyst, Scotiabank

Hi. Good morning, guys. Maybe sticking to the capital allocation theme, and Jonathan, I appreciate that it's difficult to sell chunky assets to buy back your stock on your NCIB, but are the tax characteristics of the assets that you would consider potentially selling if you've got a good offer such that you'd be able to redeploy most of the net proceeds from the assets into something like an SIB, for example, where it's a bit chunkier?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I mean, look, the tax situation for every asset, I guess, would be different. I think the leverage situation is also different, which would change the net proceeds. We've thought about an SIB, but like given our size, given our liquidity, that's a lot of brain damage for us to sustain to just do something like that. I think, just speaking freely and casually, like if it were only up to me, and it's not, but it was only up to me, you know, instead of doing NCIB, I'd just as soon do something else more strategic than that. I

just don't think, you know, chipping around the edges on an NCIB given our size and liquidity right now, is a high likelihood event.

Mario Saric — Analyst, Scotiabank

Got it. Okay. And then when you guys internally, when you think about leverage, do you guys focus a bit more on the debt to gross book value or the debt to EBITDA in terms of a target in terms of capital allocation?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Yeah, we look at everything. I think we'd skew more towards debt to GBV, only because that's the metric on which we can borrow, right? Like we can borrow based on that metric for CMHC and for conventional. So, while debt to EBITDA is interesting and we want that to be as low as possible, I think the driving factor would probably be debt to GBV and debt service coverage. So in that kind of mid-40s, like we're very comfortable in the mid-40s and we're comfortably under that right now.

Mario Saric — Analyst, Scotiabank

Got it. Okay. Last one for me, just on the operational side. Jonathan, you were transparent in saying same store revenue in 2025 may come down to the low to mid single digit range from 5% last quarter. Is the low to mid single digit range still applicable or do you see potentially it coming down kind of even further than that?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

No, I think low to mid for revenue for 2025 is still kind of in the zone of reasonableness. I think a lot of the stuff that we've talked about, you know, 2025, unfortunately for us, is a little tougher because tough comps based on last year, I'd say, I'd say the supply that we're working through in Toronto and Calgary, we've got Minto Yorkville furnished suites that we just talked about, you've got Minto Yorkville commercial space that is vacant. So we've got these what I'll call 2025 headwinds that we hope will be gone in 2026 for the most part and maybe there's a few more tailwinds in terms of you've got the Minto Yorkville commercial space starting to pay, you've got carbon tax. So we're hoping to get back to some normalcy in 2026 and we're cautiously optimistic about 2026, but I think 2025 is going to be a little bit of a challenging year compared to prior ones.

Mario Saric — Analyst, Scotiabank

Okay. That makes sense. And then just on the new supply, when you look at your major markets, there's clearly a decent amount of it in Toronto and Calgary today, but when we look at 2026 versus 2025 in terms of the pace of supply growth, is it fair to say that within all your markets you expect supply growth to decelerate in 2026 relative to 2025 and perhaps meaningfully so in Calgary and Toronto?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

I think in Toronto we're seeing, at least the estimates that we're seeing, 2026 deliveries are pretty similar to 2025. Whether or not they all get delivered, I guess, is one question, as there's probably more downside to that number, i.e., it will be fewer deliveries than what is anticipated just because

things just don't get finished. But 2025 and 2026, at least in Toronto, the numbers that we're seeing, combined condo and purpose-built rental supply, pretty similar. You start to see a drop off in 2027 and beyond. And again, like those numbers, there's probably downside to those numbers even on top of what we're seeing. And then in Calgary it happens a little bit faster. I think the numbers that I saw most recently, the 2026 numbers are lower than 2025 in Calgary, so that informs our previous comments about working through the Calgary supply in 2025 for the most part.

Mario Saric — Analyst, Scotiabank

And as it stands now, Montreal and Ottawa in 2026, you're pretty comfortable with the level of expected supply there?

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Yeah. Nothing overly concerning that we're seeing today in those two markets.

Mario Saric — Analyst, Scotiabank

Okay. Thank you.

Operator

And I'm showing no further questions at this time. I would like to turn it back to Mr. Li for closing remarks.

Jonathan Li — President & Chief Executive Officer, Minto Apartment REIT

Thank you very much, operator, and thanks, everyone, for your time and we look forward to speaking with you again in the summertime. Take care.

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you all for joining. You may now disconnect.