



**minto**  
Apartment REIT

**Q1 2021 Highlights  
Teleconference**

**May 6, 2021**





# Cautionary Statement

## Non-Reliance

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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”), net asset value (“NAV”) 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 Measures” and “Reconciliation of Non-IFRS Measures”.



## Q1 2021 Highlights

- **Management's approach to temporary, pandemic-related market conditions**
  - Holding firm on asking rental rates to protect long-term Average Monthly Rent ("AMR"), NOI growth potential and NAV growth at the expense of short-term occupancy declines
  - Realized gain-to-lease of 7.6% on new leases signed and AMR increased to a new high of \$1,630
  - NOI drop driven by lower average occupancy, with over half of the decline attributable to three urban properties (185 Lyon, Minto Yorkville and 150 Roehampton), which contain the vast majority of the REIT's furnished suites
- **Completed the repositioning of 46 suites, improving asset quality, reducing future repair costs and driving strong growth in rental revenue**
- **Maintained significant financial flexibility and resources with total liquidity of \$159 million, representing a liquidity ratio (total liquidity/total debt) of 19%**
- **Subsequent to quarter end, advanced an investment loan for a new development in Ottawa called Beechwood. The terms of the investment loan make it accretive to AFFO during the development period and provides the REIT with an option to purchase the project upon stabilization at a 5% discount to fair value**



## Q1 2021 Key Operating Results

Results Reflect Strategy to Maintain Rental Rates to Preserve AMR and Grow NAV

<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 March 31,			Three months ended March 31,		
	2021	2020	Variance	2021	2020	Variance
Revenue	\$28,468	\$29,448	(3.3)%	\$29,999	\$31,525	(4.8)%
Property operating expenses	\$11,154	\$11,010	(1.3)%	\$12,115	\$12,036	(0.7)%
NOI	\$17,314	\$18,438	(6.1)%	\$17,884	\$19,489	(8.2)%
NOI margin (%)	60.8%	62.6%	(180) bps	59.6%	61.8%	(220) bps
FFO				\$10,891	\$12,117	(10.1)%
AFFO				\$9,322	\$10,558	(11.7)%
AFFO (\$/unit)				\$0.1579	\$0.1788	\$(0.0209)
Distributions declared (\$/unit)				\$0.1138	\$0.1100	\$0.0038
AFFO payout ratio				72.0%	61.5%	1,050 bps
Total suites				7,277	7,243	34
Average monthly rent / occupied suite <sup>2</sup>				\$1,630	\$1,599	1.9%
Occupancy - average over the period				91.12%	96.59%	(547 bps)

<sup>1</sup> The Total Portfolio represents 29 (March 31, 2020 - 29) properties comprising 7,277 (March 31, 2020 - 7,243) suites, including 2,163 (March 31, 2020 - 2,163) suites co-owned with institutional partners.

<sup>2</sup> Excludes 216 furnished suites, 119 suites held offline for repositioning and 20 suites held offline for enhanced turns.



## Revenue Analysis

### Realizing on Organic Growth Potential

#### Realized Gain on New Leases in the three months ended March 31, 2021<sup>1</sup>

Geographic Node	Total New Leases Signed	Average Monthly Expiring Rent	Average Monthly New Rent	Percentage Gain on New Leases	Realized Annual Gain on New Leases (000s) <sup>2</sup>
Toronto	114	\$2,074	\$2,115	2.0%	\$31
Ottawa	215	\$1,509	\$1,661	10.1%	\$392
Alberta	64	\$1,277	\$1,321	3.5%	\$34
Montreal	77	\$1,958	\$2,157	10.1%	\$119
<b>Total/Average</b>	<b>470</b>	<b>\$1,618</b>	<b>\$1,741</b>	<b>7.6%</b>	<b>\$576</b>

#### Gain-to-Lease Potential on Existing Rents<sup>3</sup>

Geographic Node	Total Suites	Average Monthly In-Place Rent/Suite	Management's Estimate of Monthly Market Rent	Percentage Gain-to-Lease	Estimated Annualized Gain-to-Lease (000s) <sup>4</sup>
Toronto	1,725	\$1,861	\$2,007	7.8%	\$1,961
Ottawa	2,774	\$1,524	\$1,627	6.8%	\$3,453
Alberta	609	\$1,212	\$1,291	6.6%	\$580
Montreal	1,403	\$1,938	\$2,177	12.4%	\$2,700
<b>Total/Average</b>	<b>6,511</b>	<b>\$1,630</b>	<b>\$1,763</b>	<b>8.2%</b>	<b>\$8,694</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 March 31, 2021. Excludes 216 furnished suites, 119 suites held offline for repositioning and 20 suites held offline for enhanced turns.

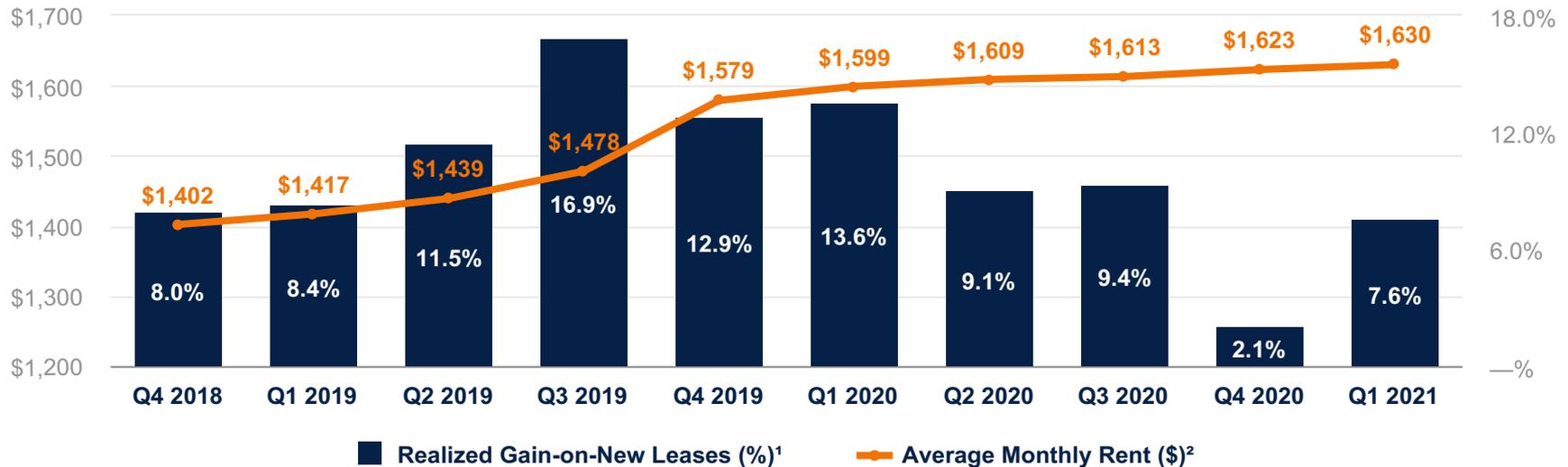
<sup>4</sup> Suites in properties that are co-owned by the REIT are shown at the REIT's effective ownership interest in those properties.



# Revenue Analysis - Time Series

## Leasing Gains Improve in Q1 2021

### Realized Leasing Gains and Average Monthly Rent



Geographic Node	Average monthly rent <sup>3</sup>	Average sq. ft. per suite	Average rent per sq. ft
Toronto	\$1,861	802	\$2.32
Ottawa	\$1,524	840	\$1.81
Alberta	\$1,212	716	\$1.69
Montreal	\$1,938	1,010	\$1.92
<b>Average</b>	<b>\$1,630</b>	<b>848</b>	<b>\$1.92</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.

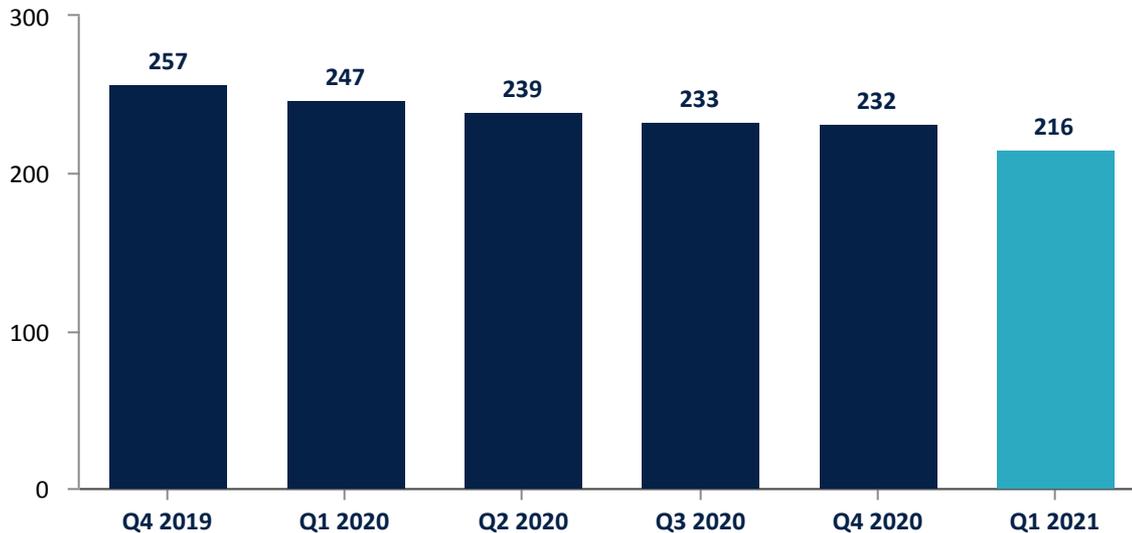
<sup>3</sup> As at March 31, 2021.



# Furnished Suites

## Adjusting Furnished Suite Inventory Downward

Furnished Suite Inventory



Furnished suite at Minto Yorkville, Toronto

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
<b>Furnished Suites Operating Metrics</b>					
Furnished suite inventory	247	239	233	232	216
Average monthly rent	\$4,356	\$3,956	\$3,460	\$3,571	\$3,540
Average occupancy	64.2%	64.5%	75.1%	77.3%	62.5%



## Portfolio Repositioning Status at Q1 2021

### Delivering Consistent Returns on Invested Capital

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%	—	45	99	55%
Leslie York Mills	50%	1	297	409	27%
High Park Village	40%	13	345	407	15%
Edmonton properties <sup>2</sup>	100%	—	74	171	57%
Carlisle	100%	9	120	191	37%
Castle Hill	100%	2	105	176	40%
Rockhill	50%	8	854	934	9%
Le 4300	100%	6	253	261	3%
Haddon Hall	100%	7	184	191	4%
Roehampton	100%	—	148	148	—%
<b>Total</b>		<b>46</b>	<b>2,425</b>	<b>2,987</b>	<b>19%</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.

- **46 suites were repositioned and leased in Q1 2021 (34 at the REIT's share) at an average cost of \$52,277 per suite. These suites earned an annual average rent increase of \$4,531 per suite generating a 8.7% simple return on investment**
- **Subject to availability of suites through move-outs, the REIT expects to reposition approximately 250 to 300 suites in 2021 (approximately 200 to 250 suites at the REIT's proportionate share)**



## Beechwood Investment Financing



- The REIT has agreed to advance a \$51.4 million investment loan (comprised of \$43.7 million of direct advances and a \$7.7 million interest reserve) to a subsidiary of MPI to fund the development of a mixed-use multi-residential property on Beechwood Avenue in Ottawa, Ontario.
- The development is expected to comprise 229 rental suites over nine stories, and approximately 6,000 square feet of retail at-grade subject to final zoning approval.
- An initial advance under the credit facility of \$9.1 million was made on April 29, 2021, with the balance to be advanced as development progresses. Construction is expected to commence in early 2022 and stabilization is expected for late 2024.
- The financing bears interest at 6%, which will accrue and be payable in full on the maturity of the loan in December 2025.
- The REIT has the option to purchase the stabilized property at a 5% discount to its then-appraised value.



# Beechwood Location Overview

Within 3km of the Parliament of Canada and Ottawa's CBD

**Beechwood**

10 min.

Retail

Metro Grocer

Park

LCBO





# Intensification and Development

## Benefits from the Strategic Alliance with The Minto Group

### Fifth + Bank Redevelopment

Concept



Formwork complete



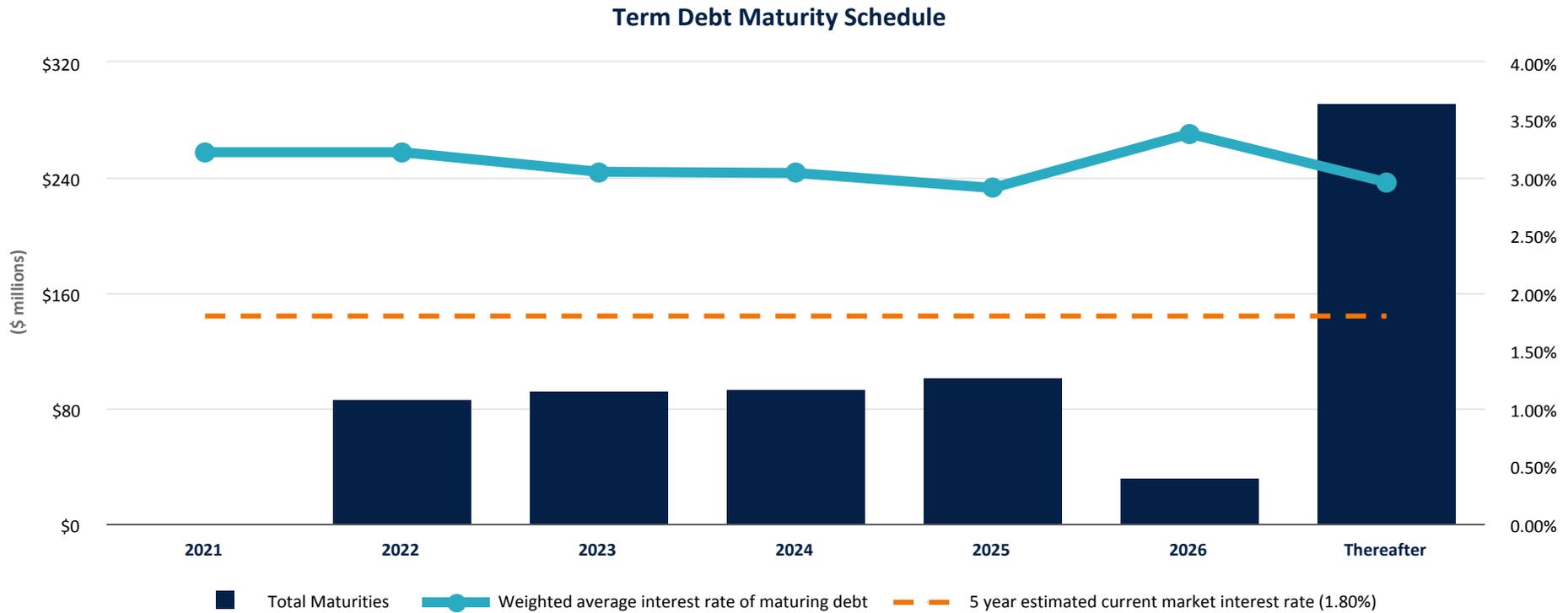
	REIT Ownership Interest	Suite Potential (at 100%)
<b>Active Projects</b>		
Fifth + Bank (purchase option)		163
Lonsdale Square (purchase option)		113
<b>Rezoned with final development approvals in process</b>		
Richgrove	100%	225
Leslie York Mills	50%	192
<b>Rezoning in process</b>		
Beechwood (purchase option)		229
High Park Village	40%	650
<b>Total</b>		<b>1,572</b>

- Construction at Fifth + Bank remains on schedule with project completion expected in early 2022
- Construction at Lonsdale Square is scheduled to begin in Q2 2021
- Richgrove is anticipated to begin construction in Q3 2021 subject to finalizing customary approvals



# Debt Financing and Liquidity

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



<b>5.67 Years</b> Weighted Average Term to Maturity <sup>1</sup>	<b>2.90%</b> Weighted Average Interest Rate <sup>1</sup>	<b>76%</b> of Debt is CMHC Insured	<b>94.97%</b> of Debt is Fixed Rate	<b>38.7%</b> Debt-to-Gross Book Value	<b>\$158.9m</b> Cash and Credit Facility Available
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<sup>1</sup> For fixed rate debt



## Outlook

- **Looking past the pandemic, the REIT's focus on high-quality multi-residential housing in desirable urban areas is expected to outperform in the long-term**
- **Strong fundamentals that have driven long-term growth remain (e.g. expansive immigration policy, inelastic supply, housing affordability)**
- **Market demand is expected to build through the year as pandemic impact subsides and the benefits of urban living are re-established**
- **The REIT has the right assets and strategy for long-term success by:**
  - **Capitalizing on organic growth**
  - **Creating value from suite repositioning**
  - **Exploring acquisition opportunities**
  - **Capitalizing on the relationship with the Minto Group**