



**minto**  
Apartment REIT

**Q2 2021 Highlights  
Teleconference**

**August 12, 2021**





# 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”), 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, NOI and NAV 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”.



## **In Q2 2021, the REIT:**

- **Entered into a record 534 new leases, a 14% sequential increase compared to Q1 2021 and a 58% year-over-year increase compared to Q2 2020**
- **Realized gain-to-lease of 5.9% on new leases signed and average monthly rent increased to a new high of \$1,640**
- **Improved occupancy to 91.5%, which was the first sequential improvement since the onset of the pandemic**
- **Completed the repositioning of 88 suites, improving asset quality, reducing future repair costs and driving strong growth in rental revenue**
- **Made progress on two development projects. Construction commenced on Lonsdale Square in North Vancouver and the rezoning of the Beechwood project was completed. The REIT has advanced convertible development loans on these projects and has the option to purchase them at stabilization at a 5% discount to their then-appraised fair market value**
- **Recorded a fair value gain on investment properties of \$50.5 million on the basis of strong investment demand and pricing for multi-residential rental properties**
- **Maintained significant financial flexibility and resources with total liquidity of \$128 million, representing a liquidity ratio (total liquidity/total debt) of 14%**



## Q2 2021 Key Operating Results

Lower occupancy continued to weigh on results, partially offset by lower 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 June 30,			Three months ended June 30,		
	2021	2020	Variance	2021	2020	Variance
Revenue	\$28,103	\$29,464	(4.6)%	\$29,885	\$31,319	(4.6)%
Property operating expenses	\$9,922	\$10,709	7.3%	\$10,867	\$11,295	3.8%
NOI	\$18,181	\$18,755	(3.1)%	\$19,018	\$20,024	(5.0)%
NOI margin (%)	64.7%	63.7%	100 bps	63.6%	63.9%	(30) bps
FFO				\$11,941	\$12,659	(5.7)%
AFFO				\$10,373	\$11,097	(6.5)%
AFFO (\$/unit)				\$0.1757	\$0.1879	\$(0.0122)
Distributions declared (\$/unit)				\$0.1138	\$0.1100	\$0.0038
AFFO payout ratio				64.8%	58.5%	630 bps
Total suites				7,277	7,243	34
Average monthly rent / occupied suite <sup>2</sup>				\$1,640	\$1,609	1.9%
Occupancy - average for the period				91.50%	96.16%	(466 bps)

<sup>1</sup> The Total Portfolio represents 29 (June 30, 2020 - 29) properties comprising 7,277 (June 30, 2020 - 7,243) suites, including 2,163 (June 30, 2020 - 2,163) suites co-owned with institutional partners.

<sup>2</sup> Excludes 215 furnished suites, 390 vacant suites, 110 suites offline for repositioning and 6 suites offline for enhanced turns.

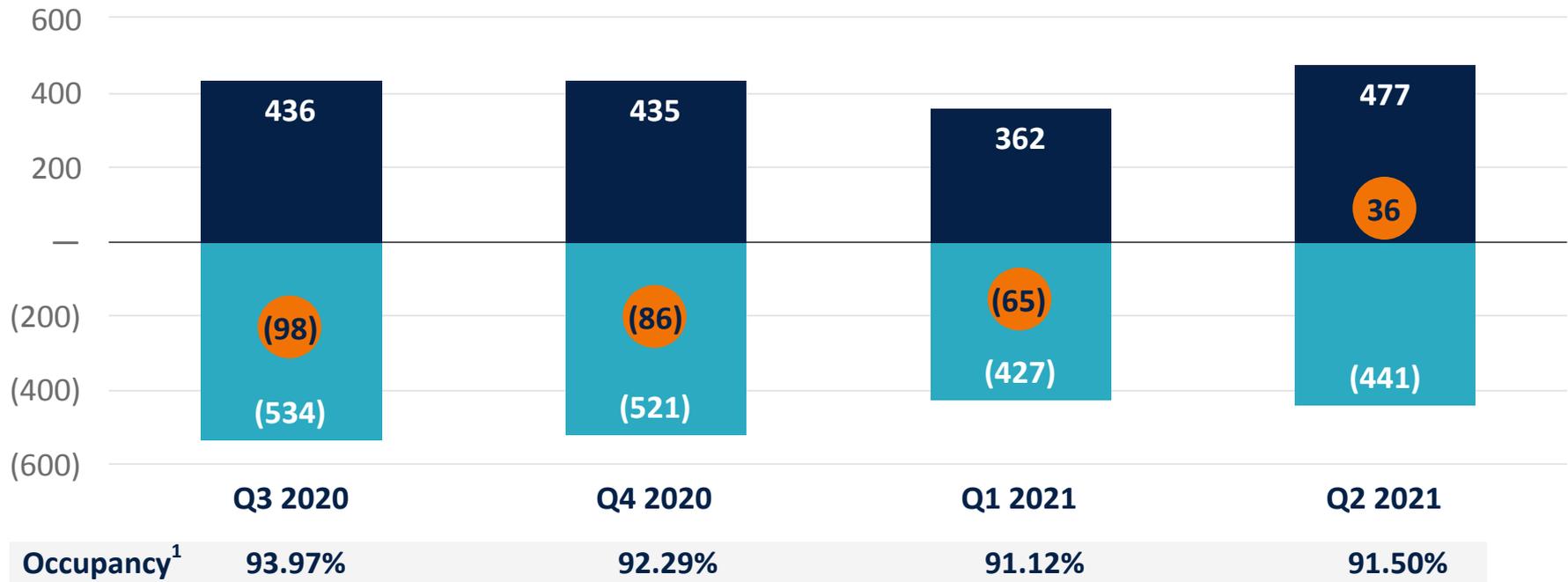


## Move-ins / Move-outs

Occupancy improved in Q2 after falling since the COVID-19 outbreak

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

Move-outs Move-ins Net change



Net move-ins and move-outs during the quarter was positive for the first time since the onset of the pandemic in Q2 2020

1. Average occupancy for the period



## Revenue Analysis

### Realizing on organic growth potential

#### Realized Gain on New Leases in the three months ended June 30, 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	91	\$2,209	\$2,342	6.0%	\$88
Ottawa	296	\$1,498	\$1,574	5.0%	\$112
Alberta	58	\$1,160	\$1,174	1.2%	\$6
Montreal	89	\$1,945	\$2,174	11.8%	\$169
<b>Total/Average</b>	<b>534</b>	<b>\$1,593</b>	<b>\$1,686</b>	<b>5.9%</b>	<b>\$375</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	1,700	\$1,861	\$1,933	3.8%	\$942
Ottawa	2,813	\$1,529	\$1,602	4.7%	\$2,447
Alberta	613	\$1,252	\$1,320	5.5%	\$503
Montreal	1,430	\$1,957	\$2,164	10.6%	\$2,374
<b>Total/Average</b>	<b>6,556</b>	<b>\$1,640</b>	<b>\$1,735</b>	<b>5.8%</b>	<b>\$6,266</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 June 30, 2021. Excludes 215 furnished suites, 390 vacant suites, 110 suites offline for repositioning and 6 suites 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 continue in Q2 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	804	\$2.31
Ottawa	\$1,529	838	\$1.82
Alberta	\$1,252	716	\$1.75
Montreal	\$1,957	1,011	\$1.94
<b>Average</b>	<b>\$1,640</b>	<b>848</b>	<b>\$1.93</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.

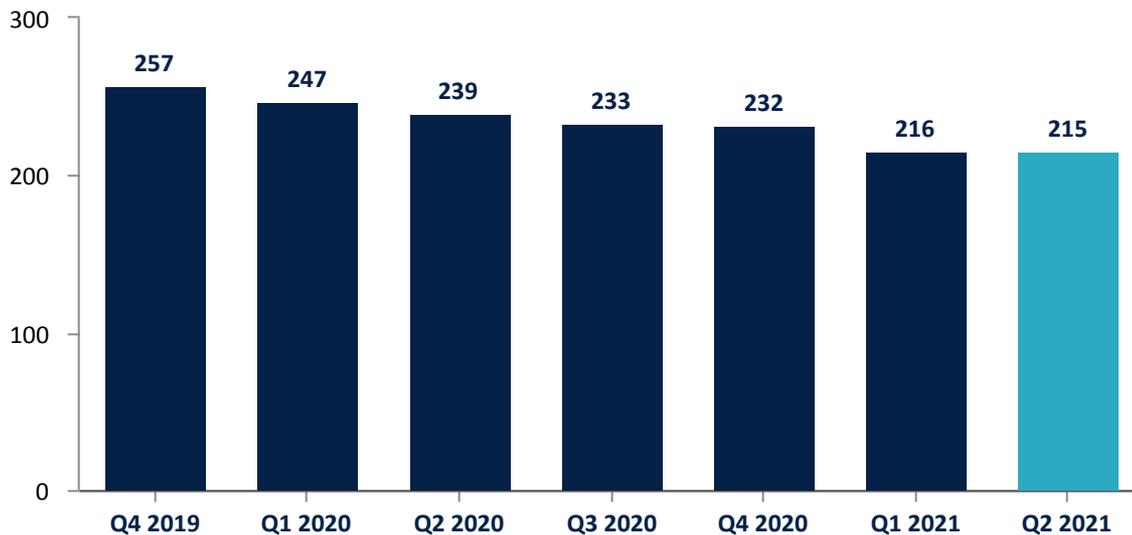
<sup>3</sup> As at June 30, 2021.



## Furnished Suites

Sequential improvement in occupancy and rental rate - continuing to manage down inventory

Furnished Suite Inventory



Furnished suite at Minto Yorkville, Toronto

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Furnished Suites Operating Metrics</b>					
Furnished suite inventory	239	233	232	216	215
Average monthly rent	\$3,956	\$3,460	\$3,571	\$3,540	\$3,572
Average occupancy	64.5%	75.1%	77.3%	62.5%	74.4%



## Repositioning Suites in Q2 2021

88 suites repositioning in Q2 generating an 8.4% 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	43	99	57%
Leslie York Mills	50%	12	285	409	30%
High Park Village	40%	13	332	407	18%
Edmonton properties <sup>2</sup>	100%	—	74	171	57%
Carlisle	100%	9	111	191	42%
Castle Hill	100%	13	92	176	48%
Rockhill	50%	19	835	934	11%
Le 4300	100%	9	244	261	7%
Haddon Hall	100%	11	173	191	9%
Roehampton	100%	—	148	148	—%
Martin Grove	100%	—	32	32	—%
<b>Total</b>		<b>88</b>	<b>2,369</b>	<b>3,019</b>	<b>22%</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.

- **88 suites were repositioned and leased in Q2 2021 (65 at the REIT's share) at an average cost of \$51,223 per suite. These suites earned an annual average rent increase of \$4,279 per suite generating a 8.4% simple return on investment**
- **Subject to availability of suites through move-outs, the REIT expects to reposition another 125 to 175 suites in H2 2021 or approximately 250 to 300 suites in full-year 2021 (approximately 200 to 250 suites at the REIT's proportionate share)**



## Repositioning Results

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
Q3 2020	62	\$36,636	\$3,650	10.0%
Q4 2020	56	38,988	3,512	9.0%
Q1 2021	46	52,277	4,531	8.7%
Q2 2021	88	51,223	4,279	8.4%
<b>Total/Average</b>	<b>252</b>	<b>\$45,108</b>	<b>\$4,000</b>	<b>9.0%</b>



High Park Village, Toronto



Haddon Hall, Montreal



Carlisle, Ottawa

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



## Intensification and Development

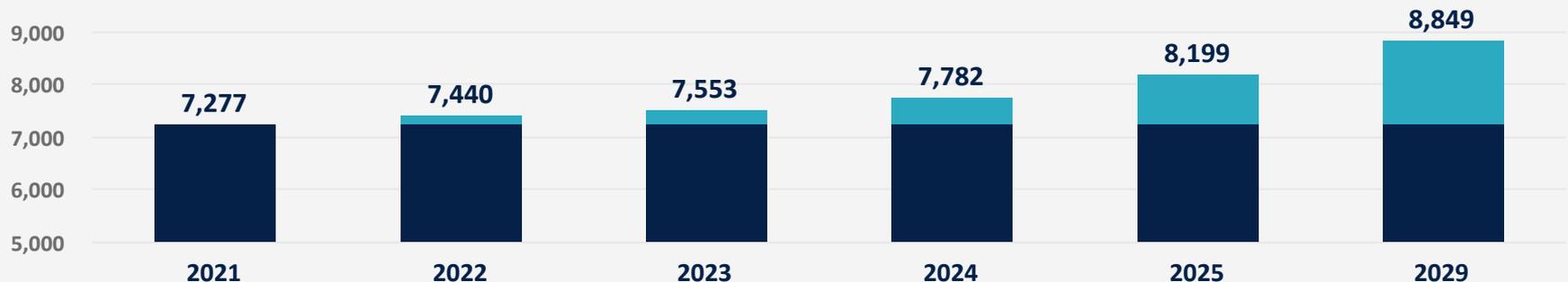
### Benefits from the Strategic Alliance with The Minto Group

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

- Richgrove is anticipated to begin construction in Q4 2021 subject to finalizing customary approvals
- Ottawa City Council has approved the rezoning of Beechwood to accommodate the proposed development with construction expected to commence in Q1 2022

### Suite Growth in the REIT's Portfolio

■ Existing Portfolio ■ Growth Through Development





## Fifth + Bank Redevelopment Update

Substantial progress on construction and pre-leasing is underway



Project Concept

- Construction continues and project is on schedule for stabilization in early 2022
- A leasing office has been constructed on site and 33 units have been conditionally pre-leased



Construction Update



Leasing Office



## Lonsdale Square Development Update

Construction of Phase I of Lonsdale Square in North Vancouver commenced in June 2021



The project is comprised of 113 suites and approximately 7,800 square feet of retail space and is expected to be stabilized in Q4 2023



# Debt Financing and Liquidity

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

### Term Debt Maturity Schedule



<b>5.42 Years</b> Weighted Average Term to Maturity <sup>1</sup>	<b>2.90%</b> Weighted Average Interest Rate <sup>1</sup>	<b>73%</b> of Debt is CMHC Insured	<b>91.57%</b> of Debt is Fixed Rate	<b>38.6%</b> Debt-to-Gross Book Value	<b>\$128m</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**