



minto
Apartment REIT

**Q2 2022 Highlights
Teleconference**

August 10, 2022





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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. 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”.



Q2 2022 Highlights

- The REIT realized on improving rental market conditions negotiating 667 new leases achieving a gain of 12.1% over expiring rents
- Average monthly rent for the Same Property Portfolio increased to \$1,695, an increase of 3.4% over Q2 2021
- Average occupancy improved to 94.7%, compared to 91.5% in Q2 2021
- The REIT completed the repositioning of 83 suites generating an average annualized return of 8.6% while improving asset quality, reducing future repair costs and driving strong growth in rental revenue
- The REIT closed on the previously announced acquisitions of two premium urban properties, which increased the REIT's gross suite count by 753 suites
- The REIT closed on the upsizing of its revolving credit facility to \$300 million, increasing the REIT's liquidity. As June 30, 2022 the REIT had a total of \$193 million in cash and credit facility availability representing a liquidity ratio (total liquidity/total debt) of 18%
- Subsequent to quarter end, the REIT provided notice of a normal course issuer bid ("NCIB"). The NCIB will be active until July 20, 2023 and permits the REIT to acquire up to 10% of its public float



Q2 2022 Key Operating Results

Higher occupancy and average rents driving favourable NOI, FFO and AFFO despite higher operating expenses

<i>(\$000s except %, suite, per suite and per unit amounts)</i>	Same Property Portfolio ¹			Total Portfolio ²		
	Three months ended June 30,			Three months ended June 30,		
	2022	2021	Variance	2022	2021	Variance
Revenue	\$32,918	\$29,885	10.1%	\$35,510	\$29,885	18.8%
Operating expenses	\$12,681	\$10,867	(16.7)%	\$13,671	\$10,867	(25.8)%
NOI ⁵	\$20,237	\$19,018	6.4%	\$21,839	\$19,018	14.8%
NOI margin (%) ⁵	61.5%	63.6%	(210) bps	61.5%	63.6%	(210) bps
FFO				\$13,680	\$11,941	14.6%
AFFO				\$11,983	\$10,373	15.5%
AFFO (\$/unit)				\$0.1840	\$0.1757	4.7%
Distributions declared (\$/unit)				\$0.1187	\$0.1138	\$0.0049
AFFO payout ratio				65.2%	64.8%	40 bps
Total suites ³	7,277	7,277	—	8,291	7,277	1,014
Average monthly rent per occupied suite ⁴	\$1,695	\$1,640	3.4%	\$1,690	\$1,640	3.0%
Occupancy - average for the period	94.80%	91.50%	330 bps	94.69%	91.50%	319 bps

¹ The Same Property Portfolio represents 29 properties wholly and jointly-owned by the REIT for equivalent periods in 2022 and 2021.

² The Total Portfolio represents 32 (June 30, 2021 - 29) properties.

³ Total suites include 2,664 (June 30, 2021 - 2,163) suites co-owned with institutional partners.

⁴ Excludes 190 furnished suites, 304 vacant suites and 44 suites offline for repositioning.

⁵ Same Property Portfolio NOI growth would have been even higher at 9.9% and Q2 2021 NOI margin would have been 61.6% with the exclusion of the impacts of a one-time property tax refund received in Q2 2021 pertaining to certain Ottawa properties of approximately \$600 thousand.



Q2 2022 Operating Expenses Detail

Higher labour and utility costs impacting net operating income growth

(\$000s except %)	Same Property Portfolio ¹			Total Portfolio ²		
	Three months ended June 30,			Three months ended June 30,		
	2022	2021	Variance	2022	2021	Variance
Property operating costs	\$ 6,709	\$ 5,792	(15.8)%	\$ 7,260	\$ 5,792	(25.3)%
Property taxes	3,440	2,870	(19.9)%	3,709	2,870	(29.2)%
Utilities						
Electricity	967	960	(0.7)%	1,045	960	(8.9)%
Natural gas	798	471	(69.4)%	869	471	(84.5)%
Water	767	774	0.9%	788	774	(1.8)%
	2,532	2,205	(14.8)%	2,702	2,205	(22.5)%
Operating expenses	\$ 12,681	\$ 10,867	(16.7)%	\$ 13,671	\$ 10,867	(25.8)%

¹ The Same Property Portfolio represents 29 properties wholly and jointly-owned by the REIT for equivalent periods in 2022 and 2021.

² The Total Portfolio represents 32 (June 30, 2021 - 29) properties.

- Higher labour costs, filling staffing vacancies, higher insurance costs and higher repairs and maintenance costs contributed to the year-over-year increase in property operating costs
- The 19.9% unfavourable variance in property taxes for the Same Property Portfolio is primarily a result of a one-time property tax refund of approximately \$600,000 received in Q2 2021. Excluding the refund, property taxes would have been flat year-over-year
- A cool spring (total heating degree days in Q2 2022 were 9% higher than Q1 2021) combined with higher natural gas prices (unit rates in Q2 2022 were 61% higher than Q2 2021) resulted in large unfavourable year-over-year variances in natural gas costs

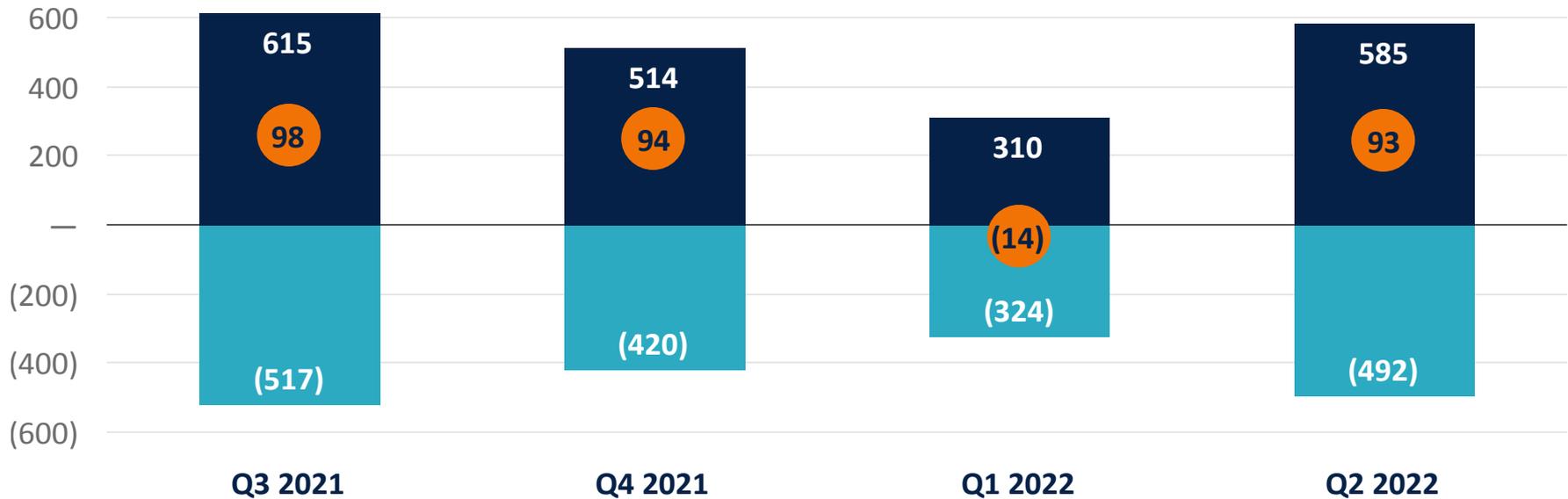


Move-ins / Move-outs

Move-ins outpaced move-outs, contributing to an increase in sequential occupancy

Quarterly Move-ins and Move-outs (Suites)

Move-outs Move-ins Net change



Occupancy ¹	Q3 2021	Q4 2021	Q1 2022	Q2 2022
	92.9%	95.0%	94.2%	94.7%

¹ Total Portfolio average occupancy for the period.



Revenue Analysis

Improving market conditions drove realized gain-to-lease to 12.1% with embedded rent potential increasing to 10.9%

Realized gain-on-new leases in the three months ended June 30, 2022

Geographic Node	Total New Leases Signed ¹	Average Monthly Expiring Rent per Suite	Average Monthly New Rent per Suite	Percentage Gain on New Leases	Realized Annual Gain on New Leases (000s) ²
Toronto	203	\$2,105	\$2,373	12.7%	\$333
Ottawa	247	\$1,587	\$1,790	12.7%	\$603
Alberta	119	\$1,340	\$1,448	8.1%	\$168
Montreal	98	\$1,691	\$1,940	14.7%	\$181
Total/Average	667	\$1,645	\$1,844	12.1%	\$1,285

Gain-to-lease potential on existing rents as at June 30, 2022

Geographic Node	Total Suites ³	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) ²
Toronto	2,325	\$2,021	\$2,232	10.5%	\$3,412
Ottawa	2,876	\$1,578	\$1,760	11.5%	\$6,280
Alberta	899	\$1,384	\$1,500	8.4%	\$1,255
Montreal	1,653	\$1,821	\$2,034	11.7%	\$3,042
Total/Average	7,753	\$1,690	\$1,875	10.9%	\$13,989

¹ Includes 100% of new leases signed from co-ownerships and excludes new leases of furnished suites.

² For co-owned properties, reflects the REIT's co-ownership interest only.

³ Data for occupied suites. Excludes 190 furnished suites, 304 vacant suites and 44 suites offline for repositioning.



Revenue Analysis - Time Series

Momentum on leasing gains continued in Q2 2022

Realized Leasing Gains and Average Monthly Rent



Geographic Node	Average monthly rent per suite ³	Average sq. ft. per suite	Average rent per sq. ft. per suite
Toronto	\$2,021	782	\$2.58
Ottawa	\$1,578	837	\$1.89
Alberta	\$1,384	667	\$2.07
Montreal	\$1,821	977	\$1.86
Average	\$1,690	826	\$2.05

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

² Average monthly rent for occupied unfurnished suites.

³ As at June 30, 2022.



Furnished Suites

Sequential improvement in rental rate and occupancy

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Furnished Suites Operating Metrics					
Furnished suite inventory	215	212	203	195	190
Average monthly rent	\$3,572	\$3,997	\$4,078	\$4,219	\$4,476
Average occupancy	74.4%	86.3%	80.5%	62.8%	86.2%

- The furnished suite count was further reduced in the quarter to 190 suites
- Following the completion of the Roehampton transition to fully unfurnished, the total furnished suite count in the portfolio will reach the steady state target of ~185 suites



*Furnished suite at Minto Yorkville,
Toronto*



Suite Repositioning in Q2 2022

83 suites repositioned in Q2 generating an 8.6% ROI

Property	Ownership Interest	Suites Repositioned and Leased ¹	Remaining Suites to Reposition ¹	Total Suites in the Program ¹	% Complete
Minto Yorkville	100%	1	33	99	67%
Leslie York Mills	50%	13	218	409	47%
High Park Village	40%	6	278	407	32%
Edmonton properties ²	100%	—	73	171	57%
Carlisle	100%	3	86	191	55%
Castle Hill	100%	4	74	176	58%
Rockhill	50%	25	774	934	17%
Le 4300	100%	1	225	261	14%
Haddon Hall	100%	8	151	191	21%
Roehampton	100%	17	59	148	60%
Martin Grove	100%	2	24	32	25%
Le Hill-Park	100%	3	177	261	32%
Total		83	2,172	3,280	34%

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

² The Edmonton portfolio repositioning program is currently on hold due to market conditions.

- **83 suites were repositioned and leased in Q2 2022 (61 at the REIT's share) at an average cost of \$51,573 per suite. These suites generated an annual average rent increase of \$4,434 per suite (\$370 per month) - an 8.6% simple ROI**
- **Subject to turnover of unrenovated suites, the REIT expects to reposition 100 to 170 suites in the remainder of 2022**

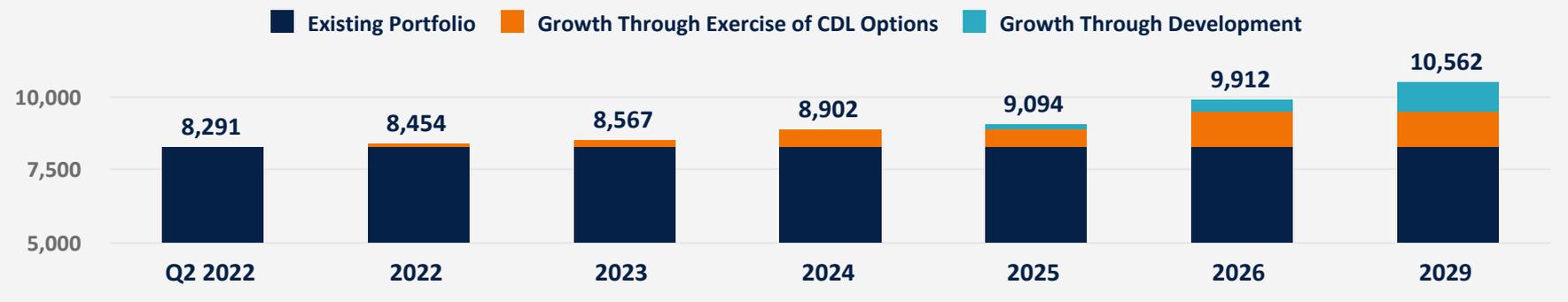


Intensification and Development

Development pipeline comprises 2,271 suites

<i>(in \$ millions, except suites)</i>		Location	Type	Existing/Potential REIT Ownership Interest	Suite Potential		Total CDL Commitment	Total CDL Advanced ¹
					(100%)	(REIT Share)		
Active Development								
Fifth + Bank		Ottawa, ON	CDL	100%	163	163	\$30.0	\$30.0
Lonsdale Square		North Vancouver, BC	CDL	100%	113	113	\$14.0	\$13.3
810 Kingsway		Vancouver, BC	CDL	85%	108	92	\$19.7	\$10.7
Beechwood		Ottawa, ON	CDL	100%	227	227	\$51.4	\$13.6
Leslie York Mills		Toronto, ON	Direct Investment	50%	192	96	N/A	N/A
Richgrove		Toronto, ON	Direct Investment	100%	225	225	N/A	N/A
Pre-Development								
University Heights		Victoria, BC	CDL	45%	593	267	\$51.7	\$7.4
High Park Village		Toronto, ON	Direct Investment	40%	650	260	N/A	N/A
Total					2,271	1,443		\$75.0

REIT Portfolio Growth Pipeline (Suites)^{2,3}



¹ As at June 30, 2022.

² Suite counts are presented on a gross basis.

³ Assumes (i) exercise of option to purchase Fifth + Bank, Lonsdale Square, and Beechwood, (ii) exercise of option to purchase MPI's interest in 810 Kingsway and University Heights, and (iii) partner approval for High Park Village intensification.



Status of Existing Development Pipeline

CDL



Residential leasing complete



Fifth + Bank
Ottawa • 163 Suites
Achieved Q2 2022 Residential Stabilization

CDL



Framing is well underway



Lonsdale Square
North Vancouver • 113 Suites
Estimated Q4 2023 Stabilization

CDL



Demolition is complete, below grade construction commencing soon



810 Kingsway
Vancouver
108 Suites • 50% Ownership
Estimated Q3 2024 Stabilization



Status of Existing Development Pipeline (cont'd)

CDL



Beechwood
Ottawa
227 Suites
Estimated Q4 2024 Stabilization

Leslie York Mills
Toronto
192 Suites • 50% Ownership
Estimated Q4 2025 Stabilization

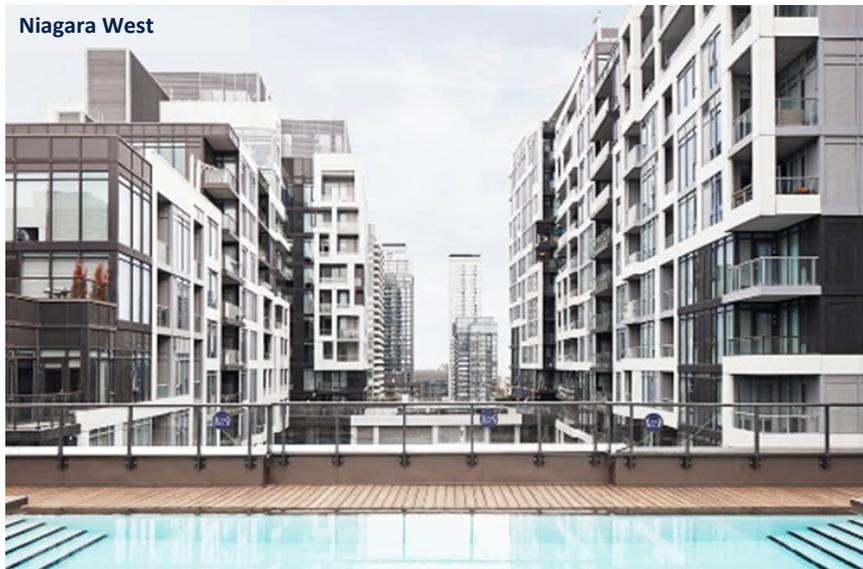
Richgrove
Toronto
225 Suites (100 Affordable)
Estimated Q2 2026 Stabilization



Update on Niagara West and The International

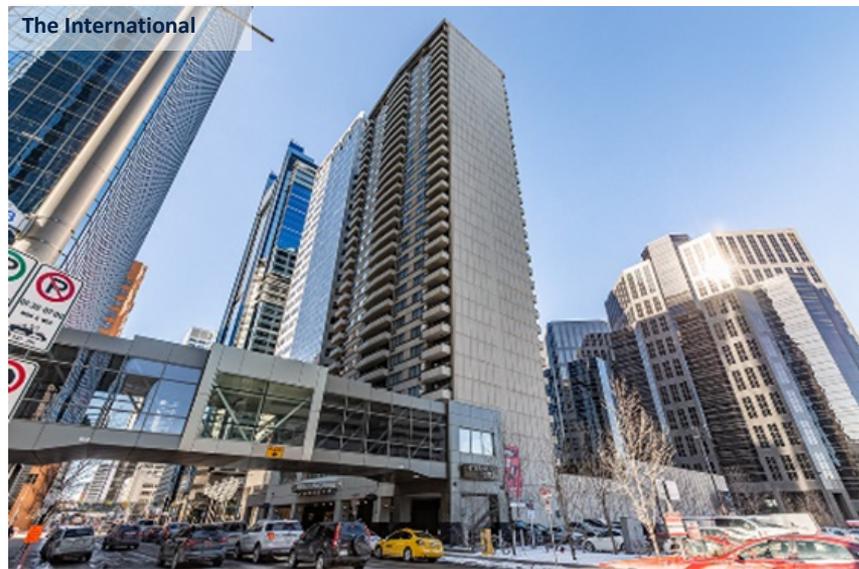
Significant market rent growth at both properties since purchased by the REIT

Niagara West



- Occupancy as at June 30th remains strong at 95.6%
- Working with prospective investment-grade tenant for all remaining retail space (approximately 12,000 square feet)

The International

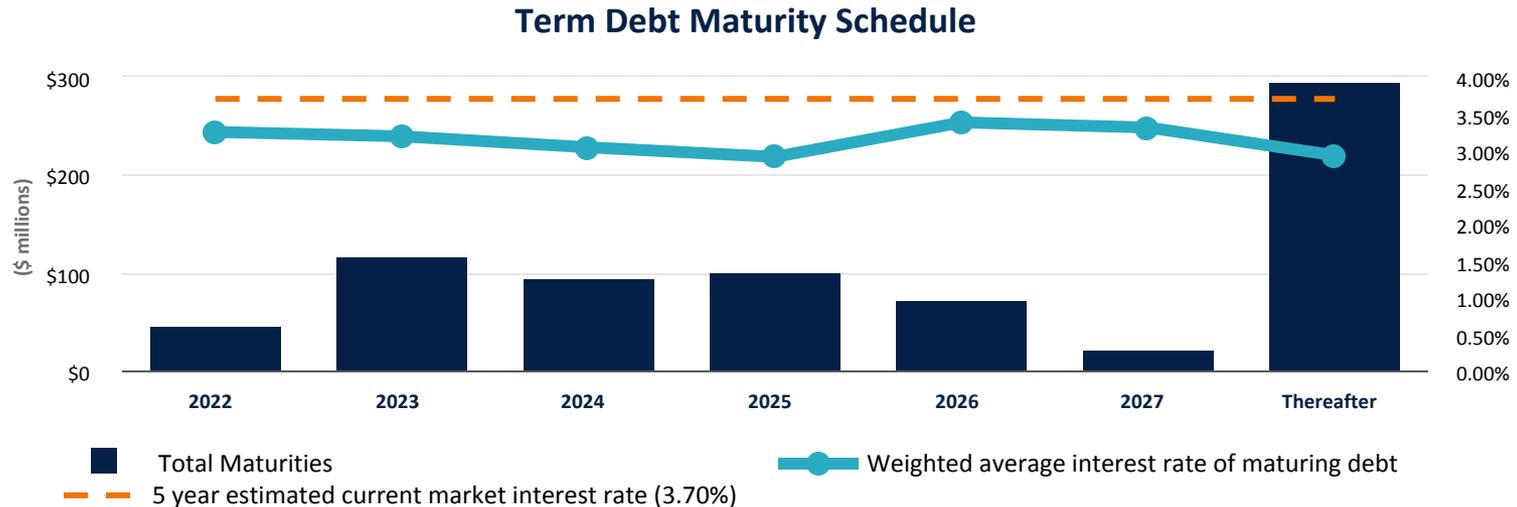


- Occupancy as at June 30th remains strong at 97.6%
- Working with telecommunications provider to offer residents bulk internet, driving higher rents



Debt Financing and Liquidity

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



4.73 Years	2.90%	63%	80%	39.5%	\$193m
Weighted Average Term to Maturity ¹	Weighted Average Interest Rate ¹	of Debt is CMHC Insured	of Debt is Fixed Rate	Debt-to-Gross Book Value	Cash and Credit Facility Available

- In Q2 2022 the REIT completed the previously announced upsizing of its revolving credit facility to \$300 million
- The REIT assumed \$108.4 million of floating rate loans on the acquisition of Niagara West and The International and is actively pursuing long-term CMHC insured financing to refinance these properties

¹ For fixed rate debt



Outlook

- **Management believes that the key sector fundamentals that have underpinned our recent strong performance will continue:**
 - **Expansive immigration policy, an increasing gap between the cost of renting and home ownership and inelastic housing supply will continue to be tailwinds for our sector**
 - **In addition, we believe we will benefit from additional rental demand as the population continues to return to urban centres**
- **The REIT is well-positioned for long-term success and will be highly focused on executing the following strategies:**
 - **Growing NOI by maximizing revenue, optimizing occupancy, creating value from suite repositionings and minimizing controllable operating expenses**
 - **Strategic allocation of capital which may include capital recycling opportunities, accretive investments, de-leveraging and unit buybacks**
 - **Best-in-class execution of our existing robust intensification and development pipeline through our relationship with Minto Properties Inc.**
 - **Third party acquisition or development opportunities, although these may be challenging in the short-term given our current cost of capital**
 - **Prudent balance sheet and liquidity management**