



# Q3 2020 Highlights Teleconference

November 12, 2020





# Cautionary Statement

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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 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 Measures” and “Reconciliation of Non-IFRS Measures”.



## Q3 2020 Highlights

### Minto Apartment REIT:

- **Delivered strong operating results with a 110 bps year-over-year improvement in NOI margin**
- **Realized organic growth with 9.4% gain-to-lease on new leases signed**
- **Completed the repositioning of 62 suites improving asset quality, reducing future repair costs and driving strong growth in rental revenue**
- **Rent collections remain consistent with pre-pandemic collection cycles and maintained high occupancy**
- **Maintained significant financial flexibility and resources with total liquidity of \$186 million representing a liquidity ratio (total liquidity/total debt) of 22%**



## Q3 2020 Key Operating Results

Same Property Portfolio (ex-Furnished Suites) remains solid with expanding margins

(\$000s except %, suite, per suite and per unit amounts)	Same Property Portfolio <sup>1</sup> - excluding furnished suites			Same Property Portfolio <sup>1</sup>			Total Portfolio <sup>2</sup>		
	Three months ended September 30,			Three months ended September 30,			Three months ended September 30,		
	2020	2019	Variance	2020	2019	Variance	2020	2019	Variance
Revenue	\$20,715	\$20,363	1.7%	\$22,540	\$23,349	(3.5)%	\$31,155	\$27,639	12.7%
NOI	\$13,286	\$12,953	2.6%	\$14,190	\$14,886	(4.7)%	\$20,161	\$17,588	14.6%
NOI margin (%)	64.1%	63.6%	50 bps	63.0%	63.8%	(80) bps	64.7%	63.6%	110 bps
FFO							\$13,183	\$10,808	22.0%
AFFO							\$11,619	\$9,385	23.8%
AFFO (\$/unit)							\$0.1968	\$0.1980	\$(0.0012)
Distributions declared (\$/unit)							\$0.1125	\$0.1100	\$0.0025
AFFO payout ratio							57.2%	54.4%	280 bps
Total suites				4,552	4,552	—	7,243	6,715	528
Average monthly rent / suite <sup>3</sup>				\$1,514	\$1,458	3.8%	\$1,613	\$1,478	9.1%
Occupancy <sup>4</sup>				96.79%	98.46%	(167 bps)	97.01%	98.58%	(157 bps)

<sup>1</sup> The Same Property Portfolio represents 24 properties comprising 4,552 suites wholly-owned by the REIT for equivalent periods in 2020 and 2019.

<sup>2</sup> The Total Portfolio includes the Same Property Portfolio plus five (September 30, 2019 - three) additional property acquisitions representing 5,080 (September 30, 2019 - 4,552) wholly-owned suites plus 2,163 (September 30, 2019 - 2,163) suites co-owned with institutional partners.

<sup>3</sup> Excludes 233 furnished suites, 210 vacant suites, 107 suites held offline for repositioning and 42 suites held offline for enhanced turns.

<sup>4</sup> Excludes 233 furnished suites, 107 suites held offline for repositioning and 42 suites held offline for enhanced turns.



## Operating Expense Analysis

(\$000s except % amounts)	Same Property Portfolio <sup>1</sup>			Total Portfolio <sup>2</sup>		
	Three months ended September 30,			Three months ended September 30,		
	2020	2019	Variance	2020	2019	Variance
Property operating costs	\$4,131	\$4,312	4.2%	\$5,582	\$5,227	(6.8)%
Property taxes	\$2,442	\$2,413	(1.2)%	\$3,299	\$2,864	(15.2)%
Utilities	\$1,777	\$1,738	(2.2)%	\$2,113	\$1,960	(7.8)%
	\$8,350	\$8,463	1.3%	\$10,994	\$10,051	(9.4)%

<sup>1</sup> The Same Property Portfolio represents 24 properties comprising 4,552 suites wholly-owned by the REIT for equivalent periods in 2020 and 2019.

<sup>2</sup> The Total Portfolio includes the Same Property Portfolio plus five (September 30, 2019 - three) additional property acquisitions.

- **Same Property Portfolio operating costs decreased slightly as a result of lower repair, maintenance and furnished suite costs partially offset by higher insurance and marketing costs**
- **Same Property Portfolio property taxes increased year-over-year due to higher property assessed values and changes in tax rates, particularly on the REIT's Calgary properties**
- **Same Property Portfolio utilities increased year-over-year primarily as a result of higher water consumption and higher natural gas cost**
- **Total Portfolio property operating costs, property taxes and utilities increased year-over-year as they reflect three new property acquisitions**



## Revenue Analysis

### Realizing on Organic Growth Potential

#### Realized Gain on New Leases in the three months ended September 30, 2020<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	88	\$1,935	\$2,153	11.3%	\$148
Ottawa	181	\$1,456	\$1,651	13.4%	\$419
Alberta	78	\$1,210	\$1,189	(1.8)%	(\$117)
Montreal	56	\$1,581	\$1,665	5.4%	\$27
<b>Total/Average</b>	<b>403</b>	<b>\$1,489</b>	<b>\$1,630</b>	<b>9.4%</b>	<b>\$477</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	1,784	\$1,855	\$2,101	13.3%	\$3,411
Ottawa	2,822	\$1,494	\$1,698	13.6%	\$6,907
Alberta	609	\$1,231	\$1,227	(0.3)%	(\$28)
Montreal	1,436	\$1,916	\$2,123	10.8%	\$2,388
<b>Total/Average</b>	<b>6,651</b>	<b>\$1,613</b>	<b>\$1,804</b>	<b>11.8%</b>	<b>\$12,678</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 as of September 30, 2020. Excludes 233 furnished suites, 210 vacant suites, 107 suites held offline for repositioning and 42 suites held offline for enhanced turns.

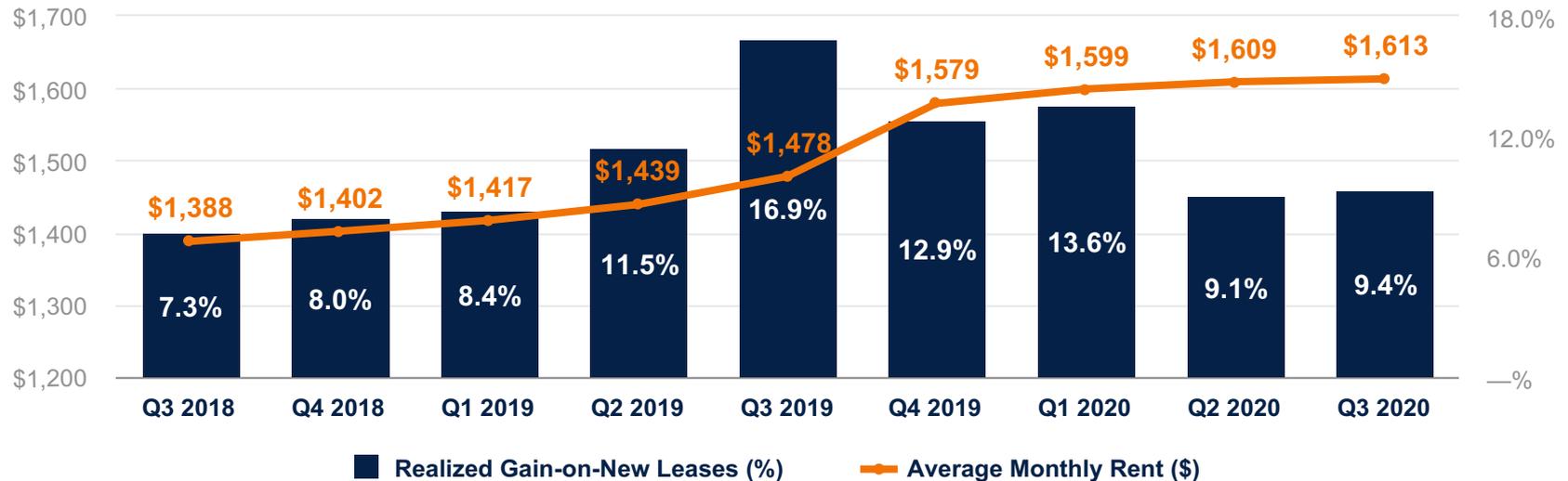
<sup>4</sup> Suites in properties that are co-owned by the REIT are shown at the REIT's effective ownership interest in those properties.



## Revenue Analysis - Time Series

### Portfolio Average Monthly Rent Continues to Increase

Realized Leasing Gains and Average Monthly Rent



Geographic Node	Average monthly rent	Average sq. ft. per suite	Average rent per sq. ft
Toronto	\$1,855	800	\$2.32
Ottawa	\$1,494	836	\$1.79
Alberta	\$1,231	725	\$1.70
Montreal	\$1,916	1,007	\$1.90
<b>Average</b>	<b>\$1,613</b>	<b>846</b>	<b>\$1.91</b>

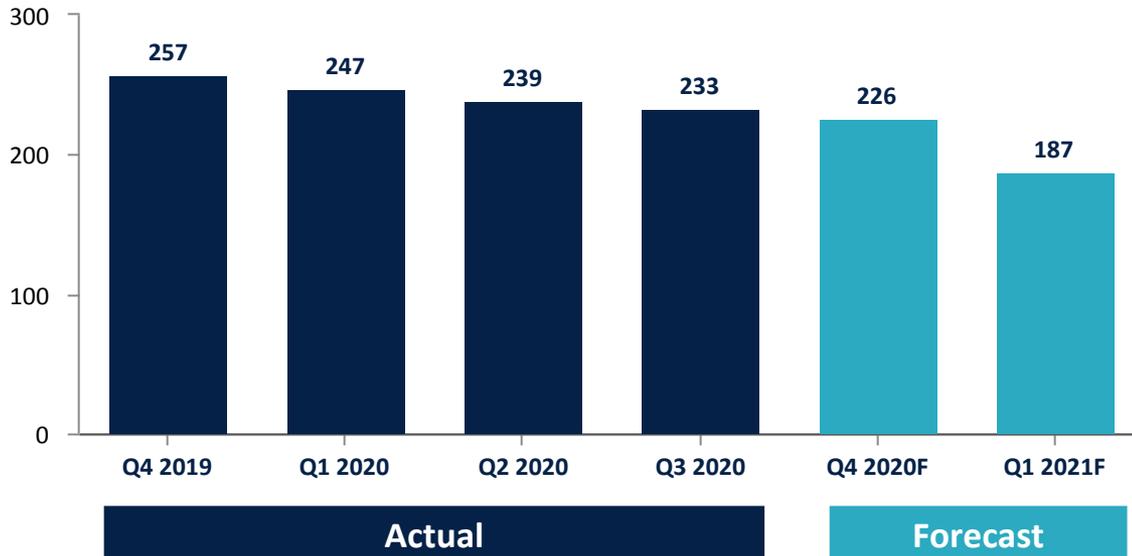
Note - Average monthly rent is for the 6,651 occupied unfurnished suites. Realized leasing gain is the average percentage increase in rents on the 403 new unfurnished leases signed in Q3 2020 compared to the rents on the expiring leases.



# Furnished Suite Program - Adjusting Inventory

## Furnished Suite Occupancy Improves in Q3 2020

Furnished Suite Inventory



Furnished suite at Minto Yorkville, Toronto

	Q3 2020	Q2 2020	Q3 2019
<b>Furnished Suites Operating Metrics</b>			
Furnished suite inventory	233	239	240
Average monthly rent	\$3,460	\$3,956	\$4,410
Occupancy	75%	65%	92%



## Portfolio Repositioning Status at Q3 2020

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
		Three months ended September 30, 2020	Nine months ended September 30, 2020			
Minto Yorkville	100%	2	5	48	99	52%
Leslie York Mills	50%	15	43	317	409	22%
High Park Village	40%	12	24	368	407	10%
Edmonton properties <sup>2</sup>	100%	4	12	75	171	56%
Carlisle	100%	5	20	142	191	26%
Castle Hill	100%	8	23	110	176	38%
Rockhill	50%	14	54	869	934	7%
Le 4300	100%	2	2	259	261	1%
Haddon Hall	100%	—	—	191	191	—%
<b>Total</b>		<b>62</b>	<b>183</b>	<b>2,379</b>	<b>2,839</b>	<b>16%</b>

<sup>1</sup> All suite counts, including co-owned properties, are presented at 100% and not at the REIT's ownership share.

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

- **62 suites were repositioned in Q3 2020 (40 at the REIT's share) at an average cost of \$36,636 per suite. These suites earned an annual average rent increase of \$3,650 per suite generating a 10% simple return on investment**
- **Feasibility studies were completed in Q3 2020 at Haddon Hall and Le 4300 and formal repositioning programs have been initiated**
- **Subject to availability of suites through turnover, the REIT expects to reposition approximately 75 suites in Q4 2020 (approximately 50 at the REIT's proportionate share)**



## Repositioning Programs in Test Suite Phase

Feasibility testing underway to evaluate repositioning potential of a further 500+ suites

Property	REIT Ownership Percentage	Potential Suites to Reposition
Roehampton	100%	148
Castleview	100%	241
Skyline Maisonettes	100%	168
<b>Total</b>		<b>557</b>

- The REIT's repositioning program presents the best risk/return profile of all investment opportunities, generating NAV growth at the expense of modest near term earnings dilution
- Repositioning programs are flexible, with relatively small, discrete capital commitments and short project durations, easily accelerated or slowed as market conditions dictate
- The high volume of repositioning in progress generates efficiencies through volume purchasing, repeatable design concepts and lessons learned from other projects



# Intensification and Development

## Benefits from the Strategic Alliance with The Minto Group

### Fifth + Bank Redevelopment

Concept



Construction Underway



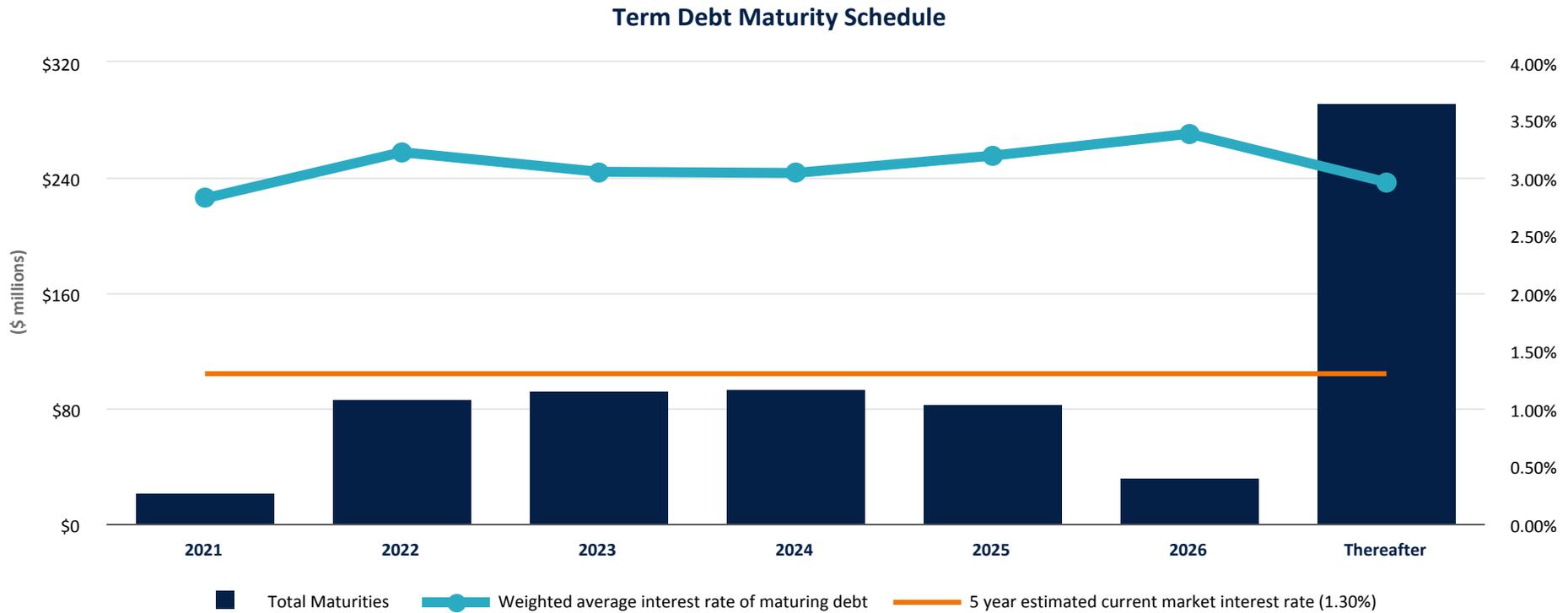
	REIT Ownership Interest	Suites
Development approvals being pursued for:		
Richgrove	100%	225
Leslie York Mills	50%	192
Rezoning being pursued for:		
High Park Village	40%	~650
Purchase option:		
Fifth + Bank	100%	160
		<b>1,227</b>

- Construction continues at Fifth + Bank: demolition of existing structures, excavation and forming of the parking structure are complete and above grade construction has begun



# Debt Financing and Liquidity

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



<b>6.06 Years</b> Weighted Average Term to Maturity <sup>1</sup>	<b>2.94%</b> Weighted Average Interest Rate <sup>1</sup>	<b>78%</b> of Debt is CMHC Insured	<b>97.99%</b> of Debt is Fixed Rate	<b>39.6%</b> Debt-to-Gross Book Value	<b>\$186.1m</b> Cash and Credit Facility Available
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<sup>1</sup> For fixed rate debt



## Outlook

Management continues to adapt to operating through the pandemic and continues to execute on its business plan through:

- Capitalizing on organic growth opportunities including the continued realization of embedded gain-to-lease on existing rents
- Creating value from the repositioning of existing assets with on-going investment in in-suite and common area improvements
- Exploring opportunities to make strategic acquisitions in urban centres across Canada
- Capitalizing on our relationship with The Minto Group to source growth either through the intensification of existing sites or by accessing The Minto Group's pipeline of assets and development opportunities
- Ensuring environmental, social and governance criteria are part of our business strategy