



**minto**  
Apartment REIT

**Q3 2021 Highlights  
Teleconference**

**November 10, 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”) 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”.



## **In Q3 2021, the REIT:**

- **Entered into a record 555 new leases, a 38% increase compared to Q3 2020**
- **Realized gain-to-lease of 4.4% on new leases signed and average monthly rent increased to a new high of \$1,651.**
- **Increased average occupancy to 92.9% compared to 91.5% in Q2 2021 and 94.0% in Q3 2020**
- **Completed the repositioning of 120 suites, the largest number of suites it has repositioned in any quarter, improving asset quality, reducing future repair costs and driving strong growth in rental revenue**
- **Continued to make progress on projects under development including financing and permitting in anticipation of construction commencement in November**
- **Recorded a fair value gain on investment properties of \$34.7 million on the basis of strong private market valuation for multi-residential rental properties**
- **Subsequent to quarter end the REIT:**
  - **Agreed to acquire a new 261-suite property in Montreal for \$80.1 million**
  - **Completed an \$87 million equity issue to fund acquisition and development activities**
  - **Based on a confident outlook, approved a 4.4% increase to the monthly cash distribution commencing with the November distribution payable in December**



## Q3 2021 Key Operating Results

Higher operating expenses offset total portfolio revenue growth

<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 September 30,			Three months ended September 30,		
	2021	2020	Variance	2021	2020	Variance
Revenue	\$28,977	\$29,316	(1.2)%	\$31,234	\$31,155	0.3%
Property operating expenses	\$10,883	\$10,073	(8.0)%	\$11,829	\$10,994	(7.6)%
NOI	\$18,094	\$19,243	(6.0)%	\$19,405	\$20,161	(3.7)%
NOI margin (%)	62.4%	65.6%	(320) bps	62.1%	64.7%	(260) bps
FFO				\$12,453	\$13,183	(5.5)%
AFFO				\$10,883	\$11,619	(6.3)%
AFFO (\$/unit)				\$0.1842	\$0.1968	\$(0.0126)
Distributions declared (\$/unit)				\$0.1138	\$0.1125	\$0.0013
AFFO payout ratio				61.7%	57.2%	450 bps
Total suites				7,277	7,243	34
Average monthly rent / occupied suite <sup>2</sup>				\$1,651	\$1,613	2.4%
Occupancy - average for the period				92.87%	93.97%	(110) bps

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

<sup>2</sup> Excludes 212 furnished suites, 312 vacant suites, 88 suites offline for repositioning and 1 suite offline for enhanced turn.

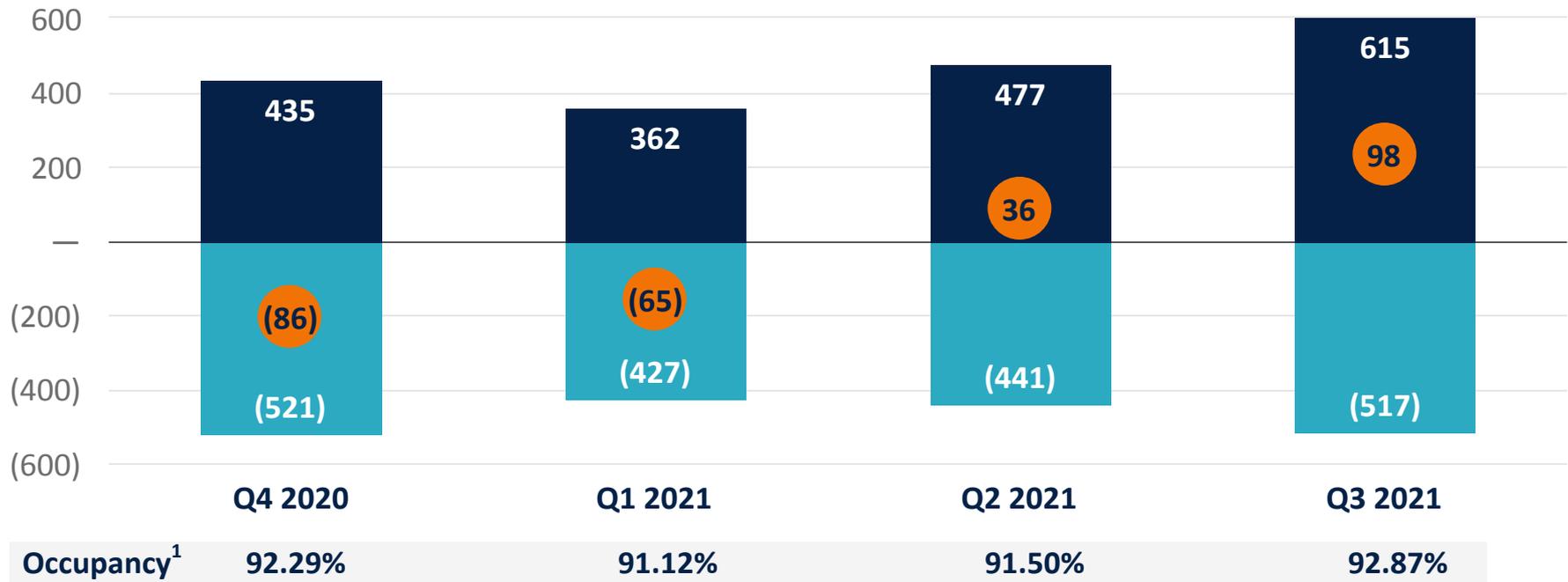


## Move-ins / Move-outs

### Move-ins Continued to Exceed Move-outs in Q3 2021

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

Move-outs Move-ins Net change



**Net move-ins exceeded move-outs for the second consecutive quarter driving improved occupancy**

1. Average occupancy for the period



## Revenue Analysis

### Realizing on organic growth potential

#### Realized Gain on New Leases in the three months ended September 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	144	\$2,128	\$2,199	3.3%	\$65
Ottawa	247	\$1,558	\$1,645	5.6%	\$252
Alberta	98	\$1,229	\$1,231	0.2%	\$6
Montreal	66	\$1,832	\$1,982	8.2%	\$69
<b>Total/Average</b>	<b>555</b>	<b>\$1,630</b>	<b>\$1,701</b>	<b>4.4%</b>	<b>\$392</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	1,718	\$1,885	\$1,974	4.7%	\$1,192
Ottawa	2,898	\$1,538	\$1,626	5.8%	\$3,079
Alberta	637	\$1,287	\$1,362	5.9%	\$579
Montreal	1,411	\$1,966	\$2,179	10.8%	\$2,421
<b>Total/Average</b>	<b>6,664</b>	<b>\$1,651</b>	<b>\$1,759</b>	<b>6.6%</b>	<b>\$7,271</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 September 30, 2021. Excludes 212 furnished suites, 312 vacant suites, 88 suites offline for repositioning and 1 suite offline for enhanced turn.

<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 Q3 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	\$1,885	801	\$2.35
Ottawa	\$1,538	837	\$1.84
Alberta	\$1,287	712	\$1.81
Montreal	\$1,966	1,011	\$1.94
<b>Average</b>	<b>\$1,651</b>	<b>845</b>	<b>\$1.95</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.

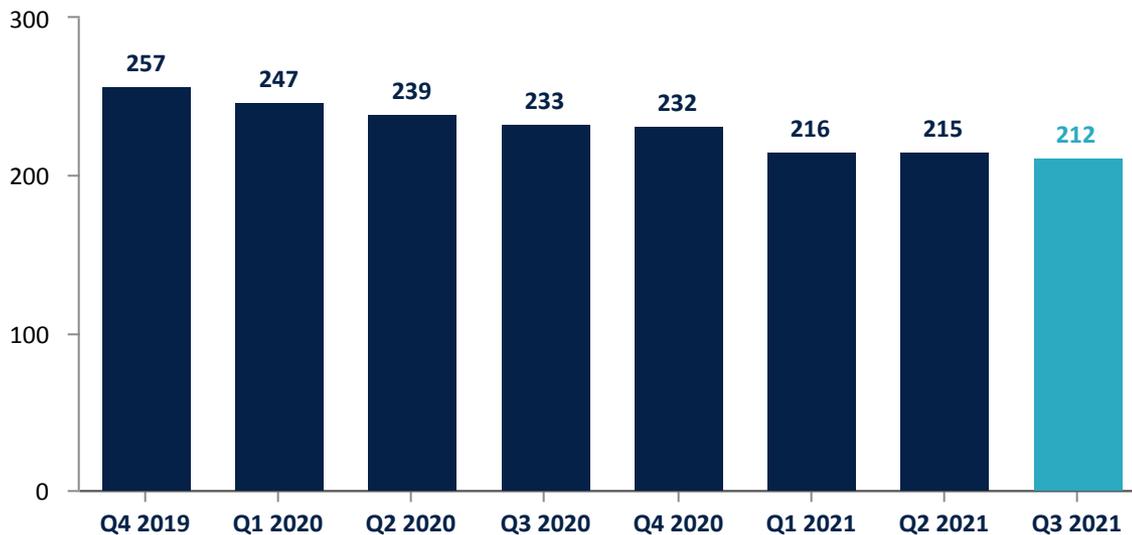
<sup>3</sup> As at September 30, 2021.



## Furnished Suites

Sequential improvement in occupancy and rental rate - continuing to trim inventory

Furnished Suite Inventory



Furnished suite at Minto Yorkville, Toronto

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
<b>Furnished Suites Operating Metrics</b>					
Furnished suite inventory	233	232	216	215	212
Average monthly rent	\$3,460	\$3,571	\$3,540	\$3,572	\$3,997
Average occupancy	75.1%	77.3%	62.5%	74.4%	86.3%



## Repositioning Suites in Q3 2021

120 suites repositioned in Q3 generating an 8.9% 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%	6	37	99	63%
Leslie York Mills	50%	15	270	409	34%
High Park Village	40%	19	313	407	23%
Edmonton properties <sup>2</sup>	100%	—	74	171	57%
Carlisle	100%	12	99	191	48%
Castle Hill	100%	7	85	176	52%
Rockhill	50%	22	813	934	13%
Le 4300	100%	6	238	261	9%
Haddon Hall	100%	10	163	191	15%
Roehampton	100%	20	128	148	14%
Martin Grove	100%	3	29	32	9%
<b>Total</b>		<b>120</b>	<b>2,249</b>	<b>3,019</b>	<b>26%</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.

- **120 suites were repositioned and leased in Q3 2021 (91 at the REIT's share) at an average cost of \$48,432 per suite. These suites earned an annual average rent increase of \$4,298 per suite generating a 8.9% simple return on investment**
- **Subject to availability of suites through move-outs, the REIT expects to reposition another 100 to 110 suites in Q4 2021 or approximately 350 suites in full-year 2021 (approximately 275 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
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%
Q3 2021	120	48,432	4,298	8.9%
<b>Total/Average</b>	<b>310</b>	<b>\$48,089</b>	<b>\$4,185</b>	<b>8.7%</b>

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



High Park Village, Toronto



Haddon Hall, Montreal



Carlisle, Ottawa



## New Acquisition - Le Hill-Park

### Core Addition to the REIT's Montreal Portfolio

- The REIT has agreed to acquire Le Hill-Park, a high quality apartment property in Montreal comprising 261 suites, for a purchase price of \$80.1 million
- There is a significant opportunity to increase revenue as sitting rents are approximately 20% below current market rents and only 72 of the 261 suites have undergone a modernization program
- Closing is expected on or about December 7, 2021 and the purchase price is to be satisfied in part by proceeds from the bought deal offering which closed October 29, 2021 and a new mortgage loan of approximately \$41 million.
- This is the REIT's fourth property acquisition in Montreal and brings its total suite count in the city to 1,793 suites (~24% of total suites)





## New Acquisition - Le Hill-Park

Close Proximity to the REIT's other Montreal Properties Creates Potential for Operating Synergies



Le Hill-Park is located close to the Côte-des-Neiges metro station (and the planned Edouard-Montpetit REM station), the University of Montreal, McGill University, three major hospitals, Summit Woods and Mt. Royal Park

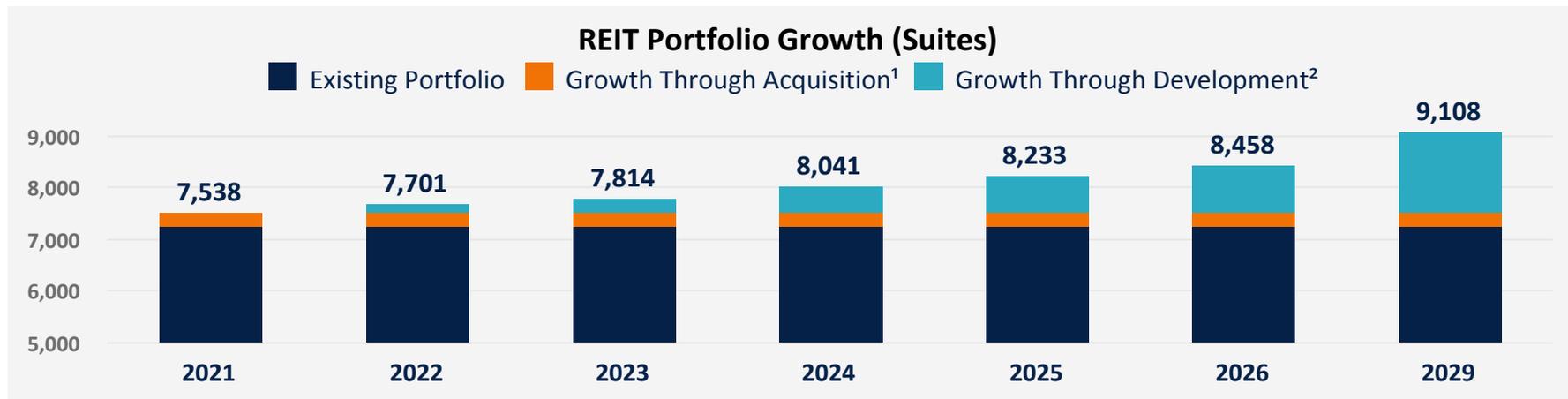


## Intensification and Development

### 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
Richgrove	100%	225
<b>Rezoned with final development approvals in process</b>		
Leslie York Mills	50%	192
Beechwood	Option	227
<b>Rezoning in process</b>		
High Park Village	40%	650
<b>Total</b>		<b>1,570</b>

- Obtained construction financing commitment for Richgrove under the CMHC's Rental Construction Financing Initiative Construction
- Construction will commence in Q4 2021



1. Reflects the acquisition of Le Hill-Park (261 suites) which is expected to close on or about December 7, 2021.
2. Assumes the REIT exercises its option to purchase Fifth + Bank, Lonsdale Square and Beechwood.



## Fifth + Bank Redevelopment Update

Substantial progress on construction and pre-leasing is underway

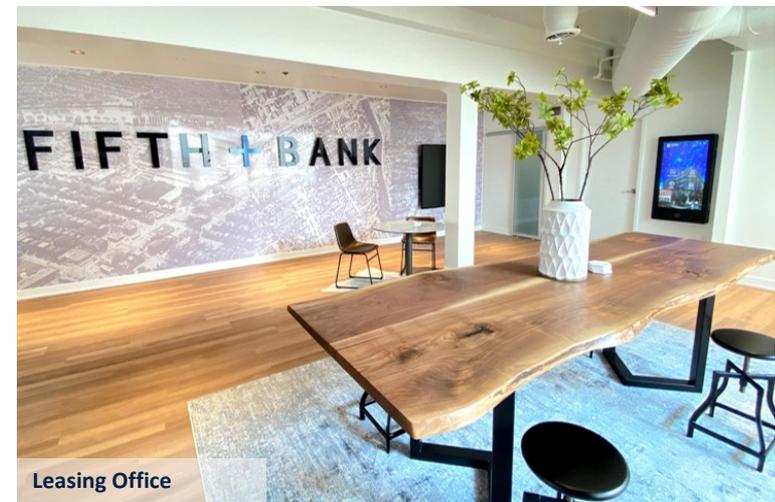


Project Concept

- Construction nearing completion
- 78 suites (48%) have been conditionally pre-leased; project is on schedule for stabilization in mid-2022
- First occupancies in mid-November 2021



Construction Update



Leasing Office



# Lonsdale Square Development Update

Excavation is complete and formwork has commenced



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





# Richgrove Development Update

Enabling works are underway and construction will begin in Q4 2021

## Project Concept



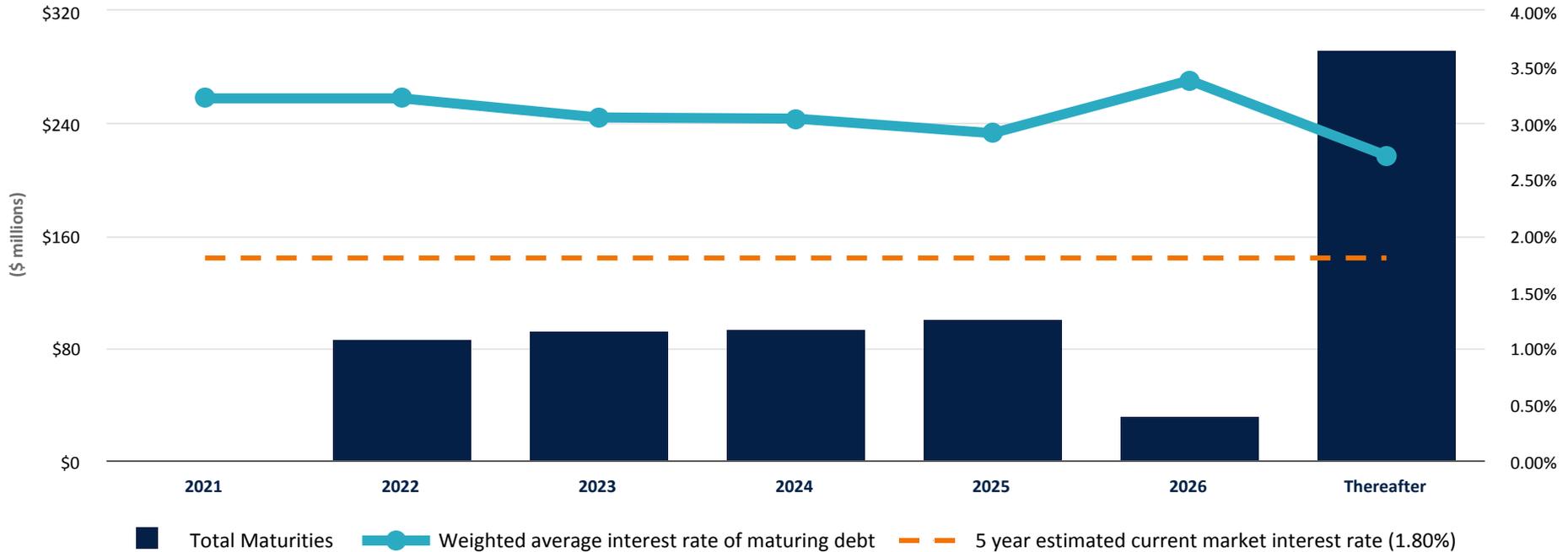
- This affordable rental project is comprised of 225 suites and is expected to be stabilized in 2026
- The site is adjacent to the future Martin Grove LRT Station which is expected to be completed in 2030/2031



# Debt Financing and Liquidity

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

### Term Debt Maturity Schedule



<b>5.17 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>91.25%</b> of Debt is Fixed Rate	<b>37.9%</b> Debt-to-Gross Book Value	<b>\$126m</b> Cash and Credit Facility Available
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<sup>1</sup> For fixed rate debt



## Outlook

- **As borders reopen and pandemic restrictions ease, the REIT's focus on high-quality multi-residential housing in desirable urban areas is expected to outperform**
- **Strong fundamentals that have driven long-term growth remain (e.g. expansive immigration policy, inelastic supply, housing affordability)**
- **Market demand has been building and the benefits of urban living are re-establishing themselves**
- **The REIT has the right assets and strategy for long-term success by:**
  - **Realizing on organic growth**
  - **Creating value from suite repositioning**
  - **Exploring acquisition opportunities**
  - **Capitalizing on the relationship with the Minto Group**