Management's Discussion and Analysis

For the three and nine months ended September 30, 2022 and 2021

minto
Apartment REIT

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(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Section I - Overview

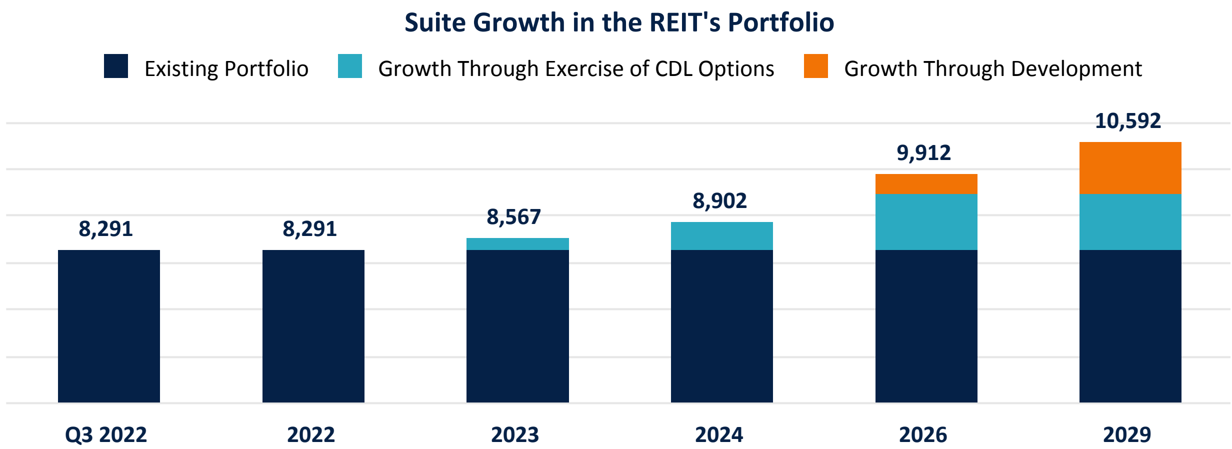
Business Overview

Minto Apartment Real Estate Investment Trust (the "REIT") is an unincorporated, open-ended real estate investment trust established pursuant to a Declaration of Trust dated April 24, 2018, which was amended and restated on June 27, 2018 and has been further amended from time to time. The REIT owns, develops and operates a portfolio of income-producing multi-residential rental properties located in Canada. The REIT was established under the laws of the Province of Ontario. The principal and registered office of the REIT is 200-180 Kent Street, Ottawa, Ontario.

The REIT's portfolio, referred to herein as the "Total Portfolio", consists of 32 (September 30, 2021 - 29) multi-residential rental properties located in Ontario, Quebec and Alberta. The "Same Property Portfolio" consists of 29 multi-residential properties. The ownership distribution of suites is shown in the table below and unless otherwise noted, all references to suite count, including co-owned properties, are at 100% ownership rather than the REIT's proportionate effective ownership:

	Same Property Portfolio Suites		Total Portfolio Suites	
As at September 30,	**2022**	**2021**	**2022**	**2021**
Wholly-owned	**5,114**	5,114	**5,627**	5,114
50% co-owned	**1,413**	1,413	**1,413**	1,413
40% co-owned	**750**	750	**750**	750
28.35% co-owned	**—**	—	**501**	—
Total suites	**7,277**	7,277	**8,291**	7,277
Total suites at effective ownership	**6,121**	6,121	**6,776**	6,121

The REIT is currently developing two income-producing multi-residential projects on excess land available at Richgrove and Leslie York Mills, both in Toronto, that will add 417 suites to the portfolio and is pursuing the development of a third multi-residential project on excess land available at High Park Village in Toronto that would add a further 680 suites to the portfolio if completed. The REIT has also provided convertible development loans for the development of five multi-residential properties, which provide the REIT the option to acquire direct or indirect interests in these properties upon stabilization (the "CDL Options"). Once completed, and subject to the exercise of the CDL Options, 1,204 suites would be added to the portfolio. The aggregate of these growth opportunities would increase the portfolio suite count by approximately 28% by 2029, as depicted below:



The REIT is prudently managing capital by focusing allocation toward repositioning, maintenance capital, distributions, and increasing suite count through its current development and convertible development loan programs. The REIT is also evaluating dispositions that meet its divestiture criteria as an additional focal point of capital management. The potential changes in suite count through future acquisitions or dispositions are not depicted in the chart above.

Business Strategy and Objectives

The REIT's objectives are to:

- provide Unitholders an opportunity to invest in high-quality income-producing multi-residential rental properties strategically located across urban centres in Canada;
- enhance the value of the REIT's assets and maximize long-term Unitholder value through value-enhancing capital investment programs and active asset and property management of the REIT properties;
- provide Unitholders with predictable and sustainable distributions; and
- expand the REIT's asset base across Canadian urban centres through intensification programs, acquisitions and developments.

Management believes it can accomplish these objectives given that it operates a high quality portfolio in an attractive asset class with compelling supply and demand characteristics. Furthermore, the REIT has several strategic avenues for growth and benefits from its strategic alliance with Minto Properties Inc. ("MPI").

Declaration of Trust

The investment guidelines and operating policies of the REIT are outlined in the REIT’s Amended and Restated Declaration of Trust dated June 27, 2018, as amended from time to time (collectively, the "DOT"). A copy of the DOT is available on SEDAR at www.sedar.com.

As of November 8, 2022, the REIT was in compliance with its investment guidelines and operating policies.

Basis of Presentation

The following Management's Discussion and Analysis of the REIT's results of operations and financial condition should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements and accompanying notes for the three and nine months ended September 30, 2022 ("Q3 2022" and "YTD 2022") and 2021 ("Q3 2021" and "YTD 2021"), prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and the REIT's audited consolidated financial statements and the accompanying notes for the years ended December 31, 2021 and 2020 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. All amounts are stated in thousands of Canadian dollars, unless otherwise noted.

This Management's Discussion and Analysis also contains certain non-IFRS and other financial measures including funds from operations ("FFO"), FFO per unit, adjusted funds from operations ("AFFO"), AFFO per unit, AFFO Payout Ratio, net operating income ("NOI"), debt-to-Gross Book Value ratio, debt-to-adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") ratio, Debt Service Coverage ratio, net asset value ("NAV"), and NAV per unit, 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. See "Non-IFRS and Other Financial Measures" under Section VI - "Supplemental Information" for definitions of these measures.

The REIT's Board of Trustees approved the content of this Management's Discussion and Analysis on November 8, 2022. Disclosure in this document is current to that date unless otherwise stated. Additional information relating to the REIT can be found on SEDAR at www.sedar.com and also on the REIT's website at www.mintoapartments.com.

Forward-Looking Statements

This Management's Discussion and Analysis may contain forward-looking statements (within the meaning of applicable Canadian securities laws) relating to the business of the REIT. Forward-looking statements are identified by words such as "believe", "anticipate", "project", "expect", "intend", "plan", "will", "may", "estimate" and other similar expressions. These statements are based on the REIT's expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risks and Uncertainties". There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this Management's Discussion and Analysis and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Use of Estimates

The preparation of the unaudited condensed consolidated interim financial statements in conformity with IAS 34 requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the unaudited condensed consolidated interim financial statements and accompanying note disclosures. Although these estimates are based on Management’s knowledge of current events and actions the REIT may undertake in the future, actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Financial and Operating Highlights

Financial Performance

The REIT's performance in the third quarter of 2022 continues to build on the momentum established through the first half of the year. Total Portfolio occupancy rose sequentially, reaching 97.4% at the end of September 2022 and the REIT's gain-to-lease on new leases signed in Q3 has been particularly robust. Total Portfolio average monthly rent per suite surpassed $1,700 for the first time since inception to $1,714. The Same Property Portfolio generated strong NOI growth despite continued pressure from inflation on operating expenses.

For Q3 2022, the REIT achieved 24.8% Total Portfolio NOI growth compared to Q3 2021 as a result of revenue growth on the Same Property Portfolio and from a combined full quarter of contributions from the acquisitions of Le Hill-Park, Niagara West and The International. Same Property Portfolio average monthly rent increased 4.2%, accelerating from 3.4% in Q2 2022, and average occupancy increased by 346 bps over Q3 2021, contributing to Same Property Portfolio NOI growth of 13.3%. While revenue continued its upward trajectory, the reduced use of promotions for residential rents has contributed further to NOI growth.

The REIT delivered FFO growth of 25.7% and AFFO growth of 28.2% compared to Q3 2021, primarily attributable to the NOI growth in the Same Property Portfolio as discussed above and earnings from the acquisitions. FFO and AFFO growth would have been 20.9% and 22.7%, respectively, with the exclusion of the impacts of a one-time insurance recovery of approximately $594 received in Q3 2022.

The REIT continued to execute its strategy to create organic growth by realizing on the gain-to-lease potential in the portfolio and through suite repositioning programs. The REIT was able to realize a significant gain of 14.5% on the 574 new leases it signed in Q3 2022, which represents annualized revenue growth of approximately $1,402. In addition, with improving market conditions backed by strong leasing and higher average monthly rents achieved, the gain-to-lease potential increased to 12.1%, up from 10.9% in Q2 2022 and significantly stronger than 6.6% in Q3 2021. The REIT successfully repositioned 75 suites in Q3 2022, generating an average annual unlevered return of 9.4%.

NAV per unit as at September 30, 2022 decreased to $24.12 from $24.24 as at June 30, 2022, reflecting a fair value loss on investment properties driven by the slight expansion of capitalization rates. This was partially offset by increased forecast NOI and the accretive purchases of 182,227 Units cancelled through a normal course issuer bid (“NCIB”).

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Distribution Increase

On November 8, 2022, the Board of Trustees approved a 3.2% increase to the REIT's annual distribution from $0.4750 per Unit to $0.4900 per Unit. The monthly distribution will be $0.04083 per Unit, up from $0.03958 per Unit. The increase will be effective for the REIT's November 2022 cash distribution, to be paid on December 15, 2022. The distribution increase reflects Management's confidence in its business model, execution of its long-term strategy and the overall outlook for the REIT. The REIT expects to continue maintaining a low AFFO payout ratio, fuelling future growth by allowing the reinvestment of capital.

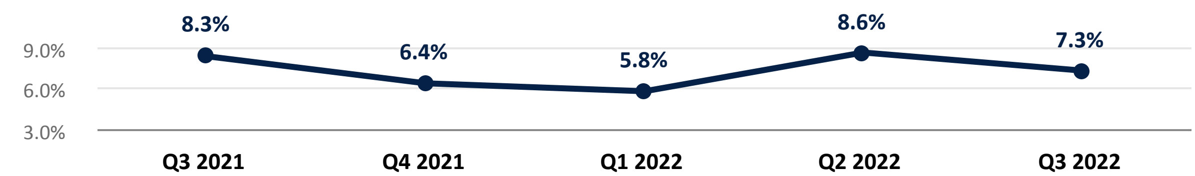
Organic Growth — Gain-to-Lease[1]

The REIT realized on organic growth for Q3 2022 through effective leasing activities and revenue management strategies aided by a strong rental market. As new tenants take occupancy, the REIT is able to move rental rates from older in-place levels to current market rates. During the period, new leases resulted in annualized revenue growth of approximately $1,402. A summary of leasing activities and the gains to be realized from new leases signed for Q3 2022 is set out in the table below:

Geographic Node	New Leases Signed[2]	Average Monthly Expiring Rent per Suite	Average Monthly New Rent per Suite	Percentage Gain-to-Lease	Annualized Gain-to-Lease[1,3]
Toronto	165	$2,148	$2,480	15.5%	$303
Ottawa	249	1,649	1,888	14.5%	715
Alberta	82	1,332	1,500	12.6%	216
Montreal	78	1,630	1,878	15.2%	168
Total/Average	**574**	**$1,675**	**$1,918**	**14.5%**	**$1,402**

The REIT realized gain-to-lease in all of its markets, with an average gain-to-lease of 14.5% on the 574 new leases it signed in Q3 2022. The Canadian rental market continues its robust recovery through increased immigration and a large affordability gap for home ownership resulting from a recent sharp increase in interest rates. This has led to an escalation in demand for rentals, resulting in higher rental rates as well as reducing the use of discounts and promotions.

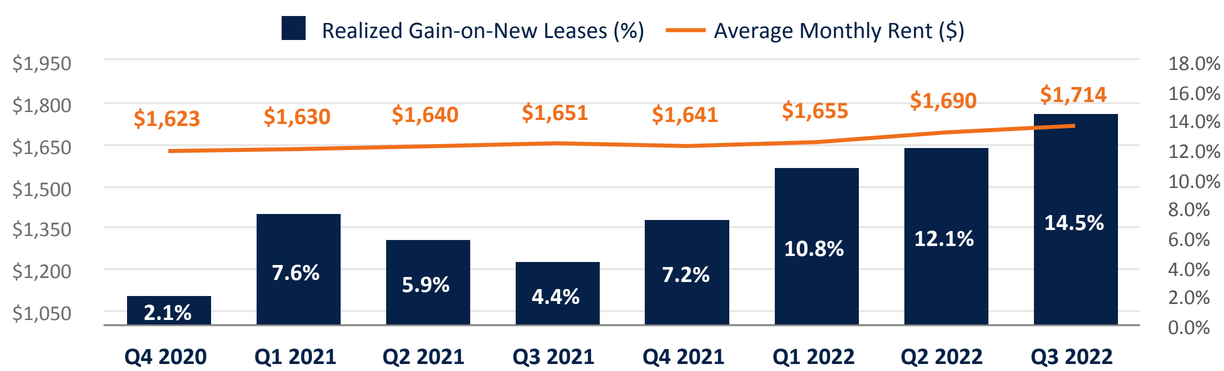
Total Portfolio Turnover Rate[1]



Management expects turnover to slow in the coming quarters due to typical slower leasing through the winter months. In addition, the strengthening rental market is expected to increase the average length of stay for tenants in certain REIT markets, primarily Ottawa, Toronto and Alberta, resulting in lower-than-average turnover.

For more details on revenue growth, see Section II, "Financial Highlights and Performance - Review of Financial Performance - Revenue from Investment Properties".

Gain-to-Lease and Average Monthly Rent[1]



[1] Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"
[2] New leases signed includes 100% of new leases from co-ownerships and excludes new leases of furnished suites.
[3] For co-owned properties, reflects the REIT's co-ownership interest only.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

The REIT has achieved sequential quarterly average monthly rent growth over the past eight quarters, except in the quarter ended December 31, 2021 ("Q4 2021") due to the addition of Le Hill-Park in Montreal, which has an average monthly rent lower than the portfolio's average. Same Property Portfolio average monthly rent per suite was $1,677 in Q1 2022, $1,695 in Q2 2022, and $1,720 in Q3 2022.

For YTD 2022, the REIT realized an average gain-to-lease of 13.0% on the 1,642 new leases it signed and realized gains in all markets. The following table summarizes the leasing activities and the gains to be realized from new leases signed YTD 2022:

Geographic Node	New Leases Signed[1]	Average Monthly Expiring Rent per Suite	Average Monthly New Rent per Suite	Percentage Gain-to-Lease	Annualized Gain-to-Lease[2,3]
Toronto	469	$2,039	$2,327	14.1%	$838
Ottawa	660	1,613	1,821	12.9%	1,645
Alberta	279	1,322	1,470	11.2%	494
Montreal	234	1,728	1,967	13.9%	436
Total/Average	**1,642**	**$1,643**	**$1,856**	**13.0%**	**$3,413**

The annualized gains realized from new leases signed in the last four quarters are as follows:

Fiscal Quarter	New Leases Signed[1]	Average Monthly Expiring Rent per Suite	Average Monthly New Rent per Suite	Percentage Gain-to-Lease	Annualized Gain-to-Lease[2,3]
Q4 2021	444	$1,652	$1,770	7.2%	$472
Q1 2022	401	1,620	1,794	10.8%	726
Q2 2022	667	1,645	1,844	12.1%	1,285
Q3 2022	574	1,675	1,918	14.5%	1,402
Total/Average	**2,086**	**$1,650**	**$1,839**	**11.5%**	**$3,885**

Realized gain-to-lease percentage growth has increased sequentially for each quarter of fiscal 2022. Management believes this is an indicator of a return to urban living, demand from immigration-driven population growth and students, as well as the effects of rising interest rates further increasing the cost of home ownership, all of which are driving rental demand and higher rental rates.

Management continually reviews market conditions and updates its estimates of market rent for the properties in its portfolio. Factoring in the new estimates of market rent, the estimated gain-to-lease potential on existing tenancies for the REIT's portfolio as at September 30, 2022 is as follows:

Geographic Node	Total Suites[4]	Average Monthly In-Place Rent per Suite	Management's Estimate of Monthly Market Rent per Suite	Percentage Gain-to-Lease Potential[2,3]	Annualized Estimated Gain-to-Lease Potential[2,3]
Toronto	2,362	$2,034	$2,302	13.2%	$4,381
Ottawa	2,954	1,605	1,813	13.0%	7,376
Alberta	892	1,407	1,539	9.4%	1,417
Montreal	1,675	1,849	2,044	10.5%	2,819
Total/Average	**7,883**	**$1,714**	**$1,922**	**12.1%**	**$15,993**

Management currently estimates that the portfolio has annualized gain-to-lease potential of approximately $15,993, compared to $13,989 at June 30, 2022, and $7,271 at September 30, 2021. As market rents continue to increase, embedded gain-to-lease potential will also increase.

The REIT continues to realize on gain-to-lease opportunities as suites turnover and expects to continue doing so going forward. The REIT's ability to realize the gain-to-lease potential is dependent on suite move-outs and overall market conditions. Management expects that portfolio turnover will begin to moderate slightly given the anticipated continued strength of the rental market. Notwithstanding a potential slow down in turnover, Management expects that the REIT will be able to realize a significant portion of the gain-to-lease potential over a period of three to five years.

[1] New leases signed includes 100% of new leases from co-ownerships and excludes new leases of furnished suites.
[2] Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"
[3] For co-owned properties, reflects the REIT's co-ownership interest only.
[4] Excludes 189 furnished suites, 160 vacant suites and 59 suites offline for repositioning.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Management also monitors market conditions for condominium suites being offered as rentals and considers this information when setting its estimate of monthly market rent. The REIT's suites continue to compare favourably to condominiums on a size and rental rate basis. For example, the average size and rental rate of the REIT's occupied Toronto suites are 775 square feet and $2.62 per square foot respectively, compared to 708 square feet and $3.86 per square foot for the average condo rental.[1]

Value Creation

Repositionings

In order to take advantage of market demand for repositioned properties, the REIT's asset management strategy targets improvements to suites, common areas and amenities. As part of an asset management plan for each building, Management will renovate test suites in order to gauge market demand for different improvements or combinations of improvements. Test suites also assist Management in mitigating capital risk by confirming and refining cost estimates, value engineering and uncovering potential construction and design issues prior to a broader roll-out of the program. Once an optimal combination of suite improvements is determined, a repositioning plan is executed for all of the suites in the building as suites turn over. The rate at which Management can complete the repositioning plan depends on the rate of turnover of unrenovated suites which is solely based on residents choosing to vacate their suite for alternative housing arrangements. The REIT does not engage in renovation-related evictions.

A summary of the repositioning activities for Q3 2022 and YTD 2022 is set out below.

		Suites Repositioned and Leased				
Property	**Ownership Interest**	**Three months ended September 30, 2022**	**Nine months ended September 30, 2022**	**Remaining Suites to Reposition**	**Total Suites in the Program**	**Proportion Complete**
Toronto						
Minto Yorkville	100%	—	2	33	99	67%
Leslie York Mills	50%	14	41	204	409	50%
High Park Village	40%	7	21	271	407	33%
Roehampton	100%	7	40	52	148	65%
Martin Grove	100%	1	3	23	32	28%
Ottawa						
Carlisle	100%	7	15	79	191	59%
Castle Hill	100%	5	10	69	176	61%
Montreal						
Rockhill	50%	16	48	758	934	19%
Le 4300	100%	6	12	219	261	16%
Haddon Hall	100%	7	18	144	191	25%
Le Hill-Park	100%	5	8	172	261	34%
Total		**75**	**218**	**2,024**	**3,109**	**35%**

Renovated suites at Le-Hill Park in Montreal

[1] Source: Urbanation Q3 2022 UrbanRental Greater Toronto Area Rental Market Report

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

The following table summarizes costs and average annualized returns from repositioning activities for the past four quarters:

Fiscal Quarter	Suites Renovated	Average Cost per Suite	Average Annual Rental Increase per Suite	Average Unlevered Return[1]
Q4 2021	113	$47,362	$4,475	9.4%
Q1 2022	60	53,380	4,468	8.4%
Q2 2022	83	51,573	4,434	8.6%
Q3 2022	75	54,628	5,150	9.4%
Total/Average	**331**	**$51,155**	**$4,616**	**9.0%**

Management targets an average unlevered return on investment in the range of 8% to 15% on suites renovated and leased.

The REIT's repositioning program represents an attractive capital investment opportunity, generating NAV growth with only modest, near-term earnings dilution. Repositioning programs are flexible, with relatively small, discrete capital commitments and short project durations that are easily accelerated or slowed as market conditions dictate. The REIT's high volume of repositioning programs generates a number of efficiencies through volume purchasing, repeatable design concepts and material selection, strong relationships with trade partners, and transferable lessons learned from other projects. The REIT's ability to reposition suites will be proportionate with future turnover of unrenovated suites, which Management expects to moderate given the strength in the rental market.

Environmental, Social and Governance Initiatives

The REIT continues to implement measures to improve environmental, social, and governance ("ESG") performance under the three strategic pillars of environmental impact, community impact, and business resilience. Highlights from Q3 2022 are provided below.

Environmental Impact

- Having achieved the REIT's 2025 target to reduce portfolio energy consumption by 10% compared to a 2019 baseline, implementation of measures to further reduce energy consumption continued;
  - Natural gas consumption was 18% lower than 2019 for the 12-month period ended March 2022, the most recent period with complete, invoiced utility data;
- Water use remains elevated compared to pre-pandemic levels; however, consumption has decreased compared to the 12 months ended March 2021 ;
  - Comparing the 12-month period ended March 2022 to the 12-month period ended March 2021, water consumption is down 1.7% although it is still 2% higher than consumption for the same period in 2019 mainly due to tenants working from home;
- Implementation of capital projects to further reduce portfolio energy and water use continues and in Q3 included completion of variable frequency drive installations, domestic hot water and heating boiler replacements, building automation system installation and improvements, and installation of shower heads with thermostatic shut-off valves to eliminate water warm-up waste;
- Management is continuing to explore technologies for monitoring and analyzing real-time natural gas and electricity consumption for stabilized properties with pilot projects underway at Huron, Seneca, and Niagara West;
- Solar photovoltaic feasibility studies are in progress for Huron, Seneca, High Park Village, and Aventura;
- New development construction projects are achieving an average waste diversion rate of 83.9% which is better than the REIT's 80% target;
  - Workshops and property visits are being planned to evaluate construction project sites and identify opportunities to further improve waste management and increase diversion;
- A waste management partner for stabilized properties is collecting waste data for 16 properties in Calgary, Montreal, Ottawa, and Toronto;
  - This data will be used to calculate baseline diversion rates and measure performance improvements; and

[1] Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"

- Waste diversion and data collection have begun for four major renovation projects;
  - Data collected through our waste management partners in 2022 and 2023 will be used to determine the baseline waste intensity for renovation projects.

Community Impact and Business Resilience

- Planning for new Diversity and Inclusion training and education has continued, including delivery of bias and inclusion training for the recruitment team, scheduling training for our senior leadership team, and planning lunch and learn training sessions for high-volume hiring managers and inclusiveness training for all employees;
- An initial draft climate change Value at Risk model was prepared and work to refine the model continues;
- Existing ESG requirements in standard contracts and appendices for operational procurement partners have been confirmed and will be maintained; the addition of new requirements is still underway;
- A strategic Business Impact Assessment ("BIA") of the REIT's critical activities was completed and operational BIAs are in progress; outputs from these assessments will be used to update Business Continuity Plans; and
- Strengthening the cybersecurity program continued including work on the incident response management plan (which will be incorporated into the new Business Continuity Plan), on-going threat monitoring, strengthening cybersecurity governance, completion of the refreshment of vendor risk management policies and processes, review of data management policies and procedures, and expansion of multi-factor authentication across all systems.

Governance Framework

The Board of Trustees receives quarterly updates on ESG and an ESG Steering Committee with senior executive representation continues to meet quarterly. REIT employee incentive pay continues to be linked, in part, to ESG performance targets, with half of the annual incentive targets being ESG-related. ESG-related needs and considerations are incorporated into capital and operating budgets and ESG expectations are included in the business plan.

Reporting and Disclosure Commitments

The REIT participated in the 2022 Global Real Estate Sustainability Benchmark ("GRESB") assessment, earning a score of 80, a 3-Star GRESB Rating, and Green Star Designation. This score is a ten-point improvement over 2021 and places the REIT fourth out of 16 in our peer comparison group of North American, residential, listed constituents.

The REIT was included in the GRESB Public Disclosure evaluation for the first time in 2022. The REIT received a score of 93 out of 100, which placed first out of ten in our Canadian peer group and earned the GRESB Public Disclosure Level A rating.

The REIT's 2021 ESG Report was released October 24, 2022. The report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and the Sustainability Accounting Standards Board (SASB) Real Estate Sustainability Accounting Standard.

Outlook

Throughout 2022, a number of economic conditions and factors have been prevalent. Namely, high inflation, sharply rising interest rates, the increasing housing affordability gap, geopolitical instability with the conflict in Ukraine, volatile capital markets (including commodity prices) and continued global supply chain issues. Management is confident that the appropriate strategies are in place to navigate these economic conditions while continuing to focus on growing earnings and building long-term Unitholder value. Management continues to have access to a number of strategic growth avenues. These growth avenues include realizing on the embedded rent in the REIT's high quality, urban portfolio, value creation from repositioning suites, development and intensification on existing properties and select strategic acquisitions from MPI and its affiliates or third parties. While the avenues for growth remain consistent, the economic conditions the REIT now faces have required Management to adapt its strategy to the changing environment.

Through the next several quarters, the main priorities will be to focus on operations to drive top line growth, achieve operational efficiencies and contain operating expenses, refinance variable-rate mortgages to mitigate interest expense volatility and continue the evaluation of capital recycling opportunities. In addition, Management will have a keen focus on allocating capital appropriately, including investing in developments, fulfilling convertible development loan commitments, and advancing repositioning projects. Given the REIT's current cost of capital, at this time it is challenging to execute on external growth on an accretive basis.

The REIT is focused on revenue growth and generating quality earnings and cash flow expansion. Management believes rental demand will continue to increase in light of current economic factors, since rising interest rates further exacerbate the affordability gap for home ownership, which continues to drive rents higher. Rental demand will also increase due to population growth and students returning to on-campus learning. The federal government remains committed to new higher immigration targets proposed in 2021, which along with natural growth, will push net population growth to more than 500,000 people per year for the next three years. Strong commodity prices have also solidified the market conditions in Alberta. Overall, the favourable supply and demand fundamentals should continue to benefit the REIT for the next several quarters.

Given the anticipated strength in the rental market, Management believes that industry turnover will moderate slightly going forward as more affordable housing alternatives will be less available. However, Management does not anticipate turnover will reduce in non-rent controlled markets like Calgary, as well as certain properties in Ontario that were built after November 2018.

Canada's inflation slowed to 6.9% in September 2022[1] but continues to impact the REIT's operating expenses including utilities, services and employee compensation. Management continues to evaluate opportunities for operational efficiencies and cost reductions, which includes focusing on reducing controllable expenses, managing service contracts and supplier relationships, and increasing employee retention. Management is also evaluating enhanced technology to run properties more efficiently and to conserve on utilities consumption. With rising utility costs, the value proposition on some of the technology available in the market has become more attractive and further studies will be performed to assess feasibility. While inflation has placed significant pressure on operating expenses, it has also increased rental rates which will help absorb, or at least, partly offset the rise in costs.

To control inflation and speculative buying, the Bank of Canada raised its benchmark policy interest rate to 3.75% and it is forecasted that this rate will increase further by the end of 2022. A series of interest rate increases by the Bank of Canada has created the potential of a slow down in the Canadian economy. While the REIT has exposure to rising floating interest rates through certain variable-rate mortgages assumed in connection with its Q2 2022 acquisitions and its revolving credit facility, Management is actively working on refinancing the variable rate mortgages with Canadian Mortgage and Housing Corporation ("CMHC") insured fixed-rate mortgages and expects this to be completed in Q4 2022. The REIT's objective is to continue to maintain a balance in its debt ladder and maturities. Rising interest rates also present an opportunity for multi-family residential rental owners as increased interest rates paired with the rising cost of home ownership will further increase the affordability gap between rental housing and home ownership in most Canadian cities. The supply of new housing also remains constrained and inelastic to rising housing demand and population growth, which further increases rental demand.

The economic factors highlighted above have been contributing to volatile capital markets and have hindered the REIT's ability to raise equity. Until the markets stabilize, Management intends to focus on preserving liquidity by managing capital prudently.

Management continues to evaluate a capital recycling program. The assessment of assets includes but is not limited to: assets that have reached peak earnings potential, are located in less strategic areas, have rent-control or lack available prospects to generate meaningful synergies. The sale of select assets would generate additional capital that could be reinvested into projects with enhanced returns and which better align with the REIT's growth strategy and target markets or be used to pay down the revolving credit facility.

The REIT will continue investing in its developments, five convertible development loan programs and repositioning programs. While the completion of the ongoing developments at Richgrove and Leslie York Mills are still a few years out, in the near term Management will continue to manage the projects closely, with the objective of completing the stabilized properties in line with targeted returns. Similarly, the REIT remains committed to fund the existing convertible development loan programs. There continues to be significant constraints on the supply of new multi-family rental housing, and the eventual completion of the REIT's developments and the projects associated with the convertible development loan programs will help contribute new rental housing supply. In addition, the Richgrove development will include 100 affordable housing suites providing flexibility for future tenants in the west end of Toronto. And lastly, Management will continue to focus on evaluating and executing on our repositioning program.

[1] Source: Statistics Canada, *Consumer Price Index, September 2022*

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Organic Growth Opportunities

The REIT expects to realize on the gap between market rent and average sitting rent on new leases as suites turnover and rent is adjusted to current market rates. The average gain-to-lease potential for the portfolio is 12.1% (as set out in the detailed embedded gain-to-lease potential table in the previous section).

Value Creation from Repositioning Existing Assets

The REIT has been able to drive higher revenue by investing in in-suite and common area improvements. Management continuously evaluates the existing properties and the need for repositioning. The REIT has an extensive repositioning program with more than 2,000 suites eligible for repositioning. The REIT's ability to execute its repositioning program is highly dependent on the and market conditions at the time suite renovations are completed. Management is anticipating a slight moderation in turnover into 2023 due to high demand. Subject to unrenovated suites becoming available, the REIT expects to reposition approximately 40 to 50 suites in the last quarter of 2022.

Development of Purpose-Built Rental Properties and Intensification on Existing Sites

Management evaluates and prioritizes potential development projects that can generate NAV and long-term earnings growth for its Unitholders. Development and construction entails some risk, however Management believes the REIT can effectively mitigate this risk through its strategic alliance with MPI and its affiliates by capitalizing on their extensive experience and track record of successful developments and construction projects.

The REIT is in the process of developing additional rental suites on available excess land at the following properties:

Location and Property Name	Ownership	Estimated Suites	Estimated Project Costs[1]	Construction Start Date	Estimated Stabilization	Anticipated Yield
Toronto, ON						
Richgrove	100%	225	$ 114,000	Q4 2021	Q2 2026	4.25% - 4.75%
Leslie York Mills	50%	192	185,000	Q4 2021	Q2 2026	3.75% - 4.25%
High Park Village	40%	680	520,000	Q4 2024 (est.)	Q3 2029	4.25% - 4.75%

The existing Richgrove community comprises two mid-rise residential apartment buildings with a total of 258 suites and a high-rise residential apartment building with a total of 237 suites. The intensification involves the addition of a new tower consisting of approximately 225 suites, including 100 affordable housing suites, and 213 parking stalls. The REIT has negotiated an agreement with the City of Toronto under which the City has already exempted or waived development charges and other fees amounting to $3,794, has committed to advance funding of $4,500, of which $1,350 has been received, and has agreed to provide exemption from property tax and municipal and school taxes for a period of 25 years after first occupancy. On November 30, 2021, a construction financing agreement was executed with CMHC for a maximum financing of $93,745. On March 1, 2022, the initial draw was made on the construction financing which has a fixed interest rate of 2.39% for a 10-year term. Below-grade construction is ongoing with excavation and shoring complete and the pouring of the foundation currently being finished. Grade work is expected to commence in Q1 2023.

Leslie York Mills comprises three existing 18-storey towers with a total of 409 suites. The intensification entails the development of 192 new rental terrace homes in four blocks, creating an indoor pool, gym and recreational area and replacing the existing parking structure with a new two-level underground parking garage. Demolition of above grade parking structures is complete, and site servicing and preparation for temporary parking structures is underway.

High Park Village consists of three buildings comprising 750 rental suites. The REIT is finalizing planning approvals with the City of Toronto to develop two new towers comprising an estimated 680 suites and 335 underground parking stalls. Rezoning was completed in Q3 2022, however the development remains subject to municipal as well as investment partner approval through the Site Plan Approval process.

[1] Estimated project costs are presented at 100% rather than the REIT's proportionate share.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Current economic conditions including high inflation, rising interest rates and municipal development policy changes have created additional volatility in construction cost estimates. Management's strategy for mitigating these risks include significant budget contingency, managing key vendor relationships, exploration of value-engineering opportunities through each stage of the project, coupled with extensive use of sensitivity analysis for construction costs, interests rates, capitalization rates and project duration to ensure project returns remain viable under various changing economic conditions. Management also believes that rental demand will continue to increase under the same economic conditions and will carefully manage projects to deliver appropriate returns to unitholders on a risk-adjusted basis.

The construction of the three development projects would add approximately 1,097 suites to the REIT's portfolio at an estimated total cost of $819,000[1], generating an expected average yield between 3.75% and 4.75%. While projected costs have increased on several projects, increases in rental rates have preserved expected yields.

Access to Urban Pipeline in Target Markets Through MPI and Affiliates

The REIT has entered into agreements to extend convertible development loans to MPI and its affiliates. Convertible development loan projects provide a host of benefits to the REIT including insulation from development risk, an opportunity to earn interest income during the development period, the option to purchase newly constructed rental housing at a discounted price, the potential to provide a more economic entry into markets compared to acquisitions of existing properties, and the preservation of development capacity under the DOT for intensification projects. When the REIT's unit price is trading at a significant discount to NAV, as is currently the case, the REIT will be selective in the pursuit of any new convertible development loan opportunity. The REIT currently has the following convertible development loan projects:

Location and Project Name	Estimated Suites	Estimated Project Costs[1]	Status	Construction Start Date	Estimated Stabilization	Maximum Loan Amount[2]	Advanced as of September 30, 2022[2]
Ottawa, ON							
Fifth + Bank	163	93,000	Stabilized	Q3 2020	Q2 2022	$30,000	$30,000
Beechwood	227	131,000	Under construction	Q4 2021	Q4 2024	51,400	16,265
North Vancouver, BC							
Lonsdale Square	113	83,000	Under construction	Q2 2021	Q4 2023	14,000	13,543
Vancouver, BC							
810 Kingsway	108	78,000	Under construction	Q1 2022	Q3 2024	19,650	11,997
Victoria, BC							
University Heights	593	353,000	Pre-development	Q4 2022 (est.)	Q2 2026	51,700	9,212

Fifth + Bank involves the redevelopment of a commercial property located at 99 Fifth Avenue in the Glebe neighbourhood of Ottawa into a mixed-used multi-residential rental and retail property. Construction of 163 rental suites was completed in Q3 2021 and the property stabilized at the end of Q2 2022. MPI continues to work toward the receipt of site condition approval record from the provincial Ministry of Environment, Conservation and Parks, and, subsequent to September 30, 2022, has agreed to extend the option to purchase the property to June 30, 2023, and extend the maturity of the convertible development loan to July 31, 2023. The REIT has not yet made a decision regarding the exercise of its purchase option and any decision will be based on market conditions and other factors at that time.

Beechwood involves the development of a nine-storey property comprising 227 suites and 6,039 square feet of retail space on a land assembly located at 78-88 Beechwood Avenue and 69-93 Barrette Street in Ottawa. Rezoning approval was received in July 2021. Excavation and shoring is nearing completion and foundation work is to start in Q4 2022. Stabilization is expected by Q4 2024.

Lonsdale Square is part of a large master-planned community on a 99-year land lease with the City of North Vancouver. The building will comprise 113 rental suites and approximately 8,000 square feet of retail space. Construction has reached the sixth storey and the building was topped off in October 2022. Construction completion is expected by Q2 2023 and the property is expected to be stabilized in Q4 2023.

[1] Estimated project costs are presented at 100% rather than the REIT's proportionate share.
[2] Maximum loan amounts and amounts advanced include amounts to fund interest costs.

810 Kingsway involves the development of a six-storey mixed-used building in Vancouver comprising 108 rental suites and approximately 11,500 square feet of at-grade retail space. Site mobilization, demolition and site servicing are complete and excavation shoring is currently underway. The property is expected to be stabilized in Q3 2024.

University Heights involves the development of five buildings containing 593 rental suites and 113,485 square feet of grocery-anchored retail on an 11.5 acre parcel in Victoria currently containing the University Heights Shopping Centre. Additionally, the site contains a Home Depot which will continue to operate throughout the development. The site is in proximity to two post-secondary institutions: The University of Victoria and Camosun College’s Lansdowne Campus, with a combined 46,000+ students and 6,500+ faculty members. The first phase of parkade restoration is underway and construction will be a phased approach with construction of the first building expected to commence in Q4 2022. The project is expected to be fully stabilized in Q2 2026.

In connection with these financings, the REIT has the exclusive option, upon project stabilization, to purchase the property at Fifth + Bank, Lonsdale Square and Beechwood, MPI's 85% ownership interest in 810 Kingsway and MPI's 45% ownership interest in University Heights, at 95% of its then-appraised fair market value as determined by independent and qualified third-party appraisers. If all of the CDL Options are exercised, these projects will add approximately 1,204 suites to the REIT's portfolio. The exercise of the CDL Options would require approval by the independent members of the Board of Trustees.

Capital Recycling Program

The REIT's capital recycling program is an important element of the strategic plan as it represents an internal source of equity capital. Management continuously evaluates its portfolio for relative NOI growth potential, NOI margin, rent regulation, repositioning programs, geographic exposure and average age of the portfolio. This program will allow the REIT to reinvest any equity proceeds into opportunities with enhanced returns and which better align with the REIT's strategy. The capital recycling program is an attractive alternative to raising equity from the capital markets which is currently dilutive to existing unitholders.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Section II - Financial Highlights and Performance

Key Performance Indicators

The REIT's operating results are affected by seasonal variations and other factors, including the impacts of COVID-19, rising interest rates, and inflation. As a result, the operating performance and metrics in one quarter may not be indicative of future quarters. The following tables highlight certain key IFRS and non-IFRS financial and operating measures used by the REIT.

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
Operating						
Number of properties	**32**	29	3	**32**	29	3
Total suites[1]	**8,291**	7,277	1,014	**8,291**	7,277	1,014
Average monthly rent per suite[2]	**$ 1,714**	$ 1,651	3.8 %	**$ 1,714**	$ 1,651	3.8 %
Occupancy - end of the period[2]	**97.36 %**	94.83 %	253 bps	**97.36 %**	94.83 %	253 bps
Occupancy - average for the period[2]	**96.21 %**	92.87 %	334 bps	**95.05 %**	91.67 %	338 bps
Average monthly rent per suite[2] - Same Property Portfolio	**$ 1,720**	$ 1,651	4.2 %	**$ 1,720**	$ 1,651	4.2 %
Occupancy - average for the period[2] - Same Property Portfolio	**96.33 %**	92.87 %	346 bps	**95.13 %**	91.67 %	346 bps
Financial						
Revenue	**$ 37,838**	$ 31,234	21.1 %	**$ 105,874**	$ 91,118	16.2 %
NOI[2]	**$ 24,224**	$ 19,405	24.8 %	**$ 64,849**	$ 56,307	15.2 %
NOI margin[2]	**64.0 %**	62.1 %	190 bps	**61.3 %**	61.8 %	(50) bps
Net income and comprehensive income	**$ 39,655**	$ 80,928	(51.0)%	**$ 257,832**	$ 69,228	272.4 %
Revenue - Same Property Portfolio	**$ 34,308**	$ 31,234	9.8 %	**$ 98,891**	$ 91,118	8.5 %
NOI[2] - Same Property Portfolio	**$ 21,983**	$ 19,405	13.3 %	**$ 60,575**	$ 56,307	7.6 %
NOI margin[2] - Same Property Portfolio	**64.1 %**	62.1 %	200 bps	**61.3 %**	61.8 %	(50) bps
FFO[2]	**$ 15,654**	$ 12,453	25.7 %	**$ 41,313**	$ 35,285	17.1 %
FFO per unit[2,3]	**$ 0.2380**	$ 0.2109	12.8 %	**$ 0.6394**	$ 0.5976	7.0 %
AFFO[2]	**$ 13,952**	$ 10,883	28.2 %	**$ 36,283**	$ 30,578	18.7 %
AFFO per unit[2,3]	**$ 0.2121**	$ 0.1842	15.1 %	**$ 0.5616**	$ 0.5179	8.4 %
AFFO Payout Ratio[2]	**55.9 %**	61.7 %	580 bps	**63.6 %**	65.9 %	230 bps
Distribution per unit	**$ 0.1187**	$ 0.1138	4.3 %	**$ 0.3561**	$ 0.3413	4.3 %
Distribution yield[2] based on Unit closing price	**3.68 %**	2.03 %	165 bps	**3.68 %**	2.03 %	165 bps

[1] At September 30, 2022, includes 2,664 (September 30, 2021 - 2,163) suites co-owned with institutional partners.
[2] Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"
[3] In Q3 2022, the REIT received a one-time insurance recovery of approximately $594. Excluding this recovery, increases in FFO and FFO per unit in Q3 2022 were 20.9% and 8.6%, respectively and increases in FFO and FFO per unit for YTD 2022 were 15.3% and 5.3%, respectively as compared to the same periods in 2021. Excluding this recovery, increases in AFFO and AFFO per unit in Q3 2022 were 22.7% and 10.2%, respectively and increases in AFFO and AFFO per unit for YTD 2022 were 16.6% and 6.5%, respectively as compared to the same periods in 2021.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

As at		September 30, 2022		December 31, 2021	Change
Leverage					
Debt-to-Gross Book Value ratio[1]		**39.9 %**		36.5 %	(340) bps
Debt Service Coverage ratio[1]		**1.72 x**		1.76 x	(0.04)x
Debt-to-Adjusted EBITDA ratio[1]		**13.11 x**		12.25 x	(0.86)x
Weighted average term to maturity on fixed rate debt[1]		**4.48**		4.69	(0.21) years
Weighted average interest rate on fixed rate debt[1]		**2.90 %**		2.82 %	(8) bps
Valuation					
NAV[1]	**$**	**1,583,048**	$	1,508,416	4.9 %
NAV per unit[1]	**$**	**24.12**	$	24.00	0.5 %

Review of Financial Performance

The following tables highlight selected financial information for the REIT's Same Property Portfolio and Total Portfolio for the three and nine months ended September 30, 2022 and 2021.

Same Property Portfolio

	Three months ended September 30,					Nine months ended September 30,				
		2022		2021	% Change		2022		2021	% Change
Revenue from investment properties	**$**	**34,308**	$	31,234	9.8 %	**$**	**98,891**	$	91,118	8.5 %
Property operating costs		**6,499**		6,228	(4.4)%		**19,465**		17,791	(9.4)%
Property taxes		**3,524**		3,436	(2.6)%		**10,542**		9,814	(7.4)%
Utilities		**2,302**		2,165	(6.3)%		**8,309**		7,206	(15.3)%
		12,325		11,829	(4.2)%		**38,316**		34,811	(10.1)%
NOI[1]	**$**	**21,983**	$	19,405	13.3 %	**$**	**60,575**	$	56,307	7.6 %
NOI margin[1]		**64.1 %**		62.1 %	200 bps		**61.3 %**		61.8 %	(50) bps

Total Portfolio

	Three months ended September 30,					Nine months ended September 30,				
		2022		2021	% Change		2022		2021	% Change
Revenue from investment properties	**$**	**37,838**	$	31,234	21.1 %	**$**	**105,874**	$	91,118	16.2 %
Property operating costs		**7,233**		6,228	(16.1)%		**20,973**		17,791	(17.9)%
Property taxes		**3,870**		3,436	(12.6)%		**11,244**		9,814	(14.6)%
Utilities		**2,511**		2,165	(16.0)%		**8,808**		7,206	(22.2)%
Operating expenses		**13,614**		11,829	(15.1)%		**41,025**		34,811	(17.9)%
NOI[1]		**24,224**		19,405	24.8 %		**64,849**		56,307	15.2 %
NOI margin[1]		**64.0 %**		62.1 %	190 bps		**61.3 %**		61.8 %	(50) bps
General and administrative expenses		**2,254**		1,887	(19.4)%		**6,749**		5,753	(17.3)%
Finance costs - operations		**11,923**		8,915	(33.7)%		**31,406**		26,512	(18.5)%
Finance income		**(1,231)**		(833)	47.8 %		**(3,326)**		(2,250)	47.8 %
Fair value loss (gain) on:										
Investment properties		**18,689**		(34,663)			**6,619**		(86,055)	
Class B LP Units		**(44,813)**		(35,976)	24.6 %		**(227,148)**		45,310	
Interest rate swap		**(302)**		(145)	108.3 %		**(2,385)**		(1,204)	98.1 %
Unit-based compensation		**(633)**		(282)	124.5 %		**(2,600)**		235	
Fees and other income		**(1,318)**		(426)	209.4 %		**(2,298)**		(1,222)	88.1 %
Net income and comprehensive income	**$**	**39,655**	$	80,928	(51.0)%	**$**	**257,832**	$	69,228	272.4 %

[1] Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Net Operating Income

The Q3 2022 NOI for the Same Property Portfolio increased by 13.3% which was driven by rental revenue growth of 9.8%. This was largely due to improvements in occupancy and average monthly rents which led to a 9.4% increase in unfurnished suite revenue. This was augmented by the increased rates and occupancy for furnished suites as demand returns to pre-COVID-19 levels leading to growth of 19.5%. This was partially offset by an increase in utilities mainly from higher gas rates and higher property operating costs due to increases in salaries and insurance rates.

The YTD 2022 NOI for the Same Property Portfolio increased by 7.6% which was driven by rental revenue growth of 8.5%. This was largely due to improvements in occupancy and average monthly rents which led to an 8.3% increase in unfurnished suite revenue. This was augmented by the increased rates and occupancy for furnished suites as demand returns to pre-COVID-19 levels leading to growth of 17.1%. This was partially offset by an increase in utilities mainly from significantly higher gas rates and higher property operating costs due to increases in salaries and insurance rates. A one-time property tax refund received in Q2 2021 pertaining to select Ottawa properties of approximately $600 resulted in lower property tax for the period. Excluding the impacts of this one-time property tax refund, the Same Property NOI growth would have increased by 110 bps to 8.7% for YTD 2022 as compared to YTD 2021. This also would have increased Same Property NOI margin growth by 70 bps over the same period.

For Q3 2022 and YTD 2022, the NOI variance between Same Property Portfolio results and Total Portfolio results is due to the properties acquired subsequent to Q3 2021: Le Hill-Park in Q4 2021, and Niagara West and The International in Q2 2022. As such, the discussion for items associated with determining NOI will be focused from the context of Same Property Portfolio results.

Revenue from Investment Properties

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Rental revenue						
Unfurnished suites	**28,835**	26,360	9.4 %	**84,470**	77,995	8.3 %
Furnished suites	**2,697**	2,257	19.5 %	**6,520**	5,570	17.1 %
Commercial leases	**416**	536	(22.4)%	**1,172**	1,624	(27.8)%
Parking revenue	**1,242**	1,119	11.0 %	**3,679**	3,263	12.7 %
Other property income	**1,118**	962	16.2 %	**3,050**	2,666	14.4 %
	$ 34,308	$ 31,234	9.8 %	**$ 98,891**	$ 91,118	8.5 %

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Rental revenue						
Unfurnished suites	**$ 31,886**	$ 26,360	21.0 %	**$ 90,576**	$ 77,995	16.1 %
Furnished suites	**2,697**	2,257	19.5 %	**6,520**	5,570	17.1 %
Commercial leases	**582**	536	8.6 %	**1,477**	1,624	(9.1)%
Parking revenue	**1,434**	1,119	28.2 %	**4,007**	3,263	22.8 %
Other property income	**1,239**	962	28.8 %	**3,294**	2,666	23.6 %
	$ 37,838	$ 31,234	21.1 %	**$ 105,874**	$ 91,118	16.2 %

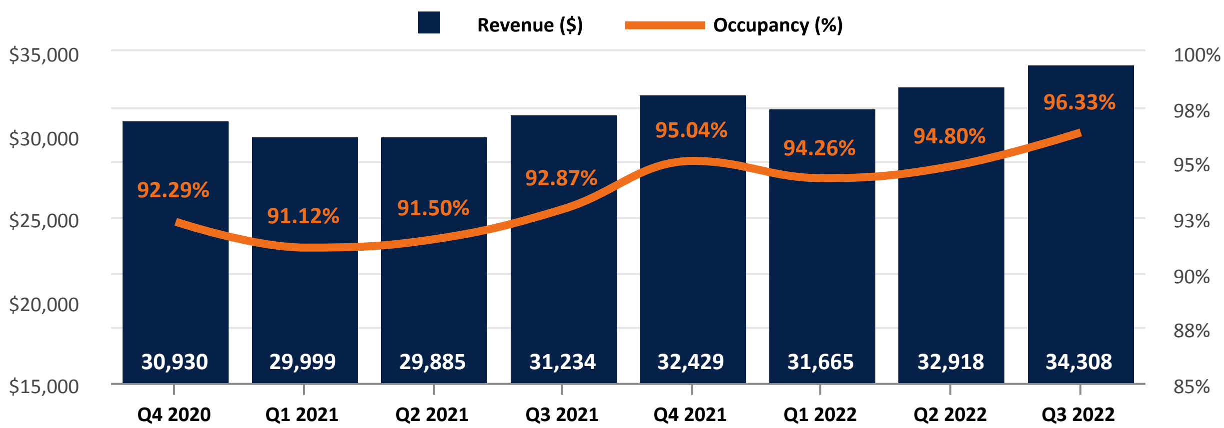
Revenue from investment properties consists of rental revenue from residential lease agreements relating to unfurnished suites and furnished suites, commercial lease agreements, parking revenue and other property income. Other property income consists of ancillary revenue from laundry facilities, telecommunication commission revenue, membership fee revenue, other fee income from tenants and recoveries of utility charges, operating costs and property taxes.

Rental Revenue from Unfurnished Suites

For Q3 2022, rental revenue from unfurnished suites for the Same Property Portfolio increased 9.4% from Q3 2021, primarily due to improved occupancy and higher average monthly rents, as well as reduced amortization of promotions. Lease promotions have significantly slowed as the rental market has strengthened. Same Property Portfolio average occupancy for Q3 2022 was 96.33% compared to 92.87% for Q3 2021 and average monthly rent per occupied suite of $1,720 as at September 30, 2022 was 4.2% per month higher than Q3 2021.

For YTD 2022, Same Property Portfolio rental revenue from unfurnished suites was 8.3% higher than YTD 2021, primarily due to higher occupancy and average monthly rents. Same Property Portfolio average occupancy of 95.13% for YTD 2022 was 346 bps higher than YTD 2021.

Same Property Portfolio Revenue and Occupancy[1]



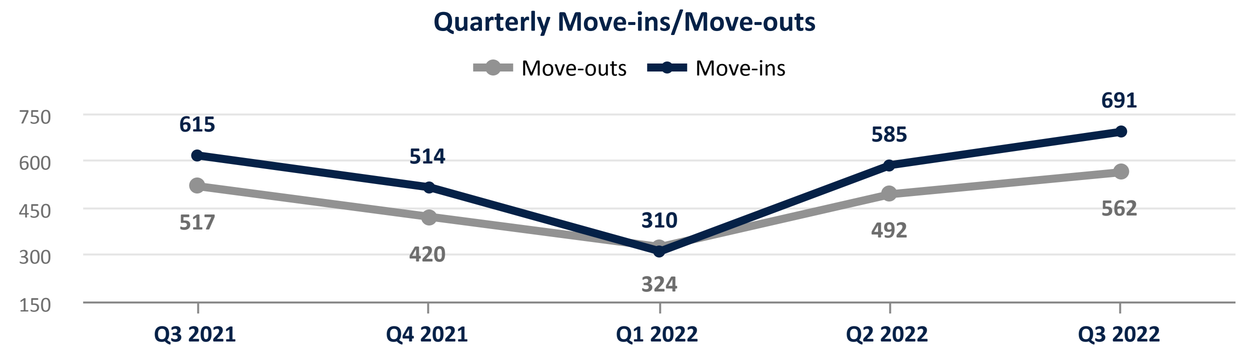
In 2021 Management offered promotions to residents to increase occupancy; this peaked in Q2 2021 and has since been reduced substantially as the REIT's occupancy has improved and the need for such incentives has declined. Despite the reduction in the promotions offered, amortization over their lease terms continues to impact rental revenue from unfurnished suites.

For Q3 2022 and YTD 2022, revenue from unfurnished suites for the Total Portfolio was 21.0% and 16.1% higher as compared to the same periods in 2021, of which 9.6% and 6.7%, respectively related to the acquisitions. Total Portfolio average monthly rent per suite was $1,714 and average occupancy for Q3 2022 and YTD 2022 was 96.21% and 95.05%, respectively.

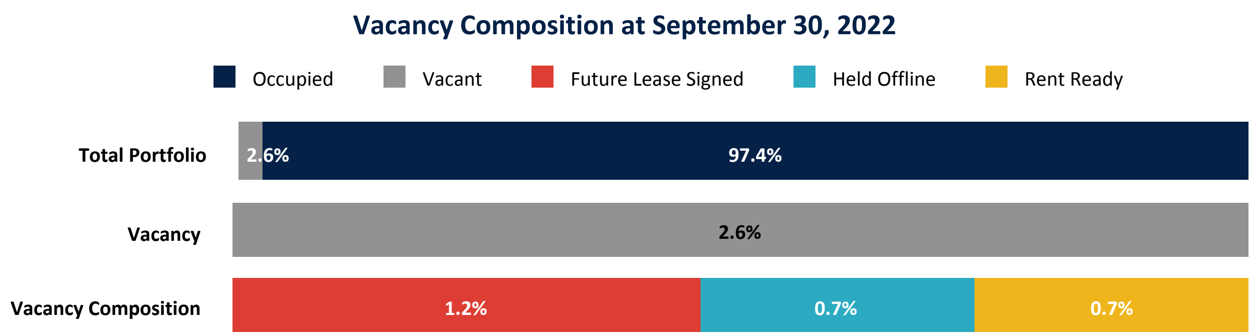
In Q3 2022, the REIT realized a significantly higher gain-to-lease of 14.5% on 574 new leases signed, compared to a 4.4% gain-to-lease on 555 new leases signed in Q3 2021. In YTD 2022, the REIT also realized higher gain-to-lease over YTD 2021, realizing a gain of 13.0% on the 1,642 new leases signed, compared to gain-to-lease of 5.2% on 1,559 leases signed in the prior period.

[1] Occupancy - average for the period.

In Q3 2022, there were 562 move-outs and 691 move-ins, compared to 517 move-outs and 615 move-ins for Q3 2021. The graph below sets out the REIT's quarterly move-in/move-out metrics for the past five quarters (100% basis), and illustrates the return to typical seasonal leasing patterns of higher leasing activity in Q2 and Q3 and reduced activity in the late fall and winter months.



At September 30, 2022, the REIT's Total Portfolio had vacancy of 219 suites (2.6% of total suites), of which 102 suites (1.2% of total suites) were leased for future occupancy, 59 suites (0.7% of total suites) were held offline undergoing post move out repairs and maintenance or under renovation for repositioning programs, and 58 suites (0.7% of total suites) were rent ready.



Rental Revenue from Furnished Suites

For Q3 2022 and YTD 2022, rental revenue from furnished suites for the Same Property Portfolio was 19.5% and 17.1% higher, respectively over the same periods in 2021, despite the reduction in the furnished suite portfolio. Average monthly rent of $5,261 at Q3 2022 represents a substantial increase over $3,997 for Q3 2021, and occupancy of 91.85% showed significant improvement over 86.30% in Q3 2021. Average monthly rent and average occupancy of $4,644 and 80.00%, respectively for YTD 2022 were also significantly higher than $3,717 and 74.05% for YTD 2021. These metrics have improved as a result of a robust recovery in demand from business travel, corporate relocations, easing restrictions on non-essential travel and inflation.

Rental Revenue from Commercial Leases

For Q3 2022 and YTD 2022, revenue from commercial leases for the Same Property Portfolio was 22.4% and 27.8% lower as compared to the same periods in 2021. This decrease was due to lower revenue and expense recoveries, as well as promotions offered in Ottawa. The Q3 2022 commercial lease revenue improved by $139 over Q2 2022, mainly as a result of decreases in promotions being offered as commercial rental markets improve. Management has been evaluating the potential of converting underperforming commercial space at the Carlisle in Ottawa into unfurnished suites, but given the scarcity of capital and increasing construction costs, Management has opted to defer pursuing this project and is focusing on optimizing revenue in this space.

For Q3 2022 and YTD 2022, revenue from commercial leases for the Total Portfolio was 8.6% higher and 9.1% lower as compared to the same periods in 2021, of which 28.5% and 20.6%, respectively related to commercial space at Niagara West.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Parking Revenue

For Q3 2022 and YTD 2022, parking revenue for the Same Property Portfolio increased by 11.0% and 12.7%, respectively over the same periods in 2021, mainly as a result of increased parking use due to improved occupancy and higher rates charged to tenants.

For Q3 2022 and YTD 2022, parking revenue for the Total Portfolio was 28.2% and 22.8% higher as compared to the same periods in 2021, of which 13.4% and 8.2%, respectively related to the acquisitions.

Other Property Income

For Q3 2022 and YTD 2022, other property income for the Same Property Portfolio increased by 16.2% and 14.4% as compared to the same periods in 2021, primarily as a result of membership fees from fitness centres, in addition to higher revenue from laundry, storage rentals and guest suites.

For Q3 2022 and YTD 2022, other property income for the Total Portfolio was 28.8% and 23.6% higher as compared to the same periods in 2021, of which 9.8% and 7.4%, respectively related to the acquisitions.

Property Operating Costs

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Property operating costs	**$ 6,499**	$ 6,228	(4.4)%	**$ 19,465**	$ 17,791	(9.4)%

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Property operating costs	**$ 7,233**	$ 6,228	(16.1)%	**$ 20,973**	$ 17,791	(17.9)%

Property operating costs relate to direct costs associated with operating the properties and providing services to tenants, including repairs and maintenance, insurance, site staff salaries, cleaning costs, leasing costs, supplies, and waste removal.

For Q3 2022, Same Property Portfolio property operating costs were 4.4% higher compared to Q3 2021, mainly as a result of an increase in salaries and wages, bad debt expense and insurance premiums. The increase in salaries was mainly a result of filling staffing vacancies in addition to annual salary increases. The increase in bad debt expense is driven by an overall increase in leasing activity which is correlated with revenue growth. Higher insurance expense is due to an increase in insurance rates across the portfolio.

For YTD 2022, property operating costs for the Same Property Portfolio were 9.4% higher than YTD 2021, mainly due to increased salaries and wages, repairs and maintenance, bad debt expense, legal and administrative expenses and insurance premiums.

For Q3 2022 and YTD 2022, property operating costs for the Total Portfolio were 16.1% and 17.9% higher as compared to the same periods in 2021, of which 10.1% and 7.2%, respectively related to the acquisitions.

Same Property Portfolio property operating costs were 18.9% of revenue for Q3 2022, compared to 19.9% for Q3 2021. For Q3 2022, Total Portfolio property operating costs were 19.1% of revenue, compared to 19.9% for Q3 2021. For YTD 2022, Same Property Portfolio property operating costs were 19.7% of revenue, compared to 19.5% for YTD 2021. For YTD 2022, Total Portfolio property operating costs were 19.8% of revenue, compared to 19.5% for YTD 2021.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Property Taxes

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	**2022**	2021	% Change
Property taxes	**$ 3,524**	$ 3,436	(2.6)%	**$ 10,542**	$ 9,814	(7.4)%

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	**2022**	2021	% Change
Property taxes	**$ 3,870**	$ 3,436	(12.6)%	**$ 11,244**	$ 9,814	(14.6)%

Property taxes for the Same Property Portfolio for Q3 2022 were 2.6% higher compared to Q3 2021 primarily due to changes in assessed values and tax rates across the portfolio.

Property taxes for the Same Property Portfolio for YTD 2022 were 7.4% higher than YTD 2021, primarily due to changes in assessed values and tax rates across the portfolio as well as refunds received in Q2 2021 from successful property tax appeals of approximately $600 relating to certain properties in Ottawa.

For Q3 2022 and YTD 2022, property taxes for the Total Portfolio were 12.6% and 14.6% higher as compared to the same periods in 2021, of which 8.9% and 6.2%, respectively related to the acquisitions.

Same Property Portfolio property taxes were 10.3% of revenue for Q3 2022, compared to 11.0% for Q3 2021. Total Portfolio property taxes were 10.2% of revenue for Q3 2022, compared to 11.0% for Q3 2021. For YTD 2022, Same Property Portfolio property taxes were 10.7% of revenue, compared to 10.8% for YTD 2021. For YTD 2022, Total Portfolio property taxes were 10.6% of revenue, compared to 10.8% for YTD 2021.

Utilities

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	**2022**	2021	% Change
Electricity	**$ 1,110**	$ 1,120	0.9 %	**$ 3,061**	$ 3,002	(2.0)%
Natural gas	**392**	232	(69.0)%	**3,012**	1,952	(54.3)%
Water	**800**	813	1.6 %	**2,236**	2,252	0.7 %
	$ 2,302	$ 2,165	(6.3)%	**$ 8,309**	$ 7,206	(15.3)%

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	% Change	**2022**	2021	% Change
Electricity	**$ 1,235**	$ 1,120	(10.3)%	**$ 3,283**	$ 3,002	(9.4)%
Natural gas	**445**	232	(91.8)%	**3,238**	1,952	(65.9)%
Water	**831**	813	(2.2)%	**2,287**	2,252	(1.6)%
	$ 2,511	$ 2,165	(16.0)%	**$ 8,808**	$ 7,206	(22.2)%

Utilities consist of electricity, natural gas and water for the rental properties. Utility costs are seasonal and can be highly variable from one period to the next. In addition to seasonality-driven usage, utility rates and commodity prices impact costs.

Same Property Portfolio utilities for Q3 2022 were 6.3% higher compared to Q3 2021 primarily due to an increase in natural gas expense. The increase in natural gas expense is the result of significant increases in rates and federal carbon levies across all geographic nodes paired with increased consumption. Natural gas for the Same Property Portfolio for Q3 2022 was 69.0% higher than Q3 2021. This was partially offset by a cooler summer in Ontario which led to reduced electricity usage as cooling degree days were 15.5% lower for Q3 2022 compared to Q3 2021.

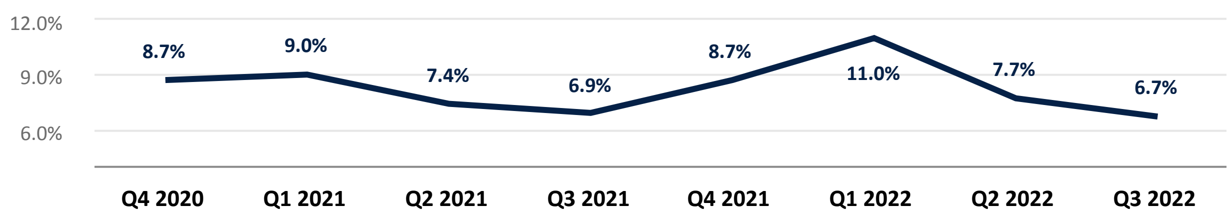
Same Property Portfolio utilities for YTD 2022 were 15.3% higher compared to YTD 2021 primarily due to an increase in natural gas expense. The increase in natural gas expense is a combination of higher rates due to shortages in supply and increased federal carbon levies as a result of macroeconomic pressures causing uncertainty in the global energy landscape. A colder winter and spring in all regions led to increased usage as heating degree days were 11.2% higher for the first two quarters of 2022 when compared to the same period in 2021. This is partially offset by lower cooling degree days during Q3 2022, in Ontario, resulting in lower air conditioning usage.

For Q3 2022 and YTD 2022, utilities for the Total Portfolio were 16.0% and 22.2% higher as compared to the same periods in 2021, of which 8.3% and 5.7%, respectively related to the acquisitions.

Natural gas rates are expected to remain higher for the remainder of 2022 and as a result, the REIT anticipates utilities to increase as a percentage of revenue due to the colder months of Q4 2022.

Same Property Portfolio utilities represent 6.7% of revenue, compared to 6.9% for Q3 2021. Total Portfolio utilities for Q3 2022 represent 6.6% of revenue, compared to 6.9% for Q3 2021. For YTD 2022, Same Property Portfolio utilities represent 8.4% of revenue, compared to 7.9% for YTD 2021. Total Portfolio utilities for YTD 2022 represent 8.3% of revenue, compared to 7.9% for YTD 2021.

Same Property Portfolio Utilities as a Percentage of Revenue[1]



General and Administrative Expenses

General and administrative expenses relate to the administration of the REIT, including: audit fees, legal fees, salaries and benefits for REIT employees, Trustee fees and costs associated with support services provided under the Administrative Support Agreement ("ASA") between the REIT and MPI.

The general and administrative expenses for Q3 2022 and YTD 2022 increased 19.4% and 17.3% respectively, primarily driven by executive compensation and Unit-based compensation for the hiring of the new President and Chief Operating Officer, and higher professional fees, and travel costs.

[1] Same Property Portfolio utilities as a percentage of revenue is reflective of Total Portfolio utilities as a percentage of revenue.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Finance Costs - Operations

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Interest expense on mortgages and loans	**$ 5,815**	$ 4,150	(40.1)%	**$ 15,383**	$ 12,444	(23.6)%
Interest expense and standby fees on credit facility	**1,573**	563	(179.4)%	**2,784**	1,340	(107.8)%
Amortization of financing charges	**293**	144	(103.5)%	**610**	495	(23.2)%
Amortization of mark-to-market adjustments	**(178)**	(193)	7.8 %	**(564)**	(577)	2.3 %
Capitalized interest expense	**(283)**	(27)	948.1 %	**(567)**	(27)	2,000.0 %
Interest expense and other financing charges	**7,220**	4,637	(55.7)%	**17,646**	13,675	(29.0)%
Distributions on Class B LP Units	**3,058**	2,591	(18.0)%	**8,820**	7,771	(13.5)%
Distributions on Class C LP Units	**1,645**	1,687	2.5 %	**4,940**	5,066	2.5 %
	$ 11,923	$ 8,915	(33.7)%	**$ 31,406**	$ 26,512	(18.5)%

Finance costs comprise interest expense on fixed and variable rate mortgages and construction loans, interest expense and standby fees on the revolving credit facility, amortization of financing charges and mark-to-market adjustments on debt and distributions on Class B LP Units and Class C limited partnership units ("Class C LP Units") of the Partnership, offset by capitalized interest expense.

Finance costs for Q3 2022 were higher by $3,008 compared to Q3 2021, primarily as a result of additional interest expense on newly acquired debt and the credit facility and an increase in distributions on Class B LP Units. Higher interest expense on the credit facility is a result of increased usage and higher interest rates. For Q3 2022 the average outstanding balance was $123,253 with an average borrowing rate of 4.83%, compared to $78,197 in Q3 2021 with an average borrowing rate of 2.20%. The increase in mortgage interest expense is primarily driven by $1,793 of interest expense associated with mortgages for Le Hill-Park, Niagara West and The International. The weighted average interest rate on the variable rate mortgages associated with Niagara West and The International increased to 6.14% in Q3 2022 and accounts for $1,507 of the additional interest expense over Q3 2021. Management is actively working on securing CMHC-insured fixed rate mortgages for both of these properties and anticipates these will be put in place for Q4 2022. Class B LP Unit distributions were higher by $355 as a result of the additional units issued in connection with the Niagara West acquisition, and another $113 due to the monthly distribution increase approved in November 2021 which increased the distributions from $0.03792 in Q3 2021 to $0.03958 for Q3 2022.

Finance costs for YTD 2022 were $4,894 higher compared to YTD 2021, primarily as a result of increased interest expense from the credit facility due to higher interest rates and increased usage, an increase of $340 from higher distributions on existing Class B LP Units and an increase of $709 from additional Class B LP Units issued, and $2,868 of interest expense on mortgages secured by the three properties acquired since Q3 2021.

Finance Income

Finance income comprises interest income on convertible development loans and a Unit purchase loan made to the REIT's President and Chief Operating Officer, and interest on bank deposits.

Finance income for both Q3 2022 and YTD 2022 was 47.8% higher compared to the same periods in 2021, primarily as a result of higher interest income earned on convertible development loans. As at September 30, 2022, the REIT had advanced $21,209 on two new convertible development loan commitments and an additional $7,716 on three existing commitments, thus driving higher interest income over 2021.

Fair Value Gain (Loss) on Investment Properties

Fair value of residential investment properties is predominantly determined using the direct capitalization approach, by applying an appropriate capitalization rate which reflects the characteristics, location and market conditions to the estimated 12-month stabilized forecasted NOI for each property, reduced by an estimate of five-year future capital expenditures.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

The fair value gain (loss) on investment properties was a result of movement in the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Forecast NOI	**$ 24,999**	$ (4,209)	**$ 83,234**	$ 5,077
Capitalization rates	**(23,375)**	55,886	**(47,516)**	112,491
Capital expenditure reserve	**(20,313)**	(17,014)	**(42,337)**	(34,194)
COVID-19 reserve	**—**	—	**—**	2,681
	$ (18,689)	$ 34,663	**$ (6,619)**	$ 86,055

Increases in capitalization rates of 12.5 bps on select suburban Ottawa and Toronto assets were completely offset by forecast NOI growth in Q3 2022 due to strong realized and forecasted leasing results continuing to outpace expense inflation. The weighted average capitalization rate used for the Q3 2022 valuation of residential properties was 3.68%, compared to 3.64% in Q2 2022 and 3.62% in Q3 2021. The upward adjustment is derived from market data indicating mild capitalization rate expansion on multi-family assets due to the rising interest rate environment. In addition, the capital expenditure reserve increased based on the advancement in timing of planned capital projects, collectively resulting in an $18,689 fair value loss.

The fair value loss YTD 2022 was due to capitalization rate expansion of 12.5 bps across Montreal, Ottawa and select Toronto assets based on their individual rental fundamentals and the changing debt market, as well as the progression of planned capital projects, partially offset by increased forecast NOI as a result of stronger leasing across all geographies.

Fair Value Loss (Gain) on Class B LP Units

The Class B LP Units are economically equivalent to Units, in that they receive distributions equal to the distributions paid on Units and are exchangeable into Units at the holder's option. The Class B LP Units are classified as financial liabilities and measured at fair value with any changes in fair value recorded in net income. The fair value gain or loss on Class B LP Units is measured every period by reference to the closing trading price of the Units. An increase in the Unit closing price over the period results in a fair value loss, whereas a decrease in the Unit closing price over the period results in a fair value gain.

The change in Unit price for the periods presented was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Unit price - opening	**$ 14.64**	$ 23.94	**$ 21.89**	$ 20.37
Unit price - closing	**12.90**	22.36	**12.90**	22.36

The decreases in Unit price in Q3 2022 and Q3 2021 resulted in fair value gains of $44,813 and $35,976, respectively. For YTD 2022, the decrease in Unit price resulted in a fair value gain of $227,148, compared to an increase in Unit price for YTD 2021 that resulted in a fair value loss of $45,310.

Fair Value Loss (Gain) on Interest Rate Swap

The REIT has an interest rate swap to receive variable interest based on one-month bankers' acceptance plus 185 bps and pay fixed interest at 3.38%. The swap is remeasured at each reporting date using discounted cash flow analysis.

For Q3 2022 and YTD 2022, the REIT recognized fair value gains of $302 and $2,385 respectively, compared to fair value gains of $145 and $1,204 for the same periods in 2021. The fair value gains were primarily a result of an increase in variable interest rates.

Fair Value Loss (Gain) on Unit-Based Compensation

The REIT has issued Deferred Units to its Trustees and executives. The liability is remeasured at each reporting date based on the closing Unit price with changes in the value recorded in net income.

For Q3 2022 and Q3 2021, the REIT recognized fair value gains of $633 and $282, respectively, due to a decrease in the Unit price. For YTD 2022, the REIT recognized a fair value gain of $2,600 due to a decrease in the Unit price, whereas for YTD 2021, an increase in Unit price resulted in a fair value loss of $235.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Fees and Other Income

Fees and other income represent revenue from asset, project and property management services provided by the REIT in connection with four properties co-owned with institutional partners and other income, including insurance recoveries.

For Q3 2022 and YTD 2022, the REIT recognized $1,318 and $2,298 in fees and other income, with the increase over the same periods in 2021 primarily driven by the addition of Niagara West to the portfolio on April 22, 2022. In Q3 2022, the REIT recognized a $594 insurance recovery for a property in Ottawa. Excluding this one-time insurance recovery received in Q3 2022, FFO and AFFO growth would have been 20.9% and 22.7%, respectively when compared to Q3 2021.

Summary of Quarterly Results

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Total assets	**$ 2,714,856**	$ 2,706,092	$ 2,474,897	$ 2,440,714	$ 2,326,515	$ 2,286,697	$ 2,211,191	$ 2,203,284
Investment properties	**$ 2,600,273**	$ 2,599,891	$ 2,384,753	$ 2,360,565	$ 2,252,643	$ 2,206,078	$ 2,145,174	$ 2,138,101
Total liabilities	**$ 1,464,049**	$ 1,487,430	$ 1,435,014	$ 1,430,713	$ 1,419,443	$ 1,456,426	$ 1,385,520	$ 1,353,060
Total non-current liabilities	**$ 1,145,584**	$ 1,244,872	$ 1,273,661	$ 1,248,071	$ 1,331,990	$ 1,394,275	$ 1,273,525	$ 1,243,761
Revenue from investment properties	**$ 37,838**	$ 35,510	$ 32,526	$ 32,429	$ 31,234	$ 29,885	$ 29,999	$ 30,930
NOI[1]	**$ 24,224**	$ 21,839	$ 18,786	$ 19,940	$ 19,405	$ 19,018	$ 17,884	$ 18,946
NOI margin[1]	**64.0%**	61.5%	57.8%	61.5%	62.1%	63.6%	59.6%	61.3%
Net income (loss) and comprehensive income (loss)	**$ 39,655**	$ 183,537	$ 34,640	$ 24,933	$ 80,928	$ 8,727	$ (20,427)	$ 23,010
FFO[1]	**$ 15,654**	$ 13,680	$ 11,979	$ 13,245	$ 12,453	$ 11,941	$ 10,891	$ 12,022
FFO per unit[1]	**$ 0.2380**	$ 0.2100	$ 0.1906	$ 0.2147	$ 0.2109	$ 0.2022	$ 0.1845	$ 0.2036
AFFO[1]	**$ 13,952**	$ 11,983	$ 10,348	$ 11,656	$ 10,883	$ 10,373	$ 9,322	$ 10,459
AFFO per unit[1]	**$ 0.2121**	$ 0.1840	$ 0.1647	$ 0.1890	$ 0.1842	$ 0.1757	$ 0.1579	$ 0.1771
Distributions declared[2]	**$ 7,804**	$ 7,816	$ 7,462	$ 7,356	$ 6,718	$ 6,717	$ 6,716	$ 6,718
AFFO Payout Ratio[1]	**55.9%**	65.2%	72.1%	63.1%	61.7%	64.8%	72.0%	64.2%
Distribution per unit	**$ 0.1187**	$ 0.1187	$ 0.1187	$ 0.1171	$ 0.1138	$ 0.1138	$ 0.1138	$ 0.1138

The REIT's operating results are affected by seasonal variations and other factors, including rising interest rates, inflation, and the impacts of the COVID-19 pandemic. As a result, the operating performance and metrics in one quarter may not be indicative of future quarters. The winter months typically tend to generate weaker performance due to higher energy consumption and snow clearing costs, as well as lower suite turnover. The best performing quarters in any given year are typically the second and third quarters, where stronger leasing demand and higher turnover provide an opportunity to realize the gain-to-lease potential.

Q3 2022 marks a strong quarter for the REIT, driven by favourable market demand conditions in both furnished and unfurnished suites, benefiting revenue and NOI. The use of leasing promotions and discounts were reduced at locations across the portfolio. Average monthly rents and occupancy continued their upward trajectory. Additionally, high inflation has increased the cost of utilities, property expenses, and salaries. The REIT's operating results reflect a full quarter of the contributions from Niagara West and The International, acquired in Q2 2022. At the same time, increases in interest rates by the Bank of Canada, affecting variable rate mortgages in particular, have had a negative impact on financing costs.

[1] Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"
[2] Includes distributions on Units and Class B LP Units.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Section III - Assessment of Financial Position

Investment Properties

The following table summarizes the changes in investment properties:

	Residential properties	Commercial properties	Land under development	Total
Balance, December 31, 2021	$ 2,306,493	$ 18,850	$ 35,222	**$ 2,360,565**
Additions				
Acquisition	186,579	12,702	—	**199,281**
Capital expenditures	33,933	30	—	**33,963**
Development expenditures	—	—	13,083	**13,083**
Fair value loss	(4,647)	(1,972)	—	**(6,619)**
Balance, September 30, 2022	$ 2,522,358	$ 29,610	$ 48,305	**$ 2,600,273**

Acquisition of Investment Properties

On April 22, 2022, the REIT completed the acquisition of a 28.35% managing ownership interest in Niagara West, a multi-residential property in Toronto, Ontario for a total acquisition cost of $112,667. The acquisition was financed by the issuance of Class B LP Units, the assumption of an existing variable-rate mortgage and working capital liabilities, and cash.

On May 6, 2022, the REIT completed the acquisition of The International, a multi-residential property in Calgary, Alberta for a total acquisition cost of $86,614. The acquisition was financed by the assumption of an existing variable-rate mortgage and working capital liabilities, and cash.

Both acquisitions were accounted for as asset acquisitions and contributed to the operating results effective from their respective acquisition dates. Through September 30, 2022, Niagara West and The International have achieved strong average monthly rents of $2,611 and $1,611, respectively. This is supported by stable average occupancy since acquisition of 95.0% and 95.7%, respectively. Their strong performance in both rents and occupancy have contributed to Total Portfolio NOI growth of 15.2% for YTD 2022 over YTD 2021.

Capital Expenditures

The REIT has a capital improvement program in place that is designed to extend the useful life of its investment properties, improve operating efficiency, increase curb appeal, enhance and maintain earnings capacity and meet the expectations of its tenants. The REIT’s capital expenditures are classified into two main categories: value-enhancing capital expenditures and maintenance capital expenditures.

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Total capital expenditures	**$ 12,500**	$ 10,634	**$ 33,963**	$ 26,103
Value-enhancing capital expenditures				
Building improvements	**7,474**	3,909	**19,007**	9,479
Suite upgrades	**3,172**	4,759	**10,024**	12,117
	10,646	8,668	**29,031**	21,596
Maintenance capital expenditures	**1,854**	1,966	**4,932**	4,507
Maintenance capital expenditures per suite	**$ 274**	$ 321	**$ 745**	$ 737

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Value-enhancing capital expenditures consist of either building improvements or suite upgrades. Building improvements include common area and amenity space upgrades, energy conservation projects, building envelope enhancements and suite enhancements performed, when necessary, as suites turn over. Suite upgrades represent capital expenditures incurred on larger repositioning programs that are designed to generate incremental returns. The repositioning programs include full-scale suite renovations that strategically target certain properties or certain geographic locations, as discussed previously in this Management's Discussion and Analysis under Section I, "Overview - Financial and Operating Highlights - Value Creation - Repositioning" and Section I, "Overview - Outlook".

Value-enhancing renovations are intended to generate NAV accretion, long term AFFO accretion and increase tenant satisfaction, however they tend to be AFFO dilutive in the short term owing to vacancy during renovation.

Maintenance capital expenditures include expenditures that are incurred in order to maintain the existing earning capacity of the REIT’s investment properties. Any exterior work is highly dependent on favourable weather conditions and as a result, a significant portion of the exterior work is performed between the months of May and September and therefore actual maintenance capital expenditures in a given quarter may not be indicative of future quarters.

The actual maintenance capital expenditures for Q3 2022 and YTD 2022 were $1,854 and $4,932 or $274 and $745 per suite, respectively, and primarily related to maintenance of plumbing, electrical and mechanical systems, parking garages, fire-life safety systems and common areas at various buildings.

Management targets approximately $900 per suite on average for maintenance capital expenditures on an annual basis, subject to costing pressures from inflation, availability of trades and supply chain constraints.

Development Expenditures

Development expenditures are a component of the REIT's growth and value-creation strategy. These include projects which add to the REIT's existing suite count through intensification or redevelopment of existing assets. Development expenditures are intended to generate NAV accretion and long term AFFO accretion. The REIT is currently developing two projects on excess land available at Richgrove and Leslie York Mills and is pursuing the development of a third project at High Park Village, as discussed under Section I, "Outlook - Development of Purpose-Built Rental Properties and Intensification on Existing Sites". The breakdown of development expenditures incurred in connection with these projects is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Richgrove	**$ 5,081**	$ 1,034	$ 9,103	**$ 1,805**
Leslie York Mills	**1,405**	164	3,387	**362**
High Park Village	**85**	70	593	**217**
	$ 6,571	$ 1,268	**$ 13,083**	$ 2,384

The construction of the Richgrove project continues as planned, with development expenditures primarily related to shoring and excavation which are now complete. Expenditures on foundation work will continue throughout 2022. Development at Leslie York Mills also continues to progress, with the demolition of the existing parking structure complete and as such, expenditures have shifted to the preparation of the temporary parking structure and site servicing. The High Park Village development rezoning was completed in Q3 2022, however the final project specifications remain subject to municipal as well as investment partner approval through the Site Place Approval process, with expenditures incurred as the project progresses through the pre-development phase.

Valuation

Fair value for residential properties is generally determined using the direct capitalization approach. Estimated 12 month stabilized forecasted net operating income is based on the respective property’s forecasted results, less estimated aggregate future capital expenditures. Capitalization rates reflect the characteristics, location and market of each property. Fair value is determined based on internal valuation models incorporating market data and valuations performed by external appraisers.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Capitalization rates fluctuate depending on market conditions. The capitalization rates of the portfolio for each of the REIT's residential rental markets were as follows:

As at	September 30, 2022		December 31, 2021	
	Low	High	Low	High
Ottawa, Ontario	3.75%	4.00%	3.63%	4.00%
Toronto, Ontario	3.13%	3.38%	3.13%	3.25%
Edmonton, Alberta	4.25%	4.25%	4.25%	4.25%
Calgary, Alberta	4.15%	4.50%	4.15%	4.50%
Montreal, Quebec	3.63%	4.00%	3.50%	3.75%
Weighted-average capitalization rate		3.68%		3.60%

Class B LP Units

The Class B LP Units receive distributions equivalent to the distributions paid on Units and are exchangeable at the holder's option into Units. One Special Voting Unit in the REIT is issued to the holder of Class B LP Units for each Class B LP Unit held. The limited IAS 32 exception for presentation as equity does not extend to Class B LP Units. As a result, the Class B LP Units are classified as financial liabilities.

On April 22, 2022, as partial consideration for the acquisition of Niagara West, 2,985,956 Class B LP Units were issued.

As at September 30, 2022, there were 25,755,029 (December 31, 2021 - 22,769,073) Class B LP Units outstanding.

Class C LP Units

The Class C LP Units provide for monthly distributions to the holder of such Class C LP Units to be paid in priority to distributions to holders of the Units and Class B LP Units. Due to the nature of such distributions, the Class C LP Units are classified as financial liabilities.

As at September 30, 2022 and December 31, 2021, there were 22,978,700 Class C LP Units outstanding.

The mortgages of investment properties to which the distributions on the Class C LP Units relate bear a weighted average contractual interest rate of 3.16% (December 31, 2021 - 3.16%) and mature at various dates between 2023 and 2030.

Secured Debt

Secured debt includes mortgages, a construction loan and the REIT's revolving credit facility.

The REIT maintains mortgages with both fixed and variable interest rates that are secured by investment properties. The fixed rate mortgages bear interest at a weighted average contractual interest rate of 2.81% (December 31, 2021 - 2.71%) and mature at various dates between 2022 and 2032. The REIT's fixed rate mortgages include a variable rate mortgage that is fixed at 3.38% through an interest rate swap.

On February 10, 2022, the REIT obtained CMHC-insured mortgages for each of its three Edmonton properties for a total of $32,975. Proceeds from the new mortgages were used to repay the existing mortgages of $16,300 and pay down the credit facility. The new mortgages bear interest at 2.85% and mature on September 1, 2032.

In connection with the acquisitions of Niagara West and The International, the REIT assumed $108,378 in variable rate mortgage financing. The Niagara West mortgage bears interest at bankers' acceptance plus 200 bps or prime plus 100 bps and matures on November 30, 2022. The International's mortgage bears interest at bankers' acceptance rate plus 250 bps or prime plus 100 bps. In Q3 2022, the maturity date of The International was extended by three months to December 31, 2022. At September 30, 2022, the weighted average variable interest rate of these mortgages was 6.14%, up by 1.66% from June 30, 2022. The REIT intends to refinance both mortgages as CMHC-insured fixed rate mortgages by the end of 2022.

The REIT has a fixed rate non-revolving construction loan to finance its Richgrove development. The $93,745 construction loan bears interest at 2.39% and matures on March 1, 2032. As at September 30, 2022, $2,823 (December 31, 2021 - $nil) was drawn. Payments are made monthly on an interest-only basis.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

On June 30, 2022, the REIT increased the total commitment on its revolving credit facility from $200,000 to $300,000. As at September 30, 2022, the REIT had available credit of $268,607 (December 31, 2021 - $200,000) which is the lesser of the total commitment and the lending value. The increase enables the REIT to maintain financial flexibility and continue to capitalize on opportunities to drive long term NAV growth. In addition to the commitment increase, the REIT extended the maturity date of the credit facility by one year to July 3, 2025. The credit facility is secured by several investment properties and is used to fund working capital requirements, acquisitions, letters of credit and for general corporate purposes. The credit facility bears interest at bankers' acceptance rate plus 175 bps or prime plus 75 bps and as at September 30, 2022, the weighted average variable interest rate was 5.49% (December 31, 2021 - 2.19%).

		September 30, 2022		December 31, 2021
Committed	$	300,000	$	200,000
Available		268,607		200,000
Utilized				
Amounts drawn		128,591		51,754
Letter of credit		442		442
		129,033		52,196
Undrawn amount available	**$**	**139,574**	$	147,804

Units

The following table presents the change in and outstanding amount of Units for the nine months ended September 30, 2022:

	Units		$
Opening balance, December 31, 2021	40,069,839	$	714,121
Cancellation of Units under NCIB	(182,227)		(3,248)
Closing balance, September 30, 2022	39,887,612	$	710,873

Normal Course Issuer Bid

On July 15, 2022, the Toronto Stock Exchange ("TSX") accepted the REIT's notice to initiate the NCIB. The NCIB period is from July 21, 2022 to July 20, 2023 and permits the REIT to acquire up to 3,847,284 Units, representing approximately 10% of the REIT’s public float. Under the terms of the NCIB, the REIT may acquire up to 33,965 Units on any given trading day, this limit is derived from approximately 25% of the REIT’s average daily trading volume for the six most recently completed calendar months prior to initiating the NCIB. Purchases under the NCIB will be made in the open market through the facilities of the TSX or through Canadian Alternative Trading Systems.

The REIT’s Board of Trustees authorized the NCIB because it believes that, from time to time, the purchase of Units at prices below the REIT's NAV may be an attractive and appropriate use of the REIT's funds, benefiting remaining Unitholders by increasing the NAV per unit of the REIT. Decisions regarding the timing of purchases of Units will be based on market conditions, Unit price and other factors such as liquidity and the need to prioritize capital.

For Q3 2022, the REIT purchased and cancelled 182,227 Units under the NCIB, at a weighted average purchase price of $15.15 per Unit, for a total cost of $2,764, including commissions. The difference between the purchase price from the weighted average historical Unit issuance price of $17.8 per Unit was recorded as an increase to retained earnings.

Distributions

Distributions are paid monthly, to Unitholders of record at the close of business on the last day of a month, on or about the 15th day of the following month. Distributions must be approved by the Board of Trustees and are subject to change depending on the general economic outlook and financial performance of the REIT.

For Q3 2022 and YTD 2022, distributions to Unitholders of $4,746 and $14,262 (September 30, 2021 - $4,127 and $12,380) were declared based on approved monthly distributions of $0.03958 for the months of January to September (September 30, 2021 - $0.03792 per Unit for the months of January to September).

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

On November 8, 2022, the Board of Trustees approved a 3.2% increase to the REIT's annual distribution from $0.4750 per Unit to $0.4900 per Unit. The monthly distribution will be $0.04083 per Unit, up from $0.03958 per Unit, effective for the November 2022 to be paid on or around December 15, 2022. Management believes this distribution increase is aligned with its goal of maintaining a conservative AFFO payout ratio, which was 63.6% for YTD 2022, to facilitate the reinvestment of capital to fund the REIT's growth initiatives.

Section IV - Liquidity, Capital Resources and Contractual Commitments

Liquidity and Capital Resources

The REIT's capital structure, shown in the table below, is Class B LP Units, Class C LP Units, mortgages, a construction loan, a credit facility and Unitholders' equity.

As at	September 30, 2022	December 31, 2021
Liabilities (principal amounts outstanding):		
Class B LP Units	$ 332,241	$ 498,415
Class C LP Units	208,068	212,183
Mortgages	743,856	627,534
Construction loan	2,823	—
Credit facility	128,591	51,754
	1,415,579	1,389,886
Unitholders' equity	1,250,807	1,010,001
	$ 2,666,386	**$ 2,399,887**

Class B LP Units are economically equivalent to Units and are exchangeable for Units at the Class B LP unitholder's option. Due to their exchange feature, IAS 32 requires Class B LP Units to be accounted for as a financial liability. Class B LP Units are not indebtedness for borrowed money and are not included in the determination of Debt-to-Gross Book Value ratio.

The objective of the REIT's capital strategy is to arrange capital at the lowest possible cost while maintaining diversity in its lending base, balance in its maturity schedule and sufficient liquidity to fund the ongoing operations of the REIT and pay distributions. At September 30, 2022, 65% (December 31, 2021 - 72%) of the REIT's total debt is CMHC insured and approximately 78% (December 31, 2021 - 94%) is fixed rate including variable rate debt fixed through an interest rate swap.

The REIT uses a prudent amount of debt financing in its capital structure. Pursuant to the REIT's DOT, overall indebtedness, as measured by the Debt-to-Gross Book Value ratio, is not to exceed 65% (or 70% of Gross Book Value including convertible debentures). Notwithstanding this limit, it is Management's current intention to maintain a more conservative Debt-to-Gross Book Value ratio. The REIT's Debt-to-Gross Book Value ratio and liquidity as a percentage of total debt are calculated as follows:

As at	September 30, 2022	December 31, 2021
Class C LP Units	$ 209,600	$ 214,069
Mortgages	741,817	626,120
Construction loan	2,823	—
Credit facility	128,591	51,754
Total debt	1,082,831	891,943
Total assets	2,714,856	2,440,714
Debt-to-Gross Book Value ratio[1]	**39.9%**	**36.5%**
Total liquidity	145,145	150,655
Liquidity as a percentage of total debt	**13.4%**	**16.9%**

[1] Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

The REIT continues to maintain a conservative overall leverage position with a Debt-to-Gross Book Value ratio of 39.9% at September 30, 2022.

While the REIT has sufficient liquidity, Management manages its liquidity prudently given the current capital market conditions. The REIT's liquidity ratio (total liquidity as a percentage of total debt) was 13.4% at September 30, 2022, compared to 16.9% at December 31, 2021.

Management measures the Debt-to-Adjusted EBITDA ratio as a measure of the REIT's financial health and liquidity. Generally, the lower the ratio, the lower the credit risk. The REIT’s Debt-to-Adjusted EBITDA ratio is calculated as follows:

For the twelve months ended	September 30, 2022	December 31, 2021
Trailing 12-month NOI[1]	$ 84,789	$ 76,247
Trailing 12-month general and administrative expenses	(8,598)	(7,602)
Trailing 12-month fees and other income	2,114	1,630
	78,305	70,275
Impact on NOI of stabilized earnings from acquisitions	3,893	2,286
Adjusted EBITDA[1]	**82,198**	**72,561**
Total debt	1,082,831	891,943
Cash	5,571	2,851
Total debt, net of cash	1,077,260	889,092
Debt-to-Adjusted EBITDA ratio[1]	**13.11x**	**12.25x**

The REIT's Debt-to-Adjusted EBITDA ratio increased by 0.86x compared to December 31, 2021. The primary reason for the increase is the new financing obtained on the Edmonton properties as the existing mortgages matured, the assumption of the mortgages for Niagara West and The International, and additional draws on the credit facility. In addition, the REIT uses a combination of equity and debt to finance the intensification of existing sites and the issuance of convertible development loans (refer to Section I - "Overview - Outlook"). Any increased debt arising from these latter transactions is not immediately matched by increased NOI until the development projects stabilize or the REIT decides to exercise its options to purchase in connection with the convertible development loan projects, resulting in temporary increase to the Debt-to-Adjusted EBITDA ratio.

The REIT has staggered the maturities of its debt financings, including distributions payable on the Class C LP Units, to reduce interest rate risk and its risk related to refinancing. As at September 30, 2022, the weighted average term to maturity on the REIT’s fixed rate debt was 4.48 years (December 31, 2021 - 4.69 years) and the weighted average interest rate on fixed rate debt was 2.90% (December 31, 2021 - 2.82%). The contractual payments under the REIT’s debt financing are summarized in the table below.

	Principal Repayments		Principal at Maturity						
Year	Mortgages	Class C LP Units	Mortgages	Credit facility	Construction loan	Class C LP Units	Total	% of Total	Interest Rate[2]
2022	$ 3,525	$ 1,395	$ 154,925	$ —	$ —	$ —	$ 159,845	14.8 %	5.27 %
2023	12,629	5,271	71,638	—	—	44,963	134,501	12.4 %	3.19 %
2024	11,053	4,321	48,182	—	—	46,178	109,734	10.1 %	3.04 %
2025	10,077	3,067	41,016	128,591	—	60,474	243,225	22.5 %	2.83 %
2026	8,598	1,283	72,524	—	—	—	82,405	7.6 %	3.00 %
2027	8,153	1,327	—	—	—	21,425	30,905	2.9 %	3.31 %
Thereafter	22,751	1,596	278,785	—	2,823	16,768	322,723	29.8 %	2.67 %
	$ 76,786	**$ 18,260**	**$ 667,070**	**$ 128,591**	**$ 2,823**	**$ 189,808**	**$ 1,083,338**	**100 %**	

Of the REIT's debt financings at September 30, 2022, $236,970 incurs interest at variable interest rates and the weighted average interest rate was 5.79%. Two of the variable rate financings, making up $108,378 of the total variable debt, mature in Q4 2022 and Management is actively working on securing new fixed rate CMHC-insured financing for both.

[1] Refer to "Section VI - Supplemental Information - Non-IFRS and Other Financial Measures"
[2] Weighted average interest rates for maturing mortgages, construction loan, credit facility and Class C LP Units.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

As of September 30, 2022, current liabilities of $318,465 (December 31, 2021 - $182,642) exceeded current assets of $52,859 (December 31, 2021 - $38,909), resulting in a net working capital deficit of $265,606 (December 31, 2021 - $143,733). Current liabilities as of September 30, 2022 include $212,725 (December 31, 2021 - $127,833) of mortgage financing which the REIT is actively in the process of refinancing. The REIT's immediate liquidity needs are met through cash-on-hand, cash flow from operations, refinancing of maturing mortgages and availability on its credit facility. As of September 30, 2022, liquidity was $145,145 (December 31, 2021 - $150,655) consisting of cash of $5,571 (December 31, 2021 - $2,851) and $139,574 (December 31, 2021 - $147,804) of available borrowing capacity under the credit facility. Management believes that there is sufficient liquidity to meet the REIT’s financial obligations for the foreseeable future.

The REIT has a short form base shelf prospectus, allowing for the issuance, from time to time, of Units, debt securities and subscription receipts, or any combination thereof, for an aggregate amount of up to $800,000. This prospectus is effective for a 25-month period from the date of issuance on December 8, 2020. The net proceeds from the sale of securities for cash may be used for potential future acquisitions, capital expenditures, to repay indebtedness and general working capital purposes. On October 29, 2021, the REIT raised gross proceeds of $86,716 from the issuance of Units under the short form base shelf prospectus. As at September 30, 2022, the amount available to be raised pursuant to the short form base shelf prospectus is $713,284.

Cash Flows

The REIT held a cash balance of $5,571 as at September 30, 2022 (September 30, 2021 - $3,087). The sources and use of cash flow for the three and nine months ended September 30, 2022 and 2021 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Operating activities	**$ 32,008**	$ 17,881	**$ 64,110**	$ 44,824
Financing activities	**(4,886)**	(6,518)	**34,872**	837
Investing activities	**(25,984)**	(10,593)	**(96,262)**	(45,181)

Cash provided by operating activities and cash distributions

The following table outlines the differences between cash from operating activities, net income and cash distributions in accordance with National Policy 41-201, *Income Trusts and Other Indirect Offerings*:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Net income and comprehensive income	**$ 39,655**	$ 80,928	**$ 257,832**	$ 69,228
Add: distributions on Class B LP Units	**3,058**	2,591	**8,820**	7,771
	42,713	83,519	**266,652**	76,999
Less: distributions paid	**(7,696)**	(6,718)	**(22,974)**	(20,151)
Excess of net income and comprehensive income over total distributions paid	**$ 35,017**	$ 76,801	**$ 243,678**	$ 56,848
Cash provided by operating activities	**$ 32,008**	$ 17,881	**$ 64,110**	$ 44,824
Add: interest received	**453**	326	**1,346**	1,226
Less: interest paid	**(9,173)**	(6,421)	**(22,894)**	(18,997)
	23,288	11,786	**42,562**	27,053
Less: distributions paid	**(7,696)**	(6,718)	**(22,974)**	(20,151)
Excess of cash provided by operating activities over total distributions and interest paid	**15,592**	5,068	**19,588**	6,902
Distributions declared	**$ 7,804**	$ 6,718	**$ 23,082**	$ 20,151

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

For Q3 2022 and YTD 2022, net income and comprehensive income was in excess of total distributions paid. Distributions are better evaluated in the context of operating cash flows rather than net income as net income is impacted by several non-cash items, including fair value gains or losses on investment properties, Class B LP Units, Unit-based compensation and an interest rate swap.

While cash flows provided by operating activities are generally sufficient to cover distribution requirements, the timing of expenses and fluctuations in non-cash working capital may result in a temporary shortfall. In these cases, some portion of distributions may come from the REIT's capital or financing sources other than cash flows provided by operating activities. For Q3 2022 and YTD 2022, cash provided by operating activities was in excess of total distributions and interest paid.

Cash (used in) provided by financing activities

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Proceeds from mortgage financing	—	8,558	$ **34,623**	$ 8,558
Net proceeds on credit facility	**17,775**	2,609	**76,837**	45,052
Proceeds from construction loan	**503**	—	**2,823**	—
CMHC premiums and financing costs	**(37)**	—	**(1,335)**	(23)
Principal repayments on mortgages	**(3,467)**	(3,213)	**(26,679)**	(9,614)
Forgivable loan transferred from restricted cash	**1,350**	—	**1,350**	—
Distributions paid on various classes of units	**(9,073)**	(8,051)	**(27,089)**	(24,139)
Interest paid	**(9,173)**	(6,421)	**(22,894)**	(18,997)
Purchase and cancellation of Units	**(2,764)**	—	**(2,764)**	—
	$ **(2,122)**	$ (6,518)	$ **34,872**	$ 837

For Q3 2022, cash flows used in financing activities included principal and interest on mortgages, distributions on various classes of units, purchases made under the NCIB, payments of financing costs, and interest on the credit facility. These were partially offset by net proceeds on the credit facility, and a forgivable loan transferred from restricted cash and draws on the construction loan in connection with the Richgrove development.

For YTD 2022, cash flows from financing activities included net proceeds on the credit facility, new mortgage financing for the Edmonton properties, upward refinancing for Le Hill-Park, draws on the construction loan and a forgivable loan transferred from restricted cash. These activities were partially offset by principal and interest on mortgages, distributions on various classes of units, purchases made under the NCIB, payments of CMHC premiums and financing costs, and interest on the credit facility.

Cash used in investing activities

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Acquisition of investment property	$ —	$ —	$ **(28,761)**	$ —
Capital additions to investment properties	**(14,099)**	(1,270)	$ **(38,942)**	$ (26,587)
Development expenditures	**(6,975)**	(9,649)	**(13,442)**	(10,740)
Loans advanced to related parties	**(5,363)**	—	**(16,463)**	(9,080)
Interest received	**453**	326	**1,346**	1,226
	$ **(25,984)**	$ (10,593)	$ **(96,262)**	$ (45,181)

Cash flows used in investing activities for Q3 2022 included capital expenditures on investment properties, development expenditures on the active Richgrove and Leslie York Mills projects and the pursuit of the High Park Village development, and loan advances on the Beechwood, 810 Kingsway and University Heights convertible development loans, offset by interest received from related parties.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Cash flows used in investing activities for YTD 2022 include the acquisitions of Niagara West and The International, capital expenditures on investment properties, development expenditures on the three development projects described above, advances on the Beechwood, 810 Kingsway and University Heights convertible development loans and a loan advance to Management, partially offset by interest received from related parties.

Reconciliation of Non-IFRS Financial Measures and Ratios

The following section includes reconciliations of Non-IFRS Financial Measures and Ratios used by the REIT. Refer to Section VI, "Supplemental Information - Non-IFRS and Other Financial Measures" for definitions of each of these measures.

FFO and AFFO

FFO and AFFO are Non-IFRS Financial Measures. The REIT's method of calculating FFO and AFFO are substantially in accordance with REALPAC's recommendations, but may differ from other issuers' methods and, accordingly, may not be comparable to FFO and AFFO reported by other issuers. FFO and AFFO are used for evaluating operating performance and are calculated as follows:

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net income and comprehensive income	$ 39,655	$ 183,537	$ 34,640	$ 24,933	$ 80,928	$ 8,727	$ (20,427)	$ 23,010
Distributions on Class B LP Units	3,058	3,058	2,704	2,665	2,591	2,590	2,590	2,591
Issuance costs on Class B LP Units	—	175	—	—	—	—	—	—
Fair value loss (gain) on:								
Investment properties	18,689	2,325	(14,395)	(3,133)	(34,663)	(50,478)	(914)	(61,231)
Class B LP Units	(44,813)	(172,772)	(9,563)	(10,701)	(35,976)	50,775	30,511	47,587
Interest rate swap	(302)	(776)	(1,307)	(421)	(145)	3	(1,062)	(174)
Unit-based compensation	(633)	(1,867)	(100)	(98)	(282)	324	193	239
Funds from operations (FFO)	**$ 15,654**	**$ 13,680**	**$ 11,979**	**$ 13,245**	**$ 12,453**	**$ 11,941**	**$ 10,891**	**$ 12,022**
Maintenance capital expenditure reserve	(1,524)	(1,506)	(1,436)	(1,397)	(1,377)	(1,377)	(1,376)	(1,369)
Amortization of mark-to-market adjustments	(178)	(191)	(195)	(192)	(193)	(191)	(193)	(194)
Adjusted funds from operations (AFFO)	**$ 13,952**	**$ 11,983**	**$ 10,348**	**$ 11,656**	**$ 10,883**	**$ 10,373**	**$ 9,322**	**$ 10,459**
Distributions on Class B LP Units	3,058	3,058	2,704	2,665	2,591	2,590	2,590	2,591
Distributions on Units	4,746	4,758	4,758	4,691	4,127	4,127	4,126	4,127
	7,804	7,816	7,462	7,356	6,718	6,717	6,716	6,718
AFFO Payout Ratio	**55.9%**	**65.2%**	**72.1%**	**63.1%**	**61.7%**	**64.8%**	**72.0%**	**64.2%**
Weighted average number of Units and Class B LP Units issued and outstanding	65,769,904	65,135,801	62,838,912	61,683,912	59,043,912	59,043,912	59,043,912	59,043,912
FFO per unit	**$ 0.2380**	**$ 0.2100**	**$ 0.1906**	**$ 0.2147**	**$ 0.2109**	**$ 0.2022**	**$ 0.1845**	**$ 0.2036**
AFFO per unit	**$ 0.2121**	**$ 0.1840**	**$ 0.1647**	**$ 0.1890**	**$ 0.1842**	**$ 0.1757**	**$ 0.1579**	**$ 0.1771**

For Q3 2022, FFO was higher as compared to Q3 2021, reflecting a 24.8% increase in NOI driven mainly by an improvement in occupancy and average monthly rent and the additional revenues from the acquisitions of Le Hill-Park, Niagara West, and The International, offset by an increase in utility costs, property costs and finance costs. AFFO was higher as compared to Q3 2021, primarily as a result of higher FFO, partially offset by an increase in maintenance capital expenditure reserve from the acquisitions. The acquisitions completed since Q3 2021 added $2,199 to the FFO and $2,052 to the AFFO for Q3 2022. Q3 2022 FFO per Unit and AFFO per Unit growth over Q3 2021 would have been 8.6% and 10.2%, respectively, with the exclusion of the impacts of a one-time insurance recovery of approximately $594 received in Q3 2022.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Nine months ended		September 30, 2022		September 30, 2021
Net income and comprehensive income	**$**	**257,832**	$	69,228
Distributions on Class B LP Units		**8,820**		7,771
Issuance costs on Class B LP Units		**175**		—
Fair value loss (gain) on:				
Investment properties		**6,619**		(86,055)
Class B LP Units		**(227,148)**		45,310
Interest rate swap		**(2,385)**		(1,204)
Unit-based compensation		**(2,600)**		235
Funds from operations (FFO)	**$**	**41,313**	$	35,285
Maintenance capital expenditure reserve		**(4,466)**		(4,130)
Amortization of mark-to-market adjustments		**(564)**		(577)
Adjusted funds from operations (AFFO)	**$**	**36,283**	$	30,578
Distributions on Class B LP Units		**8,820**		7,771
Distributions on Units		**14,262**		12,380
		23,082		20,151
AFFO Payout Ratio		**63.6%**		**65.9%**
Weighted average number of Units and Class B LP Units issued and outstanding		**64,611,757**		59,043,912
FFO per unit	**$**	**0.6394**	$	0.5976
AFFO per unit	**$**	**0.5616**	$	0.5179

For YTD 2022, FFO was higher as compared to YTD 2021, reflecting a 15.2% increase in NOI due to an improvement in occupancy and average monthly rent and the additional revenues from the acquisitions made since Q3 2021. AFFO for YTD 2022 was higher as compared to YTD 2021, primarily as a result of higher FFO, offset by an increase in the maintenance capital expenditure reserve. The acquisitions made since Q3 2021 added $3,199 to the FFO and $2,865 to the AFFO for YTD 2022.

Maintenance capital expenditures include expenditures that are incurred in order to maintain the existing earning capacity of the REIT’s investment properties. The maintenance capital expenditure reserve amount included in the AFFO calculation is based on the REIT's expectation of spending approximately $900 per suite on an annual basis, which is slightly lower than the three-year historical average of actual maintenance capital expenditures of $927. The pandemic restrictions caused temporary slow down in activity and the subsequent recovery led to an increase in costs as deferred maintenance was completed. Management believes as these deferred expenditures are completed and maintenance activity normalizes, annual maintenance capital expenditure per suite will be approximately $900 per suite, subject to costing pressures from inflation, and further disruptions due to the unavailability of trades and supply chain constraints. Refer to Section III, "Assessment of Financial Position - Investment Properties - Capital Expenditures" for a more detailed discussion of maintenance capital expenditures.

NOI and NOI Margin

Same Property Portfolio

	Three months ended September 30,				Nine months ended September 30,			
		2022		**2021**		**2022**		**2021**
Revenue from investment properties	$	34,308	$	31,234	$	98,891	$	91,118
Property operating expenses		12,325		11,829		38,316		34,811
NOI		**21,983**		19,405	**$**	**60,575**	$	56,307
NOI margin		**64.1%**		62.1%		**61.3%**		61.8%

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Total Portfolio

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Revenue from investment properties	$ 37,838	$ 31,234	$ 105,874	$ 91,118
Property operating costs	13,614	11,829	41,025	34,811
NOI	**24,224**	19,405	**$ 64,849**	$ 56,307
NOI margin	**64.0%**	62.1%	**61.3%**	61.8%

Debt-to-Gross Book Value Ratio

Refer to Section IV, "Liquidity, Capital Resources and Contractual Commitments - Liquidity and Capital Resources" for a reconciliation of Debt-to-Gross Book Value ratio.

Debt Service Coverage Ratio

The Debt Service Coverage ratio is calculated as follows:

	Nine months ended September 30, 2022	Year ended December 31, 2021
NOI	**$ 64,849**	$ 76,247
Interest expense and standby fees on credit facility	**2,784**	1,750
Distributions on Class C LP Units:		
Principal repayments	**4,115**	5,341
Finance costs	**4,940**	6,743
Mortgages and construction loan:		
Principal repayments	**10,379**	12,879
Finance costs	**15,383**	16,605
Total debt service	**$ 37,601**	$ 43,318
Debt Service Coverage ratio	**1.72x**	1.76x

The decline in Debt Service Coverage ratio for YTD 2022 from FY 2021 was primarily a result of higher interest on variable rate debt specifically relating to increased borrowings on the credit facility and new mortgages from the acquisitions of Niagara West and The International. This was further attributed to higher fixed interest on the refinanced mortgages at the Edmonton properties, from the acquisition of Le-Hill Park, and from the construction loan for the Richgrove development project. This was partially offset by an increase in NOI driven by higher rents and occupancy.

Debt-to-Adjusted EBITDA Ratio

Refer to Section IV, "Liquidity, Capital Resources and Contractual Commitments - Liquidity and Capital Resources for a reconciliation of Debt-to-Adjusted EBITDA ratio.

NAV and NAV per unit

As at	**September 30, 2022**	**December 31, 2021**
Net assets (Unitholders' equity)	$ 1,250,807	$ 1,010,001
Add: Class B LP Units	332,241	498,415
NAV	$ 1,583,048	$ 1,508,416
Number of Units and Class B LP Units	65,642,641	62,838,912
NAV per unit	**$ 24.12**	**$ 24.00**

Section V - Accounting Estimates and Policies, Controls and Procedures and Risk Analysis

Critical Judgments in Applying Accounting Policies and Critical Accounting Estimates and Assumptions

Significant areas of judgment, estimates and assumptions are set out in Note 2 to the annual audited consolidated financial statements for years ended December 31, 2021 and 2020.

The REIT has used the best information available as at September 30, 2022, in determining the potential impact of the COVID-19 outbreak and other economic factors, such as rising interest rates and inflation on the carrying amounts of assets and liabilities, earnings for the period and risks disclosed in the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 and 2021. The estimates that could be most significantly impacted by COVID-19 and other economic factors, such as rising interest rates include those underlying the valuation of investment properties and the estimated credit losses on accounts receivable. Actual results may differ from those estimates.

Risks and Uncertainties

The REIT faces a variety of diverse risks, many of which are inherent in the business conducted by the REIT. These are described in detail under the heading "Risks and Uncertainties" in the REIT's Management's Discussion and Analysis for the years ended December 31, 2021 and 2020, filed on SEDAR (www.sedar.com). These factors still exist at the end of this quarter and remain relatively unchanged.

Financial Risk Management

The REIT's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. A summary of these risks and how the REIT manages them are set out in Note 19 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 and 2021.

Related Party Transactions

In the normal course of operations, the REIT enters into various transactions with related parties. A summary of the related party transactions of the REIT are set out in Note 12 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 and 2021.

Contingencies and Commitments

The REIT is subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the unaudited condensed consolidated interim financial statements of the REIT. The contingencies and commitments of the REIT are set out in Note 18 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 and 2021.

Disclosure Controls and Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining a system of disclosure controls and procedures ("DC&P") to provide reasonable assurance that all material information relating to the REIT that is required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis and within the time period specified in securities legislation.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

In designing such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, Management is required to use judgment in evaluating controls and procedures.

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused an evaluation under their direct supervision of, the design of disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*) as at September 30, 2022.

In accordance with the provisions of National Instrument 52-109 Certification of Disclosures in Issuers' Annual and Interim Filings, the REIT's Management, including the Chief Executive Officer and the Chief Financial Officer, have limited the scope of their assessment of the REIT's DC&P and ICFR to exclude controls, policies and procedures of Le Hill-Park acquired on December 7, 2021. Le Hill-Park accounts for approximately 2.4% and 2.5% of revenue for the three and nine months ended September 30, 2022 respectively and approximately 3.0% of investment properties as at September 30, 2022. The scope limitation is primarily based on the time required to integrate the acquired business into the REIT's existing DC&P and ICFR effectiveness, and no scope limitation will be taken in the fourth quarter of 2022. Further details related to the acquisition are disclosed in Note 5, "Acquisition of Investment Properties", in the REIT's consolidated financial statements for the year ended December 31, 2021.

Without contradiction of the scope limitation of Management's assessment and based on this evaluation, the CEO and CFO have concluded that they have:

(a) designed disclosure controls and procedures to provide reasonable assurance that:

  (i) material information relating to the REIT is made known to the Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which the interim filings are being prepared; and,

  (ii) information required to be disclosed by the REIT in its various reports filed or submitted under securities legislation is recorded, processed, summarized and reported within time periods specified in securities legislation; and

(b) designed internal controls over financial reporting in accordance with the 2013 COSO framework as published by the Committee of Sponsoring Organizations of the Treadway Commission to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

During the quarter ended September 30, 2022, the REIT completed the conversion to a new enterprise resource planning ("ERP") system. The ERP system conversion has not resulted in any significant changes in internal controls during the quarter ended September 30, 2022, and the REIT's Management employed appropriate procedures to ensure internal controls over financial reporting were in place during and after the conversion.

Subsequent Events

A summary of the subsequent events are set out in Note 23 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 and 2021.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Section VI - Supplemental Information

Property Portfolio

	Property	Total Suites	REIT Ownership Interest	Effective Ownership Interest (Suites)
Toronto				
1	High Park Village	750	40%	300
2	Leslie York Mills	409	50%	205
3	Richgrove	258	100%	258
4	Martin Grove	237	100%	237
5	Minto Yorkville[1]	181	100%	181
6	Roehampton[1]	148	100%	148
7	Niagara West	501	28.35%	142
		2,484		1,471
Ottawa				
8	Minto one80five[1]	417	100%	417
9	Parkwood Hills Garden Homes & Townhomes	393	100%	393
10	Aventura	354	100%	354
11	Huron	251	100%	251
12	Seneca	251	100%	251
13	Castleview	241	100%	241
14	Skyline Garden Homes, Maisonettes & Walkups	259	100%	259
15	The Carlisle	193	100%	193
16	Castle Hill	176	100%	176
17	Grenadier	158	100%	158
18	Tanglewood	122	100%	122
19	Eleanor	117	100%	117
20	Frontenac	104	100%	104
21	Stratford	59	100%	59
		3,095		3,095
Montreal				
22	Rockhill	1,004	50%	502
23	Le 4300	318	100%	318
24	Haddon Hall	210	100%	210
25	Le Hill-Park	261	100%	261
		1,793		1,291
Edmonton				
26	The Lancaster House	98	100%	98
27	York House	92	100%	92
28	Hi-Level Place	64	100%	64
		254		254
Calgary				
29	The Quarters	199	100%	199
30	The Laurier	144	100%	144
31	Kaleidoscope	70	100%	70
32	The International	252	100%	252
		665		665
Portfolio Total		**8,291**		**6,776**

[1] Suite counts for Minto Yorkville, Roehampton, and Minto one80five include furnished suites, representing approximately 25% of the total suites at these properties.

(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

Average Rent Per Square Foot

Geographic Node		Average monthly rent per occupied suite	Average sq. ft. per occupied suite		Average rent per sq. ft per suite
Toronto	$	2,034	775	$	2.62
Ottawa		1,605	836		1.92
Alberta		1,407	675		2.08
Montreal		1,849	979		1.89
Average	**$**	**1,714**	**827**	**$**	**2.07**

Non-IFRS and Other Financial Measures

The REIT's financial statements are prepared in accordance with IFRS. Management's Discussion and Analysis also contains certain non-IFRS and other financial measures 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 and financial 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. The REIT has adopted the guidance under NI 52-112 Non-GAAP and Other Financial Measures Disclosure for the purpose of this Management's Discussion and Analysis. These non-IFRS and other financial measures and ratios are defined below:

Non-IFRS Financial Measures and Ratios

- "FFO" is defined as IFRS consolidated net income adjusted for items such as unrealized changes in the fair value of investment properties, effects of puttable instruments classified as financial liabilities and changes in fair value of financial instruments and derivatives. FFO should not be construed as an alternative to net income or cash flows provided by or used in operating activities determined in accordance with IFRS. The REIT's method of calculating FFO is substantially in accordance with REALPAC’s recommendations under the revised publication titled ‘‘REALPAC Funds from Operations (FFO) & Adjusted Funds from Operations (AFFO) for IFRS’’ published in January 2022, but may differ from other issuers’ methods and, accordingly, may not be comparable to FFO reported by other issuers. The REIT regards FFO as a key measure of operating performance. For reconciliation refer to Section IV – “Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios”.
- "FFO per unit" is calculated as FFO divided by the weighted average number of Units of the REIT and Class B LP Units of the Partnership outstanding over the period. The REIT regards FFO per unit as a key measure of operating performance. For reconciliation refer to Section IV – “Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios”.
- "AFFO" is defined as FFO adjusted for items such as maintenance capital expenditures and straight-line rental revenue differences. AFFO should not be construed as an alternative to net income or cash flows provided by or used in operating activities determined in accordance with IFRS. The REIT’s method of calculating AFFO is substantially in accordance with REALPAC’s recommendations under the revised publication titled ‘‘REALPAC Funds from Operations (FFO) & Adjusted Funds from Operations (AFFO) for IFRS’’ published in January 2022, except that it adjusts for certain non-cash items (such as adjustments for the amortization of mark-to-market adjustments related to debt), but may differ from other issuers’ methods and, accordingly, may not be comparable to AFFO reported by other issuers. The REIT regards AFFO as a key measure of operating performance. The REIT also uses AFFO in assessing its capacity to make distributions. For reconciliation refer to Section IV – “Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios”.
- "AFFO per unit" is calculated as AFFO divided by the weighted average number of Units of the REIT and Class B LP Units of the Partnership outstanding over the period. The REIT regards AFFO per unit as a key measure of operating performance. For reconciliation refer to Section IV – “Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios”.
- "AFFO Payout Ratio" is the proportion of the total distributions on Units and Class B LP Units to AFFO. The REIT uses AFFO Payout Ratio in assessing its capacity to make distributions. For reconciliation refer to Section IV – “Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios”.

- "Debt-to-Adjusted EBITDA ratio" is calculated by dividing interest-bearing debt (net of cash) by Adjusted EBITDA. Adjusted EBITDA is a non-IFRS Financial Measure and used for evaluation of the REIT's financial health and liquidity. Adjusted EBITDA is calculated as the trailing twelve-month NOI adjusted for a full year of stabilized earnings, fees and other income and general and administrative expenses from recently completed acquisitions, but excluding fair value adjustments. The REIT regards Debt-to-Adjusted EBITDA ratio as a measure of financial health and liquidity. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Liquidity and Capital Resources".

Capital Management Measures

- "Weighted average term to maturity on fixed rate debt" is calculated as the weighted average of the term to maturity on the outstanding fixed rate mortgages, a variable rate mortgage fixed through an interest rate swap and Class C LP Units.
- "Weighted average interest rate on fixed rate debt" is calculated as the weighted average of the stated interest rates on the outstanding balances of fixed rate mortgages, a variable rate mortgage fixed through an interest rate swap and Class C LP Units.
- "Weighted average contractual interest rate" is calculated as the weighted average contractual interest rate on mortgages.
- "Weighted average variable interest rate" is calculated as the weighted average interest rate on the revolving credit facility and the variable rate mortgages for the period.

Supplementary Financial Measures

- "NOI" is defined as revenue from investment properties less property operating costs, property taxes and utilities (collectively referred to as "property operating expenses") prepared in accordance with IFRS. NOI should not be construed as an alternative to net income determined in accordance with IFRS. The REIT's method of calculating NOI may differ from other issuers' methods and, accordingly, may not be comparable to NOI reported by other issuers. The REIT regards NOI as an important measure of the income generated from income-producing properties and is used by Management in evaluating the performance of the REIT's properties. It is also a key input in determining the value of the REIT's properties.
- "NOI margin" is defined as NOI divided by revenue from investment properties.
- "Gross Book Value" is defined as the total assets of the REIT as at the balance sheet date.
- "Debt-to-Gross Book Value ratio" is calculated by dividing total interest-bearing debt consisting of fixed and variable rate mortgages, credit facilities, construction loans and Class C LP Units of the Partnership by Gross Book Value and is used as the REIT's primary measure of its leverage.
- "Total debt service" is calculated as the sum of interest expense recorded as finance costs and principal payments on mortgages, construction loan, credit facility and distributions on Class C LP Units.
- "Debt Service Coverage ratio" is the ratio of NOI to total debt service.
- "NAV" is calculated as the sum of the value of Unitholders' equity and Class B LP Units as at the balance sheet date.
- "NAV per unit" is calculated by dividing NAV by the number of Units and Class B LP Units outstanding as at the balance sheet date.
- "Property operating costs as a percentage of revenue" is calculated as property operating costs for the period, divided by revenue from investment properties for the period.
- "Property taxes as a percentage of revenue" is calculated as property taxes for the period, divided by revenue from investment properties for the period.
- "Utilities as a percentage of revenue" is calculated as Utilities expense for the period, divided by revenue from investment properties for the period.
- "Total debt" is calculated as the sum of value of interest-bearing debt consisting of fixed and variable rate mortgages, credit facilities, construction loans and Class C LP Units of the Partnership.
- "Total debt, net of cash" is calculated as Total debt, reduced by cash balance.
- "Total liquidity" is calculated as the sum of the undrawn balance under the revolving credit facility and cash.
- "Distribution yield per unit" is calculated as the annualized distribution per Unit and Class B LP Unit, divided by the Unit closing price as of the balance sheet date.

- "Gain-to-lease" refers to the gap between rents achieved on new leases as compared to expiring leases.
- "Gain to lease potential" refers to the gap between Management's estimate of monthly market rent and average monthly in-place rent per suite.
- "Average annual unlevered return" refers to the return on repositioning activities, and is calculated by dividing the average annual rental increase per suite after repositioning by the average repositioning cost per suite, excluding the impact of financing costs.

Operating Performance Measures

- "Average monthly rent per suite for unfurnished suites" represents the average monthly rent for occupied unfurnished suites at the end of the period.
- "Occupancy for unfurnished suites, end of the period" is defined as the ratio of occupied unfurnished suites to the total unfurnished suites in the portfolio at the end of the period. Occupancy at end of the period is a useful indicator to evaluate the unfurnished rental performance.
- "Occupancy for unfurnished suites, average of the period" is defined as the ratio of occupied unfurnished suites to the total unfurnished suites in the portfolio for the period. Occupancy as an average for the period is a useful indicator to evaluate the unfurnished rental performance.
- "Average monthly rent per suite for furnished suites" represents the average daily rent for furnished suites for the period multiplied by 30.
- "Occupancy for furnished suites" is the ratio of occupied furnished suites to the total furnished suites in the portfolio for the period.
- "Turnover rate" is calculated as the number new leases signed for the period divided by total number of suites in the portfolio, excluding furnished suites and suites held offline for repositioning, at the end of the period.