



Management's Discussion and Analysis

For the three months ended March 31, 2023 and 2022



minto
Apartment REIT

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Section I - Overview

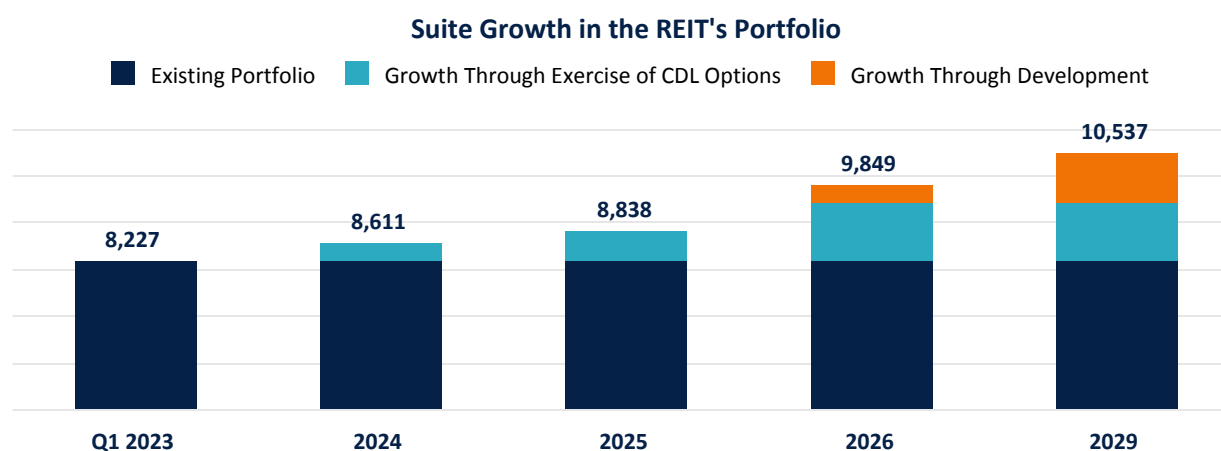
Business Overview

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 31 (March 31, 2022 - 30) multi-residential rental properties located in urban locations: Ottawa, Toronto, Montreal, Calgary, and Edmonton. 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:

As at March 31,	Same Property Portfolio Suites		Total Portfolio Suites	
	2023	2022	2023	2022
Wholly-owned	5,311	5,311	5,563	5,375
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	7,474	7,474	8,227	7,538
Total suites at effective ownership	6,318	6,318	6,712	6,382

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 an estimated 688 additional suites to the portfolio if completed. The REIT has also provided convertible development loans ("CDL") 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, 1,205 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 has a thoughtful and prudent approach to managing its capital by balancing the allocation among available alternatives. These alternatives include its CDL programs, increasing suite count through its current developments, maintenance capital expenditures, distributions, repositioning programs, deleveraging and unit buy-backs. Key criteria impacting our capital allocation decisions include project returns, liquidity, leverage levels, net asset value ("NAV") per unit and cash flow growth per unit over time. The REIT is also evaluating dispositions that meet its divestiture criteria as part of its 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's 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 May 9, 2023, 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 months ended March 31, 2023 ("Q1 2023") and 2022 ("Q1 2022"), 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, 2022 and 2021 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, 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 May 9, 2023. 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.mintoapartmentreit.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

Revenue and NOI growth driven by strong rental demand and increasing average occupancy

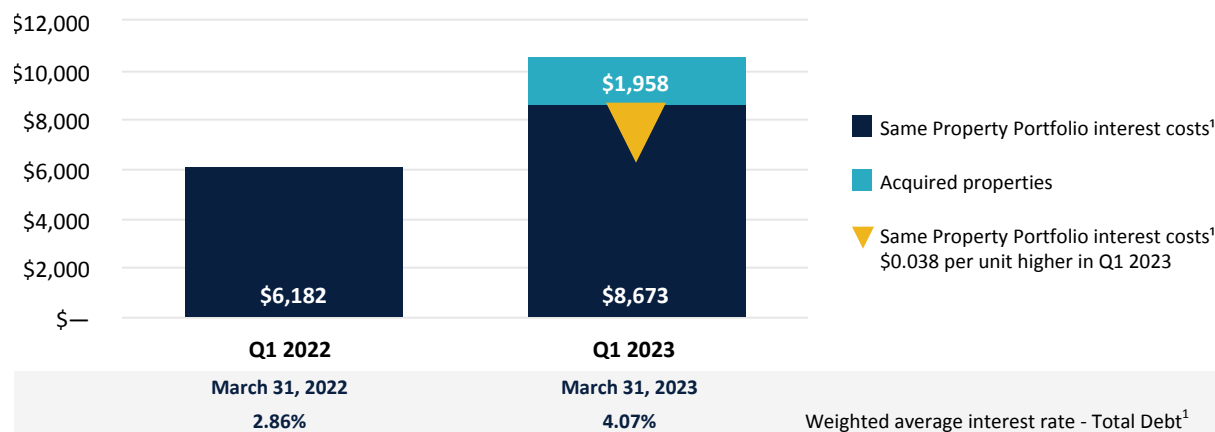
In contrast to historical seasonality trends observed in Q1, the REIT's operating performance in Q1 2023 continued to build on the positive results driven by strong rental demand seen through the second half of 2022. In Q1 2023, average monthly rent for the Same Property Portfolio increased by 5.7%, supplemented by strong average occupancy growth of 300 bps over Q1 2022. The Same Property Portfolio revenue grew by 10.5% as a result of these higher rents and increasing average occupancy. Revenue growth was moderated by property operating expenses increasing by 6.7% over the same period, however inflationary pressure on expenses showed signs of stability at the end of Q1 2023. This produced Same Property Portfolio NOI growth of 13.3% over Q1 2022.

Total Portfolio closing occupancy remained steady through the winter months at 97.6%, while average monthly rent continued to increase, reaching \$1,769 at March 31, 2023. Total Portfolio NOI for Q1 2023 grew by 21.0% over Q1 2022, driven by revenue growth of 18.1% from the strong performance of the Same Property Portfolio and the contributions of the downtown properties acquired in Q2 2022: Niagara West in Toronto and The International in Calgary. With market rents rising, tenants are less likely to move out of their current homes, resulting in turnover decreasing to 288 in Q1 2023 from 324 in Q1 2022. Management expects this trend to continue through 2023.

FFO and AFFO growth constrained by elevated interest rates

High variable interest rates continued to unfavourably impact the REIT's FFO and AFFO results. The REIT's FFO and AFFO decreased by 2.9% and 4.0%, respectively, compared to Q1 2022, largely due to the elevated interest rates on the revolving credit facility and additional interest costs from the variable rate mortgages assumed as part of the property acquisitions in Q2 2022.

Increased Interest Costs¹ Impact FFO and AFFO per unit



Execution of organic growth strategy

The REIT continued to deliver on its strategy to create organic growth by realizing on the gain-to-lease potential in the portfolio and by executing on its suite repositioning programs. For Q1 2023, the REIT was able to realize gains of 16.9% on the 343 new leases it signed during the period. These gains represent annualized revenue growth of approximately \$1,023. In addition, the strong market conditions have fuelled the estimated gain-to-lease potential of the portfolio, which increased to 15.3% at March 31, 2023, up from 13.6% in Q4 2022 and stronger than 10.7% in Q1 2022. However, the declining trend in turnover that is expected in 2023, may impact the REIT's ability to realize the embedded gain-to-lease potential over that period. The REIT successfully repositioned 32 suites in Q1 2023, compared to 60 in Q1 2022, generating an average annual unlevered return of 10.3%.

NAV per Unit decrease driven by expansion of capitalization rates

NAV per unit as at March 31, 2023 decreased to \$23.83 from \$24.00 as at December 31, 2022, driven by a fair value loss on investment properties of \$13,503 due to the slight expansion of capitalization rates relating to the suburban Ottawa portfolio, partially offset by growth in forecast NOI for the portfolio overall.

Executing on the Capital Recycling Strategy

On March 7, 2023, the REIT sold Hi-Level Place, a 64-suite multi-residential property in Edmonton, Alberta for a sale price of \$9,920 and net cash proceeds of \$2,885. In connection with the sale, the purchaser assumed the mortgage secured by the property, which had a carrying amount of \$6,770. The transaction is in line with the REIT's capital recycling strategy to sell non-strategic assets and redeploy capital accretively.

Extension of Fifth + Bank Convertible Development Loan and Purchase Option

On March 23, 2023, the REIT and MPI amended the maturity date of the Fifth + Bank CDL and the REIT's purchase option for the property. The REIT's purchase option was extended to December 31, 2023 and the maturity of the CDL was extended to January 31, 2024. As an additional amendment, the 6% annual interest rate on the CDL was adjusted, and commencing July 1, 2023, it will be equal to the all-in interest rate the REIT pays on its revolving credit facility, subject to a maximum interest rate of 7% per annum and minimum interest rate of 5% per annum.

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

Reducing the REIT's Variable Interest Rate Exposure and Upward Financing of Maturing Debt

On April 27, 2023, the REIT secured a \$61,237 CMHC-insured fixed interest rate mortgage for its Niagara West property at an annual interest rate of 3.87% and a 10-year term. The net proceeds of the refinancing were used to repay the \$46,158 variable rate mortgage on the property, which at March 31, 2023 had an interest rate of 7.70%, and a portion of the credit facility.

The REIT will imminently refinance the \$62,220 variable rate mortgage at The International, which at March 31, 2023 had an interest rate of 7.44%, with a 10-year CMHC-insured mortgage with an anticipated fixed interest rate of approximately 4%.

In addition, during March 2023, the REIT acquired rate lock commitments for the upward refinancing of maturing mortgages with interest rates between 2.98% and 5.34% and principal of \$136,921. The estimated net proceeds are between \$60,000 and \$70,000. The new mortgages will have fixed interest rates between 3.87% and 3.95%.

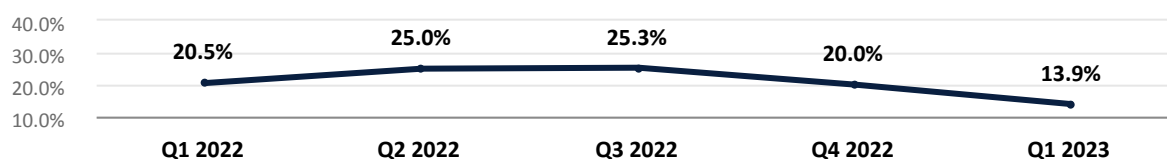
Organic Growth — Gain-on-Lease¹

The REIT realized on organic growth for Q1 2023 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 rents to current market rates. During the period, new leases resulted in annualized revenue growth of approximately \$1,023. A summary of leasing activities and the gains to be realized from new leases signed for Q1 2023 is set out in the table below:

Geographic Node	New Leases Signed ²	Expiring AMR	New AMR	Realized Gain-on-Lease ¹	Annualized Gain-on-Lease ^{1,3}
Toronto	82	\$2,557	\$3,044	19.0%	\$244
Ottawa	114	1,725	2,015	16.9%	398
Alberta	75	1,507	1,762	16.9%	230
Montreal	72	1,849	2,114	14.3%	151
Total/Average	343	\$1,812	\$2,118	16.9%	\$1,023

The REIT realized gain-on-lease in all of its markets, with an average gain-on-lease of 16.9% on the 343 new leases it signed in Q1 2023. The Canadian rental market continued its strong performance, spurred by increased immigration, a large affordability gap with home ownership, increasing general acceptance of renting versus owning and, for the REIT, a return to downtown living. This has led to an escalation in demand for rentals, resulting in higher rental rates in addition to greatly reducing the need for discounts and promotions.

Same Property Portfolio Annualized Turnover Rate^{1,4}



Turnover often slows during the winter months as they are a typically slower leasing season. In addition, the trend of high average monthly rents and high occupancy is expected to increase the average length of stay for tenants, resulting in lower than historical turnover and Management expects this will continue through 2023.

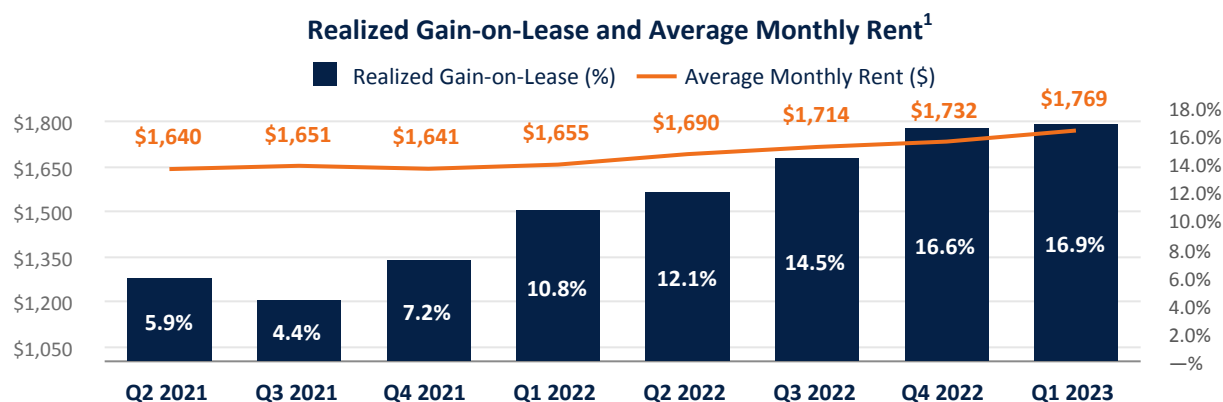
For more details on revenue growth, see Section II - "Financial Highlights and Performance - Review of Financial Performance - Revenue from Investment Properties".

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.

⁴ Annualized turnover extrapolates the quarterly turnover rate to determine an annual rate and as such is not necessarily representative of a full year's turnover.



The REIT continues to achieve growth in average monthly rent. Total Portfolio average monthly rent of \$1,769 for Q1 2023 is the highest achieved since the REIT's inception and an increase of 6.9% over Q1 2022. Same Property Portfolio average monthly rent also continued to grow, reaching \$1,755 in Q1 2023, which represents an increase of 5.7% over Q1 2022.

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

Fiscal Quarter	New Leases Signed ²	Expiring AMR	New AMR	Realized Gain-on-Lease ¹	Annualized Gain-on-Lease ^{1,3}
Q2 2022	667	\$1,645	\$1,844	12.1%	\$1,285
Q3 2022	574	1,675	1,918	14.5%	1,402
Q4 2022	423	1,699	1,981	16.6%	1,205
Q1 2023	343	1,812	2,118	16.9%	1,023
Total/Average	2,007	\$1,694	\$1,941	14.5%	\$4,915

The percentage growth in realized gain-on-lease has increased sequentially for each quarter since Q4 2021. Management believes the demand from immigration-driven population growth, in addition to the effects of high interest rates affecting the cost of home ownership, will continue 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 March 31, 2023 is as follows:

Geographic Node	Total Suites ⁴	Current AMR	Management's Estimate of Market AMR	Percentage Gain-to-Lease Potential ¹	Annualized Estimated Gain-to-Lease Potential ^{1,3}
Toronto	2,353	\$2,098	\$2,422	15.4%	\$5,295
Ottawa	2,940	1,653	1,935	17.0%	9,933
Alberta	847	1,496	1,695	13.3%	2,024
Montreal	1,704	1,872	2,106	12.5%	3,423
Total/Average	7,844	\$1,769	\$2,040	15.3%	\$20,675

Management currently estimates that the portfolio has annualized gain-to-lease potential of approximately \$20,675, compared to \$18,139 at December 31, 2022, and \$12,455 at March 31, 2022. As market rents continue to increase and turnover remains lower, 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 turnover and overall market conditions. Management expects that portfolio turnover will remain lower than historical average due to 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 four to six years.

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.

⁴ Excludes 188 furnished suites, 156 vacant suites and 39 suites offline for repositioning.

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 777 square feet and \$2.70 per square foot respectively, compared to 714 square feet and \$3.84 per square foot for the average condo rental.¹

Value Creation

Repositionings

A summary of the repositioning activities is set out below.

Property	Ownership Interest	Suites Repositioned and Leased in Q1 2023	Remaining Suites to Reposition	Total Suites in the Program	Proportion Complete
Toronto					
Minto Yorkville	100%	2	29	99	71%
Leslie York Mills	50%	2	196	409	52%
High Park Village	40%	4	260	407	36%
Roehampton	100%	5	45	148	70%
Martin Grove	100%	2	20	32	38%
Ottawa					
Carlisle	100%	2	73	191	62%
Castle Hill	100%	2	66	176	63%
Montreal					
Rockhill	50%	9	746	934	20%
Le 4300	100%	2	214	261	18%
Haddon Hall	100%	—	136	191	29%
Le Hill-Park	100%	2	166	261	36%
Total		32	1,951	3,109	37%

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 ²
Q2 2022	83	\$51,573	\$4,434	8.6%
Q3 2022	75	54,628	5,150	9.4%
Q4 2022	41	60,863	6,050	11.3%
Q1 2023	32	67,789	6,970	10.3%
Total/Average	231	\$56,619	\$5,330	9.4%

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 presents an attractive organic growth opportunity. Utilizing the REIT's asset management strategy, these programs target maximizing return on investment, while managing cash flow. Capital is thoughtfully allocated to the 11 active repositioning projects on a suite-by-suite basis to ensure that the optimal investment decision is made. Many of the existing repositioning projects have been active for five years or more, and as such, suites that become available at these properties are from residents with lengths of stay averaging approximately 11 years. These suites require investment and provide an opportunity to make upgrades that generate a positive return on investment. Capital spend on repositioning suites has declined in line with lower turnover rates. 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 voluntarily vacating their suite for alternative housing arrangements. The REIT does not engage in renovation-related evictions. Due to the continued strength in the rental market combined with decreasing vacancy and turnover, Management expects its repositioning program to slow in 2023 relative to 2022.

¹ Source: Urbanation, Q1 2023 Urban Rental Greater Toronto Area Rental Market Report

² Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

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 Q1 2023 are provided below.

Environmental Impact, Community Impact and Business Resilience

- Implementation of capital projects to reduce portfolio energy and water use including:
 - Artificial intelligence upgrade for a building automation system that uses weather forecasts and real-time suite temperature data to optimize plant operations. The REIT also has an ongoing rollout for buildings with heating and cooling plants and a pilot project underway for a heating-only building;
 - The installation of shower heads with thermostatic shut-off valves to minimize energy and water consumption during shower start-up; and,
 - Pilot projects in progress to test sensors on toilet make-up lines to identify leaks and toilets running continuously.
- Implementation of the Diversity, Equity and Inclusion ("DEI") program continued with:
 - The launch of the 2023 DEI survey to capture insight into the make-up of the team and give employees the opportunity to provide commentary on what Management does well or where to improve. The results will be evaluated to identify gaps and areas of focus.
 - Continued roll-out of mandatory diversity and inclusion training for all employees.
- The expansion of the resident engagement program continued with:
 - Starting the setup and implementation of a new customer experience management platform to support evaluation and monitoring of resident satisfaction.
 - Distribution of a trial issue of a new digital resident newsletter at a Montreal property, with expansion to other properties planned throughout 2023. These newsletters are being developed to create a quarterly communications touchpoint for residents that will feature property, regional and national content.
- Strengthening the cybersecurity program continued, including:
 - Continually maturing our cybersecurity governance to expand to all type of devices;
 - Ongoing implementation of multi-factor authentication;
 - Launch of the first 2023 cybersecurity training campaign, which is in progress;
 - Completion of penetration and vulnerability testing for network and applications; and,
 - Implementation of a Privileged Access Management solution for administrator accounts, which manages administrator passwords and tokens for all servers and applications by granting access, rotating passwords, and auditing.

Governance Framework

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

Outlook

Looking ahead, there are strong fundamental tailwinds supporting Management's positive outlook for revenue growth. The primary tailwinds include the growing affordability gap of home ownership due to high interest rates, insufficient supply of new housing and strong population growth driven by immigration. The Federal Government has set robust immigration targets through to 2025, with approximately 500,000 new Canadians arriving annually. With the vast majority of immigrants settling in census metropolitan areas (urban locations with over 100,000 residents), Management believes the REIT's urban focus makes it well-positioned to offer housing in markets with strong growth potential.¹ In addition, Management believes there are other positive indications that also support revenue growth, including an increase of international students coming to Canada, and the increasing general acceptance of renting versus owning a home for all age groups.² Management believes these fundamentals will persist and support revenue growth for the foreseeable future.

Supported by these tailwinds, Management will continue to maximize organic growth including realizing on the embedded rent in the REIT's high quality urban portfolio, value creation from the repositioning program and driving occupancy in all markets, but with particular focus on the REIT's Montreal portfolio which continues to steadily improve. Given the continued anticipated strength in the rental market, Management believes that suite turnover will continue to be slow going forward as existing tenants are more likely to stay in place since affordable housing alternatives will be less available. In 2022, the REIT repositioned 254 suites under the repositioning program. Due to the anticipated lower turnover as well as carrying lower overall vacancy, Management anticipates completing fewer repositionings under the program in 2023 than last year, and forecasts repositioning 80 to 120 suites in 2023.

Management is keenly focused on delivering FFO per unit and AFFO per unit by managing operating expenses, employing strategies to reduce interest costs and by making prudent capital allocation decisions, while at the same time, balancing long-term value creation and growth objectives.

Management believes that solid NOI growth will continue and that revenue growth will outpace overall operating expense growth in 2023. Management will adapt quickly to any changes in labour market dynamics and is evaluating efficiencies resulting from carrying low overall vacancy. Natural gas unit costs experienced major spikes in 2022 due to the war in Ukraine, however unit prices have dropped significantly in early 2023. Currently, 95% of managed suites in the Total Portfolio are either submetered or directly metered for electricity and approximately 86% of tenants pay the cost of electricity consumed in their suites. Management continues to evaluate opportunities for operational efficiencies and cost reductions, which include property technology, managing service contracts and supplier relationships, and labour efficiencies. Property technology is a burgeoning opportunity to run properties more efficiently and conserve on utilities consumption and cost. With high utility costs, the value proposition on some of the technology has become more attractive and has resulted in some being adopted, while others remain under consideration for feasibility. Should cost inflation persist, Management believes the REIT is well positioned since historically, the multi-family sector has performed well during times of high inflation relative to other real estate subsectors given the short term nature of residential leases.

In Q1 2023, high interest rates continued to have a significant negative impact on corporate earnings, particularly for those entities who had meaningful variable rate debt exposure. The REIT's FFO and AFFO per unit in Q1 2023 were impacted by high interest rates as it temporarily carried a large outstanding amount on its variable rate revolving credit facility and the variable rate mortgages on Niagara West and The International. Subsequent to March 31, 2023, the REIT repaid its \$46,158 variable rate mortgage, secured by Niagara West, with a \$61,237 CMHC-insured mortgage with a fixed interest rate of 3.87% and a 10-year term. The REIT will also imminently refinance the \$62,220 variable rate mortgage for The International with a 10-year CMHC-insured fixed interest mortgage with an anticipated interest rate of approximately 4%. Management is also evaluating strategies to reduce the amount outstanding on the revolving credit facility, which had a weighted average interest rate of 6.69% at March 31, 2023, including early refinancings. During March 2023, Management acquired rate lock commitments for the upward refinancing of five maturing mortgages with a principal of \$136,921 and expected net proceeds between \$60,000 and \$70,000. The new mortgages will have fixed interest rates between 3.87% and 3.95%. Management is also evaluating deleveraging using other sources of liquidity. Looking ahead, Management will continue to stagger its debt ladder and maturity profile and believes the reduction of the REIT's variable rate debt exposure represents upside to FFO and AFFO per unit, with potential further improvement if short-term interest rates begin to decline.

¹ Immigration, Refugees and Citizenship Canada

² Ontario's Need for 1.5 million more homes, Smart Prosperity Institute at the University of Ottawa, August 2022.

Efficient capital allocation continues to be a key area of focus for the REIT. Management will evaluate capital allocation decisions strategically, with consideration for leverage, liquidity, cash flow growth per unit and value creation, among other things. Management anticipates funding growth opportunities, including developments and CDL programs, with internal sources including operating cash flow, credit facility draws net of any refinancing proceeds and capital recycling by disposing of certain non-core assets. At this time, Management does not anticipate increasing leverage materially, nor does it anticipate raising equity at a large discount to NAV. Management will also consider reducing variable rate debt, continued investment in properties, and unit buybacks with any excess capital.

Canada is facing the worst housing and affordability crisis in a generation. CMHC identified in a report that Canada needs over 22 million housing units by 2030 to help achieve housing affordability for all Canadians. If the current rates of new construction continue, CMHC projects that the housing stock will be in shortfall at close to 19 million units by 2030 and that an additional 3.5 million housing units are needed to restore affordability.¹ Management believes that REITs and the private sector can be part of the solution, and the REIT is part of a group called Canadian Rental Housing Providers for Affordable Housing (www.foraffordable.ca), established in coalition with other large multi-family publicly-traded real estate investment trusts. The group is committed to being a part of the solution and will continue to work collaboratively with all levels of government and civil society to build new housing supply, create new jobs and help alleviate the housing supply and affordability pressures facing our country.

In summary, Management is confident that the industry fundamentals will support revenue growth through the remainder of 2023. It also believes that the in-place strategies to contain controllable operating expenses will deliver solid NOI growth. Finally, FFO and AFFO per unit will benefit from reducing the REIT's exposure to variable rate debt, in addition to any reduction of interest rates from current levels.

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 15.3% (as set out in the detailed embedded gain-to-lease potential table in the previous section). The REIT aims to further enhance occupancy, which as of March 31, 2023 was 97.6%, which provides another viable source of organic revenue growth.

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 nearly 2,000 suites eligible for repositioning. The REIT's ability to execute its repositioning program is highly dependent on turnover of unrenovated suites and market conditions at the time suite renovations are completed. Management anticipates turnover will slow in 2023 due to overall rental market strength. Subject to unrenovated suites becoming available, the REIT expects to reposition approximately 80 to 120 suites in 2023, and as of Q1 2023 had repositioned 32 suites.

¹ *Housing Shortages in Canada: Solving the Affordability Crisis*, CMHC, June 23, 2022.

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

Management evaluates potential development projects that can generate NAV and long-term earnings growth for 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	\$ 122,000	Q4 2021	Q2 2026	4.25% - 4.75%
Leslie York Mills	50%	192	183,000	Q4 2021	Q3 2026	4.00% - 4.50%
High Park Village	40%	688	528,000	Q4 2024 (est.)	Q3 2029	4.25% - 4.75%
		1,105	\$ 833,000			

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 237 suites. The intensification involves the addition of a new tower with 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. A construction financing agreement is in place with CMHC for a maximum financing of \$93,745 and a fixed interest rate of 2.39% for a 10-year term. Phase 1 below-grade construction for the parking garage has been completed and Phase 2 below-grade excavation is currently underway.

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. The temporary parking structure is complete and occupied, which facilitated the start of underground garage construction in March 2023.

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 688 suites and 335 underground parking stalls. Rezoning was completed in Q3 2022 and the garage rehabilitation that was required to enable construction was completed in December 2022. The development remains subject to municipal as well as investment partner approval through the Site Plan Approval process.

Current economic conditions including high inflation, high interest rates and municipal development policy changes have created additional volatility in construction cost estimates. While these risks are largely offset by strong rental market conditions, Management's strategy for mitigating these risks includes significant budget contingency, managing key vendor relationships, and 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.

The impact of Bill 23, which received Royal Assent in late November 2022, has been incorporated into the project estimates for Leslie York Mills and High Park Village. The bill has improved expected yields and internal rate of return ("IRR") by offering development charge reductions, amendments to project phasing, and the opportunity to defer the timing of development charge payments.

The construction of the three development projects will add approximately 1,105 suites to the REIT's portfolio at an estimated total cost of \$833,000¹, generating an expected average yield between 4.00% and 4.75%. Increases in rental rates are expected to offset any cost inflation to preserve expected yields.

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

Access to Urban Pipeline in Target Markets Through MPI and Affiliates

The REIT has entered into agreements to extend CDLs to MPI and partnerships in which MPI is a partner. CDL projects provide a host of benefits to the REIT including insulation from development risk, the option to purchase newly constructed rental housing at a discounted price, the potential to provide a more economic entry into core, urban 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 exercise of existing CDL Options and the pursuit of any new CDL opportunities.

The REIT currently has the following CDL projects, all of which are under construction or stabilized:

Location and Project Name	Estimated Suites	Potential Ownership	Estimated Project Costs ¹	Construction Start Date	Estimated Stabilization	Maximum Loan Amount ²	Advanced as of March 31, 2023 ²
Ottawa, ON							
Fifth + Bank	163	100%	93,000	Q3 2020	Q2 2022	\$30,000	\$30,000
Beechwood	227	100%	137,000	Q4 2021	Q1 2025	51,400	29,697
North Vancouver, BC							
Lonsdale Square	113	100%	83,000	Q2 2021	Q1 2024	14,000	14,000
Vancouver, BC							
810 Kingsway	108	85% ³	86,000	Q1 2022	Q3 2024	19,650	17,157
Victoria, BC							
University Heights	594	45% ³	401,000	Q4 2022	Q4 2026	51,700	14,076
	1,205		\$ 800,000			\$166,750	\$104,930

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 record of site condition approval from the provincial Ministry of Environment, Conservation and Parks. In Q1 2023, MPI and the REIT amended the Fifth + Bank CDL agreement to extend the REIT's property purchase option to December 31, 2023 and the maturity of the CDL to January 31, 2024. 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. Foundation is work complete and formwork has advanced to the third floor. Stabilization is expected by Q1 2025.

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. Building superstructure was topped off in October 2022 and the building is enclosed and drywall installation is advancing. Retail leasing is underway and first occupancy is expected by Q4 2023. The property is expected to be stabilized in Q1 2024.

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. Ground floor slab and formwork is complete and construction is advancing to the second floor. Pre-leasing of the retail component has commenced. The property is expected to be stabilized in Q3 2024.

University Heights involves the development of five buildings containing 594 rental suites and 115,751 square feet of 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 first phase of parkade restoration is nearing completion, demolition is complete, and construction will be executed in a phased approach. Construction of the first building is underway with the erection of the crane complete, and below grade slab and column work ongoing. Pre-leasing of the retail component is also underway. The project is expected to be fully stabilized in Q4 2026.

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.

³ For 810 Kingsway and University Heights, if the REIT exercises its CDL Option, it will acquire an indirect ownership interest in the property.

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% indirect ownership interest in 810 Kingsway and MPI's 45% indirect ownership interest in University Heights, each 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 1,205 suites to the REIT's portfolio. The exercise of each 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 REIT's strategic plan as it represents an internal source of equity capital. Management continuously evaluates the portfolio for relative NOI growth potential, NOI margin, 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 that are aligned with the REIT's strategy, which may include repayment of high cost debt, investing in high growth acquisitions, and unit buybacks. The capital recycling program is an attractive alternative to raising equity from the capital markets which is currently dilutive to existing unitholders.

Section II - Financial Highlights and Performance

Key Performance Indicators

The REIT's operating results are affected by seasonal variations and other factors, including 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		March 31, 2023		March 31, 2022	Change
Operating					
Number of properties		31		30	1
Total suites ¹		8,227		7,538	689
Average monthly rent ²	\$	1,769	\$	1,655	6.9 %
Closing occupancy ²		97.6 %		94.6 %	300 bps
Average occupancy ²		97.2 %		94.2 %	300 bps
Average monthly rent ² - Same Property Portfolio	\$	1,755	\$	1,661	5.7 %
Average occupancy ² - Same Property Portfolio		97.2 %		94.2 %	300 bps
Financial					
Revenue	\$	38,403	\$	32,526	18.1 %
NOI ²	\$	22,736	\$	18,786	21.0 %
NOI margin ²		59.2 %		57.8 %	140 bps
Interest costs ²	\$	10,668	\$	6,209	(71.8)%
Net (loss) income and comprehensive (loss) income	\$	(24,227)	\$	34,640	
Revenue - Same Property Portfolio	\$	35,724	\$	32,331	10.5 %
NOI ² - Same Property Portfolio	\$	21,136	\$	18,659	13.3 %
NOI margin ² - Same Property Portfolio		59.2 %		57.7 %	150 bps
FFO ²	\$	11,629	\$	11,979	(2.9)%
FFO per unit ²	\$	0.1772	\$	0.1906	(7.0)%
AFFO ²	\$	9,933	\$	10,348	(4.0)%
AFFO per unit ²	\$	0.1513	\$	0.1647	(8.1)%
AFFO Payout Ratio ²		81.0 %		72.1 %	(890) bps
Distribution per unit	\$	0.1225	\$	0.1187	3.2 %
Distribution yield ² based on Unit closing price		3.32 %		2.21 %	111 bps
As at					
Leverage					
Debt-to-Gross Book Value ratio ²		41.2 %		40.6 %	(60) bps
Debt Service Coverage ratio ²		1.42 x		1.66 x	(0.24)x
Debt-to-Adjusted EBITDA ratio ²		12.40 x		12.43 x	0.03x
Weighted average term to maturity on fixed rate debt ²		3.98		4.27	(0.29) years
Weighted average interest rate on fixed rate debt ²		3.07 %		3.06 %	(1) bps
Weighted average interest rate on variable rate debt ²		7.01 %		6.87 %	(14) bps
Valuation					
NAV ²	\$	1,564,568	\$	1,575,395	(0.7)%
NAV per unit ²	\$	23.83	\$	24.00	(0.7)%

¹ At March 31, 2023, includes 2,664 (March 31, 2022 - 2,163) suites co-owned with institutional partners.

² Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

Review of Financial Performance

The following tables highlight selected financial information for the REIT's Same Property Portfolio and Total Portfolio for the three months ended March 31, 2023 and 2022.

Same Property Portfolio

Three months ended	March 31, 2023	March 31, 2022	% Change
Revenue from investment properties	\$ 35,724	\$ 32,331	10.5 %
Property operating costs	6,895	6,456	(6.8)%
Property taxes	3,717	3,643	(2.0)%
Utilities	3,976	3,573	(11.3)%
Operating expenses	14,588	13,672	(6.7)%
NOI ¹	\$ 21,136	\$ 18,659	13.3 %
NOI margin ¹	59.2 %	57.7 %	150 bps

Total Portfolio

Three months ended	March 31, 2023	March 31, 2022	% Change
Revenue from investment properties	\$ 38,403	\$ 32,526	18.1 %
Property operating costs	7,443	6,480	(14.9)%
Property taxes	4,008	3,665	(9.4)%
Utilities	4,216	3,595	(17.3)%
Operating expenses	15,667	13,740	(14.0)%
NOI ¹	22,736	18,786	21.0 %
NOI margin ¹	59.2 %	57.8 %	140 bps
General and administrative expenses	2,756	1,981	(39.1)%
Finance costs - operations	13,823	8,913	(55.1)%
Finance income	(1,629)	(988)	64.9 %
Fair value loss (gain) on:			
Investment properties	13,503	(14,395)	
Class B LP Units	18,286	(9,563)	
Interest rate swap	410	(1,307)	
Unit-based compensation	154	(100)	
Loss on disposition	348	—	
Fees and other income	(688)	(395)	(74.2)%
Net (loss) income and comprehensive (loss) income	\$ (24,227)	\$ 34,640	

Net Operating Income

Same Property Portfolio NOI for Q1 2023 increased by 13.3%, driven by rental revenue growth of 10.5%. Rental revenue growth was spurred by unfurnished suite revenue growth of 11.3% over Q1 2022, driven by favourable average occupancy and average monthly rents. This was partially offset by a 6.7% increase in operating expenses, particularly from higher gas rates, salaries and repair and maintenance costs.

For Q1 2023, the NOI variance between the Same Property Portfolio results and the Total Portfolio results is due to the acquisitions of Niagara West and The International in Q2 2022 and the disposition of Hi-Level Place in Q1 2023. All three of these properties are excluded from the Q1 2022 Same Property Portfolio results presented in this Management's Discussion and Analysis. The variance in Total Portfolio operating income from that of the Same Property Portfolio for Q1 2023 is driven by a full quarter of earnings from Niagara West and The International with no comparable amount for Q1 2022 as both properties were acquired in Q2 2022. This operating income was partially offset by the sale of Hi-Level in early March 2023 and has a full quarter of comparable earnings in Q1 2022. As such, the discussion for items associated with determining NOI will primarily be focused from the context of Same Property Portfolio results.

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

Revenue from Investment Properties

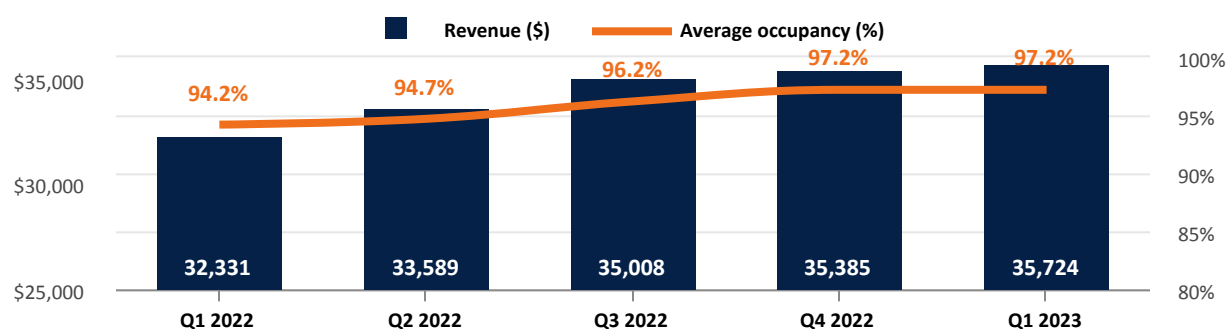
Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2023	2022	% Change	2023	2022	% Change
Rental revenue						
Unfurnished suites	\$ 31,150	\$ 28,000	11.3 %	\$ 33,445	\$ 28,183	18.7 %
Furnished suites	1,887	1,637	15.3 %	1,887	1,637	15.3 %
Commercial leases	323	479	(32.6)%	446	479	(6.9)%
Parking revenue	1,264	1,235	2.3 %	1,432	1,240	15.5 %
Other property income	1,100	980	12.2 %	1,193	987	20.9 %
	\$ 35,724	\$ 32,331	10.5 %	\$ 38,403	\$ 32,526	18.1 %

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 Q1 2023, rental revenue from unfurnished suites for the Same Property Portfolio increased 11.3% from Q1 2022, primarily due to improved average occupancy and higher average monthly rents, as well as reduced amortization of promotions. Same Property Portfolio average occupancy for Q1 2023 was 97.2% compared to 94.2% for Q1 2022. As at March 31, 2023, Same Property Portfolio average monthly rent increased to \$1,755, which was 5.7% per month higher than Q1 2022. Use of lease promotions has continued to diminish as the rental market has strengthened.

Same Property Portfolio Revenue and Average Occupancy¹



Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2023	2022	Change	2023	2022	Change
Average Occupancy¹						
Toronto	98.4 %	94.7 %	370 bps	98.1 %	94.7 %	340 bps
Ottawa	98.0 %	95.4 %	260 bps	98.0 %	95.4 %	260 bps
Alberta	98.3 %	91.9 %	640 bps	98.0 %	91.8 %	620 bps
Montreal	93.8 %	92.3 %	150 bps	93.8 %	92.3 %	150 bps
	97.2 %	94.2 %	300 bps	97.2 %	94.2 %	300 bps

For Q1 2023, revenue from unfurnished suites for the Total Portfolio was 18.7% higher as compared to Q1 2022, of which 7.4% related to the acquisition of Niagara West and The International, partially offset by the disposition of Hi-Level Place. Total Portfolio average monthly rent was \$1,769 at March 31, 2023, an increase of 6.9% from March 31, 2022. Total Portfolio average occupancy for Q1 2023 was 97.2%, an increase of 300 bps from Q1 2022.

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

Rental Revenue from Furnished Suites

For Q1 2023, rental revenue from furnished suites for the Same Property Portfolio and Total Portfolio was 15.3% higher than Q1 2022. Average monthly rent for furnished suites increased significantly over Q1 2022, up to \$4,872 from \$4,219, while occupancy for furnished suites also increased to 68.6% compared to 62.8%. The increase in rental revenue from furnished suites was partially offset by a decrease in the average furnished suite count by 10 suites from Q1 2022.

Rental Revenue from Commercial Leases

For Q1 2023, revenue from commercial leases for the Same Property Portfolio was 32.6% lower as compared to Q1 2022, driven by promotions in Ottawa and lower revenue in Calgary. Revenue from commercial leases for the Total Portfolio was 6.9% lower for Q1 2023 as compared to Q1 2022 due to the unfavourability of the Same Property Portfolio, partially offset by the acquisition of Niagara West.

Parking Revenue

For Q1 2023, parking revenue for the Same Property Portfolio increased by 2.3% over Q1 2022, mainly due to improved occupancy and higher rates charged to tenants. Parking revenue for the Total Portfolio was 15.5% higher in Q1 2023 as compared to Q1 2022, of which 13.3% is primarily related to the acquisition of Niagara West and The International.

Other Property Income

For Q1 2023, other property income for the Same Property Portfolio increased by 12.2% as compared to Q1 2022, primarily as a result of higher revenue from laundry, fitness centre membership fees and storage rentals. For the same period, Total Portfolio other property income was 20.9% higher, of which 8.5% is primarily related to the acquisition of Niagara West and The International.

Property Operating Costs

Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2023	2022	% Change	2023	2022	% Change
Property operating costs	\$ 6,895	\$ 6,456	(6.8)%	\$ 7,443	\$ 6,480	(14.9)%

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 Q1 2023, Same Property Portfolio property operating costs were 6.8% higher compared to Q1 2022, mainly as a result of an increase in salaries and wages and higher repairs and maintenance. The increase in salaries and wages was mainly a result of annual salary increases and one-time severance costs as the REIT reorganized certain positions.

For Q1 2023, property operating costs for the Total Portfolio were 14.9% higher as compared to Q1 2022, of which 7.9% related to the acquisition of Niagara West and The International and are mainly a result of additional salaries and wages and repairs and maintenance.

Same Property Portfolio property operating costs were 19.3% of revenue for Q1 2023, compared to 20.0% for Q1 2022. For Q1 2023, Total Portfolio property operating costs were 19.4% of revenue, compared to 19.9% for Q1 2022.

Property Taxes

Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2023	2022	% Change	2023	2022	% Change
Property taxes	\$ 3,717	\$ 3,643	(2.0)%	\$ 4,008	\$ 3,665	(9.4)%

Property taxes for the Same Property Portfolio for Q1 2023 increased slightly as compared to Q1 2022, primarily due to changes in assessed values and tax rates across the portfolio. Total Portfolio property taxes were 9.4% higher for the same period, of which 7.8% primarily related to the acquisition of Niagara West and The International.

Same Property Portfolio property taxes were 10.4% of revenue for Q1 2023, compared to 11.3% for Q1 2022. Total Portfolio property taxes were 10.4% of revenue for Q1 2023, compared to 11.3% for Q1 2022.

Utilities

Three months ended March 31,	Same Property Portfolio			Total Portfolio		
	2023	2022	% Change	2023	2022	% Change
Electricity	\$ 1,031	\$ 996	(3.5)%	\$ 1,134	\$ 1,003	(13.1)%
Natural gas	2,182	1,913	(14.1)%	2,282	1,924	(18.6)%
Water	763	664	(14.9)%	800	668	(19.8)%
	\$ 3,976	\$ 3,573	(11.3)%	\$ 4,216	\$ 3,595	(17.3)%

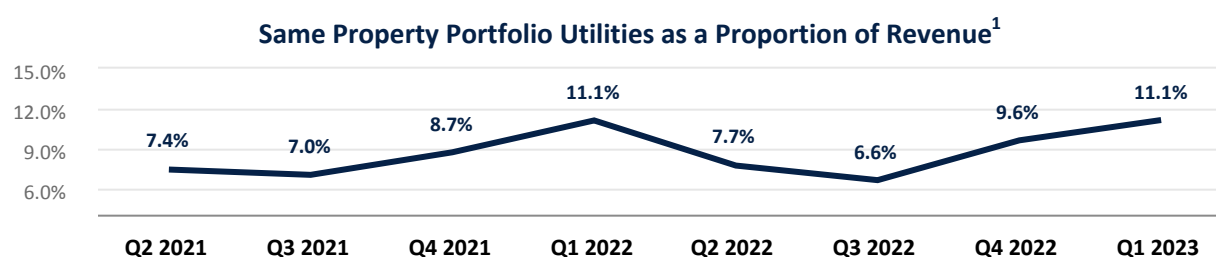
Utilities consist of electricity, natural gas and water for the rental properties. Utility costs are seasonal and can be highly variable from one period to the next. In addition to seasonality-driven usage, utility rates and commodity prices impact costs.

Same Property Portfolio utilities for Q1 2023 were 11.3% higher compared to Q1 2022, primarily due to an increase in natural gas and water expenses. The natural gas expense increased by 14.1% as a result of significant increases in rates and federal carbon levies across all geographic nodes. Average gas rates were 24% higher in Q1 2023 as compared to Q1 2022. These rate increases were offset by a decrease in consumption driven by reduced heating degree days, which were 12.4% lower from Q1 2022 to Q1 2023. Water expenses increased by 14.9% due to additional consumption from higher occupancy as well as rate increases. Electricity expenses increased by 3.5% as a result of higher rates offset by lower consumption.

For Q1 2023, utilities for the Total Portfolio were 17.3% higher as compared to the Q1 2022, of which 6.0% primarily related to the acquisition of Niagara West and The International.

Natural gas supply rates have fallen 8.8% through Q1 2023 from their peak in Q3 2022. Usage of natural gas is highly seasonal and weather dependent, with peaks occurring in Q4 and Q1 of any given year.

Same Property Portfolio utilities represent 11.1% of revenue for both Q1 2023 and Q1 2022. Total Portfolio utilities for Q1 2023 represent 11.0% of revenue, compared to 11.1% for Q1 2022.



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 Q1 2023 increased 39.1%, primarily due to executive compensation costs for internalized C-suite executives, as well as Unit-based compensation, higher professional fees and travel costs

¹ Same Property Portfolio utilities as a percentage of revenue is representative of Total Portfolio utilities as a percentage of revenue.

Finance Costs - Operations

Three months ended	March 31, 2023	March 31, 2022	% Change
Interest expense on mortgages and loans	\$ 6,695	\$ 4,268	(56.9)%
Interest expense and standby fees on credit facility	2,846	438	(549.8)%
Amortization of financing charges	260	147	(76.9)%
Amortization of mark-to-market adjustments	(176)	(195)	(9.7)%
Capitalized interest expense	(563)	(97)	480.4 %
Interest expense and other financing charges	9,062	4,561	(98.7)%
Distributions on Class B LP Units	3,155	2,704	(16.7)%
Distributions on Class C LP Units	1,606	1,648	2.5 %
	\$ 13,823	\$ 8,913	(55.1)%

Finance costs comprise interest expense on fixed and variable rate mortgages and a construction loan, 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 Q1 2023 were higher by \$4,910 compared to Q1 2022, primarily as a result of higher interest expense on the credit facility, additional interest expense on variable rate mortgages for Niagara West and The International acquired in Q2 2022 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 Q1 2023 the average outstanding balance on the credit facility was \$168,460 with an average borrowing rate of 6.62%, compared to \$51,150 with an average borrowing rate of 2.53% in Q1 2022. The increase in mortgage interest expense is primarily driven by the variable rate mortgages, which account for \$1,958 of the increase. At March 31, 2023, the weighted average interest rate of the variable rate mortgages was 7.55%. Class B LP Unit distributions for Q1 2023 were higher compared to Q1 2022 due to the additional Class B LP Units issued in connection with the Niagara West acquisition and the increase in the monthly distribution in Q4 2022 from \$0.03958 to \$0.04083.

Subsequent to quarter end, the REIT secured a \$61,237 CMHC-insured mortgage for its Niagara West property at an annual fixed interest rate of 3.87% and a 10-year term. The REIT will also imminently refinance the variable rate mortgage for The International with a 10-year term CMHC-insured mortgage at an anticipated annual fixed interest rate of approximately 4%.

Finance Income

Finance income comprises interest income on CDLs, a Unit purchase loan made to a member of Management, and interest on bank deposits.

For Q1 2023, finance income was 64.9% higher than Q1 2022, primarily as a result of increased interest income earned on CDLs. As at March 31, 2023, the REIT had advanced \$32,179 since Q1 2022 on three existing commitments, thus driving higher interest income in Q1 2023.

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 to the estimated 12-month stabilized forecasted NOI for each property, reduced by an estimate of five-year future capital expenditures. 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.

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

Three months ended	March 31, 2023	March 31, 2022
Forecast NOI	\$ 13,598	\$ 20,212
Capitalization rates	(22,950)	—
Capital expenditure reserve	(4,151)	(5,817)
	\$ (13,503)	\$ 14,395

Increases in capitalization rates of 12.5 bps on suburban assets in Ottawa were partially offset by forecast NOI growth in Q1 2023 due to strong realized and forecasted leasing results continuing to outpace expense inflation. The weighted average capitalization rate used for the Q1 2023 valuation of residential properties was 3.84%, compared to 3.80% in Q4 2022 and 3.60% in Q1 2022. The 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 timing changes of planned capital projects and sustainability initiatives. Collectively, adjustments to capitalization rates, forecast NOI, and the capital expenditure reserve resulted in a \$13,503 fair value loss.

The capitalization rates of the portfolio for each of the REIT's residential rental markets were as follows:

As at	March 31, 2023		December 31, 2022	
	Low	High	Low	High
Ottawa, Ontario	3.88%	4.38%	3.88%	4.25%
Toronto, Ontario	3.25%	3.50%	3.25%	3.50%
Edmonton, Alberta	4.38%	4.38%	4.38%	4.38%
Calgary, Alberta	4.28%	4.63%	4.28%	4.63%
Montreal, Quebec	3.75%	4.00%	3.75%	4.00%
Weighted-average capitalization rate	3.84%		3.80%	

Fair Value Loss (Gain) on Class B LP Units

The Class B LP Units are economically equivalent to Units, in that they receive distributions equivalent 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	March 31, 2023		March 31, 2022	
Unit price - opening	\$	14.05	\$	21.89
Unit price - closing		14.76		21.47

The increase in Unit price for Q1 2023 resulted in a fair value loss on Class B LP Units of \$18,286, compared to a decrease in Unit price resulting in a fair value gain of \$9,563 for Q1 2022.

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 Q1 2023, the REIT recognized a fair value loss of \$410, compared to a fair value gain of \$1,307 for Q1 2022, and the changes in each period were mainly a result of changes in variable interest rates.

Fair Value Loss (Gain) on Unit-Based Compensation

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

For Q1 2023, the REIT recognized a fair value loss of \$154 due to an increase in the Unit price, whereas for Q1 2022 the REIT recognized a gain of \$100 due to a decrease in the Unit price.

Loss on Disposition

Loss on disposition for Q1 2023 is comprised of costs of \$348 for the disposition of Hi-Level Place in March 2023.

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. For Q1 2023, the REIT recognized \$688 in fees and other income, and the increase was primarily driven by fees earned for Niagara West.

Summary of Quarterly Results

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Total assets	\$ 2,738,165	\$ 2,734,812	\$ 2,714,856	\$ 2,706,092	\$ 2,474,897	\$ 2,440,714	\$ 2,326,515	\$ 2,286,697
Investment properties	\$ 2,603,182	\$ 2,611,094	\$ 2,600,273	\$ 2,599,891	\$ 2,384,753	\$ 2,360,565	\$ 2,252,643	\$ 2,206,078
Total liabilities	\$ 1,553,741	\$ 1,521,275	\$ 1,464,049	\$ 1,487,430	\$ 1,435,014	\$ 1,430,713	\$ 1,419,443	\$ 1,456,426
Total non-current liabilities	\$ 1,165,077	\$ 1,189,744	\$ 1,145,584	\$ 1,244,872	\$ 1,273,661	\$ 1,248,071	\$ 1,331,990	\$ 1,394,275
Revenue from investment properties	\$ 38,403	\$ 37,916	\$ 37,838	\$ 35,510	\$ 32,526	\$ 32,429	\$ 31,234	\$ 29,885
NOI ¹	\$ 22,736	\$ 22,947	\$ 24,224	\$ 21,839	\$ 18,786	\$ 19,940	\$ 19,405	\$ 19,018
NOI margin ¹	59.2%	60.5%	64.0%	61.5%	57.8%	61.5%	62.1%	63.6%
Net income (loss) and comprehensive income (loss)	\$ (24,227)	\$ (32,432)	\$ 39,655	\$ 183,537	\$ 34,640	\$ 24,933	\$ 80,928	\$ 8,727
FFO ¹	\$ 11,629	\$ 12,864	\$ 15,654	\$ 13,680	\$ 11,979	\$ 13,245	\$ 12,453	\$ 11,941
FFO per unit ¹	\$ 0.1772	\$ 0.1960	\$ 0.2380	\$ 0.2100	\$ 0.1906	\$ 0.2147	\$ 0.2109	\$ 0.2022
AFFO ¹	\$ 9,933	\$ 11,160	\$ 13,952	\$ 11,983	\$ 10,348	\$ 11,656	\$ 10,883	\$ 10,373
AFFO per unit ¹	\$ 0.1513	\$ 0.1700	\$ 0.2121	\$ 0.1840	\$ 0.1647	\$ 0.1890	\$ 0.1842	\$ 0.1757
Distributions declared ²	\$ 8,041	\$ 7,960	\$ 7,804	\$ 7,816	\$ 7,462	\$ 7,356	\$ 6,718	\$ 6,717
AFFO Payout Ratio ¹	81.0%	71.3%	55.9%	65.2%	72.1%	63.1%	61.7%	64.8%
Distribution per unit	\$ 0.1225	\$ 0.1212	\$ 0.1187	\$ 0.1187	\$ 0.1187	\$ 0.1171	\$ 0.1138	\$ 0.1138

The REIT's operating results are affected by seasonal variations and other factors, including changing interest rates and inflation. 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 more of the gain-to-lease potential.

Q1 2023 marks yet another strong quarter for the REIT's operations, driven by favourable long-term market demand conditions for unfurnished suites, which support revenue and NOI growth. Average monthly rents continued their upward trajectory while average occupancy remained strong through the winter months. While inflation continued to increase the cost of utilities and property operating expenses, it has moderated from its peak in 2022. FFO and AFFO were impacted by higher short term interest rates, which affected variable rate mortgages and the credit facility in particular. Consistent with the REIT's strategy on internalization, the hiring of REIT-dedicated key executives has increased general and administrative costs. Overall, the REIT achieved strong results in the balance of these challenges and opportunities, and was able to maintain a moderate payout ratio.

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

² Includes distributions on Units and Class B LP Units.

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, 2022	\$ 2,525,455	\$ 27,828	\$ 57,811	\$ 2,611,094
Additions				
Capital expenditures	6,704	35	—	6,739
Development expenditures	—	—	8,946	8,946
Other	(174)	—	—	(174)
Disposition	(9,920)	—	—	(9,920)
Fair value (loss) gain	(13,395)	(108)	—	(13,503)
Balance, March 31, 2023	\$ 2,508,670	\$ 27,755	\$ 66,757	\$ 2,603,182

Disposition of Investment Property

On March 7, 2023, the REIT closed on the disposition of Hi-Level Place in Edmonton for a sale price of \$9,920 and net cash proceeds of \$2,885. In connection with the disposition, the purchaser assumed the mortgage secured by the property which had a carrying amount of \$6,770.

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	March 31, 2023	March 31, 2022
Total capital expenditures	\$ 6,739	\$ 7,593
Value-enhancing capital expenditures		
Building improvements	3,733	3,844
Suite upgrades	1,497	2,684
	5,230	6,528
Maintenance capital expenditures	1,509	1,065
Maintenance capital expenditures per suite	\$ 223	\$ 167

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 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 Q1 2023 were \$1,509 or \$223 per suite and primarily related to maintenance of plumbing systems, parking garages and electrical and mechanical systems.

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	March 31, 2023	March 31, 2022
Richgrove	\$ 6,849	\$ 1,348
Leslie York Mills	1,559	382
High Park Village	538	470
	\$ 8,946	\$ 2,200

The construction of the Richgrove project continues as planned, with development expenditures primarily related to completion of Phase I below-grade work and commencement of Phase II below-grade work. As of March 31, 2023, the REIT has incurred costs of \$33,217, and forecasts \$88,783 in remaining expenditures, an IRR of 18% to 21% and stabilization in Q2 2026.¹

Development at Leslie York Mills also continues to progress, with expenditures in the quarter primarily related to the demolition of the existing parking structure and commencement of below-grade drilling. As of March 31, 2023, the total project costs incurred are \$21,035. Management forecasts \$161,965 in remaining expenditures and an IRR of 16% to 19%, with stabilization in Q3 2026.¹

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 and construction phases. As of March 31, 2023, the total pre-development project costs incurred are \$8,894. Management forecasts \$519,106 in remaining expenditures and an IRR of 14% to 17% with stabilization in Q3 2029.¹

Valuation

Refer to Section II - "Review of Financial Performance - Fair Value Loss (Gain) on Investment Properties" for details on the valuation method used for the REIT's investment properties.

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.

As at March 31, 2023 and December 31, 2022, there were 25,755,029 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 March 31, 2023 and December 31, 2022, 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, 2022 - 3.16%) and mature at various dates between 2023 and 2030.

¹ Incurred costs and forecast expenditures as presented at 100% rather than the REIT's proportionate share.

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 3.03% (December 31, 2022 - 3.03%) and mature at various dates between 2023 and 2032. The REIT's fixed rate mortgages include a variable rate mortgage that is fixed at 3.38% through an interest rate swap.

In March 2023, the REIT committed to refinance \$136.9 million of maturing mortgages with fixed interest rates ranging from 3.87% and 3.95%. The upward refinance potential is estimated to be between \$60,000 and \$70,000.

At March 31, 2023, the weighted average interest rate of the two variable rate mortgages was 7.55% (December 31, 2022 - 7.45%). On April 27, 2023, the REIT secured a \$61,237 CMHC-insured fixed interest rate mortgage for its Niagara West property at an annual interest rate of 3.87% and a 10-year term. The net proceeds of the refinancing were used to repay the \$46,158 variable rate mortgage on the property and a portion of the credit facility. Also, the REIT will imminently refinance the \$62,220 variable rate mortgage for The International with a CMHC-insured fixed rate mortgage at an anticipated annual rate of approximately 4% and a 10-year term.

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 March 31, 2023, \$11,450 (December 31, 2022 - \$8,006) was drawn. Payments are made monthly on an interest-only basis.

As at March 31, 2023, the REIT had available credit of \$268,787 (December 31, 2022 - \$267,115) 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. 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 March 31, 2023, the weighted average variable interest rate was 6.69% (December 31, 2022 - 6.47%).

		March 31, 2023	December 31, 2022
Committed	\$	300,000	\$ 300,000
Available		268,787	267,115
Utilized			
Amounts drawn		181,374	157,158
Letter of credit		442	442
		181,816	157,600
Undrawn amount available	\$	86,971	\$ 109,515

Units

The DOT authorizes the issue of an unlimited number of Units. As of March 31, 2023 and December 31, 2022 there were 39,887,612 Units issued and outstanding, with a carrying value of \$710,873.

Normal Course Issuer Bid

In Q3 2022, the REIT initiated a normal course issuer bid ("NCIB"). The NCIB period is from July 21, 2022 to July 20, 2023. For Q1 2023, the REIT did not purchase and cancel any Units under the NCIB.

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 Q1 2023, distributions to Unitholders of \$4,886 (March 31, 2022 - \$4,758) were declared based on approved monthly distributions of \$0.04083 (2022 - \$0.03958) per Unit for the months of January to March.

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		March 31, 2023		December 31, 2022
Liabilities (principal amounts outstanding):				
Class B LP Units	\$	380,144	\$	361,858
Class C LP Units		205,258		206,673
Mortgages		729,968		740,334
Construction loan		11,450		8,006
Credit facility		181,374		157,158
		1,508,194		1,474,029
Unitholders' equity		1,184,424		1,213,537
	\$	2,692,618	\$	2,687,566

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 March 31, 2023, 61% (December 31, 2022 - 63%) of the REIT's total debt is CMHC insured and approximately 74% (December 31, 2022 - 76%) 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		March 31, 2023		December 31, 2022
Class C LP Units	\$	206,554	\$	208,086
Mortgages		728,114		738,314
Construction loan		11,450		8,006
Credit facility		181,374		157,158
Total debt		1,127,492		1,111,564
Total assets		2,738,165		2,734,812
Debt-to-Gross Book Value ratio¹		41.2%		40.6%
Total liquidity		91,833		114,838
Liquidity as a percentage of total debt		8.1%		10.3%

The REIT continues to maintain a conservative overall leverage position with a Debt-to-Gross Book Value ratio of 41.2% at March 31, 2023.

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 8.1% at March 31, 2023, compared to 10.3% at December 31, 2022.

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

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:

Twelve months ended	March 31, 2023	December 31, 2022
Trailing 12-month NOI ¹	\$ 91,746	\$ 87,796
Trailing 12-month general and administrative expenses	(10,079)	(9,303)
Trailing 12-month finance income	5,459	4,818
Trailing 12-month fees and other income	3,285	3,339
	90,411	86,650
Impact on NOI of stabilized earnings from acquisitions	155	2,351
Adjusted EBITDA¹	90,566	89,001
Total debt	1,127,492	1,111,564
Cash	4,862	5,323
Total debt, net of cash	1,122,630	1,106,241
Debt-to-Adjusted EBITDA ratio¹	12.40x	12.43x

The REIT's Debt-to-Adjusted EBITDA ratio decreased by 0.03x compared to December 31, 2022. The REIT uses a combination of equity and debt to finance the intensification of existing sites and the issuance of CDLs (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 CDL Options, resulting in a 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 March 31, 2023, the weighted average term to maturity on fixed rate debt was 3.98 years (December 31, 2022 - 4.27 years) and the weighted average interest rate on fixed rate debt was 3.07% (December 31, 2022 - 3.06%). The contractual payments under the REIT's debt financing are summarized in the table below.

Year	Principal Repayments		Principal at Maturity				Total	% of Total	Interest Rate ²
	Mortgages	Class C LP Units	Mortgages	Credit facility	Construction loan	Class C LP Units			
2023	\$ 9,482	\$ 3,856	\$ 226,095	\$ —	\$ —	\$ 44,963	\$ 284,396	25.2 %	5.44 %
2024	10,895	4,321	48,182	—	—	46,178	109,576	9.7 %	3.04 %
2025	9,914	3,067	41,016	181,374	—	60,474	295,845	26.2 %	5.34 %
2026	8,430	1,283	72,524	—	—	—	82,237	7.3 %	3.00 %
2027	7,982	1,327	—	—	—	21,425	30,734	2.7 %	3.31 %
2028	21,862	1,596	—	—	—	—	23,458	2.1 %	— %
Thereafter	—	—	273,586	—	11,450	16,768	301,804	26.8 %	2.66 %
	\$ 68,565	\$ 15,450	\$ 661,403	\$ 181,374	\$ 11,450	\$ 189,808	\$ 1,128,050	100 %	

As of March 31, 2023, current liabilities of \$388,664 (December 31, 2022 - \$331,531) exceeded current assets of \$46,435 (December 31, 2022 - \$42,422), resulting in a net working capital deficit of \$342,229 (December 31, 2022 - \$289,109). Current liabilities as of March 31, 2023 include \$330,615 (December 31, 2022 - \$271,225) of debt financing which the REIT is actively in the process of refinancing. In March 2023, the REIT acquired rate lock commitments for the upward refinancing of five maturing mortgages with a principal of \$136,921. Subsequent to quarter end, the REIT refinanced the \$46,158 variable rate mortgage for Niagara West with a 10-year CMHC-insured fixed rate mortgage and will imminently refinance the \$62,220 variable rate mortgage for The International with a 10-year CMHC-insured fixed rate mortgage. 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 March 31, 2023, liquidity was \$91,833 (December 31, 2022 - \$114,838), consisting of cash of \$4,862 (December 31, 2022 - \$5,323) and \$86,971 (December 31, 2022 - \$109,515) of available borrowing capacity under the credit facility. Management believes that there is sufficient liquidity to meet the REIT's financial obligations.

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.

Cash Flows

As at March 31, 2023, the REIT held a cash balance of \$4,862 (March 31, 2022 - \$3,388). The sources and use of cash flow for the three months ended March 31, 2023 and 2022 are as follows:

Three months ended		March 31, 2023	March 31, 2022
Operating activities	\$	17,791	\$ 14,490
Financing activities		798	4,598
Investing activities		(19,050)	(18,551)

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		March 31, 2023	March 31, 2022
Net (loss) income and comprehensive (loss) income	\$	(24,227)	\$ 34,640
Add: distributions on Class B LP Units		3,155	2,704
		(21,072)	37,344
Less: distributions paid ¹		(8,041)	(7,462)
(Shortfall) excess of net (loss) income and comprehensive (loss) income over total distributions paid	\$	(29,113)	\$ 29,882
Cash provided by operating activities	\$	17,791	\$ 14,490
Add: interest received		444	445
Less: interest paid		(11,340)	(6,280)
		6,895	8,655
Less: distributions paid ¹		(8,041)	(7,462)
(Shortfall) excess of cash provided by operating activities over total distributions and interest paid		(1,146)	1,193
Distributions declared ²	\$	8,041	\$ 7,462

For Q1 2023, total distributions exceeded net income and comprehensive income. 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 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 Q1 2023, there was a shortfall of cash provided by operating activities over total distributions and interest paid, primarily due to cash requirements to prepay property taxes in various jurisdictions.

¹ Distributions paid on REIT Units and Class B LP Units.

² Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"

Cash provided by financing activities

Three months ended	March 31, 2023	March 31, 2022
Proceeds from mortgage financing	\$ —	\$ 32,975
Net proceeds on credit facility	24,216	6,813
Proceeds from construction loan	3,444	749
CMHC premiums and financing costs	(2,564)	(1,061)
Principal repayments on mortgages	(3,502)	(19,763)
Distributions paid on various classes of units	(9,456)	(8,835)
Interest paid	(11,340)	(6,280)
	\$ 798	\$ 4,598

For Q1 2023, cash flows used in financing activities included net proceeds from the credit facility and draws on the construction loan in connection with the Richgrove development. These were largely offset by principal and interest on mortgages, distributions on various classes of units, payments of financing costs, and interest on the credit facility.

Cash used in investing activities

Three months ended	March 31, 2023	March 31, 2022
Capital additions to investment properties	\$ (10,860)	\$ (11,660)
Development expenditures	(5,298)	(1,954)
Loans advanced to related parties	(6,221)	(5,382)
Net proceeds on disposition of investment property	\$ 2,885	\$ —
Interest received	444	445
	\$ (19,050)	\$ (18,551)

Cash flows used in investing activities for Q1 2023 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 CDLs, offset by net proceeds on the disposition of Hi-Level Place and interest received from related parties on CDLs.

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 is 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:

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net income and comprehensive income	\$ (24,227)	\$ (32,432)	\$ 39,655	\$ 183,537	\$ 34,640	\$ 24,933	\$ 80,928	\$ 8,727
Distributions on Class B LP Units	3,155	3,122	3,058	3,058	2,704	2,665	2,591	2,590
Issuance costs on Class B LP Units	—	—	—	175	—	—	—	—
Disposition costs on investment property	348	—	—	—	—	—	—	—
Fair value loss (gain) on:								
Investment properties	13,503	12,209	18,689	2,325	(14,395)	(3,133)	(34,663)	(50,478)
Class B LP Units	18,286	29,617	(44,813)	(172,772)	(9,563)	(10,701)	(35,976)	50,775
Interest rate swap	410	(6)	(302)	(776)	(1,307)	(421)	(145)	3
Unit-based compensation	154	354	(633)	(1,867)	(100)	(98)	(282)	324
Funds from operations (FFO)	\$ 11,629	\$ 12,864	\$ 15,654	\$ 13,680	\$ 11,979	\$ 13,245	\$ 12,453	\$ 11,941
Maintenance capital expenditure reserve	(1,520)	(1,525)	(1,524)	(1,506)	(1,436)	(1,397)	(1,377)	(1,377)
Amortization of mark-to-market adjustments	(176)	(179)	(178)	(191)	(195)	(192)	(193)	(191)
Adjusted funds from operations (AFFO)	\$ 9,933	\$ 11,160	\$ 13,952	\$ 11,983	\$ 10,348	\$ 11,656	\$ 10,883	\$ 10,373
Distributions on Class B LP Units	3,155	3,122	3,058	3,058	2,704	2,665	2,591	2,590
Distributions on Units	4,886	4,838	4,746	4,758	4,758	4,691	4,127	4,127
	8,041	7,960	7,804	7,816	7,462	7,356	6,718	6,717
AFFO Payout Ratio	81.0%	71.3%	55.9%	65.2%	72.1%	63.1%	61.7%	64.8%
Weighted average number of Units and Class B LP Units issued and outstanding	65,642,641	65,642,641	65,769,904	65,135,801	62,838,912	61,683,912	59,043,912	59,043,912
FFO per unit	\$ 0.1772	\$ 0.1960	\$ 0.2380	\$ 0.2100	\$ 0.1906	\$ 0.2147	\$ 0.2109	\$ 0.2022
AFFO per unit	\$ 0.1513	\$ 0.1700	\$ 0.2121	\$ 0.1840	\$ 0.1647	\$ 0.1890	\$ 0.1843	\$ 0.1757

For Q1 2023, FFO was lower as compared to Q1 2022 driven mainly by a 55.1% increase in operating finance costs spurred by higher interest rates and increased draws on the credit facility and interest costs on the variable rate mortgages. This was partially offset by a 21.0% increase in NOI driven by an improvement in average occupancy and average monthly rent and the additional operating income from the acquisitions of Niagara West and The International. AFFO was lower as compared to Q1 2022, primarily as a result of the lower FFO. The operations from the acquisitions of Niagara West and The International, offset by the disposition of Hi-Level, contributed to FFO by \$1,598 and AFFO by \$1,504 for Q1 2023.

NOI and NOI Margin

Three months ended March 31,	Same Property Portfolio		Total Portfolio	
	2023	2022	2023	2022
Revenue from investment properties	\$ 35,724	\$ 32,331	\$ 38,403	\$ 32,526
Property operating costs	14,588	13,672	15,667	13,740
NOI	\$ 21,136	\$ 18,659	\$ 22,736	\$ 18,786
NOI margin	59.2%	57.7%	59.2%	57.8%

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:

	Three months ended		Year ended	
	March 31, 2023		December 31, 2022	
NOI	\$	22,736	\$	87,796
Interest expense and standby fees on credit facility		2,846		5,128
Distributions on Class C LP Units:				
Principal repayments		1,415		5,510
Finance costs		1,606		6,574
Mortgages and construction loan:				
Principal repayments		3,502		13,901
Finance costs		6,695		21,802
Total debt service	\$	16,064	\$	52,915
Debt Service Coverage ratio		1.42x		1.66x

The decline in Debt Service Coverage ratio for Q1 2023 from FY 2022 was primarily a result of higher interest on variable rate debt specifically relating to increased borrowings on the credit facility and mortgages from the acquisitions of Niagara West and The International. This was partially offset by an increase in NOI driven by higher average monthly rent and average 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	March 31, 2023		December 31, 2022	
Net assets (Unitholders' equity)	\$	1,184,424	\$	1,213,537
Add: Class B LP Units		380,144		361,858
NAV	\$	1,564,568	\$	1,575,395
Number of Units and Class B LP Units		65,642,641		65,642,641
NAV per unit	\$	23.83	\$	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, 2022 and 2021.

The REIT has used the best information available as at March 31, 2023, in determining the potential impact of 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 months ended March 31, 2023 and 2022. The estimates that could be most significantly impacted by 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, 2022 and 2021, 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 months ended March 31, 2023 and 2022.

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 months ended March 31, 2023 and 2022.

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 months ended March 31, 2023 and 2022.

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 March 31, 2023. 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.

There were no significant changes for the three months ended March 31, 2023 to the design of the REIT's ICFR that have materially affected, or are reasonably likely to materially affect, the REIT's ICFR.

Subsequent Events

Subsequent events are set out in Note 23 of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023 and 2022

Section VI - Supplemental Information

Property Portfolio

As at March 31, 2023

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	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 Castlevue	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
	190		190
Calgary			
28 The Quarters	199	100%	199
29 The Laurier	144	100%	144
30 Kaleidoscope	70	100%	70
31 The International	252	100%	252
	665		665
Portfolio Total	8,227		6,712

¹ Suite counts for Minto Yorkville and Minto one80five include furnished suites, representing approximately 31% of the total suites at these properties.

Average Rent Per Square Foot

As at March 31, 2023

Geographic Node	Average monthly rent per occupied suite	Average sq. ft. per occupied suite	Average rent per sq. ft per suite
Toronto	\$2,098	777	\$2.70
Ottawa	1,653	837	1.97
Alberta	1,496	678	2.21
Montreal	1,872	976	1.92
Average	\$1,769	827	\$2.14

Non-IFRS and Other Financial Measures

The REIT's financial statements are prepared in accordance with IFRS. This 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 including finance income, 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 contractual interest rate" is calculated as the weighted average contractual interest rate on mortgages.
- "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 interest rate on Total Debt" is calculated as the weighted average interest rate on the mortgages, construction loan, revolving credit facility and Class C LP Units for the period.
- "Weighted average interest rate on variable rate debt" is calculated as the weighted average interest rate on the revolving credit facility and the variable rate mortgages for the period, excluding the variable rate mortgage fixed through an interest rate swap.
- "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.

Supplementary Financial Measures

- "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.
- "Debt Service Coverage ratio" is the ratio of NOI to total debt service.
- "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.
- "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-on-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.
- "Gross Book Value" is defined as the total assets of the REIT as at the balance sheet date.
- "Interest costs" is calculated as the sum of costs incurred on fixed and variable rate mortgages, credit facility, and Class C LP Units.
- "Internal rate of return" or "IRR" is the discount rate which brings the net present value of all cash flows associated with a project to zero.
- "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.
- "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.

- "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 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.
- "Total liquidity" is calculated as the sum of the undrawn balance under the revolving credit facility and cash.
- "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.

Operating Performance Measures

- "Annualized turnover rate" is calculated as the number of move-outs for the period divided by total number of unfurnished suites in the portfolio. This percentage is extrapolated to determine an annual rate.
- "Average monthly rent" or "AMR" represents the average monthly rent per suite for occupied unfurnished suites at the end of the period.
- "Average monthly rent for furnished suites" represents the average daily rent per suite for furnished suites for the period multiplied by 30.
- "Average occupancy" is defined as the ratio of occupied unfurnished suites to the total unfurnished suites in the portfolio for the period.
- "Closing occupancy" is defined as the ratio of occupied unfurnished suites to the total unfurnished suites in the portfolio at the end of the period.
- "Occupancy for furnished suites" is the ratio of occupied furnished suites to the total furnished suites in the portfolio for the period.