Management's Discussion and Analysis

For the three and nine months ended September 30, 2023 and 2022

minto
Apartment REIT

Table of Contents

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

Section I - Overview

Business Overview

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

The REIT's portfolio, referred to herein as the "Total Portfolio", consists of 31 (September 30, 2022 - 32) multi-residential rental properties located in urban locations: Ottawa, Toronto, Montreal, Calgary, and Edmonton. The "Same Property Portfolio" consists of 29 multi-residential properties owned for equivalent periods in 2023 and 2022 and represents 91% (September 30, 2022 - 90%) of the Total Portfolio suite count. The ownership distribution of suites is shown in the table below and unless otherwise noted, all references to suite count, including co-owned properties, are at 100% ownership rather than the REIT's proportionate effective ownership:

	Same Property Portfolio Suites		Total Portfolio Suites	
As at September 30,	**2023**	**2022**	**2023**	**2022**
Wholly-owned	**5,311**	5,311	**5,563**	5,627
50% co-owned	**1,413**	1,413	**1,413**	1,413
40% co-owned	**750**	750	**750**	750
28.35% co-owned	**—**	—	**501**	501
Total suites	**7,474**	7,474	**8,227**	8,291
Total suites at effective ownership	**6,318**	6,318	**6,712**	6,776

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 in its key markets 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.

The REIT has a thoughtful and prudent approach to managing its capital by balancing the allocation among available alternatives. These alternatives include the repayment of variable rate debt, convertible development loan ("CDL") programs, increasing suite count through its current developments, maintenance capital expenditures, distributions, repositioning programs, deleveraging, strategic acquisitions and unit buybacks. 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 also evaluates dispositions that meet its divestiture criteria as part of its capital management.

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.sedarplus.ca.

As of November 7, 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 and nine months ended September 30, 2023 ("Q3 2023" and "YTD 2023") and 2022 ("Q3 2022" and "YTD 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, adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), Debt-to-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 November 7, 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.sedarplus.ca 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.

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

Financial and Operating Highlights

Financial Performance

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

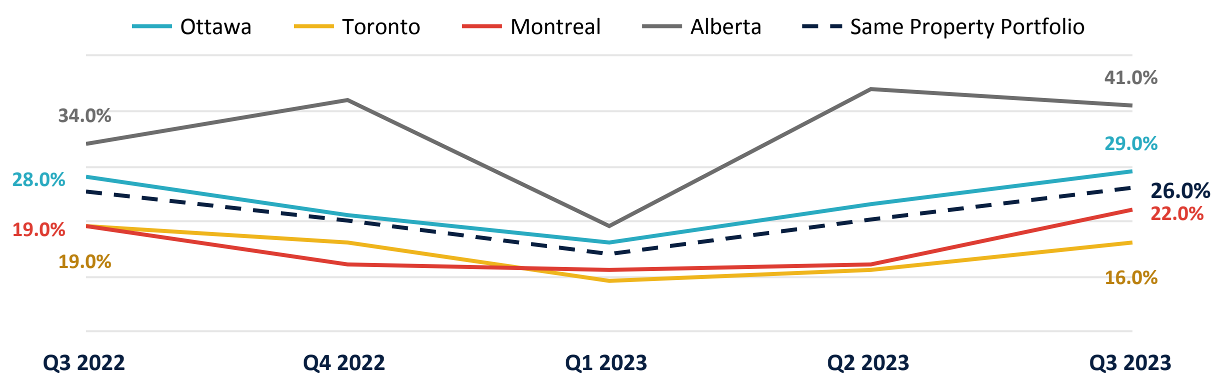
The REIT's operating performance in Q3 2023 continued to build on the growth of previous quarters, supported by the strong rental fundamentals seen in the REIT's markets. In Q3 2023, average monthly rent ("AMR") for the Same Property Portfolio increased by 6.7%, and average occupancy grew by 70 bps to 96.9%, resulting in Same Property Portfolio revenue growth of 5.8% over Q3 2022. Revenue growth outpaced a 3.8% increase in operating expenses, leading to strong Same Property Portfolio NOI growth of 6.9% and allowing NOI margin to reach 64.8%, an increase of 60 bps over Q3 2022.

In Q3 2023, Total Portfolio average monthly rent reached $1,837 and average occupancy climbed 70 bps to 96.9% which drove revenue growth of 5.3% from Q3 2022. Total Portfolio NOI grew by 6.6% as revenue growth outpaced operating expense growth of 2.9% permitting NOI margin to reach 64.8%, an increase of 80 bps over Q3 2022.

Strong turnover supporting revenue growth while increasing closing occupancy

The annualized turnover rate for the Same Property Portfolio was 26.0% in Q3 2023, which was in-line with seasonal norms compared to the first two quarters of 2023. This was led by annualized turnover of 41% in Alberta, where the availability of affordable homes in the province and tenant departures arising from the loss of promotions granted in the past allowed tenants to consider other housing options. Annualized turnover in Ottawa and Montreal of 29% and 22%, respectively, was driven by increased supply in Ottawa's downtown core and movement in Montreal's student population. Toronto experienced reduced annualized turnover of 16% as tenants opted to stay in place due to rising market rents. Despite high turnover, the portfolio maintained consistent occupancy as move-ins kept pace with move-outs, allowing the REIT to capture gain-on-lease and end the period with Same Property Portfolio closing occupancy of 97.8%.

Same Property Portfolio Annualized Turnover[1,2] by Geographic Node



Same Property Portfolio	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Closing Occupancy[2]					
Toronto	98.5 %	98.1 %	98.9 %	98.7 %	**98.2 %**
Ottawa	98.7 %	98.5 %	98.2 %	97.5 %	**98.3 %**
Alberta	97.0 %	98.3 %	99.0 %	97.3 %	**98.3 %**
Montreal	93.3 %	94.5 %	94.4 %	95.0 %	**95.7 %**
	97.3 %	97.6 %	97.6 %	97.2 %	**97.8 %**

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

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

Refinancing Initiatives to Reduce Variable Rate Debt Exposure

In August 2023, the REIT upward refinanced a $44,936 Canada Mortgage and Housing Corporation ("CMHC") insured mortgage relating to an Ottawa property for $70,709. The net proceeds of $24,139[1] was used to pay down the credit facility, which as at September 30, 2023 was $117,652, and represented 10% of Total Debt. The refinancings completed in Q2 2023 and Q3 2023 has resulted in more predictability in the REIT's interest costs.

Below is a summary of refinancings completed YTD 2023:

	Funding Month	Previous Financing	Previous Weighted Average Effective Interest Rates	New CMHC-Insured Financing	New Weighted Average Effective Interest Rates
Variable Rate Mortgages (2)	April & June	$108,378	7.55%	$113,361	4.14%
Maturing CMHC-Insured Term Debt (6)	Late May	$137,446	4.12%	218,553	4.11%
	Early August	$44,936	2.87%	$70,709	4.50%
		$290,760		**$402,623**	

In addition, Management is exploring upward refinancing for three properties with mortgages maturing in early 2024 that have the potential to generate between $55,000 and $65,000. Management will consider the impact that each potential refinancing has on FFO per unit by considering exiting interest rates on maturing mortgages relative to the potential refinanced interest rates, pro forma balance outstanding and the REIT's debt maturity schedule.

Normalized FFO per unit and AFFO per unit Growth

The REIT's current focus on implementing accretive capital allocation strategies has resulted in growth of normalized FFO per unit and AFFO per unit for Q3 2023 of 4.4% and 5.3%, respectively over Q3 2022. The normalized results adjust for $594 in insurance recoveries received in Q3 2022. FFO per unit and AFFO per unit for Q3 2023 increased by 0.4% and 0.8%, respectively, compared to Q3 2022 before this adjustment.

Other nonrecurring items not indicative of the REIT's typical operating results for YTD 2023 and 2022 are detailed in Section IV - "Liquidity, Capital Resources and Contractual Commitments - Reconciliation of Non-IFRS Financial Measures and Ratios".

Capital Recycling Strategy and Pursuing Exit from the Edmonton Market

The REIT continues to pursue the sale of its remaining two assets in Edmonton, Alberta. The sale of these non-strategic assets remains subject to financing assumption approval by CMHC and the lender. This transaction will allow the REIT to reallocate capital to existing capital commitments and other strategic growth avenues while being accretive to FFO per unit. The REIT continues to explore other potential capital recycling opportunities described in Section I - "Overview - Outlook - Organic Growth — Gain-on-Lease - Capital Recycling Program".

Distribution Increase

On November 7, 2023, the Board of Trustees approved a 3.1% increase to the REIT's annual distribution from $0.4900 per unit to $0.5050 per unit. The monthly distribution will be $0.04208 per unit, up from $0.04083 per unit. The increase will be effective for the REIT's November 2023 cash distribution, to be paid on December 15, 2023. The magnitude of the distribution increase is the same as the $0.015 increase in November 2022 and reflects Management's confidence in the business outlook for 2024 while also balancing prudent capital management by further reducing the AFFO payout ratio.

Government Policy Addressing Rental Supply Issue

The REIT, its peers, and industry participants have ongoing dialogue with various levels of government to discuss the dynamics driving housing affordability challenges and share policy ideas to address supply and affordability issues facing all Canadians. Management is encouraged by two recent announcements by the Federal and Ontario Provincial Governments and believes they will help to spur the development of much-needed rental housing in Canada.

[1] See Section III - "Assessment of Financial Position - Class C LP Units"

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

In September 2023, the Federal Government announced its intention to introduce legislation to remove the federal Goods and Services Tax ("GST") from construction of purpose built rental properties and the Ontario Provincial Government also indicated it would eliminate the provincial sales tax ("PST") portion of the Harmonized Sales Tax ("HST") on these developments. Management believes this will significantly reduce costs for developments that meet the qualifying criteria.

A second Federal Government initiative that proposes expanding the Canada Mortgage Bond ("CMB") annual issuance limit by $20 billion to $60 billion will help to boost the availability of low-cost funding on CMHC-insured mortgages. Management believes this added liquidity will help drive down the cost of borrowing on take-out financing and refinancings.

Normal Course Issuer Bid

On September 18, 2023, the Toronto Stock Exchange ("TSX") accepted the REIT's notice to initiate a normal course issuer bid ("NCIB"). The NCIB will be active from September 20, 2023 to September 19, 2024 and permits the REIT to acquire up to 3,282,682 Units, representing approximately 9% of its public float. Under the terms of the NCIB, the REIT may acquire up to 25,003 Units on any given trading day, representing approximately 25% of the REIT's average daily trading volume for the six most recently completed calendar months prior to initiating the NCIB. Purchases under the NCIB will be made by the REIT for cancellation and will be made in the open market through the facilities of the TSX or through Canadian Alternative Trading Systems. During Q3 2023, the REIT did not purchase and cancel any Units under the NCIB.

NAV per Unit Impacted by Expansion of Capitalization Rates

NAV per unit as at September 30, 2023 decreased to $23.01 from $23.21 as at June 30, 2023, primarily due to a fair value loss on investment properties of $21,216 driven by the further expansion of capitalization rates within select geographies of the residential portfolio and an increase to the capital expenditure reserve, partially offset by growth in forecast NOI for the portfolio overall.

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 Q3 2023, the REIT was able to realize gains of 17.0% on the 510 new leases it signed during the period. These gains represent annualized revenue growth of approximately $1,453. In addition, the strong market conditions have fuelled the gain-to-lease potential of the portfolio, which increased to 17.7% at September 30, 2023, up from 16.1% at June 30, 2023 and 12.1% at September 30, 2022. The ability of the REIT to realize the embedded gain-to-lease potential in the portfolio in the short term will be impacted by turnover trends in particular geographies. Despite very active leasing activity in Q3 2023, Management expects turnover to slow relative to seasonal norms in Q4 2023 and into 2024 as the gap between sitting rents and market rents continues to rise. The REIT successfully repositioned 33 suites in Q3 2023, compared to 75 in Q3 2022, generating an average annual unlevered return of 8.8%. With slower turnover and high occupancy, Management expects to reposition fewer suites in 2024, compared to an expected 110 to 120 suites in 2023 and 259 suites completed in 2022.

Organic Growth — Gain-on-Lease[1]

The REIT realized on organic growth for Q3 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 $1,453. A summary of leasing activities and the gains to be realized from new leases signed for Q3 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	129	$2,439	$2,866	17.5%	$308
Ottawa	198	1,742	2,044	17.3%	693
Alberta	87	1,531	1,787	16.7%	242
Montreal	96	1,875	2,174	16.0%	210
Total/Average	**510**	**$1,820**	**$2,130**	**17.0%**	**$1,453**

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

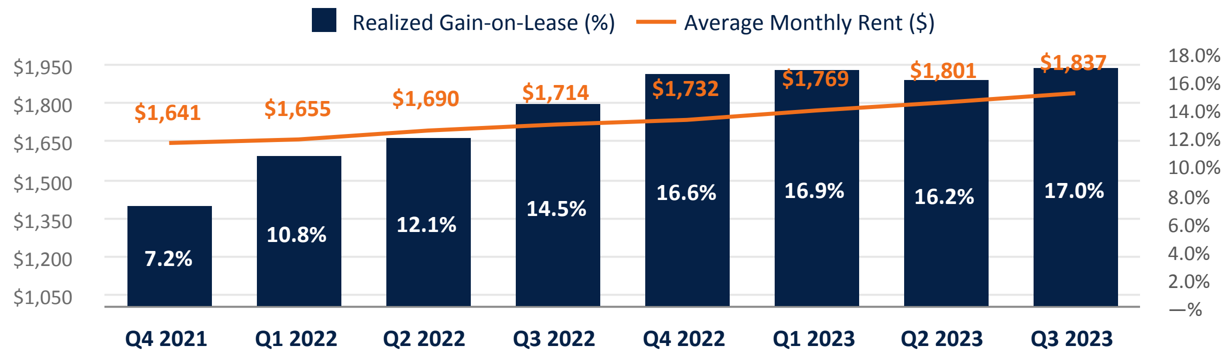
(in thousands of Canadian dollars, except Unit and per Unit amounts, per suite amounts and other non-financial data)

The REIT realized gain-on-lease in all of its markets in Q3 2023, with an average gain-on-lease of 17.0% on the 510 new leases it signed. The Canadian rental market continued its strong performance, bolstered by increased immigration and the number of new non-permanent residents, a large affordability gap between renting and home ownership and increasing general acceptance of renting versus owning. This has led to an escalation in demand for rentals, resulting in higher rental rates in addition to a significant reduction of discounts and promotions.

Turnover often picks up during the summer months, which is typically the strongest leasing season for the REIT. The trend of high average monthly rents and high occupancy is expected to increase the average length of stay for tenants in certain markets. While certain market trends have created annualized turnover in line with seasonal norms, Management expects that as the gap between sitting rents and markets rents continues to rise, turnover will slow going into 2024. For more information on turnover, refer to Section I - "Financial and Operating Highlights and Performance - Financial Performance".

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

Realized Gain-on-Lease and Average Monthly Rent[1]



The REIT continues to achieve growth in average monthly rent. Total Portfolio average monthly rent of $1,837 for Q3 2023 is the highest achieved since the REIT's inception and an increase of 7.2% over Q3 2022. Same Property Portfolio average monthly rent also continued to grow, reaching $1,819 in Q3 2023, which represents an increase of 6.7% over Q3 2022.

For YTD 2023, the REIT realized an average gain-on-lease of 16.3% on the 1,348 new leases it signed and realized gains in all markets. The following table summarizes the leasing activities and the gains to be realized from new leases signed in YTD 2023:

Geographic Node	New Leases Signed[2]	Expiring AMR	New AMR	Realized Gain-on-Lease[1]	Annualized Gain-on-Lease[1,3]
Toronto	313	$2,421	$2,846	17.5%	$771
Ottawa	517	1,742	2,027	16.4%	1,768
Alberta	245	1,519	1,767	16.3%	729
Montreal	273	1,859	2,129	14.5%	583
Total/Average	**1,348**	**$1,805**	**$2,099**	**16.3%**	**$3,851**

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

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

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

Fiscal Quarter	New Leases Signed[1]	Expiring AMR	New AMR	Realized Gain-on-Lease[2]	Annualized Gain-on-Lease[2,3]
Q4 2022	423	$1,699	$1,981	16.6%	$1,205
Q1 2023	343	1,812	2,118	16.9%	1,023
Q2 2023	495	1,778	2,066	16.2%	1,375
Q3 2023	510	1,820	2,130	17.0%	1,453
Total/Average	**1,771**	**$1,779**	**$2,075**	**16.7%**	**$5,056**

The REIT has achieved mid double-digit growth in realized gain-on-lease for the last four quarters. Management believes the demand from migration-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 September 30, 2023 is as follows:

Geographic Node	Total Suites[4]	Current AMR	Management's Estimate of Market AMR	Percentage Gain-to-Lease Potential[2]	Annualized Estimated Gain-to-Lease Potential[2,3]
Toronto	2,350	$2,163	$2,629	21.5%	$7,595
Ottawa	2,950	1,708	2,025	18.6%	11,238
Alberta	843	1,612	1,826	13.3%	2,167
Montreal	1,726	1,938	2,203	13.7%	3,929
Total/Average	**7,869**	**$1,837**	**$2,162**	**17.7%**	**$24,929**

Management currently estimates that the portfolio has annualized gain-to-lease potential of approximately $24,929, compared to $22,104 at June 30, 2023, and $15,993 at September 30, 2022. As market rents continue to increase in all geographies, the embedded gain-to-lease potential will also increase. The REIT's gain-to-lease potential reached 17.7% at September 30, 2023, an increase of 160 bps from June 30, 2023. Markets that had high turnover in Q3 2023, such as Ottawa and Alberta, experienced limited growth in their gain-to-lease potential. Toronto experienced growth in gain-to-lease potential, which increased by 360 bps as market rents increased 5.2% and turnover was low at 16% on a Same Property Portfolio basis.

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. 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] New leases signed includes 100% of new leases from co-ownerships and excludes new leases of furnished suites.
[2] Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"
[3] For co-owned properties, reflects the REIT's co-ownership interest only.
[4] Excludes 182 furnished suites, 50 vacant suites, 87 suites leased for future occupancy and 39 suites offline for post move-out repairs and maintenance or repositioning.

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

Value Creation

Repositionings

A summary of the repositioning activities is set out below:

Property	Ownership Interest	Suites Repositioned and Leased		Remaining Suites to Reposition	Total Suites in the Program	Proportion Complete
		Q3 2023	YTD 2023			
Toronto						
Minto Yorkville	100%	—	2	29	99	71%
Leslie York Mills	50%	2	6	192	409	53%
High Park Village	40%	4	13	251	407	38%
Roehampton	100%	1	6	44	148	70%
Martin Grove	100%	1	4	18	32	44%
Ottawa						
Carlisle	100%	3	9	66	191	65%
Castle Hill	100%	2	5	63	176	64%
Montreal						
Rockhill	50%	8	24	731	934	22%
Le 4300	100%	5	12	204	261	22%
Haddon Hall	100%	3	4	132	191	31%
Le Hill-Park	100%	4	13	155	261	41%
Total		**33**	**98**	**1,885**	**3,109**	**39%**

The following table summarizes costs and average annualized returns from repositioning activities for YTD 2023:

Fiscal Quarter	Suites Renovated	Average Cost per Suite	Average Annual Rental Increase per Suite	Average Annual Unlevered Return[1]
Q1 2023	32	67,789	6,970	10.3%
Q2 2023	33	69,853	6,565	9.4%
Q3 2023	33	73,476	6,441	8.8%
YTD Total/Average	**98**	**$70,406**	**$6,655**	**9.5%**

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

The REIT's repositioning program represents an 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 an optimal investment decision is made. Many of the existing repositioning projects have been active for five years or more. 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. Total 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 reduced turnover in certain markets, Management expects its repositioning program to remain slow into 2024.

[1] 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 since the previous ESG update include:

Environmental Impact

- Measurement and verification were completed for the pilot project of a toilet sensor that detects leaks and alerts staff and a preferred vendor for future projects was identified;
- Plans for a motion sensor-activated toilet valve pilot project were completed with installation scheduled for Q4 2023 (valves will close when no user is present to prevent running toilets);
- Additional capital projects were implemented to reduce energy and water consumption, including toilet renewals and installation of pipe insulation, motion control for lighting, and showerheads with thermostatic shutoff valves;
- Richgrove achieved a 78% waste diversion rate for January to June 2023, slightly below the 80% target. A waste reduction workshop was carried out in September to engage the site team in reducing construction waste and increasing diversion; and
- A pilot project was launched at a property in Toronto to monitor contamination of the residential recycling stream and develop an education program for residents to improve waste management practices.

Community Impact

- Implementation of the Diversity, Equity and Inclusion program continued with:
  - Expansion of local community partnerships and networks to build a more diverse pool of recruitment candidates;
  - Roll-out of additional diversity and inclusion workshops and training courses for employees; and
  - Launch of a Mentorship Program to help nurture current and future career aspirations of our employees.
- Development of a new health and well-being framework is underway to support residents; and
- Expansion of the resident engagement program continued with the roll-out of quarterly, region-specific resident newsletters to all Ottawa and Montreal properties.

Business Resilience

- A new Extreme Weather Response Procedure was added to the site Crisis Response Plans; and
- Strengthening the cybersecurity program continued, including:
  - Launch of a Social Engineering Red Flags training campaign;
  - Implementation of multi-factor authentication for new applications as they are added to the suite of programs used;
  - Continuation of Mobile Device Management solution deployment to allow remote management of access and security of mobile devices; and
  - Implementation of proof-of-concept projects for mobile anti-malware and web spoofing protection solutions.

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.

Reporting and Disclosure Commitments

The REIT participated in the 2022 Global Real Estate Sustainability Benchmark ("GRESB") assessment, earning a score of 80, the fourth highest score in a 16 constituent peer group. The REIT was also included in the GRESB Public Disclosure evaluation and received a score of 93 out of 100, a Level A rating, and was ranked first out of ten in its Canadian comparison group.

On October 31, 2023, the REIT published its 2022 ESG Report which can be found at mintoapartmentreit.com/about/environmental-social-and-governance. The report was prepared in accordance with the Global Reporting Initiative Standards: Core option and the Sustainability Accounting Standards Board Real Estate Sustainability Accounting Standard.

Outlook

Looking ahead, industry fundamentals will likely continue to be strong, supporting Management's positive outlook for revenue growth. The primary tailwinds include population growth driven by international migration and the growth in the number of non-permanent residents, insufficient supply of new housing, and the growing affordability gap between home ownership and renting fuelled by a persistently high interest rate environment.

The Federal Government has set robust immigration targets with approximately 500,000 new immigrants annually by 2025, in addition to population growth from non-permanent residents and work permit holders. In 2022, Canada's population grew by one million people, making Canada the fastest growing country in the G7.[1] New Canadians predominantly settle in larger cities, with 92% living in census metropolitan areas in 2021.[2] Of the 263,180 permanent residents who arrived in Canada between January and June 2023, 52% settled in cities where the REIT operates.[3] Management believes robust immigration targets will drive demand for rental housing.

Canada is facing the worst housing and affordability crisis in a generation. A CMHC report indicated Canada needs over 22 million housing units by 2030 to help achieve housing affordability for all Canadians and if currently low rates of new construction continue, there will be a 3.5 million housing unit shortfall.[4] The most acute shortages are in Ontario and British Columbia; Ontario alone forecasts a need for 1.5 million new homes over the next decade to keep up with population growth.[5] Population growth is outpacing housing supply in all the REIT's key markets and Canada at large.

Renting has become an increasingly attractive option for Canadians. The proportion of people who rent instead of owning a home has increased for all age groups over the past 10 years.[6] Average rents have tracked wage growth closely, with both increasing at a compounded annual growth rate of approximately 3% since 2001, while home ownership costs have significantly outpaced incomes and have grown at a compounded annual growth rate of 6.7% over the same period.[7] The affordability pressures, demographic forces, and behavioural preferences currently driving this change will continue to fuel it in the years ahead.

Supported by these tailwinds, Management will continue to maximize organic growth including realizing on the embedded rent growth potential in the REIT's high quality urban portfolio, value creation from the repositioning program and driving occupancy in all markets. Given the continued strength anticipated in the rental market, Management believes that suite turnover will be slower than seasonal norms in certain markets going forward, as existing tenants are more likely to stay in place since affordable housing alternatives are less available. Due to the anticipated lower turnover and portfolio vacancy, Management anticipates completing fewer repositionings under the program than last year, and forecasts repositioning 110 to 120 suites in 2023, compared to 259 suites in 2022. Management expects this trend to continue into 2024.

Management is keenly focused on growing FFO per unit and AFFO per unit by managing operating expenses, evaluating opportunities for operating efficiencies and cost reductions, employing strategies to reduce interest costs and making prudent capital allocation decisions, while balancing long-term value creation and growth objectives.

The REIT will continue to evaluate opportunities to further reduce its variable rate debt, extend its weighted average term to maturity and stagger its debt maturity profile.

[1] "Canada's population estimates: Record-high population growth in 2022", Statistics Canada.
[2] Census metropolitan areas are defined as urban centres with over 100,000 residents. From "A generational portrait of Canada's aging population from the 2021 Census", Statistics Canada.
[3] Immigration, Refugees and Citizenship Canada.
[4] "Housing Shortages in Canada: Solving the Affordability Crisis", CMHC, June 23, 2022.
[5] "Ontario's Need for 1.5 million more homes", Smart Property Institute at the University of Ottawa, August 2022.
[6] "To buy or to rent: The housing market continues to be reshaped by several factors as Canadians search for an affordable place to call home", Statistics Canada.
[7] Statistics Canada, Conference Board of Canada, CMHC, Teranet and Urbanation.

Capital allocation continues to be a key area of focus for the REIT. Management will evaluate capital allocation decisions strategically, with consideration given to FFO per unit, leverage, liquidity, and value creation, among other factors. The REIT's near term priorities are targeted non-core asset sales and the repayment of variable rate debt. Management has executed on this strategy in 2023 by refinancing eight mortgages associated with REIT properties for net proceeds of $97.9 million. Management has also demonstrated its ability to remain disciplined by agreeing to terminate the REIT's purchase option for Fifth + Bank in June 2023 and opting to defer construction on the High Park Village intensification project in August 2023. Management remains committed to funding existing growth opportunities, including developments already in progress and CDL programs, suite repositioning and value-enhancing capital, and potential purchases under the NCIB program. The sources of capital to fund these initiatives include operating cash flow, capital recycling by disposing of certain non-core assets, exploring partnership and joint venture opportunities, debt sources including upward refinancing and availability on the revolving credit facility. At this time, Management does not anticipate increasing leverage materially, nor does it anticipate raising equity at a large discount to NAV.

The REIT participates in a group called Canadian Rental Housing Providers for Affordable Housing (www.foraffordable.ca), which is an established coalition with other large multi-family publicly-traded real estate investment trusts. The group is committed to work collaboratively with all levels of government and civil society to provide a better understanding of the dynamics driving housing affordability challenges and share policy alternatives to address affordability issues facing all Canadians. In September 2023, government announced two initiatives that management believes will aid in addressing the long-term housing supply issue. For additional details see Section I - "Overview - Financial and Operating Highlights - Government Policy Addressing Rental Supply Issue".

In summary, Management is confident that industry fundamentals will support revenue growth through the remainder of 2023 and into 2024. It also believes that the in-place strategies to contain controllable operating expenses will deliver solid NOI growth. Finally, FFO per unit and AFFO per unit will benefit from the reduction of the REIT's exposure to variable rate debt and other accretive capital allocation decisions.

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

Organic Growth Opportunities

The REIT expects to realize on the gap between market rent and average sitting rent on new leases as suites turnover and rent is adjusted to current market rates. The average gain-to-lease potential for the portfolio is 17.7% (as set out in the detailed embedded gain-to-lease potential table in the previous section). The REIT aims to further enhance closing occupancy which as of September 30, 2023 was 97.8%, which provides another 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 over 1,800 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. While Q3 2023 turnover was strong, Management anticipates turnover to be slower than seasonal norms through the remainder of 2023 and into 2024 due to overall rental market strength. Subject to unrenovated suites becoming available, the REIT expects to reposition approximately 110 to 120 suites in 2023, and as of September 30, 2023 had repositioned 98 suites.

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 Minto Properties Inc. ("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	193,000	Q4 2021	Q4 2026	4.00% - 4.50%
		417	**$ 315,000**			

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 $4,309, 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. Second phase below-grade shoring and excavation is nearing completion and waterproofing commenced in October. The tower crane was installed in early October, with foundation work commencing thereafter.

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 first tower crane was installed in early October, and below-grade shoring and excavation work continues on the first two blocks with the second phase estimated to begin in Q3 2024.

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.

[1] Estimated project costs are presented at 100% rather than the REIT's proportionate share, and represent costs prior to allocation of parking garage costs as a shared amenity with existing assets and cash received from government sources.

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

The construction of the two development projects will add approximately 417 suites to the REIT's portfolio at an estimated total cost of $315,000, 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.

The REIT is in the process of pre-development activities on excess land at the following property:

Property Name	Location	Ownership	Estimated Suites	Estimated Pre-Development Costs[1]	Site Plan Approval
High Park Village	Toronto	40%	688	$14,400	Q2 2024

High Park Village consists of three buildings comprising 750 rental suites. The REIT and its partner successfully rezoned the site in Q3 2022 and are completing the remaining pre-development work to finalize planning approvals with the City of Toronto to develop two new towers comprising an estimated 688 suites and 344 underground parking stalls. In early Q3 2023, the REIT and its partner strategically postponed the construction phase of the project. The intensification project remains an attractive investment opportunity and the REIT and its partner continue to work through the pre-development phase to ensure that construction can commence expediently, if and when it is strategically appropriate.

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 ("CDL Options"), 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 as it remains disciplined with capital allocation.

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

Project Name	Location	Estimated Suites	Potential Ownership	Estimated Project Costs[2]	Construction Start	Estimated Stabilization	Maximum Loan Amount[3]	Advanced as of September 30, 2023[3]
Fifth + Bank	Ottawa, ON		*N/A - Purchase Option Terminated*				$30,000	$30,000
Lonsdale Square	North Vancouver, BC	113	100%	92,000	Q2 2021	Q3 2024	14,000	14,000
The Hyland[4]	Vancouver, BC	108	85%[5]	86,000	Q1 2022	Q4 2024	19,650	17,679
88 Beechwood	Ottawa, ON	227	100%	137,000	Q4 2021	Q1 2025	51,400	36,643
University Heights	Victoria, BC	594	45%[5]	401,000	Q4 2022	Q4 2026	51,700	16,646
		1,042		**$716,000**			**$166,750**	**$114,968**

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. Interior rough work and finishings and exterior insulation, flashing and cladding installation are ongoing. Retail leasing is being finalized and the property is expected to be stabilized in Q3 2024. On August 8, 2023, the REIT agreed to extend the maturity date of both the CDL option and CDL associated with Lonsdale Square to November 30, 2024 and December 31, 2024, respectively.

The Hyland (formerly 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. The main roof wood frame structure is complete, concrete topping pours and roofing are underway and brick cladding is in progress. Retail leasing has commenced and the property is expected to be stabilized in Q4 2024.

88 Beechwood involves the development of a nine-storey property comprising 227 suites and approximately 6,000 square feet of retail space on a land assembly located at the intersection of Beechwood Avenue and Barrette Street in Ottawa. The building was topped off in early October and garage mechanical and electrical work is ongoing. Stabilization is expected in Q1 2025.

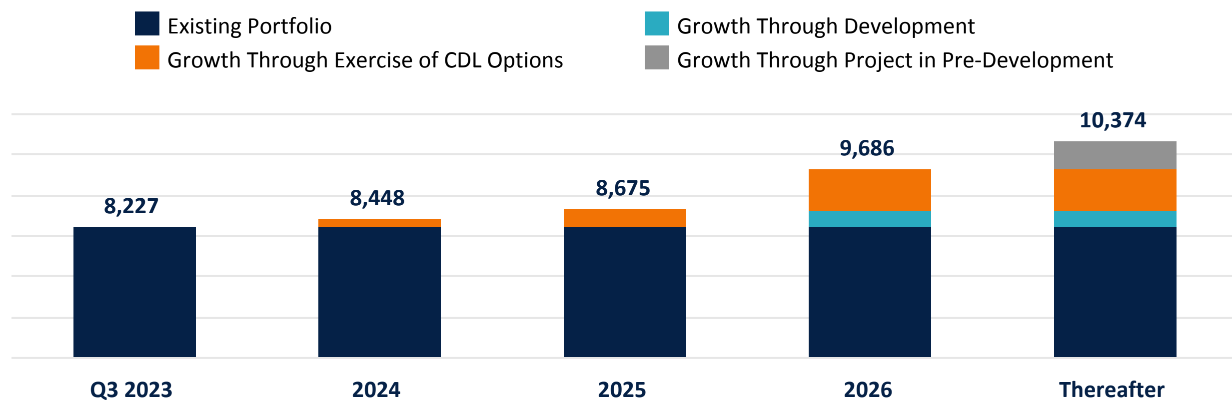
[1] Pre-development costs are presented at 100% rather than the REIT's proportionate share.
[2] Estimated project costs are presented at 100% rather than MPI's proportionate share, and represent costs prior to cash received from government sources.
[3] Maximum loan amounts and amounts advanced include amounts to fund interest.
[4] Formerly known as "810 Kingsway".
[5] For The Hyland and University Heights, if the REIT exercises its CDL Option, it will acquire an indirect ownership interest in the property.

University Heights involves the development of five buildings containing 594 rental suites and approximately 116,000 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 complete and construction will be executed in a phased approach. Construction of the first building has progressed with formwork and framing in progress and at the second building, the raft slab is complete and on grade slab work is underway. Pre-leasing of the retail component is progressing. The project is expected to be fully stabilized in Q4 2026.

In connection with these financings and their associated developments, the REIT has the exclusive option, upon project stabilization, to purchase the property at Lonsdale Square and 88 Beechwood, MPI's 85% indirect ownership interest in The Hyland 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 1,042 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.

The aggregate of the REIT's two projects in development, one project in pre-development, and four CDL Options, if exercised, would increase the portfolio suite count by approximately 26%, as depicted below:

Potential Suite Growth in the REIT's Total Portfolio



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 variable rate debt, investing in acquisitions, investments in repositioning and suite renovations, and enhancements to building technology. The capital recycling program is an attractive alternative to raising equity from the capital markets which is currently dilutive to existing unitholders. On March 7, 2023, the REIT sold a non-strategic asset in Edmonton, Alberta for a sale price of $9,920 and net cash proceeds of $2,885. The sale of the two remaining Edmonton assets is currently in progress, as described in Section I - "Overview - Financial and Operating Highlights - Capital Recycling Strategy and Pursuing Exit from the Edmonton Market".

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

Section II - Financial Highlights and Performance

Key Performance Indicators

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

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Operating						
Number of properties	**31**	32	(1)	**31**	32	(1)
Total suites[1]	**8,227**	8,291	(64)	**8,227**	8,291	(64)
Average monthly rent[2]	**$ 1,837**	$ 1,714	7.2 %	**$ 1,837**	$ 1,714	7.2 %
Closing occupancy[2]	**97.8 %**	97.3 %	50 bps	**97.8 %**	97.3 %	50 bps
Average occupancy[2]	**96.9 %**	96.2 %	70 bps	**97.0 %**	95.1 %	190 bps
Average monthly rent[2] - Same Property Portfolio	**$ 1,819**	$ 1,704	6.7 %	**$ 1,819**	$ 1,704	6.7 %
Closing occupancy[2] - Same Property Portfolio	**97.8 %**	97.3 %	50 bps	**97.8 %**	97.3 %	50 bps
Average occupancy[2] - Same Property Portfolio	**96.9 %**	96.2 %	70 bps	**97.1 %**	95.1 %	200 bps
Financial						
Revenue	**$ 39,835**	$ 37,838	5.3 %	**$ 117,639**	$ 105,874	11.1 %
NOI[2]	**$ 25,828**	$ 24,224	6.6 %	**$ 73,136**	$ 64,849	12.8 %
NOI margin[2]	**64.8 %**	64.0 %	80 bps	**62.2 %**	61.3 %	90 bps
Interest costs[2]	**$ 10,420**	$ 8,865	(17.5)%	**$ 31,798**	$ 22,586	(40.8)%
Net income (loss) and comprehensive income (loss)	**$ 27,815**	$ 39,655	(29.9)%	**$ (39,421)**	$ 257,832	
Revenue - Same Property Portfolio	**$ 37,047**	$ 35,008	5.8 %	**$ 109,497**	$ 100,928	8.5 %
NOI[2] - Same Property Portfolio	**$ 24,022**	$ 22,461	6.9 %	**$ 68,226**	$ 61,748	10.5 %
NOI margin[2] - Same Property Portfolio	**64.8 %**	64.2 %	60 bps	**62.3 %**	61.2 %	110 bps
FFO[2]	**$ 15,692**	$ 15,654	0.2 %	**$ 39,246**	$ 41,313	(5.0)%
FFO per unit[2]	**$ 0.2390**	$ 0.2380	0.4 %	**$ 0.5978**	$ 0.6394	(6.5)%
AFFO[2]	**$ 14,041**	$ 13,952	0.6 %	**$ 34,162**	$ 36,283	(5.8)%
AFFO per unit[2]	**$ 0.2139**	$ 0.2121	0.8 %	**$ 0.5204**	$ 0.5616	(7.3)%
AFFO Payout Ratio[2]	**57.3 %**	55.9 %	(140) bps	**70.6 %**	63.6 %	(700) bps
Distribution per unit	**$ 0.1225**	$ 0.1187	3.2 %	**$ 0.3675**	$ 0.3561	3.2 %
Distribution yield per unit[2] based on Unit closing price	**3.59 %**	3.68 %	(9) bps	**3.59 %**	3.68 %	(9) bps
Normalized						
Normalized FFO[2,3]	**$ 15,692**	$ 15,060	4.2 %	**$ 41,353**	$ 40,719	1.6 %
Normalized FFO per unit[2,3]	**$ 0.2390**	$ 0.2290	4.4 %	**$ 0.6299**	$ 0.6302	0.0 %
Normalized AFFO[2,3]	**$ 14,041**	$ 13,358	5.1 %	**$ 36,269**	$ 35,689	1.6 %
Normalized AFFO per unit[2,3]	**$ 0.2139**	$ 0.2031	5.3 %	**$ 0.5525**	$ 0.5524	0.0 %
Normalized AFFO Payout Ratio[2,3]	**57.3 %**	58.4 %	110 bps	**66.5 %**	64.7 %	(180) bps

[1] At September 30, 2023, includes 2,664 (September 30, 2022 - 2,664) suites co-owned with institutional partners.
[2] Refer to Section VI - "Supplemental Information - Non-IFRS and Other Financial Measures"
[3] Refer to Section IV - "Liquidity, Capital Resources and Contractual Commitments - Reconciliation of Non-IFRS Financial Measures and Ratios"

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

As at	September 30, 2023	December 31, 2022	Change
Leverage			
Debt-to-Gross Book Value ratio[1]	**42.8 %**	40.6 %	(220) bps
Debt Service Coverage ratio[1]	**1.53 x**	1.66 x	(0.13)x
Debt-to-Adjusted EBITDA ratio[1]	**12.15 x**	12.43 x	0.28x
Weighted average term to maturity on Term Debt[1]	**6.16**	4.27	1.89 years
Weighted average effective interest rate on Term Debt[1]	**3.38 %**	3.04 %	(34) bps
Weighted average interest rate on variable rate debt[1]	**7.13 %**	6.87 %	(26) bps
Valuation			
NAV[1]	**$ 1,510,646**	$ 1,575,395	(4.1)%
NAV per unit[1]	**$ 23.01**	$ 24.00	(4.1)%

Review of Financial Performance

The following tables highlight selected financial information for the REIT's Same Property Portfolio and Total Portfolio for the three and nine months ended September 30, 2023 and 2022.

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue from investment properties	**$ 37,047**	$ 35,008	5.8 %	**$ 109,497**	$ 100,928	8.5 %
Property operating costs	**6,964**	6,633	(5.0)%	**21,350**	19,965	(6.9)%
Property taxes	**3,798**	3,590	(5.8)%	**11,130**	10,736	(3.7)%
Utilities	**2,263**	2,324	2.6 %	**8,791**	8,479	(3.7)%
Operating expenses	**13,025**	12,547	(3.8)%	**41,271**	39,180	(5.3)%
NOI[1]	**$ 24,022**	$ 22,461	6.9 %	**$ 68,226**	$ 61,748	10.5 %
NOI margin[1]	**64.8 %**	64.2 %	60 bps	**62.3 %**	61.2 %	110 bps

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

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

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenue from investment properties	**$ 39,835**	$ 37,838	5.3 %	**$ 117,639**	$ 105,874	11.1 %
Property operating costs	**7,438**	7,233	(2.8)%	**22,932**	20,973	(9.3)%
Property taxes	**4,090**	3,870	(5.7)%	**12,015**	11,244	(6.9)%
Utilities	**2,479**	2,511	1.3 %	**9,556**	8,808	(8.5)%
Operating expenses	**14,007**	13,614	(2.9)%	**44,503**	41,025	(8.5)%
NOI[1]	**25,828**	24,224	6.6 %	**73,136**	64,849	12.8 %
NOI margin[1]	**64.8 %**	64.0 %	80 bps	**62.2 %**	61.3 %	90 bps
General and administrative expenses	**2,373**	2,254	(5.3)%	**7,986**	6,749	(18.3)%
Finance costs - operations	**13,575**	11,923	(13.9)%	**43,041**	31,406	(37.0)%
Finance income	**(1,891)**	(1,231)	53.6 %	**(5,316)**	(3,326)	59.8 %
Fair value loss (gain) on:						
Investment properties	**21,216**	18,689	(13.5)%	**80,419**	6,619	(1,115.0)%
Class B LP Units	**(35,799)**	(44,813)	(20.1)%	**(10,817)**	(227,148)	(95.2)%
Interest rate swap	**(73)**	(302)	(75.8)%	**(319)**	(2,385)	(86.6)%
Unit-based compensation	**(622)**	(633)	(1.7)%	**(428)**	(2,600)	(83.5)%
Loss on disposition	**—**	—		**348**	—	
Fees and other income	**(766)**	(1,318)	(41.9)%	**(2,357)**	(2,298)	2.6 %
Net income (loss) and comprehensive income (loss)	**$ 27,815**	$ 39,655	(29.9)%	**$ (39,421)**	$ 257,832	

Net Operating Income

Same Property Portfolio NOI for Q3 2023 increased by 6.9% over Q3 2022. This was driven by unfurnished suite revenue growth of 8.7% which was partially offset by a 17.9% decrease in furnished suite revenue and a 3.8% increase in operating expenses driven by increases in salaries and wages and property taxes.

For YTD 2023, Same Property Portfolio NOI increased by 10.5% over YTD 2022. This was driven by growth in unfurnished suite revenue of 9.7% which was partially offset by an increase in operating expenses of 5.3% largely due to salaries, repairs and maintenance costs, and property taxes.

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 Same Property Portfolio results for all periods presented in this Management's Discussion and Analysis.

For Q3 2023 and YTD 2023, Total Portfolio NOI increased by 6.6% and 12.8%, respectively over the same periods in 2022, and NOI margin expanded by 80 bps and 90 bps, respectively for the same periods.

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

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

Revenue from Investment Properties

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Rental revenue						
Unfurnished suites	**32,037**	29,479	8.7 %	**94,726**	86,337	9.7 %
Furnished suites	**2,215**	2,697	(17.9)%	**6,527**	6,520	0.1 %
Commercial leases	**329**	416	(20.9)%	**966**	1,172	(17.6)%
Parking revenue	**1,271**	1,268	0.2 %	**3,835**	3,755	2.1 %
Other property income	**1,195**	1,148	4.1 %	**3,443**	3,144	9.5 %
	$ 37,047	$ 35,008	5.8 %	**$ 109,497**	$ 100,928	8.5 %

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Rental revenue						
Unfurnished suites	**$ 34,361**	$ 31,886	7.8 %	**$ 101,557**	$ 90,576	12.1 %
Furnished suites	**2,215**	2,697	(17.9)%	**6,527**	6,520	0.1 %
Commercial leases	**507**	582	(12.9)%	**1,464**	1,477	(0.9)%
Parking revenue	**1,440**	1,434	0.4 %	**4,348**	4,007	8.5 %
Other property income	**1,312**	1,239	5.9 %	**3,743**	3,294	13.6 %
	$ 39,835	$ 37,838	5.3 %	**$ 117,639**	$ 105,874	11.1 %

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.

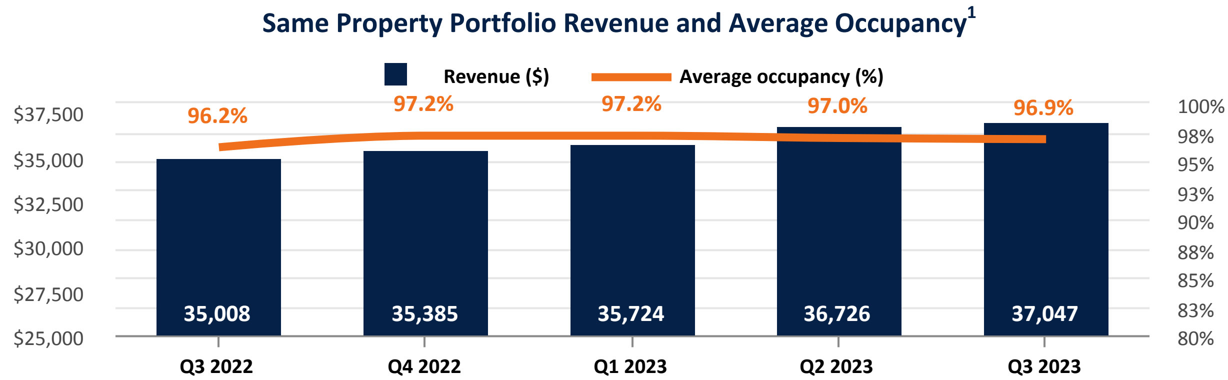
Excluding the furnished suites, Same Property Portfolio revenue was $34,832 for Q3 2023, an increase of 7.8% from $32,311 at Q3 2022. Total Portfolio revenue, excluding furnished suites, was $37,620 for Q3 2023, an increase of 7.1% from $35,141 at Q3 2022. For YTD 2023, Same Property Portfolio and Total Portfolio revenue excluding furnished suites was $102,970 and $111,112, respectively. For YTD 2022, Same Property Portfolio and Total Portfolio revenue excluding furnished suites was $94,408 and $99,354, respectively.

Rental Revenue from Unfurnished Suites

For Q3 2023, rental revenue from unfurnished suites for the Same Property Portfolio increased 8.7% from Q3 2022. This was primarily due to a 6.7% increase in Same Property Portfolio average monthly rent to $1,819 at September 30, 2023 and a 70 bps increase in Same Property Portfolio average occupancy to 96.9% for Q3 2023 and reduced promotion amortization.

For YTD 2023, Same Property Portfolio rental revenue from unfurnished suites increased by 9.7% from YTD 2022. This was primarily due to a 6.7% increase in Same Property Portfolio average monthly rent to $1,819 at September 30, 2023 and a 200 bps increase in Same Property Portfolio average occupancy to 97.1% and the reduced impact of promotion amortization for YTD 2023.

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



	Three months ended September 30,			Nine months ended September 30,		
Same Property Portfolio	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Average Occupancy[1]						
Toronto	**97.9 %**	97.9 %	— bps	**98.1 %**	96.3 %	180 bps
Ottawa	**97.4 %**	96.8 %	60 bps	**97.7 %**	95.8 %	190 bps
Alberta	**96.7 %**	97.4 %	(70) bps	**97.4 %**	94.9 %	250 bps
Montreal	**95.1 %**	92.8 %	230 bps	**94.4 %**	92.2 %	220 bps
	96.9 %	96.2 %	70 bps	**97.1 %**	95.1 %	200 bps

For Q3 2023, revenue from unfurnished suites for the Total Portfolio increased by 7.8% from Q3 2022. This was driven by an increase of 7.2% in average monthly rent to $1,837 at September 30, 2023, a 70 bps increase in average occupancy to 96.9%. There was a slight decrease in average occupancy from Q2 2023, driven by turnover towards the end of Q3 2023 with move-ins for those units occurring early in Q4 2023.

For YTD 2023, revenue from unfurnished suites for the Total Portfolio increased by 12.1% over YTD 2022. This was driven by an increase of 7.2% in average monthly rent to $1,837 at September 30, 2023, a 190 bps increase in average occupancy to 97.0%, revenue from the properties acquired in Q2 2022, and the reduced amortization of promotions.

	Three months ended September 30,			Nine months ended September 30,		
Total Portfolio	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Average Occupancy[1]						
Toronto	**97.7 %**	97.6 %	10 bps	**97.9 %**	96.2 %	170 bps
Ottawa	**97.4 %**	96.8 %	60 bps	**97.7 %**	95.8 %	190 bps
Alberta	**96.9 %**	96.8 %	10 bps	**97.4 %**	94.9 %	250 bps
Montreal	**95.1 %**	92.8 %	230 bps	**94.4 %**	92.2 %	220 bps
	96.9 %	96.2 %	70 bps	**97.0 %**	95.1 %	190 bps

Rental Revenue from Furnished Suites

For Q3 2023, rental revenue from furnished suites for the Same Property Portfolio and Total Portfolio decreased by 17.9% from Q3 2022. Average occupancy for furnished suites of 67.5%, was a 24.3% reduction from Q3 2022 driven by the writers' and actors' strikes in the film and entertainment industries affecting demand for suites in Toronto and fewer contract extensions in Ottawa as government activity remains below historical norms. The writers' strike ended in late September 2023 but the actors' strike continues. The REIT has converted seven suites at Minto one80five to unfurnished since September 30, 2022 and is currently assessing further conversions. The reduction in occupancy was partially offset by an 18.8% increase in average monthly rent for furnished suites to $6,250.

For YTD 2023, rental revenue from furnished suites for the Same Property Portfolio and Total Portfolio was flat as compared YTD 2022. This was driven by a 19.3% increase in average monthly rent for furnished suites to $5,538 YTD 2023, offset by lower average occupancy for furnished suites of 71.2%, a reduction of 8.5% from YTD 2022 and a decline in the average number of furnished suites from 193 to 185 for YTD 2023.

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

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

Rental Revenue from Commercial Leases

For Q3 2023, revenue from commercial leases for the Same Property Portfolio decreased 20.9% from Q3 2022 led by decreased rents in Calgary. For the same period, Total Portfolio revenue from commercial leases decreased 12.9%, driven by the lower rents in Calgary and partially offset by increased cost recoveries at Niagara West.

For YTD 2023, revenue from commercial leases for the Same Property Portfolio decreased by 17.6% from YTD 2022, mainly driven by the increased amortization of promotions in Ottawa in Q1 2023 and decreased rents in Calgary.

For YTD 2023, revenue from commercial leases for Total Portfolio decreased by 0.9% compared to YTD 2022, driven by the results of the Same Property Portfolio and partially offset by the acquisition of Niagara West in Q2 2022.

Parking Revenue

Parking revenue for Q3 2023 for the Same Property Portfolio and Total Portfolio were largely in line with Q3 2022, increasing slightly by 0.2% and 0.4%, respectively.

For YTD 2023, parking revenue for the Same Property Portfolio was 2.1% higher as compared to YTD 2022 as a result of increased average monthly parking rates and average occupancy. For the same period, Total Portfolio parking revenue was 8.5% higher, driven by the contributions from the properties acquired in Q2 2022, in addition to the results of the Same Property Portfolio.

Other Property Income

For Q3 2023, other property income for the Same Property Portfolio and Total Portfolio increased by 4.1% and 5.9%, respectively over Q3 2022 as a result of increased laundry revenue and utility recoveries.

For YTD 2023, other property income for the Same Property Portfolio was 9.5% higher compared to YTD 2022 due to increased laundry revenue and utility recoveries driven by higher average occupancy. For the same period, Total Portfolio other property income increased by 13.6%, driven by the trends in the Same Property Portfolio and bolstered by the earnings from the acquired properties.

Property Operating Costs

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Property operating costs	**$ 6,964**	$ 6,633	(5.0)%	**$ 21,350**	$ 19,965	(6.9)%

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Property operating costs	**$ 7,438**	$ 7,233	(2.8)%	**$ 22,932**	$ 20,973	(9.3)%

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

For Q3 2023, Same Property Portfolio property operating costs increased 5.0% from Q3 2022, primarily from increases in salaries and wages, insurance, and repairs and maintenance. The increase in salaries and wages was a result of outsourced positions and annual salary increases. Insurance costs increased due to rises in premiums across all geographies. The increase in repairs and maintenance was driven by the timing, cost, and need for work as compared to Q3 2022. For the same period, property operating costs for the Total Portfolio increased 2.8% over Q3 2022, primarily from the same trends impacting the Same Property Portfolio, partially offset by lower repairs and maintenance for the acquired properties due to the timing, cost and need for work.

For YTD 2023, Same Property Portfolio property operating costs increased 6.9% from YTD 2022, mainly due to increases in salaries and wages as well as repairs and maintenance. The increase in salaries and wages was mainly a result of annual salary increases, severance costs as the REIT reorganized certain positions, and outsourcing of positions. The increase in repairs and maintenance is primarily driven by the timing, cost, and need for work as compared to YTD 2022.

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

For YTD 2023, property operating costs for the Total Portfolio were 9.3% higher as compared to YTD 2022 due to the factors driving the Same Property Portfolio cost increases and the property operating costs associated with the acquired properties.

For Q3 2023 and YTD 2023, Same Property Portfolio property operating costs as a percentage of revenue were 18.8% and 19.5%, compared to 18.9% and 19.8% for the same periods in 2022. For Q3 2023 and YTD 2023, Total Portfolio property operating costs as a percentage of revenue were 18.7% and 19.5%, compared to 19.1% and 19.8% for the same periods in 2022.

Property Taxes

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Property taxes	**$ 3,798**	$ 3,590	(5.8)%	**$ 11,130**	$ 10,736	(3.7)%

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Property taxes	**$ 4,090**	$ 3,870	(5.7)%	**$ 12,015**	$ 11,244	(6.9)%

For Q3 2023, Same Property Portfolio and Total Portfolio property taxes increased 5.8% and 5.7% from Q3 2022, primarily driven by changes in assessed values in Montreal.

For YTD 2023, Same Property Portfolio property taxes increased 3.7% over YTD 2022. The increases were primarily due to changes in assessed values in Montreal and Toronto. For the same period, Total Portfolio property taxes were 6.9% higher due to the factors driving the Same Property Portfolio cost increases and the property tax associated with the acquired properties.

For Q3 2023 and YTD 2023, Same Property Portfolio property taxes as a percentage of revenue were 10.3% and 10.2%, compared to 10.3% and 10.6% for same periods in 2022. For Q3 2023 and YTD 2023, Total Portfolio property taxes as a percentage of revenue were 10.3% and 10.2%, compared to 10.2% and 10.6% for same periods in 2022.

Utilities

Same Property Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Electricity	**$ 1,131**	$ 1,121	(0.9)%	**$ 3,202**	$ 3,094	(3.5)%
Natural gas	**291**	410	29.0 %	**3,179**	3,166	(0.4)%
Water	**841**	793	(6.1)%	**2,410**	2,219	(8.6)%
	$ 2,263	$ 2,324	2.6 %	**$ 8,791**	$ 8,479	(3.7)%

Total Portfolio

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Electricity	**$ 1,278**	$ 1,235	(3.5)%	**$ 3,702**	$ 3,283	(12.8)%
Natural gas	**329**	445	26.1 %	**3,342**	3,238	(3.2)%
Water	**872**	831	(4.9)%	**2,512**	2,287	(9.8)%
	$ 2,479	$ 2,511	1.3 %	**$ 9,556**	$ 8,808	(8.5)%

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, occupancy, utility rates and commodity prices impact costs.

Same Property Portfolio utilities for Q3 2023 were 2.6% lower compared to Q3 2022, due to favourable natural gas expenses, offset by increased water expenses. Natural gas expense was lower by 29.0% as compared to Q3 2022, driven by a 21% drop in average gas rates. Usage of natural gas is highly seasonal and weather dependent, with peaks occurring in Q4 and Q1 of any given year and was largely unchanged from Q3 2022 to Q3 2023. Water increased by 6.1% driven by rate increases across all geographies, while consumption remained flat.

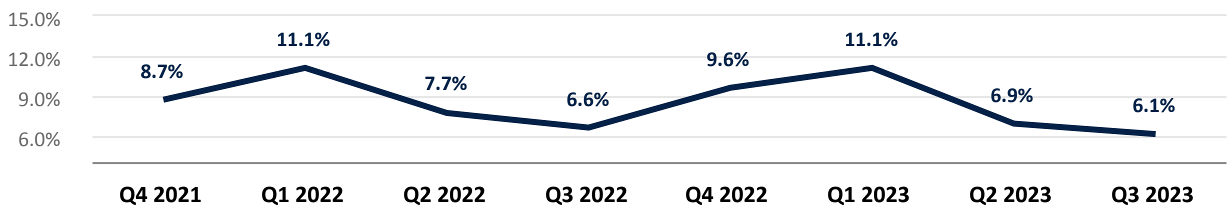
For Q3 2023, Total Portfolio utilities were 1.3% lower compared to Q3 2022, driven by the decreased costs in the Same Property Portfolio, partially offset by the utility expenses associated with the acquired properties and notably increased electricity usage over Q3 2022 due to a warmer summer. The costs of this additional electricity usage was recovered through submetering.

Same Property Portfolio utilities for YTD 2023 were 3.7% higher compared to YTD 2022. The increase in Same Property Portfolio water and electricity expenses of 8.6% and 3.5%, respectively, was due to rate increases and additional consumption from higher average occupancy. The natural gas expense was flat year over year due to a combination of higher Q1 2023 rates and federal carbon levies, offset by a large decrease in gas prices in Q2 2023 and Q3 2023, coupled with a mild winter reducing overall consumption.

For YTD 2023, utilities for the Total Portfolio increased by 8.5% as compared to YTD 2022. The increase was due to the factors driving the Same Property Portfolio variances as well as the utility costs associated with the acquired properties.

For Q3 2023 and YTD 2023, Same Property Portfolio utilities as a percentage of revenue were 6.1% and 8.0%, compared to 6.6% and 8.4% for same periods in 2022. For Q3 2023 and YTD 2023, Total Portfolio utilities as a percentage of revenue were 6.2% and 8.1%, compared to 6.6% and 8.3% for same periods in 2022.

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



General and Administrative Expenses

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

The general and administrative expenses for Q3 2023 and YTD 2023 increased 5.3% and 18.3%, respectively. The increase for Q3 2023 compared to Q3 2022 was driven by higher professional fees. The increase YTD 2023 over YTD 2022 was primarily due to a write-off of property investigation costs incurred in a previous year, an increase in compensation costs from internalized C-suite executives, and professional fees.

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

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

Finance Costs - Operations

	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Interest on mortgages and loans	**$ 6,611**	$ 5,815	(13.7)%	**$ 20,185**	$ 15,383	(31.2)%
Interest and standby fees on credit facility	**2,292**	1,573	(45.7)%	**7,991**	2,784	(187.0)%
Financing amortization & other charges	**349**	293	(19.1)%	**882**	610	(44.6)%
Amortization of mark-to-market adjustments	**(141)**	(178)	(20.8)%	**(544)**	(564)	(3.5)%
Capitalized interest	**(766)**	(283)	170.7 %	**(2,000)**	(567)	252.7 %
Distributions on Class C LP Units	**2,075**	1,645	(26.1)%	**5,284**	4,940	(7.0)%
Interest costs[1]	**10,420**	8,865	(17.5)%	**31,798**	22,586	(40.8)%
Debt retirement costs	**—**	—	— %	**1,779**	—	(100.0)%
Distributions on Class B LP Units	**3,155**	3,058	(3.2)%	**9,464**	8,820	(7.3)%
	$ 13,575	$ 11,923	(13.9)%	**$ 43,041**	$ 31,406	(37.0)%

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, financing amortization and other charges and mark-to-market adjustments on debt, distributions on Class B limited partnership units of the Partnership ("Class B LP Units") and Class C limited partnership units of the Partnership ("Class C LP Units") and debt retirement costs, offset by capitalized interest expense.

Interest costs for Q3 2023 were 17.5% higher than Q3 2022 driven by refinancings completed YTD 2023 resulting in an increase to the outstanding balance and the weighted average interest rate on Term Debt. The interest rate also increased on the credit facility over the same period as variable rates continued rising into Q3 2023. These increases were partially offset by the Q2 2023 refinancing of two variable rate mortgages and an increase in capitalized interest due to the continued development of purpose-built rental properties.

Interest costs YTD 2023 increased by 40.8% from YTD 2022. This was primarily as a result of both a higher average outstanding balance and increased weighted average interest rate on Term Debt, driven by the refinancings completed YTD 2023. These refinancings also resulted in debt retirement costs of $1,779. Higher interest expense on the credit facility was a result of an increased average outstanding balance and higher interest rates through YTD 2023 compared to YTD 2022. During the first half of 2023, rising interest rates also increased variable rate mortgage expense for the properties acquired in Q2 2022. These increases were partially offset by increased capitalized interest from the development projects.

For Q3 2023, distributions on Class B LP Units increased by 3.2% over Q3 2022, due to a monthly distribution increase of 3.2% to $0.04083 in Q4 2022. For YTD 2023, Class B LP Unit distributions were 7.3% higher than 7.3% due to the distribution increase and the issuance of Class B LP Units in Q2 2022.

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 Q3 2023 and YTD 2023, finance income was 53.6% and 59.8% higher, respectively, when compared to the same periods in 2022, primarily as a result of higher interest income earned on CDLs. As at September 30, 2023, the REIT had advanced an additional $33,951 from September 30, 2022 on its commitments, thus driving higher interest income for both periods.

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 NOI 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.

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

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Forecast NOI[1]	**$ 44,783**	$ 24,999	**$ 119,427**	$ 83,234
Capitalization rates	**(48,759)**	(23,375)	**(162,985)**	(47,516)
Capital expenditure reserve	**(17,240)**	(20,313)	**(36,861)**	(42,337)
	$ (21,216)	$ (18,689)	**$ (80,419)**	$ (6,619)

Increases in capitalization rates of 10.0 to 12.5 bps within select geographies of the residential portfolio were partially offset by forecast NOI growth in Q3 2023 due to strong realized and forecasted leasing results continuing to outpace expense inflation. The weighted average capitalization rate used for the Q3 2023 valuation of residential properties was 4.06%, compared to 3.98% in Q2 2023 and 3.68% in Q3 2022. The adjustment is derived from market data indicating continued upward pressure on capitalization rates on multi-family assets due to the prolonged increases in the 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 $21,216 fair value loss.

The fair value loss for YTD 2023 was due to increases in capitalization rates by 12.5 to 37.5 bps across the residential portfolio, which were partially offset by growth in forecast NOI. Collectively, adjustments to capitalization rates, forecast NOI and the capital expenditure reserve resulted in a fair value loss of $80,419.

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

As at	**September 30, 2023**		**December 31, 2022**	
	Low	**High**	**Low**	**High**
Ottawa, Ontario	4.00%	4.63%	3.88%	4.25%
Toronto, Ontario	3.50%	3.75%	3.25%	3.50%
Edmonton, Alberta	4.63%	4.63%	4.38%	4.38%
Calgary, Alberta	4.50%	4.88%	4.28%	4.63%
Montreal, Quebec	4.00%	4.25%	3.75%	4.00%
Weighted-average capitalization rate		4.06%		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 September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Unit price - opening	**$ 15.02**	$ 14.64	**$ 14.05**	$ 21.89
Unit price - closing	**13.63**	12.90	**13.63**	12.90

The decrease in the Unit price for Q3 2023 and YTD 2023 resulted in fair value gains on Class B LP Units of $35,799 and $10,817, respectively. For the same periods in 2022, a decrease in the Unit price resulted in fair value gains of $44,813 and $227,148, respectively.

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

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

Fair Value Loss (Gain) on Interest Rate Swap

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

For Q3 2023 and YTD 2023, the REIT recognized fair value gains of $73 and $319, respectively. For the same periods in 2022, the REIT recognized fair value gains of $302 and $2,385, respectively. The fair value gains were primarily a result of increases 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 and, for Performance Units, inputs to a pricing model. The change in Unit price is relative to the opening Unit price with changes in the value recorded in net income.

For Q3 2023 and YTD 2023, the REIT recognized fair value gains of $622 and $428, respectively, due to decreases in the Unit price. For the same periods in 2022, a decrease in the Unit price resulted in gains of $633 and $2,600, respectively.

Loss on Disposition

In connection with the sale of Hi-Level Place in Edmonton on March 7, 2023, disposal costs of $348 were incurred.

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, other income, and insurance recoveries.

In Q3 2023, the REIT recognized $766 in fees and other income, a decrease of 41.9% from Q3 2022 driven by insurance recoveries of $594 received in Q2 2022.

For YTD 2023, the REIT recognized $2,357 in fees and other income, an increase of 2.6% over the YTD 2022, primarily driven by the addition of Niagara West in Q2 2022 and offset by the higher insurance recoveries received YTD 2022 over YTD 2023.

Summary of Quarterly Results

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Total assets	**$ 2,723,608**	$ 2,720,278	$ 2,738,165	$ 2,734,812	$ 2,714,856	$ 2,706,092	$ 2,474,897	$ 2,440,714
Investment properties	**$ 2,572,645**	$ 2,574,302	$ 2,603,182	$ 2,611,094	$ 2,600,273	$ 2,599,891	$ 2,384,753	$ 2,360,565
Total liabilities	**$ 1,564,003**	$ 1,583,749	$ 1,553,741	$ 1,521,275	$ 1,464,049	$ 1,487,430	$ 1,435,014	$ 1,430,713
Total non-current liabilities	**$ 1,427,391**	$ 1,438,635	$ 1,165,077	$ 1,189,744	$ 1,145,584	$ 1,244,872	$ 1,273,661	$ 1,248,071
Revenue from investment properties	**$ 39,835**	$ 39,401	$ 38,403	$ 37,916	$ 37,838	$ 35,510	$ 32,526	$ 32,429
NOI[1]	**$ 25,828**	$ 24,572	$ 22,736	$ 22,947	$ 24,224	$ 21,839	$ 18,786	$ 19,940
NOI margin[1]	**64.8%**	62.4%	59.2%	60.5%	64.0%	61.5%	57.8%	61.5%
Net income (loss) and comprehensive income (loss)	**$ 27,815**	$ (43,009)	$ (24,227)	$ (32,432)	$ 39,655	$ 183,537	$ 34,640	$ 24,933
FFO[1]	**$ 15,692**	$ 11,925	$ 11,629	$ 12,864	$ 15,654	$ 13,680	$ 11,979	$ 13,245
FFO per unit[1]	**$ 0.2390**	$ 0.1817	$ 0.1772	$ 0.1960	$ 0.2380	$ 0.2100	$ 0.1906	$ 0.2147
AFFO[1]	**$ 14,041**	$ 10,188	$ 9,933	$ 11,160	$ 13,952	$ 11,983	$ 10,348	$ 11,656
AFFO per unit[1]	**$ 0.2139**	$ 0.1552	$ 0.1513	$ 0.1700	$ 0.2121	$ 0.1840	$ 0.1647	$ 0.1890
Distributions declared[2]	**$ 8,042**	$ 8,040	$ 8,041	$ 7,960	$ 7,804	$ 7,816	$ 7,462	$ 7,356
AFFO Payout Ratio[1]	**57.3%**	78.9%	81.0%	71.3%	55.9%	65.2%	72.1%	63.1%
Distribution per unit	**$ 0.1225**	$ 0.1225	$ 0.1225	$ 0.1212	$ 0.1187	$ 0.1187	$ 0.1187	$ 0.1171

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

[2] Includes distributions on Units and Class B LP Units.

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. The REIT has realized gain-to-lease of over 16% in each of the past four quarters. However, the gap between expiring and market rents is expected to persist in 2024 and the realization of the gain-to-lease potential will be tempered by a continued slow down in turnover.

The REIT continued to show strong operating results through Q3 2023, driven by favourable long-term market demand conditions for unfurnished suites, which support revenue and NOI growth. Average monthly rents continued their upward trajectory and average occupancy remained stable. Inflation pressures continued to ease from their 2022 highs, stabilizing some operating costs. The current focus on implementing accretive capital allocation strategies has resulted in FFO per unit and AFFO per unit growth. Distributions declared were effectively unchanged and coupled with AFFO per unit growth maintained a conservative AFFO Payout Ratio.

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

Section III - Assessment of Financial Position

Investment Properties

The following table summarizes the changes in investment properties:

	Residential properties	Commercial properties	Land under development	Total
Balance, December 31, 2022	$ 2,525,455	$ 27,828	$ 57,811	**$ 2,611,094**
Additions				
Capital expenditures	32,262	380	—	**32,642**
Development expenditures	—	—	19,351	**19,351**
Other	(103)	—	—	**(103)**
Disposition	(9,920)	—	—	**(9,920)**
Fair value (loss) gain	(79,174)	(1,245)	—	**(80,419)**
Balance, September 30, 2023	$ 2,468,520	$ 26,963	$ 77,162	**$ 2,572,645**

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. The REIT is in the process of finalizing two more property dispositions, as described in Section I - "Overview - Financial and Operating Highlights - Capital Recycling Strategy and Pursuing Exit from the Edmonton Market".

Capital Expenditures

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Total capital expenditures	**$ 13,095**	$ 12,500	**$ 32,642**	$ 33,963
Value-enhancing capital expenditures				
Building improvements	**9,989**	7,474	**23,558**	19,007
Suite upgrades	**1,566**	3,172	**4,420**	10,024
	11,555	10,646	**27,978**	29,031
Maintenance capital expenditures	**1,540**	1,854	**4,664**	4,932
Maintenance capital expenditures per suite	**$ 229**	$ 274	**$ 693**	$ 745

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.

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

Maintenance capital expenditures for Q3 2023 and YTD 2023 were $1,540 and $4,664 or $229 and $693 per suite, respectively, and primarily related to maintenance of plumbing, electrical and mechanical systems, parking garages, fire-life safety systems and common areas at various buildings.

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

Development Expenditures

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	**2023**	2022
Richgrove	**$ 4,391**	$ 5,081	**$ 13,686**	$ 9,103
Leslie York Mills	**1,841**	1,405	**4,663**	3,387
High Park Village	**208**	85	**1,002**	593
	$ 6,440	$ 6,571	**$ 19,351**	$ 13,083

The construction of the Richgrove project continues as planned, with development expenditures in Q3 2023 primarily related to second phase below-grade work. As of September 30, 2023, the REIT had incurred costs of $35,116, and forecasts $86,884 in remaining expenditures, an IRR of 16% to 19% and stabilization in Q2 2026.[1]

Construction at Leslie York Mills also continues to progress, with expenditures in the quarter primarily related to the first two blocks of below grade work. As of September 30, 2023, the total project costs incurred were $27,951. Management forecasts $165,049 in remaining expenditures and an IRR of 12% to 17%, with stabilization in Q4 2026.[1,2]

In early Q3 2023, the REIT made the strategic decision to postpone the advancement of construction on the High Park Village development. As of September 30, 2023, the total pre-development project costs incurred were $9,132.[1,2]

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 September 30, 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 distributions to the holder of such Class C LP Units to be paid in priority to distributions to holders of the Units and Class B LP Units. Due to the nature of such distributions, the Class C LP Units are classified as financial liabilities.

As at September 30, 2023, there were 25,556,082 (December 31, 2022 - 22,978,700) Class C LP Units outstanding.

[1] Incurred costs comprise amounts prior to allocation of parking garage costs as a shared amenity with existing assets and cash received from government sources.
[2] Incurred costs and forecast expenditures are presented at 100% rather than the REIT's proportionate share.

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

In August 2023, the REIT issued 2,577,382 Class C LP Units to MPI in connection with the refinancing of a mortgage of an investment property to which the Class C LP Units relate. Gross proceeds were $25,774 and CMHC premiums and financing costs were $1,635, for net proceeds of $24,139.

The mortgages of investment properties to which the distributions on the Class C LP Units relate bear a weighted average contractual interest rate of 3.57% (December 31, 2022 - 3.16%). The Class C LP Units have a weighted average effective interest rate of 3.45% (December 31, 2022 - 2.95%) and mature at various dates between 2024 and 2033. The effective interest rate varies from the contractual interest rate as it includes the amortization of mark-to-market adjustments, fees, premiums, and other borrowing costs.

Secured Debt

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

The REIT maintains mortgages with fixed and variable interest rates that are secured by investment properties. At September 30, 2023, the weighted average contractual interest rate of the fixed rate mortgages was 3.23% (December 31, 2022 - 3.03%) and their weighted average effective interest rate was 3.36% (December 31, 2022 - 3.07%). The fixed rate mortgages mature at various dates between 2024 and 2033. The REIT's fixed rate mortgages include a variable rate mortgage that is fixed at 3.38% through an interest rate swap.

In Q2 2023, the REIT secured upward refinancing on five maturing mortgages, and repaid both its variable rate mortgages and secured CMHC-insured fixed rate mortgages in their place, all as discussed in Section I - "Overview - Financial and Operating Highlights - Refinancing Initiatives to Reduce Variable Rate Debt Exposure".

The REIT has a fixed rate non-revolving construction loan to finance its Richgrove development. The $93,745 construction loan bears interest at 2.39% and matures on March 1, 2032. As at September 30, 2023, $15,155 (December 31, 2022 - $8,006) was drawn. Payments are made monthly on an interest-only basis.

As at September 30, 2023, the REIT had available credit under its revolving credit facility of $254,317 (December 31, 2022 - $267,115) which is the lesser of the total commitment and the lending value. The availability 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 September 30, 2023, the weighted average variable interest rate was 7.13% (December 31, 2022 - 6.47%).

		September 30, 2023		**December 31, 2022**
Committed	$	300,000	$	300,000
Available		254,317		267,115
Utilized				
Amounts drawn		117,652		157,158
Letter of credit		2,022		442
		119,674		157,600
Undrawn amount available	**$**	**134,643**	$	109,515

Units

	Units		**$**
Authorized	Unlimited		
Units issued and outstanding:			
Balance, December 31, 2021	40,069,839	$	714,121
Cancellation of Units under NCIB	(182,227)		(3,248)
Balance, September 30, 2022	39,887,612		710,873
Balance, December 31, 2022	39,887,612	$	710,873
Units issued for vested Deferred Units	11,000		148
Balance, September 30, 2023	**39,898,612**	**$**	**711,021**

Normal Course Issuer Bid

On September 18, 2023, the REIT initiated an NCIB which will be active from September 20, 2023 to September 19, 2024. For Q3 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 Q3 2023 and YTD 2023, distributions to Unitholders of $4,887 and $14,659 (September 30, 2022 - $4,746 and $14,262) were declared based on approved monthly distributions of $0.04083 (2022 - $0.03958) per unit for the months of January to September.

On November 7, 2023, the Board of Trustees approved a $0.015 or 3.1% increase to the REIT's annual distribution from $0.4900 per unit to $0.5050 per unit. The monthly distribution will be $0.04208 per unit, up from $0.04083 per unit, effective for the November 2023 distribution to be paid on December 15, 2023. This distribution increase is aligned with the REIT's objective of maintaining sustainable distributions to Unitholders, facilitating the reinvestment of capital to fund ongoing capital commitments and growth initiatives and also to remain a constituent on the *S&P/TSX Canadian Dividend Aristocrats Index*.

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

Section IV - Liquidity, Capital Resources and Contractual Commitments

Liquidity and Capital Resources

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

As at		September 30, 2023		December 31, 2022
Liabilities (principal amounts outstanding):				
Class B LP Units	$	351,041	$	361,858
Class C LP Units		228,301		206,673
Mortgages		809,245		740,334
Construction loan		15,155		8,006
Credit facility		117,652		157,158
		1,521,394		1,474,029
Unitholders' equity		1,159,605		1,213,537
	$	**2,680,999**	**$**	**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 September 30, 2023, 77% (December 31, 2022 - 63%) of the REIT's Total Debt is CMHC insured and approximately 90% (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		September 30, 2023		December 31, 2022
Class C LP Units	$	228,842	$	208,086
Mortgages		802,812		738,314
Construction loan		15,155		8,006
Credit facility		117,652		157,158
Total Debt		1,164,461		1,111,564
Total assets		2,723,608		2,734,812
Debt-to-Gross Book Value ratio[1]		**42.8%**		**40.6%**
Total liquidity		138,277		114,838
Liquidity as a percentage of Total Debt		**11.9%**		**10.3%**

The REIT continues to maintain a conservative overall leverage position with a Debt-to-Gross Book Value ratio of 42.8% at September 30, 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 11.9% at September 30, 2023, compared to 10.3% at December 31, 2022.

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

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

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	September 30, 2023	December 31, 2022
Trailing 12-month NOI[1]	$ 96,083	$ 87,796
Trailing 12-month general and administrative expenses	(10,540)	(9,303)
Trailing 12-month finance income	6,808	4,818
Trailing 12-month fees and other income	3,398	3,339
	95,749	86,650
Impact on NOI of stabilized earnings from (dispositions) and acquisitions	(239)	2,351
Adjusted EBITDA[1]	**95,510**	**89,001**
Total Debt	1,164,461	1,111,564
Cash	3,634	5,323
Total Debt, net of cash	1,160,827	1,106,241
Debt-to-Adjusted EBITDA ratio[1]	**12.15x**	**12.43x**

The REIT's Debt-to-Adjusted EBITDA ratio improved by 0.28x compared to December 31, 2022. The REIT uses a combination of equity and debt to finance the intensification of existing sites (refer to Section I - "Overview - Outlook"). Any increased debt arising from these transactions is not immediately matched by increased NOI until the development projects stabilize, 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 September 30, 2023, the weighted average term to maturity on Term Debt was 6.16 years (December 31, 2022 - 4.27 years) and the weighted average effective interest rate on Term Debt was 3.38% (December 31, 2022 - 3.04%). The contractual payments under the REIT's debt financing are summarized in the table below.

	Principal Repayments		Principal at Maturity						
Year	Mortgages	Class C LP Units	Mortgages	Credit facility	Construction loan	Class C LP Units	Total	% of Total	Interest Rate[2]
2023	$ 3,692	$ 1,373	$ —	$ —	$ —	$ —	$ 5,065	0.4 %	— %
2024	14,385	4,996	29,123	—	—	46,178	94,682	8.1 %	3.24 %
2025	13,558	3,775	41,016	117,652	—	60,474	236,475	20.2 %	5.16 %
2026	12,218	2,023	72,524	—	—	—	86,765	7.4 %	3.12 %
2027	11,920	2,100	—	—	—	21,425	35,445	3.0 %	3.05 %
2028	11,788	1,403	71,781	—	—	—	84,972	7.3 %	4.14 %
Thereafter	29,347	5,096	497,893	—	15,155	79,458	626,949	53.6 %	3.43 %
	$ 96,908	**$ 20,766**	**$ 712,337**	**$ 117,652**	**$ 15,155**	**$ 207,535**	**$ 1,170,353**	**100 %**	

As of September 30, 2023, current liabilities of $136,612 (December 31, 2022 - $331,531) exceeded current assets of $76,824 (December 31, 2022 - $42,422), resulting in a net working capital deficit of $59,788 (December 31, 2022 - $289,109). Current liabilities as of September 30, 2023 include $75,301 (December 31, 2022 - $271,225) of debt financing which the REIT is actively in the process of refinancing. The REIT's immediate liquidity needs are met through cash-on-hand, cash flow from operations, refinancing of maturing mortgages and availability on its credit facility. As of September 30, 2023, liquidity was $138,277 (December 31, 2022 - $114,838), consisting of cash of $3,634 (December 31, 2022 - $5,323) and $134,643 (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 effective interest rates for maturing mortgages, construction loan, credit facility and Class C LP Units.

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

Cash Flows

As at September 30, 2023, the REIT held a cash balance of $3,634 (September 30, 2022 - $5,571). The sources and use of cash flow for the three and nine months ended September 30, 2023 and 2022 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Operating activities	**$ 25,415**	$ 32,008	**$ 66,009**	$ 64,110
Financing activities	**(6,631)**	(4,886)	**(8,165)**	34,872
Investing activities	**(21,196)**	(25,984)	**(59,533)**	(96,262)

Cash provided by operating activities and cash distributions

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Net income (loss) and comprehensive income (loss)	**$ 27,815**	$ 39,655	**$ (39,421)**	$ 257,832
Add: distributions on Class B LP Units	**3,155**	3,058	**9,464**	8,820
	30,970	42,713	**(29,957)**	266,652
Less: distributions paid[1]	**(8,042)**	(7,696)	**(24,123)**	(22,974)
Excess (shortfall) of net income (loss) and comprehensive income (loss) over total distributions paid	**$ 22,928**	$ 35,017	**$ (54,080)**	$ 243,678
Cash provided by operating activities	**$ 25,415**	$ 32,008	**$ 66,009**	$ 64,110
Add: interest received	**833**	453	**2,121**	1,346
Less: interest paid	**(12,669)**	(9,173)	**(35,107)**	(22,894)
	13,579	23,288	**33,023**	42,562
Less: distributions paid[1]	**(8,042)**	(7,696)	**(24,123)**	(22,974)
Excess of cash provided by operating activities over total distributions and interest paid	**5,537**	15,592	**8,900**	19,588
Distributions declared[2]	**$ 8,042**	$ 7,804	**$ 24,123**	$ 23,082

For Q3 2023, net income and comprehensive income was in excess of total distributions paid. For YTD 2023, net loss and comprehensive loss was in shortfall of total distributions paid. Distributions are better evaluated in the context of operating cash flows rather than net income (loss), as net income (loss) 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 Q3 2023 and YTD 2023, cash generated by operating activities exceed total distributions and interest paid.

[1] Distributions paid on REIT Units and Class B LP Units.
[2] Includes distributions on REIT Units and Class B LP Units

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

Cash (used in) provided by financing activities

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Proceeds from mortgage financing	**—**	—	**$ 317,122**	$ 34,623
Net (repayments) proceeds on credit facility	**(6,179)**	17,775	**(39,506)**	76,837
Proceeds from issuance of Class C LP Units	**25,774**	—	**25,774**	—
Proceeds from construction loan	**1,037**	503	**7,149**	2,823
CMHC premiums and financing costs	**(2,071)**	(37)	**(13,981)**	(1,335)
Mortgage payments on refinancing	**436**	—	**(230,999)**	(16,300)
Principal repayments on mortgages	**(3,596)**	(3,467)	**(10,348)**	(10,379)
Forgivable loan transferred from restricted cash	**—**	1,350	**—**	1,350
Distributions paid on various classes of units	**(9,363)**	(9,073)	**(28,269)**	(27,089)
Interest paid	**(12,669)**	(9,173)	**(35,107)**	(22,894)
Purchase and cancellation of Units	**—**	(2,764)	**—**	(2,764)
	$ (6,631)	$ (4,886)	**$ (8,165)**	$ 34,872

For Q3 2023, cash flows used in financing activities comprised interest paid, distributions on various classes of units, net repayments on the credit facility, principal repayments on mortgages and costs associated with Class C LP Units issued. This was partially offset by proceeds from the issuance of Class C LP Units and the construction loan.

For YTD 2023, cash flows used in financing activities comprised mortgage payments on refinancing, net repayments on the credit facility, interest on mortgages, distributions on various classes of units, payments of financing costs, interest on the credit facility and principal repayments on mortgages. This was offset by proceeds from mortgage financing, the issuance of Class C LP Units and draws on the construction loan in connection with the Richgrove development.

Cash used in investing activities

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Acquisition of investment property	**$ —**	$ —	**$ —**	$ (28,761)
Capital additions to investment properties	**(10,800)**	(14,099)	**(35,772)**	(38,942)
Development expenditures	**(5,968)**	(6,975)	**(14,547)**	(13,442)
Net loans advanced to related parties	**(5,261)**	(5,363)	**(14,220)**	(16,463)
Net proceeds on disposition of investment property	**—**	—	**2,885**	$ —
Interest received	**833**	453	**2,121**	1,346
	$ (21,196)	$ (25,984)	**$ (59,533)**	$ (96,262)

Cash flows used in investing activities for Q3 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 88 Beechwood and University Heights CDLs, offset by interest received from related parties on CDLs.

Cash flows used in investing activities for YTD 2023 included capital expenditures on investment properties, loan advances on the 88 Beechwood, The Hyland and University Heights CDLs, and development expenditures on the three projects in the portfolio, offset by net proceeds on the disposition of Hi-Level Place and interest received from related parties on CDLs.

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

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:

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net income and comprehensive income	$ 27,815	$ (43,009)	$ (24,227)	$ (32,432)	$ 39,655	$ 183,537	$ 34,640	$ 24,933
Distributions on Class B LP Units	3,155	3,154	3,155	3,122	3,058	3,058	2,704	2,665
Issuance costs on Class B LP Units	—	—	—	—	—	175	—	—
Disposition costs on investment property	—	—	348	—	—	—	—	—
Fair value loss (gain) on:								
Investment properties	21,216	45,700	13,503	12,209	18,689	2,325	(14,395)	(3,133)
Class B LP Units	(35,799)	6,696	18,286	29,617	(44,813)	(172,772)	(9,563)	(10,701)
Interest rate swap	(73)	(656)	410	(6)	(302)	(776)	(1,307)	(421)
Unit-based compensation	(622)	40	154	354	(633)	(1,867)	(100)	(98)
Funds from operations (FFO)	**$ 15,692**	**$ 11,925**	**$ 11,629**	**$ 12,864**	**$ 15,654**	**$ 13,680**	**$ 11,979**	**$ 13,245**
Maintenance capital expenditure reserve	(1,510)	(1,510)	(1,520)	(1,525)	(1,524)	(1,506)	(1,436)	(1,397)
Amortization of mark-to-market adjustments	(141)	(227)	(176)	(179)	(178)	(191)	(195)	(192)
Adjusted funds from operations (AFFO)	**$ 14,041**	**$ 10,188**	**$ 9,933**	**$ 11,160**	**$ 13,952**	**$ 11,983**	**$ 10,348**	**$ 11,656**
Distributions on Class B LP Units	3,155	3,154	3,155	3,122	3,058	3,058	2,704	2,665
Distributions on Units	4,887	4,886	4,886	4,838	4,746	4,758	4,758	4,691
	8,042	8,040	8,041	7,960	7,804	7,816	7,462	7,356
AFFO Payout Ratio	**57.3%**	**78.9%**	**81.0%**	**71.3%**	**55.9%**	**65.2%**	**72.1%**	**63.1%**
Weighted average number of Units and Class B LP Units issued and outstanding	65,651,608	65,642,641	65,642,641	65,642,641	65,769,904	65,135,801	62,838,912	61,683,912
FFO per unit	**$ 0.2390**	**$ 0.1817**	**$ 0.1772**	**$ 0.1960**	**$ 0.2380**	**$ 0.2100**	**$ 0.1906**	**$ 0.2147**
AFFO per unit	**$ 0.2139**	**$ 0.1552**	**$ 0.1513**	**$ 0.1700**	**$ 0.2121**	**$ 0.1840**	**$ 0.1647**	**$ 0.1890**

For Q3 2023, FFO and AFFO were higher as compared to Q3 2022 primarily due to a 6.6% increase in NOI from strong average occupancy and average monthly rent. The strong operating performance was moderated by a 17.5% increase in interest costs, which is discussed in detail in Section II - "Financial Highlights and Performance - Review of Financial Performance - Finance Costs - Operations".

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

Nine months ended		September 30, 2023		September 30, 2022
Net (loss) income and comprehensive (loss) income	$	**(39,421)**	$	257,832
Distributions on Class B LP Units		**9,464**		8,820
Issuance costs on Class B LP Units		**—**		175
Disposition costs on investment property		**348**		—
Fair value loss (gain) on:				
Investment properties		**80,419**		6,619
Class B LP Units		**(10,817)**		(227,148)
Interest rate swap		**(319)**		(2,385)
Unit-based compensation		**(428)**		(2,600)
Funds from operations (FFO)	$	**39,246**	$	41,313
Maintenance capital expenditure reserve		**(4,540)**		(4,466)
Amortization of mark-to-market adjustments		**(544)**		(564)
Adjusted funds from operations (AFFO)	$	**34,162**	$	36,283
Distributions on Class B LP Units		**9,464**		8,820
Distributions on Units		**14,659**		14,262
		24,123		23,082
AFFO Payout Ratio		**70.6%**		63.6%
Weighted average number of Units and Class B LP Units issued and outstanding		**65,645,663**		64,611,757
FFO per unit	$	**0.5978**	$	0.6394
AFFO per unit	$	**0.5204**	$	0.5616

For YTD 2023, FFO was lower as compared to YTD 2022, reflecting the downward pressure of interest costs on the strong operating results achieved in the first half of the year. AFFO for YTD 2023 was lower than YTD 2022, primarily due to decreased FFO and an increase to the maintenance capital expenditure reserve as result of the acquired properties.

Maintenance capital expenditures include expenditures that are incurred in order to maintain the existing earning capacity of the REIT's investment properties. The maintenance capital expenditure reserve amount included in the AFFO calculation is based on the REIT's expectation of spending approximately $900 per suite on an annual basis, subject to costing pressures from inflation, disruptions due to availability of trades and supply chain constraints. Refer to Section III - "Assessment of Financial Position - Investment Properties - Capital Expenditures" for a more detailed discussion of maintenance capital expenditures.

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

Certain nonrecurring items on the REIT's income statement are not indicative of the REIT's overall operating performance. Excluding the impact of these items, Q3 2023 FFO per unit and AFFO per unit growth was 4.4% and 5.3%, respectively over Q3 2022, and for YTD 2023 FFO per unit and AFFO per unit was flat compared to YTD 2022. These nonrecurring adjustments had an immaterial impact on NOI and are detailed below:

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Normalizing Items				
Debt retirement costs	$ —	$ —	$ 1,779	$ —
Property investigation cost write-offs	—	—	417	—
Severance	—	—	256	—
Insurance recoveries	—	(594)	(219)	(594)
Property tax recovery	—	—	(126)	—
	—	(594)	2,107	(594)
Normalized FFO	**$ 15,692**	$ 15,060	**$ 41,353**	$ 40,719
Normalized FFO per unit	**$ 0.2390**	$ 0.2290	**$ 0.6299**	$ 0.6302
Normalized AFFO	**$ 14,041**	$ 13,358	**$ 36,269**	$ 35,689
Normalized AFFO per unit	**$ 0.2139**	$ 0.2031	**$ 0.5525**	$ 0.5524
Normalized AFFO Payout Ratio	**57.3 %**	58.4 %	**66.5 %**	64.7 %

NOI and NOI Margin

Same Property Portfolio

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenue from investment properties	$ 37,047	$ 35,008	$ 109,497	$ 100,928
Property operating expenses	13,025	12,547	41,271	39,180
NOI	**24,022**	22,461	**$ 68,226**	$ 61,748
NOI margin	**64.8%**	64.2%	**62.3%**	61.2%

Total Portfolio

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Revenue from investment properties	$ 39,835	$ 37,838	$ 117,639	$ 105,874
Property operating costs	14,007	13,614	44,503	41,025
NOI	**25,828**	24,224	**$ 73,136**	$ 64,849
NOI margin	**64.8%**	64.0%	**62.2%**	61.3%

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.

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

Debt Service Coverage Ratio

The Debt Service Coverage ratio is calculated as follows:

		Nine months ended September 30, 2023		Year ended December 31, 2022
NOI	**$**	**73,136**	$	87,796
Interest expense and standby fees on credit facility		**7,991**		5,128
Distributions on Class C LP Units:				
Principal repayments		**4,146**		5,510
Finance costs		**5,284**		6,574
Mortgages and construction loan:				
Principal repayments		**10,348**		13,901
Finance costs		**20,185**		21,802
Total debt service	**$**	**47,954**	$	52,915
Debt Service Coverage ratio		**1.53x**		1.66x

The decline in Debt Service Coverage ratio for YTD 2023 from FY 2022 was primarily a result of higher interest on variable rate debt due to climbing interest rates impacting the credit facility and variable rate mortgages, increased interest and principal payments on Term Debt, as well as additional draws on the credit facility. This was partially offset by an increase in NOI driven by higher average monthly rent and average occupancy. The REIT has completed eight refinancings in YTD 2023 which have contributed to a reduction in its variable interest rate exposure for future periods, as described in Section I - "Overview - Financial and Operating Highlights - Refinancing Initiatives to Reduce Variable Rate Debt Exposure".

Debt-to-Adjusted EBITDA Ratio

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

NAV and NAV per unit

As at		September 30, 2023		December 31, 2022
Net assets (Unitholders' equity)	$	1,159,605	$	1,213,537
Add: Class B LP Units		351,041		361,858
NAV	$	1,510,646	$	1,575,395
Number of Units and Class B LP Units		65,653,641		65,642,641
NAV per unit	**$**	**23.01**	**$**	**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 September 30, 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 and nine months ended September 30, 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. 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.sedarplus.ca). These factors still exist at the end of this quarter and remain relatively unchanged.

Financial Risk Management

The REIT's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. A summary of these risks and how the REIT manages them are set out in Note 19 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 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 and nine months ended September 30, 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 and nine months ended September 30, 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 September 30, 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 nine months ended September 30, 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 and nine months ended September 30, 2023 and 2022.

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

Section VI - Supplemental Information

Property Portfolio

As at September 30, 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	Castleview	241	100%	241
14	Skyline Garden Homes, Maisonettes & Walkups	259	100%	259
15	The Carlisle	193	100%	193
16	Castle Hill	176	100%	176
17	Grenadier	158	100%	158
18	Tanglewood	122	100%	122
19	Eleanor	117	100%	117
20	Frontenac	104	100%	104
21	Stratford	59	100%	59
		3,095		3,095
Montreal				
22	Rockhill	1,004	50%	502
23	Le 4300	318	100%	318
24	Haddon Hall	210	100%	210
25	Le Hill-Park	261	100%	261
		1,793		1,291
Edmonton				
26	The Lancaster House	98	100%	98
27	York House	92	100%	92
		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 30% of the total suites at these properties.

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

Average Rent Per Square Foot

As at September 30, 2023

Geographic Node	Average monthly rent per occupied suite	Average sq. ft. per occupied suite	Average rent per sq. ft per suite
Toronto	$2,163	777	$2.78
Ottawa	1,708	834	2.05
Alberta	1,612	678	2.38
Montreal	1,938	976	1.99
Average	**$1,837**	**827**	**$2.22**

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 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".
- "Normalized FFO" is calculated as FFO net of nonrecurring items that occurred during the period which are not indicative of the REIT's typical operating results. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized FFO per unit" is calculated as Normalized FFO divided by the weighted average number of Units of the REIT and Class B LP Units of the Partnership outstanding over the period.
- "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".
- "Normalized AFFO" is calculated as AFFO net of nonrecurring items that occurred during the period which are not indicative of the REIT's typical operating results. For reconciliation refer to Section IV – "Liquidity, Capital Resources and Contractual Commitments – Reconciliation of Non-IFRS Financial Measures and Ratios".
- "Normalized AFFO per unit" is calculated as Normalized AFFO divided by the weighted average number of Units of the REIT and Class B LP Units of the Partnership outstanding over the period.
- "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".
- "Normalized AFFO Payout Ratio" is the proportion of the total distributions on Units and Class B LP Units to Normalized 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 or dispositions, 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 interest rate on Term Debt" is calculated as the weighted average of the contractual 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 effective interest rate on Term Debt" is calculated as the weighted average of the effective 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 variable rate debt" is calculated as the weighted average contractual 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 Term 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 facility, 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 and excludes debt retirement costs.
- "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.
- "Term Debt" is calculated as the sum of value of fixed rate mortgages, a variable rate mortgage fixed through an interest rate swap and Class C LP Units.
- "Total Debt" is calculated as the sum of value of interest-bearing debt consisting of fixed and variable rate mortgages, credit facility, 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" 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.
- "Average occupancy for furnished suites" is the ratio of occupied furnished suites to the total furnished suites in the portfolio for the period.