



# Q1 2020 Highlights Teleconference

May 07, 2020





# Cautionary Statement

## Non-Reliance

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## Forward-Looking Statements

This presentation and our answers to questions contain statements that constitute forward-looking statements (within the meaning of applicable Canadian securities laws) relating to the business of the REIT. These statements are not historical facts, but instead represent the REIT’s expectations, beliefs, assumptions, estimates, forecasts and projections as of the date hereof. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Although such forward-looking statements are based upon assumptions that management believes are reasonable as of the date hereof, there can be no assurance that those forward-looking statements will prove to be accurate and actual outcomes and results may differ materially from those expressed or implied in these forward-looking statements. The REIT’s expectations, beliefs, assumptions, estimates, forecasts and projections, include, but are not limited to, the REIT’s future growth potential, results of operations, future prospects and opportunities, demographic and industry trends, no change in legislation or regulatory environment, future levels of indebtedness, current tax laws, the continuing availability of capital and current economic conditions. These risks and uncertainties are more fully described in the REIT’s regulatory filings, including the REIT’s Annual Information Form (“AIF”) and its most recent Management’s Discussion and Analysis of the results of operations and financial condition (“MD&A”), all of which can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com). Investors should not place undue reliance on any such forward-looking statements. Certain statements contained in this presentation may be considered “financial outlook” for purposes of Canadian securities laws and as such, the financial outlook may not be appropriate for purposes other than this presentation. Subject to applicable law, the REIT does not undertake any obligation to update or revise any forward-looking statements. For further details on forward-looking statements, see the section entitled “Forward-Looking Statements” in the most recent MD&A.

## Non-International Financial Reporting Standards (“IFRS”) Financial Measures

The REIT prepares and releases consolidated financial statements in accordance with International Financial Reporting Standards. As a complement to these financial statements, the REIT also discloses and discusses in this presentation and in answers to questions certain non-IFRS financial measures including funds from operations (“FFO”), adjusted funds from operations (“AFFO”), net operating income (“NOI”), net asset value (“NAV”) and debt-to-gross book value (“Debt/GBV”), which are measures commonly used by publicly traded entities in the real estate industry. Management believes that these metrics are useful for measuring different aspects of performance and assessing the underlying operating performance on a consistent basis. However, these measures do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should strictly be considered supplemental in nature and not a substitute for financial information prepared in accordance with IFRS and should not be construed as an alternative to net income or cash flows provided by or used in operating activities or unitholders’ equity determined in accordance with IFRS. Further definitions and discussion of these non-IFRS measures and a reconciliation of FFO, AFFO, NOI and NAV to comparable IFRS measures are provided in the most recent MD&A in the sections entitled “Non-IFRS Measures” and “Reconciliation of Non-IFRS Measures”.



## Q1 2020 Highlights

### Minto Apartment REIT:

- Realized on strong rental market conditions early in the quarter to deliver 7.6% year-over-year growth in quarterly AFFO per unit
- Delivered strong operating results with a 170 bps year-over-year improvement in NOI margin
- Realized organic growth with significant gains-to-lease as suites turned and in-place rents were moved to current market rents
- Completed the repositioning of 71 suites improving asset quality, reducing future repair costs and driving strong growth in rental revenue
- Completed a \$100 million mortgage financing, bringing the REIT's total liquidity to \$199 million
- Adapted processes and procedures to respond to the COVID-19 pandemic



## Q1 2020 Key Operating Results

Strong markets, repositioned units and acquisitions drive increases in NOI, margins and AFFO/unit

(\$000s except %, suite, per suite and per unit amounts)	Same Property Portfolio <sup>1</sup>			Total Portfolio <sup>2</sup>		
	Three months ended March 31,			Three months ended March 31,		
	2020	2019	Variance	2020	2019	Variance
Revenue	\$22,821	\$22,135	3.1%	\$31,525	\$22,135	42.4%
NOI	\$13,937	\$13,310	4.7%	\$19,489	\$13,310	46.4%
NOI margin (%)	61.1%	60.1%	100 bps	61.8%	60.1%	170 bps
FFO				\$12,117	\$7,318	65.6%
AFFO				\$10,558	\$6,100	73.1%
AFFO (\$/unit)				\$0.1788	\$0.1661	\$0.0127
Distributions declared (\$/unit)				\$0.1100	\$0.1025	\$0.0075
AFFO payout ratio				61.5%	61.7%	(20 bps)
Total suites <sup>3</sup>	4,552	4,552	—	7,243	4,552	2,691
Average monthly rent / suite <sup>4</sup>	\$1,501	\$1,417	5.9%	\$1,599	\$1,417	12.8%
Occupancy <sup>5</sup>	97.24%	98.67%	(143 bps)	97.29%	98.67%	(138 bps)

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

<sup>2</sup> The Total Portfolio includes the Same Property Portfolio plus five additional properties acquired subsequent to March 31, 2019.

<sup>3</sup> Total Portfolio suites at March 31, 2020 include 5,080 wholly-owned suites plus 2,163 suites co-owned with institutional partners.

<sup>4</sup> Excludes 247 furnished suites, 197 vacant suites and 39 suites held offline for repositioning.

<sup>5</sup> Excludes 247 furnished suites and 39 suites held offline for repositioning.



## Operating Expense Analysis

(\$000s except % amounts)	Same Property Portfolio <sup>1</sup>			Total Portfolio <sup>2</sup>		
	Three months ended March 31,			Three months ended March 31,		
	2020	2019	Variance	2020	2019	Variance
Property operating costs	\$4,250	\$4,230	(0.5)%	\$5,783	\$4,230	(36.7)%
Property taxes	\$2,527	\$2,398	(5.4)%	\$3,420	\$2,398	(42.6)%
Utilities	\$2,107	\$2,197	4.1%	\$2,833	\$2,197	(28.9)%
	\$8,884	\$8,825	(0.7)%	\$12,036	\$8,825	(36.4)%

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

<sup>2</sup> The Total Portfolio includes the Same Property Portfolio plus five additional properties acquired subsequent to March 31, 2019.

- **Same Property Portfolio operating costs increased slightly as a result of higher insurance costs**
- **Same Property Portfolio property taxes increased year-over-year due to higher property assessed values and changes in tax rates, particularly on the REIT's Calgary properties**
- **Same Property Portfolio utilities decreased year-over-year primarily as a result of lower consumption due to the milder winter weather and the implementation of green initiatives**
- **Total Portfolio property operating costs, property taxes and utilities increased year-over-year as they reflect five new property acquisitions**



## Revenue Analysis

### Realizing on Organic Growth Potential

#### Realized Gain on New Leases in the three months ended March 31, 2020<sup>1</sup>

Geographic Node	Total New Leases Signed	Average Monthly Expiring Rent	Average Monthly New Rent	Percentage Gain on New Leases	Realized Annual Gain on New Leases (000s) <sup>2</sup>
Toronto	74	\$2,049	\$2,350	14.7%	\$163
Ottawa	178	\$1,424	\$1,681	18.0%	\$548
Alberta	57	\$1,394	\$1,378	(1.2)%	(\$11)
Montreal	44	\$1,872	\$2,111	12.8%	\$80
<b>Total/Average</b>	<b>353</b>	<b>\$1,551</b>	<b>\$1,762</b>	<b>13.6%</b>	<b>\$780</b>

#### Gain-to-Lease Potential on Existing Rents<sup>3</sup>

Geographic Node	Total Suites	Average Monthly In-Place Rent/Suite	Management's Estimate of Monthly Market Rent	Percentage Gain-to-Lease	Estimated Annualized Gain-to-Lease (000s) <sup>4</sup>
Toronto	1,797	\$1,831	\$2,149	17.4%	\$4,459
Ottawa	2,885	\$1,463	\$1,698	16.0%	\$8,128
Alberta	618	\$1,311	\$1,241	(5.3)%	(\$520)
Montreal	1,460	\$1,903	\$2,123	11.6%	\$2,607
<b>Total/Average</b>	<b>6,760</b>	<b>\$1,599</b>	<b>\$1,815</b>	<b>13.5%</b>	<b>\$14,674</b>

<sup>1</sup> Excludes new leases of furnished suites.

<sup>2</sup> Leases on properties where Minto Apartment REIT co-owns the property are shown at the REIT's effective ownership in those leases.

<sup>3</sup> Data as of March 31, 2020. Excludes 247 furnished suites, 197 vacant suites and 39 suites held offline for repositioning.

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



## Q1 2020 Repositioning Summary

### Capital Deployed Productively

	Three months ended March 31, 2020
Suites renovated (Gross)	71
Suites renovated (at the REIT's share)	48
Average cost per suite	\$34,591
Average annual rental increase/suite	\$3,492
Average annual unlevered return	10.1%

**71 suites were repositioned in Q1 2020 at an average cost of \$34,591 per suite generating an annual average rental increase of \$3,492 per suite**



## Portfolio Repositioning Status at Q1 2020

Property	REIT Ownership Interest	Suites Repositioned and Leased in Q1 2020	Remaining Suites to Reposition	Total Suites Eligible to Reposition	% Complete
Minto Yorkville	100%	1	52	99	47%
Leslie York Mills	50%	18	342	409	16%
High Park Village	40%	7	385	407	5%
Edmonton properties	100%	5	82	171	52%
Carlisle	100%	10	152	191	20%
Castle Hill	100%	11	122	176	31%
Rockhill	50%	19	904	934	3%
<b>Total</b>		<b>71</b>	<b>2,039</b>	<b>2,387</b>	<b>15%</b>

- Significant value creation remains in the 2,039 suites to be repositioned
- Test suites are in progress at Haddon Hall and Le 4300 and formal repositioning programs for 450 unrenovated suites at these properties will be rolled out once specifications have been finalized





# Intensification and Development

## Benefits from the Strategic Alliance with The Minto Group

### Fifth + Bank Redevelopment

Concept



Construction Underway



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

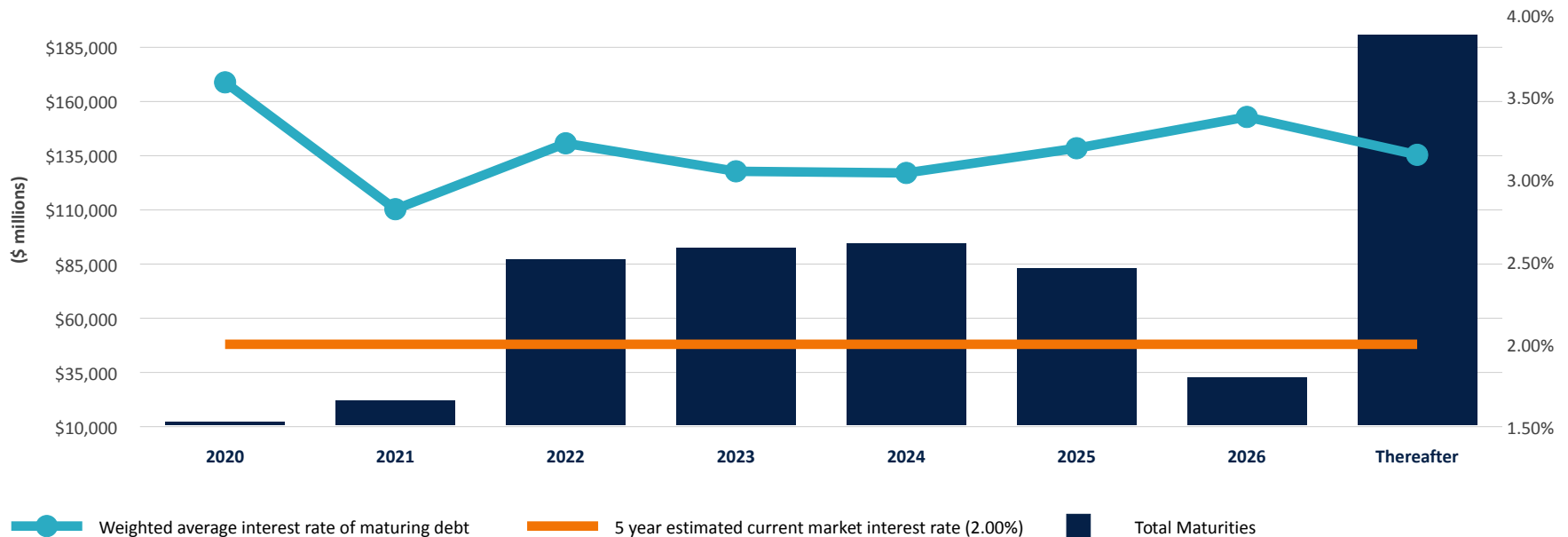
- Construction at Fifth + Bank is well underway
- Demolition of existing structure is complete and site excavation and installation of tie-backs are nearing completion



# Debt Financing and Liquidity

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

Term Debt Maturity Schedule



<b>5.72 Years</b> Weighted Average Term to Maturity <sup>1</sup>	<b>3.15%</b> Weighted Average Interest Rate <sup>1</sup>	<b>55%</b> of Debt is CMHC Insured	<b>77%</b> of Debt is Fixed Rate	<b>42.6%</b> Debt-to-Gross Book Value <sup>2</sup>	<b>\$198.6m</b> Cash and Credit Facility Available
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<sup>1</sup> For fixed rate debt

<sup>2</sup> Debt-to-Gross Book Value declined to 39.84% on April 3, 2020 after cash-on-hand was used to repay amounts outstanding on the REIT's credit facility.



## Q1 2020 - Update on COVID-19

- **As previously reported, the vast majority of the REIT's residents paid their rent in April 2020**
- **The REIT has offered rent deferral plans for residents facing financial difficulty allowing the deferral of up to 50% of their rent for up to a 3-month period of time, with deferred rent being repaid over periods ranging from 3 to 9 months. As at April 30, 2020, 2.3% of our residents have entered in deferral plans**
- **The REIT signed 117 new leases in April and lease rates were higher than expiring rents in all geographies except Alberta. The average gain-to-lease for the entire portfolio was 6% for April 2020**
- **Occupancy at April 30, 2020 was 96.78% compared to 97.29% at March 31, 2020 and 98.83% at April 30, 2019**
- **As at May 5, 2020, the REIT has received collections of more than 90% of its May rents and are in line with normal collection patterns.**



## Q1 2020 - Update on COVID-19

- **Major capital projects have been deferred until later in the year unless they are required for the health and safety of our residents or if they are required for the operation of the building**
- **Repositioning of suites is on hold in Ontario until government restrictions are lifted. We intend to get this program running again safely as soon as regulations permit**
- **The REIT expects some operating costs will increase during the crisis (cleaning, utilities) and some will decrease (repairs and maintenance on lower turnover), but overall the REIT does not expect a material change to its NOI margin**
- **The REIT has a plan in place to safely return to more normal operating procedures as soon as restrictions are lifted**



## Outlook

Management is focused on managing through the COVID-19 pandemic by:

- **Prioritizing the health and safety of residents, employees and business partners by adjusting processes and procedures to limit the spread of COVID-19**
- **Adapting leasing and marketing strategies to capture demand in more challenging market conditions**
- **Managing the REIT's liquidity to continue to meet all of its financial obligations**
- **Preparing plans to safely return to work as restrictions are eventually lifted**

As the crisis subsides, Management will continue executing its plan:

- **Capitalizing on organic growth through gain-to-lease opportunities and through its repositioning program**
- **Making strategic acquisitions and capitalizing on the REIT's relationship with The Minto Group to source growth through the intensification of existing sites or by accessing The Minto Group's pipeline of assets and development opportunities**