Northview™
APARTMENT REIT

Management's Discussion and Analysis of Financial Results
For the years ended December 31, 2017 and 2016

ADVISORIES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated February 27, 2018, should be read in conjunction with the cautionary statement regarding forward-looking information below, as well as the Northview Apartment Real Estate Investment Trust ("Northview") audited consolidated financial statements and notes thereto for the years ended December 31, 2017, and 2016. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A is intended to provide readers with management's assessment of the performance of Northview, as well as its financial position and future prospects. All amounts in the following MD&A are in Canadian Dollars unless otherwise stated. Additional information relating to Northview, including periodic quarterly and annual reports and Annual Information Forms, filed with the Canadian securities regulatory authorities, is available on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A may constitute forward-looking statements within the meaning of securities laws relating to the business and financial outlook of Northview. Statements which reflect Northview's current objectives, plans, goals, and strategies are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed, projected, or implied by such forward-looking statements. In some instances, forward-looking information can be identified by the use of terms such as "may", "should", "expect", "will", "anticipate", "believe", "intend", "estimate", "predict", "potentially", "starting", "beginning", "begun", "moving", "continue", or other similar expressions concerning matters that are not historical facts. Forward-looking statements in this MD&A include, but are not limited to, statements related to acquisitions or dispositions, development activities, future maintenance expenditures, financing and the availability of financing, tenant incentives, and occupancy levels. Such statements involve significant risks and uncertainties and are not meant to provide guarantees of future performance or results. These cautionary statements qualify all of the statements and information contained in this MD&A incorporating forward-looking information.

Forward-looking statements are made as of February 27, 2018, and are based on information available to management as of that date. Management believes that the expectations reflected in forward-looking statements are based upon information and reasonable assumptions available at the time they are made; however, management can give no assurance that the actual results will be consistent with these forward-looking statements. Factors that could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, general economic conditions, the availability of a new competitive supply of real estate which may become available through construction, Northview's ability to maintain occupancy and the timely lease or re-lease of multi-family, execusuite units, and commercial space at current market rates, tenant defaults, changes in interest rates, changes in operating costs, governmental regulations and taxation, fluctuations in commodity prices, and the availability of financing. Additional risks and uncertainties not presently known to Northview, or those risks and uncertainties that Northview currently believes to be not material, may also adversely affect Northview. Northview cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance, and results may vary materially from those expected. This statement also qualifies any predictions made regarding Northview's future funds from operations ("FFO"), adjusted funds from operations ("AFFO"), FFO and AFFO payout ratio, debt to gross book value, and coverage ratios.

Except as specifically required by applicable Canadian law, Northview assumes no obligation to update or revise publicly any forward-looking statements to reflect new events or circumstances that may arise after February 27, 2018.

NON-GAAP AND ADDITIONAL GAAP MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed by generally accepted accounting principles ("GAAP") and are, therefore, considered non-GAAP measures. These measures are provided to enhance the reader's understanding of Northview's current financial condition. They are included to provide investors and management with an alternative method for assessing Northview's operating results in a manner that is focused on the performance of Northview's ongoing operations and to provide a more consistent basis for comparison between periods. These measures include widely accepted measures of performance for Canadian real estate investment trusts; however, the measures are not defined by IFRS. In addition, the definitions of these measures are subject to interpretation by the preparers and may not be applied consistently.

The following MD&A is for the financial results of Northview for the years ended December 31, 2017, and 2016. Units in the MD&A refer to the publicly traded Northview Trust Units ("Trust Units") and the Limited Partnership Class B units ("Class B LP Units"). Unitholders in the MD&A refer to the Northview unitholders ("Trust Unitholders") and the Class B LP unitholders ("Class B LP Unitholders").

This MD&A uses certain non-GAAP, additional GAAP and other measures that exclude Non-recurring Items on a consistently applied basis to enhance GAAP measures. Please see page 32 for definition and cautionary language for these measures.

BUSINESS OVERVIEW

Northview is one of Canada's largest publicly traded multi-family real estate investment trusts ("REITs") with a portfolio of approximately 25,000 residential units, and 1.2 million square feet of commercial space in more than 60 markets across eight provinces and two territories. Northview currently trades on the Toronto Stock Exchange ("TSX") under the symbol: NVU.UN.

Northview's strategy and objectives for 2018 are based on the following:

- **Portfolio diversification*:*** Northview has a well-diversified multi-family portfolio across Canada. This portfolio allows for stable returns, and distributions, with flexibility for growth opportunities.
- **Organic growth*:*** Northview's high quality portfolio includes properties in stable markets characterized by expanding populations and growing economies. Northview will seek to increase same door NOI by improving occupancy and average monthly rents combined with operating efficiencies to reduce expenses.
- **Growth through acquisitions*:*** Northview invests in strong markets across the country where it has an established operations platform and market knowledge. Northview has a strategic relationship with Starlight Group Property Holdings Inc. and affiliates ("Starlight") that may generate future acquisition opportunities.
- **Growth through development*:*** In-house development expertise enables Northview to focus in areas with high values for existing properties and execute developments with returns 100 to 200 basis points higher than market capitalization rates ("Cap Rate") contributing to higher net asset values upon completion.

HIGHLIGHTS

- Diluted FFO per unit of $2.08 for the year ended December 31, 2017, compared to $2.14 for the same period of 2016, excluding Non-recurring Items.
- Multi-family portfolio occupancy of 93.3% in the fourth quarter of 2017, consistent with the third quarter of 2017 and an improvement of 2.9% from the same period of 2016.
- Same door NOI increase of 6.4% and 4.3% for the three months and year ended December 31, 2017, respectively, excluding Non-recurring Items.
- Annualized NOI increase from Value Creation Initiatives was $4.1 million for 2017, bringing the cumulative progress to $6.8 million since November 1, 2015.
- Net fair value increase on investment properties of $56 million and $141 million, respectively, for the three months and year ended December 31, 2017.
- Debt to gross book value was 56.4% as at December 31, 2017, a reduction of 1.1% from December 31, 2016 as a result of organic growth and increased property values.

PROGRESS MADE AGAINST 2017 STRATEGIC PRIORITIES

1. ORGANIC GROWTH

Northview continues to focus on improving occupancy, monthly rents, operating expense management and completing Value Creation Initiatives ("VCIs") to increase same door NOI.

During the year ended December 31, 2017, Northview generated organic growth which resulted in total same door NOI increase of 4.3%, excluding Non-recurring Items. This included multi-family same door NOI increases of 7.1% in Ontario and 5.0% in Western Canada. All other multi-family regions also achieved positive same door NOI growth of 2.0% to 5.0%.

Progress continues on VCIs with annualized increase in NOI of $4.1 million for the year ended December 31, 2017. The high-end renovation program achieved an average rate of return of 23% in 2017, exceeding the target rate of return of 15% to 20%. The cumulative progress on VCIs is $6.8 million since November 1, 2015. In addition, property management internalization will generate an estimated $2.9 million of cumulative annualized savings once completed by the end of the first quarter in 2018.

Revenue increased 1.2% for year ended December 31, 2017, compared to the prior year, excluding Non-recurring Items. The increase in revenue was due to an increase in average monthly rent ("AMR") and higher occupancy throughout most of the portfolio, contributions from newly developed properties and acquisitions completed during 2017; partially offset by non-core asset sales and lower commercial revenue.

Operating expenses decreased by $3.6 million or 2.5% for the year ended December 31, 2017, compared to the prior year, excluding Non-recurring Items. Northview's ongoing focus on reducing costs resulted in lower salaries and benefits, lower general operating expenses, and expense reduction associated with non-core asset sales. These cost savings were achieved through negotiating new contracts and process improvements. The internalization of property management has and will create additional opportunities for operating efficiencies.

Improvements in revenue and operating expense management resulted in the NOI margin increasing to 57.2% for the year ended December 31, 2017, up from 55.5% in 2016, excluding Non-recurring Items.

2. MANAGING LEVERAGE

Northview's long-term target for debt to gross book value is 50% to 55%. Leverage reduction will be achieved through asset value increases driven by same door NOI growth, successful execution of the VCIs, and fair value increases upon the completion of developments.

Debt to gross book value was 56.4% as at December 31, 2017, which is a reduction of 1.1% from December 31, 2016, and 3.8% from June 30, 2016. In 2017, improvements to this ratio were the result of organic growth and increases in investment property values, particularly in Ontario. Interest and debt service coverage ratios were 3.05 and 1.63, respectively, for the year ended December 31, 2017, which are comparable to the prior year.

3. STRATEGIC CAPITAL DEPLOYMENT IN SUPPORT OF EXTERNAL GROWTH

Management is focused on creating unitholder value through organic growth, capital redeployment, and external growth opportunities. Northview continues to utilize its existing land investments and intends to expand the in-house development program to Ontario.

On August 1, 2017, Northview completed the acquisition of a portfolio consisting of 327 units in Moncton, NB, for $31.4 million. On December 7, 2017, Northview completed the acquisition of a portfolio consisting of 1,250 units for $196.8 million in British Columbia, Nova Scotia, Ontario, and Quebec, and the disposition of a non-core asset located in Kitchener, ON, for $37.7 million. This strategic capital redeployment has improved the geographic diversification and quality of the portfolio through investment in stronger and stable markets. During the fourth quarter of 2017, FFO included a one-time increase in financing costs of $0.7 million related to the disposition of a non-core asset located in Kitchener, ON.

Since announcing an intention to sell approximately $150 million of non-core properties in the portfolio, $130.6 million have been sold which is the completion of this non-core property sale program. Any future non-core asset sales are expected to support capital redeployment and external growth opportunities through acquisitions and developments.

2018 OUTLOOK

Northview expects positive same door NOI growth to continue in 2018 although growth is expected to moderate from 2017. The portfolio will be fully internalized by the end of the first quarter in 2018, which is expected to increase portfolio performance and reduce costs. Northview's strongest markets, Ontario and Northern Canada, are expected to continue to generate organic growth driven by tight supply conditions, high occupancy, and the benefits of the VCIs in Ontario. Northern Canada is supported by long-term leases and primarily government based tenants. The Atlantic Canada and Quebec markets are expected to generate stable growth in NOI.

Occupancy levels in Western Canada have recently stabilized at levels expected for 2018. Although select markets started to recover in 2017, an uncertain outlook for the resource sector, gross domestic product, and employment rate leads to continued uncertainty for the performance in northern regions of Alberta and British Columbia. The southern regions of Alberta and British Columbia are expected to remain strong.

Developments underway in Regina, SK, Iqaluit, NU, and Canmore, AB, will contribute to Northview's growth in 2018 after the projects are completed. Strategic capital deployment, including the recently completed acquisitions, will improve the overall quality of the portfolio and the potential for growth in 2018. Northview will continue to pursue growth by acquisition and development in its strong markets in 2018.

Growth will be focused in areas with long-term potential for stable and growing returns. This targeted growth will enhance diversification by increasing Northview's exposure to Ontario and southern British Columbia.

GROWTH

CURRENT DEVELOPMENT ACTIVITY

Northview has development projects in progress in Regina, SK, Iqaluit, NU, and Canmore, AB, with total estimated development costs of $57 million. At the end of the fourth quarter, $33 million has been incurred in respect of these projects.

PROJECTS UNDER DEVELOPMENT at December 31, 2017 (thousands of dollars except units and sq. ft. amounts)

Property Type	Location	Units	Sq. Ft.	Expected Occupancy	Estimated Total Costs	Expected Stabilized Cap Rate
Multi-family	Regina, SK	132	-	Q1 2018	22,300	7.0% to 7.5%
Multi-family/Commercial	Iqaluit, NU	30	11,400	Q1 2018	9,400	9.0% to 9.5%
Multi-family	Canmore, AB	140	-	Q3 2018	25,000	7.0% to 7.5%
Total		**302**	**11,400**		**56,700**	

RECENTLY COMPLETED DEVELOPMENTS

Northview completed the development of 36 units in Cambridge Bay, NU, on May 1, 2017, with 100% of the units being leased in the first quarter of 2018. Total development costs were consistent with budget at $10.5 million with an expected stabilized Cap Rate of 10.0% to 10.5%. Northview has recorded a cumulative fair value increase of $2.0 million or 19% relative to total development costs at completion of the development.

Northview's Calgary, AB, development reached stabilized occupancy in the third quarter of 2017. Total development costs were consistent with budget at $46.3 million with an expected stabilized Cap Rate of 7.0% to 7.5%. Northview has recorded a cumulative fair value increase of $8.8 million or 19% relative to total development costs at completion of the development.

2018 DEVELOPMENTS

Northview's planned 2018 development program includes a development on land recently acquired in Kitchener, ON, for $5.3 million. This supports Northview's strategic goal of bringing in-house development expertise to the Ontario market.

ACQUISITION ACTIVITY

RECENTLY COMPLETED ACQUISITIONS (thousands of dollars except units and sq. ft. amounts)

Property Type	Location	Units	Sq. Ft.	Date	Cost
Multi-family/Commercial	Atlantic Canada	399	14,000	Q3, Q4 2017	41,842
Multi-family/Commercial	Ontario	851	20,000	Q4 2017	144,690
Multi-family	Quebec	201	-	Q4 2017	24,383
Multi-family/Land	Western Canada	126	-	Q4 2017	28,286
Total		**1,577**	**34,000**		**239,201**

SELECTED ANNUAL INFORMATION

(thousands of dollars, except units, sq. ft. and per unit amounts)	2017	2016	2015
Financial measurement:			
(measurements excluding Non-recurring Items)			
Total revenue	**330,999**	326,939	217,578
Total NOI	**189,264**	181,583	126,699
NOI margin	**57.2%**	55.5%	58.2%
Net and comprehensive income	**211,451**	73,529	31,852
FFO – diluted	**118,597**	115,331	83,054
FFO per unit – diluted(i)	**$2.08**	$2.14	$2.34
FFO payout ratio – diluted, trailing 12 month(ii)	**78.3%**	76.7%	69.0%
AFFO – diluted	**96,481**	n/a	n/a
AFFO per unit – diluted(i)	**$1.69**	n/a	n/a
AFFO payout ratio – diluted, trailing 12 month(iii)	**96.1%**	n/a	n/a
Total assets	**3,573,416**	3,185,672	3,132,617
Total non-current financial liabilities	**1,815,672**	1,708,411	1,390,392
Weighted average mortgage interest rate	**3.20%**	3.23%	3.33%
Weighted average term to maturity (years)	**4.6**	5.0	5.0
Weighted average capitalization rate	**6.24%**	6.67%	6.83%
Weighted average number of units outstanding – diluted (000's)	**57,131**	53,962	35,458
Distributions declared to Trust and Class B LP Unitholders – diluted	**92,838**	88,403	57,312
Distributions declared per Trust Unit	**$1.63**	$1.63	$1.63
Operational measurement:			
(measurements excluding Non-recurring Items)			
Same door NOI increase (decrease)	**4.3%**	(5.9%)	(1.6%)
Occupancy	**92.4%**	90.7%	90.3%
Number of multi-family units	**25,188**	24,094	24,202
Number of execusuites units	**344**	419	419
Commercial square feet	**1,172,000**	1,135,000	1,143,000
Leverage measurement:			
(measurements including Non-recurring Items)			
Debt to gross book value (excluding convertible debentures)	**56.4%**	57.5%	59.2%
Interest coverage ratio (times)	**3.05**	2.98	3.31
Debt service coverage ratio (times)	**1.63**	1.70	1.86

(i) The calculation of weighted average number of units outstanding for diluted FFO per unit and diluted AFFO per unit includes the convertible debentures for the year ended December 31, 2017, 2016, and 2015 because convertible debentures are dilutive.

(ii) FFO payout ratio – diluted, trailing 12 month is calculated as total distribution declared to Unitholders – diluted, divided by total diluted FFO, for the 12 months ended December 31, 2017, 2016, and 2015.

(iii) AFFO is a disclosure implemented by Northview in the third quarter of 2017. AFFO payout ratio – diluted, trailing 12 month is calculated as total distribution declared to Unitholders – diluted, divided by total diluted AFFO, for the 12 months ended December 31, 2017. For the purpose of this calculation, maintenance capital expenditures are calculated using maintenance capital expenditures reserve amounts in the "Adjusted Funds from Operations" section of this MD&A.

2017 OPERATING RESULTS

The following section provides a comparison of the operating results for the three months and year ended December 31, 2017, with the same periods of 2016. Operations include multi-family, and commercial & execusuites business segments.

Management presents geographical segment reporting for Ontario, Western Canada, Atlantic Canada, Northern Canada, and Quebec. The Ontario and Quebec regions include only the operations of properties located in those respective provinces. The Western Canada segment includes the operations of properties located in Alberta, British Columbia, and Saskatchewan. The Atlantic Canada segment includes the operations of properties located in Newfoundland and Labrador, New Brunswick, and Nova Scotia. The Northern Canada segment includes the operations of properties located in the Northwest Territories, and Nunavut.

REVENUE BY BUSINESS SEGMENT

	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Multi-family(i)	**74,296**	69,609	6.7%	**287,387**	280,982	2.3%
Commercial and execusuites	**10,396**	11,543	(9.9%)	**43,612**	45,957	(5.1%)
Total	**84,692**	81,152	4.4%	**330,999**	326,939	1.2%

(i) Non-recurring Items are excluded from revenue for the multi-family business segment for the three months and year ended December 31, 2017, and 2016.

Revenue in the multi-family business segment for the three months and year ended December 31, 2017, was $74.3 million and $287.4 million, respectively. The increase in revenue for the three months and year ended December 31, 2017, compared to the same periods of 2016 was due to an increase in AMR and higher occupancy throughout most of the portfolio, contributions from newly developed properties completed in 2017, and acquisitions that occurred during 2017, partially offset by non-core asset sales.

Revenue in the commercial and execusuites business segment for the three months and year ended December 31, 2017, were $10.4 million and $43.6 million, respectively. The decrease in revenue for the three months and year ended December 31, 2017, compared to the same periods of 2016 was due to the disposition of an execusuite property in Iqaluit, NU, during the third quarter of 2017, and lower commercial occupancy throughout the year.

OPERATING EXPENSES

	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Operating expenses						
Utilities	**10,220**	10,156	0.6%	**38,708**	38,981	(0.7%)
Property taxes	**8,290**	7,999	3.6%	**32,241**	32,645	(1.2%)
Salaries and benefits	**4,387**	4,959	(11.5%)	**19,122**	20,529	(6.9%)
Maintenance	**7,639**	7,781	(1.8%)	**26,364**	27,270	(3.3%)
Cleaning	**1,733**	1,847	(6.2%)	**6,864**	6,939	(1.1%)
General(i)	**5,066**	4,784	5.9%	**18,436**	18,992	(2.9%)
Total	**37,335**	37,526	(0.5%)	**141,735**	145,356	(2.5%)

(i) Non-recurring Item is excluded from general expenses for the year ended December 31, 2016.

Northview revised the account groupings of operating expenses to provide increased transparency with respect to operational results. The comparative amounts have been restated accordingly to be consistent with the current year presentation. These changes had no impact on the total operating expenses.

Total operating expenses for the three months ended December 31, 2017, were consistent with the same period of 2016, and decreased 2.5% for the year ended December 31, 2017, compared to the same period in the prior year. Higher operating expenses from acquisitions and newly developed properties were offset by decreases in expenses from non-core asset dispositions.

Utilities for the three months and year ended December 31, 2017, were consistent with the same periods of 2016. For the three months ended December 31, 2017, the lower electricity costs from the Ontario Fair Hydro Plan were offset by higher water costs across most regions due to increased rates. For the year ended December 31, 2017, the lower electricity costs in Ontario were offset by higher gas costs in Ontario, Quebec, and Western Canada, and higher water costs in Ontario due to increased rates, partially offset by lower utilities in Northern Canada and Atlantic Canada.

Salaries and benefits decreased 11.5% and 6.9% for the three months and year ended December 31, 2017, respectively, compared to the same periods of 2016. The decrease in salaries and benefits was related to an improved staffing model in Western Canada.

Cleaning costs decreased 6.2% for the three months ended December 31, 2017, compared to the same period of 2016. The decrease is due to the sale of an execusuite property in the third quarter of 2017. Cleaning costs for the year ended December 31, 2017, were consistent with the prior year.

General expenses for the three months ended December 31, 2017, increased 5.9% compared to the same period of 2016 due to higher insurance costs and professional fees. For the year ended December 31, 2017, general expenses decreased 2.9% compared to the prior year, excluding Non-recurring Items. Northview's ongoing focus on reducing costs contributed to the decrease in general operating expenses, such as management of bad debts and recoveries, telephone, and travel costs. These cost savings were achieved through negotiating new contracts and process improvements.

NET OPERATING INCOME

Northview uses NOI and same door NOI as key indicators to measure the financial performance of a region and business segment. Same door NOI is a key measurement of Northview's ability to generate NOI based on the same properties, excluding the impact of acquisitions, dispositions, and developments.

NOI by business segment

	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Multi-family[(i)]	**41,272**	37,467	10.2%	**163,745**	155,304	5.4%
Commercial & execusuites	**6,085**	6,159	(1.2%)	**25,519**	26,279	(2.9%)
Total	**47,357**	43,626	8.6%	**189,264**	181,583	4.2%

(i) Non-recurring Items are excluded from NOI for the multi-family business segment for the three months and year ended December 31, 2017, and 2016.

Same door NOI by business segment

	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Multi-family[(i)]	**38,853**	36,365	6.8%	**157,121**	149,741	4.9%
Commercial & execusuites	**6,025**	5,807	3.8%	**24,237**	24,212	0.1%
Total	**44,878**	42,172	6.4%	**181,358**	173,953	4.3%

(i) Non-recurring Items are excluded from same door NOI for the multi-family business segment for the three months and year ended December 31, 2017, and 2016.

NOI by region

	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	2016	Change	**2017**	2016	Change
Ontario	**12,723**	12,068	5.4%	**50,462**	48,856	3.3%
Western Canada(i)	**11,670**	10,331	13.0%	**46,299**	43,295	6.9%
Atlantic Canada	**6,396**	5,695	12.3%	**24,918**	23,592	5.6%
Northern Canada(i)	**13,957**	13,247	5.4%	**57,518**	56,255	2.2%
Quebec	**2,611**	2,285	14.3%	**10,067**	9,585	5.0%
Total	**47,357**	43,626	8.6%	**189,264**	181,583	4.2%

(i) Non-recurring Items are excluded from NOI for Western Canada for the three months and year ended December 31, 2017, and 2016. Non-recurring Item is excluded from NOI for Northern Canada for the year ended December 31, 2016.

Portfolio summary – December 31, 2017

Regions	Multi-family units	Execusuites units	Commercial (sq. ft.)
Ontario	8,335	-	20,000
Western Canada	7,426	-	139,000
Atlantic Canada	4,517	145	239,000
Northern Canada	2,427	199	771,000
Quebec	2,483	-	3,000
Total	**25,188**	**344**	**1,172,000**

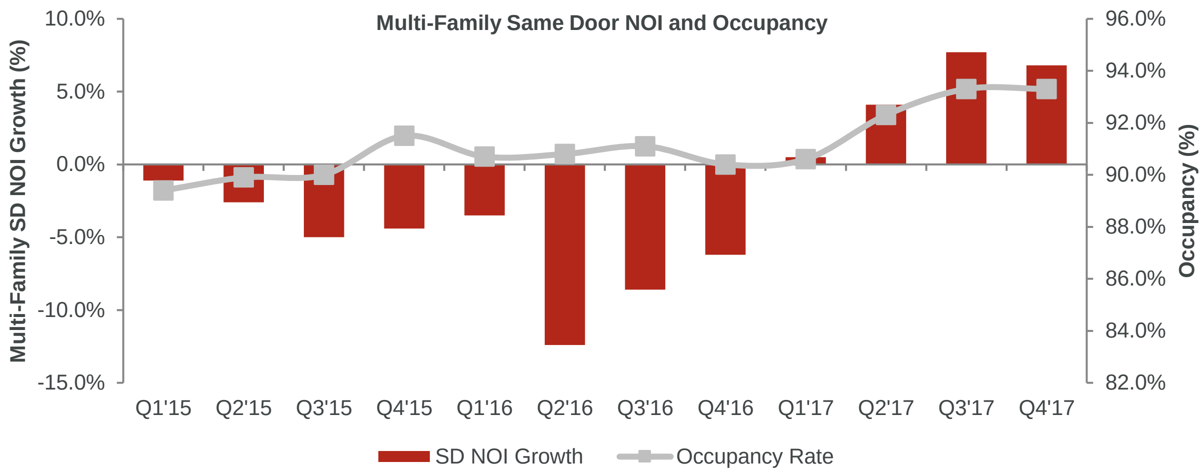
Portfolio change – December 31, 2017

	Multi-family units	Execusuites units	Commercial (sq. ft.)
December 31, 2016	24,094	419	1,135,000
Dispositions	(484)	(75)	-
Additions and conversions	1,578	-	37,000
December 31, 2017	**25,188**	**344**	**1,172,000**

MULTI-FAMILY OPERATIONS

Same door NOI, AMR, and occupancy by region

AMR is the average monthly rent of occupied units on December 31, 2017, and 2016. AMR is calculated as gross rent, less incentives, divided by the number of occupied units as at the period end date. Occupancy is a measure used by management to evaluate the performance of its properties on a comparable basis, and the occupancy presented in this MD&A is financial occupancy for each period.



Same Door NOI % Change

	2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Ontario	**7.1%**	**4.3%**	13.0%	7.5%	2.4%
Western Canada(i)	**5.0%**	**11.1%**	9.6%	3.3%	(3.9%)
Atlantic Canada	**2.2%**	**4.2%**	0.8%	(5.4%)	11.1%
Northern Canada	**3.7%**	**5.6%**	3.4%	6.1%	(0.8%)
Quebec	**4.3%**	**11.4%**	5.5%	1.7%	(1.5%)
Overall	**4.9%**	**6.8%**	7.7%	4.1%	0.5%

(i) Non-recurring Items are excluded from same door NOI for Western Canada in 2017.

Multi-family units, AMR, and occupancy by region

	Multi-family Units	AMR			Occupancy		
		Q4 2017	Q4 2016	Change	Q4 2017	Q4 2016	Change
Southwestern	4,636	**938**	907	3.4%	**96.2%**	95.6%	0.6%
Eastern	1,773	**1,060**	991	7.0%	**98.2%**	96.4%	1.8%
Toronto and area	1,926	**1,160**	1,120	3.6%	**97.9%**	96.8%	1.1%
Ontario	**8,335**	**1,018**	975	4.4%	**97.1%**	96.1%	1.0%
Alberta	4,282	**1,055**	1,006	4.9%	**85.7%**	77.8%	7.9%
British Columbia	2,715	**895**	841	6.4%	**86.8%**	86.2%	0.6%
Saskatchewan	429	**1,006**	1,064	(5.5%)	**92.8%**	90.6%	2.2%
Western Canada	**7,426**	**998**	955	4.5%	**86.5%**	81.3%	5.2%
Newfoundland and Labrador	1,728	**827**	830	(0.4%)	**91.1%**	88.1%	3.0%
Nova Scotia	1,358	**689**	683	0.9%	**96.2%**	94.9%	1.3%
New Brunswick	1,431	**759**	731	3.8%	**97.9%**	95.9%	2.0%
Atlantic Canada	**4,517**	**764**	755	1.2%	**94.6%**	92.0%	2.6%
Northwest Territories	1,309	**1,653**	1,614	2.4%	**93.5%**	91.2%	2.3%
Nunavut	1,118	**2,572**	2,527	1.8%	**98.0%**	95.9%	2.1%
Northern Canada	**2,427**	**2,089**	2,040	2.4%	**96.1%**	93.9%	2.2%
Quebec	**2,483**	**741**	724	2.3%	**94.2%**	92.5%	1.7%
Total	**25,188**	**1,049**	1,016	3.2%	**93.3%**	90.4%	2.9%

Occupancy

	2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2016	Q4 2016
Ontario	**96.6%**	**97.1%**	96.8%	96.8%	95.7%	96.0%	96.1%
Western Canada	**85.3%**	**86.5%**	87.6%	85.4%	81.7%	81.6%	81.3%
Atlantic Canada	**93.5%**	**94.6%**	94.4%	93.0%	92.1%	92.8%	92.0%
Northern Canada	**95.0%**	**96.1%**	95.4%	94.5%	94.1%	94.7%	93.9%
Quebec	**94.3%**	**94.2%**	94.0%	94.7%	94.2%	91.4%	92.5%
Overall	**92.4%**	**93.3%**	93.3%	92.3%	90.6%	90.7%	90.4%

AMR

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Ontario	**1,018**	1,011	1,000	1,000	975
Western Canada	**998**	990	979	971	955
Atlantic Canada	**764**	758	754	752	755
Northern Canada	**2,089**	2,088	2,059	2,049	2,040
Quebec	**741**	737	728	725	724
Overall	**1,049**	1,041	1,033	1,029	1,016

VCIs PROGRAM DESCRIPTION

In addition to portfolio diversification, a key driver of the Transaction completed in 2015 was Northview's enhanced ability to organically grow FFO in strong markets. In 2015, management identified several areas that would drive FFO growth over the following three to five years:

(i) **High-end renovation program:** Management identified properties suitable for substantive renovations to increase rental rates. These renovations involve upgrades to the properties' common areas including high-end suite improvements with complete bathroom and kitchen renovations. The target for post renovation increase in rents is approximately $200 to $300 per month and a return of 15% to 20% on the additional capital invested.

(ii) **Address below market rents:** At the time of the Transaction, average monthly rents in the portfolios acquired were on average $32 below market rents. Management is converting these rents to market levels on turnover, with the completion of standard renovations.

(iii) **Sub-metering program:** The sub-metering program in Ontario provides individual electricity meters for each suite, which allows tenants to pay their electricity bill directly. On tenant turnover, this reduces the utility costs to the landlord, which was estimated in 2015 as an average monthly savings of $40 per suite. The current estimate for monthly savings is $55 per suite which is reflected in progress since Q2 2017. Northview has not incurred costs related to the sub-metering program as the installation cost of sub-metering is incurred by the third-party energy providers.

(iv) **Above guideline increases:** The significant capital that was invested in the assets prior to the Transaction in 2015 has enabled management to submit applications to the Ontario Landlord and Tenant Board to increase rents by more than the regulated annual increase.

(v) **Property management internalization:** Northview has a history of successfully managing its own properties directly. After the property management internalization of Atlantic Canada in late 2017 and Quebec effective February 1, 2018, the portfolio will be fully internalized by the end of the first quarter in 2018.

VCI PROGRESS

Program		**Annualized NOI Increase**		
(thousands of dollars)	**Initial 5-year Target**	**Q4 2017**	**2017**	**Cumulative Progress Since Inception**
High-end renovation	5,800	448	1,535	2,149
Below market rents	5,200	1,200	2,096	3,740
Sub-metering	2,500	111	236	417
Above guideline increases	800	-	194	506
Total	**14,300**	**1,759**	**4,061**	**6,812**
2015 capitalization rate	5.5%	5.5%	5.5%	5.5%
Estimated value creation	**260,000**	**32,000**	**74,000**	**124,000**

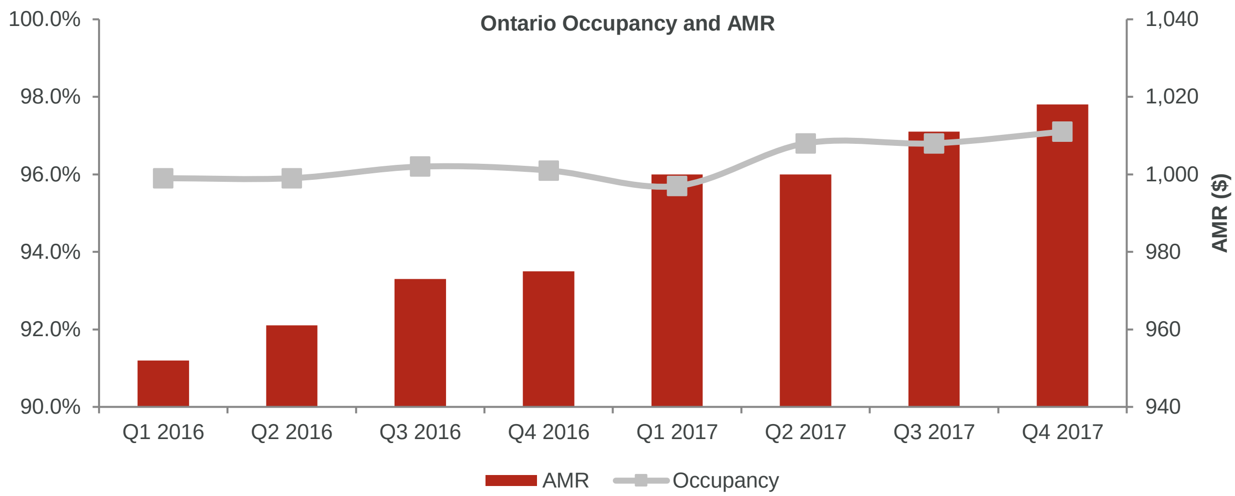
Overall progress on the VCIs in 2017 exceeded management's expectations based on 2017 annualized incremental NOI of $4.1 million being achieved. Estimated value creation is based on the 5.5% Cap Rate in place at the time of the Transaction. The Cap Rate in Ontario has decreased to approximately 4.5%, which has increased the initial estimated value creation projections.

Under the high-end renovation program, 169 units were completed during the fourth quarter of 2017, of which 143 units have been leased with an AMR increase of approximately $261 per unit. For the year ended December 31, 2017, 500 units have been completed, of which 466 units have been leased with an AMR increase of approximately $253 per unit. Capital expenditures on the program for the three months and year ended December 31, 2017, were $2.8 million and $8.3 million, respectively. The program has achieved a rate of return of 23% year to date in 2017, which exceeded the target rate of return of 15% to 20%, as a result of control of the renovation costs and higher rents achieved on the renovated units. In addition to the initial target, management has identified an additional 875 units suitable for the high-end renovation program as part of the acquisition completed in December 2017.

Progress on below market rents and above guideline increases is in line with expectations. Sub-metering is progressing slower than anticipated as a result of lower than expected suite turnover.

In addition to the VCI progress, Northview internalized the property management of approximately 7,600 units in 2016 in Ontario with an annualized NOI increase of $2.1 million. The internalization of Nova Scotia and New Brunswick on October 1, 2017, and Quebec on February 1, 2018, is expected to result in an annualized NOI increase of approximately $0.8 million, which will bring the estimated cumulative annualized savings from internalization of property management to $2.9 million.

ONTARIO OPERATIONS



AMR was $1,018 as at December 31, 2017, compared to $975 as at December 31, 2016. The increase in AMR was due to the successful execution of the VCIs and strong market conditions. For the fourth quarter of 2017, occupancy in the Kitchener-Waterloo market increased to 96.5% compared to 95.3% for the third quarter of 2017.

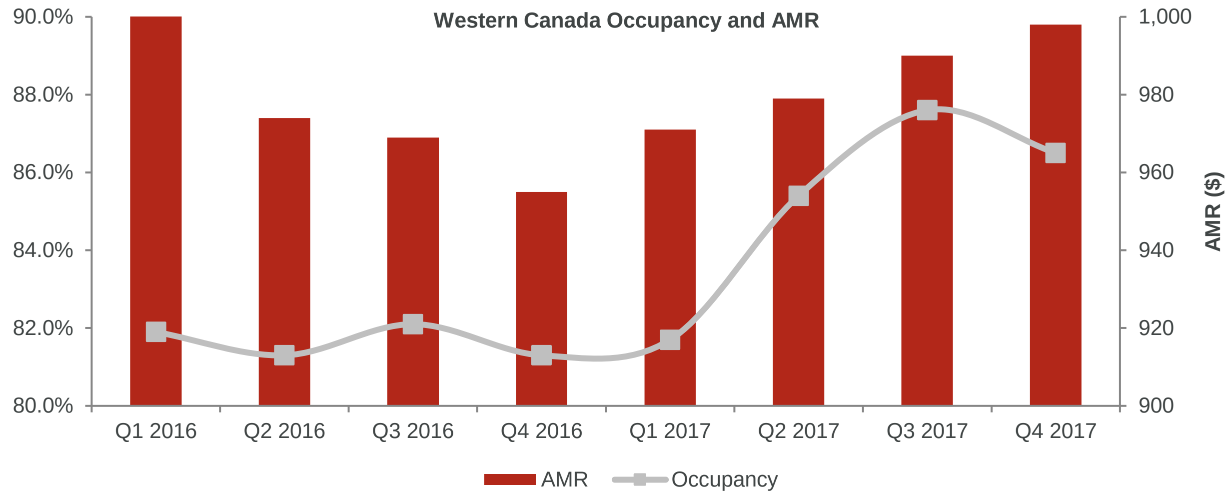
Overall, Ontario continues to experience high occupancy of 97.1% for the fourth quarter of 2017, compared to 96.1% in the fourth quarter of 2016.

Ontario	**Three months ended December 31**			**Year ended December 31**		
(thousands of dollars)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Revenue	**24,659**	23,369	5.5%	**94,994**	95,076	(0.1%)
Operating expenses	**(11,963)**	(11,301)	5.9%	**(44,559)**	(46,220)	(3.6%)
NOI	**12,696**	12,068	5.2%	**50,435**	48,856	3.2%
NOI margin %	**51.5%**	51.6%	(0.1%)	**53.1%**	51.4%	1.7%
Same door NOI	**12,090**	11,587	4.3%	**48,431**	45,234	7.1%

NOI increased 5.2% and 3.2% for the three months and year ended December 31, 2017, respectively, compared to the same periods of 2016. The increases were due to higher AMR, occupancy increase, electricity costs savings, and contributions from new acquisitions that occurred in the fourth quarter of 2017, partially offset by non-core asset sales that occurred in 2017.

Same door NOI increased 4.3% and 7.1% for the three months and year ended December 31, 2017, respectively. Same door NOI for the three months and year ended December 31, 2016, includes $0.2 million and $0.9 million, of revenue related to one-time head lease income, respectively. Excluding this revenue, same door NOI growth is 6.4% and 9.3% for the three months and year ended December 31, 2017, respectively. The increases were due to higher AMR, occupancy increase, and electricity costs savings, partially offset by higher expenses related to higher rates for water and gas, higher salaries, an increase in property taxes due to higher assessments, and higher insurance costs.

WESTERN CANADA OPERATIONS



AMR was $998 as at December 31, 2017, compared to $955 as at December 31, 2016. In Alberta, the increase in AMR from the prior year was due to higher occupancy and contributions from newly developed properties that were completed near the end of 2016. In British Columbia, the increase in AMR from the prior year was due to increased market rents in southern British Columbia, higher occupancy in northeastern British Columbia, partially offset by non-core asset dispositions that occurred in 2017. In Saskatchewan, the decrease in AMR from the prior year was due to reduced market rents in Saskatoon, where new supply and a weakened local economy have impacted occupancy levels.

The Q4 2017 increase in occupancy for the Western Canada region compared to the same period in 2016 was attributable to Alberta, which experienced improved economic conditions compared to the prior year, and contributions from newly developed properties. Most of the resource based markets in northern Alberta and northeastern British Columbia showed improvements, compared to the same period of 2016. Compared to the third quarter of 2017, overall occupancy in Alberta, British Columbia, and Saskatchewan decreased slightly, particularly in the resource based markets where the completion of energy and infrastructure projects impacted occupancy levels during the fourth quarter.

Western Canada	**Three months ended December 31**			**Year ended December 31**		
(thousands of dollars)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Revenue(i)	**19,860**	18,533	7.2%	**77,818**	74,670	4.2%
Operating expenses(i)	**(8,153)**	(8,414)	(3.1%)	**(31,612)**	(32,257)	(2.0%)
NOI(i)	**11,707**	10,119	15.7%	**46,206**	42,413	8.9%
NOI margin %	**58.9%**	54.6%	4.3%	**59.4%**	56.8%	2.6%
Same door NOI(i)	**10,653**	9,588	11.1%	**42,925**	40,871	5.0%

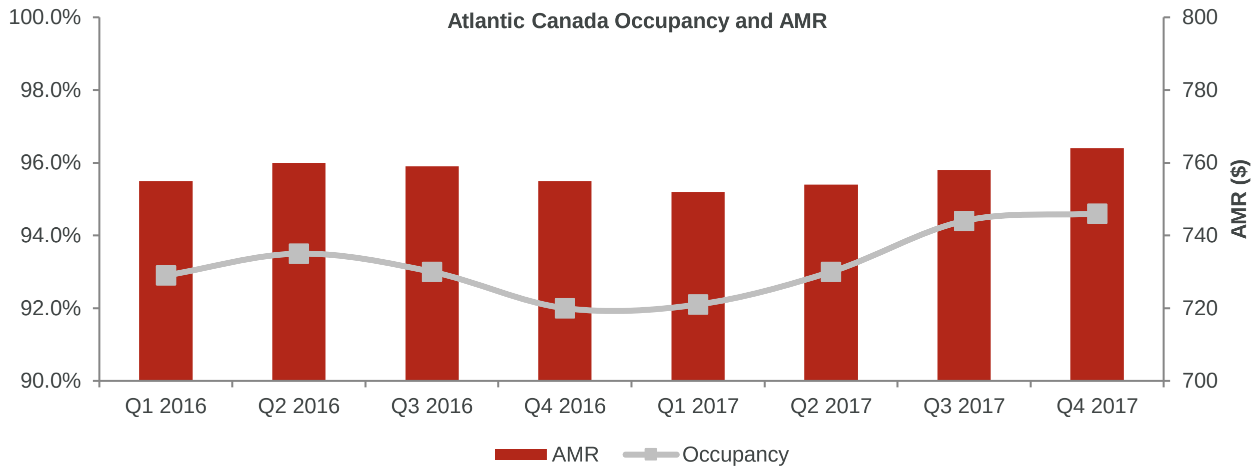
(i) Non-recurring Items are excluded from revenue, operating expenses, NOI, and same door NOI for Western Canada for the three months and year ended December 31, 2017, and 2016.

For the three months and year ended December 31, 2017, NOI increased by 15.7% and 8.9%, respectively, compared to the same periods of 2016, excluding Non-recurring Items. The increase in NOI was due to improved occupancy, NOI contribution from the newly developed properties in Alberta, and from the new acquisition that closed in the fourth quarter of 2017, management of controllable costs, and lower property taxes. These increases were partially offset by higher utilities, higher insurance costs, and the impact of a non-core asset disposition that occurred in 2017.

Same door NOI for the three months ended December 31, 2017, was $10.7 million, an increase of 11.1%, compared to $9.6 million for the same period in 2016, excluding Non-recurring Items. The increase in same door NOI was due to higher revenue from occupancy increase, management of controllable costs, and lower property taxes.

Same door NOI for the year ended December 31, 2017, increased 5.0% to $42.9 million from $40.9 million for the same period of 2016. The increase in same door NOI was due to both higher revenue and lower expenses. Revenue was higher compared to the prior year due to increased occupancy, partially offset by reduced market rents and lease incentives to manage occupancy levels. The lower expenses compared to the prior year were due to management of controllable costs and lower property taxes, partially offset by higher utilities and insurance costs.

ATLANTIC CANADA OPERATIONS



AMR was $764 as at December 31, 2017, compared to $755 as at December 31, 2016. AMR in New Brunswick increased 3.8% from the prior year, due to the acquisition of a portfolio in Moncton, NB, on August 1, 2017, consisting of 327 units with an AMR of $880. AMR in Nova Scotia increased 0.8% from the prior year due to an improved economy. In Newfoundland and Labrador, AMR decreased from the prior year due to reduced market rents to maintain occupancy levels in a weak economic environment; however, fewer incentives in the fourth quarter have resulted in increased AMR of $827 compared to $813 as at September 30, 2017.

Occupancy for the Atlantic Canada region was 94.6% for the fourth quarter of 2017, compared to 92.0% in the same period of 2016. Occupancy in the fourth quarter of 2017 increased throughout the region, compared to the same period of 2016, including the St. John's, NL, market where recent new supply and a weak local economy had impacted occupancy levels in the first half of 2017. Northview has been actively managing occupancy levels through lease incentives and a proactive lease renewal program. These programs are showing positive results with occupancy increasing in St. John's, NL, to 94.0% in the fourth quarter of 2017, compared to 91.5% in the same period of 2016.

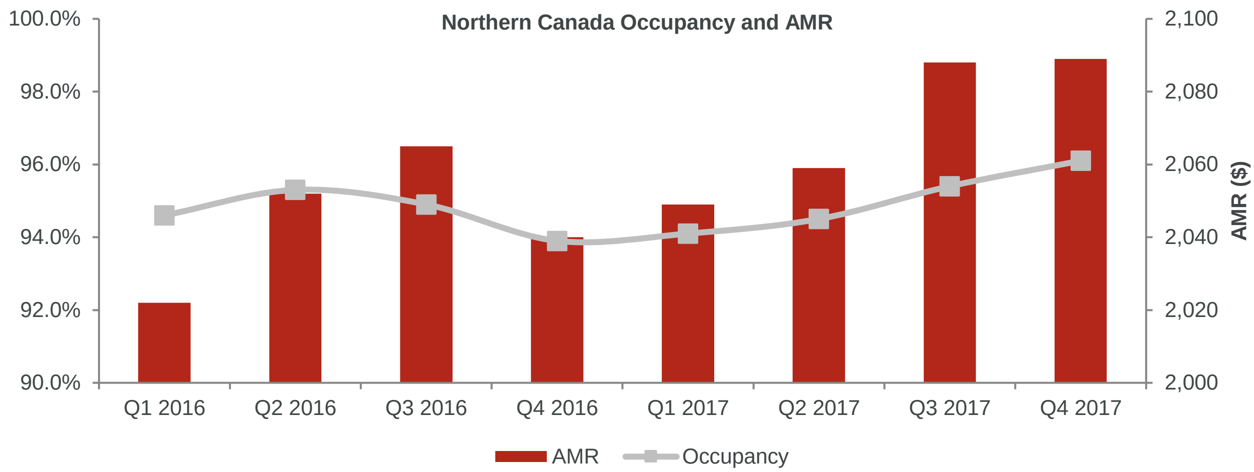
Atlantic Canada	**Three months ended December 31**			**Year ended December 31**		
(thousands of dollars)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Revenue	**10,028**	8,932	12.3%	**37,323**	36,055	3.5%
Operating expenses	**(4,908)**	(4,440)	10.5%	**(18,048)**	(17,666)	2.2%
NOI	**5,120**	4,492	14.0%	**19,275**	18,389	4.8%
NOI margin %	**51.1%**	50.3%	0.8%	**51.6%**	51.0%	0.6%
Same door NOI	**4,619**	4,434	4.2%	**18,481**	18,087	2.2%

For the three months and year ended December 31, 2017, NOI increased 14.0% and 4.8%, respectively, compared to the same periods of 2016 due to an increase in AMR in Nova Scotia and New Brunswick, higher occupancy, and the acquisition of the portfolio in Moncton, NB. These increases were partially offset by a non-core asset disposition that occurred in 2017.

Same door NOI for the three months ended December 31, 2017, was $4.6 million, an increase of 4.2%, compared to $4.4 million for the same period in the prior year. The increase in same door NOI was due to higher AMR in Nova Scotia and New Brunswick, occupancy increase, lower property taxes as a result of successful tax appeals, and cost savings from internalization, partially offset by higher maintenance.

Same door NOI for the year ended December 31, 2017, was $18.5 million, an increase of 2.2%, compared to $18.1 million for the prior year. The increase in same door NOI was due to higher AMR in Nova Scotia and New Brunswick, occupancy increase, lower electricity expenses in Newfoundland and Labrador, and lower gas expenses in Nova Scotia due to a decrease in rates. These positive factors were partially offset by higher maintenance and insurance costs.

NORTHERN CANADA OPERATIONS



AMR was $2,089 as at December 31, 2017, compared to $2,040 as at December 31, 2016. The increase in AMR was due to rent increases upon renewal of leases in Nunavut and Yellowknife, NT, partially offset by market rent reductions in Inuvik, NT, to maintain occupancy levels in a weak economic environment.

Occupancy for the three months ended December 31, 2017, and 2016, were 96.1% and 93.9%, respectively. In Nunavut, occupancy increased to 98.0% for the fourth quarter of 2017, compared to 95.9% for the same period 2016. The increase in Nunavut occupancy was attributable to Iqaluit, NU, with 99.6% occupancy for the fourth quarter of 2017, as a result of a favorable economy and increased demand for rental units, compared to 96.3% for the same period of 2016. In the Northwest Territories, occupancy increased to 93.5% for the fourth quarter of 2017, compared to 91.2% for the same period of 2016. The increase in occupancy was attributable to Yellowknife, NT, where higher market rents, combined with an increase in corporate and construction leases in the current period, improved occupancy to 92.9%, compared to 90.3% for the same period of 2016.

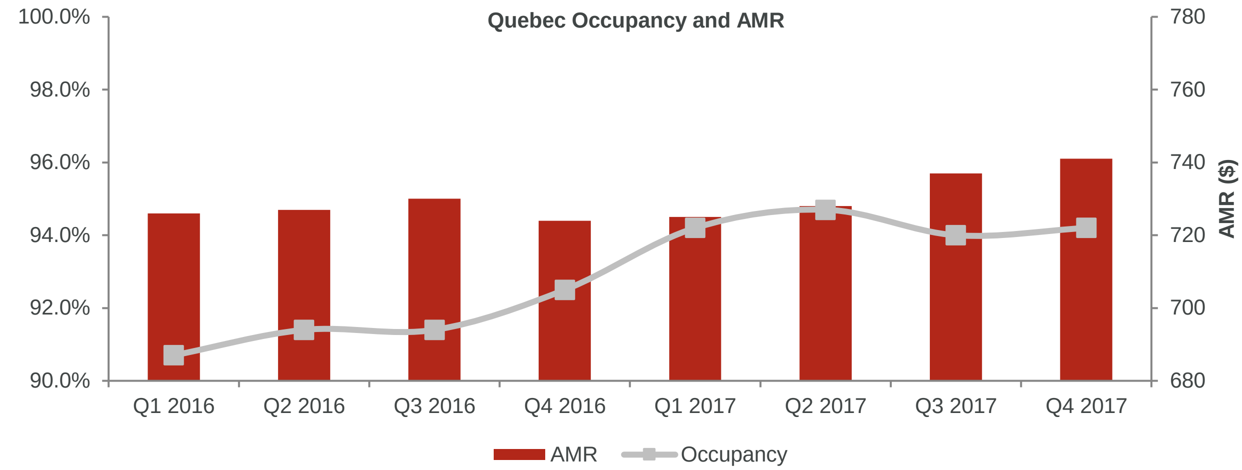
Northern Canada	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	**2016**	**Change**	**2017**	**2016**	**Change**
Revenue(i)	**14,709**	14,057	4.6%	**57,630**	56,487	2.0%
Operating expenses	**(5,571)**	(5,554)	0.3%	**(19,868)**	(20,426)	(2.7%)
NOI(i)	**9,138**	8,503	7.5%	**37,762**	36,061	4.7%
NOI margin %	**62.1%**	60.5%	1.6%	**65.5%**	63.8%	1.7%
Same door NOI(i)	**8,946**	8,471	5.6%	**37,283**	35,964	3.7%

(i) Non-recurring Item is excluded from revenue, NOI, and same door NOI for Northern Canada for the year ended December 31, 2016.

NOI for the three months and year ended December 31, 2017, were $9.1 million and $37.8 million, respectively, compared to $8.5 million and $36.1 million for the same periods in the prior year, excluding Non-recurring Items. Revenue for the three months and year ended December 31, 2017, increased by 4.6% and 2.0%, respectively, compared to the same periods of 2016, excluding Non-recurring Items. The increases were due to higher market rent, occupancy increase, and NOI contribution from the new development completed in 2017 at Cambridge Bay, NU. Overall operating expenses for the fourth quarter of 2017 slightly increased due to the new development, compared to the same period of 2016. For the year ended December 31, 2017, operating expenses decreased 2.7% compared to the prior year, due to lower utilities and maintenance costs.

Same door NOI for the three months and year ended December 31, 2017, increased 5.6% and 3.7%, excluding Non-recurring Items, respectively, compared to the same periods in 2016. The increase was attributable to the same factors previously discussed.

QUEBEC OPERATIONS



AMR as at December 31, 2017, was $741 compared to $724 as at December 31, 2016. The increase in AMR was due to higher market rent at the Norgate and Renaissance properties in Montreal, QC. Northview has enhanced the profile of these properties through recently completed unit renovations, focused marketing, improved tenant retention, general operations, and lease incentives. Successful execution of these strategies has resulted in higher market rent on unit turnover in the fourth quarter of 2017.

Occupancy for the three months ended December 31, 2017, and 2016, was 94.2% and 92.5%, respectively. The increase was attributable to the Norgate and Renaissance properties in Montreal, QC, where occupancy increased to 94.0% in the fourth quarter of 2017 through successful profile enhancement for the properties, from 91.9% in the same period of 2016. Sept-Iles, QC, continues to be a consistent and strong performing market for Northview with occupancy at 98.2% during the fourth quarter of 2017.

Quebec	**Three months ended December 31**			**Year ended December 31**		
(thousands of dollars)	**Q4 2017**	**Q4 2016**	**Change**	**Q4 2017**	**Q4 2016**	**Change**
Revenue	**5,040**	4,718	6.8%	**19,622**	18,694	5.0%
Operating expenses	**(2,429)**	(2,433)	(0.2%)	**(9,555)**	(9,109)	4.9%
NOI	**2,611**	2,285	14.3%	**10,067**	9,585	5.0%
NOI margin %	**51.8%**	48.4%	3.4%	**51.3%**	51.3%	-
Same door NOI	**2,545**	2,285	11.4%	**10,001**	9,585	4.3%

NOI increased 14.3% and 5.0% for the three months and year ended December 31, 2017, respectively, compared to the same periods of 2016. The increase in NOI was attributable to higher revenue in Montreal, QC, due to higher AMR and occupancy increase, and contributions from acquisitions completed in the fourth quarter of 2017. Operating expenses for the three months ended December 31, 2017, were consistent with the same period in 2016. Increased operating expenses from the new acquisitions were offset by lower utility costs from the expiration of fixed gas contracts at the beginning of the fourth quarter of 2017. For the year ended December 31, 2017, operating expenses increased 4.9% compared to the prior year due to higher utility expenses incurred through the first nine months of 2017.

Same door NOI for the three months and year ended December 31, 2017, increased 11.4% and 4.3%, respectively, compared to the same periods in 2016, and were attributable to the same factors previously discussed.

COMMERCIAL AND EXECUSUITE OPERATIONS

Northview's commercial properties are located primarily in regions where Northview also has multi-family operations. The commercial portfolio consists of office, warehouse, and mixed-use buildings, which are largely leased to federal or territorial governments and other quality commercial tenants under long-term leases. In addition, Northview operates four execusuite properties: one in Yellowknife, NT; one in Iqaluit, NU; one in St. John's, NL; and a 50% joint venture in Inuvik, NT. The execusuite properties offer apartment-style accommodation and are rented for both short and long-term stays.

	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	2016	Change	**2017**	2016	Change
Revenue	**10,396**	11,543	(9.9%)	**43,612**	45,957	(5.1%)
Operating expenses	**(4,311)**	(5,384)	(19.9%)	**(18,093)**	(19,678)	(8.1%)
NOI	**6,085**	6,159	(1.2%)	**25,519**	26,279	(2.9%)
NOI margin %	**58.5%**	53.4%	5.1%	**58.5%**	57.2%	1.3%
Same door NOI	**6,025**	5,807	3.8%	**24,237**	24,212	0.1%

For the three months and year ended December 31, 2017, both revenue and operating expenses decreased from the same periods of 2016 due to the sale of a non-core asset that occurred during the third quarter of 2017, partially offset by new commercial acquisitions that closed in the fourth quarter of 2017.

Overall, for the three months ended December 31, 2017, same door NOI increased 3.8% compared to the same period of 2016. The increase was attributable to the execusuite operations, as the commercial operations were consistent with the fourth quarter of 2016. For the year ended December 31, 2017, same door NOI was consistent with the prior year. Positive gains realized from the execusuite operations were offset by the commercial operations.

For the execusuite operations, same door NOI for the three months ended December 31, 2017, was $1.0 million compared to $0.8 million for the same period of 2016. The increase in same door NOI was attributable to occupancy increase. On a same door basis, execusuites operated at an average occupancy of 52.7% for the fourth quarter of 2017, compared to 47.8% for the same period of 2016. The increase in occupancy was attributable to the execusuite in Iqaluit, NU, as a result of less supply in that market since the fourth quarter of 2016. For the year ended December 31, 2017, same door NOI was $4.4 million compared to $3.7 million for the prior year. The increase was due to the occupancy increase in Iqaluit, NU, as previously mentioned, as well as a short-term contract that commenced in the second quarter of 2017 at the execusuite property in St. John’s, NL. The lease contract expired during the third quarter of 2017.

For the commercial operations, same door NOI for the three months ended December 31, 2017, was $5.0 million, in line with the same period of 2016. For the year ended December 31, 2017, same door NOI was $19.8 million compared to $20.5 million for the prior year. The decrease was due to lower occupancy throughout the year.

Commercial portfolio summary (including joint ventures at 100%)

Region	$ Average Rent/Sq.Ft.		Occupancy	
	Q4 2017	**Q4 2016**	**Q4 2017**	**Q4 2016**
Atlantic Canada	**18.34**	18.87	**94.2%**	95.5%
Northern Canada	**24.36**	23.96	**93.1%**	95.3%
Ontario	**16.69**	-	**100.0%**	-
Quebec	**21.95**	21.95	**100.0%**	100.0%
Western Canada	**12.87**	12.20	**72.7%**	80.7%
Total / Average	**22.81**	22.97	**91.0%**	93.6%

For the three months ended December 31, 2017, the average rent per square foot was $22.81 compared to $22.97 for the same period of 2016. The decrease in the average rent per square foot was due to a new acquisition in Ontario in the fourth quarter of 2017 that had existing leases at a lower average rent per square foot. Excluding the acquisition, the average rent per square foot increased to $23.31 in the fourth quarter of 2017, as a result of rent increases upon renewal of leases in Northern Canada and Western Canada.

Commercial occupancy was 91.0% for the three months ended December 31, 2017, compared to 93.6% for the same period of 2016. There was approximately 149,000 square feet of commercial space with leases renewing in 2017, of which approximately 84,000 square feet has been renewed as of December 31, 2017. The decrease in occupancy was mainly due to the warehouse vacancy in Ft. Nelson, BC.

Northview has 83,000 commercial square feet maturing in 2018.

FFO CALCULATION

(thousands of dollars, except per unit amounts)	Three months ended December 31 2017	Three months ended December 31 2016	Year ended December 31 2017	Year ended December 31 2016
Net and comprehensive income	**64,943**	43,968	**212,367**	77,475
Adjustments:				
Depreciation of property, plant and equipment	**1,226**	1,051	**4,560**	4,179
Loss on sale of properties	**777**	164	**1,668**	722
Fair value (gain) loss	**(40,304)**	(20,630)	**(110,824)**	10,268
Business combination transaction costs	**-**	43	**-**	14,579
Class B LP Unit distributions recorded as interest	**2,487**	2,368	**9,594**	9,822
Other(i)	**178**	94	**826**	907
FFO basic	**29,307**	27,058	**118,191**	117,952
Interest on 2019 Debentures	**330**	313	**1,322**	1,324
FFO diluted	**29,637**	27,371	**119,513**	119,276
Non-recurring Items:				
Insurance proceeds received	**(500)**	(377)	**(916)**	(7,125)
Loss of revenue	**-**	-	**-**	1,609
Incremental operating costs	**-**	-	**-**	1,570
Measurement excluding Non-recurring Items:				
FFO diluted	**29,137**	26,994	**118,597**	115,331
FFO per unit – diluted	**$0.51**	$0.48	**$2.08**	$2.14
FFO payout ratio – diluted, trailing 12 month	**78.3%**	76.7%	**78.3%**	76.7%
Weighted average number of units outstanding:				
Basic (000's)	**56,325**	54,565	**55,905**	52,810
Diluted (000's)	**57,572**	55,730	**57,131**	53,962

(i) "Other" is comprised of non-controlling interests, amortization of other long-term assets, amortization of tenant inducements, and fair value adjustments for non-controlling interest and equity investments.

Northview measures its financial performance by using industry accepted non-GAAP performance metrics such as FFO, which is calculated in accordance with the White Paper on FFO for IFRS, issued by Real Property Association of Canada ("REALpac") in February 2017. The IFRS measurement most comparable to FFO is net and comprehensive income for which a reconciliation is provided in this MD&A.

Diluted FFO was $29.1 million for the three months ended December 31, 2017, compared to $27.0 million for the same period in 2016; diluted FFO was $118.6 million for the year ended December 31, 2017, compared to $115.3 million for the same period in 2016; diluted FFO per unit was $0.51 for the three months ended December 31, 2017, compared to $0.48 for the same period in 2016, all excluding Non-recurring Items.

The increase in FFO for the three months and year ended December 31, 2017, compared to the same periods of 2016, and the increase in FFO per unit for the three months ended December 31, 2017, compared to the same period of 2016, were due to same door NOI growth, NOI contributions from newly developed properties completed in 2017, and acquisitions that occurred during 2017, partially offset by non-core asset sales. During the fourth quarter of 2017, FFO included a one-time increase in financing costs of $0.7 million related to the disposition of a non-core asset located in Kitchener, ON.

Diluted FFO per unit was $2.08 for the year ended December 31, 2017, compared to $2.14 for the same period in 2016, excluding Non-recurring Items. The decrease in FFO for the year ended December 31, 2017, compared to the same period of 2016, on a per unit basis was primarily driven by the dilution from the equity offering completed in October 2016, and the units issued to the vendors for the acquisitions completed in the fourth quarter of 2017, largely offset by the increase in total FFO as noted.

ADJUSTED FUNDS FROM OPERATIONS

AFFO is a disclosure implemented by Northview in the third quarter of 2017. Northview calculates AFFO as a recurring economic earnings measure, in accordance with the REALpac White Paper's definition of AFFO.

In February 2017, REALpac issued the White Paper on FFO and AFFO for IFRS, to provide guidance and develop consistency within the industry on the definition of FFO and AFFO. REALpac also updated its guidance on categorizing value-enhancing capital expenditures ("value-enhancing capex") and maintenance capital expenditures ("maintenance capex") to be used in calculating AFFO. Management believes the categorization of capital expenditures between value enhancing and maintenance is subject to significant judgment. Commencing after the Transaction in 2015, Northview has elected to use an estimated reserve amount per unit for the multi-family business segment, and an estimated reserve amount per square foot for the commercial business segment. The maintenance capex reserve amount is calculated as the average of 2017 budget and 2016 actual maintenance capex on per unit or per square foot basis.

The following table provides management's estimate of the value-enhancing capex and maintenance capex for the purpose of calculating maintenance capex reserve for 2017.

MAINTENANCE CAPEX RESERVE – MULTI-FAMILY AND COMMERCIAL

(thousands of dollars, except per unit and per sq. ft. amounts)	**2017 Budget**	**2016 Actual**
Total capital expenditures – multi-family	45,415	49,943
Value-enhancing capex – multi-family		
Building	(4,721)	(3,516)
Suite improvements	(20,220)	(24,391)
Total	(24,941)	(27,907)
Maintenance capex – multi-family	**20,474**	22,036
Maintenance capex % of total capital expenditures	45%	44%
Average number of multi-family units	24,094	24,247
Maintenance capex per multi-family unit	850	909
Maintenance capex reserve multi-family – two year average	**880**	-
Maintenance capex – commercial	**1,284**	308
Average number of commercial square feet	1,135,000	1,138,200
Maintenance capex per commercial sq. ft.	1.13	0.27
Maintenance capex reserve commercial – two year average	**0.70**	-

Capital expenditures include value-enhancing capex and maintenance capex. Value enhancing capex are expected to increase the NOI or value of the properties and are discretionary in nature. Maintenance capex focus on maintaining the existing condition and financial operating efficiency of the properties.

Value-enhancing capex include building and suite improvements that enhance revenue and improve the financial operating efficiency of Northview's portfolio. Building includes building and common area upgrades. Suite improvements include high-end renovation program and renovations that exceed basic replacement and minor repairs on turnover.

Maintenance capex include routine suite renovations, and replacement of boilers and mechanical systems. Management has estimated the maintenance capex reserve to be $880 per multi-family unit on an annual basis. Although timing of actual capital expenditures may vary, Northview will deduct this 2017 reserve equally throughout the year in the calculation of AFFO. Detailed information on actual capital expenditures by category is provided in the "CAPITAL EXPENDITURES ON INVESTMENT PROPERTIES" section of this MD&A.

For the commercial business segment, value-enhancing capex are typically recoverable capital expenditures, and maintenance capex are typically non-recoverable capital expenditures. Management has estimated the maintenance capex reserve to be $0.70 per square foot for the commercial business segment on an annual basis. Although timing of actual capital expenditures may vary, Northview will deduct this 2017 reserve equally throughout the year in the calculation of AFFO.

RECONCILIATION OF FFO TO AFFO

(thousands of dollars, except per unit amounts)	Three months ended December 31, 2017	Year ended December 31, 2017
FFO basic	29,307	118,191
FFO diluted	29,637	119,513
Maintenance capex reserve – multi-family(i)	(5,428)	(21,316)
Maintenance capex reserve – commercial(ii)	(202)	(800)
AFFO – basic	23,677	96,075
AFFO – diluted	24,007	97,397
Measurement excluding Non-recurring Items:		
FFO diluted	29,137	118,597
AFFO – diluted	23,507	96,481
AFFO per unit – diluted	$0.41	$1.69
AFFO payout ratio – diluted, trailing 12 month	96.1%	96.1%

(i) Maintenance capex for multi-family for the three months ended December 31, 2017, is calculated as $220 (25% of $880) times the average number of multi-family units of 24,673. Maintenance capex for multi-family for the year ended December 31, 2017, is calculated as $880 (100% of $880) times the average number of multi-family units of 24,222.

(ii) Maintenance capex for commercial for the three months ended December 31, 2017, is calculated as $0.175 (25% of $0.70) times the average number of square feet of 1,153,500. Maintenance capex for commercial for the year ended December 31, 2017, is calculated as $0.70 (100% of $0.70) times the average number of square feet of 1,142,400.

CAPITAL EXPENDITURES ON INVESTMENT PROPERTIES

	Three months ended December 31			Year ended December 31		
(thousands of dollars, except per unit amounts)	2017	2016	Change	2017	2016	Change
Building and common areas	**2,098**	3,512	(40%)	**7,306**	9,995	(27%)
Suite renovations	**5,277**	8,353	(37%)	**26,222**	26,623	(2%)
High-end renovation program	**2,813**	455	n/a	**8,330**	5,178	61%
Appliances	**943**	10	n/a	**2,234**	1,378	62%
Boilers and mechanical	**1,026**	400	157%	**3,506**	2,936	19%
Other	**1,180**	711	66%	**3,533**	3,658	(3%)
Total capex – multi-family	**13,337**	13,441	(1%)	**51,131**	49,768	3%
Average number of multi-family units	**24,673**	24,189	2%	**24,222**	24,247	-
Capex per multi-family unit	**541**	556	(3%)	**2,111**	2,053	3%
Total capex – commercial	**(146)**	64	(328%)	**650**	483	35%
Total capex	**13,191**	13,505	(2%)	**51,781**	50,251	3%

For the year ended December 31, 2017, $26.2 million and $8.3 million were invested in suite renovations and the high-end renovation program, compared to $26.6 million and $5.2 million for the same period of 2016. Northview continues to focus on enhancing revenue and improving the operating efficiency of the portfolio to maximize occupancy and NOI.

OTHER EXPENSE (INCOME)

	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	2016	Change	**2017**	2016	Change
Financing costs	**17,671**	16,961	4%	**68,053**	68,552	(1%)
Administration	**3,739**	2,533	48%	**14,738**	9,830	50%
Depreciation and amortization	**1,333**	1,180	13%	**5,025**	4,967	1%
Loss on sale of properties	**777**	164	374%	**1,668**	722	131%
Equity income from joint ventures	**(293)**	(216)	36%	**(847)**	(864)	(2%)
Business combination transaction costs	**-**	43	(100%)	**-**	14,579	(100%)
Fair value (gain) loss	**(40,304)**	(20,630)	95%	**(110,824)**	10,268	n/a
Total	**(17,077)**	35	n/a	**(22,187)**	108,054	(121%)

Financing costs consist of mortgage interest, amortization of deferred financing costs and fair value of debt, interest expense on credit facilities, interest expense on Class B LP Units, and other interest expense. Financing costs for the three months ended December 31, 2017, increased 4% from the same period of 2016 mainly due to loss on extinguishment of debt related to a non-core asset disposition in the current quarter.

For the three months and year ended December 31, 2017, administration expense increased 48% and 50%, respectively, compared to the same periods of 2016. The increase was due to salary and incentive compensation expense, professional fees, and bank charges. Salary expense increase in 2017 was related to general corporate salary increases and a portion of administration costs previously included in NOI related to third party property management. Incentive compensation expense increase in 2017 was due to improved operating results and Northview Trust Unit price.

FAIR VALUE (GAIN) LOSS

	Three months ended December 31			Year ended December 31		
(thousands of dollars)	**2017**	2016	Change	**2017**	2016	Change
Investment properties	**(55,535)**	(8,861)	n/a	**(140,709)**	(3,228)	n/a
Interest rate swap	**-**	(904)	(100%)	**(239)**	(16)	n/a
2019 Debentures	**462**	(253)	(283%)	**1,380**	575	140%
Unit based payments	**202**	(87)	(332%)	**396**	302	31%
Class B LP Units	**14,567**	(10,525)	(238%)	**28,348**	12,635	124%
Total	**(40,304)**	(20,630)	95%	**(110,824)**	10,268	n/a

Northview reports fair value change of investment properties on a net basis after deducting capital expenditures.

The fair value gain for the three months and year ended December 31, 2017, was mainly related to the net fair value increase of investment properties in Ontario, partially offset by the fair value loss on Class B LP Units, 2019 Debentures, and unit based payments. In 2017, investment property values in Ontario increased due to a 0.6% decline in the weighted average Cap Rate to 4.5% and higher NOI, compared to 2016.

Class B LP Units are marked to market each reporting period, which is equal to the trading price of Trust Units, with the change in value being recorded to fair value gain or loss. For the three months ended December 31, 2017, the $14.6 million fair value loss resulted from an increase in Northview unit price from $22.44 to $24.99. For the year ended December 31, 2017, the $28.3 million fair value loss resulted from an increase in Northview Trust Unit price from $20.07 to $24.99.

TAX STATUS

Northview is a mutual fund trust for Canadian income tax purposes. In accordance with the Declaration of Trust (“DOT”), distributions to Unitholders are declared at the discretion of the Board of Trustees (“Trustees”). Pursuant to the DOT, the Trustees may, at their sole discretion, determine distributions or designate that all taxable income earned, including the taxable part of net realized capital gains, be distributed to Trust Unitholders. Northview will deduct such distributions and designations for income tax purposes.

The Canadian Income Tax Act ("Tax Act") contains rules (the "SIFT Rules") that impose tax on certain mutual fund trusts and their trust unitholders at rates that approximate corporate and dividend income tax rates. The SIFT Rules do not apply to any mutual fund trust that qualifies as a "real estate investment trust" (a "Tax REIT") as defined in the Tax Act (the "Tax REIT Exemption"). A REIT must hold less than 10% of non-qualifying assets and earn less than 10% of non-qualifying revenue to keep its status as a Tax REIT. As of December 31, 2017, Northview met all the requirements to be qualified as a Tax REIT.

The Tax REIT Exemption does not apply to incorporated subsidiaries of Northview, which are therefore subject to Canadian income taxes. Northview does not currently hold any income producing property or operation in taxable incorporated subsidiaries. As such, there is currently no provision for current or deferred income tax expense required in the current reporting period.

SUMMARY OF QUARTERLY RESULTS

The table below summarizes Northview's financial results for the last eight fiscal quarters:

(thousands of dollars, except per unit amounts)		2017				2016		
	Q4 (i)	**Q3**	**Q2 (i)**	**Q1**	**Q4 (i)**	**Q3 (i)**	**Q2 (i)**	**Q1 (i)**
Total revenue	**84,692**	83,345	82,013	80,949	81,151	81,467	82,029	82,292
NOI	**47,357**	51,316	48,253	42,338	43,629	48,173	46,817	42,964
Net and comprehensive income (loss)	**64,444**	23,757	123,321	(71)	43,591	31,265	(1,792)	466
FFO – diluted	**29,137**	33,608	30,816	25,036	26,994	32,189	29,822	26,322
FFO per unit – diluted	**$0.51**	$0.59	$0.54	$0.44	$0.48	$0.60	$0.56	$0.49
FFO payout ratio – diluted	**79.7%**	69.1%	75.4%	92.6%	85.9%	67.6%	72.9%	82.6%

(i) Non-recurring Items are excluded from Q4 2017, Q2 2017, and 2016 results.

Northview's quarterly financial results have a seasonal component resulting from higher utility costs in the first and fourth quarters of each year.

Diluted FFO was $29.1 million for the three months ended December 31, 2017, compared to $27.0 million for the same period in 2016, excluding Non-recurring Items. The increase in FFO was due to same door NOI growth, NOI contributions from newly developed properties completed in 2017, and acquisitions that occurred during 2017, partially offset by non-core asset sales.

LIQUIDITY AND CAPITAL RESOURCES

Northview's objective for managing liquidity and capital resources is to ensure adequate liquidity for operating, capital, and investment activities as well as distributions to Unitholders. Northview is able to fund its obligations with cash flow from operations, operating facilities, construction financing, mortgage debt secured by investment properties, and equity issuances.

As at December 31, 2017, Northview had a working capital deficiency of $397.6 million. In the normal course of business, a certain portion of Northview's borrowings under mortgages and credit facilities with a maturity date less than one year will be considered current liabilities prior to being replaced with longer-term financing. Of the total deficiency, $274.7 million relating to the current portion of mortgages payable is expected to be refinanced with long-term mortgages. Current portion of mortgages payable as at December 31, 2017, is affected by the timing of mortgage maturities. The majority of the current portion of credit facilities of $89.5 million is expected to be replaced by long-term mortgages upon the completion of the construction projects, or extension of the maturity date of credit facilities.

Liquidity risk is the risk that Northview is not able to meet its financial obligations as they become due or can only do so at excessive cost. Northview manages liquidity risk by balancing the maturity profile of mortgages and credit facilities. Mortgage maturities normally enable replacement financing with funds available for other purposes. Changes in property NOI impact the borrowing base calculation which determines the availability under the operating facility. Adverse economic conditions may result in a decrease of NOI and therefore the borrowing base which would reduce the amount of liquidity available to Northview. Cash flow projections are updated on a regular basis to ensure there will be adequate liquidity to maintain operating, capital, investment activities, and distributions to Unitholders.

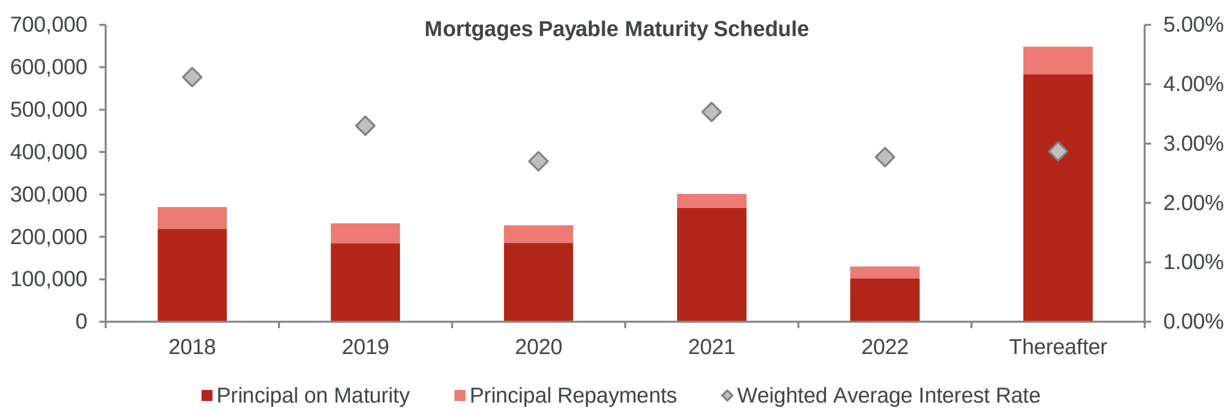
Diluted FFO payout ratio is 78.3% for the year ended December 31, 2017, excluding Non-recurring Items, which is higher than the long-term target for FFO payout ratio of 70%. This target allows Northview the ability to maintain distributions long term at current levels of FFO. Northview's current diluted trailing twelve months FFO payout ratio is temporarily higher than target due to reduced operating results in resource based markets. The long-term target for debt to gross book value ratio is 50% to 55%. Leverage reduction in the near to mid-term will be achieved through asset value increases driven by the same door NOI growth and successful execution of the VCIs.

The total net proceeds of the equity offering completed on October 31, 2016, was approximately $71.1 million. Northview stated that it planned to use the net proceeds of the equity offering prior to the over-allotment option for the following purposes: (i) $54 million for leverage reduction, including the repayment of credit facilities, (ii) $5 million for VCIs, (iii) $3 million for ongoing development and acquisition opportunities, and (iv) if any, the remainder for working capital requirements. Northview used the net proceeds of the equity offering to repay credit facilities in 2016. During the year ended December 31, 2017, Northview used a portion of the net proceeds for VCIs, acquisition, and development opportunities.

MORTGAGES

During the three months ended December 31, 2017, Northview completed $164.9 million in mortgage financing with a weighted average interest rate of 2.77% and an average term to maturity of 5.4 years. For the year ended December 31, 2017, Northview completed $338.2 million in mortgage financing with a weighted average interest rate of 3.10% and an average term to maturity of 5.7 years. Northview utilizes Canada Mortgage and Housing Corporation ("CMHC") insured mortgage lender financing to obtain loans up to 75% of CMHC's assessed value of a multi-family property. Northview incurs lower borrowing costs on properties financed using insured mortgage lender financing, including the cost of the insurance, when compared to conventional financing.

The following table outlines Northview's mortgage maturity schedule and weighted average interest rate as at December 31, 2017, for the next five years, and thereafter:



CREDIT FACILITIES

Borrowings under credit facilities	**2017**	2016
Operating facilities(i)	**143,700**	73,200
Construction financing(ii)	**51,715**	50,013
Land financing(iii)	**5,828**	10,629
Total	**201,243**	133,842

Current	**89,543**	68,013
Non-current	**111,700**	65,829
Total	**201,243**	133,842

(i) At December 31, 2017, Northview had three operating facilities with total credit limits of $203.0 million (December 31, 2016 – $203.0 million). The maximum borrowing capacity at December 31, 2017, is $172.2 million (December 31, 2016 – $153.1 million). Specific investment properties with total fair value of $421.5 million (December 31, 2016 - $362.5 million) have been pledged as collateral security for the operating facility. Northview also has $5.3 million (December 31, 2016 – $4.1 million) in Letters of Credit ("LOC") outstanding as security for construction projects and mortgage holdbacks. The LOC reduces the amount available under the $150.0 million operating facility.

OPERATING FACILITIES

(thousands of dollars)	Maturity Date	Credit Limit	Maximum borrowing capacity	**2017 Amounts Drawn**	2016 Amounts Drawn
$150 million operating facility (interest at prime plus 0.75% or banker's acceptance plus 2.00%:	May 12, 2019	150,000	129,800	**111,700**	55,200
$23 million operating facility (interest at prime plus 0.75% or banker's acceptance plus 2.00%:	May 22, 2018	23,000	23,000	**23,000**	18,000
$30 million operating facility (interest at prime plus 1.15% or banker's acceptance plus 2.40%:	May 31, 2018	30,000	19,400	**9,000**	-
Total		203,000	172,200	**143,700**	73,200

(ii) At December 31, 2017, Northview had three construction financing loans outstanding relating to the developments in Calgary, AB; Cambridge Bay, NU; and Regina, SK. Interest rates range from prime plus 0.50% to 1.00% or Banker's Acceptance plus 2.00% to 2.20%. Maturity dates range from January 1, 2018, to March 31, 2019.

(iii) The land financing relates to land held for development and bears interest at prime plus 0.50% or Bankers' Acceptance plus 2.00% with a maturity date of December 31, 2018. Financing is secured by three parcels of land held for development.

Northview's credit facilities contain certain financial covenants. The principal financial covenants are debt to gross book value, debt service coverage, and interest coverage. The debt to gross book value ratio covenant maximum threshold is 70%. The interest coverage ratio and debt service coverage ratio covenant minimum thresholds are at least 1.90 and 1.50, respectively. As at and during the year ended December 31, 2017, Northview was in compliance with all financial covenants.

CAPITAL MANAGEMENT

Management monitors Northview's capital structure on an ongoing basis to determine the appropriate level of mortgages and credit facilities. Consistent with others in the industry, Northview monitors capital on the basis of debt to gross book value ratio, interest, and debt service coverage ratios. The DOT provides for a maximum debt to gross book value ratio of 70%.

Debt to gross book value was 56.4% as at December 31, 2017, which is a reduction of 1.1% from December 31, 2016. In the fourth quarter of 2017, improvements in leverage ratios are the result of organic growth reflected in total same door NOI growth of 6.4% excluding Non-recurring Items, and improvement in investment property values in Ontario. Interest and debt service coverage ratios were 3.05 and 1.63, respectively, for the year ended December 31, 2017, which are stable compared to the prior year.

EQUITY

Northview's issued and outstanding Units, along with Trust Units potentially issuable, are as follows:

(number of units)	**December 31, 2017**	**December 31, 2016**
Units issued and outstanding		
Trust Units	**51,141,771**	49,942,379
Class B LP Units	**6,684,614**	5,814,664
Total Units issued and outstanding	**57,826,385**	55,757,043
Trust Units potentially issuable		
Long-term incentive and deferred units	**284,538**	180,392
2019 Debentures	**966,344**	966,386
Total Trust Units potentially issuable	**1,250,882**	1,146,778
Total Units issued and outstanding and Trust Units potentially	**59,077,267**	56,903,821

During the year ended December 31, 2017, 50,261 potentially issuable long-term incentive ("LTI") performance units were granted, and 2,399 LTI performance units were cancelled; 41,540 LTI restricted units were granted, and 778 LTI restricted units were cancelled; 25,341 deferred units ("DUs") were granted; 7,449 DUs and 2,370 LTIP units were converted into an equivalent number of Trust Units. 2019 Debentures with $1,000 (actual dollars) face value were converted to 42 Trust Units at a conversion price of $23.80 per Trust Unit.

CONTRACTUAL OBLIGATIONS

CONTRACTUAL OBLIGATIONS AT DECEMBER 31, 2017

(thousands of dollars)	**Carrying Amount**	**Contractual Cash Flows**	**Up to 1 year**	**1 – 5 years**	**Over 5 years**
Mortgages payable	**1,786,156**	**2,030,176**	**319,618**	**1,018,907**	**691,651**
Credit facilities	**201,243**	**201,243**	**89,543**	**111,700**	**-**
Trade and other payables	**69,027**	**69,027**	**69,027**	**-**	**-**
Distributions and Class B LP interest payable	**7,853**	**7,853**	**7,853**	**-**	**-**
Convertible debentures	**24,839**	**24,839**	**-**	**24,839**	**-**
Unit based payments	**3,250**	**3,250**	**2,586**	**664**	**-**
Total	**2,092,368**	**2,336,388**	**488,627**	**1,156,110**	**691,651**

CONTRACTUAL OBLIGATIONS AT DECEMBER 31, 2016

(thousands of dollars)	Carrying Amount	Contractual Cash Flows	Up to 1 year	1 – 5 years	Over 5 years
Mortgages payable	1,661,532	1,918,758	213,537	1,084,217	621,004
Credit facilities	133,842	133,842	68,013	65,829	-
Trade and other payables	68,106	68,106	68,106	-	-
Distributions and Class B LP interest payable	7,571	7,571	7,571	-	-
Liabilities related to assets held for sale	18,008	18,008	18,008	-	-
Convertible debentures	23,460	23,460	-	23,460	-
Derivative instruments	1,499	1,499	1,499	-	-
Unit based payments	1,733	1,733	-	1,733	-
Total	1,915,751	2,172,977	376,734	1,175,239	621,004

NORMAL COURSE ISSUER BID ("NCIB")

On May 27, 2016, the TSX approved Northview's notice of intention to renew the NCIB for its Trust Units. Northview's NCIB was made in accordance with the policies of the TSX. Northview could purchase Trust Units during the period from June 1, 2016 to May 31, 2017. Northview paid the market price at the time of acquisition for any Trust Units in accordance with the rules and policies of the TSX and applicable securities laws. Purchases under the NCIB were funded out of Northview's working capital. Northview was not obligated to make any purchases pursuant to the NCIB. Northview was authorized to purchase, in a 12 month period, up to 3,852,249 Trust Units, representing 10% of its public float as at May 26, 2016, through the facilities of the TSX and other Canadian trading platforms. On any trading day, Northview could not purchase more than 32,646 Trust Units, which equaled 25% of Northview's average daily trading volume on the TSX for the most recently completed six calendar months preceding May 27, 2016, the date of acceptance of the NCIB by the TSX, except where such purchases were made in accordance with the block purchase exemptions under the TSX rules.

On May 31, 2017, Northview's NCIB expired. During the period from June 1, 2016, to May 31, 2017, Northview did not purchase any Trust Units under its NCIB.

DISTRIBUTIONS TO TRUST AND CLASS B LP UNITHOLDERS

Pursuant to the DOT, Unitholders are entitled to receive distributions made on each distribution date as approved by the Trustees. During the year ended December 31, 2017, Northview declared monthly cash distributions of $0.1358 per Unit, totaling $91.2 million (December 31, 2016 – $88.4 million). The 2017 increase in distributions relates to the equity offering completed in October 2016. The Class B LP Units are treated as a financial liability for accounting purposes, and distributions on the Class B LP Units are recorded as a financing cost.

For the three months ended December 31, 2017, $23.0 million in distributions were paid to Unitholders from $31.3 million of cash flow from operations. For the year ended December 31, 2017, $91.2 million in distributions were paid to Unitholders from $91.4 million of cash flow from operations. In any given financial period, total distributions may be greater than cash flow from operations, primarily due to the short-term fluctuations in non-cash working capital and the temporary fluctuations in cash flows. Temporary deficiencies in operating cash flow may be funded by revolving operating facilities, construction financing, mortgage debt secured by investment properties, equity issuances, and asset sales. If Northview were unable to raise additional funds or renew existing maturing debt on acceptable terms, then capital expenditures and acquisition or development activities may be reduced, or asset sales increased. Management expects cash flow from operations to exceed distributions paid in future years.

RELATED PARTY TRANSACTIONS

Related party transactions are conducted in the normal course of operations and are made on terms equivalent to arm's length transactions.

Starlight is a related party as it is controlled by a Trustee and significant Unitholder of Northview. Pursuant to the transitional services agreement dated October 30, 2015, Starlight is to provide Northview transitional services of an asset management nature. For the year ended December 31, 2017, the costs of these services aggregated to $1.8 million (December 31, 2016 − $1.9 million). Of this amount, $1.4 million (December 31, 2016 − $1.5 million) has been capitalized, while the remaining $0.4 million (December 31, 2016 − $0.4 million) has been recognized as administration expenses in the consolidated statements of net and comprehensive income. Balance outstanding and payable to Northview from Starlight as at December 31, 2017, is $0.2 million (December 31, 2016 − $0.4 million) and is included in accounts receivable in the consolidated statements of financial position. The balance outstanding and payable to Starlight from Northview as at December 31, 2017, is $0.2 million (December 31, 2016 − $0.2 million) and is included in trade and other payables in the consolidated statements of financial position. On October 30, 2017, Northview provided notice to Starlight terminating the transitional service agreement, effective October 30, 2018.

During the fourth quarter of 2017, Northview purchased two properties from Starlight for a total purchase price of $58.2 million. The properties were purchased at a value consistent with an independent third-party assessment of the fair value of the properties. Fair value was calculated using expected net operating income of that property divided by the market capitalization rate at the time of the valuation. In addition, Northview issued 555,114 Class B LP Units and Special Voting Units, subject to conversion in accordance with their terms, to Starlight with a fair value of $14.0 million. In conjunction with the transactions, a fee of $1.6 million is payable to Starlight from Northview in accordance with the Transitional Service Agreement. The transactions were unanimously approved by the independent Trustees of Northview.

Inuvik Commercial Properties Zheh Gwizu' Limited Partnership ("ICP") and Inuvik Capital Suites Zheh Gwizuh Limited Partnership ("ICS") are related parties as Northview has a 50% interest in ICP and a 50% interest in ICS. For the three months ended December 31, 2017, revenue from ICP and ICS related to management fees was $0.1 million (December 31, 2016 − $0.1 million). For the year ended December 31, 2017, revenue from ICP and ICS related to management fees was $0.4 million (December 31, 2016 − $0.4 million). The balance outstanding and payable to Northview from ICP and ICS related to management fees is $0.1 million (December 31, 2016 − $0.1 million) and is included in accounts receivable in the consolidated statements of financial position. The balance outstanding and payable to ICP and ICS from Northview as at December 31, 2017, is nil (December 31, 2016 – $0.1 million) and is included in trade and other payables in the consolidated statements of financial position.

During the year ended December 31, 2017, nil Class B LP Units and Special Voting Units were exchanged for Trust Units by a related party. During the year ended December 31, 2016, 1,910,853 Class B LP Units and Special Voting Units, subject to conversion in accordance with their terms, were exchanged for Trust Units with a fair value of $31.3 million by a Trustee, a related party. Exchange of Class B LP Units and Special Voting Units to Trust Units does not affect the Trustee's total ownership.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, income, and expenses. Estimates and judgments are evaluated each reporting period and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, differ from the actual results. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and management's most critical judgments in applying accounting policies. Actual results may differ from these estimates. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and management's most critical judgments in applying accounting policies. Actual results may differ from these estimates.

Estimates

(i) Fair value of investment properties

Northview carries its investment properties at fair value. Significant estimates used in determining the fair value of Northview's investment properties include Cap Rates and NOI. A change to either of these inputs could significantly alter the fair value of an investment property.

(ii) Depreciation and amortization

Depreciation and amortization are calculated to write off the cost, less estimated residual value, of assets on a systematic and rational basis over their expected useful lives. Estimates of useful lives are based on data and information from various sources including industry practice and company-specific history. Expected useful lives and residual values are reviewed periodically for any change to estimates and assumptions.

(iii) Accrued liabilities

Northview estimates accrued liabilities when work has been completed but invoices have not been received. If actual costs differ from estimates, future income would be affected. Accrued liabilities, including an estimate of any applicable taxes, are included in Trade and other payables.

(iv) Capital adequacy

Northview prepares estimated cash flow projections on a regular basis to ensure there will be adequate liquidity to maintain operating, capital and investment activities and uses these estimates to assess capital adequacy. Management reviews the current financial results and the annual business plan in determining appropriate capital adequacy and uses this to determine distribution levels. Changes in these estimates affect distributions to the Unitholders and Northview's cost of capital.

(v) Income taxes and other tax liabilities

Under current tax legislation, a real estate investment trust is not liable to pay Canadian income taxes provided that its taxable income is fully distributed to Unitholders during the year. Northview is a real estate investment trust if it meets prescribed conditions under the Tax Act relating to the nature of its assets and revenue (the "REIT Conditions"). Northview has reviewed the REIT Conditions and has assessed their interpretation and application to Northview's assets and revenue, and it has determined that it qualifies as a real estate investment trust.

Northview expects to qualify as a real estate investment trust under the Tax Act. Should it no longer qualify, it would not be able to flow-through its taxable income to Unitholders and would be subject to tax.

Judgments

(i) Purchase of investment properties

Northview reviews its purchases of investment property to determine whether or not the purchase is part of a business combination, as IFRS requires differing treatment of property acquisitions depending on whether or not the purchase is part of a business combination. Judgment is involved in determining whether or not a purchase forms part of a business combination or an asset acquisition. Should the purchase form part of a business combination, closing costs, such as appraisal and legal fees, are expensed immediately and earnings are affected. If the purchase is an asset acquisition, these costs form part of the purchase price, and earnings are not immediately affected.

(ii) Financial instrument

Northview's accounting policies and risk management relating to financial instruments are described in note 2 (j) and note 17 to the consolidated financial statements for the years ended December 31, 2017, and 2016. Critical judgments are inherent in these policies related to applying the criteria set out in IAS 39, to designate financial instruments into categories, and determine the identification of embedded derivatives, if any.

(iii) Componentization

The componentization of Northview's property, plant and equipment, namely buildings, are based on management's judgment of what components constitute a significant cost in relation to the total cost of an asset and whether these components have similar or dissimilar patterns of consumption and useful lives for purposes of calculating depreciation and amortization.

(iv) Impairment

Assessment of impairment is based on management's judgment of whether there are sufficient internal and external factors that would indicate that an asset or Cash Generating Unit ("CGU") is impaired. The determination of CGUs is also based on management's judgment, and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Factors considered include whether an active market exists for the output produced by the asset or group of assets, as well as how management monitors and makes decisions about Northview's operations.

(v) Classification of ICP and ICS as joint ventures

The ownership of ICS is for the purpose of investing in an income producing execusuite property in Inuvik, NT, and the ownership of ICP is for the purpose of investing in a portfolio of commercial and mixed-use income producing properties in Inuvik, NT. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, ICP and ICS are classified as joint ventures.

ACCOUNTING STANDARDS AND INTERPRETATIONS

Northview has applied a revised IFRS issued by the International Accounting Standards Board ("IASB") that is mandatorily effective for an accounting period that begins on January 1, 2017.

Revised Standard	Description	Previous Standard	Impact of Application
Amendments to IAS 7 – Statement of Cash Flows	The amendments to IAS 7 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	No direct replacement.	Additional disclosure for mortgages payable is provided in the notes to the consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

The IASB has issued the following standards that have not been applied in preparing the audited consolidated financial statements as their effective dates fall within annual periods subsequent to the current reporting period.

Proposed Standard Description	Possible Impact
IFRS 15 – Revenue from Contracts with Customers Introduces a principle to report information about the nature, timing, and uncertainty of revenue from contracts with customers in a single, comprehensive revenue recognition model. The standard is effective for annual periods beginning on or after January 1, 2018.	Northview has completed its assessment of the impact of IFRS 15 on its consolidated financial statements. Northview has assessed all lease contracts for the presence of non-lease components that would be in scope of IFRS 15. Northview has further concluded that no changes to the pattern of recognition are required for this revenue stream; however, additional disclosures will be required. Northview adopted the provisions of IFRS 15 on January 1, 2018 and will provide the additional disclosures in 2018 as required by IFRS 15 and other applicable standards.
IFRS 9 – Financial Instruments The IASB has undertaken a three-phase project to replace IAS 39 with IFRS 9. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: Amortized cost and fair value; and introduces a new hedge accounting model. The standard was finalized in July 2014. The standard is effective for annual periods beginning on or after January 1, 2018.	Northview has completed its assessment of the impact of IFRS 9 on its consolidated financial statements and concluded that an adjustment to the allowance for doubtful accounts will be required. The adjustment will impact current year opening retained earnings and does not impact prior years. This adjustment is not expected to be material to the consolidated financial statements.
IAS 40 – Investment Properties During December 2016, the IASB issued an amendment to IAS 40 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change in use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The amendment is effective for annual periods beginning on or after January 1, 2018.	Northview has completed its assessment of the impact of the amendment to IAS 40 on its consolidated financial statements and concluded that there is no significant impact on the consolidated financial statements.
IFRS 2 – Share Based Compensation The IASB issued an amendment to IFRS 2 to clarify the classification and measurement of cash settled share based payment transactions that include performance condition, classification of share based payment transactions with net settlement features and accounting for modifications of share based payment transactions from cash-settled to equity settled. The amendment is effective for annual periods beginning on or after January 1, 2018.	Northview has completed its assessment of the impact of the amendment to IFRS 2 on its consolidated financial statements and has concluded that there is no material impact.

IFRS 16 – Leases The IASB issued IFRS 16 – Leases, which provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019.	Northview is in the process of assessing the impact that IFRS 16 may have on the consolidated financial statements and plans to adopt the new standard on the effective date.

Management continues to evaluate the potential qualitative and quantitative impact of these new standards on Northview's financial statement measurements and disclosures. Northview is not early adopting these standards.

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

As at December 31, 2017, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed, or caused it to be designed under their supervision, disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), to provide reasonable assurance that (i) material information relating to Northview is made known to the CEO and the CFO by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by Northview in its annual filings, interim filings, or other reports filed or submitted by Northview under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation.

As at December 31, 2017, management conducted an evaluation of the design and operating effectiveness of Northview's DC&P under the supervision of the CEO and the CFO. Based on the evaluation, the CEO and the CFO concluded that Northview's DC&P were effective as at December 31, 2017.

INTERNAL CONTROL OVER FINANCIAL REPORTING

As at December 31, 2017, the CEO and the CFO have designed, or caused it to be designed under their supervision, internal control over financial reporting ("ICFR"), as defined in NI 52-109, to provide reasonable assurance regarding the reliability of Northview's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The control framework used to design Northview's ICFR is the framework set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

As at December 31, 2017, management conducted an evaluation of the design and operating effectiveness of Northview's ICFR under the supervision of the CEO and the CFO. Based on the evaluation, the CEO and the CFO concluded that Northview's ICFR was effective as at December 31, 2017. It should be noted that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met and it should not be expected that the control system will prevent all errors and fraud.

During the fourth quarter of 2017, there were no changes in Northview's ICFR that have materially affected, or are reasonably likely to materially affect, Northview's ICFR.

SUBSEQUENT EVENTS

Between January 1, 2018, and February 27, 2018, Northview acquired one piece of land in Ontario, for $5.3 million.

TRANSACTION

On October 30, 2015, Northern Property Real Estate Investment Trust ("NPR") acquired all of the assets and properties of True North Apartment Real Estate Investment Trust ("True North"). In addition, NPR acquired apartment properties held by Starlight and a joint venture between affiliates of Starlight and affiliates of the Public Sector Pension Investment Board ("PSP"), collectively the "Transaction".

NON-RECURRING ITEMS

During the three months ended December 31, 2017, Northview received insurance proceeds of $0.5 million relating to a fire in Lethbridge, AB. During the year ended December 31, 2017, Northview received total insurance proceeds of $0.9 million relating to the wildfires in Fort McMurray, AB, and the fire in Lethbridge, AB. During the three months ended December 31, 2016, Northview received insurance proceeds of $0.4 million relating to the wildfires in Fort McMurray, AB. During the year ended December 31, 2016, Northview received total insurance proceeds of $7.1 million for the wildfires in Fort McMurray, AB, the 2015 fire in Yellowknife, NT, and a property in Fort McMurray, AB. In addition, Northview had $1.6 million of lost revenue and $1.6 million of incremental costs relating to the wildfires in Fort McMurray, AB. These items have been defined as "Non-recurring Items", as they are not considered normal operating conditions, and management has presented revenue, operating expenses, net operating income ("NOI"), same door NOI, and NOI margin for the multi-family business segment and other specific performance metrics adjusting for Non-recurring Items where appropriate in this MD&A.

NON-GAAP AND ADDITIONAL GAAP MEASURES

The following non-GAAP and additional GAAP measures are used to monitor Northview's financial performance. All non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

Funds from operations: FFO is calculated in accordance with Realpac's White Paper definition. FFO measures operating performance by adjusting net and comprehensive income (loss) for depreciation of property, plant and equipment, gain or loss on sale of properties, fair value gain or loss, business combination transaction costs, Class B LP Unit distributions recorded as interest, and other applicable items.

Adjusted funds from operations: AFFO is defined as a recurring economic earnings measure and calculated in accordance with Realpac's White Paper definition as FFO less maintenance capex.

Net operating income: NOI is calculated by deducting the direct operating costs of maintaining and operating investment properties from the revenue which they generate. Refer to the consolidated statements of net and comprehensive income for the detailed calculation.

Same door NOI: measured as NOI from properties owned by Northview for both the current reporting period and on or before the first day of the previous annual reporting period. For the purpose of calculating same door NOI in this MD&A, properties owned and in operation by Northview for both the current reporting period and on or before January 1, 2016, are included in the calculation.

Average monthly rent: AMR is calculated as gross rent less lease incentives and then divided by the number of occupied units as at the period end date.

Debt: the sum of credit facilities and mortgages payable, including liabilities related to assets held for sale, less cash.

Gross book value: the sum of investment properties, property, plant and equipment before accumulated depreciation, and assets held for sale before accumulated depreciation.

Debt to gross book value: calculated as debt as a percentage of gross book value. Refer to the consolidated financial statements for the calculation.

Debt service coverage: calculated as net income before tax, interest, depreciation and amortization, business combination transaction costs, and fair value gain or loss, divided by the sum of total interest expense and principal mortgage repayments. Refer to the consolidated financial statements for the calculation.

Interest coverage: calculated as net income before tax, interest, depreciation and amortization, business combination transaction costs, and fair value gain or loss, divided by total interest expense. Refer to the consolidated financial statements for the calculation.

Portfolio summary and unit count: these non-GAAP measures include joint ventures at 100%. The joint venture portion owned by third parties of multi-family, execusuites, and commercial business segments is 10 units, 82 units, and 92,000 square feet, respectively.