InterRent Real Estate Investment Trust

Condensed Consolidated Interim Financial Statements

September 30, 2019
(unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of the Trust. In accordance with National Instrument 51-102, the Trust discloses that its independent auditors have not reviewed the condensed interim consolidated financial statements for the period ended September 30, 2019.

InterRent Real Estate Investment Trust

Condensed Consolidated Interim Balance Sheets

Unaudited (Cdn $ Thousands)

	Note	**September 30, 2019**	December 31, 2018
Assets			
Investment properties	3	**$ 2,463,809**	$ 2,077,051
Investment in joint ventures	6	**24,585**	17,337
Prepaids and deposits		**3,923**	6,334
Receivables and other assets	7	**14,818**	16,747
Cash		**1,021**	523
Total assets		**$ 2,508,156**	$ 2,117,992
Liabilities			
Mortgages and loans payable	8	**$ 878,081**	$ 799,571
Credit facilities	9	**-**	23,550
Class B LP unit liability	11	**55,800**	44,511
Unit-based compensation liabilities	12	**69,819**	48,392
Tenant rental deposits		**11,335**	10,609
Accounts payable and accrued liabilities	10	**31,387**	28,571
Total liabilities		**1,046,422**	955,204
Unitholders' equity			
Unit capital	14	**761,852**	558,615
Retained earnings		**699,882**	604,173
Total unitholders' equity		**1,461,734**	1,162,788
Total liabilities and unitholders' equity		**$ 2,508,156**	$ 2,117,992

Commitments and contingencies (note 24)

Subsequent event (note 25)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

On behalf of the Trust

Ronald Leslie
Trustee

Michael McGahan
Trustee

InterRent Real Estate Investment Trust

Condensed Consolidated Interim Statements of Income
For the three and nine months ended September 30
Unaudited (Cdn $ Thousands)

	Note	Three months ended September 30		Nine months ended September 30	
		2019	2018	**2019**	2018
Operating revenues					
Revenue from investment properties	15	**$ 37,630**	$ 32,149	**$ 106,103**	$ 93,224
Operating expenses					
Property operating costs		**5,416**	4,839	**15,364**	14,161
Property taxes		**4,488**	3,982	**13,075**	11,995
Utilities		**1,941**	1,766	**7,677**	7,162
Total operating expenses		**11,845**	10,587	**36,116**	33,318
Net operating income		**25,785**	21,562	**69,987**	59,906
Financing costs	16	**6,689**	6,373	**19,482**	18,974
Administrative costs		**2,852**	2,679	**8,644**	7,796
Income before other income and expenses		**16,244**	12,510	**41,861**	33,136
Other income and expenses					
Income from joint ventures	6	**14**	-	**14**	-
Property management internalization cost	20	**-**	-	**-**	(43,993)
Loss on disposition of investment properties	5	**-**	-	**(675)**	-
Fair value adjustments of investment properties	3	**75,049**	75,822	**110,337**	156,071
Other fair value gains/(losses)	17	**(21,268)**	(6,403)	**(29,989)**	(17,786)
Interest on units classified as financial liabilities	18	**(550)**	(494)	**(1,634)**	(1,319)
Net income for the period		**$ 69,489**	$ 81,435	**$ 119,914**	$ 126,109

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

InterRent Real Estate Investment Trust

Condensed Consolidated Interim Statements of Unitholders’ Equity
For the nine months ended September 30
Unaudited (Cdn $ Thousands)

	Trust units	Cumulative profit	Cumulative distributions to Unitholders	Retained earnings	Total Unitholders’ equity
Balance, January 1, 2018	$ 341,528	$ 547,241	$ (84,669)	$ 462,572	$ 804,100
Units issued	214,802	-	-	-	214,802
Net income for the period	-	126,109	-	126,109	126,109
Distributions declared to Unitholders	-	-	(19,190)	(19,190)	(19,190)
Balance, September 30, 2018	**$ 556,330**	**$ 673,350**	**$ (103,859)**	**$ 569,491**	**$ 1,125,821**
Balance, January 1, 2019	$ 558,615	$ 715,538	$ (111,365)	$ 604,173	$ 1,162,788
Units issued	203,237	-	-	-	203,237
Net income for the period	-	119,914	-	119,914	119,914
Distributions declared to Unitholders	-	-	(24,205)	(24,205)	(24,205)
Balance, September 30, 2019	**$ 761,852**	**$ 835,452**	**$ (135,570)**	**$ 699,882**	**$ 1,461,734**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

InterRent Real Estate Investment Trust

Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended September 30
(Cdn $ Thousands)

	Note	2019	2018
Cash flows from (used in) operating activities			
Net income for the period		**$ 119,914**	$ 126,109
Add items not affecting cash			
Income from joint ventures	6	**(14)**	-
Property management internalization cost	20	**-**	35,387
Loss on disposition of investment properties	5	**675**	-
Amortization		**402**	331
Fair value adjustments on investment properties	3	**(110,337)**	(156,071)
Other fair value losses	17	**29,989**	17,786
Unit-based compensation expense	12	**5,520**	4,820
Financing costs	16	**19,482**	18,974
Interest expense	16	**(18,901)**	(18,097)
Tenant inducements		**467**	571
		47,197	29,810
Net income items related to financing activities	18	**741**	618
Changes in non-cash operating assets and liabilities	19	**4,289**	(2,362)
Cash from operating activities		**52,227**	28,066
Cash flows from (used in) investing activities			
Acquisition of investment properties	4	**(221,069)**	(173,473)
Investment in joint ventures	6	**(1,296)**	(5,572)
Proceeds from sale of investment properties	5	**75,634**	-
Additions to investment properties	3	**(59,934)**	(40,391)
Cash used in investing activities		**(206,665)**	(219,436)
Cash flows from (used in) financing activities			
Mortgage and loan repayments		**(19,185)**	(148,523)
Mortgage advances		**22,000**	219,264
Financing fees		**(194)**	(5,909)
Credit facility repayments		**(23,550)**	(59,130)
Trust units issued, net of issue costs	14	**193,243**	205,350
Deferred units purchased and cancelled	12	**(1,158)**	(1,166)
Interest paid on units classified as financial liabilities	18	**(741)**	(618)
Distributions paid	19	**(15,479)**	(15,217)
Cash from financing activities		**154,936**	194,051
Increase in cash during the period		**498**	2,681
Cash at the beginning of period		**523**	385
Cash at end of period		**$ 1,021**	$ 3,066

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. ORGANIZATIONAL INFORMATION

InterRent Real Estate Investment Trust (the “Trust” or the "REIT") is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated October 10, 2006, and most recently amended and restated on May 21, 2019, under the laws of the Province of Ontario.

The Trust was created to invest in income producing residential properties within Canada. InterRent REIT Trust Units are listed on the Toronto Stock Exchange under the symbol IIP.UN. The registered office of the Trust and its head office operations are located at 485 Bank Street, Suite 207, Ottawa, Ontario, K2P 1Z2.

These condensed consolidated interim financial statements for the period ended September 30, 2019 were authorized for issuance by the Trustees of the Trust on November 4, 2019.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, have been omitted or condensed.

The financial statements have been presented in Canadian dollars, which is the Trust’s functional currency, rounded to the nearest thousand unless otherwise indicated.

These condensed consolidated interim financial statements should be read in conjunction with the Trust’s annual consolidated financial statements for the year ended December 31, 2018.

Basis of presentation

The Trust presents its consolidated balance sheets based on the liquidity method, whereby all assets and liabilities are presented in increasing order of liquidity.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for:

i) Investment properties, which are measured at fair value (except for investment properties undergoing development where fair value is not reliably determinable);
ii) Financial assets and financial liabilities classified as “fair value through profit and loss”, which are measured at fair value; and
iii) Unit-based compensation liabilities and Class B LP unit liability which are measured at fair value.

2. BASIS OF PRESENTATION (Continued)

Significant accounting policies

The condensed consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2018 except for the item listed below.

Investment properties under development

Properties under development include properties that will undergo activities that will take a substantial period of time and effort to complete in order to prepare the property for its intended use to earn rental income. The cost of development properties includes the cost of acquiring the property and direct development costs, realty taxes and borrowing costs directly attributable to the development. Capitalization of costs continue until all activities necessary to prepare the property for its intended use as a rental property are substantially complete.

Under the requirements of IAS 40, an investment property under development is measured at fair value at each reporting date, with the recognition of gains or losses in the consolidated statement of income. If the fair value of an investment property under development is not reliably determinable, but the Trust expects the fair value of the property to be reliably determinable when development is complete, it measures that investment property under development at cost until either its fair value becomes reliably determinable or development is completed (whichever is earlier).

Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Trust and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. Subsidiaries are entities over which the Trust has control and are consolidated from the date control commences until control ceases. Control is achieved when the Trust has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

Critical accounting estimates and judgments in applying accounting policies

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment when applying the Trust’s accounting policies. The critical accounting estimates and judgments have been set out in notes 2 and 3 to the Trust’s consolidated financial statements for the year ended December 31, 2018.

Unaudited (Cdn $ Thousands except unit amounts)

3. INVESTMENT PROPERTIES

Investment properties include income properties, properties under development and land held for development.

	September 30, 2019	December 31, 2018
Income properties	**$ 2,430,021**	$ 2,021,874
Properties under development	**33,788**	-
Land held for development	**-**	55,177
	$ 2,463,809	$ 2,077,051

Income properties:

	September 30, 2019	December 31, 2018
Balance, beginning of period	**$ 2,021,874**	$ 1,630,824
Acquisitions (note 4)	**273,922**	129,671
Property capital investments	**58,897**	65,728
Fair value adjustments	**110,337**	195,651
Dispositions (note 5)	**(35,009)**	-
	$ 2,430,021	$ 2,021,874

Properties under development:
Properties that are undergoing a significant amount of development work to prepare the property for use as income properties.

	September 30, 2019	December 31, 2018
Balance, beginning of period	**$ -**	$ -
Acquisitions (note 4)	**22,285**	-
Transfer from land held for development	**10,481**	-
Property capital investments	**1,022**	-
	$ 33,788	$ -

Land held for development:

	September 30, 2019	December 31, 2018
Balance, beginning of period	**$ 55,177**	$ -
Acquisitions (note 4)	**-**	54,540
Property capital investments	**2,116**	637
Transfer to properties under development	**(10,481)**	-
Disposition	**(46,812)**	-
	$ -	$ 55,177

The fair value of the income properties is determined internally by the Trust. The fair value methodology of the Trust's investment properties is considered a level 3 as significant unobservable inputs are required to determine fair value. The Trust determined the fair value of each income property internally based upon the direct capitalization income approach method of valuation. The fair value was determined by applying a capitalization rate to an estimated annual net operating income ("NOI"), which incorporates allowances for vacancy, property management, labour and repairs and maintenance for the property. In order to substantiate management's valuation, market evidence from third party appraisers is incorporated on a continual basis. The information obtained from the appraisers provided the Trust with a summary of major assumptions and market data by city in order for the Trust to complete its internal valuations.

Unaudited (Cdn $ Thousands except unit amounts)

3. INVESTMENT PROPERTIES (Continued)

The capitalization rate assumptions for the income properties are included in the following table:

	September 30, 2019		December 31, 2018	
	Range	**Weighted average**	**Range**	**Weighted average**
Capitalization rate	3.25% - 6.00%	4.29%	3.50% - 6.75%	4.38%

The direct capitalization income approach method of valuation requires that an estimated annual net operating income ("NOI") be divided by a capitalization rate ("Cap Rate") to determine a fair value. As such, changes in both NOI and Cap Rates could significantly alter the fair value of the investment properties. The tables below summarize the impact of changes in both NOI and Cap Rates on the Trust's fair value of the income properties:

As at September 30, 2019

Net operating income		-3%	-1%	As estimated	+1%	+3%
		$ 101,121	$ 103,206	**$ 104,248**	$ 105,290	$ 107,375
Capitalization rate						
-0.25%	4.04%	$ 2,502,984	$ 2,554,592	$ 2,580,396	$ 2,606,200	$ 2,657,808
Cap rate used	**4.29%**	$ 2,357,123	$ 2,405,723	**$ 2,430,021**	$ 2,454,324	$ 2,502,924
+0.25%	4.54%	$ 2,227,325	$ 2,273,249	$ 2,296,211	$ 2,319,174	$ 2,365,098

As at December 31, 2018

Net operating income		-3%	-1%	As estimated	+1%	+3%
		$ 85,901	$ 87,672	**$ 88,558**	$ 89,444	$ 91,215
Capitalization rate						
-0.25%	4.13%	$ 2,079,934	$ 2,122,819	$ 2,144,262	$ 2,165,704	$ 2,208,589
Cap rate used	**4.38%**	$ 1,961,216	$ 2,001,653	**$ 2,021,874**	$ 2,042,091	$ 2,082,528
+0.25%	4.63%	$ 1,855,319	$ 1,893,573	$ 1,912,700	$ 1,931,827	$ 1,970,081

Land held for development is measured initially at cost, including transaction costs and subsequently measured at fair value.

The two properties under development are valued at acquisition cost plus development costs. The direct capitalization income approach method of valuation is not a reliable measure as the properties are undergoing a significant amount of work which will effect multiple components of the estimated NOI as well as the Cap Rate. The Trust expects the fair value of the properties to be reliably determinable when development is substantially complete, and will measure both investment properties under development at cost until either its fair value becomes reliably determinable or development is completed (whichever is earlier).

Cash outflow used for additions to investment properties for the nine months ended:

	September 30, 2019	September 30, 2018
Property capital investments	**$ (62,035)**	$ (47,877)
Changes in non-cash investing accounts payable and accrued liabilities	**2,101**	7,486
	$ (59,934)	$ (40,931)

Unaudited (Cdn $ Thousands except unit amounts)

4. INVESTMENT PROPERTY ACQUISITIONS

During the nine months ended September 30, 2019, the Trust completed the following investment property acquisitions, which have contributed to the operating results effective from the acquisition date:

Acquisition Date	Suite Count	Total Acquisition Costs	Mortgage Funding	Interest Rate	Maturity Date
February 12, 2019	30	$ 8,553	$ 4,608	3.210%	March 1, 2028
February 12, 2019	104	20,171	7,131	3.839%	February 15, 2024
February 12, 2019	33	7,921	2,509	2.760%	December 15, 2022
February 12, 2019	45	12,385	6,541	3.100%	February 15, 2028
February 12, 2019	41	11,980	6,166	3.000%	March 15, 2028
April 3, 2019	74	11,721	-	-%	n/a
April 24, 2019	-(1)	22,285	-	-%	n/a
June 26, 2019	121(2)	39,451	22,000	3.250%	September 30, 2021
July 12, 2019	251	65,548	20,157	2.640%	June 1, 2027
July 12, 2019	293(3)	72,616	15,747	3.960%	February 1, 2024
August 15, 2019	118(4)	23,576	10,379	2.990%	June 1, 2023
	1,110	**$ 296,207**	**$ 95,238**		

(1) vacated office building to be developed into residential suites.
(2) includes 31,533 sq ft of leasable commercial space.
(3) includes 7,159 sq ft of leasable commercial space.
(4) includes 6,295 sq ft of leasable commercial space.

During the nine months ended September 30, 2018, the Trust completed the following investment property acquisitions, which have contributed to the operating results effective from the acquisition date:

Acquisition Date	Suite Count	Total Acquisition Costs	Mortgage Funding	Interest Rate	Maturity Date
January 10, 2018	48	$ 5,425	$ 2,618	2.882%	May 15, 2025
February 28, 2018	172	21,994	14,500	BA + 1.70%	March 1, 2021
March 27, 2018	72(1)	37,143	23,000	3.974%	March 27, 2028
March 27, 2018	6(2)	11,252	-	-%	n/a
June 18, 2018	62	10,741	7,000	3.200%	September 15, 2019
September 19, 2018	n/a(3)	44,060	-	-%	n/a
September 25, 2018	138	29,361	-	-%	n/a
September 25, 2018	77	16,115	-	-%	n/a
	575	**$ 176,091**	**$ 47,118**		

(1) includes 8,489 sq ft of leasable commercial space.
(2) includes a parcel of land (0.70 acres) which may be used for future development.
(3) represents a parcel of land (6.3 acres) which may be used for future development.

Cash outflow used for investment property acquisitions:

	September 30, 2019	September 30, 2018
Total acquisition costs	**$ (296,207)**	$ (176,091)
Fair value adjustment of assumed debt	**1,900**	-
Assumed debt	**73,238**	2,618
	$ (221,069)	$ (173,473)

Unaudited (Cdn $ Thousands except unit amounts)

5. INVESTMENT PROPERTY DISPOSITIONS

During the nine months ended September 30, 2019, the Trust completed the following investment property dispositions. These dispositions do not meet the definition of discontinued operations under IFRS.

Disposition Date	Suite Count	Sale Price	Net Proceeds	Mortgage(s) Discharged
January 17, 2019	28	$ 2,949	$ 2,835	$ 1,031
January 17, 2019	17	1,585	1,519	-
January 17, 2019	12	1,000	940	-
January 17, 2019	18	1,519	1,455	-
January 17, 2019	70	7,215	7,097	-
January 17, 2019	85	9,015	8,878	-
January 17, 2019	68	6,736	6,541	2,725
January 17, 2019	22	2,090	1,993	880
January 17, 2019	29	3,191	3,076	1,190
May 30, 2019	-	46,812	46,812	-
Total	**349**	**$ 82,112**	**$ 81,146**	**$ 5,826**

A loss of $675 was recognized for the nine months ended September 30, 2019 in connection with these property dispositions. The loss represents the difference between the net proceeds (sale price less closing costs) and the carrying value of the properties at the date of disposition.

No investment properties were disposed of during the nine months ended September 30, 2018.

Cash inflow received from sale of investment properties:

	September 30, 2019	September 30, 2018
Proceeds	**$ 81,146**	$ -
Non-cash closing costs	**176**	-
Investment in joint venture	**(5,688)**	-
	$ 75,634	$ -

Unaudited (Cdn $ Thousands except unit amounts)

6. INVESTMENT IN JOINT VENTURES

The Trust accounts for its joint venture interests using the equity method. The following table details the Trust's ownership interest in its equity accounted investments:

Equity Investee	Location	Principal Activity	September 30, 2019	December 31, 2018
TIP Albert Limited Partnership	Ottawa	Develop, own and operate investment property	33.3%	33.3%
Fairview Limited Partnership	Burlington	Develop, own and operate investment property	25.0%	-

During the nine months ended September 30, 2019, through a series of transactions, the Trust acquired a 25.0% interest in Fairview Limited Partnership, a joint venture, for $5,688.

The Trust is contingently liable for certain obligations of the joint ventures, up to the Trust's interest. All of the net assets of the joint ventures are available for the purpose of satisfying such obligations and guarantees.

The Trust is responsible to fund its total investment in the joint ventures for the development of the investment property.

The following table shows the changes in the carrying value of the investment in joint ventures:

	September 30, 2019	December 31, 2018
Balance, beginning of period	**$ 17,064**	$ 10,867
Additions	**7,000**	6,197
Share of net income	**14**	-
Distributions	**-**	-
	$ 24,078	$ 17,064
Transaction costs	**$ 507**	$ 273
Carrying value of the investment in joint ventures	**$ 24,585**	$ 17,337

The following tables shows the summarized financial information of the Trust's joint ventures:

	September 30, 2019	December 31, 2018
Current assets	**$ 983**	$ 486
Non-current assets	**135,432**	66,854
Current liabilities	**(209)**	(648)
Non-current liabilities	**(57,750)**	(15,500)
Net assets	**$ 78,456**	51,192
Trust's share	**$ 24,078**	$ 17,064

	Three months ended September 30		**Nine months ended September 30**	
	2019	2018	**2019**	2018
Revenue	**$ 71**	$ -	**$ 71**	$ -
Expenses	**16**	-	**16**	-
Net income	**$ 55**	$ -	**$ 55**	$ -
Trust's share	**$ 14**	$ -	**$ 14**	$ -

Unaudited (Cdn $ Thousands except unit amounts)

7. RECEIVABLES AND OTHER ASSETS

	September 30, 2019	December 31, 2018
Current:		
Rents and other receivables, net of allowance for uncollectable amounts	**$ 1,250**	$ 1,940
Tenant inducements [(1)]	**295**	380
	$ 1,545	$ 2,320
Non-current:		
Automobiles, software, equipment and furniture and fixtures, net of accumulated amortization of $1,708 (2018 - $1,342)	**$ 1,575**	$ 1,653
Deferred finance fees on credit facilities, net of accumulated amortization of $1,548 (2018 - $1,378)	**238**	245
Loan receivable long-term incentive plan (note 13)	**11,460**	12,529
	$ 13,273	$ 14,427
	$ 14,818	$ 16,747

(1) Comprised of straight-line rent. This amount is excluded from the determination of the fair value of the investment properties.

8. MORTGAGES AND LOANS PAYABLE

Mortgages and vendor take-back loans are secured by the investment properties and bear interest at a weighted average interest rate of 3.03% (December 31, 2018 – 3.04%).

The mortgages and vendor take-back loans mature at various dates between the years 2019 and 2028.

The aggregate future minimum principal payments, including maturities, are as follows:

2019	$ 47,209
2020	128,481
2021	76,926
2022	71,011
2023	81,264
Thereafter	488,674
	893,565
Less: Deferred finance costs and mortgage premiums	15,484
	$ 878,081

Unaudited (Cdn $ Thousands except unit amounts)

9. CREDIT FACILITIES

	September 30, 2019	December 31, 2018
Demand credit facility (i)	**$ -**	$ -
Term credit facility (ii)	**-**	-
Term credit facility (iii)	**-**	23,550
Term credit facility (iv)	**-**	-
	$ -	$ 23,550

(i) The Trust has a $500 (2018 - $500) demand credit facility with a Canadian chartered bank secured by a general security agreement. The weighted average interest rate on amounts drawn during the the period ended September 30, 2019 was 4.45% (2018 – 3.93%).

(ii) The Trust has a $55,000 (2018 - $35,000) term credit facility, maturing in 2022, with a Canadian chartered bank secured by a general security agreement and second collateral mortgages on ten (2018 – ten) of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. The weighted average interest rate on amounts drawn during the period ended September 30, 2019 was 4.65% (2018 – 4.13%).

(iii) The Trust has a $25,000 (2018 - $25,000) term credit facility, maturing in 2021, with a Canadian chartered bank secured by a general security agreement, first mortgage on one (2018 – two) of the Trust's properties and second collateral mortgages on two (2018 – two) of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. The weighted average interest rate on amounts drawn during the period ended September 30, 2019 was 4.60% (2018 – 4.13%).

(iv) The Trust has a $60,000 (2018 - $60,000) term credit facility, maturing in 2020, with a Canadian chartered bank secured by a general security agreement, first mortgages on two (2018 – two) of the Trust's properties and second collateral mortgages on five (2018 – five) of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread for prime advances and banker's acceptances. The weighted average interest rate on amounts drawn during the period ended September 30, 2019 was 3.83% (2018 – 3.36%).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2019	December 31, 2018
Accounts payable	**$ 7,050**	$ 7,218
Accrued liabilities	**19,647**	17,196
Accrued distributions	**3,011**	2,645
Mortgage interest payable	**1,679**	1,512
	$ 31,387	$ 28,571

Unaudited (Cdn $ Thousands except unit amounts)

11. CLASS B LP UNIT LIABILITY

The Class B LP units are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Trust Units at any time at the option of the holder. Prior to such exchange, distributions will be made on the exchangeable units in an amount equivalent to the distributions which would have been made had the units of Trust been issued.

The Class B LP units are exchangeable on demand for Trust Units, which in turn are redeemable into cash at the option of the holder. As such, Class B LP units are classified as a financial liability.

A summary of Class B LP Unit activity is presented below:

Number of Units	
Balance – December 31, 2017	**186,250**
Units issued	3,224,516
Balance - December 31, 2018	**3,410,766**
Units issued	-
Balance – September 30, 2019	**3,410,766**

The Class B LP Units represented an aggregate fair value of $55,800 at September 30, 2019 (December 31, 2018 - $44,511). The fair value represents the closing price of the Trust Units on the TSX on the reporting date, or the first trading date after the reporting date. Each Class B LP Unit is accompanied by a Special Voting Unit, which entitles the holder to receive notice of, attend and vote at all meetings of Unitholders. There is no value assigned to the Special Voting Units. The gains or losses that resulted from changes in the fair value were recorded in the consolidated statement of income.

On February 15, 2018, 3,224,516 Class B LP units were issued at a value of $ 30,364 as partial consideration for the internalization of the property manager function (note 20).

12. UNIT-BASED COMPENSATION LIABILITIES

Unit-based compensation liabilities are comprised of awards issued under the deferred unit plan ("DUP") and the unit option plan as follows:

	September 30, 2019	December 31, 2018
Unit-based liabilities, beginning of period	**$ 48,392**	$ 27,017
Compensation expense – deferred unit plan	**4,576**	4,643
Property management internalization cost (DUP)	**-**	4,751
Compensation expense – unit option plan	**51**	191
DRIP[(1)] expense – deferred unit plan	**893**	971
DUP units converted, cancelled and forfeited	**(2,203)**	(2,803)
Unit options exercised and expired	**(589)**	(1,343)
Loss on fair value of liability (note 17)	**18,699**	14,965
Unit-based liabilities, end of period	**$ 69,819**	$ 48,392

[(1)] Distribution reinvestment plan

Unaudited (Cdn $ Thousands except unit amounts)

12. UNIT-BASED COMPENSATION LIABILITIES (Continued)

Unit options and deferred units are settled with the issuance of Trust Units. However, due to the fact that Trust Units are redeemable, awards of unit options and deferred units are considered to be cash-settled. As such, the fair value of unit options and deferred units are recognized as a financial liability and re-measured at each reporting date, with changes recognized in the statement of income.

The maximum number of Trust Units issuable under the Trust's equity incentive compensation plans, which includes the DUP and unit options, as well as the long-term incentive plan (note 12) is 7% of the issued and outstanding Trust Units.

(i) DEFERRED UNIT PLAN

The deferred unit plan entitles trustees, officers and employees, at the participant's option, to elect to receive deferred units (elected portion) in consideration for trustee fees or bonus compensation under the employee incentive plan, as the case may be. The Trust matches the elected portion of the deferred units received. The matched portion of the deferred units vest 50% on the third anniversary and 25% on each of the fourth and fifth anniversaries, subject to provisions for earlier vesting in certain events. The deferred units earn additional deferred units for the distributions that would otherwise have been paid on the deferred units (i.e. had they instead been issued as Trust Units on the date of grant).

A summary of Deferred Unit activity is presented below:

Number of Units	
Balance - December 31, 2017	**2,888,623**
Units issued under deferred unit plan	1,247,608
Reinvested distributions on deferred units	96,955
Deferred units exercised into Trust Units	(148,794)
Deferred units purchased and cancelled	(118,396)
Deferred units cancelled	(23,085)
Balance - December 31, 2018	**3,942,911**
Units issued under deferred unit plan	360,973
Reinvested distributions on deferred units	65,002
Deferred units exercised into Trust Units (note 14)	(76,698)
Deferred units purchased and cancelled	(75,871)
Deferred units cancelled	(15,096)
Balance – September 30, 2019	**4,201,221**

The fair value of each unit granted is determined based on the weighted average observable closing market price of the REIT's Trust Units for the ten trading days preceding the date of grant.

The aggregate fair value of vested deferred units was $61,592 at September 30, 2019 (December 31, 2018 - $42,594). The fair value of the vested deferred units represents the closing price of the Trust Units on the TSX on the reporting date, or the first trading date after the reporting date, representing the fair value of the redemption price.

On February 15, 2018, 663,277 deferred units were issued as retention bonuses and included in the consideration for the internalization of the property manager function (note 20).

Unaudited (Cdn $ Thousands except unit amounts)

12. UNIT-BASED COMPENSATION LIABILITIES (Continued)

(ii) UNIT OPTIONS

The Trust has a unit option plan and provides for options to be granted to the benefit of employees, Trustees and certain other third parties. The exercise price of options granted under the unit option plan will be determined by the Trustees, but will be at least equal to the volume weighted average trading price of the Trust Units for the five trading days immediately prior to the date the option was granted. The term of any option granted shall not exceed 10 years or such other maximum permitted time period under applicable regulations. At the time of granting options, the Board of Trustees determines the time, or times, when an option or part of an option shall be exercisable. The Trust will not provide financial assistance to any optionee in connection with the exercise of options.

Options granted, exercised and expired during the nine months ended September 30 are as follows:

	2019		2018	
	Number of units	**Weighted average exercise price**	**Number of units**	**Weighted average exercise price**
Balance, beginning of period	1,006,585	$ 6.11	1,345,850	$ 5.96
Exercised	(91,945)	$ 6.00	(316,765)	$ 5.38
Expired	-	-	(10,000)	$ 7.67
Balance, end of period	**914,640**	**$ 6.13**	**1,019,085**	**$ 6.12**

Options outstanding at September 30, 2019:

Exercise price	Number of units	Remaining life in years	Number of units exercisable
$ 2.13	55,000	1.73	55,000
$ 5.50	60,000	2.93	60,000
$ 5.65	270,220	3.71	270,220
$ 5.81	235,175	5.22	235,175
$ 7.67	294,245	7.83	294,245
	914,640		**914,640**

Total compensation expense for the nine months was $51 (2018 - $132). Compensation cost was determined based on an estimate of the fair value using the Black-Scholes option pricing model at date of grant using the following weighted average assumptions for the 2017 grant: market price of unit $7.86, expected option life 6 years, risk-free interest rate 1.67%, expected volatility, based on historical, 25% and expected distribution yield 5.0%.

The weighted average market price of options exercised in the nine months ended September 30, 2019 was $13.78.

Unaudited (Cdn $ Thousands except unit amounts)

12. UNIT-BASED COMPENSATION LIABILITIES (Continued)

The unit options represented an aggregate fair value of $8,227 at September 30, 2019 (December 31, 2018 - $5,798). The fair value of unit options is re-valued at each reporting period based on an estimate of the fair value using the Black-Scholes option pricing model using the following weighted average valuation assumptions:

	September 30, 2019	December 31, 2018
Market price of Unit	$ 16.36	$ 13.05
Expected option life	1.9 years	2.3 years
Risk-free interest rate	1.52%	1.88%
Expected volatility (based on historical)	17%	17%
Expected distribution yield	5.0%	5.0%

13. LONG-TERM INCENTIVE PLAN

The Board of Trustees may award long-term incentive plan (“LTIP”) units to certain officers and key employees, collectively the "Participants". The maximum number of Trust Units issuable under the Trust’s equity incentive compensation plans, which includes the long-term incentive plan, as well as the DUP and unit option plan (note 12) is 7% of the issued and outstanding Trust Units. The Participants can subscribe for Trust Units at a purchase price equal to the weighted average trading price of the Trust Units for the five trading days prior to issuance. The purchase price is payable in instalments, with an initial instalment of 5% paid when the Trust Units are issued. The balance represented by a loan receivable (note 7) is due over a term not exceeding ten years. Participants are required to pay interest at a ten-year fixed rate based on the Trust's fixed borrowing rate for long-term mortgage financing and are required to apply cash distributions received on these units toward the payment of interest and the remaining instalments. Participants may pre-pay any remaining instalments at their discretion. The Trust has recourse on the loans receivable and has reasonable assurance that the Trust will collect the full amount of the loan receivable. The loans receivable are secured by the units as well as the distributions on the units. If a Participant fails to pay interest and/or principal, the Trust can enforce repayment which may include the election to reacquire or sell the units in satisfaction of the outstanding amounts.

Date of award	Number of units	Interest rate	Loan receivable
March 8, 2012	250,000	3.57%	763
June 29, 2012	50,000	3.35%	166
September 11, 2012	100,000	3.35%	467
June 27, 2013	175,000	3.85%	861
December 16, 2014	100,000	3.27%	517
June 9, 2015	75,000	3.44%	437
June 30, 2016	285,000	2.82%	2,071
July 28, 2017	465,000	3.09%	3,342
March 5, 2018	310,000	3.30%	2,836
	1,810,000		$ 11,460

Unaudited (Cdn $ Thousands except unit amounts)

14. TRUST UNITS

As a result of the redeemable feature of the Trust Units, the Trust Units are defined as a financial liability; however, for the purposes of financial statement classification and presentation, the Trust Units are presented as equity instruments in accordance with IAS 32, Financial Instruments.

	Trust Units	Amount
Balance – December 31, 2017	**83,891,517**	**$ 341,528**
Issued from prospectuses	20,803,500	212,853
Unit issue costs	-	(9,358)
Units redeemed and cancelled	(510)	(5)
Units Issued under long-term incentive plan	335,000	3,226
Units Issued under the deferred unit plan (note 12(i))	148,794	1,610
Units Issued under distribution reinvestment plan	524,451	5,627
Units Issued from options exercised (note 12(ii))	329,265	3,134
Balance – December 31, 2018	**106,032,017**	**$ 558,615**
Issued from prospectuses	14,375,000	201,250
Unit issue costs	-	(8,559)
Units Issued under the deferred unit plan (note 12(i))	76,697	1,045
Units Issued under distribution reinvestment plan	612,429	8,360
Units Issued from options exercised (note 12(ii))	91,945	1,141
Balance – September 30, 2019	**121,188,088**	**$ 761,852**

On July 9, 2019 the Trust completed a bought deal prospectus offering whereby it issued 14,375,000 Trust Units for cash proceeds of $201,250 and incurred $8,559 in issue cost.

On August 9, 2018 the Trust completed a bought deal prospectus offering whereby it issued 10,798,500 Trust Units for cash proceeds of $115,004 and incurred $5,032 in issue cost.

On March 28, 2018 the Trust completed a bought deal prospectus offering whereby it issued 10,005,000 Trust Units for cash proceeds of $97,849 and incurred $4,326 in issue cost.

14. TRUST UNITS (Continued)

Declaration of Trust

The Declaration of Trust authorizes the Trust to issue an unlimited number of units for consideration and on terms and conditions established by the Trustees without the approval of any unitholders. The interests in the Trust are represented by two classes of units: a class described and designated as "Trust Units" and a class described and designated as "Special Voting Units". The beneficial interests of the two classes of units are as follows:

(a) Trust Units

Trust Units represent an undivided beneficial interest in the Trust and in distributions made by the Trust. The Trust Units are freely transferable, subject to applicable securities regulatory requirements. Each Trust Unit entitles the holder to one vote at all meetings of unitholders. Except as set out under the redemption rights below, the Trust Units have no conversion, retraction, redemption or pre-emptive rights.

Trust Units are redeemable at any time, in whole or in part, on demand by the holders. Upon receipt by the Trust of a written redemption notice and other documents that may be required, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder shall be entitled to receive a price per Trust Unit equal to the lesser of:

i) 90% of the "market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading during the twenty-day period ending on the trading day prior to the day on which the Trust Units were surrendered to Trust for redemption; and

ii) 100% of the "closing market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading on the redemption notice date.

(b) Special Voting Units

The Declaration of Trust provides for the issuance of an unlimited number of Special Voting Units that will be used to provide voting rights to holders of Class B LP units or other securities that are, directly or indirectly, exchangeable for Trust Units.

Each Special Voting Unit entitles the holder to the number of votes at any meeting of unitholders, which is equal to the number of Trust Units that may be obtained upon surrender of the Class B LP unit to which the Special Voting Unit relates. The Special Voting Units do not entitle or give any rights to the holders to receive distributions or any amount upon liquidation, dissolution or winding-up of Trust. There is no value assigned to the Special Voting Units.

Unaudited (Cdn $ Thousands except unit amounts)

15. REVENUE FROM INVESTMENT PROPERTIES

The components of revenue from investments properties are as follows:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Lease revenue[(1)]	**$ 36,738**	$ 31,418	**$ 103,625**	$ 91,058
Other revenue[(2)]	**892**	731	**2,478**	2,166
	$ 37,630	$ 32,149	**$ 106,103**	$ 93,224

[(1)] Consists of lease revenue from residential, parking and commercial tenants
[(2)] Consists of revenue from non-lease items such as laundry, commercial common area maintenance and ancillary services

16. FINANCING COSTS

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Mortgages and loans payable	**$ 6,521**	$ 6,094	**$ 19,007**	$ 17,438
Credit facilities	**295**	223	**1,351**	1,137
Interest income	**(142)**	(297)	**(378)**	(478)
Interest capitalized	**(113)**	-	**(1,079)**	-
Interest expense	**6,561**	6,020	**18,901**	18,097
Amortization of deferred finance costs on mortgages	**230**	348	**684**	863
Amortization of deferred finance costs on credit facilities	**40**	55	**170**	164
Amortization of fair value on assumed debt	**(142)**	(50)	**(273)**	(150)
	$ 6,689	$ 6,373	**$ 19,482**	$ 18,974

17. OTHER FAIR VALUE GAINS/(LOSSES)

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Class B LP unit liability	**$ (8,732)**	$ (2,558)	**$ (11,290)**	$ (8,012)
Unit-based compensation liability (deferred unit plan)	**(10,337)**	(3,149)	**(15,732)**	(7,316)
Unit-based compensation liability (option plan)	**(2,199)**	(696)	**(2,967)**	(2,458)
	$ (21,268)	$ (6,403)	**$ (29,989)**	$ (17,786)

Unaudited (Cdn $ Thousands except unit amounts)

18. INTEREST ON UNITS CLASSIFIED AS FINANCIAL LIABILITIES

	Three months ended September 30		Nine months ended September 30	
	2019	2018	**2019**	2018
Class B LP unit liability	**$ 247**	$ 230	**$ 741**	$ 618
Unit-based compensation liability (deferred unit plan)	**303**	264	**893**	701
	$ 550	$ 494	**$ 1,634**	$ 1,319

19. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Net change in non-cash operating assets and liabilities

	2019	2018
Receivables and other assets	**$ 1,053**	$ (934)
Prepaid and deposits	**2,411**	(990)
Accounts payable and accrued liabilities	**99**	(761)
Tenant rental deposits	**726**	323
	$ 4,289	$ (2,362)

(b) Net cash distributions to unitholders

	2019	2018
Distributions declared to unitholders	**$ 24,205**	$ 19,190
Add: Distributions payable at beginning of period	**2,563**	1,888
Less: Distributions payable at end of period	**(2,929)**	(2,381)
Less: Distributions to participants in the DRIP	**(8,360)**	(3,480)
	15,479	$ 15,217

(c) Interest paid

	2019	2018
Interest expense	**$ 18,901**	$ 18,097
Add: Mortgage interest payable at beginning of period	**1,512**	1,093
Less: Mortgage interest payable at end of period	**(1,679)**	(1,524)
Add: Interest capitalized	**1,079**	-
Add: Interest income received	**378**	478
	$ 20,191	$ 18,144

Reconciliation of liabilities arising from financing activities

	Mortgages and loans payable	Credit Facilities
Balance, beginning of period	$ 817,512	$ 23,550
Mortgage advances	22,000	-
Assumed mortgages	73,238	-
Repayment of mortgages	(19,185)	-
Repayment of credit facilities	-	(23,550)
Balance, end of period	$ 893,565	$ -

20. RELATED PARTY TRANSACTIONS

The transactions with related parties are incurred in the normal course of business. Related party transactions have been listed below.

(i) Accounts Payable (net of amounts receivable)

As at September 30, 2019, $nil (December 31, 2018 - $nil) was included in accounts payable and accrued liabilities, net of amounts receivable, which are due to companies that are controlled by an officer of the Trust. The amounts were non-interest bearing and due on demand.

(ii) Services

There were no related party transactions during the nine months ended September 30, 2019.

During the nine months ended September 30, 2018, the Trust incurred $1,014 in property, asset and project management services and shared legal services from companies controlled by an officer of the Trust. Of the services received approximately $207 has been capitalized to the investment properties and the remaining amounts are included in operating and administrative costs.

(iii) Property Management Internalization

On February 15, 2018, the REIT entered into an agreement with CLV Group Inc. (the "Property Manager") to internalize the REIT's property management function. Upon closing of the transaction, a subsidiary of the REIT acquired the Property Manager's REIT-related property management business for a total consideration of $37,955 to the Property Manager (3,224,516 Class B LP limited partnership units (exchangeable on a one-for-one basis) at a value of approximately $9.42 per unit, or $30,364 and $7,591 in cash) and $3,098 in deferred units as retention bonuses to employees being transferred to InterRent (to be matched and vest over a period of up to 5 years in accordance with the Deferred Unit Plan). The total consideration, including all future vesting of deferred units, was approximately $44,151. The REIT also incurred approximately $2,048 in transaction related costs.

During the nine months ended September 30, 2018, the REIT recorded $43,993 in property management internalization costs. The remaining $2,100 relating to the future vesting of the matched portion of the retention bonuses to employees will be expensed over the next 5 years as administrative costs.

21. CAPITAL RISK MANAGEMENT

The Trust's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its unitholders. The Trust defines capital that it manages as the aggregate of its unitholders' equity, which is comprised of issued capital and retained earnings, Class B LP units and deferred unit capital and options recorded as unit-based compensation liabilities.

The Trust manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Trust's working capital requirements. In order to maintain or adjust its capital structure, the Trust, upon approval from its Board of Trustees, may issue or repay long-term debt, issue units, repurchase units through a normal course issuer bid, pay distributions or undertake other activities as deemed appropriate under the specific circumstances. The Board of Trustees reviews and approves any material transactions out of the ordinary course of business, including approval of all acquisitions of investment properties, as well as capital and operating budgets.

The Trust monitors capital using a debt to gross book value ratio, as defined in the Declaration of Trust which requires the Trust to maintain a debt to gross book value ratio below 75%. As at September 30, 2019, the debt to gross book value ratio is 35.0% (December 31, 2018 – 38.9%).

In addition, the Trust is subject to financial covenants in its mortgages payable and credit facilities such as minimum tangible net worth, interest coverage, debt service coverage and leverage ratio (similar to debt to gross book value as calculated in the Declaration of Trust). The Trust was in compliance with all financial covenants throughout the nine month period ended September 30, 2019 and the year ended December 31, 2018.

22. FINANCIAL RISK MANAGEMENT

a) Overview

The Trust is exposed to credit risk, liquidity risk and market risk. The Trust's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholders value. Risk management strategies, as discussed below, are designed and implemented to ensure the Trust's risks and the related exposures are consistent with its business objectives and risk tolerance.

b) Credit Risk

The Trust's credit risk is attributable to its rents and other receivables and loan receivable long-term incentive plan.

Credit risk arises from the possibility that: (i) tenants may experience financial difficulty and be unable to fulfil their lease commitments; and (ii) a party defaults on the repayment of their debt causing a financial loss to the Trust.

For its rents receivable, the Trust conducts credit assessments for all prospective tenants and, where permitted, obtains a security deposit to assist in potential recoveries. The Trust monitors its collection process on a monthly basis and all receivables from past tenants and tenant receivables over 30 days are provided for in allowances for doubtful accounts.

Unaudited (Cdn $ Thousands except unit amounts)

22. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk relating to other receivables and loan receivable long-term incentive plan is mitigated through recourse against such parties and/or the underlying security. These receivables are considered to have low credit risk.

At September 30, 2019, the Trust had past due rents and other receivables of $2,340 (December 31, 2018 - $2,922), net of an allowance for doubtful accounts of $1,090 (December 31, 2018 - $982) which adequately reflects the Trust's credit risk.

c) Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust manages liquidity risk through the management of its capital structure and financial leverage, as outlined in note 21 to the consolidated financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities (excluding derivative and other financial instruments reported as liabilities at fair value) when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. In addition, liquidity and capital availability risks are mitigated by diversifying the Trust's sources of funding, maintaining a staggered debt maturity profile and actively monitoring market conditions.

As at September 30, 2019, the Trust had credit facilities as described in note 9.

The Trust continues to refinance the outstanding debts as they mature. Given the Trust's available credit and its available liquid resources from both financial assets and on-going operations, management assesses the Trust's liquidity risk to be low.

The undiscounted contractual maturities and repayment obligations of the Trust's financial liabilities, excluding unit-based compensation liabilities and Class B LP unit liability as their redemption time is uncertain, as at September 30, 2019 are as follows:

Year	Mortgages and loans payable	Mortgage and loan interest (1)	Credit facilities	Accounts payable and accrued liabilities	Total
2019	$47,209	$6,471	$-	$31,387	$85,067
2020	128,481	23,260	-	-	151,741
2021	76,926	19,921	-	-	96,847
2022	71,011	17,927	-	-	88,938
2023	81,264	15,409	-	-	96,673
Thereafter	488,674	56,224	-	-	544,898
	$893,565	**$139,212**	**$-**	**$31,387**	**$1,064,164**

(1) Based on current in-place interest rates for the remaining term to maturity.

Unaudited (Cdn $ Thousands except unit amounts)

22. FINANCIAL RISK MANAGEMENT (Continued)

d) Market Risk

Market risk includes the risk that changes in interest rates will affect the Trust's cash flows or the fair value of its financial instruments.

At September 30, 2019, approximately 12% (December 31, 2018 – 13%) of the Trust's mortgage debt is at variable interest rates and the Trust's credit facilities also bear interest at variable rates. If there was a 100 basis point change in the interest rate, cash flows would have changed by approximately $1,114 for the nine months ended September 30, 2019 (2018 - $1,143).

23. FAIR VALUE MEASUREMENT

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

Financial instruments are defined as a contractual right to receive or deliver cash or another financial asset. The fair values of the Trust's financial instruments, except for mortgages payable and loans payable, approximate their recorded values due to their short-term nature and/or the credit terms of those instruments.

The fair value of the mortgages and loans payable has been determined by discounting the cash flows using current market rates of similar instruments. These estimates are subjective in nature and therefore cannot be determined with precision. The fair value of mortgages and loans payable, and credit facilities, which are measured at a fair value level 2, is approximately $910,246 (December 31, 2018 - $832,626) excluding any deferred financing costs.

The following table presents the fair values by category of the Trust's assets and liabilities:

September 30, 2019	**Level 1**	**Level 2**	**Level 3**
Assets			
Investment properties	-	-	$2,430,021
Liabilities			
Unit-based compensation liability	-	$69,819	-
Class B LP unit liability	-	55,800	-

December 31, 2018	**Level 1**	**Level 2**	**Level 3**
Assets			
Investment properties	-	-	$ 2,077,051
Liabilities			
Unit-based compensation liability	-	$ 48,392	-
Class B LP unit liability	-	44,511	-

24. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business activities, the Trust may be contingently liable for litigation and claims with tenants, suppliers and former employees. Management believes that adequate provisions have been recorded in the accounts where required.

25. SUBSEQUENT EVENT

The Trust purchased three properties with a total of 104 suites that closed in October 2019 for a combined purchase price of approximately $22,550.

On November 4, 2019, the Board of Trustees approved a 6.9% increase to the monthly per unit distributions. The increase will be effective for the November 2019 distribution that is to be paid in December 2019.