



# INTERRENT REIT

INVESTOR PRESENTATION

September 2020



INTERRENT REIT IS A GROWTH-ORIENTED REAL ESTATE INVESTMENT TRUST ENGAGED IN INCREASING VALUE AND CREATING A GROWING AND SUSTAINABLE DISTRIBUTION THROUGH THE ACQUISITION AND OWNERSHIP OF MULTI-RESIDENTIAL PROPERTIES.





## FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “anticipated”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. InterRent is subject to significant risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. A full description of these risk factors can be found in InterRent’s publicly filed information which may be located at [www.sedar.com](http://www.sedar.com). InterRent cannot assure investors that actual results will be consistent with these forward-looking statements and InterRent assumes no obligation to update or revise the forward-looking statements contained in this presentation to reflect actual events or new circumstances.





ABOUT INTERRENT

## A COMPANY BUILT ON VALUES



### QUALITY

Providing best in class products and services thereby results in delivering the highest levels of customer satisfaction.



### INTEGRITY

Inspiring trust by saying what we mean, acting honestly and taking responsibility for our actions.



### STRONG TEAMS AND COMMUNITIES

Encouraging and working with our team to give back to our communities through sustainable programs and philanthropic efforts.



### RESPECT

Having and showing respect for our customers, suppliers, Unitholders and communities while maintaining an environment of teamwork and growth.



### SERVICE EXCELLENCE

Continuously building on our accomplishments and setting best-in-class standards within our industry.



## ABOUT INTERRENT

# ROADMAP TO THE PRESENT

### 2009 - 2011

- CLV arranges private placement at \$1.50/Unit
- Change of executive control September 30, 2009
- CLV Group begins managing InterRent's entire portfolio
- Began rebuilding & repositioning
- Changed culture & priorities
- Restored focus on property operations
- Disposed of non-core properties
- Focused on growing NOI organically through top line growth and operating cost reductions

### 2011 - 2013

- Continued to grow NOI organically through top line growth and operating cost reductions
- Built acquisitions team and grew acquisition pipeline – focus on value-add properties
- Purchased 1,000 suites in 2012, 1,339 suites in 2013 and 645 in 2014
- Expanded into Quebec (Gatineau & Montreal)
- Focused on best in class within our target markets
- Refinanced repositioned properties with CMHC insured mortgages
- Increased distribution by 33% (\$0.12 to \$0.16) in 2012, by 25% (\$0.16 to \$0.20) in 2013 and by 10% (\$0.20 to \$0.22) in 2014

### 2014 - PRESENT

- Completed LIV redevelopment
- Continued focus on repositioning and organic growth
- Change model/staffing of rental operations to focus on customer service and overall performance
- Continued to refinance repositioned properties with CMHC to capitalize on low interest rates
- Increased distribution by 5% (\$0.22 to \$0.23) in 2015, by 5% (\$0.23 to \$0.24) in 2016, by 11% (\$0.24 to \$0.27) in 2017, by 7% (\$0.27 to \$0.29) in 2018 and again by 7% (\$0.29 to \$0.31) in 2019
- Internalized property management in 2018
- Entered into joint venture for development of 900 Albert Street
- Entered into joint venture agreement for development of Burlington GO Lands with Brookfield
- Purchased 1,702 suites in 2015, 545 suites in 2016, 602 suites in 2017 and 638 suites in 2018
- 2019 was a significant year of growth for InterRent with 1,214 suites acquired predominantly in Montreal
- Acquired 880 suites so far in 2020

#### DISTRIBUTION INCREASES



Start	September 30, 2009	
End	As at August 27, 2020	
Unit Price	<b>\$1.50 to \$13.12</b>	
Cumulative Distributions	<b>\$2.26</b>	
Total Return	<b>999%</b>	
Number of Suites	4,033 to 11,045	174%

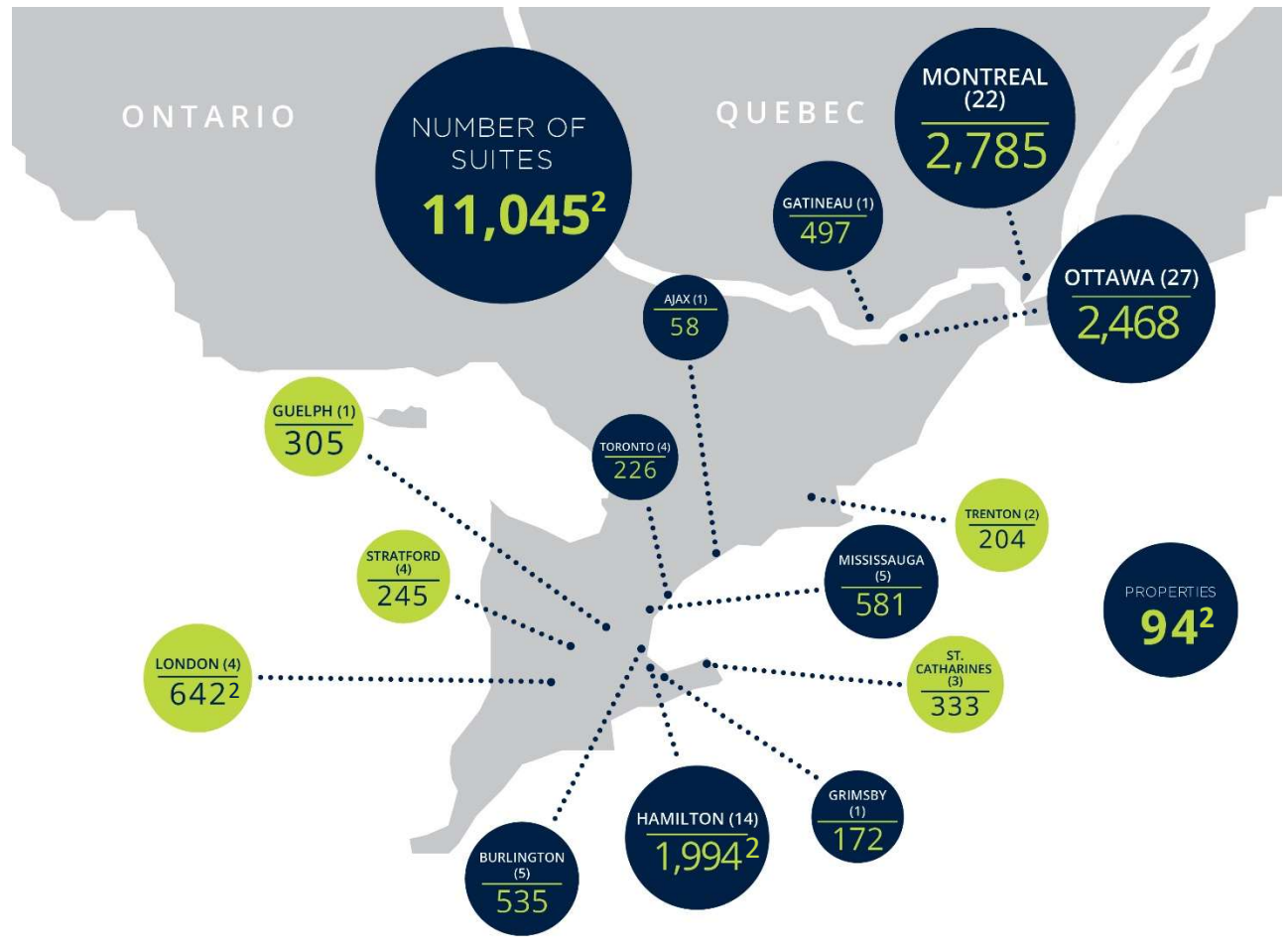
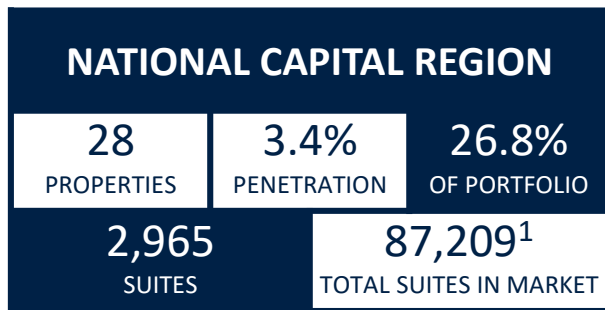
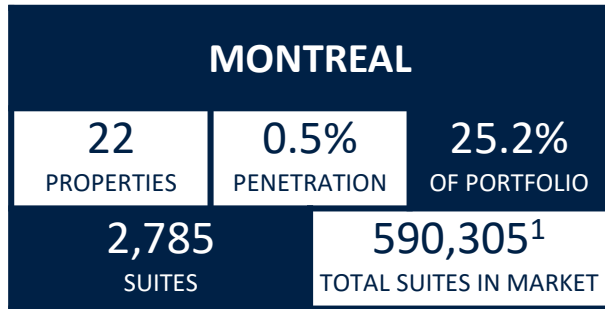
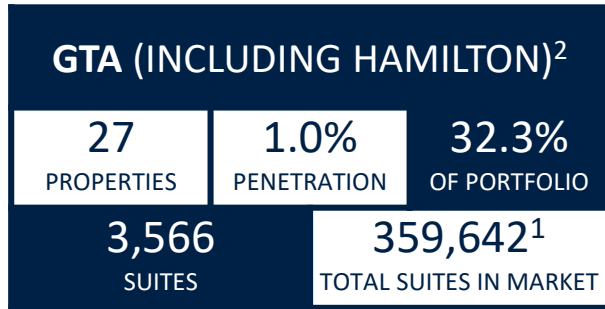
Since current management took over, InterRent has been one of the best performing REITs in Canada with a total return of 999%. The REIT was also the 5<sup>th</sup> best performing stock in the S&P/TSX Composite Index over the last decade.<sup>1</sup> InterRent continues to focus on organic growth of existing properties, target new properties to reposition, as well as acquisitions of properties with untapped value.

<sup>1</sup>Source: Financial Post



ABOUT INTERRENT

# WE ARE PROVIDERS OF HOMES ACROSS ONTARIO AND QUEBEC



Our primary markets make up more than 80% of our NOI

● Primary Market  
9,316 Suites<sup>2</sup>

● Secondary Market  
1,729 Suites<sup>2</sup>

<sup>1</sup> CMHC Fall 2019 Rental Market Report apartment universe.

<sup>2</sup> Includes unconditional deal to acquire Hamilton/London portfolio expected to close in September 2020



# THE VALUE CREATION STRATEGY





# DELIVERING A DIGITAL EXPERIENCE FOR RESIDENTS

Investing in technology has always been one of the distinguishing features of the REIT's operating platform. InterRent constantly searches for new ways to improve the efficiency of all processes while also ensuring our residents have access to convenient tools that enhance their experience.

## INTERNAL INFRASTRUCTURE



BUSINESS INTELLIGENCE



BEST-IN-CLASS CLOUD PLATFORM



AUTOMATED A/P WORKFLOW



FULLY CONNECTED PROPERTIES



BETTER ONLINE TEAM COLLABORATION TOOLS



MOBILE-ENABLED WORKFORCE

## RESIDENT EXPERIENCE

- Smart homes
- Resident online self-service:
  - Applications
  - Payments
  - Maintenance requests
  - Amenity bookings







## ACQUISITION CRITERIA

Whether InterRent enters a new market or expands in an existing one, a disciplined approach is taken. InterRent seeks to acquire properties that have suffered from the absence of professional management. This gives the REIT an opportunity to move rents to market rates, as well as investing in energy saving initiatives. InterRent only pursues properties for its portfolio that it has identified as having the following four parameters:



### HEALTHY ECONOMIC CENTRES

Regions that have stable employment and are expected to have continued economic growth



### STRONG DEMAND

Cities that have strong population growth and immigration rates



### RENTAL RATE GROWTH

Communities with a track record of rising rental rates



### STABLE CAPITALIZATION RATES

Target markets that have sufficient supply and demand from investors maintaining relatively stable capitalization rates





# PROVEN ABILITY TO SOURCE DEALS

Proven track record of sourcing acquisitions, with over \$1.1 billion in acquisitions since change of control (over 7,000 units).  
Continued pipeline of potential properties through solid relationships and proprietary lead generation database.



2016

1111 & 1121 Mistral, Montreal  
3 East 37<sup>th</sup>, Hamilton  
2121 & 2255 Saint Mathieu, Montreal  
718 Lawrence, Hamilton

1101 Rachel, Montreal  
Parkway Park, Ottawa



2017



2018

5775 Sir Walter Scott, Montreal  
1-3 Slessor, Grimsby  
236 Richmond, Ottawa  
381 Churchill, Ottawa  
10 Ben Lomond, Hamilton  
625 Milton, Montreal  
3474 Hutchison, Montreal  
1170 Fennell, Hamilton

Montreal Portfolio  
158 Ontario, St. Catharines  
Hampstead Towers, Montreal  
235 Sherbrooke St W, Montreal  
1025 Sherbrooke St E, Montreal  
4875 Dufferin, Montreal  
5160 Gatineau, Montreal  
Coolbrook & Monkland, Montreal



2019

1015 Orchard, Mississauga  
380 Winona, Ottawa  
155 Lake Shore, Toronto  
765 Brown's Line, Toronto  
15 Don, Hamilton  
100 Main, Hamilton  
35 Brock & 600 John, Hamilton  
500-522 Gordon, London  
527-531 Gordon, London



2020



Riviera, Gatineau



5550 Trent, Montreal



Crystal Beach, Ottawa

<sup>1</sup> Includes unconditional deal to acquire Hamilton/London portfolio expected to close in September 2020



# FOCUS ON REPOSITIONING

## EXTERIOR UPGRADES

- Complete, attractive first impression package
- Designer-influenced exterior finishes

Before



5220 Lakeshore | Burlington

After



## COMMON AREA UPGRADES

- Added functionality
- Designer finishes
- Enhanced security



New Street | Burlington



## UNIT UPGRADES

- Improving suite layout
- Upgraded bathrooms and kitchens
- Upgraded flooring



LIV | Ottawa





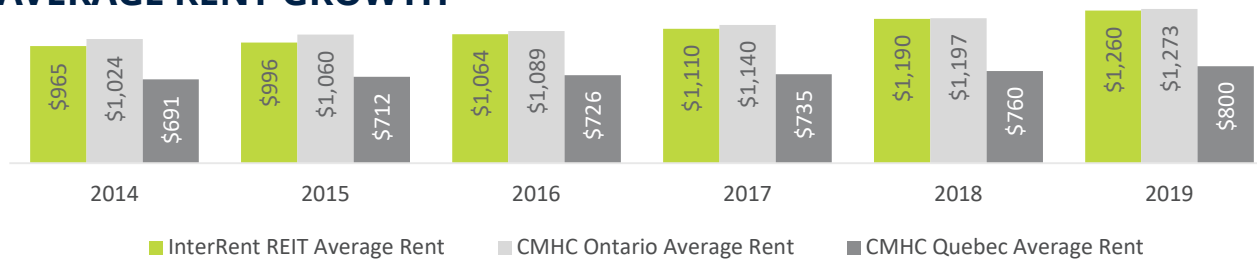
VALUE CREATION STRATEGY

# DELIVERING THE EXPERIENCE

Exceptional amenities and best-in-class service are key components of the experience our residents are looking for in their homes.



## AVERAGE RENT GROWTH



5-Year Average Rent CAGR	
InterRent REIT	5.5%
Ontario (CMHC)	4.4%
Quebec (CMHC)	3.0%



# SUBSTANTIAL UPSIDE IN NON-REPOSITIONED PORTFOLIO

In \$ 000's	6 Months Ended June 30, 2020					
	Repositioned Property Portfolio		Non-Repositioned Property Portfolio		Total Portfolio	
Gross rental revenue	\$61,304		\$16,772		\$78,076	
Less: vacancy & rebates	(2,250)		(2,280)		(4,530)	
Other revenue	3,387		1,439		4,826	
Operating revenues	\$62,441		\$15,931		\$78,372	
Expenses						
Property operating costs	9,675	15.5%	3,525	22.1%	13,200	16.8%
Property taxes	7,564	12.1%	1,903	11.9%	9,467	12.1%
Utilities	4,636	7.4%	1,523	9.6%	6,159	7.9%
Operating expenses	\$21,875	35.0%	\$6,951	43.3%	\$28,826	36.3%
Net operating income	\$40,566		\$8,980		\$49,546	
Net operating margin	65.0%		56.4%		63.2%	

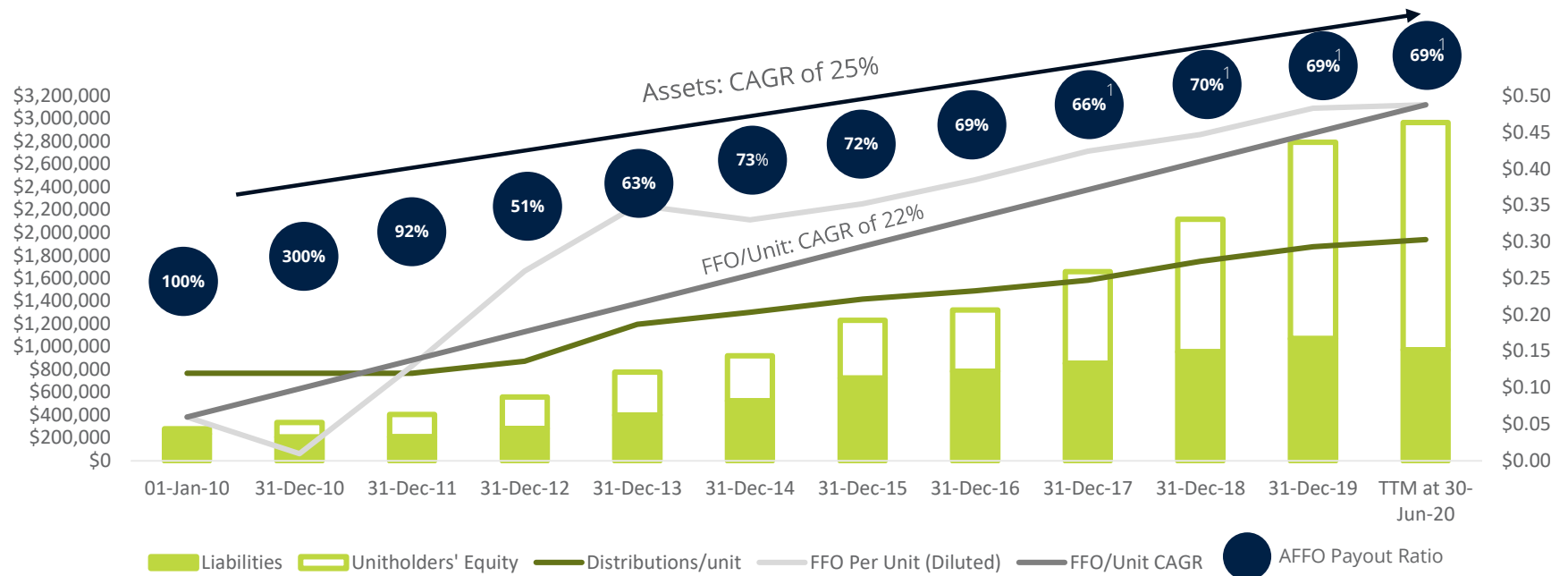
Region	Repositioned Property Portfolio			Non-Repositioned Property Portfolio		
	Suites	June 2020 Average Rent	June 2020 Vacancy	Suites	June 2020 Average Rent	June 2020 Vacancy
Eastern Ontario	204	\$1,248	0.7%	-	-	-
GTA	1,283	\$1,632	3.3%	57	\$1,256	14.1%
Hamilton/Niagara	1,435	\$1,242	3.4%	500	\$1,017	3.0%
Montreal	910	\$1,115	7.9%	1,875	\$1,121	18.0%
Gatineau	497	\$998	7.5%	-	-	-
Ottawa	2,386	\$1,448	5.8%	82	\$2,057	14.1%
Western Ontario	997	\$1,272	3.8%	-	-	-
<b>Total</b>	<b>7,712</b>	<b>\$1,343</b>	<b>4.8%</b>	<b>2,514</b>	<b>\$1,133</b>	<b>15.0%</b>



# PROVEN TRACK RECORD OF SUCCESS

Effective use of capital through:  
 Smart disposition of properties  
 Recycle capital from dispositions fully into repositionings  
 Capitalize on low interest rate environment

## TOTAL ASSET GROWTH

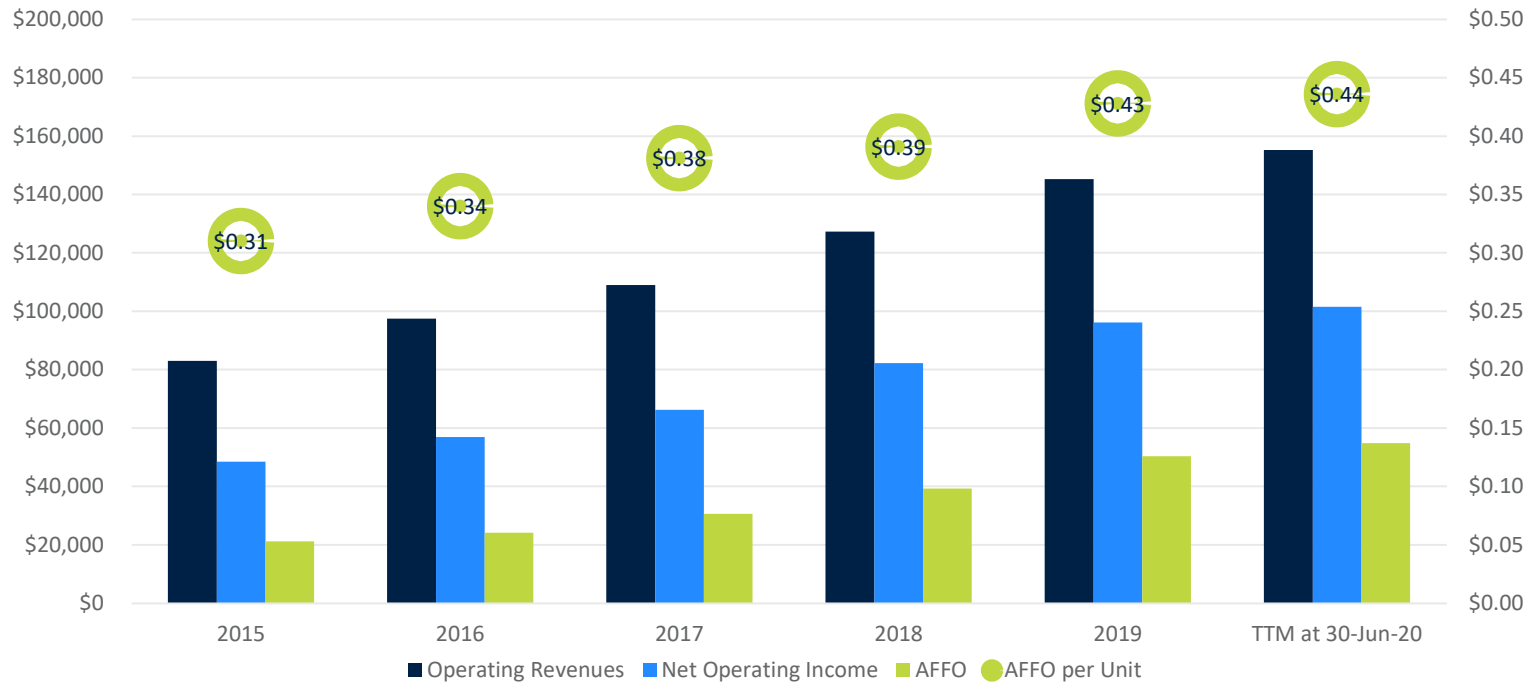


<sup>1</sup>TTM AFFO for 2017-2020 calculated in accordance to Realpac definition. Prior years calculated differently.



## KEY FINANCIAL METRICS

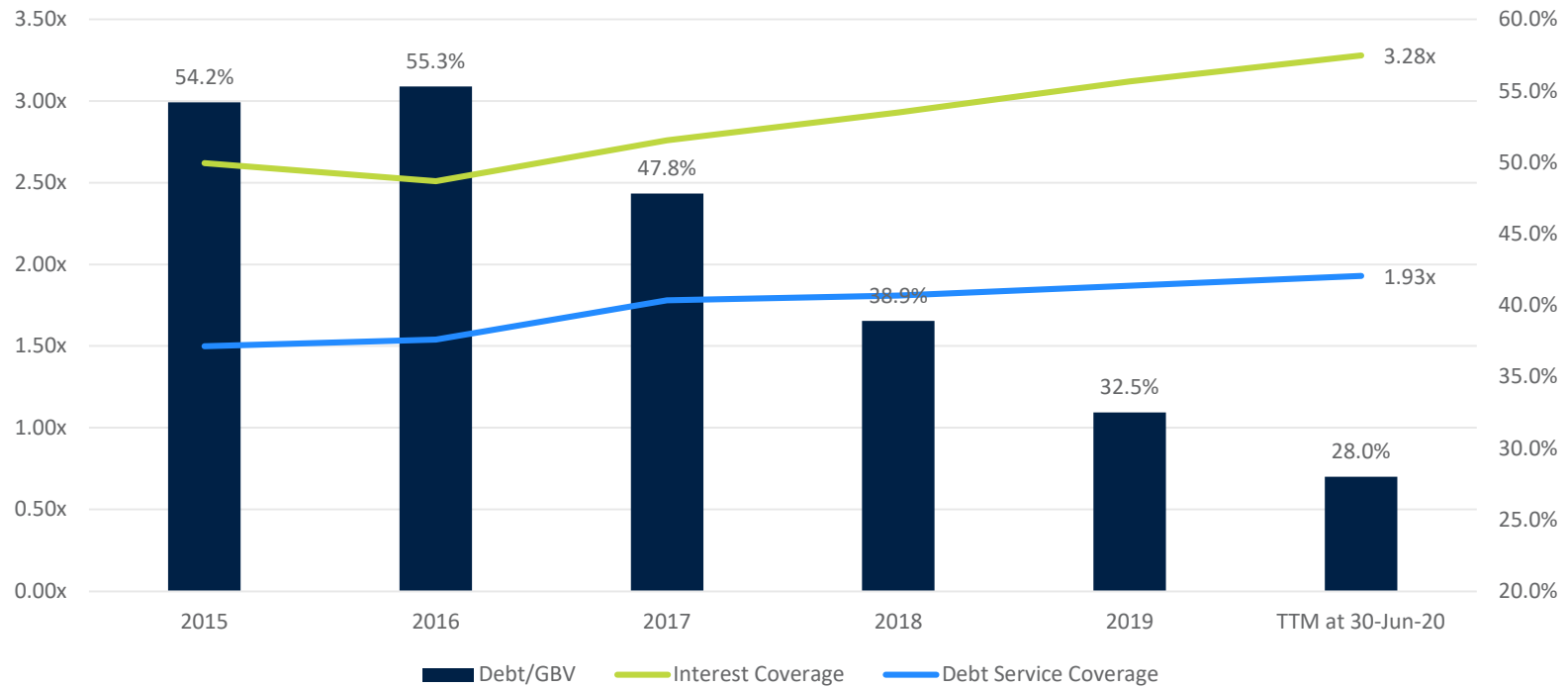
# GROWTH IN ALL THE RIGHT PLACES





## KEY FINANCIAL METRICS

# A PROVEN APPROACH TO MANAGING THE BALANCE SHEET



2386-2400 New Street | Burlington





## OPERATIONAL UPDATE

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Conducted wellness phone calls to over 10,000 residents to check on their safety and to identify residents in need of additional assistance



Implemented enhanced cleaning protocols for all buildings with frequent disinfection of high touch areas



Online information hub for residents ([interrentreit.com/covid-19](https://www.interrentreit.com/covid-19))



Sales and leasing teams have implemented an end-to-end contactless rental process.



Since COVID-19 started, collections have been in the high 90% range.



Currently we have entered into rent deferral agreements with approximately 0.5% of our residential residents.



## CLV CLEAN & SECURE +™

- Launched an innovative and industry-leading cleaning and safety program called “[CLV Clean & Secure +™](#)”
- Program includes:
  - The use of industry-leading products such as the [Victory Innovations Electrostatic Sprayer](#)
  - High-frequency cleaning protocols in all common spaces
  - Increased supply and systematic use of personal protective equipment (PPE)
  - Enhanced guidelines for residents, staff and visitors
  - Emphasized use of digital technology
  - A revamped, touchless rental process using digital technology
  - All community staff are subject to a rigorous initial training program with regular follow-up training sessions

### Testimonials:

“Hi, I just wanted to take a second and say thank you for going above and beyond during this pandemic and I really appreciate all the hard work the staff is putting in to ensure we all stay healthy! Thank you”

**Rosemount Apartments**  
Burlington, ON

“We are happy we are able to have this done digitally and have really appreciated the measures you have put in place during the current global climate. Thanks again for keeping us up to date as we have moved through this process – it’s greatly appreciated!”

**Le Mistral**  
Montreal, QC

“Thank you to the kind gentleman who spent his Sunday afternoon wiping down all the surfaces and doorways of 225 McLaren! Much appreciated.”

**225 McLaren**  
Ottawa, ON



## GOING FORWARD SUMMARY

- Conservative and flexible balance sheet
- Well positioned for both organic and external growth
- Potential strategic partnerships & joint ventures
- We have over 2,500 suites in our repositioning portfolio
- Potential to increase density at many sites across our portfolio
- Greenfield development opportunities
- Significant consolidation potential
- Potential to expand into new markets





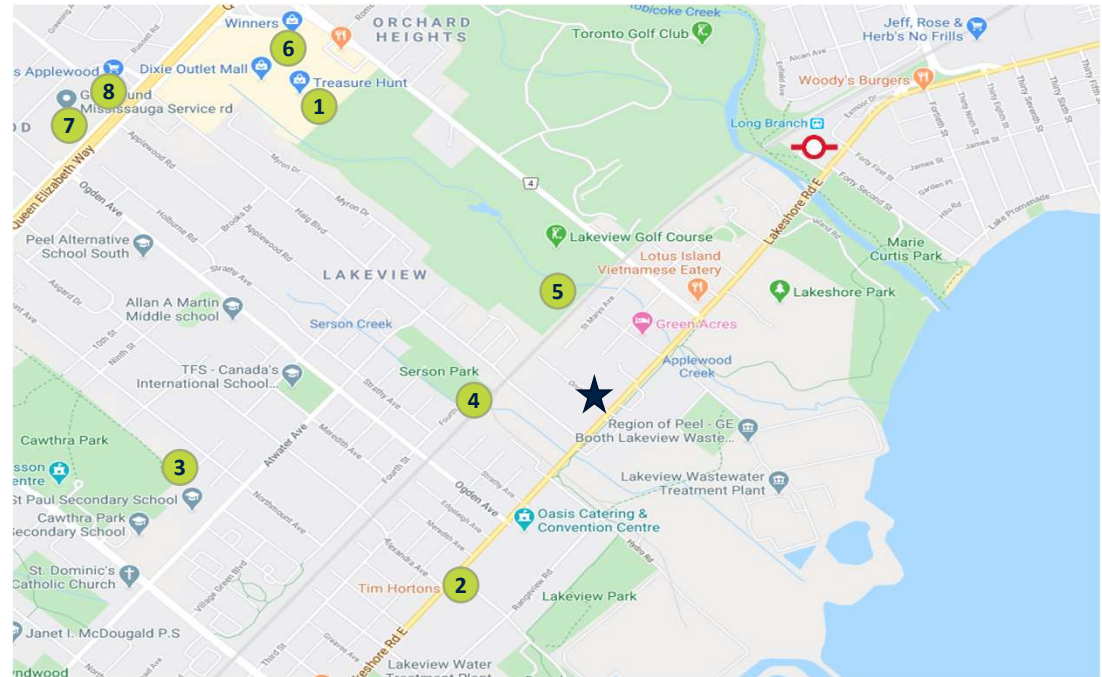
EXTERNAL GROWTH

# 1015 ORCHARD RD, MISSISSAUGA



## Property Overview

1015 Orchard is a seven-storey, 57-unit residential mid-rise building just off Lakeshore Road East in Mississauga's Lakeview neighbourhood. It is conveniently close to many bus stops and the Long Branch GO Station for easy travel around Mississauga and Toronto. Residents can enjoy many neighbourhood amenities like parks, coffee shops, schools, and restaurants. The building boasts spacious balconies, 24-hour on-site laundry service, and indoor and outdoor parking spaces.



- ★ 1015 Orchard Road
- Long Branch GO Station
- 1 No Frills Supermarket
- 2 Tim Hortons
- 3 St Paul Secondary School
- 4 Serson Park
- 5 Lakeview Golf Course
- 6 Bank of Montreal
- 7 LCBO
- 8 Shoppers Drug Mart

Suite Count	57
Purchase Price	\$18,150,000
Price per Suite	\$318,421



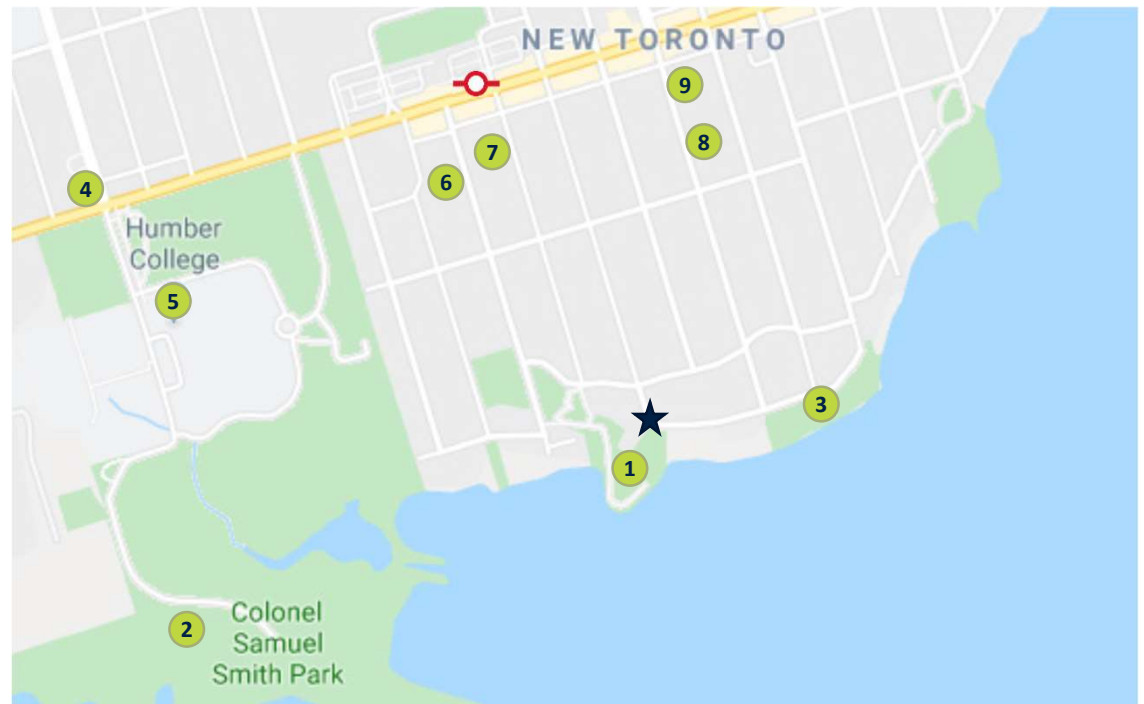
EXTERNAL GROWTH

# 155 LAKE SHORE, TORONTO



## Property Overview

155 Lake Shore is 5 storey apartment building located in Toronto, along Lake Ontario’s north shore. The property has 34 suites, with a mix of bachelor, 1 bedroom and 2 bedroom options. The property is conveniently located just minutes from various parks along Lake Ontario, and several shopping centers and transit stops. 155 Lake Shore is also just minutes from Humber College.



<b>Suite Count</b>	<b>34</b>
<b>Purchase Price</b>	<b>\$10,700,000</b>
<b>Price per Suite</b>	<b>\$314,706</b>

- ★ 155 Lake Shore
- Lake Shore Blvd West at Tenth St Station
- 1 Rotary Peace Park
- 2 Lakeshore Yacht Club
- 3 Cliff Lumsdon Park
- 4 Humber Medical Centre
- 5 Humber College
- 6 Toronto Public Library - New Toronto Branch
- 7 St. Josaphat Catholic School
- 8 Seventh Street Junior School
- 9 Scotiabank

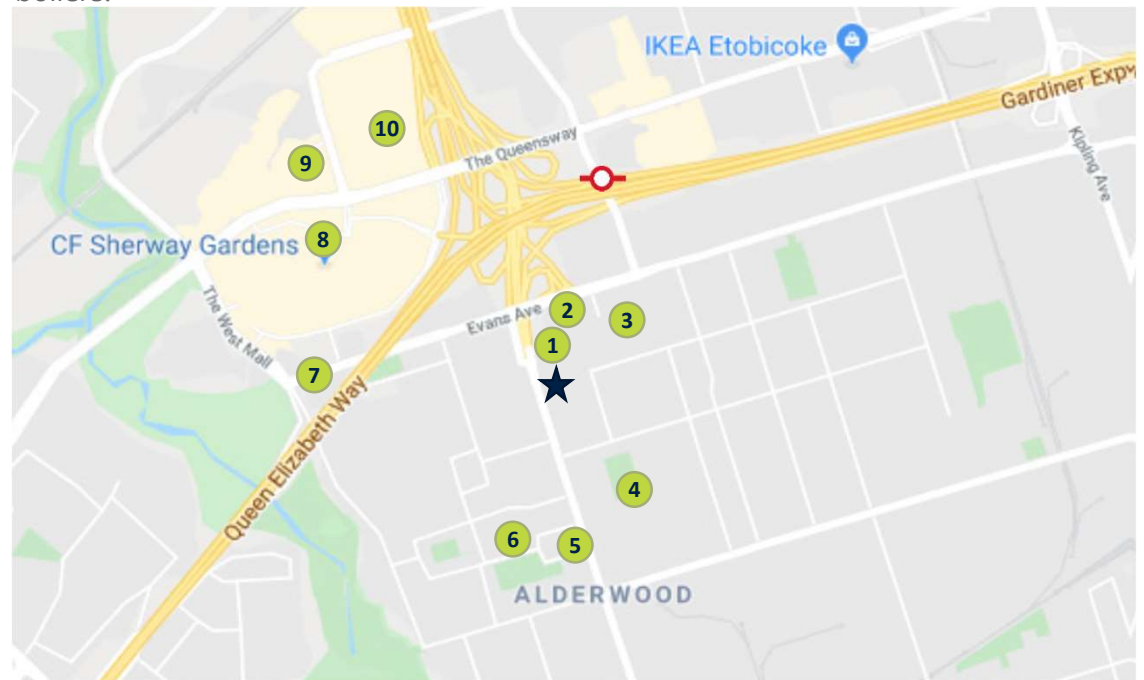


# 765 BROWNS LINE, TORONTO



## Property Overview

765 Browns Line is a 5 storey apartment building located in Toronto, just south of the Gardiner Expressway. The property has 26 suites, with a mix of bachelor, 1 bedroom and 2 bedroom options. The property is conveniently located just minutes from major shopping centres, schools, and public parks. Recent capital improvements to the property include repaving of the outdoor parking lot and two new high-efficiency boilers.



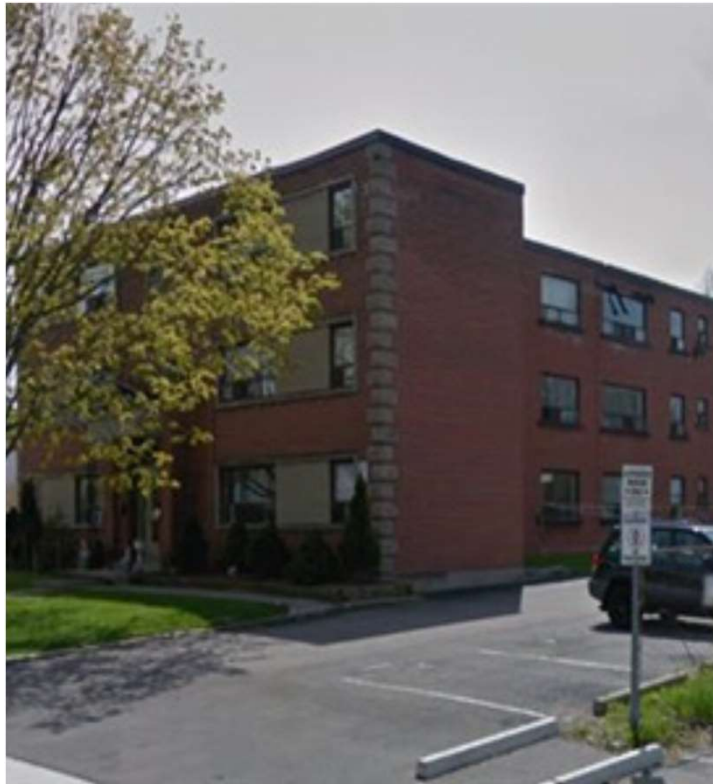
- ★ 765 Browns Line
- 1 Farm Boy Grocery
- 2 BMO Bank of Montreal
- 3 Lanor Jr. Middle School
- 4 Alderwood Memorial Park
- 5 Toronto Public Library - Alderwood Branch
- 6 Sir Adam Beck Junior School
- 7 TD Canada Trust
- 8 CF Sherway Gardens
- 9 LCBO
- 10 Smart Centres Etobicoke

<b>Suite Count</b>	<b>26</b>
<b>Purchase Price</b>	<b>\$7,000,000</b>
<b>Price per Suite</b>	<b>\$269,231</b>



EXTERNAL GROWTH

# 15 DON ST, HAMILTON



## Property Overview

15 Don Street is a 3 storey walkup apartment building located in Dundas, just outside of Hamilton in Southeast Ontario. The property has 36 suites, with a mix of bachelor, 1-bedroom, and 2-bedroom options. The property is located adjacent to an existing InterRent property and is just minutes away from McMaster University, McMaster Children’s Hospital, and plenty of restaurants. The property is also within walking distance to the university and hospital and is within 300m to the closest public bus stop.



<b>Suite Count</b>	<b>36</b>
<b>Purchase Price</b>	<b>\$5,220,000</b>
<b>Price per Suite</b>	<b>\$145,000</b>

- ★ 15 Don Street
- Existing IIP Properties: 5-7 Don St. & 4-8 Grant St.
- 1 Sheldon Manor Park
- 2 LCBO
- 3 Shoppers Drug Mart
- 4 Scotiabank
- 5 McMaster Children's Hospital
- 6 McMaster University
- 7 Metro Grocery Store
- 8 St. Mary Catholic Secondary School
- 9 Fortinos Grocery Store



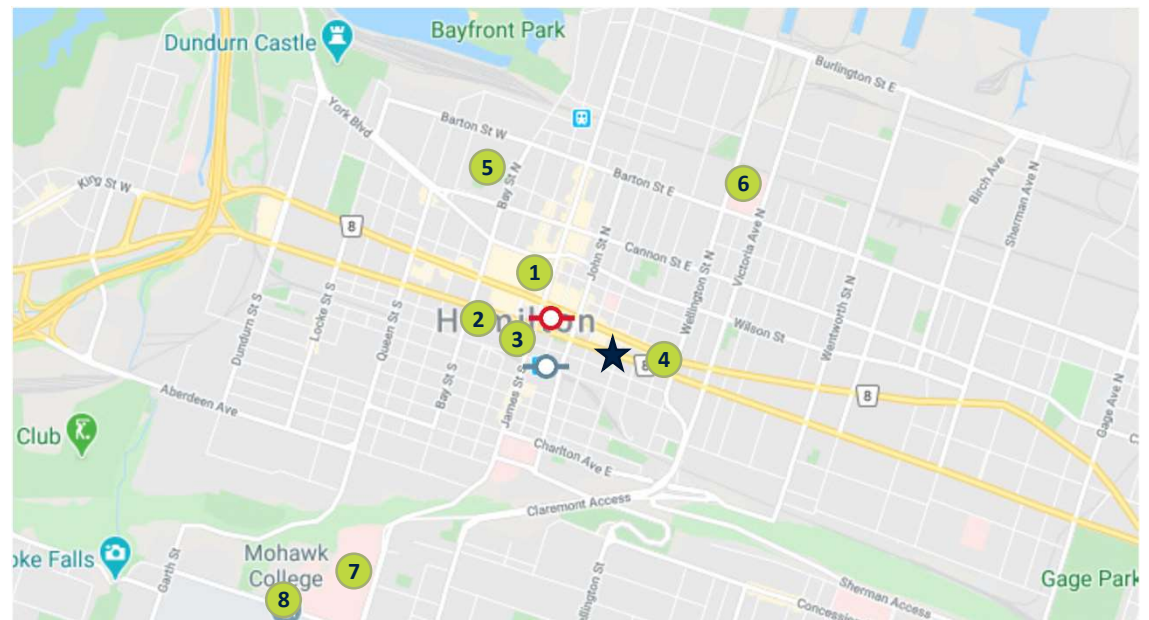
EXTERNAL GROWTH

# 100 MAIN STREET EAST, HAMILTON<sup>1</sup>



## Property Overview

100 Main Street East in Hamilton, also known as Landmark Place, features 295 residential units and approximately 62,000 square feet of commercial space in the tower's podium. This 42-storey downtown asset features excellent neighborhood amenities as well as potential to improve and expand upon the existing amenity space. The property is located 450 metres away from Hamilton Centre Go station and 850 metres away from FirstOntario Centre.



- ★ 100 Main Street East
- McNabb Transit Terminal
- Hamilton Centre GO Strain Station
- 1 Hamilton City Centre
- 2 Shoppers Drug Mart
- 3 Hamilton Convention Centre
- 4 Tim Hortons
- 5 Beasley Park
- 6 Hamilton General Hospital
- 7 St. Joseph's Healthcare Hamilton
- 8 Mohawk College

<b>Suite Count</b>	<b>295</b>
<b>Commercial</b>	<b>61,971 sq. ft</b>
<b>Purchase Price</b>	<b>\$76,000,000</b>

<sup>1</sup> Unconditional deal to acquire this property expected to close in September 2020





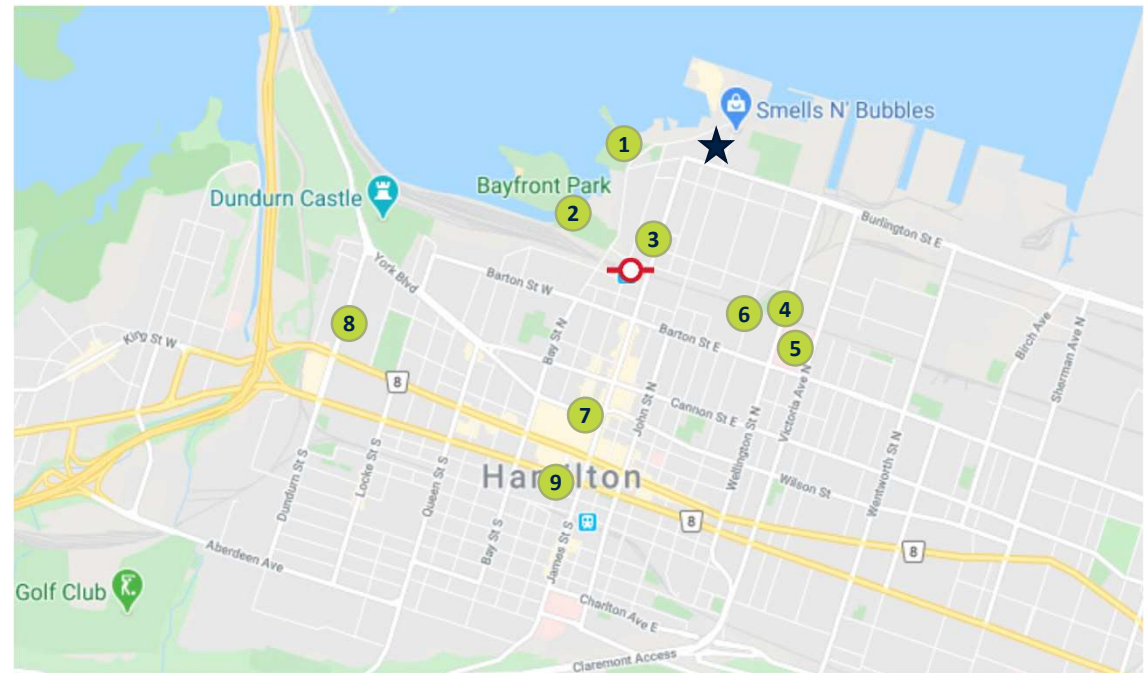
EXTERNAL GROWTH

# 35 BROCK STREET & 600 JOHN STREET NORTH, HAMILTON<sup>1</sup>



## Property Overview

35 Brock Street and 600 John Street North are sister towers located on the shores of Lake Ontario in Hamilton. The properties are connected via a parking garage and combine for a total of 223 residential suites. The towers offer rooftop terraces, supplemental amenity space, and will benefit from the future Pier 8 development. They are also located approximately one kilometre from the West Harbour GO Station.



- ★ 35 Brock Street & 600 John Street
- West Harbour GO Station
- 1 Pier 4 Park
- 2 Bayfront Park
- 3 Bennetto Elementary School
- 4 Ron Joyce Children's Health Centre
- 5 Hamilton General Hospital
- 6 Food Basics
- 7 Hamilton City Centre
- 8 Shoppers Drug Mart
- 9 Hamilton Convention Centre

<b>Suite Count</b>	<b>233</b>
<b>Purchase Price</b>	<b>\$60,500,000</b>
<b>Price per Suite</b>	<b>\$259,657</b>

<sup>1</sup> Unconditional deal to acquire this property expected to close in September 2020



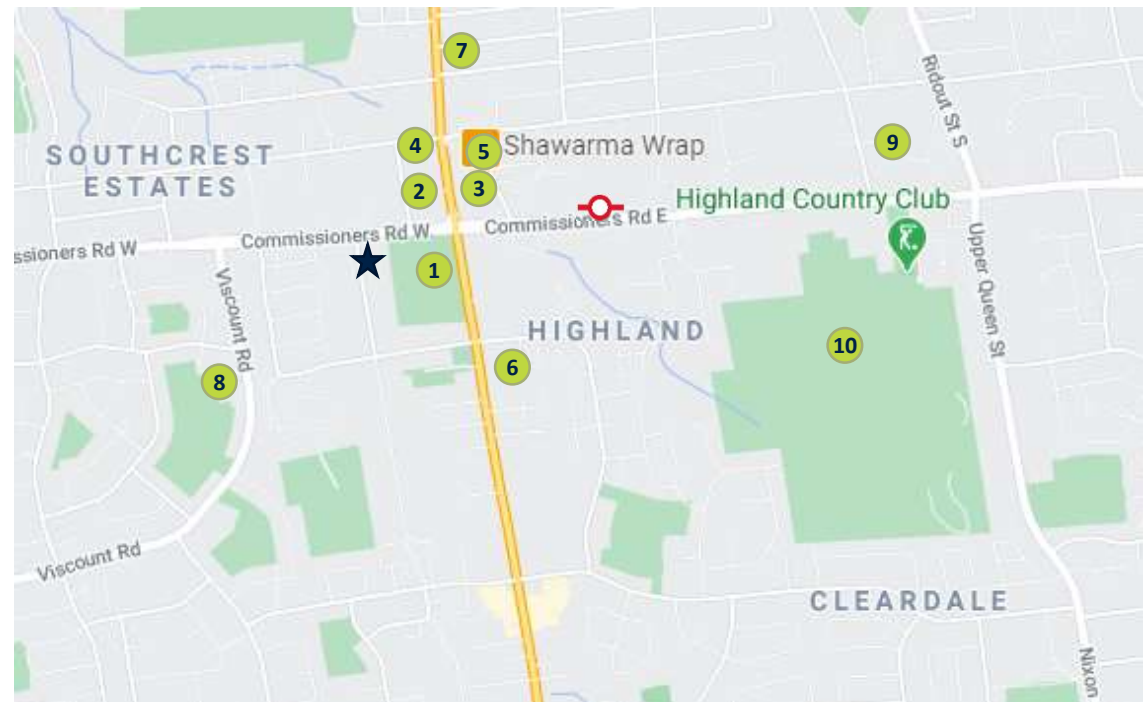
EXTERNAL GROWTH

# 500-522 GORDON AVENUE, LONDON<sup>1</sup>



## Property Overview

500-522 Gordon is a well-located residential site featuring a 109 unit, 10-storey concrete tower and 8 townhouse units. The property is located directly beside Basil Grove park, with the Victoria Hospital a convenient 3km drive or quick ride away. It also features amenities within walking distance, including banks, grocery stores, and restaurants.



- ★ 500-522 Gordon Avenue
- 1 Basil Grove Park
- 2 RBC Royal Bank
- 3 Grocery Store
- 4 Shoppers Drug Mart
- 5 Wharnccliffe Centre

- 6 Tim Hortons
- 7 The Beer Store
- 8 Arthur Ford Public School
- 9 Mountsfield Public School
- 10 Highland Country Club

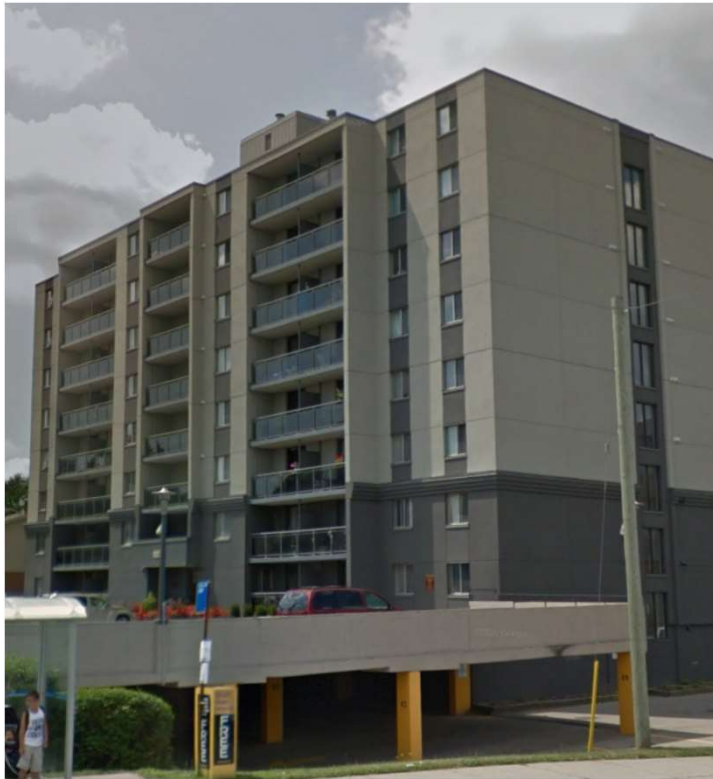
<b>Suite Count</b>	<b>117</b>
<b>Purchase Price</b>	<b>\$20,500,000</b>
<b>Price per Suite</b>	<b>\$175,214</b>

<sup>1</sup> Unconditional deal to acquire this property expected to close in September 2020



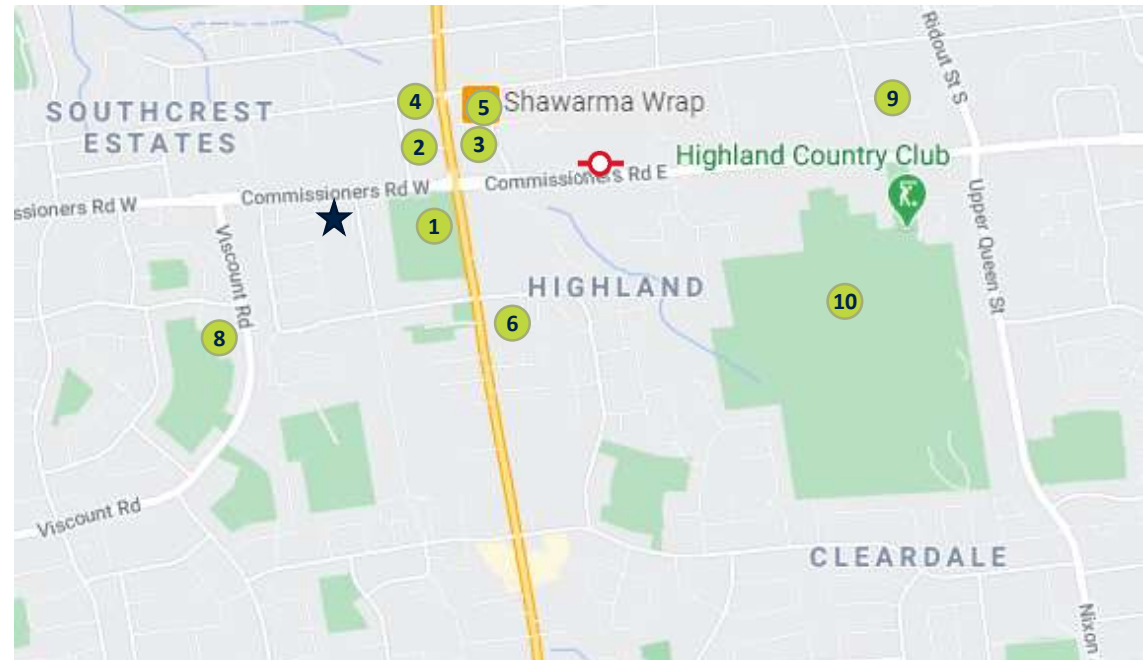
EXTERNAL GROWTH

# 527-531 GORDON AVENUE, LONDON<sup>1</sup>



## Property Overview

527-531 Gordon is a residential site featuring a 71 unit, 8-storey concrete tower and 7 townhouse units. The unit mix features 7 bachelor, 16 1-bedroom and 48 2-bedroom suites in the tower, with all 7 townhomes being 2-bedroom suites. The property is located directly beside Basil Grove park, with the Victoria Hospital a convenient 3km drive away. It also features amenities within walking distance, including banks, grocery stores, and restaurants.



- ★ 500-522 Gordon Avenue
- 1 Basil Grove Park
- 2 RBC Royal Bank
- 3 Grocery Store
- 4 Shoppers Drug Mart
- 5 Wharnccliffe Centre

- 6 Tim Hortons
- 7 The Beer Store
- 8 Arthur Ford Public School
- 9 Mountsfield Public School
- 10 Highland Country Club

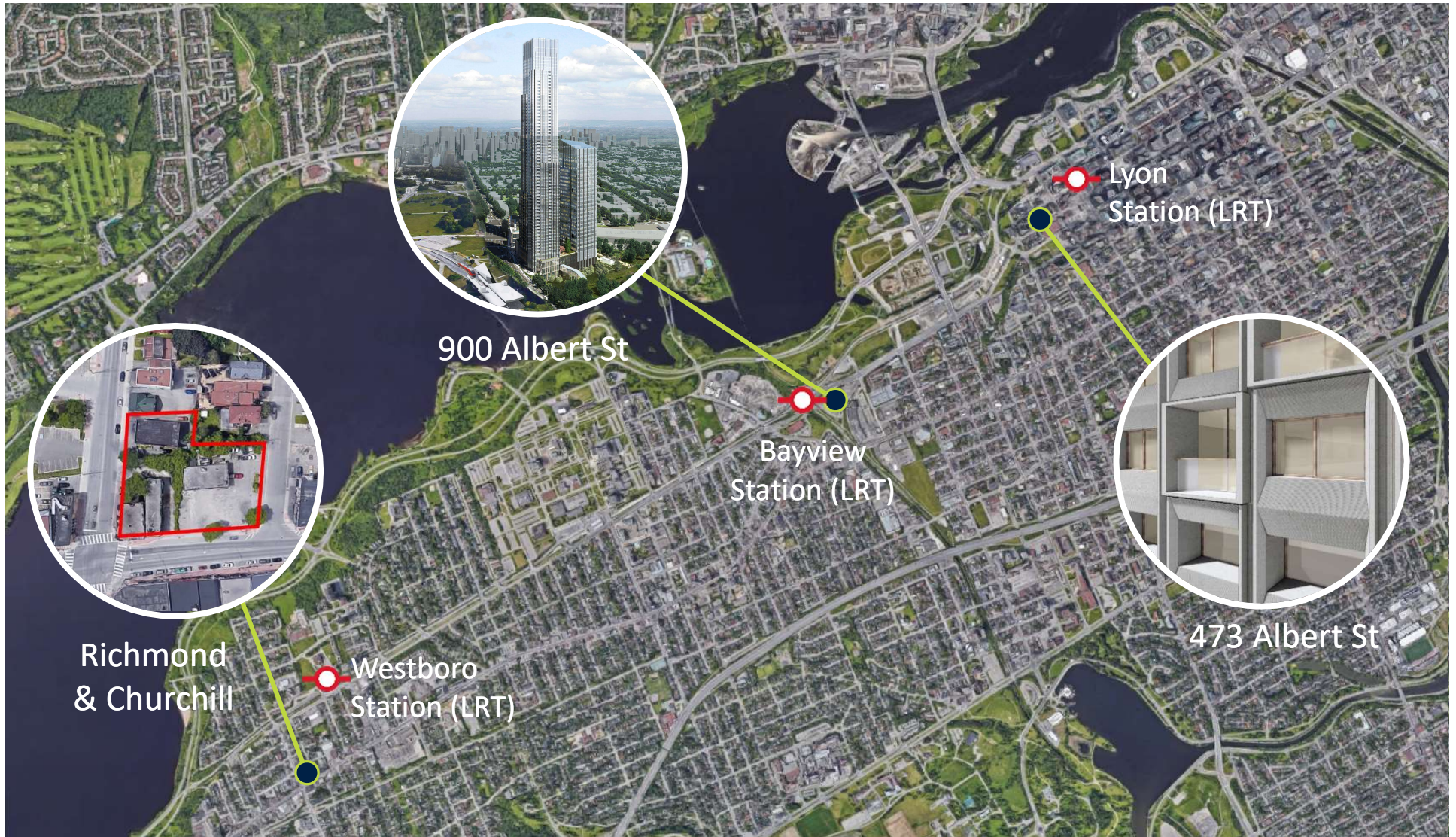
<b>Suite Count</b>	<b>78</b>
<b>Purchase Price</b>	<b>\$13,700,000</b>
<b>Price per Suite</b>	<b>\$175,641</b>

<sup>1</sup> Unconditional deal to acquire this property expected to close in September 2020



EXTERNAL GROWTH

# OTTAWA DEVELOPMENTS





EXTERNAL GROWTH

# BURLINGTON GO LANDS

Burlington GO Lands is an 8.5 acre site located on the edge of a primarily-residential neighbourhood immediately adjacent to the Lakeshore West GO Transit corridor, and within 500 metres of the Burlington GO Train Station.

The REIT and its joint venture partners will develop the site into a large mixed use community.

