



# INTERRENT REIT

INVESTOR PRESENTATION

September 2019



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.





# 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

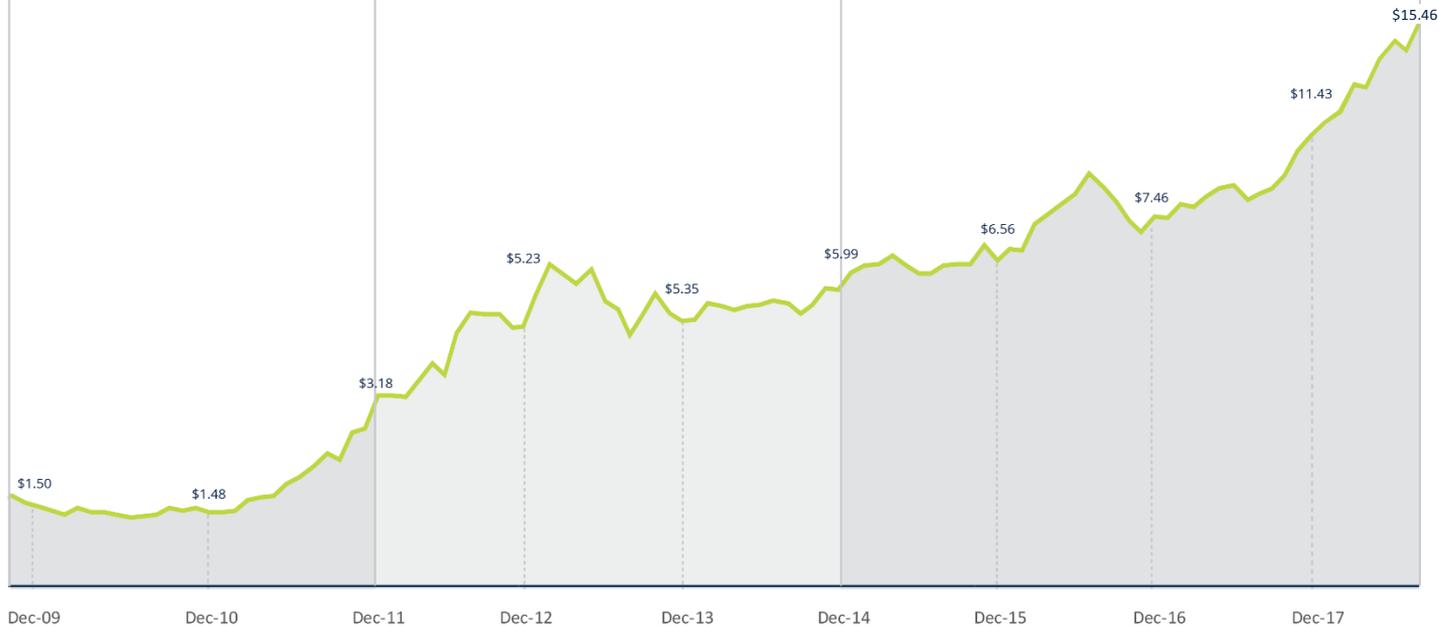
## 2012 - 2014

- 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

## 2015 - PRESENT

- Completed LIV redevelopment
- Continued focus on repositioning and organic growth
- Purchased 1,702 suites in 2015, 545 suites in 2016, 602 suites in 2017, 638 suites in 2018 and 1,110 suites in 2019
- 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 and again by 7% (\$0.27 to \$0.29) in 2018
- 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

DISTRIBUTION INCREASES



Start	September 30, 2009
End	As at September 13, 2019
Unit Price	<b>\$1.50 to \$15.46</b>
Cumulative Distributions	<b>\$1.95</b>
Total Return	<b>1,169%</b>
Number of Suites	4,033 to 10,060 <span style="float: right;">149%</span>

Since current management took over, **InterRent has been one of the best performing REITs in Canada with a total return of 1,169%**. InterRent continues to focus on organic growth of existing properties, target new properties to reposition, as well as acquisitions of properties with untapped value.



# WE ARE PROVIDERS OF HOMES ACROSS ONTARIO AND QUEBEC

## GTA (INCLUDING HAMILTON)

23 PROPERTIES	0.8% PENETRATION	28.7% OF PORTFOLIO
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2,884  
SUITES

357,197<sup>1</sup>  
TOTAL SUITES IN MARKET

## MONTREAL

20 PROPERTIES	0.5% PENETRATION	26.6% OF PORTFOLIO
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2,681  
SUITES

584,743<sup>1</sup>  
TOTAL SUITES IN MARKET

## NATIONAL CAPITAL REGION

27 PROPERTIES	3.5% PENETRATION	29.4% OF PORTFOLIO
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2,961  
SUITES

84,641<sup>1</sup>  
TOTAL SUITES IN MARKET



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

<sup>1</sup> CMHC Fall 2018 Rental Market Report apartment universe.





# TECHNOLOGY ACROSS ALL ASPECTS OF THE BUSINESS

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	Resident Experience
<ul style="list-style-type: none"><li>• Business intelligence</li><li>• Best-in-class cloud platform</li><li>• Automated A/P workflow</li><li>• Fully connected properties</li><li>• Better online team collaboration tools</li><li>• Mobile-enabled workforce</li></ul>	<ul style="list-style-type: none"><li>• Smart homes</li><li>• Resident online self-service:<ul style="list-style-type: none"><li>• Applications</li><li>• Payments</li><li>• Maintenance requests</li><li>• Amenity bookings</li></ul></li></ul>

**Gen 1 CRM...**



**Next Gen CRM**



# 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 7,500 units).

Continued pipeline of potential properties through solid relationships and proprietary lead generation database.



Riviera, Gatineau



5550 Trent, Montreal



Crystal Beach, Ottawa



# 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



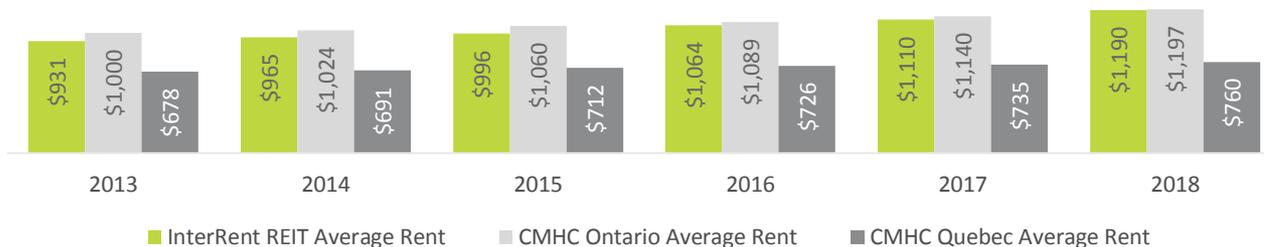


# DELIVERING THE EXPERIENCE

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	5.0%
Ontario (CMHC)	3.7%
Quebec (CMHC)	2.3%



# SUBSTANTIAL UPSIDE IN NON-REPOSITIONED PORTFOLIO

In \$ 000's	3 Months Ended June 30, 2019					
	Repositioned Property Portfolio		Non-Repositioned Property Portfolio		Total Portfolio	
Gross rental revenue	\$25,327		\$8,999		\$34,326	
Less: vacancy & rebates	(731)		(935)		(1,666)	
Other revenue	1,544		538		2,082	
Operating revenues	\$26,140		\$8,602		\$34,742	
Expenses						
Property operating costs	3,654	14.0%	1,456	16.9%	5,110	14.7%
Property taxes	3,140	12.0%	1,159	13.5%	4,299	12.4%
Utilities	1,559	6.0%	732	8.5%	2,291	6.6%
Operating expenses	\$8,353	32.0%	\$3,347	38.9%	\$11,700	33.7%
Net operating income	\$17,787		\$5,255		\$23,042	
Net operating margin	68.0%		61.1%		66.3%	

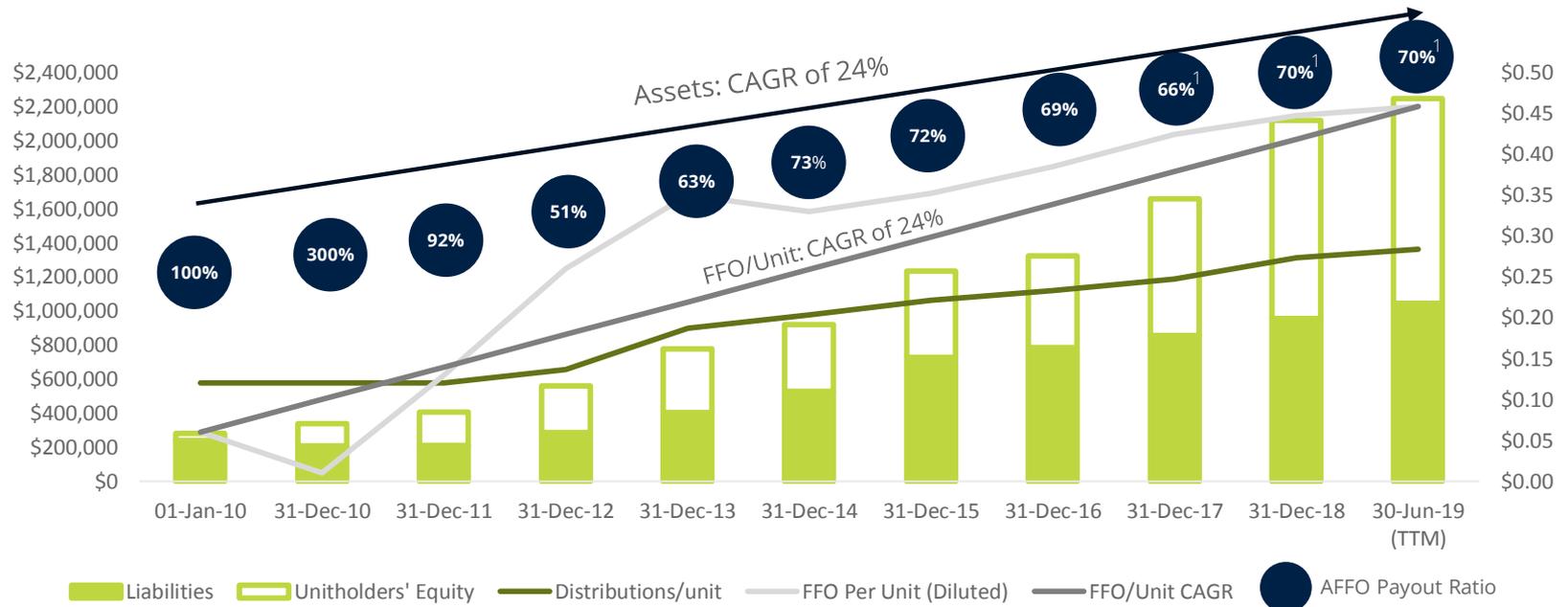
Region	Repositioned Property Portfolio			Non-Repositioned Property Portfolio		
	Suites	June 2019 Average Rent	June 2019 Vacancy	Suites	June 2019 Average Rent	June 2019 Vacancy
Eastern Ontario	204	\$1,159	4.9%	-	-	-
GTA	1,283	\$1,532	1.4%	-	-	-
Hamilton/Niagara	816	\$1,238	4.8%	1,118	\$1,016	3.9%
Montreal	782	\$1,008	4.5%	1,237	\$1,092	17.9%
Gatineau	497	\$939	1.9%	-	-	-
Ottawa	1,968	\$1,386	1.4%	496	\$1,345	5.2%
Western Ontario	997	\$1,191	3.7%	-	-	-
<b>Total</b>	<b>6,547</b>	<b>\$1,280</b>	<b>2.6%</b>	<b>2,851</b>	<b>\$1,106</b>	<b>10.2%</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

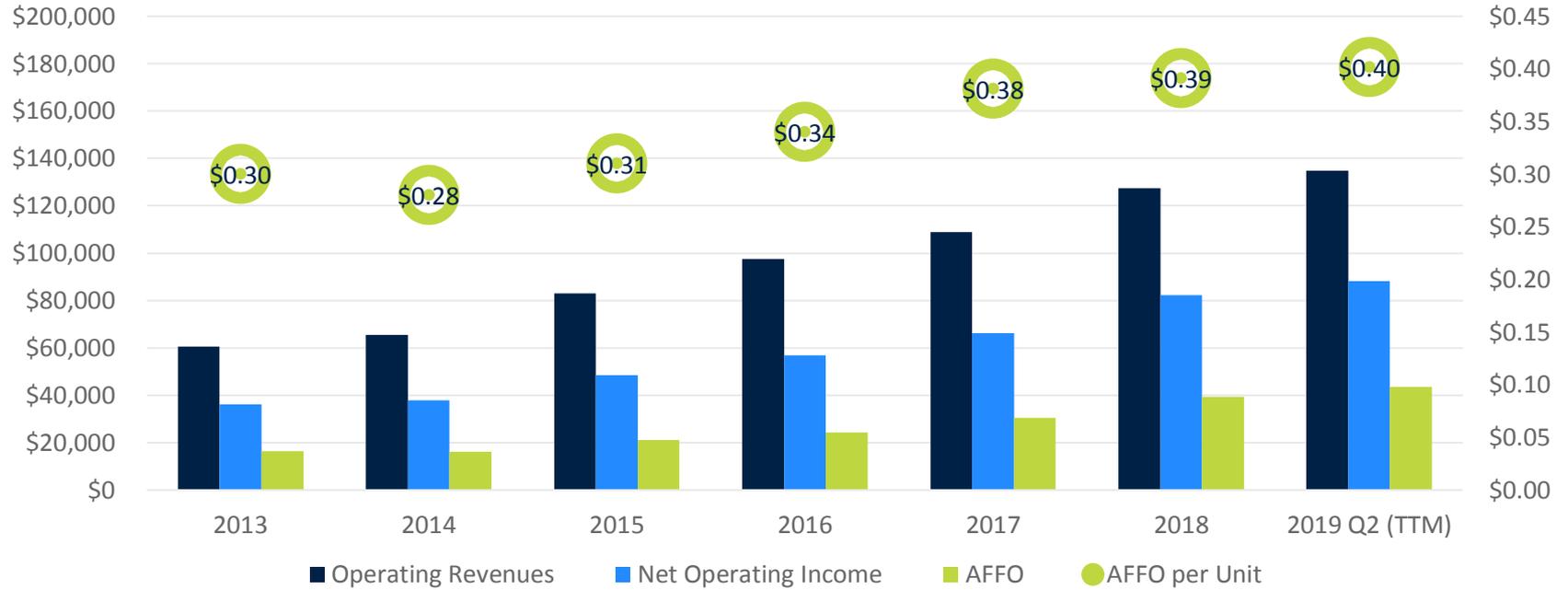
## TOTAL ASSET GROWTH



<sup>1</sup>TTM AFFO for 2017-2019 calculated in accordance to Realpac definition. Prior years calculated differently.

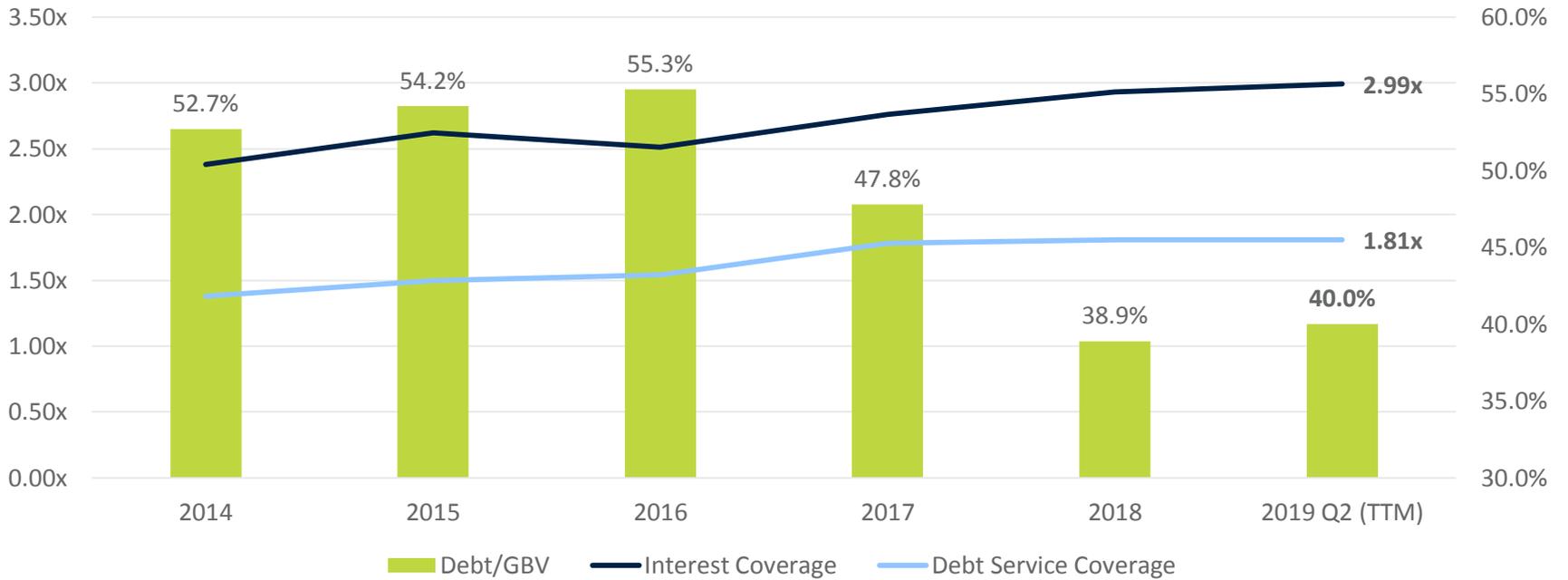


# GROWTH IN ALL THE RIGHT PLACES





# A PROVEN APPROACH TO MANAGING THE BALANCE SHEET





- Conservative and flexible balance sheet
- Well positioned for both organic and external growth
- Potential strategic partnerships & joint ventures
- We have over 3,500 suites in our repositioning portfolio
- Potential to increase density at many sites across our portfolio
- Greenfield development opportunities
- Significant consolidation potential





# APPENDIX





# MONTREAL PORTFOLIO



## Property Overview

This portfolio is comprised of 5 properties in three neighbourhoods in Montreal. The Westmount properties, located at 4560 Sainte-Catherine St W and 2054 Claremont Avenue, are in close proximity to the new McGill University Health Centre Hospital and the Vendome metro station. The properties are also minutes away from Westmount's main retail node that includes banks, restaurants and grocery stores. The Hampstead properties, 5051 Clanranald Avenue and 5015-5025 Clanranald Avenue, are situated off the popular and retail-oriented Queen Mary Road and within walking distance of McDonald Park. These properties allow for quick access to the Décarie Expressway and the Snowdon metro station which are less than 600 metres away. Finally, 6950 Fielding Avenue in Notre-Dame-de-Grâce is adjacent to the large Loyola Park and located within close proximity of Concordia University's Loyola Campus.



- A** 4560 Sainte-Catherine St W
- B** 2054 Claremont Ave
- C** 5051 Clanranald Ave
- D** 5015-5025 Clanranald Ave
- E** 6950 Fielding Ave
- Metro Station
- 1** Westmount High School

- 2** McGill University Health Centre
- 3** Access to Major Highways
- 4** Metro Grocery Store
- 5** Hampstead Retail and Restaurants
- 6** Concordia University – Loyola Campus
- 7** Westmount Retail and Restaurants

<b>Suite Count</b>	<b>253</b>
<b>Purchase Price</b>	<b>\$59,000,000</b>
<b>Price per Suite</b>	<b>\$233,202</b>

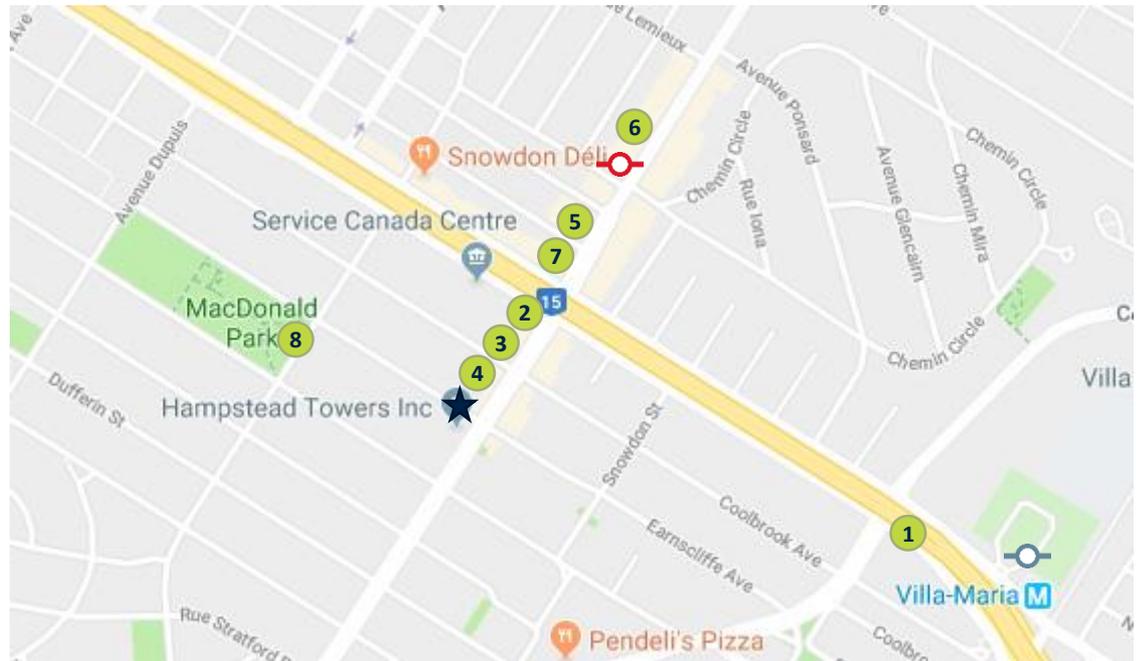


# HAMPSTEAD TOWERS, MONTREAL



## Property Overview

Hampstead Towers is a twenty-six storey concrete highrise, located at 5465 Queen Mary Road in Montreal's sought-after Hampstead neighbourhood. The property currently features 121 spacious residential suites and approximately 31,500 SqFt of commercial space. The property offers its residents an abundance of property specific and neighborhood amenities including being in close proximity to MacDonald park, Decarie blvd, and the Snowdon Metro Station.



<b>Suite Count</b>	<b>121</b>
<b>Commercial</b>	<b>31,500 SqFt</b>
<b>Purchase Price</b>	<b>\$38,360,000</b>

- ★ Hampstead Tower
- Station Snowdon Metro
- Station Villa-Maria Metro
- 1 Autoroute Decarie
- 2 Pharmacy Jean Coutu
- 3 BMO Bank of Montreal
- 4 Starbucks
- 5 Metro Grocery Queen Mary
- 6 Pharmaprix Pharmacy
- 7 SAQ
- 8 MacDonald Park

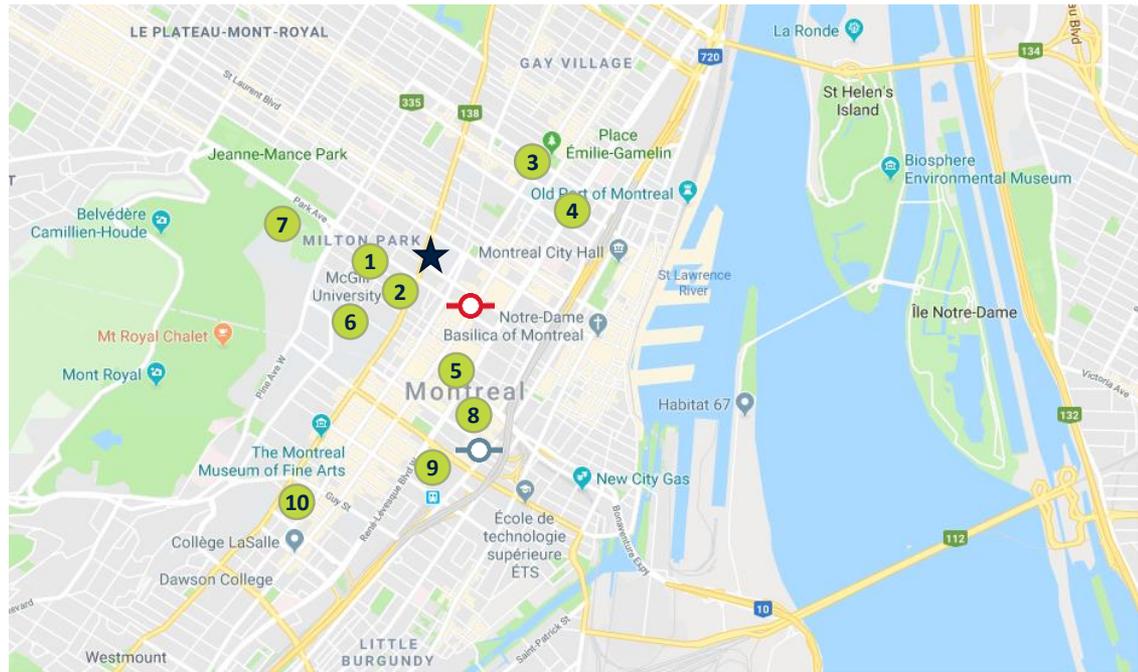


# 235 SHERBROOKE ST W, MONTREAL



## Property Overview

235 Sherbrooke St West, also known as Le Nouveau Colisée, features 293 residential units and approximately 7,000 square feet of prime retail space. With a Walkscore of 99, this property features excellent neighborhood amenities as well as a rooftop terrace, indoor pool, fitness room and sauna. The property is located 290 metres away from Place-des-Arts Metro.



- ★ La Colisée
- Station Place-des-Arts
- Station Gare Centrale
- 1 Proviso Grocery Store
- 2 Jean Coutu Pharmacy
- 3 Université du Québec à Montréal
- 4 Centre Hospitalier de l'Université de Montréal
- 5 Downtown Core
- 6 McGill University
- 7 Montreal Neurological Institute
- 8 Place Ville-Marie
- 9 Bell Centre
- 10 Concordia University

**Suite Count** **293**

**Purchase Price** **\$69,000,000**

**Price per Suite** **\$235,495**

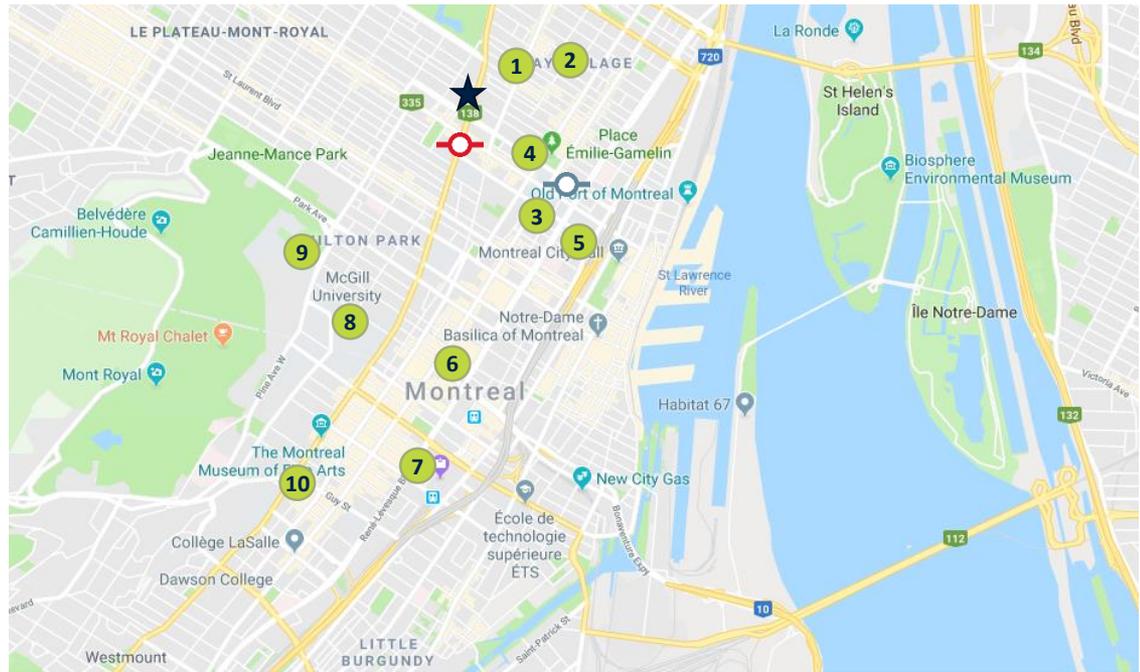


# 1025 SHERBROOKE ST E, MONTREAL



## Property Overview

1025 Sherbrooke Street East, also referred to as Tour Lafontaine, contains 251 residential suites and a commercial office that will be converted to additional amenity space. The current amenities include an indoor pool, gym facilities, and the potential to add further amenities on the rooftop. The property is located 450 metres away from Sherbrooke Metro and boasts a Walkscore of 98.



- ★ La Tour Lafontaine
- Station Sherbrooke Metro
- Station UQAM Metro

- 1 Parc Lafontaine
- 2 Hôpital Notre-Dame
- 3 Université du Québec à Montréal
- 4 BaNQ Grande Bibliothèque

- 5 Centre Hospitalier de l'Université de Montréal
- 6 Downtown Core
- 7 Bell Centre
- 8 McGill University
- 9 Montreal Neurological Institute
- 10 Concordia University

Suite Count

251

Purchase Price

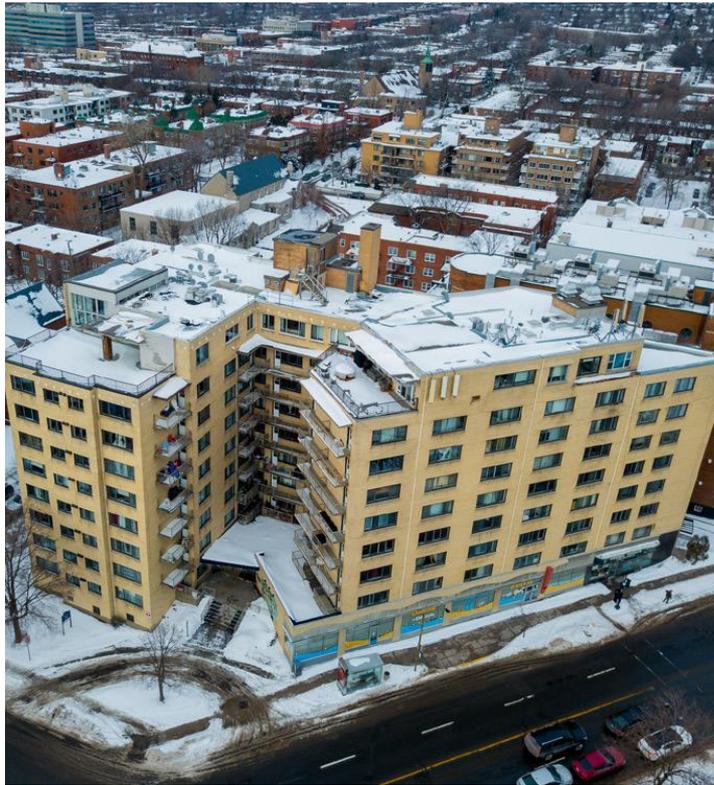
\$63,000,000

Price per Suite

\$250,996

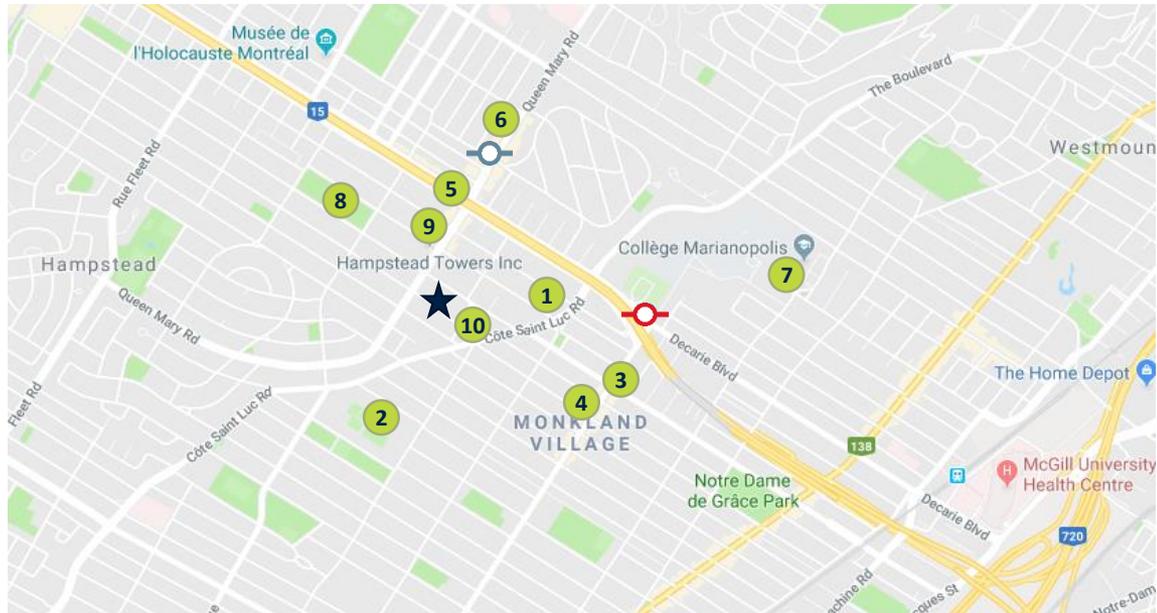


# 4875 DUFFERIN AVE, MONTREAL



## Property Overview

4875 Dufferin Avenue contains 118 residential suites and approximately 6,300 square feet of commercial space. The property is located in the Hampstead neighborhood and is within 500 meters of the Hampstead Towers acquisition announced by InterRent on June 5, 2019. The property is well located and has a Walkscore of 88, with many neighborhood amenities within close proximity.



**Suite Count** **118**

**Purchase Price** **\$22,700,000**

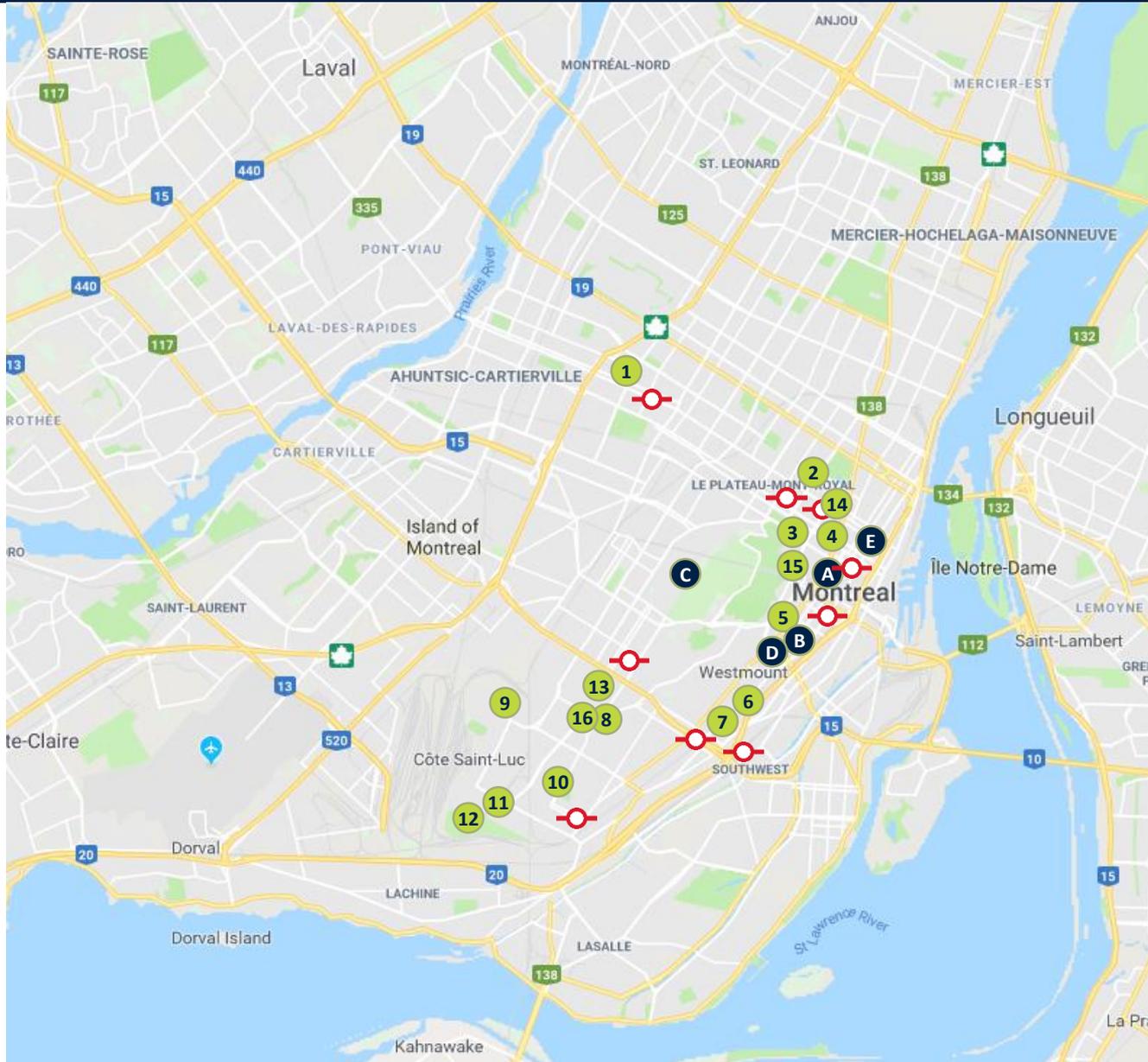
**Price per Suite** **\$192,373**

- ★ 4875 Dufferin Avenue
- Villa-Maria Metro
- Snowdon Metro
- 1 Pharmacy Jean Coutu
- 2 Royal Vale School
- 3 Starbucks
- 4 Provigo

- 5 SAQ
- 6 Pharmaprix
- 7 Collège Marianopolis
- 8 MacDonald Park
- 9 BMO Bank of Montreal
- 10 Solomon Schechter Academy



# MONTREAL



	<u>Properties</u>	<u>Suites</u>
1	Le Mistral	224
2	Le Neuville	127
3	625 Milton	138
4	3474 Hutchison	77
5	VIE Apartments	249
6	4560 Sainte-Catherine	41
7	2054 Claremont	33
8	5051, 5015-5025 Clanranald	75
9	Parc Kildare Apartments	222
10	6950 Fielding	104
11	Maison Hamilton	280
12	Place Kingsley Apartments	328
13	Hampstead Towers	121
14	1023-1025 Sherbrooke St E	251
15	235 Sherbrooke St W	293
16	4875 Dufferin	118
	<b>Total Suites</b>	<b>2,681</b>

- Educational Institutions
- A** McGill University
  - B** Concordia University
  - C** University of Montreal
  - D** Dawson College
  - E** Université du Québec a Montreal
- Transit Stations

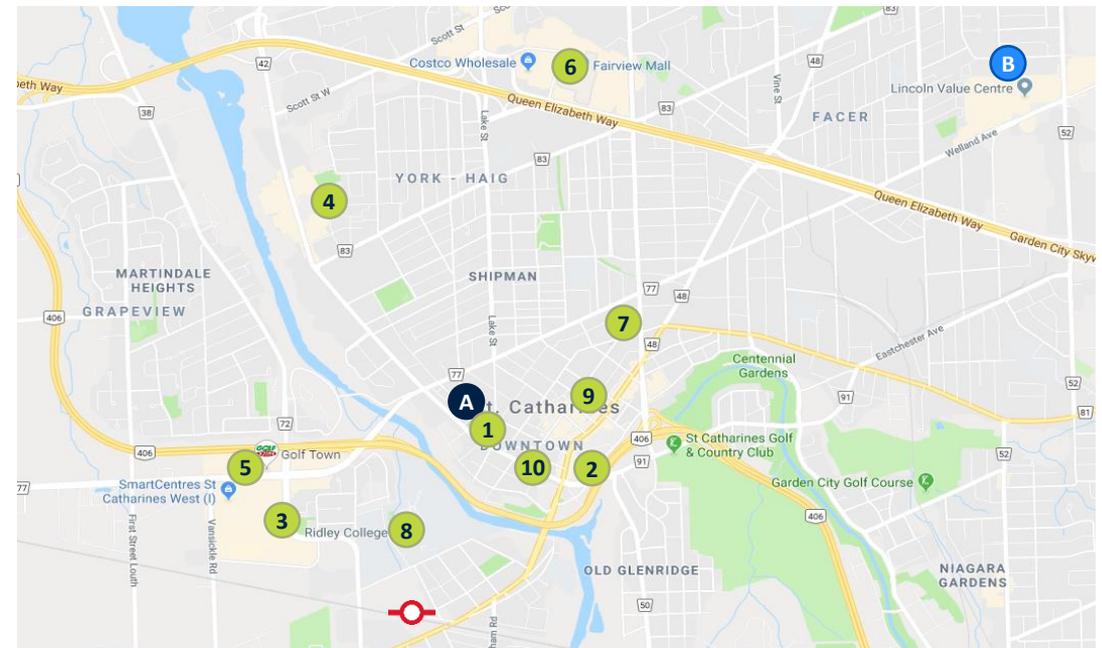


# 158 ONTARIO, ST. CATHARINES



## Property Overview

158 Ontario St. is a charming 10 story high-rise building situated on the edge of downtown in beautiful St. Catharines. Conveniently located within minutes of Montebello Park, the downtown core and the Meridian Centre, this property offers easy access to the city's main attractions. Nearby beaches, walking trails, golf courses and wineries showcase the exquisite natural landscapes of the Niagara Region.



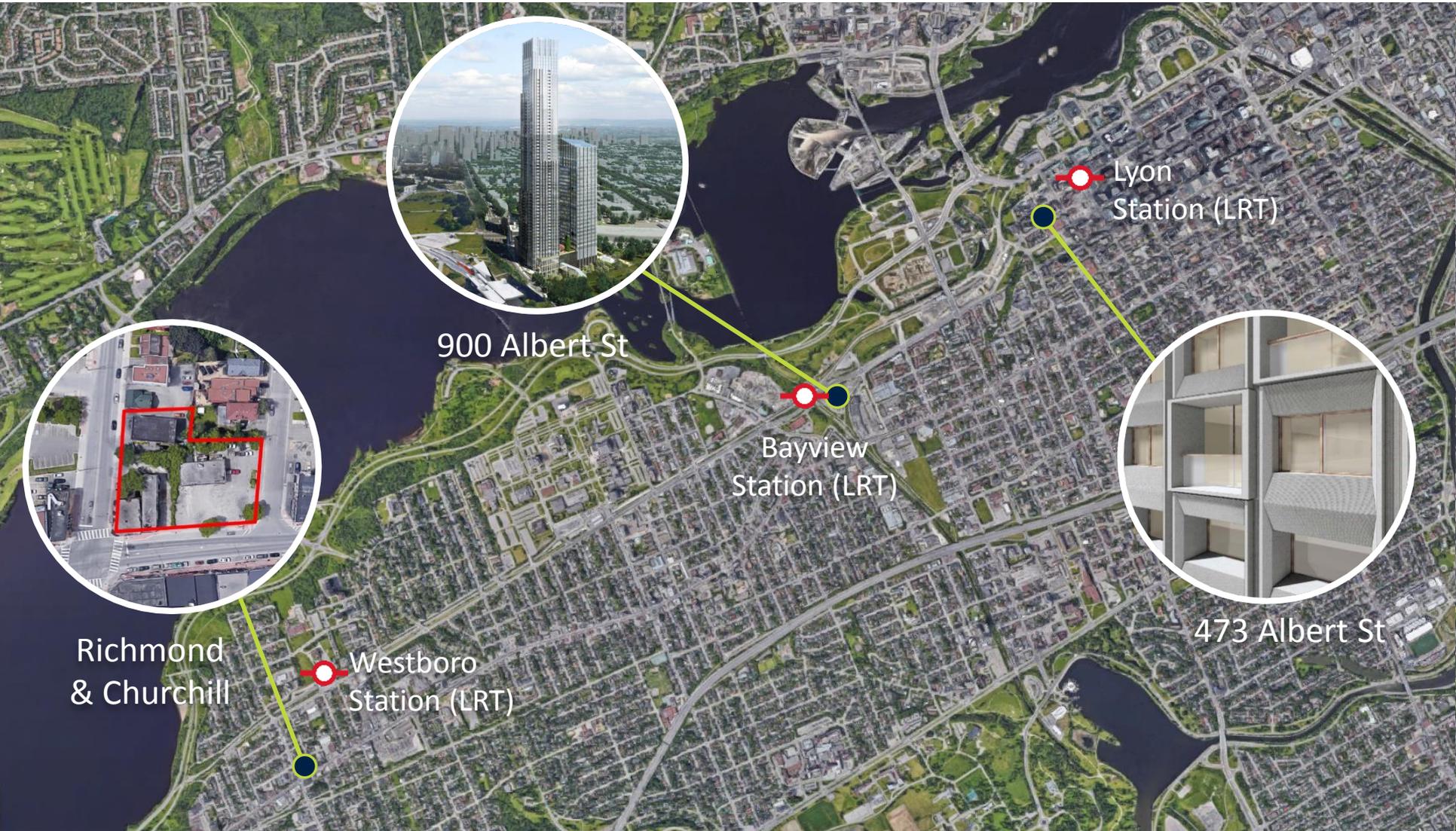
<b>Suite Count</b>	<b>74</b>
<b>Purchase Price</b>	<b>\$11,150,000</b>
<b>Price per Suite</b>	<b>\$150,676</b>

- A** 158 Ontario Street
- 1** Montebello Park
- 2** Meridian Centre
- 3** Real Canadian Superstore
- 4** FreshCo Grocery Store
- 5** SmartCentres St. Catharines
- 6** Fairview Mall
- 7** Saint Nicholas Catholic Elementary School
- 8** Ridley College
- 9** St. Catharines Bus Terminal
- 10** TD Canada Trust
- VIA Rail Canada/GO Train Station
- B** Existing IIP Property – 70 Roehampton Ave



EXTERNAL GROWTH

# OTTAWA DEVELOPMENTS



900 Albert St



Richmond & Churchill



Westboro Station (LRT)



Bayview Station (LRT)



Lyon Station (LRT)



473 Albert St



# 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.



Burlington GO  
Station



Burlington  
GO Lands

