# INTERRENT REIT

## INVESTOR PRESENTATION

**April 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. 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.


157 Pearl | Hamilton

# 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

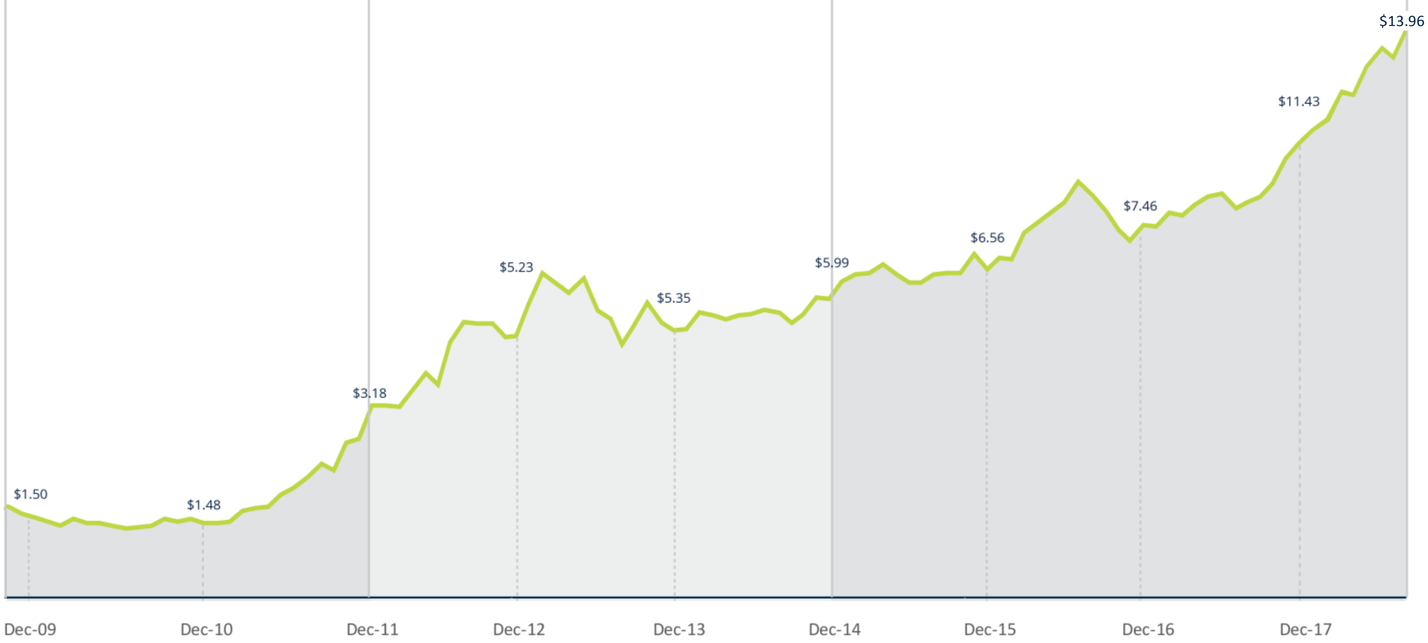
## 2012 - 2014

- 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 and 638 suites in 2018
- 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
- Entered into joint venture for development of 900 Albert Street
- Internalized property management in 2018

| DISTRIBUTION INCREASES | | | | | | | |
|---|---|---|---|---|---|---|---|
| | +33% | +25% | +10% | +5% | +5% | +11% | +7% |





| | | |
|---|---|---|
| Start | September 30, 2009 | |
| End | As at April 2, 2018 | |
| Unit Price | **$1.50 to $14.29** | |
| Cumulative Distributions | **$1.83** | |
| Total Return | **1063%** | |
| Number of Suites | 4,033 to 9,277 | 130% |

Since current management took over, **InterRent has been one of the best performing REITs in Canada with a total return of 1063%.** 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)

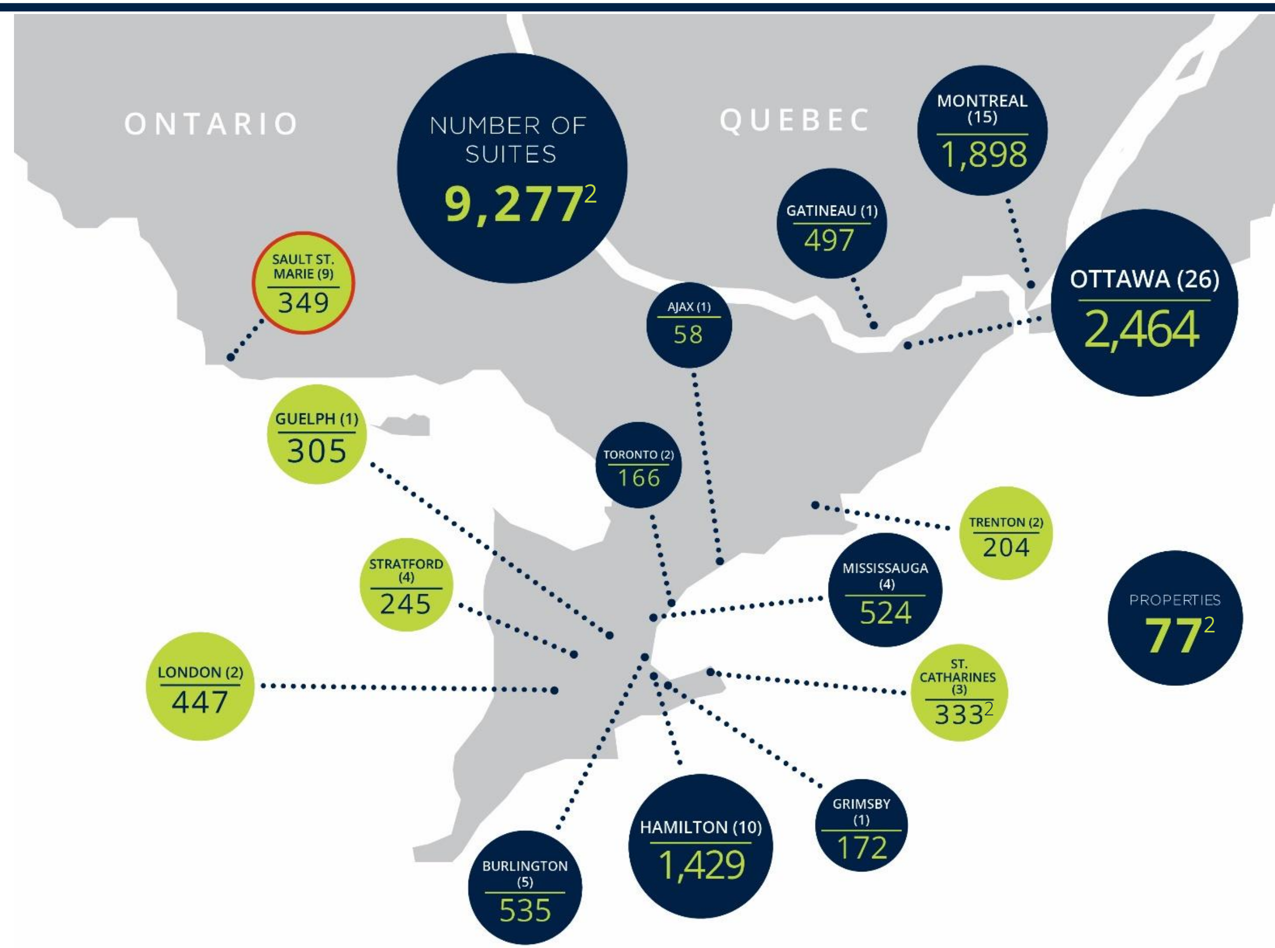
| | | |
|---|---|---|
| 23 PROPERTIES | 0.8% PENETRATION | 31.1% OF PORTFOLIO |
| 2,884 SUITES | 357,197[1] TOTAL SUITES IN MARKET | |

## MONTREAL

| | | |
|---|---|---|
| 15 PROPERTIES | 0.3% PENETRATION | 20.5% OF PORTFOLIO |
| 1,898 SUITES | 584,743[1] TOTAL SUITES IN MARKET | |

## NATIONAL CAPITAL REGION

| | | |
|---|---|---|
| 27 PROPERTIES | 3.5% PENETRATION | 31.9% OF PORTFOLIO |
| 2,961 SUITES | 84,641[1] TOTAL SUITES IN MARKET | |




Primary Market
7,743 Suites

Secondary Market
1,534 Suites

Sold in January 2019
349 Suites

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

[1] CMHC Fall 2018 Rental Market Report apartment universe.
[2] Includes unconditional deal to acquire 74 suites in St. Catharines expected to close in April 2019.

# PROVEN ABILITY TO SOURCE DEALS

Proven track record of sourcing acquisitions, with over $900 Million in acquisitions since change of control (over 6,900 units).[1]

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

## 2015


5501 Adalbert, Montreal
Forest Ridge, Ottawa
Britannia Portfolio, Ottawa
181 Lebreton & 231 Bell, Ottawa
Stoney Creek Portfolio, Hamilton
Maple & Brant, Burlington

## 2016


1101 Rachel, Montreal
Parkway Park, Ottawa

## 2017


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

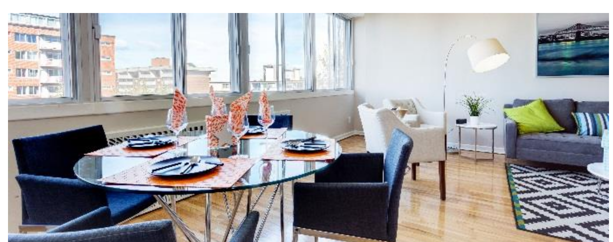
## 2018


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

## 2019


Montreal Portfolio
158 Ontario, St. Catharines[1]

Riviera, Gatineau



5550 Trent, Montreal

Crystal Beach, Ottawa

[1] Includes unconditional deal to acquire 74 suites in St. Catharines expected to close in April 2019.

# VALUE ADD STRATEGY

## Acquisitions/Development

- Acquire properties that have untapped value that can be realized through the REIT's repositioning strategy
- Develop properties in our target growth areas

## Recycling and Allocation of Capital

- Regularly review the properties within the portfolio to determine the most efficient and effective use of capital
- Refinance at more favourable rates/terms
- Disposition of non-core assets

## Customer Service

Offer an unsurpassed customer experience by:

- Multi-channel communication stream
- Dedicated customer advocates
- Tracking and reporting to senior management of customer concerns and feedback
- Creating a sense of community

## Our People

Hiring excellence, providing constant training and career advancement

## Cost Reduction and Containment

Implement energy-efficient utility programs to lower operating costs while utilizing government programs to leverage investment dollars.

- Replace old boilers, domestic hot water heaters, water fixtures and lighting fixtures
- Conversion of domestic hot water heaters from electric to gas
- Implement hydro submetering programs
- Focus on preventative maintenance
- Reduce customer turnover by providing better customer service

## Driving and Enhancing Revenue Streams

Continuously search for new revenue streams as well as ways to grow existing ones.

- Increase rents on turnover through exterior, common area and in-suite improvements
- Securing additional streams of income through rooftop leases and revenue sharing agreements
- Growing the rental revenue base organically while at the same time improving its stability
- Increased focus on parking and ancillary revenue
- Adding suites within under-utilized space

# FOCUS ON REPOSITIONING

Before | After

## EXTERIOR UPGRADES

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

5220 Lakeshore | Burlington

## 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

# SUBSTANTIAL UPSIDE IN NON-REPOSITIONED PORTFOLIO

| In $ 000's | 12 Months Ended December 31, 2018 | | | | | |
|---|---|---|---|---|---|---|
| | Repositioned Property Portfolio | | Non-Repositioned Property Portfolio | | Total Portfolio | |
| Gross rental revenue | $84,884 | | $41,098 | | **$125,982** | |
| Less: vacancy& rebates | (3,002) | | (3,041) | | **(6,043)** | |
| Other revenue | 5,019 | | 2,328 | | **7,347** | |
| Operating revenues | $86,901 | | $40,385 | | **$127,286** | |
| Expenses | | | | | | |
| Property operating costs | 12,502 | 14.4% | 6,431 | 15.9% | **18,933** | **14.9%** |
| Property taxes | 10,527 | 12.1% | 5,570 | 13.8% | **16,097** | **12.6%** |
| Utilities | 6,415 | 7.4% | 3,623 | 9.0% | **10,038** | **7.9%** |
| Operating expenses | $29,444 | 33.9% | $15,624 | 38.7% | **$45,068** | **35.4%** |
| Net operating income | $57,457 | | $24,761 | | **$82,218** | |
| Net operating margin | 66.1% | | 61.3% | | **64.6%** | |

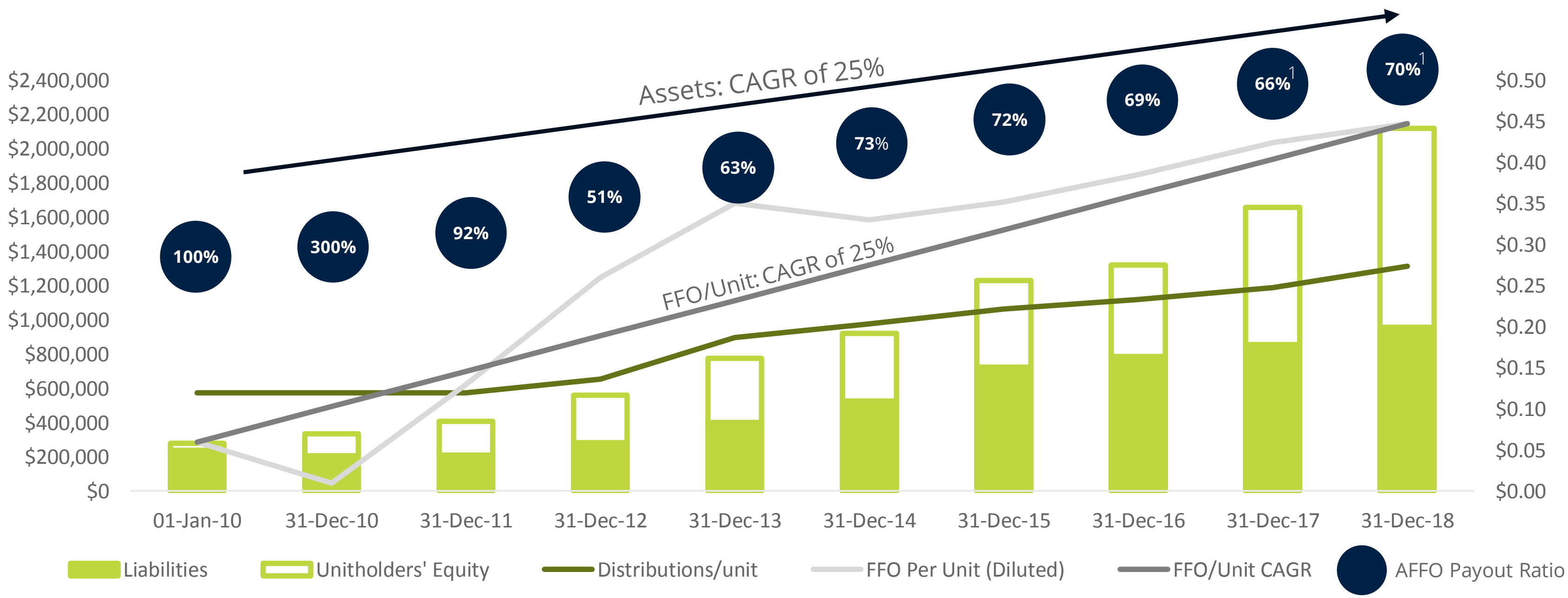
| Region | Repositioned Property Portfolio | | | Non-Repositioned Property Portfolio | | |
|---|---|---|---|---|---|---|
| | Suites | December 2018 Average Rent | December 2018 Vacancy | Suites | December 2018 Average Rent | December 2018 Vacancy |
| Eastern Ontario | 204 | $1,117 | 0.0% | - | - | - |
| GTA | 1,160 | $1,515 | 0.8% | 123 | $1,263 | 0.5% |
| Hamilton/Niagara | 816 | $1,205 | 2.9% | 1,044 | $989 | 5.5% |
| Northern Ontario | 349 | $963 | 1.7% | - | - | - |
| Montreal | 502 | $988 | 2.5% | 1,143 | $1,036 | 11.9% |
| Gatineau | 497 | $919 | 4.0% | - | - | - |
| Ottawa | 1,287 | $1,410 | 2.5% | 1,177 | $1,267 | 2.5% |
| Western Ontario | 997 | $1,149 | 1.1% | - | - | - |
| **Total** | **5,812** | **$1,240** | **1.9%** | **3,487** | **$1,108** | **6.1%** |

# 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




[1]TTM AFFO for 2017 & 2018 calculated in accordance to Realpac definition. Prior years calculated differently.

# GROWTH IN ALL THE RIGHT PLACES

| *In $000s, except as noted* | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|
| Total Suites | 3,998 | 3,820 | 4,695 | 6,048 | 6,700 | 8,389 | 8,059 | 8,660 | 9,299 |
| Occupancy Rate | 96.3% | 96.6% | 97.8% | 96.4% | 96.1% | 94.6% | 94.8% | 97.9% | 96.6% |
| Average Rent Per Suite | $805 | $843 | $887 | $931 | $965 | $996 | $1,064 | $1,110 | $1,190 |
| Operating Revenues | $35,352 | $38,471 | $47,530 | $60,506 | $65,404 | $82,977 | $97,466 | $109,004 | $127,286 |
| Net Operating Income (NOI) | $15,913 | $20,506 | $27,946 | $36,041 | $37,884 | $48,490 | $56,868 | $66,166 | $82,218 |
| NOI % | 45.0% | 53.3% | 58.8% | 59.6% | 57.9% | 58.4% | 58.3% | 60.7% | 64.6% |
| Funds from Operations (FFO) | $232 | $4,300 | $13,489 | $18,883 | $18,836 | $24,425 | $27,796 | $34,662 | $44,910 |
| FFO Per Unit (basic) | $0.01 | $0.13 | $0.31 | $0.35 | $0.33 | $0.35 | $0.39 | $0.43 | $0.45 |
| Adjusted Funds from Operations (AFFO) | $1,135 | $4,343 | $11,748 | $16,278 | $16,189 | $21,145 | $24,170 | $30,570[1] | $39,294[1] |
| AFFO Per Unit (basic) | $0.04 | $0.13 | $0.27 | $0.30 | $0.28 | $0.31 | $0.34 | $0.38[1] | $0.39[1] |
| Debt to GBV | 58.3% | 48.5% | 46.8% | 47.4% | 52.7% | 54.2% | 55.3% | 47.8% | 38.9% |

Elmridge | Ottawa

[1]TTM AFFO for 2017 & 2018 calculated in accordance to Realpac definition. Prior years calculated differently.

# A PROVEN APPROACH TO MANAGING THE BALANCE SHEET

## MORTGAGE SCHEDULE

| Year Maturing | Mortgage & Debt Balance (000s) 31-Dec-18 | Weighted Average by Maturity | Weighted Average Interest Rate |
|---|---|---|---|
| 2019 | $91,789 | 11.2% | 3.80% |
| 2020 | $96,573 | 11.8% | 3.10% |
| 2021 | $52,950 | 6.5% | 3.65% |
| 2022 | $71,897 | 8.8% | 2.83% |
| 2023 | $69,494 | 8.5% | 2.73% |
| Thereafter | $434,809 | 53.2% | 2.93% |
| **Total** | $817,512 | 100.0% | 3.04% |

| | |
|---|---|
| **INTEREST COVERAGE** | **2.93x** |
| **DEBT SERVICE COVERAGE** | **1.81x** |
| DEBT TO GBV 31-Dec-18 | **38.9%** |

Hamilton Landing | Trenton


700 Ross | Burlington


939 Western | London

# EXECUTIVE TEAM

BOARD

**PAUL AMIRAULT**
Trustee

**PAUL BOUZANIS**
Trustee

**JOHN JUSSUP**
Trustee

**RONALD LESLIE**
Trustee

**MIKE MCGAHAN**
Trustee

**CHERYL PANGBORN**
Trustee

*"Good teams become great ones when the members trust each other enough to surrender the Me for the We"*
*- PHIL JACKSON*

INTERRENT REIT

**MIKE MCGAHAN**
Chief Executive Officer
& Trustee

Property Management
Operations
Acquisitions
Development
Syndications
Brokerage

**BRAD CUTSEY, CFA**
President

Capital Markets / Investor Relations
Research & Financial Modeling
Acquisitions
Property Management
Strategic Management

**CURT MILLAR, CPA, CA**
Chief Financial Officer

Corporate Finance
Accounting & Financial Reporting
Operations Management
Acquisitions
Business Development
Process & Systems Optimization

**DAVE NEVINS**
Chief Operating Officer

Property Management
Operations
Construction

**BRIAN AWREY, CPA, CA**
Vice President

Financial Reporting
Corporate Finance
Accounting

**100+ Years Combined Experience**

Our success is dependent on our team members. The InterRent team has a proven track record of creating value through repositioning rental properties, providing both the experience and ability necessary to continue to grow and improve the REIT while creating value for our unitholders.

# APPENDIX

LIV | Ottawa

# RECENT EVENTS

## "4Q Results—IIP Beats our Forecast on Stronger-than-Expected NOI"

- Michael Markidis, Desjardins

February 25, 2019

## "Best Margin Expansion in the Sector"

- Yashwant Sankpal, Laurentian Bank Securities

October 31, 2018

## "Strong Fundamentals Drive Solid Cash Flow Growth"

- Mark Rothschild, Canaccord Genuity

August 14, 2018

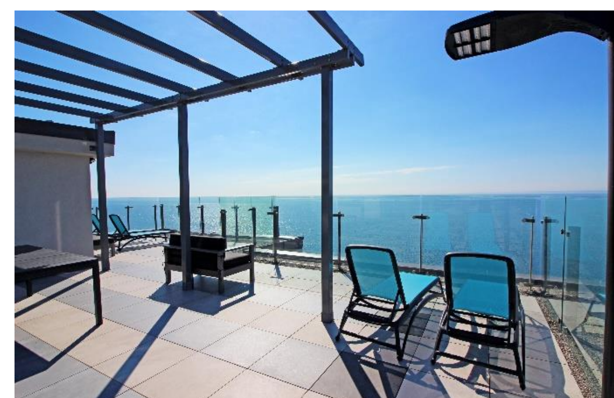
## "Maintaining Outperform on Rent Growth Potential"

- Troy MacLean, BMO Capital Markets

May 16, 2018

Britannia | Ottawa

LIV | Ottawa



5220 Lakeshore| Burlington

# PRICE TARGETS & NAV/UNIT ESTIMATES

| Broker | Date | Rating | Target Price | NAV/Unit Estimate | NAV/Unit Cap Rate |
|---|---|---|---|---|---|
| BMO Capital Markets | 28-Feb-19 | Outperform | $15.00 | $12.00 | 4.3% |
| Canaccord Genuity | 2-Apr-19 | Hold | $15.00 | $13.00 | 4.5% |
| CIBC World Markets | 26-Feb-19 | Neutral | $14.00 | $12.25 | 4.5% |
| Desjardins Capital Markets | 26-Feb-19 | Buy | $15.00 | $12.00 | 4.4% |
| Echelon Wealth Partners | 2-Apr-19 | Buy | $16.00 | $12.00 | 4.4% |
| GMP Securities | 26-Feb-19 | Hold | $13.50 | $11.45 | 4.4% |
| Industrial Alliance Securities | 26-Feb-19 | Hold | $14.00 | $12.25 | 4.3% |
| Laurentian Bank Securities | 27-Feb-19 | Buy | $15.50 | $12.40 | 4.6% |
| NBF | 26-Feb-19 | Sector Perform | $14.00 | $12.45 | 4.3% |
| Raymond James | 27-Feb-19 | Strong Buy | $15.50 | $12.00 | 4.4% |
| RBC Capital Markets | 26-Feb-19 | Sector Perform | $14.50 | $11.75 | 4.4% |
| Scotiabank GBM | 27-Feb-19 | Sector Outperform | $15.00 | $12.00 | 4.4% |
| TD Securities | 1-Apr-19 | Buy | $16.50 | $13.60 | 4.1% |
| **Average** | | | **$14.88** | **$12.24** | **4.4%** |

"We believe IIP should be able to comfortably deliver mid-single digit FFO/unit growth over the next few years for the following reasons: 1) rental fundamentals remain strong in all its core markets. Even though IIP was able to grow its AMR at 8%/year for the last two years, management is of the view that its overall in-place rents are 20-25% below the market rents, and 2) ~37% of IIP's suites are non-repositioned and currently producing NOI/suite of $7.7K per year, approximately 20% below that of a repositioned suite."

- Yashwant Sankpal, Laurentian Bank Securities
February 27, 2019

"We expect further rent growth in its core markets considering the strong demand and lack of new supply. Vacancy is at or below long-term averages in most of the REIT's markets, which is giving landlords increased pricing power. The difference in rents for existing properties vs. new supply, which reflects a rising construction cost (above inflation), also points to very strong rent growth going forward."

- Troy MacLean, BMO Capital Markets
February 28, 2019

"**Sector-Best Portfolio Performance Continues:** InterRent reported 4Q18 FFO of $0.11 per unit, flat vs. 4Q17, and in-line with our estimate and consensus. More importantly, underlying portfolio performance metrics accelerated into year-end, with 4Q18 SP revenue and NOI growing by +8.1% and +16.2% respectively (+7.8%/+14.6% for FY18). Not only was SPNOI growth in the double-digit range for the sixth straight quarter, but also led the North American multi-family space. We expect strong fundamentals to continue at least through 2020."

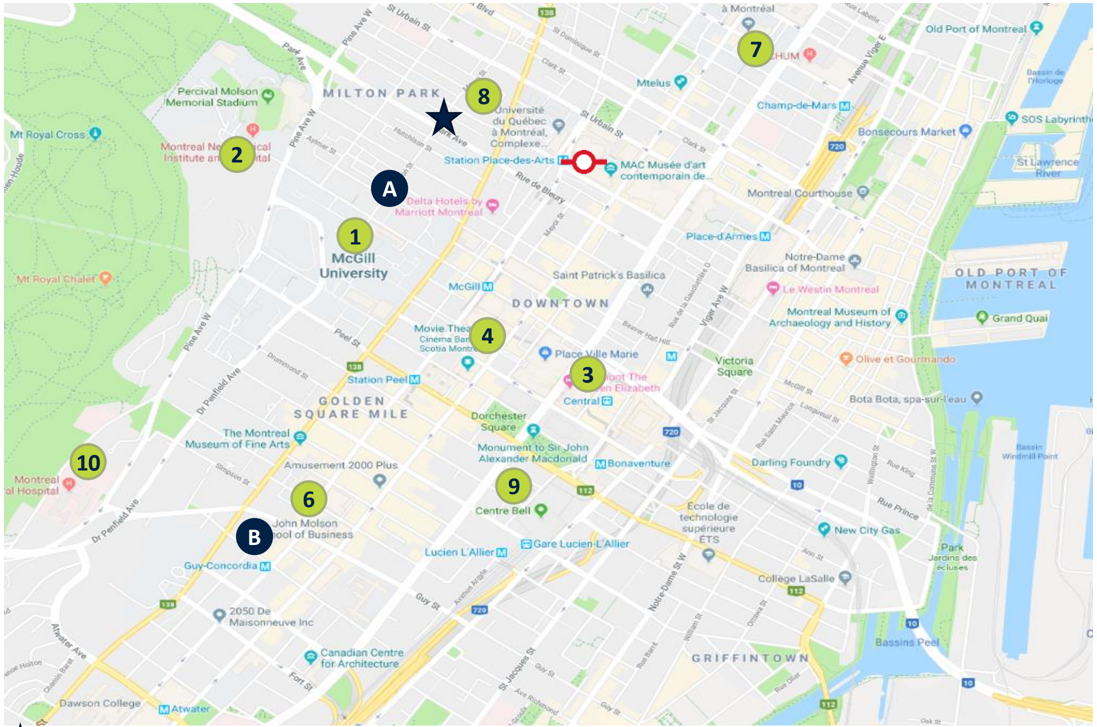
- Ken Avalos, Raymond James
February 27, 2019

# 3474 RUE HUTCHISON, MONTREAL

| | |
|---|---|
| **Suite Count** | **77** |
| **Purchase Price** | **$15,737,932** |
| **Price per Suite** | **$204,389** |

## Property Overview

3474 Hutchison is a 13 storey building located steps away from Montreal's downtown core. The property, constructed in 1964, is located less than 400m away from the city's Place-des-Arts Metro station on the Green Line. The property is also within close proximity to the McGill University Campus, which is a mere 5 minute walk.



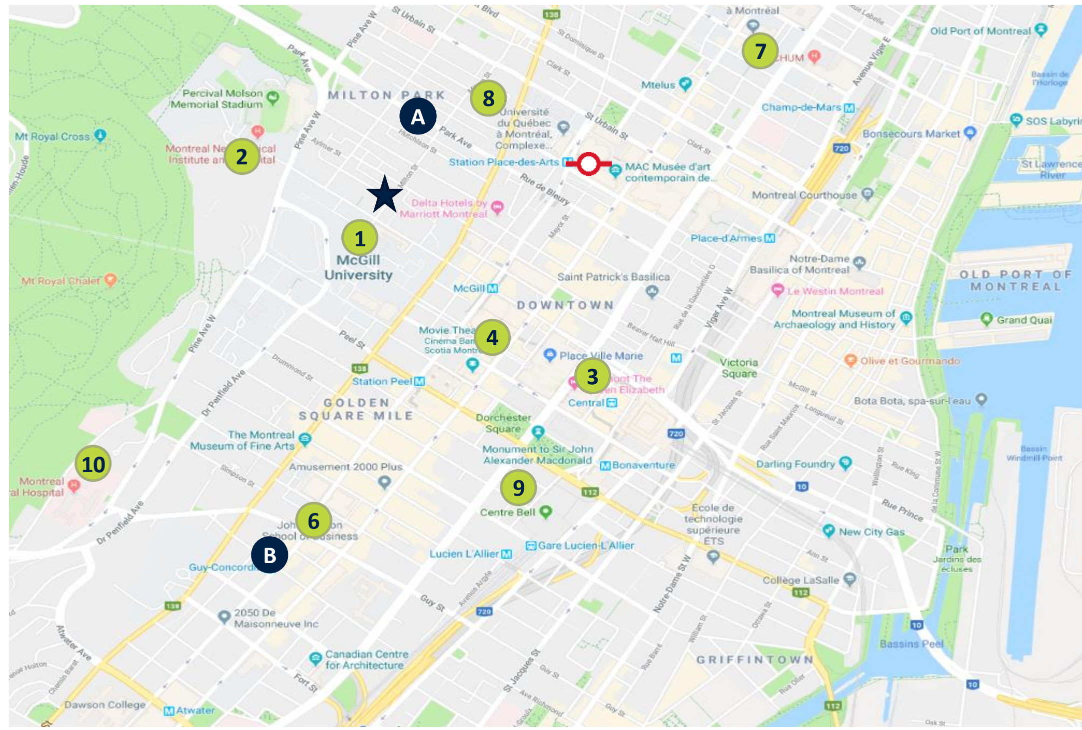

★ 3474 Rue Hutchison
Station Place-des-Arts Metro
1 McGill University
2 Montreal Neurological Institute & Hospital
3 Central Business District
4 Montreal Eaton Centre
5 Access to Mont Royal
6 Concordia University
7 Université du Québec à Montréal
8 Provigo Supermarket
9 Centre Bell – Entertainment Complex
10 Montreal General Hospital
A 625 Rue Milton
B 2121 & 2255 Rue Saint-Mathieu

# 625 RUE MILTON, MONTREAL

| | |
|---|---|
| **Suite Count** | **138** |
| **Purchase Price** | **$28,542,068** |
| **Price per Suite** | **$206,827** |

## Property Overview

625 Milton is an 18 storey building located steps away from Montreal's downtown core. The property, constructed in 1965, is located less than 700m away from the city's Place-des-Arts Metro station on the Green Line. The property is also within close proximity to the McGill University Campus, which is a mere 2 minute walk.



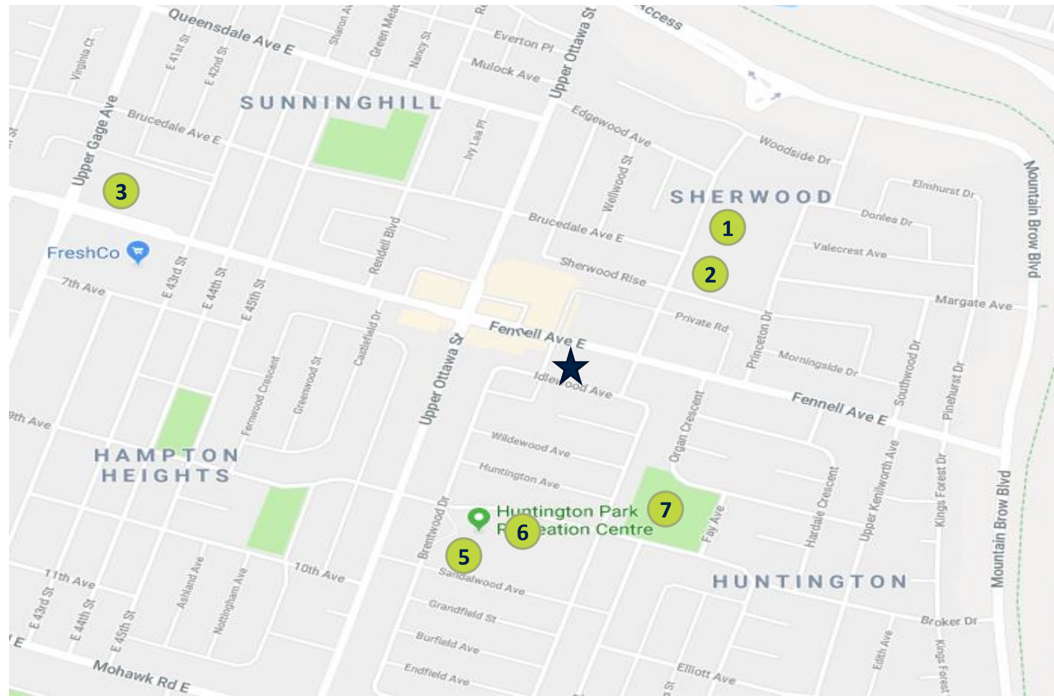

- ★ 625 Rue Milton
- Station Place-des-Arts Metro
- 1 McGill University
- 2 Montreal Neurological Institute & Hospital
- 3 Central Business District
- 4 Montreal Eaton Centre
- 5 Access to Mont Royal
- 6 Concordia University
- 7 Université du Québec à Montréal
- 8 Provigo Supermarket
- 9 Centre Bell – Entertainment Complex
- 10 Montreal General Hospital
- A 3474 Rue Hutchison
- B 2121 & 2255 Rue Saint-Mathieu

# 1170 FENNELL AVENUE EAST, HAMILTON

| | |
|---|---|
| **Suite Count** | **63** |
| **Purchase Price** | **$7,900,000** |
| **Price per Suite** | **$125,397** |

## Property Overview

1170 Fennell Avenue East is located on the Hamilton Mountain near Upper Ottawa Street and Mountain Brow Boulevard. The 63 unit apartment building provides accessible public transportation nearby, along with multiple schools, shopping and community centres for tenants.



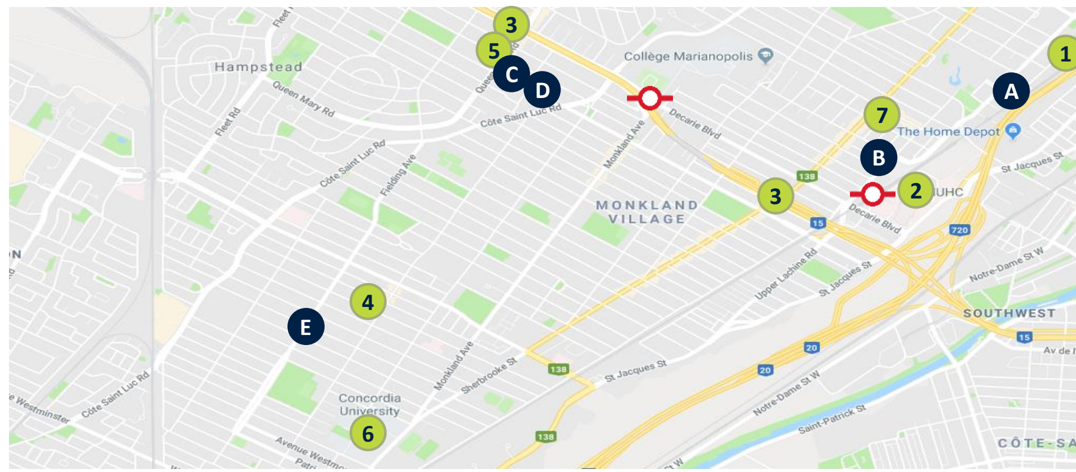

- ★ 1170 Fennell Avenue East
- 1 Sherwood Secondary
- 2 École Élémentaire Pavillon de la Jeunesse
- 3 Metro Grocery Store
- 4 TD Canada Trust
- 5 Huntington Park Recreation Centre
- 6 Huntington Park School
- 7 Fay Avenue Park

# MONTREAL PORTFOLIO

| | |
|---|---|
| Suite Count | 253 |
| Purchase Price | $59,000,000 |
| Price per Suite | $233,202 |

## 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.



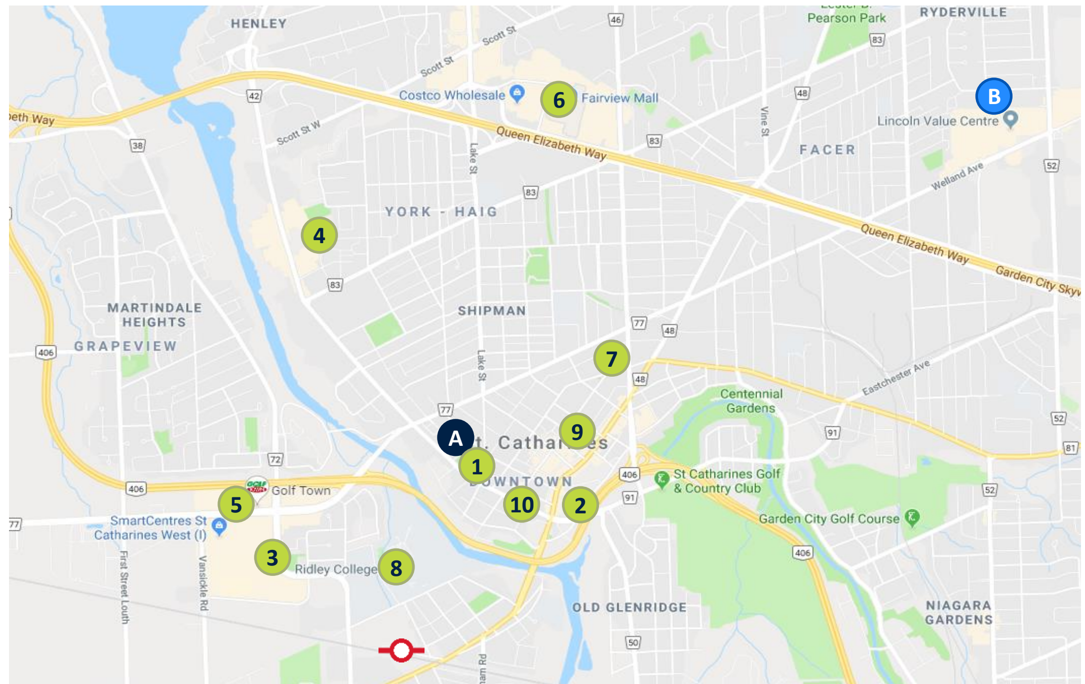

- A 4560 Sainte-Catherine St W
- B 2054 Claremont Ave
- C 5051 Clanranald Ave
- D 5015-5025 Clanranald Ave
- E 6950 Fielding Ave
- Metro Station
- 1 Westmount High School
- 2 McGill University Health Centre
- 3 Access to Major Highways
- 4 Metro Grocery Store
- 5 Hampstead Retail and Restaurants
- 6 Concordia University – Loyola Campus
- 7 Westmount Retail and Restaurants

# 158 ONTARIO, ST. CATHARINES

| | |
|---|---|
| **Suite Count** | **74** |
| **Purchase Price** | **$11,150,000** |
| **Price per Suite** | **$150,676** |

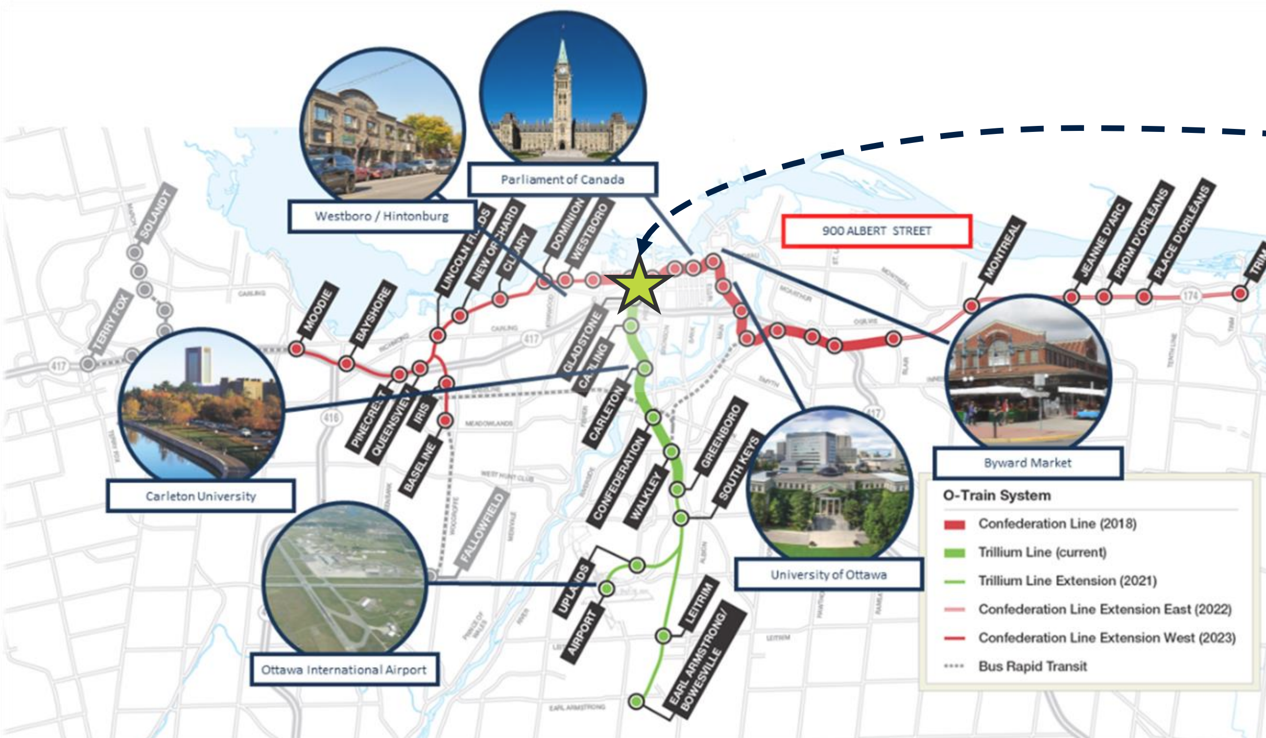
## Property Overview

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.




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

# TRANSFORMATIONAL DEVELOPMENT IN OTTAWA





★ 900 Albert Street – Development Site

1. Bayview Station – LRT Trillium and Confederation Intersection
2. LeBreton Flats Development – *6 min walk (500m)*
3. City Centre Complex – *1 min walk (100m)*
4. Little Italy – *10 min walk (850m)*
5. Ottawa River Pathway (biking and walking) – *5 min walk (400m)*

Conveniently located at the southwest corner of Albert Street and City Centre Avenue, the new development will access a direct pedestrian link to the Bayview Light Rail Transit Station, the only intersection of the Confederation and Trillium Lines. The diverse spaces draw people and business from key downtown neighbourhoods.

Potential for up to:

- 130,000 sq ft of retail space
- 200,000 sq ft of office space
- 1,150,000 sq ft (1,400 suites) of residential space

# 2014 ACQUISITIONS

| | As at **Acquisition** | As at **2018 Q4** | |
|---|---|---|---|
| Acquisition Cost | $76,011,767 | | |
| Capital Invested | | $28,068,058 | |
| Acquisition Cost Plus Capital Invested | | $104,079,825 | |
| Net Revenue | $7,347,268 | $10,316,507 | |
| Operating Costs | $3,426,507 | $3,465,772 | |
| NOI | $3,920,761 | $6,850,735 | ↑ 75% |
| NOI Margin | 53% | 66% | |
| Yield on Cost | 5.2% | 6.6% | |
| Total Suites | 645 | 645 | |
| IFRS Cap Rate | | 4.3% | |
| IFRS Fair Value Today | | $160,645,000 | |
| Value Creation | | $56,565,175 | |
| Value per Suite | $117,848 | $249,062 | ↑ 111% |

Tindale-Quigley | Hamilton

Crystal Beach East| Ottawa

# VALUE CREATION

## 2386 & 2400 NEW STREET

### BURLINGTON, ONTARIO

Conveniently situated in the Roseland area in Burlington, 2386 & 2400 New Street offers spacious one, two, and three bedroom suites with scenic views of Lake Ontario.

This property has received extensive capital investment over the past three years including new landscaping, new balconies, upgraded kitchens and flooring in many suites, energy efficient lighting, a new gym and a media room. There have also been added 8 suites to this property.

Since acquisition in March 2012, average rent on the suites which have been turned over has increased 60% from $1,035 to $1,657. NOI has increased 159% from $1,313,832 to $3,402,004. The levered IRR is based on the IFRS value at December 31, 2018 is over 50%.

**2386 & 2400 New Street Overview**

| | |
|---|---|
| Total Suites | 238 |

**Investment Highlights**

| | |
|---|---|
| Location | Burlington, Ontario |
| Investment Timeframe | 82 Months |
| Purchase Price | $20.7M |
| Levered IRR | 50%+ |
| Equity Multiple | 6.3x |

# 2757 BATTLEFORD ROAD

## MISSISSAUGA, ONTARIO

2757 Battleford is located adjacent to Lake Aquitaine and at the corner of Erin Mills Parkway and Battleford Road in Mississauga. Including our adjacent property at 6599 Glen Erin Drive, the combined site has a land mass of approximately 420,750 square feet (9.66 acres).

Substantial capital improvements have been made to these properties including new hard & soft landscaping, new entrance and lobby, hydro submetering, new elevators and energy efficient lighting.

Since acquisition in June 2012, average rent on the suites which have been turned over at 2757 Battleford has increased 42% from $1,151 to $1,634. NOI has increased 74% from $1,462,650 to $2,545,988. The levered IRR based on the IFRS value at December 31, 2018 is over 30%.

**2757 Battleford Overview**

| | |
|---|---|
| Suites | 184 |

**Investment Highlights**

| | |
|---|---|
| Investment Timeframe | 79 Months |
| Purchase Price | $23.9M |
| Levered IRR | 30%+ |
| Equity Multiple | 4.4x |

# BRITANNIA PORTFOLIO

## OTTAWA, ONTARIO

InterRent purchased this 286 unit portfolio in 2015. The average purchase price was $97,028 per unit overall, which the REIT believes was well below market value.

Unit types consist of apartments, duplexes and semi-detached homes and are located along Britannia Park and the waterfront of the Ottawa River.

The average rent for the suites which have turned over since the acquisition of this portfolio in April 2015 is $1,300. This is an increase of 53% from the average rent for this same group of suites at acquisition of $847. Capital improvements at these properties include recladding of exteriors, new windows, new landscaping, intercom and security systems new laundry rooms, energy efficient lighting, upgraded boilers and renovated kitchens on turnover.

The levered IRR based on the IFRS value at December 31, 2018 is over 40%.

**Britannia Portfolio Overview**

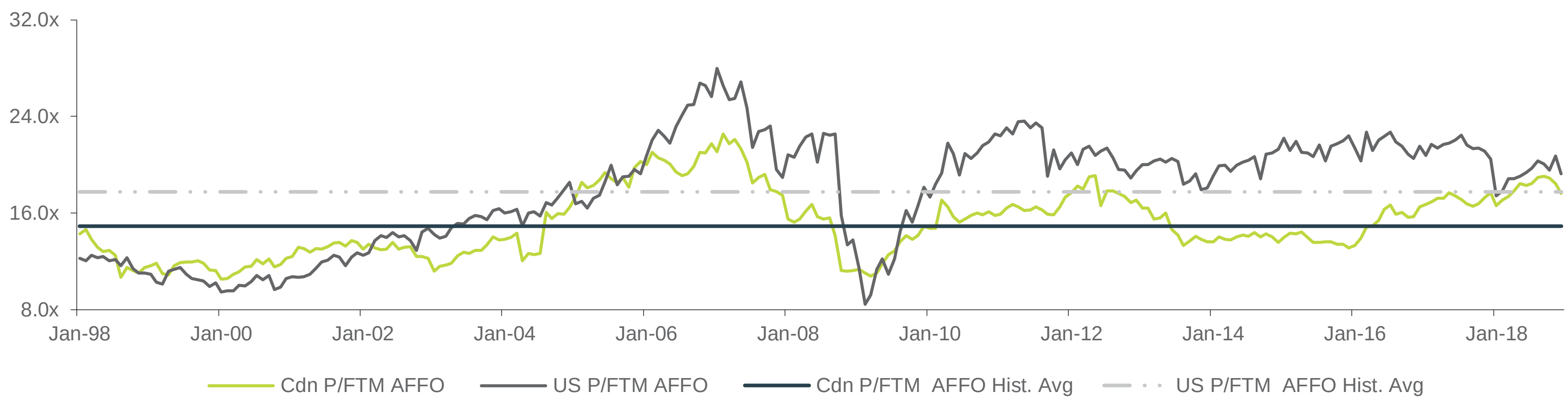
| | |
|---|---|
| Suites | 286 |

**Investment Highlights**

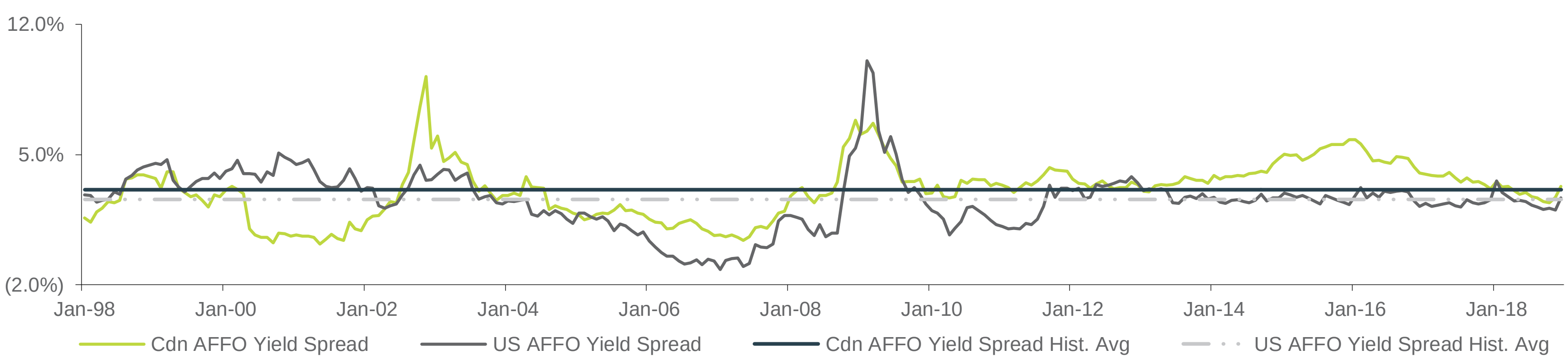
| | |
|---|---|
| Investment Timeframe | 44 Months |
| Purchase Price | $28.1M |
| Levered IRR | 40%+ |
| Equity Multiple | 3.5x |

# CANADIAN APARTMENT REITS: IN LINE WITH HISTORICAL VALUATIONS

## Historical Price / Consensus AFFO



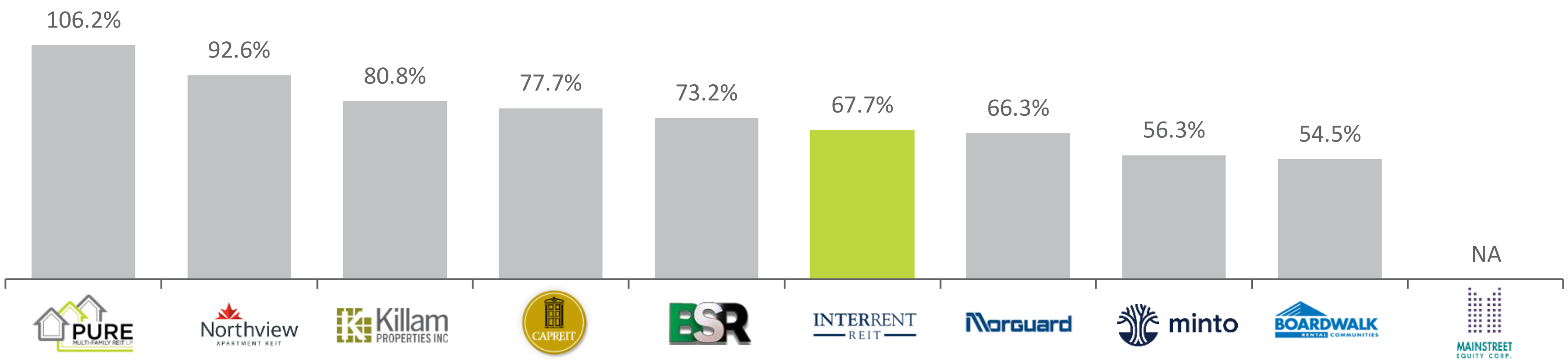

## Historical AFFO Yield Spread




Source: S&P Global Market Intelligence.

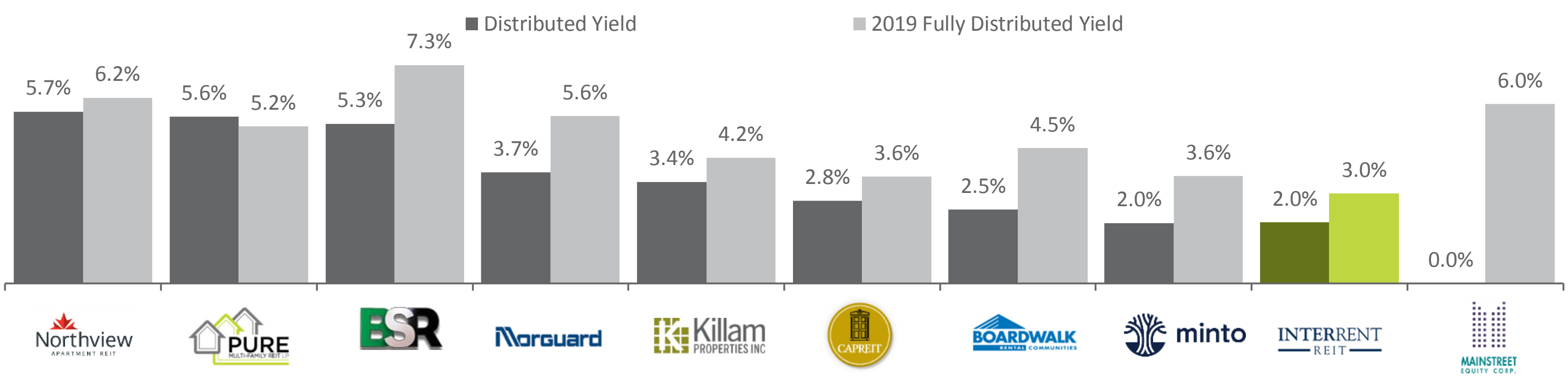
# INTERRENT'S PAYOUT RATIO: REMAINS CONSERVATIVE

## 2019E AFFO Payout Ratio




## Distribution Yields

| | Northview | PURE | BSR | Morguard | Killam | CAPREIT | Boardwalk | minto | InterRent | Mainstreet |
|---|---|---|---|---|---|---|---|---|---|---|
| 2020 Fully Distributed Yield | 6.5% | 5.6% | 8.0% | 6.0% | 4.8% | 3.8% | 4.9% | 3.8% | 3.4% | 6.1% |

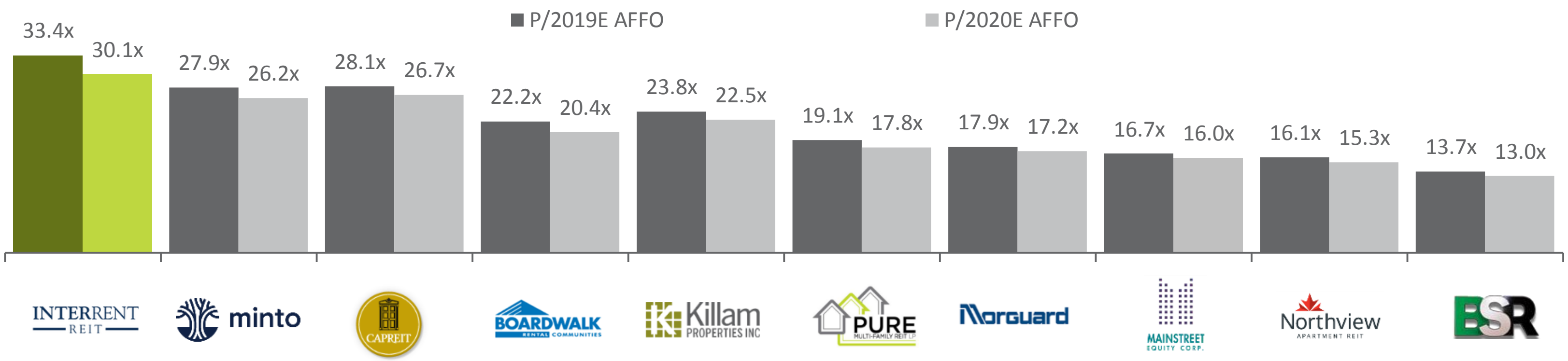



Figures based on consensus estimates as at April 2, 2019.
Source: S&P Global Market Intelligence.

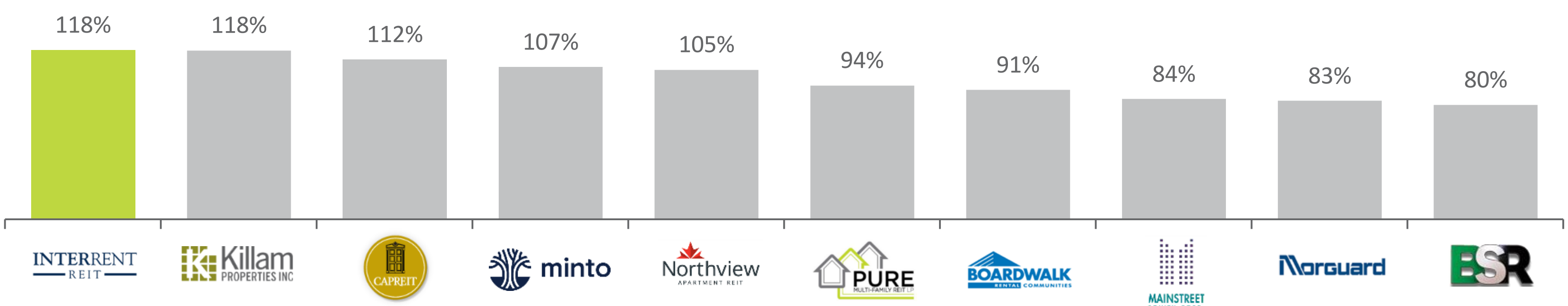
# INTERRENT'S PEG RATIO: AT A DISCOUNT RELATIVE TO ITS PEERS

## Price / Consensus AFFO

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| PEG Ratio (1) | 2.5x | N/A | 3.2x | 1.9x | 2.5x | 1.2x | 1.8x | 1.0x | 1.7x | N/A |




## Price / Consensus NAV




Figures based on consensus estimates as at April 2, 2019.
Source: S&P Global Market Intelligence.
(1) PEG Ratio = P/AFFO ('19E) / CAGR of AFFO ('18P-'20E) + current yield

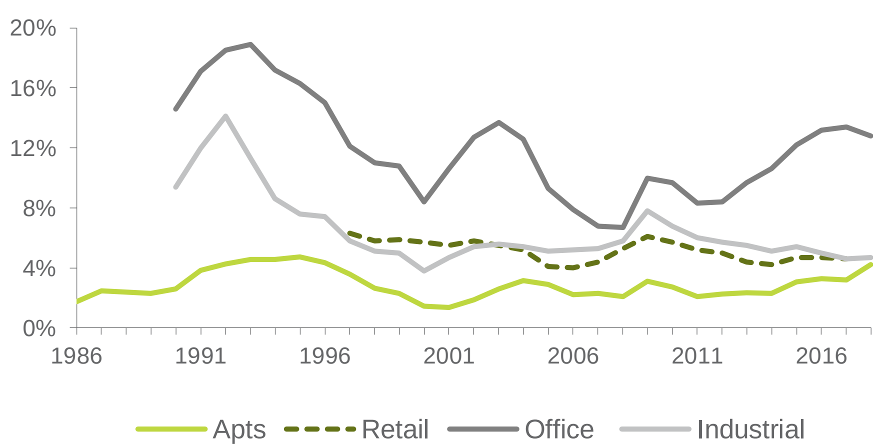
# VERY DEFENSIVE ASSET CLASS

- Multi-family properties known as safest real-estate asset class
- Steady and stable rent increases enabled by short term lease durations
- Lower cost mortgage financing with CMHC insurance and mortgage renewal risk mitigated
- Acquisitions at a discount to replacement cost

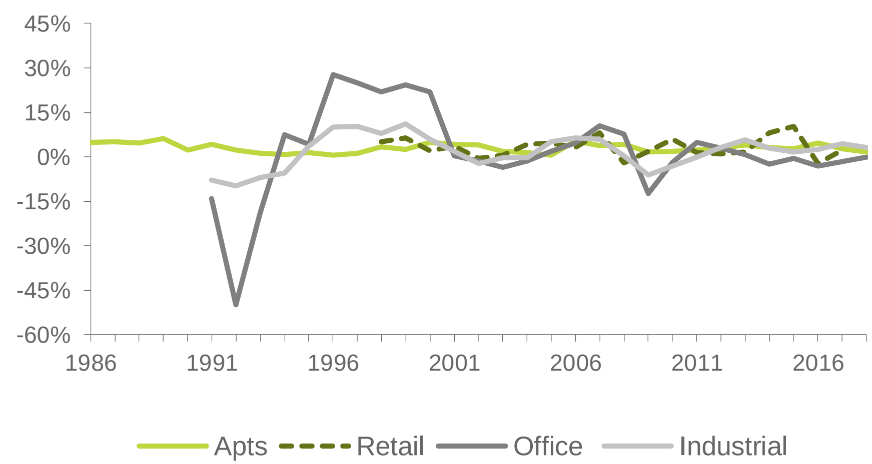
**Stable Multi-Family Fundamentals**

Multi-Family assets have experienced less volatile changes in vacancy and more stable Y/Y rent growth over the past 30 years relative to other real estate sectors

**Historical Vacancy**




**Historical Y/Y Rent Growth**




Source: CBRE.

INTERRENT
REIT