



Multi-Residential Apartments:

How has the market performed throughout the pandemic?
What is the outlook for demand and tenant preferences?

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Panelist

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Chief Economist & Head of Market Analytics


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Vice President


Moderator

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Managing Director, Investment Banking Real Estate Group & Head of Multi-Residential Property Brokerage

TD Securities

A green rectangular box with a thick border containing the text 'Market Conditions'. The box is positioned on the left side of the slide, overlapping a light gray vertical bar.

Market
Conditions

Market Conditions

Trends Affecting Multi-Residential Real Estate



Operations

Inflation and rising interest rates combined with an upward pressure on operating expenses are changing asset and property management strategies



Shift in Renter Preferences & Lifestyle

Secondary markets have benefited from remote working, offering tenants a more affordable lifestyle



Investor Preference for New Product

Ground-Up development remain the most viable route to attaining New Purpose-Built Rental Product



Resilient Asset Class

Repositioning of vintage multi-residential assets continues to offer solid returns, with material gap-to-market rents still evident in most major Canadian markets



Capital Markets

Higher cost of debt has resulted in greater dislocation between buyer and seller pricing expectations



Emergence of PropTech

Widespread technology-based innovation is providing alternative opportunities to increase operating margins and enhance tenant experiences

Top Renter Preference for Amenities

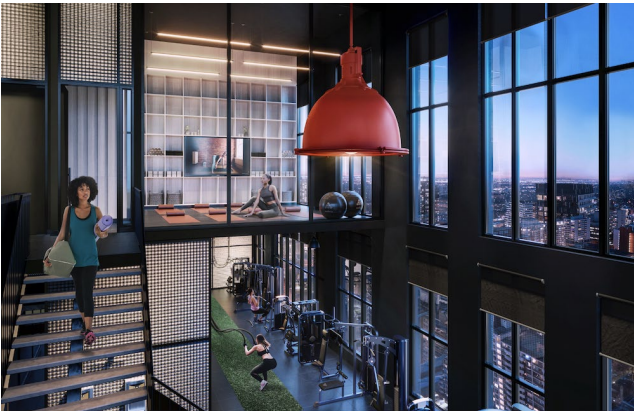


Fitzrovia – The Parker, 200 Redpath Avenue, Toronto ⁽¹⁾

Top 2022 Amenities ⁽²⁾



Arcade Room featuring Cosmic Bowling



Commercial-Grade Fitness Center



Lobby Lounge featuring Boxcar Social



Signature Terrace featuring Infinity Pool

Outdoor Space

Smart Lock

Smart Thermostats

Pet Amenities

Smart Access Control

Package Delivery System

Parking and Transportation Amenities

Co-working Space

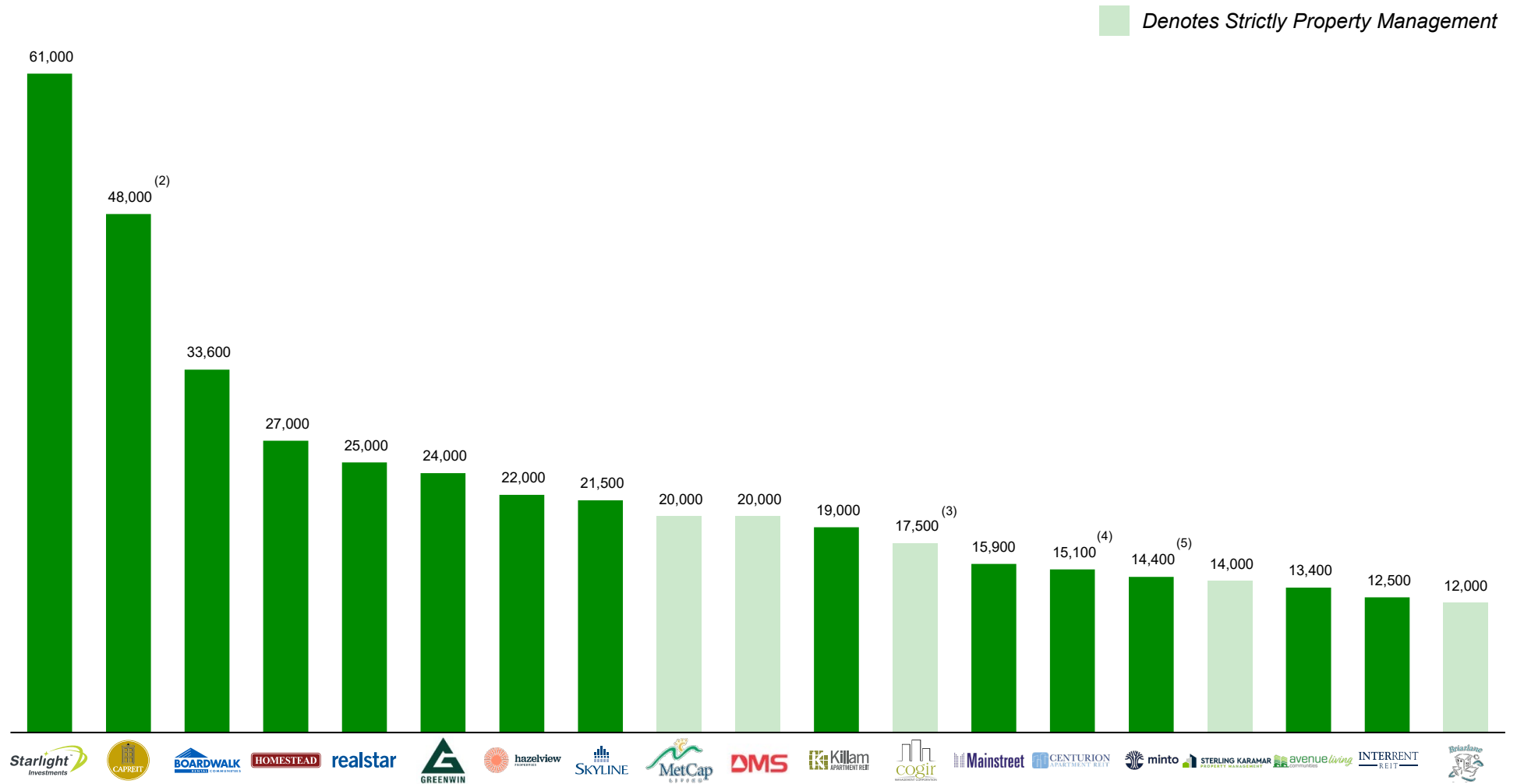
Market Rent ~\$4.30 PSF

1. Fitzrovia Website
 2. Butterfly MX, NAA, and NMHC

Leading Canadian Multi-Residential Platforms



Canadian Residential Units (Owned / Managed)



Source: Approximate suite count compiled from company websites and latest public disclosure available

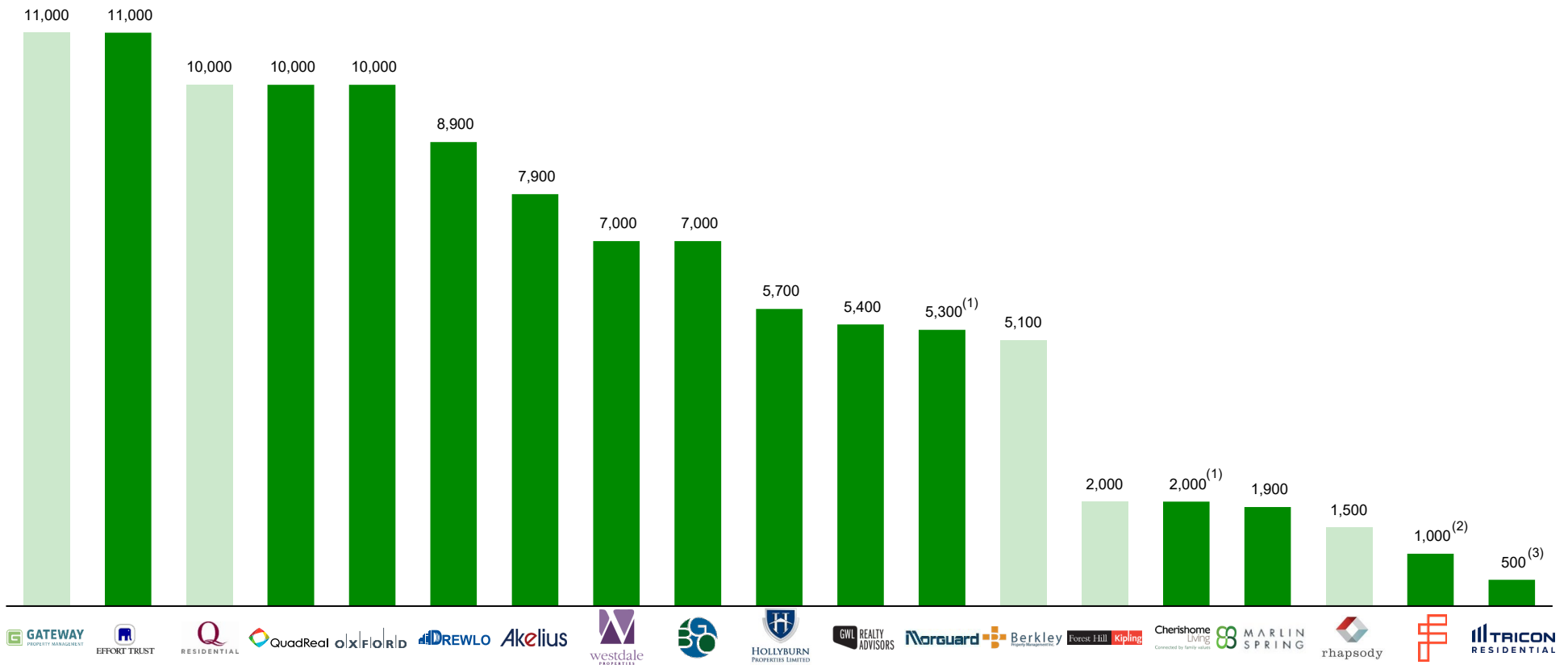
- (1) Based on CMHC Rental Market Survey
- (2) Canadian residential suites only (excludes Europe and MHC's)
- (3) Excludes seniors housing units
- (4) Canadian residential suites only, including student housing
- (5) Inclusive of Minto Apartment REIT

Leading Canadian Multi-Residential Platforms (cont'd)



Canadian Residential Units (Owned / Managed)

■ Denotes Strictly Property Management



Source: Approximate suite count compiled from company websites and latest public disclosure available

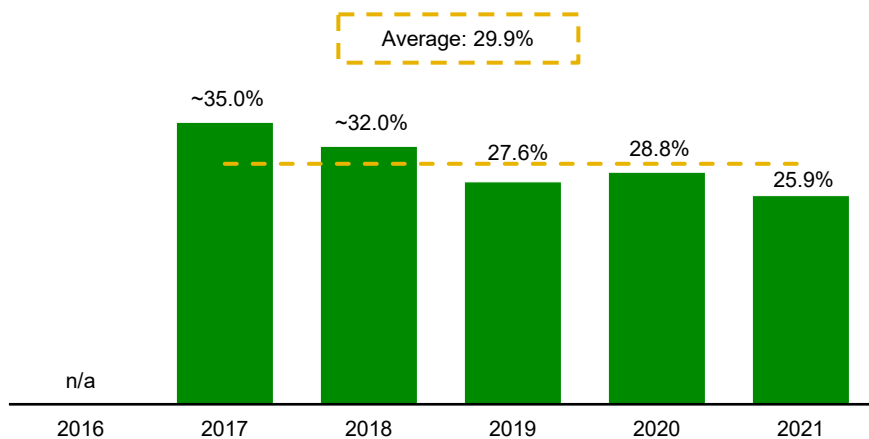
- (1) Excludes U.S. MUR units
- (2) Fitzrovia has a development pipeline of ~4,700 units
- (3) Tricon has a pipeline of nine projects and ~4,300 suites under development

Public Multi-Unit Residential Peers

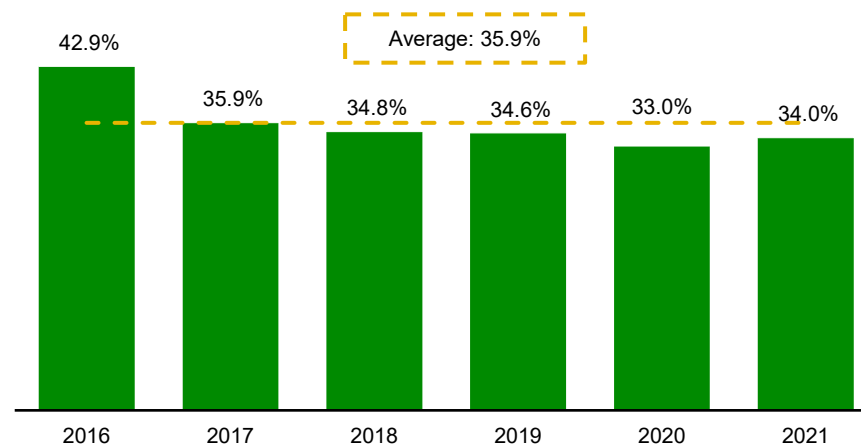
Historical Turnover Metrics



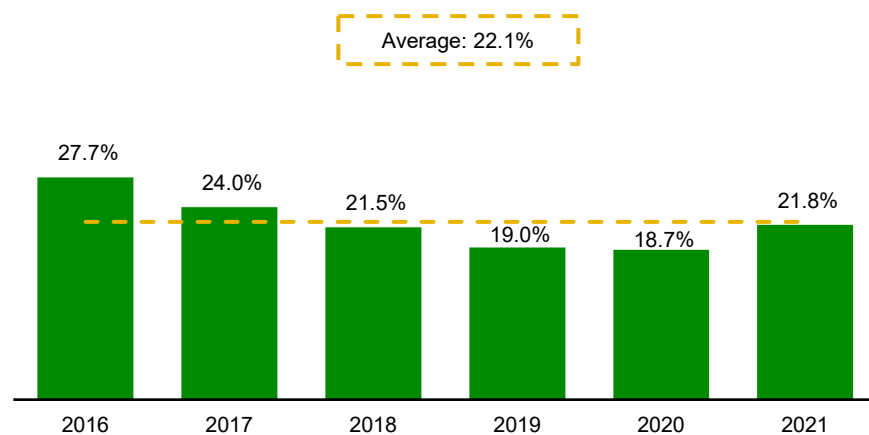
Killam Apartment REIT



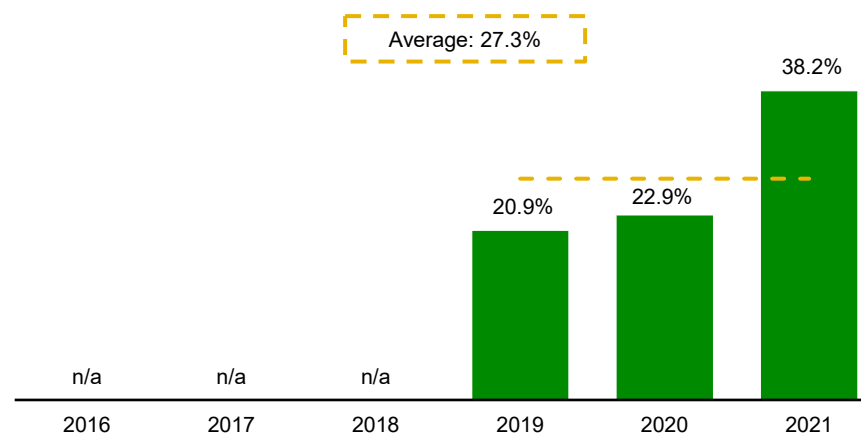
Boardwalk REIT



Canadian Apartment REIT



Minto Apartment REIT⁽¹⁾

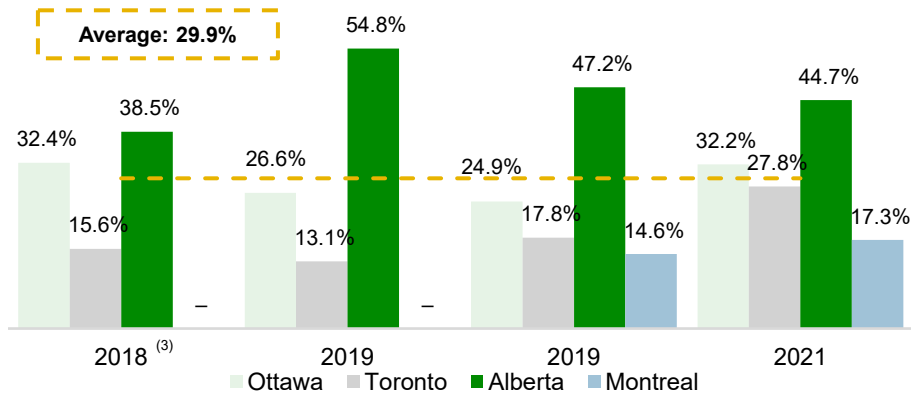


(1) Calculated based on number of leases signed divided by the number of tenants at the end of the period

Public Multi-Unit Residential Peers Operating Performance

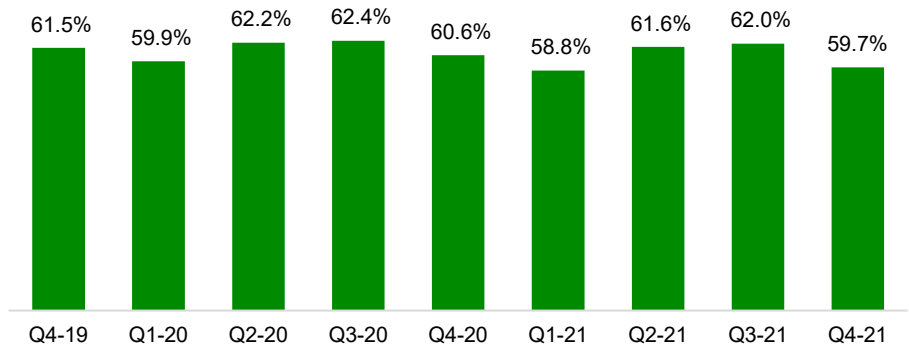


Turnover Rates by Region⁽¹⁾



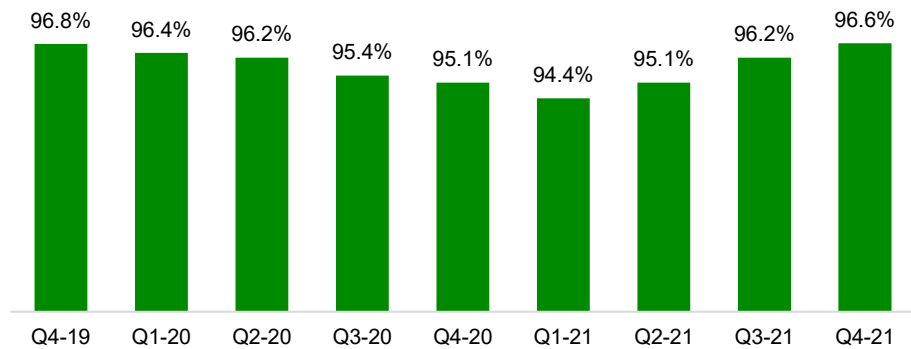
Turnover has generally risen across major markets in 2021, but is expected to normalize back to historic averages

Average NOI Margins | Q4 2019 – Q4 2021⁽²⁾



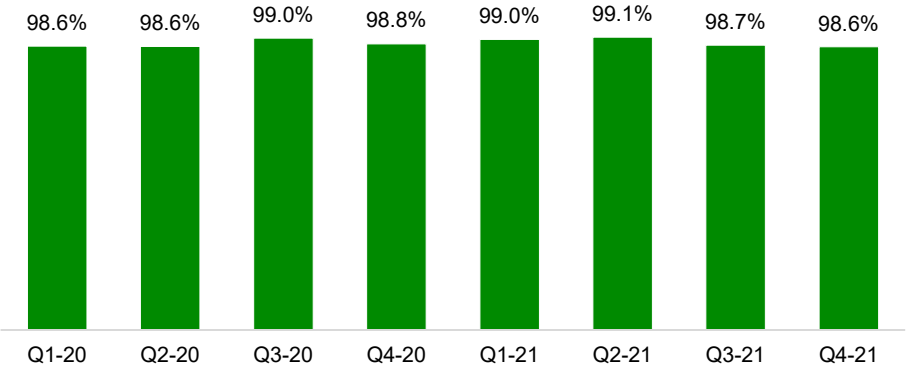
NOI margins have been resilient throughout the pandemic, despite government-imposed restrictions

Average Occupancy Rates | Q4 2019 – Q4 2021⁽⁴⁾



Occupancy rates in line with pre-pandemic levels point to sustained demand for multi-family housing

Average Rent Collections | Q1 2020 – Q4 2021⁽⁵⁾



Rent collections remained in-line with historic levels in the depths of the pandemic, demonstrating the defensive nature of the asset class

Sources: TD Securities Equity Research ; Company Filings

(1) Based on Minto regional segments, with turnover calculated as the number of leases signed divided by the number of tenants at the end of the period

(2) Average includes CAPREIT, Kilam Apartment REIT, InterRent REIT, Boardwalk REIT, Minto Apartment REIT, Morguard NA Residential REIT

(3) Represents an annualized figure based on last 6 months of 2018

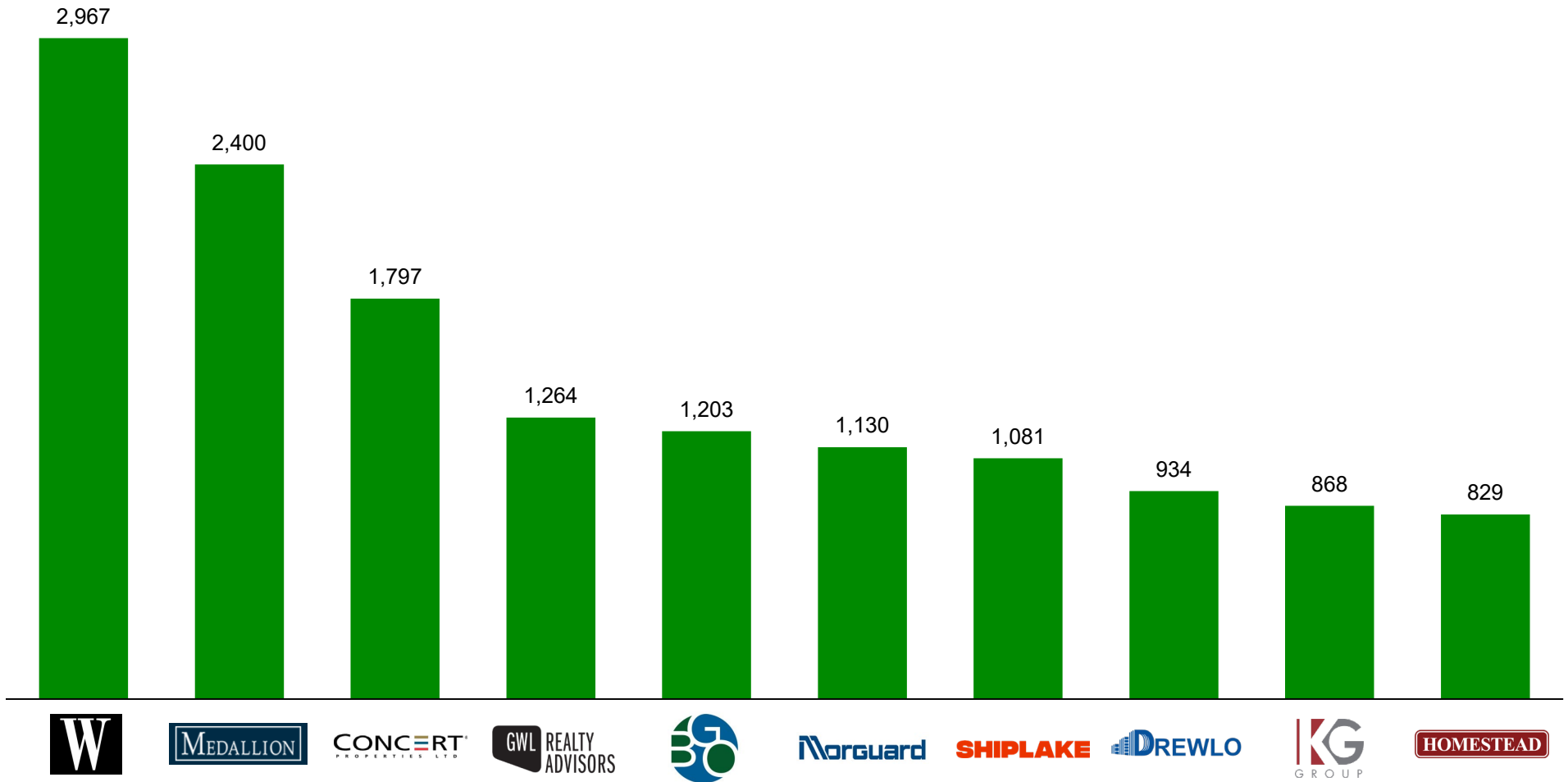
(4) Average includes CAPREIT, Boardwalk REIT, Kilam Apartment REIT, InterRent REIT, Minto Apartment REIT, Tricon Residential Inc., Morguard NA Residential REIT, European Residential REIT, Mainstreet Equity Corp

(5) Average rent collection rates for Boardwalk REIT, Morguard NA Residential REIT, InterRent REIT, CAPREIT

New Purpose
Built
Rental

Summary of Active Developers in Greater Toronto Area

Purpose Built Rental Projects – Suites Delivered



There are currently ~19,000 suites in various stages of the construction progress

Recently Delivered Purpose Built Rental Projects

Greater Toronto Area



Two Avenue Road - Yorkville

Developer: Oxford Properties
Land Acquisition Cost: n/a
Size: 18-storey luxury apartment building, 65 suites
Construction Date: July 2018
First Occupancy Date: September 2021
Monthly Rent (\$PSF): \$4.17 - \$6.64
Average Suite Size: 1,338 sq. ft.



The Waverley – The Annex

Developer: Fitzrovia
Land Acquisition Cost: \$23,600,000
Size: 15-storey apartment building, 166 suites
Construction Date: September 2018
First Occupancy Date: April 2021
Current Occupancy: 100%
Monthly Rent (\$PSF): \$4.39
Average Suite Size: 627 sq. ft.



Novus – Downtown

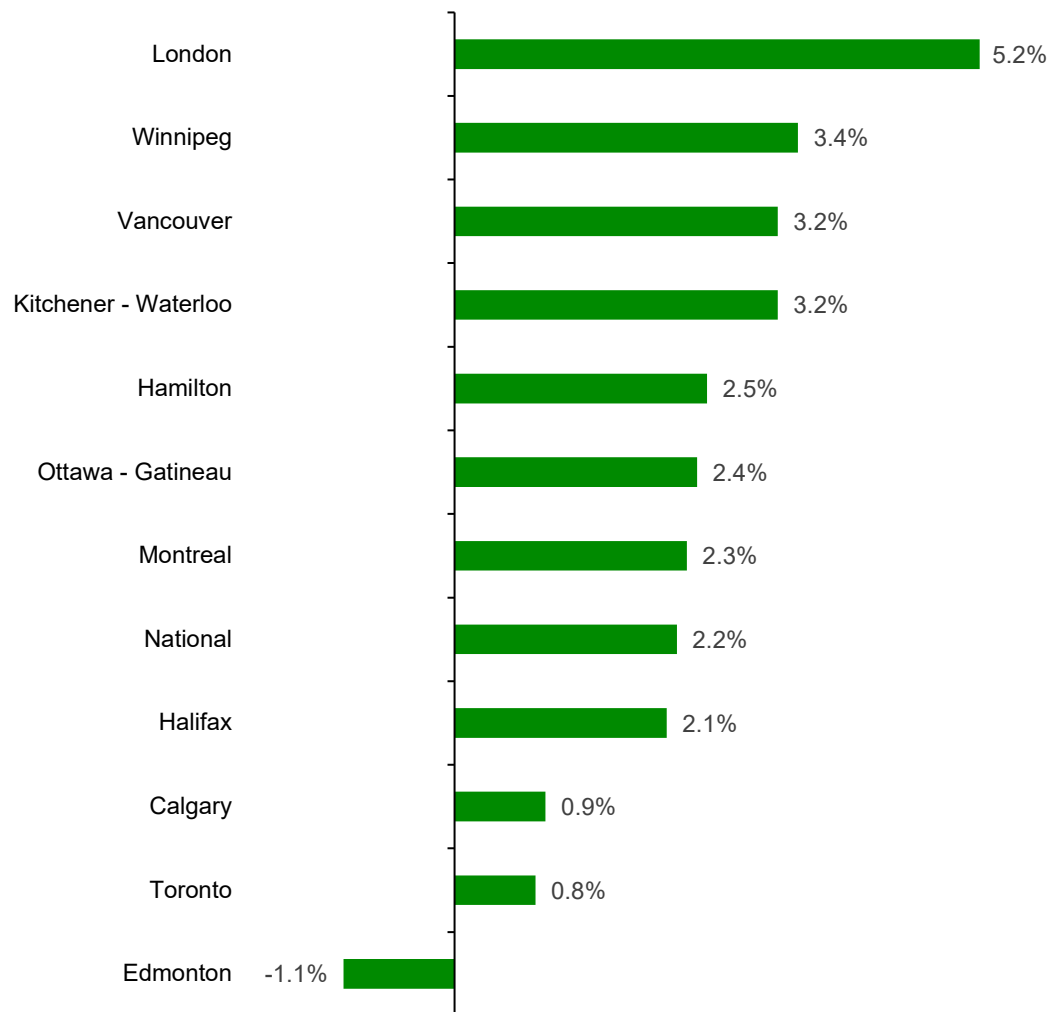
Developer: BentallGreenOak
Land Acquisition Cost: \$36,823,000
Size: 34 & 25-storey apartment buildings, 585 suites
Construction Date: September 2017
First Occupancy Date: August 2021
Monthly Rent (\$PSF): \$3.08 - \$5.33
Average Suite Size: 665 sq. ft.



Rental Growth Trends



Year-Over-Year In-Place Rent Growth



Key Rental Figures by CMA

| CMA | YoY Change in In-Place Rents | Lease-over-Lease Change in New Lease Rent ⁽¹⁾ | Vacancy Rate | Expiring Lease Renewal % ⁽²⁾ |
|--------------------|------------------------------|--|--------------|---|
| London | 5% | 11% | 2% | 95% |
| Winnipeg | 3% | 2% | 4% | 75% |
| Kitchener-Waterloo | 3% | 10% | 3% | 93% |
| Vancouver | 3% | 6% | 2% | 94% |
| Hamilton | 3% | 12% | 3% | 92% |
| Ottawa - Gatineau | 2% | 8% | 3% | 95% |
| Montreal | 2% | 4% | 6% | 71% |
| National | 2% | 6% | 4% | 86% |
| Halifax | 2% | 10% | 1% | 94% |
| Calgary | 1% | 1% | 5% | 70% |
| Toronto | 1% | 6% | 5% | 96% |
| Edmonton | -1% | -1% | 6% | 70% |

Sources: Q4-2021 Yardi Multifamily Report

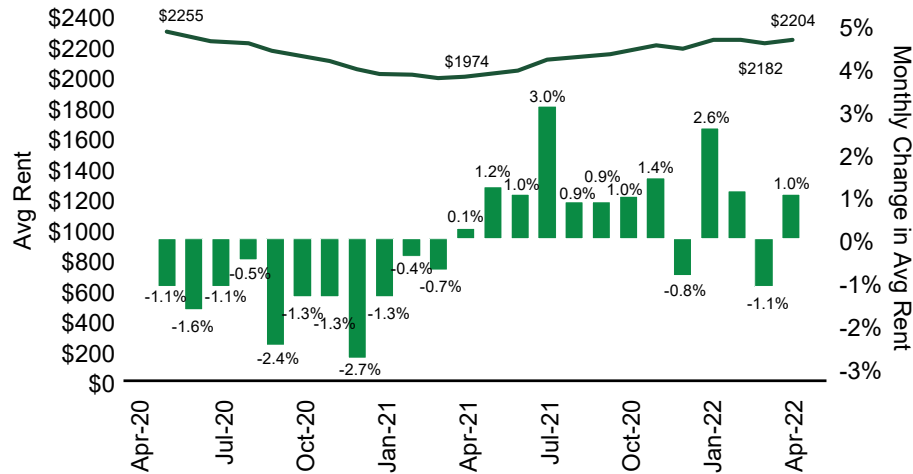
(1) Lease-Over-Lease Rent Growth (New Leases): % change in monthly rent between a new lease and the previous lease for the same unit

(2) Expiring Lease Renewal Percentage: Percentage of expiring leases for which residents have renewed, excluding early terminated leases

Condo Rental Trends



Average Rent & Monthly Change, Rentals.ca Listings

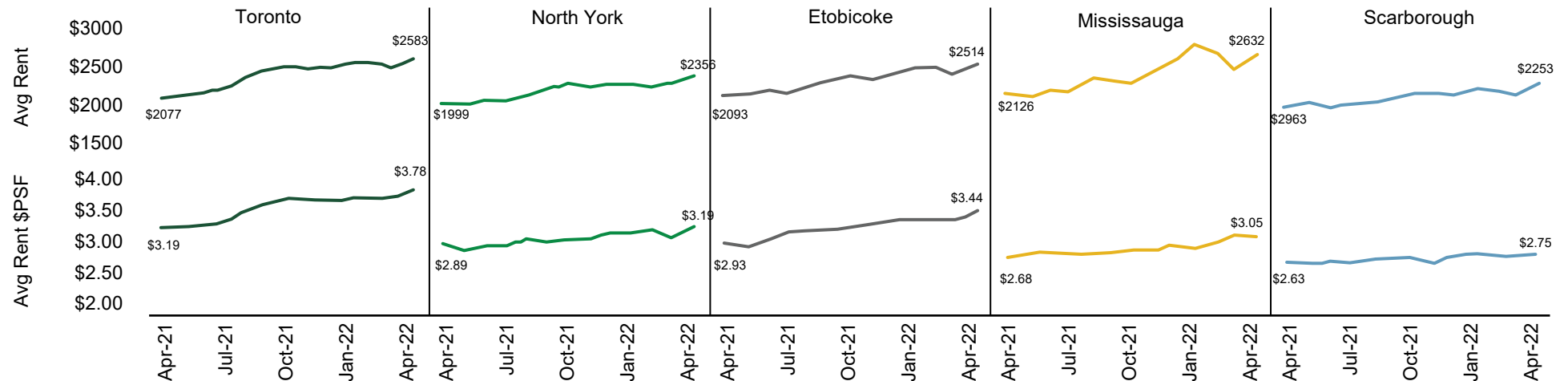


Average Rent by Municipalities, April 2022

| | 1 Bedroom | 2 Bedroom | 3 Bedroom | Average |
|---------------|-----------|-----------|-----------|---------|
| Richmond Hill | \$1,874 | \$2,181 | \$2,901 | \$2,482 |
| Toronto | \$2,605 | \$2,849 | \$3,347 | \$2,428 |
| Oakville | \$2,010 | \$2,333 | \$3,282 | \$2,353 |
| Burlington | \$2,017 | \$2,261 | \$2,681 | \$2,254 |
| Etobicoke | \$1,897 | \$2,446 | \$2,560 | \$2,201 |
| Milton | \$1,790 | \$1,930 | \$2,800 | \$2,179 |
| Vaughan | \$1,730 | \$2,338 | \$3,069 | \$2,159 |
| Pickering | \$1,379 | \$2,016 | \$2,684 | \$2,099 |
| Mississauga | \$1,817 | \$2,211 | \$2,749 | \$2,097 |
| York | \$1,775 | \$2,263 | \$2,830 | \$2,080 |
| North York | \$1,725 | \$2,259 | \$2,585 | \$2,051 |
| Whitby | \$1,364 | \$1,983 | \$2,700 | \$2,013 |
| East York | \$1,590 | \$2,144 | \$2,782 | \$1,930 |
| Markham | \$1,403 | \$2,162 | \$2,900 | \$1,927 |
| Oshawa | \$1,646 | \$1,862 | \$2,291 | \$1,885 |
| Brampton | \$1,570 | \$1,906 | \$2,447 | \$1,877 |
| Scarborough | \$1,497 | \$1,968 | \$2,539 | \$1,838 |

Max Min

Average Rent, Condo Apartments in GTA, April 2021 to April 2022

































Public REITs

Purpose Built Rental Development Pipeline



Summary of PBR Development for Major REITs

| Public REIT | Number of Rental Suites | | | | Partners |
|---|-------------------------|-------------|----------|--------|---|
| | Complete ⁽¹⁾ | In Progress | Pipeline | Total | |
|  Choice Properties | 351 | 1,183 | 10,909 | 12,443 |  GREENWIN  CENTRE COURT   Daniels love where you live |
|  RIO CAN | 1,428 | 1,324 | 6,588 | 9,340 |   BOARDWALK RENTAL COMMUNITIES  Killam APARTMENT REIT  CAPITAL DEVELOPMENTS  METROPIA  CONCERT |
|  Killam APARTMENT REIT | 349 | 686 | 3,962 | 4,997 |  RIO CAN |
|  CAPREIT | 506 | - | 4,014 | 4,520 |  FIRST CAPITAL |
|  TRICON RESIDENTIAL | 502 | 2,499 | 1,478 | 4,479 |  dream  CPP Investments  TAS |
|  INTERRENT REIT | - | 158 | 3,915 | 4,073 |  TRINITY  Brookfield  PBC GROUP  CLV GROUP |
|  SMARTCENTRES [®] REAL ESTATE INVESTMENT TRUST | 171 | 1,077 | 2,821 | 4,069 |  cogir MANAGEMENT CORPORATION  GREENWIN  CENTRE COURT  JADCO CORPORATION IMMOBILIERE |

Sources: Company Filings and Investor Presentations, Urbanation

1. Represents recently completed units in 2016 or later, to the extent disclosed in company filings

Public REITs

Purpose Built Rental Development Pipeline



Summary of PBR Development for Major REITs

| Public REIT | Number of Rental Suites | | | | Partners |
|--------------|-------------------------|---------------|---------------|---------------|----------|
| | Complete ⁽¹⁾ | In Progress | Pipeline | Total | |
| | 506 | 1,504 | 1,088 | 3,098 | |
| | 1,081 | 1,620 | - | 2,701 | |
| | 793 | 922 | 650 | 2,365 | |
| | 717 | 480 | 918 | 2,115 | |
| | 163 | - | 247 | 410 | |
| Total | 6,567 | 11,453 | 36,590 | 54,610 | |

Sources: Company Filings and Investor Presentations, Urbanation

1. Represents recently completed units in 2016 or later, to the extent disclosed in company filings

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Y+GL Master Plan

Health +
Wellness

Diverse Range of
Housing

Education

Sustainability +
Infrastructure

Animated
Public Realm

Placemaking
Excellence

Community Based
Economy

Client
Redwood Properties

Location
East Gwillimbury

Site Area
~150 Acres

Units
~2,950

Food and Beverage
~41,500 sq ft

Amenities & Services
~56,500 sq ft

Immersive Retail
~43,000 sq ft

Arts & Culture
~27,500 sq ft

Health & Wellness
~41,500 sq ft

Office & Institutional
~21,500 sq ft



bnkc

ARCHITECTURE + URBAN DESIGN

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Wellness

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Housing

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Infrastructure

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Public Realm

Placemaking
Excellence

Community Based
Economy



Metabolic health indicators



Happiness, Purpose & Satisfaction Indicators.



Number of Medical Visits / Interventions / Pharmaceutical needs.

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Public Realm

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Economy



Clockwork Phase I

Client
Mattamy Homes

Location
Oakville

Program
Mixed-Use

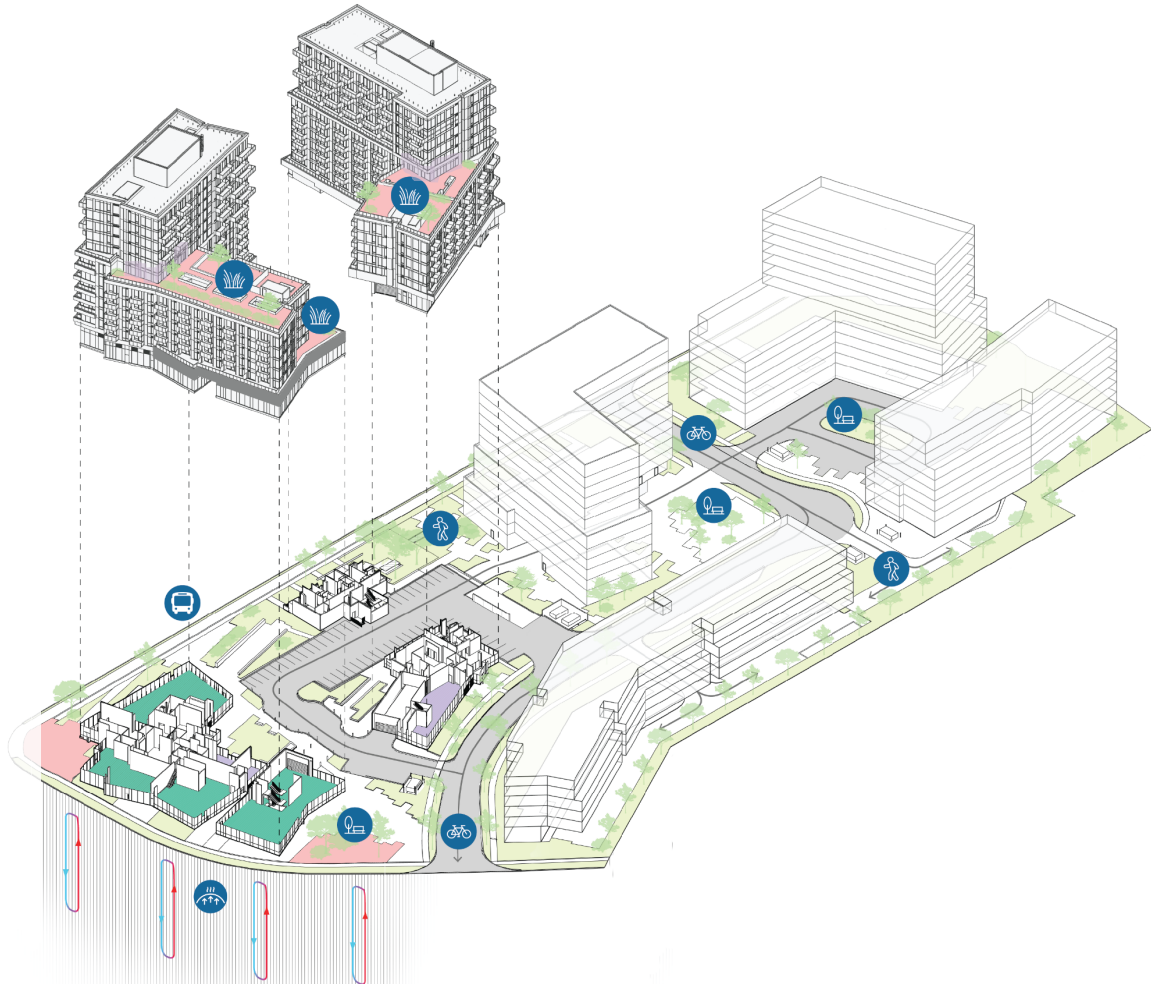
Buildings
2

Storeys
12

Units
329

Size
282,357 sq ft

Stage
Under Construction



- Commercial
- Outdoor Amenity
- Indoor Amenity
- Pedestrian Connection
- Geothermal System
- Green Roof
- Transit Stop
- Bicycle
- Privately-Owned Publicly Accessible Spaces

Clockwork Phase I



Clockwork Phase I



Clockwork Phase I

