



CANADIAN APARTMENT
PROPERTIES • REIT



FINANCIAL REPORT

THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2024

Q3



CANADIAN APARTMENT
PROPERTIES • REIT

November 7, 2024

Report to Unitholders

CAPREIT's third quarter has been strong, both operationally and strategically. On the former, our same property apartment portfolio in Canada was 98.1% occupied as of September 30, 2024, across which our average rent was \$1,593 per month. This represents an increase of 6.4% versus September 30, 2023, while same property operating revenues grew by 5.5% versus the comparable prior year quarter. Notwithstanding higher repairs and maintenance costs associated with our scale back on certain discretionary capital expenditures, property operating costs were down slightly as a percentage of operating revenues. As a result, our same property Net Operating Income ("NOI") grew by 6.0% to \$156.4 million for the three months ended September 30, 2024, with our margin expanding by 30 basis points to 66.1% for the period. This healthy organic growth was partly offset by higher interest costs incurred on credit facilities and mortgages payable, and our Funds From Operations ("FFO") increased by 3.3% to \$0.659 per Unit (diluted) for the current quarter end.

We are pleased with the continuation of our strategic progress as well. By definition, as a provider of Canadian apartment properties, our primary focus lies in Canadian rental apartments, and our strategy today seeks to upgrade the quality of our long-standing portfolio. We are achieving this through recycling our capital and repositioning our properties. So far this year, we have acquired \$517 million in recently constructed, premium rental apartments located in many of our targeted Canadian markets with the strongest long-term fundamentals. These purchases are primarily being funded through our disposition program, supported by our revolving credit facility which we can temporarily draw upon to act on strategically aligned acquisition opportunities that come to market. In 2024, we have closed on the sale of \$385 million worth of our legacy Canadian properties, which are no longer core to our business for a variety of strategic reasons. We are continuing to complete these non-core dispositions at prices that are at, or above, their previously reported carrying values. With an increasingly robust pipeline of disposition opportunities, we are well on track to meet or exceed our target of over \$400 million in non-core Canadian property sales for the current year.

Furthermore, we have transacted on \$219 million in European property sales this year to date, and we have also announced over \$1 billion in additional dispositions of residential properties in the Netherlands, which we expect to close by no later than early in the first quarter of 2025. The previously announced sale of our MHC portfolio for gross proceeds of approximately \$740 million is also set for closing in the fourth quarter of 2024. These dispositions will generate significant incremental capital which we plan to redeploy into paying down debt, thus lowering our leverage, as well as into the acquisition of more on-strategy rental properties in Canada, along with usage for general trust purposes. Importantly, these strategic sales also achieve a broader objective in their simplification of the CAPREIT business, which was established 27 years ago as a provider of Canadian apartment properties. We are looking forward to further reallocating resources back into our core portfolio in Canada, where our competitive advantages are greatest.

Our financial structure supports our ability to execute on our strategy to the extent that we can, and our balance sheet remained strong during the period. Our total debt to gross book value ratio was 40.9% as of September 30, 2024, which is down from 41.6% as of prior year end. We also have \$229 million in available borrowing capacity on our revolving credit facility in Canada as of September 30, 2024. Low leverage and ample access to capital puts us in a prime spot to execute quickly on strategic transactions, a position which has proved advantageous to date. Additionally, our mortgages payable carry a low weighted average effective interest rate of 3.0% and a well-staggered renewal profile with weighted average term to maturity of 4.7 years. Moving ahead, we will continue to manage our finances prudently and proactively, to ensure we maintain this conservative and flexible financial structure.

As a testament to the strength of our capital management strategy, this past quarter, we announced an increase of 3.4% in our rate of distribution to \$1.50 per Unit on an annualized basis, effective for our August distribution which was paid in September 2024. With all the capital recycling activity underway at CAPREIT, we were pleased to have been able to also grow our distributions to Unitholders. We are excited about the next chapters in the evolution of Canadian Apartment Properties REIT, and our ongoing optimization on all three pillars of our business: to be the best place to live, work and invest.

Mark Kenney
President and Chief Executive Officer



CANADIAN APARTMENT
PROPERTIES • REIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2024

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SECTION I: OVERVIEW AND DISCLAIMER

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") of Canadian Apartment Properties Real Estate Investment Trust's ("CAPREIT") results of operations and financial condition for the three and nine months ended September 30, 2024 and September 30, 2023, dated November 7, 2024, should be read in conjunction with CAPREIT's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 and consolidated annual financial statements for the year ended December 31, 2023. CAPREIT and its subsidiaries are collectively referred to as "CAPREIT" in the MD&A. The results reported in CAPREIT's MD&A are on a consolidated basis including the full results of any subsidiaries. Information contained on CAPREIT's website or in other documents referred to in this MD&A is not incorporated by reference into, and should not be considered part of, this MD&A unless expressly stated otherwise. Additional information about CAPREIT, including the most recently filed Annual Information Form ("AIF"), is available on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING DISCLAIMER

Certain statements contained in this MD&A and Report to Unitholders constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information may relate to CAPREIT's future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, litigation, occupancy rates, rental rates, productivity, projected costs, capital investments, development and development opportunities, financial results, taxes, plans and objectives of, or involving, CAPREIT. Particularly, statements regarding CAPREIT's future results, performance, achievements, prospects, costs, opportunities and financial outlook, including those relating to acquisition, disposition and capital investment strategies and the real estate industry generally, are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "would", "should", "could", "likely", "expect", "plan", "anticipate", "believe", "intend", "estimate", "forecast", "predict", "potential", "project", "budget", "continue" or the negative thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking statements are based on certain factors and assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. In addition, certain specific assumptions were made in preparing forward-looking information, including: that the Canadian and Dutch economies will generally experience growth, which, however, may be adversely impacted by the global economy, inflation and high interest rates, potential health crises and their direct or indirect impacts on the business of CAPREIT, including CAPREIT's ability to enforce leases, perform capital expenditure work, increase rents and apply for above guideline increases ("AGIs"), obtain financings at favourable interest rates; that Canada Mortgage and Housing Corporation ("CMHC") mortgage insurance will continue to be available and that a sufficient number of lenders will participate in the CMHC-insured mortgage program to ensure competitive rates; that the Canadian capital markets will continue to provide CAPREIT with access to equity and/or debt at reasonable rates; that vacancy rates for CAPREIT properties will be consistent with historical norms; that rental rates on renewals will grow; that rental rates on turnovers will grow; that the difference between in-place and market-based rents will be reduced upon such turnovers and renewals; that CAPREIT will effectively manage price pressures relating to its energy usage; and, with respect to CAPREIT's financial outlook regarding capital investments, assumptions respecting projected costs of construction and materials, availability of trades, the cost and availability of financing, CAPREIT's investment priorities, the properties in which investments will be made, the composition of the property portfolio and the projected return on investment in respect of specific capital investments. Although the forward-looking statements contained in this MD&A and Report to Unitholders are based on assumptions and information that is currently available to management, which are subject to change, management believes these statements have been prepared on a reasonable basis, reflecting CAPREIT's best estimates and judgements. However, there can be no assurance actual results, terms or timing will be consistent with these forward-looking statements, and they may prove to be incorrect. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond CAPREIT's control, that may cause CAPREIT's or the industry's actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, risks related to: rent control and residential tenancy regulations, general economic conditions, privacy, cyber security and data governance risks, availability and cost of debt, acquisitions, dispositions and property development, valuation risk, liquidity and price volatility of units of CAPREIT ("Trust Units"), catastrophic events, climate change, taxation-related risks, energy costs, environmental matters, vendor management and third-party service providers, operating risk, talent management and human resources shortages, public health crises, other regulatory compliance risks, litigation

risk, CAPREIT's investment in European Residential Real Estate Investment Trust ("ERES"), potential conflicts of interest, investment restrictions, lack of diversification of investment assets, geographic concentration, illiquidity of real property, capital investments, leasing risk, dependence on key personnel, adequacy of insurance and captive insurance, competition for residents, controls over disclosures and financial reporting, the nature of Trust Units, dilution, distributions and foreign operation and currency risks. There can be no assurance that the expectations of CAPREIT's management will prove to be correct. For a detailed discussion of risk factors, refer to Risks and Uncertainties in Section VII of the 2023 Annual MD&A. Subject to applicable law, CAPREIT does not undertake any obligation to publicly update or revise any forward-looking information.

NON-IFRS MEASURES

CAPREIT prepares and releases unaudited condensed consolidated interim financial statements and audited consolidated annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). In this MD&A, earnings releases, investor presentations and investor conference calls, CAPREIT discloses measures not recognized under IFRS which do not have standard meanings prescribed by IFRS. These include Funds From Operations ("FFO"), Adjusted Cash Flow from Operations ("ACFO"), Adjusted Cash Generated from Operating Activities, Net Asset Value ("NAV"), Total Debt, Gross Book Value and Adjusted Earnings Before Interest, Tax, Depreciation, Amortization and Fair Value ("Adjusted EBITDAFV") (the "Non-IFRS Financial Measures"), as well as diluted FFO per unit, diluted NAV per unit, FFO payout ratio, ACFO payout ratio, Total Debt to Gross Book Value, Debt Service Coverage Ratio and Interest Coverage Ratio (the "Non-IFRS Ratios" and together with the Non-IFRS Financial Measures, the "Non-IFRS Measures"). Since these measures and related per unit amounts are not recognized under IFRS, they may not be comparable to similar measures reported by other issuers. CAPREIT presents Non-IFRS Measures because management believes Non-IFRS Measures are relevant measures of the ability of CAPREIT to earn revenue and to evaluate its performance, financial condition and cash flows. These Non-IFRS Measures have been assessed for compliance with National Instrument 52-112 and a reconciliation of these Non-IFRS Measures to the comparable IFRS measures, along with further definitions and discussion, is provided in Section VI under Non-IFRS Measures. The Non-IFRS Measures should not be construed as alternatives to net income (loss) or cash flows from operating activities determined in accordance with IFRS as indicators of CAPREIT's performance or the sustainability of CAPREIT's distributions.

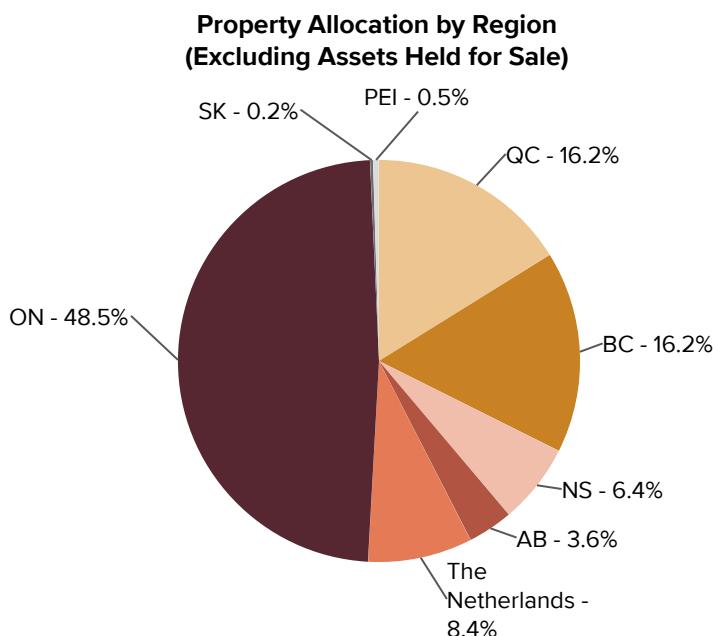
OVERVIEW

CAPREIT is Canada's largest publicly-traded provider of quality rental housing. CAPREIT owns approximately 63,400 residential apartment suites, townhomes and manufactured home community ("MHC") sites, including approximately 15,400 suites and sites classified as assets held for sale, well-located across Canada and the Netherlands as of September 30, 2024.

CAPREIT's concentration on the residential real estate market is aimed at solid year-over-year income growth in a portfolio with stable occupancy. In addition, CAPREIT mitigates risk through demographic diversification by operating properties across the affordable, mid-tier and luxury sectors, as well as through geographic diversification.

CAPREIT was established under the laws of the Province of Ontario by a Declaration of Trust (the "DOT"), dated February 3, 1997, as most recently amended and restated on June 1, 2022.

The following charts show the portfolio allocation by region based on the fair value of CAPREIT's investment properties (excluding assets held for sale) as at September 30, 2024. For a detailed discussion of CAPREIT's investment properties, refer to Section IV under Investment Properties.



PROPERTY PORTFOLIO

Types of Property Interests

CAPREIT's investments in its property portfolio reflect different forms of property interests, including: Apartments and Townhomes, Operating Leasehold Interests, Land Leasehold Interests and MHC Sites (currently classified as assets held for sale).

Portfolio Diversification

CAPREIT's property portfolio continues to be diversified by geography and balanced among asset types. Management's long-term goal is to further enhance the geographic diversification, high quality and defensive nature of its portfolio through acquisitions and dispositions.

Portfolio by Geography

As at	September 30, 2024		December 31, 2023		September 30, 2023	
	Number of Suites and Sites	% ⁽¹⁾	Number of Suites and Sites	% ⁽¹⁾	Number of Suites and Sites	% ⁽¹⁾
Residential Suites						
Ontario						
Greater Toronto Area	16,631	26.2	17,139	26.7	17,139	26.6
London / Kitchener / Waterloo	4,099	6.5	3,808	5.8	3,808	5.9
Ottawa	1,683	2.7	1,485	2.3	1,485	2.3
	22,413	35.4	22,432	34.8	22,432	34.8
Québec						
Greater Montréal Region	7,695	12.1	7,695	12.0	7,695	11.9
Québec City	2,245	3.5	2,699	4.1	2,777	4.3
	9,940	15.6	10,394	16.1	10,472	16.2
British Columbia						
Greater Vancouver Area	4,048	6.4	4,042	6.3	3,928	6.1
Victoria and Other British Columbia	2,133	3.3	2,165	3.4	2,117	3.3
	6,181	9.7	6,207	9.7	6,045	9.4
Nova Scotia						
Halifax	3,408	5.4	3,340	5.2	3,340	5.2
Alberta						
Calgary	1,512	2.4	1,512	2.4	1,775	2.8
Edmonton	875	1.4	697	1.1	697	1.1
	2,387	3.8	2,209	3.5	2,472	3.9
Prince Edward Island						
Charlottetown	382	0.6	424	0.7	445	0.7
Saskatchewan						
Regina	234	0.4	234	0.4	234	0.4
Total Canadian residential suites	44,945	71.0	45,240	70.4	45,440	70.5
MHC Sites						
Total MHC sites	12,138	19.1	12,134	18.9	12,125	18.8
Total Canadian portfolio ⁽²⁾	57,083	90.1	57,374	89.3	57,565	89.3
Europe						
The Netherlands portfolio ⁽³⁾	6,276	9.9	6,886	10.7	6,896	10.7
Total portfolio	63,359	100.0	64,260	100.0	64,461	100.0

⁽¹⁾ Represents percentage of the portfolio by number of suites and sites.

⁽²⁾ As at September 30, 2024, includes 12,248 suites and sites classified as assets held for sale in Canada (December 31, 2023 – 272, September 30, 2023 – 284).

⁽³⁾ As at September 30, 2024, includes 3,179 suites classified as assets held for sale in Europe (December 31, 2023 and September 30, 2023 – nil).

While maintaining a strong and strategic presence in Ontario's vibrant residential market, CAPREIT continues to focus on diversifying its portfolio by increasing its allocation in high-growth Canadian markets with strong fundamentals. CAPREIT considers investment opportunities that meet its investment criteria, which includes geographical diversification and the mitigation of risks arising from potential downturns in any specific markets.

OBJECTIVES AND BUSINESS STRATEGY

CAPREIT's objectives are to:

- maintain a focus on maximizing occupancy and responsibly growing occupied average monthly rent ("Occupied AMR") in accordance with local conditions in each of its markets;
- upgrade the quality and diversification of the property portfolio through repositioning and capital recycling initiatives to grow earnings and cash flow potential;
- invest capital and adopt leading edge technologies and solutions to enhance environmental and operational efficiencies, risk management and to help ensure life safety and satisfaction of residents; and
- maintain strong financial management and a conservative and well-balanced capital structure to increase FFO per unit, NAV per unit and provide long-term, stable and growing cash distributions for holders of Trust Units ("Unitholders").

To meet its objectives, CAPREIT has established the following strategies:

Customer Service	CAPREIT recognizes that it is in a "people business" and strives to be recognized as the landlord of choice in all of its chosen markets by providing its residents with a safe, secure and comfortable living environment. It takes a hands-on approach to managing its properties, emphasizing open and frequent communications to ensure residents' needs are met efficiently and effectively, thereby maintaining a high occupancy level. Numerous initiatives, such as newsletters, special events, resident committees and others, are aimed at building a true sense of community at its properties. CAPREIT's sales and marketing team continues to execute strategies to help attract and retain residents and adapt to changing conditions in specific markets. In addition, CAPREIT's lease administration system improves control of rent-setting by suite, increasing resident service and enhancing the overall profile of its resident base. These initiatives are further enhanced by CAPREIT's information technology platform.
Cost Management	While ensuring the needs of its residents are met, CAPREIT also carefully monitors operating costs to ensure it is delivering services to residents both efficiently and cost-effectively. CAPREIT strives to capture potential economies of scale and cost synergies generated by the size and geographic allocation of its property portfolio. CAPREIT's enterprise-wide procurement system streamlines and centralizes purchasing controls, policies and procedures and is realizing reduced costs through competitive sourcing contracts, improved pricing and enhanced operating efficiencies.
Upgrading the Portfolio	CAPREIT aims to continuously improve the quality of its portfolio and earnings through accretive acquisitions of recently constructed Canadian apartment properties, and dispositions of certain older and non-core properties, in accordance with its strategic criteria. This includes enhancing the portfolio's geographic exposure by increasing its concentration in targeted, attractive, high-growth Canadian regions with strong long-term market fundamentals. CAPREIT's repositioning program also aims to increase net operating income ("NOI"), reduce risk and diversify its resident base. The funds from its non-core divestitures will primarily be used to acquire additional, recently built properties that are in line with CAPREIT's current strategy, to pay down existing debt or for other strategic or general trust purposes, depending on market conditions and the most accretive avenue for capital deployment. Management believes the continued reinvestment of capital is a fundamental component of its value-creation strategy, and demonstrates its ability to maximize and manage the earnings and cash flow potential of its property portfolio.

Capital Investments

CAPREIT is committed to improving its operating performance by investing capital in projects that will sustain or enhance the portfolio's rental income-generating potential. CAPREIT continues to invest in innovative technology solutions that enhance productivity as well as environment-friendly, energy-saving, resiliency and water efficiency initiatives that improve NOI while reducing the portfolio's environmental footprint. CAPREIT completes a review of its portfolio and revises its long-term capital investment plan on an annual basis, which allows management to ensure capital investments extend the useful economic life of CAPREIT's properties, enhance life safety, maximize earnings and improve the long-term cash flow potential of its portfolio.

Environmental, Social and Governance ("ESG")

CAPREIT continues to review and refine its multi-year ESG strategy, which is aligned with CAPREIT's corporate vision of being "the Best Place to Live, Work, and Invest". CAPREIT's overarching commitments include ensuring that its buildings and services meet the highest standards possible, fostering a culture where diversity, equity and inclusion are foundational; and ultimately integrating ESG into all aspects of CAPREIT's business and throughout all levels of its organization, supported by corporate governance and comprehensive ESG disclosures. These commitments allow CAPREIT to better demonstrate its environmental responsibility, attract and retain the best people in the business in which it operates, build strong relationships with its residents and the communities in which they live, adopt best practice programs in corporate governance, monitor its progress on ESG priorities, and maintain open and transparent communication with its investors and other stakeholders. In line with CAPREIT's ongoing goals relating to ESG performance, management continues to support submission to the Global Real Estate Sustainability Benchmark ("GRESB"), the results of which will inform future cycles of improvement and the evolution of CAPREIT's ESG strategy going forward. CAPREIT has also aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which was incorporated in its 2023 ESG Report that was issued in June 2024.

Financial Management

CAPREIT takes a conservative approach and strives to manage its exposure to interest rate volatility by proactively managing its mortgage debt portfolio to fix and, where possible, reduce average interest rates, effectively manage the average term to maturity and stagger maturity dates. In addition, CAPREIT strives to maintain a conservative overall liquidity position and achieve a balance in its overall capital resource requirements between debt and equity.

SECTION II: PORTFOLIO OVERVIEW

KEY PERFORMANCE INDICATORS

To assist management and investors in monitoring and evaluating CAPREIT's achievement of its objectives, CAPREIT has defined a number of key operating and performance indicators ("KPIs") to measure the success of its operating and financial strategies.

Occupancy – Through a focused, hands-on approach, CAPREIT strives to achieve optimal occupancies depending on market conditions in each of the geographic regions where it operates.

Occupied AMR – Through its active property management strategies, lease administration system and proactive capital investment programs, CAPREIT strives to achieve increasing Occupied AMR in accordance with local market conditions and rent control legislation, as applicable. Management believes same property Occupied AMR will continue to gradually increase, providing the basis for sustainable year-over-year increases in revenue.

NOI and Same Property NOI – NOI and same property NOI are widely used operating performance indicators in the real estate industry. NOI is presented in CAPREIT's consolidated interim statements of net income (loss) and comprehensive income (loss). Same property NOI is based on the operating performance of properties fully owned by CAPREIT in the current and prior year comparative periods, excluding properties that are classified as assets held for sale as at period-end. NOI and same property NOI may not, however, be comparable to similar measures presented by other real estate investment trusts or companies.

FFO per unit – CAPREIT is focused on achieving steady increases in this metric. Management believes this measure is indicative of CAPREIT's overall operating performance.

FFO Payout Ratio – This ratio is meant to monitor the FFO that is retained at CAPREIT to potentially fund investment opportunities, capital initiatives or repay debt, after factoring in distributions, and is not meant to be a measure of the sustainability of CAPREIT's distributions. Although CAPREIT intends to continue to sustain and grow distributions, the actual amount of distributions in respect of the CAPREIT units will depend upon numerous factors including, but not limited to, the amount of debt refinancings, capital expenditures and other factors that may be beyond the control of CAPREIT.

Leverage Ratios and Terms – CAPREIT takes a proactive approach with its mortgage portfolio, striving to manage interest expense volatility risk by fixing the lowest possible average interest rates for long-term mortgages, while mitigating refinancing risk by prudently managing the portfolio's average term to maturity and staggering the maturity dates. For this purpose, CAPREIT strives to ensure its overall leverage ratios and interest and debt service coverage ratios are maintained at a sustainable level. CAPREIT focuses on maintaining capital adequacy by complying with investment and debt restrictions in its DOT and the financial covenants in its credit facility and mortgage agreements. CAPREIT's credit agreements consist of a revolving acquisition and operating facility, which can be borrowed in US dollars ("USD"), euros or Canadian dollars, ("Acquisition and Operating Facility"), the unsecured non-revolving construction and term credit facility to reduce greenhouse gas ("GHG") emissions ("GHG Reduction Facility"), and the ERES revolving credit facility ("ERES Credit Facility") (collectively, the "Credit Facilities"), as described under Liquidity and Financial Condition in Section V.

NAV per unit – Management believes that this measure reflects the residual value of CAPREIT to its Unitholders as at the reporting date and is therefore used by management to evaluate the net asset value attributable to Unitholders, and changes thereon based on the execution of CAPREIT's strategy.

PERFORMANCE MEASURES

The following tables present an overview of certain IFRS and Non-IFRS Measures of CAPREIT as at September 30, 2024, December 31, 2023 and September 30, 2023 and for the three and nine months ended September 30, 2024 and September 30, 2023. Management believes these measures are useful in assessing CAPREIT's operating and financial performance in relation to its objectives and business strategy.

As at	September 30, 2024	December 31, 2023	September 30, 2023
Total Portfolio Performance and Other Measures			
Number of suites and sites ⁽¹⁾	63,359	64,260	64,461
Investment properties fair value ⁽²⁾ (000s)	\$ 15,055,125	\$ 16,532,096	\$ 16,482,890
Assets held for sale (000s)	\$ 1,877,123	\$ 45,850	\$ 55,530
Occupied AMR⁽¹⁾			
Canadian Residential Portfolio ⁽³⁾	\$ 1,617	\$ 1,516	\$ 1,490
The Netherlands Portfolio	€ 1,141	€ 1,063	€ 1,053
Occupancy⁽¹⁾			
Canadian Residential Portfolio ⁽³⁾	98.0 %	98.8 %	98.9 %
The Netherlands Portfolio	95.1 %	98.5 %	98.7 %
Total Portfolio ⁽⁴⁾	97.3 %	98.2 %	98.4 %

⁽¹⁾ Excludes commercial suites and includes assets held for sale. As at September 30, 2024, includes 15,427 suites and sites classified as assets held for sale (December 31, 2023 – 272, September 30, 2023 – 284).

⁽²⁾ Investment properties exclude assets held for sale, as applicable.

⁽³⁾ Excludes MHC sites.

⁽⁴⁾ Includes MHC sites.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Financial Performance				
Operating revenues (000s)	\$ 282,439	\$ 268,377	\$ 836,381	\$ 793,122
NOI (000s)	\$ 189,382	\$ 178,432	\$ 552,712	\$ 516,075
NOI margin	67.1 %	66.5 %	66.1 %	65.1 %
Same property NOI (000s)	\$ 156,430	\$ 147,569	\$ 456,894	\$ 427,650
Same property NOI margin	66.1 %	65.8 %	65.1 %	64.6 %
Net income (loss) (000s)	\$ 47,370	\$ (357,542)	\$ 341,555	\$ (420,786)
FFO per unit – diluted ⁽¹⁾	\$ 0.659	\$ 0.638	\$ 1.912	\$ 1.795
Distributions per unit	\$ 0.371	\$ 0.362	\$ 1.096	\$ 1.087
FFO payout ratio ⁽¹⁾	56.2 %	56.8 %	57.3 %	60.5 %

⁽¹⁾ These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.

As at	September 30, 2024	December 31, 2023	September 30, 2023
Financing Metrics and Liquidity			
Total debt to gross book value ⁽¹⁾	40.9%	41.6%	41.4%
Weighted average mortgage effective interest rate ⁽²⁾	2.97%	2.80%	2.73%
Weighted average mortgage term (years) ⁽²⁾	4.7	4.9	5.0
Debt service coverage ratio (times) ⁽¹⁾⁽³⁾	1.9x	1.8x	1.8x
Interest coverage ratio (times) ⁽¹⁾⁽³⁾	3.3x	3.3x	3.5x
Cash and cash equivalents (000s) ⁽⁴⁾	\$ 23,365	\$ 29,528	\$ 48,266
Available borrowing capacity – Canadian Credit Facilities (000s) ⁽⁵⁾	\$ 294,999	\$ 340,059	\$ 257,875
Capital			
Unitholders' equity (000s)	\$ 9,449,650	\$ 9,278,595	\$ 9,304,029
Net asset value (000s) ⁽¹⁾	\$ 9,461,781	\$ 9,212,594	\$ 9,228,233
Total number of units – diluted (000s)	169,638	169,868	169,777
Net asset value per unit – diluted ⁽¹⁾	\$ 55.78	\$ 54.23	\$ 54.36

⁽¹⁾ This measure is not defined by IFRS, does not have standard meaning and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.

⁽²⁾ Excludes liabilities related to assets held for sale, as applicable.

⁽³⁾ Based on the trailing four quarters.

⁽⁴⁾ Consists of \$9,264 and \$14,101 in Canada and Europe, respectively (December 31, 2023 – \$17,616 and \$11,912, respectively, September 30, 2023 – \$31,015 and \$17,251, respectively).

⁽⁵⁾ Includes \$228,674 available on the Acquisition and Operating Facility (December 31, 2023 – \$340,059, September 30, 2023 – \$257,875) and \$66,325 available on the GHG Reduction Facility (December 31, 2023 and September 30, 2023 – N/A).

SUMMARY OF Q3 2024 RESULTS OF OPERATIONS

Strategic Initiatives Update

- CAPREIT continues to invest in strategic opportunities that are accretive. For the three months ended September 30, 2024, CAPREIT acquired four properties with 435 suites in Canada for a total gross purchase price of \$278.7 million (excluding transaction costs and other adjustments). For the nine months ended September 30, 2024, CAPREIT acquired seven properties with 972 suites in Canada for a total gross purchase price of \$517.5 million (excluding transaction costs and other adjustments).
- For the three months ended September 30, 2024, CAPREIT disposed of 764 suites which were comprised of four non-core properties located in Canada; land adjacent to an existing residential building owned by CAPREIT; multiple residential properties in the Netherlands with 464 suites; three single residential suites located in the Netherlands; one office building in the Netherlands and one commercial building in Germany, for a total gross sale price of \$382.4 million (excluding transaction costs and other adjustments). For the nine months ended September 30, 2024, CAPREIT disposed of 1,877 suites for a total gross sale price of \$570.3 million (excluding transaction costs and other adjustments) of non-core property dispositions. Subsequent to quarter-end, CAPREIT disposed of an additional 110 suites in Canada for a total gross sale price of \$33.5 million (excluding transaction costs and other adjustments).

- On July 15, 2024, CAPREIT announced that it has entered into an agreement to sell its MHC portfolio for a gross sale price of \$740 million (excluding transaction costs and other adjustments). The gross sale price will be satisfied in part through an interest-only vendor takeback ("VTB") mortgage of \$140 million, bearing interest at a rate of 3.0% per annum for a five-year term, with the remaining \$600 million to be satisfied in cash. The transaction is subject to compliance with the Competition Act (Canada) and other closing conditions customary in transactions of this nature. Subject to the receipt of all regulatory approvals and satisfaction of customary closing conditions, closing is anticipated in the fourth quarter of 2024.
- On September 16, 2024, CAPREIT announced that certain subsidiaries of ERES have entered into two separate agreements to sell a total of 3,179 residential suites in the Netherlands for gross proceeds (net of estimated adjustments) totalling approximately \$1.1 billion. The gross sale price is expected to be settled in cash, with net proceeds expected to be used in part to repay approximately \$635 million in associated mortgages outstanding. Remaining net proceeds are intended to be used for the repayment of amounts on the ERES Credit Facility, the prepayment of certain mortgages maturing in the near term and the payment of a special cash distribution by ERES. Subject to the satisfaction of closing conditions, closings are anticipated by early Q1 2025.
- During the three months ended September 30, 2024, no Trust Units were purchased for cancellation under the Normal Course Issuer Bid ("NCIB") program. During the nine months ended September 30, 2024, CAPREIT purchased and cancelled approximately 0.6 million Trust Units, under the NCIB program, at a weighted average purchase price of \$48.19 per Trust Unit, for a total cost of \$27.1 million.
- CAPREIT's strategy to upgrade the quality and diversification of the property portfolio through repositioning and capital recycling initiatives to grow earnings and cash flow potential continues for 2024. In light of dispositions that closed to date and the announced dispositions expected to close later this year, CAPREIT is on track to meet or exceed the disposition target of over \$400 million of non-core Canadian properties during 2024 and will continue to look for opportunities to recycle non-core Canadian properties during the remainder of the year.
- On August 7, 2024, the Board of Trustees approved an increase in monthly distributions from \$0.1208 to \$0.125 per Trust Unit, or from \$1.45 to \$1.50 per Trust Unit on an annualized basis. The increase was effective with the August 2024 distribution paid on September 16, 2024 to Unitholders of record as at August 30, 2024.

Operating Results

- On turnovers and renewals, monthly residential rents for the three and nine months ended September 30, 2024 increased by 7.4% and 5.7%, respectively, for the Canadian residential portfolio, compared to 7.4% and 5.3%, respectively, for the three and nine months ended September 30, 2023.
- Same property Occupied AMR for the Canadian residential portfolio as at September 30, 2024 increased by 6.4% compared to September 30, 2023, while same property occupancy for the Canadian residential portfolio decreased to 98.1% (September 30, 2023 - 98.9%).
- NOI for the same property portfolio increased by 6.0% and 6.8%, respectively, for the three and nine months ended September 30, 2024, compared to the same periods last year. Additionally, NOI margin for the same property portfolio increased to 66.1%, up 0.3%, for the three months ended September 30, 2024, and increased to 65.1%, up 0.5%, for the nine months ended September 30, 2024, compared to the same periods last year.
- Diluted FFO per unit was up 3.3% and 6.5%, respectively, for the three and nine months ended September 30, 2024, compared to the same period last year, primarily due to contributions from acquisitions and higher same property NOI, partially offset by dispositions, lower other income and higher interest expense on credit facilities payable and mortgages payable.

Balance Sheet Highlights

- CAPREIT's financial position remains strong, with approximately \$304.3 million of available Canadian liquidity, comprising \$9.3 million of Canadian cash and cash equivalents, \$228.7 million of available capacity on its Canadian Acquisition and Operating Facility and \$66.3 million on its GHG Reduction Facility.
- To date, CAPREIT completed or committed mortgage financings totalling \$539.9 million, with a weighted average term to maturity of 7.4 years and a weighted average interest rate of 4.33%.
- For the nine months ended September 30, 2024, \$2.1 billion of investment properties from ERES and the MHC portfolio have been transferred to assets held for sale. The impact of the transfer on the carrying value of investment property was partially offset by net acquisitions of \$255.4 million; property capital investments of \$164.4 million; fair value gains of \$156.7 million; and foreign exchange translation and other for \$71.7 million. The overall carrying value of investment properties (excluding assets held for sale) as at September 30, 2024 was \$15.1 billion compared to \$16.5 billion as at December 31, 2023.
- Diluted NAV per unit as at September 30, 2024 increased to \$55.78 from \$55.05 as at June 30, 2024, and from \$54.23 as at December 31, 2023, primarily reflecting an increase in investment property values in CAPREIT's Canadian and European portfolio.

SECTION III: OPERATIONAL AND FINANCIAL RESULTS

OCCUPIED AVERAGE MONTHLY RENTS AND OCCUPANCY

Occupied AMR is defined as actual residential rents divided by the total number of occupied suites or sites in the property, and does not include revenues from parking, laundry or other sources. Same Property Occupied AMR and occupancy include all properties held as at September 30, 2023, but exclude properties disposed of or held for sale as at September 30, 2024.

Occupied AMR and Occupancy by Geography

As at September 30,	Total Portfolio				Same Property			
	2024		2023		2024		2023	
	Occupied AMR	Occ. %	Occupied AMR	Occ. %	Occupied AMR	Occ. %	Occupied AMR	Occ. %
Residential Suites								
Ontario								
Greater Toronto Area	\$ 1,762	98.8	\$ 1,671	99.2	\$ 1,762	98.8	\$ 1,675	99.2
London / Kitchener / Waterloo	1,378	98.5	1,225	99.3	1,300	98.4	1,225	99.3
Ottawa	1,928	99.2	1,768	99.8	1,853	99.9	1,768	99.8
	\$ 1,704	98.8	\$ 1,602	99.2	\$ 1,688	98.8	\$ 1,602	99.2
Québec								
Greater Montréal Region	\$ 1,293	96.3	\$ 1,213	97.7	\$ 1,293	96.3	\$ 1,213	97.7
Québec City	1,381	97.2	1,239	98.1	1,381	97.2	1,308	97.7
	\$ 1,313	96.5	\$ 1,220	97.8	\$ 1,313	96.5	\$ 1,235	97.7
British Columbia								
Greater Vancouver Area	\$ 1,904	98.6	\$ 1,674	99.2	\$ 1,809	98.8	\$ 1,680	99.2
Victoria and Other British Columbia	1,684	99.1	1,569	98.9	1,669	99.0	1,566	98.9
	\$ 1,828	98.7	\$ 1,637	99.1	\$ 1,759	98.9	\$ 1,639	99.1
Nova Scotia								
Halifax	\$ 1,626	97.5	\$ 1,490	99.4	\$ 1,617	97.5	\$ 1,490	99.4
Alberta								
Calgary	\$ 1,499	97.7	\$ 1,301	99.7	\$ 1,499	97.7	\$ 1,302	99.7
Edmonton	1,651	96.1	1,383	99.9	1,491	96.7	1,383	99.9
	\$ 1,554	97.1	\$ 1,324	99.7	\$ 1,497	97.4	\$ 1,328	99.7
Prince Edward Island								
Charlottetown	\$ 1,301	99.0	\$ 1,234	99.8	\$ 1,301	99.0	\$ 1,255	100.0
Saskatchewan								
Regina	\$ 1,347	95.3	\$ 1,201	99.1	\$ 1,347	95.3	\$ 1,201	99.1
Total Canadian residential suites	\$ 1,617	98.0	\$ 1,490	98.9	\$ 1,593	98.1	\$ 1,497	98.9
MHC Sites								
Total MHC sites	\$ 455	95.7	\$ 437	96.0	\$ —	—	\$ —	—
Total Canadian portfolio	\$ 1,375	97.5	\$ 1,274	98.3	\$ 1,593	98.1	\$ 1,497	98.9
Europe								
The Netherlands portfolio	€ 1,141	95.1	€ 1,053	98.7	€ 1,222	96.1	€ 1,131	98.8
Total portfolio		97.3		98.4		98.0		98.9

The rate of growth in total portfolio Occupied AMR has been primarily driven by (i) new acquisitions completed over the past 12 months; and (ii) same property operational growth. The rate of growth in same property Occupied AMR has been primarily due to (i) rental increases on turnover in the rental markets of most provinces across the Canadian portfolio; and (ii) rental increases on renewals.

Occupancy for the total portfolio as at September 30, 2024 decreased by 1.1% to 97.3% compared to September 30, 2023. Occupancy for the total Canadian residential portfolio as at September 30, 2024 decreased by 0.9% to 98.0% compared to September 30, 2023. CAPREIT views this as a transitory vacancy trend influenced by market conditions. As part of CAPREIT's strategic approach, CAPREIT aims to manage vacancies in high-demand and high velocity markets in order to grow Occupied AMR to align with prevailing market conditions. Occupancy for the Netherlands portfolio as at September 30, 2024 decreased by 3.6% to 95.1% compared to September 30, 2023, primarily due to suites intentionally held vacant to maximize value and for property and unit dispositions.

The weighted average gross rent per square foot for total Canadian residential suites was approximately \$1.94 as at September 30, 2024, increased from \$1.81 as at September 30, 2023.

Annual Rental Guidelines as per Rental Board

The table below presents the annual rental guideline increases in CAPREIT's largest Canadian provinces of operations under rent control legislation impacting lease renewals, if applicable.

	2025 ⁽¹⁾	2024 ⁽²⁾	2023 ⁽³⁾
Ontario	2.5%	2.5%	2.5%
British Columbia	3.0%	3.5%	2.0%

⁽¹⁾ Ontario has capped the rental guideline increase at 2.5%, below rate of inflation at the time of announcement. Without the cap, the rental guideline increase would have been calculated to be 3.1%, based on the average Ontario Consumer Price Index at the time of announcement of the 2025 annual rental guideline. British Columbia has capped the rental guideline increase at 3.0%, in line with the British Columbia Price Index at the time of announcement of the 2025 annual rental guideline.

⁽²⁾ Ontario and British Columbia have capped the rental guideline increases at 2.5% and 3.5%, respectively, below rates of inflation at the time of the announcements. Without the cap, the rental guideline increases would have been calculated to be 5.9% and 5.6%, respectively, based on the average Ontario and British Columbia Consumer Price Indices at the time of announcement of the 2024 annual rental guidelines.

⁽³⁾ Ontario and British Columbia have capped the rental guideline increases at 2.5% and 2.0%, respectively, below rates of inflation at the time of the announcements. Without the cap, the rental guideline increases would have been calculated to be 5.3% and 5.4%, respectively, based on the average Ontario and British Columbia Consumer Price Indices at the time of announcement of the 2023 annual rental guidelines.

CAPREIT's strategy is focused on upgrading portfolio quality through accretive acquisitions of recently built properties, alongside selected non-core or opportunistic dispositions. As a result, AGIs and additional rental increases are an insignificant component of CAPREIT's operations, with applications only active for selected suites and sites meeting certain criteria.

Suite Turnovers and Lease Renewals – Total Portfolio

The tables below summarize the changes in the monthly rent due to suite turnovers and lease renewals compared to the prior year.

Canadian Portfolio

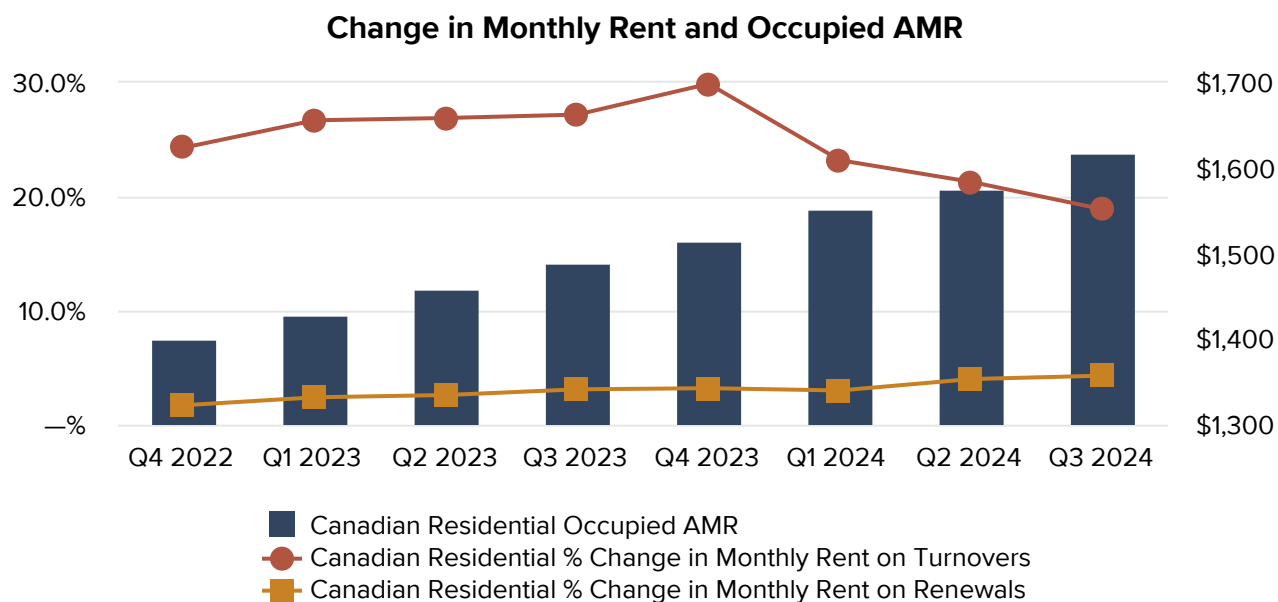
For the Three Months Ended September 30,	2024		2023	
	Change in Monthly Rent	Turnovers and Renewals ⁽¹⁾	Change in Monthly Rent	Turnovers and Renewals ⁽¹⁾
	%	%	%	%
Suite turnovers	18.9	4.4	27.2	4.1
Lease renewals	4.3	19.0	3.1	18.7
Weighted average of turnovers and renewals	7.4%		7.4	

⁽¹⁾ Percentage of suites turned over or renewed during the period is based on the total weighted average number of residential suites (excluding MHC sites) held during the period.

For the Nine Months Ended September 30,	2024		2023	
	Change in Monthly Rent	Turnovers and Renewals ⁽¹⁾	Change in Monthly Rent	Turnovers and Renewals ⁽¹⁾
	%	%	%	%
Suite turnovers	20.7	10.2	27.0	9.9
Lease renewals	3.5	78.4	2.6	78.1
Weighted average of turnovers and renewals	5.7%		5.3	

⁽¹⁾ Percentage of suites turned over or renewed during the period is based on the total weighted average number of residential suites (excluding MHC sites) held during the period.

Change in monthly rent on suite turnovers continues to remain strong while lease renewals remain stable due to rent controls in certain provinces. The following graph illustrates the change in monthly rent on turnovers and renewals, as well as Occupied AMR (excluding co-ownerships and MHC sites), for the trailing eight quarters.



The Netherlands Portfolio

For the Three Months Ended September 30,	2024		2023	
	Change in Monthly Rent	Turnovers and Renewals ⁽¹⁾	Change in Monthly Rent	Turnovers and Renewals ⁽¹⁾
	%	%	%	%
Suite turnovers ⁽²⁾	14.7	1.2	20.4	3.5
Lease renewals	5.5	94.0	4.0	96.6
Weighted average of turnovers and renewals	5.6%		4.6	

⁽¹⁾ Percentage of suites turned over during the period is based on the total weighted average number of Dutch residential suites held during the period. Percentage of suites renewed during the period is based on number of Dutch residential suites on July 1, as lease renewals due to indexation occur only once a year.

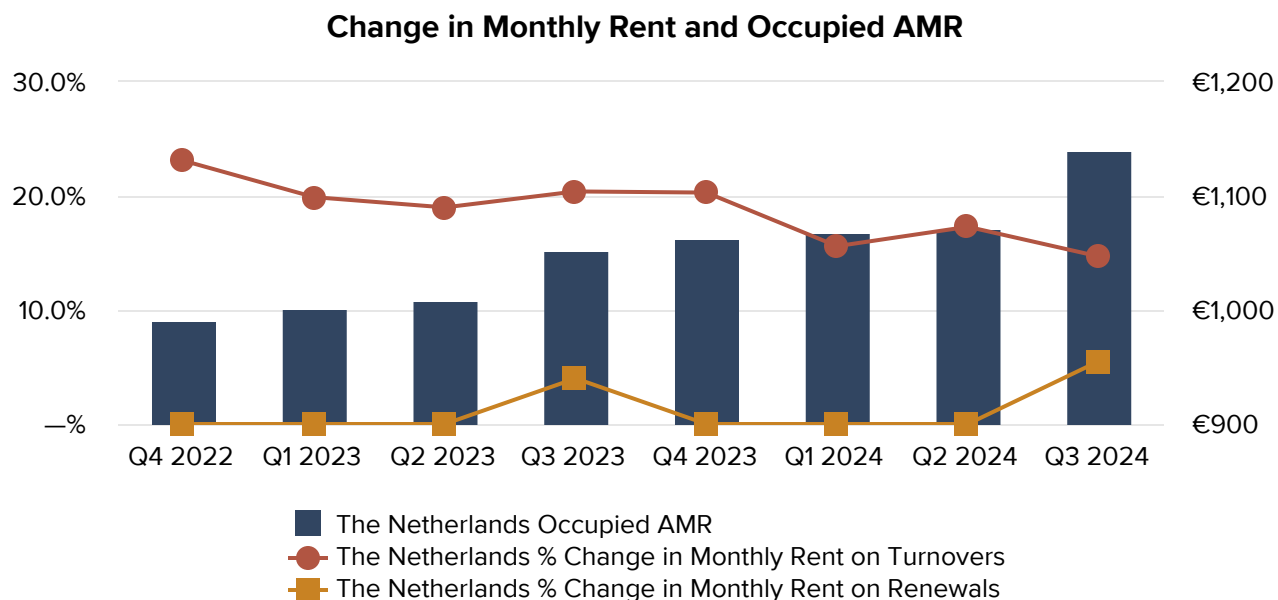
⁽²⁾ On turnover, rents increased by 14.7% on 2.5% of the Netherlands same property residential portfolio for the three months ended September 30, 2024 compared to an increase of 21.7% on 4.2% of the Netherlands same property residential portfolio for the three months ended September 30, 2023. Same property residential portfolio for turnover purposes includes all properties continuously owned since December 31, 2022, and excludes properties disposed of or held for sale as at September 30, 2024.

For the Nine Months Ended September 30,	2024		2023	
	Change in Monthly Rent	Turnovers and Renewals ⁽¹⁾	Change in Monthly Rent	Turnovers and Renewals ⁽¹⁾
	%	%	%	%
Suite turnovers ⁽²⁾	15.9	6.3	20.4	10.3
Lease renewals	5.5	94.0	4.0	96.6
Weighted average of turnovers and renewals	6.2%		5.6	

⁽¹⁾ Percentage of suites turned over during the period is based on the total weighted average number of Dutch residential suites held during the period. Percentage of suites renewed during the period is based on number of Dutch residential suites on July 1, as lease renewals due to indexation occur only once a year.

⁽²⁾ On turnover, rents increased by 16.4% on 9.2% of the Netherlands same property residential portfolio for the nine months ended September 30, 2024 compared to an increase of 21.1% on 11.9% of the Netherlands same property residential portfolio for the nine months ended September 30, 2023.

Change in monthly rent on suite turnovers continues to remain strong while lease renewals show moderate increases during the annual renewal month. The following graph illustrates the change in monthly rent on turnovers and renewals, as well as Occupied AMR, for the trailing eight quarters.



Tenant Inducements and Expected Credit Losses – Total Portfolio

(\$ Thousands)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024	% ⁽¹⁾	2023	% ⁽¹⁾	2024	% ⁽¹⁾	2023	% ⁽¹⁾
New tenant inducements granted – residential	\$ 886		\$ 197		\$ 1,848		\$ 524	
New tenant inducements granted – commercial	—		135		6		135	
Total new tenant inducements granted	\$ 886		\$ 332		\$ 1,854		\$ 659	
Tenant inducements amortized	\$ 539	0.2	\$ 416	0.2	\$ 1,319	0.2	\$ 1,513	0.2
Expected credit losses	\$ 2,059	0.7	\$ 1,246	0.5	\$ 4,528	0.5	\$ 3,606	0.5

⁽¹⁾ As a percentage of total operating revenues.

RESULTS OF OPERATIONS

The table below summarizes revenue from investment properties by region for the three and nine months ended September 30, 2024 and September 30, 2023. Revenue is composed of residential, commercial and ancillary revenue.

Total Operating Revenues by Geography

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
(\$ Thousands)	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Residential Suites								
Ontario								
Greater Toronto Area	\$ 94,539	33.4	\$ 91,383	34.0	\$ 283,894	33.9	\$ 270,044	33.8
London / Kitchener / Waterloo	17,075	6.0	14,153	5.3	49,194	5.9	41,819	5.3
Ottawa	9,493	3.4	8,027	3.0	26,238	3.1	23,985	3.0
	\$ 121,107	42.8	\$ 113,563	42.3	\$ 359,326	42.9	\$ 335,848	42.1
Québec								
Greater Montréal Region	\$ 32,341	11.5	\$ 31,340	11.7	\$ 95,558	11.4	\$ 96,541	12.2
Québec City	10,219	3.6	11,000	4.1	31,372	3.8	32,498	4.1
	\$ 42,560	15.1	\$ 42,340	15.8	\$ 126,930	15.2	\$ 129,039	16.3
British Columbia								
Greater Vancouver Area	\$ 23,127	8.2	\$ 20,421	7.6	\$ 67,059	8.0	\$ 58,011	7.3
Victoria and Other British Columbia	11,464	4.1	10,656	4.0	33,807	4.0	31,377	4.0
	\$ 34,591	12.3	\$ 31,077	11.6	\$ 100,866	12.0	\$ 89,388	11.3
Nova Scotia								
Halifax	\$ 17,144	6.1	\$ 15,809	5.9	\$ 49,990	6.0	\$ 45,786	5.8
Alberta								
Calgary	\$ 7,990	2.8	\$ 8,112	3.0	\$ 23,304	2.8	\$ 23,636	3.0
Edmonton	4,448	1.6	3,128	1.2	10,916	1.3	8,581	1.1
	\$ 12,438	4.4	\$ 11,240	4.2	\$ 34,220	4.1	\$ 32,217	4.1
Prince Edward Island								
Charlottetown	\$ 1,598	0.6	\$ 1,831	0.7	\$ 4,927	0.6	\$ 6,092	0.8
Saskatchewan								
Regina	\$ 923	0.3	\$ 824	0.3	\$ 2,677	0.3	\$ 2,389	0.3
Total Canadian residential suites	\$ 230,361	81.6	\$ 216,684	80.8	\$ 678,936	81.1	\$ 640,759	80.7
MHC Sites								
Total MHC sites	\$ 16,953	6.0	\$ 16,347	6.0	\$ 50,535	6.1	\$ 48,932	6.2
Total Canadian portfolio ⁽¹⁾	\$ 247,314	87.6	\$ 233,031	86.8	\$ 729,471	87.2	\$ 689,691	86.9
Europe								
The Netherlands ⁽²⁾	\$ 32,771	11.6	\$ 32,444	12.1	\$ 99,170	11.9	\$ 94,903	12.0
Other Europe ⁽³⁾	2,354	0.8	2,902	1.1	7,740	0.9	8,528	1.1
	\$ 35,125	12.4	\$ 35,346	13.2	\$ 106,910	12.8	\$ 103,431	13.1
Total Portfolio	\$ 282,439	100.0	\$ 268,377	100.0	\$ 836,381	100.0	\$ 793,122	100.0

⁽¹⁾ Includes revenues for Canadian commercial properties of \$6,119 and \$5,896 for the three months ended September 30, 2024 and September 30, 2023, respectively, and \$17,679 and \$17,466 for the nine months ended September 30, 2024 and September 30, 2023, respectively.

⁽²⁾ In € thousands, €21,862 and €22,226 for the three months ended September 30, 2024 and September 30, 2023, respectively. In € thousands, €67,090 and €65,116 for the nine months ended September 30, 2024 and September 30, 2023, respectively.

⁽³⁾ Comprised of ERES's revenues for the commercial properties located in Germany and Belgium. In € thousands, €1,570 and €1,988 for the three months ended September 30, 2024 and September 30, 2023, respectively. In € thousands, €5,237 and €5,851 for the nine months ended September 30, 2024 and September 30, 2023, respectively.

Net Operating Income

Management believes NOI is a key indicator of operating performance for CAPREIT and in the real estate industry in general. CAPREIT's NOI includes all rental revenues and other related ancillary income generated at the property level, less: (i) related direct costs such as realty taxes, utilities, repairs and maintenance ("R&M") costs, on-site wages and salaries, insurance costs and expected credit losses; and (ii) an appropriate allocation of corporate overhead costs. It may not, however, be comparable to similar measures presented by other real estate investment trusts or companies.

Management believes same property NOI is a key indicator of operating performance of properties fully owned by CAPREIT in the current and prior year comparative periods. Same properties for the three and nine months ended September 30, 2024 are defined as all properties owned by CAPREIT continuously since December 31, 2022, and therefore do not take into account the impact on performance of acquisitions or dispositions completed during 2024 and 2023, or properties that are classified as held for sale as at September 30, 2024. Same property NOI is calculated in accordance with the accounting policies used to prepare total NOI as presented in the consolidated interim statements of net income (loss) and comprehensive income (loss).

CAPREIT's investment properties primarily consist of apartment suites but include a number of townhomes in Canada and the Netherlands which generally have higher NOI margins than apartment suites.

(\$ Thousands)	Total NOI			Same Property NOI		
For the Three Months Ended September 30,	2024	2023 ⁽¹⁾	% ⁽²⁾	2024	2023	% ⁽²⁾
Operating Revenues						
Rental revenues	\$ 269,290	\$ 256,036	5.2	\$ 225,487	\$ 213,755	5.5
Other ⁽³⁾	13,149	12,341	6.5	11,234	10,572	6.3
Total operating revenues	\$ 282,439	\$ 268,377	5.2	\$ 236,721	\$ 224,327	5.5
Operating Expenses						
Realty taxes	\$ (25,837)	\$ (24,391)	5.9	\$ (23,083)	\$ (21,844)	5.7
Utilities	(14,184)	(15,704)	(9.7)	(12,090)	(13,374)	(9.6)
Other ⁽⁴⁾	(53,036)	(49,850)	6.4	(45,118)	(41,540)	8.6
Total operating expenses ⁽⁵⁾	\$ (93,057)	\$ (89,945)	3.5	\$ (80,291)	\$ (76,758)	4.6
NOI	\$ 189,382	\$ 178,432	6.1	\$ 156,430	\$ 147,569	6.0
NOI margin	67.1 %	66.5 %		66.1 %	65.8 %	

⁽¹⁾ Certain 2023 comparative figures have been reclassified to conform with current period presentation.

⁽²⁾ Represents the year-over-year percentage change.

⁽³⁾ Comprised parking and other ancillary income such as laundry and antenna revenue.

⁽⁴⁾ Comprised R&M, wages, insurance, advertising, legal costs and expected credit losses.

⁽⁵⁾ Total operating expenses, on a constant currency basis, increased by approximately 3.1% and 4.4%, respectively, for the total and same property portfolio compared to the same periods last year.

(\$ Thousands)	Total NOI			Same Property NOI		
For the Nine Months Ended September 30,	2024	2023 ⁽¹⁾	% ⁽²⁾	2024	2023	% ⁽²⁾
Operating Revenues						
Rental revenues	\$ 796,115	\$ 756,723	5.2	\$ 667,589	\$ 630,251	5.9
Other ⁽³⁾	40,266	36,399	10.6	34,469	31,332	10.0
Total operating revenues	\$ 836,381	\$ 793,122	5.5	\$ 702,058	\$ 661,583	6.1
Operating Expenses						
Realty taxes	\$ (75,337)	\$ (72,475)	3.9	\$ (67,493)	\$ (64,804)	4.1
Utilities	(54,130)	(57,796)	(6.3)	(47,389)	(49,722)	(4.7)
Other ⁽⁴⁾	(154,202)	(146,776)	5.1	(130,282)	(119,407)	9.1
Total operating expenses ⁽⁵⁾	\$ (283,669)	\$ (277,047)	2.4	\$ (245,164)	\$ (233,933)	4.8
NOI	\$ 552,712	\$ 516,075	7.1	\$ 456,894	\$ 427,650	6.8
NOI margin	66.1 %	65.1 %		65.1 %	64.6 %	

⁽¹⁾ Certain 2023 comparative figures have been reclassified to conform with current period presentation.

⁽²⁾ Represents the year-over-year percentage change.

⁽³⁾ Comprises parking and other ancillary income such as laundry and antenna revenue.

⁽⁴⁾ Comprises R&M, wages, insurance, advertising, legal costs and expected credit losses.

⁽⁵⁾ Total operating expenses, on a constant currency basis, increased by approximately 2.2% and 4.7%, respectively, for the total and same property portfolio compared to the same period last year.

The following table reconciles same property NOI and NOI from acquisitions, dispositions and assets held for sale to total NOI, as disclosed in the accompanying condensed consolidated interim financial statements, for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Same property NOI	\$ 156,430	\$ 147,569	\$ 456,894	\$ 427,650
NOI from acquisitions	7,994	2,252	16,190	3,793
NOI from dispositions and assets held for sale	24,958	28,611	79,628	84,632
Total NOI	\$ 189,382	\$ 178,432	\$ 552,712	\$ 516,075

Operating Revenues

For the three months ended September 30, 2024, same property operating revenues increased by \$12.4 million, primarily driven by increases in monthly rents on turnovers and renewals, partially offset by decrease in occupancy. Total operating revenues increased by \$14.1 million during the same period, due to \$13.8 million of operational growth, primarily on the same property operating portfolio and to a lesser extent on assets held for sale as at September 30, 2024 and a \$7.7 million increase from acquisitions, partially offset by \$7.4 million lower revenues due to dispositions.

For the nine months ended September 30, 2024, same property operating revenues increased by \$40.5 million, primarily driven by increases in monthly rents on turnovers and renewals, partially offset by decrease in occupancy. Total operating revenues increased by \$43.3 million during the same period, due to \$45.3 million of operational growth, primarily on the same property operating portfolio and to a lesser extent on assets held for sale as at September 30, 2024 and a \$16.9 million increase from acquisitions, partially offset by \$18.9 million lower revenues due to dispositions.

Operating Expenses

Realty Taxes

For the three and nine months ended September 30, 2024, realty taxes for both the total and same property portfolios increased compared to the same periods in the prior year, primarily due to increases in realty tax rates in Ontario and increases in property value assessments in British Columbia.

Utilities

CAPREIT's utility costs can be highly variable from year to year depending on energy consumption and rates. The table below provides CAPREIT's utility costs by type for the three and nine months ended September 30, 2024 and September 30, 2023.

(\$ Thousands)	Total Utilities			Same Property Utilities ⁽¹⁾		
For the Three Months Ended September 30,	2024	2023	% ⁽²⁾	2024	2023	% ⁽²⁾
Electricity	\$ 4,263	\$ 5,182	(17.7)	\$ 3,820	\$ 4,678	(18.3)
Natural gas	1,972	2,383	(17.2)	1,873	2,247	(16.6)
Water	7,949	8,139	(2.3)	6,397	6,449	(0.8)
Total	\$ 14,184	\$ 15,704	(9.7)	\$ 12,090	\$ 13,374	(9.6)

⁽¹⁾ Same property results exclude performance of acquisitions or dispositions completed during 2024 and 2023, or properties that are classified as held for sale as at September 30, 2024. For the three months ended September 30, 2024, total utility costs from acquisitions or dispositions completed during 2024 and 2023, or properties that are classified as held for sale as at September 30, 2024, were \$2,094 (for the three months ended September 30, 2023 – \$2,330).

⁽²⁾ Represents the year-over-year percentage change.

For the three months ended September 30, 2024, electricity costs decreased year-over-year, primarily due to lower rates in Ontario. In addition, natural gas decreased year-over-year, mainly due to warmer weather in Ontario.

(\$ Thousands)	Total Utilities			Same Property Utilities ⁽¹⁾		
For the Nine Months Ended September 30,	2024	2023	% ⁽²⁾	2024	2023	% ⁽²⁾
Electricity	\$ 17,215	\$ 18,833	(8.6)	\$ 15,676	\$ 16,661	(5.9)
Natural gas	13,777	15,594	(11.7)	13,059	14,333	(8.9)
Water	23,138	23,369	(1.0)	18,654	18,728	(0.4)
Total	\$ 54,130	\$ 57,796	(6.3)	\$ 47,389	\$ 49,722	(4.7)

⁽¹⁾ Same property results exclude performance of acquisitions or dispositions completed during 2024 and 2023, or properties that are classified as held for sale as at September 30, 2024. For the nine months ended September 30, 2024, total utility costs from acquisitions or dispositions completed during 2024 and 2023, or properties that are classified as held for sale as at September 30, 2024, were \$6,741 (for the nine months ended September 30, 2023 – \$8,074).

⁽²⁾ Represents the year-over-year percentage change.

For the nine months ended September 30, 2024, electricity costs decreased year-over-year, primarily due to warmer weather in Ontario and lower rates in Alberta. In addition, natural gas decreased year-over-year, mainly due to warmer weather in Ontario and Québec.

As at September 30, 2024, Canadian tenants who pay their electricity charges directly, through sub-metering or direct metering, represented approximately three-quarters of the total residential portfolio in Canada. Additional suites and sites have sub-metering or direct metering in place, for which the cost of electricity is currently borne by CAPREIT and will be assumed by new tenants upon turnover. CAPREIT will continue to evaluate implementing sub-metering in the remaining suites and sites. Sub-metering lowers utility consumption, resulting in a smaller environmental impact, lower operating expenses and lower inflation exposure.

In an effort to protect against the risk of rising natural gas rates, CAPREIT has fixed the price of natural gas and transport for a portion of its estimated requirements until 2025. The cost of natural gas rates is comprised of commodity, transport, delivery and carbon taxes. For the remainder of 2024, the commodity prices have been fixed on 64.0% of CAPREIT's estimated requirements, and transport costs have also been fixed on 50.7% of CAPREIT's estimated requirements. Some volatility on the overall natural gas costs is still expected on the remaining costs with unfixed prices. For more information on CAPREIT's energy management, and water and waste management efforts, see the Asset Management section of the 2023 ESG Report.

As at September 30, 2024, Dutch tenants who pay their utility charges directly represented 100% of the total 6,276 suites in the Netherlands.

Other Operating Expenses

For the three months ended September 30, 2024, other operating expenses for the total and same property portfolio increased compared to the same period last year, primarily due to higher R&M costs and to a lesser extent higher expected credit losses. For the nine months ended September 30, 2024, other operating expenses for total and same property portfolio increased compared to the same period last year, primarily due to higher R&M costs, and to a lesser extent higher insurance costs and expected credit losses. Higher R&M costs are due to higher maintenance costs that correspond with a reduction in suite and common area capital improvements, reflecting CAPREIT's strategic reallocation of capital in response to the tight rental market in Canada.

NOI BY REGION

The following tables summarize the total portfolio NOI and NOI margins by region for the three and nine months ended September 30, 2024 and September 30, 2023:

For the Three Months Ended September 30,	2024			2023			Increase (Decrease)
(\$ Thousands)	NOI	NOI % ⁽¹⁾	NOI Margin (%)	NOI	NOI % ⁽¹⁾	NOI Margin (%)	NOI Change (%)
Residential Suites							
Ontario							
Greater Toronto Area	\$ 61,698	32.4	65.3	\$ 59,701	33.6	65.3	3.3
London / Kitchener / Waterloo	11,120	5.9	65.1	8,780	4.9	62.0	26.7
Ottawa	6,556	3.5	69.1	5,576	3.1	69.5	17.6
	\$ 79,374	41.8	65.5	\$ 74,057	41.6	65.2	7.2
Québec							
Greater Montréal Region	\$ 19,524	10.3	60.4	\$ 19,225	10.8	61.3	1.6
Québec City	6,422	3.4	62.8	6,762	3.8	61.5	(5.0)
	\$ 25,946	13.7	61.0	\$ 25,987	14.6	61.4	(0.2)
British Columbia							
Greater Vancouver Area	\$ 17,124	9.0	74.0	\$ 14,696	8.2	72.0	16.5
Victoria and Other British Columbia	8,430	4.5	73.5	7,570	4.2	71.0	11.4
	\$ 25,554	13.5	73.9	\$ 22,266	12.4	71.6	14.8
Nova Scotia							
Halifax	\$ 10,914	5.8	63.7	\$ 9,971	5.6	63.1	9.5
Alberta							
Calgary	\$ 4,979	2.6	62.3	\$ 4,817	2.7	59.4	3.4
Edmonton	2,768	1.5	62.2	1,826	1.0	58.4	51.6
	\$ 7,747	4.1	62.3	\$ 6,643	3.7	59.1	16.6
Prince Edward Island							
Charlottetown	\$ 896	0.5	56.1	\$ 895	0.5	48.9	0.1
Saskatchewan							
Regina	\$ 508	0.3	55.0	\$ 420	0.2	51.0	21.0
Total Canadian residential suites	\$ 150,939	79.7	65.5	\$ 140,239	78.6	64.7	7.6
MHC sites							
MHC sites	\$ 10,955	5.7	64.6	\$ 10,107	5.7	61.8	8.4
Total Canadian portfolio ⁽²⁾	\$ 161,894	85.4	65.5	\$ 150,346	84.3	64.5	7.7
Europe							
The Netherlands ⁽³⁾	\$ 25,871	13.7	78.9	\$ 25,761	14.4	79.4	0.4
Other Europe ⁽⁴⁾	1,617	0.9	68.7	2,325	1.3	80.1	(30.5)
Total Europe portfolio	\$ 27,488	14.6	78.3	\$ 28,086	15.7	79.5	(2.1)
Total portfolio	\$ 189,382	100.0	67.1	\$ 178,432	100.0	66.5	6.1

⁽¹⁾ Represents percentage of the portfolio by NOI.

⁽²⁾ Includes Canadian residential and commercial NOI.

⁽³⁾ In € thousands, NOI of €17,323 and NOI margin of 79.2% for the three months ended September 30, 2024 compared to NOI of €17,657 and NOI margin of 79.4% for the three months ended September 30, 2023.

⁽⁴⁾ Comprised of NOI for the commercial properties located in Germany and Belgium. In € thousands, NOI of €1,078 and NOI margin of 68.7% for the three months ended September 30, 2024 compared to NOI of €1,590 and NOI margin of 80.0% for the three months ended September 30, 2023.

For the Nine Months Ended September 30,	2024			2023			Increase (Decrease)
(\$ Thousands)	NOI	NOI % ⁽¹⁾	NOI Margin (%)	NOI	NOI % ⁽¹⁾	NOI Margin (%)	NOI Change (%)
Residential Suites							
Ontario							
Greater Toronto Area	\$ 183,270	33.2	64.6	\$ 173,870	33.9	64.4	5.4
London / Kitchener / Waterloo	30,665	5.5	62.3	25,931	5.0	62.0	18.3
Ottawa	18,345	3.3	69.9	16,655	3.2	69.4	10.1
	\$ 232,280	42.0	64.6	\$ 216,456	42.1	64.5	7.3
Québec							
Greater Montréal Region	\$ 57,567	10.4	60.2	\$ 57,172	11.1	59.2	0.7
Québec City	19,144	3.5	61.0	19,767	3.8	60.8	(3.2)
	\$ 76,711	13.9	60.4	\$ 76,939	14.9	59.6	(0.3)
British Columbia							
Greater Vancouver Area	\$ 48,986	8.9	73.0	\$ 40,914	7.9	70.5	19.7
Victoria and Other British Columbia	24,431	4.4	72.3	22,411	4.3	71.4	9.0
	\$ 73,417	13.3	72.8	\$ 63,325	12.2	70.8	15.9
Nova Scotia							
Halifax	\$ 30,402	5.5	60.8	\$ 27,715	5.4	60.5	9.7
Alberta							
Calgary	\$ 13,750	2.5	59.0	\$ 13,017	2.5	55.1	5.6
Edmonton	6,517	1.2	59.7	4,847	0.9	56.5	34.5
	\$ 20,267	3.7	59.2	\$ 17,864	3.4	55.4	13.5
Prince Edward Island							
Charlottetown ⁽²⁾	\$ 2,338	0.4	47.5	\$ 2,982	0.6	48.9	(21.6)
Saskatchewan							
Regina	\$ 1,418	0.3	53.0	\$ 1,203	0.2	50.4	17.9
Total Canadian residential suites	\$ 436,833	79.1	64.3	\$ 406,484	78.8	63.4	7.5
MHC Sites							
MHC sites ⁽³⁾	\$ 31,944	5.7	63.2	\$ 28,508	5.4	58.3	12.1
Total Canadian portfolio ⁽⁴⁾	\$ 468,777	84.8	64.3	\$ 434,992	84.2	63.1	7.8
Europe							
The Netherlands ⁽⁵⁾	\$ 77,970	14.1	78.6	\$ 74,092	14.4	78.1	5.2
Other Europe ⁽⁶⁾	5,965	1.1	77.1	6,991	1.4	82.0	(14.7)
Total Europe portfolio	\$ 83,935	15.2	78.5	\$ 81,083	15.8	78.4	3.5
Total portfolio	\$ 552,712	100.0	66.1	\$ 516,075	100.0	65.1	7.1

⁽¹⁾ Represents percentage of the portfolio by NOI.

⁽²⁾ Lower NOI and NOI margin compared to last year primarily due to increased realty taxes.

⁽³⁾ The nine months ended September 30, 2023 includes \$(2,088) of required maintenance costs for the operation and remediation of CAPREIT's septic tanks at primarily two MHC sites, one of which was disposed of on March 1, 2023 while the other was disposed of on June 30, 2023. Excluding these interim maintenance costs, NOI margins at MHC sites for the nine months ended September 30, 2023 would have been 62.5%.

⁽⁴⁾ Includes Canadian residential and commercial NOI.

⁽⁵⁾ In € thousands, NOI of €52,810 and NOI margin of 78.7% for the nine months ended September 30, 2024 compared to NOI of €50,830 and NOI margin of 78.1% for the nine months ended September 30, 2023.

⁽⁶⁾ Comprised of NOI from the commercial properties located in Germany and Belgium. In € thousands, NOI of €4,037 and NOI margin of 77.1% for the nine months ended September 30, 2024 compared to NOI of €4,796 and NOI margin of 82.0% for the nine months ended September 30, 2023.

SAME PROPERTY NOI BY REGION

Same property NOI by region includes all properties held continuously since December 31, 2022, and therefore does not take into account the impact on performance of acquisitions or dispositions completed during 2024 and 2023, or properties that are disposed of or classified as held for sale as at September 30, 2024. Same property NOI is calculated in accordance with the accounting policies used to prepare total NOI as presented in the consolidated interim statements of net income (loss) and comprehensive income (loss). The following tables summarize the same property NOI and NOI margins by region for the three and nine months ended September 30, 2024 and September 30, 2023:

For the Three Months Ended September 30,	2024		2023		Increase (Decrease)
(\$ Thousands)	Same Property NOI	NOI Margin (%)	Same Property NOI	NOI Margin (%)	NOI Change (%)
Residential Suites					
Ontario					
Greater Toronto Area	\$ 60,266	65.3	\$ 57,657	65.3	4.5
London / Kitchener / Waterloo	9,612	64.0	8,780	62.0	9.5
Ottawa	4,977	67.4	4,860	68.8	2.4
	\$ 74,855	65.3	\$ 71,297	65.1	5.0
Québec					
Greater Montréal Region	\$ 19,517	60.4	\$ 18,954	61.3	3.0
Québec City	6,265	63.0	5,852	62.1	7.1
	\$ 25,782	61.0	\$ 24,806	61.5	3.9
British Columbia					
Greater Vancouver Area	\$ 13,983	72.5	\$ 12,921	71.8	8.2
Victoria	8,178	73.6	7,435	70.9	10.0
	\$ 22,161	72.9	\$ 20,356	71.5	8.9
Nova Scotia					
Halifax	\$ 10,418	63.6	\$ 9,736	62.9	7.0
Alberta					
Calgary	\$ 4,952	62.1	\$ 4,141	58.5	19.6
Edmonton	1,731	62.6	1,558	58.9	11.1
	\$ 6,683	62.2	\$ 5,699	58.6	17.3
Prince Edward Island					
Charlottetown	\$ 828	56.0	\$ 743	51.4	11.4
Saskatchewan					
Regina	\$ 508	55.0	\$ 420	51.0	21.0
Total Canadian residential suites same property ⁽¹⁾	\$ 141,235	65.1	\$ 133,057	64.6	6.1
Europe					
The Netherlands ⁽²⁾	\$ 13,755	77.3	\$ 12,505	78.2	10.0
Other Europe ⁽³⁾	1,440	69.9	2,007	79.6	(28.3)
Total Europe same property	\$ 15,195	76.6	\$ 14,512	78.4	4.7
Total same property	\$ 156,430	66.1	\$ 147,569	65.8	6.0
Same property suites and sites	46,329		46,329		

⁽¹⁾ Includes Canadian residential and commercial NOI.

⁽²⁾ In € thousands, NOI of €9,192 and NOI margin of 77.5% for the three months ended September 30, 2024 compared to NOI of €8,569 and NOI margin of 78.2% for the three months ended September 30, 2023.

⁽³⁾ In € thousands, NOI of €960 and NOI margin of 69.9% for the three months ended September 30, 2024 compared to NOI of €1,372 and NOI margin of 79.5% for the three months ended September 30, 2023.

For the Nine Months Ended September 30,	2024		2023		Increase (Decrease)
(\$ Thousands)	Same Property NOI	NOI Margin (%)	Same Property NOI	NOI Margin (%)	NOI Change (%)
Residential Suites					
Ontario					
Greater Toronto Area	\$ 177,681	64.6	\$ 167,936	64.4	5.8
London / Kitchener / Waterloo	27,509	61.4	25,930	62.0	6.1
Ottawa	15,327	69.2	14,794	69.8	3.6
	\$ 220,517	64.5	\$ 208,660	64.4	5.7
Québec					
Greater Montréal Region	\$ 57,562	60.3	\$ 54,228	59.7	6.1
Québec City	17,916	61.3	17,144	61.5	4.5
	\$ 75,478	60.5	\$ 71,372	60.1	5.8
British Columbia					
Greater Vancouver Area	\$ 41,163	72.1	\$ 37,343	70.4	10.2
Victoria	23,632	72.2	22,015	71.3	7.3
	\$ 64,795	72.1	\$ 59,358	70.8	9.2
Nova Scotia					
Halifax	\$ 29,458	60.8	\$ 27,398	60.4	7.5
Alberta					
Calgary	\$ 13,728	59.0	\$ 11,106	53.8	23.6
Edmonton	4,864	59.4	4,295	55.9	13.2
	\$ 18,592	59.1	\$ 15,401	54.4	20.7
Prince Edward Island					
Charlottetown ⁽¹⁾	\$ 2,069	46.4	\$ 2,207	51.2	(6.3)
Saskatchewan					
Regina	\$ 1,418	53.0	\$ 1,203	50.4	17.9
Total Canadian residential suites same property ⁽²⁾	\$ 412,327	64.0	\$ 385,599	63.5	6.9
Europe					
The Netherlands ⁽³⁾	\$ 39,519	76.6	\$ 36,026	76.2	9.7
Other Europe ⁽⁴⁾	5,048	76.5	6,025	81.6	(16.2)
Total Europe same property	\$ 44,567	76.6	\$ 42,051	76.9	6.0
Total same property	\$ 456,894	65.1	\$ 427,650	64.6	6.8
Same property suites and sites	46,329		46,329		

⁽¹⁾ Lower NOI and NOI margin compared to last year primarily due to increased realty taxes.

⁽²⁾ Includes Canadian residential and commercial NOI.

⁽³⁾ In € thousands, NOI of €26,742 and NOI margin of 76.6% for the nine months ended September 30, 2024 compared to NOI of €24,717 and NOI margin of 76.1% for the nine months ended September 30, 2023.

⁽⁴⁾ In € thousands, NOI of €3,415 and NOI margin of 76.5% for the nine months ended September 30, 2024 compared to NOI of €4,133 and NOI margin of 81.6% for the nine months ended September 30, 2023.

Same property NOI for the three months ended September 30, 2024 increased by 6.0% compared to the prior year comparative period, with the Canadian residential suites and the European portfolio same property NOI increasing by 6.1% and 4.7%, respectively, compared to the same quarter last year.

Same Property NOI for the nine months ended September 30, 2024 increased by 6.8% compared to the prior year comparative period, with the Canadian residential suites and the European portfolio same property NOI increasing year-over-year by 6.9% and 6.0%, respectively, compared to the same period last year.

The increases in those regions were mainly driven by increases in monthly rents on turnovers and renewals, partially offset by higher operating expenses and decrease in occupancy.

NET INCOME (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Operating revenues				
Revenue from investment properties	\$ 282,439	\$ 268,377	\$ 836,381	\$ 793,122
Operating expenses				
Realty taxes	(25,837)	(24,391)	(75,337)	(72,475)
Property operating costs	(67,220)	(65,554)	(208,332)	(204,572)
Total operating expenses	(93,057)	(89,945)	(283,669)	(277,047)
Net operating income	189,382	178,432	552,712	516,075
Other income	862	4,572	5,805	12,496
Trust expenses	(16,208)	(16,515)	(44,568)	(46,577)
Unit-based compensation amortization recovery (expense):				
Unit-based compensation amortization expense	(2,187)	(2,495)	(6,167)	(6,177)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination	—	—	2,284	—
Total unit-based compensation amortization expense, net	(2,187)	(2,495)	(3,883)	(6,177)
Financing-related costs:				
Interest expense on debt and other financing costs	(55,786)	(53,372)	(166,204)	(156,438)
Interest expense on Exchangeable LP Units	(611)	(597)	(1,811)	(1,785)
Net gain (loss) on derecognition of debt	3,196	(439)	6,334	3,307
Total financing-related costs, net	(53,201)	(54,408)	(161,681)	(154,916)
Fair value adjustments of investment properties	71,396	(507,003)	155,905	(803,204)
Fair value adjustments of financial instruments	(54,142)	16,915	(57,824)	(30,879)
Gain (loss) on non-controlling interest	(67,636)	29,542	(57,163)	36,250
Gain (loss) on foreign currency translation	7,231	(7,533)	(2,158)	1,816
Transaction costs and other activities	(11,090)	(4,031)	(18,770)	(10,102)
Net income (loss) before income taxes	64,407	(362,524)	368,375	(485,218)
Current income tax expense	(2,627)	(2,102)	(9,128)	(5,668)
Deferred income tax recovery (expense)	(14,410)	7,084	(17,692)	70,100
Total current income tax expense and deferred income tax recovery (expense), net	(17,037)	4,982	(26,820)	64,432
Net income (loss)	\$ 47,370	\$ (357,542)	\$ 341,555	\$ (420,786)
Other comprehensive income (loss), including items that may be reclassified subsequently to net income (loss)				
Gain (loss) on foreign currency translation, net of taxes	\$ 29,637	\$ (3,686)	\$ 32,373	\$ (8,696)
Gain (loss) on investments held at fair value through other comprehensive income (loss)	348	(115)	357	(80)
Amortization of losses from accumulated other comprehensive loss to interest and other financing costs	—	—	—	68
Other comprehensive income (loss)	\$ 29,985	\$ (3,801)	\$ 32,730	\$ (8,708)
Comprehensive income (loss)	\$ 77,355	\$ (361,343)	\$ 374,285	\$ (429,494)

Other Income

Other income comprises investment income, interest income from VTB mortgages receivable, profit from sale of MHC home inventory, and interest and other income. Other income earned is not necessarily of a recurring nature and may vary year-over-year depending on factors such as dividends declared on investment and sales volume of MHC home inventory.

The table below summarizes other income for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Investment income ⁽¹⁾	\$ 273	\$ 3,723	\$ 3,305	\$ 8,627
Interest income from VTB mortgages receivable	464	271	1,392	814
Profit from sale of MHC home inventory	—	310	321	862
Interest and other income ⁽²⁾	125	268	787	2,193
Total	\$ 862	\$ 4,572	\$ 5,805	\$ 12,496

⁽¹⁾ For the three and nine months ended September 30, 2024, investment income includes \$nil and \$2,533, respectively, of semi-annual dividends from Irish Residential Properties REIT plc ("IRES") (for the three and nine months ended September 30, 2023 – \$3,537 and \$7,628).

⁽²⁾ For the three and nine months ended September 30, 2023, interest and other income include \$nil and \$1,500, respectively, of non-refundable deposits that were recorded in net income (loss) on a property disposition that did not close.

Trust Expenses

Trust expenses include costs directly attributable to head office, such as salaries and benefits, trustee fees, professional fees for audit, tax, legal and advisory services, trustees' and officers' insurance premiums, providing property and asset management services, and other general and administrative expenses, net of amounts allocated to property operating expenses for properties owned by CAPREIT. Trust expenses include costs related to the generation of asset management and services fees to ERES (a related party to CAPREIT).

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Trust Expenses ⁽¹⁾	\$ (16,208)	\$ (16,515)	\$ (44,568)	\$ (46,577)
Operating Revenues	\$ 282,439	\$ 268,377	\$ 836,381	\$ 793,122
Trust Expenses as % of Operating Revenues ⁽²⁾	5.7 %	6.2 %	5.3 %	5.9 %

⁽¹⁾ Includes \$(3,462) and \$(5,184) for the three and nine months ended September 30, 2024, relating to reorganization costs (three and nine months ended September 30, 2023 – \$(4,157) and \$(6,095), respectively).

⁽²⁾ Trust expenses as a percentage of operating revenues is calculated using trust expenses divided by operating revenues.

Trust expenses decreased to \$16.2 million and \$44.6 million, respectively, for the three and nine months ended September 30, 2024, compared to \$16.5 million and \$46.6 million, respectively, for the three and nine months ended September 30, 2023. For the three and nine months ended September 30, 2024, the decrease year-over-year was primarily due to lower salaries and benefits. For the three and nine months ended September 30, 2024, reorganization costs totalling \$3.5 million and \$5.2 million, respectively (three and nine months ended September 30, 2023 – \$4.2 million and \$6.1 million, respectively) were incurred, reflecting an internal optimization of the organization structure to align with CAPREIT's current business strategy and operating environment. Excluding reorganization costs, trust expenses as percentage of operating revenue were 4.5% and 4.7%, respectively, for the three and nine months ended September 30, 2024 (three and nine months ended September 30, 2023 – 4.6% and 5.1%, respectively).

Unit-based Compensation Amortization Expense

Units are issuable pursuant to CAPREIT's unit-based compensation plans, namely the Employee Unit Purchase Plan ("EUPP"), the Deferred Unit Plan ("DUP") and the Restricted Unit Rights Plan ("RUR Plan"). The DUP provides for the issuance of deferred units ("DUs"). The RUR Plan provides for the issuance of restricted unit rights ("RURs") and performance unit rights ("PURs"). Units of ERES ("ERES units") are issuable pursuant to ERES's unit options plan ("ERES UOP") and ERES's Restricted Unit Rights Plan ("ERES RUR Plan").

The table below summarizes the unit-based amortization expense for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
RURs ⁽¹⁾	\$ (1,684)	\$ (2,069)	\$ (4,689)	\$ (4,767)
DUs	(335)	(284)	(947)	(882)
EUPP	(117)	(150)	(393)	(425)
ERES RURs	(59)	—	(132)	—
ERES unit options ⁽²⁾	8	8	(6)	(103)
Unit-based compensation amortization expense	(2,187)	(2,495)	(6,167)	(6,177)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination ⁽³⁾	—	—	2,284	—
Total unit-based compensation amortization expense, net	\$ (2,187)	\$ (2,495)	\$ (3,883)	\$ (6,177)

⁽¹⁾ Includes \$nil for the three and nine months ended September 30, 2024, relating to accelerated vesting of previously granted RURs (three and nine months ended September 30, 2023 - \$(679)).

⁽²⁾ Includes \$nil for the three and nine months ended September 30, 2024, relating to accelerated vesting of previously granted ERES UOP units (three and nine months ended September 30, 2023 – \$nil and \$(86), respectively).

⁽³⁾ During the three and nine months ended September 30, 2024, nil and three million ERES unit options were forfeited, respectively, upon senior management termination totalling \$nil and \$2,284, respectively (three and nine months ended September 30, 2023 - \$nil).

Financing-related Costs

Interest expense on debt and other financing costs for the three and nine months ended September 30, 2024 increased by \$2.4 million and \$9.8 million, respectively, compared to the three and nine months ended September 30, 2023, primarily due to higher average debt balances and higher interest rates on credit facilities and on mortgage financing and refinancing activities.

Interest expense on debt and other financing costs include amortization of CMHC premiums. Amortization of CMHC premiums may be subject to a certain degree of fluctuation from period to period as a result of CMHC premium write-offs which occur upon the refinancing of a mortgage, as well as accelerated CMHC amortization expense for mortgages that management intends to fully refinance or discharge within the year, excluding property dispositions. These write-offs and accelerated CMHC amortization expense may fluctuate depending on the timing and amount of mortgages coming due. For further details, please refer to Liquidity and Financial Condition in Section V.

Interest expense on Exchangeable LP Units represents distributions paid and payable on Exchangeable LP Units outstanding. For the three and nine months ended September 30, 2024, interest expense on Exchangeable LP Units totalled \$0.6 million and \$1.8 million, respectively, and increased marginally when compared to the prior year comparative periods primarily driven by the distribution increase on Exchangeable LP Units that took effect in August 2024.

For the three months ended September 30, 2024, net gain on derecognition of debt totalled \$3.2 million, including a \$7.3 million of fair value gain on a mortgage assumed by purchaser upon disposition of one property, partially offset by \$4.1 million of mortgage settlement costs related to dispositions.

For the nine months ended September 30, 2024, net gain on derecognition of debt totalled \$6.3 million and comprises \$11.9 million of fair value gain on mortgages assumed by purchaser upon dispositions of four properties, partially offset by \$5.6 million of mortgage settlement costs related to dispositions.

Fair Value Adjustments of Investment Properties

CAPREIT recorded a fair value gain on investment properties of \$71.4 million and \$155.9 million, respectively, for the three and nine months ended September 30, 2024, primarily driven by the Canadian portfolio with higher forecasted NOI and by the European portfolio with improved forecasted cash flows, reflecting the recovering Dutch real estate investment market.

Fair Value Adjustments of Financial Instruments

Fair value adjustments of financial instruments comprise fair value adjustments of Exchangeable LP Units, investments, derivative financial instruments and unit-based compensation.

Fair value adjustments of Exchangeable LP Units and unit-based compensation may vary significantly year-over-year depending on the unit price of CAPREIT. Fair value adjustments of investments may vary significantly year-over-year depending on the unit price of the respective investments. Fair value adjustments of derivative financial instruments may vary significantly year-over-year depending on foreign exchange rates and the yield curve.

The table below summarizes the fair value adjustments of financial instruments for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Fair value adjustments of Exchangeable LP units	\$ (17,362)	\$ 9,519	\$ (10,196)	\$ (4,167)
Fair value adjustments of investments	216	(3,272)	(21,989)	(24,989)
Fair value adjustments of derivative financial instruments	(31,070)	7,350	(20,574)	(2,677)
Unit-based compensation remeasurement gain (loss)	(5,926)	3,318	(5,065)	954
Fair value adjustments of financial instruments	\$ (54,142)	\$ 16,915	\$ (57,824)	\$ (30,879)

Loss on Non-Controlling Interest

For the three and nine months ended September 30, 2024, CAPREIT recorded a loss of \$67.6 million and \$57.2 million, respectively on ERES units held by non-controlling unitholders. This includes interest expense to ERES non-controlling unitholders of \$3.7 million and \$10.9 million, respectively, for the three and nine months ended September 30, 2024. The remaining change relates to the mark-to-market loss of \$64.0 million and \$46.3 million, respectively, due to fluctuations in ERES's unit redemption price as defined in the ERES DOT for the three and nine months ended September 30, 2024.

Gain (Loss) on Foreign Currency Translation

CAPREIT's functional currency is the Canadian dollar and the functional currency of certain foreign subsidiaries is the euro. CAPREIT is exposed to gains or losses on foreign currency translations due to the execution of its foreign currency and interest rate risk management strategies. CAPREIT has foreign currency cash, borrowings and cross-currency interest rate ("CCIR") swap arrangements denominated in either USD or euros. Similarly, ERES has foreign currency cash, borrowings and interest rate ("IR") swap arrangements, as well as certain other transactions, denominated in either USD or Canadian dollars. The gains or losses on foreign currency translations may vary significantly year-over-year depending on the value of the Canadian dollar relative to the USD and euro.

For the three and nine months ended September 30, 2024, CAPREIT recorded a gain of \$7.2 million and a loss of \$2.2 million on foreign currency translation, respectively, primarily due to CAPREIT's USD borrowings and movements in the USD relative to the Canadian dollar during the periods (for more information, see Section VI – Other Information).

Transaction Costs and Other Activities

The table below summarizes transaction costs and other activities for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Transaction costs and other adjustments on dispositions	\$ (6,563)	\$ (658)	\$ (11,096)	\$ (2,550)
Amortization of property, plant and equipment ("PP&E") and right-of-use asset	(1,636)	(1,499)	(4,703)	(4,699)
Enterprise resource planning ("ERP") implementation costs ⁽¹⁾	(2,891)	—	(2,891)	—
Fair value loss on transfer of other assets to investment properties	—	—	(80)	—
Other ⁽²⁾	—	(1,874)	—	(2,853)
Total	\$ (11,090)	\$ (4,031)	\$ (18,770)	\$ (10,102)

⁽¹⁾ Includes licensing and consulting costs, and salaries and benefits.

⁽²⁾ Relates to costs associated with the strategic review of ERES.

CAPREIT is currently undertaking a multi-year business transformation project in which it is replacing its existing ERP system in order to more efficiently manage operations, including, but not limited to, its leasing, resident services, procurement and accounting functions. This initiative will enable CAPREIT to modernize, simplify, standardize and automate key business processes, leading to a host of benefits that will improve the resident and employee experience in the long-term. This investment will ultimately align CAPREIT's technology platform with its overall business strategy and objectives, and better support and enhance CAPREIT's vision to be the best place to live, work and invest. The new ERP system is expected to launch in 2026.

Current Income Tax Expense and Deferred Income Tax Recovery (Expense)

Current income tax expense is attributed to CAPREIT's European portfolio where CAPREIT operates through foreign legal entities that may be taxable in local jurisdictions. Current income tax expense for the three and nine months ended September 30, 2024 increased by \$0.5 million and \$3.5 million, respectively, primarily driven by the dispositions of European properties and single residential suites accounting for \$0.1 million and \$2.1 million for the three and nine months ended September 30, 2024, growth in NOI from CAPREIT's European portfolio, as well as exhaustion of tax losses and tax depreciation.

Deferred income tax recovery (expense) is attributed to CAPREIT's European portfolio and will vary significantly year-over-year depending on the fair value of the European investment properties relative to the respective tax cost base. For the three and nine months ended September 30, 2024, deferred income tax expense was \$14.4 million and \$17.7 million, respectively, mainly attributable to the net fair value gains recorded on CAPREIT's European investment properties. For the three and nine months ended September 30, 2023, deferred income tax recovery was \$7.1 million and \$70.1 million, respectively, mainly attributable to the net fair value losses recorded on CAPREIT's European investment properties.

On September 17, 2024, the Dutch government published a proposal to amend the earnings stripping rules that is expected to impact CAPREIT's European portfolio. Under the current rules, interest expenses are capped under the earnings stripping rules to the highest of (i) 20% of earnings before interest, tax, depreciation and amortization ("EBITDA"), adjusted for tax purposes and (ii) €1 million. Based on the legislative proposal, the EBITDA threshold will increase to 25%, and real estate entities can no longer apply the €1 million cap as per January 1, 2025. If this proposed amendment is implemented, current income tax expense for the remaining European portfolio after the announced dispositions is expected to increase from approximately €4 million to approximately €6 million in 2025.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises unrealized gain (loss) on foreign currency translation on CAPREIT's foreign subsidiaries, gain (loss) on certain investments and amortization of losses to interest expense and other financing costs. The gains or losses on foreign currency translations may vary significantly year-over-year depending on the value of the Canadian dollar relative to the euro and the USD.

SECTION IV: INVESTMENT PROPERTIES

INVESTMENT PROPERTIES

Investment property is defined as property held to earn rental income or for capital appreciation, or both. Investment property is recognized initially at cost. Subsequent to initial recognition, all investment property is measured using the fair value model, whereby changes in fair value are recognized for each reporting period in net income (loss). CAPREIT may assign value to development land where both final and binding entitlement approvals have been received, and a corresponding severance application has been submitted.

CAPREIT appraises some of its Canadian investment properties using valuations prepared by its internal valuation team using generally the same process and methodology as its external appraiser. CAPREIT's objective is to have a portion of its Canadian investment properties appraised externally every year, on a rotational basis. The partial internalization of valuations for the Canadian portfolio builds synergies within the various CAPREIT sub-functions including Investments and Development functions.

External valuations for the Canadian portfolio, where obtained, are performed throughout the year with quarterly updates provided on capitalization rates. Capitalization rates used by the appraisers are based on recently closed transactions for similar properties and other current market indicators for similar properties. CAPREIT obtains external valuations for a cross-section of investment properties that represent different geographical locations across the Canadian portfolio. For internal valuations, the appraisal methodologies used are consistent with the practices employed by the external appraiser. The fair values of all of CAPREIT's European residential portfolio are determined by qualified external appraisers on a quarterly basis. The qualified external appraisers hold recognized relevant professional qualifications and have recent experience in the location and category of the respective properties.

A summary of the fair values of CAPREIT's investment properties and changes, along with key market assumptions, is presented in the following table. For the nine months ended September 30, 2024, there was a \$1.5 billion decrease in overall carrying value primarily due to transfers to assets held for sale for \$2.1 billion, partially offset by net acquisitions of \$255.4 million; property capital investments of \$164.4 million; fair value gains of \$156.7 million; and foreign exchange translation and other for \$71.7 million.

Investment Properties by Geography

	Dec. 31, 2023	Carrying Value Change Due To					Sept. 30, 2024	Sept. 30, 2024	Dec. 31, 2023
	Fair Value	Net Acquisitions (1)	Property Capital Investments (2)	Fair Value Adjustments	Foreign Exchange Translation and Other	Net Transfers (3)	Fair Value	Cap Rates ⁽⁴⁾	Cap Rates ⁽⁴⁾⁽⁵⁾
(\$ Millions)									
Greater Toronto Area	\$ 5,887	\$ (123)	\$ 62	\$ (117)	\$ —	\$ (70)	\$ 5,639	4.31 %	4.09 %
Other Ontario	1,378	229	20	16	—	—	1,643	4.53 %	4.43 %
Québec	2,408	—	27	36	—	(36)	2,435	4.51 %	4.40 %
British Columbia	2,259	124	16	80	—	(33)	2,446	4.11 %	4.08 %
Nova Scotia	883	28	12	47	—	—	970	4.65 %	4.68 %
Alberta	449	74	6	20	—	—	549	5.05 %	5.03 %
Prince Edward Island	75	(8)	—	3	—	—	70	5.34 %	5.42 %
Saskatchewan	33	—	—	3	—	—	36	5.80 %	5.78 %
Subtotal	\$ 13,372	\$ 324	\$ 143	\$ 88	\$ —	\$ (139)	\$ 13,788	4.40 %	4.26 %
MHC	701	—	9	(3)	—	(707)	—	N/A	6.05 %
Europe	2,459	(69)	12	72	72	(1,279)	1,267	4.45 %	4.45 %
Total	\$ 16,532	\$ 255	\$ 164	\$ 157	\$ 72	\$ (2,125)	\$ 15,055	4.39 %	4.37 %

⁽¹⁾ Includes \$509.3 million of acquisitions, partially offset by \$254.0 million of dispositions during the nine months ended September 30, 2024. Excludes the disposition of investment properties that were previously classified as assets held for sale. Refer to the Acquisitions and Dispositions section for further information.

⁽²⁾ Represents property capital investments and capitalized direct leasing costs during the nine months ended September 30, 2024.

⁽³⁾ Includes \$2,126.1 million transferred to assets held for sale, partially offset by \$0.9 million transferred from other assets during the nine months ended September 30, 2024.

⁽⁴⁾ Weighted average capitalization rates excluding implied capitalization rates on operating and land leasehold interests. See note 3 to the accompanying condensed consolidated interim financial statements for further valuation assumption details, including discount rates as at September 30, 2024 for operating and land leasehold interests. Capitalization rates for Europe represent the implied capitalization rates for these properties.

⁽⁵⁾ Certain 2023 comparative figures have been adjusted to conform with current period presentation.

Current regulatory and macroeconomic developments have impacted overall market activity, resulting in limited reliable market metrics, such as capitalization rates. As such, the fair values of CAPREIT's investment properties are subject to significant change, and such changes may be material. Management is applying, to the greatest extent practicable, prudence and sound judgment in its basis for fair valuing its investment properties in the current unpredictable environment.

ACQUISITIONS OF INVESTMENT PROPERTIES

The table below summarizes the investment property acquisitions since January 1, 2024, which have contributed to the operating results as from their acquisition dates.

Acquisitions of Investment Properties Completed During the Nine Months Ended September 30, 2024

(\$ Thousands)

Acquisition Date	Suite Count	Region	Fair Value of Investment Property	Fair Value Adjustment on Mortgages Payable Assumed	Gross Purchase Price ⁽¹⁾	Fair Value of Mortgages Payable Assumed ⁽²⁾
March 18, 2024	291	London, ON	\$ 126,195	\$ 3,805	\$ 130,000	\$ 77,069
June 14, 2024	68	Halifax, NS	29,420	—	29,420	14,285
June 24, 2024	178	Edmonton, AB	74,262	5,071	79,333	63,562
July 8, 2024	54	Ottawa, ON	20,893	107	21,000	15,752
July 29, 2024	144	Ottawa, ON	77,946	554	78,500	9,852
July 29, 2024	173	Vancouver, BC	131,316	5,684	137,000	58,446
July 31, 2024	64	Vancouver, BC	42,218	—	42,218	—
Total	972		\$ 502,250	\$ 15,221	\$ 517,471	\$ 238,966
Transaction costs			\$ 7,081			
Total acquisition costs			\$ 509,331			

⁽¹⁾ Gross purchase price excludes transaction costs and other adjustments.

⁽²⁾ Relates to mortgages payable with principal amount of \$254,187 assumed by CAPREIT upon acquisition. The amounts shown are net of \$15,221 of fair value adjustment on the mortgages payable assumed. The weighted average stated interest rate on the mortgages payable assumed is 3.19% with a weighted average term to maturity of 5.4 years.

There were no acquisitions completed in the Netherlands during the nine months ended September 30, 2024.

DISPOSITIONS OF INVESTMENT PROPERTIES

The table below summarizes the dispositions of investment properties (including investment properties previously classified as assets held for sale) completed since January 1, 2024.

Dispositions of Investment Properties Completed During the Nine Months Ended September 30, 2024

(\$ Thousands)

Disposition Date	Suite Count	Region	Fair Value of Investment Properties	Fair Value Adjustments on VTB Mortgages Receivable and Mortgages Payable Assumed by Purchasers	Gross Sale Price ⁽¹⁾	Fair Value of VTB Mortgages Receivable and Mortgages Payable Assumed by Purchasers ⁽²⁾
January 15, 2024 ⁽³⁾	32	Victoria, BC	\$ 12,289	\$ —	\$ 12,289	\$ —
March 6, 2024 ⁽³⁾	240	Québec City, QC	33,206	3,069	36,275	18,349
March 27, 2024	54	Langley, BC	18,535	—	18,535	—
March 27, 2024	54	Langley, BC	16,465	—	16,465	—
Q1 2024 ⁽⁴⁾	24	The Netherlands	11,109	—	11,109	—
May 15, 2024 ⁽³⁾	79	Burnaby, BC	32,715	285	33,000	7,646
June 18, 2024	66	The Netherlands	20,848	—	20,848	—
June 24, 2024	44	Maple Ridge, BC	17,300	1,200	18,500	8,500
Q2 2024 ⁽⁴⁾	53	The Netherlands	20,911	—	20,911	—
July 15, 2024 ⁽³⁾⁽⁵⁾	464	The Netherlands	149,957	—	149,957	—
July 15, 2024 ⁽⁶⁾	—	The Netherlands	1,638	—	1,638	—
August 1, 2024 ⁽³⁾	138	Toronto, ON	37,750	—	37,750	—
August 8, 2024 ⁽⁷⁾	—	Halifax, NS	1,950	—	1,950	—
August 16, 2024 ⁽³⁾	214	Québec City, QC	35,650	—	35,650	—
September 4, 2024	42	Cornwall, PEI	8,010	—	8,010	—
September 11, 2024	370	Toronto, ON	122,751	10,249	133,000	90,944
September 13, 2024 ⁽⁸⁾	—	Germany	13,046	—	13,046	—
Q3 2024 ⁽⁴⁾	3	The Netherlands	1,388	—	1,388	—
Total	1,877		\$ 555,518	\$ 14,803	\$ 570,321	\$ 125,439

⁽¹⁾ The gross sale price is the amount stated in the purchase and sale agreement and comprises the fair value of investment properties being disposed of and, as applicable, the fair value adjustment of mortgages payable assumed by the purchaser and VTB mortgages receivable issued by CAPREIT to the purchaser. The gross sale price excludes working capital adjustments and transaction costs.

⁽²⁾ Relates to mortgages payable with principal amount of \$119,242 assumed by the purchaser upon disposition. The amounts shown are net of \$11,877 of fair value adjustment on the mortgages payable assumed by the purchaser. The weighted stated interest rate on the mortgages payable assumed by the purchaser was 2.26%. With respect to the September 11, 2024 disposition, CAPREIT issued a \$21,000 VTB mortgage receivable to the purchaser in addition to the mortgage payable assumed by the purchaser with a principal amount of \$80,193. The \$90,944 amount shown is net of \$2,926 of fair value adjustment on the VTB mortgage receivable and a fair value adjustment of \$7,323 on the mortgage payable assumed by the purchaser. For more information about the VTB mortgage receivable, refer to note 9 to the accompanying condensed consolidated interim financial statements.

⁽³⁾ Previously included in assets held for sale.

⁽⁴⁾ Represents dispositions of multiple single residential suites in several properties.

⁽⁵⁾ Represents disposition of 19 residential properties.

⁽⁶⁾ Represents disposition of an office building which is part of a residential property.

⁽⁷⁾ Represents disposition of land adjacent to an existing residential building owned by CAPREIT.

⁽⁸⁾ Represents disposition of a commercial building.

PROPERTY CAPITAL INVESTMENTS

Discretionary and Non-Discretionary Property Capital Investments

Management does not differentiate between maintenance and value-enhancing property capital investments. Maintenance property capital investments are generally not clearly identifiable, nor do they have a common definition, and would require significant judgment to classify property capital investments as maintenance or value-enhancing capital investments. In addition, there is no generally accepted definition of maintenance capital investments in the Canadian real estate industry. Management has decided to classify property capital investments into two categories: discretionary and non-discretionary. Management is of the view that this classification, while still requiring a degree of professional judgment, provides a better measure of economic cash flows.

Non-Discretionary Property Capital Investments are those investments management believes are essential for the safety of residents and to ensure the structural integrity of the properties. These investments may enhance the property's operating effectiveness, including its profitability, through increases in revenues or reductions in costs over the long term. Included in non-discretionary capital expenditures are items such as building improvements, including items such as roof, structural, balcony, sidewalks, windows, brick, electrical, MHC infrastructure investments, and life and safety. Management uses its professional judgment to include other capital expenditure categories that could impact the safety of residents. These Non-Discretionary Property Capital Investments are in addition to regular R&M costs, which have been in the range of \$900 to \$1,400 per suite and site annually over the past five years and are expensed to NOI. The recent increase in regular R&M costs per residential suite is due to general inflationary pressures, as well as higher maintenance costs that correspond with a reduction in suite and common area capital improvements, reflecting CAPREIT's strategic reallocation of capital in response to the tight rental market in Canada.

Discretionary Property Capital Investments are capital expenditures made to the property that are not essential to the operation of the business in the short term. These investments may enhance the property's operating effectiveness, including its profitability, through increases in revenues or reductions in costs over the long term. Included in discretionary capital expenditures are items such as suite and common area improvements, energy-saving, resiliency and water efficiency initiatives, equipment, boilers, elevators and risers.

Property Capital Investments by Category

CAPREIT capitalizes all capital investments related to the improvement of its properties. These investments have the objective of growing future NOI, increasing property value over the long term, ensuring life safety and safeguarding of assets.

An important component of CAPREIT's property capital investment strategy is to actively manage all properties and improve their operating performance by investing annually while maintaining a focus on capital preservation. This ensures sustainable growth to continually improve the portfolio's future rental income-generating potential.

Energy-saving, resiliency and water efficiency initiatives and suite and common area improvement costs generally tend to increase NOI more quickly compared to other capital investment categories. A breakdown of property capital investments (including assets held for sale, but excluding development costs) is summarized by category on the next page for the nine months ended September 30, 2024 and year ended December 31, 2023.

Nine Months Ended September 30, 2024		Canadian Portfolio	The Netherlands Portfolio	Total Portfolio	
(\$ Thousands)		Actual	Actual	Total Actual	% of Actual
Non-discretionary property capital investments:					
Building improvements	\$	33,712	\$ 1,720	\$ 35,432	23.0
MHC infrastructural		4,905	—	4,905	3.2
Life and safety		2,158	114	2,272	1.5
	\$	40,775	\$ 1,834	\$ 42,609	27.7
Discretionary property capital investments:					
Suite improvements	\$	50,697	\$ 6,085	\$ 56,782	37.0
Common area		26,872	1,152	28,024	18.2
Energy-saving, resiliency and water efficiency initiatives		8,690	1,377	10,067	6.5
Equipment		7,939	219	8,158	5.3
Elevators and risers		6,403	133	6,536	4.2
MHC improvements		716	—	716	0.5
Other		922	10	932	0.6
	\$	102,239	\$ 8,976	\$ 111,215	72.3
Total⁽¹⁾	\$	143,014	\$ 10,810	\$ 153,824	100.0

⁽¹⁾ Includes assets held for sale, but excludes development costs of \$9,955 for the nine months ended September 30, 2024.

Year Ended December 31, 2023		Canadian Portfolio	The Netherlands Portfolio	Total Portfolio	
(\$ Thousands)		Actual	Actual	Total Actual	% of Actual
Non-discretionary property capital investments:					
Building improvements	\$	53,921	\$ 2,527	\$ 56,448	20.4
MHC infrastructural		6,453	—	6,453	2.3
Life and safety		2,369	574	2,943	1.1
	\$	62,743	\$ 3,101	\$ 65,844	23.8
Discretionary property capital investments:					
Suite improvements	\$	80,580	\$ 18,835	\$ 99,415	36.0
Common area		47,607	2,077	49,684	18.0
Energy-saving, resiliency and water efficiency initiatives		30,685	3,440	34,125	12.3
Equipment		12,687	94	12,781	4.6
Elevators and risers		8,824	1,077	9,901	3.6
MHC improvements		3,526	—	3,526	1.3
Other		1,116	85	1,201	0.4
	\$	185,025	\$ 25,608	\$ 210,633	76.2
Total⁽¹⁾	\$	247,768	\$ 28,709	\$ 276,477	100.0

⁽¹⁾ Includes assets held for sale, but excludes development costs of \$8,740 for the year ended December 31, 2023.

Actual costs incurred may vary from period to period depending on the nature and timing of capital expenditures. Discretionary property capital investments are not essential to the operation of the business in the short term. In addition, projects are impacted by variable costs, supply chain issues and inflationary pressures, which affect financial viability and total return.

SECTION V: CAPITAL STRUCTURE AND FINANCIAL CONDITION**CAPITAL STRUCTURE**

In the short term, CAPREIT utilizes the Credit Facilities, where necessary, to finance its property capital investments, which may include acquisitions. In the long term, equity issuances, mortgage financings and refinancings, including top-ups, are put in place to finance the cumulative investments in the property portfolio and ensure the sources of financing better reflect the long-term useful lives of the underlying investments.

As at September 30, 2024, CAPREIT is in compliance with all the investment and debt restrictions and financial covenants contained in the DOT, Credit Facilities and mortgage financing agreements. The total capital managed by CAPREIT and the results of compliance with some of the key covenants and liquidity metrics are summarized in the following table:

(\$ Thousands)

As at	September 30, 2024	December 31, 2023	September 30, 2023
Unitholders' equity	\$ 9,449,650	\$ 9,278,595	\$ 9,304,029
Exchangeable LP Units	90,579	80,383	74,257
Mortgages payable – non-current	6,012,545	6,002,617	5,797,931
Mortgages payable – current	590,758	651,371	741,706
Mortgages payable related to assets held for sale	—	23,706	—
Credit facilities payable	437,498	405,133	489,024
Total capital	\$ 16,581,030	\$ 16,441,805	\$ 16,406,947

As at	Threshold	September 30, 2024	December 31, 2023	September 30, 2023
Total debt to gross book value ⁽¹⁾	Maximum 62.50%	40.9%	41.6 %	41.4 %
Mortgage debt to gross book value ⁽¹⁾		38.3%	39.2 %	38.5 %

⁽¹⁾ These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.

For the 12 Months Ended		September 30, 2024	December 31, 2023	September 30, 2023
Debt service coverage ratio (times) ⁽¹⁾⁽²⁾	Minimum 1.40	1.9x	1.8x	1.8x
Interest coverage ratio (times) ⁽¹⁾⁽²⁾	Minimum 1.65	3.3x	3.3x	3.5x
FFO payout ratio ⁽¹⁾	Maximum 100%	58.0%	60.5 %	61.0 %

⁽¹⁾ These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.

⁽²⁾ For the trailing 12 months ended.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources

Management believes there is adequate overall liquidity to fund property capital investment commitments to provide for future business needs. CAPREIT finances these commitments through: (i) cash and cash equivalents on hand; (ii) the Acquisition and Operating Facility; (iii) the GHG Reduction Facility; (iv) mortgage debt secured by its investment properties; and (v) equity. Management's assessment of CAPREIT's liquidity position continues to be stable for the foreseeable future based on its evaluation of capital resources, as summarized below:

- i) CAPREIT's business continues to be stable and is expected to generate sufficient ACFO on an annual basis to fund the current level of distributions; and
- ii) CAPREIT's Canadian borrowing capacity as at September 30, 2024 remains strong with \$228.7 million available on its Acquisition and Operating Facility, in addition to an accordion option to increase the credit facility limit of up to \$200 million, and \$66.3 million available on its GHG Reduction Facility.
- iii) CAPREIT's cash and cash equivalents as at September 30, 2024 totalled \$23.4 million, consisting of \$9.3 million in Canada and \$14.1 million in Europe.

As at September 30, 2024, CAPREIT has approximately \$1.8 billion of investment properties (excluding assets held for sale, as applicable) that are unencumbered by mortgages. Of these investment properties, approximately \$1.5 billion are Canadian investment properties which secure the Acquisition and Operating Facility. Included in these Canadian investment properties that secure the Acquisition and Operating Facility are \$272.4 million that also carry a negative pledge against the ERES Credit Facility.

The working capital deficiency, as presented on CAPREIT's consolidated balance sheets as at September 30, 2024, and defined as current assets less current liabilities, is funded through the Credit Facilities and refinancing of mortgages as they mature. Management conducts a liquidity forecast on a regular basis, which includes refinancing of mortgages, property capital investments, potential acquisitions and potential dispositions, to monitor the available capacity.

CAPREIT's credit facilities consist of the \$600 million Acquisition and Operating Facility, which can be borrowed in USD, euros or Canadian dollars, the \$70 million GHG Reduction Facility as well as the €125 million ERES Credit Facility.

On March 26, 2024, CAPREIT entered into a credit agreement pursuant to which the lender will make available a \$70 million GHG Reduction Facility for purposes of financing a portion of the costs related to the design, construction, implementation and commissioning of proposed sustainable energy efficiency projects to reduce GHG emissions on certain of CAPREIT's properties. The GHG Reduction Facility has a maturity date of the earlier of 20 years after the completion of the financed projects and 25 years after the date of the agreement. The availability period is the period during which CAPREIT is allowed to make quarterly borrowings from the facility, which is until March 26, 2029, and during which CAPREIT is not required to make principal payments. The interest rate during the availability period will be 3.00% and it will be between 2.47% and 4.47% for 20 years after the availability period depending on the percentage reduction of GHG emissions achieved. Any unpaid amounts need to be repaid by the maturity date of the facility.

On April 11, 2024, CAPREIT amended the Acquisition and Operating Facility to provide for, among other things, the replacement of the Canadian dollar offered rate ("CDOR") with the Canadian overnight repo rate average ("CORRA") as the benchmark interest rate for Canadian dollar borrowings of one month or longer, which does not have a material impact over the effective interest rate on Canadian dollar borrowings. There was no change to other key terms of the Acquisition and Operating Facility.

On June 19, 2024, the ERES Credit Facility was amended to replace CDOR with CORRA as the benchmark interest rate for Canadian dollar borrowings of one month or longer, if any, which does not have a material impact over the effective interest rate on Canadian dollar borrowings. The amendment also extended the maturity date of the ERES Credit Facility from January 26, 2026 to June 14, 2027.

The tables below summarize the amounts available and drawn under the respective Credit Facilities as at September 30, 2024 and December 31, 2023:

(\$ Thousands)				
As at September 30, 2024	Acquisition and Operating Facility	GHG Reduction Facility	ERES Credit Facility	Total
Maximum borrowing capacity	\$ 600,000	\$ 70,000	\$ 188,561	\$ 858,561
Canadian dollar borrowings	\$ —	\$ (3,675)	\$ —	\$ (3,675)
USD borrowings	(366,898) ⁽¹⁾	N/A	—	(366,898)
Euro borrowings	—	N/A	(67,852) ⁽³⁾	(67,852)
Less: Total borrowings	\$ (366,898)	\$ (3,675)	\$ (67,852)	\$ (438,425)
Less: Letters of credit	(4,428)	N/A	—	(4,428)
Available borrowing capacity	\$ 228,674	\$ 66,325	\$ 120,709	\$ 415,708
Weighted average interest rate including interest rate swaps	5.74 % ⁽²⁾	3.00 %	4.72 %	5.56 %

⁽¹⁾ As at September 30, 2024, CAPREIT has USD borrowings totalling US\$271,459 that bear interest at the Term Secured Overnight Financing Rate ("SOFR") plus a margin of 1.45%, excluding the impact of CCIR swaps.

⁽²⁾ As at September 30, 2024, excluding the impact of CCIR swaps, the weighted average interest rate on the Acquisition and Operating Facility is 6.06%. For details on the swaps, refer to note 8 to the accompanying condensed consolidated interim financial statements.

⁽³⁾ As at September 30, 2024, ERES has euro borrowings totalling €45,000 that bear interest at the Euro Interbank Offered Rate ("EURIBOR") plus a margin of 1.35%.

(\$ Thousands)			
As at December 31, 2023	Acquisition and Operating Facility	ERES Credit Facility	Total
Maximum borrowing capacity	\$ 600,000	\$ 182,828	\$ 782,828
USD borrowings	\$ (255,509) ⁽¹⁾	\$ —	\$ (255,509)
Euro borrowings	—	(150,651) ⁽³⁾	(150,651)
Less: Total borrowings	\$ (255,509)	\$ (150,651)	\$ (406,160)
Less: Letters of credit	(4,432)	—	(4,432)
Available borrowing capacity	\$ 340,059	\$ 32,177	\$ 372,236
Weighted average interest rate including interest rate swaps	6.48 % ⁽²⁾	5.23 %	6.01 %

⁽¹⁾ As at December 31, 2023, CAPREIT has USD borrowings totalling US\$192,812 that bear interest at the Term SOFR plus a margin of 1.45%, excluding the impact of CCIR swaps.

⁽²⁾ As at December 31, 2023, excluding the impact of CCIR swaps, the weighted average interest rate on the Acquisition and Operating Facility is 6.75%. For details on the swaps, refer to note 8 to the accompanying condensed consolidated interim financial statements.

⁽³⁾ As at December 31, 2023, ERES has euro borrowings totalling €103,000 that bear interest at the EURIBOR plus a margin of 1.35%.

Mortgages Payable

The table below summarizes the type of mortgages payable (excluding liabilities related to assets held for sale, as applicable) included in CAPREIT's capital structure and the overall interest rates and terms to maturity as at September 30, 2024, December 31, 2023 and September 30, 2023:

As at	September 30, 2024	December 31, 2023	September 30, 2023
Percentage of CMHC-insured mortgages ⁽¹⁾	97.8%	98.5%	98.4%
Percentage of fixed-rate mortgages ⁽²⁾	99.4%	99.2%	99.2%
Weighted average mortgage effective interest rate ⁽³⁾	2.97%	2.80%	2.73%
Weighted average mortgage term to maturity (years) ⁽⁴⁾	4.7	4.9	5.0

⁽¹⁾ Excludes mortgages on MHC sites and European financings.

⁽²⁾ Taking into consideration interest rate swaps where hedge accounting is not being applied, 100% of mortgages are subject to fixed rates.

⁽³⁾ Weighted average mortgage effective interest rate includes deferred financing costs, fair value adjustments and prepaid CMHC premiums on an effective interest rate basis.

⁽⁴⁾ The mortgages on the Canadian and European properties have a weighted average term to maturity of 5.3 years and 2.2 years, respectively as at September 30, 2024 (December 31, 2023 – 5.4 years and 2.9 years, respectively, September 30, 2023 – 5.4 years and 3.2 years, respectively).

CAPREIT is in compliance with all financial covenants on mortgages payable for the three and nine months ended September 30, 2024 and September 30, 2023, and for the year ended December 31, 2023.

The following table presents financings, weighted average interest rates obtained and mortgage top-ups closed or committed up to November 7, 2024. This table excludes mortgages assumed by CAPREIT upon acquisition of investment properties and mortgages assumed by the purchaser upon disposition of investment properties.

(\$ Thousands)	Original Mortgage Amount	Weighted Average Original Stated Interest Rate ⁽¹⁾	New Mortgage Amount	Weighted Average New Interest Rate ⁽²⁾	Weighted Average Term on New Mortgages (Years)	Net Top-Up Financing (Repayment) Amount ⁽³⁾
The Canadian Portfolio						
First Quarter	\$ 38,110	3.12 %	\$ 26,262	4.43 %	10.0	\$ (11,848)
Second Quarter	99,948	3.40 %	122,405	4.74 %	7.8	22,457
Third Quarter	283,063	2.40 %	161,848	4.06 %	9.3	(121,215)
Acquisitions	—	—	110,465	4.30 %	7.5	110,465
Total and Weighted Average	\$ 421,121	2.70 %	\$ 420,980	4.34 %	8.5	\$ (141)
Subsequent to the quarter:						
Committed or Completed	\$ 22,810	2.85 %	\$ 70,336	3.67 %	5.0	\$ 47,526
Subtotal and Weighted Average	\$ 443,931	2.71 %	\$ 491,316	4.25 %	8.0	\$ 47,385
The ERES Portfolio						
Refinancings ⁽⁴⁾	\$ 157,588	3.63 %	\$ 48,613	5.20 %	2.1	\$ (108,975)
Total and Weighted Average	\$ 157,588	3.63 %	\$ 48,613	5.20 %	2.1	\$ (108,975)
Grand Total and Weighted Average						
	\$ 601,519	2.95 %	\$ 539,929	4.33 %	7.4	\$ (61,590)

⁽¹⁾ Excludes one-to-six-month short-term extensions.

⁽²⁾ Excludes prepaid CMHC premiums, deferred financing costs and impact of hedging.

⁽³⁾ Includes \$327,845 of mortgages discharged but not refinanced.

⁽⁴⁾ Includes a renewal of mortgage for a one-year period with a variable rate at 3-month EURIBOR plus a margin of 2.00%.

Pursuant to CAPREIT's strategy to upgrade the quality and diversification of the property portfolio through repositioning and capital recycling initiatives to grow earnings and cash flow potential, as well as uncertainty about the timing of such transactions, CAPREIT is no longer disclosing mortgage refinancing and top-up activity expected for the remainder of the year.

As a strategy, CAPREIT leverages CMHC insurance to get access to stable financing at lower interest rates than would be available with conventional mortgage financing or other forms of debt. The premiums associated with the initial mortgage financing along with any additional premiums on future expected mortgage renewals or refinancing are analyzed to ensure the all-in cost of CMHC financing continues to be CAPREIT's most cost-effective form of debt.

CMHC premiums are amortized over the amortization period of the underlying mortgage loans when incurred. If CAPREIT fully refinances or discharges an existing mortgage, any unamortized prepaid CMHC premiums and fees associated with the existing mortgages on that property will be written off in the period in which full refinancing or discharge occurs. CAPREIT accelerates the amortization for prepaid CMHC premiums for mortgages that management intends to fully refinance within the year, from the date the decision is made to refinance to the date the mortgage is due to be refinanced. Therefore, accelerated CMHC amortization expense is typically higher during the first half of the year compared to the second half of the year. During the three and nine months ended September 30, 2024, CMHC amortization expense including net write-offs of CMHC premiums on refinancing or discharge of mortgages amounted to \$1.6 million and \$8.5 million, respectively, excluding CMHC write-offs relating to dispositions.

The table below summarizes the CMHC amortization expense, including write-offs except those relating to dispositions, for the trailing eight quarters.

(\$ Thousands)	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22
Amortization of CMHC premiums and fees	\$ (1,646)	\$ (3,459)	\$ (3,399)	\$ (1,919)	\$ (2,657)	\$ (3,643)	\$ (4,056)	\$ (2,841)

Depending on the refinancing activity this year, 2024 full-year CMHC amortization expense, including write-offs (except for those relating to dispositions) is expected to be in the range of \$10.0 million to \$11.0 million. The CMHC amortization expense, including write-offs (except those relating to dispositions), for the year ended December 31, 2023 was \$12.3 million.

The breakdown of CAPREIT's Canadian dollar-denominated future principal repayments, including mortgage maturities, and effective weighted average interest rates as at September 30, 2024 is as follows:

As at September 30, 2024						
(\$ Thousands)						
Period	Principal Amortization	Mortgage Maturities	Mortgage Balance	% of Total Mortgage Balance	Interest Rate (%) ⁽¹⁾	
Remainder of 2024	\$ 36,511	\$ 13,010	\$ 49,521	0.9	3.59	
2025	144,270	461,933	606,203	11.0	2.77	
2026	124,418	577,200	701,618	12.7	2.91	
2027	101,779	540,441	642,220	11.6	3.22	
2028	89,713	643,300	733,013	13.2	3.47	
2029-2036	239,347	2,562,715	2,802,062	50.6	3.19	
	\$ 736,038	\$ 4,798,599	\$ 5,534,637	100.0 %	3.17 %	
Less: Prepaid CMHC premiums			\$ (110,288)			
Less: Deferred financing costs			(22,171)			
Less: Fair value adjustments			(17,628)			
Total			\$ 5,384,550			
Weighted average term to maturity (years)			5.3			

⁽¹⁾ Effective weighted average interest rates for maturing mortgages only. It includes the amortization of deferred financing costs, prepaid CMHC premiums and fair value adjustments.

The breakdown for ERES's euro-denominated future principal repayments, including mortgage maturities, and effective weighted average interest rates as at September 30, 2024 is as follows:

As at September 30, 2024							
(\$ Thousands)							
Period	Principal Amortization	Mortgage Maturities	Mortgage Balance (\$)	Mortgage Balance (€)	⁽¹⁾	% of Total Mortgage Balance	Interest Rate (%)
Remainder of 2024	\$ 670	\$ 67,882	\$ 68,552	€ 45,444		5.6	1.15
2025	430	330,679	331,109	219,568		27.1	2.00
2026	—	266,407	266,407	176,605		21.8	1.46
2027	—	317,496	317,496	210,473		26.0	1.70
2028	—	175,253	175,253	116,178		14.3	3.29
2029	—	62,670	62,670	41,545		5.2	4.75
	\$ 1,100	\$ 1,220,387	\$ 1,221,487	€ 809,813		100.0 %	2.08 %
Less: deferred financing costs			\$ (2,734)				
Total			\$ 1,218,753				
Weighted average term to maturity			2.2				

⁽¹⁾ Included in mortgages payable are non-amortizing mortgages.

⁽²⁾ Effective weighted average interest rates for maturing mortgages only. It includes the amortization of deferred financing costs.

Derivative Financial Instruments in Canada

(\$ Thousands)

As at	September 30, 2024	December 31, 2023	September 30, 2023
CCIR swaps ⁽¹⁾	\$ 1,034,647	\$ 927,149	\$ 999,576
Weighted average interest rate on swaps – paying leg	3.10%	2.76%	2.90%
Weighted average interest rate on swaps – receiving leg	4.09%	3.56%	3.69%
Weighted average remaining term to maturity on swaps (years)	0.4	0.8	0.8

⁽¹⁾ As at September 30, 2024, euro equivalent of €442,358 (December 31, 2023 – €442,358, September 30, 2023 – €442,358), USD equivalent of US\$271,459 (December 31, 2023 – US\$192,812, September 30, 2023 – US\$248,845) and excludes ERES CCIR swaps, where applicable.

Unitholders' Equity, Exchangeable LP Units and Units Awarded under Unit-based Compensation Plans

Unitholders' Equity represents the issued and outstanding Trust Units, and excludes the Exchangeable LP Units and any units issued in connection with unit-based incentive plans. For the purposes of the table below, Exchangeable LP Units and units issued in connection with unit-based incentive plans are treated as equity as they have claims similar or identical to those of the Trust Units.

Units outstanding (excluding ERES) as at September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

(Thousands of units)

As at	September 30, 2024	December 31, 2023	September 30, 2023
Trust Units	167,209	167,614	167,526
Exchangeable LP Units	1,647	1,647	1,647
DUs	146	134	128
RURs	607	473	476
PURs	29	—	—
Total number of units outstanding – diluted	169,638	169,868	169,777
Ownership by trustees, officers and other senior management	0.5 %	0.5 %	0.4 %

Normal Course Issuer Bid

In March 2024, CAPREIT received the TSX's acceptance of its notice of intention to proceed with an NCIB, following expiry of the previous NCIB on March 23, 2024. Pursuant to the notice, CAPREIT may purchase up to 16,724,759 of its Trust Units, representing approximately 10% of the public float of its Trust Units at the time of TSX approval, during the 12-month period commencing March 25, 2024 and ending March 24, 2025. Under the NCIB, other than purchases made under the block purchase exemption, CAPREIT may purchase up to 89,460 Trust Units on the TSX during any trading day, which represents approximately 25% of 357,842 Trust Units, being the average daily trading volume on the TSX for the most recently completed six calendar months prior to the TSX's acceptance of the notice of intention to proceed with an NCIB. Any Trust Units purchased under the NCIB will be cancelled.

The tables below summarize the NCIB activity for the nine months ended September 30, 2024 and year ended December 31, 2023, based on the settlement date of purchases.

For the Nine Months Ended September 30, 2024	Weighted Average Purchase Price per Trust Unit	Total Cost of Trust Units Purchased and Cancelled (\$ Thousands)	Number of Trust Units Purchased and Cancelled	2024-2025 NCIB Remaining Limit
Beginning Limit				16,724,759
First Quarter 2024 ⁽¹⁾⁽²⁾	\$ 48.19	\$ 27,081	562,017	16,724,759
Second Quarter 2024	—	—	—	16,724,759
Third Quarter 2024	—	—	—	16,724,759
Total	\$ 48.19	\$ 27,081	562,017	16,724,759

⁽¹⁾ 562,017 Trust Units were purchased and cancelled under the 2023-2024 NCIB.

⁽²⁾ The total cost presented and the weighted average purchase price per Trust Unit includes commissions, but excludes the 2% tax on Trust Units repurchased, which became effective on January 1, 2024 as well as other NCIB transaction costs totalling \$601.

For the Year Ended December 31, 2023	Weighted Average Purchase Price per Trust Unit	Total Cost of Trust Units Purchased and Cancelled (\$ Thousands)	Number of Trust Units Purchased and Cancelled	2023-2024 NCIB Remaining Limit ⁽¹⁾
Beginning Limit				16,901,348
First Quarter 2023 ⁽¹⁾	\$ 46.43	\$ 91,502	1,970,904	16,527,597
Second Quarter 2023	47.59	9,405	197,617	16,329,980
Third Quarter 2023	—	—	—	16,329,980
Fourth Quarter 2023	—	—	—	16,329,980
Total	\$ 46.53	\$ 100,907	2,168,521	16,329,980

⁽¹⁾ 1,597,153 Trust Units were purchased and cancelled under the 2022-2023 NCIB and 373,751 Trust Units were purchased and cancelled under the 2023-2024 NCIB.

SECTION VI: UNIT CALCULATIONS, DISTRIBUTIONS, NON-IFRS MEASURES AND OTHER INFORMATION**UNIT CALCULATIONS AND DISTRIBUTIONS**

As a result of CAPREIT being an open-ended mutual fund trust, Unitholders are entitled to redeem their Trust Units in accordance with the conditions specified in the DOT. The impact of this redemption feature causes CAPREIT's Trust Units to be treated as financial liabilities under IFRS. Consequently, all per unit calculations are considered Non-IFRS Measures.

The following tables summarize the number of units used in calculating Non-IFRS Measures on a per unit basis:

Outstanding Number of Units

(Thousands)

As at	September 30,		December 31,		September 30,	
	2024	% ⁽¹⁾	2023	% ⁽¹⁾	2023	% ⁽¹⁾
Trust Units	167,209	98.5	167,614	98.6	167,526	98.6
Exchangeable LP Units ⁽²⁾	1,647	1.0	1,647	1.0	1,647	1.0
DUs ⁽³⁾	146	0.1	134	0.1	128	0.1
Basic number of units	169,002	99.6	169,395	99.7	169,301	99.7
Plus:						
RURs ⁽³⁾	607	0.4	473	0.3	476	0.3
PURs	29	—	—	—	—	—
Diluted number of units	169,638	100.0	169,868	100.0	169,777	100.0

⁽¹⁾ Represents percentage of total diluted units.

⁽²⁾ See note 15 to the accompanying condensed consolidated interim financial statements for details on Exchangeable LP Units.

⁽³⁾ See notes 13 and 17 to the audited consolidated annual financial statements for the year ended December 31, 2023 for details of CAPREIT's unit-based compensation plans.

Weighted Average Number of Units

(Thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Trust Units	167,180	167,434	167,270	167,948
Exchangeable LP Units ⁽¹⁾	1,647	1,647	1,647	1,650
DUs ⁽²⁾	148	122	141	118
Basic number of units	168,975	169,203	169,058	169,716
Plus:				
RURs ⁽²⁾	609	524	577	497
PURs	2	—	1	—
Diluted number of units	169,586	169,727	169,636	170,213

⁽¹⁾ See note 15 to the accompanying condensed consolidated interim financial statements for details on Exchangeable LP Units.

⁽²⁾ See notes 13 and 17 to the audited consolidated annual financial statements for the year ended December 31, 2023 for details of CAPREIT's unit-based compensation plans.

DRIP and Net Distributions Paid

(\$ Thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Distributions declared on Trust Units	\$ 61,998	\$ 60,705	\$ 183,171	\$ 182,425
Distributions declared on Exchangeable LP Units	611	597	1,811	1,785
Distributions declared on awards outstanding under unit-based compensation plans ⁽¹⁾	284	234	776	652
Total distributions declared	\$ 62,893	\$ 61,536	\$ 185,758	\$ 184,862
Less:				
Distributions declared on Trust Units reinvested	\$ (1,128)	\$ (3,017)	\$ (3,647)	\$ (6,351)
Distributions declared on unit awards reinvested ⁽¹⁾	(284)	(234)	(776)	(652)
Net distributions paid in cash ⁽²⁾	\$ 61,481	\$ 58,285	\$ 181,335	\$ 177,859
Percentage of distributions reinvested	2.2%	5.3%	2.4%	3.8%

⁽¹⁾ Comprises non-cash distributions related to the DUP and the RUR Plan (see notes 13 and 17 to CAPREIT's audited consolidated annual financial statements for the year ended December 31, 2023 for a discussion of these plans).

⁽²⁾ Based on distributions declared during the respective periods.

Under CAPREIT's DRIP, a participant may purchase additional units with the cash distributions paid on the eligible units, registered in the participant's name or held in a participant's account maintained pursuant to the DRIP. Exchangeable LP Units are not eligible for the DRIP.

Adjusted Cash Generated from Operating Activities and Net Income (Loss) Compared to Total Distributions Declared

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table quantifies cash generated from operating activities net of interest expense included in cash used in financing activities for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Cash generated from operating activities	\$ 166,769	\$ 173,192	\$ 467,290	\$ 443,744
Adjustments:				
Interest paid on mortgages and credit facilities	(50,808)	(46,819)	(148,047)	(136,386)
Adjusted Cash Generated from Operating Activities	\$ 115,961	\$ 126,373	\$ 319,243	\$ 307,358

⁽¹⁾ Certain 2023 comparative figures have been adjusted to conform with current period presentation.

Adjusted Cash Generated from Operating Activities is not defined by IFRS, does not have standard meanings and may not be comparable with other industries or companies.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table outlines the differences between Adjusted Cash Generated from Operating Activities and total distributions declared, in accordance with the guidelines, for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Adjusted Cash Generated from Operating Activities	\$ 115,961	\$ 126,373	\$ 319,243	\$ 307,358
Total distributions declared	62,893	61,536	185,758	184,862
Excess of Adjusted Cash Generated from Operating Activities over total distributions declared	\$ 53,068	\$ 64,837	\$ 133,485	\$ 122,496

⁽¹⁾ Certain 2023 comparative figures have been adjusted to conform with current period presentation.

For the three and nine months ended September 30, 2024, CAPREIT's Adjusted Cash Generated from Operating Activities exceeded distributions declared by \$53.1 million and \$133.5 million, respectively (for the three and nine months ended September 30, 2023 – \$64.8 million and \$122.5 million, respectively). As per OSC Staff Notice 51-724, if distributions are in excess of Adjusted Cash Generated from Operating Activities, then it represents a return of capital, rather than a return on capital, since they represent cash payments in excess of cash generated from CAPREIT's continuing operations during the period. Management believes, should it occur, that there is adequate overall liquidity to fund excess distributions over Adjusted Cash Generated from Operating Activities on an annual basis through cash and cash equivalents on hand and, if necessary, the Acquisition and Operating Facility.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table outlines the differences between net income (loss) and total distributions declared, in accordance with the guidelines, for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 47,370	\$ (357,542)	\$ 341,555	\$ (420,786)
Total distributions declared	62,893	61,536	185,758	184,862
Excess (shortfall) of net income (loss) over total distributions declared	\$ (15,523)	\$ (419,078)	\$ 155,797	\$ (605,648)

CAPREIT does not use net income (loss) as a basis for distributions as it includes non-cash items such as fair value change in investment properties, fair value change in investments, remeasurement of unit-based compensation liabilities and fair value change in derivative financial instruments, which are not reflective of CAPREIT's ability to make distributions. Amounts retained in excess of the declared distributions are used for mortgage principal repayments and capital expenditure requirements.

NON-IFRS MEASURES**Funds From Operations**

FFO is a measure of operating performance based on the funds generated by the business before reinvestment or provision for other capital needs. Management considers FFO to be an important measure of CAPREIT's operating performance. Fair value adjustments, gains or losses on dispositions, and other non-cash items do not necessarily provide an accurate picture of CAPREIT's past or recurring operating performance. FFO as presented is in accordance with the recommendations of the Real Property Association of Canada ("REALPAC"), with the exception of (i) the adjustment for gains or losses on fair value through profit or loss ("FVTPL") marketable securities, (ii) the adjustment for amortization of PP&E and right-of-use asset, and (iii) the exclusion of the effects of certain items that are not indicative of CAPREIT's long-term operating performance. These items include reorganization, senior management termination and retirement costs, net loss (gain) on derecognition of debt, mortgage prepayment costs, ERP implementation costs, unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination and amortization of losses on certain hedging instruments previously settled and paid. It may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

As it is an operating performance metric, no adjustment is made to FFO for capital expenditures. For further information on CAPREIT's total property capital investments, please refer to Property Capital Investments in Section IV. See discussions under Foreign Currency Information in Section VI for additional information on hedging instruments currently in place. FFO is not a measure of the sustainability of distributions.

A reconciliation of net income (loss) to FFO is as follows for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands, except per unit amounts)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ 47,370	\$ (357,542)	\$ 341,555	\$ (420,786)
Adjustments:				
Fair value adjustments of investment properties	(71,396)	507,003	(155,905)	803,204
Fair value adjustments of financial instruments	54,142	(16,915)	57,824	30,879
Interest expense on Exchangeable LP Units	611	597	1,811	1,785
Loss (gain) on non-controlling interest	67,636	(29,542)	57,163	(36,250)
FFO impact attributable to ERES units held by non-controlling unitholders ⁽¹⁾	(4,887)	(4,833)	(14,400)	(14,303)
Deferred income tax expense (recovery)	14,410	(7,084)	17,692	(70,100)
Loss (gain) on foreign currency translation	(7,231)	7,533	2,158	(1,816)
Transaction costs and other activities ⁽²⁾	11,230	4,031	20,832	10,102
Net loss (gain) on derecognition of debt ⁽³⁾	(3,196)	494	(6,334)	(3,252)
Lease principal repayments	(318)	(298)	(948)	(882)
Reorganization, senior management termination and retirement costs ⁽⁴⁾	3,462	4,836	5,184	6,860
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination ⁽⁵⁾	—	—	(2,284)	—
Amortization of losses from accumulated other comprehensive loss to interest and other financing costs	—	—	—	68
FFO	\$ 111,833	\$ 108,280	\$ 324,348	\$ 305,509
Weighted average number of units (000s) – diluted	169,586	169,727	169,636	170,213
Total distributions declared	\$ 62,893	\$ 61,536	\$ 185,758	\$ 184,862
FFO per unit – diluted ⁽⁶⁾	\$ 0.659	\$ 0.638	\$ 1.912	\$ 1.795
FFO payout ratio ⁽⁷⁾	56.2%	56.8%	57.3 %	60.5 %

⁽¹⁾ The adjustment is based on applying the 35% weighted average ownership held by ERES non-controlling unitholders (September 30, 2023 – 35%).

⁽²⁾ Primarily includes transaction costs and other adjustments on dispositions and amortization of PP&E, right-of-use asset and ERP implementation costs. For the three and nine months ended September 30, 2024, includes \$140 and \$2,062, respectively, of current income taxes on the dispositions of ERES properties and single residential suites.

⁽³⁾ Refer to note 5 of the accompanying condensed consolidated interim financial statements for further information.

⁽⁴⁾ For the three and nine months ended September 30, 2023, includes \$679 and \$765, respectively, of accelerated vesting of previously granted unit-based compensation.

⁽⁵⁾ During the three and nine months ended September 30, 2024, nil and three million ERES unit options were forfeited, respectively, upon senior management termination totalling \$nil and \$2,284, respectively (three and nine months ended September 30, 2023 - \$nil).

⁽⁶⁾ FFO per unit – diluted is calculated using FFO during the period divided by weighted average number of units – diluted.

⁽⁷⁾ FFO payout ratio is calculated using total distributions declared during the period divided by FFO.

FFO may be subject to a certain degree of fluctuation from period to period as a result of CMHC premium write-offs which occur upon the refinancing of a mortgage, as well as accelerated CMHC amortization expense for mortgages that management intends to fully refinance or discharge within the year, excluding property dispositions. These write-offs and accelerated CMHC amortization expense are not added back to FFO and as a result, may cause fluctuation depending on the timing and amount of mortgages coming due. For further details, please refer to Liquidity and Financial Condition in Section V.

Contributing to FFO are fees earned from ERES on the portion of ERES units held by non-controlling unitholders totalling \$1.2 million and \$3.8 million, respectively, for the three and nine months ended September 30, 2024 compared to \$1.2 million and \$3.9 million, respectively, for the three and nine months ended September 30, 2023. These fees comprise asset management fees, property management fees, service fees and interest income earned on promissory note from ERES. Refer to the Related Party Transactions section for further details.

FFO for the three and nine months ended September 30, 2024 increased by 3.3% and 6.2%, respectively, compared to the same period last year, primarily due to contributions from acquisitions and same property operational growth, partially offset by dispositions, lower other income and higher interest expense on credit facilities payable and mortgages payable.

For the three and nine months ended September 30, 2024, diluted FFO per unit increased by 3.3% and 6.5%, respectively, compared to the same periods last year, primarily due to the same reasons noted above.

Comparing total distributions declared to FFO, the FFO payout ratio for the three and nine months ended September 30, 2024 improved to 56.2% compared to 56.8%, and 57.3% compared to 60.5%, respectively, for the same periods last year, primarily due to higher FFO.

Adjusted Cash Flows From Operations and Distributions Declared

ACFO is a measure of economic cash flow based on the operating cash flows generated by the business, adjusted to deduct items such as interest expense, actual non-discretionary property capital investments as described below, capitalized leasing costs and amortization of other financing costs, partially offset by investment and interest income. ACFO as calculated by CAPREIT is in accordance with the most recent corresponding definition recommended by REALPAC, with the exception of the adjustment for investment and interest income. Management considers ACFO to be an important economic and sustainable cash flow measure of CAPREIT's operating performance. It may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

Non-discretionary property capital expenditure reserve is determined based on historical spending and management's best estimate of expected annual non-discretionary property capital expenditure requirements per suite and site, divided by four for the quarter, and multiplied by the weighted average number of residential suites and sites during the period. In light of CAPREIT's strategy to upgrade the quality and diversification of the property portfolio through repositioning and capital recycling initiatives to grow earnings and cash flow potential, CAPREIT is no longer disclosing or using non-discretionary capital expenditure reserve to determine ACFO. Actual non-discretionary property capital investments is used in the determination of ACFO, for the purpose of comparing to distributions declared. Accordingly, 2023 comparative figures have been restated to conform with current period presentation. For further information on CAPREIT's total property capital investments, please refer to Property Capital Investments in Section IV.

There may be periods when actual distributions declared exceed ACFO due to seasonal fluctuations in certain periods, regional market volatility, or from year to year based on the timing of property capital investments and the impact of acquisitions. Excess distributions (shortfalls) are funded by cash and cash equivalents and, if necessary, the Acquisition and Operating Facility.

The following table reconciles cash generated from operating activities to ACFO for the three and nine months ended September 30, 2024 and September 30, 2023:

(\$ Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Cash generated from operating activities	\$ 166,769	\$ 173,192	\$ 467,290	\$ 443,744
Adjustments:				
Interest paid on mortgages payable and credit facilities payable	(50,808)	(46,819)	(148,047)	(136,386)
Actual non-discretionary property capital investments	(18,020)	(19,725)	(42,609)	(46,159)
Capitalized leasing costs ⁽²⁾	(1,172)	(562)	(2,610)	(1,633)
Amortization and write-offs of other financing costs ⁽³⁾	(6,578)	(4,674)	(18,596)	(16,753)
Investment and interest income received	862	3,894	5,020	9,281
Net ACFO impact attributed to ERES units held by non-controlling unitholders ⁽⁴⁾	(3,979)	(3,564)	(12,298)	(10,943)
Lease payments	(1,532)	(1,569)	(4,676)	(4,693)
ACFO	\$ 85,542	\$ 100,173	\$ 243,474	\$ 236,458
Total distributions declared	62,893	61,536	185,758	184,862
Excess ACFO over distributions declared	\$ 22,649	\$ 38,637	\$ 57,716	\$ 51,596
ACFO payout ratio ⁽⁵⁾	73.5%	61.4%	76.3%	78.2%

⁽¹⁾ Certain 2023 comparative figures have been adjusted to conform with current period presentation.

⁽²⁾ Comprises tenant inducements and direct leasing costs.

⁽³⁾ For the three and nine months ended September 30, 2024, includes \$(4,009) and \$(14,671), respectively, of amortization and write-offs of deferred financing costs, CMHC premiums, deferred loan costs and fair value adjustments (for the three and nine months ended September 30, 2023 – \$(4,387) and \$(15,245), respectively). In addition, for the three and nine months ended September 30, 2024, includes \$(2,569) and \$(3,925), respectively, of write-offs of deferred financing costs and CMHC premiums on dispositions (for the three and nine months ended September 30, 2023 – \$(287) and \$(1,508), respectively).

⁽⁴⁾ For the three and nine months ended September 30, 2024, the adjustment is based on applying the 35% weighted average ownership held by ERES non-controlling unitholders (for the three and nine months ended September 30, 2023 – 35%).

⁽⁵⁾ ACFO payout ratio is calculated using total distributions declared during the period divided by ACFO.

Total Debt and Total Debt Ratios

Management uses Total Debt, Total Debt to Gross Book Value ratio and Mortgage debt to Gross Book Value as indicators in assessing if the debt level maintained is sufficient to meet cash flow requirements and for evaluating the need to raise funds for further expansion. These Non-IFRS Measures may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

A reconciliation for Total Debt and Gross Book Value is as follows as at September 30, 2024, December 31, 2023 and September 30, 2023:

(\$ Thousands)

As at	September 30, 2024	December 31, 2023	September 30, 2023
Mortgages payable – non-current	\$ 6,012,545	\$ 6,002,617	\$ 5,797,931
Mortgages payable – current	590,758	651,371	741,706
Mortgages payable related to assets held for sale	—	23,706	—
Total mortgages payable	\$ 6,603,303	\$ 6,677,694	\$ 6,539,637
Credit facilities payable – non-current	437,498	405,133	489,024
Total Debt	\$ 7,040,801	\$ 7,082,827	\$ 7,028,661
Total Assets	\$ 17,172,274	\$ 16,968,640	\$ 16,946,089
Add: Accumulated amortization of PP&E	49,435	45,217	43,865
Gross Book Value ⁽¹⁾	\$ 17,221,709	\$ 17,013,857	\$ 16,989,954
Total Debt to Gross Book Value ⁽²⁾	40.9 %	41.6 %	41.4 %
Total Mortgages Payable to Gross Book Value ⁽³⁾	38.3 %	39.2 %	38.5 %

⁽¹⁾ Gross Book Value ("GBV") is defined by CAPREIT's DOT.

⁽²⁾ Total Debt to Gross Book Value is calculated using total debt divided by gross book value.

⁽³⁾ Total Mortgages Payable to Gross Book Value is calculated using total mortgages payable divided by gross book value.

Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value Adjustments

Adjusted EBITDAFV is calculated as prescribed in CAPREIT's Acquisition and Operating Facility agreement for the purpose of determining the Debt Service Coverage Ratio and Interest Coverage Ratio, and is defined as net income (loss) attributable to Unitholders, reversing, where applicable, interest expense; income taxes; depreciation and amortization; gain or loss attributable to dispositions; non-cash gain or loss resulting from the remeasurement of assets or liabilities; other non-cash amounts included in net income (loss); gain or loss on the repurchase or redemption of securities; foreign exchange gain or loss; and any other extraordinary, non-recurring or unusual items as permitted under CAPREIT's Acquisition and Operating Facility agreement. Management believes Adjusted EBITDAFV is useful in assessing CAPREIT's operating performance, excluding any non-cash items and other extraordinary factors, and its ability to service debt, finance capital expenditures and provide for distributions to its Unitholders. This Non-IFRS Measure may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

A reconciliation of net income (loss) to Adjusted EBITDAFV is as follows for the trailing 12 months ended September 30, 2024, December 31, 2023 and September 30, 2023:

(\$ Thousands)

For The Trailing 12 Months Ended	September 30, 2024	December 31, 2023	September 30, 2023
Net income (loss)	\$ 350,767	\$ (411,574)	\$ (265,263)
Adjustments:			
Interest and other financing costs	221,430	211,664	201,950
Interest on Exchangeable LP Units	2,408	2,382	2,394
Total current income tax expense and deferred income tax expense (recovery), net	14,773	(76,479)	(95,053)
Amortization of PP&E and right-of-use asset	6,210	6,206	6,448
Total unit-based compensation amortization expense, net	5,522	7,816	7,943
EUPP unit-based compensation expense	(521)	(551)	(545)
Fair value adjustments of investment properties	(44,524)	914,585	728,743
Fair value adjustments of financial instruments	61,318	34,373	75,313
Net gain on derecognition of debt	(6,278)	(3,251)	(3,307)
Loss (gain) on non-controlling interest	48,204	(45,209)	(27,268)
Gain on foreign currency translation	(187)	(4,161)	(2,539)
Transaction costs and other adjustments on dispositions and other	16,369	7,705	5,318
Adjusted EBITDAFV	\$ 675,491	\$ 643,506	\$ 634,134

Debt Service Coverage Ratio

The Debt Service Coverage Ratio is defined as Adjusted EBITDAFV divided by the sum of interest expense (including interest on mortgages payable and credit facilities payable and excluding interest with respect to leases, holders of Exchangeable LP Units, and amortization of CMHC premiums and fees on mortgages payable) and all regularly scheduled mortgage principal repayments. The Debt Service Coverage Ratio is calculated as prescribed in the Acquisition and Operating Facility agreement, and is based on the trailing 12 months ended. Management believes the Debt Service Coverage Ratio is useful in determining CAPREIT's ability to service the interest and mortgage principal requirements of its outstanding debt. This Non-IFRS Measure may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

(\$ Thousands)

For The Trailing 12 Months Ended	September 30, 2024	December 31, 2023	September 30, 2023
Contractual interest on mortgages payable ⁽¹⁾⁽²⁾	\$ 171,467	\$ 161,178	\$ 156,808
Amortization of deferred financing costs, fair value adjustments and OCI hedge interest on mortgages payable ⁽¹⁾	7,447	6,157	5,047
Contractual interest on credit facilities payable, net ⁽²⁾	26,277	26,074	20,967
Amortization of deferred financing costs on credit facilities payable	821	902	841
Mortgage principal repayments	154,690	158,803	161,102
Debt service payments	\$ 360,702	\$ 353,114	\$ 344,765
Adjusted EBITDAFV	\$ 675,491	\$ 643,506	\$ 634,134
Debt service coverage ratio (times)	1.9x	1.8x	1.8x

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

Interest Coverage Ratio

The Interest Coverage Ratio is defined as Adjusted EBITDAFV divided by interest expense (including interest on mortgages payable and credit facilities payable and excluding interest with respect to leases, holders of Exchangeable LP Units, and amortization of CMHC premiums and fees on mortgages payable). The Interest Coverage Ratio is calculated as prescribed in the Acquisition and Operating Facility agreement, and is based on the trailing 12 months ended. Management believes the Interest Coverage Ratio is useful in determining CAPREIT's ability to service the interest requirements of its outstanding debt. This Non-IFRS Measure may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

(\$ Thousands)

For The Trailing 12 Months Ended	September 30, 2024	December 31, 2023	September 30, 2023
Contractual interest on mortgages payable ⁽¹⁾⁽²⁾	\$ 171,467	\$ 161,178	\$ 156,808
Amortization of deferred financing costs, fair value adjustments and OCI hedge interest on mortgages payable ⁽¹⁾	7,447	6,157	5,047
Contractual interest on credit facilities payable, net ⁽²⁾	26,277	26,074	20,967
Amortization of deferred financing costs on credit facilities payable	821	902	841
Interest Expense	\$ 206,012	\$ 194,311	\$ 183,663
Adjusted EBITDAFV	\$ 675,491	\$ 643,506	\$ 634,134
Interest coverage ratio (times)	3.3x	3.3x	3.5x

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

Net Asset Value

NAV represents total Unitholders' equity per CAPREIT's consolidated balance sheets, adjusted to include or exclude certain amounts in order to provide what management considers to be a key measure of the residual value of CAPREIT to its Unitholders as at the reporting date. NAV is therefore used by management on both an aggregate and per unit basis to evaluate the net asset value attributable to Unitholders, and changes thereon based on the execution of CAPREIT's strategy. While NAV is calculated based on items included in the consolidated financial statements or supporting notes, NAV itself is not a standardized financial measure under IFRS and may not be comparable to similarly termed financial measures disclosed by other real estate investment trusts or companies in similar or different industries.

A reconciliation of Unitholders' equity to NAV is as follows as at September 30, 2024, December 31, 2023 and September 30, 2023:

(\$ Thousands, except per unit amounts)

As at	September 30, 2024	December 31, 2023	September 30, 2023
Unitholders' equity	\$ 9,449,650	\$ 9,278,595	\$ 9,304,029
Adjustments:			
Exchangeable LP Units	90,579	80,383	74,257
Unit-based compensation financial liabilities excluding ERES's RUR and ERES UOP	30,605	23,150	20,165
Deferred income tax liability ⁽¹⁾	65,784	49,481	58,124
Deferred income tax asset	(16,918)	(19,523)	(13,686)
Derivative assets – non-current	(24,266)	(35,619)	(55,018)
Derivative assets – current	(4,579)	(10,851)	(7,691)
Derivative liabilities – current	9,392	7,001	7,154
Adjustment to ERES non-controlling interest ⁽²⁾	(138,466)	(160,023)	(159,101)
NAV	\$ 9,461,781	\$ 9,212,594	\$ 9,228,233
Diluted number of units	169,638	169,868	169,777
NAV per unit – diluted ⁽³⁾	\$ 55.78	\$ 54.23	\$ 54.36

⁽¹⁾ Includes deferred income tax liability classified as liabilities related to assets held for sale.

⁽²⁾ CAPREIT accounts for the non-controlling interest in ERES as a liability, measured at the redemption amount, as defined by the ERES DOT, of ERES's units not owned by CAPREIT. The adjustment is made so that the non-controlling interest in ERES is measured at ERES's disclosed NAV, rather than the redemption amount. The table below summarizes the calculation of adjustment to ERES non-controlling interest as at September 30, 2024, December 31, 2023 and September 30, 2023:

(\$ Thousands)

As at	September 30, 2024	December 31, 2023	September 30, 2023
ERES's NAV	€ 706,530	€ 676,956	€ 711,062
Ownership by ERES non-controlling interest	35%	35%	35%
Closing foreign exchange rate	1.50849	1.46262	1.43602
Impact to NAV due to ERES's non-controlling unitholders	\$ 373,028	\$ 346,545	\$ 357,385
Less: ERES units held by non-controlling unitholders	(234,562)	(186,522)	(198,284)
Adjustment to ERES non-controlling interest	\$ 138,466	\$ 160,023	\$ 159,101

⁽³⁾ NAV per unit – diluted is calculated using NAV as at period end divided by diluted number of units.

OTHER INFORMATION

Selected Consolidated Quarterly Information

	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22
Canadian residential Occupied AMR ⁽¹⁾⁽²⁾	\$ 1,617	\$ 1,577	\$ 1,552	\$ 1,516	\$ 1,490	\$ 1,460	\$ 1,428	\$ 1,401
The Netherlands Occupied AMR ⁽²⁾	€ 1,141	€ 1,072	€ 1,068	€ 1,063	€ 1,053	€ 1,009	€ 1,002	€ 992
Operating revenues (000s)	\$ 282,439	\$ 278,126	\$ 275,816	\$ 272,195	\$ 268,377	\$ 263,798	\$ 260,947	\$ 256,915
NOI (000s)	\$ 189,382	\$ 186,281	\$ 177,049	\$ 176,711	\$ 178,432	\$ 173,785	\$ 163,858	\$ 164,500
NOI Margin	67.1%	67.0%	64.2%	64.9%	66.5%	65.9%	62.8%	64.0%
Net income (loss) (000s)	\$ 47,370	\$ 112,072	\$ 182,113	\$ 9,212	\$ (357,542)	\$ 39,983	\$ (103,227)	\$ 155,523
FFO (000s) ⁽³⁾	\$ 111,833	\$ 109,145	\$ 103,370	\$ 102,153	\$ 108,280	\$ 100,076	\$ 97,153	\$ 99,922
FFO per unit – diluted ⁽³⁾	\$ 0.659	\$ 0.644	\$ 0.609	\$ 0.602	\$ 0.638	\$ 0.590	\$ 0.567	\$ 0.580
FFO payout ratio ⁽³⁾	56.2%	56.2%	59.5%	60.4%	56.8%	61.5%	63.6%	62.4%
Total debt to gross book value ⁽²⁾⁽³⁾	40.9%	41.5%	41.8%	41.6%	41.4%	40.4%	40.1%	39.4%
NAV per unit – diluted ⁽²⁾⁽³⁾	\$ 55.78	\$ 55.05	\$ 54.79	\$ 54.23	\$ 54.36	\$ 57.08	\$ 57.47	\$ 58.01
Weighted average number of units (000s) – diluted	169,586	169,527	169,796	169,828	169,727	169,664	171,266	172,401

⁽¹⁾ Excludes MHC sites.

⁽²⁾ As at period end.

⁽³⁾ Non-IFRS Measures are reconciled with IFRS reported amounts in the respective quarterly SEDAR+ filings. These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures).

CAPREIT's operations are affected by seasonal cycles, and operating performance in one quarter may not be indicative of operating performance in any other quarter of the year. The first and fourth quarters of each year are typically more subject to increased energy consumption in the winter months. There may be periods where actual distributions declared may exceed cash generated from (utilized in) operating activities after factoring interest paid, primarily due to seasonal fluctuations. These seasonal or short-term fluctuations are funded, if necessary, with the Acquisition and Operating Facility. CAPREIT determines its annual distributions and the annual distribution rate by, among other considerations, its assessment of ACFO (a Non-IFRS Measure). As such, CAPREIT believes the cash distributions are not an economic return of capital, but a distribution of adjusted cash flow from operating activities.

Foreign Currency Information

CAPREIT's functional currency is the Canadian dollar and the functional currency of certain foreign subsidiaries is the euro. CAPREIT is exposed to gain or loss on foreign currency translation due to its holdings of European assets and liabilities through its ERES subsidiary, euro-denominated cash and borrowings held by CAPREIT, and its investment in IRES, as applicable in respective periods. Further, as part of CAPREIT's foreign currency and interest rate management strategies, CAPREIT has cash, borrowings and CCIR arrangements denominated in USD.

Based on CAPREIT's accounting policies, CAPREIT converted its euro and USD-denominated balances and transactions as at and for the respective periods using the rates shown in the table below:

As at	September 30, 2024	December 31, 2023	September 30, 2023
Canadian dollar per euro (closing rate at period end)	\$ 1.50849	\$ 1.46262	\$ 1.43602
Canadian dollar per USD (closing rate at period end)	1.35158	1.32517	1.35802

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Canadian dollar per euro (average rate during the period)	\$ 1.49922	\$ 1.45998	\$ 1.47864	\$ 1.45768
Canadian dollar per USD (average rate during the period)	1.36423	1.34161	1.36022	1.34569

European Foreign Exchange Exposure

The majority of CAPREIT's foreign currency transactions are denominated in euros. Between December 31, 2023 and September 30, 2024, the euro strengthened against the Canadian dollar from a closing price of \$1.46262 per euro to \$1.50849 per euro. Between September 30, 2023 and September 30, 2024, the euro strengthened against the Canadian dollar from a closing price of \$1.43602 per euro to \$1.50849 per euro.

The following table summarizes CAPREIT's net foreign investments exposure and its associated derivative financial instruments related to the euro as at September 30, 2024, December 31, 2023 and September 30, 2023. CAPREIT uses derivative financial instruments to minimize its exposure to fluctuations in foreign exchange rates.

(€ Thousands)

As at	September 30, 2024	December 31, 2023	September 30, 2023
ERES assets	€ 879,798	€ 1,722,684	€ 1,763,458
ERES assets held for sale	749,700	—	—
Investment in IRES	—	110,777	94,641
CAPREIT's euro cash	599	493	443
Total foreign assets	€ 1,630,097	€ 1,833,954	€ 1,858,542
ERES liabilities (excluding intercompany transactions)	€ 888,155	€ 1,040,968	€ 1,051,200
ERES liabilities related to assets held for sale	22,731	—	—
Total foreign liabilities	€ 910,886	€ 1,040,968	€ 1,051,200
Net foreign equity ⁽¹⁾	€ 719,211	€ 792,986	€ 807,342
Less: cross-currency swaps ⁽²⁾	(442,358)	(442,358)	(442,358)
Net European foreign exchange exposure	€ 276,853	€ 350,628	€ 364,984
Net European foreign exchange exposure (excluding non-controlling interest)	€ 25,338	€ 112,028	€ 115,693

⁽¹⁾ As at September 30, 2024, net foreign equity includes €718,612 (December 31, 2023 - €681,716, September 30, 2023 - €712,258) relating to ERES in which CAPREIT has a 65% (December 31, 2023 - 65%, September 30, 2023 - 65%) interest.

⁽²⁾ Excludes cross-currency swaps denominated in USD.

Related Party Transactions

A summary of related party transactions can be found in note 23 to CAPREIT's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024. Transactions with ERES are described below.

Promissory Notes

On October 28, 2021, as an alternative to the Pipeline Agreement, the CAPREIT Board of Trustees approved the provision of up to \$248.9 million (€165.0 million) in funding to ERES via promissory note arrangements, carrying an interest rate as agreed upon by CAPREIT and ERES on drawn amounts, for terms of up to six months, with the ability to fully repay prior to maturity, without penalty, and extend beyond, if required.

There were no new promissory notes issued and outstanding to CAPREIT during the nine months ended September 30, 2024. During the nine months ended September 30, 2023, ERES fully repaid the promissory note on April 27, 2023 as summarized in the table below.

Issuance Date	Principal (€)	Interest Rate	Maturity Date	Repayment Date
October 27, 2022	€ 25,650	3.70 %	April 27, 2023	April 27, 2023

Promissory notes from ERES to CAPREIT are eliminated upon consolidation in the condensed consolidated interim financial statements.

Other Transactions with ERES

The table below summarizes fees charged to and interest income earned from ERES for the three and nine months ended September 30, 2024 and September 30, 2023, including non-recoverable taxes which must be remitted to the government:

(\$ Thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Asset management fees	\$ 2,097	\$ 2,117	\$ 6,340	\$ 6,396
Property management fees	1,277	1,279	3,865	3,708
Service fees	144	131	554	583
Interest income earned from promissory note	—	—	—	443
Total	\$ 3,518	\$ 3,527	\$ 10,759	\$ 11,130

During the three and nine months ended September 30, 2024, ERES declared a total of \$6.8 million and \$20.3 million, respectively, distributions on ERES units and interest on Class B Limited Partnership units ("ERES Class B LP Units") to CAPREIT (three and nine months ended September 30, 2023 - \$6.7 million and \$20.0 million).

All intercompany transactions between CAPREIT and ERES, excluding non-recoverable taxes which must be remitted to the government, are eliminated upon consolidation in the condensed consolidated interim financial statements.

SECTION VII: COMPLIANCE AND GOVERNANCE DISCLOSURES, RISKS AND UNCERTAINTIES

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

Summary of Material Accounting Policies

A summary of material accounting policies can be found in note 2 to CAPREIT's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 and to CAPREIT's consolidated annual financial statements for the year ended December 31, 2023.

Critical Accounting Estimates, Assumptions, and Judgments

A summary of critical accounting estimates, assumptions and judgments can be found in CAPREIT's consolidated annual financial statements for the year ended December 31, 2023.

CONTROLS AND PROCEDURES

CAPREIT maintains appropriate information systems, procedures and controls to provide reasonable assurance that information disclosed externally is complete, reliable and timely. Pursuant to the Canadian Securities Administrators requirements under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, CAPREIT's Chief Executive Officer and Chief Financial Officer have satisfied themselves that as at September 30, 2024, the design of disclosure controls and procedures and the design of internal controls over financial reporting continue to be appropriate.

CAPREIT did not make any significant changes to the design of internal controls over financial reporting during the three and nine months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting.

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Trust Units and in the activities of CAPREIT. Risks and uncertainties are disclosed in CAPREIT's Annual MD&A for the year ended December 31, 2023 in the Risks and Uncertainties section and in CAPREIT's latest AIF.

COMMITMENTS AND CONTINGENCIES

A summary of commitments and contingencies can be found in note 25 to CAPREIT's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024.

SUBSEQUENT EVENTS

A summary of subsequent events can be found in note 27 to CAPREIT's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024.



CANADIAN APARTMENT
PROPERTIES • REIT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2024
(UNAUDITED)

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CONSOLIDATED INTERIM BALANCE SHEETS

(In thousands of Canadian dollars)

Unaudited

As at	Note	September 30, 2024	December 31, 2023 ⁽¹⁾
Non-current assets			
Investment properties	3	\$ 15,055,125	\$ 16,532,096
Investments held at fair value through profit or loss	7	2,421	162,472
Derivative assets	8	24,266	35,619
Deferred income tax asset		16,918	19,523
Other assets	9	44,559	29,542
Total non-current assets		15,143,289	16,779,252
Current assets			
Cash and cash equivalents		23,365	29,528
Amounts receivable		19,943	16,526
Derivative assets	8	4,579	10,851
Other assets	9	103,975	86,633
Assets held for sale	6	1,877,123	45,850
Total current assets		2,028,985	189,388
Total assets		\$ 17,172,274	\$ 16,968,640
Non-current liabilities			
Debt	10	\$ 6,450,043	\$ 6,407,750
Deferred income tax liability		31,494	49,481
Unit-based compensation financial liabilities	11	16,183	11,070
Other liabilities	12	45,819	46,837
Total non-current liabilities		6,543,539	6,515,138
Current liabilities			
Debt	10	590,758	651,371
ERES units held by non-controlling unitholders	13	234,562	186,522
Accounts payable and accrued liabilities	14	92,114	105,717
Exchangeable LP Units	15	90,579	80,383
Unit-based compensation financial liabilities	11	14,896	12,353
Derivative liabilities	8	9,392	7,001
Other liabilities	12	112,494	107,854
Liabilities related to assets held for sale	6	34,290	23,706
Total current liabilities		1,179,085	1,174,907
Total liabilities		\$ 7,722,624	\$ 7,690,045
Unitholders' equity			
Unit capital		\$ 4,219,539	\$ 4,227,156
Retained earnings		5,209,923	5,063,981
Accumulated other comprehensive income (loss)		20,188	(12,542)
Total unitholders' equity		\$ 9,449,650	\$ 9,278,595
Total liabilities and unitholders' equity		\$ 17,172,274	\$ 16,968,640

⁽¹⁾ Restated; see note 2.

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(In thousands of Canadian dollars)

Unaudited

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2024	2023	2024	2023
Operating revenues					
Revenue from investment properties	17	\$ 282,439	\$ 268,377	\$ 836,381	\$ 793,122
Operating expenses					
Realty taxes		(25,837)	(24,391)	(75,337)	(72,475)
Property operating costs		(67,220)	(65,554)	(208,332)	(204,572)
Total operating expenses		(93,057)	(89,945)	(283,669)	(277,047)
Net operating income		189,382	178,432	552,712	516,075
Other income	18	862	4,572	5,805	12,496
Trust expenses		(16,208)	(16,515)	(44,568)	(46,577)
Unit-based compensation amortization recovery (expense):					
Unit-based compensation amortization expense	11	(2,187)	(2,495)	(6,167)	(6,177)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination	11	—	—	2,284	—
Total unit-based compensation amortization expense, net		(2,187)	(2,495)	(3,883)	(6,177)
Financing-related costs:					
Interest expense on debt and other financing costs	19	(55,786)	(53,372)	(166,204)	(156,438)
Interest expense on Exchangeable LP Units		(611)	(597)	(1,811)	(1,785)
Net gain (loss) on derecognition of debt		3,196	(439)	6,334	3,307
Total financing-related costs, net		(53,201)	(54,408)	(161,681)	(154,916)
Fair value adjustments of investment properties	3, 6	71,396	(507,003)	155,905	(803,204)
Fair value adjustments of financial instruments	20	(54,142)	16,915	(57,824)	(30,879)
Gain (loss) on non-controlling interest	13	(67,636)	29,542	(57,163)	36,250
Gain (loss) on foreign currency translation		7,231	(7,533)	(2,158)	1,816
Transaction costs and other activities	21	(11,090)	(4,031)	(18,770)	(10,102)
Net income (loss) before income taxes		64,407	(362,524)	368,375	(485,218)
Current income tax expense		(2,627)	(2,102)	(9,128)	(5,668)
Deferred income tax recovery (expense)		(14,410)	7,084	(17,692)	70,100
Total current income tax expense and deferred income tax recovery (expense), net		(17,037)	4,982	(26,820)	64,432
Net income (loss)		\$ 47,370	\$ (357,542)	\$ 341,555	\$ (420,786)
Other comprehensive income (loss), including items that may be reclassified subsequently to net income (loss)					
Gain (loss) on foreign currency translation, net of taxes		\$ 29,637	\$ (3,686)	\$ 32,373	\$ (8,696)
Gain (loss) on investments held at fair value through other comprehensive Income (loss)		348	(115)	357	(80)
Amortization of losses from accumulated other comprehensive loss to interest and other financing costs		—	—	—	68
Other comprehensive income (loss)		\$ 29,985	\$ (3,801)	\$ 32,730	\$ (8,708)
Comprehensive income (loss)		\$ 77,355	\$ (361,343)	\$ 374,285	\$ (429,494)

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF UNITHOLDERS' EQUITY

(In thousands of Canadian dollars, except number of Trust Units)

Unaudited

	Note	Number of Trust Units	Unit Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Unitholders' equity, January 1, 2024		167,614,292	\$ 4,227,156	\$ 5,063,981	\$ (12,542)	\$ 9,278,595
Unit capital						
Distribution Reinvestment Plan		76,755	3,656	—	—	3,656
Deferred Units	12	8,100	448	—	—	448
Restricted Unit Rights	11	21,921	1,108	—	—	1,108
Employee Unit Purchase Plan		50,303	2,411	—	—	2,411
Cancellation of Trust Units under NCIB and other	16	(562,017)	(15,240)	(12,442)	—	(27,682)
Net income and other comprehensive income						
Net income		—	—	341,555	—	341,555
Other comprehensive income		—	—	—	32,730	32,730
Distributions on Trust Units						
Distributions declared and paid		—	—	(162,270)	—	(162,270)
Distributions payable		—	—	(20,901)	—	(20,901)
Unitholders' equity, September 30, 2024		167,209,354	\$ 4,219,539	\$ 5,209,923	\$ 20,188	\$ 9,449,650

	Note	Number of Trust Units	Unit Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Unitholders' equity, January 1, 2023		169,404,469	\$ 4,183,171	\$ 5,846,397	\$ (25,873)	\$ 10,003,695
Unit capital						
Distribution Reinvestment Plan		130,040	6,351	—	—	6,351
Deferred Units		12,654	622	—	—	622
Restricted Unit Rights		63,280	2,935	—	—	2,935
Employee Unit Purchase Plan		52,152	2,553	—	—	2,553
Exchangeable LP Units exchanged	15	32,004	1,578	—	—	1,578
Cancellation of Trust Units under NCIB and other	16	(2,168,521)	(56,231)	(45,429)	—	(101,660)
Net loss and other comprehensive loss						
Net loss		—	—	(420,786)	—	(420,786)
Other comprehensive loss		—	—	—	(8,708)	(8,708)
Distributions on Trust Units						
Distributions declared and paid		—	—	(162,309)	—	(162,309)
Distributions payable		—	—	(20,242)	—	(20,242)
Unitholders' equity, September 30, 2023		167,526,078	\$ 4,140,979	\$ 5,197,631	\$ (34,581)	\$ 9,304,029

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

Unaudited

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2024	2023	2024	2023
Cash provided by (used in):					
Operating activities					
Net income (loss)		\$ 47,370	\$ (357,542)	\$ 341,555	\$ (420,786)
Items related to operating activities not affecting cash:					
Fair value adjustments of investment properties	3, 6	(71,396)	507,003	(155,905)	803,204
Fair value adjustments of financial instruments	20	54,142	(16,915)	57,824	30,879
Mark-to-market loss (gain) on ERES units held by non-controlling unitholders	13	63,954	(33,080)	46,303	(46,799)
Total unit-based compensation amortization expense, net		2,187	2,495	3,883	6,177
Other adjustments	22	13,893	2,313	33,526	(65,629)
Changes in non-cash operating assets and liabilities	22	(392)	14,866	(27,943)	(19,486)
Items related to financing activities	22	56,883	57,946	172,541	165,465
Items related to investing activities		128	(3,894)	(4,494)	(9,281)
Cash provided by operating activities		166,769	173,192	467,290	443,744
Investing activities					
Capital investments	22	(62,486)	(57,977)	(171,096)	(224,123)
Acquisitions, deposits and transaction costs of investment properties	4	(185,998)	(324)	(272,329)	(151,733)
Acquisition of investments		(8,084)	(4,091)	(10,740)	(8,745)
Disposition of investment properties (net of assumed mortgages and transaction costs)	5	276,148	60,012	421,748	306,861
Disposition of investments	7	403	1,722	144,545	40,100
Investment and interest income received		862	3,894	5,020	9,281
Change in restricted funds		(746)	(454)	(753)	(1,095)
Cash provided by (used in) investing activities		20,099	2,782	116,395	(29,454)
Financing activities					
Borrowings	10	344,181	122,095	766,316	503,986
Principal repayments	6, 10	(28,090)	(39,594)	(115,979)	(120,092)
Lump-sum repayments	6, 10	(442,088)	(131,584)	(856,820)	(359,845)
Financing costs and CMHC premiums paid	10	(1,390)	(3,320)	(16,482)	(8,660)
Refunds (deposits) related to financing activities		1,282	402	819	(1,897)
Interest paid on mortgages and credit facilities		(50,808)	(46,819)	(148,047)	(136,386)
Debt settlement costs paid		(1,812)	(378)	(1,812)	(378)
Purchase and cancellation of Trust Units	16	—	—	(27,140)	(100,907)
Distributions paid to Unitholders	22	(60,155)	(57,704)	(178,867)	(176,427)
Net proceeds on issuance of Trust Units	22	588	107	2,039	2,090
Interest paid to ERES non-controlling unitholders		(3,141)	(2,668)	(9,123)	(8,065)
Interest paid to Exchangeable LP unitholders		(604)	(599)	(1,804)	(1,791)
Lease payments		(1,532)	(1,569)	(4,676)	(4,693)
Cash used in financing activities		(243,569)	(161,631)	(591,576)	(413,065)
Changes in cash and cash equivalents		(56,701)	14,343	(7,891)	1,225
Gain (loss) on foreign currency translation		1,828	572	1,728	(262)
Cash and cash equivalents, beginning of the period		78,238	33,351	29,528	47,303
Cash and cash equivalents, end of the period		\$ 23,365	\$ 48,266	\$ 23,365	\$ 48,266

See accompanying notes to the condensed consolidated interim financial statements.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

1. Organization of the Trust

Canadian Apartment Properties Real Estate Investment Trust ("CAPREIT") owns and manages interests in multi-unit residential rental properties, including apartments, townhomes and manufactured home community ("MHC") sites, principally located in and near major urban centres across Canada. CAPREIT's net assets and operating results are substantially derived from income-producing real estate located in Canada, where it is also domiciled, and in Europe.

As at September 30, 2024, CAPREIT directly and indirectly holds a 65% (December 31, 2023 – 65%) ownership of publicly traded European Residential Real Estate Investment Trust ("ERES"), which operates primarily in the Netherlands, with the remaining 35% (December 31, 2023 – 35%) held by non-controlling unitholders. CAPREIT owns units of ERES ("ERES units") and Class B Limited Partnership units ("ERES Class B LP Units") of ERES Limited Partnership ("ERES LP").

2. Summary of Material Accounting Policies

Basis of Presentation

These condensed consolidated interim financial statements, which have been approved by CAPREIT's Board of Trustees on November 7, 2024, have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosures normally included in the consolidated annual financial statements for the year ended December 31, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

These condensed consolidated interim financial statements have been prepared on a going concern basis and are presented in Canadian dollars, which is also CAPREIT's functional currency. CAPREIT's results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in utility costs and other factors. CAPREIT has historically experienced higher utility expenses in the first and last quarters as a result of the winter months, which create variations in the quarterly results.

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of CAPREIT's consolidated annual financial statements for the year ended December 31, 2023, other than as described below. These condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2023.

Certain prior period comparative figures have been reclassified to conform with current period presentation.

Impact of Accounting Standards Effective January 1, 2024 on CAPREIT's Condensed Consolidated Interim Financial Statements

Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*

The IASB issued "Classification of Liabilities as Current or Non-current (Amendments to IAS 1)" in January 2020, affecting the presentation of liabilities in the consolidated balance sheet. The narrow-scope amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1"), clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments also clarify what IAS 1 means when it refers to the "settlement" of a liability. The amendments must be applied retrospectively in accordance with the normal requirements of IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8"). In October 2022, the IASB issued amendments to the requirements for classification of debt with covenants. The amendments modify the new requirements to apply only to covenants with which an entity is required to comply and that may impact the classification of a liability as current or non-current. In addition, the amendments require disclosure of information about such covenants and related liabilities in the notes to enable users of financial

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

statements to understand the risk of non-current liabilities with covenants becoming repayable within 12 months. CAPREIT adopted the IAS 1 amendments on January 1, 2024 and retrospectively reclassified ERES units held by non-controlling unitholders from non-current liabilities to current liabilities in the consolidated interim balance sheets.

There was no impact on the measurement or recognition of any item in CAPREIT's condensed consolidated interim financial statements, debt covenants or liquidity risks, and there was no change to the consolidated interim statements of net income (loss) and comprehensive income (loss), consolidated interim statements of unitholders' equity and consolidated interim statements of cash flows.

Future Accounting Policy Changes

IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. IFRS 18 is a result of the IASB's "Primary Financial Statements" project, which aims at improving comparability and transparency of communication in financial statements. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and sub-totals. Disclosure of performance measures defined by management will be required, including the aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and related notes. IFRS 18 is expected to impact all reporting entities, including CAPREIT. Narrow scope amendments have been made to IAS 7, *Statement of Cash Flows* ("IAS 7"), IAS 34 and other minor amendments to other statements. Some requirements previously included within IAS 1 have been moved to IAS 8, which was renamed as IAS 8, *Basis of Preparation of Financial Statements*.

IFRS 18 and the amendments to the other standards will be effective for reporting periods beginning on or after January 1, 2027, with earlier adoption permitted, and will be applied retrospectively. IFRS 18 and the related amendments have not been early adopted by CAPREIT. CAPREIT is currently assessing potential impacts of IFRS 18 and the amendments to the other standards.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

3. Investment Properties

Continuity of Investment Properties

	Note	Nine Months Ended September 30, 2024	Year Ended December 31, 2023
Balance of investment properties, beginning of the period		\$ 16,532,096	\$ 17,153,709
Additions (deductions):			
Acquisitions	4	509,331	299,448
Property capital investments		163,617	283,141
Capitalized direct leasing costs		756	1,341
Transfers from other assets	9	932	16,462
Dispositions ⁽¹⁾	5	(253,951)	(205,566)
Transfers to assets held for sale ⁽²⁾	6	(2,126,052)	(127,155)
Fair value adjustments		156,707	(912,509)
Foreign currency translation adjustments and other		71,689	23,225
Balance of investment properties, end of the period		\$ 15,055,125	\$ 16,532,096

⁽¹⁾ Excludes the disposition of investment properties that were previously classified as assets held for sale. Refer to notes 5 and 6 for further information.

⁽²⁾ For the nine months ended September 30, 2024, transfers included \$847,530 of investment properties from Canada and \$1,278,522 of investment properties from Europe (year ended December 31, 2023 - \$127,155 of investment properties from Canada). Refer to note 6 for further information.

Valuation Basis

Approximately a third of the Canadian portfolio is externally appraised throughout the year with quarterly updates provided on capitalization rates. For the remainder of the portfolio, capitalization rates are determined by the internal valuation team based on recent market transactions. For quarterly interim reporting purposes, CAPREIT updates its rental revenue and operating costs forecast based on market assumptions. The fair values of all of CAPREIT's European residential portfolio are determined by qualified external appraisers quarterly.

Current regulatory and macroeconomic developments have impacted overall market activity, resulting in limited reliable market metrics, such as capitalization rates. As such, the fair values of CAPREIT's investment properties are subject to significant change, and such changes may be material.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

A summary of the market assumptions and ranges for each type of property interest (excluding assets held for sale), along with their fair values, is presented below as at September 30, 2024 and December 31, 2023:

As at September 30, 2024					
Type of Interest	Fair Value	Rate Type	Min.	Max.	Weighted Average
Apartments and townhomes – Canada ⁽¹⁾	\$ 13,431,080	Capitalization rate	3.50 %	7.87 %	4.40 %
Apartments and townhomes – Europe ⁽²⁾	1,267,041	Discount rate	6.95 %	8.70 %	7.76 %
		Terminal capitalization rate	4.75 %	8.72 %	5.62 %
Operating leasehold interests ⁽³⁾⁽⁴⁾	97,460	Discount rate ⁽⁶⁾	7.00 %	7.25 %	7.08 %
Land leasehold interests ⁽⁵⁾	215,210	Discount rate ⁽⁶⁾	6.95 %	8.54 %	7.54 %
Right-of-use assets, net of fair value change	44,334				
Total investment properties	\$ 15,055,125				

⁽¹⁾ Includes Canadian commercial operations and excludes operating leasehold interests and land leasehold interests.

⁽²⁾ Rates include European commercial operations except one commercial property owned in Belgium, valued by a third-party appraiser using the direct income capitalization ("DC") method.

⁽³⁾ The fair values of operating leasehold interests include the fair values of the options to purchase the related freehold interests of \$42,765 as at September 30, 2024.

⁽⁴⁾ For the two operating leasehold interests remaining as at September 30, 2024, the contractual weighted average remaining lease term on operating leasehold interests is 11.7 years based on the assumption that the early purchase option is not exercised. As at September 30, 2024, if the purchase option is exercised at the earliest allowable date, the weighted average remaining lease term on the two operating leasehold interests is 1.7 years.

⁽⁵⁾ The fair values of the land leasehold interests reflect the estimated air rights or land lease payments over the term of the leases.

⁽⁶⁾ Represents the discount rate used to determine the fair value of operating leasehold and land leasehold interests using the discounted cash flow ("DCF") method. Normalized net operating income ("NOI") growth for operating leasehold interests of 3.0% has been assumed as at September 30, 2024.

As at December 31, 2023

Type of Interest	Fair Value	Rate Type	Min.	Max.	Weighted Average
Apartments and townhomes – Canada ⁽¹⁾	\$ 13,016,359	Capitalization rate	3.16 %	7.63 %	4.26 %
Apartments and townhomes – Europe ⁽²⁾	2,459,444	Discount rate	5.60 %	8.50 %	7.08 %
		Terminal capitalization rate	4.10 %	9.34 %	5.32 %
MHC sites	700,840	Capitalization rate	5.16 %	9.26 %	6.05 %
Operating leasehold interests ⁽³⁾⁽⁴⁾	97,190	Discount rate ⁽⁶⁾	7.00 %	7.25 %	7.07 %
Land leasehold interests ⁽⁵⁾	213,420	Discount rate ⁽⁶⁾	6.96 %	8.80 %	7.77 %
Right-of-use assets, net of fair value change	44,843				
Total investment properties	\$ 16,532,096				

⁽¹⁾ Includes Canadian commercial operations and excludes operating leasehold interests and land leasehold interests.

⁽²⁾ Rates include European commercial operations except one commercial property owned in Belgium, valued by a third-party appraiser using the DC method.

⁽³⁾ The fair values of operating leasehold interests include the fair values of the options to purchase the related freehold interests of \$41,077 as at December 31, 2023.

⁽⁴⁾ For the two operating leasehold interests remaining as at December 31, 2023, the contractual weighted average remaining lease term on operating leasehold interests is 12.4 years based on the assumption that the early purchase option is not exercised. As at December 31, 2023, if the purchase option is exercised at the earliest allowable date, the weighted average remaining lease term on the two operating leasehold interests is 2.4 years.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

- ⁽⁵⁾ The fair values of the land leasehold interests reflect the estimated air rights or land lease payments over the term of the leases.
- ⁽⁶⁾ Represents the discount rate used to determine the fair value of operating leasehold and land leasehold interests using the DCF method. Normalized NOI growth for operating leasehold interests of 3.0% has been assumed as at December 31, 2023.

The table below summarizes the impact of changes in the capitalization rate on the fair value of CAPREIT's investment properties as at September 30, 2024:

As at September 30, 2024 Change in Capitalization Rate ⁽¹⁾	Change in Fair Value of Investment Properties
(0.50)%	\$ 1,927,623
(0.25)%	903,855
+0.25%	(810,013)
+0.50%	(1,534,697)

- ⁽¹⁾ For operating leasehold interests, land leasehold interests and European properties, CAPREIT applies discount rates to determine the fair value of these properties. However, for the purposes of the above sensitivity analysis, CAPREIT has utilized the implied capitalization rates for operating leasehold interests, land leasehold interests and European properties to determine the impact on fair value of the total portfolio.

A 1% increase in normalized NOI would result in an increase in fair value of investment properties of \$150,085. A 1% decrease in normalized NOI would result in a decrease in fair value of investment properties of \$150,130.

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4. Acquisitions of Investment Properties

The table below summarizes the investment property acquisitions since January 1, 2024, which have contributed to the operating results as from their acquisition dates.

Acquisitions of Investment Properties Completed During the Nine Months Ended September 30, 2024

Acquisition Date	Suite Count	Region	Fair Value of Investment Property	Fair Value Adjustment on Mortgages Payable Assumed	Gross Purchase Price ⁽¹⁾	Fair Value of Mortgages Payable Assumed ⁽²⁾
March 18, 2024	291	London, ON	\$ 126,195	\$ 3,805	\$ 130,000	\$ 77,069
June 14, 2024	68	Halifax, NS	29,420	—	29,420	14,285
June 24, 2024	178	Edmonton, AB	74,262	5,071	79,333	63,562
July 8, 2024	54	Ottawa, ON	20,893	107	21,000	15,752
July 29, 2024	144	Ottawa, ON	77,946	554	78,500	9,852
July 29, 2024	173	Vancouver, BC	131,316	5,684	137,000	58,446
July 31, 2024	64	Vancouver, BC	42,218	—	42,218	—
Total	972		\$ 502,250	\$ 15,221	\$ 517,471	\$ 238,966
Transaction costs			\$ 7,081			
Total acquisition costs			\$ 509,331			

⁽¹⁾ Gross purchase price excludes transaction costs and other adjustments.

⁽²⁾ Relates to mortgages payable with principal amount of \$254,187 assumed by CAPREIT upon acquisition. The amounts shown are net of \$15,221 of fair value adjustment on the mortgages payable assumed. The weighted average stated interest rate on the mortgages payable assumed is 3.19% with a weighted average term to maturity of 5.4 years.

Acquisitions of Investment Properties Completed During the Nine Months Ended September 30, 2023

For the nine months ended September 30, 2023, CAPREIT acquired 469 suites for a total acquisition cost of \$208,253.

Net Disbursements on Acquisitions of Investment Properties

The net disbursements made for the acquisitions of investment properties take into consideration the fair value of the investment properties being acquired, fair value of mortgages payable and other net assets assumed, and working capital and other adjustments relating to transaction costs.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Acquired properties	\$ (275,519)	\$ —	\$ (509,331)	\$ (208,253)
Fair value of mortgages payable assumed	84,050	—	238,966	57,827
Deposit on acquisitions and other adjustments	5,760	(225)	(1,928)	2,796
Change in investment properties included in accounts payable and other liabilities	(289)	(99)	(36)	(4,103)
Net disbursements	\$ (185,998)	\$ (324)	\$ (272,329)	\$ (151,733)

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5. Dispositions of Investment Properties

The table below summarizes the dispositions of investment properties (including investment properties previously classified as assets held for sale) completed during the nine months ended September 30, 2024.

Dispositions of Investment Properties Completed During the Nine Months Ended September 30, 2024

Disposition Date	Suite Count	Region	Fair Value of Investment Properties	Fair Value Adjustments on VTB Mortgages Receivable and Mortgages Payable Assumed by Purchasers	Gross Sale Price ⁽¹⁾	Fair Value of VTB Mortgages Receivable and Mortgages Payable Assumed by Purchasers ⁽²⁾
January 15, 2024 ⁽³⁾	32	Victoria, BC	\$ 12,289	\$ —	\$ 12,289	\$ —
March 6, 2024 ⁽³⁾	240	Québec City, QC	33,206	3,069	36,275	18,349
March 27, 2024	54	Langley, BC	18,535	—	18,535	—
March 27, 2024	54	Langley, BC	16,465	—	16,465	—
Q1 2024 ⁽⁴⁾	24	The Netherlands	11,109	—	11,109	—
May 15, 2024 ⁽³⁾	79	Burnaby, BC	32,715	285	33,000	7,646
June 18, 2024	66	The Netherlands	20,848	—	20,848	—
June 24, 2024	44	Maple Ridge, BC	17,300	1,200	18,500	8,500
Q2 2024 ⁽⁴⁾	53	The Netherlands	20,911	—	20,911	—
July 15, 2024 ⁽³⁾⁽⁵⁾	464	The Netherlands	149,957	—	149,957	—
July 15, 2024 ⁽⁶⁾	—	The Netherlands	1,638	—	1,638	—
August 1, 2024 ⁽³⁾	138	Toronto, ON	37,750	—	37,750	—
August 8, 2024 ⁽⁷⁾	—	Halifax, NS	1,950	—	1,950	—
August 16, 2024 ⁽³⁾	214	Québec City, QC	35,650	—	35,650	—
September 4, 2024	42	Cornwall, PEI	8,010	—	8,010	—
September 11, 2024	370	Toronto, ON	122,751	10,249	133,000	90,944
September 13, 2024 ⁽⁸⁾	—	Germany	13,046	—	13,046	—
Q3 2024 ⁽⁴⁾	3	The Netherlands	1,388	—	1,388	—
Total	1,877		\$ 555,518	\$ 14,803	\$ 570,321	\$ 125,439

⁽¹⁾ The gross sale price is the amount stated in the purchase and sale agreement and comprises the fair value of investment properties being disposed of and, as applicable, the fair value adjustment of mortgages payable assumed by the purchaser and vendor takeback ("VTB") mortgages receivable issued by CAPREIT to the purchaser. The gross sale price excludes working capital adjustments and transaction costs.

⁽²⁾ Relates to mortgages payable with principal amount of \$119,242 assumed by the purchaser upon disposition. The amounts shown are net of \$11,877 of fair value adjustment on the mortgages payable assumed by the purchaser. The weighted stated interest rate on the mortgages payable assumed by the purchaser was 2.26%. With respect to the September 11, 2024 disposition, CAPREIT issued a \$21,000 VTB mortgage receivable to the purchaser in addition to the mortgage payable assumed by the purchaser with a principal amount of \$80,193. The \$90,944 amount shown is net of \$2,926 of fair value adjustment on the VTB mortgage receivable and a fair value adjustment of \$7,323 on the mortgage payable assumed by the purchaser. For more information about the VTB mortgage receivable, refer to note 9.

⁽³⁾ Previously included in assets held for sale.

⁽⁴⁾ Represents dispositions of multiple single residential suites in several properties.

⁽⁵⁾ Represents disposition of 19 residential properties.

⁽⁶⁾ Represents disposition of an office building which is part of a residential property.

⁽⁷⁾ Represents disposition of land adjacent to an existing residential building owned by CAPREIT.

⁽⁸⁾ Represents disposition of a commercial building.

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Dispositions of Investment Properties Completed During the Nine Months Ended September 30, 2023

For the nine months ended September 30, 2023, CAPREIT disposed of 2,597 suites and sites for a total fair value of \$349,614.

Net Proceeds on Dispositions of Investment Properties

The net proceeds received from the purchaser take into consideration the fair value of the investment properties being sold, fair value of the mortgages payable assumed by purchasers, closing costs and working capital adjustments.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Fair value of disposed investment properties ⁽¹⁾	\$ 372,140	\$ 60,799	\$ 555,518	\$ 349,614
Fair value of VTB mortgages receivable and mortgages payable assumed by purchasers on dispositions ⁽²⁾	(90,944)	—	(125,439)	(40,288)
Closing costs and other adjustments	(5,573)	(658)	(10,106)	(2,550)
Working capital adjustments	525	(129)	1,775	85
Net proceeds	\$ 276,148	\$ 60,012	\$ 421,748	\$ 306,861

⁽¹⁾ Includes investment properties previously classified as assets held for sale. Refer to note 6 for further information.

⁽²⁾ Includes mortgages payable previously classified as liabilities related to assets held for sale. This also includes a VTB mortgage receivable issued by CAPREIT at a fair value of \$18,074 at the time of issuance. Refer to notes 6 and 9 for further information.

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6. Assets Held for Sale and Liabilities Related to Assets Held for Sale

As at September 30, 2024, CAPREIT classified one Canadian property, the MHC portfolio along with the MHC home inventory, and 94 properties in the Netherlands as assets held for sale totalling \$1,877,123. In addition, the deferred income tax liability of \$34,290 associated with certain properties in the Netherlands was classified as liabilities related to assets held for sale. Management had committed to a plan to sell these assets, and the sales were considered to be highly probable as at September 30, 2024.

As at December 31, 2023, CAPREIT classified two properties as assets held for sale totalling \$45,850 along with the associated mortgages payable as liabilities related to assets held for sale totalling \$23,706. Management had committed to a plan to sell these properties, and the sales were considered to be highly probable as at December 31, 2023. These properties were disposed of during the first quarter of 2024.

The tables below summarize the activities included in assets held for sale and liabilities related to assets held for sale for the nine months ended September 30, 2024 and year ended December 31, 2023.

Assets Held for Sale

For the period ended	Note	September 30, 2024	December 31, 2023
Balance, beginning of the period		\$ 45,850	\$ 132,342
Additions (deductions):			
Transfers from investment properties ⁽¹⁾	3	2,126,052	127,155
Transfers from other assets	9	5,078	—
Property capital investments		162	2,076
Dispositions		(301,567)	(213,647)
Fair value adjustments		(802)	(2,076)
Foreign currency translation adjustments		2,350	—
Balance, end of the period ⁽²⁾		\$ 1,877,123	\$ 45,850

⁽¹⁾ For the nine months ended September 30, 2024, transfers included \$847,530 of investment properties from Canada and \$1,278,522 of investment properties from Europe (year ended December 31, 2023 - \$127,155 of investment properties from Canada).

⁽²⁾ As at September 30, 2024, consists of \$746,208 from Canada and \$1,130,915 from Europe (December 31, 2023 - \$45,850 from Canada).

Liabilities Related to Assets Held for Sale

For the period ended	Note	September 30, 2024	December 31, 2023
Balance, beginning of the period		\$ 23,706	\$ 38,116
Additions (deductions):			
Transfers from debt	10	7,842	26,930
Transfer from deferred income tax liability		34,290	—
Principal repayments		(203)	(29)
Lump-sum repayments		(2,930)	(3,257)
Carrying amount of mortgages assumed by purchaser upon disposition of investment properties		(29,349)	(38,706)
Amortization and write-offs of deferred financing costs and prepaid CMHC premiums, and net change in fair value and other adjustments		934	652
Balance, end of the period		\$ 34,290	\$ 23,706

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7. Investments Held at Fair Value through Profit or Loss

During the first half of 2024, CAPREIT transacted on the sale of Irish Residential Properties REIT plc ("IRES") shares totalling \$138,208. As a result, CAPREIT no longer has an interest in IRES as of September 30, 2024. The remaining \$2,421 shown on the consolidated interim balance sheets as at September 30, 2024 relate to other investments held at fair value through profit or loss which are owned by CAPREIT.

8. Derivative Financial Instruments

CAPREIT has certain derivative financial instruments in place, namely interest rate ("IR") swaps and cross-currency interest rate ("CCIR") swaps. These derivative contracts, for which hedge accounting is not being applied, are summarized in the following tables as at September 30, 2024 and December 31, 2023:

As at September 30, 2024							
Type of Instrument		Notional Amount	Year of Maturity	Weighted Average Receiving Leg Rate	Weighted Average Paying Leg Rate	Derivative Asset	Derivative Liability
Non-current							
CCIR swaps ⁽¹⁾	\$	247,728	2025	1.33 %	0.22 %	\$ 7,686	\$ —
ERES IR swaps	€	147,473	2027	EURIBOR	(0.07)%	16,580	—
Total						\$ 24,266	\$ —
Current							
ERES IR swap	€	25,500	2025	EURIBOR	0.49 %	\$ 235	\$ —
CCIR swaps ⁽²⁾	\$	420,021	2024 - 2025	3.57 %	2.46 %	3,354	(8,474)
CCIR swaps ⁽³⁾	US\$	271,459	2024	Term SOFR + 1.45%	5.74 %	990	(918)
Total						\$ 4,579	\$ (9,392)

⁽¹⁾ Euro equivalent of €160,000.

⁽²⁾ Euro equivalent of €282,358.

⁽³⁾ One-month CCIR swaps with Canadian dollar equivalent of \$367,000.

As at December 31, 2023

Type of Instrument		Notional Amount	Year of Maturity	Weighted Average Receiving Leg Rate	Weighted Average Paying Leg Rate	Derivative Asset	Derivative Liability
Non-current							
CCIR swaps ⁽¹⁾	\$	247,728	2025	1.33 %	0.22 %	\$ 12,361	\$ —
ERES IR swap	€	25,500	2025	EURIBOR	0.49 %	889	—
ERES IR swaps	€	156,550	2027	EURIBOR	(0.06)%	22,369	—
Total						\$ 35,619	\$ —
Current							
CCIR swaps ⁽²⁾	\$	316,241	2024	2.53 %	1.53 %	\$ 10,851	\$ —
CCIR swap ⁽³⁾	\$	107,670	2024	4.00 %	2.71 %	—	(499)
CCIR swap ⁽⁴⁾	US\$	192,812	2024	Term SOFR + 1.45%	6.48 %	—	(6,502)
Total						\$ 10,851	\$ (7,001)

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⁽¹⁾ Euro equivalent of €160,000.

⁽²⁾ Euro equivalent of €208,358.

⁽³⁾ Euro equivalent of €74,000.

⁽⁴⁾ One-month CCIR swap with Canadian dollar equivalent of \$262,000.

9. Other Assets

As at	September 30, 2024	December 31, 2023
Other non-current assets		
Property, plant and equipment ("PP&E") ⁽¹⁾	\$ 59,137	\$ 56,517
Accumulated amortization of PP&E	(49,435)	(45,217)
PP&E, net of accumulated amortization	9,702	11,300
Right-of-use assets, net of accumulated amortization and other ⁽²⁾	3,827	4,228
Investments	12,956	14,014
VTB mortgage receivable ⁽³⁾	18,074	—
Total	\$ 44,559	\$ 29,542
Other current assets		
Prepaid expenses and other	\$ 35,288	\$ 17,014
MHC home inventory ⁽⁴⁾	—	6,376
Restricted funds	11,539	10,756
Investments	11,348	5,687
VTB mortgage receivable ⁽⁵⁾	45,800	46,800
Total	\$ 103,975	\$ 86,633

⁽¹⁾ Consists of head office and regional offices' leasehold improvements, corporate assets and information technology systems.

⁽²⁾ Right-of-use assets, net of accumulated amortization of \$3,344 (December 31, 2023 – \$2,879).

⁽³⁾ On September 11, 2024, CAPREIT issued a \$21,000 VTB mortgage receivable at a fair value of \$18,074, in connection with the disposition of an investment property. The annual stated interest rate on the VTB mortgage receivable is 3.00%, with a maturity date of September 11, 2027.

⁽⁴⁾ During the nine months ended September 30, 2024, MHC home inventory with a fair value of \$932 (year ended December 31, 2023 - \$16,462) was transferred to investment properties. As at September 30, 2024, MHC home inventory with a carrying amount of \$5,078 was transferred to assets held for sale.

⁽⁵⁾ On September 29, 2021, CAPREIT issued a \$46,800 VTB mortgage receivable in connection with the disposal of an investment property. The VTB mortgage receivable bore an annual stated interest rate of 2.33% and had an original maturity date of September 29, 2023. On July 18, 2023, the borrower exercised its option to extend the VTB mortgage receivable by one year until September 29, 2024 at an annual stated interest rate of 4.00%. On October 2, 2024, the borrower repaid \$45,800 of the VTB mortgage receivable with the remaining balance written off.

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10. Debt

Continuity of Total Debt

	For the Nine Months Ended September 30, 2024			
		Mortgages Payable	Credit Facilities Payable	Total Debt
Balance, beginning of the period	\$	6,653,988	\$ 405,133	\$ 7,059,121
Add:				
Borrowings ⁽¹⁾		361,635	404,681	766,316
Less:				
Principal repayments		(115,776)	—	(115,776)
Lump-sum repayments ⁽¹⁾⁽²⁾		(478,118)	(375,772)	(853,890)
Financing costs and CMHC premiums paid		(15,971)	(511)	(16,482)
Non-cash adjustments:				
Fair value of mortgages assumed upon property acquisitions		238,966	—	238,966
Carrying amount of mortgage assumed by purchaser upon property disposition		(89,893)	—	(89,893)
Transfers to liabilities related to assets held for sale		(7,842)	—	(7,842)
Amortization and write-off of deferred financing costs, prepaid CMHC premiums and fair value adjustments		17,100	594	17,694
Foreign currency translation adjustments		39,214	3,373	42,587
Balance, end of the period	\$	6,603,303	\$ 437,498	\$ 7,040,801
Less: Current portion		590,758	—	590,758
Total non-current portion	\$	6,012,545	\$ 437,498	\$ 6,450,043

⁽¹⁾ Excludes non-cash mortgage renewals of \$107,983.

⁽²⁾ Includes mortgages repaid on dispositions of investment properties totalling \$125,524. This excludes a mortgage repaid on the disposition of a property that was previously classified as a liability related to assets held for sale. Refer to note 6 for further information.

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	For the Year Ended December 31, 2023		
	Mortgages Payable	Credit Facilities Payable	Total Debt
Balance, beginning of the year	\$ 6,577,097	\$ 388,975	\$ 6,966,072
Add:			
Borrowings	662,278	107,802	770,080
Less:			
Principal repayments	(158,774)	—	(158,774)
Lump-sum repayments ⁽¹⁾	(463,169)	(83,738)	(546,907)
Financing costs and CMHC premiums paid	(18,226)	(389)	(18,615)
Non-cash adjustments:			
Fair value of mortgages assumed upon property acquisitions	57,827	—	57,827
Carrying amount of mortgages assumed by purchasers upon property disposition ⁽²⁾	(6,442)	—	(6,442)
Transfers to liabilities related to assets held for sale	(26,930)	—	(26,930)
Amortization and write-off of deferred financing costs prepaid CMHC premiums and fair value adjustments	18,714	(638)	18,076
Loss (gain) on foreign currency translation	11,613	(6,879)	4,734
Balance, end of the year	\$ 6,653,988	\$ 405,133	\$ 7,059,121
Less: Current portion	651,371	—	651,371
Total non-current portion	\$ 6,002,617	\$ 405,133	\$ 6,407,750

⁽¹⁾ Includes mortgages repaid on dispositions of investment properties totalling \$51,002. This excludes a mortgage repaid on the disposition of a property that was previously classified as a liability related to assets held for sale. Refer to note 6 for further information.

⁽²⁾ Excludes mortgages assumed by purchasers classified as liabilities related to assets held for sale as at December 31, 2022 that were assumed by purchasers on January 25, 2023. Refer to note 6 for further information.

Mortgages Payable

As at ⁽¹⁾	September 30, 2024	December 31, 2023
Weighted average effective interest rate	2.97 %	2.80 %
Maturity date	2024 – 2036	2024 – 2036
Investment properties pledged as security on mortgages	\$ 13,246,309	\$ 15,021,533
Investment properties not pledged as security on mortgages	\$ 1,808,816	\$ 1,510,563

⁽¹⁾ Excludes assets held for sale and liabilities related to assets held for sale, as applicable.

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Future principal repayments as at September 30, 2024 for the years indicated are as follows:

As at September 30, 2024	Principal Amount	% of Total Principal
Remainder of 2024	\$ 118,073	1.7
2025	937,312	13.9
2026	968,025	14.3
2027	959,716	14.2
2028	908,266	13.4
2029 – 2036	2,864,732	42.5
Total principal	\$ 6,756,124	100.0
Less: Prepaid CMHC premiums	(110,288)	
Less: Deferred financing costs	(24,905)	
Less: Fair value adjustments	(17,628)	
Total mortgages payable	\$ 6,603,303	

Credit Facilities Payable

CAPREIT's credit facilities consist of the \$600,000 acquisition and operating facility ("Acquisition and Operating Facility"), which can be borrowed in US dollars ("USD"), euros or Canadian dollars, the \$70,000 greenhouse gas ("GHG") reduction facility ("GHG Reduction Facility") as well as the €125,000 ERES revolving credit facility ("ERES Credit Facility", collectively, the "Credit Facilities").

On March 26, 2024, CAPREIT entered into a credit agreement pursuant to which the lender will make available a \$70,000 unsecured non-revolving construction and term credit facility for purposes of financing a portion of the costs related to the design, construction, implementation and commissioning of proposed sustainable energy efficiency projects to reduce GHG emissions on certain of CAPREIT's properties. The GHG Reduction Facility has a maturity date of the earlier of 20 years after the completion of the financed projects and 25 years after the date of the agreement. The availability period is the period during which CAPREIT is allowed to make quarterly borrowings from the facility, which is until March 26, 2029, and during which CAPREIT is not required to make principal payments. The interest rate during the availability period will be 3.00% and it will be between 2.47% and 4.47% for 20 years after the availability period depending on the percentage reduction of GHG emissions achieved. Any unpaid amounts need to be repaid by the maturity date of the facility.

On April 11, 2024, CAPREIT amended the Acquisition and Operating Facility to provide for, among other things, the replacement of the Canadian dollar offered rate ("CDOR") with the Canadian overnight repo rate average ("CORRA") as the benchmark interest rate for Canadian dollar borrowings of one month or longer, which does not have a material impact over the effective interest rate on Canadian dollar borrowings. There was no change to other key terms of the Acquisition and Operating Facility.

On June 19, 2024, the ERES Credit Facility was amended to replace CDOR with CORRA as the benchmark interest rate for Canadian dollar borrowings of one month or longer, if any, which does not have a material impact over the effective interest rate on Canadian dollar borrowings. The amendment also extended the maturity date of the ERES Credit Facility from January 26, 2026 to June 14, 2027.

Canadian investment properties (excluding assets held for sale, as applicable) of \$1,526,343 (December 31, 2023 – \$1,176,479) secure only the Acquisition and Operating Facility, of which \$272,390 also carry a negative pledge against the ERES Credit Facility (December 31, 2023 – \$268,040).

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The tables below summarize the amounts available and drawn under the respective Credit Facilities as at September 30, 2024 and December 31, 2023:

As at September 30, 2024	Acquisition and Operating Facility	GHG Reduction Facility	ERES Credit Facility	Total
Maximum borrowing capacity	\$ 600,000	\$ 70,000	\$ 188,561	\$ 858,561
Canadian dollar borrowings	\$ —	\$ (3,675)	\$ —	\$ (3,675)
USD borrowings	(366,898) ⁽¹⁾	N/A	—	(366,898)
Euro borrowings	—	N/A	(67,852) ⁽³⁾	(67,852)
Less: Total borrowings	\$ (366,898)	\$ (3,675)	\$ (67,852)	\$ (438,425)
Less: Letters of credit	(4,428)	N/A	—	(4,428)
Available borrowing capacity	\$ 228,674	\$ 66,325	\$ 120,709	\$ 415,708
Weighted average interest rate including interest rate swaps	5.74 % ⁽²⁾	3.00 %	4.72 %	5.56 %

⁽¹⁾ As at September 30, 2024, CAPREIT has USD borrowings totalling US\$271,459 that bear interest at the Term Secured Overnight Financing Rate ("SOFR") plus a margin of 1.45%, excluding the impact of CCIR swaps.

⁽²⁾ As at September 30, 2024, excluding the impact of CCIR swaps, the weighted average interest rate on the Acquisition and Operating Facility is 6.06%. For details on the swaps, refer to note 8.

⁽³⁾ As at September 30, 2024, ERES has euro borrowings totalling €45,000 that bear interest at the Euro Interbank Offered Rate ("EURIBOR") plus a margin of 1.35%.

As at December 31, 2023	Acquisition and Operating Facility	ERES Credit Facility	Total
Maximum borrowing capacity	\$ 600,000	\$ 182,828	\$ 782,828
USD borrowings	\$ (255,509) ⁽¹⁾	\$ —	\$ (255,509)
Euro borrowings	—	(150,651) ⁽³⁾	(150,651)
Less: Total borrowings	\$ (255,509)	\$ (150,651)	\$ (406,160)
Less: Letters of credit	(4,432)	—	(4,432)
Available borrowing capacity	\$ 340,059	\$ 32,177	\$ 372,236
Weighted average interest rate including interest rate swaps	6.48 % ⁽²⁾	5.23 %	6.01 %

⁽¹⁾ As at December 31, 2023, CAPREIT has USD borrowings totalling US\$192,812 that bear interest at the Term SOFR plus a margin of 1.45%, excluding the impact of CCIR swaps.

⁽²⁾ As at December 31, 2023, excluding the impact of CCIR swaps, the weighted average interest rate on the Acquisition and Operating Facility is 6.75%. For details on the swaps, refer to note 8.

⁽³⁾ As at December 31, 2023, ERES has euro borrowings totalling €103,000 that bear interest at the EURIBOR plus a margin of 1.35%.

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September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

11. Unit-based Compensation Financial Liabilities

Units of CAPREIT ("Trust Units") are issuable pursuant to CAPREIT's unit-based compensation plans, namely the Employee Unit Purchase Plan ("EUPP"), the Deferred Unit Plan ("DUP") and the Restricted Unit Rights Plan ("RUR Plan"). The DUP provides for the issuance of deferred units ("DUs"). The RUR Plan provides for the issuance of restricted unit rights ("RURs") and performance unit rights ("PURs"). As at September 30, 2024, the maximum number of Trust Units issuable under CAPREIT's unit-based compensation plans (excluding ERES) is 11,500,000 (December 31, 2023 – 11,500,000). The maximum number of Trust Units available for future issuance under these unit-based compensation plan agreements as at September 30, 2024 is 1,653,038 (December 31, 2023 – 1,908,947).

ERES units are issuable pursuant to ERES's unit options plan ("ERES UOP") and ERES's Restricted Unit Rights Plan ("ERES RUR Plan"). The maximum number of ERES unit options and ERES restricted unit rights ("ERES RURs") that may be reserved under ERES's unit-based compensation plans is 10% of the outstanding ERES units (including ERES Class B LP Units). As at September 30, 2024, the maximum number of ERES unit options and ERES RURs allowable for future issuance under ERES's unit-based compensation plans is 21,148,045 (December 31, 2023 – 18,342,182).

The tables below summarize the activity of CAPREIT's unit-based compensation plans (excluding EUPP) and ERES's unit-based compensation plans for the nine months ended September 30, 2024 and for the year ended December 31, 2023:

CAPREIT's unit-based compensation plans (excluding EUPP)

Nine Months Ended September 30, 2024				Total
(Number of units)	DUs	RURs	PURs	CAPREIT ⁽¹⁾
Unit rights outstanding as at January 1, 2024	133,840	473,131	—	606,971
Activity during the period				
Granted	16,969	145,242	29,491	191,702
Exercised or settled in Trust Units	(8,100)	(21,921)	—	(30,021)
Cancelled or forfeited	—	(2,370)	—	(2,370)
Distributions reinvested	3,239	13,035	—	16,274
Unit rights outstanding as at September 30, 2024	145,948	607,117	29,491	782,556

⁽¹⁾ Excludes units from the EUPP, ERES UOP and ERES RUR Plan.

ERES's unit-based compensation plans

Nine Months Ended September 30, 2024			Total
(Number of units)	ERES unit options	ERES RURs	ERES
Unit options and unit rights outstanding as at January 1, 2024	4,977,094	—	4,977,094
Activity during the period			
Granted	—	305,000	305,000
Cancelled or forfeited	(3,016,667)	(30,745)	(3,047,412)
Surrendered	(7,200)	—	(7,200)
Distributions reinvested	—	10,741	10,741
Unit options and unit rights outstanding as at September 30, 2024	1,953,227	284,996	2,238,223

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(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

Year Ended December 31, 2023 (Number of units)	Total ERES unit options	DUs	RURs	Total CAPREIT ⁽¹⁾
Unit options and unit rights outstanding as at January 1, 2023	5,157,094	121,280	394,763	516,043
Activity during the year				
Granted	—	21,602	140,231	161,833
Exercised or settled in Trust Units or ERES units	—	(12,654)	(68,496)	(81,150)
Cancelled or forfeited	(180,000)	—	(7,702)	(7,702)
Distributions reinvested	—	3,612	14,335	17,947
Unit options and unit rights outstanding as at December 31, 2023	4,977,094	133,840	473,131	606,971

⁽¹⁾ Excludes units from the EUPP, ERES UOP and ERES RUR Plan. During the year ended December 31, 2023, no ERES RURs were granted, forfeited, exercised or surrendered. As at December 31, 2023, the number of outstanding ERES RURs was nil.

The table below summarizes the change in the total unit-based compensation financial liabilities for the nine months ended September 30, 2024 and the year ended December 31, 2023, including the settlement of such liabilities through Trust Units.

For the Period Ended	September 30, 2024	December 31, 2023
Total unit-based compensation financial liabilities, beginning of the period	\$ 23,423	\$ 18,257
Unit-based compensation amortization expense, excluding ERES UOP forfeitures upon senior management termination	6,167	7,816
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination ⁽¹⁾	(2,284)	—
Unit-based compensation remeasurement loss	5,065	443
Settlement of unit-based compensation awards for Trust Units	(1,928)	(4,486)
Foreign currency translation adjustments and other	636	1,393
Total unit-based compensation financial liabilities, end of the period	\$ 31,079	\$ 23,423

⁽¹⁾ Relates to the forfeiture of previously granted ERES unit options upon senior management termination during the nine months ended September 30, 2024 (year ended December 31, 2023 – \$nil).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

The table below summarizes the non-current and current unit-based compensation financial liabilities for each plan as at September 30, 2024 and December 31, 2023:

As at	September 30, 2024	December 31, 2023
Non-current		
RURs	\$ 15,998	\$ 11,062
ERES RURs	185	—
ERES unit options	—	8
	\$ 16,183	\$ 11,070
Current		
DUs	\$ 8,027	\$ 6,532
RURs	6,580	5,556
ERES unit options	289	265
	\$ 14,896	\$ 12,353
Total unit-based compensation financial liabilities	\$ 31,079	\$ 23,423

Units or Unit-based Compensation Financial Liabilities Held by Trustees, Officers and Other Senior Management

As at September 30, 2024, 0.5% (December 31, 2023 – 0.5%) of all Trust Units outstanding and CAPREIT's unit-based compensation financial liabilities (excluding ERES) were held by trustees, officers and other senior management of CAPREIT.

RUR Plan

The Human Resources and Compensation Committee of the Board of Trustees may award RURs and PURs, subject to the attainment of specified performance objectives, to certain officers and key employees (collectively, the "Participants"). The purpose of the RUR Plan is to provide its Participants with additional incentive and to further align the interests of its Participants with Unitholders through the use of RURs and PURs which, on vesting, are exercisable for Trust Units. RUR Plan units will be issued from treasury on settlement.

The RUR Plan provides for the grant of RURs that vest in their entirety on the third anniversary of the grant date. The RUR Plan was amended, effective May 8, 2024, to also permit the grant of PURs that become vested based on the attainment of certain prescribed performance-related conditions (which may include, but are not limited to, financial or operational performance of CAPREIT, total unitholder return or individual performance criteria, measured over an applicable performance period). The performance-related conditions attributable to PURs are set by the Human Resources and Compensation Committee of the Board of Trustees at the time such PURs are granted (and may be adjusted from time to time as permitted under the terms of the RUR Plan). The performance-related conditions may vary between grants. PURs were granted to officers in September 2024.

The RURs and PURs earn notional distributions in respect of each distribution paid on RURs and PURs commencing from the grant date, and such notional distributions are used to calculate additional RURs ("Distribution RURs") and additional PURs ("Distribution PURs"), which are accrued for the benefit of the Participants. The Distribution RURs and Distribution PURs are credited to the Participants only when the underlying RURs and PURs on which the Distribution RURs and Distribution PURs are earned become vested. Distribution RURs and Distribution PURs are issued and valued based on the volume weighted average trading price of all Trust Units traded on the TSX for the five trading days immediately preceding the distribution date.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

12. Other Liabilities

As at	September 30, 2024	December 31, 2023
Other non-current liabilities		
Non-current lease liabilities	\$ 45,160	\$ 46,178
Other	659	659
Total	\$ 45,819	\$ 46,837
Other current liabilities		
Security deposits	\$ 50,778	\$ 50,388
Deferred revenue and other	17,410	14,963
Mortgage interest payable	16,335	16,769
Distributions payable to Unitholders	20,901	20,253
Interest payable to ERES non-controlling unitholders	1,062	1,018
Current tax liability	6,008	4,463
Total	\$ 112,494	\$ 107,854

13. ERES Units Held by Non-Controlling Unitholders

The ERES units held by non-controlling unitholders are classified as equity on ERES's consolidated balance sheets but are classified as a liability on CAPREIT's consolidated balance sheets. ERES units are redeemable at any time, in whole or in part, by the unitholders. As at September 30, 2024, non-controlling unitholders hold 35% (December 31, 2023 – 35%) of total ERES units and ERES Class B LP Units. The table below summarizes the activity of ERES units held by non-controlling unitholders for the nine months ended September 30, 2024 and for the year ended December 31, 2023:

For the Period Ended	September 30, 2024	December 31, 2023
Balance of ERES units held by non-controlling unitholders, beginning of the period	\$ 186,522	\$ 242,599
Mark-to-market loss (gain) on ERES units	46,303	(59,342)
Interest expense to ERES non-controlling unitholders	10,860	14,133
Loss (gain) on non-controlling interest	\$ 57,163	\$ (45,209)
Less: Interest paid to ERES non-controlling unitholders	(9,123)	(10,868)
Balance of ERES units held by non-controlling unitholders, end of the period	\$ 234,562	\$ 186,522

14. Accounts Payable and Accrued Liabilities

As at	September 30, 2024	December 31, 2023
Accounts payable	\$ 40,252	\$ 41,705
Accrued liabilities	51,862	64,012
Total	\$ 92,114	\$ 105,717

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

15. Exchangeable LP Units

The carrying value of the Class B limited partnership units of CAPREIT Limited Partnership ("Exchangeable LP Units") is measured at their fair value, which is based on the closing price of the Trust Units on the TSX. The tables below summarize the activity of the Exchangeable LP Units for the nine months ended September 30, 2024 and for the year ended December 31, 2023 as follows:

For the Period Ended	September 30, 2024	December 31, 2023
Exchangeable LP Units issued and outstanding, beginning of the period	1,647,186	1,679,190
Exchangeable LP Units exchanged for Trust Units	—	(32,004)
Exchangeable LP Units issued and outstanding, end of the period	1,647,186	1,647,186

For the Period Ended	September 30, 2024	December 31, 2023
Balance of Exchangeable LP Units, beginning of the period	\$ 80,383	\$ 71,668
Fair value adjustments of Exchangeable LP Units	10,196	10,293
Exchangeable LP Units exchanged for Trust Units	—	(1,578)
Balance of Exchangeable LP Units, end of the period	\$ 90,579	\$ 80,383

16. Unitholders' Equity

a) Normal Course Issuer Bid ("NCIB")

In March 2024, CAPREIT received the TSX's acceptance of its notice of intention to proceed with an NCIB, following expiry of the previous NCIB on March 23, 2024. Pursuant to the notice, CAPREIT may purchase up to 16,724,759 of its Trust Units, representing approximately 10% of the public float of its Trust Units at the time of TSX approval, during the 12-month period commencing March 25, 2024 and ending March 24, 2025. Under the NCIB, other than purchases made under the block purchase exemption, CAPREIT may purchase up to 89,460 Trust Units on the TSX during any trading day, which represents approximately 25% of 357,842 Trust Units, being the average daily trading volume on the TSX for the most recently completed six calendar months prior to the TSX's acceptance of the notice of intention to proceed with an NCIB. Any Trust Units purchased under the NCIB will be cancelled.

The table below summarizes the NCIB activity for the three and nine months ended September 30, 2024 and September 30, 2023. The excess of the purchase price over the weighted average historical Trust Unit issuance price was recorded as a reduction to retained earnings.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Total cost of Trust Units purchased and cancelled under the NCIB ⁽¹⁾	\$ —	\$ —	\$ 27,081	\$ 100,907
Number of Trust Units purchased and cancelled under the NCIB	—	—	562,017	2,168,521
Weighted average purchase price per Trust Unit ⁽¹⁾	\$ —	\$ —	\$ 48.19	\$ 46.53

⁽¹⁾ The total cost presented and the weighted average purchase price per Trust Unit includes commissions, but excludes the 2% tax on Trust Units repurchased, which became effective on January 1, 2024 as well as other NCIB transaction costs totalling \$601.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

b) At-the-Market Program ("ATM Program")

On February 22, 2024, CAPREIT filed a prospectus supplement to establish an ATM Program that allows CAPREIT, at its sole discretion, to issue Trust Units up to an aggregate sale price of \$400,000 from treasury to the public from time to time, directly on the TSX or on other marketplaces on which the Trust Units are listed or quoted in Canada or where the Trust Units are traded in Canada, at prevailing market prices.

In connection with the establishment of the ATM Program, CAPREIT has entered into an equity distribution agreement dated February 22, 2024 (the "Equity Distribution Agreement") with a major financial institution (the "Agent"). Any Trust Units sold in the ATM Program will be distributed through the TSX or any other permitted marketplace at the market prices prevailing at the time of sale. The volume and timing of distributions under the ATM Program, if any, will be determined at CAPREIT's sole discretion. There is no certainty that any Trust Units will be offered or sold under the ATM Program. The ATM Program will be effective until June 9, 2025, unless terminated prior to such date by CAPREIT or otherwise in accordance with the terms of the Equity Distribution Agreement.

During the three and nine months ended September 30, 2024, no Trust Units were issued under the ATM Program.

17. Revenue from Contracts with Customers

In accordance with IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), management has evaluated the lease and non-lease components of its revenue from investment properties. Revenues under IFRS 15 consist of a non-lease component earned from tenants and miscellaneous revenues. Miscellaneous revenues consist of cable income, certain common area maintenance recoveries, service charges and premium service components.

For the three and nine months ended September 30, 2024, the non-lease component earned from tenants were \$39,990 and \$140,684, respectively (for the three and nine months ended September 30, 2023 – \$38,862 and \$138,481 respectively). For the three and nine months ended September 30, 2024, the miscellaneous revenues were \$6,211 and \$18,360, respectively (for the three and nine months ended September 30, 2023 – \$6,232 and \$19,052, respectively).

18. Other Income

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Investment income ⁽¹⁾	\$ 273	\$ 3,723	\$ 3,305	\$ 8,627
Interest income from VTB mortgages receivable	464	271	1,392	814
Profit from sale of MHC home inventory ⁽²⁾	—	310	321	862
Interest and other income	125	268	787	2,193
Total	\$ 862	\$ 4,572	\$ 5,805	\$ 12,496

⁽¹⁾ For the three and nine months ended September 30, 2024, investment income includes \$nil and \$2,533, respectively, of semi-annual dividends from IRES (for the three and nine months ended September 30, 2023 – \$3,537 and \$7,628, respectively).

⁽²⁾ For the three and nine months ended September 30, 2024, profit from sale of MHC home inventory consists of income from the sale of MHC home inventory of \$nil and \$1,047, respectively (for the three and nine months ended September 30, 2023 – \$1,474 and \$3,805, respectively), offset by cost of sales of \$nil and \$(726), respectively (for the three and nine months September 30, 2023 – \$(1,164) and \$(2,943), respectively).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

19. Interest Expense on Debt and Other Financing Costs

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Contractual interest on mortgages payable ⁽¹⁾⁽²⁾	\$ (44,184)	\$ (40,537)	\$ (128,042)	\$ (117,753)
Amortization of deferred financing costs, fair value adjustments and OCI hedge interest on mortgages payable ⁽¹⁾	(2,209)	(1,460)	(5,572)	(4,282)
Amortization of CMHC premiums and fees on mortgages payable ⁽¹⁾	(1,646)	(2,657)	(8,504)	(10,356)
Contractual interest on credit facilities payable, net ⁽²⁾	(6,381)	(7,221)	(19,764)	(19,561)
Amortization of deferred financing costs on credit facilities payable	(152)	(226)	(594)	(675)
Interest on land and air rights lease liability	(1,214)	(1,271)	(3,728)	(3,811)
	\$ (55,786)	\$ (53,372)	\$ (166,204)	\$ (156,438)

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

20. Fair Value Adjustments of Financial Instruments

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Fair value adjustments of Exchangeable LP Units	\$ (17,362)	\$ 9,519	\$ (10,196)	\$ (4,167)
Fair value adjustments of investments	216	(3,272)	(21,989)	(24,989)
Fair value adjustments of derivative financial instruments	(31,070)	7,350	(20,574)	(2,677)
Unit-based compensation remeasurement gain (loss)	(5,926)	3,318	(5,065)	954
Fair value adjustments of financial instruments	\$ (54,142)	\$ 16,915	\$ (57,824)	\$ (30,879)

21. Transactions Costs and Other Activities

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Transaction costs and other adjustments on dispositions	\$ (6,563)	\$ (658)	\$ (11,096)	\$ (2,550)
Amortization of PP&E and right-of-use asset	(1,636)	(1,499)	(4,703)	(4,699)
Enterprise resource planning implementation costs ⁽¹⁾	(2,891)	—	(2,891)	—
Fair value loss on transfer of other assets to investment properties	—	—	(80)	—
Other	—	(1,874)	—	(2,853)
Total	\$ (11,090)	\$ (4,031)	\$ (18,770)	\$ (10,102)

⁽¹⁾ Includes licensing and consulting costs, and salaries and benefits.

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(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

22. Supplemental Cash Flow Information

a) Other Adjustments

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Closing costs and other adjustments	\$ 5,573	\$ 658	\$ 10,106	\$ 2,550
Amortization	1,636	1,499	4,703	4,699
Straight-line rent adjustment	(45)	(1)	(64)	72
Deferred income tax expense (recovery)	14,410	(7,084)	17,692	(70,100)
Unrealized foreign currency loss (gain)	(7,681)	7,241	1,009	(2,850)
Fair value loss on transfer of other assets to investment properties	—	—	80	—
Other adjustments	\$ 13,893	\$ 2,313	\$ 33,526	\$ (65,629)

b) Changes in Non-cash Operating Assets and Liabilities

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Prepaid expenses	\$ 6,194	\$ 8,370	\$ (16,278)	\$ (14,603)
Tenant inducements, direct leasing costs and other adjustments	(455)	(237)	(1,015)	(685)
Amounts receivable	(803)	2,129	(4,095)	(2,503)
Deposits	(382)	746	(576)	(779)
MHC home inventory	(179)	(7,731)	471	2,084
Accounts payable and other	4,876	9,721	(8,148)	1,313
Derivative financial instruments	(6,101)	3,352	119	(6,418)
Security deposits	(634)	635	98	2,623
Current tax liability	(2,908)	(2,119)	1,481	(518)
Changes in non-cash operating assets and liabilities	\$ (392)	\$ 14,866	\$ (27,943)	\$ (19,486)

c) Items Related to Financing Activities

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Interest expense on debt and other financing costs	\$ 55,786	\$ 53,372	\$ 166,204	\$ 156,438
Interest expense on Exchangeable LP Units	611	597	1,811	1,785
Interest expense to ERES non-controlling unitholders	3,682	3,538	10,860	10,549
Net loss (gain) on derecognition of debt	(3,196)	439	(6,334)	(3,307)
Items related to financing activities	\$ 56,883	\$ 57,946	\$ 172,541	\$ 165,465

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(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

d) Capital Investments

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Property capital investments (investment properties and assets held for sale)	\$ (61,858)	\$ (63,042)	\$ (163,779)	\$ (205,864)
PP&E investments	(919)	(813)	(2,632)	(3,564)
Change in capital investments included in accounts payable and other liabilities	291	5,878	(4,685)	(14,695)
Net disbursements	\$ (62,486)	\$ (57,977)	\$ (171,096)	\$ (224,123)

e) Distributions Paid to Unitholders

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Distributions declared to Unitholders	\$ (61,998)	\$ (60,736)	\$ (183,171)	\$ (182,551)
Add: Distributions payable to Unitholders at beginning of the period	(20,198)	(20,227)	(20,253)	(20,469)
Less: Distributions payable to Unitholders at end of the period	20,901	20,242	20,901	20,242
Less: Distributions to participants in the CAPREIT DRIP	1,140	3,017	3,656	6,351
Cash disbursements to Unitholders	\$ (60,155)	\$ (57,704)	\$ (178,867)	\$ (176,427)

f) Issuance of Trust Units

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Issuance of Trust Units	\$ 1,405	\$ 3,231	\$ 3,967	\$ 7,842
Settlement of unit-based compensation awards for Trust Units	(817)	(3,124)	(1,928)	(4,174)
Conversion of Exchangeable LP Units to Trust Units and other	—	—	—	(1,578)
Net proceeds	\$ 588	\$ 107	\$ 2,039	\$ 2,090

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

23. Related Party Transactions

Transactions with Key Management Personnel

Key management personnel and trustee compensation expense included in the consolidated interim statements of net income (loss) and comprehensive income (loss) comprises:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Cash compensation and short-term benefits	\$ (903)	\$ (956)	\$ (3,363)	\$ (2,930)
Unit-based compensation – amortization	(1,196)	(978)	(3,399)	(2,850)
	(2,099)	(1,934)	(6,762)	(5,780)
Unit-based compensation – fair value remeasurement	(3,315)	1,584	(1,821)	(355)
Total compensation expense	\$ (5,414)	\$ (350)	\$ (8,583)	\$ (6,135)

24. Segmented Information

CAPREIT owns and operates investment properties located in Canada, the Netherlands, Germany and Belgium. In measuring performance, CAPREIT distinguishes its operations on a geographic basis and, accordingly, has identified two reportable segments for disclosure purposes with the following aggregation: (i) Canada and (ii) Europe. CAPREIT's chief operating decision-maker, determined to be the President and Chief Executive Officer of CAPREIT, reviews operating results of the Canadian and European properties to make decisions about resources to be allocated to the segments and to assess their performance.

For the Three Months Ended September 30, 2024					
Selected consolidated interim statements of net income (loss) items	Canada	Europe	Unallocated Items		Consolidated Financial Statements
Revenue from investment properties	\$ 247,314	\$ 35,125	\$ —	\$	282,439
Operating expenses	(85,420)	(7,637)	—		(93,057)
Net operating income	\$ 161,894	\$ 27,488	\$ —	\$	189,382
Fair value adjustments of investment properties	\$ 12,169	\$ 59,227	\$ —	\$	71,396
Effective interest on mortgages payable ⁽¹⁾⁽²⁾	(41,123)	(6,916)	—		(48,039)
Other	—	—	(165,369)		(165,369)
Net income (loss)	\$ 132,940	\$ 79,799	\$ (165,369)	\$	47,370

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

For the Three Months Ended September 30, 2023

Selected consolidated interim statements of net income (loss) items		Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	\$	233,031	\$ 35,346	\$ —	\$ 268,377
Operating expenses		(82,685)	(7,260)	—	(89,945)
Net operating income	\$	150,346	\$ 28,086	\$ —	\$ 178,432
Fair value adjustments of investment properties	\$	(471,172)	\$ (35,831)	\$ —	\$ (507,003)
Effective interest on mortgages payable ⁽¹⁾⁽²⁾		(37,388)	(7,266)	—	(44,654)
Other		—	—	15,683	15,683
Net Income (loss)	\$	(358,214)	\$ (15,011)	\$ 15,683	\$ (357,542)

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

For the Nine Months Ended September 30, 2024

Selected consolidated interim statements of net income (loss) items		Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	\$	729,471	\$ 106,910	\$ —	\$ 836,381
Operating expenses		(260,694)	(22,975)	—	(283,669)
Net operating income	\$	468,777	\$ 83,935	\$ —	\$ 552,712
Fair value adjustments of investment properties	\$	83,754	\$ 72,151	\$ —	\$ 155,905
Effective interest on mortgages payable ⁽¹⁾⁽²⁾		(120,712)	(21,406)	—	(142,118)
Other		—	—	(224,944)	(224,944)
Net income (loss)	\$	431,819	\$ 134,680	\$ (224,944)	\$ 341,555

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

For the Nine Months Ended September 30, 2023

Selected consolidated interim statements of net income (loss) items		Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	\$	689,691	\$ 103,431	\$ —	\$ 793,122
Operating expenses		(254,699)	(22,348)	—	(277,047)
Net operating income	\$	434,992	\$ 81,083	\$ —	\$ 516,075
Fair value adjustments of investment properties	\$	(519,256)	\$ (283,948)	\$ —	\$ (803,204)
Effective interest on mortgages payable ⁽¹⁾⁽²⁾		(113,111)	(19,280)	—	(132,391)
Other		—	—	(1,266)	(1,266)
Net loss	\$	(197,375)	\$ (222,145)	\$ (1,266)	\$ (420,786)

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

As at September 30, 2024				
Selected consolidated interim balance sheets items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Investment properties	\$ 13,788,084	\$ 1,267,041	\$ —	\$ 15,055,125
Assets held for sale	746,208	1,130,915	—	1,877,123
Other	—	—	240,026	240,026
Total assets	\$ 14,534,292	\$ 2,397,956	\$ 240,026	\$ 17,172,274
Mortgages payable	\$ 5,384,550	\$ 1,218,753	\$ —	\$ 6,603,303
Liabilities related to assets held for sale	—	34,290	—	34,290
Other	—	—	1,085,031	1,085,031
Total liabilities	\$ 5,384,550	\$ 1,253,043	\$ 1,085,031	\$ 7,722,624

As at December 31, 2023				
Selected consolidated interim balance sheets items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Investment properties	\$ 14,072,652	\$ 2,459,444	\$ —	\$ 16,532,096
Assets held for sale	45,850	—	—	45,850
Other	—	—	390,694	390,694
Total assets	\$ 14,118,502	\$ 2,459,444	\$ 390,694	\$ 16,968,640
Mortgages payable	\$ 5,354,033	\$ 1,299,955	\$ —	\$ 6,653,988
Liabilities related to assets held for sale	23,706	—	—	23,706
Other	—	—	1,012,351	1,012,351
Total liabilities	\$ 5,377,739	\$ 1,299,955	\$ 1,012,351	\$ 7,690,045

25. Commitments and Contingencies

Natural Gas Commitments

Through the combination of fixed and variable price contracts, CAPREIT is committed as at September 30, 2024 in the aggregate amount of \$2,693 for its natural gas and transport requirements. These commitments, which range from 1 to 13 months, fix the price of natural gas and transport for a portion of CAPREIT's requirements, as summarized in the table below.

	Remainder of 2024		2025
Gas Commodity			
Fixed weighted average cost per GJ ⁽¹⁾	\$	2.26	\$ 2.26
Total of CAPREIT's estimated requirements		64.0 %	36.7 %
Transport			
Fixed weighted average cost per GJ ⁽¹⁾	\$	0.81	\$ 0.79
Total of CAPREIT's estimated requirements		50.7 %	36.7 %
Total commitment	\$	838	\$ 1,855

⁽¹⁾ Fixed weighted average cost per gigajoule ("GJ") excludes other administrative costs.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

Property-related Commitments

Commitments primarily related to improvements and other expenditures in investment properties of \$105,423 are outstanding as at September 30, 2024 (December 31, 2023 – \$74,817).

Contingencies

CAPREIT and its subsidiaries are contingently liable under guarantees provided to certain lenders in the event of default, and with respect to litigation and claims that arise from time to time in the ordinary course of business. Matters relating to litigation and claims are generally covered by insurance, or have been provided for where appropriate.

26. Fair Value of Financial Instruments and Investment Properties

As at September 30, 2024, the fair value of CAPREIT's mortgages payable, excluding liabilities related to assets held for sale, is estimated to be \$6,464,449 (December 31, 2023 – \$6,355,273). The difference between the carrying amount and the fair value of mortgages payable is due to changes in interest rates and foreign exchange rates since the dates the individual mortgages payable were financed, and the impact of the passage of time on the primarily fixed rate nature of CAPREIT's mortgages payable. The fair value of the mortgages payable is based on discounted future cash flows using rates that reflect current rates for similar financial instruments with similar durations, terms and conditions. As at September 30, 2024, the principal outstanding on CAPREIT's mortgages payable is \$6,756,124 (December 31, 2023 – \$6,817,325) as shown in note 10. As at September 30, 2024, the fair value of CAPREIT's credit facilities payable is estimated to be \$438,425 (December 31, 2023 – \$406,160).

CAPREIT's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following tables present CAPREIT's estimates of assets and liabilities measured at fair value on a recurring basis based on information available to management as at September 30, 2024 and December 31, 2023, and aggregated by the level in the fair value hierarchy within which those measurements fall. These estimates are not necessarily indicative of the amounts CAPREIT could ultimately realize.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

As at September 30, 2024	Level 1	Level 2	Level 3
	Quoted Prices in Active Markets for Identical Assets and Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
Recurring measurements			
Assets			
Investment properties	\$ —	\$ —	\$ 15,055,125
Assets held for sale	—	—	1,877,123
Investments held at fair value through profit or loss	2,421	—	—
Investments held at fair value through other comprehensive income	—	14,854	—
Derivative financial assets	—	28,845	—
Liabilities			
Derivative financial liabilities	—	(9,392)	—
ERES units held by non-controlling unitholders	—	(234,562)	—
Unit-based compensation financial liabilities	—	(31,079)	—
Exchangeable LP Units	—	(90,579)	—

As at December 31, 2023	Level 1	Level 2	Level 3
	Quoted Prices in Active Markets for Identical Assets and Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
Recurring measurements			
Assets			
Investment properties	\$ —	\$ —	\$ 16,532,096
Assets held for sale	—	—	45,850
Investments held at fair value through profit or loss	162,472	—	—
Investments held at fair value through other comprehensive income	—	17,594	—
Derivative financial assets	—	46,470	—
Liabilities			
Derivative financial liabilities	—	(7,001)	—
ERES units held by non-controlling unitholders	—	(186,522)	—
Unit-based compensation financial liabilities	—	(23,423)	—
Exchangeable LP Units	—	(80,383)	—

Although CAPREIT has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by CAPREIT. As at September 30, 2024 and December 31, 2023, CAPREIT has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustment is not significant to the overall valuation of the derivative. As a result, CAPREIT has determined that the derivative valuations in their entirety should be classified as Level 2 of the fair value hierarchy. For assets and

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2024 (Unaudited)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

liabilities measured at fair value as at September 30, 2024 and December 31, 2023, there were no transfers between Level 1, Level 2 and Level 3 during the periods.

27. Subsequent Events

The table below summarizes the disposition of an investment property completed subsequent to September 30, 2024:

Disposition Date	Suite Count	Region		Gross Sale Price ⁽¹⁾
October 3, 2024	110	Newmarket, ON	\$	33,450

⁽¹⁾ Gross sale price excludes transaction costs and other adjustments.

Unitholder Information

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STOCK EXCHANGE LISTING

Trust Units of CAPREIT are listed on the Toronto Stock Exchange under the trading symbol "CAR.UN."



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