CAPREIT Reports Continued Solid Performance in First Quarter of 2022

TORONTO, ONTARIO, (Globe Newswire) – May 16, 2022 -- Canadian Apartment Properties Real Estate Investment Trust ("CAPREIT") (TSX: CAR.UN) announced today continuing strong operating and financial results for the three months ended March 31, 2022.

HIGHLIGHTS:

For the Three Months Ended March 31,	2022	2021
Portfolio Performance		
Overall portfolio occupancy [1]	**98.0 %**	97.3 %
Overall portfolio net Average Monthly Rents [1], [2]	**$ 1,159**	$ 1,115
Operating revenues (000s)	**$ 246,628**	$ 227,506
Net Operating Income ("NOI") (000s)	**$ 153,172**	$ 146,652
NOI margin	**62.1 %**	64.5 %
Financial Performance		
Normalized Funds from Operations ("NFFO") (000s) [3]	**$ 97,622**	$ 95,942
NFFO per Unit – basic [3]	**$ 0.556**	$ 0.556
Cash distributions per Unit	**$ 0.362**	$ 0.345
FFO payout ratio [3]	**67.6 %**	63.1 %
NFFO payout ratio [3]	**65.3 %**	62.3 %
Liquidity and Leverage		
Total debt to gross book value [1], [3]	**37.63 %**	35.21 %
Total debt to gross historical cost [1], [3]	**53.98 %**	49.78 %
Weighted average mortgage interest rate [1]	**2.53 %**	2.58 %
Weighted average mortgage term (years) [1]	**5.70**	5.62
Debt service coverage (times) [3], [4]	**2.0x**	2.0x
Interest coverage (times) [3], [4]	**4.0x**	4.0x
Available liquidity – Acquisition and Operating Facility (000s) [1]	**$ 228,881**	$ 578,349
Cash and cash equivalents (000s) [1]	**$ 63,798**	$ 51,534

[1] As at March 31.

[2] Net Average Monthly Rent ("Net AMR") is defined as actual residential rents, excluding vacant units, divided by the total number of suites and sites in the property and does not include revenues from parking, laundry or other sources.

[3] These measures are not defined by International Financial Reporting Standards ("IFRS"), do not have standard meanings and may not be comparable with other industries or companies. Please refer to the cautionary statements under the heading "Non-IFRS Measures" and the reconciliations provided in this press release.

[4] Based on the trailing four quarters.

For the Three Months Ended March 31,	2022	2021
Other Measures		
Weighted average number of Units - basic (000s)	**175,479**	172,469
Number of residential suites and sites acquired	**1,015**	—
Net Asset Value per unit - diluted [1], [2]	**$ 59.43**	$ 53.68
Closing price of Trust Units on the TSX [2]	**$ 53.65**	$ 53.86
Market capitalization (millions) [2]	**$ 9,457**	$ 9,336

[1] This measure is not defined by IFRS, does not have standard meanings and may not be comparable with other industries or companies. Please refer to the cautionary statements under the heading "Non-IFRS Measures" and the reconciliations provided in this press release.

[2] As at March 31.

SUMMARY OF Q1- 2022 RESULTS OF OPERATIONS

Key Transactions and Events

- CAPREIT continues to invest in accretive opportunities with total acquisitions for the three months ended March 31, 2022 amounting to $345.3 million comprised of 769 suites and sites located in Canada, and $93.7 million comprised of 246 suites located in the Netherlands
- Subsequent to March 31, 2022, CAPREIT completed acquisitions for an additional 112 units amounting to $43.7 million and disposed of 82 units amounting to $56.0 million
- Pursuant to Mr. Scott Cryer's departure, Mr. Stephen Co has assumed the position as CAPREIT's Interim Chief Financial Officer effective April 1, 2022 until a formal successor is appointed

Strong Operating Results

- Consistent with prior periods, CAPREIT has maintained a very high level of rent collection, with over 99% of rents collected year to date
- On turnovers, monthly residential rents for the three months ended March 31, 2022 increased by 10.2% on 3.7% of the Canadian portfolio, compared to an increase of 3.4% on 4.4% of the Canadian portfolio for the three months ended March 31, 2021
- Net Average Monthly Rent ("Net AMR") for the stabilized portfolio as at March 31, 2022 increased by 3.0% compared to March 31, 2021, while occupancies increased to 98.0% compared to 97.4% as at March 31, 2021
- Total NOI increased 4.4% from last year driven by acquisitions, offset by the impact of weather related maintenance and utilities

Strong and Flexible Balance Sheet

- CAPREIT's financial position remains strong, with $228.9 million of available liquidity on CAPREIT's Acquisition and Operating Facility
- Management expects to raise between $800 million and $850 million in total mortgage renewals and refinancings for 2022, excluding financings on acquisitions
- CAPREIT closed mortgage refinancing of $273.8 million for the three months ended March 31, 2022, with top-ups of $112.1 million with a weighted average term to maturity of 8.5 years and a weighted average interest rate of 2.85%, and discharges of $32.4 million
- For the three months ended March 31, 2022, the fair value of investment properties increased by $421.7 million. Excluding the impact of acquisitions and foreign exchange, the fair value of investment properties increased by $74.7 million for the three months ended March 31, 2022

"Following a year of solid performance in 2021, our growth and strong operating results continued in the first quarter of 2022," commented Mark Kenney, President and CEO. "With the pandemic easing, we are seeing a return to near-full occupancies, increasing average monthly rents, and strengthening demand as Canadians increasingly look to our high-quality, well-located and spacious rental suites, townhomes and manufactured housing communities as affordable alternatives to the high cost of home ownership. Looking ahead, we expect to see further growth in our key performance benchmarks through the balance of the year."

OPERATIONAL AND FINANCIAL RESULTS

Portfolio Net Average Monthly Rents

As at March 31,	Total Portfolio				Properties Owned Prior to March 31, 2021			
	2022		2021		2022		2021	
	AMR	Occ. %	AMR	Occ. %	AMR	Occ. %	AMR	Occ. %
Average residential suites	$ 1,332	98.6	$ 1,284	97.6	$ 1,323	98.6	$ 1,283	97.7
Average MHC sites	$ 404	95.8	$ 394	95.9	$ 400	95.6	$ 394	95.9
Overall portfolio average	$ 1,159	98.0	$ 1,115	97.3	$ 1,146	98.0	$ 1,113	97.4

The rate of growth in stabilized Net AMR has been primarily due to (i) rental increases on turnover in the rental markets of Ontario, British Columbia and Nova Scotia, (ii) rental increases on renewals where permissible, and (iii) strengthening occupancy rates in Alberta and Nova Scotia. Weighted average gross rent per square foot for Canadian residential suites was approximately $1.65 as at March 31, 2022, in line with $1.65 as at March 31, 2021.

Canadian Portfolio

For the Three Months Ended March 31,	2022			2021		
	Change in monthly rent		Turnovers and Renewals [1]	Change in monthly rent		Turnovers and Renewals [1]
	$	%	%	$	%	%
Suite turnovers	**141.8**	**10.2**	**3.7**	48.1	3.4	4.4
Lease renewals	**18.0**	**1.3**	**49.6**	10.6	0.9	9.3
Weighted average of turnovers and renewals	**26.6**	**1.9**		22.6	1.7	

[1] Percentage of suites turned over or renewed during the period based on the total weighted number of residential suites (excluding co-ownerships) held during the period.

The Netherlands Portfolio

For the Three Months Ended March 31,	2022			2021		
	Change in monthly rent		Turnovers and Renewals [1]	Change in monthly rent		Turnovers and Renewals [1]
	€	%	%	€	%	%
Suite turnovers	**189.0**	**21.1**	**2.6**	118.3	13.7	3.8
Lease renewals	**—**	**—**	**—**	—	—	—
Weighted average of turnovers and renewals	**189.0**	**21.1**		118.3	13.7	

[1] Percentage of suites turned over or renewed during the period based on the total weighted number of Dutch residential suites held during the period.

Overall, suite turnovers in the Canadian residential portfolio (excluding co-ownerships) during the three months ended March 31, 2022 resulted in monthly rent increasing by approximately $142 or 10.2% compared to an increase of approximately $48 or 3.4% for for the same period last year, primarily due to the strong rental markets in Ontario, British Columbia and Nova Scotia.

Monthly rents on lease renewals on the Canadian residential portfolio (excluding co-ownerships) for the three months ended March 31, 2022 resulted in monthly rent increasing by approximately $18 or 1.3% compared to an increase of approximately $11 or 0.9% for the same period last year. As a result of the expiry of the regulatory rent freeze in Ontario and British Columbia, CAPREIT served tenant notices to 44% of its Canadian tenants, across which the weighted average rental increase was 1.3%, effective January 1, 2022.

For the Netherlands portfolio, suite turnovers in the residential suite portfolio during the three months ended March 31, 2022 resulted in monthly rent increasing by approximately €189 or 21.1% compared to an increase of approximately €118 or 13.7% for the same period last year. As the Netherlands lease renewals occur once a year in July, there were no renewal increases for the three months ended March 31, 2022 and 2021. For rental increases due to indexation beginning on July 1,

2022, ERES served tenant notices to 5,766 suites, representing 95% of the residential portfolio, across which the average rental increase due to indexation is 2.95%.

Estimated Net Rental Revenue Run-Rate

CAPREIT's annualized net rental revenue run-rate as at March 31, 2022 grew to $948.8 million, up 9.9% from $863.5 million. Net rental revenue net of dispositions for the 12 months ended March 31, 2022 was $900.8 million (March 31, 2021 – $841.9 million).

NOI

Stabilized properties for the three months ended March 31, 2022 are defined as all properties owned by CAPREIT continuously since December 31, 2020, and therefore do not take into account the impact on performance of acquisitions or dispositions completed during 2022 and 2021.

($ Thousands)	Total NOI			Stabilized NOI		
For the Three Months Ended March 31,	**2022**	**2021**	**% [1]**	**2022**	**2021**	**% [1]**
Total operating revenues	**$ 246,628**	$ 227,506	8.4	**$ 231,740**	$ 226,507	2.3
Operating expenses						
Realty taxes	**(23,447)**	(21,810)	7.5	**(21,971)**	(21,642)	1.5
Utilities	**(24,159)**	(20,174)	19.8	**(22,795)**	(20,068)	13.6
Other [2]	**(45,850)**	(38,870)	18.0	**(43,220)**	(38,601)	12.0
Total operating expenses	**$ (93,456)**	$ (80,854)	15.6	**$ (87,986)**	$ (80,311)	9.6
NOI	**$ 153,172**	$ 146,652	4.4	**$ 143,754**	$ 146,196	(1.7)
NOI margin	**62.1 %**	64.5 %		**62.0 %**	64.5 %	

[1] Represents the year-over-year percentage change.
[2] Comprises R&M, wages, insurance, advertising, legal costs and bad debt.

Operating Revenues

For the three months ended March 31, 2022, total operating revenues for the total and stabilized portfolios increased compared to the same period last year, due to increases in monthly rents on turnovers and renewals and decreases in rental vacancies. Contributions from acquisitions further contributed to higher operating revenues for the total portfolio.

Operating Expenses

Operating expenses for the stabilized portfolio for the three months ended March 31, 2022 increased compared to the same period last year, primarily due to increases in other operating expenses and utilities. Other operating expenses for the stabilized portfolio increased primarily due to the colder weather increasing the amount of boiler and weather-related maintenance needed. As restrictions and limitations in connection with the COVID-19 pandemic have been lifted in 2022, there was an increased ability to complete R&M work compared to the same period last year. Stabilized utilities for the three months ended March 31, 2022 increased primarily due to higher natural gas costs driven by higher rates and increased consumption due to colder weather.

NOI Margin

For the three months March 31, 2022, the NOI margin on the total portfolio was 62.1% compared to 64.5% for the same period last year.

NON-IFRS PERFORMANCE

For the three months ended March 31, 2022, basic NFFO per Unit remained stable at $0.556 compared to the same period last year, despite an approximate 1.7% increase in the weighted average number of Units outstanding. Management expects per Unit FFO and NFFO and related payout ratios to strengthen further in the medium term as a result of NOI contributions from recent acquisitions.

PROPERTY CAPITAL INVESTMENTS

During the three months ended March 31, 2022, CAPREIT made property capital investments (excluding head office assets) of $58.3 million compared to $52.7 million for the same period last year.

Property capital investments include suite improvements, common areas and equipment, which generally tend to increase NOI more quickly. CAPREIT also continues to invest in environment-friendly and energy-saving initiatives, including energy-efficient boilers and lighting systems.

SUBSEQUENT EVENTS

On April 29, 2022, CAPREIT completed the disposition of an 82-suite apartment property located in downtown Toronto. CAPREIT was paid $56 million for the property.

On May 2, 2022, ERES completed the acquisition five multi-residential properties comprised of 110 suites located in Rotterdam, the Netherlands, for a purchase price of $31.2 million (€23 million) (excluding transaction costs and fees). The acquisition was funded via promissory note issued to CAPREIT on April 27, 2022 in the principal amount of $34.8 million (€25.7 million), carrying an interest rate of 1.50% per annum and with a maturity date of October 27, 2022, to be replaced with long-term mortgage financing at a future date.

On May 4, 2022, CAPREIT completed the acquisition of a portfolio of apartments and townhomes consisting of 112 suites located in Ottawa, ON. CAPREIT paid $43.7 million, funded by the Acquisition and Operating Facility.

ADDITIONAL INFORMATION

More detailed information and analysis is included in CAPREIT's unaudited condensed consolidated interim financial statements and MD&A for the three months ended March 31, 2022, which have been filed on SEDAR and can be viewed at www.sedar.com under CAPREIT's profile or on CAPREIT's website on the investor relations page at www.capreit.ca.

Conference Call

A conference call hosted by Mark Kenney, President and Chief Executive Officer and Stephen Co, Interim Chief Financial Officer will be held Tuesday, May 17, 2022 at 9:00 am EST. The telephone numbers for the conference call are: Local/ International: (929) 526-1599, North American Toll Free: (844) 200-6205. The conference access code is 339698#.

A slide presentation to accompany Management's comments during the conference call will be available prior to the conference call. To view the slides, access the CAPREIT website at www.capreit.ca, click on "For Investors" and follow the link at the top of the page. Please log on at least 15 minutes before the call commences.

The call and accompanying slides will also be archived on the CAPREIT website at www.capreit.ca. For more information about CAPREIT, its business and its investment highlights, please refer to our website at www.capreit.ca.

About CAPREIT

CAPREIT is Canada's largest publicly-traded provider of quality rental housing. CAPREIT currently owns or has interests in approximately 67,000 residential apartment suites, townhomes and manufactured housing community sites well-located across Canada and the Netherlands with approximately $18 billion of assets under management globally. For more information about CAPREIT, its business and its investment highlights, please visit our website at www.capreit.ca and our public disclosure which can be found under our profile at www.sedar.com.

Non-IFRS Measures

CAPREIT prepares and releases unaudited condensed consolidated interim financial statements and audited consolidated annual financial statements in accordance with IFRS. In this and other earnings releases and investor conference calls, as a complement to results provided in accordance with IFRS, CAPREIT discloses financial measures not recognized under IFRS which do not have standard meanings prescribed by IFRS. These include Funds From Operations ("FFO"), Normalized Funds From Operations ("NFFO"), Adjusted Cash Flow from Operations ("ACFO"), Adjusted Cash Generated from Operating Activities, Net Asset Value ("NAV"), Net Trust Expenses, Total Debt, Gross Book Value, Gross Historical Cost, and Earnings Before Interest, Tax, Depreciation, Amortization and Fair Value ("EBITDAFV") (the "Non-IFRS Financial Measures"), as well as FFO, NFFO and ACFO payout ratios, Ratio of Total Debt to Gross Book Value, Ratio of Total Debt to Gross Historical Cost, Ratio of Total Debt to Total Capitalization, Debt Service Coverage Ratio, and Interest Coverage Ratio (the "Non-IFRS Ratios" and together with the Non-IFRS Financial Measures, the "Non-IFRS Measures"). These Non-IFRS Measures are further defined and discussed in the MD&A released on May 16, 2022, which should be read in conjunction with this press release. 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 the Non-IFRS measures because Management believes these 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 the new National Instrument 52-112 and a reconciliation of these Non-IFRS measures is included in this press release below. 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 our distributions.

Cautionary Statements Regarding Forward-Looking Statements

Certain statements contained, or contained in documents incorporated by reference, in this press release constitute forward-looking information within the meaning of 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 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", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "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, Irish and Dutch economies will generally experience growth, which, however, may be adversely impacted by the global economy and its direct or indirect impacts on the business of CAPREIT. These impacts may include the ability to increase rents and apply for above guideline increases, 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 at levels similar to the rate of inflation; 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 press release are based on assumptions, management believes they are reasonable as of the date hereof; however, there can be no assurance actual results 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: public health crises, disease outbreaks, reporting investment properties at fair value, real property ownership, investment restrictions, operating risk, energy costs, environmental matters, catastrophic events, insurance, capital investments, indebtedness, taxation-related risks, government regulations, controls over financial reporting, other legal and regulatory risks, the nature of units of CAPREIT ("Trust Units"), unitholder liability, liquidity and price fluctuation of Trust Units, dilution, distributions, participation in CAPREIT's distribution reinvestment plan, potential conflicts of interest, dependence on key personnel, general economic conditions, competition for residents, competition for real property investments, risks related to acquisitions, cyber security risk and foreign operation and currency risks. There can be no assurance that the expectations of CAPREIT's Management will prove to be correct. These risks and uncertainties are more fully described in regulatory filings, including CAPREIT's Annual Information Form, which can be obtained on SEDAR at www.sedar.com, under CAPREIT's profile, as well as under Risks and Uncertainties section of the MD&A released on May 16, 2022. The information in this press release is based on information available to management as of May 16, 2022. Subject to applicable law, CAPREIT does not undertake any obligation to publicly update or revise any forward-looking information.

SOURCE: Canadian Apartment Properties Real Estate Investment Trust

CAPREIT	CAPREIT	CAPREIT
Mr. Michael Stein	Mr. Mark Kenney	Mr. Stephen Co
Chairman	President & CEO	Interim CFO
(416) 861-5788	(416) 861-9404	(416) 306-3009

SELECTED NON-IFRS MEASURES

A reconciliation of net income to NFFO is as follows:

($ Thousands, except per Unit amounts)

For the Three Months Ended March 31,	2022	2021
Net income	**$ 45,309**	$ 104,062
Adjustments:		
Fair value adjustments of investment properties	**(19,555)**	7,079
Remeasurement of Exchangeable LP Units	**(10,596)**	1,287
Remeasurement of investments	**44,398**	(3,044)
Remeasurement of unit-based compensation liabilities	**(1,990)**	2,681
Interest on Exchangeable LP Units	**609**	115
Deferred income tax expense (recovery)	**16,464**	(1,137)
Loss (gain) on foreign currency translation	**12,083**	934
Gain on derivative financial instruments	**(31,577)**	(30,522)
Fair value mark-to-market adjustment on ERES units held by non-controlling unitholders	**38,774**	12,579
Distributions on ERES units held by non-controlling unitholders	**3,170**	3,209
Net FFO impact attributable to ERES units held by non-controlling unitholders [1]	**(4,434)**	(4,283)
Amortization of property, plant and equipment	**1,913**	2,012
Lease principal repayment	**(277)**	(288)
FFO	**$ 94,291**	$ 94,684
Adjustments:		
Amortization of losses from (AOCL) AOCI to interest and other financing costs	**543**	620
Mortgage prepayment cost	**446**	—
Reorganization, senior management termination, and retirement costs [2]	**2,243**	—
Costs relating to transactions that were not completed	**99**	638
NFFO	**$ 97,622**	$ 95,942
NFFO per unit – basic	**$ 0.556**	$ 0.556
NFFO per unit – diluted	**$ 0.555**	$ 0.554
Total distributions declared [3]	**$ 63,746**	$ 59,738
NFFO payout ratio [4]	**65.3 %**	62.3 %
Net distributions paid [3]	**$ 43,504**	$ 40,924
Excess NFFO over net distributions paid	**$ 54,118**	$ 55,018
Effective NFFO payout ratio [5]	**44.6 %**	42.7 %

[1] The adjustment is based on applying the 34% weighted average ownership held by ERES non-controlling unitholders (March 31, 2021 - 34%) to ERES's FFO of $13.7 million (€9.8 million) (March 31, 2021 - $12.6 million or €8.3 million) and adjusting for $0.9 million of acquisition fees for the three months ended March 31, 2022 (March 31, 2021 - $nil) charged by CAPREIT to ERES, which are eliminated upon consolidation.

[2] Includes $0.4 million of accelerated vesting of previously granted RUR units.

[3] For a description of distributions declared and net distributions paid, see the Non-IFRS Measures section in the MD&A for the three months ended March 31, 2022.

[4] The payout ratio compares distributions declared to NFFO.

[5] The effective payout ratio compares net distributions paid to NFFO.

Reconciliation of cash generated from operating activities to Adjusted Cash Flows from Operations:

($ Thousands, except per Unit amounts)				Annual
For the Three Months Ended March 31,	**2022**	**2021**		**2021**
Cash generated from operating activities	**$ 145,258**	$ 123,312	$	551,433
Adjustments:				
Interest expense included in cash flow from financing activities [1]	**(35,581)**	(32,323)		(133,665)
Forecasted non-discretionary property capital investments [2]	**(21,073)**	(19,652)		(78,006)
Capitalized leasing costs [3]	**(703)**	(2,472)		(7,471)
Amortization of other financing costs [4]	**(4,634)**	(2,265)		(14,574)
Investment income [5]	**4,657**	394		8,469
Net ACFO impact attributed to ERES units held by non-controlling unitholders [6]	**(5,825)**	(4,308)		(18,927)
Lease principal and interest repayments	**(1,542)**	(1,404)		(6,107)
ACFO	**$ 80,557**	$ 61,282	$	301,152
Total distributions declared	**$ 63,746**	$ 59,738	$	245,479
Excess ACFO over distributions declared	**$ 16,811**	$ 1,544	$	55,673
ACFO payout ratio	**79.1%**	97.5%		81.5%

[1] Excludes interest with respect to leases, distributions to ERES non-controlling unitholders, and holders of Exchangeable LP Units.

[2] Non-discretionary property capital investments for the three months ended March 31, 2022 and 2021 have been calculated as follows: Non-Discretionary Property Capital Investments per suite and site are based on the annual 2022 and 2021 forecasts respectively, divided by four for the quarter, and multiplied by the weighted average number of residential suites and sites during the period. The forecasted Non-Discretionary Property Capital Investments per suite and site for 2022 and 2021 on an annual basis is $1,285 and $1,262 respectively. The estimated full year weighted average number of residential suites and sites for the three months ended March 31, 2022 and 2021 is 66,222 and 62,296, respectively. For a reconciliation of actual non-discretionary property capital investments incurred during the period to forecast, see the Adjusted Cash Flows From Operations and Distributions Declared section of the MD&A.

[3] Comprises tenant inducements and direct leasing costs.

[4] Includes amortization of deferred financing costs, CMHC premiums, deferred loan costs and fair value adjustments.

[5] The investment income for the three months ended March 31, 2022 includes $4.2 million dividends paid by IRES.

[6] The adjustment is based on applying the 34% weighted average ownership held by ERES non-controlling unitholders (December 31, 2021 - 34%)

Reconciliation of Unitholders' Equity to NAV:

($ Thousands, except per unit amounts)		
As at	**March 31, 2022**	**December 31, 2021**
Unitholders' equity	**$ 10,361,617**	$ 10,399,886
Adjustments:		
Exchangeable LP Units	**90,087**	100,684
Unit-based compensation financial liabilities excluding ERES's unit options plan	**29,626**	33,994
Net deferred income tax liability [1]	**140,624**	128,964
Net derivative financial asset [2]	**(56,179)**	(26,953)
Goodwill	**(14,573)**	(15,133)
Adjustment to ERES non-controlling interest [3]	**(76,065)**	(114,716)
NAV	**$ 10,475,137**	$ 10,506,726
NAV per Unit - diluted	**$ 59.43**	$ 59.78

[1] Represents deferred income tax liability of $144.7 million net of deferred income tax asset of $4.1 million (December 31, 2021 — deferred income tax liability of $134.0 million net of deferred income tax asset of $5.0 million)

[2] Represents non-current and current derivative financial assets of $39.4 million and $17.0 million, respectively, net of non-current and current derivative financial liabilities of $— million and $0.2 million, respectively (December 31, 2021 — non-current and current derivative financial assets of $22.4 million and $8.5 million, respectively, net of non-current and current derivative financial liabilities of $1.2 million and $2.8 million, respectively).

[3] CAPREIT accounts for the non-controlling interest in ERES as a liability, measured at the trading value 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 ERES's trading value.

($ Thousands)

As at		March 31, 2022		December 31, 2021
ERES's NAV	**€**	**999,729**	€	963,452
Ownership by ERES non-controlling interest		**34 %**		34 %
Foreign exchange rate		**1.3900**		1.4391
Impact to NAV due to ERES's non-controlling unitholders	**$**	**472,472**	$	471,411
ERES units held by non-controlling unitholders	**$**	**396,407**	$	356,695
Adjustment to ERES non-controlling interest	**$**	**76,065**	$	114,716

Reconciliation for Total Debt and Total Debt Ratios:

($ Thousands)

As at		March 31, 2022		December 31, 2021
Mortgages Payable	**$**	**6,358,664**	$	6,100,065
Bank Indebtedness		**474,441**		310,866
Total Debt	**$**	**6,833,105**	$	6,410,931
Total Assets	**$**	**18,121,622**	$	17,712,973
Add: Total accumulated amortization and depreciation		**36,637**		35,280
Gross Book Value [(1)]	**$**	**18,158,259**	$	17,748,253
Ratio of Total Debt to Gross Book Value		**37.63 %**		36.12 %
Ratio of Mortgages Payable to Gross Book Value		**35.02 %**		34.37 %
Gross Book Value [(1)]	**$**	**18,158,259**	$	17,748,253
Less: Cumulative investment properties fair value adjustments		**(5,500,132)**		(5,480,670)
Gross historic cost [(2)]	**$**	**12,658,127**	$	12,267,583
Ratio of Total Debt to Gross Historical Cost		**53.98 %**		52.26 %
Market capitalization	**$**	**9,456,773**	$	10,538,673
Total Debt		**6,833,105**		6,410,931
Total capitalization	**$**	**16,289,878**	$	16,949,604
Ratio of Total Debt to total capitalization		**41.95 %**		37.82 %

[(1)] Gross Book Value ("GBV") is defined by CAPREIT's Declaration of Trust.

[(2)] Based on the historical cost of investment properties, calculated as CAPREIT's assets, as disclosed under IFRS, plus accumulated amortization on property, plant and equipment, prepaid CMHC premiums and deferred loan costs, minus fair value adjustment on investment properties.

Reconciliation of Net Income to EBITDAFV:

($ Thousands)

For the trailing 12 months ended	March 31, 2022	December 31, 2021
Net Income	**$ 1,334,042**	$ 1,392,795
Adjustments:		
Amortization of Property, Plant and Equipment	**8,151**	8,250
Fair value adjustments of Exchangeable LP Units	**(11,218)**	665
Unit-Based Compensation Expense	**10,823**	15,111
EUPP Unit-based compensation expense	**(504)**	(497)
Gain on derivative financial instruments	**(51,337)**	(50,282)
Current and deferred income tax expense (recovery)	**99,018**	81,181
Fair value adjustments of investments	**33,354**	(14,088)
Fair value adjustments of investment properties	**(1,075,376)**	(1,048,742)
Realized loss on disposition of investment properties	**241**	241
Loss on disposition of foreign operation	**92**	—
Loss on foreign currency translation	**17,244**	6,095
FFO adjustment for income from investment in associate [(1)]	**(9,271)**	(9,271)
Interest and other financing costs	**167,687**	160,462
Loss on non-controlling interest	**64,807**	38,651
EBITDAFV	**$ 587,753**	$ 580,571

[(1)] Relates to CAPREIT's share of IRES's investment property fair value gain.

Debt Service Coverage Ratio

($ Thousands)

As at	March 31, 2022	December 31, 2021
Interest on mortgages payable [(1)]	**$ 141,636**	$ 138,293
Interest on bank indebtedness and other deferred costs [(1)]	**6,536**	6,110
Mortgage principal repayments [(1)]	**153,269**	149,996
Debt service payments [(1)]	**$ 301,441**	$ 294,399
EBITDAFV [(1)]	**$ 587,753**	$ 580,571
Debt Service Coverage Ratio (times)	**2.0x**	2.0x

[(1)] For the trailing 12 months ended.

Interest Coverage Ratio

($ Thousands)

As at	March 31, 2022	December 31, 2021
Interest on mortgages payable [(1)]	**$ 141,636**	$ 138,293
Interest on bank indebtedness and other deferred costs [(1)]	**6,536**	6,110
Interest Expense [(1)]	**$ 148,172**	$ 144,403
EBITDAFV [(1)]	**$ 587,753**	$ 580,571
Interest coverage ratio (times)	**4.0x**	4.0x

[(1)] For the trailing 12 months ended.