CAPREIT Reports Continued Growth & Strong Operating Performance in Second Quarter of 2022

TORONTO, ONTARIO, (Globe Newswire) – August 10, 2022 - Canadian Apartment Properties Real Estate Investment Trust ("CAPREIT") (TSX: CAR.UN) announced today continued growth and strong operating and financial results for the three and six months ended June 30, 2022. Management will host a conference call to discuss the financial results on Thursday, August 11, 2022 at 9:00 a.m. EST.

HIGHLIGHTS:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Portfolio Performance				
Overall portfolio occupancy [1]			**98.2 %**	97.2 %
Overall portfolio net Average Monthly Rents [1], [2]			**$ 1,167**	$ 1,118
Operating revenues (000s)	**$ 251,693**	$ 228,856	**$ 498,321**	$ 456,362
Net Operating Income ("NOI") (000s)	**$ 166,093**	$ 151,786	**$ 319,265**	$ 298,438
NOI margin	**66.0 %**	66.3 %	**64.1 %**	65.4 %
Financial Performance				
Normalized Funds from Operations ("NFFO") (000s) [3]	**$ 102,871**	$ 100,080	**$ 200,493**	$ 196,022
NFFO per Unit – basic [3]	**$ 0.585**	$ 0.579	**$ 1.141**	$ 1.135
Cash distributions per Unit	**$ 0.362**	$ 0.345	**$ 0.725**	$ 0.690
FFO payout ratio [3]	**63.7 %**	61.4 %	**65.6 %**	62.2 %
NFFO payout ratio [3]	**61.9 %**	59.8 %	**63.6 %**	61.0 %
Liquidity and Leverage				
Total debt to gross book value [1], [3]			**38.80 %**	36.37 %
Total debt to gross historical cost [1], [3]			**53.66 %**	51.77 %
Weighted average mortgage interest rate [1]			**2.60 %**	2.53 %
Weighted average mortgage term (years) [1]			**5.82**	5.77
Debt service coverage (times) [3], [4]			**1.9x**	2.0x
Interest coverage (times) [3], [4]			**3.8x**	4.0x
Available liquidity – Acquisition and Operating Facility (000s) [1]			**$ 443,213**	$ 250,676
Cash and cash equivalents (000s) [1]			**$ 228,110**	$ 122,542

[1] As at June 30.

[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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Other Measures				
Weighted average number of Units - basic (000s)	**175,837**	172,950	**175,659**	172,712
Number of residential suites and sites acquired	**222**	1,659	**1,237**	1,659
Number of suites disposed [1]	**875**	—	**875**	—
Net Asset Value per unit - diluted [2], [3]			**$ 56.66**	$ 55.91
Closing price of Trust Units on the TSX [3]			**$ 44.82**	$ 58.12
Market capitalization (millions) [3], [4]			**$ 7,858**	$ 10,095

[1] Includes CAPREIT's 50% interest in 370 apartment suites.

[2] 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.

[3] As at June 30.

[4] Market capitalization is determined by taking all units outstanding (including all unit-based compensation plans) and multiplying by the closing price of the Trust Units at period end.

SUMMARY OF Q2 - 2022 RESULTS OF OPERATIONS

Key Transactions and Events

- CAPREIT continues to invest in accretive opportunities with total acquisitions for the three months ended June 30, 2022 amounting to $44.2 million comprised of 112 suites located in Canada, and $34.4 million comprised of 110 suites located in the Netherlands.
- Total dispositions for the three months ended June 30, 2022 of $252.3 million, which included 505 suites located in the Greater Toronto Area and 50% interest of 370 suites located in Ottawa. On August 3, 2022, CAPREIT announced it has entered into an agreement to dispose of a 253-suite property located in East York, Ontario for $90.1 million, excluding disposition costs. Upon closing, expected later this month, proceeds will be used in part to repay the existing mortgage of approximately $22.9 million. CAPREIT will continue to consider opportunities where it can strategically access attractive equity capital for redeployment into more accretive growth opportunities, including repurchasing Trust Units for cancellation under our current normal course issuer bid ("NCIB") program.
- During the three months ended June 30, 2022, CAPREIT purchased and cancelled 1,401,764 Trust Units under the NCIB program, at a weighted average purchase price of $47.83 per Trust Unit for a total cost of $67.1 million. During the month of July 2022, CAPREIT continued with its NCIB program, through its Automatic Unit Purchase Program with defined instructions, purchasing and cancelling 398,800 Trust Units, at a weighted average purchase price of $44.37 per Trust Unit for a total cost of $17.7 million.

Strong Operating Results

- On turnovers, monthly residential rents for the three and six months ended June 30, 2022 increased by 11.0% on 4.2% of the Canadian portfolio and 10.6% on 7.9% of the Canadian portfolio, respectively, compared to an increase of 4.9% on 5.1% of the Canadian portfolio and 4.2% on 9.4% of the Canadian portfolio, respectively, for the three and six months ended June 30, 2021.
- Net Average Monthly Rent ("Net AMR") for the stabilized portfolio as at June 30, 2022 increased by 3.3% compared to June 30, 2021.
- Net operating income ("NOI") increased by 2.1% and 0.3%, respectively, for the stabilized portfolio for the three and six months ended June 30, 2022, compared to an NOI increase of 2.9% and 2.7%, respectively, for the stabilized portfolio for the three and six months ended June 30, 2021.
- NFFO per unit was up 1.0% and 0.5%, respectively, for the three and six months ended June 30, 2022 compared to the same periods last year.

Strong and Flexible Balance Sheet

- CAPREIT's financial position remains strong, with over $670 million of available liquidity, comprising $228.1 million of cash and cash equivalents and $443.2 million of available capacity on CAPREIT's Acquisition and Operating Facility.
- Management expects to raise between $800 million and $850 million in total mortgage renewals and refinancings for the Canadian portfolio for 2022, excluding financings on acquisitions. To date, we have raised over $600 million for the Canadian portfolio.
- CAPREIT closed consolidated mortgage refinancings of $444.8 million and $718.6 million, respectively, for the three and six months ended June 30, 2022, with top-ups net of discharges totalling $322.9 million. The mortgages refinanced have a weighted average term to maturity of 8.7 years and a weighted average interest rate of 3.16%.
- For the three and six months ended June 30, 2022 the fair value of investment properties decreased by $649.0 million and $227.3 million, respectively. Excluding the net impact of acquisitions and dispositions, and foreign exchange adjustments, the fair value of investment properties decreased by $391.1 million and$316.4 million, respectively, for the three and six months ended June 30, 2022, primarily driven by capitalization rate expansion in the Canadian portfolio, partially offset by higher stabilized NOI.
- Diluted NAV per unit as at June 30, 2022 decreased to $56.66 from $59.43 as at March 31, 2022, largely reflecting a decrease in investment property values across the Canadian portfolio, partially offset by the effects of accretive purchases of Trust Units for cancellation through the NCIB program.

"Our growth continued in the second quarter, driven by increased occupancies and higher average monthly rents. With this solid revenue growth, our proven asset and property management programs are generating very strong operating performance and solid increases in all our key performance benchmarks," commented Mark Kenney, President and CEO. "We look ahead confident that this growth will continue through the balance of the year and going forward as demand continues to strengthen for our high quality and well-located properties as an affordable alternative to the high cost of home ownership in Canada."

OPERATIONAL AND FINANCIAL RESULTS

Portfolio Net Average Monthly Rents

As at June 30,	Total Portfolio				Properties Owned Prior to June 30, 2021[1]			
	2022		2021		2022		2021	
	Net AMR	Occ. %	Net AMR	Occ. %	Net AMR	Occ. %	Net AMR	Occ. %
Average residential suites	$ 1,343	98.8	$ 1,283	97.4	$ 1,327	98.8	$ 1,282	97.5
Average MHC sites	$ 405	95.9	$ 395	96.0	$ 402	95.7	$ 395	96.0
Overall portfolio average	$ 1,167	98.2	$ 1,118	97.2	$ 1,152	98.2	$ 1,115	97.3

[1] Stabilized AMR includes all properties held as at June 30, 2021, but excludes properties disposed as at June 30, 2022.

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, and (iii) strengthening occupancy rates in all regions with larger improvements found in Alberta and Nova Scotia. Weighted average gross rent per square foot for Canadian residential suites was approximately $1.70 as at June 30, 2022, increased from $1.65 as at June 30, 2021.

Canadian Portfolio

For the Three Months Ended June 30,	2022			2021		
	Change in monthly rent		Turnovers and Renewals [1]	Change in monthly rent		Turnovers and Renewals [1]
	$	%	%	$	%	%
Suite turnovers	**155.7**	**11.0**	**4.2**	68.2	4.9	5.1
Lease renewals	**19.7**	**1.5**	**12.0**	16.1	1.4	9.8
Weighted average of turnovers and renewals	**55.0**	**4.0**		33.9	2.6	

For the Six Months Ended June 30,	2022			2021		
	Change in monthly rent		Turnovers and Renewals [1]	Change in monthly rent		Turnovers and Renewals [1]
	$	%	%	$	%	%
Suite turnovers	**149.2**	**10.6**	**7.9**	58.9	4.2	9.4
Lease renewals	**18.4**	**1.3**	**61.4**	14.4	1.2	17.8
Weighted average of turnovers and renewals	**33.3**	**2.4**		29.8	2.2	

[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 June 30,	2022			2021		
	Change in monthly rent		Turnovers and Renewals [1]	Change in monthly rent		Turnovers and Renewals [1]
	€	%	%	€	%	%
Suite turnovers	**207.0**	**23.2**	**2.6**	143.0	16.9	3.6
Lease renewals	**—**	**—**	**—**	—	—	—
Weighted average of turnovers and renewals	**207.0**	**23.2**		143.0	16.9	

For the Six Months Ended June 30,	2022			2021		
	Change in monthly rent		Turnovers and Renewals [1]	Change in monthly rent		Turnovers and Renewals [1]
	€	%	%	€	%	%
Suite turnovers	**199.0**	**22.2**	**5.1**	130.0	15.2	7.4
Lease renewals	**—**	**—**	**—**	—	—	—
Weighted average of turnovers and renewals	**199.0**	**22.2**		130.0	15.2	

[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 suite portfolio (excluding co-ownerships) during the three and six months ended June 30, 2022 resulted in monthly rents increase of approximately $156 or 11.0% and $149 or 10.6%, respectively, compared to an increase of approximately $68 or 4.9% and $59 or 4.2%, for the same periods 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 suite portfolio (excluding co-ownerships) resulted in monthly rent increasing by approximately $20 or 1.5% for the three months ended June 30, 2022, and $18 or 1.3%, for the six months ended June 30, 2022, compared to an increase of approximately $16 or 1.4% and $14 or 1.2%, for both of the same periods last year. As a result of the expiry of the regulatory rent freeze, CAPREIT has served tenant notices to 79.6% and 79.3%, respectively, of its tenants in Ontario and British Columbia, with rent increase of 1.2% and 1.5%, respectively, during the six months ended June 30, 2022.

For the Netherlands portfolio, suite turnovers in the residential suite portfolio during the three and six months ended June 30, 2022 resulted in monthly rent increasing by approximately €207 or 23.2% and €199 or 22.2% respectively, compared to an increase of approximately €143 or 16.9% and €130 or 15.2% respectively for the same periods last year. Our Netherlands team is proactively repositioning the vacant suites to make available for leasing and to bring monthly rents to market.

As the Netherlands lease renewals occur once a year in July, there were no renewal increases for the three and six months ended June 30, 2022 and 2021. For rent renewal increases due to indexation beginning on July 1, 2022, ERES served tenant notices to 6,499 suites, representing 96% 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 June 30, 2022 grew to $948.6 million, up 7.0% from $886.8 million. Actual net rental revenue excluding net rental revenue from disposed properties for the 12 months ended June 30, 2022 was $913.4 million (for the 12 months ended June 30, 2021 – $849.4 million).

NOI

Stabilized properties for the three and six months ended June 30, 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 June 30,	**2022**	**2021**	**% [1]**	**2022**	**2021**	**% [1]**
Total operating revenues	**$ 251,693**	$ 228,856	10.0	**$ 230,225**	$ 223,033	3.2
Operating expenses						
Realty taxes	**(23,806)**	(21,840)	9.0	**(21,839)**	(21,102)	3.5
Utilities	**(17,825)**	(15,138)	17.8	**(16,388)**	(14,537)	12.7
Other [2]	**(43,969)**	(40,092)	9.7	**(40,038)**	(38,598)	3.7
Total operating expenses	**$ (85,600)**	$ (77,070)	11.1	**$ (78,265)**	$ (74,237)	5.4
NOI	**$ 166,093**	$ 151,786	9.4	**$ 151,960**	$ 148,796	2.1
NOI margin	**66.0 %**	66.3 %		**66.0 %**	66.7 %	

($ Thousands)	Total NOI			Stabilized NOI		
For the Six Months Ended June 30,	**2022**	**2021**	**% [1]**	**2022**	**2021**	**% [1]**
Total operating revenues	**$ 498,321**	$ 456,362	9.2	**$ 459,096**	$ 446,725	2.8
Operating expenses						
Realty taxes	**(47,253)**	(43,650)	8.3	**(43,482)**	(42,415)	2.5
Utilities	**(41,984)**	(35,312)	18.9	**(38,687)**	(34,144)	13.3
Other [2]	**(89,819)**	(78,962)	13.7	**(82,717)**	(76,697)	7.8
Total operating expenses	**$ (179,056)**	$ (157,924)	13.4	**$ (164,886)**	$ (153,256)	7.6
NOI	**$ 319,265**	$ 298,438	7.0	**$ 294,210**	$ 293,469	0.3
NOI margin	**64.1 %**	65.4 %		**64.1 %**	65.7 %	

[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 and six months ended June 30, 2022, total operating revenues for the total and stabilized portfolios increased compared to the same periods last year, primarily due to increases in monthly rents on turnovers and renewals and decreases in rental vacancies. Contributions from acquisitions, partially offset by dispositions, further contributed to higher operating revenues for the total portfolio.

Operating Expenses

The stabilized operating expenses for the three and six months ended June 30, 2022 increased compared to the same periods last year, primarily due to increases in utilities and other operating expenses. The increased utility costs were primarily driven by increased consumption of natural gas due to colder weather compared to last year as well as increased rates for natural gas due to the volatile natural gas market and carbon tax. Stabilized other operating expenses increased primarily due to R&M costs, partially offset by the lower insurance costs related to claim recoveries. The increased R&M costs were primarily due to the reduced ability to complete work during COVID-19 pandemic lockdown in the last year compared to this year. Additionally, higher weather related maintenance costs were primarily due to the colder weather increasing the amount of boilers and other weather-related maintenance needed.

NON-IFRS PERFORMANCE

For the three months ended June 30, 2022, basic NFFO per Unit increased by 1.0% compared to the same period last year, despite an approximate 1.7% increase in the weighted average number of units outstanding. For the six months ended June 30, 2022, basic NFFO per Unit increased by 0.5% compared to last year, despite an approximate 1.7% increase in the weighted average number of units outstanding. The increase in basic NFFO per Unit was primarily driven by increases in stabilized NOI and contribution due to acquisitions, partially offset by increasing interest expenses and trust expenses, and a reduction in equity pickup and management fee income due to the termination of the investment management agreement.

PROPERTY CAPITAL INVESTMENTS

During the six months ended June 30, 2022, CAPREIT made property capital investments (excluding head office assets) of $125.3 million compared to $123.0 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.

NORMAL COURSE ISSUER BID

During the three and six months ended June 30, 2022, CAPREIT purchased and cancelled 1,401,764 Trust Units under the NCIB, at a weighted average purchase price of $47.83 for a total cost of $67.1 million. For the year ended December 31, 2021, the Trust did not have a NCIB program in place and as a result did not purchase and cancel any Trust Units.

SUBSEQUENT EVENTS

On July 19, 2022, CAPREIT completed the acquisition of a 235-suite new build apartment property located in Laval, Quebec. CAPREIT paid $102 million (excluding transaction costs and fees), funded by cash and cash equivalents.

On July 26, 2022, CAPREIT completed the acquisition of a 65-suite apartment property located in Edmonton, Alberta. CAPREIT paid $22.5 million (excluding transaction costs and fees), funded by cash and cash equivalents.

During the month of July 2022, CAPREIT purchased and cancelled an additional 398,800 Trust Units under the NCIB, at a weighted average purchase price of $44.37 per Trust Unit, for a total cost of $17.7 million.

ADDITIONAL INFORMATION

More detailed information and analysis is included in CAPREIT's unaudited condensed consolidated interim financial statements and MD&A for the three and six months ended June 30, 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, Stephen Co, Chief Financial Officer, and Julian Schonfeldt, Chief Investment Officer, will be held on Thursday, August 11, 2022 at 9:00 am EST. The telephone numbers for the conference call are: International: (929) 526-1599, North American Toll Free: (844) 200-6205. The conference call access code is 461211#.

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 conference call commences.

The call and accompanying slides will also be archived on the CAPREIT 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"), Net Asset Value ("NAV"), Total Debt, Gross Book Value, and Gross Historical Cost (the "Non-IFRS Financial Measures"), as well as FFO per unit and NFFO per unit, Ratio of Total Debt to Gross Book Value, Ratio of Total Debt to Gross Historical Cost, 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 August 10, 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 acquisitions, dispositions 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", "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, 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 August 10, 2022. The information in this press release is based on information available to management as of August 10, 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. Mark Kenney	Mr. Stephen Co	Mr. Julian Schonfeldt
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SELECTED NON-IFRS MEASURES

A reconciliation of net (loss) income to NFFO is as follows:

($ Thousands, except per Unit amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Net (loss) income	**$ (250,354)**	$ 453,561	**$ (205,045)**	$ 557,623
Adjustments:				
Remeasurement of unit-based compensation liabilities	**(7,196)**	2,490	**(9,186)**	5,171
Fair value adjustments of investment properties	**466,663**	(364,567)	**447,108**	(357,488)
Fair value adjustments of Exchangeable LP Units	**(14,827)**	1,419	**(25,423)**	2,706
Fair value adjustments of investments	**33,803**	(3,827)	**78,201**	(6,871)
Loss on disposition	**2,073**	—	**2,073**	—
Amortization of property, plant and equipment	**1,861**	2,069	**3,774**	4,081
Fair value mark-to-market adjustment on ERES units held by non-controlling unitholders	**(112,739)**	843	**(73,965)**	13,422
Net FFO impact attributable to ERES units held by non-controlling unitholders [1]	**(4,496)**	(4,396)	**(8,930)**	(8,679)
Distributions on ERES units held by non-controlling unitholders	**3,223**	3,195	**6,393**	6,404
Gain on derivative financial instruments	**(36,845)**	(4,203)	**(68,422)**	(34,725)
Interest on Exchangeable LP Units	**608**	114	**1,217**	229
Lease principal repayment	**(169)**	(305)	**(446)**	(593)
Loss (gain) on foreign currency translation	**5,069**	(165)	**17,152**	769
FFO adjustment for income from investment in associate	**—**	(2,211)	**—**	(2,211)
Impairment of goodwill	**14,278**	—	**14,278**	—
Deferred income tax (recovery) expense	**(889)**	13,486	**15,575**	12,349
FFO	**$ 100,063**	$ 97,503	**$ 194,354**	$ 192,187
Adjustments:				
Reorganization, senior management termination, and retirement costs [2]	**4,007**	1,532	**6,250**	1,532
Costs relating to transactions that were not completed	**38**	261	**137**	899
Mortgage fair value adjustments, net of mortgage settlement costs on dispositions [3]	**(2,763)**	—	**(2,763)**	—
Mortgage prepayment cost	**896**	165	**1,342**	165
Amortization of losses from (AOCL) AOCI to interest and other financing costs	**630**	619	**1,173**	1,239
NFFO	**$ 102,871**	$ 100,080	**$ 200,493**	$ 196,022
NFFO per unit – basic	**$ 0.585**	$ 0.579	**$ 1.141**	$ 1.135
NFFO per unit – diluted	**$ 0.583**	$ 0.577	**$ 1.138**	$ 1.131
Total distributions declared [4]	**$ 63,695**	$ 59,880	**$ 127,441**	$ 119,618
NFFO payout ratio [5]	**61.9 %**	59.8 %	**63.6 %**	61.0 %
Net distributions paid [4]	**$ 43,674**	$ 42,118	**$ 87,178**	$ 83,042
Excess NFFO over net distributions paid	**$ 59,197**	$ 57,962	**$ 113,315**	$ 112,980
Effective NFFO payout ratio [6]	**42.5 %**	42.1 %	**43.5 %**	42.4 %

[1] For the three and six months ended June 30, 2022, the adjustment is based on applying the 34% weighted average ownership held by ERES non-controlling unitholders (June 30, 2021 - 34%) to ERES's FFO of $13.5 million (€9.9 million) and $27.5 million (€19.7 million), respectively, (2021 - $13.6 million or €8.7 million and $26.2 million or €17.0 million) and adjusting for $0.3 million and $1.2 million of acquisition fees for the three and six months ended June 30, 2022 (June 30, 2021 - $0.7 million and $0.7 million) charged by CAPREIT to ERES, which are eliminated upon consolidation.

[2] For the three and six months ended June 30, 2022, includes $0.6 million and $1.0 million, respectively, of accelerated vesting of previously granted RUR units.

[3] Represents the fair value adjustment on the mortgages assumed by the purchasers upon disposition of two properties in June 2022.

[4] For a description of distributions declared and net distributions paid, see the Non-IFRS Measures section in the MD&A for the three and six months ended June 30, 2022.

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

Reconciliation of Unitholders' Equity to NAV:

($ Thousands, except per unit amounts)

As at	June 30, 2022	December 31, 2021
Unitholders' equity	**$ 9,961,288**	$ 10,399,886
Adjustments:		
Exchangeable LP Units	**75,261**	100,684
Unit-based compensation financial liabilities excluding ERES's unit options plan	**18,699**	33,994
Net deferred income tax liability [1]	**135,818**	128,964
Net derivative financial asset [2]	**(87,391)**	(26,953)
Goodwill	**—**	(15,133)
Adjustment to ERES non-controlling interest [3]	**(169,906)**	(114,716)
NAV	**$ 9,933,769**	$ 10,506,726
Diluted number of units	**175,319**	175,761
NAV per Unit - diluted	**$ 56.66**	$ 59.78

[1] Represents deferred income tax liability of $140.2 million net of deferred income tax asset of $4.4 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 $64.3 million and $23.1 million, respectively, net of non-current and current derivative financial liabilities of $nil million and $nil 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	June 30, 2022	December 31, 2021
ERES's NAV	**€ 992,362**	€ 963,452
Ownership by ERES non-controlling interest	**34 %**	34 %
Foreign exchange rate	**1.3473**	1.4391
Impact to NAV due to ERES's non-controlling unitholders	**$ 454,583**	$ 471,411
ERES units held by non-controlling unitholders	**$ 284,677**	$ 356,695
Adjustment to ERES non-controlling interest	**$ 169,906**	$ 114,716

Reconciliation for Total Debt and Total Debt Ratios:

($ Thousands)

As at	June 30, 2022	December 31, 2021
Mortgages Payable	**$ 6,567,584**	$ 6,100,065
Bank Indebtedness	**260,220**	310,866
Total Debt	**$ 6,827,804**	$ 6,410,931
Total Assets	**$ 17,557,997**	$ 17,712,973
Add: Total accumulated amortization and depreciation	**38,525**	35,280
Gross Book Value [1]	**$ 17,596,522**	$ 17,748,253
Ratio of Total Debt to Gross Book Value	**38.80 %**	36.12 %
Ratio of Mortgages Payable to Gross Book Value	**37.32 %**	34.37 %
Gross Book Value [1]	**$ 17,596,522**	$ 17,748,253
Less: Cumulative investment properties fair value adjustments	**(4,871,280)**	(5,480,670)
Gross historic cost [2]	**$ 12,725,242**	$ 12,267,583
Ratio of Total Debt to Gross Historical Cost	**53.66 %**	52.26 %

[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	June 30, 2022	December 31, 2021
Net Income	**$ 630,127**	$ 1,392,795
Adjustments:		
Amortization of Property, Plant and Equipment	**7,943**	8,250
Fair value adjustments of Exchangeable LP Units	**(27,464)**	665
Unit-Based Compensation Expense	**968**	15,111
EUPP Unit-based compensation expense	**(508)**	(497)
Gain on derivative financial instruments	**(83,979)**	(50,282)
Current and deferred income tax expense (recovery)	**84,763**	81,181
Fair value adjustments of investments	**70,984**	(14,088)
Fair value adjustments of investment properties	**(244,146)**	(1,048,742)
Loss on dispositions	**2,406**	241
Loss on foreign currency translation	**22,478**	6,095
Impairment of goodwill	**14,278**	—
FFO adjustment for income from investment in associate [1]	**(7,060)**	(9,271)
Mortgage fair value adjustments, net of mortgage settlement costs on dispositions	**(2,763)**	—
Interest and other financing costs	**175,283**	160,462
Loss on non-controlling interest	**(48,747)**	38,651
EBITDAFV	**$ 594,563**	$ 580,571

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

Debt Service Coverage Ratio

($ Thousands)

As at	June 30, 2022	December 31, 2021
Interest on mortgages payable [1]	**$ 148,301**	$ 138,293
Interest on bank indebtedness and other deferred costs [1]	**7,026**	6,110
Mortgage principal repayments [1]	**156,791**	149,996
Debt service payments [1]	**$ 312,118**	$ 294,399
EBITDAFV [1]	**$ 594,563**	$ 580,571
Debt Service Coverage Ratio (times)	**1.9x**	2.0x

[1] For the trailing 12 months ended.

Interest Coverage Ratio

($ Thousands)

As at	June 30, 2022	December 31, 2021
Interest on mortgages payable [1]	**$ 148,301**	$ 138,293
Interest on bank indebtedness and other deferred costs [1]	**7,026**	6,110
Interest Expense [1]	**$ 155,327**	$ 144,403
EBITDAFV [1]	**$ 594,563**	$ 580,571
Interest coverage ratio (times)	**3.8x**	4.0x

[1] For the trailing 12 months ended.