

Q4 & YEAR END 2018 EARNINGS CALL

TSX | CAR.UN

FEBRUARY 27, 2019



DISCLAIMER

Today's session and our answers to questions contain statements that constitute forward-looking statements about expected future events and financial and operating results of CAPREIT. These statements represent CAPREIT's intentions, plans, expectations and beliefs as of the date hereof and are subject to certain risks and uncertainties. These statements are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Although such forward-looking statements are based upon assumptions that management believes are reasonable, there can be no assurance that actual results will be consistent with these forward-looking statements and actual results in future periods may differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties are more fully described in CAPREIT's regulatory filings, including our Annual Information Form and Managements' Discussion and Analysis of the Results of Operations and Financial Condition, all of which can be obtained on SEDAR at www.sedar.com. Investors should not place undue reliance on any such forward-looking statements. Subject to applicable law, CAPREIT does not undertake any obligation to update or revise any forward-looking information.

Non-IFRS Financial Measures

CAPREIT prepares and releases unaudited consolidated interim financial statements and audited consolidated annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). In this MD&A, and in earnings releases and investor conference calls, as a complement to results provided in accordance with IFRS, CAPREIT also discloses and discusses certain financial measures not recognized under IFRS and that do not have standard meanings prescribed by IFRS. These include stabilized net rental income ("Stabilized NOI"), Funds From Operations ("FFO"), Normalized Funds From Operations ("NFFO"), Adjusted Cash Flow from Operations ("ACFO"), FFO and NFFO per Unit amounts and FFO, NFFO and ACFO payout ratios, and Adjusted Cash Generated from Operating Activities (collectively, the "Non-IFRS Measures"). Since these measures are not recognized under IFRS, they may not be comparable to similarly titled measures reported by other issuers. CAPREIT has presented 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 CAPREIT's performance and cash flows. A reconciliation of these Non-IFRS measures to the comparable IFRS measures, along with further definitions and discussion, is provided in Section III under Non-IFRS Financial 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 sustainability of our distributions.





MARK KENNEY
PRESIDENT & COO



ANOTHER STRONG QUARTER

Three Months to December 31,	2018	2017	Change (%)
Operating Revenues	\$177.7M	\$164.4M	↑ 8.0
NOI	\$111.9M	\$100.3M	↑ 11.6
NFFO	\$71.4M	\$61.9M	↑ 15.4
NFFO per Unit	\$0.492	\$0.452	↑ 8.8
NFFO Payout Ratio	68.2%	71.9%	

ANOTHER RECORD YEAR

Operating Revenues

↑ 7.8%

NOI

↑ 11.6%

Normalized Funds from Operations

↑ 15.5%

NFFO per Unit

↑ 9.9%

Strong NFFO Payout Ratio

65.7%

DRIVING VALUE

Strong Stable Occupancy

98.9%

Increasing Net Average Monthly Rents

 **5.7%**

Strengthening NOI Margins

63.8%

Growth in Same Property NOI

 **8.0%**

Increasing monthly rents on Turnovers⁽¹⁾

 **11.4%**

Increasing monthly rents on Lease Renewals⁽¹⁾

 **2.2%**

As at December 31, 2018

(1) Represents increases for the Canadian portfolio



SUCCESSFUL EUROPEAN EXPANSION

- Acquired portfolio of Dublin, Ireland apartments in March 2014
- IRES IPO in April 2014
- Strong recurring revenues
 - \$24.5 million received to date
 - 2018 fees up 18%
- 18.0% CAPREIT retained interest
 - Increased ownership position in Q2 and Q4 of 2018
 - \$16.3 million in dividends to date since IPO



CREATING VALUE

Netherlands Portfolio

- Growing portfolio well-located in major centres
 - 3,348 rental suites in strong market
 - \$23.8 million in NOI in 2018
- Proposed sale to ECREIT:
 - CAPREIT will sell 2,091 rental suites primarily in exchange of ECREIT units
- CAPREIT majority ownership position
- Providing property management & asset management services
- Ability to scale growth in NL
- More direct opportunity to grow in Europe





SCOTT CRYER
CHIEF FINANCIAL OFFICER



STRONG & FLEXIBLE FINANCIAL POSITION

As at December 31,	2018	2017
Total Debt to GBV	39.4%	43.6%
Total Debt to Gross Historical Cost	54.5%	56.2%
Weighted Average Mortgage Interest Rate	3.05%	3.08%
Weighted Average Term to Maturity	5.1 yrs	5.7 yrs
Debt Service Coverage	1.75x	1.63x
Interest Coverage	3.44x	3.19x

WELL-POSITIONED MORTGAGE PORTFOLIO



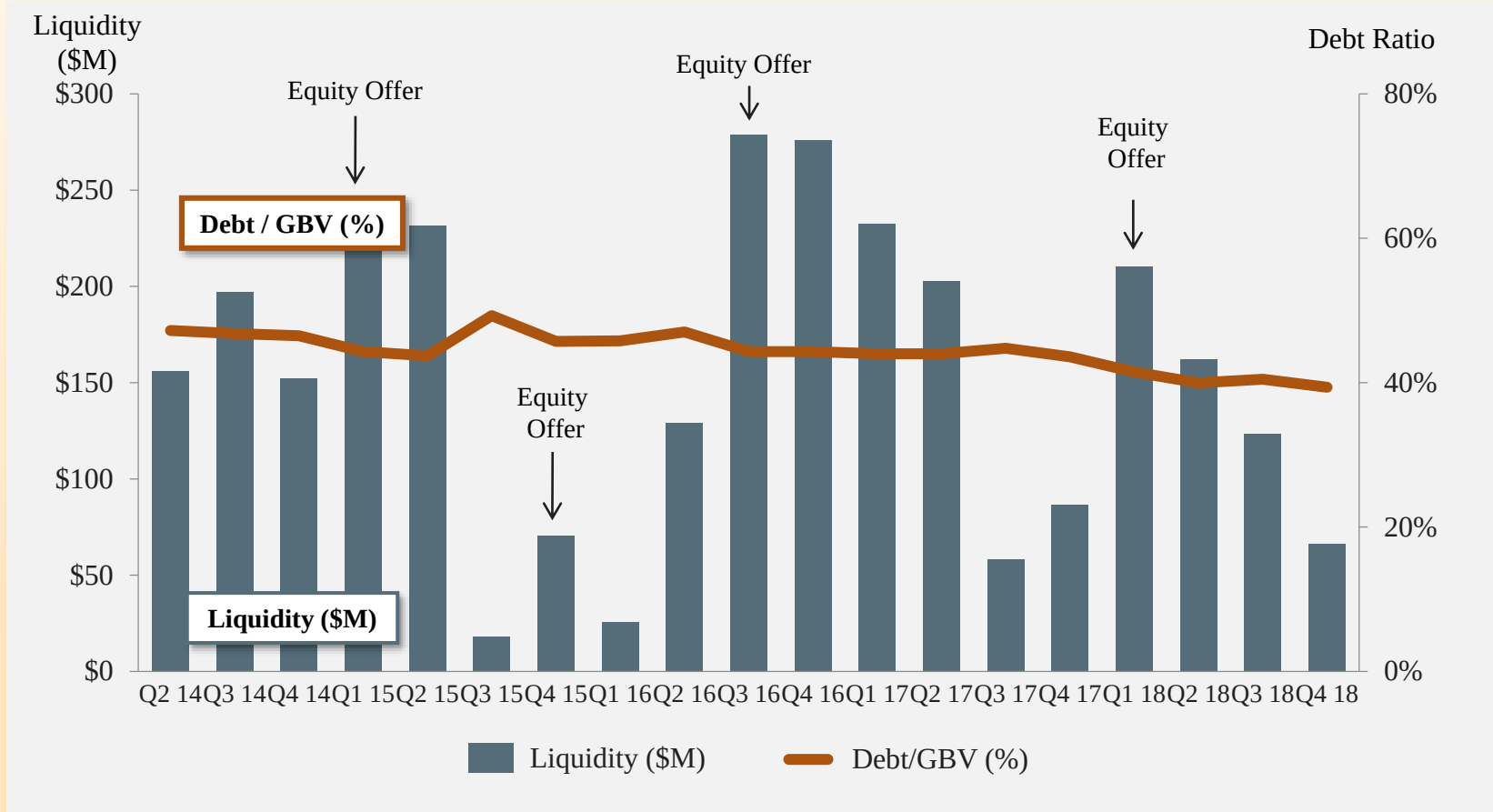
TOTAL MORTGAGE MATURITIES AND INTEREST RATES



\$420 million in unencumbered properties



SOLID LIQUIDITY POSITION



Effectively using liquidity to build value



MARK KENNEY
PRESIDENT & COO



BUILDING OUR FUTURE



Strengthening
Our
Operating
Platform



Driving
Resident
Satisfaction



Modernizing and
Strengthening
Our
Property
Portfolio

A STRONGER OPERATING PLATFORM



Strengthening
Our
Operating
Platform

- Investing in technology
 - In-Suite Turnover App
 - Operations Manager Checklist
 - Risk management solutions
- Enhanced efficiency, reduced costs
- Proven, experienced team

AON®

BESTEMPLOYER

6 years in a row



ENHANCED RESIDENT SATISFACTION



Driving
Resident
Satisfaction

- Closer engagement with residents
- New resident portal
 - One-line lease applications
 - Request and book tenant services
- Maintaining our “hands-on” approach

MODERNIZING THE PORTFOLIO



Modernizing and
Strengthening
Our
Property
Portfolio

- Purchasing newer properties
- Selling non-core older properties
- Develop new buildings on owned land
- Create new suites through intensification

LONG-TERM GOALS



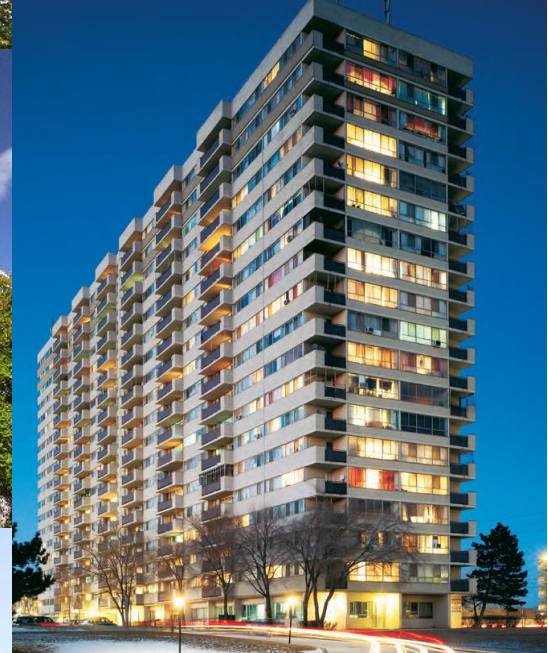
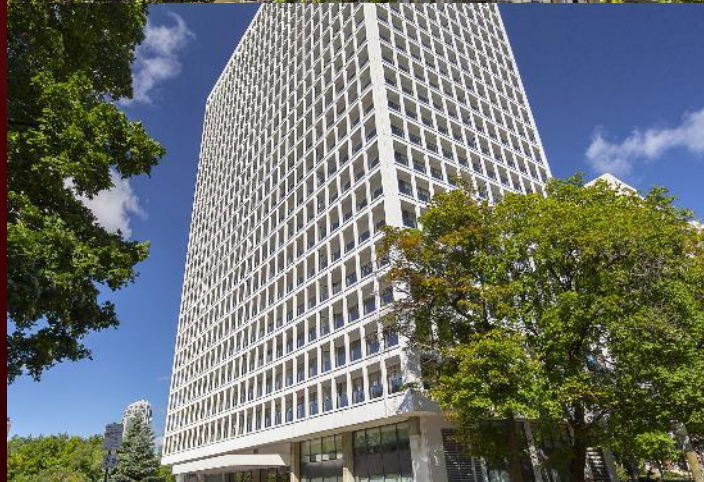
The Best Place to Work

The Best Place to Live

The Best Place to Invest

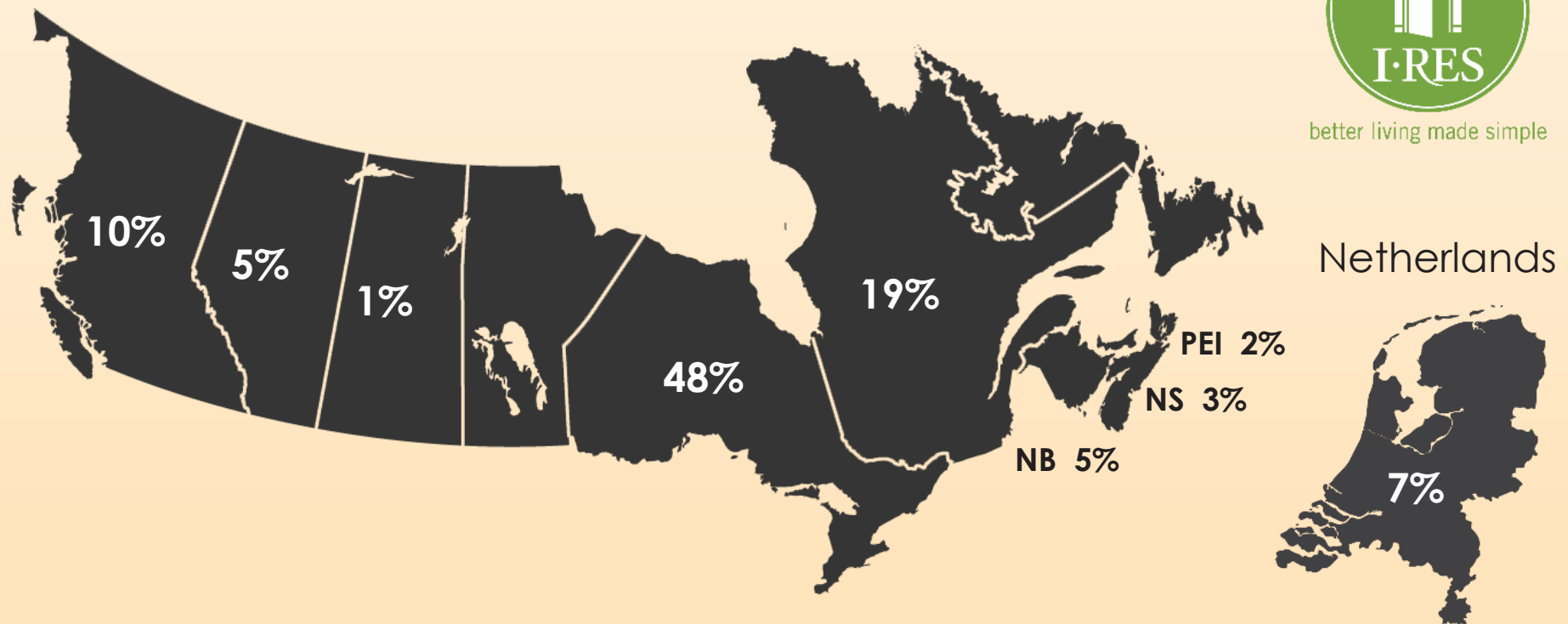


PROPERTY PORTFOLIO



ENHANCED GEOGRAPHIC DIVERSIFICATION

% OF TOTAL SUITES AND SITES



better living made simple

REGIONAL OVERVIEW - ONTARIO

Residential Suites as at Dec. 31,	2018	2017
% Total NOI	51.0%	52.5%
NOI (\$000)	223,923	206,483
NOI Margin (%)	64.4%	62.2%
Occupancy (%)	99.4%	99.4%
Net Average Monthly Rents (\$)	1,321	1,258



REGIONAL OVERVIEW - QUÉBEC

Residential Suites as at Dec. 31,	2018	2017
% Total NOI	17.7%	18.5%
NOI (\$000)	77,862	72,805
NOI Margin (%)	58.3%	56.6%
Occupancy (%)	99.2%	98.2%
Net Average Monthly Rents (\$)	970	927



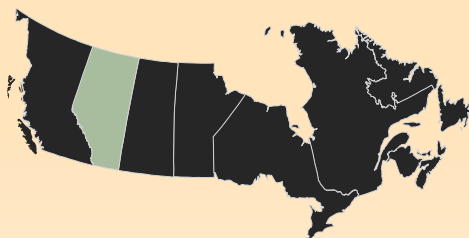
REGIONAL OVERVIEW – BRITISH COLUMBIA

Residential Suites as at Dec. 31,	2018	2017
% Total NOI	11.9%	11.8%
NOI (\$000)	52,230	46,453
NOI Margin (%)	71.1%	67.8%
Occupancy (%)	98.7%	99.8%
Net Average Monthly Rents (\$)	1,297	1,202



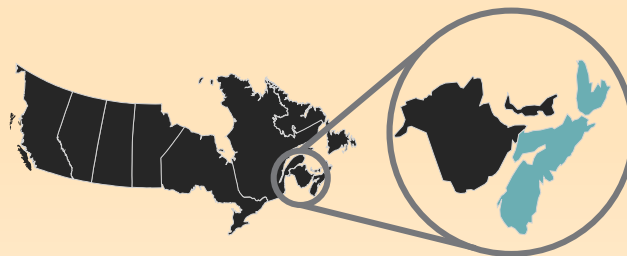
REGIONAL OVERVIEW - ALBERTA

Residential Suites as at Dec. 31,	2018	2017
% Total NOI	4.9%	5.3%
NOI (\$000)	21,487	20,861
NOI Margin (%)	60.7%	59.9%
Occupancy (%)	98.3%	97.8%
Net Average Monthly Rents (\$)	1,086	1,053



REGIONAL OVERVIEW – NOVA SCOTIA

Residential Suites as at Dec. 31,	2018	2017
% Total NOI	3.2%	3.3%
NOI (\$000)	14,004	13,115
NOI Margin (%)	61.4%	60.0%
Occupancy (%)	98.6%	97.7%
Net Average Monthly Rents (\$)	1,125	1,101



REGIONAL OVERVIEW - SASKATCHEWAN



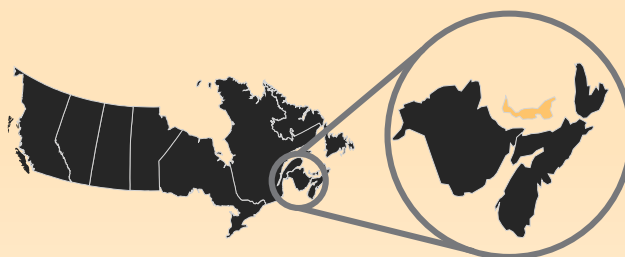
Residential Suites as at Dec. 31,	2018	2017
% Total NOI	0.5%	0.7%
NOI (\$000)	2,014	2,376
NOI Margin (%)	55.3%	57.3%
Occupancy (%)	96.2%	99.4%
Net Average Monthly Rents (\$)	1,035	1,053



REGIONAL OVERVIEW – PRINCE EDWARD ISLAND



Residential Suites as at Dec. 31,	2018	2017
% Total NOI	0.8%	0.7%
NOI (\$000)	3,355	2,807
NOI Margin (%)	50.4%	49.1%
Occupancy (%)	98.9%	98.7%
Net Average Monthly Rents (\$)	1,027	1,005



THE NETHERLANDS

Residential Suites as at Dec. 31,	2018	2017
% Total NOI	5.3%	2.4%
NOI (\$000)	23,760	9,288
NOI Margin (%)	71.7%	73.6%
Occupancy (%)	97.9%	94.8%
Net Average Monthly Rents (\$)	1,268	1,122



MHC PORTFOLIO

Residential Suites as at Dec. 31,	2018	2017
% Total NOI	4.7%	4.8%
NOI (\$000)	20,421	19,070
NOI Margin (%)	64.1%	62.1%
Occupancy (%)	97.6%	98.3%
Net Average Monthly Rents (\$)	395	388

