



Year-End 2019 Results Conference Call

TSX | CAR.UN
February 27, 2020





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 the MD&A, earnings releases and investor conference calls, CAPREIT discloses financial measures not recognized under IFRS which 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 similar measures reported by other issuers. CAPREIT presents the 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 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 IV under Non-IFRS Financial Measures. The Non-IFRS measures should not be construed as alternatives to net income or cash flows from operating activities determined in accordance with IFRS as indicators of CAPREIT's performance or sustainability of our distributions.



A Year of Significant Accomplishments



Mark Kenney

President & Chief Executive Officer

**Fraser Flats
Vancouver, BC**



Record Results Across All Platforms



Growth

39% market cap growth
18% portfolio growth
15% NOI growth
17% NFFO growth

Accomplishments

- ✓ Total of \$1.12 billion gross equity raised in 2019
- ✓ Executed 13 transactions in 2019 acquiring 6,957 suites for \$639M in Canada
- ✓ Largest year of acquisition volume since 2004



169% portfolio growth
114% NOI growth
100% FFO growth

- ✓ Total of \$311 million (€213 million) gross equity raised
- ✓ Vended-in the last Dutch properties from CAPREIT to ERES
- ✓ Executed 7 transactions acquiring 3,541 suites for €752 million



42% market cap growth
37% portfolio growth
23% NOI growth
19% NFFO growth

NFFO equivalent in Europe is EPRA Earnings

- ✓ Total of €134 million (\$198 million) gross equity raised
- ✓ Executed 5 transactions in 2019 acquiring 987 suites for €337M
- ✓ Increased credit facility from €350M to €600M

Strong Returns in The Netherlands



EUROPEAN RESIDENTIAL REIT (TSX: ERE.UN)

Market Capitalization: **\$1.07 billion**

- ✓ Continued CAPREIT investment as part of its diversification strategy
- ✓ As at December 2019, owns 5,632 rental units throughout the Netherlands
- ✓ CAPREIT provides property and asset management services for recurring fees
 - Fee revenues of **\$6.1 million in 2019** (eliminated upon consolidation)
- ✓ 66.0% CAPREIT majority ownership position
- ✓ **\$46.0 million** in NOI from ERES with an additional **\$10.2 million** in NOI prior to assets vended into ERES

2019 Highlights

- Acquired 3,541 suites in 2019, of which 2,710 suites were from CAPREIT resulting in a growth of 169% since inception
- September and December 2019 equity offerings raised gross proceeds of \$311 million to finance acquisitions and repay debt
- Repayment of credit facility resulting in \$109 million available liquidity, including the bridge facility

Strong Returns in Ireland



IRISH RESIDENTIAL PROPERTIES REIT plc (Euronext Dublin: IRES)

Market Capitalization: **€829.5 million**

- ✓ Continued CAPREIT investment as part of its diversification strategy
- ✓ As at December 2019, owns 3,666 properties across Ireland
- ✓ CAPREIT provides property & asset management services for recurring fees
 - Fee revenues of **\$8.0 million in 2019, up 10.3%** from last year
- ✓ 18.3% CAPREIT retained interest, receiving **\$7.2 million in dividends throughout 2019**

2019 Highlights

- Portfolio growth of circa 37% since Dec 2018 to 3,666 units
- Successfully raised gross proceeds of approximately €134 million in June and July 2019
- Largest acquisition in Ireland of 815-unit portfolio completed Q3 2019
- Currently 219 units contracted under pre-purchase contracts; in addition, development opportunity with planning permission received for 627 units

Strong & Accretive Growth

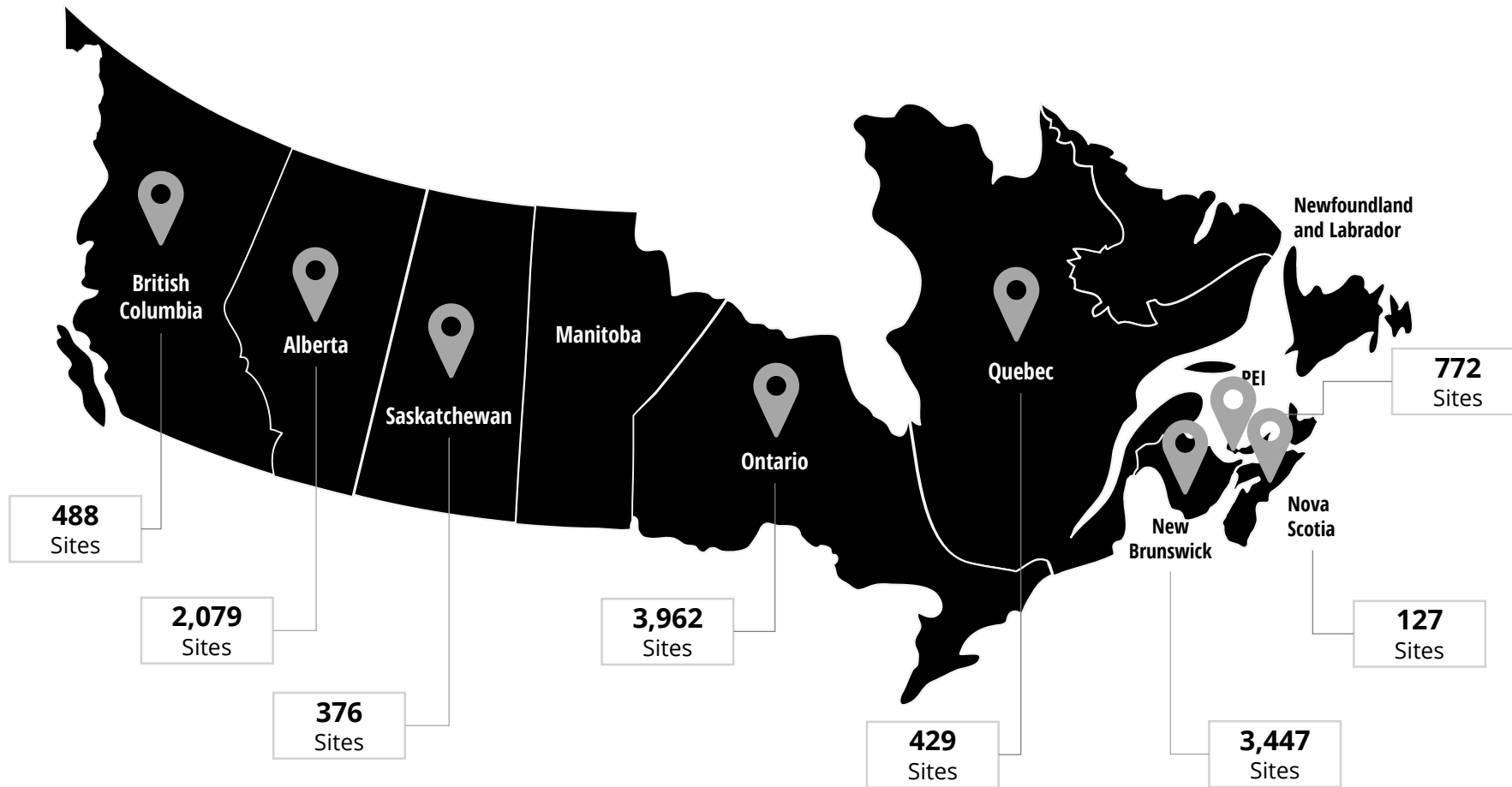
2019 Acquisitions	Suites	Cost
Netherlands Residential Suites	2,284	\$745.8 M
Canada Residential Suites	1,774	\$356.0 M
Canada MHC Sites	5,183	\$283.1 M
Total Suites & Sites	9,241	\$1.38 B



The Carrington
Calgary, AB

Canada's Second Largest MHC Owner

MHC presence across 72 communities Canada-wide



 MHC: communities present

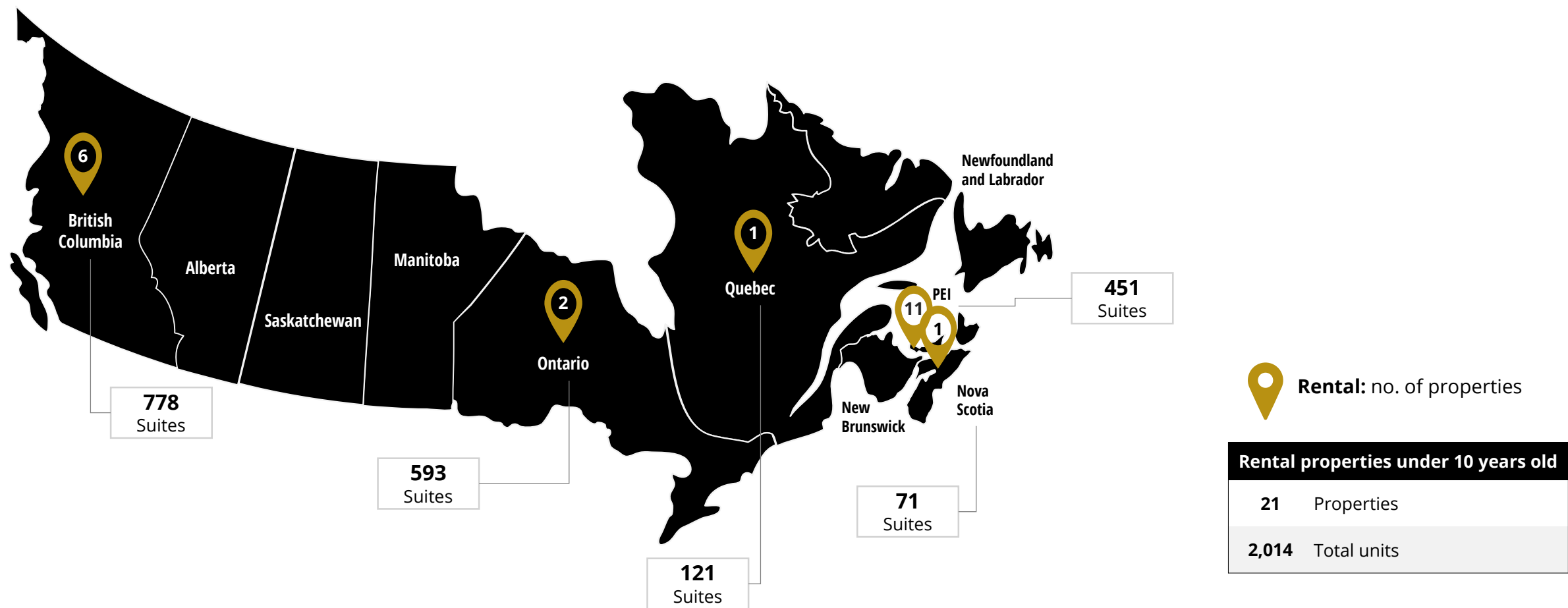
Manufactured Housing Community

72 Communities

11,680 Sites / Pads

Modernizing Our Asset Base

Rental properties built in the last 10 years



Strong Operating Performance



**The Meridian
Langley, BC**

Year Ended	December 31, 2019
Stabilized Occupancy: Residential Suites	99.2%
Stabilized Occupancy: MHCs	97.3%
Stabilized Net Average Monthly Rents: Residential Suites	\$1,258
Stabilized Net Average Monthly Rents: MHCs	\$412
Canadian Residential Rent Increases on Renewal / Turnover	2.1% / 13.5%
Same Property NOI Increase	4.9%
Stabilized Strengthening NOI Margins	64.4%

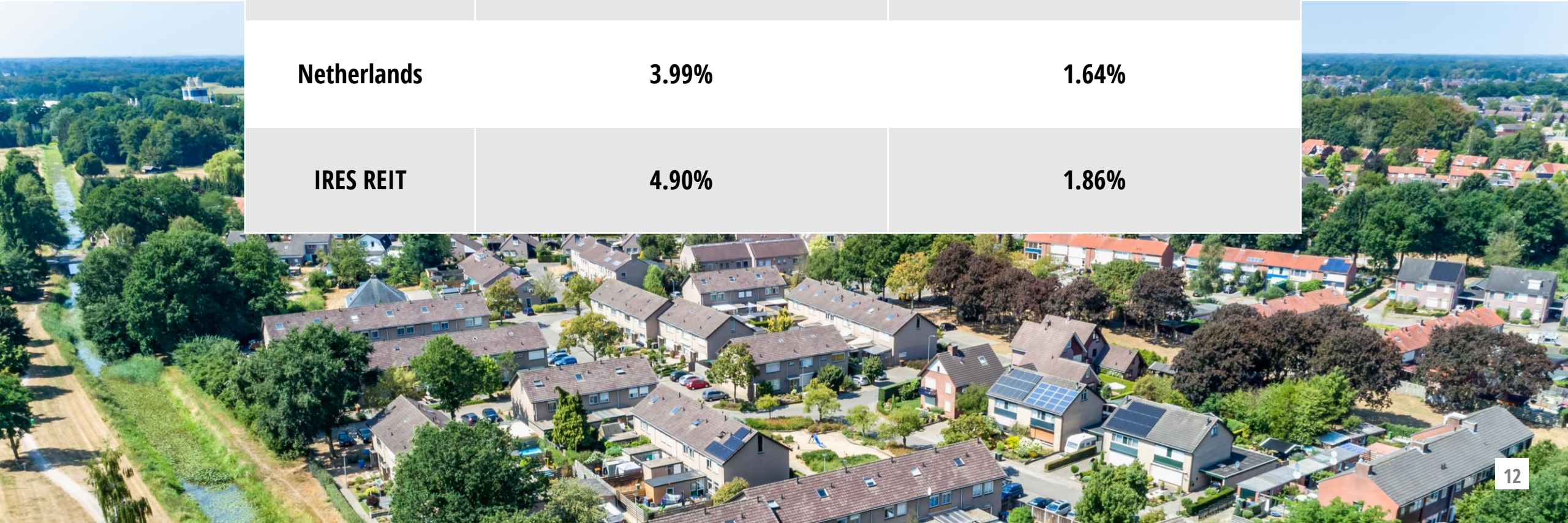
Driving Top-Line Growth

	Change in Monthly Rent on Turnovers	Change in Monthly Rent on Renewals	Weighted Average Increase in Stabilized Net AMR
Canada	13.5%	2.1%	4.6%
Netherlands	6.4%	3.5%	4.3%
IRES REIT	3.1% increase in monthly rents through renewals and turnovers		

Overall 4.1% Increase in Stabilized Net Average Monthly Rents

Attractive Spreads

	Weighted Average Cap Rates	Weighted Average Interest Rates
Canada	4.11%	3.07%
Netherlands	3.99%	1.64%
IRES REIT	4.90%	1.86%





Another Strong Quarter

**Kings Club
Toronto, ON**

Quarter Ended	December 31, 2019
Operating Revenues	+ 16.4%
Net Operating Income (NOI)	+ 20.8%
Stabilized NOI	+ 5.7%
Normalized Funds from Operations (NFFO)	+ 25.1%
Strong NFFO Payout Ratio	63.5%
NFFO per Unit	+ 11.2%
Weighted Average Units Outstanding	+ 12.4%

Record Results in 2019

Year Ended December 31	2019	2018 ⁽¹⁾	Change (%)
Operating Revenues	\$777.9M	\$688.6M	+ 13.0%
NOI	\$508.2M	\$440.6M	+ 15.3%
Stabilized NOI	\$454.5M	\$433.1M	+4.9%
NFFO	\$339.1M	\$289.3M	+ 17.2%
NFFO Payout Ratio	64.6%	65.7%	- 1.1%
NFFO per Unit	\$2.139	\$2.024	+ 5.7%
Weighted Avg. Units O/S (000's)	158,553	142,974	+ 10.9%



Scott Cryer

Chief Financial Officer

**The Point
Langley, BC**



Strong & Flexible Financial Position

Year Ended December 31	2019	2018
Total Debt to GBV	34.99%	39.37%
Weighted Average Mortgage Interest Rate	2.78%	3.05%
Weighted Average Term to Maturity (years)	5.13	5.10
Debt Service Coverage	1.87x	1.75x
Interest Coverage	3.69x	3.44x

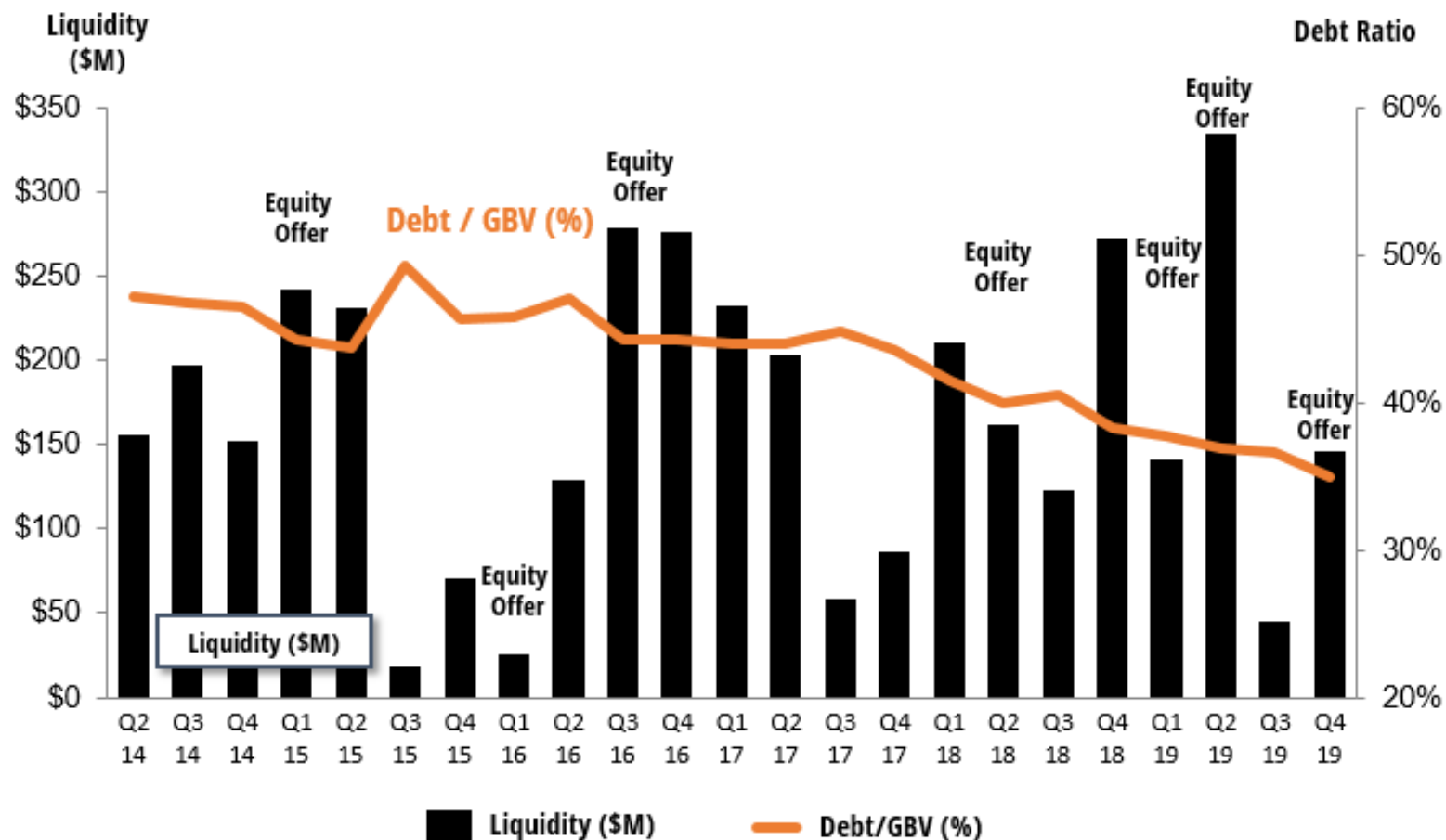
Robust flexibility to provide the financial resources in support of our continued portfolio growth

Well-Positioned Mortgage Portfolio

Total Mortgage Maturities and Interest Rates



Solid Liquidity Position



\$1.1 billion in equity offerings in 2019
\$477 million of available cash at year-end



Parkbridge
BC, AB, ON

Capital Strategy

Current Debt Exposure	Asset	Debt	Leverage
Canadian Mortgages (CMHC)	10,497	3,258	
MHC Debt/Conventional Debt	600	184	
Total Canadian	11,097	3,442	31%
Netherland Mortgage Debt (66%)	1,295	579	45%
ERES LOC (66%)		24	
EURO based borrowings		655	
Ireland Equity Investment (@FV)	221		
Total Europe	1,516	1,258	83%
Total Leverage	12,613	4,700	37%

- Over \$3 Billion Dollars of CMHC Based Debt
- Over \$1 Billion Dollars of EURO based Debt at share
- Lower cost of borrowing for EURO based Debt
- Significant MHC based acquisitions growth with mean bigger need for non CMHC Debt
- Development will impact our need for Short Term Debt Financing - LOC
- Unencumbered Pool of over \$940M



Mark Kenney

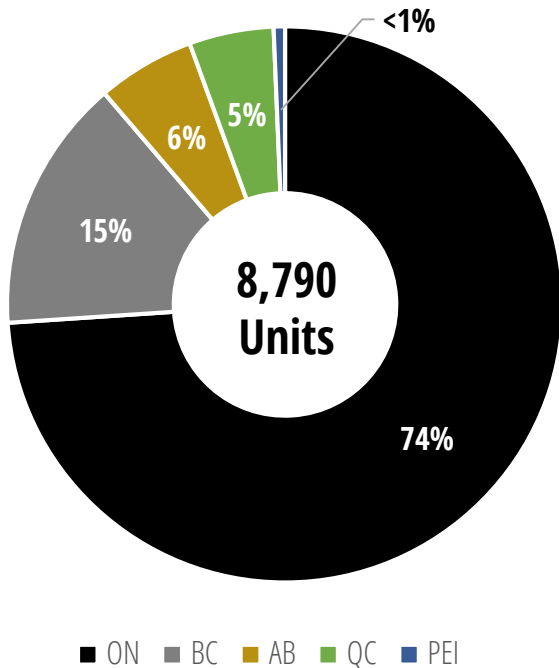
President & Chief Executive Officer



The Carrington
Calgary, AB

Development Pipeline

Pipeline of Potential Developments



Completed Projects: 1

A. 2525 Cavendish, Montreal QC

- Involves **conversion** of vacant commercial units into 52 new rental units in an existing property
- Building permit timeline:
 - a. application submission Jan 2017
 - b. approval received Oct 2018
- Construction start in Q1 2019
- 3-Phase occupancy in Q3 2019
- Full lease-up by November 2019

Active Applications: 2

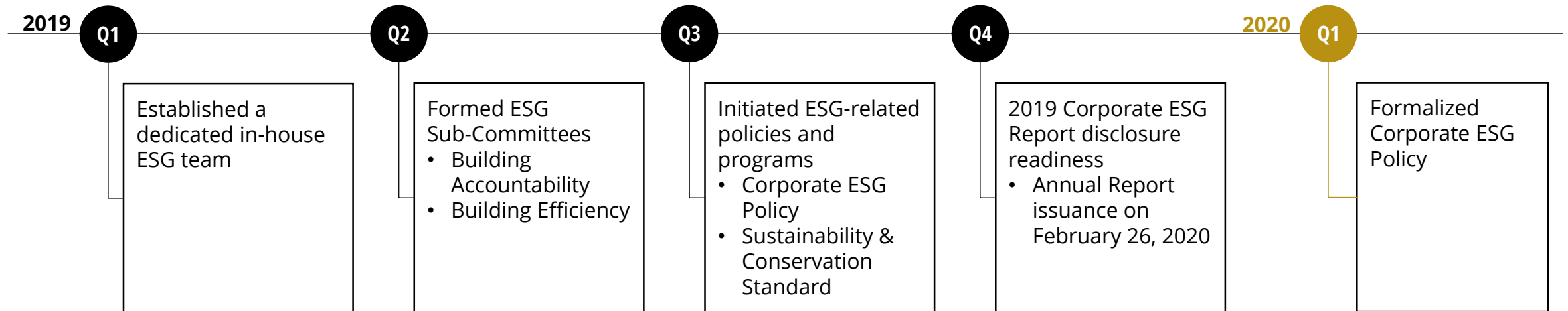
A. 100 Wellesley, Toronto ON

- Involves development of 128 units in an 11-storey **infill** building
- Toronto City Council endorsed the settlement option on December 18, 2019
- 1-Day settlement hearing at the Local Planning Appeal Tribunal scheduled March 16, 2020

B. 141 Davisville, Toronto ON

- Involves development of 146 units in a proposed 16-storey **infill** building
- Currently under review with Toronto City staff with an expected zoning approval in Q3 2020

ESG Integration Highlights



Delivering Value: Corporate Strategy



LIVE



Resident

- ✓ Enable self-service
- ✓ Enhance resident experience

WORK



Employee

- ✓ People development programs
- ✓ Foster business agility

INVEST



Unitholders

- ✓ Modernizing portfolio
- ✓ Risk & Insurance Management
- ✓ ESG Policy implementation

Contact Us

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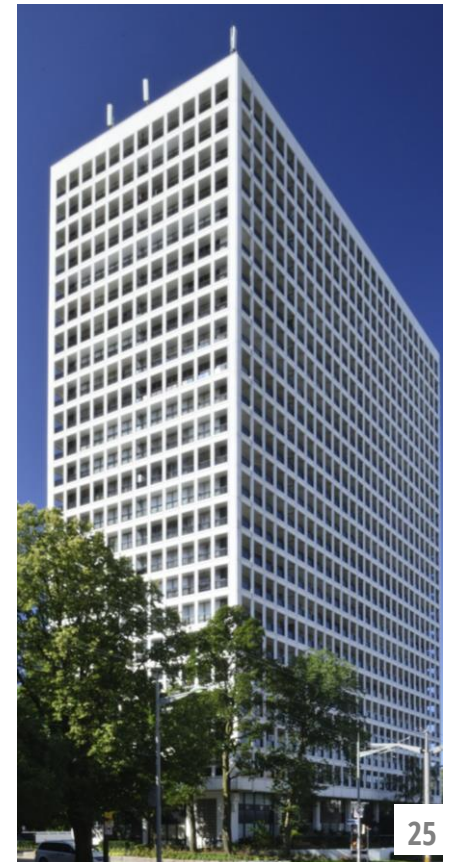


Thank you!

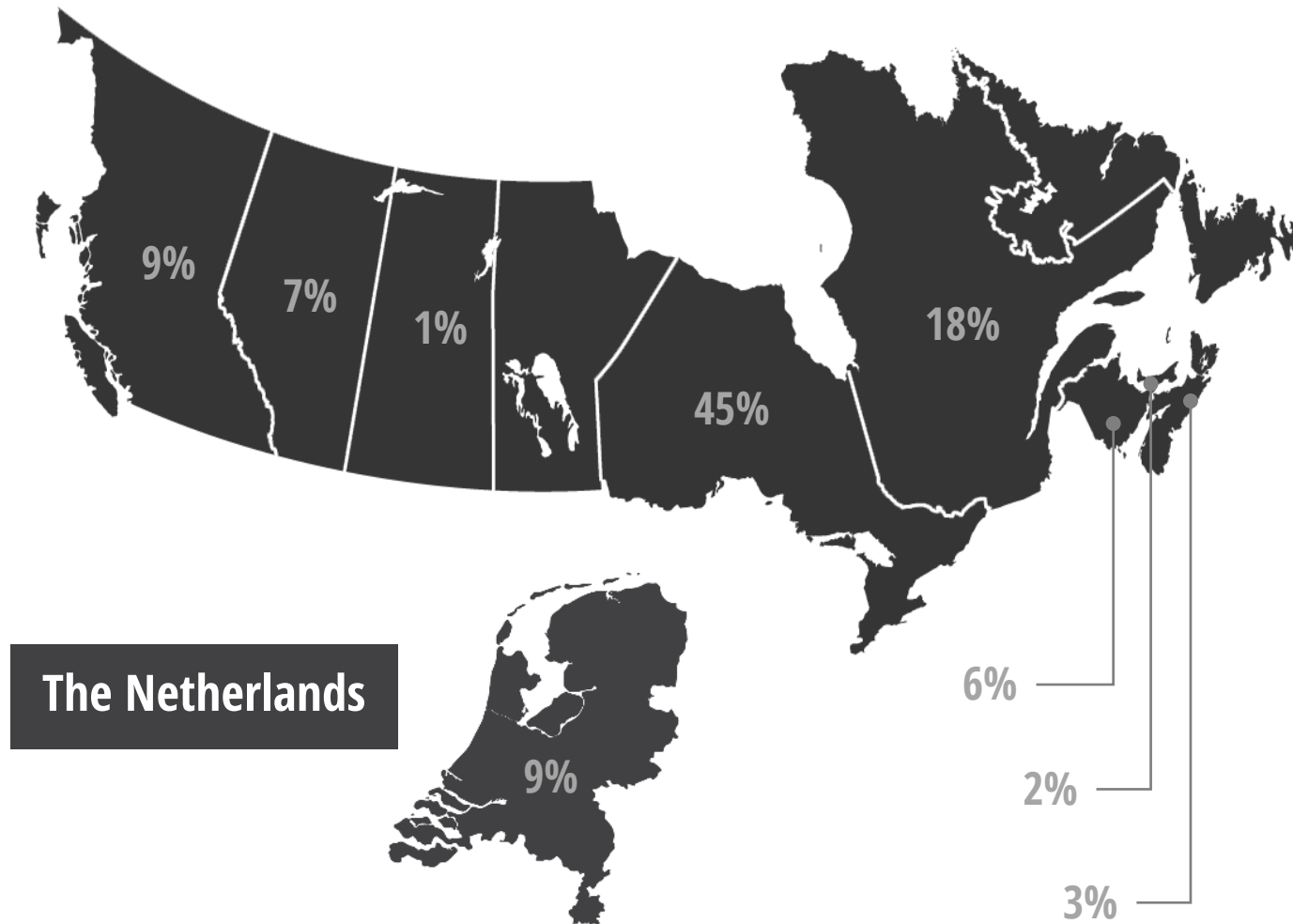


Property Portfolio

Kings Club
Toronto, ON



Portfolio Snapshot as at December 31, 2019



To date, CAPREIT manages **64,379** suites and sites across Canada, the Netherlands and Ireland

Total NOI ¹	Residential Suites NOI ¹	MHC Sites NOI ¹
\$508.2M	\$476.9M	\$31.3M



Irish Residential Properties REIT ("IRES") is listed on the ISE²

- IRES IPO in April 2014
- CAPREIT holds 18.3% interest of IRES
 - \$7.2 million in dividends in 2019
- Strong recurring asset and property management revenues
 - \$8.0 million in 2019, up 10.3% from last year



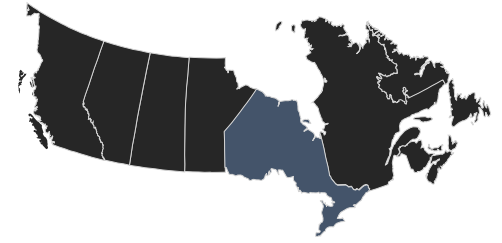
European Residential REIT ("ERES") is listed on the TSXV³

- ERES reverse take-over completed in March 2019
- CAPREIT holds 66.0% ownership interest of ERES
- Providing property and asset management services for fees
- \$56.2M in NOI from ERES as at Q4¹

1. For the year ended December 31, 2019.
 2. ISE stands for the Irish Stock Exchange, now trading as Euronext Dublin.
 3. TSXV stands for the Toronto Ventures Stock Exchange.

Regional Overview

Ontario

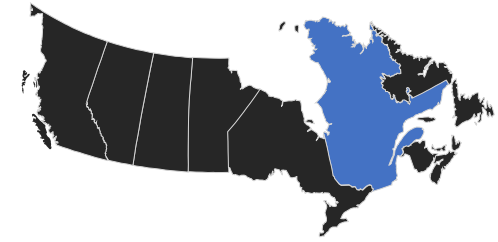


Residential Suites as at Dec. 31,	2019	2018
% Total NOI ⁽¹⁾	47.2%	50.8%
NOI (\$000) ⁽¹⁾	239,634	224,103
NOI Margin (%) ⁽¹⁾	65.2	64.4
Occupancy (%)	99.2	99.4
Net Average Monthly Rents (\$)	1,375	1,321

(1) For the year ended December 31, 2019

Regional Overview

Quebec

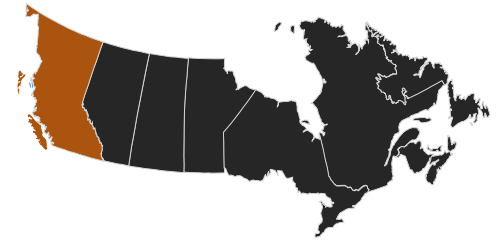


Residential Suites as at Dec. 31,	2019	2018
% Total NOI⁽¹⁾	15.4%	17.6%
NOI (\$000)⁽¹⁾	78,477	77,862
NOI Margin (%)⁽¹⁾	58.8	58.3
Occupancy (%)	99.2	99.2
Net Average Monthly Rents (\$)	1,006	970

(1) For the year ended December 31, 2019

Regional Overview

British Columbia



Residential Suites as at Dec. 31,	2019	2018
% Total NOI ⁽¹⁾	11.9%	12.1%
NOI (\$000) ⁽¹⁾	60,679	53,230
NOI Margin (%) ⁽¹⁾	70.6	72.4
Occupancy (%)	99.1	98.7
Net Average Monthly Rents (\$)	1,403	1,297

(1) For the year ended December 31, 2019

Regional Overview

Alberta

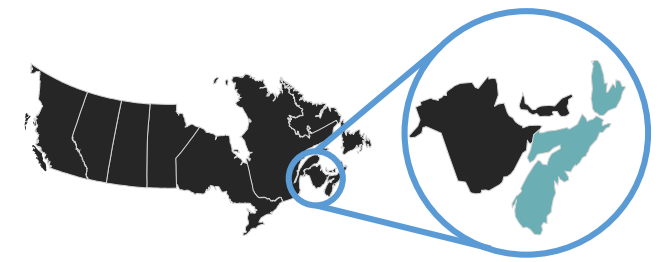


Residential Suites as at Dec. 31,	2019	2018
% Total NOI⁽¹⁾	4.3%	5.0%
NOI (\$000)⁽¹⁾	21,869	21,816
NOI Margin (%)⁽¹⁾	60.6	61.6
Occupancy (%)	97.3	98.3
Net Average Monthly Rents (\$)	1,113	1,086

(1) For the year ended December 31, 2019

Regional Overview

Nova Scotia



Residential Suites as at Dec. 31,	2019	2018
% Total NOI⁽¹⁾	2.9%	3.2%
NOI (\$000)⁽¹⁾	14,733	14,004
NOI Margin (%)⁽¹⁾	61.3	61.4
Occupancy (%)	98.1%	98.6
Net Average Monthly Rents (\$)	1,184	1,125

(1) For the year ended December 31, 2019

Regional Overview

Saskatchewan

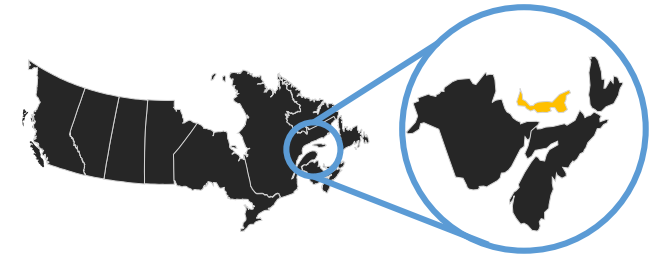


Residential Suites as at Dec. 31,	2019	2018
% Total NOI ⁽¹⁾	0.3%	0.5%
NOI (\$000) ⁽¹⁾	1,600	2,014
NOI Margin (%) ⁽¹⁾	55.9	55.3
Occupancy (%)	97.9	96.2
Net Average Monthly Rents (\$)	1,035	1,035

(1) For the year ended December 31, 2019

Regional Overview

Prince Edward Island



Residential Suites as at Dec. 31,	2019	2018
% Total NOI ⁽¹⁾	0.7%	0.8%
NOI (\$000) ⁽¹⁾	3,655	3,355
NOI Margin (%) ⁽¹⁾	50.5	50.4
Occupancy (%)	99.1	98.9
Net Average Monthly Rents (\$)	1,083	1,027

(1) For the year ended December 31, 2019

MHC Portfolio

Residential Sites as at Dec. 31,	2019	2018
% Total NOI⁽¹⁾	6.2%	4.6%
NOI (\$000) ⁽¹⁾	31,295	20,421
NOI Margin (%) ⁽¹⁾	65.9	64.1
Occupancy (%)	96.0	97.6
Net Average Monthly Rents (\$)	383	395

(1) For the year ended December 31, 2019



Regional Overview

Europe



Residential Suites as at Dec 31,	2019	2018
% Total NOI⁽¹⁾	11.1%	5.4%
NOI (\$000)⁽¹⁾	56,208	23,760
NOI Margin (%)⁽¹⁾	77.0	71.7
Occupancy (%)	97.2	97.9
Net Average Monthly Rents (\$)	1,231	1,268

Inclusive of commercial properties within the ERES portfolio

(1) For the year ended December 31, 2019